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HOUSE OF REPRESENTATIVES—*Thursday, May 22, 1986*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

WASHINGTON, DC,
May 21, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, May 22, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we ask for the gift of belief that we will see life in a new and positive light. Make full our faith so we sense a world of opportunity and not just disappointment, so we can experience hope and not fear. Teach us, O God, to trust in Your way so we will ever know the comfort of Your everlasting presence. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment joint resolutions and a concurrent resolution of the House of the following titles:

H.J. Res. 526. Joint resolution to designate the week of May 25, 1986, through May 31, 1986 as "Critical Care Week";

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day"; and

H. Con. Res. 311. Concurrent resolution to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 124) "An act entitled the 'Safe Drinking Water Amendments of 1986'."

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 2416) "An act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing

PUBLIC NOTICE

Effective June 2, 1986, new procedures for public distribution of Congressional Documents will be instituted at the Document Rooms of the Senate and House of Representatives. On that date, public distribution of both House and Senate materials will be handled only through the Senate Document Room located in Room B-04, Hart Senate Office Building. (Members and Congressional staff will be able to use both Document Rooms without change in service.)

The public will be entitled to receive *one* free copy of any bill, report, resolution, public law or other document typically distributed in the Document Room. Additional copies of items may be purchased for a minimal charge at the same time, at the same location. Payments will be accepted in cash, by credit card or through deposit accounts established with the Superintendent of Documents. Public inquiries concerning document availability and ordering procedures should be made on or after June 2 to the Document Room at (202) 224-7860.

Since the Document Rooms have not traditionally furnished copies of committee prints and hearings, a special sales outlet for these publications, named the Congressional Sales Office, has been established across the lobby from the main GPO Bookstore, North Capitol and G Streets, N.W. To obtain information on this outlet, including the titles of publications offered for sale or to place a mail order, please refer the public to the Superintendent of Documents Congressional Desk at (202) 275-3030.

These new procedures have been instituted in response to the sequestrations mandated by the Gramm-Rudman-Hollings deficit reduction act. We believe the system as designed will provide continuing free access to information while reducing the costs of Congressional printing.

By order of the Joint Committee on Printing.

CHARLES McC. MATHIAS, JR., *Chairman.*

any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 382. Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

The message also announced that the Senate had passed a bill, joint resolution and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2180. An act to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974;

S.J. Res. 347. Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week"; and

S. Con. Res. 140. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will postpone recognition of Members for 1-minute statements until after the completion of the business for the day.

TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4800.

□ 1005

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4800) to enhance the competitiveness of American industry; and for other purposes, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 21, 1986, amendment numbered (8) in House Resolution 456 had been completed. No amendments are in order except the remaining amendments made in order in said resolution.

AMENDMENT OFFERED BY MR. EVANS OF ILLINOIS

Mr. EVANS of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. EVANS of Illinois: Page 355, line 14, after "international trade" insert the following: ", including the mass layoffs and plant closings that are caused by or substantially related to the conduct of government procurements in accordance with title III of the Trade Agreements Act of 1979."

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Illinois [Mr. EVANS] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Illinois [Mr. EVANS].

Mr. EVANS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate having the opportunity to offer my amendment here today. I believe getting this trade bill to the floor for consideration is urgently needed and commend the House leadership for moving it so quickly.

Like some of you here today, I represent an area that has been devastated by our Nation's trade policies. Just 2 weeks ago, some 1,100 residents of the Quad Cities area learned they were losing their jobs in the heavy manufacturing industry because their company cannot compete with overseas sellers. They join the textile workers, farm equipment workers and the small town businessmen in the unemployment lines, and bloat my area's jobless rate to the mid-teens.

The trade bill reported out by the various committees contains many provisions to try and to help these sectors. I commend the committee chairmen for their yeoman-like work in getting this bill out for consideration. But an essential element is missing from the bill.

Not only are American industries hurting because of imports and unfair trading practices abroad, but the "open trade" policy of U.S. Government procurement is putting people out of work right here in our country.

Some of you may have heard of my efforts and efforts by other Members of Congress in regards to the award of defense contracts to a foreign company that is 15 percent owned by Libya. This is an extreme case where we are providing the funds for the bullets and missiles to be aimed at our own military.

The House recognized the problem and passed House Concurrent Resolution 315, introduced by Representative MCCLOSKEY, which urges the Defense Department to withhold awarding this contract which will benefit Libya. But this contract should not be seen as an isolated case.

Across the board, it is clear that current trade policies which give foreign companies access to the U.S. Government procurement process are resulting in the erosion of our vital industrial base, particularly in the heavy manufacturing sector, and in the loss of American jobs.

My amendment to the education and labor section of the bill addresses these problems. It recognizes the link between international trade policy and industrial displacement at home.

All my amendment does is ask that when reports are made about the impact of international trade on mass layoffs and plant closings, those reports also include those layoffs or closings that are caused by or are substantially related to the conduct of Government procurements in accordance with title III of the Trade Agreements Act of 1979.

Title III of this act essentially waives the "Buy American" clauses that exist in current law. It opens up the procurement process to foreigners.

The idea behind this policy is that the foreign governments will then open up their procurement process to American companies. The fact is this tit-for-tat exchange just isn't happening.

What is happening is that foreign companies are repeatedly underbidding U.S. companies and obtaining Government contracts, particularly defense contracts. On the other hand, U.S. companies are still hitting brick walls in their search for foreign contracts.

There is only so much we can do directly to make those foreign governments open up and that's a matter for negotiation. But in the meantime, American workers and American industries are going down the tubes.

I am not asking that title III be abolished or that our trade negotiators' hands be tied in any way. But it is clear that we need to deal with this as a trade issue. Trade policies concerning how this Government lets contracts are affecting the jobs of American workers and threatening our industrial base just as surely as any other import restriction or unfair trade practice. We need to know the extent of this impact. Then based upon that information, we can determine what, if any, remedies are needed.

That is why this amendment belongs on the trade bill and is being offered here today. In fact, title III of the Trade Agreements Act recognized that this waiver of "Buy American" could have serious consequences for certain industries and certain areas. But it seems that the concerns expressed in 1979 have been forgotten. More up-to-date information is needed.

I have said this is a trade matter and that is evident. But we should also recognize the national security issues that are involved here as well.

The erosion of our industrial base, continued chronic unemployment, particularly in our manufacturing centers, and the loss of domestic and foreign markets result not only in a weakened economy, but seriously damage this country's ability to meet its defense needs.

We must maintain an industrial mobilization base that we can respond in times of national emergency or war. The trend toward a service economy is not a question of pink collar versus blue collar. It is a matter of keeping our country's defensive capability strong by keeping our industrial sector strong. Giving more and more contracts to a Fiat, a Komatsu or a Baretta while American companies like Case, International Harvester, and Caterpillar shrink or disappear presents a clear and present danger. If we take no action, we will be the ones who watch over the demise of our industrial defense base.

I urge my colleagues to support this amendment.

The CHAIRMAN. Does any Member seek time in opposition?

Mr. SENSENBRENNER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. SENSENBRENNER] is recognized for 15 minutes.

(By unanimous consent, Mr. SENSENBRENNER was allowed to speak out of order.)

JUDGE CLAIBORNE SHOULD RESIGN

Mr. SENSENBRENNER. Mr. Chairman, on May 16, 1986, U.S. District Judge Harry E. Claiborne of Nevada became the first sitting Federal judge to go to prison. He is also the first Federal judge in history to be incarcerated for offenses committed while serving on the bench.

Chief Judge Claiborne was convicted by a jury in August 1984 for failing to report $106,000 income from his law practice on Federal tax returns in 1979 and 1980. He was sentenced to 2 years in prison and a fine of $10,000. The Federal Court of Appeals for the Ninth Circuit affirmed the conviction and the U.S. Supreme Court declined to grant certiorari.

Mr. Chairman, Judge Claiborne has refused to resign from his lifetime position and will continue to draw his $78,000 annual salary unless he is removed by the impeachment process. An impeachment proceeding must be originated in the House of Representatives. At this time, there appears to be no activity to get the impeachment process started.

Therefore, in order to uphold the integrity of the judiciary and prevent erosion in public confidence in judges, I am requesting that Judge Claiborne immediately resign from his position as U.S. district judge. If he does not submit his resignation by June 4, 1986, I will introduce a resolution calling for his impeachment.

Mr. Chairman, I reserve the balance of my time.

Mr. EVANS of Illinois. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, the understanding of the amendment is that it merely requires a study of the impact of current government procurement policies on plant closings and mass layoffs. This impact study is to be made in conjunction with studies that are otherwise authorized to be made. Certainly those of us who have looked at this form the viewpoint of including it in title V of the bill under the jurisdiction of the Education and Labor Committee are of the opinion that the study certainly will accomplish some good. I see no reason why one would oppose such a study, and for that reason we are very willing to accept the amendment and hope that it will be adopted.

Mr. EVANS of Illinois. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. I thank the gentleman for yielding time to me.

Mr. Chairman, the grim realities of our trade problem are visible everywhere. They confront us when we read of hollow corporations, and a trade deficit that stood at $25 billion when President Reagan took office, and mushroomed to almost $150 billion last year. But they are perhaps most telling when we walk the streets of our manufacturing centers and encounter closed factories and laid-off workers, or visit the farm States, and see how the loss of overseas markets has driven farmers off the land, their dreams destroyed.

Many Americans have become convinced that two sets of rules apply in international trade; one which the United States follows, and one available to everyone else. We negotiate agreements that are intended to stimulate fair trade and our trading partners ignore them. We open our markets, only to find foreign markets closed to us. We talk to our friends and allies about our trade concerns, and we get promises for the future but no help in the present. It has begun to sink in on the American people that their country is being played for a patsy on the issue of trade. They are angry, they are frustrated, and they want something done.

In response, the administration offers a continuation of the passivity which is the hallmark of its current trade policy. We are told that we can't risk offending our trading partners or they will retaliate. If their markets were now truly open, that would be a legitimate concern. They are not. If we had stabilized the market shares of even our traditionally strong export industries, that would be a reason not to imperil them. We have not. The simple fact is that the administration's trade policy provides the worst of two worlds. It insures a continued flood of imports to our country through a lack of response to violations of existing trade laws and agreements, and it guarantees continued limited markets abroad because of a lack of a demonstratable link between market access to foreign products here, and market access to our products overseas.

We have to be able to do better than that. The trade bill now under consideration is a better alternative. H.R. 4800 offers a plan of action that will: require retaliation against violations of existing trade agreements; permit the imposition of duties where subsidies make fair competition impossible; make it less likely that the behavior of our currency will place us at a disadvantage in international trade; improve the competitiveness of our workforce; and eliminate unnecessary controls on exports. The bill will remove the blinders which we have had on for far too long on matters relating to trade, and establish a new policy based on the realities of an international economy. I hope that the passage of this bill will educate those with whom we trade to the fact that Americans don't like to be taken advantage of. We expect one set of rules to apply to everyone, on trade or any other international activity, and we will no longer ignore instances in which those rules are broken.

Mr. Chairman, we will be considering a number of amendments to H.R. 4800. One, to be offered by Congressman LANE EVANS of Illinois, clearly improves this legislation. Under the Evans amendment, which I intend to support, the Labor Department will conduct a study on the relationship between Federal procurement practices and plant closings and layoffs. We can no longer tolerate a situation in which Government contracts facilitate the loss of American jobs and the ruin of American businesses. I hope that the study required by the Evans amendment will provide the basis for some sensible legislative or administrative initiatives in this area.

Wishful thinking won't improve our trade problems. We need a comprehensive means of attacking them. H.R. 4800 offers that approach and it deserves the support of this House.

Mr. EVANS of Illinois. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I join in strong support of this amendment. I believe that the request of my colleague, the gentleman from Illinois

[Mr. EVANS], is not only reasonable but it is certainly advisable in light of what has happened to the economy in the Midwest and across this Nation.

Several months ago I joined my colleagues on the Appropriations Committee in asking the Department of Defense to look into this very real issue. Our approach to it is slightly different than Mr. EVANS' approach, and I believe that it is complementary to suggest this amendment, together with the Department of Defense initiative, can result in substantial improvement in the procurement practices by the Department of Defense.

Let me be specific. I live in a part of the world where we have very few defense contractors. In two specific instances in my central and western Illinois congressional district we have had local firms which were willing, ready and able to produce quality products for the Department of Defense lose in the bidding procedure to overseas firms. The Department of Defense has answered my complaints by suggesting that they were awarding the contracts to the lowest bid. But what is raised by Mr. EVANS' amendment and the important consideration today is not what the low bid happens to be but what the real cost of the contract happens to be. What is the real cost of the contract we send overseas when in fact tens if not hundreds of American workers are put out of work and unemployed?

The real cost goes beyond the actual contract. The Government incurs obligations to those people and their families.

In addition are the human costs. These are people who cannot contribute to their communities in the United States because we want to save 50 cents or a dollar on a bid overseas. I am not suggesting that we should take higher bids as a matter of course, but I am suggesting that we should measure the real cost of our defense contracts.

An equally important consideration is the erosion of our mobilization base. God forbid the time should ever come that this Nation would have to mobilize for war again. But should it ever occur, can we expect reliable sources of equipment and materials to come from overseas? Should we not maintain in the United States a basic industrial base that is ready and available to make products from companies like Wagner Castings of Decatur, which recently lost a bid to an overseas firm, to companies like CanAm Industries in Quincy, IL, which had to prevail upon the Department of the Army to change its procedure so that they would have a chance to bid on important tank wheels?

I believe the gentleman from Illinois has offered a very valuable amendment, and I think that what he is suggesting today is reasonable. The frustration of American workers with defense contracts awarded to overseas firms and this administration's trade policy of cloying weakness; this frustration is building across our country. It is becoming a rolling thunder which threatens to shake our Nation and its economy to its core.

This study is timely, it is necessary, and I rise in strong support of the gentleman's amendment.

□ 1015

Mr. SENSENBRENNER. Mr. Chairman, I yield the balance of my time to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. I thank the gentleman for yielding me this time.

Mr. Chairman, I wish to take just a couple of minutes to explain that my amendment will be coming up next with respect to other improvements which I believe will enhance title V of this bill.

The amendment that I will be offering is an attempt to try and deal with some of the problems that we have as we look toward what must be done in order to meet our trade deficiency. We have spent, in my mind, too much time thinking about defensive tactics and too little time looking at an overall offensive strategy.

My amendment will try to add some funding for the purposes of doing something about our research and development facilities at our colleges and universities which are grossly lacking. In addition to that, it will attempt to deal with other problems, for example, providing technical assistance to labor management committees by regional experts designated by the Secretary of Labor. These committees will be established in order to do something about bringing labor and management together to work toward improving productivity and having fewer disputes regarding the problems and difficulties in their particular industry.

The amendment also requires two research studies. One to increase the data base regarding employment, unemployment and dislocation of farmers and ranchers in order to effect better services to them and to their communities, and, two, to seek means to coordinate employment services in the training programs authorized under this title.

It also would examine management alternatives to production cutbacks other than permanent work force reductions. I bring this amendment to the Members' attention at this time because I did have several amendments printed in the RECORD. This situation came about due to some confusion as to what I would be allowed to do through the rule and what would be in the Republican substitute.

Finally, I want to commend the chairman of the Education and Labor Committee for the effort that he has put into title V, and to insuring that we do have in this bill some positive responses to some of the difficulties that we have in the trade area.

Mr. EVANS of Illinois. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the Evans of Illinois amendment to require the Department of Labor to report on the impact of current Government procurement policies on plant closings and mass layoffs.

Just last week, the House and Senate took action in seeking to block the award of a $7.9 million Department of Defense contract to a firm in which the Libyans own a 15-percent interest. The award of such contracts in the past helped force a decision by Case IH to lay off 1,500 employees in Illinois, Indiana, and Iowa. This tragic event underscored the larger dimensions of a problem that is not getting any better.

In fiscal year 1985 alone, the U.S. Department of Defense awarded approximately $8 billion worth of contracts to foreign firms or firms performing contracts outside of the United States.

This policy has thrown open the lucrative U.S. Government procurement market to foreign bidders. It has wrought economic devastation on America's industrial heartland. It threatens to deindustrialize America. It is about time we knew how badly these policies are eroding our industrial base.

The Evans amendment is a vital part of our overall efforts to bring some sense to DOD contracting and other Government procurement policies.

I want to compliment the gentleman from Illinois on his amendment and urge my colleagues to support it.

Mr. EVANS of Illinois. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding me this time.

Mr. Chairman, I wish to first commend the gentleman from Illinois [Mr. EVANS] for his efforts in this regard.

Mr. Chairman, I am very concerned, coming from a district probably decimated by our trade practices and the economic decline of the American industrial infrastructure as I have lost 55,000 in the last 10 years and replaced them with 7,000 jobs. The 55,000 I lost averaged $9 to $12.50 an hour with full benefits. The ones that we have gained are about $3.50 to $5.50 an hour with no benefits whatsoever.

The amendment that the gentleman brings forward is right to the point. We are not even talking about free trade anymore, Mr. American Citizen and Mrs. America; we are talking about giveaway trade. We are talking

about the American Government's procurement practices and how now they affect American joblessness and the loss of American jobs and the complete demise of the American manufacturing sector.

What the gentleman from Illinois [Mr. EVANS] is bringing forward is basically, "Let us not waive the Buy American provisions; let us keep certain aspects of the American dollar through our procurement practices, the American Government buying with the American people and the American companies who produce those products for us."

I was very concerned about other parts of our tax reform law that just passed, where it gives the American corporations an opportunity to move overseas, make the same products, ship them back, and if they make a profit and reinvest those profits overseas, they do not even pay taxes.

Now, in essence, if we fail to pass the Evans amendment we will let and essentially waive the Buy American provisions that exist under current law. That would be a tragedy, an absolute tragedy.

So this is not free trade anymore, ladies and gentleman, this is now getting to be "giveaway trade," and it is time that we put our foot down.

Mr. Evans, I commend you in your leadership, I am proud to stand here in the well with you, God bless you and keep up your fight. I hope we pass this amendment.

Mr. EVANS of Illinois. Mr. Chairman, I would like to commend the chairman of the Education and Labor Committee for his acceptance of our amendment, and at this time I yield back the balance of my time.

Mr. JEFFORDS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. EVANS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. JEFFORDS: Page 327, line 16, strike out "$500,000,000" and insert in lieu thereof "$480,000,000".

Page 341, line 6 strike out "$500,000,000" and insert in lieu thereof "$470,000,000".

Page 340, after line 25 insert the following new chapter:

CHAPTER 4—COLLEGE RESEARCH FACILITIES

sec. 545. replacement and modernization of college research facilities.

(a) PURPOSE.—It is the purpose of this section to assist in revitalizing the Nation's academic research programs through capital investments in laboratories and other research facilities at universities and colleges.

(b) PROGRAM ESTABLISHMENT.—To carry out this purpose, the Secretary of Education shall, from the sums available under subsection (g) to carry out this section in any fiscal year, establish and carry out a new university research laboratory modernization program that will provide assistance for the replacement or modernization of such institutions' obsolete laboratories and other research facilities.

(c) COMPETITIVE GRANTS; REGULATIONS.—The university research laboratory modernization program established pursuant to subsection (b) shall be carried out through projects which involve the replacement or modernization of specific research facilities at universities and colleges. Funds shall be awarded in response to specific proposals submitted by such universities and colleges, in accordance with regulations prescribed by the Secretary of Education to carry out the purpose of this part. Funds to carry out the program shall be awarded on a competitive basis. The funds so awarded to any university or college shall be in an amount not exceeding 50 percent of the cost of the replacement or modernization involved (with the funds required to meet the remainder of such costs being provided by the instituton involved or from other non-Federal public or private sources).

(c) CRITERIA FOR AWARD.—Criteria for the award of funds to any institution for a project under a university research laboratory modernization program shall include—

(1) the quality of the research and training to be carried out in the facility or facilities involved.

(2) the congruence of the institution's research activities with the future research needs of the agencies referred to in subsection (f); and

the contribution which the project will make toward meeting national, regional, and State research and related training needs.

(e) EQUALIZATION OF FEDERAL FUNDS.—At least 15 percent of the amount available under this section in any fiscal year shall be available only for awards to universities and colleges that received less than $10,000,000 in total Federal obligations for research and development (including obligations for the university research laboratory modernization program) in each of the two preceding fiscal years.

(f) CONSULTATION.—In prescribing regulations and conducting the program under this section, the Secretary of Education shall consult with—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the Department of Defense;

(4) the Department of Energy;

(5) the National Aeronautics and Space Administration; and

(6) the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated (in addition to sums authorized by section 511) $50,000,000 for fiscal year 1987 and such sums as may be necessary for each succeeding fiscal year to carry out this section.

Page 350, after line 25, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(f) The Secretary shall identify individuals, including employees of the Department of Labor, who shall be available on a regional basis to provide planning, operational, and technical assistance to labor-management committees described in subsection (b).

Page 356, line 13, insert before the close quotation marks the following: "Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacements of farmers and ranchers, not only on the individual farmer or rancher but on the surrounding community.".

Page 357, after line 9, insert the following new subsection:

(e) ADDITIONAL STUDIES.—The National Commission for Employment Policy shall conduct research related to the provisions of this subtitle. Such research shall include examinations of—

(1) the role of the employment services in implementing programs to enhance services provided under this subtitle, and

(2) alternative techniques for managing production cutbacks without permanently reducing workforces.

A report on the research conducted under this subsection shall be submitted to the Congress not later than 18 months after the date of enactment of this Act.

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Vermont [Mr. JEFFORDS] will be recognized for 15 minutes, and a Member opposed to the amendment will be recognized for 15 minutes.

The Chair recognizes the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise with an amendment which I hope will enhance title V of the bill. We are involved in a trade war; a serious trade war. A war that we are losing. I do not need to tell anyone that; that is why we are here today.

My concern is that in this bill we spend too much time on tactical defensive measures such as how we can prevent imports from coming into our country, and what we can do to retaliate against those that are taking advantage of our own fair trade practices with their unfair trade practices.

That is fine and that we should do. We should also take care of those that are in need either due to losing jobs or due to plant closings. We must look for ways to train them for other jobs in the work force so that they can continue to have a better life.

At the same time, we should also take a look at the causes of why we are where we are. Why are we losing the trade war? Examine what has happened to us in this last two decades.

After World War II, we were the country that everyone came to; they had to. We had the goods. They were cheaper and they were better. As time went on, we did many things to improve the standard of living of our workers. We improved their lot in life.

At the same time, however, our productivity decreased. Over the course of time, people stole our ideas regarding management, production, and technology that we had developed in this country. As a result they have moved ahead of us.

One of the main areas where they have moved ahead of us is research

and development. The efforts other nations have put into education surpass ours. These countries have used the best and the brightest available in their economic efforts to outdo us, and they have succeeded.

The President's report, a "Nation at Risk," indicated that we had seriously fallen behind in our educational efforts.

□ 1025

The amendments that I will offer today will be an attempt to enhance title V by improving productivity.

We must take a look and see where our deficiencies are. One obvious example is our national priorities, where we put our efforts. I think one of the most glaring examples of misplaced priorities is in the field of athletics. Oh, we all love our baseball, we all love our football and basketball, they are all great. If you talk in terms of national priorities and ask, "What should we be doing to try to take care of the problems that are so important to our jobs?" would you not think that there would be a closer relationship between what we pay to our scientists and our workers who are trying to raise our productivity more into line with what we pay professional athletes.

Well, let us take a look. The average major league baseball player—adjusted for inflation—in 1985 received $232,000, and the others—the basketball and the football players—are not far behind, or are even ahead.

The average salary for a nonagricultural worker is $15,900. For those people who are attempting to help us with the trade war, the average salary for an engineer is $34,000 and for a chemist, $32,000.

Further, let's look at what we do in our educatonal institutions to attract people. We pay on an average $500 more in scholarships for athletics than we do for those that have merit in the academic area.

Why do we do this, and why should we not spend more money on those whose services are vital to our economy? Well, I think the time to do that is now.

However, we also have other areas of great deficiency. A recent study was released last week by the White House Science Council on the health of the U.S. colleges and universities. This panel was chaired by David Packard, chairman of Hewlett-Packard, and D. Allan Bromley, Henry Ford professor of physics at Yale.

They heard from a hundred universities, and the consensus was that what we must do is enhance the research and development capacities of our universities. In this area we are seriously behind. This study indicates that we must put forth some $10 billion in the near future in order to bring those universities, our basic research institutions, up to the kind of standard that can assist us in the trade war.

The gentleman from Florida [Mr. FUQUA] and I commend him, recognizing this, has introduced a bill which is before his committee. I would admit that I stole many of the ideas that he had his bill contained. Through some minor changes, I have taken the concepts of his bill and put them into this amendment, recognizing, as he does, that we must take a step now to try to do something about these serious problems.

Also, the Northeast-Midwest coalition has conducted forums on this issue. I attended one of those at MIT in Boston. The same needs were expressed from businessmen and from educators, that what we must do is to take care of the serious deficiencies in equipment for research and development in our country.

This amendment attempts to do that. It does not increase the authorization of the bill or of the title, but what it does do is take and put as a priority doing something about the serious problems of research and development in our institutions of higher education.

My amendment adds a program that will take a step toward improving the state of our Nation's college and university research and laboratory facilities—our Nation's science infrastructure. The amendment also calls for an expanded data base and greater coordination under existing training programs, and makes available technical assistance to labor-management committees.

The United States—indeed, the world—economy is going through major structural changes. The best, and least expensive way of coping with such changes is to anticipate them and to readily adapt to them. Crucial to such an effort must be a capacity to modernize the skills of the American work force. These efforts must be both short term and long term.

Our short-term efforts should make it easier for out-of-work or dislocated workers to acquire marketable skills. In a period of fast-paced technological and international change, our ability to compete in the global economy will increasingly be dependent on our ability to adjust to the world's changing realities. Most workers will switch jobs four or five times during their lifetimes. The public should be made aware of the increasing need to retrain and to upgrade worker skills at more frequent intervals during the average worker's career. Seventy-five percent of the people who will be at work in the year 2000 are at work today, so we will make or break it during the beginning of the 21st century with today's workers. We've got to be sure that they've got the skills necessary to adapt to the age of technology.

Our long-term efforts must embrace improved educational efforts that begin in elementary school, continue through graduate school, and include adult education in basic subjects. Education in the basics is fundamental to employability. A recent study by the National Alliance of Business predicts that in the year 2000, if Johnny can't read, he won't be able to find a job. This should be a matter of great concern in a nation where it is estimated that 13 percent of the population is illiterate. In addition, an educational system that nurtures math, science, and computer abilities at the elementary level is a basic prerequisite for an adequate supply of talent for advanced degree candidates.

Title V of this bill pays heed to these education and training needs. It recognizes the vital relationship between an educated, well-trained work force and our status in the global economy. Failure to recognize this relationship would reflect a myopic, shortsighted view of our trade problem.

My amendment calls for a program for the modernization and revitalization of college research and laboratory facilities.

It provides for a competitive matching grant program for this purpose, to be administered by the Secretary of Education. In awarding grants the Secretary is to consult with the heads of six major Federal research agencies, so that any proposed upgrading of facilities will be connected with the agencies' needs under specific funded research projects to be conducted on university campuses. The amendment authorizes this program at $50 million; however, the overall authorization of title V has not been increased.

I believe that there is a substantial, growing and unmet need to replace obsolete research instrumentation and to modernize research laboratories. The United States is fundamentally dependent on research and development. It affects our productivity, or security, our prosperity, our health, and our general welfare. R&D is essential to technological developments. Our economy is in turn dependent on maintaining a competitive edge in technology. It is essential, therefore, that we place an increasing emphasis on the source of our technical talent—university research.

University-based research and university-based R&D serve as take-off points for new industrial ventures. They translate into technological developments and into commercially competitive products—products that represent a premier U.S. competitive advantage in the global marketplace. Our economy and educational system depend on the products—new knowledge, trained scientists and engineers—and the byproducts—technolog-

ical advances—of university laboratories.

University research facilities should serve as incubators for new ideas, for new technologies. In the future, it will be too costly to equip every business to meet every likely demand. Small businesses in particular do not have the economies of scale to undertake costly R&D efforts. Colleges and universities should be encouraged to collaborate in such efforts with business and industry. They should become laboratories of applied technology.

Critical to any such effort are up-to-date facilities. With the decline in Federal support for university research facilities, university administrators have been forced to transfer capital expenditures to their operating budgets—where they are the first to be cut in times of fiscal stringency. My amendment to title V will be a step—albeit small—toward the improvement of these college research and laboratory facilities.

Second, this amendment provides authority for the Secretary of Labor to identify individuals who, on a regional basis, are available to provide technical assistance to labor-management committees. When a new program is implemented, I believe that it is critical that there is access to adequate technical assistance so that the program gets started off on the right foot. The Secretary is not limited to designating specific individuals. Rather, he can draw from the available expertise within a region, from diverse backgrounds and experiences, in order to facilitate the establishment of effective committees. Since the problems that can arise stem from a variety of sources, it makes sense to have a broad base of expertise available to provide assistance when needed or requested.

Finally, this amendment adds a reporting requirement and two research studies that will:

Increase our data base in order to effect better services to dislocated farmers and ranchers and their surrounding communities;

Seek means of better coordination between the employment services and the training programs authorized in the bill; and,

Explore management alternatives to production cutbacks other than permanent workforce reduction.

It is unclear the extent to which farmers and ranchers have been affected by our disadvantageous trade position. H.R. 4800 calls for greater data collection regarding farmers and ranchers so that these effects can be better assessed. In addition, because of the small population base in rural areas, it is assumed that the dislocation of farmers and ranchers has a disproportionate, multiplier effect on the surrounding community, both economically and socially. This amendment would require the Secretary of Labor to analyze methods of reducing these adverse effects, and to report this information to the Congress.

The National Commission for Employment Policy [NCEP] is an independent agency established under the Job Training Partnership Act. In designing training programs to meet the needs of at-risk workers, it is incumbent upon us to try to draw together all possible resources. The employment services is a national program first put in place over 50 years ago. To not utilize this system in implementing the training programs in this bill, is to ignore a substantial source of services. My amendment requires NCEP to examine the role of the employment services with respect to the programs authorized in this bill. The intent is to expand our program resource base, achieve greater coordination among training programs, and increase program effectiveness and efficiency.

This amendment also requires NCEP to review alternative techniques for managing production cutbacks other than permanent work force reduction. In order for companies to utilize alternatives other than mass layoffs and plant closings where the demand for a product is reduced, we need to examine the effects of other management techniques and what can be achieved through their implementation. This amendment includes such an examination. Both studies are to be submitted to Congress within 18 months of enactment.

I also would have like to have introduced an amendment, which I could not offer because it would have been out of order,

It would have assured that there is sufficient funding for the programs proposed in my amendment along with those already contained in title V of H.R. 4800. It would have called for the imposition of an import surcharge of up to three-tenths of 1 percent to fund these newly authorized programs. The proceeds of such a surcharge would total approximatley $1 billion, an amount sufficient to fully fund the education and training components contained in the majority bill.

We should insure that what is part of the problem pays for the solution. Without a specific source of funding for these programs, they will be funded out of general revenues and compete in the budget and appropriations process with valuable, existing programs. Why not impose a small import fee of less than 1 percent, which would give us all the money that we need in order to tackle the problems that are seriously deterring us from having adequate productivity. I would hope that in the future the Ways and Means Committee might consider this alternative.

It would not hurt us in our trade areas. It would not be considered a protectionist act. What it would be is a positive act toward ending our problems in this area.

An additional three-tenths of 1 percent added to the cost of imported goods would not run afoul of our existing trade agreements and is, I believe, a small price to pay for programs that could restore the health and vitality of America's trade position and, enable us to meet for years to come the challenge of the changing needs of the world's economy.

Mr. Chairman, I hope that this amendment will be accepted. I believe that it will provide us the kind of tools that we need and that are necessary in order to regain that productivity edge that brought this Nation to greatness. Rather than adopting a defensive strategy, We should be on the offensive again, taking markets away and providing the world and our workers with a better way of life and a better way.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

The Chair recognizes the gentleman from California [Mr. HAWKINS] for 15 minutes.

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to accept the amendment offered by Mr. JEFFORDS which I believe strengthens title V. The amendment, which would devote $50 million to the replacement and modernization of college research facilities, does address a major need.

The Report of the National Commission on Student Financial Assistant, title "Signs of Trouble and Erosion: A Report on Graduate Education in America," noted that:

> Many existing instructional laboratories and much of the instrumentation currently available are obsolete and insufficient to the tasks at hand.

The Commission also reported that:

> University instrumentation inventories are nearly twice as old as those of leading commercial laboratories.

A survey undertaken by the Association of American Universities reported that "The best equipped industrial laboratories surpass almost all university laboratories visited. * * * When asked to contrast their laboratories, a number of university researchers stated that many, most notably those in Japan and West Germany, are now superior" to those in the United States.

The gentleman's amendment addresses this need and he is to be commended for his efforts in this critical area.

More broadly, Mr. Chairman, Mr. JEFFORDS is to be commended for his work on title V in every stage of the process. He was an original cosponsor of H.R. 4728, the Education and Training for American Competitiveness Act, which is not title V of H.R. 4800.

His amendment continues the bipartisan nature of the Education and Labor Committee's approach to our trade crisis. I am grateful to the gentleman for his support and am pleased to accept his amendment.

Mr. JEFFORDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all I want to thank the chairman of the committee for supporting the amendment. I think it does provide an improvement, and I want to say that the effort that he has put into title V and bringing the committee together in order to give us some positive answers to our trade problems are certainly in my mind the highlight of this bill, if not the most important part of this bill. I appreciate the gentleman's doing that.

Mr. HAWKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. I thank the gentleman for yielding time to me.

Mr. Chairman, I appreciate the opportunity to speak on behalf of this particular amendment and section of the bill.

As has been stated earlier, I live in a portion of the country where we are dealing with the problem of dislocated workers and, coincidentally, also have outstanding university resources. I believe that the gentleman from Vermont [Mr. JEFFORDS] with his amendment makes a serious effort to enhance those resources at a time when it is absolutely critical for the future of the American economy.

I believe that the overall amendment, which addresses the needs of retraining, is particularly appropriate. At this point in time, the JTPA Program is successful, but unfortunately, it is limited in its resources. A February 1986 OTA study found that while title III of the JTPA is succeeding, it is likely that no more than 5 percent of the eligible workers are going to be served by this program. That is why the section which has been added by the Committee on Education and Labor is so appropriate and so timely when we consider the needs of our Nation.

Vocational skills training is also underemphasized in this Nation. At a time when we need to retrain people in basic educational skills, we find that existing programs and agencies virtually neglect this need.

I support looking at this problem from a larger context beyond today's legislation in terms of an individual training account, but unless and until that is passed, I believe that this is an important step forward, and I stand in full support of the amendment before the committee.

Mr. JEFFORDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all, I would like to alert others who may have amendments that I do not intend to ask for a vote on this amendment. If they have the next amendment, I would suggest that they might want to get here rather quickly, or else there may be a problem.

Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in enthusiastic support for the amendment offered by Mr. JEFFORDS to title V of H.R. 4800. While I applaud the Committee on Education and Labor for developing an excellent package of training and education programs to enhance competitive capabilities, I also share Mr. JEFFORDS' concern about the quality of research facilities at our colleges and universities.

As the gentleman from Vermont explained, his amendment would establish a matching grant program for the replacement and modernization of college research and laboratory facilities.

There is no doubt in my mind that such a program will improve our ability to compete in the international marketplace in at least two ways. First of all, business and industry is the primary customer of university research. If American businesses are to expand what is now a slim lead in technological innovation, improved research is critical. Second, the students using these facilities will eventually become a part of the work force, where their expertise will be needed to help develop new products and increase productivity. Without modern research and laboratory facilities, their skills will be out of date.

With the Pennsylvania State University located in my district, I am familiar with the university's research efforts in agriculture, nuclear energy, developing an artificial heart, and with the space program, to name but a few.

I would like to point out that this modernization effort is not limited to the larger universities. Fifteen percent of the funds for this program would be directed to colleges with less than $10 million in Federal obligations for R&D. This would ensure that smaller colleges and universities would not be left behind.

I think this recognizes the tremendous potential in the small colleges and universities to make significant contributions to our overall research and development efforts.

As an example of the importance of maintaining modern research facilities, we can look back to the early 1960's when the Soviet Union launched sputnik and we had no space program at all. We were galvanized into action by that event. We launched a crash research program where our colleges and universities provided the driving force and we caught up.

A vote for the Jeffords amendment is a vote for the future prosperity of this country. The results and gains that can be achieved in productivity through cooperation between the government and academic and the private sector are demonstrated in the partnerships that we established with the land grant institutions.

The Jeffords amendment is a start toward building on this land grant model and expanding it into other areas of our economy. It will help us close the productivity gap and make us more competitive in the world.

SUMMARY OF JEFFORDS' FLOOR AMENDMENT TO TITLE V, H.R. 4800, TRADE BILL

The Jeffords' floor amendment to title V of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, includes the following provisions:

1. No increase in the overall authorization level.

2. An additional program for the *replacement and modernization of college research and laboratory facilities*, authorized at $50 million. This program is a competitive matching grant program to be administered by the Secretary of Education. He is to consult with the heads of six major Federal research agencies, so that any proposed upgrading of laboratory facilities can be tied to the schools' needs for equipment to conduct research for a specific, funded agency research project. Fifteen percent of the funds available for this section will go to colleges with less than $10 million in total Federal obligations for research and development.

3. Technical assistance to labor-management committees by regional experts designated by the Secretary of Labor.

4. A reporting requirement and two research studies that will:

Increase the data base regarding unemployment and dislocation of farmers and ranchers in order to effect better services to them and to their communities.

Seek means to coordinate Employment Services and the training programs authorized by the bill.

Explore management alternatives to production cutbacks other than permanent workforce reductions.

□ 1035

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I am happy to yield.

Mr. JEFFORDS. Mr. Chairman, I just want to commend the gentleman from Pennsylvania. I know the gentleman is one of the cosponsors of the Fuqua bill. I certainly want to commend all those that worked on providing me with a bill that I could utilize to try to improve this trade bill, which

is where I think such legislation belongs.

I also would like to commend the gentleman from Pennsylvania for his foresight in looking ahead. I think one of the things the gentleman has done in this institution is to provide us with leadership not only in this area, but in the area of looking at our capital structure and infrastructure. He urges us to look toward the future to see that we do not get into more problems, like we have been faced with here.

So often in this body we spend too much time on things that are on people's minds as they look toward the next election. Of course, it is kind of nice to get reelected, but at the same time it is probably much more advantageous to the Nation if some, like the gentleman from Pennsylvania, look forward and look ahead and tell us what we have got to do to make sure that we do not have future problems.

I thank the gentleman for his efforts in all these areas.

Mr. CLINGER. Mr. Chairman, I thank the gentleman for those kind words. I would return the compliment, because this is exactly the kind of initiative that does look ahead. It takes us down the road and shows us what we are going to be needing 10 or 15 years from now in order to maintain our position in the world.

Mr. HAWKINS. Mr. Chairman, I yield back the balance of my time.

Mr. JEFFORDS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont [Mr. JEFFORDS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROYHILL

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BROYHILL: Page 382, strike out lines 20 and 21 and insert the following:

PRACTICES, ADJUSTMENT PLAN REVIEW, AND TEXTILE IMPORT ADJUSTMENTS

Page 407, between lines 3 and 4, insert the following:

SEC. 703. ENTRY PROCESSING FOR TEXTILES AND APPAREL.

The Congress determines that it is vital to the purposes of the Multi-Fiber Arrangement that bilateral limitations on shipments of textiles and apparel, and periodic adjustments to those limitations, be carried out on a timely basis in order to respond to the changing United States market for textiles and apparel. The Secretary of Commerce shall, within 90 days after the date of the enactment of this Act, institute procedures to expedite the interagency process for recommending and approving the issuance of notices requesting consultations and negotiations on such limitations and periodic adjustments.

Amend the table of contents to the bill accordingly.

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from North Carolina [Mr. BROYHILL] will be recognized for 15 minutes and a Member in opposition will also be recognized for 15 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this amendment is a simple, but vital one. It will require the Secretary of Commerce to expedite the process for issuing textile and apparel "calls"—notices to our trading partners that the United States seeks to negotiate limits on specific categories of imports of textiles and apparel that threaten to disrupt, or do disrupt, U.S. markets.

Under the multifiber arrangement, the United States may request that textile exporting nations negotiate bilateral limits on exports of various categories of textiles and apparel at any time imports in those categories may be disruptive. The process for obtaining these limits is complex and time consuming. Under current practice, the U.S. industry must identify and show proof that imports of a certain product from a certain country are disruptive. The case is made to the Department of Commerce, which heads the Interagency Committee for the Implementation of Textile Agreements [CITA].

Once Commerce receives the information, it verifies it and formulates a recommendation. That recommendation is then submitted for interagency review by the State Department, the USTR, the Treasury Department, and others. In theory, if the facts and numbers show disruption, the decision to seek quotas should be swift and automatic. In practice, there can be reviews and rereviews, debates, and delays. In many cases recently, the issuance of a "call" for negotiations has taken up to 1 year from the time the original request for relief was filed. By that time, of course, imports have flooded the market.

The United States desperately needs this GATT-legal process speeded up. The administration recognizes this and admits that the process must be improved. My amendment directs the Secretary of Commerce, within 90 days of enactment of the legislation, to make this happen. The 90-day deadline is designed to ensure that the process will be streamlined quickly. Action is not discretionary, and there is no flexibility. The Secretary must act. Since this amendment will be part of the Energy and Commerce Committee title of the bill, I guarantee that it will receive the vigorous and careful oversight of our committee. If the Secretary fails to act as directed, I can and will seek to reform the process through legislative reorganization. However, I am confident that will not be necessary.

I urge my colleagues to support this amendment.

The CHAIRMAN. Does the gentleman from Louisiana [Mr. TAUZIN] seek time in opposition to the amendment?

Mr. TAUZIN. No, Mr. Chairman. I support it.

The CHAIRMAN. Without objection, the gentleman from Louisiana is recognized.

There was no objection.

Mr. TAUZIN. Mr. Chairman, on behalf of myself and the Committee on Energy and Commerce, we are prepared to accept the gentleman's amendment.

Mr. BROYHILL. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding me this time, and I praise his efforts to correct a very serious deficiency within our Textile Import Program.

The multifiber arrangement gives developed nations, like the United States, the right to limit damaging textile and apparel imports, both through bilateral agreements, and through procedures which permit us to request quotas on imports not previously restrained.

The latter procedure involves an interagency committee, chaired by the Department of Commerce which must:

First, identify an import surge that disrupts or looks to disrupt our market; and

Second, decide whether the situation warrants requesting negotiations with the exporting nation to set a quota.

The objective of this process is to headoff a surge of imports in time to prevent or halt further market disruption.

However, in practice, the current process is defeating its own purpose. Months are known to pass between the time when the import surge is discovered, and the committee calls for quota negotiations. During those months, the import surge levels increase, and our negotiated levels, because of rules in the MFA, are based on those surge levels. So while our bureaucrats are deciding whether to call for a quota, the imports stroll in, and we base the new quota on those damaging levels.

By the time the quota is called, the damage is done, and our industry is deprived of the protections we have tried to give it.

The "call" process could be an effective tool to cut off import surges at the pass. But the current situation is like sending out the fire trucks after the house has burned down.

The gentleman's amendment would instruct the Commerce Department to expedite the call procedure, and hopefully eliminate the serious procedural

and administrative delays that are so widely acknowledged.

If the 13,000 textile and clothing workers in my district are fighting to be productive, and investing to be competitive, it behooves us to make sure our import programs work to protect that investment.

I urge support for this amendment.

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I am aware that the administration is not jumping up and down with delight over the Broyhill amendment. However, I am forced to agree with the distinguished gentleman from North Carolina that the industry has been forced to suffer some travail.

I believe that the gentleman's amendment may relieve some of that suffering on a much more timely basis than we have been able to do in the past.

So I would hope the gentleman's amendment might be accepted without the need for a vote in this House.

I thank the gentleman for yielding.

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. McMILLAN. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in support of the gentleman's amendment which calls for expediting procedures to assure swift enforcement of trade agreements. It supports the principle of negotiated fair trade. And that's what this issue is all about.

The United States remains one of the major exporting nations of the world, yet we have allowed subsidized, targeted, and dumped products to penetrate U.S. markets in violation of fair trade principles at the expense of American jobs.

We need to send a message to our trading partners that we are prepared to play under the same rules, but these rules must be based on negotiations for fairness, reciprocity, and balance.

Neither of these bills is perfect: One is too weak, the other excessive. But we need a strong bill at the outset because it is far easier to adjust those parts that don't work than to try to add strengthened provisions at a later date, and later may be too late.

□ 1050

Mr. BROYHILL. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Chairman, I simply would like to say that his amendment is a good amendment. It is a constructive help to the bill.

There is no disposition on this side of the aisle to make this bill partisan. We would like for it to be a bipartisan work.

I salute the gentleman from North Carolina for his labors and for his work toward this end. I hope that we can put together the kind of a trade initiative that will be worthy of the Congress. There is no need for this to become a bone of controversy. There is no need for this legislation to be hooked upon the internal divisions that sometimes eat us apart in this body.

We welcome the help, the constructive, creative, innovative help of Members on both sides of the aisle. We find no reason not to accept the amendment offered by the gentleman from North Carolina. In that spirit, I should like to suggest that we have a vote upon it and accept the amendment.

Mr. COBLE. Mr. Chairman, I rise in strong support of Mr. BROYHILL'S amendment to H.R. 4800.

The Broyhill amendment is both simple and important. It requires the Secretary of Commerce to expedite the process of issuing textile "calls." A call is a notice to our trading partners that the United States seeks to negotiate limits on specific categories of imports of textiles and apparel that threaten to disrupt or do disrupt American markets.

Under the multifiber arrangement, the United States may request that textile exporting nations negotiate bilateral limits on exports of various categories of textiles and apparel at any time imports in those categories may be disruptive. Unfortunately, the process for obtaining these limits is complex and time consuming. Under current practice, the U.S. industry must identify and show proof that imports of a certain product from a certain country are disruptive. The case is then presented to the Department of Commerce, which heads the Interagency Committee for the Implementation of Textile Agreements [CITA]. What follows is a series of bureaucratic logjams consisting of dilatory reviews and re-reviews by the Department of State, the U.S. Trade Representative, the Department of the Treasury, and other organizations. This practice may last as long as 1 year, during which imports continue to flood our markets.

The Broyhill amendment streamlines this process by directing the Secretary of Commerce to expedite the issuance of a call within 90 days. The 90-day deadline must be met, thereby ensuring relief will be granted in a timely manner. I commend my colleague from North Carolina for his work on behalf of the textile and apparel workers of this country, and I urge the adoption of the amendment.

Mr. BROYHILL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. BROYHILL].

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. MICHEL: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Trade Expansion and Competitiveness Act of 1986".

(b) TABLE OF CONTENTS.—

TITLE I—BANKING COMMITTEE PROVISIONS

Sec. 101. Exchange rates.
Sec. 102. Debt resolution.
Sec. 103. Competitive tied aid fund.
Sec. 104. Loan guarantees to promote exports from small, medium-sized, and minority businesses or agricultural concerns.
Sec. 105. United States Executive Directors of multilateral development banks.
Sec. 106. Trade and multilateral bank provisions.

TITLE II—TRADE LAW AND RELATED PROVISIONS

Subtitle A—Enforcement of United States Trade Agreement Rights and Response to Foreign Trade Practices

CHAPTER 1—AMENDMENTS TO TRADE ACT OF 1974

Sec. 201. Determinations and action by the President and the United States Trade Representative.
Sec. 202. Recommendations and action by the Trade Representative.
Sec. 203. Reports on market access.
Sec. 204. Investigation of lumber imports.

CHAPTER 2—INTERNATIONAL TRADE IN TELECOMMUNICATIONS PRODUCTS AND SERVICES

Sec. 211. Short title.
Sec. 212. Findings and purposes.
Sec. 213. Negotiating objectives.
Sec. 214. Investigation of foreign telecommunications trade barriers.
Sec. 215. Action by the President in response to investigations by Trade Representative.
Sec. 216. Review of trade agreement implementation by Trade Representative.
Sec. 217. Consultations.
Sec. 218. General trade agreement authority.
Sec. 219. Compensation authority.
Sec. 220. Definition of telecommunications product.
Sec. 221. International obligations.

Subtitle B—Relief From Injury Caused by Import Competition, Subsidies, Dumping, and Unfair Trade Practices

CHAPTER 1—RELIEF FROM INJURY BY IMPORT COMPETITION

Sec. 231. United States Trade Representative functions regarding import relief.
Sec. 232. Provision of import relief.
Sec. 233. Interim relief, emergency action regarding perishable products, and antitrust relief.
Sec. 234. Market disruption.

CHAPTER 2—AMENDMENTS TO THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS

Sec. 241. Reference.
Sec. 242. Processed agricultural products.

Sec. 243. Material injury and threat of material injury.
Sec. 244. Diversionary dumping.
Sec. 245. Persistent dumping.
Sec. 246. Miscellaneous amendments.
CHAPTER 3—INTELLECTUAL PROPERTY RIGHTS
Sec. 251. Congressional findings and purpose.
Sec. 252. Protection under the Tariff Act of 1930.
Sec. 253. Negotiating objectives with respect to intellectual property rights.
Sec. 254. Protection of patents.
Sec. 255. Transfer of technology.
Sec. 256. Protection of proprietary information.
Subtitle C—Trade Negotiating Objectives and Authority
Sec. 261. Reagan round of GATT negotiations.
Sec. 262. Extension of trade agreement authority.
Sec. 263. Agreements regarding nontariff barriers to other distortions of trade.
Sec. 264. Compensation authority.
Sec. 265. Tariff agreements with Canada.
Sec. 266. Free trade areas.
Sec. 267. Negotiating objectives regarding high technology access.
Subtitle D—Functions of the United States Trade Representative
Sec. 271. Trade policy functions.
Sec. 272. Fair Trade Advocates Branch.
Sec. 273. Trade policy agenda.
Subtitle E—Miscellaneous provisions
Sec. 281. Time limitation on Presidential action regarding imports affecting national security.
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TITLE I—BANKING COMMITTEE PROVISIONS

SEC. 101. EXCHANGE RATES.

(a) FINDINGS.—The Congress finds that—

(1) the Economic Declaration of May 6, 1986, reaffirmed the support of the seven major industrialized countries for the improvement in the functioning of the world monetary and trading system;

(2) the policies adopted at earlier economic summits have helped to bring about world economic expansion, a reduction in the rate of inflation, and a shift in exchange rates which better reflect fundamental economic conditions;

(3) the implementation of new procedures, through the Group of Five and the Group of Seven Finance Ministers, for effective coordination of international economic policy should lead to smaller swings in exchange rates, the further opening of the international trading system, and the promotion of noninflationary growth;

(4) the Reagan administration has taken significant policy actions to stabilize exchange rate fluctuations and, in conjunction with the Board of Governors of the Federal Reserve System and other central banks, has succeeded in bringing down the value of the dollar in successive stages, thereby improving the competitiveness of United States exporters;

(5) the drop in oil prices has dampened a possible inflationary impulse from the falling dollar and less expensive oil with a lower dollar will mean a large improvement in the United States current account balance in the coming months;

(6) leading experts are unable to agree on what constitutes an appropriate and sustainable level for the dollar in relation to the other key countries of the world; and

(7) global leaders are divided on the need to implement a formal and highly structured exchange rate system, such as a target zone approach, but are united in their determination to better manage the system of floating rates through a policy of enhanced economic cooperation and surveillance.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Reagan administration has substantially reduced the value of the dollar and is successfully coordinating its economic policies to the maximum degree possible with our major trading partners;

(2) the Reagan administration should continue the progress achieved in the recent Tokyo Economic Summit and in the Group of 5 initiative last year to promote long-term exchange rate stability and sustain noninflationary economic growth; and

(3) any congressional action on the exchange rate issue at this time is unneeded and potentially harmful in that it might further weaken the dollar and stimulate inflation.

SEC. 102. DEBT RESOLUTION.

(a) FINDINGS.—The Congress finds that—

(1) the Reagan administration, under the leadership of Secretary of the Treasury James A. Baker, has put in place a comprehensive debt strategy in coordination with other industrialized countries, the International Monetary Fund, and the World Bank;

(2) the Tokyo Economic Declaration of May 6, 1986 reaffirms the importance of the so-called "Baker Plan" which, under a framework of structural and policy reforms aimed at economic growth, would provide additional public and private resources for the largest debtor nations;

(3) this initiative reinforces, and in no way replaces, the continued need for a case-by-case approach to the international debt problem;

(4) the administration's debt strategy will over time increase United States exports to those developing countries which have been most affected by the debt crisis;

(5) the leading industrialized countries should maintain and, where appropriate, expand bilateral and multilateral financial flows to developing countries and in return, recipient countries must continue to carry out structural adjustment policies coupled with international capital repatriation and domestic capital mobilization measures;

(6) there is an immediate need to improve the climate for foreign direct investment in developing countries and to promote more open trading policies;

(7) all multilateral development bank lending should continue to be measured against stringent economic performance criteria; and

(8) there is a need for closer cooperation between the World Bank and the International Monetary Fund, for increased commercial bank lending, and for flexibility in rescheduling debts.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Reagan administration should continue to have the maximum amount of discretion and flexibility in implementing its cooperative debt strategy; and

(2) the objectives of such a strategy should continue to emphasize the need for adjustment policies and sound economic planning in developing countries to promote sustained, noninflationary economic growth.

SEC. 103. COMPETITIVE TIED AID FUND.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 15. COMPETITIVE TIED AID FUND.

"(a) FINDINGS.—The Congress hereby finds that—

"(1) tied and partially untied aid credits offered by other countries are being used in a predacious manner to distort competitive markets and undercut American exporters;

"(2) the predacious use of tied and partially untied aid credits undermines export credit discipline under the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development; and

"(3) the establishment of a temporary Competitive Tied Aid Fund in the Treasury of the United States to target the export markets of countries which exploit or abuse tied or partially untied aid credits for commercial purposes and which impede progress in negotiating greater discipline over the use of such credits will facilitate negotiations to eliminate the use of such credits for commercial purposes and will thereby help protect American exporters from unfair and predacious official export competition.

"(b) COMPETITIVE TIED AID FUND.—

"(1) ESTABLISHMENT BY SECRETARY OF THE TREASURY.—In order to provide a means for inducing other countries to pursue negotiations on a comprehensive arrangement to restrict the use of tied aid and partially untied aid credits for commercial purposes, the Secretary of the Treasury shall establish a fund in the Treasury of the United States to be known as the 'Competitive Tied Aid Fund', consisting of such amounts as may be appropriated to the Fund.

"(2) EXPENDITURES FROM FUND.—Amounts in the Fund may be used to supplement the financing of United States exports to foreign markets which are actual or potential export markets for any country which—

"(A) engages in predacious official export financing through the use of tied or partially untied aid credits; and

"(B) impedes negotiations to eliminate the use of such credits for commercial purposes.

"(3) ADDITIONAL REQUIREMENTS.—In carrying out this section, the Secretary—

"(A) should avoid using the total amount in the Fund to provide financing for only 1 or 2 export projects;

"(B) should seek to use amounts in the Fund to make financing available only for United States exports that would be reasonably competitive in the absence of the predatory export financing practices of the other country; and

"(C) shall ensure that amounts in the Fund are used only to assist exportation by persons described in paragraph (1), (2), or (3) of section 238(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(c)).

"(4) CONSULTATION WITH ADVISORY COUNCIL.—The Secretary shall consult with the National Advisory Council on International Monetary and Financial Policies in—

"(A) determining the foreign countries which offer predacious tied or partially untied aid credits and which impede negotiations to restrict their use to legitimate foreign aid; and

"(B) reviewing proposed transactions under this section.

"(5) POLICY AND PROCEDURE GUIDELINES.—The Secretary shall establish policy and procedure guidelines for the development and implementation of the Fund. In establishing such guidelines, the Secretary shall—

"(A) devise a method for determining the number of American jobs which will be created or retained through assistance from the Fund, and give such factor consideration in making assistance available; and

"(B) describe the method of publicizing the availability of assistance from the Fund, and the terms and conditions under which such assistance is available to both large and small exporters.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TIED AID AND PARTIALLY UNTIED AID CREDIT.—The terms 'tied aid credit' and 'par-

tially untied aid credit' mean any official credit which has a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, and which is, in fact or in effect, tied to—

"(A) the procurement of goods or services from the donor country, in the case of tied aid credit; or

"(B) the procurement of goods or services from a restricted number of countries, in the case of partially untied aid credit.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(3) FUND.—The term 'Fund' means the Competitive Tied Aid Fund established pursuant to subsection (b)(1).

"(d) REPORT TO CONGRESS.—The Secretary shall transmit to the Congress, on a quarterly basis, a report setting forth the activities carried out under this section. Each such report shall include—

"(1) information on applications used by the Secretary for making assistance available under subsection (b)(2);

"(2) information on the disposition of such applications;

"(3) an identification of the foreign governments whose behavior the Secretary is trying to influence by the use of such assistance, and an explanation of why the assistance involved is deemed likely to influence that behavior;

"(4) evidence that clearly demonstrates that assistance under subsection (b)(2) has been used for the purposes of this section;

"(5) information on any progress that has been made in negotiations on agreements within the Organization for Economic Cooperation and Development to limit the use of tied aid credits and partially untied aid credits;

"(6) information on the extent to which tied aid credits and partially untied aid credits are being used at the time of such report by major trading countries within such Organization, the terms of such any credits, and the market sectors with respect to which such credits are being used; and

"(7) information on the extent to which assistance under this section has been effective—

"(A) in discouraging the use of tied aid credits and partially untied aid credits for commercial purposes by other countries; and

"(B) in helping to protect United States exporters from unfair and predacious official export competition.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is hereby authorized to be appropriated to the Fund for the fiscal year beginning on October 1, 1986, $300,000,000. Except as provided in paragraph (2), such sums shall remain available until expended.

"(2) RESCISSION AUTHORITY.—

"(A) DETERMINATION BY PRESIDENT.—If the President determines that any amount appropriated to the Fund is not required to achieve the purpose of the Fund, the President shall transmit a special message of such determination to the Congress in the manner provided in section 1012(a) of the Impoundment Control Act of 1974.

"(B) SPECIAL MESSAGE.—Any message under this paragraph shall be treated as a special message under such section for purposes of such Act.

"(f) EXPORT-IMPORT BANK.—

"(1) IMMEDIATE IMPLEMENTATION.—Until such time as the funds authorized to be appropriated under subsection (e) become available for expenditure, the Bank shall make aggressive use of the Bank's authority to offer tied aid credits, in accordance with any recommendation of the Secretary of the Treasury as to how such credits could most effectively and efficiently promote the purposes of this section.

"(2) SUBSEQUENT REIMBURSEMENT.—The Bank shall be reimbursed for the cost of any tied aid credits the Bank authorizes pursuant to this subsection from the appropriated funds authorized by this section, when such funds become available.".

SEC. 104. LOAN GUARANTEES TO PROMOTE EXPORTS FROM SMALL, MEDIUM-SIZED, AND MINORITY BUSINESSES OR AGRICULTURAL CONCERNS.

(a) SHARE OF LOAN GUARANTEES.—Section 206 of the Export Trading Company Act of 1982 (12 U.S.C. 635a-4) is amended by striking out "major share" in the next to the last sentence and inserting in lieu thereof "significant share".

(b) REPORT.—Not later than one year after the effective date of this section, the Board of Directors of the Export-Import Bank shall report to the Congress on the implementation of the amendment made by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

SEC. 105. UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.

(a) PROJECTS IN RECIPIENT COUNTRIES.—The United States Executive Director of each of the multilateral development banks shall promote procurement opportunities relating to the assistance provided by such banks in recipient countries for United States firms. In promoting procurement opportunities, each such Executive Director shall—

(1) keep United States firms fully informed of bidding opportunities in recipient countries and publicize such opportunities to the greatest extent possible;

(2) assist United States firms in focusing on those projects in which they have a particular interest or competitive advantage;

(3) when appropriate and required, assist United States firms in completing and submitting accurate and timely bidding documents;

(4) thoroughly investigate complaints regarding the awarding of contracts; and

(5) ensure that contract procedures and rules are strictly observed.

(b) ASSIGNMENT OF FOREIGN COMMERCIAL SERVICE OFFICERS.—

(1) WORLD BANK.—The Secretary of Commerce should continue to assign one foreign commercial service officer to the office of the United States Executive Director of the International Bank for Reconstruction and Development.

(2) OTHER MULTILATERAL DEVELOPMENT BANKS.—The Secretary of Commerce shall assign on a part-time basis—

(A) one foreign commercial service officer to the office of the United States Executive Director of the Inter-American Development Bank;

(B) one foreign commercial service officer to the office of the United States Executive Director of the Asian Development Bank; and

(C) one foreign commercial service officer to the office of the United States Executive Director of the African Development Bank.

(3) DUTIES.—Each foreign commercial service officer assigned under this subsection shall assist the Executive Director in the performance of the duties described in subsection (a).

SEC. 106. TRADE AND MULTILATERAL BANK PROVISIONS.

(a) FINANCIAL ASSISTANCE POLICIES TO PROMOTE FAIR TRADE AND INVESTMENT PRACTICES.—

(1) INSTRUCTIONS TO EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the regional development banks to initiate a wide consultation with the presidents of their respective institutions with regard to the development of financial assistance policies which, to the maximum feasible extent—

(A) reduce obstacles to and restrictions on international trade and investment in goods and services;

(B) eliminate unfair trade and investment practices; and

(C) promote mutually advantageous economic relations.

(2) COORDINATION WITH TRADE POLICY COMMITTEE.—The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

(3) COORDINATION WITH GATT.—As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of the International Bank for Reconstruction and Development to encourage close cooperation between the staff of the Bank and the Secretariat of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT).

(b) FAIR TRADE AND INVESTMENT PRACTICE PROVISIONS IN COUNTRY LOAN AGREEMENTS.—

(1) INSTRUCTIONS TO WORLD BANK EXECUTIVE DIRECTOR.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to work to have the Bank obtain, prior to the extension to any country of loans by the Bank, the agreement of such country to eliminate (in a manner consistent with such country's balance of payments adjustment program) unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined have a significant deleterious effect on the international trading system.

(2) UNFAIR TRADE AND INVESTMENT PRACTICES DEFINED.—Unfair trade and investment practices include—

(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

(C) unreasonable import restrictions;

(D) the imposition of trade-related performance requirements on foreign investment; and

(E) practices which are inconsistent with international agreements.

(c) DIRECTIONS TO UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to ensure that project loans by the respective multilateral development banks for commodities, materials, or prod-

ucts do not contribute to a surplus in world markets in which—

(1) the prices of such commodities, materials, or products are low or are falling; and

(2) the commodities, materials, or products could cause material injury to United States producers of the same, similar, or competing commodities, materials, or products.

TITLE II—TRADE LAW AND RELATED PROVISIONS

Subtitle A—Enforcement of United States Trade Agreement Rights and Response to Foreign Trade Practices

SEC. 201. DETERMINATIONS AND ACTION BY THE PRESIDENT AND THE UNITED STATES TRADE REPRESENTATIVE.

Section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended as follows:

(1) Subsection (a) is amended—

(A) by redesignating paragraph (2) as paragraph (4); and

(B) by striking out paragraph (1) and inserting the following:

"(1) IN GENERAL.—If the President determines that action by the United States is appropriate to respond to any act, policy, or practice of a foreign country or instrumentality that—

"(A) is unreasonable or discriminatory and burdens or restricts United States commerce (including commerce between the United States and any other foreign country); or

"(B) constitutes export targeting;

the President shall take all appropriate and feasible action within his power to obtain the elimination of such act, policy, or practice.

"(2) SPECIAL RULES FOR VIOLATIONS OF INTERNATIONAL AGREEMENTS AND UNJUSTIFIABLE ACTS.—

"(A) IN GENERAL.—If the President on his own motion determines, or the Trade Representative determines under section 304(a), that—

"(i) the rights of the United States under any trade agreement are being denied; or

"(ii) an act, policy, or practice of a foreign country—

"(I) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or

"(II) is unjustifiable and burdens or restricts United States commerce (including commerce between the United States and another foreign country);

the President, subject to such paragraph (B), shall take all necessary and appropriate action under subsection (b) or (c), or both, and shall take all other appropriate and feasible action within his power, to enforce such rights or to obtain the elimination of such act, policy, or practice.

"(B) EXCEPTION.—The President is not required to take action under subparagraph (A) in any case in which—

"(i) the Contracting Parties to the General Agreement on Tariffs and Trade (hereinafter in this title referred to as the 'GATT') have determined, or a panel of experts has reported to the Contracting Parties, that—

"(I) the rights of the United States under a trade agreement are not being denied; or

"(II) the act, policy, or practice is not a violation of, or inconsistent with, the rights of the United States, or does not deny, nullify, or impair benefits to the United States under any trade agreement; or

"(ii) the President finds that—

"(I) the foreign country is taking satisfactory measures to grant the rights of the United States under a trade agreement,

"(II) the foreign country has agreed to eliminate or phase out the act, policy, or practice, or has agreed to an imminent solution, that is satisfactory to the President, to the burden or restriction on United States commerce,

"(III) it is impossible for the foreign country to achieve the results described in subclause (I) or (II), as appropriate, but the foreign country agrees to provide to the United States compensatory trade benefits that are satisfactory to the President, or

"(IV) such action is not in the national economic interest of the United States, in which case the President shall announce affirmative measures that may include continuation of negotiations.

"(3) ACTION BY TRADE REPRESENTATIVE.—If the President, under subsection (d)(3)(A)—

"(A) does not differ with the Trade Representative regarding action proposed to be taken under section 304(a)(1)(A); or

"(B) differs with the Trade Representative regarding that action, but a joint resolution referred to in subsection (d)(3)(B) is enacted;

the Trade Representative shall order the Commissioner of Customs to implement the action determined under section 304(a)(1)(A).".

(2) Paragraph (4) of subsection (a) (as redesignated by paragraph (3) of this subsection) is amended by inserting "and the Trade Representative" after "President".

(3) Subsection (b) is amended by striking out that part that precedes paragraph (1) and inserting "The President, upon making a determination under subsection (a)(1), may (in addition to taking action referred to in such subsection), and the Trade Representative, for purposes of carrying out section 304(a)(1), may—".

(4) Paragraph (2)(B) of subsection (c) is amended by striking out "United States Trade Representative (hereinafter in this title referred to as the 'Trade Representative')" and inserting "Trade Representative".

(5) Subsection (d) is amended—

(A) by amending paragraph (2)—

(i) by amending the side heading to read as follows: "ACTION UNDER PRESIDENTIAL AUTHORITY REQUESTED BY PETITION.—";

(ii) by striking out "21" and inserting "20", and

(iii) by striking out "304" and inserting "304(a)(1) (B) or (C): and

(B) by adding at the end thereof the following new paragraph:

"(3) OTHER ACTION REQUESTED BY PETITION.—

"(A) Within the 20-day period after the day on which the President receives notification of a determination of the Trade Representative under section 304(a)(1)(A), the President shall decide if—

"(i) he concurs in the determination; or

"(ii) it is in the national economic interest to take action that is different from that determined by the Trade Representative, including a continuation of negotiations.

On the day the President makes a decision under this subparagraph, the President shall transmit to Congress a document describing the determination of the Trade Representative and setting forth the President's decision regarding that determination. In the case of a decision by the President under clause (ii), the document shall set forth the reasons, in terms of the national economic interest, for the decision.

"(B) The decision of the President under subparagraph (A)(ii) shall take effect unless, within the 90-day period beginning on the date on which the document described in subparagraph (A) is transmitted to the Congress, a joint resolution described in section 152(a)(1)(A) is enacted by the Congress.".

(6) Subsection (e) is amended—

(A) by amending paragraph (3) by adding at the end thereof the following:

"The term also includes the unfair natural resource input pricing."; and

(B) by adding at the end thereof the following:

"(7) EXPORT TARGETING.—The term 'export targeting' means any Government plan or scheme consisting of a combination of coordinated actions, whether carried out severally or jointly, that are bestowed on a specific enterprise, industry, or group thereof the effect of which is to assist the enterprise, industry, or group to become more competitive in the export of a class or kind of merchandise.

"(8) UNFAIR NATURAL RESOURCE INPUT PRICING.—Unfair natural resource input pricing shall be considered to occur if—

"(A) a product (hereinafter referred to in this paragraph as an 'input product')—

"(i) is provided or sold by a government of a government-regulated or controlled entity within a country (hereinafter referred to in this paragraph as the 'exporting country'), for input use within that country, at a domestic price that—

"(I) is lower than the fair market value of the input product, and

"(II) is not freely available to United States producers for purchase, or the equivalent thereof, of the input product for export to the United States; and

"(ii) would, if sold at the fair market value, constitute a significant portion of the total cost of the merchandise in or for which the input product is used;

except that, unfair and inequitable natural resource input pricing shall not be considered to exist either if the input product is not exported solely due to commercial considerations, or the access, or the equivalent thereof, to the input product for export is not denied to United States producers by the government of the exporting country, or

"(B) the right to remove or extract a product (hereinafter in this paragraph referred to as the 'removal right') is provided or sold by a government or a government-regulated or controlled entity within an exporting country and—

"(i) that product is for input use within that exporting country;

"(ii) the removal right is provided or sold at a domestic price that is lower than the fair market value of that right; and

"(iii) the product to which the removal right applies would, if that right was sold at a fair market value, constitute a significant portion of the total cost of the manufacture or production of the merchandise in or for which the product is used.

For purposes of this paragraph, the term 'fair market value' means—

"(C) with respect to an input product, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for that product from the exporting country in an arms-length transaction; and in determining the fair market value of an input product, the administering authority shall take into account—

"(i) the export price of the product,

"(ii) prices of the natural resource product in arm's-length transactions within the exporting country,

"(iii) the current market clearing price at which the product can be sold in markets of

other countries (including the United States) that are non-State-controlled-economy-country markets, unless such product cannot be economically transported to such other markets.

"(iv) the prices at which the product is generally available in world markets,

"(v) any cost advantages the exporting country may have in relation to other sellers, and

"(vi) the availability to the exporting country of markets described in clause (iii);

"(D) with respect to a removal right, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller in an arms-length transaction for the removal right in the exporting country providing or selling the right; and in determining the fair market value of a removal right, the administering authority shall take into account—

"(i) the price paid in the exporting country for a comparable removal right not subject to government regulation or control,

"(ii) the price paid in the exporting country for a comparable removal right sold or offered for sale through a process of competitive bidding, and

"(iii) the price paid for a comparable removal right in a comparable region of a country other than the exporting country.".

SEC. 202. RECOMMENDATIONS AND ACTION BY THE TRADE REPRESENTATIVE.

(a) IN GENERAL.—Section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended as follows:

(1) The section heading is amended to read as follows: "ACTION OR RECOMMENDATIONS BY THE TRADE REPRESENTATIVE.".

(2) The sideheading for subsection (a) is amended to read as follows: "RECOMMENDATIONS OR ACTION.—".

(3) Subparagraph (A) of subsection (a)(1) is amended by striking out "7 months" and inserting "9 months (or for such longer period as may be requested by the petitioner)".

(4) Subparagraph (B) of subsection (a)(1) is amended by striking out "8 months" and inserting "9 months (or for such longer period as may be requested by the petitioner)".

(5) Subparagraph (C) is amended by inserting ", but in no case later than 9 months after the date of the petition" before the semicolon.

(6) Subparagraph (D) of subsection (a)(1) is amended to read as follows:

"(D) in any case not described in subparagraph (A), (B), or (C)—

"(i) 5 months after the date of investigation initiation in any case regarding the United States rights or an act, policy, or practice described in section 301(a)(2); or

"(ii) 9 months (or for such longer period as may be requested by the petitioner) after the date of investigation in any case not described in clause (i).".

(7) That part of paragraph (1) of subsection (a) that precedes subparagraph (A) is stricken out and the following inserted:

"(1) IN GENERAL.—On the basis of the investigation under section 302, and the consultations (and the proceedings, if applicable) under section 303, and subject to subsection (b), the Trade Representative—

"(A) if he decides, with respect to an act, policy, or practice described in paragraph (1) of section 301(a), that the action taken in response thereto under such paragraph should solely consist of action under section 301(b)(1) or (2), or both, with respect to the matters under investigation, shall determine the nature and extent of the action and notify the President of his intention to implement that action;

"(B) in any case not described in subparagraph (A), shall either—

"(i) recommend to the President those actions that should be taken under section 301(a); or

"(ii) recommend that no action be taken.

"(2) The Trade Representative shall notify the President under paragraph (1)(A), or make the recommendation under paragraph (1)(B) or (C), as the case may be, not later than—".

(8) Paragraph (2) of subsection (a) is redesignated as paragraph (3) and amended—

(A) by striking out "paragraph (1)" each place it appears and inserting "paragraph (2)"; and

(B) by striking out "12-month" each place it appears and inserting "9-month".

(9) Paragraph (3) of subsection (a) is redesignated as paragraph (4) and amended by striking out "paragraph (1)" and inserting "paragraph (2)".

(10) Subsection (b) is amended—

(A) by inserting ", or deciding to take action himself," after "section 301", and

(B) by inserting "or notification" after "recommendation" in the last sentence thereof.

(11) Such section is further amended by adding at the end thereof the following:

"(c) IMPACT REPORT.—Not less than 30 days before submitting a recommendation to the President under subsection (a), the Trade Representative shall submit to Congress a report setting forth the estimated impact of the actions, if any, proposed in the recommendation on consumers and small businesses within, and on the agricultural exports of, the United States.".

(b) CONFORMING AMENDMENTS.—(1) The table of contents of the Trade Act of 1974 is amended by amending the section heading for section 304 to read as follows:

"Sec. 304. Action or recommendations by the Trade Representative.".

(2) Section 152 of the Trade Act of 1974 (as amended by section 104(d)(2) of this Act) is further amended—

(A) by striking out "203" in subsection (a)(1)(A) and inserting a blank;

(B) by striking out "the blank" in subsection (a)(1)(A) and inserting "the first blank space being filled with either '203' or '301(d)(2)', as the case may be, and the second blank"; and

(C) by inserting after "30 days" in subsection (c)(1) the following: "(or 45 days in the case of a resolution described in subsection (a)(1)(A) that pertains to a Presidential decision under section 301(d)(2))".

(c) SPECIAL PROVISIONS REGARDING RECIPROCITY.—Before making any decision under section 304(a)(1)(A) of the Trade Act of 1974, or any recommendation under section 304(a)(1)(B) or (C) of that Act, the United States Trade Representative shall determine whether the foreign country under investigation provides reciprocity in overall trade to United States exports, and assess the degree to which lack of overall reciprocity, if any, contributes to any burden on or restriction to United States commerce. If the United States Trade Representative decides that lack of reciprocity is an important contributing factor or part of a pattern in the foreign country's trade practices, the Trade Representative shall include in his recommendation action against the offending nation's exports to the United States.

SEC. 203. REPORTS ON MARKET ACCESS.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) by amending subsection (a) by—

(A) striking out "and" at the end of paragraph (1)(A)(ii),

(B) by striking out the period at the end of paragraph (1)(B) and inserting "; and",

(C) by inserting at the end of paragraph (1) the following:

"(C) analyze and assess the overall reciprocity accorded to United States products, services, and investment by each of the major trading partners of the United States, and the impact which failures to provide reciprocity have on the major United States product sectors."; and

(2) by amending subsection (b)(1) by adding at the end thereof the following: "Within 90 days after receiving an analysis and estimate, the Committees, after consultation with the Trade Representative and conducting public hearings, shall prepare and issue a joint report setting forth—

"(A) the views of the Committees regarding the priorities for further bilateral and multilateral negotiations regarding the reduction or elimination of trade barriers, and

"(B) the recommendations, if any, of the Committees regarding actions that should be initiated under section 302(c).".

SEC. 204. INVESTIGATION OF IMPORTED LUMBER.

The United States Trade Representative, with respect to a petition filed after the date of the enactment of this Act under section 302(a) of the Trade Act of 1974 requesting action under section 301 of such Act regarding the acts, policies, or practices of the Government of Canada with respect to the production, and exportation to the United States, of lumber—

(1) shall immediately initiate an investigation under section 302 of such Act regarding the matters alleged in the petition; and

(2) shall, on the 60th day after initiating the investigation, report to the Congress, in writing, regarding the progress of the investigation and proposed interim action, if any.

CHAPTER 2—INTERNATIONAL TRADE IN TELECOMMUNICATIONS PRODUCTS AND SERVICES

SEC. 211. SHORT TITLE.

This chapter may be cited as the "Telecommunications Trade Act of 1986".

SEC. 212. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) rapid growth in the world market for telecommunications products and services will continue for several decades;

(2) the United States can improve prospects for—

(A) the growth of—

(i) United States exports of telecommunications products and services, and

(ii) export-related employment and consumer services in the United States, and

(B) the continuance of the technological leadership of the United States,

by undertaking a program to achieve an open world market for trade in telecommunications products, services, and investment;

(3) most foreign markets for telecommunications products, services, and investment are characterized by extensive government intervention (including restrictive import practices and discriminatory procurement practices) which adversely affect United States exports of telecommunications products and services and United States investment in telecommunications;

(4) unfair and discriminatory trade practices in foreign countries have resulted in, and continue to threaten, the loss of jobs in

the United States telecommunications industry;

(5) the open nature of the United States telecommunications market, accruing from the liberalization and restructuring of such market, has resulted, and will continue to result, in a dramatic increase in imports of telecommunications products and a growing imbalance in competitive opportunities for trade in telecommunications; and

(6) unless this imbalance is corrected through the achievement of fully competitive market opportunities for United States telecommunications products and services in foreign markets, the United States should avoid granting continued open access to the telecommunications products and services, and other products and services, of such foreign countries in the United States market.

(b) PURPOSES.—The purposes of the chapter are—

(1) to foster the economic and technological growth of and employment in the United States telecommunications industry and all United States persons who benefit from a high quality telecommunications network;

(2) to ensure that countries which have made commitments to open telecommunications trade fully abide by those commitments; and

(3) to achieve a more open world trading system for telecommunications products and services through negotiation and achievement of fully competitive market opportunities for United States telecommunications exporters and their subsidiaries in those markets in which barriers exist to free international trade.

SEC. 213. NEGOTIATING OBJECTIVES.

(a) PRIMARY OBJECTIVES.—The primary negotiating objectives of the United States under this chapter regarding telecommunications products and services are to provide for—

(1) the nondiscriminatory procurement of telecommunications products and related services by foreign entities that provide local exchange telecommunications services which are owned, regulated, or controlled by foreign governments;

(2) assurances that any requirement for the registration of telecommunications products, which are to be located on customer premises, for the purposes of—

(A) attachment to a telecommunications network in a foreign country, and

(B) the marketing of the products in a foreign country,

be limited to the certification by the manufacturer that the products meet the standards established by the foreign country for preventing harm to the network or network personnel;

(3) transparency of, and open participation in, the standards-setting processes used in foreign countries with respect to telecommunications products;

(4) the ability to have telecommunications products, which are to be located on customer premises, approved and registered by type, and, if appropriate, the establishment of procedures between the United States and foreign countries for the mutual recognition of type approvals;

(5) access to the basic telecommunications network in foreign countries on reasonable and nondiscriminatory terms and conditions (including non-discriminatory prices) for the provision of value-added services by United States suppliers; and

(6) monitoring and effective dispute settlement provisions regarding matters referred to in paragraphs (1) through (5).

(b) SECONDARY OBJECTIVES.—The secondary negotiating objectives of the United States under this chapter regarding telecommunications products and services are to obtain—

(1) national treatment for telecommunications products and services that are provided by United States firms;

(2) most-favored-nation treatment for such products and services;

(3) nondiscriminatory procurement policies with respect to such products and services and the inclusion under the Agreement on Government Procurement of the procurement (by sale or lease by government-owned or controlled entities) of all telecommunications products and services;

(4) the reduction or elimination of customs duties on telecommunications products;

(5) the elimination of subsidies, dumping, violations of intellectual property rights, and other unfair trade practices that distort international trade in telecommunications products and services;

(6) the elimination of investment barriers that restrict the establishment of foreign-owned business entities which market such products and services; and

(7) monitoring and dispute settlement mechanisms to facilitate compliance with telecommunications trade agreements.

SEC. 214. INVESTIGATIONS OF FOREIGN TELECOMMUNICATIONS TRADE BARRIERS.

(a) REQUIRED INITIAL INVESTIGATIONS.—

(1) The United States Trade Representative (hereinafter in this chapter referred to as the "Trade Representative"), in consultation with the Secretary of Commerce and the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C 1872), shall undertake an investigation with respect to each foreign country for the purposes of—

(A) identifying and analyzing those acts, policies, and practices in the markets of that foreign country that deny fully competitive market opportunities to telecommunications products and services of United States firms; and

(B) establishing, on the basis of the analysis under subparagraph (A) and after taking into consideration—

(i) the needs of the affected United States industries,

(ii) the competitiveness of United States industries in domestic and world markets,

(iii) the progress being made to expand market opportunities under existing agreements or ongoing negotiations, and

(iv) the availability of appropriate incentives and effective remedies,

the specific primary and secondary negotiating objectives specified in section 213 that should be pursued in negotiations under section 215 in order to obtain fully competitive market opportunities in that foreign country for telecommunications products and services of United States firms.

(2) The Trade Representative may exclude any foreign country from the investigations required to be conducted under paragraph (1) if the Trade Representative determines that the potential market in that country for United States telecommunications products and services is not substantial.

(3) The Trade Representative shall complete each investigation required to be undertaken under paragraph (1) by no later than the 180th day after the date of the enactment of this Act.

(b) OTHER INVESTIGATIONS.—If at any time after the investigations required under subsection (a) are completed the Trade Representative—

(1) on his own motion, considers that there is reason to believe that any act, policy, or practice in the market of a foreign country is such as to deny fully competitive market opportunities to telecommunications products or services of United States firms; or

(2) accepts a petition filed by an interested party alleging that any act, policy, or practice described in paragraph (1) exists;

the Trade Representative may undertake an investigation with respect to the foreign country concerned for the purposes described in subparagraphs (A) and (B) of subsection (a)(1). An investigation undertaken under this subsection shall be completed within 180 days after the date on which the Trade Representative commences the investigation under paragraph (1) or the petition is filed under paragraph (2).

(c) REVIEW OF MARKETS OF COUNTRIES INITIALLY EXCLUDED FROM INVESTIGATION.—The Trade Representative shall—

(1) at least annually, review the potential market for United States telecommunications products and services in countries that were excluded from investigation under subsection (a) and with respect to which no investigation has been initiated under subsection (b); and

(2) if he considers any such country to have a market for United States telecommunications products and services which is substantial, undertake, and complete within 180 days, an investigation for the purposes described in subparagraphs (A) and (B) of subsection (a)(1) regarding that country.

(d) REPORT TO CONGRESS.—The Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the investigations undertaken under subsections (a), (b), and (c). Each report shall be submitted within 30 days after the investigation is completed.

SEC. 215. ACTION BY THE PRESIDENT IN RESPONSE TO INVESTIGATIONS BY TRADE REPRESENTATIVE.

(a) IN GENERAL.—After—

(1) all investigations required under section 214(a) are completed (and in no case later than the 180th day after the date of the enactment of this Act); and

(2) each investigation undertaken under section 124 (b) or (c) is completed;

the President shall enter into negotiations with the foreign country or countries subject to investigation for the purpose of entering into bilateral or multilateral trade agreements, as appropriate, under section 218 which achieve the specific primary and secondary negotiating objectives that were established under section 214(a)(1)(B) with regard to such countries.

(b) ACTIONS TO BE TAKEN IF NO AGREEMENT OBTAINED.—

(1) If the President is unable during the negotiating period to enter into a trade agreement or agreements under section 218 with a foreign country which achieve the specific primary and secondary negotiating objectives established for that country under section 214(a)(1)(B), the President, by no later than the close of the negotiating period—

(A) shall take whatever actions are authorized under paragraph (3) that are necessary and appropriate to achieve the purposes of the primary objectives not covered by agreement; and

(B) may take whatever actions are authorized under paragraph (3) that are necessary to achieve the secondary objectives not covered by agreement.

(2) In taking action under paragraph (1)(A) and (B), the President shall first take those actions which most directly affect trade in telecommunications products and services with the country concerned.

(3) The President is authorized to take any of the following actions under paragraph (1)(A) and (B):

(A) Terminate, withdraw, or suspend any portion of any trade agreement entered into under—

(i) the Trade Act of 1974;

(ii) section 201 of the Trade Expansion Act of 1962; or

(iii) section 350 of the Tariff Act of 1930;

with respect to any duty or import restriction imposed by the United States on any telecommunications product.

(B) Take any action described in section 301 of the Trade Act of 1974.

(C) Prohibit the Federal Government from purchasing specified telecommunications products.

(D) Increase domestic preferences under title III of the Act of March 3, 1933 (41 U.S.C. 10a, et seq.) for purchases by the Federal Government of specified telecommunications products.

(E) Suspend any waiver of domestic preferences under title III of the Act of March 3, 1933 (41 U.S.C. 10a, et seq.) which may have been extended pursuant to the Trade Agreements Act of 1979 with respect to telecommunications products or any other products.

(F) Order the appropriate Federal officials to deny Federal funds or Federal credits for purchases of specified telecommunications products of any specified foreign country.

(G) Suspend, in whole or in part, benefits accorded articles from specified foreign countries under title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.).

(4) Notwithstanding section 125 of the Trade Act of 1974 and any other provision of law, if any portion of a trade agreement described in paragraph (3)(A) is terminated, withdrawn, or suspended under paragraph (1) with respect to any duty imposed by the United States, the rate of such duty determined by the President up to the rate provided for in rate column number 2 of the Tariff Schedules of the United States shall apply to such products after the date on which such termination, withdrawal, or suspension takes effect.

(5) No action taken under paragraph (1) shall affect any binding obligations under any written contract entered into before the date of the enactment of this Act, to which any citizen or national of the United States is a party.

(6) Any action the President decides to take under subparagraph (3) of this subsection shall be treated as an action necessary to implement a trade agreement for the purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974.

(c) NEGOTIATING PERIOD.—

(1) For purposes of subsection (b), the term "negotiating period" means—

(A) with respect to a foreign country investigated under section 214(a), the 18-month period beginning on the date of the enactment of this Act; and

(B) with respect to a foreign country investigated under section 214 (b) or (c), the 12-month period beginning on the date the investigation was completed.

(2) The negotiating period with respect to a foreign country may be extended by not more than two 12-month periods. An extension of the negotiating period shall take effect if (and only if)—

(A) the President, not less than 90 days before the negotiating period expires (or if extended previously, before the first extension period expires), submits to the House of Representatives and the Senate—

(i) a draft of a negotiating period extension bill, and

(ii) a statement that—

(I) substantial progress is being made in negotiations with the foreign country concerned, and

(II) further negotiations are necessary to reach an agreement which meets the specific primary and secondary negotiating objectives established under section 214(a)(1)(B) with regard to that country; and

(B) before the expiration of the negotiating period (or the first extension thereof), a negotiating period extension bill is enacted into law.

(3) For purposes of this subsection, the term "negotiating period extension bill" means a bill of either House of Congress the matter after the enacting clause of which is as follows: "That the Congress approves the extension for 12 months of the negotiating period with that was requested by the President on .", the first blank space being filled with the name of the foreign country concerned, and the second blank space being filled with the date on which the submissions to Congress under paragraph (2)(A) regarding the extension were made.

(4) On the day on which submissions to Congress under paragraph (2)(A) regarding an extension are made, the negotiating period extension bill submitted by the President shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such a trade agreement is submitted, the implementing bill shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. Such bills shall be referred by the Presiding Officer of the respective Houses to the Committee on Ways and Means and the Committee on Finance.

(5) Subsections (d) through (g) of section 151 of the Trade Act of 1974 apply to any agreement period extension bill. Any reference in such subsections to an implementing bill shall be treated as a reference to a negotiating period extension bill.

(d) MODIFICATION AND TERMINATION AUTHORITY.—The President may modify or terminate any action taken under subsection (b) if, and only if, the foreign country concerned enters into a trade agreement under section 218 which achieves the specific negotiating objective regarding which such action was taken.

(e) REPORT.—The President shall promptly inform the House Committee on Ways and Means and the Senate Committee on Finance of any action taken under subsection (b) or of the modification or termination of any such action under subsection (d).

SEC. 216. REVIEW OF TRADE AGREEMENT IMPLEMENTATION BY TRADE REPRESENTATIVE.

(a) DEFINITION.—For purposes of this section, the term "trade agreement" means—

(1) a trade agreement entered into under section 218 that is in force with respect to the United States; and

(2) a trade agreement regarding telecommunications products or services that was in force with respect to the United States on the date of the enactment of this Act.

(b) PERIODIC REVIEW.—

(1) The Trade Representative shall review each trade agreement to determine whether any act, policy, or practice of the foreign country—

(A) is not in compliance with the terms of the agreement; or

(B) otherwise denies, within the context of the terms of the trade agreement, to telecommunications products and services of United States firms fully competitive market opportunities in that foreign country.

(2) The Trade Representative shall carry out the reviews required under paragraph (1)—

(A) with respect to each trade agreement described in subsection (a)(1), within 6 months after the agreement enters into force with respect to the United States, and annually thereafter; and

(B) with respect to each trade agreement described in subsection (a)(2), within 18 months after the date of the enactment of this Act, and annually thereafter.

(c) REVIEW FACTORS.—

(1) In undertaking reviews under subsection (a), the Trade Representative shall consider any evidence of actual patterns of trade (including United States exports of telecommunications products to a foreign country and sales and services related to those products) that do not reflect patterns of trade which would reasonably be anticipated to flow from the concessions or commitments of such country based on the international competitive position and export potential of such products and services.

(2) The Trade Representative shall consult with the United States International Trade Commission in regard to the actual patterns of trade described in paragraph (1).

(d) ACTION IN RESPONSE TO AFFIRMATIVE DETERMINATION.—If the Trade Representative makes an affirmative determination under subsection (b) with respect to any act, policy, or practice of a foreign country, the Trade Representative shall take whatever action authorized under paragraph (e) that is necessary—

(1) to offset fully such act, policy, or practice, and

(2) to restore the balance of concessions in telecommunications products and services trade between the United States and such foreign country;

except that the Trade Representative may not take any action under subsection (e) on the basis of a review under subsection (b) regarding a trade agreement described in subsection (a)(2) before the President takes action under section 215(b)(3) with respect to any county.

(e) AUTHORIZED ACTIONS.—

(1) The Trade Representative is authorized to take the following actions under subsection (d):

(A) Terminate, withdraw, or suspend any portion of any trade agreement entered into under—

(i) the Trade Act of 1974,

(ii) section 201 of the Trade Expansion Act of 1962, or

(iii) section 350 of the Tariff Act of 1930,

with respect to any duty or import restriction imposed by the United States on any telecommunications product.

(B) Take any action under section 301 of the Trade Act of 1974.

(2) Actions described in paragraph (1) may be taken under subsection (d) with respect to other than telecommunications products and services only if—

(A) the Trade Representative has taken all feasible actions described in subparagraphs (A) and (B) of paragraph (1) with respect to telecommunications products and services; and

(B) the applicable objectives established in section 124(a)(1)(B) have not been achieved.

(3) Notwithstanding section 125 of the Trade Act of 1974 and any other provision of law, if any portion of a trade agreement is terminated, withdrawn, or suspended under paragraph (1)(A) with respect to any duty imposed by the United States on any product, the rate of such duty determined by the United States Trade Representative up to the rate provided for in rate column number 2 of the Tariff Schedules of the United States shall apply to such products after the date on which such termination, withdrawal, or suspension takes effect.

(4) Any action the Trade Representative decides to take under paragraph (1) shall be treated as necessary to implement a trade agreement for the purposes of section 151 and subsections (c), (d), (e), (f) and (g) of section 102 of the Trade Act of 1974.

(f) ACTIONS NOT TO AFFECT CERTAIN CONTRACTUAL OBLIGATIONS.—No action taken under this section shall affect any binding obligations under any written contract entered into before the date of the enactment of this Act, to which any citizen or national of the United States is a party.

(g) MODIFICATION AND TERMINATION AUTHORITY.—The Trade Representative may modify or terminate any action taken under subsection (e) if, and only if, he determines that the foreign country has taken appropriate remedial action regarding the act, policy, or practice concerned.

(h) REPORT.—The Trade Representative shall promptly inform the House Committee on Ways and Means and the Senate Committee on Finance of any actions taken under subsection (c) or of the modification or termination of any such action under subsection (g).

SEC. 217. CONSULTATIONS.

(a) ADVICE FROM DEPARTMENTS AND AGENCIES.—For purposes of determining appropriate action under section 215(b) or 216(d), the President and the Trade Representative shall consult with the Secretary of Commerce and the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872).

(b) ADVICE FROM THE PRIVATE SECTOR.—The—

(1) Trade Representative, in conducting investigations and establishing negotiating objectives under section 214, and for purposes of determining appropriate action under section 216(d); and

(2) President, for purposes of determining appropriate action under section 215(b);

shall provide the opportunity for presentation of views by any interested party, including appropriate committees established under section 135 of the Trade Act of 1974.

(c) CONSULTATIONS WITH CONGRESS AND OFFICIAL ADVISORS.—For purposes of conducting negotiations under section 215(a), the President shall keep appropriate committees of the Congress, as well as appropriate committees established pursuant to section 135 of the Trade Act of 1974, currently informed with respect to—

(1) the negotiating priorities and objectives for each country involved;

(2) the assessment of negotiating prospects, both bilateral and multilateral; and

(3) any United States concessions which might be included in negotiations to achieve the objectives described in section 215.

SEC. 218. GENERAL TRADE AGREEMENT AUTHORITY.

(a) IN GENERAL.—During the 42-month period beginning on the date of enactment of this Act, the President may enter into trade agreements, for purposes of achieving the primary and secondary negotiating objectives established under section 214(a)(1)(B), with foreign countries. The trade agreements may provide for—

(1) the harmonization, reduction, or elimination of—

(A) duties, or

(B) restrictions on, barriers to, or other distortions of international trade, or

(2) the prohibition of, or limitations on the imposition of—

(A) duties, or

(B) restrictions on, barriers to, or other distortions of international trade.

(b) AGREEMENT TREATED IN SAME MANNER AS AGREEMENT UNDER SECTION 102 OF THE TRADE ACT OF 1974.—

(1) For purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974, any trade agreement entered into under subsection (a) (other than a trade agreement provided for under paragraph (2)) shall be treated as a trade agreement entered into under section 102 of the Trade Act of 1974.

(2) The President may by proclamation implement any trade agreement entered into under subsection (a) that provides solely for unilateral concessions by a foreign country to the United States.

(c) APPLICATION OF AGREEMENT BENEFITS.—Notwithstanding any other provision of law, any agreement entered into under this section may provide that the benefits and obligations of such agreement—

(1) apply solely to the parties to the agreement, or

(2) not apply uniformly to all parties to such agreement.

SEC. 219. COMPENSATION AUTHORITY.

(a) IN GENERAL.—If—

(1) the President takes action under section 215(b); or

(2) the Trade Representative takes action under section 216(d); and

(3) such action is found to be inconsistent with the international obligations of the United States, including the obligations under the General Agreement on Tariffs and Trade;

the President may enter into trade agreements with the foreign country concerned for the purpose of granting new concessions as compensation for such action in order to maintain the general level of reciprocal and mutually advantageous concessions.

(b) AGREEMENT TREATED IN SAME MANNER AS AGREEMENT UNDER SECTION 102 OF THE TRADE ACT OF 1974.—For purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974, any trade agreement entered into under subsection (a) shall be treated as a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 220. DEFINITION OF TELECOMMUNICATIONS PRODUCT.

For purposes of this chapter, the term "telecommunications product" means any paging alerting device provided for in item 685.70 of the Tariff Schedules of the United States (19 U.S.C. 1202), as in effect on November 14, 1985, and any article that is classified under the following item numbers of such Schedules:

684.57	684.67	685.28	685.48
684.58	684.80	685.30	688.17
684.59	685.16	685.32	688.41
684.65	685.24	685.34	707.90
684.66	685.25		

SEC. 221. INTERNATIONAL OBLIGATIONS.

Nothing in this chapter may be construed to require the President and the United States Congress to act in a manner inconsistent with the legal obligations of the United States, including the General Agreement on Tariffs and Trade.

Subtitle B—Relief from Injury Caused by Import Competition, Subsidies, Dumping, and Unfair Trade Practices

CHAPTER 1—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

SEC. 231. UNITED STATES TRADE REPRESENTATIVE FUNCTIONS REGARDING IMPORT RELIEF.

(a) IN GENERAL.—Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251, et seq.) is amended—

(1) by inserting "(hereinafter in this section referred to as the 'Trade Representative')" after "United States Trade Representative" in section 201(b)(1); and

(2) by striking out "President" each place it appears after section 201(b)(1) and inserting "Trade Representative".

(b) USTR AND PRESIDENTIAL ACTION AFTER INVESTIGATIONS.—(1) Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended as follows:

(1) by striking out "PRESIDENTIAL ACTION" in the heading thereto and inserting in lieu thereof "ACTION BY THE UNITED STATES TRADE REPRESENTATIVE".

(2) Subsection (a) is amended—

(A) by amending paragraph (1)(A) to read as follows:

"(1)(A) shall provide import relief for such industry pursuant to section 203, unless he has first considered alternative measures for import relief and determines that provision of such relief is not in the national economic interest of the United States; and"; and

(B) by adding at the end thereof the following:

"The Trade Representative may, within 15 days after the date on which he receives an affirmative finding of the Commission with respect to an industry, request information and advice from the Secretary of Commerce, the Attorney General, and such other government officials as he deems appropriate on the probable effectiveness of antitrust relief under section 206 as a means to enhance the competitiveness of firms in the industry. Such information and advice shall be submitted as soon as practicable,

but in no event more than 30 days after the date on which the request is received.

(3) Subsection (b) is amended—

(A) by inserting "(1)" before "Within 60 days";

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(C) by adding at the end thereof the following:

"Not later than the day on which the determination made under subparagraph (A) is submitted to the President under paragraph (2), the Trade Representative shall submit to the Congress a written report describing the estimated impact of the determination on consumers and small businesses within, and on the agricultural exports of, the United States.

"(2) The Trade Representative shall submit the determination made under paragraph (1)(A) to the President who, within the 20-day period after the day of submission, shall decide if—

"(A) he concurs in the determination;

"(B) in the event the determination is not to provide import relief, whether import relief should be provided, and, if so, the kind and extent of that relief; or

"(C) in the event the determination is to provide import relief, and after first considering alternative relief measures, it is in the national economic interest—

"(i) not to provide any import relief, or

"(ii) to provide import relief under this title that is different from that determined by the Trade Representative.

"(3) On the day the President makes a decision under paragraph (2), the President shall transmit to Congress a document describing the determination of the Trade Representative and setting forth the President's decision regarding that determination. In the case of a determination not to provide import relief by the Trade Representative in which the President concurs under paragraph (2)(A), or a decision by the President under paragraph (2)(B)(i), the document shall set forth the reasons why, in terms of the national economic interest, import relief is not being provided and what other steps, beyond adjustment assistance programs immediately available, will be taken by the President or the Trade Representative to help the industry to overcome serious injury and the workers to find productive employment.".

SEC. 232. PROVISION OF IMPORT RELIEF.

Section 203 of such Act of 1974 is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) The import relief which is authorized to be provided under this title consists of the following actions to the extent that, and for such time (not to exceed 5 years) as, they are considered necessary taking into account the considerations specified in section 202(c) to prevent or remedy serious injury or the threat thereof to the industry in question and to facilitate the orderly adjustment to new competitive conditions by the industry in question:

"(1) An increase in, or imposition of, any duty on the article causing or threatening to cause serious injury to such industry.

"(2) The imposition of a tariff-rate quota on such article.

"(3) The modification of, or imposition of, any quantitative restriction on the importation into the United States of such article.

"(4) The negotiation, conclusion, and carrying out of orderly marketing agreements with foreign countries limiting the export from foreign countries and the import into the United States of such articles.

"(5) Antitrust relief under section 206.

"(6) Any combination of the actions referred to in paragraphs (1) through (5).".

(2) Subsection (b) is amended to read as follows:

"(b)(1) If the Trade Representative determines under section 202(b)(1)(A) not to provide import relief, and the President concurs in that determination under section 202(b)(2)(A), no import relief may be provided under this section for the industry concerned.

"(2) If the Trade Representative determines under section 202(b)(1)(A) to provide import relief and the President concurs in that determination under section 202(b)(2)(A), the Trade Representative shall take action to implement that relief, including the ordering of the Commissioner of Customs to implement the relief, if any, of the kind described in paragraph (1), (2), or (3) of subsection (a).

"(3) If a decision by the President under section 202(b)(2) (B) or (C) differs from the determination of the Trade Representative under section 202(b)(1)(A) and—

"(A) a joint resolution described in section 152(a)(1)(A) is not enacted as provided in subsection (c), the Trade Representative shall implement the Presidential decision, including (if the decision is to provide relief of the kind described in paragraph (1), (2), or (3) of subsection (a)) the ordering of the Commissioner of Customs to implement such relief; or

"(B) a joint resolution described in section 152(a)(1)(A) is enacted as provided in subsection (c), the Trade Representative shall, within 30 days after the date of enactment, order the Commissioner of Customs to implement the import relief recommended by the Commission under section 201(a)(1)(A)."

(3) Subsection (c) is amended to read as follows:

"(c) If the President reports under section 202(b)(3) that he does not concur in the determination of the Trade Representative under section 202(b)(1)(A), the import relief recommended by the Commission under section 201(d)(1)(A) shall take effect as provided in subsection (b)(3)(B) upon enactment of a joint resolution described in section 152(a)(1)(A) within the 90-day period beginning on the date on which the document referred to in section 202(b)(3) is transmitted to the Congress.".

(4) Subsection (d) is amended—

(A) by striking out "subsection (a) or (c)" in paragraph (1) and inserting "subsection (b)"; and

(B) by striking out "subsection (a) or (c)" and "subsection (a)" in paragraph (2) and inserting "subsection (b)".

(5) Subsection (f) is amended by striking out "subsections (a) and (c)" and "subsection (a) or (c)" each place they appear and inserting "subsection (b)".

(6) Subsection (i)(1) is amended to read as follows:

"(i)(1) So long as any import relief remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition). The Commission shall submit to the Trade Representative, and make available to the public, a report on the review undertaken under this paragraph for the first biennial period, and each annual period thereafter, that the import relief is in effect.

(7) Such section is further amended—

(A) by striking out "proclaim" each place it appears and inserting "order",

(B) by striking out "proclaims" each place it appears and inserting "orders",

(C) by striking out "proclaimed" each place it appears and inserting "ordered",

(D) by striking out "proclamation pursuant" in subsection (d)(1) and inserting in lieu thereof "administrative order issued pursuant", and

(E) by striking out "proclamation" each place it appears and inserting in lieu thereof "administrative order".

SEC. 233. INTERIM RELIEF, EMERGENCY ACTION REGARDING PERISHABLE PRODUCTS, AND ANTITRUST RELIEF.

(a) IN GENERAL.—Chapter 1 of such title II is further amended by adding at the end thereof the following new sections:

"SEC. 204. INTERIM RELIEF TO PREVENT IRREPARABLE HARM.

"(a) PETITIONS TO USTR.—If a petition is filed with the Commission under section 201(a) alleging injury from imports of an article (other than a perishable product under section 205 or section 213(f) of the Caribbean Basin Economic Recovery Act), then the petition may also be filed with the Trade Representative, together with—

"(1) a request that interim import relief be granted under subsection (c) with respect to that article; and

"(2) information in support of that request.

"(b) DETERMINATION BY USTR.—Upon the filing of a petition under subsection (a), the Trade Representative shall decide whether—

"(1) it is likely that the article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a product like or directly competitive with the imported article; and

"(2) the absence of relief described in subsection (c)(3) pending action on the petition under sections 201, 202, and 203 would result in irreparable harm to the domestic industry.

"(c) ACTION AFTER DETERMINATION.—(1) If a negative decision is made under subsection (b) regarding a petition, the Trade Representative shall immediately publish notice of the decision in the Federal Register and advise the petitioner of the decision.

"(2) If an affirmative decision is made under subsection (b) regarding a petition, the Trade Representative shall, as soon as possible—

"(A) determine the method and extent of interim import relief to be imposed with respect to imports of the article concerned that is necessary to prevent irreparable harm to the domestic industry until action is taken on the petition under sections 201, 202, and 203;

"(B) immediately submit notice of the determination to the President; and

"(C) unless the President decides within 20 days after the date of such notice that the provision of relief under this section to the domestic industry is not in the national economic interest, order the Commissioner of Customs to impose such relief immediately with respect to imports of that product.

"(3) Interim import relief under this section may consist of either or both of the following:

"(A) An increase in, or the imposition of, a duty on the article.

"(B) A modification of, or the imposition of, a quantitative limitation on the importation into the United States of the article.

"(d) TERMINATION OF INTERIM IMPORT RELIEF.—Interim import relief that is imposed under subsection (c) with respect to an imported article shall cease to apply—

"(1) upon the ordering of import relief under section 203;

"(2) on the day on which a determination under section 203 not to impose import relief becomes final;

"(3) in the event of a report of the Commission containing a negative finding under section 201, on the day the Commission's report is submitted to the Trade Representative; or

"(4) whenever the Trade Representative determines that because of changed circumstances such relief is no longer warranted.

"SEC. 205. EMERGENCY ACTION REGARDING IMPORTS OF PERISHABLE PRODUCTS.

"(a) IN GENERAL.—If a petition is filed with the Commission under section 201 alleging injury from imports of a perishable product, the petitioner may also file, at any time during the 150-day period after the date of filing under such section, a request with the Secretary of Agriculture (hereinafter in this section referred to as the 'Secretary') that emergency action be taken under subsection (d) with respect to that product.

"(b) DETERMINATION BY SECRETARY.—Within 20 days after a request is filed under subsection (a), the Secretary, after consultation with the Trade Representative and after providing opportunity for the presentation of views by interested parties, shall decide—

"(1) whether there is reason to believe that the perishable product is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product; and

"(2) if the decision under paragraph (1) is affirmative, whether emergency action under subsection (c) is warranted.

For purposes of paragraph (1), normal seasonable fluctuations in imports of a perishable product may not be treated as being a substantial cause of serious injury or the threat thereof.

"(c) NEGATIVE DECISION.—(1) If a negative decision is made under subsection (b) regarding a request, the Secretary shall immediately publish notice of the decision in the Federal Register and advise the person who filed the request of the decision.

"(2) After a negative decision is made under subsection (b), a request may be refiled with the Secretary. A request may be refiled one or more times, but a refiling may not be made—

"(A) sooner than the 30th day after the date of a negative decision; or

"(B) after the 150th day after the date on which the petition was initially filed under section 201.

"(d) AFFIRMATIVE DECISION.—(1) If an affirmative decision is made under subsection (b) regarding a request, the Secretary shall—

"(A) determine the method and extent of emergency action to be imposed with respect to imports of the perishable product concerned that is necessary to prevent injury to the domestic industry;

"(B) immediately submit notice of the determination to the Trade Representative; and

"(C) unless the Trade Representative decides within 7 days after the date of such notice that the taking of emergency action under this section to the domestic industry is not in the national economic interest, order the Commissioner of Customs to take such action with respect to imports of the perishable products.

"(2)(A) Except as provided in subparagraph (B), emergency action under this section may consist of either or both of the following:

"(i) An increase in, or the imposition of, a duty on the perishable product.

"(ii) A modification of, or the imposition of, a quantitative limitation on the importation into the United States of the perishable product.

"(B) If a decision by the Secretary under subsection (b) covers any article that is a perishable product—

"(i) of a beneficiary country within the meaning of paragraph (5) of section 213(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(f)(5)); or

"(ii) of Israel within the meaning of subsection (e) of section 404 of the Tariff and Trade Act of 1984 (19 U.S.C. 2112 note);

the Secretary may take with respect to that product only the emergency action authorized under such section 213(f) or section 404, as the case may be.

"(e) TERMINATION OF EMERGENCY ACTION.—(1) Any person who is adversely affected by the taking of emergency action may, on or after the 30th day after the day such action first took effect, request the Secretary to terminate the action.

"(2) Within 20 days after a request is filed under paragraph (1), the Secretary, after consultation with the Trade Representative and after providing opportunity for the presentation of views by interested persons, shall decide whether changed circumstances warrant the termination of the emergency action.

"(3) If a negative decision is made under paragraph (2) regarding a request, the Secretary shall immediately publish notice of the decision in the Federal Register and advise the person who filed the request of the decision. After a negative decision under paragraph (2) is made, a request may be refiled with the Secretary. A request may be refiled one or more times, but a refiling may not be made—

"(A) sooner than the 30th day after the date of a negative determination; or

"(B) after the day on which the Commission issues its report under section 204(f) regarding the petition filed under section 201.

"(4) If an affirmative determination is made under paragraph (2) regarding a request, the Secretary shall order the Commissioner of Customs to immediately terminate the action.

"(f) TERMINATION OF EMERGENCY ACTION.—Unless terminated under subsection (e)(4), emergency action that is taken under subsection (c) with respect to an imported perishable product may not remain in effect after the date on which—

"(1) the Commission reports under section 204(f) that it did not find the serious injury or threat thereof described in section 204(a) to the industry;

"(2) the denial of import relief for the industry under section 206 becomes final; or

"(3) import relief for the industry first takes effect under section 205(a) or 206(a)(5) except that the Secretary may terminate such action whenever he determines that because of changed circumstances such action is no longer warranted.

"(g) DEFINITION OF PERISHABLE PRODUCT.—For purposes of this section, the term 'perishable product' has the same meaning that is given that term under section 404(e) of the Tariff and Trade Act of 1984 (12 U.S.C. 2112 note).

"SEC. 206. ANTITRUST RELIEF.

"(a) DEFINITIONS.—For purposes of this section—

"(1) The term 'antitrust laws' has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that the term includes section 5 of the Federal Trade Commission Act to the extent that section 5 applies to unfair methods of competition.

"(2) The term 'merger or acquisition' means the acquisition of the whole or any part of the assets, stock, or other share capital of one or more firms in the industry by another firm in the industry.

"(b) CERTIFICATES OF EXEMPTION FOR MERGERS AND ACQUISITIONS.—

"(1) If the Trade Representative provides antitrust relief to an industry under this section as import relief under section 205, members of the industry may, during the time period designated by the Trade Representative, apply for a certificate of exemption for a proposed merger or acquisition.

"(2) To apply for a certificate of exemption under this subsection, the parties to a proposed merger or acquisition shall file a notification describing their proposed merger or acquisition, identifying all parties thereto, and containing information sufficient to identify the parties as members of the industry, to the Attorney General and the Secretary of Commerce.

"(3) Information and documentary material filed pursuant to this subsection shall be exempt from disclosure under section 552 of title 5 of the United States Code, and no such information or documentary material may be made public except as may be relevant to any administrative or judicial proceeding. Nothing in this paragraph is intended to prevent disclosure to either body of Congress or to any duly authorized committee or subcommittee of Congress.

"(4) Within 30 days of receipt of an application under this subsection, the Attorney General, with the concurrence of the Secretary of Commerce, shall determine whether the proposed merger or acquisition is limited to members of the industry. If the Attorney General determines that the proposed merger or acquisition is so limited, the Attorney General shall issue a certificate of exemption. The certificate shall specify:

"(A) the firms to which it is issued, and

"(B) the merger or acquisition to which it applies.

If the Attorney General determines that the proposed merger or acquisition is not so limited, the Attorney General shall notify the applicant of that determination and the reasons for it.

"(5) An applicant may, within 30 days of the issuance of a notification of denial, request the Attorney General to reconsider the determination. The Attorney General, with the concurrence of the Secretary of Commerce, shall notify the applicant of the determination upon reconsideration within 30 days of receipt of the request.

"(6) No action of the Attorney General or the Secretary of Commerce under this section shall be subject to judicial review.

"(7) A certificate of exemption issued under this subsection shall be effective as of the date of its issuance. The certificate shall convey the antitrust exemption set forth in

subsection (c) permanently only if the certificated merger or acquisition is consummated during the period in which the President's order under section 203(a)(6) is in effect.

"(c) ANTITRUST EXEMPTION.—

"(1) No criminal or civil action may be brought under any of the antitrust laws against any merger or acquisition which is the subject of a certificate of exemption under this section on the ground that such merger or acquisition would adversely affect competition in any relevant market including or included within the industry unless there is a significant probability that such merger or acquisition would substantially increase the ability of the resulting firm profitably to maintain prices above competitive levels in such market for a significant period of time.

"(2) No person shall have standing under section 4 or section 16 of the Clayton Act (15 U.S.C. 15, 26) to challenge any merger or acquisition which is the subject of a certificate of exemption under this section on the ground that such merger or acquisition would adversely affect competition in any relevant market including or included within the industry.

"(d) CONSTRUCTION.—Nothing in this section shall in any way alter the requirements, application, or operation of section 7A of the Clayton Act or any regulations under that section.

"SEC. 209. MISCELLANEOUS PROVISIONS.

"(a) ARTICLES TO WHICH CHAPTER NOT APPLICABLE.—No investigation for the purposes of section 201 shall be made with respect to an article which has received import relief under this chapter unless 2 years have elapsed since the last day on which such import relief was provided with respect to that article.

"(b) OTHER PROVISIONS.—

"(1) Actions by the Trade Representative to this chapter may be taken without regard to the provisions of sections 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States.

"(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 204(b)(3)(C), then the Trade Representative shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1)."

(b) CONFORMING AMENDMENTS.—(1) The table of contents for the Trade Act of 1974 is amended—

(A) by inserting at the end of section 201(a)(1) the following: "A person that files a petition under this paragraph may also file a petition for interim relief under section 204 or a request for emergency action under section 205.";

(B) by striking out "Presidential action" in the item relating to section 202 and inserting in lieu thereof "Action by the United States Trade Representative"; and

(C) by inserting after the entry for section 203 the following:

"Sec. 204. Interim relief to prevent irreparable harm.
"Sec. 205. Emergency action regarding imports of perishable products.
"Sec. 206. Antitrust relief.".

(2) Section 152(a)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2241) is amended by striking out "the action taken by, or the determination of, the President under section 203" and inserting in lieu thereof "the decision of the President under section 202(b)(2)".

SEC. 234. MARKET DISRUPTION.

Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) is amended—

(1) by striking out "Communist country" each place it appears therein and inserting "non-market economy country"; and

(2) by amending subsection (e) to read as follows:

"(e) For purposes of this section, the term 'non-market economy country' means any country dominated or controlled by communism."; and

(3) by adding at the end thereof the following new subsections:

"(f)(1) For purposes of this section, market disruption exists within a domestic industry whenever an article is being imported into the United States in such increased quantities (either absolutely or relatively) as to be an important cause of material injury or the threat thereof, to the domestic industry providing an article like or directly competitive with the imported article.

"(2) In making its determination under paragraph (1), the Commission shall consider, among other factors—

"(A) the volume of imports of the merchandise which is the subject of the investigation;

"(B) the effect of imports of the merchandise on prices in the United States for like or directly competitive articles;

"(C) the impact of imports of such merchandise on domestic producers of like or directly competitive articles; and

"(D) evidence of disruptive pricing practices, or other efforts to unfairly manage trade patterns.

"(3) For purposes of paragraph (2)—

"(A) In evaluating the volume of imports of merchandise, the Commission shall consider whether the increase in the volume of imports of the merchandise, either in absolute terms or relative to production or consumption in the United States, is significant.

"(B) In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether—

"(i) there has been significant price undercutting by the imported merchandise as compared with the price of like products of the United States, and

"(ii) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

"(C) In examining the impact on the affected industry, the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to—

"(i) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity.

"(ii) factors affecting domestic prices, and

"(iii) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment.

"(4) In making its determination under paragraph (1), the Commission shall, where appropriate, cumulate imports from 2 or more non-market economy countries subject to investigation under this section.

"(g) The Commission may recommend, in addition to other relief available under this section, a variable tariff based on a comparison of average domestic producer prices and average import prices.

"(h) The Trade Representative may deny import relief with respect to imports from a non-market economy country only if the provision of such relief would have a serious negative impact on the domestic economy.".

CHAPTER 2—AMENDMENTS TO THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS

SEC. 241. REFERENCE TO THE TARIFF ACT OF 1930.

Unless otherwise provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, subtitle, section, subsection, or other provision, the reference shall be considered to be made to a title, subtitle, section, subsection, or other provision of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

SEC. 242. PROCESSED AGRICULTURAL PRODUCTS.

(a) DEFINITION OF INDUSTRY.—Section 771(4) (19 U.S.C. 1677(4)) is amended by adding at the end thereof the following new subparagraph:

"(E) INDUSTRY PRODUCING PROCESSED AGRICULTURAL PRODUCTS.—

"(i) IN GENERAL.—In an investigation involving a processed agricultural product produced from any raw agricultural product, the producers or growers of the raw agricultural product may be considered part of the industry producing the processed product if—

"(I) the processed agricultural product is produced from the raw agricultural product through a single continuous line of production; and

"(II) there is a substantial coincidence of economic interest between the producers of the raw agricultural product and the producers of the processed agricultural product based upon relevant economic factors, which may, in the discretion of the Commission, include price, market value added by the producers, or other economic interrelationships (regardless of whether such coincidence of economic interest is based upon any legal relationship).

"(ii) PROCESS.—For the purposes of this subparagraph, the processed agricultural product shall be considered to be processed from a raw agricultural product through a single continuous line of production if—

"(I) the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product; and

"(II) the processed agricultural product is produced substantially or completely from the raw product.

"(iii) EVALUATION OF FACTORS.—For purposes of this subparagraph, in evaluating the factors relevant to the question of coincidence of economic interest, the Commission shall—

"(I) if price is taken into account, consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product; and

"(II) if market value added by the producers is taken into account, consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product.

"(iv) RAW AGRICULTURAL PRODUCT.—For purposes of this subparagraph, the term 'raw agricultural product' means any farm, forest, or fishery product.".

(b) DEFINITION OF MATERIAL INJURY.—Section 771(7)(F) (19 U.S.C. 1677(7)(F)) is amended—

(1) by striking out "and" at the end of subclause (VII);

(2) by striking out the period at the end of subclause (VIII) and inserting ", and"; and

(3) by adding at the end thereof the following:

"(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that an affirmative determination by the Commission with respect to either the raw agricultural product or the processed agricultural product (but not both) would result in an increase in the imports of the other agricultural product to an injurious level.".

(c) DEFINITION OF INTERESTED PARTIES.—Section 771(9) (19 U.S.C. 1677(9)) is amended—

(1) by striking out "and" at the end of subparagraph (E) and inserting in lieu thereof a comma;

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) in any investigation under this title involving an industry engaged in producing a processed agricultural product, as defined in paragraph (4)(E), a coalition or trade association which is representative of either processors or processors and producers.".

(d) CONFORMING AMENDMENTS.—

(1) Title VII is amended by striking out "subparagraph (C), (D), or (E) of section 771(9)" each place it appears and inserting in lieu thereof "subparagraph (C), (D), (E), (F), or (G) of section 771(9)".

(2) Subsections (g)(2) and (h)(1) of sections 704 and 734 (19 U.S.C. 167c; 1673c) are each amended by striking out "subparagraphs (C), (D), (E), and (F)" and inserting in lieu thereof "subparagraph (C), (D), (E), (F), or (G)".

(3) Section 514 (19 U.S.C. 1514) is amended by striking out "as defined in section 771(9)(C), (D), (E), and (F) of this Act".

(4) Subsection (a) of section 516 (19 U.S.C. 1516(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Any producer of a raw agricultural product who is considered under section 771(4)(E) to be part of the industry producing a processed agricultural product of the same class or kind as the designated imported merchandise shall, for purposes of this section, be treated as an interested party producing such processed agricultural product.".

SEC. 243. MATERIAL INJURY AND THREAT OF MATERIAL INJURY.

Section 771(7) (19 U.S.C. 1677(7)) is amended—

(1) by amending clause (iv) of subparagraph (C) to read as follows:

"(iv) CUMULATION.—For purposes of clauses (i) and (ii), the Commission shall where appropriate cumulatively assess the volume and effect of imports from two or more countries of like products if such imports compete with each other, and with like products of the domestic industry, in the United States market, and if such imports—

"(I) are subject to any investigation under section 303, 701, or 731 in which there is an affirmative preliminary determination on the petition;

"(II) are subject to any final order or suspension agreement resulting from an investigation under section 303, 701, or 731; or

"(III) were entered before any quantitative restraint was imposed on the importation of like products, if such restraint was the basis on which a petition filed under section 330, 701, or 731 was withdrawn after the administering authority made an affirmative preliminary determination on the petition.

Subclauses (II) and (III) apply only if the order, agreement, or restraint concerned came into effect within the 12-month period ending on the date the investigation with respect to which this clause is being applied is initiated.";

(2) by amending clause (i) of subparagraph (F) (as amended by section 152(b))—

(A) by inserting the following before the comma at the end of subclause (I): "provided by a foreign country and effects likely to be caused by the subsidy";

(B) by striking out "and" at the end of subclause (VIII);

(C) by striking out the period at the end of subclause (IX) and inserting in lieu thereof ", and"; and

(D) by adding at the end thereof the following new subclauses:

"(X) any government plan or scheme consisting of a combination of coordinated government actions, whether carried out severally or jointly, that are bestowed on a specific enterprise, industry, or group thereof the effect of which is to assist the enterprise, industry, or group to become more competitive in the export of the merchandise; and

"(XI) the extent to which the United States is a focal point for exports of the merchandise by reason of restraints on exports of the merchandise to, or on imports of the merchandise into, third country markets.";

(3) by adding at the end of paragraph (F) the following new clause:

"(iii) EFFECT OF DUMPING IN THIRD-COUNTRY MARKETS.—In investigations under subtitle B, the Commission shall consider whether dumping in third country markets, as evidenced by findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation, suggests a threat of material injury to the domestic industry. In the course of its investigation, the Commission shall request information from the foreign manufacturer, exporter, or United States importer concerning this issue. For purposes of this clause, the term 'GATT member market' means any country which is a signatory to The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures), and the European Community shall be treated as being one country."; and

(4) by adding at the end thereof the following:

"(G) SPECIAL RULES FOR FUNGIBLE PRODUCTS.—

"(i) IN GENERAL.—The Commission shall not determine that there is no material injury, or no threat of material injury, to United States producers of a fungible product by reason of imports (or sales or offers of sale for importation) of that fungible product solely on the basis of evidence that—

"(I) sales or offers of sale of the imported merchandise were not the first sales or offers at a reduced price in the relevant market;

"(II) price declines of similar magnitude occurred in other comparable markets (including submarkets or localities) where there is a relationship between the prices in such markets and the prices in the import impacted market;

"(III) United States producers also import the merchandise under investigation; or

"(IV) United States producers of the product are profitable.

"(ii) DEFINITION.—For the purposes of this clause, the term 'fungible product' means merchandise sold by weight or volume without significant product differentiation in such merchandise whether produced by foreign or domestic producers.".

SEC. 244. DIVERSIONARY DUMPING.

(a) IN GENERAL.—Subtitle B (19 U.S.C. 1673 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 739. DIVERSIONARY DUMPING.

"(a) DEFINITION OF DUMPED INPUT PRODUCT.—For purposes of this section, the term 'dumped input product' means a class or kind of merchandise to which there applies either—

"(1) an antidumping duty order issued under section 736(a), or

"(2) an international arrangement or agreement described in subsection (c)(2)(B) which was entered into after at least a preliminary affirmative determination under section on 733(b) was made.

"(b) IN GENERAL.—If the administering authority finds, during an investigation under this subtitle, that—

"(1) a dumped input product is incorporated into, or otherwise used in the manufacture or production of, the merchandise that is the subject of the investigation;

"(2) such dumped input product comprises not less than 35 percent of the exporter's sale price of such merchandise; and

"(3) the manufacturer or producer of such merchandise purchased the dumped input product for a price that is less than the adjusted foreign market value of that product;

the administering authority shall determine the diversionary dumping benefit for the merchandise and apply that benefit in determining the foreign market value of the merchandise under section 773(a).

"(c) DIVERSIONARY DUMPING BENEFIT.—

"(1) IN GENERAL.—The amount of a diversionary dumping benefit for merchandise is the difference, if any, by which—

"(A) the adjusted foreign market value of the dumped input product concerned exceeds

"(B) the price for which the manufacturer purchased the dumped input product.

"(2) ADJUSTED FOREIGN MARKET VALUE.—The adjusted foreign market value for a dumped input product is—

"(A) if an antidumping duty order issued under section 736(a) applies to the product, the foreign market value used to determine the current antidumping duty imposed on the product; or

"(B) if the investigation regarding the dumped input product under this subtitle was terminated or suspended because of the entry into force with respect to the United States of any international arrangement or agreement that contains quantitative restrictions on, or other terms and conditions relating to, the importation into the United States of the product, the foreign market value of the product as determined by the administering authority on the basis of the best available information, including any information gathered in the previous investigation of the dumped input product and the allegations contained in the petition filed with respect to such investigation.".

(b) CONFORMING AMENDMENTS.—

(1) Section 773(a) (19 U.S.C. 1677b(a)) is amended by striking out "increased by," and inserting "increased by the amount of any diversionary dumping benefit determined under section 739(a) and by,".

(2) The table of contents for subtitle B is amended by inserting after the entry for section 738 the following.

"Sec. 739. Diversionary dumping.".

SEC. 245. PERSISTENT DUMPING.

Section 733(e) of the Tariff Act of 1930 (19 U.S.C. 1673b(e)) is amended by adding at the end thereof the following:

"(3) PRESUMPTIONS AND MONITORING IN CASES OF PERSISTENT DUMPING.—

"(A) IN GENERAL.—If a manufacturer or exporter of merchandise subject to an investigation under this subtitle was the manufacturer or exporter of merchandise with respect to which, during the 5-year period preceding the date of the initiation of such investigation, two or more antidumping duty orders were issued under section 736(a), then the administering authority shall presume, for the purpose of such investigation, that there is a reasonable basis to believe that the factors referred to clauses (i) and (ii) of paragraph (1)(A) exist.

"(B) MONITORING.—Any—

"(i) manufacturer, producer, or wholesaler in the United States;

"(ii) certified union or recognized union or group of workers which is representative of an industry engaged in the manufacture, production, or wholesale in the United States; or

"(iii) trade or business association a majority of whose members are engaged in the manufacture, production, or wholesaling in the United States;

of a product like an article that—

"(I) is manufactured or produced by a manufacturer or exporter referred to in subparagraph (A), and

"(II) is being imported into the United States;

may request the Commission to monitor imports of that article into the United States and to provide periodic reports on the results of such monitoring.".

SEC. 246. MISCELLANEOUS AMENDMENTS.

(a) APPLICATION OF COUNTERVAILING AND ANTIDUMPING DUTIES TO GOVERNMENTAL IMPORTATIONS.—Section 771 (19 U.S.C. 1677) is further amended by adding at the end thereof the following new paragraph:

"(18) APPLICATION TO GOVERNMENTAL IMPORTATIONS.—Merchandise imported by, or for the use of, an agency of the United States Government is not exempt from the imposition of countervailing duties or antidumping duties under this title.".

(b) ACCESS TO INFORMATION.—Section 777 (19 U.S.C. 1677f) is amended—

(1) by amending subsection (b)(1)(B)(ii) to read as follows:

"(ii) a statement to the administering authority that certain types of business proprietary, privileged, or classified information should not be released under administrative protective order, or a statement to the Commission that information should not be released under administrative protective order.";

(2) by amending subsection (c)(1)—

(A) by amending subparagraph (A) to read as follows:

"(A) IN GENERAL.—Upon receipt of an application (before or after receipt of the information requested) which describes in general terms the information requested and sets forth the reasons for the request, the administering authority shall make all confidential information presented to, or obtained by it, during a proceeding (except privileged information, classified information, and information of a type which the administering authority determines should not be released under administrative protective order) available under a protective order described in subparagraph (B), regardless of when the information is submitted during a proceeding. The Commission may make confidential information submitted by any other party to the investigation available under a protective order described in subparagraph (B)."; and

(B) by adding at the end thereof the following new subparagraphs:

"(C) TIME LIMITATION.—The administering authority shall determine whether to make information available under this paragraph not later than 14 days (or 21 days if the statements described in subsection (b)(1)(B)(ii) are submitted with such information) after the date on which an application for disclosure is submitted under subparagraph (A). If the determination is affirmative, confidential information already submitted to the administering authority shall be made available, subject to the terms and conditions of the protective order, on the date such determination occurs. Confidential information submitted to the administering authority after such determination shall be served as required by subsection (d).

"(D) FAILURE TO DISCLOSE.—If a person submitting information refuses to disclose confidential information (except privileged information, classified information, or information of a type which the administering authority determines should not be released under protective order) pursuant to a protective order described in subparagraph (B), the administering authority shall return the information, and any nonconfidential summary thereof, to the person submitting it and shall not consider them."; and

(3) by adding at the end thereof the following new subsections:

"(d) SERVICE.—Any party submitting information to the administering authority during a proceeding shall, at the same time, serve the information upon all other parties to the proceeding. The administering authority shall not accept any such information that is not accompanied by a certificate of service. Confidential information shall only be served upon parties that are subject to protective order; however, a nonconfidential summary thereof shall be served upon all other parties.

"(e) NOTIFICATION.—The administering authority shall, within 14 days of receipt, notify all parties of the submission of information relevant to the proceeding by a person who is not a party to the proceeding.

"(f) TIMELY SUBMISSIONS.—Information shall be submitted to the administering authority during the course of a proceeding on a timely basis and shall be subject to comment by other parties within such reasonable time as the administering authority shall provide. If information is submitted without an adequate opportunity for other parties to comment thereon, the administering authority shall return the information to the party submitting it and shall not consider it.".

(c) DRAWBACK TREATMENT.—

(1) Section 779 (19 U.S.C. 1677h) is amended by striking out "shall be treated as any other customs duties." and inserting "may not be treated as being regular customs duties.".

(2) The section heading for such section 779 is amended by striking out "drawbacks" and inserting "drawback treatment".

(3) The table of contents for title VII is amended by striking out "Drawbacks." in the entry for section 779 and inserting "Drawback treatment.".

(d) CERTIFICATION OF SUBMISSIONS IN COUNTERVAILING AND ANTIDUMPING PROCEEDINGS.—

(1) Subtitle D (19 U.S.C. 1677 et seq.) (as amended by section 157) is amended by adding at the end thereof the following new section:

"SEC. 781. CERTIFICATION OF SUBMISSIONS.

"Any person providing factual information to the administering authority or the Commission in connection with a proceeding under this title on behalf of the petitioner or any other interested party shall certify that such information is accurate and complete to the best of that person's knowledge.".

(2) CONFORMING AMENDMENT.—The table of contents for title VIII is amended by inserting at the end thereof the following:

"Sec. 781. Certification of submissions.".

(e) STANDARD OF DETERMINATION.—Section 771(7)(E) is amended to read as follows:

"(E) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under subparagraph (C) or (D) shall not necessarily give decisive guidance with respect to the determination by the Commission of material injury.".

CHAPTER 3—INTELLECTUAL PROPERTY RIGHTS

SEC. 251. CONGRESSIONAL FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) international protection of intellectual property rights is vital to the international competitiveness of United States persons that rely on intellectual property protection;

(2) United States persons that rely on intellectual property protection are among the most advanced and competitive in the world;

(3) the existing protection under section 337 of the Tariff Act of 1930 against unfair trade practices is cumbersome and costly and has not provided United States owners of intellectual property rights with adequate protection against foreign companies violating such rights;

(4) the upcoming multilateral trade negotiations provide—

(A) a forum in which foreign market access for United States persons that rely on intellectual property protection can be enhanced, and

(B) an opportunity to develop and strengthen international rules and procedures for intellectual property right protection and enforcement;

(5) foreign barriers, including restrictions and conditions on investment, permits and various other regulatory restrictions on business operations, seriously impede the ability of the United States persons that rely on intellectual property protection to operate overseas thereby harming the economic interests of the United States.

(b) PURPOSES.—The purpose of this chapter are—

(1) to provide for the development, with appropriate consultations, of an overall strategy to foster open international markets for United States persons that rely on intellectual property protection, and the au-

thority to carry out such strategy through strengthened unilateral, bilateral, and multilateral efforts and the use of all appropriate instruments to achieve the objectives set forth in this chapter;

(2) to amend section 337 of the Tariff Act of 1930 to make it a more effective remedy for the protection of United States intellectual property rights; and

(3) to set forth principal United States negotiating objectives for multilateral and bilateral agreements in order to strengthen and expand international rules and procedures for intellectual property rights protection and enforcement and to enhance foreign market access.

SEC. 252. PROTECTION UNDER THE TARIFF ACT OF 1930.

(a) IN GENERAL.—Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a)(1) Subject to paragraph (2), the following are unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provision of law, as provided in this section:

"(A) Unfair methods of competition and unfair acts in the importation of articles (other than articles provided for in subparagraphs (B), (C), and (D)) into the United States, or in the sale of such articles by the owner, importer, consignee, or agent of either, the threat or effect of which is—

"(i) to destroy or substantially injure an industry, in the United States;

"(ii) to impair or prevent the establishment of such an industry; or

"(iii) to restrain or monopolize trade and commerce in the United States.

"(B) The unauthorized importation into the United States, or the unauthorized sale within the United States after importation, of articles that—

"(i) infringe a valid and enforceable United States patent or a valid United States copyright registered under title 17, United States Code; or

"(ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.

"(C) The importation into the United States, or the sale within the United States after importation, of articles that infringe a valid and enforceable United States trademark registered under the Trademark Act of 1946, if the manufacture or production of the article was unauthorized.

"(D) The importation of a semiconductor chip product in a manner that constitutes infringement of a mask work registered under chapter 9 of title 17, United States Code.

"(2) Subparagraphs (B), (C), and (D) of paragraph (1) apply only if an industry in the United States, relating to the articles, patent, copyright, trademark, or mask work concerned, exists or is in the process of being established.

"(3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles, patent, copyright, trademark, or mask work concerned—

"(A) significant investment in plant and equipment;

"(B) significant employment of labor or capital; or

"(C) substantial investment in its exploitation, including engineering, research and development, or licensing.".

(2) Subsection (b) is amended—

(A) by amending the third sentence of paragraph (1) to read as follows: "The Commission shall conclude any such investigation, and make its determination under this section, at the earliest practicable time, but not later than 8 months (10 months in more complicated cases) after the date of publication of notice of such investigation.";

(B) by striking out "one-year and 18-month periods" in the fifth sentence of paragraph (1) and inserting "8-month and 10-month periods"; and

(C) by striking out "1-year and 18-month periods" in paragraph (3) and inserting "8-month and 10-month periods".

(3) Subsection (c) is amended by inserting before the period in the first sentence the following: ", except that the Commission may, by issuing a consent order or on the basis of a settlement agreement, terminate any such investigation, in whole or in part, without making such a determination".

(4) Subsection (e) is amended—

(A) by striking out "If" in the first sentence and inserting "(1) If"; and

(B) by adding at the end thereof the following new paragraphs:

"(2) A complainant may petition the Commission for the issuance of an order under this subsection. The Commission shall make a determination with regard to such petition by no later than the 90th day after the date on which the Commission's notice of investigation is published in the Federal Register. The Commission may extend the 90-day period for an additional 60 days in a case it designates as a more complicated case. The Commission shall publish in the Federal Register its reasons why it designated the case as being more complicated. The Commission may require the petitioner to post a bond as a prerequisite to the issuance of an order under this subsection.

"(3) The Commission may grant preliminary relief under this subsection or subsection (f) with respect to a violation involving a registered trademark, copyright, or mask work or a patent, to the same extent as preliminary injunctions and temporary restraining orders may be granted under the Federal Rules of Civil Procedure.".

(5) Subsection (f) is amended—

(A) by striking out "In lieu of" in paragraph (1) and inserting "In addition to, or in lieu of,"; and

(B) by striking out "$10,000" in paragraph (2) and inserting "$100,000".

(6) Such section is further amended—

(A) by redesignating subsections (g), (h), (i), and (j) as subsections (i), (j), (k), and (l), respectively; and

(B) by inserting after subsection (f) the following new subsection:

"(g)(1) If—

"(A) a complaint is filed against a person under this section;

"(B) the complaint and a notice of investigation are served on the person;

"(C) the person fails to respond to the complaint and notice or otherwise fails to appear to answer the complaint and notice;

"(D) the person fails to show good cause why the person should be not be found in default; and

"(E) the person seeks relief affecting solely that person,

the Commission shall presume the facts alleged in the complaint to be true and shall, upon request, issue an exclusion from entry or a cease and desist order, or both, which affects only that person unless, after considering the effect of such exclusion or order upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, the Commission finds that such exclusion or order should not be issued.

"(2) A general exclusion from entry of the articles concerned, regardless of the source or importer of the article, may be issued if—

"(A) no person appeared to contest an investigation concerning a violation of the provisions of this section, and

"(B) such a violation is established by substantial, reliable, and probative evidence.

"(h) The Commission may by rule prescribe sanctions for abuse of discovery and abuse of process to the extent authorized by Rule 11 and Rule 37 of the Federal Rules of Civil Procedure.".

(7) Subsection (j) (as redesignated by paragraph (5)(A) of this section) is amended—

(A) by inserting "(1)" before the first sentence; and

(B) by adding at the end the following:

"(2) If any person who has previously been found by the Commission, on the basis of a contested proceeding, to be in violation of this section petitions the Commission for a determination that the petitioner is no longer in violation of this section or for a modification or rescission of an exclusion from entry or order under subsection (d), (e), (f), or (g)—

"(A) the burden of proof in any proceeding before the Commission regarding such petition shall be on the petitioner; and

"(B) relief may be granted by the Commission with respect to such petition—

"(i) on the basis of new evidence or evidence that could not have been presented at the prior proceeding, or

"(ii) on grounds which would permit relief from a judgment or order under the Federal Rules of Civil Procedure.".

(8) Subsection (k) (as redesignated by paragraph (5)(A) of this section) is amended—

(A) by striking out "claims of United States letters patent" in the first sentence and inserting "proceeding under subsection (a)(1) (B), (C), or (D)", and

(B) by striking out "a patent owner" in the second sentence and inserting "an owner of the patent, copyright, trademark, or mask work".

(8) Such section is further amended by adding at the end the following:

"(m)(1) Information submitted to the Commission or exchanged among the parties in connection with proceedings under this section which is designated as confidential by the person submitting it may not be disclosed (except under a protective order issued under regulations of the Commission which authorizes limited disclosure of such information) to any person (other than a person described in paragraph (2)) without the consent of the person submitting it.

"(2) Notwithstanding the prohibition contained in paragraph (1), information referred to in that paragraph may be disclosed to—

"(A) an officer or employee of the Commission who is directly concerned with carrying out the investigation in connection with which the information is submitted, or

"(B) an officer or employee of the United States Customs Service who is directly involved in administering an exclusion from entry under this section resulting from the investigation in connection with which the information is submitted.".

(b) TECHNICAL AMENDMENTS.—Section 337 (as amended by subsection (a)), is further amended—

(1) by amending subsection (c)—

(A) by striking out "(d) or (e)" and inserting "(d), (e), or (f)",

(B) by striking out "or (f)" and inserting "(f), or (g)", and

(C) by striking out "and (f)" and inserting "(f), and (g)";

(2) by striking out "or (f)" each place it appears in subsection (i) and inserting "(f), or (g)";

(3) by striking out "(g)" in subsection (j) and inserting "(i)"; and

(4) by striking out "or (f)" in subsection (k) and inserting "(f), or (g)".

(c) CONFORMING AMENDMENT.—The Act entitled "An Act to limit the importation of products made, produced, processed, or mined under process covered by unexpired valid United States patents, and for other purposes", approved July 2, 1940 (54 Stat. 724, 19 U.S.C. 1337a) is repealed.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the amendments made by this chapter shall apply with respect to findings made by the United States International Trade Commission under section 337 of the Tariff Act of 1930 on or after the date of the enactment of this Act.

(2) INVESTIGATIONS.—In the case of any investigation under section 337 of the Tariff Act of 1930 which must be completed by the International Trade Commission within 6 months after the date of the enactment of this Act, the Commission may, upon determining and declaring that the investigation is complicated, take up to an additional 3 months beyond the original statutory deadline to complete the investigation.

SEC. 253. NEGOTIATING OBJECTIVES REGARDING INTELLECTUAL PROPERTY RIGHTS.

(a) IN GENERAL.—Chapter 1 of title I is amended by inserting after section 104A the following new section:

"SEC. 104B. NEGOTIATING OBJECTIVES WITH RESPECT TO INTELLECTUAL PROPERTY RIGHTS.

"Principal United States negotiating objectives under section 102 shall be—

"(1) to seek enactment and effective enforcement by foreign countries of laws which adequately recognize and protect intellectual property under copyrights, patents, trademarks, mask works and trade secrets; and

"(2) to develop and strengthen bilateral and multilateral international rules and dispute settlement procedures against trade-distorting practices arising from inadequate national protection and enforcement of intellectual property rights, including—

"(A) early adoption of the GATT Anti-Counterfeiting Code, and concurrent development in the GATT, in cooperation with international technical organizations such as the World Intellectual Property Organization (WIPO), of substantive norms and standards for the protection and enforcement of other forms of intellectual property, and

"(B) the supplementing and strengthening of standards for protection and enforcement in existing international intellectual property conventions, including expansion to cover new and emerging technologies and elimination of discrimination or unreasonable exceptions or pre-conditions to protection.".

(b) CONFORMING AMENDMENT.—The table of contents for such chapter 1 is amended by inserting after the entry for section 104A the following:

"Sec. 104B. Negotiating objectives with respect to intellectual property rights.".

SEC. 254. PROTECTION OF PATENTS.

(a) CONTENTS OF PATENT.—Section 154 of title 35, United States Code, is amended by inserting after "United States," the following: "and, if the invention is a process, of the right to exclude others from using or selling products produced thereby or importing products produced thereby into, the United States.".

(B) INFRINGEMENT.—Section 271 of title 35, United States Code, is amended by—

(1) inserting "(1)" after "(a)"; and

(2) adding at the end of subsection (a), the following:

"(2) If the patented invention is a process, whoever without authority uses or sells within, or imports into, the United States during the term of the patent therefor a product produced by such process infringes the patent.";

(c) LIMITATION ON DAMAGES.—Section 287 of title 35, United States Code, is amended by—

(1) inserting "(a)" before "Patentees,"; and

(2) adding at the end thereof the following new subsection:

"(b) No damages shall be recovered by the patentee for infringement under section 271(a)(2) of this title from an infringer who did not use the patented process except on proof that such infringer knew of or was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such knowledge or notice. Filing of an action for infringement shall constitute such notice.".

(d) PRESUMPTION.—

(1) Title 35, United States Code, is amended by adding the following new section 295:

"§ 295. Presumption: Product produced by patented process.

"In actions alleging infringement of a process patent based on use or sale of a product produced by the patented process, if the court finds (1) that a substantial likelihood exists that the product was produced by the patented process and (2) that the claimant has made a reasonable effort to determine the process actually used in the production of the product and was unable so to determine, the product shall be presumed to have been so produced, and the burden of establishing that the product was not produced by the process shall be on the party asserting that it was not so produced.".

(2) The table of sections for chapter 29 of title 35, United States Code, is amended by adding after the item relating to section 294 the following:

"295. Presumption: Product produced by patented process.

(d) APPLICATION.—The amendments made by this section shall apply only to products produced or imported after the date of the enactment of this Act.

SEC. 255. TRANSFER OF TECHNOLOGY.

(a) SHORT TITLE.—This section may be cited as the "Federal Laboratory Technology Utilization Act of 1986".

(b) COOPERATIVE RESEARCH AND DEVELOPMENT ARRANGEMENTS.—Each Federal agency is authorized to permit laboratories of the agency to—

(1) enter into cooperative research and development arrangements (subject to such review procedures as the agency deems appropriate) with other Federal agencies, units of State or local government, industrial organizations, universities, or other persons including licensees of inventions owned by the Federal agency or general partners of research and development limited partnerships. Under such arrangements the laboratory may—

(A) accept funds, services, and property from collaborating parties and provide services and property to collaborating parties;

(B) grant or agree to grant in advance to a collaborating party, without regard to the provisions of sections 208 and 209 of title 35, United States Code, patent licenses or assignments, or options thereto, in any invention made by a Government employee under the arrangement, retaining such rights as the Federal agency deems appropriate;

(C) waive, in whole or in part, any right of ownership which the Government may have under any other statute to any inventions made by a collaborating party or employee of a collaborating party under the arrangement; and

(2) negotiate licensing agreements under section 207 of title 35, United States Code, or other authorities for Government-owned inventions made at the laboratory and other inventions of Federal employees that may be voluntarily assigned to the Government.

(c) DISTRIBUTION OF ROYALTIES.—

(1) Any royalties or other income received by the laboratory from the licensing or assignment of inventions under section 192 or under section 207 of title 35, United States Code, or other authority shall be disposed of as follows:

(A) At least 15 per centum of the royalties or other income received each year by the laboratory on account of any invention shall be paid to the inventor or coinventors if they were employees of the agency at the time the invention was made; except that payments made under this subsection are in addition to the regular pay of the employee and to any awards made to that employee, and such payments shall not affect the entitlement to or limit the amount of the regular pay or other awards to which the employee is otherwise entitled or eligible.

(B) The balance of any royalties or related income earned during any fiscal year may be retained by the laboratory up to an amount equal to 5 per centum of the budget for that year of the laboratory involved; except that these funds must be used or obligated by the end of the fiscal year subsequent to the one in which they are received either—

(i) for mission-related research and development of the laboratory;

(ii) to support development and education programs for employees of the laboratory;

(iii) to reward employees of the laboratory for inventions of value to the Government that will not produce royalties;

(iv) to further scientific exchange to and from the laboratory, or

(v) for payment of patenting costs and fees and other expenses incidental to the administration and licensing of inventions, including the fees or costs for the services of other agencies or other persons or organizations for invention management and licensing services.

Any funds not so used or obligated by that time shall be paid to the Treasury of the United States. If the balance for any laboratory exceeds 5 per centum of the annual budget of the laboratory, then 75 per centum of the excess shall be paid to the Treasury of the United States and the remaining 25 per centum shall be used for the purposes listed in subparagraphs (A)

through (E) by the end of the fiscal year subsequent to the one in which they were received, and any funds not so used or obligated by that time shall be paid to the Treasury of the United States.

(C) In the event the invention was one assigned to the agency either—

(i) by a contractor, grantee, or the holder of a cooperative agreement of the agency; or

(ii) by an employee of the agency that was not working in a laboratory at the time the invention was made, then for purposes of this section the agency unit that funded or employed the assignee shall be considered to be a laboratory.

(2) Agencies shall report annually to the appropriate oversight and appropriations committees of the Senate and House of Representatives detailing the amount of royalties or other income referred to in subsection 3(a) received and the expenditure of such royalties or income.

(d) DUTIES OF THE SECRETARY.—

(1) The Secretary of Commerce, in consultation with other Federal agencies, shall—

(A) develop and disseminate to appropriate agency personnel techniques and procedures for Federal laboratories and agencies to use on a voluntary basis to aid in the early determination of the commercial potential of new technologies generated in performance of Federal laboratory research;

(B) develop and administer training courses and materials to increase the awareness of laboratory researchers regarding the commercial potential of inventions and to educate laboratory personnel in methods and options for commercialization which are available to the Federal laboratories, including research and development limited partnerships;

(C) develop and disseminate to appropriate agency personnel model provisions for use on a voluntary basis in cooperative research and development arrangements; and

(D) upon request, furnish advice and assistance to laboratories concerning their cooperative research and development program and projects.

(2) Two years after the date of enactment of this Act, and every two years thereafter, the Secretary shall submit a report to the President and the Congress on the use by the agencies and the Secretary of the authorities under this part. Other Federal agencies shall cooperate with the Secretary in providing information necessary to prepare the reports.

(e) EMPLOYEE ACTIVITIES.—

(1) It shall be the policy of the Government to encourage the efforts of Government employees or former employees to obtain commercialization of inventions made by them while they were in the service of the United States, and it shall not be a violation of the provisions of section 207 of title 18, United States Code, for former employees or the partners of employees to negotiate licenses or cooperative research and development arrangements relating to such inventions with Federal agencies, including the agency with which the employee is or was formerly employed. Federal employees or former employees who receive royalty payments or participate (whether as a principal of, a consultant to, or an employee of an organization that is attempting to commercialize the invention, or otherwise) in efforts to commercialize their inventions shall not, because of such receipt or participation, be deemed to be in violation of section 201, 203, 205, 207, 208, or 209 of title 18 of the United States Code. In the case of an active employee of the Government, this section is not intended to negate any requirements which the agency may have concerning the need for approval of outside employment to prevent substandard levels of performance.

(2) Upon the request of a Government employee or former employee who made an invention during the course of his employment with the Government to which the Government has the right of ownership, the agency shall allow the inventor to retain title to the invention (subject to reservation by the Government of a nonexclusive, nontransferable, irrevocable, paid up license to practice or have practiced the invention throughout the world by or on behalf of the Government) unless the agency intends to file for a patent application in order to promote commercialization of the invention. However, such a request need not be granted if this would be inconsistent with the obligations of the Government to other parties under a cooperative research and development arrangement or otherwise, or if the agency intends to transfer its ownership rights to another party that was a coinventor or which employed a coinventor of the invention. In addition, the agency may condition the inventor's title on the timely filing of a patent application or statutory invention registration in cases when the Government determines that it has or may have a need to practice the invention.

(3) For purposes of this subsection, Federal employees include "special Government employees" as defined at section 202 of title 18, United States Code.

(f) DEFINITIONS.—As used in this section—

(1) The term "cooperative research and development arrangement" means any agreement, but not a procurement contract as that term is used at section 6303 of title 31, United States Code, between one or more Federal agencies and one or more non-Federal parties under which the agency (or agencies collectively) through one or more laboratories provides personnel, services, facilities, equipment, or other resources (but not funds to non-Federal parties) and the non-Federal parties provide funds, personnel, services, facilities, equipment, or other resources toward the conduct of specified research or development efforts which are consistent with the missions of the agency.

(2) The term "Federal agency" means any executive agency as defined at section 105 of title 5, United States Code, and the military departments as defined at section 102 of title 5, United States Code.

(3) The term "invention" means any invention under title 35 of the United States Code, or any novel variety of plant which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 et seq.).

(4) The term "laboratory" means a facility or group of facilities owned, leased, or otherwise used by a Federal agency, a substantial purpose of which is the performance of research and development by Government employees.

(5) The term "made" when used in conjunction with "inventions" means conceived or first actually reduced to practice.

(6) The term "Secretary" means the Secretary of Commerce or his or her designee or delegee.

(g) RELATIONSHIP TO OTHER LAWS.—Nothing in this section is intended to limit or diminish existing authorities of any agency.

SEC. 256. PROTECTION OF PROPRIETARY INFORMATION.

Section 552(b) of title 5, United States Code, is amended—

(1) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively; and

(2) by inserting after paragraph (4) the following:

"(5) commercial and financial information that is obtained from a person and proprietary or sensitive, but not exempt under paragraph (4), but only if the person is notified of the request for release and given a period of 60 days after notification in which to present arguments regarding why the information should be exempt under this paragraph.".

Subtitle C—Trade Negotiating Objectives and Authority

SEC. 261. REAGAN ROUND OF GATT NEGOTIATIONS.

(a) IN GENERAL.—It is the sense of the Congress that the President should initiate, as soon as possible, multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade in order to—

(1) resolve those issues that were not resolved in earlier negotiations; and

(2) to develop multilateral disciplines in those areas where trade problems have emerged, or are becoming more acute, such as—

(A) the trade in services and high technology products and software;

(B) protection of intellectual property rights; and

(C) the proliferation of nontariff barriers and other government intervention designed to protect domestic industries unfairly as tariffs and quantitative restrictions are reduced or eliminated.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—The principal trade negotiating objectives of the United States under sections 101 and 102 of the Trade Act of 1974 are as follows:

(1) To improve the dispute settlement mechanisms and procedures of the GATT so as to ensure the expeditious and decisive resolution of all types of disputes covered by GATT rules.

(2) To strengthen the GATT rules pertaining to subsidy practices and countervailing measures by—

(A) prohibiting the use of export subsidies on primary products;

(B) treating as subsidies prohibited under such rules resource subsidies, subsidized inputs, and other forms of government intervention that have the effect of subsidizing domestic producers and causing injury or other adverse effects to foreign interests;

(C) sanctioning the imposition of special penalty measures to discourage, rather than merely offset, the persistent use by governments of subsidy practices which cause injury to foreign producers; and

(D) in cases in which subsidies on exports to a third country market lead to the displacement of another country's exports, authorizing the country suffering displaced exports to impose countervailing measures on imports of the subsidizing country (preferably on a like or similar product) equivalent to the amount of displacement.

(3) To strengthen the GATT rules pertaining to dumping practices and antidumping measures by—

(A) developing procedures to determine and effective measures to deter and counteract diversionary dumping practices through the use of dumped inputs which are injurious to foreign producers;

(B) expediting procedures in order to provide more timely antidumping relief, particularly for products with short-life cycles;

(C) developing effective means to counteract dumping practices which displace sales in third country markets; and

(D) authorizing the imposition of special sanctions to deter repetitive dumping practices by manufacturers, producers, or exporters.

(4) To develop rules to limit and counteract industrial export targeting practices which are injurious to foreign producers.

(5) To bring about greater balance between international trade benefits and obligations and the fuller participation of developing countries in the international trading system by—

(A) reducing and eliminating the reliance of developing countries on special and differential treatment from developed countries;

(B) requiring developing countries, commensurate with their attaining more advanced and competitive levels of economic development—

(i) to provide reciprocal benefits, and

(ii) to assume equivalent obligations with respect to their import and export practices; and

(C) ensuring that all developed countries share equally the responsibility for advancing the economies of developing countries.

(6) To develop principles, rules, and procedures regarding, and to reduce barriers and other distortions affecting, those kinds or conditions of international trade not presently or adequately covered, including—

(A) barriers to trade in services and high technology products, requirements or restrictions affecting investment flows and high technology transfers, and other barriers referred to in section 104A of the Trade Act of 1974; and

(B) protection and enforcement of intellectual property rights referred to in section 104B of the Trade Act of 1974;

in order to create an international system that reflects and addresses, on a comprehensive basis, present and future trade and trading practices.

(7) To achieve more open and fair conditions of trade in agricultural commodities by—

(A) developing, strengthening, and clarifying rules to discipline restrictive and trade-distorting import and export practices; and

(B) eliminating and reducing substantially specific constraints to fair and open trade, such as tariffs, quantitative restrictions, export subsidies, and other nontariff practices.

(8) To improve the operation and expand the coverage of, and the participation of countries in, the agreements concluded in the Tokyo Round of GATT negotiations.

(9) To strengthen the GATT rules regarding the conditions and procedures for applying all types of safeguard measures taken by governments to limit injurious import competition in order to ensure transparency and to promote adjustment in the use of such measures.

(10) to develop principles, rules, and procedures concerning offsets and other countertrade requirements in order to minimize any adverse effect of such requirements on domestic products and industries;

(11) To promote world market access on an equitable and reciprocal basis by achieving the maximum reduction, elimination, or harmonization of existing specific tariff and nontariff trade barriers to exports, particularly—

(A) those barriers that are identified from time-to-time in the analyses and estimates required under section 181 of the Trade Act of 1974; and

(B) those disparities in tariff levels which impede access to particular export markets.

(12) To develop rules that impose a greater responsibility on countries with large and persistent current account surpluses to undertake policy changes aimed at restoring current account equilibrium, including expedited implementation of trade agreements where feasible and appropriate.

(13) To develop mechanisms to assure greater coordination, consistency, and cooperation between international trade and monetary systems and institutions.

(c) AGREEMENTS TO ACHIEVE OBJECTIVES.—The principal objectives listed in subsection (b) are to be achieved, to the maximum extent feasible, through multilateral trade agreements (negotiated with both developed countries and developing countries) that provide, on a reciprocal and mutually advantageous basis, for—

(1) the reduction, elimination, or harmonization of barriers to, and other distortions of, international trade; and

(2) the development, clarification, or extension of principles, rules, and procedures governing that trade;

except that bilateral agreements and other agreements of kinds other than multilateral agreements should be negotiated to achieve such objectives in circumstances where the use of such other kinds of agreements would be more effective or appropriate, or the entering into of multilateral agreements is not feasible.

SEC. 262. EXTENSION OF TRADE AGREEMENT AUTHORITY.

(a) BASIC EXTENSION.—

(1) TARIFF REDUCTION.—Section 101 (19 U.S.C. 2111) is amended—

(A) by striking out "5-year period" in subsection (a)(1) and inserting "21-year period"; and

(B) by striking out "January 1, 1975" each place it appears therein and inserting "January 1, 1987".

(2) NONTARIFF BARRIER REDUCTION OR ELIMINATION.—Section 102(b)(1) (19 U.S.C. 2112(b)(1)) is amended by striking out "13-year period" and inserting "21-year period".

(b) ADDITIONAL EXTENSION.—If before November 3, 1995, the United States Trade Representative submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report certifying that—

(1) sufficient progress has been made under the authority of sections 101 and 102 of the Trade Act of 1974 to justify the continuation of negotiations under such sections; and

(2) such a continuation of negotiations is likely to achieve the principal United States negotiating objectives set forth in section 261(b);

then, effective January 3, 1989, sections 101(a)(1) and 102(b)(1) of the Trade Act of 1974 are each amended by striking out "21-year period" and inserting "20-year period".

SEC. 263. AGREEMENTS REGARDING NONTARIFF BARRIERS TO, AND OTHER DISTORTIONS OF, TRADE.

(a) CUSTOMS ACTION UNDER CERTAIN TRADE AGREEMENTS.—Section 102(b) (19 U.S.C. 2112(b)) is amended by adding at the end thereof the following new paragraph:

"(5) In the implementation of any bilateral trade agreement entered into with a foreign country under paragraph (2)(A) or (4)(A), the Commissioner of Customs shall issue such rules and regulations as are necessary to prevent the transshipment through the country of articles subject to quantitative import restrictions under United States law.".

(b) CONSULTATION WITH COMMITTEES.—The second sentence of section 102(c) is amended to read as follows: "Such consultation shall include—

"(1) the nature of the agreement;

"(2) how and to what extent the agreement will achieve the principal United States negotiating objectives set forth in section 261(b) of the Trade Expansion and Competitiveness Act of 1986;

"(3) whether the agreement will affect any import sensitive article and, if so, the treatment proposed to be accorded to that article under the agreement; and

"(4) all matters relating to the implemenation of the agreement under subsections (d) and (e).".

(c) FAST TRACK.—The first sentence of section 102(f) is amended—

(1) by striking out "may recommend" and inserting in lieu thereof "shall recommend"; and

(2) by striking out "is consistent" and inserting in lieu thereof "is appropriate and consistent".

SEC. 264. COMPENSATION AUTHORITY.

Section 123(a) (19 U.S.C. 2133(a)) is amended to read as follows—

"(a) Whenever any action taken under chapter 1 of title II or chapter 1 of title III, by statute, or through any tariff reclassification increases or imposes any duty or other import restriction, the President—

"(1) may enter into trade agreements with foreign countries or instrumentalities for the purpose of granting new concessions as compensation in order to maintain the general level of reciprocal and mutually advantageous concessions; and

"(2) may proclaim such modification or continuance of any existing duty, or such continuance of existing duty-free or excise treatment, as he determines to be required or appropriate to carry out any such agreement;

but only if the entering into of any such agreement is necessary or appropriate to meet the international obligations of the United States.".

SEC. 265. TARIFF AGREEMENTS WITH CANADA.

(a) IN GENERAL.—Chapter 2 of title I is amended by inserting at the end thereof the following new section:

"SEC. 129. NEGOTIATION OF CERTAIN MISCELLANEOUS TARIFF AGREEMENTS WITH THE GOVERNMENT OF CANADA.

"(a) In order to facilitate negotiations with respect to a trade agreement with the Government of Canada authorized pursuant to subsection (b)(4) of section 102, the President may, subject to the provisions of subsections (b), (c), and (d) of this section—

"(1) enter into tariff agreements relating to the items listed in this section; and

"(2) may proclaim the modification or elimination of any existing duty on these items as he deems appropriate.

"(b) The President shall exercise his authority under this section only with respect to articles provided for in the following items of the Tariff Schedules of the United States (19 U.S.C. 1202):

"(1) Frozen cranberries (provided for in item 146.71).

"(2) Dialysis cyclers (provided for in item 709.17).

"(3) Packaging goods for tea (described in headnote 2 to subpart A of part 11 of schedule 1).

"(4) Dried fababeans (provided for in items 140.11 and 140.16).

"(5) Cat litter (provided for in items 256.90 and 512.24).

"(6) Mechanics tool boxes (provided for in item 706.62).

"(7) Medical tubing (provided for in item 772.65).

"(8) Synthetic fireplace materials (provided for in item 792.32).

"(9) Spirits (provided for in items 169.21 and 169.22).

"(10) Miners safety lamps, components, and battery chargers (provided for in items 683.80 and 682.60).

"(11) Computerized paper cutter control retrofit units (provided for in items 685.90 and 676.15).

"(c) The President shall exercise his authority to proclaim changes in existing duties under this section only to the extent that tariff concessions of approximately equivalent value are granted by the Government of Canada in exchange for reductions authorized under this section.

"(d) The President may exercise the authority granted under this section only during the 5-year period beginning on the date of the enactment of this section.".

(b) CONFORMING AMENDMENT.—The table of contents of chapter 2 of title I is amended by adding at the end thereof the following:

"Sec. 129. Negotiation of Certain Miscellaneous Trade Agreements with the Government of Canada.".

SEC. 266. FREE TRADE AREAS.

(a) REVIEW BY USTR.—The United States Trade Representative shall conduct, and submit to Congress, a review of the bilateral relationships between the United States and its major trading partners in order to determine those countries that offer the most potential for the establishment of free trade areas with the United States. In undertaking the review, the United States Trade Representative shall take into account the extent to which countries—

(1) maintain open markets;

(2) refrain from government subsidies for exports and other intrusive trade practices; and

(3) extend reciprocal treatment under their trade laws and practice to United States goods and services.

SEC. 267. NEGOTIATING OBJECTIVES REGARDING HIGH TECHNOLOGY ACCESS.

Section 104A (19 U.S.C. 2114b) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection.

"(d) ACCESS TO HIGH TECHNOLOGY.—

"(1) IN GENERAL.—Principal United States negotiating objectives shall be to obtain the elimination or reduction of foreign barriers to, and foreign government acts, policies, or practices which limit, equitable access by United States persons to foreign-developed technology, including barriers, acts, policies, or practices which have the effect of—

"(A) restricting the participation of United States persons in government-supported research and development projects;

"(B) denying equitable access by United States persons to government-held patents;

"(C) requiring the approval or agreement of government entities, or imposing other forms of government intervention, as a condition for the granting of licenses to United States persons by foreign persons (except for approval or agreement which may be necessary for national security purposes to control the export of critical military technology); and

"(D) otherwise denying equitable access by United States persons to foreign-developed technology or contributing to the inequitable flow of technology between the United States and its trading partners.

"(2) DOMESTIC OBJECTIVES.—In pursuing the objectives described in paragraph (1), the United States shall take into account the policies of the United States Government in licensing or otherwise making available to foreign persons technology and other information developed by United States laboratories.".

Subtitle D—Functions of the United States Trade Representative

SEC. 271. TRADE POLICY FUNCTIONS.

(a) TRADE REPRESENTATIVE.—Section 141(c) of the Trade Act of 1974 (19 U.S.C. 2171(c)) is amended to read as follows:

"(c)(1) The United States Trade Representative shall—

"(A) have primary responsibility for developing, and for coordinating the implementation of, United States international trade policy, including commodity matters, and, to the extent they are related to international trade policy, direct investment matters;

"(B) serve as the principal advisor to the President on international trade policy and shall advise the President on the impact of other policies of the United States Government on international trade;

"(C) have lead responsibility for the conduct of, and shall be the chief representative of the United States for, international trade negotiations in which the United States participates;

"(D) issue policy guidance to departments and agencies on basic issues of policy and interpretation arising in the exercise of international trade functions, to the extent necessary to assure the coordination of international trade policy and consistent with any other law;

"(E) act as the principal spokesman of the President on international trade;

"(F) be chairman of the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962, and shall consult with and be advised by such Committee in the performance of his functions.".

(b) INTERAGENCY TRADE ORGANIZATION.—Section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)) is amended to read as follows:

"(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by the trade laws and to advise the United States Trade Representative in carrying out his functions under section 141 of the Trade Act of 1974. Such organization shall be composed of the following:

"(1) The Trade Representative, who shall be chairperson.

"(2) The Secretary of Commerce.

"(3) The Secretary of State.

"(4) The Secretary of the Treasury.

"(5) The Secretary of Agriculture.

"(6) The Secretary of Labor.

The Trade Representative may invite representatives from other agencies, as appropriate, to attend particular meetings if subject matters of specific functional interest to such agencies are under consideration. It shall meet at such times and with respect to such matters as the President or the Chairman shall direct.".

SEC. 272. FAIR TRADE ADVOCATES BRANCH.

Section 141 of the Trade Act of 1974 (19 U.S.C. 2171 et seq.) is amended by adding at the end thereof the following new subsection:

"(g) FAIR TRADE ADVOCATES BRANCH.—

"(1) There is established in the Office a Fair Trade Advocates Branch (hereinafter referred to as the 'Branch') which shall assist qualifying industries in obtaining remedies and benefits under the trade laws—

"(A) by preparing and initiating cases (other than those which, in the opinion of the Branch, are frivolous) for qualifying industries under the trade laws;

"(B) acting as an advocate in proceedings regarding such cases before the respective agencies responsible for administering the trade laws; and

"(C) in pursuing administrative and judicial appeals, where appropriate, of such cases.

"(2) For purposes of this subsection—

"(A) The term 'qualifying industry' means—

"(i) any small business which, in the judgment of the Branch, due to its small size has neither the adequate internal resources nor the financial ability to obtain qualified legal or technical assistance;

"(ii) any industry which, because of its competitive position or location in export markets would suffer serious adverse economic impact, including reprisals, if it pursued on its own a case under a trade law; or

"(iii) any industry whose case, in the judgment of the Branch, is meritorious for policy or other reasons, and the industry lacks adequate resources to obtain remedies against unfair trade practices.

A decision by the Branch regarding whether any industry is a qualifying industry under this subsection is not reviewable by any other agency or by any court.

"(B) The term 'trade law' means the following:

"(i) Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq., relating to the imposition of countervailing duties and antidumping duties).

"(ii) Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, relating to unfair practices in import trade).

"(3) Each agency responsible for administering a trade law shall provide technical and other assistance to the Branch to enable it to prepare and file petitions and applications to obtain the remedies and benefits that may be available under that law.".

SEC. 273. TRADE POLICY AGENDA.

(a) IN GENERAL.—By no later than March 1 of each year, the United States Trade Representative shall submit in writing (in confidence if appropriate) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (hereinafter referred to as the "Committees") a statement of—

(1) the trade policy objectives and priorities of the United States for the year, and the reasons therefor;

(2) the actions proposed or anticipated to be undertaken during the year to achieve such objectives, including actions under the authority of the trade laws and any negotiations contemplated with foreign countries; and

(3) any proposed legislation necessary or appropriate to achieve such objectives.

(b) CONSULTATION BEFORE STATEMENT.—Before submitting the statement required under subsection (a) for any year, the United States Trade Representative shall

seek advice from the appropriate sector advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and shall consult with the Committees.

(c) CONSULTATION AFTER STATEMENT.—The United States Trade Representative and the officials of other Federal agencies, as appropriate, shall consult periodically with the Committees with respect to the objectives and priorities set forth in the statement required under subsection (a) for any year regarding the status and results of the actions undertaken, and any development which may require, or result in, changes to any of such objectives or priorities.

Subtitle E—Miscellaneous Provisions

SEC. 281. TIME LIMITATION ON PRESIDENTIAL ACTION REGARDING IMPORTS AFFECTING NATIONAL SECURITY.

(a) IN GENERAL.—The last sentence of section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) is amended by inserting ", within the 90-day period after the day on which the advice was received," before "shall take such action".

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply with respect to findings made by the Secretary of Commerce under section 252(b) of the Trade Expansion Act of 1962 before, on, or after the date of the enactment of this Act; except that with respect to any such finding made before such date of enactment and regarding which the President did not take action under such section before such date, a sixty-day, rather than a 90-day, limitation shall be used in applying the amendment.

SEC. 282. ENTRY PROCESSING FOR TEXTILES AND APPAREL.

The Congress determines that it is vital to the purposes of the Multi-Fiber Arrangement that bilateral limitations on shipments of textiles and apparel, and periodic adjustments to those limitations, be carried out on a timely basis in order to respond to the changing United States market for textiles and apparel. The Secretary of Commerce shall, within 90 days after the date of the enactment of this Act, institute procedures to expedite the interagency process for recommending and approving the issuance of notices requesting consultations and negotiations on such limitations and periodic adjustments.

SEC. 283. CUSTOMS SERVICE OPERATIONS.

(a) IN GENERAL.—The Commissioner of Customs, in order to assure the orderly and uniform entry of goods in accordance with law and regulations and to prevent fraud, circumvention, and other violations of, and otherwise to enforce, such law and regulations, shall—

(1) increase the number of inspectors, import specialists, and customs patrol officers in the Customs Service by not less than eight hundred above the level of such personnel employed as of September 30, 1985;

(2) implement, as soon as possible, the Automated Commercial System, and other appropriate changes, if any, in information, documentation, and clearance procedures, at all ports of entry; and

(3) implement, on a priority basis, a program for detecting, investigating, and prosecuting patent and copyright infringement cases.

The Commissioner of Customs shall report quarterly to the appropriate authorizing and appropriating committees of the Congress on the operation and effect of the program required to be implemented under paragraph (3).

(b) EXCEPTION REGARDING CERTAIN CUSTOMS OBLIGATIONS.—Notwithstanding any other provision of law, obligations or outlays for expenses incurred in providing any Customs Services for which reimbursement or refund to any appropriation is authorized or required under section 1524 of the Tariff Act of 1930 (19 U.S.C. 1524) or section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 shall not be subject to sequestration or reduction unless otherwise provided.

SEC. 284. SCOFFLAW PENALTIES FOR MULTIPLE CUSTOMS LAW OFFENDERS.

(a) ORDERS BY SECRETARY OF THE TREASURY.—

(1) The Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") shall by order prohibit any person who is a multiple customs law offender from—

(A) introducing, or attempting to introduce, foreign goods into the customs territory of the United States; and

(B) engaging, or attempting to engage, any other person for the purpose of introducing, on behalf of the multiple customs law offender, foreign goods into such customs territory.

If the multiple customs law offender is a firm, corporation, or other legal entity, the order shall apply to all officers and principals of the entity. The order shall also apply to any employee or agent of the entity if that employee or agent was directly involved in the violations of the customs laws concerned.

(2) The prohibition contained in an order issued under paragraph (1) shall apply during the period which begins on the 60th day after the date on which the order is issued and ends on the third anniversary of that 60th day.

(b) IDENTIFICATION OF MULTIPLE CUSTOMS LAW OFFENDERS.—Each Federal agency shall notify the Secretary of all final convictions and assessments made incident to the enforcement of the customs laws under jurisdiction of that agency.

(c) PENALTY.—Whoever violates, or knowingly aids or abets the violation of, an order issued by the Secretary under this section shall be fined not more than $250,000.

(d) RULES.—The Secretary shall prescribe rules to carry out this section, including rules governing the procedures to be used in issuance of orders under subsection (a). Such rules shall also include a list of the customs laws.

(e) DEFINITIONS.—For purposes of this section:

(1) The term "multiple customs law offender" means a person that, during any period of 7 consecutive years occurring after the date of the enactment of this Act, was either convicted of, or assessed a civil penalty for, 3 separate violations of one or more customs laws finally determined to involve gross negligence, fraud, or criminal culpability.

(2) The term "customs law" means any Federal law providing a criminal or civil penalty for an act, or failure to act, regarding the introduction of, or the attempt to introduce, foreign goods into the customs territory of the United States; including, but not limited to, sections 496 and 1001 (but only with respect to customs matters), and any section of chapter 27, of title 18, United States Code, and section 592 of the Tariff Act of 1930.

SEC. 285. IMPORT MONITORING BY THE INTERNATIONAL TRADE COMMISSION; TECHNICAL AMENDMENTS.

(a) MONITORING OF IMPORTS.—The United States International Trade Commission shall, beginning on the date of the enactment of this Act, monitor imports into the United States for the purposes of identifying, ranking, and providing analysis with respect to, those classes or kinds of imported merchandise that may pose potential significant problems from import competition for United States industries, based on such factors as changes in net trade balances of the articles concerned and evidence of increasing import penetration of the domestic market. The Commission shall submit to the Committee on Ways and Means a quarterly report regarding the monitoring required under this subsection.

(b) CONFIDENTIAL INFORMATION.—The first sentence of section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) is amended by striking out ", and shall report to Congress" and inserting ". However, the Commission may not release information which the Commission considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Commission, or such party subsequently consents to the release of the information. The Commission shall report to Congress".

(c) PAPERWORK REDUCTION.—Section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) is amended by adding at the end thereof the following new subsection:

"(f) The Commission shall be considered to be an independent regulatory agency for purposes of chapter 35 of title 44, United States Code.".

SEC. 286. TRADE IN SEMICONDUCTORS.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the maintenance of a healthy domestic semiconductor industry is essential to the development of the United States economy and the preservation of the national security of the United States;

(2) the U.S. semiconductor industry is a world leader in semiconductor technology and has demonstrated its competitiveness in all markets to which it has had free access;

(3) in 1983, the Department of Commerce and the United States Trade Representative concluded that evidence "suggested that the intent of the Government of Japan . . . has been to offset the effects of liberalization" of the semiconductor market;

(4) on June 14, 1985, the Semiconductor Industry Association filed a petition with the United States Trade Representative requesting the President to take action to open the Japanese semiconductor market to United States semiconductor manufacturers, and, on July 11, 1985, the United States Trade Representative initiated an investigation into the allegations supporting such request;

(5) negotiations are underway with the Government of Japan to resolve the issue of free access to the Japanese semiconductor market, but such negotiations have not progressed; and

(6) the semiconductor trade issue should be resolved through a program to increase, rather than restrict, international semiconductor trade.

(b) SENSE OF CONGRESS.—In view of the findings in subsection (a), it is the sense of the Congress that—

(1) the Government of Japan should allow United States semiconductor manufacturers

full and substantial access to the Japanese semiconductor market; and

(2) the President should immediately—

(A) take all appropriate and feasible action in his power to achieve full and substantial access to the Japanese semiconductor market for United States semiconductor manufacturers; and

(B) determine if the actions of the Government of Japan in restricting access to its semiconductor market warrant Presidential action under section 301 of the Trade Act of 1974.

TITLE III—TARIFF AND CUSTOMS PROVISIONS

SEC. 301. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a schedule, headnote, item, or other provision, the reference shall be considered to be made to a schedule, headnote, item, or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202).

Subtitle A—Miscellaneous Tariff and Customs Provisions

CHAPTER 1—PERMANENT CHANGES IN TARIFF TREATMENT

SEC. 311. IMPORTATION OF FURSKINS.

Headnote 4 to subpart B of part 5 of schedule 1 is repealed.

SEC. 312. SALTED AND DRIED PLUMS.

Subpart B of part 9 of schedule 1 is amended—

(1) by amending the item description for item 149.26 to read as follows: "Dried, salted, or not salted but not otherwise further prepared"; and

(2) by striking out item 149.28 and inserting the following:

	"Otherwise prepared or preserved:		
149.30	Plums, soaked in brine and dried	2¢ per lb.	2¢ per lb.
149.31	Other	17.5% ad val.	35% ad val.".

SEC. 313. CARROTED FURSKINS.

Subpart D of part 15 of schedule 1 is amended—

(1) by amending item 186.20—

(A) by striking out "use, and carroted furskins" in the article description and inserting "use", and

(B) by striking out "15% ad val." in column 1 and inserting "Free"; and

(2) by inserting after item 186.20 the following new item:

"186.22	Carroted furskins	15% ad val.	35% ad val.".

SEC. 314. BROADWOVEN FABRICS OF MAN-MADE FIBERS.

(a) AMENDMENT.—Subpart E of part 3 of schedule 3 is amended by striking out item 338.50 and inserting the following new items with the article description for item 338.60 at the same indentation level as the article description for item 338.40:

"338.60	Containing 85% or more by weight of continuous man-made fibers	2¢ per lb. + 17.9% ad val.	81% ad val.
	Other:		
338.70	Weighing not more than 5 oz. per square yard	2¢ per lb. + 17.9% ad val.	81% ad val.
338.80	Other	2¢ per lb. + 17.9% ad val.	81% ad val.".

(b) STAGING.—The rate of duty in column numbered 1 for each of items 338.60, 338.70, and 338.80 (as added by subsection (a)) shall be subject to all staged rate reductions for item 338.50 which were proclaimed by the President before the date on which the amendments made by subsection (a) take effect.

SEC. 315. SILICONE RESINS AND MATERIALS.

(a) AMENDMENT.—Part 4 of schedule 4 is amended—

(1) by amending subpart A—

(A) by striking out "provided for in part 1C" in headnote 1 and inserting ", other than silicones, provided for in part 1", and

(B) by amending headnote 2 to read as follows:

"2. (a) The term 'synthetic plastics materials' in this subpart—

"(i) embraces products formed by the condensation, polymerization, or copolymerization of organic chemicals and to which an antioxidant, color, dispersing agent, emulsifier, extender, filler, pesticide, plasticizer, or stabilizer may have been added; and

"(ii) includes silicones (including fluids, resins, elastomers, and copolymers) whether or not such materials are solid in the finished articles.

"(b) The products referred to in (a) contain as an essential ingredient an organic substance of high molecular weight; and, except as provided in (a)(ii) of this headnote, are capable, at some stage during processing into finished articles, of being molded or shaped by flow and are solid in the finished article. The term includes, but is not limited to, such products derived from esters of acrylic or methacrylic acid; vinyl acetate, vinyl chloride resins, polyvinyl alcohol, acetals, butyral, formal resins, polyvinyl ether and ester resins, and polyvinylidene chloride resins; urea and amino resins; polyethylene, polypropylene, and other polyalkene resins; siloxanes, silicones, and other organo-silicon resins; alkyd, acrylonitrile, allyl, and formaldehyde resins, and cellulosic plastics materials. These synthetic plastics materials may be in solid, semi-solid, or liquid condition such as flakes, powders, pellets, granules, solutions, emulsions, and other basic crude forms not further processed.",

(C) by inserting after item 445.54 the following new item with the article description at the same indentation level as the article description for item 445.54:

"445.55	Silicone resins and materials	3.9% ad val.	3.7% ad val.	25% ad val.",

and

(D) by redesignating item 445.56 as item 445.60; and

(2) by amending headnote 2 to subpart B by adding at the end thereof the following:

"(c) For the purpose of the tariff schedules, the term 'rubber' does not include silicones.".

(b) STAGING.—Effective with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1986, item 445.55 is amended—

(1) by striking out "3.9% ad val." in column 1 and inserting "3.7% ad val."; and

(2) by striking out "3.7% ad val." in the "Special" column.

(c) CONSEQUENTIAL AMENDMENT.—(c) Whenever the rate of duty specified in column 1 for item 445.55 is reduced to the same level as the corresponding rate of duty specified in the column entitled "Special" for such item, or to a lower level, the rate of duty in such "Special" column shall be deleted.

SEC. 316. CLASSIFICATION OF NAPHTHA AND MOTOR FUEL BLENDING STOCKS.

Part 10 of schedule 4 is amended—

(1) by amending headnote 1 by inserting "motor fuel blending stocks," immediately after "except";

(2) by amending headnote 2—

(A) by striking out "and" at the end of subdivision (a);

(B) by striking out the period at the end of subdivision (b) and inserting "; and "; and

(C) by adding at the end thereof the following:

"(c) 'Motor fuel blending stock' (item 475.27) means any product (except naphthas provided for in item 475.35) derived primarily from petroleum, shale oil, or natural gas, whether or not containing additives, to be used for direct blending in the manufacture of motor fuel.";

(3) by inserting in numerical sequence the following new item:

"475.27	Motor fuel blending stocks	1.25¢ per gal.	2.5¢ per gal.";

and

(4) by amending 475.30 by striking out "fuel)" and inserting "fuel or motor fuel blending stocks)".

SEC. 317. TELEVISION APPARATUS AND PARTS.

(a) PERMANENT TREATMENT.—The headnotes to part 5 of schedule 6 are amended—

(1) by amending headnote 3 by striking out "assembled," in subparagraph (a) and inserting "assembled in its cabinet,";

(2) by redesignating headnotes 4, 5, and 6 as headnotes 5, 6, and 7, respectively; and

(3) by inserting after headnote 3 the following new headnote:

"4. Picture tubes imported in combination with, or incorporated into, other articles are to be classified in items 687.35 through 687.44, inclusive, unless they are—

"(i) incorporated into complete television receivers, as defined in headnote 3;

"(ii) incorporated into fully assembled units such as word processors, ADP terminals, or similar articles;

"(iii) put up in kits containing all the parts necessary for assembly into complete television receivers, as defined in headnote 3; or

"(iv) put up in kits containing all the parts necessary for assembly into fully assembled units such as word processors, ADP terminals, or similar articles.".

(b) TEMPORARY TREATMENT.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"912.14	Television picture tubes which would be included in assemblies provided for in item 684.96 but for headnote 4 to part 5, and not provided in item 912.16	11% ad val.	No change	On or before 10/31/87"; and
"912.16	Television picture tubes, color, having a video display diagonal of less than 12 inches and under (provided for in item 687.35, part 5, schedule 6)	Free	No change	On or before 12/31/90".

SEC. 318. BICYCLE-TYPE AND EXERCISER-TYPE SPEEDOMETERS.

(a) AMENDMENT.—Subpart D of part 2 of schedule 7 is amended by striking out item 711.93 and inserting the following new item with the article description at the same in-

dentation level as the article description for item 711.90:

"711.92	Bicycle-type and exerciser-type speedometers and parts thereof	18.3% ad val.	17% ad val.	110% ad val.".

(b) STAGING.—

(1) the rate of duty in column numbered 1 for item 711.92 (as added by subsection (a)) shall be subject to all staged rate reductions for item 711.93 that were proclaimed by the President before the 15th day after the date of the enactment of this Act.

(2) whenever the rate of duty specified in column numbered 1 for such item 711.92 is reduced to the same level as the corresponding LDDC rate of duty specified in the column entitled "Special" for such item, or to a lower level, the LDDC rate of duty in such "Special" column shall be deleted.

SEC. 319. MARKING OF WATCHES AND WATCH COMPONENTS.

Headnote 4 to subpart E of part 2 of schedule 7 is amended to read as follows:

"4. Special Marking Requirements: Any movement or case provided for in this subpart, whether imported separately or attached to any article provided for in this subpart, shall not be permitted to be entered unless legibly and indelibly marked by cutting, die-sinking, engraving, stamping, or mold-marking (either indented or raised), as specified below:

"(a) Watch movements shall be marked on one or more of the bridges or top plates to show—

"(i) the name of the country of manufacture;

"(ii) the name of the manufacturer or purchaser; and

"(iii) in words, the number of jewels, if any, serving a mechanical purpose as frictional bearings.

"(b) Clock movements shall be marked on the most visible part of the front or back plate to show—

"(i) the name of the country of manufacture;

"(ii) the name of the manufacturer or purchaser; and

"(iii) the number of jewels, if any.

"(c) Watch cases shall be marked on the inside or outside of the back case, or, at the option of the manufacturer, bezels shall be marked, to show—

"(i) the name of the country of manufacture; and

"(ii) the name of the manufacturer or purchaser.

If the manufacturer chooses to mark the bezels, it shall be entitled to use an alphanumeric code to designate the name of the country of manufacture and the name of the manufacturer or purchaser, so long as each such code and its referent are not duplicative of any other code and referent and are subject to inspection by the public.

"(d) Clock cases provided for in this subpart shall be marked on the most visible part of the outside of the back to show the name of the country of manufacture.".

CHAPTER 2—TEMPORARY CHANGES IN TARIFF TREATMENT

SEC. 331. COLOR COUPLERS AND COUPLER INTERMEDIATES.

Subpart B of part 1 of the Appendix is amended—

(1) by inserting ", but excluding 6,7-dihydroxy-2- naphthalene sulfonic acid sodium salt provided for in item 403.57," after "schedule 4" and before the paren in item 907.10; and

(2) by striking out "9/30/85" in each of items 907.10 and 907.12 and inserting in lieu thereof "12/31/90".

SEC. 332. POTASSIUM 4-SULFOBENZOATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.26	P-sulfobenzoic acid, potassium salt (provided for in item 404.28, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 333. 2.2'-OXAMIDO BIS-[ETHYL 3-(3,5-DI-TERT-BUTYL-1-HYDROXYPHENYL)PROPIONATE.].

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"907.09	2,2'-Oxamido bis-[ethyl 3-(3,5-di-tert- butyl-4-hydroxy-phenyl) propionate] (provided for in item 405.34, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 334. DICYCLOHEXYLBENZOTHIAZYLSULFENAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.45	Dicyclohexylbenzothiazylsulfenamide (provided for in item 406.39, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 335. 2,4 DICHLORO-5-SULFAMOYL BENZOIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.48	2,4 Dichloro-5-sulfamoyl benzoic acid (provided for in item 406.56, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 336. DERIVATIVES OF N-[4-(2-HYDROXY-3-PHENOXYPROPOXY)PHENYL]ACETAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.11	Mixtures containing derivatives of N-[4-(2-hydroxy-3-phenoxypropoxy)phenyl] acetamide (provided for in item 407.16, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 337. 1,2-DIMETHYL-3,5-DIPHENYL-1-H-PYRAZOLIUM METHYL SULFATE (DIFENZOQUAT METHYL SULFATE).

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.24	1,2-Dimethyl-3,5-diphenyl-1-h-pyrazolium methyl sulfate (difenzoquat methyl sulfate) (provided for in item 408.19, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 338. DICOFOL.

Item 907.15 of the Appendix is amended to read as follows:

"907.15	1,1-Bis(4-chlorophenyl)-2,2,2, trichloroethanol (Dicofol) (provided for in item 408.28, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 339. CERTAIN KNITWEAR FABRICATED IN GUAM.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"905.45	Sweaters that— (i) do not contain foreign materials in excess of the percentage of total value limitation contained in general headnote 3(a), and (ii) are assembled in Guam, exclusively by United States citizens, nationals, or resident aliens, by joining together (by completely sewing, looping, linking, or other means of attaching) at least 5 otherwise completed major knit-to-shape component parts of foreign origin, if entered before the aggregate quantity of sweaters described in (i) and (ii) that is entered during any 12-month period after October 31, 1985 exceeds the duty-free quantity for that period. The duty-free quantity— (I) for the 12-month period ending October 31, 1986 is 161,600 dozen; and (II) for any 12-month period thereafter is an amount equal to 101 percent of the duty-free quantity for the preceding 12-month period	Free		Before 11/1/92".

SEC. 340. 3,7-BIS(DIMETHYLAMINO)-PHENAZATHIONIUM CHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.43	3,7-Bis(dimethyla- mino)-phenazathionium chloride (methylene blue) (provided for in item 409.74, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 341. 3,5-DINITRO-O-TOLUAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.42	3,5-Dinitro-o-toluamide (provided for in item 411.93, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 342. SECONDARY BUTYL CHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.55	Secondary butyl chloride (provided for in item 429.47, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 343. CERTAIN NONBENZENOID VINYL ACETATE-VINYL CHLORIDE-ETHYLENE TERPOLYMERS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"907.83	Nonbenzenoid vinyl acetate-vinyl chloride-ethylene terpolymer, containing by weight less than 50 percent derivates of vinyl acetate (provided for in item 445.48, part 4A, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 344. TUNGSTEN ORE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"910.95	Tungsten ore (provided for in item 601.54, part 1, schedule 6)	Free	No change	On or before 12/31/90".

SEC. 345. CERTAIN STUFFED TOY FIGURES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.32	Stuffed toy figures of animate objects (except dolls) not having a spring mechanism and not exceeding 25 inches in either length, width, or height (provided for in item 737.30, Part 5E, Schedule 7)	Free	No change	On or before 12/31/90".

SEC. 346. CERTAIN PLASTIC SHEETING.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"915.10	Transparent plastic sheeting containing 30% or more of lead, by weight (provided for in item 774.55, part 12B, schedule 7)	Free	No change	On or after 12/31/90".

SEC. 347. DUTY FREE ENTRY OF PERSONAL EFFECTS AND EQUIPMENT OF PARTICIPANTS AND OFFICIALS INVOLVED IN THE 10TH PAN AMERICAN GAMES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"915.20	Personal effects of aliens who are participants in or officials of the Tenth Pan American Games, or who are accredited members of delegations thereto, or who are members of the immediate families of any of the foregoing persons, or who are their servants; equipment for use in connection with such games; and other related articles as prescribed in regulations issued by the Secretary of the Treasury	Free	Free	On or before 9/30/87".

SEC. 348. DOLL WIG YARNS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"905.30	Grouped filaments and yarns, not textured, in continuous form, colored, of nylon or modacrylic, whether or not curled, of not less than 20 denier per filament, to be used in the manufacture of wigs for dolls (provided for in item 309.32 and 309.33, part 1E, schedule 3, or item 389.62, part 7B, schedule 3)	Free	No change	On or before 12/31/90".

SEC. 349. CARDING AND SPINNING MACHINES.

(a) IN GENERAL.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.03	Carding and spinning machines specially designed for wool, other than machines specially designed for the manufacture of combed wool (worsted) yarns (provided for in item 670.04, part 4E, schedule 6)	Free	No change	On or before 12/31/90".

(b) PARTS.—The headnote to Subpart E of part 4 of schedule 6 is amended by striking out "item 912.04" each place it appears and insert in lieu thereof "item 912.03 or 912.04".

SEC. 350. CERTAIN BICYCLE PARTS.

(a) IN GENERAL.—

(1) GENERATOR LIGHTING SETS.—Item 912.05 of the Appendix is amended by striking out "6/30/86" and inserting in lieu thereof "12/31/90".

(2) BICYCLE CHAINS.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.06	Bicycle chains (provided for in items 652.13 and 652.15, part 3F, schedule 6)	Free	No change	On or before 12/31/90".

(3) OTHER BICYCLE PARTS.—Item 912.10 of the Appendix is amended—

(A) by striking out "multiple free wheel sprockets" and inserting in lieu thereof "free wheel sprockets";

(B) by inserting "front and rear derailleurs, shift levers, cables and casings for derailleurs" immediately after "drum brakes";

(C) by inserting "and" after "frame lugs,";

(D) by striking out ", and parts of bicycles consisting of sets of steel tubing cut to exact length and each set having the number of tubes needed for the assembly (with other parts) into the frame and fork of one bicycle"; and

(E) by striking out "6/30/86" and inserting in lieu thereof "12/31/90".

(b) EXCEPTION TO CUSTOMS EXEMPTION APPLICABLE TO FOREIGN TRADE ZONES.—Section 3(b) of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act, 19 U.S.C. 81c(b)), is amended by striking out "June 30, 1986" and inserting in lieu thereof "December 31, 1990".

SEC. 351. 1-(3-SULFOPROPYL) PYRIDINIUM HYDROXIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"906.48	1-(3-Sulfopropyl) pyridinium hydroxide (provided for in item 406.42, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 352. d-6-METHOXY-α-METHYL-2-NAPHTHALENEACETIC ACID AND ITS SODIUM SALT.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.39	d-6-Methoxy-α-methyl-2-naphthaleneacetic acid and its sodium salt (provided for in item 412.22, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 353. CERTAIN PESTICIDES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"907.26	Dinocap (provided for in item 408.16, part 1C, schedule 4)	Free	No change	On or before 12/31/90
907.27	Mixtures of 1,1-bis(4-chlorophenyl)-2,2,2-trichloroethanol (dicofol) and application adjuvants (provided for in item 408.36, part 1C, schedule 4)	Free	No change	On or before 12/31/90
907.28	Mixtures of Mancozeb and dinocap (provided for in item 408.38, part 1C, schedule 4)	Free	No change	On or before 12/31/90
907.29	Dinocap (provided for in item 408.38, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 354. CHOLESTYRAMINE RESIN USP.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.30	Cross-linked polyvinylbenzyltrimethyl-ammonium chloride (cholestyramine resin USP) (provided for in item 412.70, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 355. 3-AMINO-3-METHYL-1-BUTYNE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.53	3-amino-3-methyl-1-butyne (provided for in item 425.52, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 356. MANEB, ZINEB, MANCOZEB, AND METIRAM.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.60	Maneb, zineb, mancozeb and metiram (provided for in item 432.15, part 2E, schedule 4)	Free	No change	On or before 12/31/90".

SEC. 357. NICOTINE RESINS.

Item 907.63 is amended—

(1) by amending the article description to read as follows: "Nicotine resin complex put up in measured doses in chewing gum form (provided for in item 438.02, part 3B, schedule 4)"; and

(2) by striking out "12/31/87" and inserting "12/31/90".

SEC. 358. HOSIERY KNITTING NEEDLES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.12	Hosiery knitting needles (provided for in item 670.62, part 4E, schedule 6)	Free	No change	On or before 12/31/90".

SEC. 359. EXTENSION OF CERTAIN EXISTING SUSPENSIONS.

Each of the following items is amended by striking out the date in the effective date column and inserting "12/31/90":

(1) Item 903.60 (relating to mixtures of mashed or macerated hot red peppers and salt).

(2) Item 903.65 (relating to cantaloupes).

(3) Items 905.10 and 905.11 (relating to certain wools).

(4) Items 906.10 and 906.12 (relating to needlecraft display models).

(5) Item 907.01 (relating to triphenyl phosphate).

(6) Item 907.17 (relating to sulfapyridine).

(7) Item 911.25 (relating to synthetic rutile).

(8) Item 911.95 (relating to certain clock radios).

(9) Item 912.07 (relating to machines designed for heat-set, stretch texturing of continuous man-made fibers).

(10) Item 912.08 (relating to hosiery knitting machines).

(11) Item 912.09 (relating to double-headed latch needles).

(12) Items 912.30, 912.34, and 912.36 (relating to stuffed dolls, certain toy figures, and skins thereof).

(13) Item 912.45 (relating to umbrella frames).

(14) Items 903.70 and 903.80 (relating to crude feathers and down).

CHAPTER 3—OTHER CUSTOMS AND EFFECTIVE DATE PROVISIONS

SEC. 361. GSP TREATMENT OF WATCHES.

Section 503(c)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2463(c)(1)(B)) is amended to read as follows:

"(B) watches, except those watches the United States Trade Representative specifically determines, after public notice and comment, will not cause material injury to watch manufacturing and assembly operations in the United States or the United States insular possessions,".

SEC. 362. MARKING OF CONTAINERS OF IMPORTED MUSHROOMS.

Imported preserved mushrooms shall not be considered to be in compliance with section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or any other law relating to the marking of imported articles unless the containers thereof indicate in English the country in which the mushrooms were grown.

SEC. 363. CUSTOMS SERVICES AT PONTIAC/OAKLAND, MICHIGAN, AIRPORT.

Section 236 of the Trade and Tariff Act of 1984 (19 U.S.C. 58b) is amended—

(1) by striking out "and" at the end of subsection (a)(1);

(2) by redesignating paragraph (2) of subsection (a) as paragraph (3); and

(3) by inserting after paragraph (1) of subsection (a) the following new paragraph:

"(2) the airport located at Pontiac/Oakland, Michigan, and"; and

(4) by striking out "20" in subsection (c).

SEC. 364. ETHYL ALCOHOL AND MIXTURES THEREOF FOR FUEL USE.

(a) IN GENERAL.—During the effective period of item 901.50 of the Tariff Schedules of the United States (19 U.S.C. 1202; hereinafter referred to in this section as the "Schedules"), and except as provided in subsection (b), no ethyl alcohol or a mixture thereof may be considered—

(1) for purposes of general headnote 3(a) of such Schedules, to be—

(A) the growth or product of an insular possession of the United States,

(B) manufactured or produced in an insular possession from materials which are growth, product, or manufacture of any such possession, or

(C) otherwise eligible for exemption from duty under such headnote as the growth or product of an insular possession; or

(2) for purposes of section 213 of the Caribbean Basin Economic Recovery Act, to be—

(A) an article that is wholly the growth, product, or manufacture of a beneficiary country,

(B) a new or different article of commerce which has been grown, produced, or manufactured in a beneficiary country,

(C) a material produced in a beneficiary country, or

(D) otherwise eligible for duty-free treatment under such Act as the growth, product, or manufacture of a beneficiary country;

unless the ethyl alcohol or mixture thereof is an indigenous product of that insular possession or beneficiary country.

(b) EXCEPTION.—

(1) Subject to the limitation in paragraph (2), subsection (a) shall not apply to ethyl alcohol that is—

(A) imported into the United States during calendar years 1987 and 1988; and

(B) produced in an azeotropic distillation facility located in an insular possession of the United States or a beneficiary country, if that facility was established before, and in operation on, January 1, 1986.

(2) The exception provided under paragraph (1) shall cease to apply during each of calendar years 1987 and 1988 to ethyl alcohol produced in a facility described in paragraph (1)(B) after 20,000,000 gallons of ethyl alcohol produced in that facility are entered into the United States during that year.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "ethyl alcohol or a mixture thereof" means ethyl alcohol or any mixture thereof described in item 901.50 of the Appendix to the Schedules.

(2) Ethyl alcohol or a mixture thereof may be treated as being an indigenous product of an insular possession or beneficiary country only if the ethyl alcohol or a mixture thereof—

(A) has been both dehydrated and produced by a process of full-scale fermentation within that insular possession or beneficiary country; or

(B) has been dehydrated within that insular possession or beneficiary country from hydrous ethyl alcohol that includes hydrous ethyl alcohol which is wholly the product or manufacture of any insular possession or beneficiary country and which has a value not less than—

(i) 30 percent of the value of the ethyl alcohol or mixture, if entered during calendar year 1987 (except that this clause shall not apply to any ethyl alcohol or mixture which has been dehydrated in the United States Virgin Islands by a facility with respect to which (I) the owner has entered into a binding contract for the engineering and design of full-scale fermentation capacity, and (II) authorization for operation of a full-scale fermentation facility has been granted by the Island authorities before May 1, 1986),

(ii) 60 percent of the value of the ethyl alcohol or mixture, if entered during calendar year 1988, and

(iii) 75 percent of the value of the ethyl alcohol or mixture, if entered after December 31, 1988.

(d) AMENDMENT TO APPENDIX TO SCHEDULES.—The item designation for item 901.50 of the Appendix to the Schedules is amended to read as follows: "Ethyl alcohol (provided for in item 427.88, part 2D, schedule 4) or any mixture containing such ethyl alcohol (provided for in part 1, 2 or 10, schedule 4) if such ethyl alcohol or mixture is to be used as fuel or in producing a mixture of gasoline and alcohol, a mixture of a special fuel and alcohol, or any other mixture to be used as fuel (including motor fuel provided for in item 475.25), or is suitable for any such uses.".

(e) CONFORMING AMENDMENTS.—

(1) General headnote 3(a)(i) of the Schedules is amended by inserting "and except as provided in section 364 of the Trade Expansion and Competitiveness Act of 1986," after "part 7 of schedule 7,".

(2) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting "and subject to section 364 of the Trade Expansion and Competitiveness Act of 1986," after

"Unless otherwise excluded from eligibility by this title,".

(3) The headnotes to subpart A of part 1 of the Appendix to the Schedules are amended by adding at the end thereof the following:

"2. For purposes of item 901.50, the phrase 'is suitable for any such uses' does not include ethyl alcohol (provided for in item 427.88, part 2D, schedule 4) that is certified by the importer of record to the satisfaction of the Commissioner of Customs ('Commissoner') to be ethyl alcohol or a mixture containing such ethyl alcohol imported for uses other than fuel use or in producing such fuel related mixtures. If the importer of record certifies nonfuel use for purposes of establishing actual use or suitability under item 901.50, the Commissioner shall not liquidate the entry of ethyl alcohol until he is satisfied that the ethyl alcohol has in fact not been used for fuel use or use in producing such fuel related mixtures. If he is not satisfied within a reasonable period of time not less than 18 months of the date of entry, then the duties provided for in item 901.50 shall be payable retroactive to the date of entry. Such duties shall also become payable, retroactive to the date of entry, immediately upon the diversion to fuel use of any ethyl alcohol or ethyl alcohol mixture certified upon entry as having been imported for nonfuel use.".

SEC. 365. CUSTOMS BOND CANCELLATIONS STANDARDS.

Section 623(c) of the Tariff Act of 1930 (19 U.S.C. 1623(c)) is amended by adding at the end thereof the following new sentence: "In order to assure uniform, reasonable, and equitable decisions, the Secretary of the Treasury shall publish guidelines establishing standards for setting the terms and conditions for cancellation of bonds or charges thereunder.".

SEC. 366. RELIEF OF THE W.M. KECK OBSERVATORY PROJECT, MAUNA KEA, HAWAII.

The Secretary of the Treasury is authorized and directed to admit free of duty the following articles for the use of the California Association for Research in Astronomy in the construction of the optical telescope for the W.M. Keck Observatory Project, Mauna Kea, Hawaii:

(1) The telescope structure.

(2) The observatory domes, produced by Brittain Steel, Ltd., of Vancouver, British Columbia, Canada.

(3) The primary mirror blanks, produced by the Schott Glassworks, Frankfurt, Federal Republic of Germany.

If the liquidation of the entry of any such article has become final, the entry shall be reliquidated and the appropriate refund of duty made.

SEC. 367. RELIEF OF MINEMET, INC., NEW YORK

Notwithstanding any provision of the Tariff Act of 1930 or any other provision of the law to the contrary, the Secretary of the Treasury shall reliquidate, as free of duty under item 911.12 of the Appendix to the Tariff Schedules of the United States, as in effect at the time of entry, the entries numbered 00329493 (dated March 16, 1979), 00329494 (dated March 13, 1979), 00329495 (dated March 28, 1979), and 00330003 (dated March 21, 1979), made at New York, New York, and covering tubular tin products, if a certificate of actual use (remelt certificate) for the articles covered by the four entries is submitted to the United States Customs Service at the port of entry within 120 days from the date of enactment of this Act.

SEC. 368. EFFECTIVE DATES.

(a) IN GENERAL.—(1) Except as provided in paragraphs (2), through (6) and in subsection (b), the amendments made by chapters 1 and 2 and sections 361 and 362 shall apply with respect to articles entered on or after the 15th day after the date of the enactment of this Act.

(2) Section 319 applies to articles entered on or after the 30th day after the date of the enactment of this Act.

(3) Section 339 applies to articles entered after October 31, 1985.

(4) Section 350 applies to articles entered after June 30, 1986.

(5) The amendment made by paragraphs (8) and (13) of section 359 and by section 364 applies to articles entered after December 31, 1986.

(6) The amendment made by sections 357(2) and 359(14) applies to articles entered after December 31, 1987.

(7) Section 363 takes effect January 1, 1987.

(b) RETROACTIVE APPLICATION.—(1) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act the entry of any article described in paragraph (2) shall be treated as provided in such paragraph.

(2)(A) In the case of the application of any amendment made by sections 313, 331, 338, 347, 357, and by paragraphs (1) through (7) and (9) through (12) of section 359 to any entry—

(i) which was made after the applicable date and before the 15th day after the date of the enactment of this Act; and

(ii) with respect to which there would have been no duty if the amendment made by such section applied to such entry;

such entry shall be liquidated or reliquidated as though such entry had been made on the 15th day after the date of the enactment of this Act.

(B) For purposes of subparagraph (A), the term "applicable date" means—

(i) in the case of section 357, November 14, 1984;

(ii) in the case of section 359(2), May 15, 1985;

(iii) in the case of section 359 (1), (3), (4), and (11), June 30, 1985;

(iv) in the case of sections 331, 338, and 359 (5) and (10), September 30, 1985;

(v) in the case of sections 313 and 359 (6), (9), and (12), December 31, 1985;

(vi) in the case of section 347, May 31, 1986; and

(vii) in the case of section 350, June 20, 1986.

(c) DEFINITIONS.—For purposes of this section—

(1) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(2) The term "entry" includes any withdrawal from warehouse.

Subtitle B—Implementation of Nairobi Protocol

CHAPTER 1—SHORT TITLE, PURPOSE, REFERENCE, AND EFFECTIVE DATE

SEC. 371. SHORT TITLE.

This subtitle may be cited as the "Educational, Scientific, and Cultural Materials Importation Act of 1986".

SEC. 372. PURPOSE.

The purpose of this subtitle is—

(1) to provide for the implementation by the United States of the Protocol (S. Treaty Doc. 97-2, 9; hereinafter referred to in this Act as the "Nairobi Protocol") to the Agreement on the Importation of Educational, Scientific, and Cultural Materials (17 UST (pt. 2) 1835; commonly known as the "Florence Agreement");

(2) to clarify or modify the duty-free treatment accorded under the Educational, Scientific, and Cultural Materials Importation Act of 1982 (Public Law 97-446, 96 Stat. 2346-2349; hereinafter referred to in this title as the "1982 Act"), the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-65, 80 Stat. 897 et seq.), and Public Law 89-634 (80 Stat. 879); and

(3) to continue the safeguard provisions concerning certain imported articles provided for in the 1982 Act.

SEC. 373. REFERENCE.

Whenever an amendment or repeal in this subtitle is expressed in terms of an amendment to, or repeal of, an item, headnote, or other provision, the reference shall be considered to be made to an item, headnote, or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202; hereinafter in this subtitle referred to as the "TSUS").

SEC. 374. EFFECTIVE DATE.

This subtitle takes effect on, and the amendments to the TSUS made by it apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the latest of—

(1) the 15th day after the date of the enactment of this Act; or

(2) the 15th day after the deposit of the United States ratification of the Nairobi Protocol.

SEC. 375. RETROACTIVE APPLICATION.

Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the customs officer concerned on or before the 90th day after the effective date of this subtitle, in the application of the relevant provisions of this subtitle to the entry of any article—

(1) which was made on or after August 12, 1985, and before the effective date of this subtitle; and

(2) with respect to which there would have been no duty if the relevant provisions of this subtitle applied to such entry;

such entry shall be liquidated or reliquidated as though such entry had been made on or after the effective date of this subtitle.

CHAPTER 2—AMENDMENTS TO IMPLEMENT THE NAIROBI PROTOCOL

SEC. 381. REPEAL OF 1982 ACT.

The 1982 Act is repealed.

SEC. 382. TREATMENT OF PRINTED MATTER AND CERTAIN OTHER ARTICLES.

(a) Items 270.45 and 270.50 are redesignated as 270.46 and 270.48, respectively.

(b) Part 5 of schedule 2 is amended as follows:

(1) The following new item is inserted in numerical sequence:

"270.90	Catalogs of films, recordings, or other visual and auditory material of an educational, scientific, or cultural character	Free	Free".

(2) Items 273.45 through 273.55 and the superior heading thereto are stricken and the following new item is inserted in lieu thereof:

"273.52	Architectural, engineering, industrial, or commercial drawings and plans, whether originals or reproductions	Free	Free".

(3)(A) The superior heading to items 274.50 through 274.70, inclusive, is amended by inserting "(including developed photographic film; photographic slides; transparencies; holograms for laser projection; and microfilm, microfiches and similar articles except those provided for in item 737.52)" after "Photographs".

(B) The following new items are inserted in numerical sequence under the superior heading "Printed not over 20 years at time of importation:", and before and at the same hierarchical level as "Lithographs on paper:":

"274.55	Loose illustrations, reproduction proofs or reproduction films used for the production of books	Free	Free
274.56	Articles provided for in items 270.05, 270.10, 270.25, 270.55, 270.63, 270.70, and 273.60 in the form of microfilm, microfiches, and similar film media	Free	Free".

(C) Item 735.20 is stricken out and the following new items and superior heading thereto are inserted in lieu thereof:

	"Puzzles; game, sport, gymnastic, athletic, or playground equipment; all the foregoing, and parts thereof, not specially provided for:		
735.21	Crossword puzzle books, whether or not in the form of microfilm, microfiches, or similar film media	Free	Free
735.24	Other	5.52% ad val.	40% ad val.".

(D) Item 737.52 is amended by inserting "(whether or not in the form of microfilm, microfiches, or similar film media)" after "Toy books".

(E) Item 830.00 is amended by inserting "; official government publications in the form of microfilm, microfiches, or similar film media" at the end of the article description thereof.

(F) Item 840.00 is amended by inserting ", whether or not in the form of microfilm, microfiches, or similar film media" after "documents".

SEC. 383. VISUAL AND AUDITORY MATERIAL.

(a) Headnote 1 of part 7 of schedule 8 is amended to read as follows:

"1. (a) No article shall be exempted from duty under item 870.30 unless either:

"(i) a Federal agency or agencies designated by the President determines that such article is visual or auditory material of an educational, scientific, or cultural character within the meaning of the Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific, or Cultural Character (17 UST (pt. 2) 1578; Beirut Agreement), or

"(ii) such article—

"(A) is imported by, or certified by the importer to be for the use of, any public or private institution or association approved as educational, scientific, or cultural by a Federal agency or agencies designated by the President for the purpose of duty-free admission pursuant to the Nairobi Protocol to the Florence Agreement, and

"(B) is certified by the importer to be visual or auditory material of an educational, scientific, or cultural character or to have been produced by the United Nations or any of its specialized agencies.

For purposes of subparagraph (i), whenever the President determines that there is or may be profitmaking exhibition or use of articles described in item 870.30 which interferes significantly (or threatens to interfere significantly) with domestic production of similar articles, he may prescribe regulations imposing restrictions on the entry under that item of such foreign articles to insure that they will be exhibited or used only for nonprofitmaking purposes.

"(b) For purposes of items 870.32 through 870.35, inclusive, no article shall be exempted from duty unless it meets the criteria set forth in subparagraphs (a)(ii) (A) and (B) of this headnote.".

(b) Item 870.30 is amended by inserting "(except toy models)", and by striking out "headnote 1" and inserting in lieu thereof "headnote 1(a)" after "models".

(c) The following new items and superior heading are inserted in numerical sequence in part 7 of schedule 8:

	"Articles determined to be visual or auditory materials in accordance with headnote 1 of this part:		
870.32	Holograms for laser projection; microfilm, microfiches, and similar articles	Free	Free
870.33	Motion-picture films in any form on which pictures, or sound and pictures, have been recorded, whether or not developed	Free	Free
870.34	Sound recordings, combination sound and visual recordings, and magnetic recordings; video discs, video tapes, and similar articles	Free	Free
870.35	Patterns and wall charts; globes; mock-ups or visualizations of abstract concepts such as molecular structures or mathematical formulae; materials for programmed instruction; and kits containing printed materials and audio materials and visual materials or any combination of two or more of the foregoing	Free	Free".

SEC. 384. TOOLS FOR SCIENTIFIC INSTRUMENTS OR APPARATUS.

Part 4 of schedule 8 is amended by adding in numerical sequence the following new item:

"851.67	Tools specially designed to be used for the maintenance, checking, gauging or repair of scientific instruments or apparatus admitted under item 851.60	Free	Free".

SEC. 385. ARTICLES FOR THE BLIND AND FOR OTHER HANDICAPPED PERSONS.

(a) Items 825.00, 826.10, and 826.20 are repealed.

(b) Part 7 of schedule 8 is amended—

(1) by adding the following new headnote after headnote 2:

"3. For the purposes of items 870.65, 870.66, and 870.67—

"(a) The term 'blind or other physically or mentally handicapped persons' includes any person suffering from a permanent or chronic physical or mental impairment which substantially limits one or more major life activities, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

"(b) These items do not cover—

"(i) articles for acute or transient disability;

"(ii) spectacles, dentures, and cosmetic articles for individuals not substantially disabled;

"(iii) therapeutic and diagnostic articles; or

"(iv) medicine or drugs."; and

(2) by inserting, in numerical sequence, the following new items:

	"Articles specially designed or adapted for the use or benefit of the blind or other physically or mentally handicapped persons:		
	Articles for the blind:		
870.65	Books, music, and pamphlets, in raised print, used exclusively by or for them	Free	Free
870.66	Braille tablets, cubarithms, and special apparatus, machines, presses, and types for their use or benefit exclusively	Free	Free
870.67	Other	Free	Free".

CHAPTER 3—AUTHORITY TO MODIFY CERTAIN DUTY-FREE TREATMENT ACCORDED UNDER THIS SUBTITLE

SEC. 391. AUTHORITY TO LIMIT CERTAIN DUTY-FREE TREATMENT.

(a) AUTHORITY TO LIMIT.—(1) The President may proclaim changes in the TSUS to narrow the scope of, place conditions upon, or otherwise eliminate the duty-free treatment accorded under sections 384 and 385 with respect to any type of article the duty-free treatment of which has significant adverse impact on a domestic industry (or portion thereof) manufacturing or producing a like or directly competitive article, and provided the effect of such change is not inconsistent with the provisions of the relevant annexes of the Florence Agreement or the Nairobi Protocol.

(2) If the President proclaims changes to the TSUS under paragraph (1), the rate of duty thereafter applicable to any article which is—

(A) affected by such action, and

(B) imported from any source,

shall be the rate determined and proclaimed by the President as the rate which would then be applicable to such article from such source if this title had not been enacted.

(b) RESTORATION OF TREATMENT.—If the President determines that any duty-free treatment which is no longer in effect because of action taken under subsection (a) could be restored, in whole or in part, without a resumption of significant adverse impact on a domestic industry or portion thereof, the President may proclaim changes to the TSUS to resume such duty-free treatment.

(c) OPPORTUNITY TO PRESENT VIEWS.—Before taking an action under subsection (a) or (b), the President shall afford an opportunity for interested Government agencies and private persons to present their views concerning the proposed action.

(d) CONTINUATION OF PROCEEDINGS UNDER 1982 ACT.—Any action in effect or any proceeding in progress under section 166 of the 1982 Act on the day that Act is repealed shall be considered as an action or proceeding, and shall be continued or resumed, under this section.

SEC. 392. AUTHORITY TO EXPAND CERTAIN DUTY-FREE TREATMENT ACCORDED UNDER SECTION 312.

(a) EXPANSION OF DUTY-FREE TREATMENT.—If the President determines such action to be in the interest of the United States, he may proclaim changes to the TSUS in order to remove or modify any condition or restriction imposed under headnote 1 of part 7 of schedule 8 on the importation of articles provided for in items 870.30 through 870.35, inclusive (except as to articles entered under the terms of headnote 1(a)(i) of part 7 of schedule 8), in order to implement the provisions of annex C-1 of the Nairobi Protocol.

(b) EFFECTIVE DATE OF CHANGES.—Any change to the TSUS proclaimed under subsection (a) shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date on which the President proclaims such change.

SEC. 393. CHANGES TO TSUS TO IMPLEMENT FLORENCE AGREEMENT PROVISION.

(a) AMENDMENT OF ITEM 851.60.—Item 851.60 is amended by striking out "Instruments" and inserting in lieu thereof "Scientific instruments".

(b) HEADNOTE CHANGE.—Headnote 6 of part 4 of schedule 8 is amended—

(1) by amending subdivisions (a) and (b) to read as follows:

"6. (a) For purposes of item 851.60—

"(i) the term 'scientific instruments and apparatus' means scientific instruments and apparatus for deriving information from, or generating data necessary to, scientific experimentation by means of sensing, analyzing, measuring, classifying, recording, or similar operations; and

"(ii) the term 'scientific' means pertaining to the physical or life sciences and, under certain circumstances, to applied sciences. Such instruments and apparatus do not include materials or supplies, or ordinary equipment for use in building construction or maintenance or in supporting activities (such as administration or operating residential or dining facilities) of the institution seeking their entry under this item.

"(b) An institution desiring to enter an article under this item shall make an application therefor to the Secretary of Commerce, including therein (in addition to such other information as may be prescribed by regulation) a description of the article, the purposes for which the instrument or apparatus is intended to be used, the basis for the institution's belief that no instrument or apparatus of equivalent scientific value for such purposes is being manufactured in the United States (as to which the applicant shall have the burden of proof), and a statement that the institution either has already placed a bona fide order for such instrument or apparatus or has a firm intention to place an order therefor on or before the final day specified in paragraph (d) of this headnote. If the Secretary finds that the application is in accordance with pertinent regulations, he shall promptly forward copies thereof to the Secretary of Health and Human Services. If, at any time while its application is under consideration by the Secretary of Commerce or on appeal from a finding by him before the United States Court of Appeals for the Federal Circuit, the institution cancels an order for the instrument or apparatus covered by its application, or if it no longer has a firm intention to order such article, it shall promptly so notify the Secretary of Commerce or the Court, as the case may be.";

(2) by amending subdivision (c) by—

(A) striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(B) by striking out, in the third sentence, "the Secretary of the Treasury and", and by striking out, in the last sentence, "the Treasury" and inserting in lieu thereof "Commerce";

(3) Subdivision (e) is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit"; and

(4) Subdivision (f) is amended to read as follows:

"(f) The Secretary of Commerce may prescribe regulations to carry out his functions under this headnote.".

SEC. 394. STATISTICAL INFORMATION.

In order to implement effectively the provisions of section 391, the Secretary of the Treasury, in conjunction with the Secretary of Commerce, shall take such actions as are necessary to obtain adequate statistical information with respect to articles to which amendments made by section 385 apply, in such detail and for such period as the Secretaries consider necessary.

TITLE IV—EXPORT ENHANCEMENT

SEC. 401. SHORT TITLE.

This title may be cited as the "Export Enhancement Act of 1986".

Subtitle A—Export Promotion

SEC. 411. UNITED STATES AND FOREIGN COMMERCIAL SERVICE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Commerce shall establish, within the International Trade Administration, the United States and Foreign Commercial Service. The Secretary shall, to the greatest extent practicable, transfer to the Commercial Service the functions of the United States and Foreign Commercial Services.

(2) ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL.—The head of the Commercial Service shall be the Assistant Secretary of Commerce and Director General of the Commercial Service, who shall be appointed by the President, by and with the advice and consent of the Senate.

(3) COORDINATION WITH FOREIGN POLICY OBJECTIVES.—The Secretary shall take the necessary steps to ensure that the activities of the Commercial Service are carried out in a manner consistent with United States foreign policy objectives, and the Secretary shall consult regularly with the Secretary of State in order to comply with this paragraph.

(4) AUTHORITY OF CHIEF OF MISSION.—All activities of the Commercial Service shall be subject to section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927).

(b) STATEMENT OF PURPOSE.—The purpose of the Commercial Service is to promote and protect United States business interests abroad. In pursuit of this purpose, the Commercial Service shall place primary emphasis on the promotion of exports of goods and services from the United States, particularly by small businesses and medium-sized businesses, by carrying out activities such as—

(1) identifying United States businesses with the potential to export goods and services and providing such businesses with advice and information on establishing export businesses;

(2) providing United States exporters with information on economic conditions, market opportunities, and the legal and regulatory environment within foreign countries;

(3) providing United States exporters with information and advice on the necessary adaptation of product design and marketing strategy to meet the differing cultural and technical requirements of foreign countries;

(4) providing United States exporters with actual leads and contacts within foreign countries;

(5) assisting United States exporters in locating reliable sources of business services in foreign countries;

(6) assisting United States exporters in their dealings with foreign governments and enterprises owned by foreign governments; and

(7) assisting the coordination of the efforts of State and local agencies and private organizations which seek to promote United States business interests abroad so as to maximize their effectiveness and minimize the duplication of efforts.

(c) OFFICES.—

(1) IN GENERAL.—The Commercial Service shall consist of a headquarters office, district offices located in major United States cities, and foreign offices located in major foreign cities.

(2) HEADQUARTERS.—The headquarters of the Commercial Service shall provide such managerial, administrative, research, and other services as the Secretary considers necessary to carry out the purposes of the Commercial Service.

(3) DISTRICT OFFICES.—The Secretary shall establish district offices of the Commercial Service in any United States city in a region in which the Secretary determines that there is a need for Federal Government export assistance.

(4) FOREIGN OFFICES.—(A) The Secretary shall, after consultation with the Secretary of State, establish foreign offices of the Commercial Service. These offices shall be located in foreign cities in regions in which the Secretary determines there are significant business opportunities for United States exporters.

(B) The Secretary shall, in consultation with the Secretary of State, assign to the foreign offices Commercial Officers and such other personnel as the Secretary considers necessary. In employing Commercial Officers and such other personnel, the Secretary shall use the Foreign Service personnel system in accordance with the Foreign Service Act of 1980. The Secretary shall designate a Commercial Officer as head of each foreign office.

(C) Upon the request of the Secretary, the Secretary of State shall attach the Commercial Officers and other employees of each foreign office to the diplomatic mission of the United States in the country in which that foreign office is located, and shall obtain for their diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

(D) For purposes of official representation, the senior Commercial Officer in each country shall be considered to be the senior United States commercial representative in that country, and the United States chief of mission in that country shall accord that officer all privileges and responsibilities attending such a position.

(E) The Secretary of State is authorized, upon the request of the Secretary, to provide office space, equipment, facilities, and such other administrative and clerical services as may be required for the operation of the foreign offices. The Secretary is authorized to reimburse or advance funds to the Secretary of State for such services.

(d) RANK OF COMMERCIAL OFFICERS IN FOREIGN MISSIONS.—

(1) MINISTER-COUNSELOR.—(A) The Secretary shall, within 6 months after the date of the enactment of this Act, submit to the President and the Congress a list of those United States missions abroad which the Secretary determines to be commercially significant or to be located in a geographical area of commercial importance to the United States.

(B) Notwithstanding any other provision of law, the Secretary of State shall accord the diplomatic title of Minister-Counselor to the senior Commercial Officer assigned to

any of the missions designated under subparagraph (A).

(2) CONSUL GENERAL.—In any United States consulate in which a vacancy occurs in the position of Consul General, the Secretary of State, in consultation with the Secretary shall consider filling that vacancy with a Commercial Officer if the primary functions of the consulate are of a commercial nature and if there are significant business opportunities for United States exporters in the region in which the consulate is located.

(e) REPORT BY THE PRESIDENT.—Within 1 year after the date of the enactment of this Act, the President shall submit a report to the Congress containing an evaluation of existing export promotion services of the Department of Commerce, recommendations for improving those services, and proposals for new export promotion services.

(f) INFORMATION DISSEMINATION.—In order to carry out subsection (b)(7), to lessen the cost of distribution of information produced by the Commercial Service, and to make that information more readily available, the Secretary should establish a system for distributing that information in those areas where no district offices of the Commercial Service are located. Distributors of the information should be State export promotion agencies. The distribution system should be consistent with cost recovery objectives of the Department of Commerce.

(g) AUDITS.—The Inspector General of the Department of Commerce shall perform a general audit of the operations of the Commercial Service within 1 year after the date of the enactment of this Act, and within every 2-year period thereafter. The Inspector General shall report to the Congress the results of each such audit. In addition to an overview of the activities and effectiveness of Commercial Service operations, the audit shall include—

(1) an evaluation of the current placement of domestic personnel and recommendations for transferring personnel among district offices; and

(2) an evaluation of the current placement of foreign-based personnel and recommendations for transferring such personnel in response to newly emerging business opportunities for United States exporters.

(h) REPORT BY THE SECRETARY.—Not later than January 1, 1987, the Secretary shall submit a report to the Committee on Foreign Affairs of the House of Representatives and the appropriate committee of the Senate on the feasibility and desirability, progress to date, the present status, and the 5-year outlook of the comprehensive integration of the functions and personnel of the foreign and domestic export promotion operations within the International Trade Administration of the Department of Commerce.

(i) DEFINITIONS.—For purposes of this section—

(1) the term "Secretary" means the Secretary of Commerce;

(2) the term "Commercial Service" means the United States and Foreign Commercial Service;

(3) the term "United States exporter" means—

(A) a United States citizen;

(B) a corporation, partnership, or other association created under the laws of the United States or of any State; or

(C) a foreign corporation, partnership, or other association, more than 95 percent of which is owned by persons described in subparagraphs (A) and (B),

that is engaged in exporting goods or services produced in the United States;

(4) the term "small business" means any small business concern as defined under section 3 of the Small Business Act (15 U.S.C. 632);

(5) the term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States; and

(6) the term "United States" means the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

SEC. 412. DIPLOMATIC MISSIONS.

(a) IN GENERAL.—(1) The Secretary of State and the Secretary of Commerce shall periodically review the current number of personnel assigned to United States diplomatic missions outside the United States to determine whether an adequate number of such personnel are engaged in economic or commercial duties to assist United States exporters and businesses doing business outside the United States. Whenever the Secretary of State and the Secretary of Commerce determine such number to be insufficient, they shall take such steps as may be necessary to increase the number of such personnel by adjustment of resources and personnel and other appropriate measures.

(2) The Secretary of State and the Secretary of Commerce should extend the length of assignment required of personnel described in paragraph (1) in order to ensure greater continuity in promoting United States exports.

(b) REPORTS.—Each chief of a United States diplomatic mission to a country which is an important United States trading partner and which has significant potential for United States export sales shall, not later than 1 year after the date of the enactment of this Act, and every 12 months thereafter, prepare and transmit to the President and to the Congress a report describing—

(1) the strategy used by such mission to expand United States exports; and

(2) the efforts of such mission to assist United States industries in expanding export sales and in improving their market position relative to other foreign competitors.

SEC. 413. FOREIGN COMMERCIAL SERVICE OFFICERS AND DEVELOPMENT BANKS.

(a) APPOINTMENT.—The Secretary of Commerce, in consultation with the Secretary of the Treasury, should appoint an officer of the United States and Foreign Commercial Service to serve with each United States Executive Director of each multilateral development bank.

(b) DUTIES OF OFFICERS.—It shall be the duty of each officer appointed under subsection (a) to assist the United States Executive Director with respect to whom such officer is appointed—

(1) in promoting opportunities for exports of goods and services from the United States;

(2) in keeping United States businesses fully informed of bidding opportunities in countries receiving loans from the respective banks;

(3) in providing assistance to United States businesses with respect to projects in which they have a particular interest or competitive advantage, and in completing and submitting timely and conforming bidding documents where appropriate; and

(4) in investigating thoroughly any complaints from United States bidders about the awarding of procurement contracts by the multilateral development banks in order to ensure that all contract procedures and rules of those banks are strictly observed and that United States businesses are treated fairly.

(c) FUNCTIONS OF EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to carry out the functions described in paragraphs (1) through (4) of subsection (b).

SEC. 414. AGRICULTURAL TRADE POLICY.

(a) STATEMENT OF POLICY.—It is the policy of the United States—

(1) to provide, through all possible means, agricultural commodities and the products thereof for export at competitive prices, with full assurance of quality and reliability of supply;

(2) to support the principle of free trade and the promotion of fair trade in agricultural commodities and the products thereof;

(3) to support fully the negotiating objectives set forth in section 261(b) of this Act to eliminate or reduce substantially constraints to fair and open trade in agricultural commodities and the products thereof;

(4) to utilize fully statutory authority to counter aggressively unfair foreign trade practices and to use all other available means, including export restitution, export bonus programs, and, if necessary, restrictions on United States imports of foreign agricultural commodities and the products thereof, in order to encourage fair and more open trade; and

(5) to provide for increased representation of United States agricultural trade interests in the formulation of national fiscal and monetary policy affecting trade.

(b) AMENDMENTS TO PUBLIC LAW 480.—

(1) WOOD AND WOOD PRODUCTS.—Section 104(b)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)(1)) is amended in the first sentence by inserting "(including wood and wood products of the United States)" after "agricultural commodities".

(2) DEFINITION.—Section 108(i) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1708(i)) is amended—

(A) in paragraph (1) by striking "and";

(B) in paragraph (2) by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(3) the terms 'private sector development activity' and 'private enterprise investment' include the construction of low- and medium-income housing and shelter."

(c) MARKET DEVELOPMENT ACTIVITIES.—In order to improve the market development activities of the United States Department of Agriculture, the following shall apply:

(1) In order to provide enhanced trade policy and international economic information, the Secretary is authorized to expand the number of agricultural counselors, attaches, assistant attaches, and other diplomatic representatives of the Department of Agriculture overseas. The Secretary shall, to the maximum extent possible, assign agricultural marketing specialists or agricultural trade officers in overseas posts that offer short- or long-term market potential for United States agricultural commodities or products thereof and that are not served by an Agricultural Trade Office, agricultural trade officer, or agricultural marketing specialist.

(2) The Secretary shall assist departments of agriculture of the States in supporting the export efforts of private companies, in-

cluding the stationing of marketing specialists in States or regions as a part of the normal rotation of these specialists between Washington, D.C. and overseas locations.

(d) AMENDMENT TO THE AGRICULTURAL TRADE AND EXPORT POLICY COMMISSION ACT.—Section 1224 of the Agricultural Trade and Export Policy Commission Act (Public Law 98-412) is amended by striking "sixty" and inserting "ninety".

SEC. 415. AGRICULTURAL TRADE RESEARCH AND REPORTS.

(a) RESEARCH.—There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary to conduct research that would enhance the long-term competitiveness in world markets of United States agricultural commodities and the products thereof.

(b) REPORTS.—The Secretary of Agriculture shall—

(1) monitor research and trade practices carried out by foreign countries to promote the export of agricultural commodities and the products thereof; and

(2) report annually to the Congress concerning—

(A) trends in the comparative position of the United States and foreign countries in the export of agricultural commodities and the products thereof, organized by major commodity group and including a comparative analysis of the cost of production of such commodities and products;

(B) new developments in research conducted by foreign countries that may affect the competitiveness of United States agricultural commodities and the products thereof;

(C) the level of subsidies provided by foreign countries and the United States to promote the export of agricultural commodities and the products thereof; and

(D) the marketing in nonmarket economies of United States agricultural commodities and the products thereof.

SEC. 416. EXPORT-IMPORT BANK.

(a) FINDINGS.—The Congress makes the following findings:

(1) The actual level of support provided by the Export-Import Bank to United States exporters has decreased significantly since 1980, including a reduction from $5,400,000,000 in direct loans in fiscal year 1981 to $1,500,000,000 in direct loans in fiscal year 1984.

(2) The value of nonagricultural United States exports supported by the Export-Import Bank, in relation to all such exports, has also declined consistently during the last 5 years, from approximately 13 percent in 1980 to approximately 7 percent in 1985.

(3) The level of official financing provided by the governments of other industrialized countries to their exporters is typically from 25 to 40 percent of the nonagricultural exports from those countries.

(4) The programs of the Export-Import Bank, especially the direct loan program, enable United States exporters to compete in world markets on the basis of quality, price, and service, and are often crucial to the success of export endeavors. Export-Import Bank programs are particularly important for high technology products and large scale projects that are very capital intensive or that require longer terms.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that the availability of adequate and flexible financing provided by the United States Government for United States exports contributes to the maintenance and expansion of United States exports and at the same time can serve to reverse the trend towards overseas production.

SEC. 417. COUNTRY REPORTS ON ECONOMIC POLICY AND TRADE PRACTICES.

The Secretary of State shall, not later than January 31 of each year, prepare and transmit to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Finance of the Senate a detailed report regarding the economic policy and trade practices of each country with which the United States has an economic or trade relationship. The Secretary may direct the appropriate officers of the Department of State who are serving overseas, in consultation with appropriate officers or employees of other departments and agencies of the United States, including the Department of Agriculture and the Department of Commerce, to coordinate the preparation of such information in a country in order to prepare the report under this section. The report shall identify and describe, with respect to each country—

(1) the macroeconomic policies of the country and their impact on the overall growth in demand for United States exports;

(2) the impact of macroeconomic and other policies on the exchange rate of the country and the resulting impact on price competitiveness of United States exports;

(3) any change in structural policies (including tax incentives, regulations governing financial institutions, production standards, and patterns of industrial ownership) that may affect the country's growth rate and its demand for United States exports;

(4) the management of the country's external debt and its implications for trade with the United States;

(5) acts, policies, and practices that constitute significant barriers to United States exports or foreign direct investment in that country by United States persons, as identified under section 181(a)(1) of the Trade Act of 1974 (19 U.S.C. 2241(a)(1));

(6) acts, policies, and practices that provide direct or indirect government support for exports from that country;

(7) the extent to which the country's laws and enforcement of those laws afford adequate protection to United States intellectual property, including patents, trademarks, copyrights, and mask works; and

(8) the country's laws and enforcement of those laws with respect to internationally recognized worker rights (as defined in section 502(a)(4) of the Trade Act of 1974), the conditions of worker rights in any sector which produces goods and in which United States capital is invested and the extent of such investment, and the extent to which the goods produced under these conditions are imported into the United States.

SEC. 418. AUTHORIZATION OF APPROPRIATIONS.

Section 203 of the Export Administration Amendments Act of 1985, as redesignated by section 104(a)(1) of this Act, is amended (effective October 1, 1986) by striking "$113,273,000 for each of the fiscal years 1985 and 1986" and inserting "$123,922,000 for each of the fiscal years 1987 and 1988".

Subtitle B—Export Controls

SEC. 421. NATIONAL SECURITY CONTROLS.

(a) MULTIPLE LICENSE AUTHORITY.—Section 4(a)(2)(A) of the Export Administration Act of 1979 (50 U.S.C App. 2403(a)(2)(A)) is amended in the first sentence by inserting "(except the People's Republic of China)" after "controlled countries".

(b) EXPORTS OF LOW TECHNOLOGY ITEMS.—Section 5(b)(2) of such Act (50 U.S.C. App. 2404(b)(2)) is amended to read as follows:

"(2) No authority or permission to export may be required under this section for the export to any country other than a controlled country of any goods or technology which is at such a level of performance characteristics that the export of the goods or technology, were it made pursuant to the agreement of the group known as the Coordinating Committee, would require only notification of participating governments of the Committee. The Secretary may require any person exporting any such goods or technology to a country other than a controlled country to notify the Department of Commerce of those exports.".

(c) LIST REVIEWS.—

(1) CONTROL LIST.—Section 5(c)(3) of such Act (50 U.S.C. App. 2404(c)(3)) is amended—

(A) in the first sentence—

(i) by striking "shall review" and inserting "shall conduct partial reviews of"; and

(ii) by striking "year" and inserting "calendar quarter";

(B) in the second sentence—

(i) by striking "annual" the first place it appears and inserting "quarterly"; and

(ii) by striking "annual" the second place it appears;

(C) in the third and fifth sentences by striking "such" and inserting "each"; and

(D) by adding at the end the following: "All goods and technology on the list shall be reviewed at least once each year.".

(2) LIST OF MILITARILY CRITICAL TECHNOLOGIES.—Section 5(d)(5) of such Act (50 U.S.C. App. 2404(d)(5)) is amended in the first sentence by striking "at least annually" and inserting "on an ongoing basis".

(d) FOREIGN AVAILABILITY DETERMINATIONS.—Section 5(f)(3) of such Act (50 U.S.C. App. 2404(f)(3)) is amended by inserting after the second sentence the following: "In a case in which an allegation is received from an export license applicant, the Secretary shall respond in writing to the applicant, and publish in the Federal Register, within 30 days after receipt of the allegation, that—

"(A) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4);

"(B) the foreign availability may exist but further examination of the issue is necessary in order to make a determination; or

"(C) the foreign availability does not exist.

In the case in which subparagraph (B) applies, the Secretary shall, within 6 months after the initial response and publication, respond in writing to the applicant and publish in the Federal Register, that—

"(i) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4); or

"(ii) the foreign availability does not exist.

In any case in which the publication is not made within that 6-month period, the Secretary may not require a license for the export of the goods or technology with respect to which the foreign availability allegation was made.".

(e) AGREEMENTS ON EXPORT CONTROLS.—Section 5(k) of such Act (50 U.S.C. App. 2404(k)) is amended by adding at the end the following: "In any case in which such negotiations produce an agreement on export controls on any goods or technology which are comparable in practice to those

export controls imposed under this section, and the Secretary of State determines, 1 year after the country involved has maintained such export controls, that such controls are comparable in practice to those imposed under this section, the Secretary may not, while that determination is effective, require a validated license for the export to that country of the goods or technology that are subject to the agreement.".

SEC. 422. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 18(b) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)) is amended to read as follows:

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of this Act—

"(1) $35,935,000 for the fiscal year 1987, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act;

"(2) $35,935,000 for the fiscal year 1988, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act; and

"(3) such additional amounts for each of the fiscal years 1987 and 1988 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs.".

(b) ENFORCEMENT ACTIVITIES OF THE CUSTOMS SERVICE.—Section 12(a)(6) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(6)) is amended by striking "$12,000,000 in the fiscal year 1985 and not more than $14,000,000 in the fiscal year 1986" and inserting "$14,000,000 in the fiscal year 1987 and not more than $14,000,000 in the fiscal year 1988".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1986.

SEC. 423. GAO REPORT.

The Comptroller General of the United States shall conduct an evaluation of activities of the Department of Defense conducted pursuant to the Presidential Directive of January 4, 1985, regarding the review of export license applications, under the Export Administration Act of 1979, for the export of goods and technology to countries other than controlled countries. One purpose of the evaluation is to determine if Department of Defense activities provide information about the diversion of United States technology from sources outside the United States to controlled countries that would not otherwise be available to other agencies with enforcement responsibilities under that Act. The evaluation shall include a review of all Department of Defense activities in determining export control policy, making foreign availability determinations, and reviewing the control list, and the relationship between the Department of Defense and other agencies responsible for implementing the Export Administration Act of 1979. In conducting the evaluation, the Comptroller General shall make a special effort to gather information from United States exporters, particularly those that have had applications for proposed exports to countries other than controlled countries reviewed by the Department of Defense. The Comptroller General shall submit a report on the evaluation to the Congress not later than 6 months after the date of the enactment of this Act. If necessary, the report may be submitted on a classified basis.

Subtitle C—Debt, Development, and World Growth

SEC. 431. INTERNATIONAL NEGOTIATIONS.

(a) MULTILATERAL NEGOTIATIONS.—The President and the Secretary of the Treasury shall take the necessary steps to continue ongoing negotiations with West Germany, the United Kingdom, France, and Japan, as well as to initiate negotiations with other countries through appropriate multilateral organizations, including the Organization for Economic Cooperation and Development, the United Nations, and the International Monetary Fund, in order to—

(1) coordinate macroeconomic policies of the major industrial countries so as to promote stable exchange rates and growth patterns;

(2) achieve expansionist economic policies and agreements which have the specific purpose of increasing the size of the market for exports from the United States and developing countries;

(3) promote growth-oriented economic policies in both developed and developing countries;

(4) encourage both developed and developing countries to base growth on a balance of foreign and domestic demand and to discourage excessive reliance by those countries on exports for growth; and

(5) advise the trading partners of the United States that the United States is prepared to retaliate against countries, in an equivalent manner, in cases involving unfair trade practices.

(b) INTERNATIONAL ECONOMIC OR TRADE DISCUSSIONS.—

(1) DECLARATION OF THE UNITED STATES OBJECTIVE.—The Congress hereby declares that a key objective of the United States in its participation in economic summits and international meetings on economics or trade is to obtain the agreement of the participants in any such summit or meeting to adopt growth-oriented national economic policies and to take such actions as may be necessary to increase the size of the market for exports from the United States and developing countries.

(2) EXECUTIVE ACTIONS.—The President and the Secretaries of the Treasury and State shall seek to place discussions with respect to the agreement described in paragraph (1) on the agenda of any economic summit or international economic meeting to which the United States is a party and shall report to the Congress on any success they may have had in achieving such agreement at any such meeting.

SEC. 432. TRADE LIBERALIZATION IN DEVELOPING COUNTRIES.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that increases in the development of, and the achievement of prosperity for, developing countries and the recovery of the economic strength of the United States and the other industrialized countries can only be assured if world trade is expanded and market access for all countries is increased.

(b) DECLARATION OF POLICY.—The Congress declares it to be the policy of the United States that any foreign assistance provided by the United States to developing countries shall be consistent with and supportive of long-term trade liberalization in those countries.

SEC. 433. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) REAFFIRMATION OF SUPPORT FOR OPIC.—The Congress reaffirms its support for the Overseas Private Investment Corporation as a United States Government agency serving important development assistance goals. In order to enhance the Corporation's ability to meet these goals, the Overseas Private Investment Corporation should increase its loan guaranty and direct investment programs.

(b) INCREASE IN GUARANTIES AND DIRECT INVESTMENTS.—

(1) LOAN GUARANTIES.—Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—

(A) by redesignating paragraph (5) as paragraph (6); and

(B) by inserting after paragraph (4) the following:

"(5) Subject to paragraphs (2), (3), and (4), the Corporation shall issue at least $200,000,000 in guaranties under section 234(b) in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such guaranties.".

(2) DIRECT INVESTMENT.—Section 235(b) of the Foreign Assistance Act of 1961 is amended—

(A) by striking the comma after "Act of 1981" and inserting a period; and

(B) by striking "and the Corporation shall use" and all that follows through "funding" and inserting the following:

"The Corporation shall make loans in amounts of not less than $25,000,000 under section 234(c) in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such loans".

(c) INCREASE IN STAFF.—In increasing the guarantee and direct investment programs provided by the amendments made by subsection (b), the Congress expects that the Overseas Private Investment Corporation will increase its professional and administrative staff to the extent necessary to administer fully those expanded programs.

SEC. 434. TRADE AND DEVELOPMENT PROGRAM.

(a) REAFFIRMATION OF SUPPORT FOR TRADE AND DEVELOPMENT PROGRAM.—The Congress reaffirms its support for the Trade and Development Program, and believes that the Program's ability to support high priority development projects in developing countries would be enhanced by an increase in the funds authorized for the Program as well as by a clarification of the Program's status as a separate component of the International Development Cooperation Agency.

(b) INCREASE IN AUTHORIZATION AND ESTABLISHMENT AS SEPARATE AGENCY.—Section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421) is amended—

(1) in subsection (b)—

(A) by striking "(b)" and inserting "(c)"; and

(B) by striking "$20,000,000 for fiscal year 1987" and inserting "$25,000,000 for fiscal year 1987"; and

(2) by inserting after subsection (a) the following:

"(b) The purposes of this section shall be carried out by the Trade and Development Program, which shall be a separate component agency of the International Development Cooperation Agency. The Trade and Development Program shall not be an agency within the Agency for International Development or any other component agency of the International Development Cooperation Agency.".

SEC. 435. COUNTERTRADE.

(a) FINDING.—The Congress finds that developing countries are relying increasingly on countertrade as a means of sustaining imports as well as foreign markets in the short-term, and as a means of developing new export industries and exploiting underdeveloped natural resources in the long-term.

(b) ESTABLISHMENT OF INTERAGENCY GROUP.—The President shall establish an interagency group on countertrade, to be composed of such Government departments and agencies as the President considers appropriate. The Secretary of Commerce shall be the chairman of the interagency group. The interagency group shall review United States policy on countertrade and shall make recommendations to the President and the Congress on the use of countertrade as a mechanism for enhancing bilateral United States foreign economic assistance programs and on expanding the information available on countertrade, including information on export opportunities.

Subtitle D—Protection of United States Business Interests Abroad

SEC. 441. PROTECTION OF UNITED STATES INTELLECTUAL PROPERTY.

It is the sense of the Congress that—

(1) the Secretary of State, the United States Trade Representative, and the relevant United States Ambassadors should engage in immediate discussions with the appropriate countries to reduce instances of piracy of copyrights, patents, and mask works and counterfeiting of trademarks, to obtain adherence to existing international conventions for the protection of copyrights, patents, and trademarks, to work toward the development of an international convention for mask works, and to gain the participation and support of those countries in the development of international intellectual property codes in future multilateral trade negotiations;

(2) the Secretary of State should urge international technical organizations, such as the World Intellectual Property Organization, to provide expertise and cooperate fully in developing effective standards, in the General Agreement on Tariffs and Trade, for the international protection of intellectual property rights;

(3) the President should take immediate and forceful action against those countries which are not prepared to commit formally to immediate improvements in their protection of United States intellectual property; and

(4) development assistance programs administered by the Agency for International Development, especially the reimbursable development program, should, in cooperation with the Copyright Office and the Patent and Trademark Office, include technical training for officials responsible for the protection of patents, copyrights, trademarks, and mask works in those countries that receive such development assistance.

SEC. 442. LIABILITY CRISIS FOR UNITED STATES BUSINESSES.

(a) FINDINGS.—The Congress finds that—

(1) United States manufacturers and service industries are currently facing a crisis in the cost and availability of liability insurance;

(2) the number of product liability suits filed in Federal courts rose from 1,579 in 1975 to 10,745 in 1984;

(3) the amount of jury awards in product liability and malpractice suits tripled between 1975 and 1984;

(4) exponential increases in insurance premiums or nonavailability of insurance coverage is increasingly undermining United States competitiveness in both domestic and international markets;

(5) liability risks faced by United States manufacturers and service industries far exceed those of foreign competitors, and cost differentials constitute a significant competitive price disadvantage for American industries;

(6) liability risks associated with the introduction of new technology products are increasingly prohibitive, and are therefore impeding and jeopardizing United States technological leadership; and

(7) the liability crisis is adversely affecting United States employment.

(b) REFORM OF LIABILITY LAWS NEEDED.—It is the sense of the Congress that reform of liability laws is urgently needed at both the State and Federal level in order to maintain the international competitiveness of the United States in world markets.

Subtitle E—General Provisions

SEC. 451. TRADING WITH THE ENEMY ACT.

(a) TERMINATION OF OFFICE OF ALIEN PROPERTY.—(1) The Trading with the Enemy Act is amended by striking subsections (b) through (e) of section 39 (50 U.S.C. App. 39) and inserting the following new subsection:

"(b) The Attorney General shall cover into the Treasury, to the credit of miscellaneous receipts, all sums from property vested in or transferred to him under this Act—

"(1) which he receives after the date of the enactment of the Export Enhancement Act of 1986, or

"(2) which he received before that date and which, as of that date, he had not covered into the Treasury for deposit in the War Claims Fund, other than any such sums which the Attorney General determines in his discretion are the subject matter of any judicial action or proceeding.".

(2) Subsection (f) of such section is amended—

(A) by striking "(f)" and inserting "(c)"; and

(B) by striking "through (d)" and inserting "and (b)".

(b) REMOVAL OF REPORTING REQUIREMENT.—Section 6 of such Act (50 U.S.C. App. 6) is amended in the next to last sentence by striking ": *Provided further,*" and all that follows through the end of the section and inserting a period.

(c) IMPORTATION OF PUBLICATIONS, ETC.—Section 5(b) of such Act (50 U.S.C. App. 5(b)) is amended by adding at the end the following new paragraph:

"(4) The authority granted to the President in this subsection does not include the authority to regulate or prohibit directly or indirectly the importation (commercial or otherwise) of publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, or other informational materials from any country.".

SEC. 452. BUDGET ACT.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this title shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

TITLE V—FOREIGN CORRUPT PRACTICES

SEC. 501. FOREIGN CORRUPT PRACTICES ACT AMENDMENTS.

(a) PROHIBITED TRADE PRACTICES BY ISSUERS.—Section 30A of the Securities Exchange Act of 1934 (15 U.S.C. 78dd-1) is amended to read as follows:

"PROHIBITED FOREIGN TRADE PRACTICES BY ISSUERS

"SEC. 30A. (a) It shall be unlawful for any issuer which has a class of securities registered pursuant to section 12 of this title or which is required to file reports under section 15(d) of this title, or for any officer, director, employee, or agent of such issuer or any stockholder thereof acting on behalf of such issuer, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

"(1) any foreign official for purposes of—

"(A) influencing any act or decision of such foreign official in his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government;

"(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—

"(A) influencing any act or decision of such party, official, or candidate in its or his official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government; or

"(3) any person, while knowing, or recklessly disregarding a substantial risk, that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of—

"(A) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(b)(1) It shall be a defense to actions under subsection (a) that—

"(A) the payment was made for the purpose of expediting or securing the perform-

ance of a routine governmental action by a foreign official; or

"(B) the payment, gift, offer, or promise of anything of value that was made, was expressly permitted under a law or regulation of the government of the country involved.

"(2) For purposes of paragraph (1)(A), the term 'routine governmental action' means an action which is ordinarily and commonly performed by a foreign official and includes—

"(A) processing governmental papers, such as visas and work orders;

"(B) loading and unloading cargoes; and

"(C) scheduling inspections associated with contract performance,

and actions of a similar nature. 'Routine governmental action' does not include any decision by a foreign official on the question of whether, or on what terms, to award new business to or to continue business with a particular party, or the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(c) An issuer may not be held vicariously liable, either civilly or criminally, for a violation of subsection (a) by its employee or agent, who is not an officer or director, if—

"(1) such issuer has established procedures which can reasonably be expected to prevent and detect, insofar as practicable, any such violation by such employee or agent, and

"(2) the officer and employee of the issuer with supervisory responsibility for the conduct of the employee or agent used due diligence to prevent the commission of the offense by that employee or agent.

Such issuer shall have the burden of proving by a preponderance of the evidence that it meets the requirements set forth in paragraphs (1) and (2).

"(d) Not later than one year after the date of the enactment of the Export Enhancement Act of 1986, the Attorney General, after consultation with the Commission, the Secretary of Commerce, the United States Trade Representative, the Secretary of State, and the Secretary of the Treasury, and after obtaining the views of representatives of the business community and other interested persons through public notice and comment and in public hearings, shall determine to what extent compliance with this section would be enhanced and the business community would be assisted by further clarification of the preceding provisions of this section and may, based on such determination and to the extent necessary and appropriate, issue—

"(1) guidelines describing specific types of conduct, associated with common types of export sales arrangements and business contracts, which the Attorney General determines constitute compliance with the preceding provisions of this section; and

"(2) general precautionary procedures which issuers may use on a voluntary basis to ensure compliance with the preceding provisions of this section, and to create a rebuttable presumption of compliance with such provisions.

The Attorney General shall issue the guidelines and procedures referred to in the preceding sentence in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and those guidelines and procedures shall be subject to the provisions of chapter 7 of that title.

"(e)(1) The Attorney General shall, within 30 days after receiving a request which relates to compliance with the preceding provisions of this section, review the proposed conduct and state the enforcement intention of the Department of Justice. Such a statement shall be final and binding on the Department, subject to the discovery of new evidence with respect to the conduct.

"(2) Any document or other material which is provided to, received by, or prepared in the Department of Justice or any other department or agency of the United States in connection with a request by an issuer for a statement under paragraph (1) concerning compliance with the preceding provisions of this section, shall be exempt from disclosure under section 552 of title 5, United States Code, regardless of whether the Department of Justice responds to such a request or the issuer withdraws such request before receiving a response. The Attorney General shall protect the privacy of each such issuer, and shall adopt rules assuring that information submitted in connection with such a request will be kept confidential and will not be used for any purpose that would unnecessarily discourage requests for statements under paragraph (1).

"(3) The Attorney General and the Commission shall, to the maximum extent practicable, provide timely guidance concerning compliance with the preceding provisions of this section to potential exporters and small businesses which are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning compliance and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.

"(f) For purposes of this section—

"(1) the term 'foreign official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, and any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality;

"(2) a person has 'knowledge' for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3); and

"(3) the term 'substantial risk' means a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

(b) VIOLATIONS.—Section 32(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended to read as follows:

"(c)(1) Any issuer that violates section 30A(a)(1) or (2) shall be fined not more than $2,000,000.

"(2)(A) Any issuer that violates section 30A(a)(3) while knowing (as that term is defined by section 30A(f)(2)) that the money or thing of value will be used in the manner prohibited by section 30A(a)(3) shall be fined not more than $2,000,000.

"(B) Any issuer that violates section 30A(a)(3) while recklessly disregarding a substantial risk (as that term is defined by section 30A(f)(3)) that the money or thing of value will be used in a manner prohibited by section 30A(a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(3) Any officer or director of an issuer, or stockholder acting on behalf of such issuer, who willfully violates section 30A(a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(4) Any employee or agent of an issuer who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such issuer), and who willfully violates section 30A(a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(5) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates section 30A(a)(3) while recklessly disregarding a substantial risk (as that term is defined by section 30A(f)(3)) that the money or thing of value will be used in a manner prohibited by section 30A(a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(6) Whenever a fine is imposed under paragraph (3), (4), or (5) upon any officer, director, employee, agent, or stockholder of an issuer, such fine may not be paid, directly or indirectly, by such issuer.".

(c) PROHIBITED TRADE PRACTICES BY DOMESTIC CONCERNS.—Section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2) is amended to read as follows:

"PROHIBITED FOREIGN TRADE PRACTICES BY DOMESTIC CONCERNS

"SEC. 104. (a) PROHIBITION.—It shall be unlawful for any domestic concern, other than an issuer which is subject to section 30A of the Securities Exchange Act of 1934, or for any officer, director, employee, or agent of such domestic concern or any stockholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

"(1) any foreign official for purposes of—

"(A) influencing any act or decision of such foreign official in his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government;

"(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—

"(A) influencing any act or decision of such party, official, or candidate in its or his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with,

or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government; or

"(3) any person, while knowing, or recklessly disregarding a substantial risk, that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of—

"(A) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(b) DEFENSES.—(1) It shall be a defense to actions under subsection (a) that—

"(A) the payment was made for the purpose of expediting or securing the performance of a routine governmental action by a foreign official; or

"(B) the payment, gift, offer, or promise of anything of value that was made was expressly permitted under any law or regulation of the government of the country involved.

"(2) For purposes of paragraph (1)(A), the term 'routine governmental action' means an action which is ordinarily and commonly performed by a foreign official and includes—

"(A) processing governmental papers, such as visas and work orders;

"(B) loading and unloading cargoes; and

"(C) scheduling inspections associated with contract performance,

and actions of a similar nature. 'Routine governmental action' does not include any decision by a foreign official on the question of whether, or on what terms, to award new business to or to continue business with a particular party, or the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(c) DUE DILIGENCE.—A domestic concern which is not an individual may not be held vicariously liable, either civilly or criminally, for a violation of subsection (a) by its employee or agent, who is not an officer or director, if—

"(1) such domestic concern has established procedures which can reasonably be expected to prevent and detect, insofar as practicable, any such violation by such employee or agent, and

"(2) the officer and employee of the domestic concern with supervisory responsibility for the conduct of the employee or agent used due diligence to prevent the commission of the offense by that employee or agent.

Such domestic concern shall have the burden of proving by a preponderance of the evidence that it meets the requirements set forth in paragraphs (1) and (2). The first sentence of this subsection shall be considered an affirmative defense to actions under subsection (a).

"(d) GUIDELINES FOR COMPLIANCE.—Not later than 6 months after the date of the enactment of the Export Enhancement Act of 1986, the Attorney General, after consultation with the Securities and Exchange Commission, the Secretary of Commerce, the United States Trade Representative, the Secretary of State, and the Secretary of the Treasury, and after obtaining the views of representatives of the business community and other interested persons through public notice and comment and in public hearings, shall determine to what extent compliance with this section would be enhanced and the business community would be assisted by further clarification of the preceding provisions of this section and may, based on such determination and to the extent necessary and appropriate, issue—

"(1) guidelines describing specific types of conduct, associated with common types of export sales arrangements and business contracts, which the Attorney General determines constitute compliance with the preceding provisions of this section; and

"(2) general precautionary procedures which domestic concerns may use on a voluntary basis to ensure compliance with the preceding provisions of this section, and to create a rebuttable presumption of compliance with such provisions.

The Attorney General shall issue the guidelines and procedures referred to in the preceding sentence in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and those guidelines and procedures shall be subject to the provisions of chapter 7 of that title.

"(e) OPINIONS OF THE ATTORNEY GENERAL.—(1) The Attorney General shall, within 30 days after receiving a request which relates to compliance with the preceding provisions of this section, review the proposed conduct and state the present enforcement intention of the Department of Justice. Such a statement shall be final and binding on the Department, subject to the discovery of new evidence with respect to the conduct.

"(2) Any document or other material which is provided to, received by, or prepared in the Department of Justice or any other department or agency of the United States in connection with a request by a domestic concern for a statement under paragraph (1) concerning compliance with the preceding provisions of this section, shall be exempt from disclosure under section 552 of title 5, United States Code, regardless of whether the Department of Justice responds to such a request or the domestic concern withdraws such request before receiving a response. The Attorney General shall protect the privacy of each such concern, and shall adopt rules assuring that information submitted in connection with such a request will be kept confidential and will not be used for any purpose that would unnecessarily discourage requests for statements under paragraph (1).

"(3) The Attorney General and the Commission shall, to the maximum extent practicable, provide timely guidance concerning compliance with the preceding provisions of this section to potential exporters and small businesses which are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning compliance and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.

"(f) VIOLATIONS.—(1)(A) Except as provided in subparagraph (B), any domestic concern that violates subsection (a)(1) or (2) shall be fined not more than $2,000,000.

"(B) Any individual who is a domestic concern and who willfully violates subsection (a)(1) or (2) shall be fined not more than $20,000, or imprisoned not more than 5 years, or both.

"(2)(A) Any domestic concern that violates subsection (a)(3) while knowing (as that term is defined by subsection (h)(4)) that the money or thing of value will be used in the manner prohibited by subsection (a)(3) shall be fined not more than $2,000,000.

"(B) Any domestic concern that violates subsection (a)(3) while recklessly disregarding (as that term is defined by subsection (h)(5)) that the money or thing of value will be used in a manner prohibited by subsection (a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(3) Any officer or director of a domestic concern, or stockholder acting on behalf of such domestic concern, who willfully violates subsection (a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(4) Any employee or agent of a domestic concern who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such domestic concern), and who willfully violates of subsection (a) shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(5) Any officer, director, employee, or agent of a domestic concern, or stockholder acting on behalf of such concern, who violates subsection (a)(3) while recklessly disregarding a substantial risk (as that term is defined by subsection (h)(5)) that the money or thing of value will be used in a manner prohibited by subsection (a)(3) shall be subject to a civil penalty of not more than $10,000 imposed by the Commission.

"(6) Whenever a fine is imposed under paragraph (3), (4), or (5) upon any officer, director, employee, agent, or stockholder of a domestic concern, such fine may not be paid, directly or indirectly, by such concern.

"(g) INJUNCTIONS.—Whenever it appears to the Attorney General that any domestic concern or officer, director, employee, agent, or stockholder thereof is engaged, or is about to engage, in any act or practice constituting a violation of subsection (a), the Attorney General may bring a civil action in an appropriate district court of the United States to enjoin such act or practice, and upon a proper showing a permanent or temporary injunction or a temporary restraining order shall be granted without bond.

"(h) DEFINITIONS.—As used in this section—

"(1) the term 'domestic concern' means—

"(A) any individual who is a citizen, national, or resident of the United States; and

"(B) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, or which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States;

"(2) the term 'foreign official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, and any person acting in an offi-

cial capacity for or on behalf of any such government or department, agency, or instrumentality;

"(3) the term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State or between any State and any place or ship outside thereof, and such term includes the intrastate use of—

"(A) a telephone or other interstate means of communication, or

"(B) any other interstate instrumentality.

"(4) a person has 'knowledge' for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3); and

"(5) the term 'substantial risk' means a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

(d) INTERNATIONAL AGREEMENT.—

(1) NEGOTIATIONS.—It is the sense of the Congress that the President should pursue the negotiation of an international agreement, among the largest possible number of countries, to govern persons from those countries concerning acts prohibited with respect to issuers and domestic concerns by the amendments made by this section. Such international agreement should include a process by which problems and conflicts associated with such acts could be resolved.

(2) REPORT TO CONGRESS.—(A) Within 1 year after the date of the enactment of this Act, the President, taking into consideration the report submitted under subsection (d), shall submit to the Congress a report on—

(i) the progress of the negotiations referred to in paragraph (1),

(ii) those steps which the executive branch and the Congress should consider taking in the event that these negotiations do not successfully eliminate the competitive disadvantage of United States businesses that results when persons from other countries commit the acts described in paragraph (1); and

(iii) possible actions that could be taken to promote cooperation by other countries in international efforts to prevent bribery of foreign officials, candidates, or parties in third countries.

(B) The President shall include in the report submitted under subparagraph (A)—

(i) any legislative recommendations necessary to give the President the authority to take appropriate action to carry out clauses (ii) and (iii) of subparagraph (A);

(ii) an analysis of the potential effect on the interests of the United States, including United States national security, when persons from other countries commit the acts described in paragraph (1); and

(iii) an assessment of the current and future role of private initiatives in curtailing such acts.

TITLE VI—AGRICULTURAL TRADE

Subtitle A—Improvement of Agricultural Trade Policy and Market Development Activities

SEC. 601. PURPOSE OF SUBTITLE.

It is the purpose of this subtitle to increase the effectiveness of the Department of Agriculture in agricultural trade policy formulation and implementation and in assisting United States agricultural producers participate in international agricultural trade, by reorganizing and strengthening the operations of the Department of Agriculture in these areas.

SEC. 602. DESIGNATION OF THE DEPARTMENT OF AGRICULTURE AS LEAD AGENCY FOR AGRICULTURAL TRADE.

(a) IN GENERAL.—Subject to subtitle D of title I of this Act, and except as provided in subsection (b), the Department of Agriculture shall have primary responsibility within the executive branch of the Federal Government with respect to all matters concerning agricultural trade and agricultural trade policy.

(b) EXCEPTION.—The designation made in subsection (a) does not limit the exercise by the Department of Commerce and the International Trade Commission of the responsibilities and authority assigned them with respect to the regulation of United States agricultural imports.

SEC. 603. CONSULTATION BY THE SECRETARY OF AGRICULTURE.

The Secretary of Agriculture shall, through such mechanism as the President shall establish by executive order, consult with the appropriate officials of the other agencies of the Federal Government to coordinate actions and programs of such agencies affecting agricultural trade policy with the programs of the Department of Agriculture and with the agricultural trade policy of the United States.

SEC. 604. REORGANIZATION OF THE DEPARTMENT OF AGRICULTURE.

(a) UNDER SECRETARY FOR TRADE AND INTERNATIONAL AFFAIRS.—(1) The President, by and with the advice and consent of the Senate, shall appoint in the Department of Agriculture an Under Secretary of Agriculture for Trade and International Affairs (hereinafter in this title referred to as the "Under Secretary for Trade").

(2) The Under Secretary for Trade shall—

(A) assume the duties relating to international affairs of the Under Secretary of Agriculture for International Affairs and Commodity Programs;

(B) serve as a member of—

(i) the Board of Directors of the Commodity Credit Corporation;

(ii) the Trade Policy Review Group; and

(iii) the Subcommittee on Food Aid of the Development Coordination Committee;

(C) direct—

(i) all programs and duties performed by the Office of International Cooperation and Development;

(ii) all programs or duties performed by the International Transportation Service Branch of the Office of Transportation; and

(iii) such programs or duties currently assigned to the Forest Service, the Soil Conservation Service, the Food Safety and Inspection Service, the Federal Grain Inspection Service, the Animal and Plant Health Inspection Service, and other agencies within the Department of Agriculture as the Secretary of Agriculture finds to be directly related to agricultural export sales, market development, and relevant technical assistance; and

(D) perform such other functions and duties as may be required by law or prescribed by the Secretary of Agriculture.

(b) UNDER SECRETARY FOR COMMODITY PROGRAMS.—(1) The President, by and with the advice and consent of the Senate, shall appoint in the Department of Agriculture an Under Secretary of Agriculture for Commodity Programs.

(2) The Under Secretary of Agriculture for Commodity Programs shall—

(A) assume the duties relating to commodity programs of the Under Secretary of Agriculture for International Affairs and Commodity Programs;

(B) serve as a member of the Board of Directors of the Commodity Credit Corporation; and

(C) perform such other functions and duties as may be required by law or prescribed by the Secretary of Agriculture.

(c) CONFORMING REPEAL.—Section 501(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 2211a(a)) is repealed.

(d) ADDITIONAL ASSISTANT SECRETARIES OF AGRICULTURE.—The President, by and with the advice and consent of the Senate, may appoint in the Department of Agriculture up to two additional Assistant Secretaries of Agriculture to assist the Under Secretary for Trade.

SEC. 605. CONFORMING AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended by—

(1) in section 5314, striking out

"Under Secretary of Agriculture for International Affairs and Commodity Programs." and inserting in lieu thereof the following:

"Under Secretary of Agriculture for Commodity Programs.

"Under Secretary of Agriculture for Trade and International Affairs."; and

(2) in section 5315, striking out "Assistant Secretaries of Agriculture (7)." and inserting in lieu thereof "Assistant Secretaries of Agriculture (9).".

SEC. 606. TRANSFER OF ENTITIES TO THE FOREIGN AGRICULTURAL SERVICE AND ESTABLISHMENT OF COMMODITY DIVISION.

(a) TRANSFER OF ENTITIES.—The International Economics Division of the Economic Research Service, and the World Agricultural Outlook Board, of the Department of Agriculture shall be entities within the Foreign Agricultural Service of the Department of Agriculture.

(b) ESTABLISHMENT OF COMMODITY DIVISION.—(1) The Secretary shall establish within the Foreign Agricultural Service a commodity division to promote value-added products not covered by cooperator agreements and to help to develop a cooperator organization to support the marketing role of the division.

(2) The work and activities of such division shall include market analysis for products described in paragraph (1), as well as market development.

(3) Any cooperator organization referred to in paragraph (1) shall be as broadly based as possible and shall include export trading companies and export management companies dealing in food products, as well as manufacturers and distributors of individual brands and product lines.

SEC. 607. ESTABLISHMENT OF THE GENERAL SALES MANAGER'S OFFICE.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish in the Department of Agriculture an office to be known as the "Office of the General Sales Manager" and appoint a General Sales Manager to head

such office. The General Sales Manager shall be under the direction of the Under Secretary for Trade.

(b) DUTIES.—The General Sales Manager shall assume responsibility for all programs or duties performed by the Foreign Agricultural Service with respect to—

(1) export sales;

(2) market development;

(3) agricultural trade offices; and

(4) the requirements of titles I and III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.).

SEC. 608. ESTABLISHMENT OF OFFICE TO MONITOR TRADE PRACTICES.

(a) ESTABLISHMENT WITHIN THE DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall establish an office within the Department of Agriculture to carry out the duties described in subsection (b) under the direction of the Under Secretary for Trade.

(b) DUTIES.—The office established under subsection (a) shall—

(1) continuously monitor and study trade practices carried out by other nations to promote the export of agricultural commodities and products; and

(2) submit quarterly reports of its findings to the Secretary of Agriculture.

(c) REPORTING BY THE SECRETARY.—(1) Within 15 days after receiving a report under subsection (b), the Secretary of Agriculture shall submit to the committees listed in paragraph (2) any report received under subsection (b)(2), together with the Secretary's findings and recommendations with respect to the level of subsidies provided by other nations and the United States to promote the export of agricultural commodities and products.

(2) Items described under paragraph (1) shall be reported to—

(A) the Committee on Agriculture, Nutrition, and Forestry, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and

(B) the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives.

SEC. 609. ESTABLISHING AN OFFICE TO PROVIDE ASSISTANCE TO VICTIMS OF UNFAIR TRADE PRACTICES.

(a) ESTABLISHMENT WITHIN THE DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall establish an office within the Department of Agriculture to carry out the duties described in subsection (b) under the direction of the Under Secretary for Trade.

(b) DUTIES.—The office established under subsection (a) shall take the following actions with respect to United States citizens and organizations damaged by unfair agricultural trade practices and policies:

(1) The Office shall assist such persons in preparing cases before—

(A) the United States Trade Representative;

(B) the International Trade Commission;

(C) the United States Department of Commerce;

(D) the Court of International Trade; and

(E) any other similar agency.

(2) The Office shall provide and update information to such persons regarding the incidence and severity of such practices and policies.

(3) The Office shall inform such persons of any adverse effect on them caused by such practices and policies of which they are not aware.

(4)(A) The Office shall report information relating to such unfair trade practices and the effects of such practices to the appropriate Federal agency or agencies, together with a recommendation by the Secretary of Agriculture with regard to what actions should be initiated under existing trade laws as may be amended.

(B) Upon receipt of such information and recommendation, the appropriate Federal agency or agencies shall consult with the Secretary of Agriculture with regard to what actions, if any, will be initiated and the reasons therefor.

(c) REPORT.—The Secretary of Agriculture shall submit, with the information described in section 108(c), a report of the assistance provided under this section.

(d) COORDINATION.—The Office shall coordinate its activities with the Fair Trade Advocate established under title I of this Act.

SEC. 610. PROVISION OF TECHNICAL ASSISTANCE IN TRADE NEGOTIATIONS.

The Secretary of Agriculture shall provide technical services to the United States Trade Representative on matters pertaining to agricultural trade and with respect to international negotiations on issues related to agricultural trade.

SEC. 611. LONG TERM AGRICULTURAL TRADE STRATEGY REPORTS.

(a) PREPARATION; MATTERS TO BE INCLUDED.—(1) The Secretary of Agriculture shall prepare, and the President shall submit together with the budget for each fiscal year, a Long Term Agricultural Trade Strategy Report establishing recommended policy and spending goals for United States agricultural trade and exports for 1-year, 5-year, and 10-year periods, beginning on October 1 of the next fiscal year. Each such report shall include the following:

(A) Findings with respect to trends in the comparative position of the United States and other nations in the export of agricultural commodities and products, organized by major commodity group and including a comparative analysis of the cost of production of such commodities and products.

(B) Findings with respect to new developments in research conducted by other nations that may affect the competitiveness of United States agricultural commodities and products.

(C) Findings and recommendations with respect to the marketing in nonmarket economies of United States agricultural commodities and products.

(D) The agricultural trade goals for every agricultural commodity and value-added product produced in the United States for the period in question, expressed in both physical volume and monetary value.

(E) Recommended Federal policy and programs to achieve the agricultural trade goals.

(F) Recommended levels of Federal spending on international programs and activities of the Department of Agriculture to meet the agricultural trade goals.

(G) Recommended levels of Federal spending on programs and activities of agencies other than the Department of Agriculture to meet the agricultural trade goals.

(H) Recommended long-term strategies for growth in agricultural trade and exports—

(i) taking into account United States domestic competitiveness, trade negotiations, and international monetary and exchange rate policies; and

(ii) including specific recommendations with respect to export enhancement programs (including credit programs and export payment-in-kind programs), market development activities, and foreign agricultural and economic development assistance activities needed to implement such strategies.

(2) Provisions of each Long Term Agricultural Trade Strategy Report that relate to recommended levels of spending on international activities of the Department of Agriculture for the upcoming fiscal year shall be treated as the President's annual budget submission to Congress for such programs for such fiscal year, and shall be submitted in addition to the budget request for other programs of the Department of Agriculture for such fiscal year.

(3) The President shall include in each Long Term Agricultural Trade Strategy Report recommendations for such changes in legislation governing international programs of the Department of Agriculture as are required to meet the long term goals established in the Report.

(b) IDENTIFICATION OF CHANGES THAT MAY AFFECT PREVIOUS REPORTS.—The President, in each succeeding annual Long Term Agricultural Trade Strategy Report after the first such report, shall identify any such recommendations that might modify the long term policy contained in any previous such report.

(c) ESTABLISHMENT OF OFFICE.—The Secretary of Agriculture shall establish within the Department of Agriculture an Office of Agricultural Trade Policy Planning and Evaluation. Such office shall coordinate the preparation of the President's Long Term Agricultural Trade Strategy Report.

SEC. 612. DECLARATION OF POLICY RESPECTING FOOD AID AND MARKET DEVELOPMENT.

It is the policy of the United States to use food aid and agriculturally related foreign economic assistance programs more effectively to develop markets for United States agricultural commodities and products.

SEC. 613. REPORTING BY THE SECRETARY OF AGRICULTURE.

(a) REPORTING ON CERTAIN PROGRAMS.—The Secretary of Agriculture, after consultation with the Administrator of the United States Agency for International Development, shall report annually to Congress on the extent that food aid and agriculturally related foreign economic assistance programs of the previous year, other than direct feeding or emergency food aid, that are administered by Federal agencies or by nongovernmental entities serve direct market development objectives for United States agricultural commodities and products.

(b) SCOPE OF REPORTING REQUIREMENT.—The programs referred to in subsection (a) include—

(1) programs under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) programs under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) and the Food for Progress Act of 1985 (7 U.S.C. 1736o); and

(3) technical and economic assistance programs carried out by United States Agency for International Development.

SEC. 614. ESTABLISHMENT OF OFFICE OF FOOD AID POLICY.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish in the Department of Agriculture the Office of Food Aid Policy (hereinafter in this section referred to as the "Office").

(b) DIRECTOR.—The Secretary of Agriculture shall appoint a director of the Office who shall—

(1) serve under the direction of the General Sales Manager;

(2) develop in cooperation with the director of the Office of Agricultural Trade Policy Planning and Evaluation a comprehensive strategy for coordinating agriculturally related foreign economic assistance, food aid, and market development objectives for United States agricultural commodities and products;

(3) monitor the compliance of programs and policies of Federal agencies and related entities with the market development objectives of the Department of Agriculture; and

(4) serve as the principal staff representative of the Secretary of Agriculture in deliberations of the staff working group of the Subcommittee on Food Aid of the Development Coordination Committee.

SEC. 615. COMMODITIES FOR COOPERATOR ORGANIZATIONS.

The Secretary of Agriculture is authorized to make available to cooperator organizations commodities owned by the Commodity Credit Corporation, which shall be used by such cooperators in demonstration projects designed to expand markets for United States agricultural commodities and products.

SEC. 616. DEPARTMENT OF AGRICULTURE CONTRACT AUTHORITY FOR INDIVIDUALS ABROAD.

The Secretary of Agriculture may contract with individuals outside the United States for personal services to be performed outside the United States. Such individuals shall not be regarded as employees of the United States Government under any law, including any law administered by the Office of Personnel Management.

SEC. 617. LIMITATION ON SPENDING AUTHORITY.

Any new spending authority created by the amendments made by section 605 shall be effective for any fiscal year only to the extent provided for in advance in appropriation Acts.

SEC. 618. EXPORT ENHANCEMENT PROGRAM.

Section 1127(b) of the Food Security Act of 1985 (7 U.S.C. 1736v) is amended by—

(1) striking out paragraph (2) and inserting in lieu thereof the following:

"(2) shall, to the extent that agricultural commodities and products thereof are to be provided to foreign purchasers during any fiscal year, give priority to all interested foreign purchasers who—

"(A) have traditionally purchased United States agricultural commodities and the products thereof; and

"(B) continue or begin to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;";

(2) striking out "and" at the end of paragraph (4);

(3) striking out the period at the end of paragraph (5) and inserting "; and" in lieu thereof; and

(4) adding at the end the following:

"(6) shall report to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Forestry, and Nutrition of the Senate every 30 days a current list of countries provided agricultural commodities and products under this section and a justification for participation in this section.".

SEC. 619. SENSE OF CONGRESS—ACTION IN RESPONSE TO FOREIGN IMPORT RESTRICTIONS ON UNITED STATES CITRUS FRUITS AND BEEF PRODUCTS.

(a) FINDINGS.—The Congress finds that—

(1) trade partners of the United States are engaging in unreasonable, unjustifiable, and discriminatory acts, policies, and practices, including the use of import quotas, that tend effectively to prohibit or unreasonably burden United States exports of—

(A) oranges, grapefruit, and other citrus fruits; and

(B) fresh, chilled, and frozen beef and other beef products; and

(2) such acts, policies, and practices deny access to such markets for United States producers of such exports, reduce agricultural exports and farm income, and contribute to the United States trade deficit and the Federal budget deficit.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that if a country is found to engage, in violation of the General Agreement on Tariffs and Trade, in any such acts, policies, and practices against any such United States exports the President should take steps, including the imposition of import fees and duties, which will result in the exclusion of the importation of similar or other products from such country found to be in violation of the General Agreement on Tariffs and Trade into the United States until such acts, policies, and practices are eliminated.

SEC. 620. IMPLEMENTATION OF CERTAIN SECTIONS OF 1129 AND 1167 OF THE FOOD SECURITY ACT.

It is the sense of Congress that the Department of Agriculture should expedite the implementation of sections 1129 and 1167 of the Food Security Act of 1985 (Public Law 99-198), relating to the barter of agricultural commodities. Congress recognizes the importance of barter programs in expanding agricultural trade, and emphasizes this importance to the Department.

Subtitle B—Domestic Markets for Agricultural Commodities and Products

SEC. 631. STUDY RELATING TO HONEY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study to determine the impact of imported honey on United States honey producers, the availability of honey bee pollination within the United States, and whether imports of honey tend to interfere with or render ineffective the honey price support program of the Department of Agriculture.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall report the results of such study to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

SEC. 632. ROSE STUDY AND REPORT.

(a) STUDY.—The Secretary of Agriculture, in conjunction with the United States Trade Representative, not later than 120 days after the date of enactment of this Act, shall complete a study—

(1) to determine the effect of rose imports during the period beginning January 1, 1982, and ending with the most recent calendar quarter for which information is available, into the United States on the domestic rose growing industry; and

(2) to provide an economic analysis of factors of production and marketing of such imports.

(b) REPORT.—The Secretary shall report the results of the study conducted under subsection (a), as soon as the study is completed, to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

SEC. 633. DETERMINING MATERIAL INTERFERENCE CAUSED BY IMPORTED TOBACCO.

Section 22(a) of the Agricultural Adjustment Act (7 U.S.C. 624(a)) is amended by adding at the end thereof the following: "For purposes of any investigation conducted with respect to tobacco, or articles containing tobacco, imported into the United States, the Commission shall consider the impact of contributions and assessments imposed under section 106A and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-1, 1445-2) on tobacco producers in determining whether such imported tobacco or articles materially interfere with the tobacco price support program carried out by the Department of Agriculture.".

SEC. 634. IMPORT INVENTORY.

(a) COMPILATION AND REPORT ON IMPORTS.—The Secretary of Agriculture, in consultation with the Secretary of Commerce, the International Trade Commission, the Special Trade Representative of the United States, and any other Federal agency, shall compile and report statistics on the total value and quantity of imports raw and processed agricultural products.

(b) COMPILATION AND REPORT ON CONSUMPTION.—The Secretary shall also compile data on the total amount of production and consumption of domestically produced raw and processed agricultural products.

(c) ISSUING OF DATA.—The data required from the Secretary under this section shall be compiled and issued in a format that correlates statistics for the quantity and value of imported agricultural products to the production and consumption of domestic agricultural products. The Secretary shall issue this report on a quarterly basis.

SEC. 653. FINDINGS AND SENSE OF CONGRESS WITH RESPECT TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—Congress finds that—

(1) as part of the terms under which Spain and Portugal joined the European Community in January of this year, the European Community has imposed quotas on oilseeds and oilseed products in Portugal, in violation of the General Agreement on Tariffs and Trade (hereinafter in this section referred to as "GATT");

(2) the European Community has imposed a quota requiring that Portugal purchase at least 15.5 per centum of its grain from other European Community countries, in violation of the GATT;

(3) the European Community has replaced GATT-bound 20 percent tariffs on corn and grain sorghum imports entering Spain with the European Community's variable levy system, which is currently equivalent to a tariff of more than 100 percent, before negotiating compensation as agreed to previously and directed by international trade rules;

(4) the restrictions imposed by the European Community will impair access for as much as $1,000,000,000 worth of United States agricultural products to markets in Portugal and Spain, and adversely affect the economic livelihood of United States farmers and related industries;

(5) despite Cabinet-level approaches to the European Community in recent months, the European Community has been unwilling to rescind the illegal quotas or to compensate the United States for the damage caused by the higher tariffs;

(6) prior enlargements of the European Community in 1973 and 1981 have adversely affected United States agricultural exports to the Community;

(7) the President on March 31 announced his intention to use existing authority to respond to the restrictions of the European Community by imposing quotas and tariff increases or by withdrawing tariff bindings to produce equivalent restrictive effects or comparable loss of trade on European Community imports into the United States; and

(8) the President's proposed actions to defend legitimate United States trade interests are consistent with his belief in a free but fair trade policy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the administration should continue to firmly oppose actions by the European Community to—

(A) impose quotas on oilseeds and oilseed products in Portugal;

(B) impose a grain purchase requirement quota on Portugal; and

(C) place variable levies on corn and grain sorghum entering Spain before negotiating compensation;

(2) if compensation is to be negotiated on this issue, the Administration should insist that such compensation be United States agricultural commodities and products to be exported to the European Community; and

(3) unless the European Community rescinds the trade-restrictive measures referred to in paragraph (1) or the United States receives prompt and complete compensation for any loss of trade resulting from the enlargement of the European Community, the administration should take actions, such as the President has announced, to impose trade restrictions on a sufficient value of exports of the European Community to the United States to reestablish the balance of concessions under the GATT and other international trade agreements.

Subtitle C—Miscellaneous

SEC. 651. CLASS I AND II MILK.

(a) IN GENERAL.—Notwithstanding any other provision of law, milk produced by dairies—

(1) owned or controlled by foreign persons or entities; and

(2) financed by or with the use of industrial revenue bonds;

shall not be classified as class I or class II milk for the purposes of the milk marketing program under provisions of the Agricultural Adjustment Act reenacted with amendments by Agricultural Marketing Agreement Act of 1937.

(b) REGULATIONS.—The Secretary of Agriculture shall prescribe regulations to carry out this section.

(c) LIMITATION.—This section shall not apply with respect to any diary that has begun operation before the date of the enactment of this Act.

SEC. 652. STUDY OF GRAIN STANDARDS.—(1) In conducting any grain quality study under section 1673 of the Food Security Act of 1985, it is the sense of the Congress that the Office of Technology Assessment should—

(A) evaluate the competitive problems the United States faces in international grain markets that may be attributed to grain quality standards and handling practices, rather than price;

(B) identify the extent to which United States grain export quality standards and handling practices have contributed toward the recent decline in United States grain exports; and

(C) perform a comparative analysis between—

(i) the grain quality standards and practices of the United States and the major grain export competitors of the United States; and

(ii) the grain handling technology of the United States and the major grain export competitors of the United States;

(D) evaluate the consequences on United States export grain sales, the cost of exporting grain, and the prices received by farmers should United States export grain elevators be subject, by law or regulation, to requirements that—

(i) use of the term "dockage" be discontinued and all material currently considered to be dockage in a sample be included in the determination of foreign material and be reported on a .10 percent basis;

(ii) no dockage or foreign material (including dust or particles of any origin) once removed from grain may be recombined with any grain if there is a possibility that the recombined product may be exported from the United States;

(iii) no dockage or foreign material of any origin may be added to any grain that may be exported if the result will be to reduce the grade or quality of the grain or to reduce the ability of the grain to resist spoilage;

(iv) no blending of grain with a similar grain of different moisture content may be permitted if the difference between the moisture contents of the grains being blended is more than 1 percent;

(v) Federal Grain Inspection Service (FGIS) report protein on a standard moisture basis and that wheat testing under 11 percent moisture shall receive a weight premium equal to the percentage of moisture shortfall and there shall be no discounts for moisture on wheat testing between 11 percent and 14 percent moisture;

(vi) current statistical averaging used to determine whether a cargo meets contract specifications be discontinued; and each sublot making up a cargo must meet the load order requirements as may be specified for numerical grade factors such as protein;

(vii) the FGIS grain inspection laboratory be used to take a sample and determine origin and that destination buyers notify origin shippers as to the grades and protein results within 48 hours, that grades and protein test to be used as a backup to confirm and defend destination grade and protein, and that all grain shipped be paid on official origin as to their grades basis when accompanied by an FGIS certificate;

(viii) wheat flour, or any other product used for human consumption, containing cellulose or wood fiber be so labeled; and

(ix) FGIS use an alpha amylase test to detect previsable sprout damage; and

(E) evaluate the current method of establishing grain classification, the feasibility of utilizing new technology to correctly classify grains, and the impact of new seed varieties on exports and users of grain.

(2) In conducting such study, the Office of Technology Assessment should coordinate and cooperate with private sector and industry studies on grain quality and standards, including the North America Export Grain Association (NAEGA), and to the maximum extent possible include the recommendations of the NAEGA and other farm and agricultural commodity associations within its report.

(3) Not later than December 1, 1986, the Office of Technology Assessment should submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study required under this subsection, together with such comments and recommendations for the improvement of United States grain export quality standards and handling practices as the Office of Technology Assessment considers appropriate.

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Illinois [Mr. MICHEL] will be recognized for 30 minutes and a Member opposed will likewise be recognized for 30 minutes.

The Chair recognizes the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, earlier in the year when Members on our side recognized that there would be this day when we would be considering trade legislation, we put our forces to work, including many of those responsible in their respective committees for developing trade legislation. We ended up putting together what we perceived to be a pretty good package, which is now in the form of the substitute which we have before the House.

There are various views which had to be harmonized. Earlier in this debate, for example, we heard from the distinguished ranking member on the Trade Subcommittee on our side, the gentleman from Illinois [Mr. CRANE], and from the gentleman from North Carolina [Mr. BROYHILL], both of whom hold significantly different views on trade issues. Both, however, are cosponsors of our substitute.

The entire trade issue is one that encompasses a great range of viewpoints, not only between the parties, but within the parties. It is also the source of division between the legislative and executive branches.

The point is, if we want a bill that can be signed into law, we need to take into account the President's concerns as well as our own. If we get too far afield, we will simply be going through the motions here.

The proponents of the Democratic majority's bill say their bill is not protectionist and they will tell us, as they have, that their bill makes us more competitive. That is a positively Orwellian misuse of language.

I am reminded that a few years ago I was the victim of a mugging outside my Washington home. Now if the perpetrators of that mugging said to me, "Look, what we did to you was not really a mugging; it is a demonstration of hands-on urban economic persua-

sion," the pain would have been the same and the crime would have been the same.

Saying the Democratic bill, for example, is not protectionist does not make it less protectionist; it merely hides an ugly reality behind the latest socioeconomic jargon.

America today exports over $200 billion a year in various types of products. Some 5 million jobs in this country are dependent upon exports. If we think farmers have it bad today, just wait until they see what it is like under protectionist trade laws that we might enact in this Congress. You know, we no longer live in a world where foods is in chronic short supply and America is the world's bread basket. Most nations now produce enough to live on and have extra products which they themselves seek to export. We now have to compete more extensively than we ever have to sell our crops abroad. Other nations are just waiting for us to give them an excuse to shut the doors to our products.

Enact this bill, and we give them that excuse.

As my colleagues know, I come from a heavily industrialized district, in addition to the agricultural area that surrounds the industrial community. Caterpillar Tractor is my dominant industry, a multinational concern. Over 40 percent of Caterpillar products are exported abroad. The figures will show that 45,000 American jobs are directly and indirectly related to these exports. They result in a positive trade balance of some $1.4 billion a year.

Here, for example, is what Caterpiller says about the Democratic trade bill:

> There is a growing realization that enactment of H.R. 4800 will cause other countries to erect reciprocal barriers to U.S. exports, and those exports could very well be Caterpillar machines.

I do not think this House seeks to damage industries like Caterpillar, and cause more layoffs in communities such as my hometown of Peoria, nor does this House want to erect more barriers to our farm products, such as soybeans, corn, wheat, thus causing more foreclosures in our rural areas.

Some in this House, in their zeal to curry the favor of those impacted by imports, have lost sight of those who on the other side of the equation rely heavily on exports. We all must recognize the needs of Americans working in both import-threatened and export-expansion areas.

We have not dealt with unfair trade practices of other nations with the vigor and aggressiveness that we require, and I would be the first to admit that. I think it was nearly 2½ years ago that I took some of our industrial corporate executives down to visit with Bill Clark, the former NSC adviser, along with the President and the Secretary of Commerce, and the Treasury Department, too, for that matter, to see if we could not get something moving within the administration.

Clearly, too many other nations subsidize their products before shipping them here, thereby placing our domestic manufacturers at a competitive disadvantage. That playing field out there has not been a level one in many respects. Many more nations close their doors to our products, thereby denying our producers the markets they have a right to expect under any system of fair trade.

Our substitute contains strong provisions which seek to redress these wrongs effectively by strengthening the authority of the U.S. Trade Representative and the President to work out satisfactory solutions. I have to say, quite frankly, that the administration is not all that enamored with the authority we would give the Trade Representative as distinguished from the President himself.

□ 1100

This is our administration, but I am not altogether sure that it would be any different if it were a Democratic administration. I am sure a Democratic President would say, I do not want to surrender those powers to anyone subservient to me in my own administration. I think what we want to do is make certain that we work out satisfactory solutions here without going to the absurd degree of giving a Presidential appointee more authority than the President himself.

We include dates and timetables within which the administration must act on unfair trade cases. There is no question but that the administration in previous years has been too slow to act.

What we do not do, however, is indulge in irresponsible excess which invite, encourage, and almost demand counter-retaliation by other nations. The administration needs flexibility in deciding when and how to use the stick in negotiations with foreign nations.

We need to concentrate on expanding our markets and increasing our exports. Our proposal contains a number of provisions designed to enable us to do a better job in this regard.

Our substitute also provides guidelines for a new round of GATT talks, bilateral free trade agreements, and continued efforts to develop stabilized exhange rates.

We include provisions in our proposal designed to close the loopholes currently allowing other nations to avoid the duty on ethanol imports. The ethanol industry in this country is a major market for our farmers, as well as being a key to our Nation's long-range energy needs.

We must also do everything possible to reduce our budget deficit in order to keep down interest rates and prices, and thereby make our goods more competitive worldwide. The committee bill, or that crafted by the Democratic majority, would add $6 billion to the deficit over the next 3 years through the increased spending programs that have been alluded to time and time again during the course of this debate. Most of this is not even included in your own budget resolution passed here on the floor just a week or so ago.

It is so typical of this House to adopt a budget 1 day and ignore it the next.

Our proposal recognizes the need to keep expenditures under control and thus does not include those big spending initiatives.

Now, for over 30 years, I have represented a congressional district that depends upon exports in order to survive. When you grow up in that kind of a district, you know that the world is your marketplace out there. I know what a tough job it has been for industries and farmers in my district to compete in the world market. We have gone through bad times recently, desperate times, frankly, for many. The people of my congressional district want fairness, but they do not want to be protected or isolated. They want to compete and they are willing to do that.

I made the reference earlier to that dominant industry called Caterpillar. They have cut their expenditures and cost of doing business by 22 percent in the last 3 years with a goal of another 10 percent in the next 2 years, all to be competitive. Yes, automating, computerizing, robotics, and whatever else is needed in today's world just to keep competitive.

My constituents want to be able to work and to prosper and provide for their families and I do not think we want to lock them in a closet and shove food and clothing under the door to them. It is easy for politicians in Washington to shake their fists at foreign countries and talk tough, but it will be the families in our respective districts and millions of others who suffer if we invite retaliation with our misguided machoism.

The Democratic leadership seems to me to be more interested, frankly, in picking a fight, rather than solving a problem.

I think our substitute is realistic. It is not partisan veto bait. It is a legitimate trade reform which has a realistic chance in the other body and a realistic chance with the President, two critical qualities missing in the committee alternative.

As I said from the outset, I think it is a sham that these bills have to be partisan labeled at all. It does not speak all that well for this legislative process. It must be a real disappoint-

ment to those millions of American workers who were counting on us to set partisanship aside and accomplish something for them this year.

Having said that, I would hope that Members would give serious consideraiton to this package of proposals that we have put together and which is now before the House in the form of what has become known as the Michel substitute.

The CHAIRMAN. The gentleman from Illinois [Mr. MICHEL] has consumed 13 minutes.

Does any Member seek time in opposition to the amendment?

The Chair recognizes the gentleman from Texas [Mr. WRIGHT] for 30 minutes.

Mr. WRIGHT. Mr. Chairman, I yield 4 minutes to the gentleman from Mississippi [Mr. WHITTEN], the distinguished chairman of the Committee on Appropriations.

Mr. WHITTEN. Mr. Chairman, the Department of Agriculture, through the Commodity Credit Corporation, has the authority and obligation to support farm prices for basic or storable commodities to overcome high American production cost and pass such cost to the purchaser. This it refuses to do—though such a program worked for years, when the farmer was paying for the land he is now losing. The Department has the authority and obligation to sell commodities in world trade at competitive prices.

FARMERS PENALIZED

The American farmer has paid the cost of our foreign policy; in 1974, 1975, 1976, 1980—and from 1980 to the present. This is largely the cause of the $214 billion debt owed by farmers with high interest rates.

FARMER PAYS

To punish Russia and to hold down prices at home, the United States Government has imposed embargoes on exports. If you bought from the farmer and were prevented by the Government from selling—the Government paid the purchaser for his losses but not the producer.

Under existing law the Government has authority to waive interest, or debt, which was largely caused by such faulty governmental policy. But the Government refuses to do so. Thousands upon thousands of acres of land lie idle. Farmland values have dropped 75 percent in many areas.

The House of Representatives passed House Joint Resolution 465 directing the Department to regain and retain our world markets by a vote of 212 to 208. This died in conference.

In H.R. 4515, reported by our Committee on Appropriations, we then called on the Department of Agriculture to use existing law to save the American farmer. This request, not protected by the rule, went out on a point of order.

CASH FLOW—REQUIRED ONLY BY REGULATIONS

To make bad matters worse, the Farmers Home Administration this year required the borrower to show a cash-flow—that is enough cash to be coming in to pay the farmer's cost of production, his cost of living, and to pay his past due debt. Thousands upon thousands of farmers could not do this.

Such a requirement is not required by the new farm law but is imposed by regulations issued by voice in meetings and by telephone.

Under the PIK Program, which is estimated to have cost the Government $12,000,000,000, charged to American agriculture, 11 percent of our foreign markets in reality was lost, for as they reduced, their competitors abroad increased their production.

The situation is desperate and I again call on the Government to change its policy—use the existing law to hold up the payment of interest and debt in proper cases, to sell our surplus at competitive prices in order to keep up our volume and thereby save the American farmer, our biggest industry, industry and labor's greatest customer, and the American consumer's best and most economic supplier—and normally our greatest dollar earner in world trade.

PERISHABLE COMMODITIES

Perishable commodities are largely different. Here we buy up surpluses—and attempt to keep domestic supply and demand in balance.

In addition to farmers who became bankrupt, 120 banks, largely in agricultural areas, went bankrupt last year, and an equal number is expected this year.

I hope the leadership will join us in urging the Farmers Home Administration and the executive branch to use this authority to save the farmer and thereby our country.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. MILLER].

□ 1110

Mr. MILLER of Washington. Mr. Chairman, I rise in support of the Michel substitute.

Today we are presented with the majority's so-called trade bill. There are some good parts in this bill, but many parts just don't make sense.

Consider: This bill says that the President must slap a tariff on products from any country with a significant American trade surplus. This is the "hope and pray" provision. We hope and pray that when we say no to Chinese cloth they still say yes to American airplanes. The premise here apparently is: If we build fortresses of tariffs and quotas to keep foreign products out—we hope and pray our trading partners don't retaliate in kind. That doesn't make sense.

Consider: This bill allows American firms to sue their American competitors for daring to buy foreign made parts at prices lower than those set by a DC bureaucrat. That means a Northwest business that buys a foreign part can be sued by an Alabama supplier. This bill says to American businesses, "Circle your wagons! and start shooting at each other!" That doesn't make sense either.

Yes, we need to reduce the thousands of products on the export restriction list and yes, we need to protect the research and inventions of American scientists and inventors. But these good parts of the bill are surrounded by parts that could gravely damage American business.

We need to keep reducing our deficit to ease the musclebound dollar; we need to invest in basic research; we need to streamline our trade bureaucracy. These are the positive steps not in this bill that will bring both more trade and a stronger economy. That's the kind of positive approach that is included in the Michel substitute.

The goal of any trade legislation should be to open other markets, not to close ours. That may be the goal of all these tariff quota and lawsuit promoting provisions. But history and plain old horse sense says the exact opposite will be the result. Smoot-Hawley didn't work 50 years ago, and no matter how artfully packaged, son of Smoot-Hawley won't work today.

Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I commend my colleague, the gentleman from Illinois [Mr. MICHEL], for recognizing that we can no longer tolerate the status quo.

For 5 years, American workers and farmers have asked for help and they have received excuses from this administration. In that period of time, Illinois, my State, has lost 105,000 manufacturing jobs. Illinois, which leads the Nation in agricultural exports, has seen those exports decline by 66 percent since 1980, from $22 billion to $7 billion.

My colleague and I have fought with this administration over the ethanol issue, and unfortunate rulings they have made which have not only hurt workers, but farmers in our State.

The minority leader, in his substitute, transfers authority to the U.S. Trade Representative. I have the greatest confidence in Mr. Yeutter, but I do not believe the substitute goes far enough.

The Michel substitute weakens a strong bill. It equivocates when we need decisive action. It acknowledges the need to address the debilitating trade deficit, but refuses to prescribe medicine strong enough to cure the patient.

It is unfortunate that the administration's steadfast refusal to address this problem has led us to the point where we need the omnibus trade bill which has been suggested.

I support that bill and ask my colleagues to join me in opposing the Michel substitute.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BRYANT].

Mr. WRIGHT. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Mr. Chairman, I rise in strong support of the trade reform legislation currently before the House, and to express my opposition to the Michel substitute. The legislation produced by the committees of jurisdiction is a responsible and comprehensive response to the trade crisis. The Michel substitute would eliminate or fatally weaken many of its most important provisions.

The administration apparently believes that the best trade policy is no trade policy. Over the last 5 years, the U.S. trade deficit has grown from $40 to $150 billion. Incredibly the United States is presently the world's largest debtor.

As a result of the trade deficit, the United States has lost an estimated 1.7 million manufacturing jobs to foreign competition. Failure to correct the administration's policy of ignoring the trade deficit would be the height of irresponsibility. We can no more grow our way out of the trade deficit than we can grow our way out of the Federal deficit. Congress must act, and H.R. 4800 is the right kind of action. It responds to immediate trade problems, strengthens the international trading system, and improves American competitiveness. Adoption of the Michel substitute would be an abandonment of those goals, in effect a vote for the status quo, and would send the wrong signal, to both the American people and our trading partners.

H.R. 4800 provides a much-needed reform of section 301 procedures. It transfers the authority to determine whether a foreign country is engaged in unfair trade practices from the President to the U.S. Trade Representative. The President must take action in cases of foreign countries' violations of existing trade agreements, unjustifiable trade practices, and export targeting. The entire procedure is subject to stringent time limitations. Section 301 was designed to be an efficient, effective enforcement tool; the committee bill ensures that U.S. companies will not continue to experience frustrations in the enforcement of section 301.

The Michel substitute does not sufficiently strengthen section 301 to make it a viable tool against unfair foreign practices. Although the substitute does transfer decisionmaking authority to the U.S.Trade Representative, it contains an enormous loophole: Whenever significant national economic interest warrants, the President may reject the U.S. Trade Representative's recommendation. By invoking this escape clause, the President can continue to control section 301 procedures and thwart the goals of U.S. industries. It effectively retains current law, which has repeatedly been proven inadequate for redress of unfair trade practices.

H.R. 4800 also strengthens and improves current section 201 procedures for import relief. Decisionmaking authority is again transferred from the President to the U.S. Trade Representative and a new emergency procedure for provisional import relief is created. The recent experience of the domestic footwear industry in filing for section 201 import relief typifies the shortcomings of the current procedure. After faithfully following the required steps, presenting overwhelming evidence of import injury, and obtaining a finding of injury, the industry was denied relief because of a Presidential veto. This would not recur under H.R. 4800.

The Michel substitute also authorizes the U.S. Trade Representative to allow a relaxation of U.S. antitrust regulations for domestic firms determined to be injured by imports, in lieu of tariffs or quotas. There is no evidence that relaxation of antitrust laws is an appropriate response to import penetration. This trade legislation is certainly not the appropriate vehicle for addressing that question. Only the committee bill ensures that section 201 will be available as a useful tool to industries in the future.

One of the most important provisions of H.R. 4800 provides a streamlined funding mechanism for trade adjustment assistance. The President will no longer have authority to intervene and determine if trade adjustment assistance should be granted. Any revenues generated by import relief granted under section 201, and by auctioning import licenses, will go into the trade adjustment assistance trust fund. The Michel substitute eliminates that provision. Workers who lose their jobs because of failed trade policy deserve a comprehensive adjustment program, free from political maneuvering. H.R. 4800, not the Michel substitute, provides workers that assurance.

Finally, H.R. 4800 directly takes on one of the primary causes of the trade deficit, the overvalued dollar. It creates a strategic currency reserve, a pool of foreign currencies to be used to intervene in foreign exchange markets to maintain competitive exchange rates. The Michel substitute merely congratulates the administration for a corrective policy that is too little too late. Congress must act decisively in this area; the Michel substitute is hardly decisive.

In sum, the Trade Reform Act is a clear signal, to both the American people and our trading partners, that the days of aimless trade poicy and mounting trade deficits are over. Now is the time for action, not rhetoric. The committee bill provides action; the Michel substitute merely more rhetoric. I urge my colleagues to reject Michel and support H.R. 4800 in sufficiently overwhelming numbers to send the same message to those on the other end of Pennsylvania Avenue who are contemplating a veto.

Mr. WRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. CHAPMAN].

Mr. CHAPMAN. Mr. Chairman, the economic future of our Nation depends on our ability to fashion an effective trade policy that will preserve jobs, open markets, and knock down trade barriers. This bill, H.R. 4800, will help create employment to replace the millions of jobs we have lost as a result of a rudderless policy on trade.

This administration has been without a trade policy. While we drown in $150 billion sea of trade red ink, the administration slaps a quota on the importation of candy from Europe. While Lone Star Steel lays off thousands of workers because of unfair competition, the administration enters faint-hearted negotiations and then gives away the steel market to exceed the percentage that was the goal of the administration. While OPEC opens the oil floodgate to put domestic energy producers out of business, the administration last week lends OPEC member Ecuador $150 million to ease them over the oil crisis.

The Michel substitute is a weak-kneed handwriting answer, when we should be flexing America's economic muscle. It takes away the new tools to increase access for American goods overseas, placing discretion back in the hands of the President—discretion he has demonstrated he is unwilling to exercise. It eliminates the Gephardt amendment, the slave labor provision, the fund for America's future education and training, and eliminates the separate procedure to combat targeting.

The Republican substitute embodies the quivering cowardice of the administration's approach. Instead of charging into the fight and using the strength of the United States, the Republican substitute retreats in fear that the world may respond by saying "boo." That attitude made us a debtor Nation for the first time in 72 years.

Senator J. William Fulbright told the Nation 22 years ago, "We are handicapped by (foreign) policies based on old myths rather than current realities." The choice before the

House is one between the old myth of "free trade" that has helped make Uncle Sam an Uncle Sucker of trade and a new policy that reflects the current reality of nations taking advantage of our markets. I urge my colleagues to reject the Republican substitute and support H.R. 4800.

□ 1120

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Chairman, the trade deficit of this Nation continues at alarming levels; last year it totaled nearly $250 billion. We need to bring this deficit down but this bill is not the way to do it. In fact, it will make our international trading position even worse. This is because some Members of Congress have used this serious situation for purely partisan reasons. They claim they are interested in improving the competitiveness of the United States abroad, but what they really want is to embarrass the administration in an election year and further their own political goals even at the expense of U.S. competitiveness. I for one, and I hope a majority of the Members of this House, will not fall for their deceptive rhetoric.

Most of this bill isn't for fair trade, and it isn't for free trade. It is a jumbled, unorganized hodgepodge of almost every protectionist, special interest, and antiadministration proposal of the 99th Congress. It was assembled without regard for its total effect on this country's trading position and without regard for the international trade laws it cavalierly violates.

Our trade deficit is a serious problem, but by trying to magically legislate it away, we will only invite a worse trade problem—retaliation against our vital exports. The Democrats who drafted this bill tell us they are for jobs, that they are for fair trade and open competition. But what they are really saying is that the American worker isn't competent enough or competitive enough to compete fairly.

But our competitors will not take this silently, as indeed they should not. They will retailiate. And that retaliation will strike against the very industries that contribute the most to America's trade accomplishments in the world—high technology, and aircraft, and chemical exports. They will retailiate against those industries that can least afford it, the ones this bill pretends to help—our paper and wood products industries, agriculture, and automobiles.

But this bill does not stop at its invitation of foreign retaliation against U.S. jobs, it does not stop at its abrogation of international law. In fact, it will worsen the very causes of our current trade crisis. We have heard testimony on the trade crisis in dozens of hearings during this session of Congress, and time and time again, the experts say it is the high budget deficit above anything else that brought us to where we are today. The reduction of our budget deficit is the best trade action we can take. Yet this bill will raise our deficit. Preliminary analysis by the administration projects it will increase outlays by $6.5 billion in unnecessary, duplicative programs already authorized by four agencies.

The Democrats would have us believe that this bill is needed because the President "has no trade policy." This is the most ridiculous assertion of all. President Reagan's trade policies have resulted in market-opening measures in many of the most troubled trade areas. They have resulted in a significant drop in the inflated value of the dollar and they continue to work for truly fair trade through the improvement of America's products and the diplomatic fight to eliminate unfair trade practices around the world. It is in fact Congress that has no trade policy, because this bill is no trade policy. It is a political document—nothing more. It will worsen our trade deficit and it must be rejected.

Mr. MICHEL. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, I rise in support of the substitute offered by my friend and leader, the gentleman from Illinois, [Mr. MICHEL].

The provisions of the banking title, title IV of H.R. 4800, alone are enough reasons for Members to support Mr. MICHEL's substitute. Let me tell you why.

First, the Michel substitute does not include a $25 million new, permanent bureaucracy to begin centrally planning our economy. The Democratic bill, however, does. And when the bill's sponsors tell you it does nothing of the sort, ask them to send you a copy of section 464 and see for yourself.

Farmers in our Nation's heartland, exporters on either coast, and small businesses on Main Street seeking Government assistance will all find themselves pleading before this additional bureaucracy if it is created.

Second, the Michel substitute does not encourage either more and faster World Bank lending or the creation of an unguided World Bank bank that can lend up to $5 billion without any strings attached. The Democratic bill, however, does.

Third, the Michel substitute does not create a new, redundant fund to manipulate the value of the dollar or impose congressional tinkering on the currency exchanges. The Democratic bill, however, does.

Fourth, the Michel substitute does not create a new entitlement program within the existing Eximbank bureaucracy. Instead, the Michel substitute, as President Reagan requested last year, empowers the Secretary of the Treasury to selectively target unfair trade financing practices of other countries.

A most important provision of the Michel substitute requires that a significant share of Eximbank loan guarantees go to promote exports to small, medium-sized, and minority businesses. The Democratic bill, however, does not.

Our Nation's economy does not need new bureaucracies, more Government intervention, or needless deficit spending. The Michel substitute takes a strong stand against these extremes. The Michel substitute is responsible and makes good economic sense.

I urge my colleagues to support the Michel substitute.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I rise in opposition to the Michel amendment. I think it is a good effort on the part of the minority; however, we have a better one which we ought to vote for.

Mr. Chairman, the administration opposes this bill because it sanctions action against unfair trade practices for which no international rules yet exist.

But in fixating upon the prospect of unilateral action, the administration is missing the primary point made by this legislation.

The focus of the bill is not on unilateral action. Its focus is on forceful negotiations to extend international rules to new and troublesome unfair trade practices.

The bill is not about closing U.S. markets. It is about bringing our natural leverage as the world's biggest market to bear in negotiations to improve the international rules of the game.

This bill is an attempt to legislate an assertive negotiating posture for the United States. And there is nothing in international law which prohibits tough negotiating.

That's why I like to say that this bill is not protectionism; it's an exercise in trade activism.

We require the administration to take up and press the issue of unfair trade with our trading partners. At the same time, we leave the ultimate decision as to whether the United States should retaliate to the administration. In most of the provisions in the bill, the administration can refrain from taking any action affecting trade flows if it decides this is not in the national economic interest.

Just because rules have yet to be designed to cope with certain unfair trade practices doesn't mean that the U.S. Government should stand by idly while American firms and workers are injured. Unfair trade is unfair, and we should take all appropriate and feasible action to eliminate it.

It is appropriate and feasible to play our best hand at the negotiating table.

In general, the Reagan administration has been reluctant to act of its own accord on trade. It took a tremendous demonstration of political pressure last summer and fall to bring the administration to intervene in the exchange markets and to self-initiate four unfair trade cases. Similarly, it has taken the prospect of the House approving this trade to bring the President to act on a machine tool industry petition that has been gathering dust on his desk for over 2 years.

In view of this sorry record, one can hardly expect the American people and Congress to accept on faith that the administration will aggressively press America's case on unfair trade over the next few, crucial, years. I am particularly concerned that after the election this fall—without political pressure driving its trade policy—the administration will revert to

the ideological inaction that marked its first 4½ years in office.

It is this inaction that the House bill is designed to avoid.

Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the gentleman from Ohio, [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the Michel amendment and for one of the reasons specifically, his amendment would delete the bill's provisions which mandate Presidential action against violations of existing trade agreements and unjustified foreign trade practices.

Now, if we take that a step further, if we are not going to allow the President to put some teeth into the actions of the American trade law, that means we will continue to tolerate violations of unfair trading practices by foreign competition.

I think we should put our foot down here today. This is probably the most important vote that we will have in this Congress.

We need a national industrial policy that focuses on the industrial makeup of our country, and it must be coupled with a strong trade law that must have some teeth in it.

So I commend the legislation that has come forward, H.R. 4800. I oppose the Michel amendment.

Mr. WRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. Chairman, distinguished minority leader, distinguished majority leader, and my fellow colleagues, as all of you know, in recent months I have risen on numerous occasions to assist the minority leader in reference to Contra aid, specifically the President's attempt to implement a containment policy to stop the Soviet expansionist policy.

Today I rise, however, conversely, to oppose this administration's expansionist policy in exporting American jobs to the tune, by some estimates, of 4 million jobs.

This administration's trade policies are cold, cruel, arbitrary, capricious and callous, as evidenced by a letter that I want to read to my colleagues from the U.S. Department of Commerce, International Trade Administration, signed by the director, Timothy J. Hauser, Director, Office of Multilateral Affairs, to a manufacturer in Arkansas who was concerned about the trade imbalance.

Let me quote what he says in part:

In some cases this necessitates adjustments such as the transfer of manufacturing facilities to foreign countries where production costs, primarily labor, may be less expensive.

Our own administrative procedures are being initiated through the Department of Commerce encouraging American plants to move overseas.

That is cruel, arbitrary, capricious.

Vote against Michel, vote for jobs, vote for H.R. 4800.

They talk about Smoot-Hawley, S and H. Well, our bill is also an S and H bill; upon passage it is a slap in the face to those people who have treated us unfairly in the world markets. And when we enforce it, it is an H, a hit between the eyes.

Vote down this amendment, it is a wolf-in-sheep's-clothing amendment.

I thank the Chairman.

Mr. MICHEL. Mr. Chairman, I yield 1 minute to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in strong support of the Michel substitute as an alternative to the ill conceived provisions contained in the bill under consideration before us.

I would like to highlight three changes the substitute would make to eliminate dangerous and unworkable sections of the bill.

The substitute removes the dangerous son-of-surcharge amendment, strikes unsustainable exchange rate targeting along with an unnecessary strategic currency reserve, and deletes the deceptive fair market value provisions from the natural resource subsidy section.

My colleague from Illinois, Mr. CRANE, has been most eloquent in his objection to those sections of the bill which call for mandatory 10-percent reductions in trade from Japan, Taiwan, and West Germany. I want to thank him for his leadership on this issue.

I and my friends from agricultural States have spoken here before on the dangers this son-of-surcharge provision poses for our farm economy. We have heard from a long list of major farm organizations who object to the risks they see in this legislation. We need to heed their call.

Many of those objecting to this provision are wheat and feed grain groups. But they are not the only ones who will be affected. While we think about taking measures that bulldoze our way through the specific trade problems we have with the Japanese, we should remember that in 1985 those same Japanese bought 76 percent of all U.S. beef and veal that went to export, along with 44 percent of exported pork.

The substitute removes the dangerous son-of-surcharge amendment. I urge you to vote for the substitute.

The bill as it stands now would require the Secretary of the Treasury to establish targets for the proper value of the dollar and to maintain a strategic currency reserve to assist in intervening in foreign exchange markets.

There is not a Member in this House who has not heard the Secretary of the Treasury refuse to offer any indication where, if any place, he thought was a good point for the dollar to stabilize. Do the proponents of this bill think he is doing this just to be obstinate? He is refusing to comment because he knows that no government in the world can set and maintain a given exchange rate for its currency. The currency markets would drive us to bankruptcy if we tried to take them on.

But not only does this bill ask the Secretary to set a competitive value for the dollar, it asks him to publicize that figure and announce to all the world how he intends to keep it there. This is sheer lunacy. There would be no end to the arbitrage around the U.S. position. How long could any currency reserve, no matter how mighty, last in such a situation?

The administration has already acted on this front. The value of the dollar has fallen significantly since the Group of Five met in New York last September. And even though our allies were faced with significant new problems in their own export market, they agreed at the Tokyo summit to commit themselves to further currency stabilization moves.

Publicized currency targets are unsustainable. There is already a currency reserve making an additional one unnecessary. The substitute strikes these provisions. I urge you to support the substitute.

Natural resource subsidies are an issue that needs to be addressed, but the fair market value provisions of this bill are deceptive. I can only wonder how they would strike at ranchers leasing Federal grazing rights.

The bill's sponsors would like to tell you that their position is projobs. We have heard a lot of things these last 2 days about how concerned the sponsors of trade reform are about unemployment in America. They want to tell us that if we could only put America back on a level playing field our economy would find jobs for everyone. Let's look at what their playing field does to America.

This section of the bill would raise the price of lumber by forcing action to limit imports of Canadian softwood timber. According to an independent study done by Wharton Econometric Forecasting Associates, the resulting playing field would push 27,000 people out of the job market. For every job saved in lumber, four would be lost in other industries.

This playing field would drive up the price of a new home by more than $1,000, which according to the National Home Builders, would drive 300,000 people out of the housing market.

To enter this playing field the American consumer would have to pay $180,000 for every job saved in the lumber industry.

Twenty-seven thousand more unemployed; 300,000 without homes. This is not a playing field. It is a mine field, and I am not going to make my constituents dance through it.

The Michel substitute addresses legitimate concerns about subsidized inputs, but does not try to adjust the internal policies of foreign governments to suit our tastes. I urge you to vote for the substitute.

The substitute removes the dangerous son-of-surcharge amendment, strikes unsustainable exchange rate targeting along with an unnecessary strategic currency reserve, and deletes the deceptive fair market value provisions from the natural resource subsidy section.

I urge you to vote for the Michel substitute.

Mr. BRYANT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 139]

Ackerman	Chappell	Evans (IL)
Akaka	Cheney	Fascell
Anderson	Clay	Fawell
Andrews	Clinger	Fazio
Annunzio	Coats	Feighan
Anthony	Cobey	Fiedler
Applegate	Coble	Fields
Archer	Coelho	Fish
Armey	Coleman (MO)	Flippo
Atkins	Coleman (TX)	Florio
AuCoin	Collins	Foglietta
Barnard	Combest	Foley
Bartlett	Conte	Ford (MI)
Barton	Cooper	Ford (TN)
Bateman	Coughlin	Fowler
Bates	Courter	Franklin
Bedell	Coyne	Fuqua
Beilenson	Craig	Gallo
Bennett	Crane	Garcia
Bentley	Crockett	Gaydos
Bereuter	Daniel	Gejdenson
Berman	Dannemeyer	Gekas
Bevill	Darden	Gephardt
Bilirakis	Daschle	Gibbons
Bliley	Daub	Gilman
Boehlert	Davis	Gingrich
Boggs	DeLay	Glickman
Boland	Dellums	Gonzalez
Boner (TN)	Derrick	Goodling
Bonior (MI)	DeWine	Gordon
Bonker	Dickinson	Gradison
Borski	Dicks	Gray (IL)
Bosco	DioGuardi	Gray (PA)
Boucher	Dixon	Green
Boulter	Donnelly	Gregg
Breaux	Dorgan (ND)	Guarini
Brooks	Dornan (CA)	Gunderson
Broomfield	Dowdy	Hall (OH)
Brown (CA)	Downey	Hall, Ralph
Brown (CO)	Dreier	Hamilton
Broyhill	Duncan	Hammerschmidt
Bruce	Durbin	Hartnett
Bryant	Dwyer	Hatcher
Burton (CA)	Dymally	Hawkins
Burton (IN)	Dyson	Hayes
Bustamante	Early	Hefner
Byron	Eckart (OH)	Hendon
Callahan	Eckert (NY)	Henry
Campbell	Edgar	Hertel
Carper	Edwards (CA)	Hiler
Carr	Emerson	Hillis
Chandler	English	Hopkins
Chapman	Erdreich	Horton
Howard	Miller (CA)	Shumway
Hoyer	Miller (OH)	Sikorski
Hubbard	Miller (WA)	Siljander
Huckaby	Mineta	Sisisky
Hughes	Mitchell	Skeen
Hunter	Moakley	Skelton
Hutto	Molinari	Slattery
Ireland	Mollohan	Slaughter
Jacobs	Monson	Smith (FL)
Jeffords	Montgomery	Smith (NE)
Jenkins	Moody	Smith (NJ)
Johnson	Moore	Smith, Denny (OR)
Jones (NC)	Moorhead	Smith, Robert (NH)
Jones (OK)	Morrison (CT)	Smith, Robert (OR)
Jones (TN)	Morrison (WA)	Snowe
Kanjorski	Mrazek	Snyder
Kaptur	Murphy	Solarz
Kasich	Murtha	Solomon
Kastenmeier	Myers	Spence
Kennelly	Natcher	Spratt
Kildee	Neal	St Germain
Kindness	Nelson	Staggers
Kleczka	Nichols	Stallings
Kolbe	Nielson	Stangeland
Kolter	Nowak	Stark
Kostmayer	Oakar	Stenholm
Kramer	Oberstar	Stokes
LaFalce	Obey	Strang
Lagomarsino	Olin	Stratton
Lantos	Ortiz	Studds
Latta	Owens	Stump
Leach (IA)	Oxley	Sundquist
Leath (TX)	Packard	Sweeney
Lehman (CA)	Panetta	Swift
Lehman (FL)	Parris	Swindall
Leland	Pashayan	Synar
Lent	Pease	Tallon
Levin (MI)	Penny	Tauke
Levine (CA)	Pepper	Tauzin
Lewis (CA)	Perkins	Taylor
Lewis (FL)	Petri	Thomas (CA)
Lightfoot	Pickle	Thomas (GA)
Lipinski	Porter	Torres
Livingston	Price	Torricelli
Lloyd	Pursell	Towns
Loeffler	Quillen	Traficant
Long	Rangel	Traxler
Lott	Regula	Udall
Lowery (CA)	Reid	Valentine
Lowry (WA)	Richardson	Vander Jagt
Luken	Ridge	Vento
Lundine	Rinaldo	Visclosky
Lungren	Ritter	Volkmer
Mack	Roberts	Vucanovich
MacKay	Robinson	Walgren
Madigan	Roe	Walker
Manton	Roemer	Watkins
Markey	Rogers	Weaver
Marlenee	Rose	Weiss
Martin (IL)	Rostenkowski	Wheat
Martin (NY)	Roth	Whitehurst
Martinez	Roukema	Whittaker
Mavroules	Rowland (CT)	Whitten
Mazzoli	Rowland (GA)	Williams
McCain	Roybal	Wilson
McCandless	Russo	Wirth
McCloskey	Sabo	Wise
McCollum	Savage	Wolf
McCurdy	Saxton	Wolpe
McDade	Schaefer	Wortley
McEwen	Schneider	Wright
McGrath	Schroeder	Wyden
McHugh	Schuette	Wylie
McKernan	Schulze	Yatron
McKinney	Schumer	Young (FL)
McMillan	Seiberling	Young (MO)
Meyers	Sensenbrenner	
Mica	Sharp	
Michel	Shaw	
Mikulski	Shelby	

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The CHAIRMAN. Three hundred ninety-five Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair would advise the Members that the gentleman from Illinois [Mr. MICHEL] has 11 minutes remaining and the gentleman from Texas [Mr. WRIGHT] has 16 minutes remaining.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. SILJANDER].

Mr. SILJANDER. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in strong support of the Republican substitute to the Democrat trade bill, H.R. 4800. For some time now we have heard those on the Democrat side of the aisle bemoan the U.S. trade deficit. Such lamenting has spawned a growing sentiment in Congress for protectionism. And, today, regardless of what anyone may say H.R. 4800, the Democrat bill, is nothing more than protectionism in disguise.

The Democrat bill would force the United States to violate international agreements, and mandate retaliation on the part of the United States, thereby, exposing American exports to retaliation and damaging our trade and economic interests in both the short and long run. Such mandatory action would jeopardize the 3 to 5 million jobs dependent on U.S. manufacturing and agricultural exports, and increase the cost of both domestic and foreign products in the United States.

While I support provisions that improve export promotion, I oppose the national security provisions in the Democrat bill which, if adopted, would increase the sale and diversion of high technology to the Soviet bloc.

The Democrat bill is not a "fair trade" bill, but a less trade bill. Less trade does not mean less foreign trade, or less foreign imports, but less U.S. trade, less U.S. exports overseas, particularly less farm exports! The Democrat bill is not a "fair jobs" bill either, but a less jobs bill. Simply put, opening the floodgate to protectionism as the Democrat bill would do would result in retaliation against U.S. agriculture and mean less U.S. jobs.

Not only is the Democrat bill a protectionist measure, it is a costly protectionist measure. The Democrat bill would add significantly to the budget deficit. It is estimated that the Democrat bill would result in increased outlays of $6.5 billion over the years 1987–89.

Our trade policy should be to encourage reciprocity and mutual cooperation from our trading partners, not retaliation. That is why I support the Republican substitute, a positive alternative to a negative and defeatist Democrat bill. The Republican substitute deals with the complex problems of unfair trade practices without harming U.S. agriculture exports and without increasing American unemployment.

The Republican substitute provides greater emphasis on reciprocity to remove or redress the effect of unfair trade. The Republican substitute also provides greater emphasis on opening markets, not closing them. Of great importance, the Republican substitute directs the Secretary of Agriculture to make commodities of the Commodity Credit Corporation available for bonus sales. After meeting with members of the European Parliament in January 1984, I am convinced of the need for new direction in U.S. agricultural export policy. The Republican substitute includes such language, language which will enhance promotion of

U.S. agricultural products abroad and not retaliation.

Finally, the Republican substitute provides for greater emphasis on mutual cooperation. The substitute calls for a bilateral free trade zone with Canada as well as examining the potential of additional bilateral free trade agreements with other major trading partners. At a time when the United States is experiencing many problems on the trade front, it is essential that we openly welcome and seize the opportunity to enhance, rather than restrict, trade flow between countries.

I urge my colleagues to support the Republican substitute because it provides American farmers and American business with the opportunity to compete effectively in international trade. Americans do not want to be protected from competition, they want to be part of it.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. KOLTER].

Mr. KOLTER. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the Michel amendment in the nature of a substitute.

The omnibus trade bill was designed to encourage exports, promote fair trade, and offer new opportunities to American workers who lost their jobs through no fault of their own. I think the bill, H.R. 4800, represents a step in the right direction.

By passing this bill, we make it clear that the United States will no longer tolerate unfair trade practices, but at the same time, we will still keep our markets among the most free and open in the world.

There are three provisions that were included in the omnibus trade bill that would be removed if the Michel substitute is adopted which are very important to domestic industries and their employees.

First, the substitute would remove the provision that would permit domestic industries that are injured by unfair trading practices to recover damages. Presently, any import relief is prospective only. An industry that suffers injury cannot seek compensation for damages suffered due to subsidies or dumping. H.R. 4800 would permit an industry that successfully proves that it suffered damage from dumped or subsidized goods to file suit in the Court of International Trade and seek compensation.

Mr. Chairman, this provision is very important because it would allow the victims of unfair trade practices the opportunity to seek access to additional capital for reinvestment. Many companies within industries that have suffered heavily from imports such as steel, often have a difficult time in securing access to capital for investment in more modern equipment. The provision in H.R. 4800 would provide that opportunity. The Michel substitute would deny it.

Second, the Michel substitute would delete language that was designed to combat the transshipment of steel to the United States. Under the current steel import restraint program, a country that is a party to an import restraint agreement with the United States can ship steel to a third nation that does not have such an agreement. That third country can either ship the same steel here to the United States, as if it had produced it domestically, or the third country can transform it and then ship it here. For example, steel melted in Brazil, a country with which the United States has an import restraint agreement, was being shipped to Panama and then transformed into welded tube before being shipped here. Since the United States does not have an agreement with Panama, this steel actually produced in Brazil is considered to have been produced in Panama.

If the substitute is adopted, nations that have chosen to violate the good faith in which the import restraint agreements were negotiated will continue to prevail. We must send a signal that transshipment of steel will not be tolerated. A vote for this substitute would encourage transshipment. A vote against the Michel substitute is a vote for the domestic steel industry and American jobs.

The final item I would like to mention is the most important because it is related to jobs and the future. The Michel substitute would strike the section of the bill that authorizes $1 billion to assist workers who have lost their jobs through no fault of their own. H.R. 4800 would authorize funds to assist American workers to retrain for new careers. It would provide opportunities for displaced workers to seek additional education and preparation for new jobs.

While this bill does not completely answer the question of what to do with displaced workers, it does represent a step in the proper direction. A vote for the Michel substitute is a vote to do nothing for the unemployed. A vote for the bill is a vote to try and help create new opportunities for the victims of international competition.

In closing, Mr. Chairman, I view this entire debate as a matter of leadership. A vote for the Michel substitute indicates that we should stand by and do nothing for domestic industries that demonstrate that they have been victims of subsidies or dumping. Supporting this substitute also sends a message to the displaced worker. That message is: We in Congress do not want to do anything to assist you in finding new opportunities. Simply stated, H.R. 4800 attempts to remedy many serious trade and related problems while the Michel substitute is an attempt to maintain the status quo.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Oklahoma [Mr. WATKINS].

Mr. Chairman, I rise in opposition to the Michel substitute and in support of the trade bill.

Mr. Chairman, I rise in opposition today to the Michel substitute to H.R. 4800 because whatever trade policy the United States has today is not working.

The current policies of the United States are, unilaterally, disarming our businesses and industries in their effort to compete with foreign countries. President Reagan would never allow unilateral disarmament of our military but has done just that by not allowing the United States to protect itself from unfair trade practice.

Think of it, Mr. Chairman: We have told our steel mills, our machine tool industries, our petroleum industry, our timber industry, that it doesn't matter if we have to import vitally needed products and manufacturing capabilities.

Six years ago, the United States was the largest creditor nation in the world and had large surpluses. Now, because of the horrendous and continually escalating imbalance in trade, we are a debtor nation for the first time since 1914! We owe more than any other country in the world. We have gone from a trade surplus position to one where the trade deficit is now $150 billion and could easily become much worse.

This must be corrected because we are not only losing jobs overseas, we are also lowering the standard of living of the citizens of the United States. We are exporting disposable income as we send manufacturing jobs and capabilities overseas.

We continue to decimate many areas of our commodities and as a consequence, the petroleum industry is today a basket case. The machine tool industry is faltering. Just this week in my district, in a county which already "celebrates" 10.9 percent unemployment, a jeans manufacturing plant closed its doors, throwing 250-plus more workers out of jobs. Because of the aggressiveness of our neighbors to the north, 4 out of every 10—40 percent—of the board feet in a new American home today are imported from Canada.

Mr. Chairman, our posture on trade—letting the imports take over the market domestically while the administration, and until now, the Congress, sit calmly by—is to the point where it is jeopardizing national security.

Mr. Chairman, we in Oklahoma, faced with a depression in the petroleum and agriculture industries, our largest income producers, are now embarked on economic development, a goal I have had since I first came to this body in 1977. A part of that diversification is the creation in Oklahoma of a Center for International Trade Development. With the cooperation of this body, we will have a center where we will teach the basic tools of international trade—languages, finance, transportation, insurance, and what else is needed—to give a leg up for those industries which wish to participate in fair and free trade. We will also have a center which can serve as a gathering place for international traders to meet and exchange ideas, goods, and services. We must move forward if we are to preserve a quality of life for our children and grandchildren as least as good as we received from our parents, Mr. Chairman.

What would this body do, Mr. Chairman, if our military capability was being eroded as badly as our trade capability. This measure may not be perfect for few creations of mankind are, however, it is a move in the right direction and it is long overdue.

No, Mr. Chairman, I cannot support the Michel substitute and I encourage my colleagues to vote aye on H.R. 4800 as amended.

Mr. WRIGHT. Mr. Chairman, I yield 3 minutes to the gentleman from Washington [Mr. BONKER], the chairman of the task force.

Mr. HERTEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Michigan.

Mr. HERTEL of Michigan. I thank the gentleman for yielding.

Mr. Chairman, the Democratic Members on this side are prepared to vote for this bill as it currently stands, and I ask the Members on the other side of the aisle to consider that they also should defeat this current amendment. Do not be afraid to maintain and take back American jobs; do not be afraid to strengthen the American economy; do not be afraid to vote against this weakening amendment. The American people are not afraid. They demand fair trade, and this bill will ensure it.

Mr. BONKER. Mr. Chairman, the Michel substitute contains many provisions that are in H.R. 4800. Really, we are not that far apart. But there are important distinctions. While we all agree that we need to strengthen our trade laws and improve trade procedures to deal with disputed cases, we need to do a lot more. Unlike the Michel amendment, the bill identifies new factors that constitute unfair trade practices, like export targeting and resource subsidies and international worker rights. They constitute an unreasonable trade practice that we have got to deal with at some point.

The Michel amendment also strikes many of the provisions regarding worker rights and adjustment for industries that are affected. The people who are really impacted by unfair trade in this trade deficit are the workers. We need to have important provisions in this bill that will help to deal with retraining and relocation so that we can revive American industry once again.

The Michel amendment also eliminates the Gephardt amendment. Gephardt is not protectionist. What it does is keep other countries accountable. When they rack up a huge trade deficit against the United States and they continue to engage in a pattern of unfair trade practices, that in itself is unfair trade. All Gephardt does is to place these countries on a list and will keep them accountable to the sizable trade deficits which they have with the United States. If the President finds in a certification that the imposition of any import fees would harm America's economic interests, then he can waive them. So the waiver authority gets him off the hook.

H.R. 4800 is a lot more than just beefing up our trade remedy laws. It has a lot to do with export promotion and how we can facilitate new and expanding export opportunities for American businessmen. It has a lot to do with competitiveness, how we can enhance our education, especially in areas of math and foreign languages.

I urge that the Members oppose the Michel amendment, support H.R. 4800, and make America competitive once again.

Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Chairman, the Michel substitute should be supported, although under normal circumstances it would be vetoed. It would be vetoed by an administration of either party. The Carter administration, the Reagan administration or any other administration will examine this trade bill from the position of the executive branch, not willing to recognize that article I, section 8, of the Constitution gives a dominant role in the regulation of foreign commerce to the Congress of the United States.

The Michel substitute is excellent legislation, taking back congressional authority for international trade and giving tougher, fair trade direction to the executive branch; it also removes Presidential discretion and mandates STR expeditions mandatory action where appropriate.

In bringing us a partisan bill to put us in a box, our Democratic colleagues have probably done us a favor, but only if we act in support of the Michel substitute. In this box, there is only one favorable and responsible exit, and it is the Michel substitute. This is a substitute, offered by the Republican leader of the House that the President cannot veto.

Mr. Chairman, the Michel substitute is a proper step.

It is, again for emphasis, one the administration cannot afford to veto. It moves us in the right direction.

I would like to say to my colleagues that while I have interest in many areas of trade, I want to emphasize what the Michel substitute does for agriculture. It strikes the Gephardt provisions. Thank God, it strikes the Gephardt provisions because they are fatal for agriculture. They invite retaliation; they ensure retaliation.

The Democrats' bill is a "slap in the face." The slap in the face is directed against American agricultural producers by the House bill. It will prompt a response from Japan and Taiwan, major markets for American agriculture exports.

Those provisions in the House bill that are pro exports and pro agriculture are also contained in the Michel substitute. They deserve to be there. It is important, my colleagues, that we put this in the proper context. A vote for the Michel substitute is a vote for agriculture. A vote for the Democratic alternative is a vote against agriculture. It is unintended, but it will certainly cause retaliatory steps against American agricultural products.

As a Member who represents a congressional district heavily dependent upon agriculture and agricultural exports, the Michel substitute is clearly the better of the two trade bills that we have before us today.

Both bills have protrade provisions. But one trade bill is inconsistent, fatally flawed and downright dangerous when it comes to agricultural trade. The omnibus trade bill marches in two directions at the same time. While some of its provisions would effectively remove impediments to effective, fair trade and move us forward, other mindlessly macho sanctions in the omnibus trade bill will destroy, by certain retaliation, what important markets we have remaining in agriculture.

I would point out that the Michel substitute contains virtually all of the positive protrade, proagricultural provisions that are contained in the omnibus trade bill. Both bills would require the Department of Agriculture to establish long-range trade strategies for promoting U.S. agricultural exports. Both bills give more authority to the Department of Agriculture to marshal resources, promote exports and develop new markets. Both bills would expand the Export PIK Program to include and reward countries that have been traditionally good customers of the United States. Both bills place emphasis on the importance of quality of our agricultural exports, especially grain exports. Both bills address the problems faced by the ethanol and livestock industries from unfair foreign competition.

These provisions, to name only a few, will create a sound policy and provide new direction for increasing U.S. agricultural exports. However, the Michel substitute does not contain the negative antiagricultural trade baggage which will invite retaliation by the very trading partners that American farmers and agribusiness firms sell to overseas.

Over the past 15 years, the United States has lacked a definite agricultural export policy. This trade bill gives us the opportunity to establish a strong and consistent policy for promoting U.S. agricultural exports. The omnibus trade bill is a step backward, particularly the Gephardt and Pease provisions. Like the Carter grain embargo and protectionist acts of the past, it will be the farmers and agricultural producers of this country who will pay for the folly and partisan message this bill is set to deliver.

Last year, during the debate over the 1985 farm bill, many of my colleagues could not understand the high cost of that farm bill. Part of the answer lies in the fact that our agricultural exports have declined over the last several years. The history of agriculture shows that the only time we have had prosperity in agriculture has been during periods when there was growth and development of new markets—especially foreign markets—for our agricultural commodities.

Make no mistake about it; the vote on the Michel bill today will be one of the key agricultural votes of this Congress. A vote for the Michel substitute is a vote for agriculture and increased agricultural exports. A vote against the Michel substitute or for the House bill is a vote to reduce agricultural exports and reduce farm income at a time when we can least afford it.

As political campaigns and rhetoric begin to heat up this year, many will point the finger of blame at the Republicans for the state of our

agricultural economy. I think it should be made clear today on the floor of this House who seeks to build and expand our foreign markets for U.S. agricultural products and who would unintentionally, but surely, take away our foreign markets.

When the omnibus trade bill is vetoed, as this one surely will be vetoed, what will we have accomplished? The answer is absolutely nothing. The trade problems of this country are too important and too critical for Congress to use as a political football. We do need action and the Michel substitute will bring that action. The people of my State want tangible results in the area of trade, not political rhetoric.

We, who serve in this Congress, have a responsibility to act responsibly. Unless we adopt the Michel bill, this House will be abdicating its responsibility for political gamesmanship.

The trade deficit of the United States is a serious problem that concerns all of us, but let's not make it worse by giving away what markets we have left for our agricultural products. That's what the omnibus trade bill will do.

Americans, especially farmers, have suffered enough from the foolhardy trade policies of the past. These are policies of administrations of both parties. They have already paid the price of protectionism and they cannot afford to pay again by losing additional foreign markets.

For all who are concerned about the agricultural economy of this country and increasing agricultural exports, I would strongly urge you to vote for the Michel bill and save our agricultural export markets.

□ 1200

Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. GIBBONS] the chairman of the Trade Subcommittee of the Committee on Ways and Means.

Mr. GIBBONS. I thank the gentleman for yielding me this time.

Mr. Chairman, I just want to call to the attention of the Members that yesterday we had a key vote. On that key vote, some 98 Members sitting over here to my left voted against Frenzel II. The amendment of the gentleman from Illinois [Mr. MICHEL] is just like Frenzel II.

So if you want to be consistent, you will vote against Michel because yesterday you voted against Frenzel. The amendment of the gentleman from Illinois [Mr. MICHEL] does exactly what Frenzel II attempted to do yesterday in which 98 of you voted against it.

If you have forgotten about how you voted, I will leave the record of the vote right here on the table for your inspection, and I am sure you can get it back at the Clerk's desk here.

This is a good bill. I hope we will stay consistent to policy. Stick with the committee bill.

Mr. MICHEL. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Republican substitute, H.R. 4830.

Mr. Chairman, last Monday, I had the opportunity to address this matter before a small business group, and I would like the text of that speech inserted in the RECORD.

I am pleased to be able to speak before you today on a timely subject of interest to me and of great significance in the 99th Congress. This week a comprehensive trade package, H.R. 4800, is being considered by the full House. I believe that the general thrust of this bill—put forward in a blatant effort to capitalize on public fears—is dangerously protectionist and an extremely misguided attempt at solving greater underlying problems. With the trade deficit increasing monthly, we are hearing the sound of protectionist trumpets as rarely before. I'll come back to the specifics of the trade bill in a few minutes. First, however, we need to understand why trade—fair and unfettered trade—is important to Arizona.

There can be no dispute that international trade is of growing importance to Arizona. We have ready access to Mexico and Central and South America and we have thriving high technology firms that do business in the Orient. In a recent study, the Arizona Department of Commerce found that Arizona firms exported at least 2.2 billion dollars' worth of goods and services last year. That translates into 50,000 jobs for our families and neighbors. The Department says that this is a very conservative figure and that the actual number could be double. Also, and of great importance to those assembled here today, $461 million of that $2.2 billion was generated by firms of 100 people or less. Thus, it is evident that trade doesn't just affect the multinational megacorporations. There are hundreds of companies of every size in Arizona making millions of dollars and providing thousands of jobs, all dues to trade with other nations.

Unfortunately, the Arizona success story is not evident in all areas of the country or in all sectors of the economy. The trade deficit last year hit a record $148.5 billion; through this past March it was already up to $14.5 billion. The so-called rust belt manufacturers in the Midwest, the farmers and the textile industries in the South are examples of whole sectors of the economy reeling from an onslaught of foreign competition.

There are several reasons for the massive trade deficits of the past several years. The most notable being the inflated U.S. dollar of the early 1980's. Because of this artificially strong dollar, foreign currencies have been cheaper and American goods have not been price competitive. Furthermore, during this same period, the economies of Western Europe have been relatively stagnant, so those countries have not been buying as many finished goods from us. Because investment opportunities in Europe have been less attractive, capital has flowed out of Europe, much of it to this country. As a result, between 1982 and 1984, both the trade account, which is trade in manufactured goods, raw materials, and agricultural products, and the current account balance, which includes investment and services, have deteriorated; the latter declining by nearly $23 billion.

The same can be said of Japan's domestic economy as of Europe's. Their export economy may be flourishing, but their domestic economy is sluggish. Also, the savings rate in Japan is so high that its huge capital surplus is exported, mostly to the United States.

The interrelationship of world economies definitely affects our economy. Our interest rate and inflation rate are low at the present time, which keeps the dollar high in value. This means exports are more expensive, so there is less exporting.

Another macroeconomic problem is related to the lesser developed countries. These nations, such as those in South America, have cut imports ruthlessly and pushed exports in a desperate effort to earn dollars to service their external debt. In the late 1970's, these countries had been the United States' fastest growing export market, but from 1982 to 1984, our trade balance with them deteriorated by $34 billion; an enormous boon for them, but a disaster for us. Granted these countries need to sell their wares if they are ever going to emerge from their debt crisis, but the United States has been forced to shoulder too much of this burden in comparison with the European Community and Japan.

Because of the dramatic change in the trade patterns, and the resulting dislocation it causes for some industries and States, the sentiment for protectionist legislation has been gaining momentum in recent months. I am, quite frankly, alarmed by this protectionist trend. I firmly believe that history has taught us an inescapable conclusion: The freer the flow of world trade, the stronger the tides for human progress and peace among nations. Free and open markets produce jobs, a more protective use of our national resources, more rapid innovation, and a higher standard of living.

Chrysler automotive president Lee Iacocca, whose own industry has been one of the hardest hit by foreign competition, once candidly admitted, "If you don't go to the lowest cost source, you're an idiot." This is one of the most essential arguments against protectionist policies. It is an economic fact that American consumers pay for protectionism through higher prices for both imported and domestic products.

I would like to take a couple of moments to dispel some myths that the protectionist claim justify their position. First, it is demonstrably untrue that imports drag down the American economy, depressing employment, especially in manufacturing. In reality, employment in the United States has increased dramatically in recent years, an increase that far exceeds Japan and Europe combined. The United States has added 8 million jobs in the past 5 years, while Europe has been treading water. Furthermore, U.S. industrial production has hit all-time highs in each of the past 2 years. Even the number of manufacturing jobs—where the loss is supposedly most profound—has remained steady at 19 million since 1970.

Protectionists claim that trade barriers are the best way to save U.S. jobs, yet the facts illustrate that protectionist actions actually cost more jobs than they save. Let me cite

one example. If the United States had imposed a 15-percent import quota on steel in 1984, as the steel industry sought, 26,000 steel worker jobs could have been saved, but, only at the expense of 93,000 jobs in steel-using industries. Higher prices for protected domestic steel would have made American automobile and durable-goods products less competitive and considerably more expensive for you, the consumer.

I'll let you in on a little secret. Protectionism is actually nothing more than a welfare program for American industry, and an incredibly inefficient welfare program at that. A Government spending program in which the benefits delivered to recipients amounted to only 50 or 60 percent of the costs would be criticized as shamefully wasteful. Yet, in the case of protectionism, the typical increase in prices paid by American consumers far exceeds the total wages of the jobs that are saved. Protectionism is a political delight because it delivers visible benefits to the protected parties while imposing the costs as a hidden tax on an unsuspecting public through higher prices at the cash register.

Having said all that, I want to emphasize that by definition, free trade is fair trade. If the international trading system is going to work, all involved nations must abide by the rules and work to guarantee open markets. When domestic markets are closed to the exports of others, it is no longer free trade. When France subsidizes its farmers so that they can dump wheat in Egypt, that is not free trade. When governments permit counterfeiting or copying of American products, it is stealing our creativity, and it is no longer free trade. When governments subsidize industries for commercial advantage and underwrite costs, placing an unfair burden on competitors, it is no longer free trade. When Chile and Zaire underwrite the costs of their copper mines and no environmental restrictions are imposed, that is not fair competition for Arizona's mines. The administration and the Congress of the United States should not stand by and watch American businesses fail because other nations do not play by the rules of international trade.

With prodding from Congress, this administration has begun to attack unfair trading practices. Last fall, for the first time in history, President Reagan began requesting that the U.S. Trade Representative, Clayton Yeutter, initiate unfair trade practice investigations. These cases have ranged from an investigation of a Korean law that prohibits fair competition for United States insurance firms to a Brazilian law which restricts the sale of United States high technology products to Japanese restrictions on the sale of United States tobacco products. The Banking Committee, on which I serve, has also voted to give Treasury Secretary Baker a $300 million war chest to fight unfair government subsidization of trade. When France—the most notorious practitioner of this abuse—undercuts the world market price for wheat in making a sale to Egypt, our wheat growers will be able to come to Treasury and tap this war chest to match the French dollar for dollar. The objective, of course, is to convince France that it doesn't pay to engage in this kind of unfair government trade subsidies.

Secretary Baker has also announced a plan to promote economic growth in foreign countries, especially the less developed countries. The intent is twofold; to reduce these nations' monstrous, growing debt, and to open up these markets for U.S. imports. Also, the administration helped finally get the industrialized nations of the world to sit down at the bargaining table this year to renegotiate the General Agreement on Tariffs and Trade [GATT] which has governed international trade for 24 years. The administration intends to press GATT members to reduce trade barriers in agricultural products, services, technologies, and investments, as well as a faster procedure for investigating and settling disputes. This is of special concern as some cases have been known to take 15 and 16 years before being settled. Such a delay is completely unacceptable.

Unfortunately, however, there are many in Congress who feel that these actions have not gone far enough and that brings us back to the trade bill, H.R. 4800, does not stop at simply reducing trade barriers; it creates them. It's not as if we didn't have a precedent for what we are doing. We need only go back 56 years in history, to the enactment of the infamous Smoot-Hawley Act to get a whiff of the consequences of this kind of legislation.

The time was 1930. This Nation was coming off a turbulent but largely prosperous decade following World War I. But agriculture was sick—as sick as it is today. And the stock market had virtually collapsed a few months before, throwing the financial markets into turmoil. The initial proposal, however, was a modest one: to give some protection and stability to agriculture. But once the door was open, there was no stopping the demands of Senators and Congressmen who wanted to protect various industrial sectors. The result was a bill that erected massive tariff barriers and brought international trade to a virtual standstill. The results were disastrous. At the mimimum, the Smoot-Hawley Tariff Act exacerbated a declining world economic situation. The act immediately triggered foreign retaliation on U.S. exports, and world trade declined precipitously. Between 1929 and 1932, the value of world trade dropped from $66.6 billion to $26.3 billion, while total U.S. trade plunged from $9.5 billion to only $2.9 billion. By 1934, with chaos across the global landscape and Adolf Hilter in power in Germany, the act was amended to reduce or eliminate most of the tariffs. But it was too late. Recovery only came 6 years later with the beginning of another world war.

I am not predicting that adoption of the current trade bill will lead to another depression, but I do believe that history illustrates both the dangers and ineffectiveness of protectionist legislation. Have no illusions about it: H.R. 4800 is protectionist in nature. Among the provisions in H.R. 4800 that invites—nay demands—foreign retaliation is one, proposed by Representative GEPHARDT, that would force the President to negotiate trade agreements with host countries that maintain large trade surpluses with the United States and other nations. In those negotiations, the President would have to achieve annual 10 percent reductions in those surpluses or be mandated to institute tariffs and/or import quotas to reduce the surpluses. Retaliatory consequences would inevitably follow. The best hope we have for raising our standard of living is to expand our overseas markets. But this isn't going to happen if the doors on our huge foreign markets—China, Brazil, and Mexico—are closed in reaction to protectionist legislation enacted by our Government. Furthermore, these foreign markets would then have an adequate rationalization for their own export controls, something they lack now. A trade war would also choke off economic growth worldwide and seriously strain international relations, impairing the stability of the international financial and trading systems.

The bill would also penalize countries that violate internationally recognized standards such as child labor laws and collective bargaining rights. This will be sure to provoke retribution, and I do not believe it is the United States' place to set minimum wages in other countries.

There are provisions of H.R. 4800 which are sound and badly needed. These are the protection of intellectual property rights, the reauthorization of the Export-Import Bank, and a section that would codify the Baker plan to increase World Bank and private bank lending to debt-ridden LDC's. Much of this lending would be tied to the opening of these markets to U.S. imports. This provision includes an amendment that I introduced that would keep countries that subsidize products that are in world oversupply from receiving loans. But unless the rule under which we debate this bill allows an opportunity for amendments, those of us who favor free and fair trade will have no alternative but to vote against it.

I do not support lying back and doing nothing, however. First and foremost, the value of the dollar must continue to decrease. There has been a 26.6-percent drop in the last year, so we are on the right track. It will make our exports more attractive to overseas buyers, and help control the Federal deficit. We must continue our attack on unfair trade practices through section 301 of the current trade law. This section allows the President to retaliate if an offending country refuses to negotiate. The administration must work to include the service industries, investment, and intellectual property in any trade agreements. As to the service industries, let me make a quick point. As a nation, we must realize that we are undergoing a structural economic change—from an industrial based economy to one that is service based, and no legislation will be able to halt this. If we are going to succeed in the world market, we must recognize this. We must also provide for those workers who will be displaced by this transition, but that can be done by job training and incentives for industries to offer credits for higher education.

In conclusion, it is wrong for American workers and American businesspeople to bear the burden imposed by those who abuse the world trading system. I know that American business has never been afraid to compete. I know too that when a trading system follows the rules of fair trade, American business is the most innovative, efficient, and competitive in the world.

The United States must insist that all nations face up to their responsibilities of pre-

serving and enhancing free and fair trade everywhere. We do not want nor can we afford a trade war with other nations; we want and need other nations to join us in enlarging and enhancing the world trading system for the benefit of all. We do not dream of protecting America from other's success; we seek to include everyone in the success of the American dream.

Mr. MICHEL. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. I thank the gentleman for yielding me this time.

Mr. Chairman, last might I had a troubled sleep. Perhaps it was the heat-oppressed brain that was the consequence of listening to much of the debate that went on yesterday on this bill. As a result, I dreamt, I tossed and turned, and last night in my dreams I saw a strange constellation of historic figures.

In that dream, I saw former President William McKinley seated comfortably next to former President Herbert Hoover. There was Representative Halley and Senator Smoot. But also in that dream was Samuel Gompers, former head of the AFL, and he was seated next to Grover Cleveland, one of our great Presidents.

Before them was a heavenly C-SPAN television, and they were watching the activities here on the floor of the House. Every time they heard an advocate get up and defend H.R. 4800, calling for erecting tariff barriers and protectionism, there was President McKinley and President Hoover, Mr. Halley, Mr. Smoot applauding vigorously. Every time they heard someone get up and defend free trade, breaking down tariff barriers, promoting aggressively the expansion of exports and guaranteeing in the process jobs and lower consumer prices and a higher standard of living for one and all, Mr. Gompers and, simultaneously, Grover Cleveland were cheering.

Then, all of a sudden, they looked puzzled, because they discovered in the course of the debate on C-SPAN that the defenders of protectionism, high tariff barriers, reduced exports, loss of jobs, higher consumer prices, and a lower standard of living were not the representatives of Mr. Gompers party or Grover Cleveland's party. Simultaneously President McKinley and President Hoover were a little startled also over the role reversal that had taken place. It was as if the two parties had caught one another skinny dipping and they mutually made off with one another's clothes.

Mr. Chairman, the point I would like to make is that the thrust of the Michel amendment and what the Republican side has attempted to do is to put pressures on foreign trading partners to expand markets worldwide, not to contract markets.

I submit to you, Mr. Chairman, the thrust of H.R. 4800 is to put tariff barriers up in retaliation against those that have been obdurate in our efforts and importunities to get them to expand their markets, and to retaliate by putting the walls up.

The end consequence, I can assure you, Mr. Chairman, will be that we will have restricted markets worldwide; that we will have less opportunities to export our goods, and, most especially, any of you from agricultural States, be assured that that which is our biggest single worldwide export is going to suffer if H.R. 4800 becomes law.

I urge all of the Members to get behind the Michel substitute. It is in the interests of Democrats and Republicans alike. Free trade, a higher standard of living, more job opportunities for one and all.

Mr. Chairman, the goal of trade reform should be to increase trade and export opportunities for U.S. products in foreign markets. The emphasis should not be to restrict imports in an attempt to protect domestic industries, but to expand worldwide trade. Restricting imports has proven historically unsuccessful; that is, Smoot-Hawley, yet the thrust of H.R. 4800 is to do just that, limit imports coming into this country.

Several of the most offensive provisions contained in H.R. 4800 that are aimed directly at imports are:

First, the Gephardt provision, which would mandate retaliatory action against countries that are guilty of nothing more than successfully exporting their products.

Second, the Pease provision, which puts the United States in pious judgment of every other country in the world. Those countries that fail to meet the arbitrarily defined human rights standards would then face immediate action against their exports.

Third, the Guarini provision, which would incorporate a section 201 injury test for the sole purpose of making targeting easier to take action against, would also mandate retaliation in cases where there is a positive finding.

These are only a few examples, but interestingly, they will amend the section of the existing trade statutes that is aimed at market access. Clearly these aforementioned provisions will do nothing to gain market access. In contrast, not only will they limit trade by reducing imports, but they will surely reduce U.S. exports when the affected foreign countries retaliate. Thus, this great Democrat trade reform package will not benefit the United States, but instead, it will cost American jobs, burden the American consumer, destabilize the rebounding economy, and drive inflation back up into the double digits.

Rather than a less-trade bill as H.R. 4800 has been dubbed, the Republican alternative is progressive trade reform. It's objective is to open markets and expand trade by using the trade remedies as leverage to bring about negotiated settlements. Using the section 301 provisions as an example again, by mandating penalties you have taken away the incentives to open markets through negotiations. Greater market access is the ultimate goal of section 301, and this cannot be achieved in a hostile environment where mandated penalties are ubiquitous.

Some Democrats have also been arguing that the administration has not been enforcing the existing trade laws, and therefore, tougher laws are necessary. A look at the facts will prove otherwise. The Reagan administration has been the first to self-initiate section 301 investigations, and to date, it has also used section 301 to successfully gain greater market access in Japan, Korea, Taiwan, and the EC, to name a few. Yet, the Republican alternative will encourage greater use by transferring the authority to the U.S. Trade Representative and reducing the timeframe for decisionmaking.

The argument that H.R. 4800 is fundamentally protectionist is further strengthened when one looks at its negotiating authority section in comarison to the Republican alternative. Allowing only 2½ years, with the possible extension of 2 more years, to conclude a new round of multilateral trade talks is more likely to ensure failure than help produce satisfactory results under a continuing process. Our alternative, by contrast, allows 8 years with a possible 2-year extension.

In addition, the Republican bill does not contain the exclusion of a specified list of import sensitive products. This provision was added to H.R. 4800 to satisfy purely parochial concerns. Sensitive products always receive special treatment during negotiations, but to exclude certain groups automatically is to make others bear all the tough choices and to further undermine the success of the negotiations.

Before we pass legislation aimed at restricting imports into the United States it would be wise to remember that the United States is also the world's leading exporter. H.R. 4800 will put our exports in jeopardy and then all we will have is less worldwide trade.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the chairman of the Committee on Ways and Means, the gentleman from Illionois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. I thank the gentleman for yielding me this time.

Mr. Chairman, I must oppose the Michel substitute—not because it's bad trade reform, but because it's not good enough.

It is neither as comprehensive nor as effective as the main bill. It's major weakness is its lack of muscle in confronting unfair trade practices abroad.

The substitute is not evenhanded in its promotion of U.S. interests. It provides reforms for some constituents, while other industries and workers are ignored.

Perhaps most glaring is the gross contradiction of its stated antiprotectionist theme. Of the 16 provisions in titles I and II cited by the administration as "the most unsupportable and GATT-illegal"—the Michel substitute contains eight in either identical or similar form.

The minority can't have it both ways. First you attack the omnibus bill

as sullied by partisan protectionists. And now you see fit to pick and choose those so-called protectionist measures that are convenient to your ends.

But there's a much larger question raised by the Michel substitute—and that's the temper and range of congressional participation in U.S. trade policy.

If we begin with the assumption that our trade policy is not in sync with the new realities of world economics, then it follows that something ought to be done. The administration clearly opposes any congressional meddling in trade affairs.

And to that end, it has done what it can to stymie the legislative process. It virtually refused to discuss trade matters with committees—other than to defend the status quo in the face of mounting deficits and unfair practices.

At first Ambassador Yeutter seemed receptive to negotiations. But that quickly changed. In his only appearance during Ways and Means Committee hearings and markup, he cautioned Congress not to "endanger" the President's Trade Action Program.

Failing to deter ours and other committees from acting, the next tactic was to brand trade reform as purely partisan—as if unfair trade practices only struck industries and workers in Democratic districts.

The divisions on this floor are as artificial as they are regrettable. They belie the frustration we all feel over administration intransigence. We don't want to fight. We want to see our trade policy adjusted to meet challenges from the rest of the world. That won't happen unless we're all willing to compromise—to meet halfway. And I think that can happen—and I think it can happen this year.

I hope the final vote today will prove to be more bipartisan than the administration believes—if no more than to declare our collective opposition to the status quo.

I think there's a reasonable chance that the Senate will act on trade reform in the fall—and that we can go to conference—that we can arrive at an agreement that the President can sign.

It's easy to bury trade reform under a welter of partisan attacks. It's much more difficult to forge a bipartisan compromise on an issue that we all know must be confronted.

The Michel substitute falls short of that compromise, it is in my view an incomplete response—but it may be a mark from which our Republican colleagues can seek to work with us as the legislative process continues. Building a consensus for a new, more realistic trade policy is our only hope if we want to compete in this brave new world of international trade.

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Mr. MICHEL. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Chairman, I rise in strong support of the Michel substitute.

It is a tougher bill, if you look at sections 301 and 201, it is certainly very tough on dumping, and it certainly provides a new and more appropriate fast track to resolve trade disputes.

It is not a bill in the extreme. It is a substitute that does not include the Gephardt amendment and the Pease amendment. It is a bill that is much more favorable to agriculture, with its export bonus program and its addition of new countries into the program.

Just look at the escape clause, section 201 of the Trade Act, the retaliatory authority, and section 301 of the Trade Act. The dominant thrust of H.R. 4800, the Democrat bill, is to protect the U.S. market against imports under a variety of dubious circumstances. It ensures thereby, with these restrictions, driving up of consumer prices, and certainly an effort to shrink the pie, to give us fewer choices.

If you want to call the majority bill a trade bill, I agree. It trades rural jobs for urban jobs; it trades new jobs for old jobs. Cooperatives, ag machinery equipment suppliers and manufacturers, meat packing plants and processing plants across the Midwest have closed and their laborers have taken wage adjustments.

Or you could call it a trade pill and not a trade bill, for if you lost $1 billion in ag exports, you lose 30,000 to 35,000 jobs from the farm to the grocery store.

I ask my colleagues to take a good look at a reasonable substitute, the Michel substitute, and recall as they vote on this substitute and on final passage their individual votes on the Textile Protection Act and on the domestic auto content bill. That will, with those three votes, demonstrate to their constituents what their commitment is to free, fair, and open trade.

I thank the gentleman from Illinois [Mr. MICHEL] for the great work that he has done on this substitute.

Mr. MICHEL. Mr. Chairman, we have only one more speaker remaining on our side.

Mr. WRIGHT. Mr. Chairman, we have one more speaker on this side.

The CHAIRMAN. The gentleman from Texas is supposed to close.

Mr. MICHEL. As the author of the amendment, would I not have the prerogative of speaking last?

The CHAIRMAN. No, the gentleman in opposition does.

The gentleman from Illinois [Mr. MICHEL] has 4 minutes remaining.

Mr. MICHEL. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Minnesota [Mr. FRENZEL], who serves with such distinction on the Committee on Ways and Means, and particularly on the Subcommittee on Trade.

Mr. WRIGHT. Mr. Chairman, if the minority would like to close debate, with the consent of the Chair, I would be perfectly willing for that arrangement to apply, if it is the desire of the distinguished minority leader.

Mr. MICHEL. Mr. Chairman, I appreciate the courtesy of the gentleman, and that would be our druthers, if the gentleman is amenable.

Mr. WRIGHT. Of course.

The CHAIRMAN. The Chair recognizes the distinguished gentleman from Texas [Mr. WRIGHT] for 7 minutes.

Mr. WRIGHT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we must reject the substitute and pass the bill. I hope we can pass it by an overwhelming bipartisan majority. Ninety percent of the provisions contained in this landmark legislation are truly bipartisan in character. Four of the six titles in the bill were reported unanimously by their respective committees. This is a congressional initiative of which all of us can be proud.

The Michel substitute seeks to rejoin the debates we settled yesterday, most of them by truly decisive margins. It renews the question of whether America has the right to insist in simple fairness that other nations treat our exports exactly as we've been treating theirs all along. I say we do have that right. The American people are demanding that Congress assert that right. The Gephardt amendment affirms that right and makes it a reality. It levels the playing field. It makes reciprocal trade truly reciprocal and free trade an open, two-way street. The substitute would strike that Gephardt provision.

The Michel substitute would strike the requirement that our President must act when clearly discriminatory policies on the part of other countries close markets arbitrarily to American goods, close our factories, and shrivel away the opportunity of American workers.

The substitute would wipe out all reference to cutthroat competition based on human exploitation—on slave labor, on child labor, on starvation wages. Yesterday we rejected the blinders that would avert our eyes from these cruel forms of unfair trade discrimination. We must reject those blinders again today.

Hundreds of thousands of Americans thrown out of work in midcareer by the tidal wave of imports need job training to compete with the new realities in the marketplace. The bill provides that training to hone and

sharpen the skills of the American workers. The substitute eliminates it.

This is a bill in which all of us, Republicans and Democrats alike, can take pride. Its thrust is positive, not negative. It aims not to punish imports but open markets for American exports. Its purpose is to make America competitive once again in world markets, to restore the label "Made in the U.S.A." as a symbol of quality and value throughout the world.

The feeble efforts of a few to label this bill as protectionist have met the resounding rejection they intellectually deserve. This bill is antiprotectionist. It provides incentives for other countries to abandon the protectionism they currently practice against American goods. It doesn't close markets, it opens them.

For years American industry rode the waves of healthy, comfortable trade surpluses. We were able to ignore the deliberate trade restrictive devices of other countries. American workers thrived, their families bought automobiles and sent their children to college. Then the tides of trade began to turn. The open avenues of commerce that once spawned new companies began to close American plants. One bedrock industry after another has closed its factories, many to open in other countries. Hardly an American community remains unscathed.

The trade drain is gnawing like a cancer at the vital organs of the American economy; only 6 years ago we had a healthy trade surplus; this year, we're running a $150 billion trade deficit, the largest in historys; 4 years ago we were the world's biggest creditor nation; today, we're the world's largest debtor.

Translate that to approximately 4 million American jobs—4 million workers whose livelihood has been jerked from under them and sent overseas—to an eroding industrial base, a declining economic growth rate, an America potentially less secure, and a shrinking opportunity horizon for America's youth.

We must not settle for that. America can do better than that. The public looks to Congress to provide the leadership. We need to launch a purposeful plan to reindustrialize America, modernize our plants and methods, improve our productivity, and restore the cutting edge of America's productive genius.

With your help, and the help of Members on both sides of the aisle, we can restore America to its rightful role. I ask your vote against the substitute and an overwhelming vote in support of this bill.

Mr. MICHEL. Mr. Chairman, I yield the balance of our time to the distinguished gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, we have come to the end of the trade bill for all practical purposes.

We now must make the choice between the Michel substitute and the committee bill.

You have already heard that the Democrat bill was assembled by the majority leader in a partisan manner. Probably he and the committee chairman did not intend it that way, but that is what happened. The administration certainly tried to work with our committee, but its leadership was not interested.

Incidentally, because the administration has been accused of being inactive, I insert here a list of administration trade policy actions of the past 9 months. I believe it is impressive.

Mr. Chairman, as a part of the President's trade policy announced September 23, 1985, the administration has:

Taken the unprecedented step of self-initiating section 301 unfair trade cases on:

Brazilian informatics market and investment restrictions, September 13, 1985;

Korean fire and life insurance market restrictions, September 13, 1985;

Japanese market restrictions on tobacco products, September 13, 1985;

Korean lack of protection for intellectual property rights, October 16, 1985.

Self-initiated for the first time a section 305 investigation to gather information on the potential trade barrier posed to U.S. meat exports by the proposed EC third country meat directive, March 31, 1986.

Initiated the first case ever brought under section 307, initiating an investigation of Taiwan's automotive export performance requirements, March 31, 1986.

Achieved a negotiated resolution on the issue of Japan's market restrictions on leather and leather footwear December 20, 1985. Japan agreed to compensation through reduced tariffs worth $236 million in increased market access and the United States will impose prohibitive tariffs on $24 million of Japanese leather exports to the United States.

Announced a GATT subsidies code case against European Community wheat export subsidies, October 16, 1985.

Secured market-opening concessions from Taiwan on tobacco, wine, and beer in response to the threat of a 301 case, October 16, 1985.

The administration has formed the President's Strike Force on Trade, chaired by Commerce Secretary Baldrige, to identify specific trade barriers which may require further action. To date, the strike force has:

Recommended to the Economic Policy Council in November 1985 that the U.S. Government initiate an antidumping investigation on 256K DRAM [Dynamic Random Access Memory] and above semiconductors from Japan. The U.S. Government self-initiated the antidumping investigation December 6, 1985. This is the first antidumping investigation December 6, 1985. This is the first time ever that the Department has self-initiated an unfair trade investigation outside an established program such as the steel trigger price mechanism. The International Trade Commission found preliminary injury, 5–0, on January 22, 1986. The Department of Commerce announced preliminary dumping margins on March 13. A final dumping determination is expected by May 30.

Recommended to the Economic Policy Council in January 1986 that the U.S. Government undertake informal consultations with Airbus governments—France, Federal Republic of Germany, United Kingdom—to contain or eliminate unfair trade practices on current and future Airbus programs. The first round of discussions took place March 20–21 in Geneva. As the issue remains open, a second round of discussions will take place in June.

Recommended to the Economic Policy Council that a comprehensive strategy for dealing with unfair intellectual property rights practices be undertaken. This strategy, announced April 7, 1986, includes: A legislative initiative; intensified bilateral pressure through consultations, possible denial of GSP benefits, and possible 301 cases; heightened multilateral efforts; and an administration policy statement on intellectual property rights.

The working group level of the strike force is considering many issues, some of which are being developed further. These issues will be forwarded to the strike force over the next few weeks.

We have moved to resolve four disputes with the European Community:

We have reached agreement with the European Community under the President's steel program which provides for voluntary restraints on most European steel exports to the United States through September 1989. To remedy the problem of diversion by European Community exporters from licensed products to semifinished steel, as of January 1, 1986, the United States imposed quotas on imports of European Community semifinished steel.

In December 1985, we negotiated resolution of the European Community canned fruit case, obtaining a European Community commitment to reduce its production subsidy by 25 percent by July 1986 and eliminate it entirely by July 1987.

Following the failure of the United States and the European Community to reach a solution on the citrus problem by the agreed October 31 deadline, on November 1 the United States imposed duties of 40 percent ad valorem on European Community-origin pasta products not containing egg and 25 percent ad valorem on European Community pasta containing egg. We have, however, continued to discuss this case with the European Community and would prefer a negotiated solution which would enable us to put this case behind us.

On May 15, 1986, announced a specific response to new European Community restrictions on U.S. grain and oilseeds exports to Spain and Portugal as a part of the terms under which those countries joined the European Community in January 1986. In response to the European Community's quotas on U.S. agricultural exports to Portugal, the United States will impose quotas on certain agricultural products from the European Community: White wine valued over $4 per gallon, chocolate, candy, apple or pear juice, and beer.

These quotas will be adjusted to mirror the trade losses caused the United States by the European Community's restrictions. With respect to the variable levy imposed in Spain, announced that in 30 days the United States will withdraw tariff "bindings"—GATT agreements not to raise tariffs above a certain level—and increase those tariffs if the European Community does not provide adequate compensation by July 1.

On the bilateral/multilateral front, we have:

Welcomed Canada's initiative for a possible bilateral free trade arrangement and have begun discussions on Canadian softwood lumber imports.

Secured agreement of our GATT trading partners to establish a preparatory committee for a new round of multilateral trade negotiations. We expect the round to be launched at a meeting of trade ministers scheduled for September 1986.

Undertook market-oriented sector-specific [MOSS] discussions with the Japanese in four areas: Telecommunications, medical equipment and pharmaceuticals, electronics, and forest products. Major problems related to implementation of Japan's new telecommunications laws as well as the radio wave law have been resolved. In the medical equipment and pharmaceuticals area, agreement has been reached in most of the contentious areas including acceptance of foreign clinical test data, faster approval procedures, and transparency in the insurance reimbursement system. Key achievements in the electronics sector are chip protection legislation, software copyrights, and computer parts duty elimination. In addition, an agreement has been reached on wood product tariff cuts as well as on a significant reduction in paper duties.

Initiated market-access fact-finding [MAFF] talks on telecommunications trade barriers in Europe. The first market access discussions were initiated with Germany last December. The discussions allowed us to gain useful information on procurement practices, standards, and regulations governing enhanced services. We will now assess the detailed, technical information which was provided and evaluate the "openness" of the German telecommunications market to U.S. suppliers. We held similar talks with the Italian Government in April and expect to begin consultations with other European countries in the near future.

Signed an agreement with Japan on the elimination of tariffs on computer equipment and parts with Canada on the elimination of tariffs on computer parts and semiconductors.

We are counting vigorous enforcement of AD/CVD laws. We have 47 investigations ongoing and there has been over a 200-percent increase in AD/CVD cases processed from 1980, 50, to 1985, 133.

Most significant AD/CVD cases since September 1985.

Completed cases with affirmative findings of dumping or goverment subsidization:

Japan—cellular mobile telephones on October 24, 1985;

Brazil—fuel ethanol on January 21, 1986; (nota bene the International Trade Commission found "no injury" so case was terminated;

Saudi Arabia—carbon steel wire rod on January 27, 1986;

Canada—groundfish on March 14, 1986;

Korea—offshore platform jackets and piles on March 31, 1986;

Japan—offshore platform jackets and piles on March 31, 1986;

Japan—64K semiconductors on April 23, 1986.

Pending cases of dumping or government subsidization:

Japan—EPROM semiconductors due July 30, 1986.

Japan—256K semiconductors due August 1, 1986.

We have also moved forcefully to deal with unfairly subsidized competition in our export markets:

Countered foreign subsidized agricultural exports by concluding sales under the Export Enhancement Program valued at over $465 million.

Countered foreign subsidized export financing. Pending congressional acceptance of the President's war chest proposal, the Export-Import Bank has offered grants to help American companies win sales worth about $328 million in 11 pending overseas contracts. By aggressively using mixed credits, we hope to persuade our trading competitors, particularly France, Italy, and Belgium, to support negotiations to eliminate predatory financing practices. In March 1986, to counter a Brazilian bid using noncompetitive financing in the United States market, Eximbank took the unprecedented step of extending concessionary financing to a United States company for a sale in the United States.

I cannot review a 450-page document and compare it to another 400-page document in 4 minutes, but let me just hit some of the highlights.

Mr. Chairman, under the Michel substitute, there are no mandatory retaliations forced on this country under section 301.

Those unrecognized worker rights attached to the committee bill by the gentleman from Ohio [Mr. PEASE] are removed, too. With the Pease language removed, the Michel substitute does not attempt to enforce U.S. cultural standards on other countries. The committee bill makes other countries' cultures an unfair trade practice.

The Michel version does not have the 10-percent Gephardt cut for countries who have a trade balance which is positive with our country. That Gephardt amendment, you remember, makes competitiveness illegal. Of all the objectionable features of the partisan committee bill, the Gephardt language is the most offensive, and the most egregious violation of our treaties. The Michel substitute spares us that embarrassment.

It also takes the Guarini amendment out of the committee bill. The Guarini amendment, you recall, is the lawyer's welfare bill which allows a separate course of action in our courts in addition to antidumping duties. Those court suits willl be aimed, of course, mainly against American importers, because court jurisdiction does not extend to most exporters.

In the case of most of the GATT-illegal language in the committee bill, but especially in the cases of the Pease, Gephardt, and Guarini provisions, the United States stands to be hurt worse by minor laws enacted by our trading partners, than they will be hurt by our laws.

The Michel amendment also removes the mean-spirited ITC amendment which tries to force on the President a double confirmation of certain ITC leaders.

With respect to negotiating authority, the Michel amendment gives real authority to the President, so he can actually get us a better deal at GATT. He can take the time to negotiate to make sure that we get the best possible determination.

The Michel amendment includes the change of antitrust laws that Secretary Baldridge and the American business community say is absolutely necessary if we are going to be competitive abroad. The committee bill does not.

The Michel amendment gets rid of the industrial policy committees and the industrial policy aspects contained in the committee bill. The Republican amendment conforms to the U.S. position of leaving these decisions to the marketplace rather than letting your friendly, neighborhood bureaucrat tell you which industries and which companies should succeed, and in what way.

The Michel amendment, in incorporating the Wylie amendment, weeds out all the Banking Committees' language on increased international loans, and Mr. Chairman, if one were to describe the Michel substitute compared to the committee bill, the best way is to say that the Democrat committee bill is based on despair. It is a vote of no confidence in America. It says America cannot compete anymore. It chooses to lock up our borders rather than to expand our exports.

The Republican Michel substitute is based on hope. It says let us believe that America is competitive, and can become more competitive. It is a vote of confidence in America. It chooses to expand trade and build a better America.

The majority leader has just said that he remembers back 6 years ago when America was not a debtor nation. He apparently liked those good old days. I can remember 6 years ago, too. I can especially remember the Jimmy Carter misery index of 1980, with unemployment and inflation running wild.

Now, if you vote for the Democrat substitute, I think you can return with the Democrats to those wonderful days of high inflation, of low economic activity, and low employment. Or perhaps you should return with the

Democrats to the glory days of 50 years ago. Smoot-Hawley was a Republican bill, but the Democrats are embracing it today.

Because the committee bill is going to restrict world trade, it is going to reduce the economic status of all Americans. It is going to be particularly destructive to Americans on the farm. And that is only its short-run effect.

But, on the other hand, if you believe in an economy which has gained 12 million jobs in the last 6 years; if you believe in an economy which has gained a greater percentage of jobs than any other in the world, industrialized or Third World; and if you believe in an expansive trade policy as this administration promotes and as the Michel substitute provides; then, you will want to vote for the Michel substitute, and you will be obliged to vote against the committee bill.

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes—145, noes 265, not voting 23, as follows:

[Roll No. 140]

AYES—145

Archer	Fawell	Madigan
Armey	Fiedler	Marlenee
Bartlett	Fields	Martin (IL)
Barton	Fish	Martin (NY)
Bateman	Franklin	McCain
Bentley	Frenzel	McCandless
Bereuter	Gallo	McCollum
Bilirakis	Gekas	McEwen
Bliley	Gingrich	McGrath
Boulter	Goodling	McMillan
Broomfield	Gradison	Meyers
Brown (CO)	Green	Michel
Broyhill	Gregg	Miller (OH)
Burton (IN)	Hammerschmidt	Miller (WA)
Callahan	Hartnett	Molinari
Campbell	Hendon	Monson
Chandler	Hiler	Moorhead
Cheney	Hillis	Morrison (WA)
Coats	Hopkins	Myers
Cobey	Hunter	Nielson
Coble	Hyde	Nowak
Coleman (MO)	Ireland	Oxley
Combest	Kasich	Packard
Coughlin	Kindness	Parris
Courter	Kolbe	Porter
Craig	Kramer	Pursell
Crane	Lagomarsino	Quillen
Dannemeyer	Latta	Roberts
Daub	Leach (IA)	Rogers
DeLay	Lent	Roth
DeWine	Lewis (CA)	Roukema
Dickinson	Lewis (FL)	Rowland (CT)
DioGuardi	Lightfoot	Saxton
Dornan (CA)	Livingston	Schaefer
Dreier	Loeffler	Schneider
Duncan	Lott	Schuette
Eckert (NY)	Lowery (CA)	Schulze
Edwards (OK)	Lungren	Sensenbrenner
Emerson	Mack	Shaw
Shumway	Solomon	Vander Jagt
Siljander	Spence	Vucanovich
Skeen	Stangeland	Walker
Slaughter	Strang	Weber
Smith (NE)	Stump	Whitehurst
Smith, Denny (OR)	Sundquist	Whittaker
	Swindall	Wolf
Smith, Robert (NH)	Tauke	Wortley
	Taylor	Wylie
Snyder	Thomas (CA)	Young (FL)

NOES—265

Ackerman	Frost	Morrison (CT)
Akaka	Fuqua	Mrazek
Anderson	Garcia	Murphy
Andrews	Gaydos	Murtha
Annunzio	Gejdenson	Natcher
Anthony	Gephardt	Neal
Applegate	Gibbons	Nelson
Atkins	Gilman	Nichols
AuCoin	Glickman	Oakar
Barnard	Gonzalez	Oberstar
Barnes	Gordon	Obey
Bates	Gray (IL)	Olin
Bedell	Gray (PA)	Ortiz
Beilenson	Guarini	Owens
Bennett	Gunderson	Panetta
Berman	Hall (OH)	Pashayan
Bevill	Hall, Ralph	Pease
Biaggi	Hamilton	Penny
Boehlert	Hatcher	Pepper
Boggs	Hawkins	Perkins
Boland	Hayes	Petri
Boner (TN)	Hefner	Pickle
Bonior (MI)	Henry	Price
Bonker	Hertel	Rangel
Borski	Horton	Ray
Bosco	Howard	Regula
Boucher	Hoyer	Reid
Breaux	Hubbard	Richardson
Brooks	Huckaby	Ridge
Brown (CA)	Hughes	Rinaldo
Bruce	Hutto	Ritter
Bryant	Jacobs	Robinson
Burton (CA)	Jeffords	Roe
Bustamante	Jenkins	Roemer
Byron	Johnson	Rose
Carper	Jones (NC)	Rostenkowski
Carr	Jones (OK)	Rowland (GA)
Chapman	Jones (TN)	Roybal
Chappell	Kanjorski	Russo
Clay	Kaptur	Sabo
Clinger	Kastenmeier	Savage
Coelho	Kemp	Scheuer
Coleman (TX)	Kennelly	Schroeder
Collins	Kildee	Schumer
Conte	Kleczka	Seiberling
Conyers	Kolter	Sharp
Cooper	Kostmayer	Shelby
Coyne	LaFalce	Shuster
Daniel	Lantos	Sikorski
Darden	Lehman (CA)	Sisisky
Daschle	Lehman (FL)	Skelton
Davis	Leland	Slattery
Dellums	Levin (MI)	Smith (FL)
Derrick	Levine (CA)	Smith (NJ)
Dicks	Lipinski	Smith, Robert (OR)
Dingell	Lloyd	
Dixon	Long	Snowe
Donnelly	Lowry (WA)	Solarz
Dorgan (ND)	Luken	Spratt
Dowdy	Lundine	St Germain
Downey	MacKay	Staggers
Durbin	Manton	Stallings
Dwyer	Markey	Stark
Dymally	Martinez	Stenholm
Dyson	Matsui	Stokes
Early	Mavroules	Stratton
Eckart (OH)	Mazzoli	Studds
Edgar	McCloskey	Sweeney
Edwards (CA)	McCurdy	Swift
English	McDade	Synar
Erdreich	McHugh	Tallon
Evans (IL)	McKernan	Tauzin
Fascell	McKinney	Thomas (GA)
Fazio	Mica	Torres
Feighan	Mikulski	Torricelli
Flippo	Miller (CA)	Towns
Florio	Mineta	Traficant
Foglietta	Mitchell	Traxler
Foley	Moakley	Udall
Ford (MI)	Mollohan	Valentine
Ford (TN)	Montgomery	Vento
Fowler	Moody	Visclosky
Frank	Moore	Volkmer
Walgren	Whitley	Wolpe
Watkins	Whitten	Wright
Waxman	Williams	Wyden
Weaver	Wilson	Yatron
Weiss	Wirth	Young (MO)
Wheat	Wise	

NOT VOTING—23

Alexander	Evans (IA)	Rahall
Aspin	Grotberg	Rodino
Badham	Hansen	Rudd
Boxer	Heftel	Smith (IA)
Carney	Holt	Yates
Chappie	Leath (TX)	Young (AK)
Crockett	Lujan	Zschau
de la Garza	O'Brien	

□ 1235

The Clerk announced the following pairs:

On this vote:

Mr. Badham for, with Mr. Alexander against.

Mr. Hansen for, with Mrs. Boxer against.

Mr. Zschau for, with Mr. Rodino against.

Mrs. Holt for, with Mr. Rahall against.

Mr. Rudd for, with Mr. Leath of Texas against.

Mr. HILER changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NOWAK. Mr. Speaker, on rollcall No. 140, the vote on the Michel substitute to H.R. 4800 the omnibus trade bill, I inadvertently voted "aye." I am in fact strongly opposed to the Michel substitute and intended to vote "no."

Mr. GLICKMAN. Mr. Chairman, I rise in support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. In so doing, I want to pay special tribute to your commitment to this important issue and the skilled leadership of the distinguished majority leader, Mr. WRIGHT, in melding together the work of several different committees and seeing that this very important legislation was brought to the floor in a timely fashion. In addition, I want to applaud the efforts of all the committee chairmen who have compiled a truly comprehensive and strong bill.

Indeed, many opponents of this bill have complained that it is too strong, that it sends too strong a signal to the rest of the world that we intend to ensure that American workers and American businesses will be second to no one in the fiercely competitive world economy. Coming as it so often does from the same quarters which demand that the United States follow a defense and military policy second to none to ensure American preeminence in a fiercely competitive world, this reasoning that this bill is too potent, too forceful is contradictory; that argument is shortsighted and narrowminded. Mr. Chairman, to ensure that we are No. 1 in the world, that means keeping a topflight military, and it also means keeping a topflight industrial base; ensuring national security is more farreaching, more comprehensive than pumping billions into the Pentagon; it also means keeping American factories producing and competing aggressively, and on fair terms, in the world.

I do not pretend to know how many roses should be imported into the United States each year, nor how many telephones we should sell in Japan, nor how many airplanes from Brazil we should allow into this country, nor how much wheat we should sell in North Africa. I do know, however, that imports of roses should not be allowed to decimate our domestic floral industry, that the Japanese should permit fair and open competition for telecommunications equipment and service on the same basis as what we permit them, that the Brazilians should open their borders to American general aviation manufacturers, and that we should not permit unfair practices to displace American grain sales anywhere in the world. And yet, that is what has happened. The administration has at its disposal a broad array of trade policy tools, and this administration has left them out in the rain to rust. This bill is the new toolbox, it contains the shiny modern power tools to replace the rusty, antiquated hand set which has been left on the shelf too long.

I do not know the details, the ins and outs of import quota levels and tied aid requests, but I know that my constituents are frustrated by our trade policy and alarmed, as they should be, by the incredibly high trade deficit. They want a strong, tough stance, fitted to the real world, not some ideological niceities serving as grist for polite debate behind the ivy walls of academia. Some have called this bill a shin kicker; well maybe it is, and perhaps that is what is needed. Where has current policy, and its implementation by the administration brought us? We have factories idled, workers unemployed, millions of dollars flowing out of this country, and a trade deficit which is, quite frankly, an embarrassment.

This bill sends an unequivocal signal to our companies and our workers that our Government is not going to let them down, that we will be there with them when it means going head-to-head with unfair trade practices and with export promotion and market development efforts. And this bill sends that signal to the rest of the world, too. They will hear us when we approve it today, and I urge my colleagues to join with me and support this bill.

Mr. TRAFICANT. Mr. Chairman, today I rise in strong support of H.R. 4300, the Trade and International Economic Policy Reform Act. Major trade reform is necessary if the United States is to regain an even footing and a fair chance in international industrial competition. When that happens, U.S. employment will increase, our industrial base will start to recover, and our trade deficit will diminish. I believe H.R. 4800 is a positive step in that direction.

U.S. trade policy is of vital and immediate concern to all Americans. It has become a critical factor in our Nation's economic health and survival in the international market. The future success of our industrial and agricultural bases and the millions of workers dependent upon them, will depend on how well we conduct our international trade policy. While I believe we have fallen far short in the past, I believe H.R. 4800 represents a comprehensive package of trade revisions which can reverse the economic deterioration of our markets and help U.S. products become competitive once again.

Specifically, I would like to address section 159 of the legislation addressing the application of countervailing and antidumping duties to governmental importations. Contained within this section is a new provision which provides that any merchandise imported by, or for the use of, any agency of the U.S. Government is not exempt from the imposition of antidumping or countervailing duties. This section also contains a new provision that requires any person providing factual information to the Department of Commerce or the International Trade Commission in connection with an antidumping or countervailing duty investigation, on behalf of a petitioer or interested party, to certify that such information is accurate and complete to the best of that person's knowledge. This change is designed to ensure the accuracy and completeness of all submissions. Both of these provisions were contained in legislation I had introduced together with Congressman ECKART and later adopted by the Ways and Means Committee as part of the comprehensive trade package.

Since coming to the Congress, I have been active in fighting to get the U.S. Government to stop making purchases of illegally dumped titanium sponge for the national defense stockpile. This example is just one of many which demonstrate the need to reform our current trade laws to reflect the current needs of U.S. industries and their workers. These provisions are needed to ensure that our unfair trade laws are given full effect, and that illegally dumped and subsidized products are excluded from our markets.

H.R. 4800 is not protectionist legislation. However, it will give our Nation a more effective trade policy and will compel our President to address our mounting trade problems. It is clear that the administration's trade policy has not been successful as we see the international trade deficit continuing to grow and more and more American industries and workers are being lost to foreign intervention.

I urge my colleagues to oppose all weakening amendments, specifically the alternative posed by Mr. FRENZEL, which would seek to strike many of the provisions regarding antidumping and countervailing duties. If we are to make positive comprehensive changes in our current trade laws, then we must pass this package intact.

I would like to congratulate the various subcommittee and full committee chairmen of the six committees who helped craft this bill and urge my colleagues to support the passage of H.R. 4300.

Mr. SHUMWAY. Mr. Chairman, as we witness the ill-advised passage of H.R. 4800, I must advise my colleagues of the grave effects that this protectionist measure will have on many segments of our rural agricultural economic base which rarely receive the attention that is justly deserved. While I appreciate the restrictionist impetus coming from a number of ailing domestic industries, such as textiles, steel, and automobiles, I firmly believe that an open trade policy continues to best serve the needs of our Nation.

As I mentioned earlier in this debate, we recognize that there are changing dynamics in the international marketplace; we also recognize that there are some governments that have made deliberate efforts to restrain free and fair trade. But we must not succumb to the delusion that by adopting inflexible, protectionist, and retaliatory provisions contained in this poorly conceived legislation that our serious international trade problems will be alleviated. In fact, I am certain that this bill will have disasterous effects on areas of our economy that can least withstand it.

The provisions contained in H.R. 4800 will certainly bring retaliatory action against our agricultural exports, reduce our trading partners' ability to purchase U.S. products and endanger our chances for success in a new round of multilateral trade negotiations designed to solve these problems more appropriately through a stronger system of international trading rules.

History has shown time and again where U.S. protectionist or retaliatory actions have injured agriculture in my home State of California. During the last year, due to an unresolved dispute with the European Economic Community [EEC], the U.S. imposed a higher tariff structure on pasta imported from the EEC. The next day, the EEC retaliated and increased its tariffs on walnuts and lemons—specialty crops unrelated to the dispute which cannot afford such a penalty. In addition to tariffs maintenance of United States quotas on Japanese auto imports undercuts American efforts to remove Japanese import quotas on beef, citrus and other California specialty crops.

I support President Reagan's trade intiatives and will continue to encourage the administration to move forward on section 301 cases and its stated intent to achieve substantive improvements and reforms in the GATT through a comprehensive new round of negotiations which places export subsidies and other critical agricultural concerns at a high priority position.

Mr. DENNY SMITH. Mr. Chairman, today we are debating H.R. 4800, a bill to "enhance the competitiveness of American industry," otherwise known as the omnibus trade bill. According to the sponsors of this bill, it is necessary if we are to do something about the $150 billion trade deficit that we now face in this country. This is as untrue today as it was when we spent many days last summer debating H.R. 1562, the Textile and Apparel Trade Enforcement Act.

H.R. 4800 is nothing more than a political document. It does nothing more than cater to specific interest groups. The sponsors of this legislation are more concerned with the politics of trade rather than the reality. They are looking at how this bill and this issue will play in November 1986, while disregarding the consequences we will face in November of 1987 and 1988 and beyond. The sponsors of this legislation are not solving the problems of those industries, communities, and individuals who have been hurt over the past few years, they are exploiting them.

This is not saying that problems don't exist, they do. I represent the State of Oregon, a State in which one in five jobs is related to the import and export of a variety of products, especially timber, wheat, and high-tech items. I am aware of what the trade figures are, and how they affect my State.

But what the sponsors of this bill choose to ignore, as they did during the debate on H.R. 1562 last year, are the real causes of our trade imbalance. The imbalance is a direct result of the huge Federal budget deficits that many of the sponsors and supporters of H.R. 4800 are responsible for ringing up. The Federal deficit has lead to a weakening of the dollar on the world market. It has driven up real interest rates in this country and caused American businesses to become noncompetitive. As a result, these businesses have either closed shop or moved their operations overseas. This is the root cause of our trade deficit.

I wonder is many of the sponsors of this bill will fight as hard for making necessary budget cuts in a variety of programs to get the deficit down. How many of my colleagues will decide to support a measure that will reform our antitrust laws in order to allow the businesses they express a concern for to merge and form stronger companies that will be able to compete in the world markets?

More importantly, how many of the sponsors will be willing to go to their constituents in the farm community and willingly stand in front of farmers who's livelihood has been disrupted by the cancellation of export deals? How many of the sponsors will willingly go before the consumers of this country and say, "I'm sorry that your costs have risen, but that's necessary to save the jobs of workers in inefficient industries"? How many of the sponsors will go to the port communities around this country and say they're sorry for the loss of thousands of jobs due to decreased trading opportunities?

Writing and enacting legislation such as H.R. 4800 is the easiest thing to do, but that doesn't make it the best thing to do. This bill will handcuff, not ease, the trade process here in the United States. The sponsors claim that it will overhaul and modernize our trade practices here in the United States. What it will do is require action to be taken regardless of whether it is in the overall best interests of this country. It will require that action be taken before there is any proven injury to individuals, industries, or communities. It creates a combersome, bureaucratic system of assessing injury within a particular industry, which seems odd when one of the "purposes" of this bill is to streamline the process.

H.R. 4800 is not, in and of itself, an answer to the trade problems of this country. It is a shortsighted bill which will weaken our standing in the world markets, violate a number of multilateral trade agreements, disrupt the progress that has been made in stabilizing currency exchange rates as a result of the September Five Nation's agreement, open up American industry and agriculture to retaliation, diminish export opportunities, result in the loss of thousands of more jobs lost than saved, and cost the American taxpayer billions of dollars. It requires that we impose labor standards on our trading partners as a prerequisite for trade, even if we don't adhere to many of those standards ourselves.

I don't want my opposition to this particular bill to be misconstrued as a lack of desire to do something about the serious problems we face as a result of unfair trade practices by our trading partners and an inefficient trade bureaucracy here in the United States. I have supported the efforts of the President as we begin the new round of GATT talks, a new round of MFA talks, and a new bilateral agreement with the Canadian Government who's timber policies have devastated my State. I have encouraged the President to take action when it has been shown that unfair practices have caused damage to specific industries.

A bill that does not address the real causes of our trade difficulties, and puts politics ahead of common sense and good policy, will always do more harm than good. Free, fair, and open trade is the best policy for this country to follow. H.R. 4800 will not produce that result.

Mr. LEVINE of California. Mr. Chairman, I rise in support of H.R. 4800, the omnibus trade bill before us today.

Mr. Chairman, in recent months, trade has become a dominant issue on Capitol Hill and around the country as Members of Congress and their constituents have focused on the devastating economic and social impact of the $150 billion trade deficit, a deficit that has doubled in just the last 2 years. American industries which cannot compete successfully in the world market are being forced to close down, battered by foreign imports and unfair trading practices and burdened by budget deficits which create an overvalued dollar and reduce the competitiveness of U.S. exports. The traditionally strong U.S. export position areas like high-tech and agriculture has been significantly eroded. And the United States recently passed Brazil to become the world's largest debtor nation. As recently as 1981 we were the largest creditor.

This alarming situation has increased pressure to "do something" about the trade deficit. More than 300 bills have been introduced to reduce the spiriling trade deficit, ranging from imposing higher tariffs on imported roses and waterbeds to retaliation against Japan and other nations if they engaged in unfair trade practices restricting American products.

What we are considering today, Mr. Chairman, represents a major effort on trade by the House leadership. A number of committee and subcommittee chairmen were brought together to produce a bill, in their words, to "meet the challenge of trade deficits and global competition." H.R. 4800 consolidates legislation reported by the Ways and Means, Foreign Affairs, Banking, Energy and Commerce, Education and Labor, and Agriculture.

Action on trade by this body has become absolutely necessary, both because of the dimensions of the trade deficit and because of administration policy which, until recently, seemed to ignore the problem of declining American competitiveness. Clearly, refusal to take action to address this problem has significantly contributed to our unacceptable trade deficit. In particular, the huge budget deficits it has spawned have created a grossly overvalued dollar rendering American exports prohibitively expensive.

It is therefore inappropriate, as critics of this bill urge, to "leave well enough alone" and let the administration take whatever steps it believes necessary to reduce the trade imbalance. Certainly, recent administration actions regarding the dollar, Third World debt, and unfair trade practices are to be welcomed. However, a pattern has developed in which the administration seems to get tough with our trading partners only when Congress is poised to take action. Today, Mr. Chairman, we have taken action.

H.R. 4800 contains many important initiatives to give the United States the tools to reduce the trade deficit and lay the basis for long-term U.S. competitiveness in international markets. There are sections tightening up our trade laws which will make it easier to combat unfair trading practices abroad. The bill sets net guidelines regarding international trade negotiations. It contains excellent provisions, particularly in title III, dealing with export promotion. The section strengthening protection of intellectual property rights is extremely important. Estimates of the total losses to U.S. businesses from piracy and counterfeiting range from $8 billion to $20 billion. This bill puts piraters on notice that we will no longer tolerate our innovations and creative works being taken without any form of compensation.

There are important provisions which tackle the troublesome problem of Third World debt. Not only is a decrease in these countries' debt critical for their economic and political stability, but it is equally critical for the survival of a global trading system. Indeed, resources which could go for the purchase of foreign goods now must go to pay interest on the debt. The bill contains comprehensive language which tackles the vexing issue of monetary reform. Stabilizing currency fluctuations is an essential element toward developing a more stable trading system. There is extremely significant language regarding the protection of internationally-recognized workers rights. Finally, the bill provides for workers retraining and trade adjustment assistance. These provisions are absolutely essential for assisting those American workers to retrain for new jobs who are displaced by imports, and for educating these workers in a variety of fields to help American firms compete more effectively abroad.

With all this, Mr. Chairman, H.R. 4800 is not a perfect bill. In fact, my objections to one section of the bill led to my vote yesterday in favor of the Crane amendment. I would like to take a few moments to explain that vote.

The Crane amendment sought to strike the section of title I which requires mandatory negotiations with nations having an "excessive" trade surplus with the United States. If negotiations do not work, this goal could be achieved through the imposition by the United States of tariffs or quotas.

I am troubled by this provision because it will have the effect of limiting rather than expanding trade. For example, If Japan—one of the three countries affected, along with West Germany and Taiwan—wants to comply with the 10-percent target, it is likely they will simply take the easiest route and cut back on exports to the United States, rather than opening up their markets to American goods. If this were to happen, American consumers would be particularly hard hit. Yet there is no guarantee that a reduction in imports would lead to an increase in American jobs. Thus, the likely result of these trade restrictions will be that imports will be restricted into this

country, without any expansion of American export opportunities. That will limit consumer choice and raise prices here, as happened after auto quotas were initiated. And it will shrink, not expand, world trade.

However, I cast this vote with great reluctance because the Crane amendment also eliminated the provisions regarding international labor rights, which I strongly support. The bill defines as an "unreasonable" trade practice the denial of internationally recognized workers' rights such as collective bargaining, child labor laws, and health and safety standards. It permits the President to take retaliatory action against countries which violate these standards.

I support this provision. I deeply regret that my vote against the protectionist restrictions contained in this bill could also have been interpreted as a vote against workers' rights. This is not the case, and I want to be very clear that I strongly support sanctions against countries which exploit their workers. That is one key reason why I support final passage of this bill.

The competitive advantages some countries derive from the denial to their workers of internationally recognized worker rights as already defined, for GSP and OPIC purposes, in title V of the Trade Act of 1974, are unacceptable. If a country can undersell American goods because it pays its workers slave wages in absolutely abominable working conditions, that is of grave concern. If a country can punish by death those agitating for better working conditions, that is of grave concern. And in general, if trade, which in theory should promote the well-being of all people in developed and developing nations, instead creates an underclass whose rights are systematically denied in the pursuit for a competitive worldwide advantage, that is of grave concern.

Mr. Chairman, critics argue that this section of the bill is merely another means of excluding imports. But this is a basic human rights issue for workers worldwide, and should be a factor in our overall trade policy. I find it ironic that many of my Republican colleagues who express so much concern about working conditions in the Soviet Union and other Communist nations care so little about working conditions in the non-Communist world. If the inclusion of this language in H.R. 4800 will force the administration to place international labor standards on the agenda in the next round of multilateral trade talks, it plays a constructive role.

In sum, Mr. Chairman, I strongly support actions to improve our ability to compete in the world market. I do not support arbitrary attempts to limit imports into this country. Such policies will hurt American consumers, damage our ability to compete in the world market, and eliminate jobs, not create them. While I do not agree with everything in H.R. 4800, it is an important attempt to address a serious problem facing our country. I urge my colleagues to support final passage of the bill.

Mr. BRUCE. Mr Chairman, I rise in support of H.R. 4800, the trade legislation before the House of Representatives. This bill lays the basis for a comprehensive, coherent trade policy in the United States. I think the events of the last few years—the continued escalation of the U.S. trade deficit, the U.S. transition for the first time from a creditor to a debtor nation, and the erosion of manufacturing and agricultural export markets—make it all too clear that we must take constructive action to strengthen our trade position. H.R. 4800 gives us a chance to make fair trade a global priority.

The State of Illinois will particularly benefit from this trade legislation. Illinois has consistently ranked in the top three exporting States in the Nation. In terms of employment, Illinois relies heavily on export-related activity. We have lost over 100,000 manufacturing jobs in the past 5 years. Many of these jobs have come from my congressional district. We have lost jobs in Coles County, where the unemployment rate is nearly 10 percent. We have lost jobs in Wayne County, where the unemployment rate is over 20 percent. And we are losing jobs in Lawrence County, where the unemployment rate is over 25 percent. We need to pass this legislation to make sure jobs do not become America's No. 1 export.

H.R. 4800 is the most comprehensive trade legislation ever considered by the House of Representatives. The bill's strength lies in the fact that it establishes a balanced approach to a complex problem. H.R. 4800 avoids the blunt instruments of mandated tariffs, quotas, or single-industry protection. Instead, it focuses on enforcing internationally recognized rules of fair trade, specifically directing that sanctions against nations which unfairly hamper trade shall be imposed only if the President is unable to negotiate agreements to reduce trade deficits with those nations. In broad terms, the trade bill:

Identifies and addresses forms of unfair trade practices such as diversionary dumping and export targeting, and requires negotiation and action to correct excessive trade deficits with nations which employ unfair trade practices;

Expedites the administrative process for U.S. industries and workers seeking relief from injurious imports;

Coordinates responsibility for trade policy in the office of the U.S. Trade Representative, streamlines export controls and strengthens our export promotion activities;

Grants the administration authority to conduct a new round of world trade negotiations.

These provisions are flexible, yet strong enough to alert the world trading community that the United States intends to take the steps needed to shore up our trade defenses. If this bill were currently in law, the south central Illinois shoe industry, the apparel industry, foundry production, and the farm economy in my district would all be in stronger condition today. For example, the metal castings industry, including the General Motors Central Foundry Division in Danville, IL, just had its petition to the International Trade Commission turned down. The broadened relief language of H.R. 4800 would have given the foundries a better chance for a successful petition.

I'd like to speak for a moment about farming. Because farmers in the 19th Congressional District of Illinois produce over 1 million bushels of corn, wheat, and soybeans, one-half of it for export, I am particularly pleased with the provisions in H.R. 4800 for American agricultural trade. The bill designates the U.S. Department of Agriculture as the lead agency in this area, and requires yearly reports on long-term agricultural trade strategy. It specifically provides that in such cases as importation of Canadian pork products, the effect on United States hog growers would have to be considered. It also includes an amendment I offered, to close a loophole which permitted the importation of duty-free ethanol from Spain and Brazil. This change will support local corn prices and raise several million dollars in payments from foreign nations.

I support H.R. 4800 as responsible legislation which addresses the unfortunate realities of the current international trade situation. As long as some countries seek to improve their trade positions by government subsidies, tax advantages, and low environmental and labor standards, the United States must have the tools it needs to provide for American jobs, communities, and a decent standard of living. H.R. 4800 will promote the growth of fair and constructive world trade.

Mr. DIXON. Mr. Chairman, today I rise in support of H.R. 4800, the comprehensive trade bill which seeks to enhance the competitiveness of American industry. This bill is critical if we are serious about addressing many long neglected problems of U.S. trade policy.

Clearly the Reagan administration's trade policies have failed to adequately address our critical trade problems and economists maintain that U.S. economic policies have resulted in overvaluation of the dollar, high-interest rates, and a $150 billion trade deficit. The crippling international debt crisis in the Third World has further exacerbated the U.S. trade deficit. Developing nations have dramatically reduced purchases of U.S. goods in order to use scare foreign exchange to make their interest payments.

The bill on the floor today strengthens America's export position, promotes free and fair trade, and world economic growth by giving the President new tools to open up markets overseas. American industries and workers are hurting because of imports and unfair trade practices abroad.

This legislation is an essential step in halting the growing trade deficit and strengthening the international competitiveness of U.S. goods and services.

H.R. 4800 attempts to deal in a comprehensive manner with the myriad of problems affecting U.S. trade policy. There is clearly a need to control unfair trade practices, pursue multilateral trade negotiations, open foreign markets and break down trade barriers to U.S. exports. The time to act is now.

The U.S. trade deficit has dramatic and adverse consequences for American industries and workers. I am particularly concerned about the problems confronting America's high-technology industries. It is critical to the future competitiveness of the high-technology industries that we act now to close loopholes in the tariff and customs laws.

This is not a protectionist bill. Instead, H.R. 4800 attempts to deal with the trade problem by addressing both U.S. trade and international competition. It aims at reducing imports by focusing on those countries with whom the United States has the largest trade deficits and at the same time seeks to encourage

American businesses to increase their exports and compete more aggressively in foreign markets.

The bill contains a series of new initiatives to promote industry and worker adjustment to the international market, and strengthen the competitiveness of the U.S. work force. It provides a vehicle for training to help improve the skills of American workers thereby improving their productivity, and provides the President with the tools to take retaliatory action against countries which violate international labor standards and use unfair trade barriers.

I strongly believe that H.R. 4800 requires the President to take action against specific cases of unfair trade which harm our industry, and sets out to stabilize international currency markets and align the dollar more competitively with other foreign currencies so that U.S. exporters can compete on more equal terms with foreign trading partners.

In an effort to promote a more competitive exchange rate for the dollar, the bill creates a strategic currency reserve—a pool of foreign currencies—to be used to intervene in foreign exchange markets when necessary. The bill also seeks to reduce excessive trade surpluses maintained by countries with closed home markets and highly aggressive export promotion programs.

H.R. 4800 deals with the need to develop a clear and coherent trade policy which arrests our escalating trade deficit and strengthens U.S. competitiveness in the world markets. It gives the United States the tools it needs to reduce the enormous trade deficit and provides a foundation for long-term U.S. competitiveness in international markets.

It is an attempt to formulate and promote a consistent trade policy which responds to the problems affecting those industries hit hard by imports. A new direction in U.S. trade policy is needed to meet the challenge of a competitive world market.

Although we have a long way to go to revitalize American industries and restore the balance in international trade, this bill will enhance the ability of American industries to compete effectively in the international marketplace. I urge my colleagues to support H.R. 4800.

Mr. PENNY. Mr. Chairman, the Omnibus Trade Act is intended to improve the U.S. position in international trade. There are many provisions in this bill that I support but I also have some reservations.

In particular, I support certain provisions that will help agricultural producers who have been hit especially hard by our current trade problems. I believe we need to be tougher in confronting unfair trade practices by our trading partners and we need to address monetary reform, Third World debt, and the long-term competitive position of our Nation.

The agricultural section of the trade bill does help farmers in a number of ways:

Dairy farmers benefit from a provision that designates casein as a food additive and will bring casein imports under existing import controls. They also benefit from restrictions on international corporations which set up large dairies in the United States.

Pork producers benefit from the requirement that processed imports be considered in the same way as raw or original food in assessing the impact on U.S. producers. This applies to problems United States pork producers have had with imports of frozen Canadian pork.

The bill includes a provision I offered in the Agriculture Committee that will work to improve the quality of U.S. grain exports. This will make U.S. grain more attractive to foreign buyers and help us gain new markets.

Though the bill helps farmers in these ways, I fear the section targeting countries with an "excessive surplus" in their trade balance with the United States may hurt farmers in the long run. We risk retaliation from the very countries that are some of our best markets for agricultural goods. We may also be setting standards for import restrictions which could be turned on us if other nations were to enact "mirror" legislation—once again agriculture could be a prime target. I intend to vote to remove these measures from the bill as a means of ensuring that this legislation does not cross the line toward protectionism.

Our Nation's trade situation demands action. We need to start the ball rolling before the trade deficit gets any worse and irreparable harm is done to our economy. To date, we have not seen sufficient action from the President. As I have stated earlier, this legislation is not perfect; I would like to see certain amendments enacted to improve it. If those amendments are unsuccessful, I am confident that action in the Senate and conference between the two bodies will result in my concerns being properly addressed. I intend to vote with a bipartisan group of Representatives to send a message both to the President and to our trading partners that we will act to defend the U.S. trade position in the world. I will support the bill on final passage.

Mr. HENRY. Mr. Chairman, earlier this week, the President announced that he will seek voluntary restraint agreements to limit the import of several classes of machine tools, in response to the industry's section 232 petition for relief. As one of the Members of this body who pushed for such relief, I applaud the administration's action.

Nonetheless, relief for the machine tool industry did not come until more than 3 years after the petition was filed. And the administration's action addresses only one of many trade problems affecting my district. For example:

First, several months ago, a small interior design company developed a new, space-saving product for displaying house plants, particularly useful for apartments and condominiums. After filing all of the requisite patents and trademark protections, he began marketing the product, only to discover that a company based in the Far East had stolen his designs and even copied his brochures and manuals, and was taking orders for the product in the United States. Having explored his legal channels, this small businessman now faces two choices: go out of business, or move his own production facilities overseas.

Second, a tool and die company entered into negotiations with another Far East firm for a joint venture to supply highly technical machines to a third party. After a lengthy period in which the Far East firm gained access to highly confidential designs, the Far East broke off negotiations and apparently has begun manufacturing the machinery by itself, using the confidential information it had gained in the United States. The efforts of my office to have either the Japanese or the American Government look into this matter have thus far been totally ignored.

Third, both the footwear and foundry industries, both important in my district, have recently filed for temporary import protection to enable them time to retool and improve their technology and productivity. Both have been totally denied relief. Combined with the staggering costs of bringing such a petition before the ITC, the failure of both of these industries to obtain any relief will have a very chilling impact on any other industry considering the wisdom of such a petition.

Fourth, the domestic apple industry is now awaiting the decision of the ITC on its own petition for import relief. Since 1980, imports of apple juice concentrate, the bread and butter of the industry, have increased by 393 percent! What is more, they have done so largely by exploiting loopholes in U.S. labeling laws which permit introduction of sugar in foreign-produced concentrate, but not in the domestically produced concentrate.

Mr. Chairman, these are reasons why we need a strong trade bill. I could go on with others. I'm sure the situation in my district is not much different than that in many others. H.R. 4800 is not certainly perfect, and I do not agree with everything in it. But I support it in order to move a strong trade bill to the other body, and give us an opportunity to address these very critical matters.

Mr. LIGHTFOOT. Mr. Chairman, we've worked for years in this country to reduce international trade barriers because we realized that increasing world interdependence makes trade a necessity. It took us years to recover from the disaster of Smoot-Hawley's trade restrictions, which many people feel was a major cause of the Great Depression.

Coming from a background of agricultural export promotion, I may have more expertise in this area than some of my colleagues, but I'm nonetheless amazed by my colleagues' willingness to undertake this same type of blatant trade restriction as Smoot-Hawley brought us.

What's wrong with this legislation? It forces the executive branch to take action in many cases whether or not it is wise, it sets up mandatory tariffs and quotas inviting certain retaliation, it violates the GATT and will launch us into a fullscale trade war.

What's wrong with that? Well, for starters, we export nearly one-third of the agricultural products we grow. Our chief agricultural export customers are the major targets of trade restrictions contained in this bill—making American farmers the chief scapegoat for our trade deficit—forgetting that agricultural exports offset close to $20 billion of that trade deficit annually.

Experts feel that there are five chief causes of our trade deficit: a strong dollar, LDC [lessor-developed countries] debt, poor economic growth rates in countries we trade with, foreign barriers, and noncompetitive U.S. industries. Unfortunately, the bill we are debating today really only attempts to solve one of these problems: that of foreign barriers. By

the way, foreign barriers account for only about $10 to $15 billion of our trade deficit.

So even if this bill did solve every one of our foreign barriers problems, how much of our $20 billion in agricultural exports would be sacrificed—and how much more would that loss increase our trade deficit?

This bill is a disaster for the American farmer, and American farmers can't take any more. They've suffered enough in the last few years.

Mr. SCHULZE. Mr. Chairman, today we in Congress are taking a stand on a matter of vital importance to our Nation's well-being—omnibus legislation designed to reform our trade laws to meet the competitive challenges of today and tomorrow.

I voted in support of the Republican substitute because it provides a responsible and reasonable response to current trade problems confronted by our Nation. But the overwhelming consensus is that unreasonable trade conditions and irresponsible actions presently predominate.

The story is not new, but has been told for some time. A trade deficit of incredible proportions. A widely fluctuating dollar exchange rate. Lack of market access overseas to U.S. competitively produced goods and services. Multitudes of unjustifiable trade barriers with neither rhyme nor reason. And slow remedial action on the part of the administration.

We Americans have awakened over the past few years to the realities of our dynamic world economy. But, other countries must also awaken! They must realize that America can no longer and will no longer keep her doors open widely when other countries open their doors narrowly. They must recognize that imports cannot forever flood U.S. markets when U.S. exports of goods and services are prevented from flowing into theirs. While we must accept change, so must they.

Only last September did the administration finally begin to address the underlying causes of our enormous trade deficit by more fully implementing existing trade laws. This is highlighted by the fact that the administration self-initiated for the first time ever cases under section 301 of the Trade Act of 1974. I find it unbelievable that in a world of expanding patterns of unfair trade, a law which is designed to enforce U.S. trade rights and counter unfair trade practices, and which has been on the book for over 10 years, was implemented at the administration's own initiative just last fall.

While the administration's recent actions are encouraging, I am disappointed that such steps were not taken sooner, and I remain unassured that important strides in breaking down unfair trade barriers overseas will continue to be made. The administration must keep moving in the direction it turned last fall.

It is for these reasons that I support H.R. 4800. It's essential that we revise our trade laws to reflect existing economic circumstances. It's necessary to put other countries on notice that America intends to establish an equitable international trading order even if it must be done in a very forceful manner.

The provisions of H.R. 4800 will serve to open markets abroad and eliminate unfair trading practices. This will be achieved by ensuring stricter enforcement of U.S. trade remedy laws, by setting forth negotiating objectives for a new multilateral trade round, and by providing much stronger incentives for adhering to the rules of trade.

Just as our manufacturing and service industries must modernize to meet successfully the highest levels of competition, so must our trade laws adapt to changing economic conditions in order that fair competition thrives. H.R. 4800 aims to do just that.

My support for H.R. 4800 is not without some reservation. I do not agree completely with every provision. Certain provisions go beyond the realm of beneficial trade law reform and established trading principles, which may not provide the best solution to the problems we now face.

But this is not the final stage, it's the first step. I hope that those provisions which would cause more harm than good will not remain a part of the final product, and that the President will be ready to endorse it overall when the final stage arrives.

Above all, the time to act is now. Our international trading system is at a critical juncture. We as a nation are at an economic turning point.

Supporting this measure demonstrates that America will act decisively to bring about a future of prosperity and growth.

Mr. SHELBY. Mr. Chairman, today, we heed the call of millions of Americans who have lost their jobs due to unfair imports and of those Americans whose jobs are threatened by unfair imports.

From 1981 through 1985 the United States has accumulated a merchandise trade deficit of $423.6 billion—quadrupling since 1982. With an estimated trade deficit of $170 billion for 1986, there is no relief in sight.

During the past 4 years, we have heard promises from this administration of action to preserve American jobs from unfair imports and to open up closed foreign markets.

But the promises have not rung true. Tens of thousands of Alabamians in a vast array of industries have lost their jobs. Entire communities have been devastated. While the administration listened to the empty clink of champagne glasses at fancy trade banquets, we in Alabama heard the silencing bang of factory doors being slammed shut throughout our State.

With H.R. 4800, we are not throwing up a wall to imports—nor do we want to erect such a wall. My home State of Alabama is quickly becoming an integral part of the global economy. Thousands of jobs and businesses in Alabama are dependent upon exports. We must not threaten those jobs and industries.

H.R. 4800 is a coordinated, integrated policy designed to overcome our trade crisis, save jobs, and sharpen America's long-term competitive edge.

Last year, I came to the floor to outline a strategy for solving the trade crisis. This bill incorporates those initiatives to stabilize the dollar, expand exports and gain access to foreign markets, enforce our trade laws, and restore our competitive edge by investing in the education and training of our American workers.

Mr. Chairman, we must not succumb to the false labels attached to this legislation by those who have nonchalantly cast aside the trade crisis and the worsening plight of the American worker.

H.R. 4800 is a bill to put America back in business.

Mr. APPLEGATE. Mr. Chairman, I rise to offer my strong support of H.R. 4800, the omnibus trade bill.

I as well as many other Members of the House have come to realize that, after 5 years of rapidly increasing trade deficits; after 5 years of losing more than a million and a half manufacturing jobs in America; after 5 years of watching a half million farms go under because of lost export opportunities, after all of this and more, the time has come, and, if fact, is long overdue, to act on the problem of trade and, of greater importance, time has come to recognize the economic challenge that confronts America and to act swiftly to ensure that our children and our children's children will continue to live in a nation that represents the greatest economic power on Earth and the greatest hope for all mankind.

Mr. Chairman, after everything I've heard so far in the way of objections to this important measure and all of the arguments against the positive steps that we are taking this week, I can only say that the continued denial by some individuals, many of them within the administration, that there is even a problem that needs addressing represents one of the most blatant examples of indifference to a situation that affects millions of workers and their families and which continues to erode the economic foundations of thousands of enterprises throughout our Nation.

Mr. Chairman, the problem should not be all that hard to understand. Quite simply, the trade problem that faces our Nation is very much like the barn that has caught fire and is burning to the ground; the time has come to gather together and to put the fire out.

But there are those who refuse to even see the flames or the smoke rising over a crumbling economic structure that, at one time, employed millions of Americans and contributed billions of dollars to our economy. At a time in our history when we find ourselves extensively debating whether Federal programs budgeted for even a million dollars are worth saving. I find it rather ironic that this administration so willingly accepts the cost of our current trade problem and completely fails to recognize the human and monetary loss that has resulted because of the failure to either act or react.

The measure that is before us today, this bill that represents the culmination of several committees working together, is the proper course for us to take. I disagree with those who say that we are forcing the President to act, that we are offering an alternative that will only bring about retaliation by our trading partners with further economic loss and added unemployment. To accept such a philosophy would be tantamount to admitting that defeat is inevitable and that nothing can be or should be done.

Maybe there are those in this Chamber who believe this, who think that refusing to act will mean that, by some means, the problem will go away. Well, if you really feel this way, if you think that, as someone in the White House said about this bill, that it is, and I quote, "ab-

solutely the worst bill . . . that could be possibly concocted," then I would like to request that those who really feel this way come out to my district and explain to 1,000 unemployed pottery workers in Harrison County, OH, why you voted against this measure.

To these thousand I can add countless others who have become victims of this tragedy. Between 1970 and 1984, over 46,000 jobs have been eliminated throughout the steel industry in my State. Since 1979 and through last year, more than 176,000 people in Ohio filed claims for assistance under the Trade Readjustment Act. You can view these as simple statistics that document distant tragedies far removed from your own districts, out-of-sight and out-of-mind from this Chamber.

But the stake that any Member of this Chamber may have in this bill doesn't come anywhere close to equalling the stake that millions of workers and thousands of businesses have in our Nation's economy. This represents the real bottom line of our actions there today.

Passage of H.R. 4800 will mean that the administration will no longer have the excuse to ignore the trade problem. H.R. 4800 will provide to the President and his administration everything that is needed in order to act and to act swiftly in restoring the trade picture to what it really should be: fair as well as free.

What we are attempting to do here today is to get the President to recognize that the fire is still raging and that certain steps must be taken to quench the flames. Congress has given this administration the tools to deal effectively with problems of international trade. But, far too often, the President and those around him have failed to act.

With H.R. 4800, no longer will there be reasons to ignore the trade problem. Essentially, we are giving the administration everything it needs in order to put the fire out and save what remains of the barn. This bill represents the fire hose that can be used to deal with this situation. This administration, if it so chooses, can pick up the hose and quench the flames. But, the longer we wait, the longer we debate and discuss rather than act with affirmation, then the larger will be the flames and the greater will be the action necessary in the future to deal with this problem.

Will we decide to act today with a logical response, or will we have to resort to even stronger and more radical steps in the future if we continue to permit the trade problem to go on unchecked?

Let's work together to ensure a better future for all American workers and restore our economy to its fullest potential. If we are to fear the reactions that may come from those outside our borders, if we are so concerned with the responses of our trading partners to the actions we take today, then I seriously question whether we can truly represent our constituents and can address their concerns. The interests of the United States and all Americans should be thought of first and foremost.

Mr. HOPKINS. Mr. Chairman, I rise in opposition to H.R. 4800, the omnibus trade bill. I do so out of concern over the impact this bill could have on our Nation's farmers.

We have all heard stories of the plights of individuals who stand to lose family farms because of low commodity prices and inability to make loan payments. Time and time again the reason given for trouble in the farm economy is Government intervention.

We have witnessed the Soviet grain embargo of 1980 when President Carter sacrificed farm income in an ineffective battle against a distasteful foreign policy. Rather than stopping the Soviet invasion of Afghanistan, this policy created a new market for overseas grain farmers.

Increased interest rates caused by deficit spending made the repayment of farm loans difficult for all farmers and impossible for some. Interest rates soared to over 22 percent in the late 1970's. This was extremely costly to our Nation's farmers since each 1 percent increase in the prime interest rate costs American farmers almost $30 billion in net income. Again, farmers paid the price for spending decisions made in other sectors of the economy.

These lessons should have taught us how interdependent our economy is. You cannot make waves on one part of the pond without causing erosion on the other side. Therefore, any action which would cause retaliation against American farmers should be rejected.

I am concerned that imposing import restrictions on manufactured goods will cause the affected countries to bar U.S. agricultural products. Agricultural exports are too important to our country, and to the State of Kentucky, to put at risk.

In 1985, over 51 percent of our Nation's soybean crop was exported at a value of over $5 billion. Kentucky farmers exported $120 million worth of these soybeans.

About 24 percent of the Nation's corn crop was exported in 1985. The value of the exported corn was $4.8 billion. Kentucky exported $148 million worth of feed grains.

And most importantly, in 1985 the United States exported over 677.5 million pounds of tobacco—approximately 45 percent of the U.S. crop. About 153 million of this, or 27 percent of the U.S. crop, was burley tobacco. Kentucky producers exported 195.4 million dollars' worth of burley tobacco that year.

There are parts of the bill which I believe would benefit agriculture. It is a pity they are placed in a bill with other unacceptable provisions.

Specifically, the bill contains an amendment I offered in the House Agriculture Committee to clarify the factors which the International Trade Commission [ITC] must look at in deciding whether to impose import quotas in a section 22 investigation. As you know, tobacco operates at no net cost to taxpayers. This means that there cannot be large Government costs to prove that imports are "materially interfering with" the domestic tobacco program. My amendment would require the ITC to consider increased producer assessments as one factor indicating material interference.

The bill also contains a prohibition on milk price supports for foreign owned dairies financed through industrial development bonds [IDB's]. I strongly support this effort to block the introduction of dairies operated in Georgia by Masstock International, an Irish company. It is not fair for U.S. dairy farmers to compete with a company with access to subsidized loans at a time of surplus supplies and reduced prices.

I also support the bill's provisions which increase the role of the Agriculture Department in handling trade matters affecting agriculture. This section would provide farmers with a clearer forum and a stronger voice in expressing their trade concerns.

These provisions are also contained in the substitute offered by Congressman MICHEL which I support. The extreme protectionist approach of H.R. 4800 threatens thousands of American jobs in merchandising and manufacturing in addition to agriculture. The Michel substitute provides a method of getting tough with unfair trading practices without jeopardizing American jobs.

I would also note that the 1985 farm bill which passed last December contains a section allowing the Secretary to implement a marketing loan program. I supported that provision in the Committee and hope the Secretary of Agriculture will implement this program. This device will allow U.S. grain to be competitive abroad while still allowing a price support buffer for American farmers. This could be an important tool in expanding export markets for American grain.

Again, I must oppose this bill because of the threat it poses to American farmers. I have nicknamed this bill the "Foreign Farmer Employment Act" and I believe that is the result which will be achieved if it passes.

□ 1245

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 4800, to enhance the competitiveness of American industry; and for other purposes, pursuant to House Resolution 456, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The amendments printed in section 2 of House Resolution 456, agreed to by the House on May 15, 1986, are considered as having been adopted.

Is a separate vote demanded on any other amendment?

If not, the Chair will put them engros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FRENZEL. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FRENZEL moves to recommit the bill, H.R. 4800, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MICHEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. A quorum is present.

Mr. WRIGHT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 295, nays, 115, answered "present" 1. Not voting 22, as follows:

[Roll No. 141]

YEAS—295

Ackerman	Collins	Fuqua
Akaka	Combest	Garcia
Anderson	Conte	Gaydos
Andrews	Conyers	Gejdenson
Annunzio	Cooper	Gephardt
Anthony	Coughlin	Gibbons
Applegate	Coyne	Gilman
Atkins	Craig	Glickman
AuCoin	Crockett	Gonzalez
Barnard	Daniel	Goodling
Barnes	Darden	Gordon
Bates	Daschle	Gray (IL)
Bedell	Davis	Gray (PA)
Bennett	Dellums	Guarini
Bentley	Derrick	Gunderson
Berman	Dickinson	Hall (OH)
Bevill	Dicks	Hall, Ralph
Biaggi	Dingell	Hamilton
Boehlert	DioGuardi	Hammerschmidt
Boggs	Dixon	Hatcher
Boland	Donnelly	Hawkins
Boner (TN)	Dorgan (ND)	Hayes
Bonior (MI)	Dowdy	Hefner
Bonker	Downey	Hendon
Borski	Durbin	Henry
Bosco	Dwyer	Hertel
Boucher	Dymally	Hillis
Boulter	Dyson	Horton
Breaux	Early	Howard
Brooks	Eckart (OH)	Hoyer
Brown (CA)	Edgar	Hubbard
Broyhill	Edwards (CA)	Huckaby
Bruce	Emerson	Hughes
Bryant	English	Hutto
Burton (CA)	Erdreich	Jacobs
Bustamante	Evans (IL)	Jeffords
Byron	Fascell	Jenkins
Campbell	Fazio	Johnson
Carper	Feighan	Jones (NC)
Carr	Flippo	Jones (OK)
Chapman	Florio	Jones (TN)
Chappell	Foglietta	Kanjorski
Clay	Foley	Kaptur
Clinger	Ford (MI)	Kasich
Cobey	Ford (TN)	Kastenmeier
Coble	Fowler	Kennelly
Coelho	Frank	Kildee
Coleman (MO)	Franklin	Kindness
Coleman (TX)	Frost	Kleczka
Kolter	Oberstar	Smith (NJ)
Kostmayer	Obey	Snowe
Kramer	Olin	Solarz
LaFalce	Ortiz	Spence
Lantos	Owens	Spratt
Latta	Panetta	St Germain
Lehman (CA)	Pashayan	Staggers
Leland	Pease	Stallings
Levin (MI)	Penny	Stark
Levine (CA)	Pepper	Stenholm
Lipinski	Perkins	Stokes
Lloyd	Pickle	Stratton
Long	Price	Studds
Lott	Quillen	Sundquist
Luken	Rangel	Sweeney
Lundine	Ray	Swift
MacKay	Regula	Synar
Manton	Reid	Tallon
Markey	Richardson	Tauzin
Martin (NY)	Ridge	Taylor
Martinez	Rinaldo	Thomas (GA)
Matsui	Ritter	Torres
Mavroules	Robinson	Torricelli
Mazzoli	Roe	Towns
McCloskey	Roemer	Traficant
McCurdy	Rogers	Traxler
McDade	Rose	Udall
McEwen	Rostenkowski	Valentine
McKernan	Roukema	Vento
McKinney	Rowland (CT)	Visclosky
McMillan	Rowland (GA)	Volkmer
Mica	Roybal	Walgren
Mikulski	Russo	Watkins
Miller (CA)	Sabo	Waxman
Mineta	Savage	Weaver
Mitchell	Scheuer	Weiss
Moakley	Schneider	Wheat
Mollohan	Schroeder	Whitley
Montgomery	Schuette	Whitten
Moody	Schulze	Williams
Moore	Schumer	Wilson
Morrison (CT)	Seiberling	Wirth
Murphy	Sharp	Wise
Murtha	Shelby	Wolpe
Natcher	Shuster	Wright
Neal	Sikorski	Wyden
Nelson	Sisisky	Yatron
Nichols	Skelton	Young (MO)
Nowak	Slattery	
Oakar	Smith (FL)	

NAYS—115

Archer	Hopkins	Petri
Armey	Hunter	Porter
Bartlett	Hyde	Pursell
Barton	Ireland	Roberts
Bateman	Kemp	Roth
Beilenson	Kolbe	Saxton
Bereuter	Lagomarsino	Schaefer
Bilirakis	Leach (IA)	Sensenbrenner
Bliley	Lent	Shaw
Broomfield	Lewis (CA)	Shumway
Brown (CO)	Lewis (FL)	Siljander
Burton (IN)	Lightfoot	Skeen
Callahan	Livingston	Slaughter
Chandler	Loeffler	Smith (NE)
Cheney	Lowery (CA)	Smith, Denny (OR)
Coats	Lowry (WA)	
Courter	Lungren	Smith, Robert (NH)
Crane	Mack	
Dannemeyer	Madigan	Smith, Robert (OR)
Daub	Marlenee	
DeLay	Martin (IL)	Snyder
DeWine	McCain	Solomon
Dornan (CA)	McCandless	Stangeland
Dreier	McCollum	Strang
Duncan	McGrath	Stump
Eckert (NY)	McHugh	Swindall
Edwards (OK)	Meyers	Tauke
Fawell	Michel	Thomas (CA)
Fiedler	Miller (OH)	Vander Jagt
Fields	Miller (WA)	Vucanovich
Fish	Molinari	Walker
Frenzel	Monson	Weber
Gallo	Moorhead	Whitehurst
Gekas	Morrison (WA)	Whittaker
Gingrich	Mrazek	Wolf
Gradison	Myers	Wortley
Green	Nielson	Wylie
Gregg	Oxley	Young (FL)
Hartnett	Packard	
Hiler	Parris	

ANSWERED "PRESENT"—1

Lehman (FL)

NOT VOTING—22

Alexander	Grotberg	Rodino
Aspin	Hansen	Rudd
Badham	Heftel	Smith (IA)
Boxer	Holt	Yates
Carney	Leath (TX)	Young (AK)
Chappie	Lujan	Zschau
de la Garza	O'Brien	
Evans (IA)	Rahall	

□ 1255

The Clerk announced the following pairs:

On this vote:

Mr. Alexander for, with Mr. Badham against.

Mrs. Boxer for, with Mr. Hansen against.

Mr. Rodino for, with Mr. Zschau against.

Mr. Rahall for, with Mrs. Holt against.

Mr. Leath of Texas for, with Mr. Evans of Iowa against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries.

DIRECTING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 4800, TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 460) to correct technical errors in the engrossment of H.R. 4800, and ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 460

Resolved, That, in the engrossment of the bill (H.R. 4800) to enhance the competitiveness of American industry, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

Page 80, line 5, strike out "to" and insert "under".

Page 96, line 3, strike out "203(a)" and insert "204(a).

Page 96, line 25, strike out "203(a)(1)" and insert "204(a)".

Page 124, lines 21 and 22, strike out "a period of 3 years" and insert "the 3-year period before".

Page 145, line 4, strike out "(a)" and insert "(b)".

Page 168, line 4, after "(c)" insert "(1).".

Page 169, between lines 4 and 5 insert the following:

"(F) report directly to the President and the Congress regarding, and be responsible to the President and the Congress for the administration of, trade agreements programs;

"(G) advise the President and Congress with respect to nontariff barriers to international trade, international commodity agreements, and other matters which are related to the trade agreements programs;

"(H) be responsible for making reports to Congress with respect to matters referred to in subparagraphs (C) and (F);

Page 196, line 5, strike out "(F)" and insert "(I)".

Page 196, strike out line 9 and insert "functions; and".

Page 196, between lines 9 and 10 insert the following:

"(J) be responsible for such other functions as the President may direct.".

Page 213, line 10, insert "and" after the semicolon.

Page 213, strike lines 11 through 14.

Page 213, line 15, strike "(D)" and insert "(B)".

Page 219, line 9, insert a comma after "Secretary".

Page 220, line 25, insert "the" after "desirability,".

Page 227, line 10, strike "USDA" and insert "United States Department of Agriculture".

Page 227, line 13, insert "of Agriculture" after "Secretary".

Page 227, line 16, strike "USDA" and insert 'Department of Agriculture".

Page 227, line 17, insert "of Agriculture" before "shall".

Page 227, line 24, insert "of Agriculture" after "Secretary".

Page 232, line 25, strike "104" and insert "313".

Page 240, line 14, insert "the" after "section,".

Page 245, line 19, strike "study" and insert "evaluation".

Page 245, line 24, strike "study" and insert "evaluation".

Page 246, line 5, strike "study" and insert "evaluation".

Page 249, lines 19 and 20, strike "at least $200,000,000 in guaranties under section 234(b)" and insert "guaranties under section 234(b) having an aggregate contingent liability with respect to principal of not less than $200,000,000".

Page 250, line 4, strike "in amounts" and insert "under section 234(c) in an aggregate amount".

Page 250, line 5, strike "under section 234(c)".

Page 358, beginning in line 4, strike out "subtitle D of title I of this Act" and insert in lieu thereof "section 141(c)(1) of the Trade Act of 1974".

Page 359, line 16, after "Group" insert ", or any successor organization".

Page 359, line 18, after "Committee" insert ", or any successor organization".

Page 361, line 10, insert "and the Under Secretary of Agriculture for Commodity Programs" after "Trade".

Page 362, line 11, insert "agricultural" after "value-added".

Page Page 362, line 18, strike out "referred to in" and insert in lieu thereof "developed under".

Page 362, line 21, strike out "food" and insert in lieu thereof "value-added agricultural".

Page 362, line 22, insert "of such products" after "lines".

Page 363, line 14, insert "AN" after "OF".

Page 364, line 5, insert "such report" after "shall submit".

Page 364, line 6, strike out "any report received under subsection (b)(2)".

Page 364, line 12, strike out "reported" and insert in lieu thereof "submitted".

Page 364, line 19, strike out "ESTABLISHING" and insert in lieu thereof "ESTABLISHMENT OF".

Page 365, line 21, strike out "agency or"

Page 366, line 2, strike out "agency or".

Page 366, line 10, strike out "Advocate" and insert "Advocates Branch".

Page 366, line beginning in line 10, strike out "title I of this Act" and insert in lieu thereof "section 141(g) of the Trade Act of 1974'.

Page 366, line 21, insert "annually" after "prepare".

Page 367, line 1, strike out "the next" and insert "such" in lieu thereof.

Page 367, line 16, strike out "The" and insert in lieu thereof "As appropriate, the".

Page 367, line 16, strike out "every" and insert "each" in lieu thereof.

Page 368, beginning in line 7, strike out "domestic".

Page 369, line17, strike out "President's".

Page 370, line 8, insert "programs" after "food aid".

Page 371, line 13, insert "food aid" before "programs".

Page 373, line 6, insert "equal to or" before "greater".

Page 373, line 19, strike out "OF" the first place it appears.

Page 373, line 20, insert "OF 1985" after "ACT".

Page 373, line 21, strike out "Department" and insert "Secretary" in lieu thereof.

Page 374, line 2, strike out "Department" and insert "Secretary" in lieu thereof.

Page 375, line 15, insert ", reenacted with amendments by the Agricultural Marketing Agreement Act of 1937," before "is amended".

Page 376, line 5, insert "appropriate" after "other".

Page 376, line 10, insert "and report to the public" after "compile".

Page 376, beginning in line 13, strike out "data required" and all that follows through "issued" in line 14 and insert in lieu thereof "reports required by this section shall be made".

Page 376, line 18, strike out "this report" and insert "such reports" in lieu thereof.

Page 376, line 22, strike out "The".

Page 377, line 12, strike out "of the" and insert "of" in lieu thereof

Page 377, line 15, insert a comma after "exports".

Page 377, line 17, strike out "which" and insert "that" in lieu thereof.

Page 377, line 23, strike out "CLASS I AND II" and insert in lieu thereof "ALLOCATION OF CERTAIN".

Page 378, beginning in line 1, strike out "or entities".

Page 378, beginning in line 5, strike out "shall not be classified" and all that follows through "of" the first place it appears in line 6 and insert in lieu thereof "shall be treated as other-source milk, and shall be allocated as milk received from producer-handlers for the purposes of classifying producer milk, under".

Page 378, line 8, after the period insert "For the purposes of this section, the term 'foreign person' has the meaning given such term section 9(3) of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3508(3)).".

Page 378, line 12, strike out "has begun" and insert "began" in lieu thereof.

Page 379, line 2, strike out "to reduce" and insert "reduce" in lieu thereof.

Page 379, line 3, strike out "Nothing in paragraph (1) shall be construed to" and insert in lieu thereof "Paragraph (1) does not".

Page 379, line 7, strike out "and".

Page 379, line 12, "or" after the semicolon.

Page 380, line 6, strike out "this year" and insert "1986" in lieu thereof.

Page 380, beginning in line 6, strike out "has imposed" and all that follows through the semicolon in line 10 and insert in lieu thereof the following:

has—

(A) imposed quotas on imports of oilseed products into Portugal, in violation of the General Agreement on Tariffs and Trade (hereinafter in this section referred to as "GATT");

Page 380, line 11 through 21, redesignate paragraphs (2) and (3) as subparagraphs (B) and (C) and align their margins so as to the same as the margin of subparagraph (A).

Page 380, line 11, strike out "the European Community has".

Page 380, beginning in line 12, strike out "per centum" and insert in lieu thereof "percent".

Page 380, line 14, insert "and" after the semicolon.

Page 380, line 15, strike out "the European Community has".

Page 380, line 22, strike out "(4)" and insert "(2)" in lieu thereof.

Page 381, line 3, strike out "(5)" and insert "(3)" in lieu thereof.

Page 381, line 8, strike out "(6)" and insert "(4)" in lieu thereof.

Page 381, line 11, strike out "(7)" and insert "(5)" in lieu thereof.

Page 381, line 11, strike out "announced his" and insert in lieu thereof ", 1986, announced the".

Page 381, line 18, strike out "(8)" and insert "(6)" in lieu thereof.

Page 381, line 23, strike out "to firmly" and insert "firmly to" in lieu thereof.

Page 382, line 2, strike out "products in" and insert in lieu thereof "product imports into".

Page 382, line 11, strike out "the" and insert "such" in lieu thereof.

Page 402, line 5, strike out the period and insert a semicolon.

Page 402, strike out lines 6 through 14, inclusive.

Page 442, line 13, strike out "subtitles B and C" and insert "chapters 1 and 2".

Mr. WRIGHT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MICHEL. Reserving the right to object, Mr. Speaker, and I do so to inquire of the distinguished majority leader, the assurance that these are strictly technical amendments, nothing of a substantive nature that would alter the course of events here.

Mr. WRIGHT. If the gentleman would yield, most assuredly these are technical amendments. That is all they are.

Mr. MICHEL. The gentleman can assure me that there are no telephone numbers or that kind of thing.

Mr. WRIGHT. The gentleman surely is correct.

Mr. MICHEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas for the immediate consideration of the resolution?

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1780

Mr. MADIGAN. Mr. Speaker, I ask unanimous consent that the name of Congressman BILL NELSON be removed as a cosponsor of H.R. 1780, the Vaccine Injury Compensation Act.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

□ 1305

EXTENSION OF DATE RELATIVE TO CERTAIN LIMITATIONS WITH RESPECT TO OBLIGATIONS FROM MILITARY PERSONNEL ACCOUNTS

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2460) to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the military personnel accounts of the Department of Defense for fiscal year 1986, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. McDADE. Mr. Speaker, reserving the right to object, I have no intention of objecting, but I take the time in order that my distinguished colleague, the gentleman from Florida, may tell the House what is contained in this piece of legislation.

Mr. CHAPPELL. Mr. Speaker, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Speaker, this bill is needed to extend the deadline for legislative action on the Military Retirement Reform Act of 1986 to June 30, 1986. The bill is purely technical in nature but is required to allow the Department of Defense to continue paying retirement and other benefits at the current level until the military retirement reform bill is enacted.

Both Houses have passed military retirement reform legislation but it is not likely that a conference agreement will be reached until the middle part of June.

The Department of Defense Appropriations Act of 1986 contained a deadline of May 1, 1986 to continue retirement and other payments at current obligational levels. That May 1, 1986 deadline was extended to June 1, 1986 and now this extension is needed to extend the deadline to June 30, 1986.

If this bill is not enacted into law, on June 1, 1986 the Department of Defense would be required to reduce troop strengths, freeze promotions, and force early retirements, all of which would cause major disruptions to the current military operations.

I know of no opposition to the bill and I urge its adoption.

Mr. McDADE. Mr. Speaker, I think the gentleman for his very distinguished explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill as follows:

S. 2460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third proviso of section 8103 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190; 99 Stat. 1221), relating to obligations from Military Personnel accounts for fiscal year 1986, is amended by striking out "May 1, 1986" and inserting in lieu thereof "June 30, 1986".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 2460 the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

APPOINTMENT AS MEMBERS OF DELEGATION TO ATTEND CONFERENCE OF THE INTERPARLIAMENTARY UNION AT BONN, FEDERAL REPUBLIC OF GERMANY

The SPEAKER. pursuant to the provisions of 22 United States Code 276a-1, the Chair appoints as members of the delegation to attend the Conference of the Interparliamentary Union to be held in Bonn, Federal Republic of Germany, on May 26 through May 31, 1986. The following Members on the part of the House:

Mr. PEPPER of Florida, chairman;

Mr. HAMILTON of Indiana, vice chairman;

Mr. DICKS of Washington; and

Mr. HAMMERSCHMIDT of Arkansas.

CONFERENCE REPORT ON H.R. 2672, FEDERAL EMPLOYEE'S RETIREMENT SYSTEM ACT OF 1986

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 458 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 458

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of the former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place", all points of order against the conference report and against its consideration are hereby waived, and the conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The gentlewoman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR], for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 458 provides for the consideration of the conference report on H.R. 2672, the Federal Employees' Retirement System Act of 1986. The rule waives all points of order against the conference report and against its consideration. The rule further provides that the reading of the conference report is dispensed with.

Mr. Speaker, it is imperative that the House move to consideration of this conference report. The interim retirement system for more than 400,000 Federal employees expired at midnight on April 30 and, since that time, these workers have been required to contribute 14 percent of their income into both the Social Security and Civil Service Retirement Systems.

Mr. Speaker, the committee's recommendation that necessary waivers of points of order be granted for this conference report is based on the emergency nature of the legislation. Since the other body chose a completely unrelated House bill as a vehicle for consideration of Federal pension reform, it was inevitable that the conference report would exceed House limitations against the inclusion of issues in con-

ference reports which go beyond the scope and germaneness of matters committed to conference. Because the conference report's enactment would lead to the establishment of a new pension system and result in additional Federal budget activity. Several provisions of the budget act and the prohibition on inclusion of appropriations in legislative bills would preclude the report's consideration if the rule before the House is not adopted.

The conference report we have before us today is the product of years of hard effort and recent months of intense negotiations with the Senate to devise a new retirement system for Federal employees, as mandated by the Social Security Act Amendments of 1983.

The conference report on H.R. 2672 would create a three-tier benefit plan which would include Social Security, a modified civil service pension and a tax-deferred thrift plan. Federal workers hired since January 1984, would be automatically covered by the new pension plan. The remaining 2.4 million employees hired before that date could choose either to remain under their current retirement coverage or decide during an open season next year to subscribe to the new plan.

The effects of this new retirement coverage would reduce the employer costs of the Government with the benefit of over $7 billion in deficit savings during the next 5 years. The results of this agreement would also repeal the double coverage that Federal employees have been subjected to since May 1 and would reimburse them for excess payroll deductions that have amounted to a 5.7 percent cut in pay.

Mr. Speaker, this rule has been designed to expedite action on legislation to provide a fair and comprehensive retirement system for Federal workers as they plan their careers and future retirement from Government service. We owe our gratitude to the members of the Post Office and Civil Service Committee, and particularly to Chairman FORD, MS. OAKAR, and Mr. TAYLOR, who crafted this compromise in conference and who worked very hard to make this a bipartisan success.

This legislation has broad support, including a unanimous vote in committee on this rule, from both sides of the aisle, both Houses of Congress and the administration. I urge my colleagues to support this rule and passage of the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentlelady from California for yielding me this time, and I especially want to thank her for her kind remarks about by participation as a conferee on H.R. 2672, the Federal Employees' Retirement System Act.

Mr. Speaker, House Resolution 458 is the rule under which the House will consider the conference report creating a new supplemental retirement program for Federal employees who are covered by Social Security.

The rule waives all points of order against consideration of the report, and against the report itself. In addition, the rule provides that the conference report shall be considered as having been read when called up for consideration.

Mr. Speaker, the managers on the part of the House filed the conference report on Friday, May 16, but it was not printed in the daily edition of the RECORD until Monday, May 19.

Due to the delay in printing in the RECORD, the report was not eligible for consideration, under House Rule 28, until today. In addition, the report could not have been considered as read when called up for consideration until today.

When the Committee on Rules reported this resolution on Tuesday, there was a possibility that the conference report would be called up on Wednesday. In order to facilitate that possible floor situation, the rule was written in this fashion.

Mr. Speaker, I fully support this rule and the conference report. As the ranking Republican member of the Committee on Post Office and Civil Service, I joined our chairman, the gentleman from Michigan [Mr. FORD] in requesting this rule from the Committee on Rules.

Mr. Speaker, this rule will allow the House to complete action in a timely manner on one of the most vexing problems I have encountered during my 13 years in the Congress: fashioning a supplemental retirement program for those Federal civil service employees and Members of Congress who were brought under the Social Security System as a result of the Social Security Amendments of 1983.

Those of us who served on the conference committee were pretty much forced to cut the pattern to fit the cloth, since the 1983 legislation required us to establish a new pension system for Federal employees coordinated with Social Security.

The Committee on Rules recognized that we have a highly unusual parliamentary situation to deal with here, because the conference report contains matter not germane to the bill the House passed, H.R. 2672. That bill renamed a bulk mail facility in New Jersey and honored a postal employee who was fatally injured there.

Mr. Speaker, one of the Senate amendments added provisions establishing a new retirement system for Federal employees and Members who are covered by Social Security.

Because the House-passed bill did not include the retirement provisions, the scope of the conference was limited to the Senate provisions and current law. However, the Committee on Post Office and Civil Service did report a bill, H.R. 3660, prior to the conference.

Thus, while the committee's bill was not technically in conference, the managers of both Houses were aware of its provisions and we incorporated many of them in the conference agreement.

This rule recognizes that we necessarily exceeded the scope of matters committed to conference, and thereby avoids further delay that might arise because of the parlimentary situation.

Mr. Speaker, before I conclude, I want to congratulate the chairman of the committee, the gentleman from Michigan [Mr. FORD]; the gentlelady from Ohio [Ms. OAKAR], who chairs our subcommittee on Federal Employee Benefits; and the gentleman from Indiana [Mr. MYERS], our ranking Republican member of that subcommittee.

We have been in conference with the other body on this legislation for nearly 6 months, and we would not have been able to bring this report to the House without their tireless efforts. The conference report to be considered under this rule is a bipartisan agreement supported by the managers on the part of both Houses.

It is a sensible compromise that is supported by the administration. I am deeply grateful for the support we have received from President Reagan's administration, which I believe is due in large measure to the work of the Director of the Office of Personnel Management, Constance Horner.

Mr. Speaker, the conference agreement provides a defined benefit plan, and a tax-deferred thrift savings plan for those Federal employees who will receive Social Security benefits when they retire.

The new supplemental retirement program will cost the Government less, as a percentage of payroll, than our current system. The estimated budget savings of this agreement is approximately $7.25 billion over the next 5 years.

As the numbers of Federal employees covered by the new program increase in the future, our future budget savings will also increase since the overall cost to the Government of the new program is almost 10 percent less, as a percentage of payroll costs, than the existing system.

Mr. Speaker, the other body agreed to the conference report on Tuesday. House consideration of the conference agreement, and its enactment will bring our Federal retirement programs into the 20th century. I urge adoption of this rule.

Mr. Speaker, I reserve the balance of my time.

Mrs. BURTON of California. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Maryland [Mr. BARNES].

Mr. BARNES. Mr. Speaker, I rise in support of the conference report on H.R. 2672, the Federal Employees Supplemental Retirement Program. I have a few brief comments:

I would like to express my deep appreciation to Chairman BILL FORD and to my good friend from Ohio, Representative MARY ROSE OAKAR and to all the Members and staff who have done such prodigious work over the past 3 years on this legislation.

This House made a commitment to Federal workers when we enacted the Social Security Reform Amendments of 1983—that we would provide a supplemental retirement plan to provide benefits on par with those provided by the existing Civil Service Retirement System. We also pledged that we would not damage the financial integrity of the Civil Service Retirement System.

My colleagues' diligence, their dedication to providing a program that is fair to both employees and taxpayers, enables us to keep those promises today. We owe them a debt of gratitude; so do Federal workers and retirees across the country.

I would also offer my colleagues a word of caution about what we have done in this conference agreement. It represents a true compromise. We did not achieve all of our goals and clearly, neither did the other body. The result is a complex program, one that provides important and attractive options to both new hires and employees covered by the current Civil Service Retirement System.

SHIFTING THE RISKS

We must understand that this program shifts a considerable burden of responsibility and economic risk onto the shoulders of individual employees. While the Social Security component and the base retirement plan provide a solid foundation for benefits, this program provides benefits on par with the current system only if the employee takes advantage of the Capital Accumulation Program or tax sheltered thrift plan and manages it wisely.

For lower income employees, this may often mean a choice between immediate needs and future security; because such an employee who does not make certain sacrifices to save will not reach retirement with a level of benefits currently available.

Therefore, our responsibilities for this new retirement plan do not end with passage of this conference agreement. More than ever, employees will need information and guidance about how to make this plan work effectively. I intend to do all that I can to encourage the Office of Personnel Management to provide the leadership that will be needed in this area.

Finally, there may be some alarm that this agreement does not provide full COLA, and in fact provides only COLA minus 1 for retirees after age 62. Anyone who reads those provisions as capitulation on the commitment we've maintained to Federal retirees to protect their benefits from inflation would be gravely mistaken.

This is not an invitation to erode future COLA's. In the context of the overall retirement plan, an indexed Social Security Program, coupled with interest earning, tax-sheltered savings, can provide annuity growth more than capable to keeping place with rising costs. But again, the risk and the burden of achieving the requisite level of savings falls to the employee.

Therefore, as I encourage my colleagues to support this agreement, and pay tribute to those who have made it possible, I also call on my colleagues to reaffirm our commitment to full inflation protection for all Federal retirees.

□ 1320

Mrs. BURTON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Speaker, I thank the gentlewoman from California for yielding time to me.

Mr. Speaker, I rise in strong support of the resolution.

Mr. Speaker, I rise in strong support of the conference report on H.R. 2672, a bill to provide for a supplemental retirement system for civil service employees hired after December 31, 1983. I want to commend the House conferees, particularly the chairman of the Subcommittee on Compensation and Employee Benefits, Ms. OAKAR, and the chairman of the Committee on Post Office and Civil Service, Mr. FORD, for their leadership and determination which allowed them to stand up to those who would have us weaken the civil service of the future by cutting retirement benefits.

Mr. Speaker, I cosponsored this legislation because I felt we must do what is right: Provide the incentive and protections for the men and women who serve America every day through hard work and determination in providing goods and services from the Federal Government. Civil servants are the backbone of the Republic. They are our defense and our compassion. From the customs inspector on the border, to the contract officer at Fort Bliss, TX, civil servants provide a necessary service—government.

The conference report on H.R. 2672 is a good report. The House stood firm in ensuring that those employees hired after December 31, 1983, would receive retirement benefits equal to their colleagues hired prior to that date. The Social Security Act Amendments of 1983 provided that Federal civil service employees hired after December 31, 1983, begin paying into the Social Security System. At that time, they only paid 1.3 percent to civil service retirement pending passage of a supplemental civil service retirement bill. However, after one extension, and continued balking by the administration, time ran out and those civil service employees began paying the full amount toward civil service retirement, thereby reducing take home pay by 6 percent. This would not have occurred had the administration not opposed the informal agreement achieved between the House and Senate conferees. There are some in the administration who believed we should use this supplemental retirement system to begin to erode the civil service system. Fortunately, the House conferees under the able leadershp of Mr. FORD and Ms. OAKAR were able to stave off that irresponsible attack on civil service employees.

The new law contained in the conference report on H.R. 2672 would provide a new and equitable retirement system for those Federal employees hired after December 31, 1983. The new retirement system has three tiers: Social Security; a defined benefit pension plan; and a tax-deferred thrift savings plan. Employees must contribute to the pension plan at a rate of 1.3 percent of pay in 1987, 0.94 percent in 1988-89, and 0.8 percent thereafter. Pension benefits would be paid after 30 years of service at the minimum retirement age of 55—gradually increasing to 57. After 20 years of service at age 60, and after 5 years of service at age 62. A benefit reduced by 5 percent for each year the retiree is under 62 would be available after 10 years of service and attaining the minimum retirement age. The pension formula is 1 percent times years of service times the highest 3 years of average pay. If an employee has at least 20 years of service and retires after age 62, the computation rate is 1.1 percent instead of 1 percent. Employees retiring before age 62 would receive a supplement to offset the lack of Social Security benefits prior to age 62. The supplement would end at 62 and would be reduced to reflect after retirement earnings, if any, in a manner consistent with a similar earnings test reduction under Social Security. The pension plan also provides survivor and disability benefits. Pension benefits would be indexed, generally, to reflect increases in the consumer price index less 1 percent. These adjustments would be made annually. Retirees—other than survivors and the disabled—who are under age 62 would not receive these adjustments until reaching age 62.

Under the thrift savings plan the Government would contribute 1 percent of pay to an account for each employee. In addition, the Government

would match employee contributions as follows: Contributions up to the first 3 percent of pay, dollar for dollar; and, more than 3 percent but not more than 5 percent of pay, 50 cents per dollar. An employee may contribute up to 10 percent of pay, but the maximum Government contribution would be 5 percent. A five-member, Presidentially appointed, Senate-confirmed board would manage the thrift plan. Moneys contributed can be directed by employees to three investment funds: a Government securities fund; a fixed-income fund; and a stock index fund—initially, all moneys must be held in the Government securities fund. An employees' contribution, the Government contribution, and earnings would not be taxed until withdrawn. Moneys may be withdrawn at retirement as a lump sum or as an annuity, or may be transferred to an IRA. In the case of an employee who leaves prior to retirement, moneys may be transferred to an IRA. Employees under the current civil service retirement system [CSRS] may contribute up to 5 percent to the thrift plan but are not entitled to any Government contribution.

The conference report provides for a 6-month open season beginning July 1, 1987, during which employees under the current CSRS may elect to join the new system. Those who so elect would be entitled to full thrift plan participation—including Government contributions—and to eventual benefits which take into account service under both systems. Employees covered by Social Security who have served continuously since December 31, 1983, and rehired employees covered by Social Security who previously served 5 years or more remain under the current retirement system subject to contribution and benefit offsets to take into account Social Security benefits earned during Federal service. These individuals may also transfer to the new plan.

The conference report also establishes parallel new systems for members of the Foreign Service and employees of the CIA who are covered by Social Security. These systems include provisions consistent with retirement policy for Foreign Service officers and CIA employees.

According to the Congressional Budget Office, the new system will cost 22.9 percent of payroll, while current law is costing the Government 31 percent of payroll, and it will result in a 5-year deficit savings of approximately $7.25 billion.

Mr. Speaker, not only is this an equitable retirement system, but it is also and affordable one. The conferees have been able to protect the integrity of the civil service retirement system, its members, and still achieve budgetary savings.

Mr. Speaker, this new system provides a fair retirement system for our Federal work force hired after December 31, 1983. It does not cut benefits, as some would have us do. We need a strong retirement system in order to attract and retain the qualified men and women we have today in the civil service. These are men and women who give up higher compensation in the private sector to provide for the needs and wants of the American people. This bill commends those men and women for job well done, as do I.

Mr. TAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, I thank the gentleman from Missouri for yielding this time to me.

Mr. Speaker, I rise in strong support of the conference report inasmuch as it represents a comprehensive, fiscally responsible, fair and equitable proposal for a supplemental civil service retirement system. In addition, it recognizes and deals with the unfair "double coverage" burden which had been placed on post-1983 Federal hires on May 1, and which took an additional 5.7 percent out of their pay because the Congress and the executive branch failed to settle this matter earlier. I cosponsored a resolution with Congressman WOLF which called for the refund of those additional withholdings, and am very pleased that the conference committee saw fit to include it.

While this bill may not be everything we wanted, it is reasonable and it's certainly better than what we've got right now. In addition, it affords the individual employee the latitude to participate in the program or programs that serve that individual best.

Again, Mr. Speaker, I commend the members of the conference committee for their work on this important legislation in behalf of our civil servants. I would, further, urge my colleagues in the House to vote in favor of this conference report.

Mrs. BURTON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule has been designed to expedite action on legislation to provide a fair and comprehensive retirement system for Federal workers as they plan their careers and future retirement from Government service.

We owe our gratitude to the members of the Post Office and Civil Service Committee, and particularly to Chairman FORD of Michigan, the gentlewoman from Ohio [Ms. OAKAR], and the gentleman from Missouri [Mr. TAYLOR]. They worked very hard and very diligently to craft a compromise in conference and have worked very hard to make this a bipartisan success.

This legislation has brought support, including a unanimous vote in committee on this rule from both sides of the aisle, both Houses of Congress and the administration.

I urge my colleagues to support this rule and passage of the conference report.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, I have no further requests for time, and I move the previous question in the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FORD of Michigan. Mr. Speaker, pursuant to House Resolution 458, I call up the conference report on the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, NJ, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place."

The Clerk read the title of the bill.

The SPEAKER. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 16, 1986.)

The SPEAKER. The gentleman from Michigan [Mr. FORD] will be recognized for 30 minutes and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report accompanying H.R. 2672, the Federal Employees' Retirement System Act of 1986.

This conference report is the culmination of a very long and complicated process that began 3 years ago when newly hired Federal employees, Members of Congress, and certain political appointees were brought under the Social Security System, as a result of the Social Security Amendments of 1983.

That legislation mandated that we established a new pension system for Federal employees coordinated with Social Security.

The Committee on Post Office and Civil Service moved quickly and responsibly to develop such a plan, realizing that we had here a rare opportunity to create a new pension system with the best features found in the private sector.

With this in mind, the committee employed Hay Associates, one of the most prestigious consulting firms in the area of private pension plans. At the same time, the committee asked

the Congressional Research Service to conduct an exhaustive analysis of the key issues involved to help us put together this new system. We were also assisted by the General Accounting Office. During this process, we examined over 1,000 private sector and public sector pension plans.

After that the committee held several days of hearings and heard testimony from dozens of personnel managers, employee organization representatives, and private sector pension experts.

Moreover, we worked closely with other committees whose jurisdiction is touched by this legislation, including the House Intelligence Committee—the new pension plan covers CIA employees—the Foreign Affairs Committee—it also covers Foreign Service officers—and the Ways and Means Committee. I want to point out that we received invaluable assistance from Congresswoman MARY ROSE OAKER, Chair of the Subcommittee on Compensation and Employee Benefits, and Congressman GENE TAYLOR, ranking minority member of the committee.

I want to extend appreciation as well to Senator TED STEVENS of Alaska for his efforts to enlist White House support and his outstanding leadership in moving this legislation through the Senate.

For the past 5 months our committees have had discussions with the other body in an attempt to reconcile differences. The conference report before you is the result of that long and arduous effort. And I hasten to point out that the report has not only the approval of both the House and Senate committees, but the White House as well. The conference report was approved by the Senate Tuesday night by voice vote. At the outset let me assure you that this plan does not in any way affect the retirement benefits of Federal employees hired prior to January 1, 1984. Nor does it diminish the benefits of Members of Congress who began service before that date.

I also want to point out that there has been a good deal of hardship for those Federal employees hired since December 31, 1983—and Members as well—who have been forced into a double coverage situation since May 1. Because of the pay cycles of many agencies, a great many Federal employees are paying both into Social Security and the civil service retirement system and have taken what amounts to nearly a 6-percent pay cut. Others, however, may not yet have had such a deduction. The conference agreement remedies this unfair situation and provides for refunds to those affected employees.

This double coverage has resulted in a large cost increase for the Government. Where the cost of the civil service retirement system was 25 percent of payroll, that figure jumped to 31 percent with double coverage, which is now still in effect.

The new plan will result in substantial savings for the Government at a time when we need all the help we can get to bring the enormous deficits of the past 5 years into line. The employer cost of the new plan will be less than 23 percent of payroll. The conference report will reduce the Federal deficit by more than $8 billion over the next 5 years.

The new plan will cover all Federal civilian and postal employees first hired after December 31, 1983. They will pay Social Security payroll taxes and will draw Social Security benefits when they retire. The new system will supplement Social Security.

Federal employees hired before the end of 1983 can either continue under the civil service retirement system or transfer to the new plan.

The conference report extends a temporary plan, to which new employees contribute to Social Security with only a token contribution to civil service retirement, until January 1987, when the new plan takes effect.

For some time now there has been a great deal of misinformation generated about the supposed generosity of the present system for many Federal workers. It is a widely held belief that the current system is better under all circumstances for all Federal employees.

The fact is that a great many married Federal employees would be better off under Social Security alone.

All of those employees up to GS-7, step 5, would be better off just under Social Security. This includes 735,000 or 37 percent of the nonpostal Federal work force of 2 million employees.

What we have designed here is a new, very modern retirement system that combines the very best of both plans.

Attached is a chart which compares retirement benefits for a Federal employee covered by the current civil service retirement system with benefits that could have been received if the individual had been covered by the Social Security System during his/her career.

The chart shows that an employee retiring at a final salary of $20,000 could receive greater benefits from Social Security at the time of retirement than he/she would receive from the civil service system. This salary level would approximate the salary of a GS-7, step 5, under the General Schedule or a PS-2 under the Postal Service Schedule.

COMPARISON OF RETIREMENT BENEFITS

	Civil service retirement system	Social Security
Basic benefits [1] (includes spousal benefit)	$10,680	$9,705
Less survivor benefit reduction	798	
Total	9,882	9,705
Less Federal taxes [2]	486	
Net benefits	9,396	9,705

[1] Assumes married worker with nonworking spouse who retired at age 62 in 1985 with final salary of $20,000 and 5 percent pay increases each year during a 30-year career.
[2] Assumes no other income and standard deduction was elected.

The new retirement system has three tiers: Social Security, a defined benefit pension plan, and a tax-deferred thrift plan. Employees must contribute to the pension plan at the rate of 1.3 percent of pay in 1987, 0.94 percent in 1988–89, and 0.8 percent of pay thereafter. Pension benefits will be paid after 30 years of service at the "minimum retirement age"—55, gradually increasing to 57—after 20 years of service at age 60, and after 5 years of service at age 62. A benefit reduced by 5 percent for each year the retiree is under age 62 is available after 10 years of service and attaining the minimum retirement age. The pension formula is 1 percent times years of service times highest 3 years of average pay.

If an employee has at least 20 years of service and retires after age 62, the computation rate is 1.1 percent instead of 1 percent. Employees retiring before age 62 receive a supplement to offset the lack of Social Security benefits prior to age 62. The supplement ends when Social Security benefits start and is reduced to reflect after-retirement earnings, if any, in a manner consistent with a similar earnings test reduction under Social Security.

The pension plan also provides survivor and disability benefits. Pension benefits are indexed, generally, to reflect increases in the CPI less 1 percent. These adjustments are made annually to retires 62 and older. Retires—other than survivors and the disabled—who are under age 62 do not receive these adjustments.

Under the thrift savings plan the Government will contribute 1 percent of pay to an account for each employee. In addition, the Government will match employee contributions as follows: contributions up to the first 3 percent of pay, dollar for dollar; more than 3 percent but not more than 5 percent of pay, 50 cents per dollar. An employee may contribute up to 10 percent of pay, but the maximum Government contribution is 5 percent. A five-member presidentially appointed, Senate-confirmed board will manage the thrift plan. Moneys contributed can be directed by employees to three investment funds: a Government securities fund; a fixed-income fund; and a stock index fund—initially, all money must be held in the Government secu-

rities fund. An employee's contribution, the Government contribution, and earnings are not taxed until withdrawn.

Moneys may be withdrawn at retirement as a lump sum or as an annuity, or may be transferred to an individual retirement account. In the case of an employee who leaves prior to retirement, moneys may be transferred to an IRA. Employees under the current Civil Service Retirement System may contribute up to 5 percent to the thrift plan but are not entitled to any Government contribution.

The conference report provides a 6-month open season beginning July 1, 1987, during which employees under the current Civil Service Retirement System may elect to join the new system.

Those who so elect will be entitled to full thrift plan participation—including Government contributions—and to eventual benefits which take into account service under both systems.

Employees and members covered by Social Security who have served continuously since December 31, 1983, and rehired employees covered by Social Security who previously served 5 years or more remain under the current retirement system subject to contribution and benefit offsets to take into account Social Security benefits earned during Federal service. These individuals also may transfer into the new plan.

The conference report also establishes parallel new systems for members of the Foreign Service and employees of the CIA who are covered by Social Security. These systems include provisions consistent with retirement policy for Foreign Service officers and CIA employees under existing law.

I would like here to extend a special note of thanks to the committee general counsel, Robert Lockhart, and deputy general counsel, Pierce Myers, for their tireless dedication and invaluable expertise during a long and arduous process. I want to thank as well, the staff director, Tom DeYulia, and deputy staff director, Pat Rissler, for their outstanding contributions and professional advice.

Mr. Speaker, I include the CBO cost estimate on the conference report at this point in the RECORD:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 22, 1986.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: In accordance with Section 308(a) of the Balanced Budget and Emergency Deficit Control Act, the Congressional Budget Office has prepared projections of the Budgetary impact of H.R. 2672, the Federal Employees' Retirement System Act of 1986, as contained in the conference report of May 16, 1986.

The bill would establish, as a supplement to Social Security, a new defined-benefit plan and a tax-deferred thrift savings plan for federal civilian employees hired after December 1983, including employees of the U.S. Postal Service. Federal workers hired earlier could transfer to the new retirement program and to Social Security beginning in July 1987. For those transferring, H.R. 2672 would protect the retirement benefits already earned. Employees who do not transfer could contribute up to 5 percent of pay to the savings plan—but without any matching government contributions from employing agencies that employees in the new system would receive. Because the costs of the new system's benefits would be funded on an accrual basis, agency contributions to federal retirement and savings accounts would rise.

Enactment of H.R. 2672 would reduce the 1987-1991 budget deficit by some $8.3 billion. This would occur because $13.6 billion in offsetting collections (negative outlays) derives from voluntary employee contributions to savings plans and from anticipated higher postage rates, beginning in January 1989, to defray the retirement and thrift plan costs that would be borne by the U.S. Postal Service. These five-year budgetary savings, however, would be partly offset by a loss of $2.0 billion in federal revenue (lower payroll withholdings and reduced individual income taxes) and an increase of $3.3 billion in federal fund disbursements (outlays). In addition, appropriations to fund the costs of the new system's benefits could increase, in order to satisfy agency contributions to the thrift and defined-benefit plans, by $24.4 billion through 1991. The increase in appropriations affects intrabudgetary transactions but does not, in itself, affect outlays. (The bill would authorize the appropriation of such sums as necessary to pay expenses in 1986 and 1987 for administering the thrift savings plan.) Tables 1 and 2 summarize the budgetary impacts. Due to time and data limitations they do not include potential effects of Titles IV and V of the bill that address the Foreign Service and Central Intelligence Agency retirement systems. The impact of analogous changes to these systems would slightly increase the deficit reduction effects projected in this report.

TABLE 1. ESTIMATED BUDGET DEFICIT EFFECT OF H.R. 2672, BY FISCAL YEAR

[In billions of dollars]

	1987	1988	1989	1990	1991
Estimated rise in offsetting collections [1]	−$0.29	−$1.87	−$3.34	−$3.84	−$4.30
Estimated revenue loss [2]	0.05	0.35	0.45	0.52	0.62
Estimated rise in Federal fund disbursements	([3])	0.23	0.61	1.01	1.49
Estimated increase or decrease (−) in the deficit [4]	−0.24	−1.29	−2.27	−2.31	−2.18
Estimated increase in appropriations for agency operating expenses	1.17	4.47	5.57	6.24	6.94

[1] Higher offsetting collections represent negative outlays that reduce net budgetary costs.
[2] Revenue losses in this table are positive numbers because they increase the budget deficit.
[3] Estimated under $5 million.
[4] H.R. 2672 would not allow any federal employee contributions to the savings plan until July 1987. Technical amendments to the bill contained in Senate Current Resolution 142 would permit certain employees to contribute in January 1987. This would reduce the 1987 deficit by an additional $90 million. Thus, the 1987 deficit reduction would grow from $240 million to $330 million.

Note.—Details may not add to totals because of rounding.

TABLE 2. DETAIL OF ESTIMATED BUDGET REDUCTION EFFECTS OF H.R. 2672, BY FISCAL YEAR

[In billions of dollars]

	1987	1988	1989	1990	1991
Estimated Rise in offsetting collections (negative outlays):					
Employee thrift contributions	−$0.29	−$1.87	−$2.24	−$2.48	−$2.76
Higher postage rates to defray costs paid by the U.S. Postal Service	0	0	−1.10	−1.36	−1.54
Subtotal	−0.29	−1.87	−3.34	−3.84	−4.30
Estimated revenue losses [1]					
Decreased payroll taxes from changes in employee contributions	([2])	0.04	0.06	0.11	0.14
Decreased Federal income taxes from participation in the thrift plans	0.05	0.31	0.38	0.41	0.49
Subtotal	0.05	0.35	0.45	0.52	0.62
Estimated rise in Federal fund disbursements (positive outlays):					
Investment of employee thrift contributions in marketable securities	0	0.10	0.29	0.50	0.77
Net increase in disbursements from civil service, thrift, and social security trust funds to cover lump sum and monthly benefit payments	([2])	0.13	0.33	0.51	0.73
Subtotal	([2])	0.23	0.61	1.01	1.49

[1] Revenue losses in this table are positive numbers because they increase the budget deficit.
[2] Estimated under $5 million.

Note.—Details may not add to totals because of rounding.

The CBO baseline, against which the budgetary effects of H.R. 2672 are measured, differs from current law. The baseline assumes that federal employees hired after December 1983, and covered by Social Security, continue to contribute 1.3 percent of pay to federal retirement accounts. Under current law, however, these employees have been paying 7.0 percent of salary as of May 1, 1986. The bill would retroactively extend the 1.3 percent limit on payroll withholdings and would refund excess contributions received prior to the bill's enactment. Because the additional revenue from the interim 7.0 percent withholding rate is not reflected in the baseline projections, the $60 million outlay for 1986 refunds does not affect CBO deficit projections. (Measured against current law, H.R. 2672 would cause a revenue loss each year, beginning in 1986, that would accumulate to $7.3 billion through 1991.)

The estimates use current CBO economic assumptions and reflect a three-month delay in the effective dates for federal pay raises in 1987 and 1988. The estimates also assume that under current policy the total number of federal workers will remain constant over the five-year period. Thus, by January 1987, some 460,000 recent hires will come under the new system. This group is assumed to grow by the equivalent of 100,000 employees each year through 1991. In addition, about 2.2 million current workers would have the option of switching to the new system during the six months ending December 31, 1987. The CBO estimates assume that approximately 40 percent of the group of current workers will elect the new program.

The five-year projections prepared by CBO do not reflect the long-term impacts of H.R. 2672. But it appears that the government's cost for new federal employees' retirement would decrease slightly. The Con-

gressional Research Service estimates that the new system plus OASDI benefits would require an annual government investment for a group of new employees equal to about 23 percent of covered payroll. The analogous estimated cost for benefits under the CSR system is 25 percent.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.

□ 1330

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as we come here today with this very badly needed legislation, there are so many people who can be thanked who have put so many years, not days, not hours, but years, into the development of this conference report that we come to the floor with. Most assuredly, the members of the committee, the gentlewoman from Ohio [Ms. OAKAR], the chair of our subcommittee, the gentleman from Michigan [Mr. FORD], chairman of the committee, certainly our ranking Republican member, the gentleman from Missouri [Mr. TAYLOR], and every member of the Committee on Post Office and Civil Service, as well as the other body, and a great host of other people who should be thanked. I will get into that shortly.

But we are here today to put the finishing touches on a precendent-setting, actually, Federal civilian retirement plan. It is sound and it is sensible. To paraphrase a cigarette commercial, we have come a long way since 1983. We have come a long way, and a lot of people have been involved.

It was back 66 years ago when the first civil service retirement program came into being in 1920. It has been changed and modified through the years, but nothing substantive. It needed to be changed, notwithstanding the Social Security Amendments of 1983 that required, mandated, that Congress take action and incorporate, fold in, civil service retirement with Social Security that was necessary for the past 3 years for so many to work so hard.

I must say at this point that the staff—some of whom are here on the floor—have carried a major burden of this, they have worked back and forth from the membership, working back and saying that this is something we can live with, and working out both sides. So you have so many involved here. We had the White House, the administration, who were concerned about the cost of the program because the taxpayers, they felt, were paying too large a burden in the existing program. So we had to satisfy, at least have some compromise with, the White House and the administration. The employee organizations, the Federal unions, had one perspective. They had to represent their membership. They had to come a long way in the compromise, and they did come a long way. And then here in the Congress we had the other body which had a different view about what a retirement program should contain. They passed a bill, as the Members will remember, back in November of last year providing for not as generous a retirement, I must say, as this, but at least a retirement program. That necessitated then coming together, working on this conference. Then we had the private sector. We had some corporations who were fearful that the standards established in the Federal program would be those that could not be met by them and that there would be pressure on the private sector. So we did incorporate, fold in, into this conference report many of the concepts that a great many of the better private retirement programs have. And we will talk about that.

This is a solid retirement program. It meets the financial needs, as I said, from the administration, for the employees, it gives them some security, and it provides for the retirement and satisfactory retirement, a good retirement program for disability. It is a sound program for those who might have to come—and probably some will have to come—under disability. But it is also for the survivors, something that was a gray area before. This very definitely defines the eligibility and the benefits the survivors may share in the retirement of their loved ones. And for the first time, something that the private sector often has in their retirement programs, we do provide a tax-deferred thrift savings program that the employee may dedicate and set aside into a savings program part of their earnings, up to 10 percent, and be matched up to half of that by the Federal Government, and go into a private retirement program, which many companies now have for their employees.

This is a program I think all of us can support. It is a program for retirement that has long been due. Again I say that I think everyone gave a lot, and certainly we have to congratulate besides our own Members and our staff the employee organizations who probably had to give the most on this. They did not like it. They were reluctant to give as much as they have, such as retirement gradually moving up to 57, with early retirement benefits for existing employees at 55. There were a great many factors that they were concerned about, but everyone actually wins on this bill.

It is going to cost less to the taxpayers of the country. The benefactors, the employees, are going to benefit by more defined benefits that they are going to receive now, they can incorporate into Social Security, and will be protected under a better program than they had before, and certainly the taxpayers who had to pay for this will be paying less, as has already been defined.

It is a good program. It deserves our wholehearted support, and I am sure every Member here will vote for this conference report.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Ohio.

Mr. LATTA. I, too, want to compliment the gentleman from Indiana [Mr. MYERS], the chairman of the committee, the gentleman from Michigan [Mr. FORD], and the gentlewoman from Ohio [Ms. OAKAR] for their work on this legislation.

I rise also to ask one question: The way this bill is written, it affects employees hired after January 1, 1984; is that correct?

Mr. MYERS of Indiana. As of January 1, 1984, and those subsequent to that.

Mr. LATTA. And it is a mandatory program?

Mr. MYERS of Indiana. There is an option for those before. There are several options that will be considered, and we will get the information to the Members and to the staff here on the Hill. There are different categories. There are some who are at higher risk, the Federal law enforcement officers, air traffic controllers, to mention a few, Members of Congress and staff because our jobs are not definite, we will pay a higher percentage of retirement benefits into it, one-half percent more than anyone else, but because of the high risk factor on longevity here, we have a little different program than others have. Most employees know when they hire on with the Federal Government that they have a likelihood of staying 20 or 30 years, whatever they desire. But some of these law enforcement officers and Members of Congress and staff do not have that security, so we pay a higher percentage to get the same coverage.

Mr. LATTA. As I understand it, this in no way affects employees who were on the payroll prior to January 1, 1984, unless they so elect.

Mr. MYERS of Indiana. There is going to be an option, they can decide, they are going to have an election to make whether they go under the old program, the new program or variables in between. There will be options.

Mr. LATTA. If they decide not to opt in, so to speak, they would not be affected, their retirement programs will not be affected?

Mr. MYERS of Indiana. The retirement program will not be affected arbitrarily, mandatorily. There will be a window between now and the first of next year for them to understand what program would be best for them to go into. A great many already have

told us they probably will want to go into the new program. You freeze, in that case, what people have earned so far. For Members of Congress, staff, other Federal employees who have been around a number of years as some of us have been, it is frozen right there if we elect to go into the new program.

Mr. LATTA. I thank the gentleman.

Mr. MYERS of Indiana. Before I yield further, there is one other facet. We just have received a letter from the Congressional Budget Office which discusses the bill and they support the bill, but it also says that enactment of H.R. 2672 will reduce the 1987-91 budget deficit—this is the Gramm-Rudman deficit—by a total of $8.3 billion, reduce the deficit by $8.3 billion by this bill, by this compromise.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from New York, a member of the Committee on Post Office and Civil Service for many, many years.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 2672, the Federal Employees' Retirement System Act of 1986. The Post Office and Civil Service Committee has worked 3 long years in addition to 6 months of negotiations in conference on the product before you. Without a doubt, it provides employees hired by the Federal Government after December 31, 1983, with a fair and comprehensive retirement program.

I want to congratulate our distinguished chairman, the gentleman from Michigan [Mr. FORD], and our distinguished subcommittee chairperson, the gentlelady from Ohio [Ms. OAKAR], and the ranking minority member of our committee, the gentleman from Missouri [Mr. TAYLOR] and the ranking member of our subcommittee, the gentleman from Indiana [Mr. MYERS], for the long hours and hard work they unselfishly devoted toward achieving this conference report. As a member of the Committee on Post Office and Civil Service, I can truly say that this legislation is the product of a bipartisan effort. It is supported by our colleagues from both bodies and from both sides of the aisle, and has been warmly embraced by the administration.

Acordingly, I urge my colleagues to support H.R. 2672.

Mr. MYERS of Indiana. I thank the gentleman for his comments.

Mr. TAYLOR. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Missouri, our ranking Republican member on the Post Office and Civil Service Committee, who spent so many hours on this bill in conference.

Mr. TAYLOR. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to speak on behalf of H.R. 2672, the Federal Employees' Retirement System Act of 1986. As a conferee on the bill I found myself in excellent company as each of my colleagues at the conference table devoted considerable time and energy to the design of this bill.

For the past 2 years, the Committee on Post Office and Civil Service has been charged with the responsibility of developing a new pension system for Federal employees covered by Social Security. Together with members from the other body this conference has crafted a fair and fiscally sound pension system which retains the best aspects of the old system while featuring specific elements predominantly found in the better private sector pension plans.

Throughout our deliberations, our focus has been to ensure that Federal employees receive a fair and reasonable retirement plan. That this new system afford a fair and reasonable retirement in the eyes of the workers themselves, whose efforts are vital to the varied functions of our Federal Government. It should be fair and reasonable, as well, in the eyes of the taxpayers who correctly insist that their tax dollars be spent sensibly and wisely.

As is often the case, we have been obligated to examine a terrain cluttered with a number highly technical issues. From that clutter of issues, we have sought to extract a sensible retirement policy—a policy that must be clear enough for those who will depend upon it for their economic security, and flexible enough to address the various situations and needs that Federal workers may face during their careers.

The manner in which we ultimately address these concerns will recast the basic Federal retirement structure and its pattern of payments for decades. We are, therefore, in a unique position to influence the kind of Federal workforce this country should have.

This new system is analogous to a three-legged stool—relying upon Social Security, a defined benefit plan, and a tax-deferred thrift savings plan. This integration of pension benefits represents a historic shift in bringing an antiquated pension system in line with current retirement practices. This new system encourages employee savings while at the same time guaranteeing a minimum level of benefit on which our Federal employees can rely.

In the past, we have seen Federal pay and benefits come under increasing attack from various sectors for alleged waste and over generosity. H.R. 2672 presents us with the opportunity to refute such charges by providing a fair and equitable system for employees while providing taxpayers a savings of more than $8.3 billion over the next 5 years.

Mr. Speaker, the Federal pension system has always served as the model system for the private sector. It will continue to perform this role under H.R. 2672. The benefits under the new system will be more portable for employees to better allow transferability between the Federal and private sector. Employees will be able to take advantage of current market conditions through participation in the thrift plan whereby moneys can be directed by employees to a variety of investment funds.

H.R. 2672 represents a milestone in the technics of bipartisan cooperation. All parties to the plan had significant input and were able to reach full agreement on a very complex issue. As we debate the bill, double coverage by Social Security and the old system extends to all new Federal hires. The practical effect of double coverage means a pay cut for employees with no immediate increase in benefits. Mr. Chairman, it is time we end the uncertainty and implement a new retirement system for these employees. The Senate has passed this proposal and the administration strongly supports its passage. I urge all of my colleagues to support H.R. 2672.

Mr. MYERS of Indiana. Mr. Speaker, in closing, there are so many people who deserve credit, most importantly the members here today of the Committee on Post Office and Civil Service, Chairman FORD and Chairperson OAKAR, who worked so hard on this, as well as Mr. TAYLOR, and the staff who worked so hard. Again, it is a compromise that was worked out very delicately and over a long period of time with the White House and private sector. I have served in my 20 years here on a great many conferences. I think this has lasted longer and has required more hours than even some of the extensions on the appropriation bills where we have had continuing resolutions and have gone into night and day operations for several days. This has taken a good many months and a lot of hard work.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I just wanted to make sure that this was not the same legislation which I have been getting a number of letters on for some sort of a mass retirement of members from the Civil Service.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield to me on that point?

Mr. MYERS of Indiana. I yield to the gentleman from Michigan, the chairman of the Committee on Civil Service.

Mr. FORD of Michigan. Mr. Speaker, the bill the gentleman is referring to, I do not know if it has been introduced yet by the chairman on the Senate side.

Mr. MYERS of Indiana. Early out, I guess they call it.

Mr. FORD of Michigan. An early retirement system.

Frankly, we had all we could pray over with this. We have not even looked at it yet. All I know is what I have read in the paper, but it is a scheme to reduce the Federal work force by providing incentives to people to retire early. That has not even been processed on the Senate side. I would guess it would get over to us next year, perhaps, and then we will have a look at it. We are not initiating anything of that kind on this side.

Mr. STRATTON. I am glad to hear that that is the case.

Is it not true that if we are going to have a mass retirement of this kind, we have got people who are no longer going to be contributing to the pension program, the retirement program, and we are going to have people who are going to be receiving their retirement benefits for a longer period of time than would normally be the case? It is my impression that this would be a very expensive kind of gift to give to the civil service employees.

Mr. FORD of Michigan. If the gentleman will yield further, that is the sort of thing we would have to look at. How are we going to pay for this? And we would be very conservative in doing anything that would jeopardize the other employees because of somebody's idea of some quick fix for some few employees.

Mr. MYERS of Indiana. I think the gentleman from New York has brought up an interesting question. There is nothing in this compromise that would encourage people to retire. Quite to the contrary. There are things here that would encourage those employees and loyal workers to stay on board and continue to pay into this. They are not going to be diminished. There is no loss to existing employees by this program. It is very carefully drawn this way.

Mr. FORD of Michigan. If the gentleman will yield further, let me point out that for the first time we have a couple of incentives to stay, even though you are eligible to retire. First, we have preserved the right to retire after 30 years of service at age 55. That was dictated by two things. First, that is a long-standing right that people have and, second, we have special populations that we require to get out of Government at age 55 because of the nature of their occupations. To be fair to them, we had to maintain it.

But if a person is not in an occupation that requires them to get out at 55, even though they qualify, if they stay until they are 62, they get a bonus on their retirement for having stayed. For the first time we are going to encourage our senior managers and our most experienced people to stay in their best years with us instead of going off with their retirement and going to work for somebody else. That is the first positive step that I am aware of ever since the beginning of the pension to encourage experienced people to stay in Government.

□ 1345

That was agreed to by everybody as something that has to be done.

Mr. MYERS of Indiana. This is called a three-tier program. First, you have the Social Security as the base, then you can augment that with the Civil Service retirement, a little different retirement program. Most importantly is the third component, this tax-deferred thrift savings plan that employees may contribute to and have it matched partially by their employer. A new program, something, again, to encourage people to stay on board.

I think the early out that the gentleman is concerned about, and we have all had that question asked a great many times, is quite different. This would, I believe, encourage people to stay longer instead of encouraging them to retire. That is the way I view it.

Mr. Speaker, I reserve the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I thank the gentleman for yielding me this time.

Mr. FAZIO. Mr. Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from California.

Mr. FAZIO. I thank the gentlewoman for yielding to me.

I rise in strong support of the Federal Employees Retirement System Act of 1986, and I commend the efforts of Chairman WILLIAM FORD, Chairwoman MARY ROSE OAKAR, and Congressmen GENE TAYLOR and JOHN MYERS for formulating a very acceptable compromise with the Senate.

It has been a long and difficult struggle to come forth with a plan that provides an adequate retirement plan for those Federal employees who have joined the workforce since January 1984. I think they will be pleased with the three-tiered system that combines Social Security, a defined benefit plan and a tax-deferred thrift plan.

Our House conferees fought hard to retain the ability of Federal workers to retire after 30 years of service to the Government without being penalized. The 55 years of age will be moved to 57, but only for those born after 1969.

The House did acquiesce to one provision that the White House firmly insisted upon, and that was to change the COLA's that will be received by those hired after January 1984 to CPI minus 1 percent. However, given the fact that these retirees will receive a full Social Security COLA and interest from the thrift plan, the total retirement compensation will more than make up for the 1-percent COLA loss.

All in all we have a good product that took 3 years to formulate and over 6 months to negotiate with the Senate and the White House. Our House conferees approached this task with one crucial goal, and that was to protect the current system while ensuring a sound retirement plan to new hires. I feel they have succeeded and I urge my colleagues to vote in favor of this measure.

Mr. HOYER. Mr. Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Maryland.

Mr. HOYER. I thank the gentlewoman for yielding to me.

Mr. Speaker, this legislation creates an efficient and competitive retirement system for our Federal civil service. Three years ago, the Congress began work on developing a new retirement system for Federal workers. This conference agreement represents an end to that process and a fair compromise between all involved parties.

The compromise creates a three-tier system, with the foundation of the program being the inclusion of Federal workers in the Social Security System. The basic annuity plan represents the second tier, and provides that employees will receive 1 percent of the average of their 3 highest years of service multiplied by their years of service. Employees who retire after age 62, with at least 20 years of service will be allowed 1.1 percent of their 3 highest years. Retirees over age 62 will be guaranteed a COLA which will never be less than the CPI minus 1 percentage point.

The third tier of the retirement system provides Federal employees a thrift savings plan similar to those available in the private sector. Under this plan, employees may contribute up to 10 percent of their pay into the savings account which the Government will match on a dollar for dollar basis for the first 3 percent of pay, and on a 50 cent for each dollar contributed for the next 2 percent of pay. The Government will automatically contribute 1 percent of pay into each employee's account.

This report also corrects a serious problem which has existed since the beginning of May, in that many Federal employees have had to pay an additional 5.6 percent of their pay toward their retirement system since the interim legislation had expired. This report provides that these employees will be reimbursed for the double pay-

ment that they have lost over this period of time.

Mr. Speaker, this conference report is a landmark for our Federal civil service and offers for the first time, a retirement system that is as diverse and responsive to the needs of our Federal employees as any system in the private sector. Again, I congratulate the chairman and everyone who worked so hard in achieving this landmark, and offer the gratitude of each and every eligible Federal employee.

Ms. OAKAR. Mr. Speaker, I rise in support of the conference report on H.R. 2672, the Federal Employees' Retirement System Act of 1986.

The conference report is the product of 3 years of work by the committee and 6 months of negotiations with the Senate. It is a very complex piece of legislation, drawing upon pension experience in both the public and private sectors. H.R. 2672 was crafted very carefully to provide employees hired by the Federal Government after December 31, 1983, with a fair and comprehensive retirement program.

I want to congratulate Chairman WILLIAM D. FORD and the ranking minority member of the committee, GENE TAYLOR, for their hard work and untiring determination in achieving the conference report. As a member of the conference committee, I can attest to the fact that this report is truly bipartisan. It is supported by Members from both sides of the aisle, and it has been endorsed by the administration.

Mr. speaker, I certainly want to also congratulate the ranking minority Member of my subcommittee, Mr. JOHN MYERS of Indiana.

I want to say about my chairman that he has the persistence to demand a fair plan, and he never caved in when the times were tough. I really, truly admire what he did to maintain what I believe is a fair system.

As a member of the conference committee, I can attest to the fact that the report is truly bipartisan. It is supported by Members from both sides of the aisle, and has been endorsed by the administration. The conference report creates a new retirement program for Federal workers which will meet their need for an adequate annuity. Basically, the new retirement system, which will become effective on January 1, 1987, provides a three-tier benefit structure: Social Security, a defined benefit program, and a thrift plan. The new retirement program will cost less, as a percentage of payroll, than the current civil service retirement system, and will result in a 5-year deficit savings of approximately $8.3 billion.

Through the three-tier system, we can offer Federal employees an opportunity to build an annuity that is specifically suited to them. By participating in the thrift plan, Federal workers will be able to have a portable retirement program and increase their basic annuity. Portability is extremely important to providing employees, especially women, who have interrupted career patterns an opportunity to earn an annuity for their retirement years.

I want to also emphasize that we either did better or maintained the treatment that we have in the retirement program toward spouses—something that Representative SCHROEDER and I and others have been very, very concerned about.

Mr. Speaker, I want to emphasize that this conference report does not affect the basic benefit structure of the current civil service retirement system. Employees who are covered by the civil service retirement system will have an opportunity to voluntarily transfer to the new retirement program during the 6-month period beginning on July 1, 1987. Employees hired before January 1, 1984, will have a full opportunity to evaluate both systems and make an informed judgment as to which one best suits their retirement needs.

It is essential, Mr. Speaker, that the House approve this conference report today. Since the interim retirement system expired at midnight on April 30, more than 400,000 Federal employees are now paying more than 14 percent of their income into the social security and civil service retirement systems. For these workers, "double coverage" has resulted in a 5.7-percent pay reduction. Such a loss in income is particularly difficult, because Federal workers did not receive a pay raise this year.

The conference report would restore the interim system for the remainder of this year and require a refund to those employees who have suffered the 5.7 percent wage loss over the past few weeks. By acting expeditiously, the House will also relieve the apprehension and anxiety among Federal workers as to the retirement program that will be available to them. It will also signal our determination to treat them fairly.

This debate today marks the conclusion of a journey that we began 3 years ago. Sometimes the path looked difficult and the obstacles insurmountable. Our committee and staff have devoted hundreds of hours to developing this legislation. We have receive invaluable assistance from the Congressional Research Service, Hay Associates, pension experts in the private and public sectors, Federal employee organizations, and administration officials. The conference report is a product of a great deal of discussion and compromise. It is a fair and reasonable piece of legislation.

In conclusion, Mr. Speaker, I want to reaffirm my support for the Federal Employees' Retirement System Act of 1986. I also want to offer my appreciation again to Chairman FORD and Congressman GENE TAYLOR, as well as the other committee conferees, Congressmen WILLIAM CLAY and JOHN MYERS, without whose support the conference report would not have been possible. Finally, I want to recognize the dedication of the committee staff and the countless hours of work that went into developing and drafting this legislation.

I urge my colleagues to support the conference report on H.R. 2672.

Mr. BOLAND. Mr. Speaker, I strongly support the supplemental Federal retirement plan contained in the conference report on H.R. 2672, and I urge its adoption by this House. When we decided, in 1983, that newly hired Federal employees should be covered by Social Security, we promised to devise a supplemental retirement system for them. Unfortunately, our inability to reach a timely agreement with the administration on the scope of that system has resulted, since May 1, in some Federal employees having to pay an incredible 14 percent of their salaries to two retirement plans. This conference report both redeems our pledge to our Federal work force, and removes, with a full refund, the excess contributions required under the "double coverage" system.

Under the new plan, Federal employees hired since January 1, 1984, would receive retirement benefits from three sources—Social Security, the Federal retirement system, and a tax deferred thrift plan. I believe that this last element, which is similar to plans available in the private sector and which will be in part available to workers hired before January 1, 1984, is one of the most exciting aspects of the new retirement system. In addition, Mr. Speaker, the new system, while continuing to assist Federal workers prepare for retirement will reduce future Federal retirement costs and also contribute to our deficit reduction efforts. That is a good combination under any circumstances and I therefore hope the conference report will be cleared expeditiously.

Mr. BURTON of Indiana. Mr. Speaker, I rise in support of H.R. 2672—the Federal Employees' Retirement System Act of 1986. Critics of Federal retirement have long charged that the taxpayers have had to shoulder the burdens of an overly generous retirement plan for Federal employees. The conference report under consideration presents this Congress with a historic opportunity to break with the past and implement a system for new Federal hires which is both cost effective for the taxpayer and fair to the employee.

Under the new system, Federal employees will be entitled to retirement benefits comparable to benefits featured in the better private sector plans. The bill provides strong incentives for employees to increase personal savings for retirement while enhancing portability of retirement assets between Federal and private sector jobs. Unlike the present retirement system, the new plan more closely aligns Federal retirement practices with those in the private sector.

This new retirement system also represents a savings for the taxpayer. Estimates show that during the next 5 years, we can expect to achieve savings of $7 billion. These savings

could prove particularly significant in preventing Federal layoffs in light of Gramm-Rudman budgetary reductions.

Mr. Speaker, some Federal employees have already experienced pay cuts due to the expiration of the interim retirement system. Double coverage is of no practical value to these employees and such coverage creates more of a budgetary strain than the present retirement system. While the bill may appear very complex to some, it basically comes down to two primary concerns—fairness and fiscal integrity. Mr. Chairman, I urge all of my colleagues to vote for in passage of H.R. 2672.

□ 1355

Mr. MYERS of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 2672, FEDERAL EMPLOYEES' RETIREMENT SYSTEM ACT OF 1986

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 142) authorizing a technical correction to be made in the enrollment of the bill (H.R. 2672) to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 142

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 2672) to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(a) At the end of section 8432(b) of title 5, United States Code (as added by section 101(a) of the bill) insert the following new paragraph (4):

"(4) Notwithstanding paragraph (2)(A), an employee or Member who is an employee or Member on January 1, 1987, and has creditable service described in section 8411(b)(2) of this title may make the first election for the purpose of subsection (a) during the election period prescribed for such purpose by the Executive Director. The Executive Director shall prescribe an election period for such purpose which shall commence on January 1, 1987. An election by such an employee or Member during that election period shall be effective on the first day of the employee's or Member's first pay period which begins after the last day of that election period.

(b) In section 702(b)(4) of the bill, strike "401" and insert in lieu thereof "701".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

JUDICIAL IMPROVEMENTS ACT OF 1985

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3570) to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 14, strike out "Fund." and insert "Fund: *Provided*, That such amounts shall not exceed the equivalent of 9 percent of salary or retirement salary.".

Page 2, line 21, strike out all after "excess," down to and including "basis," in line 22 and insert "determined on an annual basis in accordance with the provisions of section 9503 of title 31, United States Code,".

Page 4, line 18, strike out "55" and insert "50".

Page 4, line 20, strike out "30" and insert "25".

Page 4, strike out all after line 24 over to and including line 5 on page 5.

Page 12, after line 2, insert:

(e) CREDITABLE SERVICE.—Section 376(k)(1) of title 28 is amended by deleting the phrase "subsection (b) of".

Page 12, line 3 strike out "(e)" and insert: (f)

Page 12, strike out all after line 17 over to and including line 11 on page 13.

Page 13, line 12, strike out "5." and insert "4.".

Page 15, line 15, strike out "6." and insert "5.".

Page 15, line 22, strike out "or" and insert "and".

Page 15, line 23, strike out "(46 U.S.C. App. 839);" and insert "(46 U.S.C. App. 802, 803, 808, 835, 839 and 841(a));".

Page 16, line 19, strike out "7." and insert "6.".

Page 18, after line 3, insert:

SEC. 7. FULL LIFE INSURANCE COVERAGE FOR RETIRED FEDERAL JUDGES.

The Bankruptcy Amendments and Federal Judgeship Act of 1984 (98 Stat. 333) is amended as follows:

(1) Section 206 is revised to read as follows:

"SEC. 206. Sections 8706(a), 8714a(c)(1), 8714b(c)(1), and 8714c(c)(1) of title 5, United States Code, are amended to insert immediately after the first sentence in each of those sections a new sentence which reads as follows: 'Justices and judges of the United States described in section 8701(a)(5)(ii) and (iii) of ths chapter are deemed to continue in active employment for purposes of this chapter.'." and

(2) section 207 is revised to read as follows:

"SEC. 207. The amendments to chapter 87 of title 5, United States Code, made by section 206 of this Act shall apply in the case of any justice or judge who is retired under section 371(a) or 371(b) or 372(a) of title 28, United States Code. The amendments apply to those who retire on or after January 1, 1982.".

Mr. KASTENMEIER (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. pro tempore. Is there objection to the initial request of the gentleman from Wisconsin?

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, would the gentleman from Wisconsin provide us with a brief explanation of the Senate amendments to H.R. 3570?

Mr. KASTENMEIER. Mr. Speaker, if the gentleman would yield, I would be pleased to explain the Senate amendments to the House bill, H.R. 3570.

You will recall that H.R. 3570 was passed by the House by voice vote on December 16, 1985. As approved by the House, the bill was an omnibus judicial housekeeping measure amending current law in five substantive areas: judicial survivors' annuities, removal jurisdiction, travel expenses of justices and judges, judicial review of Federal Maritime Commission and Maritime Administration orders, and technical amendments to title 28, United States Code.

The Senate amendments—although large in number—are minor in terms of relative importance. The Senate changes are mostly of a conforming and technical nature. Where substantive modifications are made, they basically improve the bill passed by the House. The House-approved bill was a good bill, as evidenced by its unanimous House endorsement. In brief, H.R. 3570 basically is left intact by the Senate amendments.

Before I begin my explanation of the Senate amendments, let me take this opportunity to recognize the efforts of the ranking minority member

of my subcommittee, Mr. MOORHEAD, and to thank him for his contributions toward achieving enactment of this legislation. Further respect should be accorded to the entire membership of my subcommittee: Mr. BROOKS, Mr. MAZZOLI, Mr. SYNAR, Mrs. SCHROEDER, Mr. FRANK, Mr. MORRISON, Mr. BERMAN, Mr. BOUCHER, Mr. MOORHEAD, Mr. HYDE, Mr. KINDNESS, Mr. DEWINE, Mr. SWINDALL, and Mr. COBLE for their contributions and support. Moreover, I would like to express appreciation to the Judicial Conference of the United States, the administration, the Federal Judges Association, and the American Bar Association for their substantial assistance. Also, honorable mention should be given to a former ranking minority member of my subcommittee, Mr. Railsback, who has given tirelessly and unselfishly of his time, both as a Member of Congress and now as a practicing lawyer, to improve employment conditions for Federal judges. Last, Senators THURMOND, HEFLIN, and EAGLETON should be commended for their efforts.

H.R. 3570, as amended by the Senate, includes five bills originally sponsored by House Members. Since three of these bills were crafted by respected colleagues, I would like to identify these Members and their respective bills for the historical record. First, my full committee chairman, Mr. RODINO, was the original sponsor of a bill that provided for judicial review of certain orders of the Federal Maritime Commission and Maritime Administration in the U.S. courts of appeals. Second, a member of my subcommittee, Mr. SYNAR, authored legislation that filled a serious legislative gap in removal law affecting the relationship between State and Federal courts. Third, a member of the New York delegation, Mr. GREEN, sponsored a bill to provide that certain judicial annuities for surviving spouses shall not terminate by reason of remarriage of an annuitant after age 60. All of these bills have been left intact by the Senate.

I will now discuss the Senate amendments.

First, the Senate deleted section 4 of the House-passed bill, relating to travel expenses of justices and judges. That section is no longer necessary, as it was enacted into law as part of S. 1840, approved by the House on December 19, 1985, and ultimately signed by President Reagan on January 2, 1986. See Public Law 99-234. As the original sponsor of the proposal to make actual travel expenses available to Federal judges (H.R. 2561), I was very pleased by its enactment. I have not, until now, been able to express my appreciation to members of the Committee on Government Operations for their assistance in achieving final passage.

Second, the Senate made five modifications to section 2 of the House-passed bill, relating to judicial survivors annuities reform.

(a) The Senate deleted the express responsibilities of the Comptroller General to determine on an annual basis the "unfunded liability" of the fund. Instead, "unfunded liability" will be determined on an annual basis in accordance with section 9503 of title 31, United States Code. I would expect the Comptroller General to respond favorably to congressional requests to audit the financial health of the JSAS Fund, but only on a periodic basis.

(b) A Senate amendment clarified that the Government contribution to the JSAS Fund shall not exceed the equivalent of 9 percent of salary or retirement salary. The House report indicated that a 9-percent Government contribution would be unacceptably high. In this regard, the Senate amendment conforms statutory language to the House legislative history.

(c) The Senate amended the ceiling for judicial survivors annuities by striking out "55" percent and inserting in lieu thereof "50." The Senate further amended the floor by striking "30" percent and inserting "25." The Senate passed bill, as a consequence, is a bit less generous than the bill originally endorsed by the House.

(d) The Senate deleted a House provision that would have allowed the Deputy Director of the Administrative Office of the U.S. Courts to participate in the JSAS Program.

(e) The Senate clarified that retired Federal judges can continue to participate in the judicial survivors' annuities system.

Third, the Senate made a technical amendment to section 6 of the House-passed bill, relating to judicial review of Federal Maritime Commission and Maritime Administration orders. The Senate amendment merely listed the citations to the United States Code of rules, regulations or final orders of the Secretary of Transportation which are subject to review in the U.S. courts of appeals.

Fourth, the Senate added a new section to the House-passed bill to clarify that fully retired Federal judges would be able to continue carrying the full amount of their regular or optional life insurance without diminution beginning at age 65. This technical amendment would allow two retired judges to take advantage of an option which currently is available to all other retired Federal judges by virtue of an amendment that I authored to the Bankruptcy Amendments and Federal Judgeship Act of 1984 (98 Stat. 333).

In conclusion, the Senate amendments all improve the House bill. These amendments are fiscally responsible and substantively sound. I am pleased to recommend to the House that we accept the Senate amendments, thereby sending the bill to the President for his signature.

Mr. MOORHEAD. Mr. Speaker, further reserving the right to object, I would like to indicate that I agree with the gentleman's explanation, and express my support for H.R. 3570, as amended. It is an important court reform measure, and I commend the gentleman from Wisconsin for his efforts on this legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Wisconsin?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent that I may extend my remark and that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MAKING TECHNICAL CORRRECTIONS IN ENROLLMENT OF H.R. 3570, JUDICIAL IMPROVEMENTS ACT OF 1985

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the concurrent resolution (H. Con. Res. 340) to correct technical errors in the enrollment of the bill, H.R. 3570, to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, I have reviewed the technical changes made to H.R. 3570, just passed, by the concurrent resolution that we are now considering. It cures six clearly technical problems in the bill. All of these modifications, except the first one, are essentially self-explanatory in nature.

First, in section 2(a)(1) of the bill strike "January 1, 1985" and insert "October 1, 1986". This change dovetails the effective date of the judicial survivors annuities system amendments with the dates of the JSAS "opt-in" period.

Second, in section 2 redesignate misnumbered paragraphs.

Third, in section 2 (as redesignated) correct an erroneous reference.

Fourth, in section 2(e) insert a reference to the "United States Code" after "title 20".

Fifth, in section 6(a) strike out "841(a)" and insert the correct reference to "841a".

Six, strike "and 43" and insert in lieu thereof "or 43".

As you can see, these corrections are extremely technical in nature. Considered collectively, they do not warrant sending H.R. 3570 back to the Senate, where the entire text of the bill could be further amended.

Further, if the Senate passes this concurrent resolution—as I expect it will—the Congress will avoid having to enact a technical amendments bill later on this summer.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Speaker, I want to compliment the gentleman on his explanation. I concur completely with what he just said.

Mr. MOORHEAD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 340

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 3570) to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, the Clerk of the House of Representatives shall make the following corrections:

(1) In section 2(a)(1), strike "January 1, 1986" and insert in lieu thereof "October 1, 1986".

(2) In section 2, redesignate the second paragraph (3) as paragraph (4), and redesignate paragraph (4) as paragraph (5).

(3) In paragraph (4) of section 2 (as redesignated), strike "(1)(1)" and insert in lieu thereof (1)(1).

(4) In section 2(e), insert ", United States Code," after "title 28".

(5) In section 6(a), strike out "841(a)" in the matter inserted as section 2342(3)(A) of title 28, United States Code, and insert in lieu thereof "841a".

(6) In section 6(a), strike out "and 43" in the matter inserted as section 2342(3)(A) of title 28, United States Code, and insert in lieu thereof "or 43".

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE SCHEDULE

(Mr. FRENZEL asked and was given permission to address the House for 1 minute.)

Mr. FRENZEL. Mr. Speaker, I am asking for this time for the purpose of asking the majority whip to explain the program for the coming weeks.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the acting minority leader for yielding.

Mr. Speaker, I would inform the House that the business that we have just concluded, except for unanimous-consent requests, concludes the business for this week, and we will be in a district work period until the week of June 2.

On Monday, June 2, the House will not be in session.

On Tuesday, June 3, the House will meet at noon to consider the Private Calendar and the special Consent Calendar, and one bill under suspension of the rules, H.R. 4718, the Computer Fraud and Abuse Act of 1986.

If there is a recorded vote ordered, it will be postponed until Wednesday, June 4.

On Wednesday, June 4, the House will meet at noon, and it will meet at 10 a.m. on the balance of the week. On the 4th we will consider H.R. 1, the Housing Act of 1985, to complete consideration, and H.R. 4116, the Domestic Volunteer Service bill, VISTA, subject to a rule being granted.

These bills are undoubtedly going to require some Thursday consideration, but it is not anticipated that there will be a Friday session that week, if we conclude the schedule as I have just announced it.

Obviously the announcement is made subject to the reservation that conference reports may be brought up at any time, and further business may be announced later.

Mr. FRENZEL. I thank the gentleman.

Mr. Speaker, the first vote will be on Wednesday, June 4, and it is the hope of the majority leadership that there will not be business on Friday, June 6. That means that we intend to dispatch the Housing Act in 2 days; is that correct?

Mr. FOLEY. If the gentleman will yield further, that is the intention.

Mr. FRENZEL. I thank the distinguished leader.

□ 1405

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JUNE 4, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, June 4, 1986.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday, June 3, 1986, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, JUNE 4, 1986

Mr. FOLEY. Mr Speaker, I ask unanimous consent that when the House adjourns on Tuesday, June 3, it adjourn to meet at noon on Wednesday, June 4, 1986.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING SPECIAL CONSENT CALENDAR DAY ON TUESDAY, JUNE 3, 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that on Tuesday, June 3, 1986, there be a special Consent Calendar day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

NATIONAL CHILDREN'S ACCIDENT PREVENTION WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 344) to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 344

Whereas the children of the United States are the most precious resource of the United States;

Whereas approximately 25 per centum of all children in the United States under the age of fourteen suffer accidental injuries each year;

Whereas accidental injury is the leading cause of death among children in the United States, resulting in more than ten thousand such deaths each year;

Whereas the incidence of such deaths can be greatly reduced by taking precautions to prevent such accidental injuries and seeking expert pediatric emergency care when such accidental injuries do occur;

Whereas the incidence of accidental injuries among children is greatest during the summer months of each year, when children are usually not in school and are outdoors much of the time; and

Whereas the adults of the United States should become aware of the significant incidence of accidental injuries to children, the increased incidence of such accidental injuries during the summer months, and the need to take precautions to prevent such accidental injuries; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 8, 1986, is designated "National Children's Accident Prevention Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FIRE FIGHTERS DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 479) to designate October 8, 1986, as "National Fire Fighters Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 479

Whereas there are over 2,000,000 professional and volunteer fire fighters in the United States;

Whereas fire fighters responded to over 2,300,000 fires and over 8,700,000 non-fire emergencies in 1984;

Whereas fire fighters have given their lives and risked injury to preserve the lives of others and protect our Nation's property;

Whereas the contributions and sacrifices of our valiant fire fighters often go unreported and are inadequately recognized by the public; and

Whereas fire fighter's work deserves the attention and gratitude of all Americans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 8, 1986, is designated as "National Fire Fighters Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HONORING LESTER R. BROWN

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the concurrent resolution (H. Con. Res. 335) honoring Lester R. Brown for his many years of service to his country, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. BURTON of Indiana. Madam Speaker, some time ago a good friend of mine, Cy Laughter, introduced me to a great American, Les Brown, better known as Les Brown and His Band of Renown.

Les Brown for over 18 years went with Bob Hope to entertain our troops throughout the world during times of military conflict, and during those 18 years he took time away from his wife and family and dedicated himself to helping our American servicemen.

Today a resolution passed this body congratulating Les Brown and honoring him for all those years of service to our country and to the American servicemen who defend this great Nation.

So today we would like to congratulate Les Brown on all the service he has done for this Nation. I have been joined in this regard by Speaker "TIP" O'NEILL, Republican leader BOB MICHEL, and the rest of the leadership, as well as many Members of this House.

We need more Americans like Les Brown and I hope everybody salutes him on this, his day.

It was once said, "To play great music you must keep your eyes on a distant star." Through the music of Les Brown, millions of people have touched that star. For more than half a century Les has entertained the world with his unique and inspiring musical compositions.

Lester R. Brown was born on March 14, 1912, in Reinerton, PA. His strong interest in music led him to the Ithaca Conservatory of Music where he received his degree in music. Les then went on to graduate valedictorian from the New York Military Academy.

Les used his musical talents as the leader of Duke University's "Duke Blue Devils" dance band. For over a year he toured the east coast with the band and in September of 1937, when most of the musicians returned to Duke, Les went to New York City and did free lance arranging for Buby Newman, Isham Jones, Jimmy Dorsey, Larry Clinton, and Red Nichols. It was in 1938 that Les started what later became Les Brown and his "Band of Renown."

From there Les Brown went on to become one of the top band leaders in the country. He has performed as musical director for several television specials, including 18 overseas Chritmas shows with Bob Hope. Some of the shows Les worked with include: Steve Allen Show—1959-1960; Milton Berle Special—1961; Hollywood Palace TV Show—1963-1964; Dean Martin Show—1965-1974; Jackie Cooper Show featuring Les Brown and his Band of Renown; Marineland TV Specials; N.A.R.A.S. TV Special (Grammy Award winners); Mel Torme "The Christmas Songs"—1979-1984; "Happy New Year, American"—1980-1983; Disneyland, Disney Channel—1984.

The great respect for Les and his musical contributions have led to his performance as guest conductor of the Los Angeles Symphony, the Denver Symphony, the Burbank Symphony, the North Carolina Symphony, the Inglewood Symphony, the Duke University Concert Band and the U.S. Air Force Band. One of his many appearances with the U.S. Air Force Band was for the return of the American hostages from Iran.

Les has had 2 million record sellers—the instrumental, "I've Got My Love To Keep Me Warm" and his famous hit, "Sentimental Journey." which was recorded by Doris Day in 1945. His credits continue in the motion picture industry where he performed for Universal's "Will Cowan Shorts." "Seven Days Leave" with Lucille Ball and "The Nutty Professor" with Jerry Lewis.

Les' great talents and dedication to the musical world earned him an Honorary Doctor of Music from his alma mater, Ithaca Conservatory of Music, now known as Ithaca College. He has performed for heads of state, including President Richard Nixon, President Ronald Reagan, and Queen Elizabeth II.

I consider it an honor and privilege to count such a great musician and humanitarian as

Les Brown as one of my friends. Les has provided sentimental journeys for many of us. He is truly an American prize and institution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 335

Whereas Lester R. (Les) Brown is recognized worldwide for his musical and humanitarian gifts to society;

Whereas Les Brown and his Band of Renown have become an American institution;

Whereas Les Brown has distinguished himself as a leading musical artist by appearing on such television programs as Bob Hope specials, the Steve Allen Show, the Milton Berle Special, the Hollywood Palace Show, the Dean Martin Show, the Jackie Cooper Show, and several other specials;

Whereas Les Brown has appeared as a guest conductor for the Los Angeles Symphony, the Denver Symphony, the Burbank Symphony, the North Carolina Symphony, the Inglewood Symphony, the Duke University Concert Band, and the United States Air Force Band;

Whereas Les Brown is known to millions of Americans through his million selling records "Sentimental Journey" and "I've Got My Love to Keep Me Warm";

Whereas Les Brown's life of music has earned him an Honorary Doctor of Music from his alma mater, Ithaca Conservatory of Music;

Whereas Les Brown has performed for such heads of state as Presidents Ronald Reagan and Richard Nixon and Queen Elizabeth II;

Whereas Les Brown's patriotism and devotion to the United States Armed Forces has led him to travel and perform with Bob Hope on eighteen overseas Christmas shows, taking him away from his home and family at that very special time of year; and

Whereas it is proper and fitting for this Nation to salute Les Brown for his personal and musical gifts to the United States and the world: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) salutes Lester R. Brown for his selfless support of the United States Armed Forces and the principles for which their members have fought and died, and

(2) recognizes his great contribution to the United States through his music and life.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CLARIFYING COMMITTEE POLICY ON COMMEMORATIVE LEGISLATION

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, I would like to take this opportunity to clarify committee policy as it pertains to commemorative legislation.

With all due respect to the gentleman from Indiana [Mr. BURTON], who introduced House Concurrent Resolution 335, a resolution honoring band leader Lester R. Brown, and the reason why the gentleman from Indiana [Mr. BURTON] has done this is because Lester Brown for many years accompanied Bob Hope for 35 years on his trips overseas during the Christmas holidays; but committee policy specifically states that proposals concerning a living person will not be reported. In spite of this policy, House Concurrent Resolution 335 was brought to the House floor today because it is not considered to be a typical commemorative. Unlike most commemoratives, House Concurrent Resolution 335 does not designate a specific date. Consequently, committee policy does not necessarily apply to this resolution. Nevertheless, I would like to make it clear that this will be the last time that we will be considering a resolution which pays tribute to a living individual, and I will adhere to this policy.

Mr. Speaker, if I may, the reasons for this are that if we do not do this, we could go on forever and ever with commemoratives to living individuals. I think it is a policy that the full committee has always had, but we have deviated over the last 3 or 4 years.

I just want to make it clear that we did this for the gentleman from Indiana because he made it very clear to us that there were other persons living who have been honored; but as far as I am concerned as chairman of the subcommittee which has to bring these resolutions to the floor, we did it for the gentleman from Indiana [Mr. BURTON], but I will not do it again.

NATIONAL HOMELESSNESS AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 347) to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. GILMAN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. MARKEY. Mr. Speaker, the problem of homelessness is a critical one. In order to increase public awareness about this issue, I have introduced House Joint Resolution 632, a "National Homelessness Awareness Week." One day later, Senator LEVIN introduced a companion bill in the Senate, Senate Joint Resolution 347, which passed the Senate on May 21. It is now time for the House to show the same resolve.

Homelessness is found in every region of our country. Daily, we see people pushing grocery carts full of their possessions or sleeping on park benches, and yet we continue to do virtually nothing. With the current shortage in low-income housing and the recent cutbacks in social service programs, this program can only grow worse. In 1985 alone, the demand for shelter rose 72 percent in over 20 major cities, according to a survey on homelessness by the U.S. Conference of Mayors.

What is so tragic is the fact that more and more of the homeless are battered women, children, elderly, and very often even entire families. These people have all been left behind in the wake of our country's economic recovery. While there has been some activity by the public and private sector, it has been wholly inadequate given the magnitude of this problem. It is time that we open our eyes and confront this long ignored crisis.

A National Homelessness Awareness Week will allow us to do just that. It will help the people of America become more aware of the problem of homelessness in this country, and it is my intention that this awareness will breed action. Originally, this resolution was to coincide with two other events that address homelessness—the airing of the Mitch Snyder Movie on CBS and Hands Across America. However, we have amended this resolution so that the week would occur June 22, 1986, in order to give both the public and private sector additional time to plan the appropriate activities.

I am proud to be the sponsor of a bill that could help raise the consciousness of people about the plight of millions of homeless Americans.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 347

Whereas an estimated 3,000,000 individuals in the United States are homeless;

Whereas an increasing number of homeless individuals are women, children, families, minorities, mental patients, and elderly individuals;

Whereas the demand for emergency shelter increased by more than 20 percent in 22 cities in 1985;

Whereas many emergency shelters do not have sufficient space to provide shelter for everyone who seeks shelter;

Whereas many emergency shelters are in violation of numerous health and safety standards;

Whereas factors contributing to the problem of homelessness include shortages in housing for low-income individuals, deinstitutionalization of mentally ill individuals, drug and alcohol abuse, and unemployment;

Whereas homelessness is a complex problem that cannot be solved by providing only food and shelter;

Whereas organizations, such as the Community for Creative Non-Violence, Luther Place, the House of Ruth, the National Coa-

lition for the Homeless, Headquarters in New York, LIFE (Love Is Feeding Everyone) in East and South Los Angeles, and Saint Peter's Coalition on Temporary Shelter in Detroit are committed to helping homeless individuals in the United States by providing food, clothes, shelter, and medical treatment;

Whereas public awareness with respect to the problem of homelessness should be increased; and

Whereas efforts by the Federal Government and the governments of States to solve the problem of homelessness should be increased: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 19, 1986, through May 24, 1986, is designated as "National Homelessness Awareness Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARICA: In the text of the joint resolution, strike "of May 19, 1986, through May 24," and insert "beginning June 22,".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. GARCIA].

The amendment was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. GARCIA: In the eighth clause of the preamble, strike "organizations," and all that follows through "Detroit" and insert "many organizations".

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from New York [Mr. GARCIA].

The amendment to the preamble was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. GARCIA: amend the title so as to read: "Joint resolution to designate the week beginning June 22, 1986, as 'National Homelessness Awareness Week'.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the various resolutions just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HONORING 50TH ANNIVERSARY OF CONSUMERS UNION OF UNITED STATES

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 95) to recognize and honor the contributions of Consumers Union, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. RINALDO. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Colorado to explain the resolution.

Mr. WIRTH. Mr. Speaker, if the gentleman will yield, Senate Concurrent Resolution 95 is identical to a resolution introduced in the House by the gentlewoman from California [Mrs. BURTON].

I would ask the gentleman to yield to the gentlewoman from California for the purpose of a further explanation of the resolution.

Mr. RINALDO. Further reserving the right to object, Mr. Speaker, I am pleased to yield to the gentlewoman from California.

Mrs. BURTON of California. Mr. Speaker, I rise in strong support of Senate Concurrent Resolution 95, to recognize and honor the Consumers Union on the 50th anniversary of its founding.

I introduced identical legislation in the House, and so I am very pleased to see that the committee has agreed to act quickly to pass this resolution.

Since 1936, the Consumers Union has been providing American consumers with expert, impartial recommendations concerning the quality, safety, value, and usefulness of consumer products and services. Through the Consumers Union publication, Consumer Reports, we have been warned of goods that posed a threat to either health or pocketbook. Just the same, if some product or service deserved praise, Consumers let us know that, too.

Consumers Union has worked to educate and alert American consumers through various activities including product testing; service evaluation; publishing magazines, newsletters, and books; producing television shows; and legislative as well as legal efforts. With these tools, consumers in America and around the world have been strengthened in their fight against fraud and hazardous or poorly made products.

In an increasingly sophisticated market, where advertising executives try to lure consumers with seductive, exhilarating ad campaigns, Consumers play a vital role in delivering the unadorned facts. We owe a great deal to the work of the Consumers Union. As a result of the efforts of this valuable organization we have certainly saved money and we have undoubtedly saved lives.

I urge my colleagues to pass the Senate resolution and give recognition to this worthy organization.

Mr. WIRTH. Mr. Speaker, will the gentleman yield further?

Mr. RINALDO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Speaker, Senate Concurrent Resolution 95 is identical to a resolution introduced in the House by the gentlewoman from California [Mrs. BURTON] and is intended to honor Consumers Union for its years of service to all Americans. Consumers Union was formed in 1936 with its goal to "create and maintain decent living standards for ultimate consumers." Since that time CU has been a major force in providing consumers with much-needed information about the products we buy. Its magazine, Consumer Reports, has become an invaluable resource for anyone looking for a good buy and for safe products.

Consumers Union has spoken out on behalf of consumers for many years. The organization has been instrumental in the creation of important advocacy groups such as Consumer Federation of America, the Center for Auto Safety, the American Council of Consumer Interests, and others.

This year Consumers Union is celebrating its 50th anniversary. It is with great pleasure that I join many of my colleagues in wishing Consumers Union well, and thanking the organization for a half century of serving the public interest. Senate Concurrent Resolution 95 simply commemorates this great achievement.

I urge that we adopt this resolution.

Mr. RINALDO. Further reserving the right to object, I want to join in the commendations of my colleague and friend, the chairman of the Telecommunications Subcommittee and my colleague and friend, the gentlewoman from California, and offer my congratulations to the Consumers Union on its 50th anniversary.

This organization has been working tirelessly for the last half century to get information to the consumer so that he or she can make the best-informed purchase possible. They play an important role in our marketplace and they show exactly what private individuals can do when working together to help protect consumers from shoddy products and false claims. I

wish them continued success in their endeavors.

Mr. WAXMAN. Mr. Speaker, I am pleased to rise in support of a resolution honoring one of this Nation's most effective consumer advocacy organizations. For 50 years the Consumers Union has served the public as an independent and unimpeachable source of information about the value, effectiveness, and safety of consumer products. It has established an enviable reputation for integrity and conscientiousness. It has earned the respect of the consuming public as well as industry.

The founders of Consumers Union, its past and current staff, and the millions of its members are to be congratulated on the eve of this golden anniversary. Passage of Senate Concurrent Resolution 95 is a much deserved tribute.

I want to commend the gentlelady from California, Mrs. BURTON, and my good friend from Colorado, Mr. WIRTH, for bringing this resolution before us.

I urge support for the resolution.

Mr. RINALDO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 95

Whereas for the past fifty years Consumers Union has provided consumers with necessary facts to participate in an increasingly complex marketplace, through the publication Consumer Reports;

Whereas Consumers Union has become a widely respected source of impartial information about consumer products and services, and legislation and regulations affecting consumers;

Whereas Consumers Union has crusaded for fifty years for improvements in product safety, and has played an important role in reducing hazards to consumers;

Whereas Consumers Union has pursued reforms to make the marketplace more fair for consumers, and has been a leader in helping advance the consumer interest in the United States and around the world; and

Whereas Consumers Union is celebrating its fiftieth anniversary in 1986, with plans that include providing increased services: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress recognizes and honors the Consumers Union for the continuing contributions made in informing, protecting, and aiding consumers in the Nation.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR REDUCTION IN TERM OF OFFICE OF MEMBERS OF FEDERAL COMMUNICATIONS COMMISSION

Mr. WIRTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2179) to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. RINALDO. Mr. Speaker, reserving the right to object, and I do not object, I yield to the gentleman from Colorado for a brief explanation of what the bill does and its relationship to the appointment of an FCC Commissioner presently pending in the other body.

Mr. WIRTH. Mr. Speaker, if the gentleman will yield on his reservation, this legislation which was introduced in the other body is simply a noncontroversial amendment to the Communications Act of 1934. In short, it reduces the terms of the members of the Federal Communications Commission from 7 to 5 years in order to bring their terms of office into sync with the size of the FCC, which was reduced 3 years ago from seven to five members.

As I stated this legislation originated in the Senate, and I cannot speak for that body which, of course, has the responsibility for confirming Presidential nominees to the FCC. However, from our point of view, this is simply a technical change to bring the terms of office of the FCC parallel with the number of Commissioners that agency now has and is consistant with the policy which we have discussed in the Commerce Committee.

My colleagues will recall that in 1982 we reduced the size of the Commission from seven to five members. However, at that time we did not adjust the staggered terms of office to reflect that reduction. What that means is that there are now 2 years out of every 7 in which no FCC term expires.

This is important for a couple of reasons. First, whomever is elected President in 1988 would not, under current law, have the opportunity to appoint an FCC Commissioner until 1991.

Second, is the fact that the opportunity for the legislative branch to monitor the general policies of the Commission would be greatly diminished by the 2-year gaps in Commission terms.

This legislation would remedy this by reducing the length of terms to 5 years. It also alters the length of two Commission terms—the one formerly held by Henry Rivera that ends in 1987, and the successor to the one currently held by Chairman Fowler that expires in 1986—in order to create a rotation that will ensure that a term expires in 1989 and 1990—2 years in which there are currently no terms set to expire.

This is a commonsense amendment to the Communications Act that has received bipartisan support in both Houses as well as in the communications industry itself. I urge my colleagues to support this measure that will help to maintain the orderly and efficient operation of the FCC and the communications industry.

Mr. RINALDO. Mr. Speaker, further reserving the right to object, the minority has no objection to the legislation, but would the gentleman confirm my understanding that the administration also supports this legislation?

Mr. WIRTH. Mr. Speaker, if the gentleman will yield, my understanding is that is the case.

Mr. RINALDO. Mr. Speaker, I thank the gentleman from Colorado.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(c) of the Communications Act of 1934 (47 U.S.C. 154(c)), is amended by striking "seven" and inserting in lieu thereof "five".

(b) The amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act, except that—

(1) upon the expiration of the term of office prescribed by law to occur on June 30, 1986, any person appointed as a member of the Federal Communications Commission to fill such office for the term following such date shall be eligible to serve until June 30, 1990, and any person appointed as a member of the Federal Communications Commission to the term of office prescribed by law to expire on June 30, 1987, shall be eligible to serve until June 30, 1989; and

(2) notwithstanding the provision of subsection (a) of this section, persons appointed as members of the Federal Communications Commission to terms of office prescribed by law to expire on June 30, 1988, June 30, 1991, and June 30, 1992, shall be eligible to serve until the expiration of the term of office on June 30, 1988, June 30, 1991, and June 30, 1992, whichever is applicable.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate concurrent resolution and Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

WE MUST AMEND CIVIL "RICO"

(Mr. SMITH of Florida asked and was given permission to address the

House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida Mr. Speaker, in recent years a dramatic number of lawsuits have been filed against legitimate businesses under the civil remedies provisions of RICO.

RICO was designed to combat organized crime, but Congress also provided civil remedies for victims of racketeering activities. Despite clear congressional intent to link civil remedies to violations of the underlying criminal statute, the law has, in the words of the Supreme Court, evolved "into something never contemplated by Congress." Indeed, since RICO is being used against legitimate businesses in ordinary commercial disputes, many defendants settle claims in order to avoid the stigma of being labeled a "racketeer."

Congress must remedy this inappropriate application of RICO. As one who worked extensively in the drafting and passage of Florida's "Little RICO" statute, I believe the solution is embodied in H.R. 2943, introduced by Representative RICK BOUCHER. That bill retains RICO's civil remedies but provides that a defendant could not be sued for civil damages unless first convicted of a RICO violation or one of the predicate acts. This is a fair and reasonable proposal. I support it, and so do more than half of the Judiciary Committee members.

I hope that the committee soon will have the opportunity to report this bill to the House. Then we will be able to use RICO's civil remedies as Congress originally intended.

MEMBERS' CLERK HIRE ALLOWANCE

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FAZIO. Mr. Speaker, on behalf of the chairman of the Committee on House Administration, FRANK ANNUNZIO, the ranking minority member of the Subcommittee on Legislative Branch Appropriations, JERRY LEWIS, and myself as the chairman of the subcommittee, I want to inform the House that each Member will shortly receive notice from the Clerk of the House that the appropriations level for the clerk hire allowance is being revised to $273,748. This will set the level of funding in this account at 92.5 percent of authorization or 3.2 percent below the Gramm-Rudman target of 95.7 percent. We are able to take this action because of the fiscal responsibility that has been demonstrated by the Members of this body. This reprogramming has been approved by the Legislative Branch Subcommittee on Appropriations because it represents the exercise of sound management that is missing in the across-the-board sequestration action that was taken under the first round of Gramm-Rudman. This is possible as a direct result of the fact that Members have chosen to conserve on nonpersonnel items such as equipment in favor of retaining the more valuable asset, trained staff.

Mr. Speaker, I am including the text of the Clerk's notice at this point:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 23, 1986.

MEMORANDUM

To: Members, Resident Commissioner and Delegates.
From: Benjamin J. Guthrie, Clerk, U.S. House of Representatives.
Subject: Change in Clerk hire funds available.

In accordance with the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman), I wrote to you on February 3, 1986 and advised you of the sums available for expenditure from your allowances. Since that time, at my direction, the Office of Finance has been tracking the financial performance of the House very closely.

The results of this monitoring make it readily apparent that the House has taken Gramm-Rudman seriously. Substantial economies are being effected through management actions in many areas.

However, it is also apparent that the across-the-board methodology directed by Gramm-Rudman has created serious hardship in a few areas. Therefore, after consultation with the Committee on House Administration and the approval of the reprogramming of available funds by the Committee on Appropriations, the amount available to each Member for expenditure from the Clerk Hire Allowance is hereby increased by $8,000. This makes the not-to-exceed amount for the period January 1, 1986 through September 30, 1986 a total of $273,748, and sets the funding level in this account at 92.5 percent of authorization.

Should you have any questions, please do not hesitate to contact the Chief of the Office of Finance, Mr. Robert S. McGuire, or your Financial Counselor on extension 56514.

CONGRESS TO VOTE ON TEST BAN ISSUE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Madam Speaker, earlier this month, Soviet leader Mikhail Gorbachev renewed a moratorium on the testing of nuclear weapons until August 6, 1987.

The Reagan administration scoffed and outright rejected the proposal. In fact, Frank Gaffney, a Deputy Assistant Secretary, has claimed that there is no chance that Congress will take actions to withhold funds for nuclear testing.

Mr. Speaker, the American public is fed up with this administration's arrogance and apathy on arms control.

The Soviets have asked for a test ban. Leaders of our allied nations have asked for a test ban. Over 100 American communities have asked for a test ban.

President Reagan's response has been silence—290 days of silence.

Congress will not be silent. We will act. In June, when the Department of Energy Authorization Act is before the House, I will offer an amendment to cut funds for the testing of nuclear weapons. At the very least, we owe the American people a debate on this issue.

We cannot pass up a chance of a lifetime for a lifetime of chance. And chance has been the lesson of Chernobyl.

Today, the countdown begins. We have 75 days until August 6, the day the Soviet moratorium ends.

Mr. President, please seriously consider the Soviet challenge to a moratorium. However, we assure you, if you won't, Congress will.

AUTHORIZE THE SUPERFUND PROGRAM NOW

(Mr. DARDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DARDEN. Madam Speaker, the stark reality of the problem of hazardous waste dumping was brought home to the people of northwest Georgia recently by the discovery of almost 2,000 barrels of chemical waste at the Naomi community, in Walker County, GA.

This site has been called the worst case of so-called "midnight dumping" in Georgia history. It is now being cleaned up through the combined efforts of the Federal Environmental Protection Agency and Georgia's Environmental Protection Division.

The reputation of the Superfund Program has suffered in recent years because of the controversies within the EPA, but Superfund continues to do an excellent job of cleaning up toxic waste sites all over the country. Instances such as this clearly demonstrate the necessity for a viable Superfund Program.

Madam Speaker, I urge my colleagues to move expeditiously on the authorization of the Superfund Program so that there will be no interruption of this vital effort to protect our environment and our people.

TRIBUTE TO RALPH LAVERNE McAFEE

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEPPER. Madam Speaker, on March 7 of this year there was a memorial service at Trinity Church in New York City for one of the great lawyers, notable patriots, and one of the most memorable men I have known, Ralph LaVerne McAfee, senior partner of the New York law firm of Cravath, Swaine & Moore. On that occasion one of the senior members of Mr. McAfee's law firm, Mr. John R. Hupper, delivered a magnificent memorial address.

On the following day, March 8, there was another memorial service for Mr. McAfee at St. Mary's Church in Scarborough, NY, Mr. McAfee's church. On this occasion the memorial address was delivered by another senior member of Mr. McAfee's law firm, Mr. Thomas D. Barr, another magnificent address.

In both of these eulogies, Mr. Hupper and Mr. Barr, from their long association with their senior partner, portrayed the greatness, the charm, the skill and the courage of this exceptional man, Ralph McAfee. These orations eloquently tell the moving American story of how this son of a Texas minister rose to be the senior partner of one of the Nation's greatest law firms and became one of the most eminent members of the American Bar, and both of these speakers eloquently tell the story of how Mr. McAfee loved his country and the heroism with which he served it in World War II. They tell the story of a man of extraordinary charm and gentleness, yet a man also noted for his strength and persistence.

Beginning in 1955 it became my privilege as a lawyer to work with Mr. McAfee. We remained warm friends through all the intervening years and I had the privilege of attending both of these memorial services. I have known no greater American, no better friend, no more able lawyer than Ralph McAfee. I would say as Anthony observed over the body of the fallen Brutus on the field of Philippi: "His life was gentle and the elements so mixed in him that nature might stand up and say for all the world, 'this was a man' ".

Madam Speaker, I ask the memorial addresses of Mr. Hupper and Mr. Barr be printed in the record as follows:

RALPH LAVERNE MCAFEE, 1914-1986

MEMORIAL SERVICE AT TRINITY CHURCH IN NEW YORK CITY ON FRIDAY, MARCH 7, 1986

It is a rare event indeed which qualifies for recording in the archives both of the august firm of Cravath, Swaine & Moore and of the New York City Department of Police.

Nevertheless, such an event did occur in November, 1940. It was shortly after a serious-minded young Cravath associate had received Greetings from no less a personage than the President of the United States, advising that there had been conferred upon him the honor of being chosen as the first person from New York in the Selective Service Draft. Obviously, some sort of proper celebration was in order. What transpired thereafter was of sufficient notoriety to be given extensive attention in the New York press. One account, in the Daily News for November 25, 1940, reads in part essentially as follows:

"36 COPS CORRAL 1 COWBOY"

"Ralph LaVerne (don't let that LaVerne stuff fool you) McAfee, the Moody Maelstrom, fought 36 assorted policemen in view of 1,500 spectators on 14th Street near Second Avenue at 8:30 last night. . . . The controversy developed after McAfee and a lone patrolman had had a few words and the patrolman had suggested—but firmly—that McAfee mosey along and McAfee knocked the patrolman's hat off. And for 15 minutes the ensuing battle made the recent Bummy Davis-Fritzie Zivic affair at Madison Square Garden seem like a strawberry festival. The crowd grew by hundreds, springing up out of nowhere, and by the time a call went through to headquarters, there were 1,500 at the ringside. . . . And in the end, McAfee, a Texas cowboy, six feet one inch tall and 180 pounds on the hoof, was conquered. . . . To be sure, it took seven cops to get McAfee into a patrol wagon. . . . And at the Fifth Street Station, McAfee, still not wholly tamed, made a last pass at the desk sergeant."

News accounts for a subsequent day record how a penitent McAfee, ably represented by his older brother Horace, made his peace with the authorities and was sent off to the war with a suspended sentence.

In retrospect, it can be seen that this light-hearted little episode was not merely the product of youthful exuberance. Rather, it evidenced the utter fearlessness that throughout his life was a fundamental element of Ralph's character. He was always completely indifferent to the odds that might be arrayed against him. The odds did not shake him in China and Burma where he helped train Chiang Kai-shek's forces in hand-to-hand combat. They did not shake him in his later law practice, where for many years he took on far more than his share of the toughest and most taxing cases, and in which through the sheer force of his unflagging will be often achieved extraordinary results. And the odds never shook him when he was desperately ill after a very serious accident years ago which almost took his life. Quite to the contrary, he rebounded from that terrible time with renewed vigor and a firm resolve in which he persevered for the rest of his life.

As a trial lawyer, Ralph had few peers. He always mastered the principles of the law applicable to his case. But he brought much more to a case. He had a marvelous gut, an uncanny ability to sense—no matter how clear the law might be—that many other considerations, such as the vagaries of human nature, could greatly affect the final decision. If was for this reason that he was such a valued counsellor to his clients, to his colleagues at his firm, and indeed even to his adversaries and to the court. As one Judge who knew him well recently wrote: "McAfee embodied everything that a good lawyer should have—intelligence, good judgment, integrity and a willingness to see the other side of the problem". Yet, at the same time, he knew what was right, and when he was sure, he was absolutely indomitable in pursuing the right.

Ralph McAfee was also a great leader and teacher of young lawyers, often in a somewhat unorthodox way. As a great judge of human nature, he suspected that many of us would learn faster and perform better if he announced to us certain guidelines, and then left us to solve the problem and execute the solution—always under the watchful eye, to be sure. We who were on the receiving end of these challenges sometimes found them unsettling, but we learned by experience that they quickly led to much higher levels of competence and achievement. Very few others than Ralph could have succeeded with his unconventional teaching technique. But it worked marvellously well for him because of his wisdom, his shrewd judgment of people's capabilities, his treatment as an absolute equal of everybody who worked hard for him, and his knack of seeing humor and radiating confidence even in circumstances of great adversity. And, of course, these qualities in Ralph inspired in us enormous loyalty and a willingness to follow him almost anywhere.

But Ralph had certain truly unusual personal qualities which I think will be even longer remembered than his professional achievements. There were so many different sides of him! I would be less than frank if I did not note in passing that Ralph had, in the view of some, a number of eccentricities—and I am not referring to his habit of arriving at the office before 5:00 a.m. in the morning. For one thing, he certainly had an enormous, if not enviable, command of the most basic idiom, which he was known often to articulate in loud tones. He could also exhibit an absolutely monumental temper (although he seemed able to turn it on and off at will). And in his younger years he was physically extremely formidable, and when properly aroused he was not reluctant to intimate the possibility of committing a serious battery. Indeed, he was affectionately known by some of his intimates in those days as "the bull". And yet, these attributes could not, after you knew Ralph for more than just a little while, obscure the fact that he was one of the most courteous, kind and most generous of men.

Growing up as a minister's son in small towns on the dusty plains of Southwest Texas, Ralph early learned what life was all about. Although those years were far behind him as he achieved national renown at the pinnacle of his profession, he always retained his truly common touch.

He was one of the most approachable persons you could ever hope to meet. How could one resist liking someone with that marvellously mobile big face, which could alternate so quickly from a stern frown to the beginning of a grin to a broad smile? Or those bursts of laughter as he would throw back his head and clap his hands with delight? Or that often almost bizarre sense of humor? Even more importantly, he utterly lacked pretense, and you always knew where you stood with him. And you knew, once you became his friend, there was nothing he would not try to do in your behalf.

Ralph loved to join with his friends in good fellowship and conviviality. He loved perhaps most of all their companionship in the great game of golf, which he pursued from the heat of summer to the snows of winter at his beloved Sleepy Hollow, conspicuous with that woodchopper-like swing, which strangely often produced extremely impressive results.

To the very end, Ralph maintained a zestful and youthful outlook on life. His friends were of all ages and many found his chronological age hard to believe. We still do.

I talked with Ralph the day before he last left for the West Coast. He was the same old

McAfee, and it was clear to me his thoughts were all of the future. He was charting his master strategy for his big case in Seattle. He was expounding on his plans for a happy visit with his family in California. He was talking about soon building a new house there next to the golf club he had just joined. He had utterly no intention of leaving this world anytime soon. But I am confident that the way he departed—en route to meeting the next challenge in an important case—was surely the way he would prefer. For to the very end he was strong in will—striving, seeking, finding and never yielding.

I think it fitting that I conclude my happy thoughts of Ralph today with Shakespeare's immortal lines.

"This was a man, take him for all in all, We shall not look upon his like again."

JOHN R. HUPPER.

MEMORIAL SERVICE AT ST. MARY'S CHURCH IN SCARBOROUGH, NEW YORK ON SATURDAY, MARCH 8, 1986

From the Fifteenth Psalm of David: "Lord, who shall abide in thy tabernacle? Who shall dwell in the holy hill? He that walketh uprightly, and worketh righteousness, and speaketh the truth in his heart."

More than most, Ralph McAfee spoke the truth in his heart. We are gathered here today in this beautiful church in the wildwood to celebrate him and his truth.

Ralph, I am sure, is very much impressed with the fact that we are having two memorial services—yesterday's in New York with his friends and colleagues on Wall Street and here today with his friends and colleagues from his more important weekend occupations.

In many ways Ralph was not a contemporary man. We see him perhaps more clearly on the frontier—certainly, he was a man to go to the well with—or perhaps even at Armageddon, in the breach, battling for the Lord. He was a man of remarkable courage and great willpower. He was a warm, charming, caring man—a Beau Geste.

The son of a Methodist minister, he grew up in the small Texas towns of the 1920s and early 1930s and, as he often said, he was the typical minister's son, Led, as he was in many things, by his brother Horace, he came to New York and graduated from Columbia in 1936, from Columbia Law School in 1939, and came directly to the Cravath firm, but not for long. In November 1940 he was the very first person drafted in New York under the then new Selective Service Act. He served in the Army of the United States for almost five years. He served as part of a volunteer group behind enemy lines in China, Burma and India in what was a particularly difficult and dangerous war. He then trained Chinese troops in hand-to-hand combat and thereafter served in military intelligence in Washington, D.C. He left the Army in late 1945 as a Major.

There followed immediately a brilliant, romantic courtship of the lovely Carolyn and in due course they had three fine children, all of whom he deeply loved.

He returned to Cravath in 1946, became a partner in 1952 and was actively and hotly engaged as a litigator right up to the very last moment.

As young lawyers, many of us carried his bags, wrote his briefs, sat at his feet and learned. When we grew wiser in the law and able in our own right, we still sat at his feet and still learned. We learned because Ralph knew things that others did not. He knew people, judges, juries—what they thought and how they felt. He knew where the right was, what made sense and—however clearly proved and brilliantly argued—what did not make sense.

He had many victories and triumphs. Looking back, I see that just like the nasty piece of war for which he volunteered, he also had more than his share of difficult problems and cases—cases that seem to have no winning scenarios, cases for which there appeared no good solutions. Somehow with his great skill and stamina and his special pride, which made him take the most desperate cases and then hang on until he could find a way to solve them, he prevailed when others would have quit.

I will tell just one story to illustrate the man. As you all know, litigation is processed through our court system initially by a trial judge and perhaps a jury. That judge makes a number of preliminary rulings and decisions and ultimately enters a final judgment. That final judgment may then be appealed to a higher court—three or five or even more judges. An appeal may be done only with great formality. The appellant files a carefully written brief, his opponent responds, a particular limited period of time is set for oral argument and then one appears at the appointed time, and presents a well prepared argument. Well, Ralph was trying a case in a Federal District Court in Manhattan and towards the end of the morning the trial judge made a preliminary ruling which Ralph thought was plainly wrong and not in his client's interest. He, therefore, asked the trial judge for a brief adjournment, took his opponent out in the hall and said, "I am going up to the Court of Appeals right now". With that, he grabbed his opponent, got into an elevator and went to the Court of Appeals. The Court of Appeals courtroom is a very solemn, impressive place and Ralph entered just as the three judges sitting on the bench were about to depart for lunch. As they were rising, he came charging down the aisle, urgently stating, "My name is Ralph McAfee and I have an important matter I would like the court to hear". The presiding judge that day was the famous Learned Hand. Judge Hand, by any measure, was an extremely formidable personality. He said, "Mr. McAfee, I don't know how you got here; I certainly don't think you have any right to be here—indeed, I don't think you are even here." Undeterred, Ralph immediately responded, "But, Your Honor, this is terribly wrong and something must be done about it immediately". Judge Hand slowly sank back into his chair and sighed, "Well, go ahead". Ralph quickly outlined his problem. His opponent then sputtered a few things about the irregularity and even impropriety of the whole matter and Judge Hand then said, "Well, Mr. McAfee, I still don't think you are here, but why don't you go back and see the trial judge after lunch and see if he hasn't changed his mind". Ralph went back after lunch and the trial judge immediately said, "I have had the opportunity over the lunch recess to reflect and to consult with one of my wiser colleagues and I have decided to reverse myself." That was typical of Ralph. He never gave up. He never gave up as a lawyer and he never gave up as a friend.

He was a friend who was one-sided and belligerent in your behalf. He was always eager to celebrate your joys and triumphs and he was always ready and there when he was needed.

Yesterday, Trinity Church was filled with his friends. Today we join them in our affection for Ralph. His was truly a great heart.

He had many of the warrior virtues. He was straight, plain, blunt and open, but he was also a thinking, caring, feeling man.

That blend of skill and virtue recalls the courage and exuberance of Ulysses, and it is with a bit of that poem that I will close. These words capture Ralph for me.

You will remember that the Tennyson poem takes up after Ulysses has returned from the Trojan War to Ithaca and after all of the adventures that are described in the Odyssey. Tennyson writes:

I cannot rest from travel; I will drink
Life to the lees. All times I have enjoy'd
Greatly, have suffer'd greatly, both with those
That loved me, and alone; on shore, and when
Thro' scudding drifts the rainy Hyades
Vext the dim sea. I am become a name;
For always roaming with a hungry heart
Much have I seen and known—cities of men
And manners, climates, councils, governments,
Myself not least, but honor'd of them all—
And drunk delight of battle with my peers,
Far on the ringing plains of windy Troy.
I am a part of all that I have met;
Yet all experience is an arch where thro'
Gleams that untravell'd world whose margin fades
For ever and for ever when I move.

* * * * *

Tho' much is taken, much abides; and tho'
We are not now that strength which in old days
Moved earth and heaven, that which we are, we are—
One equal temper of heroic hearts,
Made weak by time and fate, but strong in will
To strive, to seek, to find, and not to yield.

THOMAS D. BARR.

SALUTE TO THE CREW MEMBERS OF THE "PRIDE OF BALTIMORE"

(Mr. DYSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYSON. Madam Speaker, I would like to take a few moments to reflect upon a very sad loss to the people of Maryland and to the people of this Nation. As I am sure you have read, we lost the precious lives of crew members aboard the *Pride of Baltimore*. And we lost the *Pride* itself.

It's very difficult to describe the sense of loss and sadness the people of Maryland feel at such a time. As that great ship made its way around the world it carried in its giant billowing sails the full breath of Maryland's pride and glory. It signified all that was bright and beautiful, steady and promising about the State of Maryland and all the people who live there.

Madam Speaker, the courage and bravery of the crew on the *Pride of Baltimore* should be noted by this body. Many of us read of human lives being lost and threatened, but few of us ever face a situation where our lives are measured by moments. Few of us are ever really placed in harm's way

and watch our fellows flounder in the seas of death and destruction. All of us believe that when the time comes, we will be brave and full of courage. At least that is what we hope we will find in our hearts and souls when we are in need of those qualities.

The survivors of the *Pride of Baltimore* were wrenched free from the safety of the *Pride's* broad beams and tall sails and thrown into an angry sea, left to their own abilities and the combined courage of their shipmates. Once in the water they learned the true meaning of human survival and friendship.

Mr. Speaker, on the morning the ship went down, Capt. Armin E. Elsaesser III, called all hands on deck at 11:30. The winds had increased to 35 knots, but the ship was still sailing smoothly. Captain Elsaesser directed the crew to lower two of the three sails. Then without warning, a wall of water and winds rose up before them and overcame the proud and mighty *Pride of Baltimore* and sent it to the bottom of the sea. All its days of sunny skies and happy following seas were over as the sea claimed the *Pride of Baltimore.*

One of the crew members, Mr. James Chesney, 25, was preparing soup for lunch and said, "It was not raining, but it was solid water everywhere, for 20 feet up it was a solid plume of water and waves."

Madam Speaker, I would like to express my sense of gratitude to the crew members of the *Pride of Baltimore.*

To Capt. Armin E. Elsaesser III, and his crewmates, Vinney Lazaro, John Flanagan, Daniel Krachuk, Robert Foster, Joseph McGready, Susan Huesman, Leslie McNish, James Chesney, Scott Jeffrey, Barry Duckworth, and Nina Schack of Baltimore, Maryland, tips its hat and I personally tip my heart to them, in the presence of the Members of this Chamber and the combined hearts of the people of this Nation.

BIENNIAL REPORT ON CARIBBEAN BASIN ECONOMIC RECOVERY ACT IMPLEMENTATION OF STABLE FOOD PRODUCTION PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mrs. LONG) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means:

To the Congress of the United States:

Section 213(c) of the Caribbean Basin Economic Recovery Act (CBERA) requires that all beneficiary countries exporting beef or sugar to the United States under the duty-free provisions of the Act submit a stable food production plan. Food plans consist of measures and proposals to ensure that food production in and the nutritional level of the population of a beneficiary country are not adversely affected by changes in land and other resources use that could result from increased sugar and beef production undertaken in response to the duty-free treatment for these exports into the United States.

In accordance with section 213(c)(4) (19 U.S.C. 2703(c)(4)) of the Caribbean Basin Economic Recovery Act (CBERA), I am submitting to you my biennial report on the extent to which each CBERA beneficiary has implemented its stable food production plan and the results of such implementation. My report concludes that each beneficiary country has demonstrated a good faith effort to implement and monitor its stable food production plan, although there have been varying degrees of success in country efforts to improve nutritional levels and to increase agricultural productivity.

RONALD REAGAN.

THE WHITE HOUSE, *May 22, 1986.*

KAISA RANDPERE

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LOWRY of Washington. Madam Speaker, I would like to take a moment to discuss a human rights case that concerns me very much. That is the case of Kaisa Randpere, a little 2-year-old Estonian girl. Kaisa's parents, Valdo Randpere and Leila Miller, were forced to leave her behind when they escaped from the Soviet Union in August 1984.

The Randperes have repeatedly tried to obtain an exit visa for Kaisa. They have faced bureaucratic delays and an outright denial on the grounds that they "no longer want their daughter." Soviet consular officials have gone so far as to tell them that they will never see Kaisa again.

I had the opportunity to meet Mr. and Mrs. Randpere during their recent visit to Washington, DC. As a father, I find it heartbreaking to think of the situation they are in, unable to be with their daughter as she grows up.

The U.S.S.R. is a party to the Helsinki Final Act and other international agreements that guarantee the right to emigrate. The Helsinki Final Act states that "participating states will deal in a positive and humanitarian spirit with applications of persons who wish to be reunited with members of their family," and calls for special attention to requests of an urgent nature. It is hard to imagine a more urgent case than this one.

Along with many other Members, I have worked to bring this case to the attention of General Secretary Gorbachev, President Reagan, and the U.S. delegation to the Berne Human Contacts meeting. I am very grateful for the support that so many Members of Congress have given to these efforts.

I would also like to express my deepest appreciation to the members of the Committee to Free Kaisa Randpere. Henno Parks, Mari-Ann Rikken, and Vello Karuks are especially deserving of mention for their dedicated work. Mr. Karuks, a resident of my own State of Washington, has been extraordinarily creative in his work on behalf of the Randperes. I have attached excerpts from an article on his efforts that appeared in the Seattle Post-Intelligencer in April.

KIDS WRITE TO GORBACHEV: LET KAISA GO

(By Don Fair)

"Dear Mr. Gorbachev:

"Will you please reales Kaisa Randpere. I would like you a bunch more."

"Dear Mr. and Mrs Mikhail Gorbachev:

"I saw a picture of you. I am kind of impressed. Why don't you let the little girl go? Everyone is quite angry at you! That isn't good. I hope you read this letter."

For more than 20 months, Kaisa Randpere has been a hostage of sorts, separated since August 1984 from her parents, who defected to Sweden.

Because she is only 3, Kaisa has been called the "world's youngest political prisoner."

Her plight—she lives with a maternal grandmother in Tallin, Estonia, because the Soviets have not permitted a reunion with her parents—has attracted the concern of members of Congress and hundreds of Seattle-area schoolchildren.

They write letters to Soviet leader Mikhail Gorbachev and to other high-ranking Soviet officials.

Kaisa was 14 months old, her mother was one of Estonia's leading pop music stars, and her father was deputy minister of justice in Estonia when the parents escaped during a cultural tour of Finland. The mother and father have lived in Sweden since defecting, but both are expected to move to the United States within the next six weeks.

Vello Karuks, 59, a Kirkland resident and an engineer with a Seattle fabricating company, is the reason Puget Sound-area children have taken up the cause to free the young girl.

Karuks has never met any of the family, but he also was born in Estonia, and he, his parents and a brother fled in 1944. He now is a U.S. citizen.

"I became involved in Kaisa's cause simply because I have been supporting dissidents living in Estonia, behind the Iron Curtain, since I left there," he said. "For the past eight years, I've been involved with an organization known as the Relief Center for Estonian Prisoners of Conscience in the U.S.S.R."

About a year ago, he was asked to help the Committee to Free Kaisa Randpere, located in Trexlertown, Pa., and he accepted.

Since then, he has been urging local schoolchildren and the state's politicians to write the Soviet requesting Kaisa's release.

"The girl's parents have already been rejected four times by Russian authorities in their formal request to get their daughter back as per the Helsinki accord to which Russia agreed," he said. "We have also heard that Soviet authorities threatened to take the girl from her grandmother and put her in an orphanage.

"The grandmother lost her job and has been threatened with imprisonment in a psychiatric hospital."

So that is the message Karuks spreads, and he has found receptive audiences among the schoolchildren as well as politicians.

Twenty-nine students at Sunrise Elementary in Woodinville were among the first to write. Some of their letters were mailed to the White House, others given to Karuks, who sent them by registered letter to Mikhail Gorbachev, The Kremlin, Staraya, Pl. 4, Moscow, USSR.

He knows they arrived in Moscow because he has a receipt showing that somebody signed for them.

This week, he was presented with another 139 letters, written by first- and fourth-graders.

Karuks says anybody, young or old, who wants to join in writing to free Kaisa can do so by contacting him at 14840 119th Place N.E., Kirkland, 98033.

□ 1430

GENERAL LEAVE

Mr. FRANK. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks, and to include extraneous matter, on H.R. 4800, which passed the House today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HANDS ACROSS AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 5 minutes.

Mr. GILMAN. Madam Speaker, on this Sunday, May 25, millions of our fellow Americans are going to be joining hands across America to raise money for our Nation's hungry and homeless.

Hands Across America is an extremely ambitious undertaking designed to join some 5 million Americans together from the Statue of Liberty to Long Beach, CA, to raise billions of dollars to try to help alleviate hunger and homelessness in this Nation.

The turnout for this unprecedented event is expected to be significant, as citizens make their commitment to alleviating hunger and malnutrition, which is all too prevalent in our Nation.

As we look forward to Sunday, I wanted to take this opportunity, Madam Speaker, to point out to my colleagues that spaces near some of the more rural and remote areas outside of our larger towns and cities along the route from Los Angeles to New York still await being filled.

I am hopeful that this nationwide human chain of Hands Across America can be completed, and I urge all who have not done so to register now for their place in line and I hope our colleagues will encourage a good turnout for this event.

It is my understanding that those unable to register prior to Sunday can sign up using pledge cards available along the line.

Madam Speaker, Congress recently adopted legislation commemorating the Hands Across America event. It will be, I am certain, an event long to be remembered as a watershed in our effort to mobilize our Nation to work to eradicate the suffering and misery caused by hunger.

Again, I invite my colleagues to join in this effort.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MACKAY] is recognized for 5 minutes.

Mr. MACKAY. Madam Speaker, on Wednesday, May 21, I was delayed at a national conference on deficit reduction here in Washington and was unable to return to the Capitol in time to record my vote to suspend the rules and pass S. 2416, to increase the ceiling on VA Home Loan Guaranty Programs.

Had I been able to cast my vote, I would have voted "aye." This legislation is necessary because the estimates of loan demand were drastically underestimated given falling interest rates and increased home sales. This bill will actually save money in 1986, and increase costs only very slightly in 1987 and 1988.

I appreciate having this opportunity to state my support for this bill for the RECORD.

ALL-AMERICAN VFW DISTRICT COMMANDER AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 5 minutes.

Mrs. BENTLEY. Madam speaker, it was recently brought to my attention that the National Veterans of Foreign Wars of the United States will honor the 14th Veterans of Foreign Wars District of Maryland. The 14th VFW District is located in the Second Congressional District of Maryland.

During the second week of August of this year, the 87th national convention of Veterans of Foreign Wars of the United States will hold its annual meeting in Minneapolis, MN. At the national convention, VFW District Commander David Clark of the 14th VFW District, Maryland, will receive the "All-American District Commander Award." Because of his leadership of three VFW posts in his district he has been chosen to receive this prestigious award.

The Parkville Memorial VFW Post 9083, Commander Nick Bassetti; Charles Evering Memorial VFW Post 6505, Commander Elbert Ribdleberger; and Dundalk Memorial VFW Post 6694, Commander Albert Walsh are the three VFW posts of the honored 14th VFW District. The members of this district have demonstrated acts of charity, community service, and countless hours of volunteer service. As a result of the members' spirit, disabled and elderly veterans have received financial assistance and help in time of need. Countless hours of volunteer service in VA hospitals and donation of funds to make necessary medical operations possible were made by the members of the distinguished 14th VFW District.

It is a privilege to have within my congressional district VFW members such as these. For this reason, Mr. Speaker, I now commend the lives of all who are members of the 14th VFW District. Their contributions to our Nation in time of war have undoubtedly inspired them to works of mercy. As I stand in our Nation's Capitol, I am ever mindful of the contributions made by the men and women of the Veterans of Foreign Wars.

I wish the VFW membership a successful 87th national convention and anticipate even greater meritorious acts of community service.

TOURISM WORKS FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Madam Speaker, Americans seeking to avoid international tension are expected to take advantage of low fuel prices and travel the United States in record numbers this year. And, as the world becomes increasingly smaller, we also can expect more international visitors to the Sunshine State of Florida—and to my congressional district in east central Florida—than in past years.

This week of May 18-24 is National Tourism Week. Now is a good time to recognize the valuable contribution the tourism community makes to the economic welfare of our Nation.

Today it is also a pleasure to join my colleague, Representative BILL BONER, chairman of the U.S. Congressional Travel and Tourism Caucus—of which I am privileged to serve as secretary-treasurer—in introducing legislation to commemorate May 17-23, 1987, as National Tourism Week next year.

Florida is one of the top destinations in the United States for tourists. Almost one-half of a million Floridians are employed in tourism-related industries.

In addition to the attraction and excitement our beautiful country offers to its own citizens, the United States and especially Florida is becoming a prime destination for foreign visitors. In 1983, Florida received more visitors from the United Kingdom, Venezuela, Colombia, and Brazil than any other State. We have worked hard for that distinction. Florida spends the most money on promotion in foreign markets and it has paid off. Foreign tourists alone spend about $2.7 billion a year in the State—more than in any other.

Florida government receives $85 in taxes—or $2.1 million a day—from

tourists for each dollar it spends on advertising. Without the help of tourists' money, we would face paying higher taxes and would not enjoy the quality of life that makes central Florida so special.

While reviewing some facts about tourism and how important it is to my congressional district, which includes cruise ships, Disney World, Sea World, and miles of sandy beaches, I came across some fun and fascinating facts compiled by the Travel and Tourism Government Affairs Council. Here are some of the more unusual ones:

In 1983, foreign tourists in the United States consumed 57,000 chickens a day, 50,500 eggs an hour, 2,300 gallons of ice cream an hour, 2,400 acres of aluminum foil, and spent $13 billion—or $441 a second.

Florida, as the No. 2 destination for foreign visitors, reaped almost 10 percent of the business done by visitors from other countries in 1983. And east central Florida, as one of the top "hot spots" for visitors in the State, certainly enjoys many financial and cultural benefits by playing host to thousands of visitors a year.

I join my colleagues in applauding the commendable efforts of this important industry.

REFORMING THE DEFERRAL PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Madam Speaker, today Representative BILL GRADISON and I are introducing legislation designed to cure the problems Congress is experiencing with the budget deferral process. Dissatisfaction with this process has reached new heights based on the Chadha case, the volume of deferrals in the President's recent budget messages, and specific abuses of the process in individual programs, some of which are the subject of court cases. I think we would all agree that basic changes in the deferral process are overdue.

But in reforming the process we must not "throw the baby out with the bathwater." The House recently adopted a supplemental appropriation bill which would eliminate all deferral power under the Impoundment Control Act of 1974. While some argue that it leaves the President with power to impound under the Anti-Deficiency Act, this law, unlike the Impoundment Control Act, does not require the President to report deferrals to the Congress and provides no process for congressional response to deferral messages.

Nor are our deferral problems cured by the Federal district court decision in city of New Haven versus United States of America. In an opinion issued on May 16 the court struck down the entire deferral process under the Impoundment Control Act (section 1013) and ruled that funds deferred in a variety of Federal housing programs must be released. This decision leads us into the same dead-end as the language in the supplemental appropriations bill: No deferral process under the Impoundment Control Act.

Almost everyone agrees that the deferral process is an essential part of a well-managed, efficient Federal Government. In fact more than 90 percent of all deferrals have gone unchallenged by Congress since the inception of the impoundment control procedures in 1975. Federal managers need the deferral power to ensure that taxpayer dollars are sensibly spent and I, for one, am extremely uncomfortable facing a choice between no deferral process and continuing the existing mess.

My bill would put a stop to current abuses, restore the balance of power between the executive and legislative branches, and retain those elements of the deferral process which contribute to efficient government, while taking us away from the all-or-nothing approach proposed in the supplemental and mandated by the city of New Haven decision.

The legislation requires the following:

First, policy deferrals: Deferrals which are not based on improving the management or administration of a program would be prohibited. GAO would be required to establish standards for management and policy deferrals and any policy deferrals identified by GAO would be reclassified as rescissions. GAO would have 5 days after the deferral message is submitted to Congress to make this determination.

Second, management deferrals would be subject to new requirements:

Each management deferral must be accompanied by a specific date for release of the funds,

The release date for 1-year funds must be set before the end of the fiscal year,

For multiyear funds the deferral could last for a maximum of 365 days,

The release date must allow for "prudent obligation" of the funds (if the funds were for a summer school session the program could not be eliminated by deferring the money until September 20),

If the deferral does not contain a date certain then the proposal would be reclassified by GAO as a rescission,

If the date certain does not allow for a "prudent obligation" of funds, as determined by GAO, then the proposal would be classified as a rescission,

GAO would be required to make a reclassification determination within 5 days after the deferral message has been received by the Congress.

Third, redeferral of funds would be banned; that is, once OMB has deferred money and the release date has come and gone a subsequent deferral would be illegal.

Fourth, Congress would be able to overturn a deferral through a joint resolution.

BAN ON POLICY DEFERRALS

Policy deferrals typically occur when the executive branch proposes a deferral pending legislative transfer—a request that Congress eliminate the spending or transfer it to another program.

For example this year:

The administration has deferred $37 million for State unemployment office staff pending congressional approval of a request to cut these funds;

Forty million dollars has been deferred in the Economic Development Administration budget based on the administration's request that the program be terminated, despite the insistence of Congress on a funding level of $184 million in fiscal year 1986 appropriations, and

Sixty million dollars in university-related energy research and supply programs is deferred for the entire fiscal year. The administration has proposed to reprogram these funds in the fiscal year 1987 budget.

In reality policy deferrals are being used as a type of line-item veto—the executive branch is not proposing to defer the funds for reasons of management or efficiency, but because it does not agree with the purposes or goals of a specific program.

Yes, Congress can fight these policy deferrals, but the Chadha case probably takes away the ability of Congress to disapprove these deferrals through a one-House resolution—the court in the New Haven decision assumed that this power is void based on the Chahda case—and with so little legislation moving through the Congress these days opportunities for disapproving policy deferrals through joint action of the House and Senate are few, and may end up as a victim of a Presidential veto anyway.

My view, very simply, is that if OMB does not want the money spent, it should submit a rescission request to the Congress. We should not expose funding approved by Congress and signed into law by the President to double jeopardy by continuing the deferral process status quo. Under my bill, if the GAO determines that a deferral is not a delay in the expenditure of funds for good management purposes, it would reclassify the deferral as a rescission, and the funds would be released after 45 days unless Congress approves the impoundment.

MANAGEMENT DEFERRALS

The new restrictions proposed for management deferrals were suggested by Milton Socolar, special assistant to the Comptroller General, in his testimony before the House Rules Committee last April 9.

The following are examples of management deferrals from this year's February 5 Presidential message.

Wildlife conservation programs on military reservations collect hunting and fishing fees in the winter months but most of the program work is performed during the summer and fall. The President has requested that funds in this program be deferred until conservation projects can be started later in the fiscal year.

The President requested a deferral for Federal prison system funds of $30 million because of delays in various prison construction projects.

Because contracts for acquisition of high-powered transmitters and generators for new radio stations will not be awarded until fiscal year 1987 a deferral was requested for U.S. Information Agency funds.

Generally, when a management-type deferral is proposed OMB notes that the legal authority for the deferral is the Anti-Deficiency Act.

SUGGESTED REFORMS FOR MANAGEMENT DEFERRALS

Currently the President typically states in his message that a deferral is proposed for "part of a year" or, in the case of multiyear funds, for an "entire year." Requiring OMB to specify a date—as suggested by Mr. Socolar—would give Members of Congress and Federal program beneficiaries a clear indication of when funds will be released.

GAO has also proposed that we require the date for release of funds to be in time for "prudent obligation" of the budget authority. This would prevent the President from undermining a program by setting a release date after a day or month when the funds would logically be spent to achieve the goals of the program.

The ban on reimpoundment would solve the problem of funds being deferred year after year. Recent examples of this abuse have involved funds for the Strategic Petroleum Reserve and Urban Mass Transportation grants.

Finally, the requirement that Congress disapprove a management deferral by joint resolution reflects the practice of Congress in responding to deferral messages since the Chadha decision. Instead of one-House vetoes, as proposed in the Impoundment Control Act, we have been disapproving deferrals in appropriations bills signed by the President.

SUMMARY

The challenge in this area is clear: we must design a procedure which keeps the basic deferral process while eliminating abuses by the executive branch. I think many of us are uncomfortable with the option of taking away a tool that is essential to an efficiently managed Federal Government. Generally, the deferral process has worked well. What we need is a tune-up, not a new engine or no engine at all.

By prohibiting policy deferrals and tightening the restrictions on management deferrals we can move toward an impoundment process that is workable, that allows for good management and an efficient Federal Government, and that reestablishes the balance of power between the Congress and the executive branch.

H.R. 4888

A bill to amend the Impoundment Control Act of 1974 to reform the deferral procedures

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO THE DEFERRAL PROCEDURES OF THE IMPOUNDMENT CONTROL ACT OF 1974.

(a) PERIOD OF DEFERRAL.—(1) Paragraph (3) of section 1013(a) of the Impoundment Control Act of 1974 is amended to read as follows:

"(3) a date certain on which the budget authority proposed for deferral shall be released for obligation;".

(2) Section 1013 of the Impoundment Control Act of 1974 is amended by inserting at the end thereof the following new subsections:

"(d) PERIOD OF DEFERRAL.—

"(1) With regard to budget authority which expires at the end of the fiscal year in which the deferral is proposed, such date shall be no later than the earlier of—

"(A) the end of such fiscal year; or

"(B) the date on which the budget authority must be released to assure prudent obligation before the budget authority expires.

"(2) With regard to budget authority available for more than one fiscal year, such date shall be no later than the earlier of—

"(A) 365 days after the date the special message proposing such deferral is transmitted to the House of Representatives and the Senate; or

"(B) the date on which the budget authority must be released to assure prudent obligation before the budget authority expires.

"(e) CERTAIN DEFERRALS DEEMED TO BE RESCISSIONS.—(1) Any budget authority proposed to be deferred under a special message which is not in compliance with—

"(A) the requirement of subsection (a)(3); or

"(B) the requirement of subsection (d);

as determined by the Comptroller General shall be subject to section 1012.

"(2) Not later than the fifth day beginning after the date upon which the House of Representatives and the Senate receive such message, the Comptroller General shall make the determination required by paragraph (1).

"(f) PROHIBITION UPON WITHHOLDING FROM OBLIGATION.—No amount of budget authority proposed to be deferred shall be withheld from obligation, for any reason, after the date certain as set forth in such special message. A deferral of budget authority available for more than one fiscal year may not be proposed for such budget authority more than one time.".

(3) Section 1013(a) of the Impoundment Control Act of 1974 is amended by striking out the last sentence thereof.

(b) OBLIGATION REQUIREMENTS.—(1) Paragraph (4) of section 1011 of the Impoundment Control Act of 1974 is amended to read as follows:

"(4) 'deferral resolution' means a joint resolution of the Congress which only expresses its disapproval of a proposed deferral or reservation of budget authority set forth in a special message transmitted by the President under section 1013 or section 1018; and".

(2) Subsection (b) of section 1013 of the Impoundment Control Act of 1974 is amended to read as follows:

"(b) REQUIREMENT TO MAKE AVAILABLE FOR OBLIGATION.—Any amount of budget authority proposed to be deferred in any fiscal year (as set forth in a special message under subsection (a)) shall be made available for obligation if a deferral resolution is enacted disapproving such proposed deferral.".

(3) Section 1017 of the Impoundment Control Act of 1974 is amended by striking out "impoundment resolution" each place it appears and inserting in lieu thereof "deferral resolution".

(c) REPORTING AND RECLASSIFICATION OF RESERVATIONS.—(1) Part B of the Impoundment Control Act of 1974 is amended by adding at the end thereof the following new section:

"REPORTING AND RECLASSIFICATION OF RESERVATIONS

"SEC. 1018. (a) TRANSMITTAL OF SPECIAL MESSAGE.—Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States proposes to establish a reservation of budget authority, the President shall transmit to the House of Representatives and the Senate a special message specifying, with respect to the budget authority proposed to be reserved, the same information as is required with respect to a deferral of budget authority under paragraphs (1) through (6) of section 1013(a).

"(b) REVIEW OF COMPTROLLER GENERAL.—

"(1) Not later than the fifth day beginning after the date upon which the House of Representatives and the Senate receive a special message transmitted under subsection (a), the Comptroller General shall review such message to determine whether the proposed reservation of budget authority complies with the standards prescribed under subsection (c) of this section.

"(2) If the Comptroller General determines that—

"(A) the proposed reservation does not comply with such standards—

"(i) the Comptroller General shall make a report to both Houses of Congress setting forth his reasons, and

"(ii) the special message transmitted under subsection (a) shall be treated as if transmitted under section 1012(a); or

(B) the proposed reservation does comply with such standards, then, for purposes of subsections (b), (d), (e), and (f) of section 1013, the proposed reservation shall be deemed to be a deferral of budget authority.

"(c) STANDARDS TO ENSURE USE OF RESERVATIONS FOR ROUTINE MANAGEMENT PURPOSES AND NOT FOR PROPOSAL OF POLICY CHANGES.—The Comptroller General shall prescribe standards for determining whether a special message transmitted under this section proposes to withhold or delay the obligation or expenditure of budget authority—

"(1) exclusively for a purpose authorized by section 1512(c)(1) of title 31, United States Code; and

"(2) in a manner which improves the management and administration of the budget authority without diverging from the policies, purposes, and objectives of the Congress in making such budget authority available.".

(2) Section 1011 of the Impoundment Control Act of 1974 is amended—

(A) In paragraph (1)—

(i) by striking out "includes—" and inserting in lieu thereof "does not include a reservation of budget authority but includes—"; and

(ii) by striking out "(whether by establishing reserves or otherwise)";

(B) by striking out "and" at the end of paragraph (4);

(C) by redesignating paragraph (5) as paragraph (6); and

(D) by inserting after paragraph (4) the following new paragraph:

"(5) 'reservation of budget authority' means withholding or delaying the obligation or expenditure of budget authority by the establishment of a reserve in accordance with section 1512(c) of title 31, United States Code, and with paragraphs (1) and (2) of section 1018(c) of this Act; and".

(3) The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 1017 the following new item:

"Sec. 1018. Reporting and reclassification of reservations.".

SEC. 2. EFFECTIVE DATE.

(a) The amendments made by this section 1 shall be effective on the date of enactment of this Act, but shall not apply with respect to any deferral of budget authority—

(1) for which the special message was submitted by the President under section 1013(a) of the Impoundment Control Act of 1974 before such date, or

(2) for which a report was made by the Comptroller General under section 1015 of such Act before such date.

(b) The terms used in this section have the same meaning as such terms had under the Impoundment Control Act of 1974 as in effect prior to the enactment of this Act.

THE 40TH ANNIVERSARY OF THE ITALIAN REPUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Madam Speaker, I am pleased to call to the attention of my colleagues in the House of Representatives that on June 2 the Republic of Italy will celebrate the 40th anniversary of its funding as a free democratic government.

It was June 2, 1946, that the Italian people, in a resounding vote of confidence for democracy, voted in a plebiscite to end their constitutional monarchy and establish a republic. By replacing the Italian monarchy with a republican form of government, Italy begin her return to the cultural and political prominence she had long enjoyed previously in history.

Eleven days after this referendum, King Umberto II left Italy, and with the aid of the Marshall Plan, along with the determination and enthusiasm of the people of Italy, Italians launched upon a great period of economic, political, and social progress and achievements, placing their country in the vanguard of European integration.

During the last four decades, the laying of the technological and economic foundation of Italian industry has been unprecedented, and the Italian Government's commitment to the social welfare and education of its people has been comprehensive and impressive. As a member of the North Atlantic Treaty Organization, Italy continues to be a stalwart and loyal Western ally.

The beautiful land of Italy, washed by the blue waves of the Mediterranean and cradled within the Alps, has boasted an advanced civilization for thousands upon thousands of years. It may be truly said that Italy constitutes a mosaic of human history. She is a major source of Western culture—her legal system is a model for the West, her language is the tongue of music, and her Renaissance stands as one of mankind's greatest achievements.

Mr. Speaker, on the 40th anniversary of the birth of the Republic of Italy, I take this opportunity to extend my warmest best wishes to the people of Italy, and to our many friends of Italian descent living in the 11th Congressional District of Illinois which I am honored to represent, and throughout the United States, who will join in this observance. May the people of Italy continue their important contributions to the culture and freedom of the West, to the vitality of domocracy, and to the precious ideals of freedom.

LEGISLATION TO BLOCK HOLIDAY FURLOUGHS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes.

Mr. HOYER. Madam Speaker, I rise today to introduce legislation which amends title V of the United States Code to prevent Federal agencies from furloughing Federal employees on holidays alone. I am happy to be joined by the Chairman and the chairpersons of each subcommittee of the Post Office and Civil Service Committee, as well as nine other distinguished colleagues from both parties in introducing this legislation.

Last week, the General Accounting Office ruled that "agencies may not furlough employees solely on holidays and thereby deny them compensation for the holidays." Unfortunately, there remains some question in the mind of the Justice Department as to whether the General Accounting Office's decisions are binding on the executive branch. Two cases are currently challenging this authority. One, Gramm-Rudman could undermine GAO's authority in this area and two, the third circuit court is reviewing a challenge by the Justice Department against GAO in the implementation of the Competition and Contracting Act. If either case undermines GAO's authority, then agencies would be free to force Federal employees to suffer furloughs on Federal holidays alone, much as the Department of Agriculture sought to do, before being blocked by the Comptroller.

There is no question that such a furlough policy would have a disasterous effect on employee morale thereby dampening the productivity of our work force. But further, a furlough is defined as "the placing of an employee in a temporary status without duties and pay because of lack of work or funds or other nondisciplinary reasons." Federal holidays mean that employees are already in a nonduty status, because of the importance of recognizing public celebrations which have been designated by Congress. Furloughing Federal employees on a holiday merely denies them pay while requiring the same work duties.

My legislation amends title V to prohibit this policy and guarantees Federal employees that they do not have to fear salary reductions through denial of pay on Federal holidays.

I would urge all of my colleagues to join with me in cosponsoring this legislation and ensure fair and reasonable furlough policies for the Federal Government.

IRA DEDUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. SHELBY] is recognized for 5 minutes.

Mr. SHELBY. Madam Speaker, next week will mark the 1-year anniversary of the unveiling by President Reagan of his tax reform proposal.

In the face of predictions of chaos and inaction, this body, and now the Senate Finance Committee, have produced separate versions of a tax overhaul plan.

The members of these panels are to be commended for their diligence and tenacity. Their task was one envied by few. As we all know, it is very difficult to please everyone, especially in a task such as tax reform which affects every single American.

Madam Speaker, notwithstanding these extraordinary accomplishments, I was disappointed that the Senate Finance Committee chose to repeal the deduction for individual retirement accounts for persons covered by a pension plan.

Since its inception in 1982, the amount contributed to IRA's has grown from $26 billion to over $250 billion. According to the Investment Company Institute, approximately 28.5 million households nationwide include at least one IRA owner.

Of that number, it is estimated that 70 to 75 percent, or approximately 21 million households, include IRA owners who are also covered by a pension plan.

In Alabama alone, a quarter million households include an IRA owner.

IRA's are not a tax shelter tool of the rich. IRA's are owned primarily by middle income, working American families.

According to the Internal Revenue Service, approximately 62 percent of all IRA-owning households have annual incomes under $40,000. This same IRS survey shows that 77 percent of all returns claiming an IRA were from households with incomes under $50,000.

Madam Speaker, there are several reasons to retain the IRA deduction.

First IRA's are a principal financial tool in the building of America. Yesterday, this body adopted a trade policy designed to foster economic growth and ensure America's competitive edge.

America's strongest competitive advantage today rests on a solid foundation of scientific and technological knowledge. To maintain this advantage, we must continue to invest in innovation and productivity. IRA's provide a stable resource of savings for long-term investments in these vital areas.

IRA's provide the incentive for savings needed to continue and enlarge this investment pool. The American savings rate is tragically low as compared to those of other industrialized nations who are competing with us for world markets. Recent reports indicate that the United States savings rate has declined to a 35-year low of 2.9 percent of disposable income, an average annualized volume 34 percent below that of last year.

Studies indicate that IRA's added $14 billion to new savings in 1983 and $18 billion in 1984. It is estimated that IRA's could contribute as much as $50 billion to new savings by 1990. Were it not for IRA's, the savings rate would be substantially lower.

Not only do IRA's help our country grow, but IRA's are also very important to the prosperity and future financial stability of individual families. This country was founded and built by people whose work ethic rest on the principle of self-reliance. The working class families of this Nation are abiding by that principle by providing for their own financial security upon retirement. IRA's fulfill the policy objectives of Congress by serving as a supplement to Social Security and pension funds—thus reducing possible Federal Government obligation later.

Madam Speaker, IRA's are working for America. IRA's enable American middle-income workers to provide for their own financial security. IRA's encourage people to save—all of which in turn contributes to capital formation and helps America grow.

I urge the Members of Congress in both Houses to support the retention of the deduction for IRA's.

TOO MANY LOOPHOLES IN VOLUNTARY TRADE AGREEMENTS ON STEEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

Mr. GAYDOS. Madam Speaker, just the other day, while the House was in the midst of its debate on H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, an announcement from the White House caught my eye.

It seems that there is some danger that import levels of machine tools are so high they might be posing a threat to our national security, but, rather than take forceful action, the President will ask the four largest foreign machine-tool manufacturing countries to voluntarily reduce their exports of machine tools to the United States.

One of the truly bothersome items in this story is that the President really doesn't want to establish a precedent of limiting imports on national security grounds. I can't understand that. If the President wants a strong national defense system, as he has said, then it is only right that the parts and materials for that defense system should be American-made.

What he and his advisers fear is that if they limit imports of machine tools on the grounds of national security, then they might have to limit the imports of carbon and specialty steel and a host of other products and materials on the same grounds.

I am glad the President has taken action to try to preserve what is left of America's machine-tool industry, especially since some of the biggest companies are no longer in the business, but voluntary programs don't appeal to me very much.

In this case, the President is going to ask Japan, which accounts for some 49 percent of all machine-tool shipments to the United States, to cut back to mid-1981 levels, a cut of some 20 percent.

West Germany, Switzerland, and Taiwan, the other countries involved, also will be asked to reduce machine-tool exports, though not to the same degree.

My real concern is that we again will be seeking voluntary compliance. I have serious doubts about the effectiveness of such voluntary programs over the long term.

In fact, the American steel industry, currently covered by a series of voluntary restraint agreements put in place under Presidential order, is a case in point.

Despite these so-called voluntary agreements, there are enough loopholes for steel imports to continue taking a sizable share of the American steel market.

And, despite the continuing praise issuing from the Department of Commerce and the Office of the U.S. Trade Representative, steel imports to the United States have not yet come near to achieving the goals announced by the President when the voluntary restraint program was effected.

When he announced his program in September 1984, the President said that the goal was to limit imports of finished steel products to 18.5 precent of the American market. Although it wasn't specifically stated, a quantitative limit on semifinished steel would bring the total level to about 20.5 percent.

I believed then, and still believe today, that that level is too high, but even I would cheer if we were closer to the goal some 20 months after the program began.

But, Mr. Speaker, we are not so close that we can relax our efforts. In March of this year, steel imports represented 24.4 percent of the Amercian market and for the first quarter—January through March—accounted for 24.1 percent.

Last year, steel imports took a 25.3-percent share of the American market. Thus, 1 out of every 4 tons of steel sold in the United States was from a foreign country.

As I just indicated, the figures so far for 1986 do not show substantial improvement. In March 1985, imported steel represented 24.5 percent of the American market, compared to the 24.4-percent penetration level for March 1986, the drop is only one-tenth of 1 percent, hardly anything to cheer about.

Why hasn't there been any real substantive change? Because those steel exporting nations around the world have decided to ship different kinds of steel products to the United States, steel products that are not covered by the voluntary export restraint agreements, steel products of higher value, such as specialty steels.

Shipments of specialty steels, and these include various kinds of stainless, electric, and tool steel, increased substantially in March 1986, as compared to March 1985. Last year, 17,000 tons of specialty steel came into the United States. For the first quarter of 1985, imported specialty steel totaled 54,000 tons.

Now, 1986 is showing us a far different picture. In March, 33,000 tons of specialty steel came into the United States, double last year's amount, an actual increase of 100.9 percent.

And, for the first quarter of 1986, the tonnage of imported specialty steel was 107,000 tons. That is almost double the tonnage—54,000 tons—shipped to this country in the first quarter of 1985, an increase of 98.9 percent.

We should remember that specialty steel, based on the recommendations of the U.S. International Trade Commission in 1983, is under a Presidential program of tariffs and quotas.

This latest problem is clear evidence that unless there is constant reinforcement of trade policies by the President and his closest trade advisers—the Secretary of Commerce and the U.S. Trade Representative—none of those policies has any chance of lasting success.

What has happened and is happening to the specialty steel industry is a case in point.

The 5-year program of quotas and tariffs put into place in 1983 worked for a very brief period, but, since, has fallen apart.

We are now into the third year of the program and, for all intents and purposes, it is a failure. With few exceptions in product lines, imports dropped sharply in 1983 and either have been inching or soaring upward since.

For example, in 1982, imports accounted for 13.5 percent of the stainless steel sheet and strip market. In 1983, with the President's quota and tariff program operational, imports dropped to 10 percent of the market. In 1984 and 1985, though, imports represented slightly over 14 percent in each year, almost a full percentage point higher than before the program went into effect.

The picture for 1986 is even bleaker. For the first 3 months of 1986, imported stainless steel sheet and strip took a 23.8-percent share of the American market, more than 10 percent higher than the 1982 level, before the President's program was effectuated.

A similar picture can be painted for stainless steel plate. In 1982, the imported steel in this category accounted for 12.5 percent of the American market and the highest level in the previous 5 years.

In 1983, after the President's program was in effect, imports dropped to 5 percent of the market, a drop of about 60 percent.

In 1984, however, the import level had inched upward to 6.3 percent of the market and to 8.1 percent for 1985. Modest increases, all of us would agree. But, then comes 1986, or at least the first quarter of 1986. Now the flow in out of hand. Imported stainless steel plate for the first 3 months of 1986 accounted for 19.4 percent of the American market, just under the record 20-percent level experience back in 1976.

The next questions are where is all of this specialty steel coming from and why is it coming here.

The answer to the second question is simple: Under the President's program

of voluntary restraint agreements, specialty steel is not specifically included, so many of those countries that have signed agreements are shifting from carbon steel products to specialty steel ones, especially since the values are higher, and that answers the other question.

In this category are Belgium, Great Britain, Italy, France, Spain, and West Germany in the European Common Market, and Mexico, Finland, South Africa, Austria, and South Korea—countries with whom we have signed agreements—and Canada and Sweden, with whom we have not reached agreement.

The increases by some of those countries are so large as to be almost obscene. Stainless steel sheet and strip imports from Belgium increased by 944.8 percent from the first quarter of 1985 as compared to the first quarter of 1986.

Some of the other numbers are just a little bit less outrageous—Great Britain, 269.5 percent; West Germany, 165.3 percent; Italy, 542.2 percent; Spain, 403.3 percent; South Korea, 272.1 percent; Mexico, 245.5 percent; and Finland, 219.2 percent.

For that same period, Austria shipments of stainless steel sheet and strip increased by 125 percent, from 4 tons to 9 tons.

Overall, shipments of stainless steel sheet and strip from all of the exporting nations jumped from 23,036 tons during the period of January, February, and March 1985 to 58,957 tons for the same 3 months of this year, an increase of 155.9 percent.

In addition to South Africa, Taiwan, Brazil, Switzerland, and Jordan shipped specialty steel to the United States for the first time in 1986.

Sweden, whose shipments of specialty steel increased by only 21.5 percent in comparison between the first quarter of 1985 and the first quarter in 1986, has rejected all efforts by this administration to sign a bilateral voluntary restraint agreement.

Is it any wonder that we have trouble believing the Secretary of Commerce and the U.S. Trade Representative when they appear before the Congressional Steel Caucus and tell us the President's program of voluntary restraints is working just fine and that we are on the verge of achieving the anticipated limits on steel imports that the President committed to in September 1984.

Already, we can see that we are far from achieving those goals—and we haven't even talked about semifinished steel yet.

The original goal was a limit of 1.7 million tons of semifinished steel annually during the 5-year period of restraints. An admirable goal, if we could have achieved it.

The point is that the agreements we already have with the 18 countries that haven't told us to leave them alone provides for imports of 1.75 million tons. What is more, the European Economic Community disputes the amount assigned to it—600,000 tons—and this administration is already preparing to give the EEC another 200,000 tons to Soothe those ruffled feathers.

Thus, the total amount of semifinished steel will be closer to 2 million tons a year rather than the 1.7 million agreed upon.

What all of this means is that the President's program leaves something to be desired insofar as the future of the American steel industry is concerned.

It is a good thing that the agreements being developed by the steelmakers and the United Steelworkers of America are going to help.

At least the Steelworkers seem willing and ready to make some concessions to help keep their jobs alive by increasing productivity and reducing labor costs.

In the two agreements reached between the Steelworkers and steelmakers, the union has reduced the company hourly labor costs substantially and has agreed to some modifications in work rules in at least one of the contracts.

It is likely that similar agreements will be reached as the Steelworkers negotiate separately with each of the major steel manufacturers, and believe me, the steel companies need the help.

Here is a quick picture of the state of five of the six major steelmakers. LTV, which has reached agreement with the union, has 30,500 workers under contract, shipped 10.6 million tons of steel in 1985 and suffered a loss of $227 million last year.

National Steel, which also has come to terms with the union, has 6,900 workers under contract, shipped 4.4 million tons last year and lost $88.4 million in 1985.

The other three companies in the midst of negotiations with the Steelworkers are Bethlehem Steel, Inland Steel, and Armco. Of the three, Armco, with 6,500 workers under contract, shipped 4.3 million tons in 1985 and showed a profit of $55 million.

On the other hand, Inland, with 15,000 workers under contract, shipped 4.7 million tons of steel in 1985 and took a loss of $178.4 million, and Bethlehem Steel, with 29,000 workers under contract, shipped almost 8.8 million tons last year, and took a loss of $196 million.

As much as we regard machine tools as an integral part of our national defense, so, too, is steel. We need a strong and healthy steel industry and the only way we can ensure that is by setting specific limits as to how much steel comes into this country.

Voluntary compliance programs don't work because you have no real means of punishing violators. If you have hard and fast rules in place, everyone knows where they stand and what is expected of them.

We need product specific legislation to limit the overwhelming glut of foreign goods into this country that are putting American workers out of jobs because the jobs no longer exist.

I am afraid that if we don't act soon, it will be far too late and another industry or two will cease to exist in this country.

It is clear from the negotiations going on right now in the steel industry that the workers understand that they have a part in the process of keeping the industry alive.

It is clear that the companies are prepared to make some long-term guarantees to the union in terms of job security and profitsharing, when there is some, as a tradeoff for changes in work rules and hourly costs.

And now it is clear that Government has to get into the act to bear a share of the responsibility for seeing that the steel industry survives.

If we aren't going to get the necessary quotas so as to truly limit the flow of imports, then the President and the others in his administration who have responsibilities for trade better make sure the voluntary restraint program he likes so much is really working.

I know the President likes to speak of the free market. Unfortunately, there is no such thing. Just like there is no such thing as a free lunch, there is no free international trade market. Someone has to pay and, unfortunately, with our open doors and unrestrictive trade system, we are the ones who are paying—paying in the form of lost companies, lost jobs, lost manufacturing capability.

I don't know how much more we can afford to give away to keep the rest of the world going.

ENERGY CONSERVATION SIMPLIFICATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MOORHEAD] is recognized for 30 minutes.

Mr. MOORHEAD. Madam Speaker, I am introducing today, by request of the Department of Energy, the Energy Conservation Simplification Act.

While energy conservation continues to be an important concern, several energy conservation programs administered by the Department of Energy are unnecessary or should be modified. These energy conservation programs were enacted at a time of projected energy shortages and energy price increases. Market incentives for energy conservation were relatively weak due to excessive Government regulation of energy markets. Today, many Government regulations affecting

energy prices have been eliminated, supplies of energy have increased, and oil prices have fallen. Thus, the underlying bases for these energy conservation programs have virtually disappeared. Further implementation of these programs at this time is unnecessary and costly. At a time when the Federal budget must be cut, statutory mandates that result in costly, unnecessary, and low-priority regulatory programs must be reformed. Enactment of this reform legislation would result in a decrease of $9.5 million in the budgetary requirements of the Department of Energy over the next 5 fiscal years.

To accomplish this reform, the legislation I am introducing today proposes elimination of the requirement to set energy efficiency standards for consumer appliances. The appliance-labeling program, administered by the Federal Trade Commission, already requires attachment of labels to appliances stating energy consumption and cost data. This labeling gives the consumer sufficient information to enable him to choose the optimum degree of energy cost efficiency.

Also proposed for elimination are industrial energy efficiency targets and reporting requirements. The targets are outdated and ineffective in reducing energy consumption. The reports could be replaced by a survey the Department will be conducting later this year that will gather more complete and more statistically reliable information concerning industries than that gathered and reported to Congress under the present law.

This legislation would also eliminate the requirement for setting building energy performance standards for new Federal and private buildings. Under current law, the standards would be purely voluntary for the private sector. In light of today's energy environment and in light of the need to reduce Federal spending, it is inappropriate to continue the costly development of a regulatory program that is purely voluntary. Moreover, the private sector is developing consensus standards for building energy performance standards.

A requirement for the Department of Energy to publish gas mileage guides for cars and light trucks would also be eliminated. Much of the information contained in these guides is already provided to consumers in other publications and on stickers affixed to each new vehicle.

Finally, one energy conservation requirement should be modified to eliminate a potentially wasteful expenditure of Federal funds. This is the requirement under the Federal Energy Management Program to use "marginal fuel costs" in calculating the energy cost savings of conservation investments in a building. The legislation does not propose to eliminate the requirement to make the calculation, but it does propose to modify the requirement to permit the use of average—market—energy costs rather than marginal fuel costs in the calculation. While average energy costs and marginal fuel costs are the same for a fuel type such as oil, they are different for a fuel type such as electricity. That difference is so large, due principally to the capital costs of adding new capacity, that use of marginal electricity costs in calculations of the energy cost savings of investments in electricity conservation projects results in cost-saving estimates which grossly overstate the savings the agencies will actually achieve in comparison to the estimated cost savings to be achieved by investing in projects to curtail consumption of a fuel type such as oil.

I ask that the text of the bill be included in the RECORD at this point:

H.R. 4906

A bill to terminate certain energy-related requirements, to reduce Federal spending, to ease the regulatory and paperwork burden, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Conservation Simplification Act".

SEC. 2. REPEAL OF CERTAIN REQUIREMENTS RELATING TO ENERGY EFFICIENCY STANDARDS FOR APPLIANCES AND INDUSTRIAL ENERGY CONSERVATION.

(a) ENERGY EFFICIENCY STANDARDS FOR APPLIANCES.—Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is repealed.

(b) REPEAL OF CERTAIN INDUSTRIAL ENERGY CONSERVATION REQUIREMENTS.—Part E of title III of such Act (42 U.S.C. 6341-6346) is repealed.

(c) TECHNICAL AMENDMENTS.—The table of contents of such Act is amended—

(1) by striking out the item relating to section 325; and

(2) by striking out the items relating to part E of title III.

SEC. 3. REPEAL OF BUILDING ENERGY PERFORMANCE STANDARDS.

(a) IN GENERAL.—Title III of the Energy Conservation and Production Act (42 U.S.C. 6831-6840) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of such Act is amended by striking out all the items relating to title III.

SEC. 4. REPEAL OF REQUIREMENT FOR PUBLICATION AND DISTRIBUTION OF GAS MILEAGE BOOKLET.

Section 506 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006) is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

SEC. 5. ESTABLISHMENT AND USE OF LIFE CYCLE COST METHODS FOR FEDERAL BUILDINGS.

Section 545(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8255(a)(2)) is amended by striking out "marginal" and inserting in lieu thereof "average".

TREATMENT AFFORDED EMPLOYEES IN THE HOUSE OF REPRESENTATIVES' CAFETERIAS IS INTOLERABLE, UNFAIR, AND UNUSUAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. CLAY] is recognized for 60 minutes.

Mr. CLAY. Madam Speaker, I have requested this special order to discuss an intolerable system of unfair, unusual treatment afforded employees in the cafeterias managed, owned, and operated by the U.S. House of Representatives.

Madam Speaker, I am bewildered, somewhat mystified that it becomes necessary to debate whether or not employees of the House restaurant system should be extended the same rights as other American workers and should be allowed to organize and bargain collectively.

Yesterday we took this issue before the House Democratic Caucus.

What a pity the Democrats, who traditionally have led the way in the advancement of workers' rights have been so reluctant and so callous in extending those same rights to our own employees.

For over 2 years now, a majority of the employees in our cafeterias have petitioned for an election to vote on recognition and bargaining for a labor union.

For over 2 years, every dilatory tactic in the book has been used to deny them this simple, just, legal right. Threats by management of job loss through contracting out, phony polls purporting to be elections conducted by the Architect and cafeteria supervisors, arrest of union organizer, intimidation of those signing for the union. In the private sector these are all serious unfair labor practices and violations of law.

All sorts of legislative mumbo jumbo as to why their request should not be granted have been offered by the Architect of the Capitol and others. Those in opposition to extending this right to the cafeteria workers will tell you that House administration does not have the authority to direct the Architect to recognize these employees for this purpose. That simply is not true. In an opinion written by Kirk O'Donnell, general counsel to the Speaker and Steven Ross, general counsel to the Clerk, they state:

> The Architect * * * could adopt rules and regulations which would permit the formation of an employee association or union, and which would call for bargaining over the conditions of employment * * *.

You will hear arguments that permitting employees of the House to unionize would set a dangerous precedent and violate the constitutional provisions of separation of power because the Architect is a Presidential appointee. That is also not true. Workers at GPO, congressional employees, have had a union since 1924. The public printer is appointed by the President and confirmed by the Senate, the same as the Architect. No one has ever said that this is a violation of the Constitution protection of separation of power. Employees at the Library of Congress have been in a labor union for more than 10 years. Collective bargaining at the Library was originally implemented by a regulation issued by

the Librarian. No one has ever said that was a violation of the Constitution. And, Madam Speaker, the Architect or Speaker or the chairman of House Administration could issue the same regulation and it would not be unconstitutional.

In an opinion written by the Congressional Research Service for my Subcommittee on Labor Management Relations, it said:

First, The Architect has the authority under resolution 590 passed in 1940 to establish a policy of collective bargaining with employee representatives. Second, it is clear from statute, and House rules, and resolutions of the House that the Architect's discretion is subject to the overriding authority of the Committee on House Administration. Third, any policy of collective bargaining established by the Architect, as we are advocating, would only be a formulation of policy guidance, not a system of obligations binding on the committee.

It further states:

It is clear that the causes of action against members of the House in Davis versus Passman and Walker versus Jones were founded on alleged infringements of constitutional rights. A policy of collective baragining not only does not give rise to the type of potential liability but, by providing a system of arbitration and grievance resolution, collective bargaining would protect Members from these kinds of suits. Constitutional rights are infringed by a policy which completely prohibits employees from forming or joining a union and this institution seems to be walking a very fine line as to whether it has violated those rights.

The solution we are proposing does not advocate that employees of the cafteria join a union. It merely states, in everyday, plain English that if they want to choose such a course of action, the Members of the House of Representatives will not allow the Architect or anyone else to frustrate their efforts. Those who for over 2 years have sought to frustrate the efforts of the cafeteria workers will tell you that if they are permitted to join a union the courts will force us to allow our committee and personal staffs the same rights. Once again, this simply is not true. In the first instance the solution we have proposed retains for the House all rights pertaining to whether and with whom it will engage in collective bargaining. In the second place, the courts have time after time respected the difference between personnel directly involved with the legislative process and those who are not. But the courts have held that food services were outside the protection of the speech and debate clause of the Constitution. It has held that selecting, supervising, and discharging a food facilities manager is not reasonably described as work that significantly informs or influences the shaping of our Nation's laws.

I ask my colleagues to reject the arguments of doom and gloom by supporting a simply but progressive resolution providing for the Committee on House Administration to determine if restaurant workers desire to engage in collective bargaining and, if so, instructing the Architect to comply with that desire. It is high time we bring these workers into the 20th century and afford them the rights to which they are entitled.

Madam Speaker, I am submitting background information for the benefit of the Members:

Since June, 1984, the employees of the House Restaurant System have been seeking collective bargaining rights. As a direct result of these efforts the employees are now threatened with the loss of their jobs. If a majority of the employees seek to collectively bargain they should be afforded that opportunity. Steps should be taken to determine if a majority of the restaurant employees seek collective bargaining. In addition, steps should be taken to counteract the widespread impression amongst the employees that their efforts to unionize have jeopardized their jobs.

HISTORY OF THE CURRENT PROBLEMS

Employees of the House Restaurant System began efforts to form a union and engage in collective bargaining in July of 1984. Since that time restaurant employees have informed the House Administration Committee, the House leadership and the Capitol Architect that a substantial majority of the employees of the restaurant system had signed cards designating the Capitol Employees Organizing Group (CEOG) as their representative for the purpose of engaging in collective bargaining. (Originally an independent union, in late May, 1985, the members of CEOG voted to affiliate with the International Association of Machinists, AFL-CIO.) Since CEOG began organizing, the Hotel and Restaurant Employees Union (HERE) have also had organizers on the hill seeking to represent the cafeteria workers. To date, the efforts of the employees to engage in collective bargaining have been stonewalled.

In early December, 1984, it was decided to transfer direct supervision for the restaurant system from the House Administration Committee to the Architect of the Capitol, effective January 1, 1985. Since the Architect has assumed responsibility for the House Restaurant System, a concerted anti-union campaign has been directed against the employees of the restaurant system. The campaign has been characterized by promised rewards, strict surveillance of the union organizer, union supporters, and union activities, harassment of the union organizer including on one occasion her arrest, and selected discrimination against and harassment of union activists. In the private sector these actions would constitute violations of the National Labor Relations Act and are classic examples of an unlawful anti-union campaign. Documentation of many of these violations has been obtained by the staff of the Subcommittee on Labor-Management Relations and is available.

On several occassions, Members have met with the House leadership and the chairman of the House Administration Committee. We had hoped through these meetings to establish a fair and democratic means of allowing the employees to decide if they desired union representation and collective bargaining. There is no legal impediment to collective bargaining with the restaurant employees, as have been affirmed by numerous legal memoranda, including one prepared by the Speaker's Counsel and the Counsel to the Clerk of the House. On several occassions we felt progress had been made, only to discover with the passage of time that the situation was continuing to deteriorate.

A CHRONOLOGY OF EVENTS

1. During the summer of 1984, the employees of the House Restaurant System began their organizing drive. They called upon the Capitol Employees Organizing Group, an independent union, for help. Representation cards were circulated throughout the cafeterias, carryouts, and restaurants.

2. On July 30, 1984, CEOG notified the Speaker of the House that a substantial majority of the House Restaurant System employees had signed cards asking CEOG to be their exclusive representative for labor-management relations. The letter requested that the House take steps leading to collective bargaining.

3. On August 14, 1984, the Chairman of the Committee on House Administration replied to this request, ". . . the matter has been referred to Committee staff for review. The Committee will inform you of any findings or conclusions . . . ".

4. The Committee on House Administration subsequently ordered the Architect of the Capitol to assume the direct supervision of the House Restaurant employees effective January 1, 1985.

5. On December 7, 1984, CEOG wrote to the Architect of the Capitol requesting a meeting with his representatives. The Architect has not responded to this request until six months later when he was directed to by the Speaker.

6. On January 3, 1985, the Superintendent of House Office Buildings, an employee of the Architect of the Capitol, ordered the unlawful arrest of CEOG's organizer. She was charged with illegal entry into an employee break area in the Rayburn House Office Building. Charges were later dropped.

7. In late January, the Architect of the Capitol revised the House Restaurant System's wage scale. Some employees received as much as a 25-percent raise as a result of this revision. Managers reportedly told employees that these raises were associated with their organizing activity.

8. On March 9, 1985, CEOG filed a complaint with the Freedom of Association Branch of the International Labor Organization to protest the anti-union activities of the Architect and his subordinates.

9. From late January, 1985, until a week ago, several meetings took place involving House leadership, the chairman of the House Administration Committee, and Members concerned about the rights of the restaurant workers. Although at times it appeared that progress was being made, the meetings did not succeed in providing the employees a means of determining whether or not they desired collective bargaining.

10. In late May, employees voted to affiliate the CEOG with the International Association of Machinists and Aerospace Workers, AFL-CIO.

11. During the month of May, the Architect of the Capitol met with employees to introduce a new grievance policy for the restaurant system but declined to respond to employees' questions concerning collective bargaining.

12. On June 3, 1985, employees of the restaurant system were asked to vote for "employee representatives" to act as agents in

the handling of complaints under the Architect's grievance procedures. Union supporters urged fellow employees to boycott the election. Despite conducting the election on work-time and soliciting participation from employees on as many as four separate occasions, less than half of the eligible employees participated in the election.

13. On June 3, 1985, the Architect issued letters to 29 prospective contractors asking if they were interested in bidding to take over the House Restaurant System.

14. On June 13, 1985, the Architect met with managers of the restaurant system and advised them that bids from private contractors were being solicited. Managers were informed that, pending approval, the target date for turning the restaurant system over to a private contractor was January 1, 1986.

15. During the week of June 17, 1985, rumors were rampant among the restaurant employees that the restaurant system would be contracted out if they insisted upon having a union and they would lose their jobs. Many of these rumors have been traced directly to management personnel.

16. On June 20, 1985 a petition was circulated among the cafeteria workers stating that because organizing efforts were jeopardizing their jobs, the undersigned did not support efforts to engage in collective bargaining. The petition was both signed and circulated by supervisory and other managerial personnel as well as by people wholly unconnected with the restaurant system. Were a similar petition circulated under similar circumstances among employees in the private sector, the employer, on that basis alone, would be found to have engaged in unlawful activity.

17. Beginning in June, the Architect, as instructed by the Chairman of the Committee on House Administration, began a process of soliciting bids for the possible contracting out of the House Restaurant System. Throughout the late summer and fall of 1985, representatives of various private contractors toured the restaurant system during working hours for the purpose of developing bids. The Chairman of House Administration has been explicit that the purpose of soliciting bids was to develop information concerning the operation of the system, that there were no plans to contract out the system and would be no further action without further consultation with the full committee, and that he would oppose contracting out under any circumstances unless provisions were made to ensure that the restaurant workers were not disadvantaged. Nevertheless, restaurant workers have been told by managerial and other personnel that efforts to contract out the system were already underway, that they would lose their jobs, and that this was a direct result of their efforts to unionize. Additionally, a memo from the Architect that was made available to restaurant workers, dated June 19, 1985, set January 1, 1986 as the date for commencement of concessionaire operation of the House Restaurant System.

16. On June 25, 1985, a caucus of Democrats from the House Administration Committee was held. It was agreed that cafeteria employees should be notified that their jobs were not in danger either because of union activities or because of contracting out. The employees were also informed that arrangements were being made to determine if they desired to organize.

17. Five months later, on November 20, 1985, with one day of notice, a "voluntary, informal opinion poll" was conducted. The poll came 48 hours after all employees received a detail memo from the Architect outlining all he had done to improve wages and working conditions, the poll itself was conducted on one day's notice, despite repeated requests from the Machinists Union and from Congressional staff to discuss election procedures the Architect and his staff refused to do so, questions on the ballot were clearly slanted to obtain an anti-union result, and all levels of management were permitted to vote. The International Association of Machinists advised employees not to participate in the poll. While employees were provided the opportunity to participate in the poll on "company time" less than half of the potential bargaining unit employees participated.

18. In August, 1985, approximately, coincidentally with the reopening of the Rayburn cafeteria, organizers began contacting House cafeteria workers on behalf of Local 25, Hotel Employees and Restaurant Employees Union, AFL-CIO. That organizing campaign continues.

19. Since the beginning of December, despite numerous attempts, the Architect has continued to stonewall the efforts of the employees to engage in collective bargaining. During this period supporters of the cafeteria workers have twice picketed the Capitol, and a law suit has been filed against the Architect alleging abridgment of First Amendment rights.

STATEMENTS EXCERPTED FROM SIGNED AFFIDAVITS OF HOUSE EMPLOYEES INVOLVED IN ORGANIZING

"I asked Odessa (assistant manager of the Longworth Cafeteria) if the rumor about contracting out of the restaurant system was true. Odessa said, 'sure it is true—that's what your union got you.' She also said, 'What's more important—having a union or having your job?' "

"I was approached by a manager, Sally Crowe (Capitol Restaurant), who told me about the contracting out of the restaurant system. She said that this was being proposed because of the union effort and that if we stuck by the union we would lose our jobs."

"People are backing down from supporting the union because they want to keep their jobs."

"I've heard Joe Malone, general manager of the House Restaurant System, say that there is no union and will be no union . . ."

"I have been harassed (by management) for wearing a union button."

"Management act like this is Russia—with spies running around and intimidation and all kinds of things."

"If management sees us talking with a union member when we aren't on break they will penalize us, subtract time from our pay, and threaten us with firing. I can talk to anyone else while I'm working, but if it's a union person I can only talk to them on my break."

"Things in the Restaurant System are generally stricter and more antagonistic (between managers and employees since the organizing began)."

"There have been pressures from my supervisors to oppose the union. He has said that since we work for the Federal Government and have no right to strike or negotiate over wages, a union wouldn't do us any good.'"

"Management is trying to do everything it can to meet some of our demands by giving wage increases and promotions, because, you know, they think that if they do this we will forget about the union."

"It (the Architect's grievance committee) is about as effective as the so-called unions in Poland that are government sponsored."

"Nobody in the coffee shop voted (for the grievance representatives). We don't need that, we need help."

IN RESPONSE TO THE CONCERNS OF THE ARCHITECT

Architect's statement.—"On two occasions a majority of the employees have voted against a union."

Facts relevant to that statement.—The examples cited by the Architect reflect attempts to discredit employee organizing efforts, not their views. The petition referred to by the Architect was circulated by supervisory personnel and contained the explicit threat that, by seeking to organize, the restaurant employees were risking their jobs. The petition, itself, would be clear evidence of an unfair labor practice on the part of the Architect were he subject to the National Labor Relations Act.

The election the Architect refers to was conducted on less than 24 hours notice and came 48 hours after a memo from the Architect stating all he had done to alleviate the need for collective bargaining. Employees were told before the so-called election that it was only an opinion poll and would not mean a thing if they voted for a union, and supervisory and other nonunit personnel participated in the election. The poll itself consisted of four questions, two of which asked if the employees approved of all the Architect had done to make their lives better and a third asking if there was anything more the Architect could do for them. Finally, not only did a majority of employees not vote against union representation, but two-thirds of the cafeteria workers declined to even participate in the charade despite being provided the opportunity to do so on company time.

The resolution being offered provides for the independent determination of whether or not the employees of the House Restaurant System desire to engage in collective bargaining.

Architect's statement.—"The Architect of the Capitol lacks plenary authority to issue rules and regulations respecting personnel policies and practices and other conditions of employment of employees of the House Restaurant System."

Facts relevant to that statement.—The Architect's statement is facually and legally inaccurate. As the Architect points out on page five of his letter to Chairman Annunzio, he has already made substantial changes in the wages and working conditions of the House restaurant workers. Since January, 1985, the Architect has had the authority to hire, fire, and establish working conditions for House restaurant employees. Since that time, he has, among other things, altered wage rates and vacation policies for the workers (e.g. he has ended the policy of laying-off cafeteria employees every time the House goes in recess); he has established a length of service awards program, on his own authority; and again, on his own authority, he has implemented a grievance procedure "whereby employees may appeal to the Architect for reconsideration of an administrative decision to take an adverse action." The resolution being offered clearly provides that final authority remain vested with the House and its committee as is currently the case.

Architect's statement.—"The absence of any law prohibiting union recognition and collective bargaining by the Architect of the

Capitol does not in itself confer authority to do so."

Facts relevant to that statement.—Apparently, the only one who has any doubt as to the legal authority of the Architect to engage in collective bargaining with the cafeteria workers is the Architect himself. The absence of law means only that the employer, in this case the House, is not compelled to engage in collective bargaining, and in no way prevents or precludes collective bargaining from occurring. For example, collective bargaining at the Library of Congress was initially implemented by a regulation promulgated by the Librarian, not by statute. The issue has been examined by the counsel to the Subcommittee on Labor-Management Relations, the counsel to the Subcommittee on Employment and Housing, a counsel to the Committee on Post Office and Civil Service, a legislative attorney with the Congressional Research Service, the former counsel to the Speaker, and the counsel to the Clerk of the House. All are unanimous in the opinion that the Architect, under existing authority with no further action by anyone, may engage in collective bargaining with the cafeteria workers should he so choose. What is lacking is the will, not the legal authority.

Architect's statement.—The absence of a statutory scheme (as provided in Title VII) would render the conduct of labor-management relations extremely difficult and costly."

Facts relevant to that statement.—The absence of a statutory scheme simplifies rather than complicates labor-management relations. The House is free to devise for itself its own system for bargaining with the employees of the House Restaurant System and to alter that system where it so chooses. The Architect's cost estimates, while interesting, are also very clearly speculative. When the Librarian of Congress implemented collective bargaining for the entire Library of Congress, his system called for the addition of only one person, to serve as an umpire, not the three the Architect seems to feel are necessary. Given the expertise already available to the House, it is imminently possible to implement a system of collective bargaining that would utilize existing employees of the House and would pose no additional expense. Finally, it is the opinion, once again, of every attorney who has looked at the issue that a system of collective bargaining would serve to insulate the House and its members from suits filed by employees of the House.

Architect's statement.—"Potential adverse impact on pending litigation."

Facts relevant to that statement.—Implementation of collective barganing with the employees of the House Restaurant System would not only have no adverse impact on either the suit filed by the IAM or the proceedings of the ILO, but would render both issues moot. It is our failure to deal fairly with our employees that has prompted such actions in the first instance. The greatest adverse impact we can generate is to continue to do nothing.

Architect's statement.—"Adoption of the proposed resolution could have adverse impact on the interests of the Senate and other Legislative Branch entities."

Facts relevant to that statement.—It is the solution offered by the Architect, requiring a comprehensive, statutorily authorized system of collective bargaining, that would have an adverse impact on other legislative branch entities. By proceeding by regulation, as the resolution anticipates, the House retains for itself all rights pertaining as to whether and with whom it will engage in collective bargaining. No one beyond those employees covered by the regulation would in anyway be entitled to engage in collective bargaining and the regulation itself could be superseded either by another regulation, a House Resolution or a statute. There should be a law guaranteeing employees providing ancillary services to the House the right to engage in collective bargaining, but only after the House has had the opportunity to develop a system that is complimentary with our unique duties and responsibilities. Such a system can best be developed through practice. It is for this reason that we have purposely chosen the most cautious alternative available. Finally, while the Architect's concern may be treated for what is is worth, the decision of how we are to treat our employees is one for us to make, based upon our own views of what is right and what is wrong.

□ 1505

Madam speaker, I now yield to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Madam Speaker, I thank the gentleman for yielding to me.

Madam speaker, I would like to thank my colleagues, BILL CLAY and BARNEY FRANK, for taking this special order today to talk about the efforts of House restaurant employees to form a union and engage in collective bargaining.

I'm sure that all of my colleagues would agree that the employees of our House restaurant system do a fine job. They are hardworking and courteous. I know from talking to many of these employees that they are proud to work for the House of Representatives.

Yet despite their hard work and their loyalty to the institution, the conditions under which the restaurant employees work are difficult ones. They have no effective grievance procedure. Many are laid off for recess periods and are forced to apply for unemployment compensation which can take weeks or months to receive. They are subject to arbitrary and capricious treatment by the restaurant management. Promotion opportunities are rare, and promotions seem to be granted by a system of favoritism not merit.

As a result of this disgraceful treatment, the workers have been trying for some 2 years now to have an election held to designate an employees union and to engage in collective bargaining over working conditions.

For 2 years, those of us who support this employee effort have engaged in countless meetings and discussions to try and bring about this election. Despite assurances on a number of occasions that the employees wishes would be respected, to date, no valid election has been held.

It is because of this seeming impasse that along with the gentleman from Massachusetts, BARNEY FRANK, and the gentleman from Missouri, BILL CLAY, I have proposed that the Democratic Caucus adopt a resolution to resolve this situation. All we ask is that the House restaurant employees be allowed to vote on whether or not they want a union. Our resolution would bring about this election.

It is an embarrassment to the U.S. Congress that our restaurant workers have been unable to have recognized their decision to unionize. It is way past time that we act to correct this disgraceful situation.

When the Democratic caucus meets next week to vote on the resolution offered by Mr. FRANK, Mr. CLAY, and me, I urge all my colleagues who care about equity and about the rights of workers to vote for the resolution.

Mr. CLAY. Madam Speaker, I thank the gentleman from California for those remarks. I think that it helps to elucidate greatly what the problem is that has been endured by our employees in the House cafeterias.

Madam Speaker, I yield now to the gentleman from California [Mr. TORRES].

Mr. TORRES. Madam Speaker, I thank the gentleman from Missouri for this opportunity. I would like to echo the comments of my colleague, the gentleman from California [Mr. EDWARDS] in congratulating the gentleman and commending the gentleman for convening this very special order, which is so important to deal with a special issue here in this House and in this Chamber.

Madam Speaker, this House is replete with symbols of American tradition and values.

Just look about us: George Washington, the Marquis de Lafayette, State Seals, and Our Great Seal.

And yet there is an inequity in this House. That inequity prompts us to meet here today, and that inequity has troubled me since I first arrived here. I refer to the inability of workers in the House Restaurant to collectively bargain.

My colleagues, most of you know that I come from the ranks of labor. As a student of American history I've come to understand America best by her labor history and the role that working people have played in the development of our society.

The early quilds of cordwainers, carpenters, stone masons, blacksmiths, silver smiths—Paul Revere was one—raised their voices against the tyranny of King George. They protested unfair taxes and the abuses of English rule. And yes, they fought our first revolution.

As our Nation grew, the right of free association became synonomous with the Bill of Rights. And as waves of immigrants came to our shores to seek new economic opportunities as well as religious and political freedom they were to become part of a classic struggle between capital and labor.

Witness the Great Irish Potato Famine. The deplorable conditions that Irish peasants had to endure: the exploitation, the rank discrimination, and surely we can recall the famous folk ballad—"No Irish Need Apply".

And they continued to come. Germans, Poles, Slavs, European Jews, Italians—and always exploitation, always economic bondage.

We fought a civil war on the issue of human bondage. The war that freed the slaves transformed this Nation's industrial life. Soldiers returning from the battlefields, slaves emancipated from cotton fields became an army of volunteers ushering in a new revolution, the Industrial Revolution.

The right of free association gave rise to the Knights of Labor, the forerunners of the AFL. The industrial revolution created inequities, to be sure, but Congress did not sit idly by the wayside.

Congress acted: Child labor was abolished, working peoples organizations were formed and collective bargaining brought about labor-management tranquility.

Congress acted: Workers achieved their rights in their own Magna Carta—The Wagner Act. Beyond representation and right of free association the most significant achievement was dignity plain , simple dignity.

The issue today is whether this Congress will act to give dignity to it's House Restaurant Employees.

Congress must act. Legal obstacles can be surmounted. Congress must muster the will to grant representation.

Here again, I return to our symbols in this Chamber. Above us are the 23 reliefs of legislators from the past who's contributions to American law will endure for centuries to come: Moses, Mason, Napoleon, and Jefferson to name a few.

These lawgivers constitute our acknowledgement that the law upon which man's freedom is founded, and all we know of human justice, are derived from slow, sometimes revolutionary, processes.

Those reliefs are like witnesses to us. They tell us that the untold anguish suffered down through the centuries for the cause of justice can end in victory. They tell us that victory over inequity is worth the price.

I implore my colleagues to approve this resolution and provide for that victory.

□ 1515

Mr. CLAY. I thank the gentleman from California for so eloquently reciting and stating the basis of the constitutional rights of the employees of the cafeterias to organize for the purpose of collective bargaining.

I now recognize the gentleman from New York [Mr. OWENS].

Mr. OWENS. Madam Speaker, I would like to congratulate the gentleman from Missouri for sponsoring this special order which deals with the problem of giving the employees of the House restaurant system the right to engage in collective bargaining. This is a matter that is long overdue. Many of us who have relatively recently arrived in this Chamber, arrived to serve in this House, were shocked to find that the most basic elemental rights to organize and bargain collectively were being denied to employees of the House of Representatives' restaurant system, and some other employees.

I hope that we can soon put this nightmare quietly behind us. I hope that reason will prevail in all quarters and that there will be no resistance within the House, which is, after all, a Democratically controlled body, and whatever happens here certainly is an indication of the will of the Democratic Party. We are an expression of the will of the Democratic Party, and we are operating in conflict with all of the policies and traditions of the Democratic Party. We are the party of Roosevelt, we are the party of Hubert Humphrey, we are the party of John Kennedy. I think John Kennedy specifically sent over a message shortly after he was elected President, urging the congress that they take steps immediately to guarantee for all Federal employees the same rights of unionization and collective bargaining employed by other workers. It is a step that is long ovedue.

I come from a district where people in large numbers are unemployed. But where people are working, they are usually unionized. They are working at very low paying jobs. The largest body of workers in my district are health workers, they work in hospitals. They get paid very little, but they are unionized. I think next to that are the municipal, Federal and State workers, the secretarial and clerical level. They get paid very little, but they are unionized. They cannot even strike, but at least they have the right to collective bargaining. They are unionized. The garment workers are quite low paid, but they are unionized. And they would be shocked to find that at this late stage in the history of America, at the level of the House of Representatives, not only are we not allowing employees the right to collective bargaining and to be unionized, we are also debating the matter at great length, we are making all kinds of contradictory statements. We have a memo from the Architect of the Capitol which in essence, to summarize it—and I think I am summarizing it accurately—says that unionization or collective bargaining is a nuisance and therefore we should not allow it to happen here, it will be a problem. It says also that unionization and collective bargaining is a radical idea, and if it gets going there is no telling where it will stop here on the Hill, and we must stamp out this radical idea among the restaurant employees before it gains any momentum and escalates.

It is a sad document. I think it is sadder still that among Democrats in the Democratic Caucus that we have to debate the matter. There may be a question as to whether or not if legislation is introduced there is enough votes to pass legislation in both the House and the Senate, but there should be no question about the will of the Democratic Caucus. The Democratic Caucus is, after all, an extension of the Democratic Party, and our platforms year after year state support for the principles of collective bargaining and unionization. I do not see how we as a party can raise our heads in public circles. If we do not, now that this matter has been brought to our attention, it may be that it has been overlooked for all of these years, it is a massive sin of omission, it is a blind spot and we did not deal with it, but now that it is before us, it is clearly before the Democratic Caucus of the House of Representatives as a policy question, I think we have no choice but to move in the caucus to make a decision about where the caucus stands, and the caucus should direct the Architect of the Capitol to proceed to allow collective bargaining. If there is a problem with that legally, let the Architect of the Capitol answer to us that there is a problem, but I think we should be on record as rapidly as possible, before the public really finds out what we are doing, get on record as rapidly as possible expressing the will of the Democratic Party. Whatever legalisms the Architect of the Capitol, who is appointed by the President, prefers to throw in our way, let us deal with them one by one. If it does require legislation—and many of us do not believe it does—then we will proceed with legislation. Whatever has to be done, I think the initiative, the drive, the push should be exercised by the Democratic Caucus of the House. We should go forward immediately and make all of our colleagues realize the urgency of this matter. We must allow the House restaurant employees and any other employees under the jurisdiction of the House of Representatives to make the choice. They should have the choice of choosing to engage in collective bargaining and organize if they wish.

I urge that we get behind this and I urge immediate action by the House Democratic Caucus.

Mr. CLAY. I thank the gentleman from New York, and I would just like to reiterate and reemphasize that there is no legal problem with recognizing these people for the purpose of

collective bargaining. The problem is, as the gentleman cited, the attitude of the Architect of the Capitol, who thinks it would be a nuisance, it would be a problem to afford and extend these rights to our workers.

We, since December 1984, when it was decided by the chairman of House Administration to transfer supervision of our restaurant system from the House Administration Committee to the Architect, we have seen a series of unfair labor practices, antiunion measures incorporated by the Architect. The campaign has been characterized by promised rewards if they would not join the union or sign for a union, strict surveillance of union organizers, members who are union supporters and who have been engaged in union activities have been harassed by the Architect of this Capitol and by his supervisors. In the private sector, if they did this, that would be a very serious violation of law. We have got documentation of all of this, even the arrest of one of the union organizers, on the authority of the Capitol Architect.

Mr. OWENS. It is a nightmare that I know we would all like to put behind us, and again I congratulate the gentleman from Missouri for bringing this matter out into the open so that we can dispense with it quickly.

Mr. CLAY. I thank the gentleman from New York.

Madam Speaker, I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman from Missouri for yielding, and I salute the leadership that he and our colleague from California have shown. I got into this into rather late, and I learned as I joined them, to my unpleasant surprise, that what I thought would have been obvious was being resisted.

I just want to take a couple of minutes to talk about some of these points. First, the reason we are here is that the efforts that many of us made to deal with this in a conciliatory informal way were rebuffed. As this issue came to our attention, several of us have spoken to people in positions of authority in the House, both in the committee and in the leadership, and said, "let's work this out."

Let me say from the beginning, obviously there are, in working out the relationships of collective bargaining in the context of the House of Representatives, some complications. The existence of complexity is never a valid reason for failing to try to carry something out. Straw men abound in this debate. One of them is that we are saying, "Let's just snap our fingers and it will all be done." No one has said that. Many of us have made an effort to begin to contribute to work out the institutional arrangements. The House of Representatives is different than a purely private entity. There are questions that are peculiar to us. That does not mean you should not allow people the fundamental right to vote to join unions. It means that you shape the right in that particular instance to take account of the peculiar institutional features. It can easily be done.

But we got to the caucus and we got here because people in positions of authority refused to do it, and we got from some of them typical antiunion arguments, and I was kind of surprised to hear them coming from some of my Democratic friends. One of them is, and we have just been told by the chairman of the House Administration Committee, how well paid people are here. That is not relevant to the question of the right of individuals who are working day in and day out to decide for themselves if they want to join unions. I am distressed and surprised to have my colleagues simultaneously profess their prounion sentiments and then portray a misunderstanding of the whole union movement, which is not simply about more dollars, although that is a relevant factor, it is about dignity in the workplace, it is about autonomy, it is about the right of individual working men and women to have some participation and not simply be ordered around.

This simply cannot continue to be a situation in which we mandate those rights for everybody in America except our own employees. And that is basically what we are talking about: Should a situation exist in which everybody in America who is suitable to join a union—not every employee can join a union. In certain circumstances there are people, because of confidentiality, supervisory responsibilities or for other reasons, are held not eligible for union membership. But we have employees here in the restaurant and the building and grounds and elsewhere who would unquestionably be eligible to join appropriate collective bargaining units anywhere in America except that they work for the U.S. House of Representatives. That simply is not a morally tolerable situation for us to put ourselves in.

So the first thing we had to overcome was the objection of people joining a union at all because they are already well paid or for other reasons. Those simply do not hold up.

Now I think we are being presented, frankly, with a somewhat diversionary tactic, because the chairman of the House Administration Committee has said he is filing a bill to say,

> Okay, they can join the union if both Houses pass a bill and the President signs it and it goes before the National Labor Relations Board.

In the first place, that would be conceding to the other body control over our employees, which is not wise. It would be conceding to the President control over our employees, which is unwise. Under the pretense of defending the autonomy of the House, people who propose that solution are inviting the President, the Senate and the National Labor Relations Board into the House's affairs. We are saying something different: Let us by House resolution say to the Architect, if that is what you need, conduct for those employees who are wholly under the jurisdiction of the House collective bargaining elections. Maybe they will vote "yes," maybe they will vote "no."

The most offensive argument we got was in a memo from the Architect which was distributed, in which he says: "We are not going to allow them to have an election about whether or not to have a union because they twice voted against it."

Well, if we had an election and they voted no, the issue would be over.

We are not here asking for people to be put into a union. We are asking for them to have the right to vote on it. When he says 55 percent joined in an unsolicited petition to say they did not want to join a union, any employer who went to the NLRB and said, Look, here is an open petition by 50 percent of my employees who say they do not want to join a union, and I have read the names and I know who signed and I know who did not sign, we do not need to have an election," even under this NLRB, which is not usually described as excessively prounion, that case would have been thrown out in a minute and a half. This is an embarrassment to suggest that.

Mr. CLAY. On that point, in addition to it being an open poll, the supervisors conducted that poll.

Mr. FRANK. It would have been an unfair labor practice under the NLRB. It is an embarrassment to be given this as an argument. The basic point that we have is this: We are told by the chairman of the House Administration Committee, "Well, we have to do it by a piece of legislation." Frankly, I think that route is designed to be frustrating to the effort to join a union, when you have to have both the House and the Senate pass the bill, the President agreeing to bring in the NLRB, and we are told legally that is the only way to do it.

Reference has already been made to a memorandum of March 20, 1985. It is a memorandum from L. Kirk O'Donnell, then general counsel to the Speaker, Steven G. Ross, then and now general counsel to the Clerk.

The memorandum follows:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 20, 1985.

MEMORANDUM

To: The Honorable Thomas P. O'Neill, Jr., Speaker.

From: L. Kirk O'Donnell, General Counsel to the Speaker; Steven R. Ross, General Counsel to the Clerk.

Subject: Architect's Authority with Respect to Union Recognition/Bargaining.

As you requested, we have reviewed the relevant statutes and other materials to determine whether the Architect of the Capitol currently possesses the authority to recognize a formal employee group and to bargain with such a group. For the reasons stated below, it is our opinion that while statutory enactment would be necessary to extend the jurisdiction of the National Labor Relations Board or the Federal Labor Relations Authority, see 29 U.S.C., to any such group of employees, the Architect does possess a limited authority to recognize an employee association and to engage in a modified collective bargaining process with respect to certain conditions of employment without the need for further statutory enactments.

The House Office Building Commission is given authority to approve and direct the Architect of the Capitol in the employment of all services necessary for the protection, care and occupancy of the House Office Buildings. 40 U.S.C. § 175. The Commission has statutory authority to prescribe rules and regulations to govern the Architect in employing people to perform the foregoing services. *Id.* To date, the Commission has not prescribed such regulations as to personnel; the authority, nevertheless, exists.

Under the general grant of regulatory authority contained in the statute, it seems clear that the Commission could prescribe rules that would require the Architect to recognize, and bargain with, representatives of employees on such matters as leave time, overtime, administrative fringe benefits such as parking, grievance procedures, and other conditions of employment. This could be done outside the framework of the federal labor statutes and would not in our opinion necessitate statutory changes.

Accordingly, should the House Office Building Commission so prescribe, the Architect would have authority to "recognize" and "bargain" with an employee, association or union.

With respect to the House Restaurant system which has recently been returned to the Architect's day-to-day supervision, the Architect's authority is somewhat different. 40 U.S.C. 174k contains the basic authority pursuant to which the Architect has again been asked to provide food services for the House.

The Committee on House Administration, in a series of recent communications to the Architect, has directed the Architect to provide such services as the Committee's agent. There has been established an agency relationship between the Committee, as principal, and the Architect, as agent. The statute incorporates, by specific reference, House Resolution 590, adopted by the House in 1940. That resolution permits the Architect to prescribe rules and regulations for the operation of the Restaurant and the employment of necessary assistance.

While the Architect's authority is presently limited by his role as an agent of the Committee, he could, nonetheless, adopt rules and regulations which would permit the formation of an employee association or union, and which would call for bargaining over the conditions of employment which are presently within the authority of the Architect to establish. The Architect could establish such rules and regulations either pursuant to the Committee's specific direction, or on his own initiative absent a contrary direction from the Committee.

It is important to realize that the Architect's authority to bargain with respect to conditions of employment can go no further than his current authority to unilaterally set such conditions. He can choose to share this decisionmaking with his employees, but he cannot, absent further action, bargain away the right of the House or its Committees.

□ 1530

The memorandum clearly says it was read in very small part as the caucus yesterday, and I was not allowed to respond because of the time situation. It says, "Yes, the Architect," in their judgment, "can authorize a collective bargaining election and deal with them." Overwhelmingly, if the Committee on House Administration and the House were to say that, there would be no question about the Architect's opinion.

I should point out that Mr. O'Donnell and Mr. Ross have been counsel to this House and their counsel has been successful and accepted on a whole range of subjects. Apparently, they are experts on our war powers; they are experts on Gramm-Rudman; they are experts on our subpoena power; they are experts on our contempt power, but they do not know enough about whether or not to join a union.

People who have accepted, deferred to and followed their advice in every other case are trying to disregard it here. This memorandum clearly says that there is a power, if a House resolution were passed by itself; let us take it at that. "If a House resolution were passed, not with the Senate and not with the President, there is no question but that the House, by resolution, could direct the Architect with regard to those employees who were solely under the House jurisdiction where we thought it appropriate," not staff members; not people who directly interact with Members in the performance of their legislative duties, but people who have jobs equivalent to those in the private sector, buildings and grounds and maintenance or restaurants, clearly they could be involved in a union.

The fact that there are two memorandums from the American Law Division of the Congressional Research Service, one dated January 22, signed by Mr. Treacy, the legislative attorney, another from the American Law Division signed by another legislative attorney, Jay R. Shampansky, all three memorandums make it very clear you might get into an argument about whether the Architect could do it alone.

The bulk of these opinions suggest he probably could. But clearly, inarguably, according to these three opinions, if the Architect is asked or instructed by the House Administration Committee and the House itself, and if the House itself does it it obviously supersedes the House Administration Committee, because the House committee is the agent of the House, there is no legal question whatsover, the House can do it.

So why, if the House can do it, are we being told, "No, it has to be a piece of legislation which would involve the NLRB," which does not deal with public employees and the Senate and the President, is to try and frustrate it.

Then we get this silly letter from the Architect. I hope the Architect is a better architect than he is an analyst of collective bargaining, because if we had architecture of the quality of this letter, we would all now be in imminent peril of a cave in. I think the building would be unsafe for human habitation.

First of all, he says they voted against the union because the supervisors conducted a poll. Then he says, "The Architect lacks plenary authority to issue rules and regulations respecting personnel policies." Of course he does; the Secretary of Labor lacks plenary power to govern personnel policies. Every Federal employee does. That does not mean you cannot have collective bargaining. We are not arguing that by allowing collective bargaining you are going to give employees rights they do not otherwise have over wages or hours or other things.

We have collective bargaining for Federal employees. The people with whom they bargain have power to say "yes" to some things and they cannot deal with others. That is another one of these straw men. And, of course, he also says, "The Architect cannot do it because the House controls some of these policies, and the House Administration Committee controls some of these policies." Once again, the argument is overwhelming that if the House itself were to direct the Architect to do this, there would be no legal question.

Then he says, "The absence of any law prohibiting union recognition does not confer authority to do so." That has been addressed. The notion here, apparently, is that collective bargaining is some rare and exotic privilege which only exists if there is an expressed statutory grant.

As a matter of fact, the Library of Congress employees were allowed to organize and did organize and this letter says, well, that is different because Congress has included them within the definition of an agency. Except I am informed by my staff director, Mr. Weisberg, who was an authority on labor law before he came to the subcommittee I chair, that this happened in 1978; the inclusion of the Government Printing Office and the Library of Congress as an agency, whereas they got collective-bargaining rights in 1975, before they were granted this agency status. So we have the precedent of the Library of Congress.

Then we are told, and this ought to gladen the heart of every antiunion employer everywhere, "It would be difficult and costly." Yes, sometimes it might be more expensive to recognize people's rights than to ignore them; that is a common factor.

To argue that because you do not have a preexisting NLRB, you cannot give people their rights, is simply wrong. The Library of Congress employees were given those rights. The GAO conducted the election. We could easily construct a structure. Only an antiunion mentality would try to say, "Please relieve me of the obligation to let these people have a collective bargaining election," because, after all, having a union is difficult and complex.

Two final ones. First, this is a real winner, it says, "We cannot allow them to have a union because it would have an adverse effect on pending litigation." Well, what is the pending litigation on which our allowing them to have a union would have an adverse effect? It is a suit for them to be able to have a union. That is stupefying.

What they are saying is, "We have sued to let them have a union, and if you let them have a union, that will be a mistake, because then we will lose our lawsuit that says they cannot have a union." Right. That is what we had in mind.

It will not have an adverse effect on the pending litigation, it will moot the litigation because some of us think the litigation is wrong. The suggestion would be that somehow this would cause us to lose rights elsewhere. It would not cause us to lose any other rights. When they say it would have an adverse effect on pending litigation, they meant we would abandon a suit which we are resisting in the minds of many of us, improperly, their right to have a union.

Finally, and this one tops them all, it was handed out by the chairman of the House Administration Committee, and it was sent to him by the Architect, if we adopted this, "It would have an adverse impact on the interests of the Senate and other legislative branch entities." I trust I can simply quote the Architect about the Senate; I am not commenting on the Senate, I want to assure the ever-watchful Parliamentarian. I am wholly respectful of the other body and would not think of impugning Thomas Jefferson's mandate that we not criticize them, at least until the rules are changed, as I hope they will be next year.

What this says, and this is simply the Architect; I hasten to point out: This is not any action of the other body. This is the thought process of the Architect, which, as I say, I hope is better than the architect process of the Architect, "It might result in a breach of rules. If the House," he says, "If the House said to the people who work for the House cooking and washing and doing physical labor of waiting on tables and cutting the grass and doing those other things," in other words, if we treated employees of the House of Representatives as if they were American citizens with the rights that American citizens have if they work for anybody but the House of Representatives, "* * * this would result in pressure to provide similar labor relation rights and procedures for the Senate employees, and that would be a lack of comity."

He says, "That if we were to allow people here to join a union that would be unfair to the Senate because they might be embarrassed that they could not join a union."

I lack words to cope with that argument, because anybody to whom it has any appeal seems to me to be beyond the power of logical debate, so I am not going to say very much.

Just to summarize, and I thank the gentleman for the time he has given me. We started out with a situation which those in authority really did not want there to be a union. It is difficult to deal with a union. We have problems, and let us not pretend. We have some intra-union problems here. The hotel workers were a little slow at organizing. They are not too happy because they are afraid they might not win the election.

We are not mandating that any one union have these employees. We are mandating a couple of months in which there is an election. In which every union can compete, and in which people who do not want a union can compete. We are asking again that they be treated like normal, American citizens.

We have moved some, because now we are being told, "OK, you can have a union; I have always been for a union," although that has not been evident from the actions that we have seen. But we are told the only way to do it is by a bill passed by both Houses, signed by the President and bring in the NLRB. That is simply nonsense.

We have the opinions of our current Clerk counsel, Mr. Ross, and Mr. O'Donnell, previous counsel to the Speaker, Two memoranda by two separate specialists at the Library of Congress. There is no doubt that a resolution by the House itself, instructing the Architect to deal with collective bargaining in appropriate units can be done legally. I do not know who would sue; I do not know who he thinks would cause him all kinds of problems. It clearly can be done, and I hope that the House will very promptly proceed to do that.

I hope that the caucus will instruct its committees to move on this, and that pursuant to what I hope will be a large vote in the caucus, will introduce a resolution on the floor.

I will look forward to getting some support from the other side of the aisle, because we have had some Members on the other side of the aisle who like to complain that we have been hypocritical because we have exempted ourselves from various statutes. I think there is a lot of point to that, and I look forward to some of our colleagues on the Republican side joining us in ending this one piece of hypocrisy.

I thank the gentleman from Missouri.

□ 1540

Mr. CLAY. Madam Speaker, I thank the gentleman also for giving us very clearly some of the hyprocrisy of the arguments that are being advanced by those who are opposed to extending these rights to our cafeteria workers.

I think that most of the arguments are very simple, very juvenile, very mischievous. Take for instance the argument that we need a bill passed by the House, passed by the Senate, and signed by the President, in order to instruct the Architect to extend to people working for this Congress the right to join unions.

Let us go back 18 months, when the Supreme Court—courts ruled—that the House Administration Committee could not discriminate against a cafeteria employee. It could not deprive this employee of his constitutional rights. Now to show you how juvenile their thinking is, they then transferred the authority of the operation of the cafeteria to the Architect of the Capitol, as if by some means he does not have to abide by the Constitution of the United States. They did that without passing a bill in the House, in the Senate, and being signed by the President.

If the stumbling block is that there is some confusion between separation of powers between the Congress and the President because the Architect is an appointee of the executive branch, why do we not just simply take the operations back from the Architect of the Capitol, and that resolves that. The courts have already said that these people have a right to organize and to join a union, because they are not important to the legislative process.

Mr. HAYES. Madam Speaker, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Illinois.

Mr. HAYES. I thank the gentleman.

Madam Speaker, I probably look at this whole issue from a little difference perspective than most Members of this House of Representatives, having been one who has gone through this same kind of procedure some 45 years ago trying to get a union. Some of the tactics that are being used here in denying the restau-

rant employees the right to even vote and decide whether or not they want a union certainly make me reminisce a little bit on my past.

It took 6 weeks of strike in order to get recognition for our union at the place I worked down in Cairo, IL. We had a racial difference between working people there, where the black workers were the ones who struck for the union. We wound up finally getting recogniton, and with a 2-cent-an-hour wage increase.

It is not always wages and costs that are the reasons why people want a union; it is to put to bed some of the antiquated conditions and systems under which they have to work. They cannot do it on an individual basis. The only way to discuss with an employer at that time a change in those conditions which we did not like was to try to do it on a collective basis, not on a one-on-one with an employer.

When I see the kind of situation that exists today between the House restaurant employees and the Architect, I just wonder, are we trying to do things here in this august body as they were done 45 years ago? It will never work.

I have talked to some of these restaurant employees. True, they admit that their wages may be better than some on the outside, but wages are not the only thing that they are concerned about. They are concerned about the right to be treated and promoted based on their years of service, and not be categorized in one position here and not be able to move into any higher positions.

It cannot be done dealing with an employer who still wants to be king, as I see the role of the Architect here, who wants to deal with employees on an individual basis.

The elections that were referred to in that communication which I received were a farce. People were coerced by the supervisors, by the manner in which the vote was taken. These people in this democracy of ours are entitled to decide whether or not they want a collective-bargaining representative on an unintimidated, unrestrainted basis. To deny them to have that right, I think, is an infringement upon what we say we are all about here, and our purveyors and our supporters of the democratic system under which we live.

I certainly rise in support of the gentleman's resolution, and I want to commend him for having taken the time on this getaway day, so to speak—when Congressmen are rushing to get to their homes, as well they should, including me—to focus attention on the importance of this situation.

The Congressional Research Service found that the Architect may engage in collective bargaining with representatives of the House restaurant, whether such bargaining could bind the House of Representatives, and whether individual Members would be subject to litigation because of the Architect's—that is what they say—Architect's activities. This, I think, is a smokescreen, to ever put it on this kind of basis. It is another way—as a union representative—this is a way to even destroy the people's right to have a union even before they have a right to vote on whether or not they want it. This is another way to do it. This is union busting in the crassest way, to deny people the right to even vote on whether or not to have a union.

The Congressional Research Service concluded that "the Architect has the apparent authority under resolution 590 to establish a policy of collective bargaining with employee representatives."

Now even before we talk about collective bargaining, we are talking about the right to vote, whether or not people may decide that they do not want a union. That is their right to do it. But let us not as Members of this House of Representatives not support their right to vote; and the procedure we are following, I think, now, unless we change it, certainly is a course in that direction.

The Architect has informed the chairman of the Committee on House Administration that he "does not believe that he has the legal authority to engage in collective bargaining."

We are not even talking about collective bargaining here. That is where people sit down and elect a committee after they have an election to represent them and discuss matters of a collective-bargaining nature with the employer. We cannot even get to that stage here. So why are they talking about whether or not it is legal to do it?

In addition, the Architect argues that if the Democratic caucus—and this was just the other day, I guess, that we talked about this—wants to unionize the House restaurant, then it only can be accomplished through legislation, not caucus deliberation.

Who does he think he is kidding? Who does he think he is kidding?

We support, sure, as Democrats, there is no question that the Democratic Party has been way out in front, I think, of the other party in its support for the right of workers to be treated with some human decency. I hope we never leave that kind of basic premise and that kind of philosophy. But we have not gotten to the point yet where we are ready, I hope, to take a position that it is illegal for people to have a union and we have to have a law before they can decide whether or not they want a union.

□ 1550

This I think is the argument and the basis of the position now being taken by the Architect.

The House restaurant system, I understand, was created by a caucus resolution. Historically, all changes in the House restaurant system have been accomplished by resolution.

Before the gentleman from Missouri [Mr. CLAY] introduced a resolution to assist the House restaurant workers, the procedure and appropriateness of the process was researched by the Congressional Research Service.

The May 20 "Dear Colleague" letter was no "maybe," it was misleading, since it was prepared by an interested party. That is just like a company representative sending out a letter deciding whether or not they should set out whether the employees should even have a right to have a union. That letter failed to demonstrate objectivity and it appears on its face to be wrong.

The letter of George M. White, Architect of the Capitol, is misleading. Labor history and current law does not require an act of Congress in order to bargain collectively with any group of employees, so an inference in that direction is certainly wrong.

The Architect has control over time, attendance and all other conditions of employment of the employees of the House restaurant system. The Architect may bargain with the House representatives of the employees whenever he wants to bargain in good faith. That is what I think he has to do.

I am not saying that this House of Representatives should decide what union should represent these people, maybe none. All I want to say is that I think the decision as to whether or not these people have a union or want a union is left with them and we have a right to protect them within that right.

I want to thank the gentleman from Missouri for having given me an opportunity to at least express some opinions in quest of this objective.

Mr. CLAY. Madam Speaker, I want to thank the gentleman from Illinois.

As I listen to the arguments that are being proposed and advanced by the opponents of this simple measure to extend these rights to cafeteria workers, I think that if we could get into a time machine and go back in time and close our eyes, we would understand and we would see that these were the same arguments that were proposed in the forties to prevent black people from going into these cafeterias to eat, including black Members of this Congress.

Mr. HAYES. Absolutely.

Mr. CLAY. So there has not been much progress in terms of some mentality that exists in this body.

I hope that this special order will cause some people to think twice and

not continue to support this kind of ridiculous activity.

Mr. GONZALEZ. Madam Speaker, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Texas for the closing minutes of this hour.

Mr. GONZALEZ. Madam Speaker, I thank my distinguished colleague for giving me this opportunity and also wish to acknowledge my gratitude and my admiration to him, as well as to my colleagues who spoke immediately preceding me.

I have the highest respect and the utmost confidence and thorough going admiration for their judgment, their knowledge and their preparation.

I certainly rise in support of the gentleman's efforts. I think I have made that patently clear for some time and certainly join the gentleman in his resolution.

I also wish to thank the gentleman for this unrewarding and rather difficult task in the environment that we face here in the Capitol.

In the first place, the record of relationships with respect to those who work for us in the daily opening and closing of the doors that made the legislative processes a proper and operative function has been less than sorry. We are the ones who have written into the law what is known as the Fair Labor Standards Act, but in the 25 years that I have had the honor to serve in this body from the very outset and up until this time, I have seen and witnessed the grossest violations of the minimal interpretation of the Fair Labor Standards Act. Just recently, the House under what is considered an inexorable mandate let go two of the most efficient workers who had between both of them total years of service of over 30 years, with no alternative, no kind of channel to air a proper grievance.

The question of the restaurant service employees has been one that I have been very knowledgeable with because I have had employees appealing to me since 1962. When I first came to this Congress, one of the first things was the march, the famous march in August 1962. Soon thereafter, I had occasion to visit with a policeman who seemed to be dead on his feet. He explained to me that he had to work 36 hours in a row and that he did not mind that, except that there was no overtime compensation, that this was true not only with respect to the Capitol Hill police force, but also the Metropolitan police force.

I thought that was heinously wrong and I went to the Speaker, Hon. John McCormack, who was a great man. He listened to my protest and he said, well, he did not know what could be done.

I said, "Well, I will be compelled to speak out on the floor, pointing out that this great body that passes on minimum wages, that passed on the Fair Labor Standards Act, is the worst violator of fair labor standards."

He said, "Now, you wouldn't do that."

And I said, "Yes, I will."

So after awhile he said, "Let's take it up with the committee."

To make a long story short, 2 weeks later, for the first time, the policemen on the Capitol Hill police force and the Metropolitan police force were given both through the committee members on the House and the District of Columbia Committee, recognition for overtime.

Ever since then, I have been very, very much concerned about the working conditions, the working relations, the demoralization of very faithful, hard-working Americans.

I want to pay tribute to my distinguished colleague.

Mr. CLAY. Madam Speaker, I thank the gentleman.

Mrs. BURTON of California. Madam Speaker, I commend my colleagues BILL CLAY, DON EDWARDS, and BARNEY FRANK for taking this time to discuss an issue that has not received enough attention in the House. The House restaurant workers deserve our attention and they deserve their right to organize.

I have been around the Capitol for more than 20 years and I know many of the workers involved in this controversy. These are people who work hard, who provide meals to thousands of Capitol Hill workers and tourists every day. But they have none of the workers' rights that we often speak of in speeches on this floor.

Madam Speaker, we should stand up for the right of the restaurant workers to organize and join millions of other Americans who have the right to join a union and bargain with their employers for their pay, benefits, and working conditions.

I urge my colleagues on both sides of the aisle join with us to allow these employees the right to organize. We must not let this injustice continue.

GENERAL LEAVE

Mr. CLAY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Madam Speaker, I yield to the very distinguished chairman of the Veterans' Affairs Committee and one of the most outstanding Members of this House, the gentleman from Mississippi [Mr. MONTGOMERY].

IN RECOGNITION OF MEMORIAL DAY

Mr. MONTGOMERY. Madam Speaker, I thank the gentleman very much for yielding and for giving me the opportunity to bring up several matters pertaining to this weekend and also Memorial Day this coming Monday.

I would like to point out to the Members that from our Veterans' Affairs Committee, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the ranking minority member, and myself, mailed to all Members of the House of Representatives a Memorial Day packet that points out the great service that our military personnel have given over the years. Over 1 million Americans have lost their lives since the Revolutionary War, through the Vietnam war and through these other conflicts that we have had since the Vietnam war.

Certainly I hope the Members will take a good hard look at this packet that we have sent each one of them. We think it is valuable information on the speeches and the activities that they have next Monday. This information will be helpful to them.

We are just thankful because of the great services that have been given by our military personnel and those who made the great sacrifice that we do have freedom and we do have the opportunity to have a Memorial Day.

I thank the gentleman very much for yielding. He is one of our most respected Members of the House. I thank the gentleman for this courtesy that he has shown me.

Mr. GONZALEZ. Well, I thank my colleague in turn. I am the one that owes the gentleman this debt of gratitude because it gives me a chance to associate myself with his work in behalf of recognizing the heroes of America. This is something the gentleman has done all through his career here in the House. He has been the stalwart one who has defended the pension rights and pension benefits of so many of our veterans, that were it not for his presence as a Member of this House would have been lost, and I am a witness to that.

Mr. MONTGOMERY. Madam Speaker, I thank the gentleman.

MY ADVICE TO THE PRIVILEGED ORDERS

Mr. GONZALEZ. Madam Speaker, I have requested this time to speak on another subject matter on which I had suspended discussion on the last occasion of my enjoying this privilege of addressing special orders, which last time was April 10 or thereabouts.

The reason I do so is that it has to do with what temporarily is escaping the headlines, but which I predict will soon be agitating those headlines in our country, as well as the minds and the hearts and souls of our people. It

is the President's insistence on a war course in Central America, as well as other places, but mostly on a very consistent sustained basis in Central America, where the President since 1981 has brought about a monstrous outpouring of treasure for 5½ years, billions and billions of dollars in the most massive military buildup in the history of this region of the world, both on the Pacific as well as the Caribbean side, and which policies since their inception I have protested, I have spoken against, I have time after time pointed out the mistaken policy and the bankruptcy in this series of actions, which I will not dignify with the name of policy, because there is not such thing as a policy.

In the first place, in the very beginning, and this was before President Reagan became President. It was, to be exact, April 1, 1980, during which time President Reagan was a candidate for the office. The incumbent President was Jimmy Carter.

In examining what I have said on many occasions, perhaps more than should have been necessary, that is that President Reagan from the outset opted to pursue a unilateral military interventionist policy, without ever giving diplomacy a chance or any attempt to seek a diplomatic solution to these churning, broiling, serious problems that have consistently confronted the great masses of people who now in the last 15 years exceed our population by over 80 million, for the first time in history, and which consequences we cannot escape because fate has decreed that from here on out our destiny is to share the future with this part of the world and with these neighbors, both to the immediate north and to the south, clear to the tip of the southern continent.

On April 1, 1980, President Carter was the President; but at that time the smallest republic in the American central area was beginning to reach the point of perception of some of our executive leaders, as well as some members of those committees in the Congress who had jurisdiction over foreign affairs.

□ 1605

At that time I was impelled to rise and speak because I saw—and incidentally, I had been in the Congress since 1961, when I rose and for the first time spoke about anything having to do with Latin America, because I never considered, and I do not now, any particular expertise on my part simply because my antecedents from a cultural standpoint have that affinity of association with the culture, the language, and even the religion that prevails south of our border.

We are talking about a very complex group of countries. Our trouble has been our perception in this country. When we use the words "Latin America," everybody wants to think of one big blob or mass, and this has been the most fundamental error continuing to this day which has given rise to a serious misperception that, considering the course this President has set, and will follow inexorably, nothing is going to change President Reagan. He wants war, he is getting war, and he is not going to settle for anything less. The clock is running against him, and he is not going to leave office without having war against Nicaragua and a direct invasion. There is no question of that.

But on April 1, 1980, after 6 months of trying to penetrate that barrier in the executive branch and trying to reach the judgment making level from the President over to the State Department, without success, after having received some very pertinent and very confidential and very truthful information not only as to El Salvador but as to Nicaragua, the year previous, in 1979, I will recall to my colleagues that is was in the summer of 1979 that the so-called revolutionary liberation movement, or the Sandinista movement, finally knocked over the Somoza regime and assumed power under on a junta basis involving a most interesting group or coterie of leaders, including three priests, one or two Marxist-Leninists, and one or two so-called moderates.

But in any event, I will recall that timeframe because it is important that we not forget, even though I am afraid that it is not going to do any good inasmuch as we are faced with an obdurate President whose judgment I would no more trust today than I would trust the judgment of a Hitler or a Mussolini or a Stalin. He proved that beyond any doubt to me, I am sorry to say, in the case of the Marines in Beirut who died because, and only because, the Commander in Chief, the President of the United States, obdurately, hardheadedly, willfully ignored for 14 months the advice of the highest professional military, the Joint Chiefs of Staffs, who advised against the deployment of the Marines under those circumstances to Beirut.

Nobody had to be a military expert to know that those marines would be doomed eventually. Nothing changed the President's mind, and not for 14 days or 14 hours, but for 14 months, until 241 of them were murdered.

And then what happened? In order to relieve himself from that judgment that was beginning to form in the minds of the American people, that was questioning that judgment, he invaded Grenada less than 27 hours after the murder of the marines, an invasion that had been planned months before, but which had been originally planned to take place during the height of the campaign the following year, in 1984, but which was moved up, just like dictators in authoritarian countries do who have to play like they do chess and they consider lives expendable, 241 marines. Obviously the President considered them expendable, like an Asian potentate, like an Oriental mind that for years and years and years we have labeled as being careless of the individual human life.

So I do not have any trust or confidence in President Reagan's judgment, but I certainly have expected the Congress of the United States, the national policymaking body, to at least insist that the President be a law abider. He has violated for the last 5½ years the statutes that we in the Congress have passed. I am not referring to the War Powers Limitation Act. That act, when it was passed in 1974, was dead at birth because of its rather confusion and complexity, either in interpretation or in oversight by the Congress, which history will show has not had any oversight.

I am talking about the title 18 of the United States Code sections that consider it a culpable offense for the Government or any official or any citizen to aid and abet and provide any help to those seeking to destroy a friendly government that we recognize and announce to the world we consider a friendly government because we have a duly accredited Ambassador in that nation's capital, in this case Nicaragua, and Managua, where we still have the American Ambassador, while the President has openly solicited private groups to contribute moneys, armaments ranging from recoilless rifles to cannons to helicopters. He has openly abetted those groups that are in penumbra of questionable activity in perpetrating acts of terrorism all up and down the Caribbean Isthmus.

We talk about terrorism, but we have no moral right to raise our fingers because we are responsible, through the actions of our Government, in this case directly so ordered by President Reagan, of the worst acts of terrorism in which we have advocated, we have helped, we have even voted for, on the insistence of President Reagan, arms, rifles, bayonets with which to strip open the bellies of 6- and 7-month-old infants on the Nicaraguan border with Honduras. We have killed old and young, men and woman, schoolteachers. If that is not an act of terrorism, I do not know what would be.

So here we are with nobody ever raising an issue about the President's constant, sustained violation of our own laws. I raised that issue 5 years ago when President Reagan's then Secretary of State, General Haig, drew the line in the smallest country where 5½ years later, over $4 billion less in our Treasury, we are no closer to a solution than we were 5½ years ago.

We talk about labor conditions here. The regime that we have imposed in El Salvador, Gen. Napoleon Duarte's regime, is protecting a system where the highest wages of the most skilled worker in El Salvador is no more than 37 cents a day. These are our freedom boys. In the case of the Contras in Nicaragua, where the President still insists that this Congress illegally, against its very own laws, give him moneys that he says he does not have for the poor and the homeless and the weak and the impoverished, the blind, the halt, the lame of our own homes and neighborhoods in our country.

I say that it is a shame and a blight. I say that we have become so corrupted, so perverted in our institutional integrity, that we have allowed ourselves to be the laughingstock of the world, with no respect for any kind of moral leadership.

□ 1615

The World Court has held us in violation of the basic laws of international jurisprudence. What did President Reagan do? He walked out of the World Court where there we were shown to be guilty of what? Acts of terrorism, mining the harbors and the shores of Nicaragua; attempting to assassinate their leaders through the CIA; attempting and blowing up some of the public buildings and facilities of that nation, while we have an Ambassador in that country telling the world that we accept that government; that we consider it legitimate enough for us to send, with credentials and portfolio, a duly appointed Ambassador from our Nation.

The world does not go along with this. There is not one country except the small eastern Caribbean vassal states that are wholly and completely dependent on us for their existence, but not one country from Canada to Argentina is in agreement with this policy or lack of policy or conduct on the part of the American Government. That means us.

We cannot separate ourselves from our Government, and I believe that it is an indication of how we had degraded when enough American citizens begin to look upon they, the Government, and us, or me, the citizen, because I would not be here if it were not for the freely expressed will of the majority of the citizens of the 20th Congressional District of Texas who, from the beginning, and at great odds facing them in every possible way, rose to the occasion and voted the way they felt was the right way for them to vote.

Certainly this is a privilege. Certainly this shows that the residual inherent healthy sap of our Democratic tree is still there. But what can the people do but applaud if a President appeals to the basic sort of instincts that all of us have?

I ought to know. On more than one occasion, I have been appealed to, I have been threatened on the basis of what my ethnic identity is. From the very beginning, I would never allow or contemplate allowing that kind of an approach. It looked, at the time, that politically it was a very, very foolish act; that is, if I was thinking of reelection.

But I had never envisioned seeking political office until much later in manhood and after the war, and after the perception, on my part, of the error in which we had been brought up at that time in that world, in that part of our country.

And it came after I had an experience, an exposure, eventually as chief juvenile probation officer for Bexar County where I saw for myself the inherent health, vitality, and integrity of just the plain, average American citizen, no matter what station in life, no matter what the color of his skin was.

It was so shockingly in contrast with everything I had been told, as I had been growing up, but that I had a chance to witness and learn for myself that I have never forgotten that. And I shall maintain that faith. I believe that it becomes more than ever impelling that I rise. I speak the same back home as I do here and, in fact, I speak there first before I do here. I do not have a double tongue. I never have been and hope never will be two faced.

We will live in an hour of freedom which is very much eroding because you cannot have going on in any society what we have allowed to go on in this country without eventually the corruption of free people.

There is an old saying that says: There is no greater slave than a corrupted free people. I believe this is very true and I am most apprehensive.

Lately, we have seen where the Justice Department is seeking ways to sue newspapers and other news disseminating agencies. The administration is not content, through its corporate coterie or plutocratic backing which it has had and has made capital use of its access to power in our Government; to, in effect, bring about a most satisfactory arrangement with those that would disseminate and supposedly charged in a free society with the duty of informing a free people.

I say, on examination on a very careful basis of what has happened in other countries, such as Germany, that we are in the midst of the same processes in America. Of course not the same way. We are a different people. A different historical evolutionary process has accumulated behind us, but all through history, what makes us think that we are more virtuous than the German people were in the 1920's and 1930's? Here you had a nation, a virile nation, considered at that time, and I ought to remember, I was growing up in that period of time, and I remembered when I studied engineering where the source of so much of that technological know-how, breakthrough was, and it was Germany. You had the highest cultural development in Germany. You had the highest and the most cultured people in the world.

How could they have ended up with a Hitler? Do we think that we are exempt from those foibles and weaknesses that the German people eventually fell victim to and saw their liberties extinguished totally? How did it start?

Did Hitler take power overnight? Of course not. I remember as if it were today. I still have copies of the journals, magazines and some books dated 1931, 1932, 1933, and I recall as if it were today the gradual, gradual accumulation of what turned out to be total power.

Three weeks ago, one of my colleagues circulated a dear colleague letter asking for a joinder in a bill he was introducing that would delegate to the President such a delegation of power that Hitler nor Mussolini ever got before they really took over total power. That is, abolish parliaments, abolish the free trade union movements because they have to do those two things whether it is in Germany, as the 20th century history shows us, or Italy or Russia. For these authoritarian governments, no matter how you label them, fascist, corporate, or a socialist, they are just one side of a coin and the other.

□ 1625

They are antidemocratic; they are vitally flawed from the standpoint of our traditional institutional life, and we do not have to argue about it, but we also have to recognize what is happening among us here, almost imperceptibly.

How many of my colleagues know that the President issued what he calls a National Security Directive in April 1984, 2 years ago? By virtue of which any of my constitutents who would want to create a sanctuary for some of these hovering masses that finally have left in desperation and gone all the way through Guatemala, Mexico, and ended up in Texas—and we have, I would say, in my city of San Antonio, just about as many illegal Salvadorans as we have illegal, so-called illegal Mexican workers.

What in the highest name can we say when I tell you that under that directive, the Federal Emergency Management Agency can, by calling in the National Guard or other defense mechanisms, have people arrested on the basis that they are suspected of giving aid and comfort to whom? Oh, terrorists, otherwise known as refugees to the people giving sanctuary.

Many Americans read the spate of spy stories that suddenly hit the newspapers. If one will remember, you had a period of about 3 months beginning early in October last year, and then on through the end of the year, in which suddenly you find all kinds of spies coming out.

One of them, Morrison—the grandson of one of the most noble New England families and the grandson of one of the outstanding historians. Not only arrested and indicted—and fortunately his conviction is on appeal because he was arrested and found guilty after the summer of 1985, for what he had been doing for 11 years without any question that he was violating any law whatsoever.

What law did he violate? Well, the President issued an Executive order this time. Not a national defense security advisory, as in 1984, but another one which in effect would invoke part of the Espionage Act of 1917 which, up until World War I—1917, no Congress had ever granted that massive delegation of constitutional authority.

We had a war, and the idea is, we had to win it, and a massive group of 535 people could not conduct it, so we delegated it to the Executive. We are living in a day in time in which the press, the overwhelming preponderant number of my colleagues, many of the citizens I speak with—I say many, not all—in which we accept a Presidential omnipotency, an absolutism that we would never consider if we called it a monarchical—that is, a king's absolute power.

We are living in 1986, considering a President of the United States absolute and infallible, and guilty of the most gross violations of the very statutes that have been set up through the years by this Congress, to prohibit not only Presidents but anybody else from doing the things that the President does, and continues to do, without question.

Well, I would say that we have become so inured to a decadence in our institutional integrity that we no longer question what I would say just a few decades ago would have brought a flurry of impeachment resolutions.

I will remind my colleagues and the American people, and particularly my colleagues, that all through history, whether it was Napoleon, whether it was Hitler, whether it was Mussolini, whether it was some of those lesser known characters who prevailed the same way south of the border but which Americans are blithefully ignorant of, but which some of us are sadly too much aware of.

They may not be impeached here, as a constitution would require, but they have already been impeached by a much, much higher infinite power. It is a sorry, sorry day that I, as a Member of this representative body, would find it compelling and impelling to rise and address my colleagues in this vein; but this is the way I think and feel, as regretfully as I may feel for doing so—and feel that I would be the grossest coward were I not to do so.

I think that any of my colleagues who examine what I have said and built up the specifics in the case through these years, in all fairness would recognize the fact that I have spoken out, and on the record; I am not saying now anything different. I am willing to stand scrutiny, for if I am wrong, I will be more than grateful and anxious and willing to appear before this same forum and admit to being wrong.

Short of that, nothing and no power and no threat of loss of political office, whether now or in the future, would compel me to show and feel within my heart of hearts, and in my soul, what would be an unmistakable act of cowardice, were I to remain silent.

I am too much indebted to American freedom and democracy to remain silent.

SOUTH AFRICA MUST NEGOTIATE FOR PEACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CROCKETT] is recognized for 5 minutes.

Mr. CROCKETT. Madam Speaker, by its illegal raids into Zambia, Botswana, and Zimbabwe, the Government of South Africa shows again its determination to use violence to maintain its repressive system of apartheid.

The response of the United States must be equally forceful. Mere condemnation of the raids and the recall of our Ambassador for consultation is not enough. We should move now to impose stiffer economic sanctions unless South Africa begins immediate meaningful negotiations with black South African leaders and organizations for a representative political system.

Earlier this year, I introduced House Resolution 373, calling on President Reagan to publicly endorse Secretary Shultz' admonition to South Africa to enter such talks; to free Nelson Mandela; and to recognize the African National Congress as a legitimate representative of South Africa's black majority. Yesterday's New York Times' lead editorial echoed the demand for Mandela's release and talks with the ANC.

Madam Speaker, I urge my colleagues to cosponsor House Resolution 373 as the clear and unambiguous response of the House to this latest South African apartheid outrage.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. RAHALL] is recognized for 5 minutes.

Mr. RAHALL. Madam Speaker, I was unavoidably absent during the votes on the Michel substitute to H.R. 4800 and final passage of H.R. 4800. Had I been present, I would have opposed the Michel substitute and voted "yea" on final passage of the bill.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. WRIGHT), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WALKER) to revise and extend their remarks and include extraneous material:)

Mr. MOORHEAD, for 30 minutes, today.

Mr. GILMAN, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, today.

(The following Members (at the request of Mr. FRANK) to revise and extend their remarks and include extraneous material:)

Mr. MACKAY, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mr. SHELBY, for 5 minutes, today.

Mr. WISE, for 60 minutes, on June 11.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 60 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. RAHALL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. APPLEGATE, prior to passage of H.R. 4800, in the Committee of the Whole, today.

Mr. BURTON of Indiana, on House Concurrent Resolution 335, in the House today.

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. SAXTON in two instances.

Mr. SENSENBRENNER.

Mr. GUNDERSON in two instances.

Mr. LENT.

Mr. BILIRAKIS.

Mr. GILMAN in five instances.

Mr. PURSELL in two instances.

Mr. HENRY.

Mr. COUGHLIN.

Mr. THOMAS of California.

Mr. RITTER in two instances.

Mr. LAGOMARSINO in two instances.

Mr. GEKAS in three instances.

Mr. BADHAM.

Mr. PETRI.
Mr. SCHUETTE.
Mr. JEFFORDS.
Mr. GREEN.
Mr. SOLOMON.
Mr. PORTER.
Mr. MOLINARI.
Mr. COURTER.
Mr. HYDE.
Mr. DENNY SMITH.
Mr. MCCAIN.
Mr. MCKINNEY.
Mr. YOUNG of Florida.
Mr. RINALDO.

(The following Members (at the request of Mr. FRANK) and to include extraneous matter:)

Mr. BOLAND.
Ms. MIKULSKI.
Mr. UDALL.
Mr. HOYER in three instances.
Mr. BARNARD.
Mr. LANTOS in two instances.
Ms. OAKAR.
Mr. MILLER of California.
Mr. TALLON.
Mr. MAVROULES.
Mr. EDWARDS of California.
Mr. STOKES in three instances.
Mr. BARNES.
Mrs. BURTON of California in two instances.
Mr. SOLARZ in two instances.
Mr. ROE.
Mr. KASTENMEIER.
Mr. WYDEN.
Mr. STUDDS in three instances.
Mr. LELAND.
Mr. DANIEL.
Mr. YATRON.
Mrs. SCHROEDER.
Mr. OBERSTAR.
Mr. MAZZOLI.
Mr. FORD of Michigan.

SENATE JOINT RESOLUTION AND CONCURRENT RESOLUTION REFERRED

A joint resolution and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 347. Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week"; to the Committee on Post Office and Civil Service.

S. Con. Res. 140. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day"; to the Committee on Post Office and Civil Service.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2672. An act to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes;

H.J. Res. 526. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; and

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2416. An act to revise further the limitation applicable to Chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments, and for other purposes.

ADJOURNMENT TO TUESDAY, JUNE 3, 1986

Mr. GONZALEZ. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of Senate Concurrent Resolution 144 of the 99th Congress, the House stands adjourned until 12 o'clock noon, Tuesday, June 3, 1986.

Thereupon (at 4 o'clock and 34 minutes p.m.), pursuant to Senate Concurrent Resolution 144, the House adjourned until Tuesday, June 3, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3559. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during April 1986 to Communist countries, as a result of Presidential Determinations, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

3560. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Finance and Urban Affairs.

3561. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-162, "Council of the District of Columbia Compensation Limitation Amendment Act of 1986," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3562. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-163, "District of Columbia Compensatory Time Off Temporary Amendment Act of 1986," pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3563. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-164, "Metropolitan Police Department Pay and Benefit Conference Temporary Act of 1986," pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3564. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 6-165, "Corporation Franchise Tax Amendment Act of 1986," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

3565. A letter from the Secretary of the Interior, transmitting the fiscal year 1985 annual report on the Youth Conservation Corps Program, pursuant ot 16 U.S.C. 1705; to the Committee on Education and Labor.

3566. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting additional information concerning proposed antiterrorism assistance to El Salvador, pursuant to FAA, section 574(a)(1) (97 Stat. 972); to the Committee on Foreign Affairs.

3567. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to approve a manufacturing licensing agreement for the production of night driving systems for various armored vehicles in Switzerland, pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3568. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to Israel (Transmittal No. 33-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3569. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for an Under Secretary of Commerce for Oceans and Atomsphere; an Assistant Secretary of Commerce for Oceans and Atmosphere; a chief scientist of the National Oceanic and Atomspheric Administration; and for other purposes; jointly, to the Committee on Merchant Marine and Fisheries, Science and Technology, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. H.R. 4356. A bill to autorize appropriations to carry out the activities of the Department of Justice for fiscal year 1987, and for other purposes; with amendments (Rept. 99-611). Referred to the Committee of the Whole House on the State of the Union.

Mr. HUGHES: Committee on the Judiciary. H.R. 4718. A bill to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and for other purposes; with an amendment (Rept. 99-612). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on DOD continues to subsidize foreign military sales (Rept. 99-

613). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARNARD (for himself, Mr. WALGREN, Mr. ARMEY, Mr. THOMAS of Georgia, Mr. TOWNS, Mr. CHANDLER, Mr. WILSON, Mr. DERRICK, Mr. ROWLAND of Georgia, Mr. MAVROULES, Mr. TORRICELLI, Mr. DARDEN, Mr. ROBERTS, Mr. FOWLER, Mr. DENNY SMITH, Mr. GLICKMAN, Mr. BOULTER, Mr. YOUNG of Alaska, Mr. CRAIG, Mr. SLATTERY, Mr. FLIPPO, Mr. ANTHONY, Mr. HATCHER, and Mr. WHITLEY):

H.R. 4884. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain air transportation; to the Committee on Ways and Means.

By Mr. HUGHES (for himself, Mr. MCCOLLUM, Mr. MAZZOLI, Mr. MORRISON of Connecticut, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. STAGGERS, Mr. LUNGREN, Mr. SHAW, Mr. GEKAS, and Mr. WYDEN):

H.R. 4885. A bill to amend chapter 44 of title 18, United States Code, to include serious drug offenses and violent felonies as offenses subject to enhanced penalties under the career criminal provisions of such title; to the Committee on the Judiciary.

By Mr. WYDEN (for himself, Mr. DINGELL, Mr. SIKORSKI, Mr. ECKART of Ohio, Mr. LUKEN, Mr. SLATTERY, and Mr. SHELBY):

H.R. 4886. A bill to amend the Securities Exchange Act of 1934 to require audits performed under the Federal securities laws to include reasonable procedures for financial fraud detection, and to require that auditors report fraudulent activities to appropriate enforcement and regulatory authorities; to the Committee on Energy and Commerce.

By Mr. ARCHER (for himself, Mr. ARMEY, Mr. BARTLETT, Mr. BARTON of Texas, Mr. BOULTER, Mr. BROWN of Colorado, Mr. CUMBEST, Mr. CRANE, Mr. DANNEMEYER, Mr. DAUB, Mr. DELAY, Mr. DORNAN of California, Mr. DREIER of California, Mr. DUNCAN, Mr. EDWARDS of Oklahoma, Mr. FIELDS, Mr. HUCKABY, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LUNGREN, Mr. MOORE, Mr. PACKARD, Mr. PICKLE, Mr. RICHARDSON, Mr. ROBERTS, Mr. ROEMER, Mr. SKEEN, Mr. SUNDQUIST, Mr. THOMAS of California, Mr. VANDER JAGT, Mrs. VUCANOVICH, Mr. WATKINS, Mr. WILSON, and Mr. WORTLEY):

H.R. 4887. A bill to repeal the windfall profit tax on domestic crude oil; to the Committee on Ways and Means.

By Mr. PANETTA (for himself and Mr. GRADISON):

H.R. 4888. A bill to amend the Impoundment Control Act of 1974 to reform the deferral procedures; jointly, to the Committees on Government Operations, and Rules.

By Mr. BIAGGI:

H.R. 4889. A bill to provide benefits to merchant seamen; to the Committee on Veterans' Affairs.

By Mr. BILIRAKIS:

H.R. 4890. A bill to reform the laws relating to former Presidents; jointly, to the Committees on Government Operations, House Administration, the Judiciary, and Post Office and Civil Service.

By Mr. BOULTER (for himself, Mr. MCCAIN, Mr. MONSON, and Mr. NIELSON of Utah):

H.R. 4891. A bill to require U.S. representatives to international financial institutions to oppose assistance by such institutions for the production of copper; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FRANK:

H.R. 4892. A bill to amend titles 9 and 18 of the United State Code with respect to certain civil proceedings arising under chapter 96 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. FRANK (for himself, Mr. MOAKLEY, Mr. BERMAN, and Mr. CROCKETT):

H.R. 4893. A bill to provide for a General Accounting Office investigation and report on conditions of displaced Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Nicaraguans, and for other purposes; jointly, to the Committee on Foreign Affairs, the Judiciary, and Rules.

By Mr. GILMAN (for himself, Mr. LELAND, and Mr. FAZIO):

H.R. 4894. A bill to amend section 108 of the Agricultural Trade Development and Assistance Act of 1954 to encourage loans for microenterprises owned by the poor in developing countries; to the Committee on Foreign Affairs.

By Mr. GUNDERSON :

H.R. 4895. A bill to establish a requirement that no person may offer any high-level radioactive waste for transportation in interstate commerce unless licensed for such offering by the Nuclear Regulatory Commission, and for other purposes; jointly, to the Committee on Energy and Commerce, Interior and Insular Affairs, and Public Works and Transportation.

By Mr. HOYER (for himself, Mr. FORD of Michigan, Mr. ROYBAL, Mr. ACKERMAN, Mr. DYMALLY, Mr. GARCIA, Mr. LELAND, Ms. OAKAR, Mrs. SCHROEDER, Mr. SIKORSKI, Mr. AKAKA, Mr. BARNES, Mrs. BOXER, Mr. DICKS, Mr. FAZIO, Ms. MIKULSKI, Mr. PARRIS, and Mr. WOLF):

H.R. 4896. A bill to amend title 5, United States Code, to clarify existing provisions of law prohibiting the furloughing of Federal employees on legal public holidays; to the Committee on Post Office and Civil Service.

By Mr. JONES of North Carolina:

H.R. 4897. A bill requiring that foreign vessels engaging in fishing in the U.S. fishery conservation zone meet minimum health and safety standards for U.S. observers; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KASTENMEIER (for himself, and Mr. DYMALLY):

H.R. 4898. A bill to extend the permissible pro bono representation by employees of the Federal Government and the District of Columbia government; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. MORRISON of Connecticut, Mr. FISH, Mr. HYDE, Mr. KINDNESS, Mr. DEWINE, Mr. COBLE, and Mr. SWINDALL):

H.R. 4899. A bill to amend title 35, United States Code, with respect to patented processes and the patent cooperation treaty; to the Committee on the Judiciary.

By Mr. MCCAIN:

H.R. 4900. A bill to provide for the proper administration of justice within the boundaries of the Salt River Pima-Maricopa Indian Community; to the Committee on Interior and Insular Affairs.

By Ms. MIKULSKI:

H.R. 4901. A bill to amend title XIX of the Social Security Act to require each State to provide a comprehensive assessment of each individual's needs before providing long-term skilled nursing facility or intermediate care facility services under its medicaid plan; to the Committee on Energy and Commerce.

H.R. 4902. A bill to amend title XIX of the Social Security Act to clarify that, in the case of an institutionalized spouse, income and resources required to be used for the support of a noninstitutionalized spouse (and children) are not considered to be available to the institutionalized spouse; to the Committee on Energy and Commerce.

H.R. 4903. A bill to amend title XIX of the Social Security Act to protect the welfare of spouses of institutionalized individuals under the medicaid program; to the Committee on Energy and Commerce.

H.R. 4904. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and limited deduction of contributions to long-term care savings accounts; to the Committee on Ways and Means.

By Mr. MILLER of California:

H.R. 4905. A bill to amend the act of June 3, 1960 authorizing the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD (by request):

H.R. 4906. A bill to terminate certain energy-related requirements, to reduce Federal spending, to ease the regulatory and paperwork burden, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ST GERMAIN (for himself and Mr. WYLIE) (by request):

H.R. 4907. A bill to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SCHNEIDER (for herself and Mr. UDALL):

H.R. 4908. A bill entitled, the "Sub-Saharan Africa Natural Resource and Environmental Management Training and Education Act"; to the Committee on Foreign Affairs.

By Mr. SCHUETTE (for himself, Mr. MADIGAN, Mr. LIGHTFOOT, Mr. BOULTER, Mr. CRAIG, Mr. TAUKE, Mr. ROBERTS, Mr. WEBER, Mr. FRANKLIN, Mr. MARLENEE, Mr. BEREUTER, Mr. MCEWEN, Mr. SUNDQUIST, Mr. CUMBEST, Mr. EVANS of Iowa, Mr. GUNDERSON, and Mr. COLEMAN of Missouri):

H.R. 4909. A bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture to make deficiency payments for the 1986 crops of wheat and feed grains not later than the end of the fifth month of the marketing years for such crops; to the Committee on Agriculture.

By Mr. SHUMWAY (for himself, Mr. HORTON, Mr. SMITH of New Jersey, Mr. KINDNESS, Mr. PURSELL, Mrs. JOHNSON, Mr. FRENZEL, Mr. WORT-

LEY, Mr. GEKAS, Mrs. BENTLEY, Mr. MONSON, Mr. HARTNETT, Mr. LATTA, and Mr. WHITEHURST):

H.R. 4910. A bill to provide a Federal product liability law, which addresses areas of critical concern, and for other purposes; jointly, to the Committees on the Judiciary, and Energy and Commerce.

By Mr. STALLINGS:

H.R. 4911. A bill to allow homeowners to deduct the full amount of prepaid interest paid in connection with the refinancing of their principal residence for the taxable year in which paid; to the Committee on Ways and Means.

By Mr. STANGELAND (for himself and Mrs. SMITH of Nebraska):

H.R. 4912. A bill to require the Secretary of Agriculture to make deficiency payments for the 1986 crop of wheat, feed grains, upland cotton and rice to producers who are prevented from planting acreage to a commodity because of flood, heavy rains, excessive moisture or drought; to the Committee on Agriculture.

By Mr. STANGELAND (for himself, Mr. LIGHTFOOT, Mr. DAUB, Mr. WEBER, Mr. FRANKLIN, Mr. SCHUETTE, Mr. MCEWEN, and Mr. COMBEST):

H.R. 4913. A bill to stimulate employment through the creation of rural enterprise zones designated by the Secretary of Agriculture, and for other purposes; jointly, to the Committees on Ways and Means, the Judiciary, and Banking, Finance and Urban Affairs.

By Mr. WAXMAN (for himself, Mr. BERMAN, Mrs. BOXER, Mrs. BURTON of California, Mr. DIXON, Mr. DYMALLY, Mr. FRANK, Mr. GREEN, Mr. LEVINE of California, Mr. ROYBAL, Mr. STUDDS, and Mr. WEISS):

H.R. 4914. A bill to amend the Public Health Service Act to authorize assistance for research and other activities respecting the acquired immune deficiency syndrome in foreign countries; to the Committee on Energy and Commerce.

H.R. 4915. A bill to amend title XIX of the Social Security Act to permit States the option of providing home and community-based services to low-income individuals with acquired immune deficiency syndrome [AIDS] or AIDS-related conditions [ARC]; to the Committee on Energy and Commerce.

By Mr. BONER of Tennessee (for himself, Mr. BADHAM, Mr. NELSON of Florida, Mr. AKAKA, Mr. ALEXANDER, Mr. FLORIO, Mr. HAMMERSCHMIDT, Mr. LELAND, Mr. LENT, Mr. REID, Mr. RITTER, Mr. ROTH, Mr. RUSSO, Mr. TALLON, Mrs. VUCANOVICH, and Mr. YOUNG of Missouri):

H.J. Res. 642. Joint resolution to designate the week beginning May 17, 1987, as "National Tourism Week" to the Committee on Post Office and Civil Service.

By Mr. CARPER (for himself, Mr. BROWN of Colorado, Mr. DASCHLE, Mr. FRENZEL, Mr. GIBBONS, Mr. JENKINS, Mrs. JOHNSON, Mr. MACKAY, Mr. MCCURDY, Mr. PENNY, Mr. PORTER, Mr. PURSELL, Mr. GUNDERSON, and Mr. REGULA):

H.J. Res. 643. Joint resolution proposing an amendment to the Constitution relating to Federal budget procedures; to the Committee on the Judiciary.

By Mr. HAWKINS (for himself and Mr. GOODLING):

H.J. Res. 644. Joint resolution to designate the month of September 1986 as "Adult Literacy Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR (for himself, Mr. FRENZEL, Mr. HUGHES, Mr. VENTO, Mr. SABO, Mr. WEBER, and Mr. CARPER):

H.J. Res. 645. Joint resolution to designate 1988 as the "National Year of Friendship with Finland"; to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER:

H. Con. Res. 340. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3570; considered and agreed to.

By Mr. PETRI:

H. Con. Res. 341. Concurrent resolution expressing the sense of the Congress that the member nations of the North Atlantic Treaty Organization should reassess armed forces deployments in Europe with a view toward withdrawing some units of the U.S. Armed Forces as a strategic reserve available to respond worldwide to threats against the security of the United States; to the Committee on Foreign Affairs.

By Mr. WEAVER (for himself, Mr. AUCOIN, and Mr. LOWRY of Washington):

H. Con. Res. 342. Concurrent resolution expressing the sense of the Congress regarding continued operation of the Department's N-Reactor at the Hanford Reservation in the State of Washington, producing power for the Bonneville Power Administration; to the Committee on Interior and Insular Affairs.

By Mr. WHITLEY:

H. Con. Res. 343. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day"; to the Committee on Post Office and Civil Service.

By Mr. WRIGHT:

H. Res. 460. Resolution to correct technical errors in the engrossment of H.R. 4800; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

384. By the SPEAKER: Memorial of the Senate of the State of California, relative to the Dairy Herd Buy-Out Program; to the Committee on Agriculture.

385. Also, memorial of the Legislature of the State of Oklahoma, relative to methods of supporting the Meat Inspection Program; to the Committee on Agriculture.

386. Also, memorial of the Legislature of the State of New Hampshire, relative to Federal tax reform; to the Committee on Ways and Means.

387. Also, memorial of the Senate of the State of California, relative to the Federal Tax Reform Act of 1985; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 64: Mrs. VUCANOVICH.
H.R. 880: Mr. CLINGER.
H.R. 891: Mr. MOLLOHAN.
H.R. 893: Mr. PANETTA and Mr. CLINGER.
H.R. 979: Mr. CLINGER.
H.R. 1059: Mr. EVANS of Illinois.
H.R. 1398: Mr. BEDELL.
H.R. 1566: Mr. EVANS of Illinois.
H.R. 1626: Mr. TRAFICANT.
H.R. 1946: Mr. CARNEY.
H.R. 2371: Mr. SAXTON.
H.R. 2504: Mr. BARNARD, Mr. VANDER JAGT, and Mr. FISH.
H.R. 2943: Mr. BARTLETT, Mr. COMBEST, and Mr. MONTGOMERY.
H.R. 3006: Mr. SWINDALL.
H.R. 3041: Mr. ANDREWS, Mr. ATKINS, Mr. BARNARD, Mr. BEREUTER, Mr. BOLAND, Mr. BONKER, Mr. BUSTAMANTE, Mr. DONNELLY, Mr. FOLEY, Mr. GAYDOS, Mr. GLICKMAN, Mr. GONZALEZ, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. KANJORSKI, Mrs. KENNELLY, Mr. LEACH of Iowa, Mrs. LLOYD, Mr. LUNDINE, Mr. MICA, Mr. MURTHA, Mr. NOWAK, Mr. PEASE, Mr. ROBINSON, Mr. ROWLAND of Georgia, Mr. SLATTERY, Mr. WALGREN, Mr. WHITTEN, Mr. WYDEN, and Mr. SABO.
H.R. 3042: Mr. PENNY, Mr. GARCIA, and Mr. ANNUNZIO.
H.R. 3429: Mr. RUSSO, Mr. MOAKLEY, and Mr. WILLIAMS.
H.R. 3521: Mr. SENSENBRENNER, Mr. APPLEGATE, Mr. PARRIS, Mr. NELSON of Florida, Mr. TRAXLER, and Mr. RAY.
H.R. 3597: Mr. CRAIG, Mr. CHANDLER, Mr. MACK, Mr. PARRIS, Mr. BILIRAKIS, Mr. COURTER, Mr. REGULA, Mr. BOULTER, Mr. SCHAEFER, Mrs. VUCANOVICH, Mr. ROGERS, Mr. LEWIS of California, Mr. ROWLAND of Connecticut, Mr. MCCOLLUM, Mr. CRANE, Mr. WOLPE, Mr. ROEMER, Mr. LOTT, Mr. HYDE, Mr. LIVINGSTON, Mr. COBEY, Mr. MONSON, Mr. HARTNETT, Mr. CAMPBELL, Mr. BLILEY, Mr. COATS, Mr. MARTIN of New York, Mr. STANGELAND, Mr. HUNTER, Mr. RIDGE, Mr. BOEHLERT, Mr. HILER, Mr. BROWN of Colorado, Mr. DICKINSON, Mr. ROBERTS, Mr. SPENCE, Mr. THOMAS of California, Mr. FRENZEL, Mr. OXLEY, Mr. GREGG, Mr. CALLAHAN, Mr. PORTER, Mr. MCGRATH, Mr. SMITH of New Jersey, Mr. PACKARD, Mr. MORRISON of Washington, Mrs. MARTIN of Illinois, Mr. MCKERNAN, Ms. SNOWE, Mr. BROYHILL, Mr. WALKER, Mr. SHUMWAY, Mr. DREIER of California, Mrs. JOHNSON, Mr. GINGRICH, Mr. CHENEY, Mr. BROOMFIELD, Mr. SOLOMON, Mr. LIGHTFOOT, Mr. MCEWEN, Mr. BARTLETT, Mr. SUNDQUIST, Ms. FIEDLER, Mr. SKEEN, Mr. SCHUETTE, Mr. WOLF, Mr. BATEMAN, and Mr. MCMILLAN.
H.R. 3644: Mr. YOUNG of Florida.
H.R. 3647: Mr. HUTTO.
H.R. 3793: Mr. DARDEN, Mr. IRELAND, Mr. BLILEY, and LOEFFLER.
H.R. 3799: Mr. DIXON, Mr. DELLUMS, Mr. BENNETT, Mr. BUSTAMANTE, Mrs. BURTON of California, Mr. CROCKETT, Mr. SOLARZ, Mr. GRAY of Illinois, Mr. SCHEUER, Mr. TOWNS, and Mr. FLORIO.
H.R. 3897: Mr. LOTT, Mr. STENHOLM, and Mr. SYNAR.
H.R. 3980: Mr. FRENZEL.
H.R. 4060: Mr. BOULTER, Mr. BATEMAN, Mr. JONES of Oklahoma, Mr. HATCHER, Mr. SMITH of New Hampshire, Mr. GEPHARDT, Mr. LUJAN, Mr. JONES of Tennessee, Mr. DORGAN of North Dakota, Mr. DERRICK, Mr. COURTER, Mr. HUGHES, Mr. MCMILLAN, Mr. MOLLOHAN, and Mr. SHARP.
H.R. 4221: Mr. MILLER of Washington.
H.R. 4299: Mr. TORRICELLI, Mr. BOEHLERT, Mr. BATEMAN, and Mr. THOMAS of Georgia.
H.R. 4300: Mrs. COLLINS, Mr. CARPER, and Mr. BOEHLERT.
H.R. 4344: Mr. DEWINE and Mr. GARCIA.
H.R. 4364: Mr. MORRISON of Washington.
H.R. 4368: Mr. HAMILTON.
H.R. 4391: Mr. MANTON.
H.R. 4406: Mr. KINDNESS.
H.R. 4419: Mr. CLINGER.
H.R. 4465: Mr. CHANDLER.
H.R. 4476: Mr. KRAMER and Mr. KEMP.
H.R. 4556: Mr. BILIRAKIS, Mr. MCCURDY, Mr. MONTGOMERY, and Mr. WATKINS.

H.R. 4567: Mr. STRATTON.

H.R. 4650: Mr. ROE, Mr. WEISS, Ms. KAPTUR, Mr. SOLARZ, Mr. FAUNTROY, Mr. HALL of Ohio, Mr. GEJDENSON, Mr. SUNIA, Mr. MILLER of California, Mr. WILSON, Mr. HOWARD, Mr. LEVIN of Michigan, Mr. MINETA, and Mr. KOLTER.

H.R. 4693: Mr. LOEFFLER, Mr. ANDREWS, Mr. DELAY, Mr. LEATH of Texas, Mr. BOULTER, Mr. WILSON, Mr. ARCHER, Mr. COLEMAN of Texas, Mr. COMBEST, Mr. BROOKS, Mr. BUSTAMANTE, Mr. ARMEY, Mr. ORTIZ, Mr. CHAPMAN, Mr. FIELDS, Mr. DE LA GARZA, Mr. FROST, Mr. PICKLE, Mr. BRYANT, Mr. RALPH M. HALL, Mr. WRIGHT, Mr. BARTON of Texas, Mr. LELAND, Mr. BARTLETT, and Mr. SWEENEY.

H.R. 4713: Mr. ROBINSON, Mr. BATES, Mr. KANJORSKI, Mr. HENRY, Mr. BONIOR of Michigan, and Mr. OWENS.

H.R. 4738: Mr. COELHO, Mr. DICKS, Mr. SPRATT, Mr. RODINO, Mr. OWENS, Mr. MITCHELL, Mrs. COLLINS, Mr. HOWARD, Mrs. BYRON, and Mr. BIAGGI.

H.R. 4744: Mr. HUNTER.

H.R. 4766: Mr. FRENZEL and Mr. PORTER.

H.R. 4795: Mrs. COLLINS, Mr. WORTLEY, Mr. MANTON, Mr. DORNAN of California, Mr. DEWINE, Mr. LUNDINE, and Mr. JONES of North Carolina.

H.R. 4825: Mr. BIAGGI, Mr. DYMALLY, and Mr. KLECZKA.

H.R. 4876: Mr. FUQUA and Mr. KINDNESS.

H.J. Res. 7: Mr. KEMP, Mr. RIDGE, Mr. MCDADE, and Mr. ANNUNZIO.

H.J. Res. 127: Mr. BLAZ, Mr. DAUB, and Mrs. KENNELLY.

H.J. Res. 451: Mrs. MARTIN of Illinois, Mr. THOMAS of Georgia, Mr. ROSE, Mr. MACKAY, Mr. DENNY SMITH, Mr. COELHO, Mr. AKAKA, Mr. MANTON, Mr. WILSON, Mr. LOEFFLER, Mr. DERRICK, Mrs. JOHNSON, Mr. HEFTEL of Hawaii, Mrs. BURTON of California, Mr. STOKES, Mr. WOLF, Mr. LUNGREN, Mr. BEREUTER, Mr. FEIGHAN, Mr. RIDGE, Mr. ANDREWS, Mr. APPLEGATE, Mr. GEPHARDT, Mrs. BOXER, Mr. DELLUMS, Mr. BEVILL, Mrs. ROUKEMA, Mrs. HOLT, Mr. FOWLER, Mr. TAUZIN, Mr. GIBBONS, Mr. JENKINS, Mr. BROYHILL, Mr. COATS, Mr. STENHOLM, Mr. TRAFICANT, and Mr. CLINGER.

H.J. Res. 524: Mr. HOWARD, Mr. DWYER of New Jersey, and Mr. FLORIO.

H.J. Res. 531: Mr. SOLARZ, Mr. LUNDINE, Mr. CHAPPELL, Mr. REGULA, Mr. GILMAN, and Mr. LEHMAN of Florida.

H.J. Res. 535: Mr. KASICH, Mr. BLILEY, Mr. WHITTAKER, Mr. MURPHY, Mr. ROE, Mr. CALLAHAN, Mr. HEFNER, Mr. TOWNS, Mr. DEWINE, Mr. STRANG, Mr. SHELBY, and Mrs. BENTLEY.

H.J. Res. 580: Mr. KASTENMEIER, Mr. CONTE, Mr. SUNIA, Mr. CROCKETT, Mr. EDWARDS of California, Mr. JEFFORDS, Mr. FLIPPO, Mr. ROBINSON, Mr. ANTHONY, Mr. DIXON, Mr. NELSON of Florida, Mr. HUBBARD, Mr. LIVINGSTON, Mrs. BYRON, Mr. WHEAT, Mr. SCHEUER, Mr. VALENTINE, Mr. WHITLEY, Mr. DERRICK, Mr. RALPH M. HALL, and Mr. MORRISON of Washington.

H.J. Res. 590: Mr. DEWINE, Mr. COELHO, Mr. ANDERSON, Mr. TRAXLER, Mr. RUSSO, Mr. JACOBS, Mrs. MARTIN of Illinois, Mr. WEBER, Mrs. COLLINS, Mr. BIAGGI, Mr. MOODY, and Mrs. BURTON of California.

H.J. Res. 602: Mr. WILLIAMS, Mr. OWENS, Mr. DASCHLE, Mr. RINALDO, Mr. CLINGER, Mr. YOUNG of Alaska, Mr. RAHALL, Mr. DE LA GARZA, Mr. WHITTAKER, Mrs. LLOYD, Mr. FISH, Mr. BEDELL, Mr. DEWINE, Mrs. BOXER, Mr. CARPER, Mr. CONTE, Mr. BENNETT, Mr. JONES of Tennessee, Mr. LAFALCE, Mr. RANGEL, Mr. MCGRATH, Mr. NIELSON of Utah, Mr. ROSE, Mr. WAXMAN, Mr. WEAVER, Mr. STALLINGS, Mr. WEISS, Mr. LOWRY of Washington, Mr. MONTGOMERY, Mr. SMITH of New Jersey, Mr. THOMAS of Georgia, Mr. SOLARZ, Mrs. COLLINS, Mr. AKAKA, Mr. FAZIO, Mr. OBERSTAR, Mr. EARLY, Mr. KASICH, and Mr. BONIOR of Michigan.

H.J. Res. 624: Mr. CLINGER.

H. Con. Res. 325: Mr. GARCIA.

H. Con. Res. 331: Mr. PURSELL, Mr. SCHUETTE, Mr. MONSON, Mr. MCKINNEY, and Mr. KLECZKA.

H. Con. Res. 333: Mr. PURSELL, Mr. HUCKABY, Mr. GLICKMAN, Mr. BROWN of Colorado, and Mr. COBEY.

H. Con. Res. 336: Mr. BOLAND, Mr. BROWN of California, Mr. ANDREWS, Mr. KOSTMAYER, Mr. BERMAN, Mr. STUDDS, Mr. LEVIN of Michigan, Mr. DOWNEY of New York, Mr. CARPER, Mr. MOAKLEY, Mr. BONKER, Mr. MINETA, Mr. KOLTER, Mr. LEHMAN of Florida, Mr. UDALL, Mr. WEISS, Mr. MCCLOSKEY, Mr. SCHUMER, and Mr. CONYERS.

H. Res. 451: Mr. BARNES, Mr. BLILEY, Mrs. BOXER, Mrs. BYRON, Mr. CLAY, Mr. DAUB, Mr. GEJDENSON, Mr. HATCHER, Mr. HAYES, Mrs. HOLT, Mrs. JOHNSON, Mr. JONES of North Carolina, Mr. WIRTH, and Mr. WOLPE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolution as follows:

H.R. 1780: Mr. NELSON of Florida.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

361. By the SPEAKER: Petition of the executive committee, National Association of Secretaries of State, Lexington, KY, relative to section 1324 of the Food Security Act of 1985; to the Committee on Agriculture.

362. Also, petition of the First Congressional Church, United Church of Christ, Amherst, MA, relative to the bombing of Libya; to the Committee on Foreign Affairs.

363. Also, petition of the North Carolina Student Legislature, Raleigh, NC, relative to the Grace Commission's findings; to the Committee on Government Operations.

364. Also, petition of the board of directors, Council of Smaller Enterprises, Cleveland, OH, relative to the Small Business Administration; to the Committee on Small Business.

365. Also, petition of the board of trustees, Town of Griffith, IN, relative to legislation limiting tax-exempt financing; to the Committee on Ways and Means.

366. Also, petition of the North Carolina Student Legislature, Raleigh, NC, relative to a special purchase of oil from Mexico to fill the strategic petroleum reserve; jointly, to the Committees on Foreign Affairs and Energy and Commerce.

EXTENSIONS OF REMARKS

HOWARD AND SHERYLE ISAACS HONORED AS FLORIDA SMALL BUSINESS PERSONS OF THE YEAR

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. YOUNG of Florida. Mr. Speaker, 14 million small businesses form the backbone of our Nation's economy and it is appropriate that this week has been proclaimed "Small Business Week" in their honor.

In recognition of this salute, outstanding small business persons from throughout the United States are being honored in Washington this week. Howard and Sheryle Isaacs, constituents I represent from St. Petersburg, FL, have been selected as Florida's Small Business Persons of the Year for which they are being recognized this week in numerous programs and activities that includes a congressional salute to small business leaders tomorrow.

Mrs. Isaacs is president and Mr. Isaacs is chief executive officer of Good Buy Sportswear in St. Petersburg. The contribution they have made and the example they have set for our community is representative of the entrepreneurial spirit and enthusiasm that has shaped our Nation's economy and established the United States as the world leader in business and industry.

Mr. Speaker, I urge my colleagues in the House to take part in the events to honor America's outstanding small business leaders, such as the Isaacs, who are assembled here this week.

INSURANCE INFORMATION ACT OF 1986

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. SCHUMER. Mr. Speaker, a fog of confusion envelops the liability insurance debate. Today I am introducing the Insurance Information Act of 1986, which is intended to shine some facts through that fog.

Mr. Speaker, I serve as a member of the House Judiciary Committee, the panel with jurisdiction over changes in the Nation's tort law and over modifications in the McCarran-Ferguson Act, which limits the Federal Government's role in regulating the insurance industry. For months now, I have been urged by representatives of the insurance industry and many business groups to back tort reform legislation. And I have been urged by trial lawyers, consumer groups, and some business groups to resist tort reform and to back instead changes in the McCarran-Ferguson Act in order to permit the Federal Government to enter into the regulation of the insurance industry.

My reaction to both sides was sympathetic. I have long been concerned with problems in the Nation's tort system—such as with the inefficient way it distributes awards. Of the money paid out by insurance companies in asbestos cases, only 40 percent ended up with victims. Clearly, there are also problems in the way tort law deals with products that are inherently risky but whose benefits outweigh the potential harm. Despite near unanimous agreement that the Sabin vaccine would prevent thousands of deaths each year, for example, producers have found that the handful of annual victims are so tragically attractive to juries as to make Sabin vaccine production unprofitable.

Tort reformers may indeed be right that the country's tort system has produced huge and unpredictable damage judgments, awards that have left many risks uninsurable.

On the other side, I found merit to the argument that insurance regulations should be broadened. The insurance industry, like the banking industry, is a national utility. Insurance companies, like banks, provide the grease that keeps the gears of the Nation's economy moving smoothly. As the current liability insurance crisis attests, problems in the insurance industry—perhaps even more so than in the banking industry—tend to be national in scope. The need for direct Federal oversight of the banking industry is widely accepted; is it worth the risk to shield the insurance industry from the same scrutiny?

Still, The legislation uged by both sides represent drastic changes. Tort law today provides an important means of compensating unnecessarily injured people. And the open-ended threat of huge awards deters harmful behavior; meanwhile, the primacy of the States in regulating the insurance industry has a long, established history, enshrined for the last 40 years in law.

Tampering in this area carries no small risk, and as I began to review the cases made by both sides, I found that the information presented did not prove the case for major adjustments in tort law; nor did it prove the need for Federal regulation of the insurance industry. In fact, the evidence presented proved nothing at all. Full of half-true anecdotes, misleading statistics, and counterintuitive reasoning, the information presented has been long on exclamation points and short on conclusive evidence.

Tort reformers, for example, have relied heavily on anecdotes. These tall tales about plaintiffs who win huge judgments for ridiculous reasons are compelling—but tend to be no more than half true. One widely told story, for example, describes an "overweight man with a history of heart disease" who successfully sues the manufacturer of a lawnmower after suffering a heart attack while trying to start the machine. In fact, however, it was a 32-year-old doctor with no history of heart disease who collapsed while vainly yanking at an engine that was defective when it left the factory. Another anecdote tells of a suit that resulted from the death of a woman whose car rammed a horse that flipped and fell through the car's roof. Left out is the case's most significant fact, that the car's roof could withstand significantly less than the 5,000 pounds of impact the national transporation safety board requires for passenger protection if a car rolls over during an accident.

The statistics tort reformers cite are not much better. To pick one example, the average product liability award is said to have increased from $345,000 to over $1 million in the last decade—figures that, first of all, ignore the fact that inflation alone would have increased the $345,000 figure to over $700,000. Still $1 million seems like a lot of money to be shelling out per award—until you look at it closely.

First, the average award figure does not take into account the majority of product liability plaintiffs who lose, the 95 percent of filed lawsuits that are dropped or settled before trial, or the many injured people who never bring a suit. If it did, compensation per victim or per lawsuit would be much lower. Second, the average was most likely stretched higher by a very small number of huge awards. A respected Rand Corp. study of San Francisco jury awards between 1960 and 1979 found that the largest two awards accounted for 38 percent of the total amount of awards in the late 1970's. Without those two awards—which may well have gone to people paralyzed or worse because of the gross negligence of some company—the average product liability award in those years would be just marginally higher than in the late 1960's.

Last, the huge awards in this example—and in almost all statistics cited to prove the need for tort reform—are not final judgments, but jury awards—which are frequently reversed or reduced on appeal. In fact, a recent Yale Law School study indicates that appeals courts overturn as many as half of all jury verdicts.

What about the statistics on the other side of the debate? Not much better. Tort defenders have latched on to a new, widely publicized study by the national center for State courts which found that tort filings jumped only slightly between 1978 to 1981 and then actually decreased between 1981 and 1984. Under "Tort Filings," though, the National Center Study includes everything from product liability suits to auto accident cases, the latter of which are so frequent by comparison that they mask any changes in other areas.

Tort defenders blame the current crisis on the insurance industry itself, accusing insurance executives of manufacturing a crisis to create pressure for tort reform. However, in

statistics released to prove that the industry made money in recent years—when the industry maintains it has lost money—tort defenders add to the industry's loss figures a huge number for capital gains. However, capital gains—money made when a company sells off assets—can be made only once. And businesses tend to sell stocks and other assets only when they have to compensate for large losses in the regular course of business.

Plus, last year a frighteningly large number of insurance companies were forced into insolvency. Were these companies made to die so that the remaining insurance companies can have their tort reform? It just doesn't seem likely. Nor does it seem likely that large insurance companies would cancel policies or drop entire lines if there was a reasonable change to make some money.

In short, Mr. Speaker, the available evidence proves just one thing: That the current system for collecting data about the insurance industry and about the industry's interplay with the civil justice system is woefully inadequate.

We cannot legislate without the facts, Mr. Speaker, and for one reason or another the insurance industry has been less than forthcoming with the necessary data. Though they have almost gleefully released broad numbers on operating losses, they have been mysteriously tightlipped about how much they have paid out in claims for specific classes of businesses, like day care centers, and how that has changed over time. And about how the premium slashing of a few years back relates to the current insurance crunch.

Some respected industry leaders share in this criticism. The CEO of the Nation's second largest insurance brokerage—who supports tort reform—told a recent meeting of the National Association of Insurance Brokers that "more complete disclosure of claims data and the positive impact various tort reforms might produce must be forthcoming—and soon." He added, quite rightfully, "policy makers need hard data—good solid reliable data—if they are to take up the civil justice reform cause in earnest."

The CEO concludes, "without the basic data, we won't win even the most basic reforms."

Mr. Speaker, the legislation I am introducing today will provide that basic data. By requiring insurance companies to report a wide range of information annually to the Secretary of Commerce, the Insurance Information Act of 1986 will create a base of independently verified and independently analyzed statistics, data that should be a prerequisite to any major reform. Specifically, the act will provide information on claims paid during the regular course of business, claims paid as a result of court judgments and as a result of out-of-court settlements, money paid for legal costs and other payouts—all for specific classes of business, from municipalities to ice skating rinks. Also, it will provide data on investment income and reserves, on premium changes and coverage limits.

The act provides that the Secretary of Commerce compile a report with an analysis and send it to the States, to Members of Congress and to the President. The numbers in the annual report will provide answers to some very important questions. Has there been a litigation explosion in recent years? The data will tell us. Have court awards and out-of-court settlements been skyrocketing? The data will tell us. Have insurance companies been forced to funnel large sums to lawyers defending against frivolous suits? Does the loss experience of, say, nurse/midwives justify cancellation of coverage? Is there a some sort of collusion among insurance companies? Why have so many insurance companies gone under recently? The data will tell us.

And State and Federal legislators will have the information to ground any legislative reforms in statistics and substance, not catchy anecdotes.

In addition to that, Mr. Speaker, the Insurance Information Act is designed to assist the States in their role as primary regulators of the insurance industry, helping them respond more swiftly than they can now to the wide-swinging insurance cycles. Currently, State regulators are restricted by their resources to general data collected chiefly to monitor potential insolvencies. Almost all the businesses, professionals and municipalities suffering from the current liability insurance drought are tucked away in one line in the State reporting form under "other liability." That information is unverified and provided only at the discretion of insurance companies to the States, about half of which don't even have accredited actuaries to analyze the numbers.

This program is not new. In recent congressional testimony, the General Accounting Office's Chief Economist described a 1979 GAO study which found that "insurance departments lacked sufficient information to regulate effectively."

The current crisis confirms that the insurance industry is cyclical in nature, and that the information available to State regulators was not sufficient to prevent insurance companies from drastic premium cutting several years ago when high interest rates sparked a desire for investment money. It is also generally accepted that that rate cutting has played a role in the current insurance shortfall.

State regulators have said that if they had earlier access to information on significant rate slashing or coverage expansion they would have been able to soften the blow of the current crisis. The Insurance Information Act will provide State regulators with that important information.

Before I conclude, Mr. Speaker, I'd like to make one more point about the bill I am introducing today. Athough the legislation is now loaded with specific reporting requirements, legislators might find on reflection that some necessary information is not now in the bill, or that the bill requires some information that is not necessary. Indeed, legislators might conclude that a reporting requirement should apply not just to insurance companies, but to cities and large companies that self-insure, or even to the court system, or to all litigants themselves. Perhaps we will be convinced that what we need is some kind of national center of litigation statistics. That is all fine with me. What I am wedded to is the idea behind the bill—that State and Federal legislators need reliable and comprehensive information before considering major legislative reform. I am certainly willing to work with all interested parties to produce a bill that will produce that data.

Again, Mr. Speaker, we face today not only an insurance crisis, but an information crisis—a crisis, because the momentum of conventional wisdom and saturation lobbying may force the enactment of radical legislation that time and hard data may prove counterproductive or worse.

I am ready to support measures that will help businesses, professionals, and municipalities in the short run. For the long haul, I urge my colleagues to resist proposals for major change and to support something along the lines of the sunshine legislation I am introducing today.

I insert the text of the bill at this point in the RECORD:

H.R. —

A bill to provide for the collection of independently verified data regarding certain insurance matters, to make such data available to certain State and Federal officials for use in making policy decisions and determinations with respect to the insurance industry, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Insurance Information Act of 1986".

SEC. 2. FINDINGS.

The Congress finds that—

(1) no independent data-gathering body exists within the Federal government or elsewhere—

(A) to compile and analyze insurance statistics, and

(B) to analyze the relationship between insurance premiums and the civil justice system,

in order to assist the States, Congress, and the President in formulating policy relating to the insurance industry;

(2) the States presently lack sufficient data on insurance-related trends in their own States and in other States in order to act in their capacity as the primary regulators of the insurance industry.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to assure the availability of independently verified insurance data by requiring insurance companies which issue commercial insurance policies to report information relating to such policies to the Secretary; and

(2) to aid the President, Congress, and the States by requiring the Secretary—

(A) to analyze the data reported,

(B) to provide such data and analysis to the States for use in their capacity as the primary regulators of the insurance industry, and

(C) to provide such data to the States, Congress, and the President for use in monitoring the relationship between the civil justice system and the cost of obtaining commerical insurance coverage.

SEC. 4. REPORTING REQUIREMENTS

(a) IN GENERAL.—(1) An insurance company which issues a commercial insurance policy shall report to the Secretary the information described in subsection (b) after January 1, but not later than March 31, of each year.

(2) Each report under paragraph (1) shall contain such information for the calendar

year preceding the calendar year in which such report is filed.

(b) INFORMATION TO BE REPORTED.—The information required to be reported by an insurance company under subsection (a) is the following:

(1) For each class of business insured by a commercial insurance policy issued by such company, listed within each State in which such company issues any such policy—

(A) the sum of the value of—

(i) premiums written, and

(ii) premiums earned,

(B) the total number of units of exposure, as prescribed by the Secretary in regulations;

(C) the lowest and highest premiums charged per unit of exposure;

(D) exclusive of legal costs incurred, the sum of the value of claims paid, and a distribution by size of claims paid—

(i) in the regular course of business under terms of coverage,

(ii) as awards in judicial proceedings arising out of terms of coverage, and

(iii) in out of court settlements relating to and completed after institution of judicial proceedings arising out of terms of coverage;

(E) the sum of the value of claims paid, and a distribution by size of claims paid, as awards in judicial proceedings arising out of terms of coverage, listed according to various categories of such payments, including compensation for economic loss, punitive, damages, and damages for pain and suffering, as prescribed by the Secretary in regulations as necessary and appropriate to the purposes of this Act;

(F) the total value of administrative expenses;

(G) the total value of reserves, and the value of reserves per unit of exposure;

(H) the sum of the value of legal costs incurred while settling claims, broken down by attorneys' fees and other legal costs as prescribed by the Secretary in regulations—

(i) in judicial proceedings arising out of terms of coverage,

(ii) in out of court settlements relating to and completed after institution of judicial proceedings arising out of terms of coverage, and

(iii) in the regular course of business under terms of coverage

which resulted in awards of payments of money to an insured;

(K) the sum of the value of legal costs incurred, broken down by attorneys' fees and other legal costs as prescribed by the Secretary in regulations—

(i) in judicial proceedings arising out of terms of coverage,

(ii) in out of court settlements relating to and completed after institution of judicial proceedings arising out of terms of coverage, and

(iii) in the regular course of business under terms of coverage

which did not result in awards or payments of money to an insured.

(L) the sum of the value of actual economic loss caused by any business, non-profit or governmental entity insured by any such policy, and a distribution by size of such economic loss, as estimated by the insuring company.

(M) the percentage of all such policies—

(i) which were cancelled by such company, and

(ii) which expired and were not renewed by such company.

(4) A list of classes of business for which the average premium per unit of exposure, upon renewal, was—

(A) increased by at least 25 percent, or

(B) decreased by at least 15 percent, from the premium that was charged for such policy or for a similar policy for the same customer during the year preceding the year for which the information is reported, specifying the percentage and total amount of change of the premium for each such policy.

(5) A list of classes of business for which the average coverage limit per unit of exposure was—

(A) increased by at least 25 percent,

(B) decreased by at least 15 percent, from the coverage limits under such policy or under a similar policy for the same customer during the year preceding the year for which information is reported.

(6) The value of all investment income received by such company, and, listed separately, the value of all other income received by such company, as determined by the Secretary to be necessary to calculate equity by class of business.

(7) The percentage of investment income received by such company allocated to its commercial operations, and the method of allocation.

(8) Such other information as the Secretary considers necessary and appropriate to the purposes of this Act.

(c) CERTIFICATION OF REPORT.—(1) A report required for this section shall be accompanied by a certificate of an independent public accountant verfiying the accuracy of such report.

(2) Such certificate shall be based upon an audit of such scope and procedure and containing such information as the Secretary considers appropriate to the purposes of this Act.

(d) EXEMPTION FROM REPORTING.—The Secretary may exempt an insurance company from the reporting requirements of this Act upon a determination by the Secretary that reporting by such company—

(1) would the unnecessary to the purposes of this Act, and

(2) would impose an unreasonable burden on such company.

SEC. 5. REPORT OF THE SECRETARY.

(a) IN GENERAL.—(1) The Secretary shall, not later than September 30 of each year, issue a report which summarizes the information reported under section 4 as compiled and analyzed in accordance with subsection (b).

(2) A copy of such report shall be sent to—

(A) the Governor of each State, for transmittal to the State officer of employee in charge of insurance regulation;

(B) each Member of Congress;

(C) the President;

(D) the Comptroller General; and

(E) the Director of the Congressional Research Service.

(3) Copies of such report shall be available for distribution to the public upon request.

(b) PREPARATION OF REPORT.—In preparing a report under subsection (a), the Secretary shall compile and analyze, for each State and for all States, the data reported under section 4, as follows:

(1) Compile such data for each class of business within each State.

(2) Analyze such data—

(A) for any differences—

(i) among States, and

(ii) among insurance companies, in coverage of similar classes of business;

(B) for any relationship between claims paid and fluctuations in premiums charged and coverage limits;

(C) for any relationship between payments made as a result of judicial proceedings, payments made as a result of out-of-court settlements, payments made in the regular course of business, and insurance premiums; and

(D) any other information the Secretary deems necessary and appropriate to the purposes of this Act.

(c) RESTRICTION ON DISCLOSURE.—(1) Information required to be reported by an insurance company under Section 4 shall not be disclosed other than in a report prepared by the Secretary under this section.

(2) A report under this section shall not identify such information as having been reported by a particular insurance company except as explicitly authorized by this Act.

(3) Section 1905 of title 18, United States Code, shall apply to an officer or employee of the United States who discloses such information other than as provided in this Act.

SEC. 6. DEFINITIONS.

For purposes of this Act.

(1) the term "class business" means a category of business, non-profit, or governmental entity characterized by a similarity of purpose, activity, and associated risks (such as day care centers, nurse/midwives, architects, and municipalities), as prescribed by the Secretary in regulations;

(2) the term "commercial insurance policy" means an insurance policy issued to a business, non-profit, or governmental entity, which insures against damage or injury occurring—

(A) as a result of the commercial non-profit, or governmental activities of such entity,

(B) on the property of such entity, or

(C) to the property of such entity.

(3) the term "insurance company" means an entity engaged in the business of issuance or administration of any commercial insurance policy in any State, and includes risk retention groups (as that term is defined in section 2(a)(1) of the Product Liability Risk Retention Act of 1981);

(4) the term "legal costs" means attorney fees, court costs, and associated expenses;

(5) the term "premiums charged" means money or other value paid to an insurance company in return for a contractual obligation to insure against certain risks;

(6) the term "reserve" means money or other value set aside for payment of a claim;

(7) the term "Secretary" means the Secretary of Commerce;

(8) the term "State" means any State of the United States, the District of Columbia, and the territories and possessions of the United States; and

(9) the term "unit of exposure" means the basic unit for measuring risk in a class of business (such as payroll, or number of children in a day care center), as prescribed by the Secretary in regulations;

SEC. 7. PENALTY.

Any person who—

(1) fails to file a report in accordance with the requirements of this Act and regulations promulgated under this Act, or

(2) knowingly makes any false statement or omission of fact in such a report,

shall upon conviction be fined not more than $100,000, or imprisoned not more than 5 years, or both.

SEC. 8. REGULATIONS.

(1) Within 90 days following the date of the enactment of this Act, the Secretary shall—

(A) issue such regulations as may be necessary to implement this Act,

(B) issue a list of standard classes of business and of standard units of exposure for which any commercial insurance company must report data under the terms of this Act,

(C) work with all interested parties including Congress and issue a reporting form to be used by commercial insurance companies to carry out the purposes of this Act.

WOO FETED BY LOS ANGELES COUNTY DEMOCRATS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. WAXMAN. Mr. Speaker, I wish to bring to your attention and the attention of our colleagues some of the achievements of the distinguished Los Angeles City Councilman, the Honorable Michael Woo.

Councilman Michael Woo is one of the best prepared individuals ever to hold a public leadership post in the city of Los Angeles. He is the first urban planner to serve on the City Council. Councilman Woo holds a master's degree in city planning from one of the Nation's top universities, the University of California, Berkeley.

Michael Woo is not only the first city planner to sit on the Los Angeles Council, he is also the first Asian-American to serve in this capacity. This is particularly significant in view of the burgeoning Asian and Asian-American population in southern California.

Michael Woo represents not only a large Asian community, his district also includes such varied constituencies as Hispanics, Armenians, Jews, and a very substantial number of members of Hollywood's famed creative community. The district is also distinguished by large populations of gays and senior citizens. Councilman Woo is widely respected for his sensitivity to the varied needs of his constituents.

On May 29, 1986, the Los Angeles County Democratic Central Committee will hold its annual John F. Kennedy Memorial Dinner. Councilman Michael Woo has been designated, "Countywide Democrat of the Year." I ask my fellow Members of the House of Representatives to join me in a bipartisan salute to this outstanding young government official.

DEMOCRACY ON THE MOVE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. LIPINSKI. Mr. Speaker, the foreign policy challenges which confront our country in today's world are many and varied. With the global order reeling from acts of terror, it is more important than ever to vigorously pursue a course that preserves the freedoms inherent in democracy.

Although the 1980's continues to be a time of turbulence and misunderstanding in the international community it has also presented this Nation with an opportunity to offer hope to all our friends who espouse the principles of democracy.

Recent trends in global affairs have made it necessary for our Nation to adopt a bold and imaginative foreign policy which will help shape events in accordance with our vision of a safer and more peaceful world community.

Throughout the world we have begun to see a democratic renaissance; one where the basic principles of liberty are taking hold in country after country, demonstrating a desire for and appeal to the framework of our ideals.

Although our system of democracy is a powerful incentive to developing nations we are still hard pressed to face the challenges of communism and terrorism which plague this planet at epidemic levels.

In meeting these challenges one fact remains undeniable—the yearning for political freedom continues to be the most desirable goal for most members of the international forum. As the strongest democracy on Earth we play an integral role in the support of peoples who aspire to the basic freedoms that we as U.S. citizens enjoy today.

The clearest example of this whirlwind of democracy has been in Latin America, where Guatemala has been the latest to join the ranks of countries who have opted for civilian government in lieu of the oppressive military regimes of the past. As Secretary of State George Shultz recently stated: "In the last 6 years, elected civilian governments have replaced authoritarian regimes in Argentina, Guatemala, Honduras, Peru, and Uruguay. Over 90 percent of all people in Latin America and the Caribbean now enjoy democracy as opposed to less than one-third in the early 1980's." It is clear that the peoples of these countries have realized that the basic freedoms offered by democracy, such as the right to vote, to worship and to speak openly, provide a wider range of opportunities for themselves and their children than the false promises offered by the past regimes.

Undoubtedly, our moral economic and security assistance can make the difference between the success and failure of these fledgling democracies. Our commitment to human rights, social and economic progress place us in a leadership role that must continue to be a source of inspiration to all young democratic nations.

The Soviet Union continues to pose a serious challenge not only to this Nation but to the interests of the free world as well. Though our countries represent philosophies that are at opposite ends of the spectrum, the spiralling arms race has encouraged us to pursue a constructive dialog with the Soviet Union whenever we can without abandoning our basic principles.

Successful negotiations with the Soviets in the future will remain contingent upon American strength. In dealing with the Soviet Union, American diplomacy and strength serve similar purposes. Our defense preparedness along with a continued commitment to the strategic defense initiative remain crucial to the idea of international stability. Our defensive posture in nuclear weaponry makes our negotiating position much more viable in realizing the universal goal of a safer world.

Perhaps the most important challenge facing our Nation continues to be international terrorism. The attacks at the West Berlin nightclub and the Rome Airport which were supported by the Libyan regime solidify our resolve to track down and punish the perpetrators and sponsors of these unconscionable acts.

Terrorism is simply international warfare conducted and aided by a handful of radical governments which follow an archaic philosophy seeking to undermine democracies throughout the world. The growing sentiment from the international community is that apathy and appeasement offer no solution to the problem of terrorism. We must continue to improve our intelligence efforts and develop closer cooperation and coordination with other governments to combat this problem.

One point that must be made clear is that the U.S. Government will act swiftly and effectively against terrorist activities and that those governments which aid these international criminals will be held accountable in the strictest terms. The lives of Americans abroad must and will be protected.

As we move forward to meet the challenges of the future, we as a nation must continue to advocate and support the ideals and principles of democracy for young developing nations to emulate. America must remain a beacon of hope and a model of democracy if we are to preserve and advance peace, freedom, and security in the world community.

A TRIBUTE TO THE C.J. FOLGER HOOK AND LADDER COMPANY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. KEMP. Mr. Speaker, I rise today to pay tribute to the C.J. Folger Hook and Ladder Co. of Geneva, NY, with an excerpt from the 100th anniversary book by A.M. Learned.

One hundred years ago in the spring of 1886, 27 Geneva men signed the charter of the newly organized company of the Geneva Fire Department and chose the name of Charles J. Folger Hook and Ladder Co. No. 1.

In choosing the name, they honored a former fireman and company foreman who had contributed generously to the company's equipment fund. They also memorialized one who perhaps could be called Geneva's highest ranking citizen. Judge Folger, former chief justice of the Court of Appeals of New York State, was, at the time of his death, Secretary of the Treasury of the United States in the cabinet of President Chester A. Arthur.

Folger's death made Geneva the capital of the Nation for the day of his funeral in 1884. Everyone, from President Arthur, Governor Grover Cleveland, and thousands of others came to the city to attend the funeral. Statisticians of that day said 40,000 were there for the rites.

The Folger Hook and Ladder Co. has progressed from its hand-drawn equipment to its present day aerialscope that reaches the tall-

est building in Geneva. Its present day membership of nearly 100 faithfully attend meetings and drills for acquiring the newest skills in firemanship. Geneva continues to be well-served by the hook and ladder company which last year answered 195 fire calls. The members are to be congratulated on keeping prepared for the next 100 years as they mark their first century.

KANSAS CITY, KANSAS, HONORS THREE SMALL BUSINESSES

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mrs. MEYERS of Kansas. Mr. Speaker, today the Kansas City Kansas Chamber of Commerce honors three of its small business members for their achievements and contributions to the Kansas City, KS economy and community as a whole.

Riverview Greenhouse and Nursery, owned by Bob Johnson and Mike Murray, has been selected the "Small Business of the Year." Opening for business in 1983, Riverview Greenhouses have averaged a 100-percent growth rate each year. Riverview has been an active participant in the renewed spirit of Kansas City, KS and has contributed greatly to the beautification of the entire community.

Having been in operation for nearly 1 year, M&M Discovery House, an educational day care center, is recognized as the "New Small Business of the Year." Owners Betty and Ann Moninger, a mother-daughter team, have tried to gear their program to meet both the mental and physical abilities of each child's age group with respect to meals, exercise, rest and outdoor activities. The University of Missouri at Kansas City has sent students to observe its operation.

Receiving the Chamber's award as the "Small Business with Outstanding Civic Contribution and Involvement" is Plastic Packaging Corp. In addition to providing a livelihood for 32 families, its President, David T. Raden, has shown what corporate citizenship is all about with his active personal and company support and involvement in People Helping People, Junior Achievement, the Cerebral Palsy Foundation, and the Cystic Fibrosis Association, to name a few.

Mr. Speaker, I am honored to call to the attention of the House of Representatives the public service and generosity of these fine Kansas people who embody the spirit of the Kansas Motto "Ad Astra Per aspera" . . . "To the Stars Through Difficulties."

AMERICANISM AWARD

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. RITTER. Mr. Speaker, I would like to take this opportunity to commend the Rev. Dr. Grant E. Harrity and Anne Harrity, citizens of Allentown the Lehigh Valley. On June 3, the Anti-Defamation League of the B'nai B'rith presents its Americanism Award with great pride to these inspired leaders and warm, compassionate human beings.

Dr. Harrity, the president of Phoebe-Devitt Homes, is a UCC minister who has served in the parish ministry for 35 years in Hagerstown, Coopersburg, Sunbury and Allentown. Dr. Harrity's commitment to the health, spiritual and educational needs of his community has involved him in a wide array of activities. Board chairman of HealthEast, Inc., he was elected to two terms on the Allentown School Board and 4 years as it president. He was an organizer and the first president of the Planned Parenthood Association of Lehigh County and has served on the board of numerous other organizations.

He is a trustee of Cedar Crest College and a director of Park & Shop Inc. His activities in church affairs include serving on the board of directors of the Penn Northeast Conference and its executive committees. He was a member of the Board for World Ministries for 8 years and has been a delegate to two general Synods.

Anne Markley Harrity, the recipient of the 1984 Allentown Human Relations Award, is as committed to serving her community as her husband. She serves on the boards of organizations dedicated to improving the quality of life for all citizens, regardless of race, religion, class or ethnic background. Among her past and present board associations are the Pennsylvania Stage Col.; Lehigh County United Fund; Lehigh County Office of Children and Youth; Cedar Crest College Board of Associates; and Women's Advisory Board of the Allentown Center City Association. She is the past president of the Allentown YWCA and the Board of Trustee of the Allentown YM-YWCA. She served as a director of Allentown Hospital and for two years as Allentown chairperson of the Channel 39 auction, to mention but a few of her activities.

Mr. Speaker, the Harritys have combined an extraordinary ability to fulfill the high expectations of parenthood with an exceptional devotion to their community. The young as well as the Harritys' peers may look to them for inspiration.

My wife, Edie, and I have had the distinct pleasure to be the Harritys' personal friends and we both feel that our lives and the lives of the citizens of the Lehigh Valley are enriched by Grant and Anne Harrity.

PROTECTING OUR SUPERCOMPUTERS

HON. TERRY L. BRUCE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. BRUCE. Mr. Speaker, yesterday, the Committee on Foreign Affairs and the Committee on Science and Technology held a Joint Hearing on International Science and Technology Policy. One of the areas that the committees are particularly concerned with is the establishment of a new executive branch interagency Committee for International Science, Engineering and Technology. Mr. Speaker, it is my hope that this new committee will quickly move to consider the question of who will be allowed acces to one particularly valuable yet vulnerable technology—our Nation's supercomputers.

These new supercomputers are the crown jewels of U.S. high technology. We call them supercomputers because they can make an amazing 100 million calculations per second. These machines are used in the Nation's most complicated research on everything from subatomic physics to Star Wars. Our national security demands that we develop a comprehensive policy which will guard this technology while maximizing its use in vital scientific research.

Currently, we have no such policy.

The technology required to build a supercomputer is an extremely complex and closely guarded secret. There are only about 150 supercomputers in the world, including a few on U.S. university campuses. We don't export this technology to unfriendly countries, and the Soviets haven't been able to develop an equivalent computer.

The Department of Defense has been outspoken in expressing its fear that permitting unrestricted access to our supercomputers would allow unfriendly nations to develop a supercomputer of their own. According to the Pentagon, if the Soviets succeed in such an effort, they could leapfrog several generations of computer technology. As a result, we could lose much of the economic and military advantage this technology offers.

Last year, officials from several scientific and defense agencies began working on ways to protect this technology against unauthorized acquisition. Unfortunately, they have focused almost entirely on developing a policy to deny all Eastern bloc scholars access to our university supercomputers. They have ignored the greatest security risk—the fact that Eastern bloc researchers can gain access to a supercomputer simply by buying time through the private sector.

While it is important to protect university supercomputers, it is imperative to develop a policy regarding access through the private sector. Indeed, without a policy for private access, controls for universities become superfluous.

It is already extremely difficult to get time on a university supercomputer. Each application is submitted to the National Science Foundation to be evaluated by no less than 10 experts through the scientific peer review process. Eastern bloc researchers receive special scrutiny. If there are any unusual applications, such as requests for very large amounts of time, the review is even more stringent. In addition, university researchers must publish their results. This provides a responsible before and after check that makes sure our technology is not being misused by foreign researchers.

The Pentagon's plan of imposing a blanket prohibition against Eastern bloc scholars using university supercomputers is not only unnecessary, it is counterproductive. Scientists from unfriendly nations have historically been of significant assistance to our country on important technological and military projects. Any access policy we develop must be flexible

enough to allow us to use friendly scientists from unfriendly nations.

Perhaps the best example of the national security benefits of scientists from unfriendly nations working with the United States is Enrico Fermi. Fermi was a native of Mussolini's Italy, but during World War II he spearheaded the Manhattan project that enabled the United States to become the first Nation to develop atomic weapons. One shudders to think of the implications of denying Fermi, or Werner von Braun, access to our best facilities because they born in nations which were unfriendly to us at a particular point in history. The Government should guard against KGB agents masquerading as students to get at our supercomputers, through visa controls, but a blanket prohibition based on birthplace would be a crude and foolhardy solution.

The Pentagon's plan also wouldn't solve the problem. The most vulnerable supercomputers are those in the private sector. A recent advertisement for Boeing Computer Services specifically invites researchers to use Boeing's supercomputer available now via our international teleprocessing network. Why would the Russians bother to go through the complicated peer review process at a university when it's possible simply to pick up a phone and dial a supercomputer from their lab in the Eastern bloc?

We need to stop concentrating on university supercomputers and develop a comprehensive policy that includes the private sector. Commercial time-sharing companies should be required to exercise the same, or greater degree of caution as practiced by universities. Commercial vendors must not be allowed to sell supercomputer time to just anyone who can afford the $1,000 an hour tab.

The new interagency Committee on International Science, Engineering and Technology should move to consider this issue in a timely fashion. It is important for our Nation's defense and technology security.

Thank you, Mr. Speaker.

USER FEES—COAST GUARD SEARCH AND RESCUE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. RUDD. Mr. Speaker, I recently received a letter from a constituent of mine—an upstanding member of the Phoenix community—Stephen C. Shadegg—regarding proposed user fees to support Coast Guard search and rescue programs. A boat owner himself, who would be subject to such fees, Mr. Shadegg eloquently states the case in favor of their imposition to cover the specialized services which benefit only ocean boaters.

His comments make eminently good sense, and I commend them to my colleagues:

STEPHEN SHADEGG ASSOCIATES, INC.,
Phoenix, AZ, May 12, 1986.

HON. ELDON RUDD,
Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN RUDD: For more than 25 years I have owned a small pleasure power boat. In the course of a year we take our boat to Lake Powell for a couple of weeks and then to the Pacific Ocean for three or four weeks. The rest of the time we keep it in a slip at Saguaro Lake not far from the city of Phoenix.

When we are on the Pacific Ocean, berthed in Newport Harbor, we keep our marine radios tuned to the emergency channel. Hardly a day goes by without our overhearing some boater frantically calling on the Coast Guard for assistance.

Sometimes these troubled boaters have run out of fuel. Sometimes they are lost. Sometimes they have power plant trouble. The Coast Guard is always there, reassuring, prompt to respond, offering a solution to the difficulty. That Coast Guard emergency radio is the boater's lifeline.

About a year ago, Congressman Rudd, I joined a national boat owners' association. Some months ago I was shocked when I received an urgent communication from the association begging me to write my congressman and oppose a measure they said was coming before the Congress of the United States. i.e., a measure which would require pleasure boat owners to pay a small annual fee to help support the Coast Guard's Search and Rescue missions.

The communication did not specify what the fee would be, but I gathered it would be perhaps as much as $100 for owners of boats under 30 feet.

That letter outraged me. Most of the pleasure boats in the Newport Harbor represent an investment of at least $50,000 and some of the boats are worth more than a million.

Owning a pleasure boat is not an inexpensive hobby. Insurance runs about $1,000 a year. Maintenance is probably $15 an hour for every hour of operation, and when you are not using the boat, you still have to maintain it. A slip rents for from $4 per foot upwards per month.

Cruising around Newport Harbor, I concluded that most of the boat owners who enjoy that area spend from $10,000 to $50,000 a year on their hobby.

The boat owners' association selfishly wants to enlist us to oppose a very reasonable fee for a vital service.

Anyone who can afford a power boat capable of use on the oceans could certainly affort to spend $100 a year to keep the Coast Guard Search and Rescue phase alive and working.

To demand that the taxpayers of the United States subsidize this specialized service which benefits only ocean boaters is an unworthy, greedy action.

I will admit, Congressman, that many boaters get into trouble because of their own folly. They run out of fuel. They have not maintained their engines properly. They never bother to learn enough about navigation to keep from getting lost.

I have never had to call the Coast Guard for search and rescue, and I pray to God I never will. But if that time comes, I want them to be there and I am willing to pay my share for their cost of operation.

Sincerely,

STEPHEN C. SHADEGG.

P.S. We now own a 28-foot Bertram flybridge cruiser. We have two engines, an automatic Fire-quench system, two compasses, two marine radios. We have never run out of fuel or water. But for that unexpected emergency, the Coast Guard Search and Rescue is our lifeline.

MONEY AND POLITICS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 21, 1986, into the CONGRESSIONAL RECORD:

MONEY AND POLITICS

Money has come to be a strong, sometimes even dominant, influence in American politics. Million-dollar congressional campaigns are no longer unusual, and many candidates receive hundreds of thousands of dollars from special interest political action committees (PAC's). The torrent of money threatens the basic idea of representative government.

The problem stems largely from the soaring costs of campaigning. Successful campaigns increasingly involve greater television advertising, expanded direct mail operations, sophisticated public opinion polling, and the like, but these costs have risen sharply. In less than 10 years, the cost of the average winning House campaign has more than tripled, to almost $300,000, while the average winning Senate candidate in 1984 spent almost $3 million. The importance of money in winning an election is clear. Of the 435 House races in 1984, 401 were won by the candidate who spent the most.

The high cost of campaigning has caused several problems. Candidates, whether challengers or incumbents, must spend an enormous amount of their time fundraising; some pile up huge campaign debts; many dip into personal fortunes; and most must rely heavily upon campaign contributions from special interest groups. With an eye to campaign costs, Members often choose committee assignments with the best money-raising potential. The current financing system also heavily favors incumbents. Almost three-fourths of all PAC money flows to current officeholders whose multi-million dollar war chests often scare off potential challengers. It is becoming increasingly the case that "moderate income persons need not apply."

Perhaps the greatest threat of the growing importance of money in politics is the possibility of special interests buying influence in Congress. This is a serious concern, though it is sometimes overstated. PACs usually give money to Members whose voting records they like, so it is not surprising that Members following their past voting records will often vote the PAC line. Moreover, the recent worries, for example, of huge amounts of PAC money going to members of the taxwriting committees turned out to be largely unfounded as they voted to gut several major special interest tax breaks. Members of Congress recognize that their voting records are much more important to their getting re-elected than are PAC contributions. Yet it would be a mistake to think that the recent explosion in special interest campaign money is totally healthy. It is an unusual Member who can take thousands of dollars from a group and not be affected by it. I have the uneasy feeling that the present system—where politicians need lots of money to get elected, where decisions may be made on the basis of money, and where money, at the very least, buys timely access to politicians—leaves us

some distance from the way the democratic system is supposed to work. Politicians have a more difficult time focusing on the key question in any public policy debate: what is the national interest.

My sense is that most of my constituents think that something is wrong with the system. They believe that the moneyed interests have a prior claim on their representatives. They sense that representative government is threatened by too much money in the system, especially special interest money, and they are prepared to support some tough measures to correct it. Campaign financing reforms currently being considered by Congress include capping the total amount of money a candidate could accept from PACs, increasing the amounts political parties may give to candidates, setting up a national commission to recommend campaign finance changes, providing public financing for congressional campaigns, and expanding the tax credits for individual political contributions.

Yet we must recognize the limits of reform. Past overhauls of campaign financing have often caused as many problems as they have solved. For example, the 1970s reforms contributed to the explosion of PAC contributions. Reforms should not curtail freedom of political expression or prohibit groups with a stake in the issues from contributing to candidates. Moreover, the cost of many campaigns is not that large, and the total spent on all House and Senate campaigns in 1984 combined was still only half of what one soap company spent on advertising that year.

I do not think that there is one simple solution to the growing importance of money in politics. We must make various changes in the campaign financing law, such as trying to increase the importance of individual contributors and the political parties to counterbalance the influence of special interest PAC's. We must also stress public disclosure of campaign finances. The voters can do much to lessen the need for campaign financing reform by reacting negatively to excessive campaign spending and excessive PAC contributions. The effectiveness of public disclosure could be increased if Congress would pass a clear, nonbinding statement of what kinds of campaign spending levels Congress itself considers to be clearly excessive. Finally, we must go after the root cause of the explosion in campaign spending: the sharply increasing costs of campaigning. We might consider following the lead of most other industrial democracies and provide free television time to candidates. We should also consider public financing of congressional races, similar to the current mechanism for funding presidential campaigns. My view is that the ultimate solution—difficult to obtain now—would involve some sort of public financing of congressional campaigns, with limits on the amounts that can be spent, limits on political advertising, and limits on the total amount candidates may accept from PAC's.

A decade of congressional inaction on the influences of money on politics has undermined confidence in our representative system. I would like to see a deep commitment by both parties to making significant changes in the campaign financing law. There may be legitimate disagreement about how best to achieve that goal, but should be no disagreement about the need to act now to protect the integrity of the system and to allow our democratic system to function competitively.

TO COMMEND ERIC LING FOR HIS ACHIEVEMENT IN READING

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. SAXTON. Mr. Speaker, I would like to take this opportunity to commend my constitutent, Eric Ling, for his achievement in reading.

The Six Flags Corp. is celebrating its 25th anniversary this year. In honor of this event, Six Flags developed "Read to Succeed," a reading motivation program designed to encourage leisure-time reading among children in grades three through eight. As part of the "Read to Succeed" program, Six Flags introduced a national reading contest. Each contestant had to design an advertisement, written or drawn, of a favorite book. Over 4,000 entries were received from students all over the country.

Eric Ling, of Medford, NJ, submitted an advertisement for the book, "Ribsy," by Beverly Cleary. Eric's advertisement was chosen as regional fourth grade winner out of 214 entries from Pennsylvania, New Jersey, and New York. Eric was then selected as the national fourth grade winner from the nine regional winners, representing the nine amusement parks operated by Six Flags Corp.

Eric's entry shows his dedication to and understanding of the importance of leisure-time reading. His intelligence and perception are reflected in the talented advertisement he submitted to the contest. His success, and that of the other five winners, should stand as an example to us all, that only through reading and learning will the children of today become the leaders of tomorrow. I am proud to have such a potential leader in the 13th Congressional District of New Jersey.

Therefore, I am certain that the other Members of the House will join me in congratulating Eric Ling and his parents on this important occasion.

THE YEAR 2061

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. GEKAS. Mr. Speaker, on May 30, 1986, the Planetarium Assistants Club of Central Dauphin High School will commemorate the passage of Halley's Comet by interring a time capsule in Harrisburg, PA. The time capsule will be reopened in the year 2061, the year Halley's Comet is scheduled to reappear in our section of the solar system.

Today's CONGRESSIONAL RECORD will be included among the items preserved for the future. Each page of today's record is a piece of history as are the events that are occurring in the world around us from the news of the nuclear disaster at the Chernobyl power plant near Kiev, U.S.S.R., which has had an adverse affect on thousands of Soviet citizens and has once again brought before the international community the questions of the safety of nuclear power; to the contest between two Canadian teams, the Calgary Flames and Montreal Canadiens, for Hockey's Stanley Cup. Every event will be made a part of history from the national events such as the reelection of Teamster Union President Jackie Presser in light of his recent indictment of Federal racketeering and embezzlement of union funds to local events such as the nominations of Republican William Scranton, III, and Democrat Robert Casey for Governor of Pennsylvania and Senator ARLEN SPECTER and U.S. Representative ROBERT EDGAR for U.S. Senator from Pennsylvania.

Mr. Speaker, no one knows what the future holds for our world, country, or neighborhoods. We can only hope that the actions we take today and in the days, weeks and years to come will allow future generations to share the freedom and happiness we have been privileged to experience and that the items contained in this time capsule will give our progeny a better understanding of our lives in 1986.

A TRIBUTE TO J. GARFIELD DEMARCO

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. SAXTON. Mr. Speaker, today I rise to pay tribute to J. Garfield DeMarco, the chairman of the Burlington County Republican Party, whose record of success and public achievement has brought him recognition throughout the State of New Jersey.

Garfield's tenure as chairman of the GOP in Burlington County, NJ, is longer than any of the other 20 Republican county chairmen in our great State. Yet Garfield's contribution to the formation of public policy and the quest for sound government transcends partisan politics.

Those who attempt to analyze the interests and activities of Garfield DeMarco find him very much an enigma. Yet he emerges as an individual with a very basic philosophy in his approach to government at all levels. He seeks candidates who represent more than a philosophy—they must be capable of holding office in a responsible manner, or making intelligent decisions, and of safeguarding the taxpayers' dollars and trust.

In a recent interview in the Burlington County Times, NJ, newspaper, reporter Betsy Anderson recorded Garfield as saying: "We must have candidates who believe in individual freedom, individual rights and home rule, and who will see to it that the great powers in Trenton and Washington are limited and, if possible, cut back."

From this basic premise, Garfield has accomplished much. His history of leadership

will long be reflected in both personal substance and election statistics.

It is also of interest, Mr. Speaker, that the personal background of J. Garfield DeMarco and his family is akin to other stories which mark the growth of this country through dedication to hard work and enterprises. His paternal grandfather came to this country in the early 1880's, settled in the Pinelands' region of southern New Jersey, and began a trucking and produce business which has given rise to one of the largest cranberry farming operations in the State. Today, it is Garfield who keeps watch over the family business.

Garfield's own leadership qualities surfaced early. From being president of his high school class, he graduated cum laude with honors from Dartmouth and was chosen to join Phi Beta Kappa. He received a Fulbright scholarship to study in Italy in 1959, and graduated from Yale Law School in 1964. He continues to build upon his education, and his strong intelligence and intellect mark his character.

Mr. Speaker, this evening a large gathering of personal friends and acquaintances of J. Garfield DeMarco will pay tribute to him at a testimonial dinner being held in his honor. It is, without dispute, a most fitting and certainly well-deserved tribute.

It is individuals of J. Garfield DeMarco's caliber who nurture the political process and system of elected government which is so important to this Nation and its people. For this reason, I ask my fellow colleagues in the House to join me in congratulating and commending Garfield on this most memorable occasion.

TRIBUTE TO JOHN D. ISAACS ON HIS FORTY-FIRST BIRTHDAY

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. BEDELL. Mr. Speaker, on May 12, a great American turned 41 years old, and as he continues his travels throughout the Capitol and into middle age, I would like to pay tribute to his long service to the cause of arms control.

John D. Isaacs' dedicated and arduous battle in the cause of arms control has had its own modest beginnings. Having earned his first political badges of honor at Dartmouth College, John came in from the cold of Hanover, New Hampshire, and served our Nation honorably in the Foreign Service in Southeast Asia.

After returning home, and spending little time in White Plains, New York, John came to Washington, DC, where he entered into the service of our esteemed colleague from New York, Representative STEVEN SOLARZ. Here, John again distinguished himself in learning the ropes and gaining an understanding how our laws are made.

From here, John made his way to Americans for Democratic Action, where he served as Legislative Representative for Foreign Policy. From there, he moved on to his current position as legislative director for the Council for a Livable World, where he presides as a key strategist for the public interest in developing and implementing better, long-term U.S. arms control policies.

John's contributions and assistance in securing passage of congressionally sponsored arms control initiatives is indeed noteworthy. His efforts and support for congressional bans on the production and deployment of binary chemical munitions, and the testing of antisatellite weapons are well known, as are his efforts in behalf of securing passage of a congressional endorsement for a resumption of comprehensive nuclear test ban negotiations.

In working with John, I am constantly impressed with his tireless commitment to getting the job done well, and on time. Oftentimes, it is John's cooler head that prevails in keeping our efforts on course and for that we owe him a debt of gratitude. Though short of stature and thin of hair, John casts a long shadow in the halls of the Methodist Building and over our efforts to secure a more stable and safe world which to live. While I shall be leaving Congress at the end of my present term of office, I must tell you that it has been both a pleasure and privilege to work with John, and for each of these reasons, I would like to wish him well as he passes yet another milestone in a life and career dedicated to the pursuit of arms control.

A TRIBUTE TO MS. FLORENCE BILLUPS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. CLAY. Mr. Speaker, I would like to take this opportunity to share with my colleagues in Congress the news about two outstanding educators who are retiring from service to the St. Louis Public Schools. On May 31, 1986, Florence Billups and Lilyan Russell retire from their assignments at Clark Elementary School.

Ms. Florence Billups was educated in the St. Louis Public Schools. She is a graduate of Stowe Teachers College and holds a master of arts degree from Northwestern University. She also pursued advanced studies at St. Louis University, Washington University, and the University of Illinois, Edwardsville. She is the mother of four children and the grandmother of seven.

Currently, Ms. Billups serves as the writing enrichment teacher at Clark School. Throughout her career she has sponsored a number of special school programs, and broadened the artistic awareness of her students by bringing cultural and musical groups to visit. The students of Clark School have greatly benefited from Florence Billups outstanding dedication to her work. Her accomplishments have been recognized by many organizations and Ms. Billups has received the following awards: Top Ladies of Distinction; National Association of Negro Musicians; Clarence Wilson—Music Guild; Sigma Gamma Rho—Carver Award; West End Community Conference Service Award; Soror of the Year—Iota Phi Lamda; St. Louis Sentinel Award; Jack and Jill of America—President's Award; and the 1974 Globe-Democrat Woman of Achievement Award.

Ms. Lilyan Russell was born and educated in the State of Connecticut. Coming from a musical family, Lilyan became an accomplished pianist and played with the Junior Symphony Orchestra in Bridgeport, CT. She received a dual degree in education and music from Fisk University in Nashville.

Lilyan Russell moved to the St. Louis community when her husband, Dr. Harold Russell, accepted an internship assignment. She is the mother of three children and it was after their formative years that Ms. Russell enrolled at Harris-Stowe Teachers. After qualifying for a teaching certificate, Lilyan received an appointment to the Clark School where she stayed for 20 years.

During her early years at Clark, Lilyan Russell was very involved in the sponsorship of musical programs. As kindergarten teacher, she broadened the horizons of her young students by sponsoring a symphonic rhythm Band.

More recently, Ms. Russell worked in the Chapter I Reading Program. For many years she sponsored the Reading is Fundamental Program and brought new dimension to the program by inviting professional storytellers and encouraging staff and students to dress as storybook characters. Her students learned to consider reading an amusement instead of just another school subject.

Currently, Ms. Russell serves as secretary for the Mound City Medical Auxiliary and Russell Enterprises.

I am happy to join with the Clark School staff and the St. Louis community in honoring these outstanding educators. These ladies are celebrated today for their exceptional records of achievement. Both Ms. Russell and Ms. Billups have demonstrated a lifelong commitment to the education of our young people. Congratulations to each for having maintained a standard of excellence.

AAL RECEIVES PRESIDENT'S VOLUNTARISM AWARD

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. ROTH. Mr. Speaker, I am pleased to take this opportunity to recognize a unique Wisconsin organization which has been chosen from more than 2,300 nominees to receive a 1986 Presidential Volunteer Action Award. This award will be given to Aid Association for Lutherans [AAL], Appleton, WI, in

recognition of the mobilization of its volunteers to conduct humanitarian, service, social and education programs in communities across the country.

As a fraternal benefit society, AAL provides its 1.4 million members in 6,400 local branches with insurance and fraternal benefits, including opportunities for volunteer service in their local communities.

In 1985, the number of volunteer hours donated by members and others involved in AAL activities exceeded 1.8 million. These volunteer efforts included fund raising for people and institutions in need, such as the young cancer patient in Strausburg, IL, who was helped by branch 679. This is but one example of the more than 10,000 fundraising activities conducted by AAL members last year.

AAL voluntarism also represents the hard work and dedication of people involved in service and educational activities, as exemplified by the efforts of 30 branches in West Virginia last year which helped people who were wiped out by extensive flooding. During 1985, AAL members were involved in more than 4,000 service and 7,500 education and health activities.

AAL's fundamental purpose is to enable Lutherans and their families to aid themselves and others. This mission frequently occurs through small, yet vitally important, service activities; but it also includes major national activities such as AAL's pledge of $1 million to help restore the Statue of Liberty. Taken together, they represent one of the most important parts of America's heritage of voluntarism, that of neighbor helping neighbor, and they reinforce AAL's motto: "Common Concern for Human Worth."

The President will present the fifth annual Volunteer Action Award at a White House ceremony on June 2. The award categories include arts and humanities, education, the environment, health, human services, international volunteering, mobilization of volunteers, public safety, youth and the workplace. I am delighted that AAL is one of the 19 recipients of this prestigious award.

This award program is a unique cooperative effort between the private sector and Government. The program is cosponsored by VOLUNTEER—The National Center, a private, nonprofit volunteer support organization, and ACTION, the Federal agency for voluntarism. Funding for the program is provided by private-sector corporations and foundations.

H.R. 4567—CHANGED AND IMPROVED, BUT STILL TROUBLESOME FOR MICHIGAN AND MANY STATES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DINGELL. Mr. Speaker, I congratulate Chairman WAXMAN and the Health Subcommittee in ordering reported H.R. 4567, by a vote of 16 to 9, with the amendment adopted by the subcommittee. Many of the changes reflected in the amendment improve title I of the bill in important ways. They correct several of the concerns identified by witnesses at the hearings on the bill and by communications between this committee and the Environmental Protection Agency and others. In particular, changing the calculation of sulfur emissions from an "average monthly" to an "average annual" basis to meet the 2- and 1.2-pound-per-million Btu of heat input for 1933 and 1997 is an extremely important change for all States, including Michigan.

Nevertheless, there are several matters still of concern to me that caused me to vote against the bill yesterday in subcommittee.

The new fee and subsidy provisions, for example, removed a flaw noted by the Office of Technology Assessment and others, but create new uncertainties about the adequacy and workability of the subsidy program under which Michigan ratepayers would contribute more than $44 million annually beginning in 1989. I can reluctancy support such a contribution, in order to encourage use of efficient and effective control technology so as to preserve jobs of the Nation's coal miners, a stated purpose of the bill. But the amended version would allow a subsidy to cover all control costs, not just attributed to technology—even including costs arising from fuel switching. That could result in a great loss of jobs in such states as Alabama, Indiana, Illinois, Pennsylvania, Ohio, West Virginia, and Kentucky, and that is highly objectionable.

I am also concerned about the impact of the bill on electricity consumers in Michigan and other States, including industrial, commercial, and agricultural ratepayers. The bill seeks to keep rates low for residential customers. While this sounds laudable, it ignores the substantial increases that would be imposed on the other ratepayer groups. Eventually, these rate increases will affect all consumers. Michigan firms are dependent on other States for industrial products and services, such as aluminum and textiles and farm equipment. In some cases, even slight increases can determine whether a business can remain operational and competitive or shut down.

Title II of the bill, which imposes new and more stringent standards on new autos and trucks, unfortunately remains largely unchanged from the introduced bill. The new mobile source standards are not justified on health grounds, nor are they required for acid rain control reasons. Our national standards for NOx are already the most stringent of any nation of the world—including Canada and Europe—and in California, where NOx has long been regarded as more of a problem, the standards are even more stringent. It is worth noting that, according to the EPA, California applies a carbon monoxide standard that is weaker than the Federal standard, in order to make it easier to meet the NOx standard. H.R. 4567 has no such compensating feature.

According to EPA's "preliminary estimates," just one of the bill's new NOx standards could raise the cost of a light-duty vehicle by $18 to $43 in 1990; assuming 11.2 million sales, this would amount to $200 to $480 million per year, a very hefty sum. These costs would be over and above costs which will result from other regulatory changes required for model years 1987 to 1991 for safety and emissions, as shown in the EPA tables that follow these remarks, those figures may be conservative.

These mobile source provisions of the bill alone were sufficiently troublesome to cause me to vote against the bill at this stage of its process.

I remain concerned that Congress should not rush ahead of the science in developing acid rain legislation, but I am prepared to support a fair and reasonable bill. Acceptable legislation must, however, protect jobs, provide equity for all economic segments in ratemaking, and avoid pitting region against region. It also must not adversely or unnecessarily affect one of Michigan's major industries, its suppliers, and its workers, namely, the auto-truck industry. In the weeks to come, I look forward to working with the members of the committee toward that end.

The EPA tables of May 9, 1986 follow:

TABLE 20-1.—ECONOMIC EFFECTS OF PROMULGATED CHANGES IN EMISSION STANDARDS FOR MODEL YEARS 1987-1991

Implementation date	Vehicle class	Pollutant	Emission Standard		Incremental fleet average vehicle cost
			From	To	
1987	LDDV	Particulate	0.60 g/mi	0.20 g/mi	$110 to $130 (2).
1987	LDDT	do	0.60 g/mi	0.26 g/mi	$130 to $140 (2).
1988	LDT1	NOx	2.3 g/mi	1.2 g/mi	$30(3).
1988	LDT2	NOx	2.3 g/mi	1.7 g/mi	$25 (3).
1988	HDE	NOx	10.6 g/BHP-hr	6.0 g/BHP-hr	$35 to $370 (3)(4).
1988	HDDE	Particulate	Uncontrolled	0.60 g/BHP-hr	$45 (2).
1991	HDE	NOx	6.0g/BHP-hr	5.0 g/BHP-hr	$10 to $210 (3)(4).
1991	HDDE	Particulate	0.60 g/BHP-hr	0.25g/BHP-hr	$630 to $840 (3)(5).
1991	HDDE (bus)	do	0.60 g/BHP-hr	0.10 g/BHP-hr	$1,710 (3).
1990 earliest	LDGV, LDDT HDGE	Refueling vapor	Uncontrolled	Controlled	$15 to $25 (6).

[1] These figures are expressed in various "year dollars" and have not been updated to reflect 1985 prices.
[2] "Diesel Particulate Study," U.S. EPA, Office of Air and Radiation, Office of Mobile Sources, March 1985.
[3] "Regulatory Impact Analysis, Oxides of Nitrogen Pollutant Specific Study and Summary and Analysis of Comments," U.S. EPA, Office of Air and Radiation, Office of Mobile Sources, March 1985.
[4] Upper limit includes a short-term fuel economy penalty.
[5] Upper limit includes a short-term used of greater percentage of the traps on the HDDE fleet.
[6] "Evaluation of Air Pollution Regulatory Strategies for Gasoline Marketing Industry," U.S. EPA, Office of Air and Radiation, EPA-450/3-84-012, July 1984.

TABLE 20-2.—ECONOMIC EFFECTS OF NHTSA REGULATIONS FOR MODEL YEARS 1987-91

Effective model year	Vehicle class	Standard	Average cost per vehicle
1987	LDV	Fuel economy standard proposed at 26-27.5 MPG (1986 models = 26.0 MPG)	TBD.
1987	LDV	FMVSS 208—requires 10 percent passive protection	$4 to $32.
1987	LDV	Theft standard—requires parts labeling (on about half of all cars)	$2 to $6.
1987	LDT	Fuel economy standard set at 20.5 MPG (1986 models = 20.0 MPG)	$130.
1988	LDV	Fuel economy standard proposed at 26-27.5 MPG (1986 models = 26.0 MPG)	TBD.
1988	LDV	FMVSS 208—requires 25 percent passive protection	$10 to $80.
1988	LDT	Fuel economy standard set at 20.5 MPG (1986 models = 20.0 MPG)	$0.
1988	LDT	FMVSS 204—proposed extension to 5,500 lbs. (currently effective for vehicles up to 4,000 lbs.)	$6 to $8.
1989	LDV	Fuel economy standard—TBD	TBD.
1989	LDV	FMVSS 208—requires 40 percent passive protection	$16 to $128.
1989	LDT	Fuel economy standard = TBD	TBD.
1990	LDV	do	TBD.
1990	LDV	FMVSS 208—requires 100 percent passive protection	$40 to $320.
1990	LDT	Fuel economy standard = TBD	TBD.
1990	LDT	FMVSS 208—proposed dynamic safety belt test	TBD.
1991	LDV	Fuel economy standard = TBD	TBD.
1991	LDT	do	TBD.

SOVIET JEWRY

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mrs. COLLINS. Mr. Speaker, I deeply regret that I was unable to take part in the special order commemorating Solidarity Sunday for Soviet Jewry on May 7, 1986. I feel very strongly on this subject and would like to take this opportunity to speak out now against the treatment of Jews in the Soviet Union.

The Soviet Union has signed the Helsinki Final Act and the Universal Declaration on Human Rights, both of which uphold basic human rights. Yet, the Government still openly persecutes its Jewish citizens and other minorities. Even though the right of emigration is guaranteed by the Soviet constitution, the thousands of refuseniks are subject to harassment, arbitrary arrest, and physical abuse as a matter of official policy.

The Soviet Union has the third largest Jewish population in the world. Jews have formed a vital part of Russian society for centuries. Still, they are denied the right to practice their religion and to live in accordance with their own beliefs. Moscow has engaged in a calculated effort to destroy Jewish culture. Those that attempt to leave in the manner prescribed by Soviet law, must undergo long periods of uncertain waiting, during which they are refused employment and proper housing. Worst of all, they may be inhumanly separated from their families in a manner reminiscent of slavery in our own country.

Anatoly Shcharansky endured the full extent of this persecution and survived. His story is a testimony to all freedom loving people. He survived because of his faith and the certainty that he was not alone. He knew that his wife, his family, the jewish community, and freedom loving people throughout the world stood with him. This is why we in the United States must never shirk our responsibility to freedom. We must demand fair treatment for Jews and other minorities in the Soviet Union. We must demand it constantly and loudly; so loud that it will be heard inside the cages of the Gulag and within the walls of the Kremlin.

As a black woman I have felt discrimination at a very personal level. I abhor all injustice and all bigotry, wherever it is found. Mr. Gorbachev came to office promising a new openness in Soviet society. I call on him now to back up his promise with action. End the persecution of the Jewish people, release those falsely arrested, provide them the rights of other citizens, and allow them to join their waiting families that wait for them. Do this Mr. Gorbachecv, so that we who sincerely want peace in the world can know that you truly share a belief in justice.

NATIONAL TOURISM WEEK

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. McCAIN. Mr. Speaker, I am pleased today to be here as a member of the congressional Travel and Tourism Caucus to celebrate National Tourism Week, May 19-25.

Appropriately, "Tourism Work$ for America" is the slogan for National Tourism Week. Tourism is big business in all 50 States, generating over $25 billion annually in Federal, State, and local tax revenues. The benefits to our Nation are expected to increase still further this year as tourism turns inward as a result of terrorist incidents abroad and the recent drop in oil prices.

However, the importance of the travel industry is easily underestimated. It is comprised of so many diverse elements that the public often has difficulty comprehending the full scope and significance of travel. Many people are surprised to find that tourism is an export. It is in fact our second largest export industry, and is the largest earner of export receipts among tradeable services.

Tourism is the No. 1 employer in my home State of Arizona, and the second largest industry. The industry contributed $175.9 million in Federal tax revenues, and nearly $27,000 per day in State taxes. Foreign visitors alone spend as much as $350 million annually.

"Arizona Evergrand" has the good fortune to contain one of the most beautiful and popular tourist sites in the United States, the Grand Canyon. Our spectacular scenery draws recordbreaking numbers of both domestic and foreign travelers each year. The natural wonders found in Arizona include the unusual beauty of the Sonora Desert, the striking red rocks of Sedona, and the towering spires of Monument Valley.

These stunning gifts of God are complemented by our equally popular manmade attractions. Man and nature meet at Roosevelt Dam, one of the first Federal reclamation projects, and at Kitt Peak National Observatory. In addition, visitors can capture the historic flavor of the old West in Tombstone, or, alternatively, visit the experimental "City of the Future," Arcosanti.

Arizona's vast Indian reservations also draw visitors from all over the world. The unique lifestyles of the traditional native Americans tribes are fascinating to observe. Each offers a variety of intricate handicrafts, and many of their entrancing tribal ceremonies, such as the Hopi Snake Dance, are open to the public.

This year, the 18th annual Discover America International Pow Wow is being held in Phoenix. The pow wow is the single largest and most important gathering of international travel industry executives and journalists. A grand total of over 2,500 international delegates and U.S. suppliers are expected. It is estimated that the pow wow will generate nearly $600 million in business for the United States as a whole, and direct benefits to the Phoenix area of 10 percent of the international tourism receipts.

For the travel industry, 1986 is expected to be a banner year, and represents an excellent opportunity for us to turn the tragic events of the past year to our advantage. The travel industry plays an important role in advancing the goal of international peace and understanding. Through tourism, Americans can display to foreign visitors all the best of our great Nation. Relations cannot help but be bettered as communications between nations are improved and foreigners gain a greater understanding of our culture.

Not only does tourism promote a spirit of good will internationally. It also contributes positively to the balance of trade. For these reasons, I believe that we must support the continued funding of the U.S. Travel and Tourism Administration. This agency is energetically and aggressively competing in the foreign tourism market.

Efforts have been made to target USTTA for elimination in the name of deficit reduction. Yet this agency is working for us to reduce the deficit by encouraging travel to the United States. Over 175 other countries have equiva-

lent organizations to promote their nations, and the average funding among competitive countries is over three times greater than funding for USTTA. To eliminate USTTA at a time when the trade deficit is on the rise would be self-defeating.

During this week, I encourage all of my colleagues and their constituents to take a moment to reflect on the importance of the travel and tourism industry to our Nation. National Tourism Week was initiated 3 years ago to pay tribute to this vital segment of our economy, and I am proud to have the opportunity to honor the travel and tourism industry today.

A BILL TO PROVIDE OPTIONS FOR LAND EXCHANGES INVOLVING LANDS ON ADMIRALTY ISLAND, AK AND FOR OTHER PURPOSES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. YOUNG of Alaska. Mr. Speaker, the bill I am introducing today seeks to resolve a longstanding dispute concerning a village corporation in southeast Alaska whose lands have been denied them through lengthy legal challenges by national environmental organizations. The controversy results from the location of the village corporation's lands on Admiralty Island, AK. Although Congress has affirmed the right of Shee Atika, Inc., to own their native settlement lands on Admiralty Island, the location of their lands adjacent to a national monument has created a controversy which threatens the financial future of natives promised their lands in 1971.

This bill is a balanced compromise which would offer substitute lands and other considerations to the Native Alaskans of Shee Atika, Inc., in exchange for the lands on Admiralty Island. It is their option to accept this offer. In addition, this legislation would assist in the diversification of the econony of southeast Alaska by allowing the continued development of a major mineral deposit at Greens Creek, AK. Over the years, this mine will produce untold millions of tax dollars for the State and Federal treasuries, and provide jobs for many in southeast Alaska. Further, it would preserve for future generations the lands owned by Shee Atika on Admiralty Island, should they choose to accept this offer.

This bill is the outgrowth of hearings held last year, and extensive meetings held by members and staff of the Interior Committee. I believe it is a hard-fought compromise which seeks admirable goals. Hearings will be held soon, and I believe it deserves the support of this body.

ACTION NEEDED ON GOOD PRODUCT LIABILITY LEGISLATION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. PORTER. Mr. Speaker, 5½ years of inaction on product liability legislation have brought us face to face with a crisis situation that demands action by the Congress in this session.

This issue has already been debated intensively and at length in the limited forum of the Senate Commerce Committee, and action there seems likely within the next 3 weeks. Our own constituents are pounding on the doors to say that the time has come to act as a Congress to do something to correct the fundamental causes of their liability problems.

The administration itself has recognized the seriousness of the present situation and proposed legislation to deal with several of the most fundamental common concerns, while recognizing that Congress will amend these suggestions to reflect the real-world problems that land on our doorstep every day.

I am pleased to join my colleague, Mr. FISH, as a cosponsor of the administration's bill, H.R. 4766. It is a very valuable vehicle, along with its companion measure in the Senate, for allowing each body to begin full and serious discussion of the best action agenda on liability. I would mention, however, that I have a major concern with one provision of this bill, the limitation on attorney contingency fees, which I hope will be amended in committee.

I think that a limitation on attorneys' fees is, like the legislating of insurance prices, an attack on the symptoms of the liability crisis rather than the causes. It is a basic violation of free market principles and is likely to limit access to the justice system by the poor. The ways in which the contingency fee system serve the interests of justice and efficiency were clearly outlined in an article in the Wall Street Journal of May 15, 1986 by James L. Gattuso of the Heritage Foundation. I share these perceptions and encourage my colleagues to read the appended article and consider these views.

Finally, I would like to reiterate that it is imperative that we pass substantive product liability legislation immediately in order to restore balance to our liability system. We will not have a dynamic economy, municipal services, medical care, or community volunteers if individuals and organizations engaged in these activities must gamble their future net worth in an uninsurable liability lottery every time they do their job.

Product liability problems have been so disruptive to interstate commerce that there is clear justification for a federal role in this limited area. States must take action in the other areas of liability such as medical malpractice if they do not want the Federal Government to step in where it should not go. If some States choose to ignore the need for substantive reforms in State tort law such as those proposed in H.R. 4766, that is their right. However, Federal programs should not be asked to subsidize the resulting costs of State inaction on liability matters in the medical field or any other field.

The article follows:

[From the Wall Street Journal, May 15, 1986]

DON'T RUSH TO CONDEMN CONTINGENCY FEES

(By James L. Gattuso)

Nobody likes lawyers these days. They are usually depicted, sometimes accurately, as opportunistic and overpaid. Still, it was surprising to learn of the Reagan administration's recent proposal to limit the amount of money attorneys can receive in contingency fees—and surprising, too, to hear other conservatives argue that the practice should be outlawed altogether.

Opposition to price controls has always been one of the basic tenets of free-market conservatism, and, at least since the demise of Richard Nixon, a point of agreement among Republicans generally. As evidenced by results of scrapping oil-price controls and the continuing decay of New York City's rent-controlled apartments, this opposition is well taken. Yet the principle is apparently abandoned by some conservatives when the subjects are Shakespeare's least favorite people: lawyers.

BASED ON RESULTS

While the contingency-fee system is often misunderstood by the general public, it is actually very simple. Under the system, rather than receiving a set fee for each hour worked, a lawyer is paid according to the results achieved, receiving a percentage of the eventual award to his client. No money is paid before the award is made, and if the plaintiff does not win, no money is paid at all.

This system acts to provide the services of attorneys to injured people who may not be able to otherwise afford legal representation, at no cost to the taxpayer. Imagine that someone has been badly injured in an auto accident by a drunken driver. Although the accident was not his fault, and it is clear that he should be compensated by the other driver, he doesn't have the money to hire a lawyer. How can he press his claim? One solution would be to set up some mammoth government program to pay for the representation of him and others like him—an undesirable prospect. If contingency fees are available, this is unnecessary. The victim can pursue his case regardless of the amount of money he has.

There are three general criticisms usually leveled at the contingency-fee system. First, it is often said that it creates conflicts of interest between a client and his lawyer, because the lawyer is encouraged to hold out for a large award, rather than settle out of court. Second, it is said that it encourages lawyers to file meritless lawsuits. Lastly, it is argued that the fees provide a windfall to lawyers, since they may receive large fees even when they spend little time on a particular case. None of these criticisms have merit.

It is difficult to see how a contingency fee creates any sort of conflict between attorneys and their clients. Since the attorney shares proportionately in any award, and receives nothing if the case is lost, the contingent fee ensures that the attorney will have the same interest in the case as the plaintiff. Of course, there will always be times when the attorney will want to proceed to trial rather than settle out of court, or vice versa—disagreement is inevitable. Yet, on the basic object of litigation, receiving the

maximum award possible, the interests of lawyer and client are identical.

By contrast, paying lawyers by the hour creates an enormous conflict of interest between lawyers and their clients. For the hourly fee lawyer, the longer the case goes on, the more money he will get. Every pleading, motion, deposition and delay will mean more money for him, regardless of whether it leads to a better result for the client. Thus, from the standpoint of the client, as well as general court efficiency, reformers should actually be trying to encourage the contingent fee, not limit it.

Yet, there is no incentive for a lawyer to file a losing case—he gets paid only if he wins. It is consequently difficult to persuade a lawyer to risk his time and resources on what seems a losing cause. Thus, rather than encourage baseless lawsuits, the contingent fee actually helps screen them out of the system. Certainly, the screening process isn't perfect, and courts and legislatures should take steps to penalize those who bring baseless suits. The problem exists, however, despite, and not because of, contingent fees.

The most persistent criticism of the system is that it provides a windfall to lawyers who can win big fees even when they do very little work. The fees are high—usually plaintiffs' lawyers take about a third of the award. But these lawyers make no windfall profits. Just like owners of small businesses, their incomes are not tied to the amount of time they put in—they depend on the results they produce. While very often these attorneys do receive huge fees for very little work, they also at times perform substantial work on cases resulting in small fees. For cases that are lost, there is no fee at all.

On the whole, it seems contingent-fee lawyers are no better off financially than their colleagues who work on an hourly basis. According to figures recently compiled by the Rand Corporation's Institute for Civil Justice, fees and cost paid plaintiffs' attorneys nationwide total about $7 billion to $9 billion each year; defense lawyers make a total of about $6 billion to $9 billion working on hourly fees. These figures are large—lawyers certainly aren't underpaid—but show no windfall accruing to the plaintiffs' bar from contingent fees. In fact, if plaintiffs' lawyers were making significantly more than defense attorneys, one would expect to see a flood of lawyers moving from defense to the more lucrative plaintiffs' practice. There has been no evidence of such a shift.

More important, even if it seemed that contingent-fee attorneys were making too much money, placing price controls on them, as proposed by the Reagan administration, would not be in order. First, there is simply no reason to believe that consumers of legal services are inherently unable to intelligently choose how and how much to pay an attorney. While locating and hiring a lawyer can be a complex and difficult task, consumers make complex and difficult choices every day, ranging from the purchase of cars and houses to choosing, albeit with the advice of Cliff Robertson or Joan Rivers, a long-distance telephone company. In the absence of fraud or misrepresentation, there is no reason to override these decisions.

Further, as with other products, an attempt to control legal prices will not help the consumer, but simply make the product unavailable. Just as rent control makes apartments a scarce commodity, caps on contingency fees will make it harder to get a lawyer to file a case. Plaintiffs, like renters, will find themselves worse off.

That, of course, may be the reason for the recent interest in limiting fees. Clamping down on fees is a quick and easy way of quelling the current liability explosion. By cutting down on the number of cases brought by lawyers, lawmakers can avoid the burdensome and difficult chore or reexamining the ill-conceived rules of law that have brought tort law to the condition it is in today. Unfortunately, in the process, many people who really have been wronged will find themselves without access to the legal system.

ABOLISH PUBLIC SUBSIDY

This is not to say that nothing should be done to reduce fees. Lawyers, whether working on contingency or by the hour, are much too expensive. To help reduce this cost, lawmakers should eliminate the remaining barriers to advertising and competition among lawyers. Further, the real cost of litigation can be reduced by encouraging use of alternative dispute-resolution systems, such as arbitration and mediation.

In addition, legislators should reduce the incentives for excessive litigation by more fairly distributing the costs of the judicial system. The public subsidy for litigation should be abolished. Currently, most courts charge only nominal fees for their services, shielding litigants from the real costs of their actions, and leaving taxpayers with the bill. The losing party should also be forced to pay the other party's attorneys fees in certain cases, especially where a ligigant has a meritless claim or defense. Only by reforms such as these can the problem of excessive litigation be resolved. Imposing price controls is not the answer.

RURAL TRANSPORTATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Ms. SNOWE. Mr. Speaker, today I am pleased to introduce legislation which will increase the proportion of the Urban Mass Transportation Act [UMTA] allocated for rural transportation. This legislation will increase the funding formula for section 18 of UMTA from 2.93 to 5 percent. This will be done by reducing the percentage for each of the two urban categories by about 1 percent.

For too long, rural areas have been relying on a disproportionately low percentage of funding for transportation. While 39 percent of the national population live in rural areas, they receive less than 3 percent of the transportation funds. Thus, it is only a small step toward equity to increase the rural formula allocation to 5 percent.

Although transportation under section 18, the section which sets aside funding for rural transportation, is not specifically targeted to the elderly and handicapped, these people benefit significantly from section 18 projects. For many such individuals, public transportation is of vital importance for maintaining independence in the community. Not only is it essential to have regular access to banks, food and drugstores, but also it is necessary to have a link to community-based services such as senior centers, health services, adult day care centers, churches, nutritional and educational programs.

Furthermore, transportation plays a crucial role in combating loneliness among the elderly. Those with access to transportation can maintain relationships with their family and friends or attend social and cultural events in the community.

In addition to the elderly and handicapped, children, too, depend on public transportation in rural areas. Many Head Start and nursery school programs do not provide transportation and must depend on public systems for transporting children to and from the programs.

I recognize that all UMTA programs have been reduced, a fact which challenges all public transportation systems, rural as well as urban, to become increasingly efficient and creative in stretching the Federal dollar. Although urban transportation is more costly to operate than rural transportation—mostly because of labor costs—funding is currently very skewed. UMTA spends $28 per capita for transportation in large urbanized areas and only $1 per capita in nonurbanized areas. It is, therefore, time that the rural population received a larger share of the pie.

In a recent hearing on "Transportation and the Elderly," conducted by the Select Committee on Aging's Subcommittee on Human Services, it was pointed out by several witnesses that large commercial bus companies are reducing the number of rural stops because they are losing money due to the low number of riders. This is another reason why specialized and more economical types of public transportation are increasingly necessary in rural areas. Currently, there are 2.5 million nonurban households with no car, and 10.2 million households with only one car. Without access to commercial bus routes, those living in rural areas may find themselves isolated from public transportation and without access to other systems, such as taxi service.

Mr. Speaker, the current 2.93 percent setaside was established in 1982, and simply reflects a historic breakdown between urban and rural transportation. It does not reflect need or equity. I, therefore, introduce this legislation in the hope that my colleagues, including my distinguished colleagues representing urban areas, will see the fairness of this issue and lend it their full support.

MEMORIAL GARDEN IS DEDICATED

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. LEWIS of California. Mr. Speaker, on the tenth of June of this year, a garden will be dedicated to the seven astronauts who died while participating in the noble pursuit of space exploration aboard the space shuttle Challenger.

The members of the Barstow Community College chapter of the Circle K Club conceived the idea of a memorial garden and with their own funds and the donations of several businesses from the area, made a reality of this fitting tribute.

This outstanding group of students has contributed over 7,000 hours of community service hours during this school year alone. This particular chapter of Circle K was founded 10 years ago, and already has the largest membrship of all the chapters of Circle K world wide.

Located in the center of campus, the garden will be source of enjoyment and inspiration for all. Seven plaques placed in front of seven rosebushes will name each of the astronauts and their position on the mission. Also on view will be uniform patches for that particular mission and those that were to be worn after the mission was completed, and a photograph of the brave explorers.

The members of the Circle K Club have generously donated their spare time and energy in order to complete the garden in time for the graduation ceremonies to be held this evening. I applaud the efforts of these students not only for their contribution to the school, but by demonstrating the heartfelt sorrow at the loss of fellow Americans; they have set an example for us all. This memorial should make us proud, not only of those we mourn, but also of those dedicated students in whom our Nation's future lies.

Mr. Speaker, I'd like to take this opportunity to ask my colleagues here in the House of Representatives to join me in congratulating the Circle K Club of Barstow Community College for this tremendous display of generosity and patriotism.

PRAISE FOR OUTSTANDING CITIZENS

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DioGUARDI. Mr. Speaker, I am very proud to have been invited by the Mamaroneck Public Schools to a testimonial dinner for Joseph Aiello and Dorothy Porterfield, two outstanding individuals who have contributed to the quality of life of the youth of the community of Mamaroneck and Larchmont.

This tribute which is being rendered at this time is being held at the Orsenta Beach Club and is intended to be a fitting expression of gratitude for years of dedicated service and commitment to the fostering of ideals of physical health and moral stamina by our young people.

The Hommocks School's teachers and faculty and other members of the community are participating in this event because they recognize the contributions which Joe and Dorothy gave to their roles in their respective capacities. The students, too, keenly appreciate and understand that they have been the recipients of unusual commitment and zealous endeavors by these individuals.

They have fulfilled their duties as shining examples of average everyday citizens who performed their jobs in an outstanding fashion. In order for our youth to assume their proper roles in society, it is necessary for them to identify with strong and responsible role models such as Joe and Dorothy.

Joe and Dorothy have played a truly vital part in the lives of all the youth whom they taught and assisted. They gave unselfishly of their time and they will never be forgotten for their willingness to serve.

I salute not only their accomplishments but I also wish to extend my congratulations to all who participate in the operation of the Hommocks School—an institution which continues to foster leadership qualities in their students.

SLOANE-STANLEY MUSEUM

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mrs. JOHNSON. Mr. Speaker, I rise today to announce Friday's opening of the Eric Sloane wing of the Sloane-Stanley Museum, in Kent, CT. It is truly fitting that a replication of the studio of this great American author, artist and patriot be included as a major attraction in his home State of Connecticut.

Eric Sloane shared his life with his community, Connecticut, the United States and the world. In 1968, to help celebrate the 125th anniversary of The Stanley Works, a major American tool supplier, he helped conceive the idea of the Sloane-Stanley Museum. Eric donated his collection of early American tools and implements, and supervised the presentation of his collection. When completed, the museum was turned over to the State of Connecticut and has become an outstanding attraction to the residents and visitors to our State.

Mr. Sloane was a gifted and giving artist. Perhaps his largest, most outstanding and universally recognized piece is on display in the main lobby of the Smithsonian Institution's National Air and Space Museum. His paintings depict all of America from the rolling hills of New England to the open spaces of the Southwest and are a tribute to our freedom, independence, and liberty. His beautiful skies, stonewalls, and bells, rolling hills and plains portray our great Nation in all its variety and remind us of all those values that we as Americans hold dear.

Eric Sloane was an author and teacher. Many of our World War II pilots are familiar with the instruction manuals on weather which he not only authored, but illustrated as well. A true expert on the weather, Eric was the first television meteorologist.

Mr. Sloane was a patriot and a diplomat. He successfully revived the American tradition of ringing bells throughout the Nation on each Independence Day. His contribution to international undertstanding of American life is significant and I am confident that the many Soviet citizens who visited Eric Sloane's exhibit "I Remember America" when it toured Moscow left with a greater understanding of America and her people.

Mr. Speaker, I urge all my colleagues to join me in petitioning the White House to award the Presidential Medal of Freedom to Eric Sloane. I appreciate this opportunity to recognize Eric Sloane's achievements and announce the opening of this exciting museum. It is only fitting that we honor this exceptional man whose contribution to our lives is great and indeed lived by his words, "We believe that the moral strength of the Nation is only as strong as the moral strength of its individuals. We therefore commit ourselves to the pursuit of labor, respect, independence, thrift, excellence and peace."

HONORING A FIRE CHIEF

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. KOLTER. Mr. Speaker, I rise today before the House of Representatives to honor a constituent of my Fourth District of Pennsylvania: Paul A. Rupert of Elderton in Armstrong County, who has been fire chief of the Elderton Volunteer Fire Department for 25 years.

A charter member of the fire department, Mr. Rupert has been an active and primary force in filling the department's equipment needs, manpower requirements, and necessary fundraising. He helped institute, develop, and organize the department.

An employee of the People's Natural Gas Co. from 1948 to 1985—and now retired—Mr. Rupert is also a past president of the Armstrong County Fire Association and an instructor at the Armstrong County Fire School.

Mr. Rupert, who served in the U.S. Navy in the Philippines and the Pacific from 1944 to 1946, has been a deacon and elder in the Elderton Presbyterian Church, has served on the Elderton Cemetery Committee and has been active in the Boy Scouts and the American Legion.

A charter member of the 1951 formation of the fire department, Mr. Rupert was married August 19, 1949, to his wife, Louise, and the couple have two children, Steve and Amy.

Because of his dedicated service to his family and his community—and especially today—to his fire department, I salute Paul Rupert before the full U.S. House of Representatives.

A TRIBUTE TO DR. WALTER WALKER

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. FORD of Tennessee. Mr. Speaker, I would like to call your attention to an excellent educator and citizen of my district, Dr. Walter Walker, the president of LeMoyne-Owen College in Memphis, TN. Dr. Walker moved to Memphis 12 years ago, giving up his post as a vice president at the University of Chicago to become president of LeMoyne-Owen. His years at LeMoyne-Owen have been marked by significant accomplishments in the areas of cooperative education, academic standards, and fundraising. I believe I speak for the entire Memphis community when I say that although his enthusiasm and energy will be sorely missed at the college, we look forward to and applaud his plans to educate our community in another capacity. The following articles illustrate the career of this notable educator,

and I ask unanimous consent that these two articles be made a part of the RECORD.

[From the Commercial Appeal, Memphis, TN, May 3, 1986]

WALKER RESIGNING POST AS LEMOYNE-OWEN HEAD

(By Leroy Williams, Jr.)

Slowed by a bout with multiple sclerosis, Dr. Walter L. Walker yesterday said he will resign as president of LeMoyne-Owen College next month to teach others about the disease.

Dr. Walker, 51, became the college's third president in 1974. His resignation is effective June 30. Peter R. Formanek, board of trustees chairman, said an interim president would be named while a search committee conducts a nationwide hunt for a successor.

Doctors first diagnosed Dr. Walker's illness 10 years ago, two years after he moved here from the University of Chicago, where he was vice president of planning. He said the first symptoms apparently appeared 30 years ago.

"If I had been perfectly rational, I would have made this decision 10 years ago. But it would have been without the benefit of success," he said, "I feel that my new mission will be to open the door of the closet so that many people will look realistically at their physical problems."

Dr. Walker said he does not have a job commitment and that he will work to create a market for his services. He prefers Memphis as a market "because I love it."

The decision to resign was made about 10 days ago, but Dr. Walker said, "I changed my mind many times as to the degree that I would separate myself. I thought about a consulting kind of thing . . . I came to the realization last night (Thursday) that it had to be complete."

Formanek said a search committee would be formed in time for a meeting next Friday. He was unsure whether the committee would look outside the college for an interim replacement. Formanek, who is executive vice president at Malone & Hyde Inc., praised Dr. Walker as "a truly innovative educator," and cited his introduction of the cooperative education program as an example.

Like many other historically black colleges, LeMoyne-Owen has been beset with financial and enrollment problems in recent years. "Those were the most difficult and yet the most rewarding times psychologically. Phyiscally, they were the toughest," Dr. Walker said.

LeMoyne-Owen's enrollment is about 900 and Formanek said that is a slight increase over last year. He said the school's $5 million budget registered a small surplus and that the $3.3 million endowment was a record.

Dr. Walker said his goal was a $10 million endowment and that the next president will be faced with at least doubling the current level. Besides the cooperative education program, Dr. Walker said he was proud that 75 percent of the college's athletes graduate. For 11 years, LeMoyne-Owen athletes have had the option of pursuing their degrees free of charge after their athletic eligibility ends.

LeMoyne-Owen operates on a trimester system, with students and faculty now on break. Classes resume Monday.

Ronald Thompson, incoming student government assocation president, said Dr. Walker's resignation will surprise most students. "We heard some rumors, but I didn't pay much attention to that."

Of the faculty members on campus yesterday, most—including the vice president of the faculty organization—refused to comment on Dr. Walker's resignation.

In December, faculty members had registered concerns about the college in a letter. Among concerns was the desire for more faculty participation and more money for academic programs.

However, Dr. Delphia Hamill, a chemistry teacher, said, "On every campus the faculty is concerned with that. . . . When administrations change in a city or on a college campus, there is always uncertainty. The college is strong. So we look to the future."

[From the Commercial Appeal, Monday, May 5, 1986]

ANOTHER DOOR TO OPEN

Why would a vice president at the University of Chicago, one of the nation's most prestigious universities, move to Memphis to head a small black college struggling for its very existence?

Dr. Walter L. Walker did it 12 years ago, even though, by his own admission, he had a low regard for the South and for this city.

LeMoyne-Owen and Memphis were a challenge. Maybe that was part of the reason.

Facing up to challenges has been a theme of his presidency. And when he steps down next month because of ill health, that will be one of the contributions he leaves with the college.

Dr. Walker's opinion about Memphis changed.

In an interview two years ago, he said, "I used to believe that this city had a massive inferiority complex, and therefore anything from outside was better than what we had here. Now from my point of view a community that is great is one that says,'Hey we're going to do it, and if someone else wants to follow us, fine. But we're not going to wait until someone else does it.' And I think there's been a change. . . . Memphis needs the audacity to do what we feel is sound and the willingness to invest our own substance in it. . . . I'm very optimistic."

Dr. Walker has had that audacity. He introduced an innovative cooperative education program at LeMoyne-Owen to prepare students for careers. He demanded that students perform up to his expectations of them, requiring, for instance, that athletes maintain a 'C' average to be eligible for inter-colleagiate competition. He presided over fund-raising campaigns that have given the college a record endowment of $3.3 million.

He has also invested more of his own substance in the college and in the city than most Memphians who knew him through mutual professional and civic interests realized.

Dr. Walker has multiple sclerosis. The disease was diagnosed two years after he came to Memphis.

"If I had been perfectly rational," he said last week, "I would have made this decision (to resign as president) 10 years ago. But it would have been without the benefit of success (the success he has achieved as a college president). I feel that my new mission will be to open the door of the closet so that many people will look realistically at their physical problems."

He plans to develop a project of teaching others about multiple sclerosis. If initiative and substance can make the difference, that too will be a success.

ROBERT W. MARTINO REMEMBERED

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. SCHUMER. Mr. Speaker, Robert W. Martino, a 39-year-old resident of my Brooklyn district, died this February. That, however, was merely a technicality. For all practical purposes Bobby's life ended 18 years ago, just days after the young 18-year-old landed in Vietnam.

On patrol, as a member of Company A, 2d Battalion, of the 28th Infantry Division, Bobby learned a lesson in the meaning of war, when the shrapnel from an exploding land mine pierced his body. And as he lay there on the ground, injured, Bobby learned another lesson about war, as the mine field exploded again injuring him further. Bobby's body and mind never fully recovered. Eighteen pain-filled years later Bobby's suffering finally ended.

Mr. Speaker, on Memorial Day of this year, the Good Shepherd Church in my district will be holding a special commemorative service to honor all those who gave their lives to fight for our freedom, especially Bobby Martino. I join the church in remembering and honoring our war dead. For it is because of them that the freedom that we have come to take for granted have been secured. I also join the church's parishioners in hoping that the governments of all nations learn the lesson Bobby learned, and that Bobby Martino will be the last young Brooklyn man that war takes from us.

DIE LAUGHING WITH FEMA

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DORGAN of North Dakota. Mr. Speaker, when it comes to macabre humor, the script writers at the Federal Emergency Management Administration should get a Pulitzer Prize.

You recall their earlier battle plan for nuclear disaster management. It called for people to send change-of-address cards to local post offices before leaving on designated odd- or even-numbered license plate routes to the ultimate gridlock.

For good measure the early FEMA comics instructed readers who choose to stay home, rather than flee a nuclear attack, that they need only dig a hole, climb out, cover with a door and dirt, and climb back in. They left out the part on how to climb back in after the door was covered by dirt.

The twin clouds of Gramm-Rudman and Chernobyl have apparently unleashed new creative juices over at FEMA. They want to dream away budget reality by proposing a $1.5 billion plan to closet public officials in radiation-free bunkers. Not to worry if you have to fend for yourself as an ordinary citizen, FEMA will take the deed to your house to a

special property records shelter. Then you can reclaim your crater after the war.

This stuff makes good bedtime reading, but bad budget and national security policy. We have much more pressing disasters like annual floods and tornado damage—let alone the persistent farm crisis—on which we need to husband the taxpayers' emergency relief dollars. We also need to reject FEMA's continuing delusion that we can actually survive a nuclear attack, in which the radiation from one nuclear warhead would make the catastrophe at Chernobyl seem like teapot steam. A much better investment would pay the air fare for our negotiators to hammer out a nuclear crisis prevention plan with the Soviets.

I recently wrote FEMA to urge that its planners shelve costly and far-fetched proposals for nuclear disaster management. I insert a copy of my letter for the record.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 16, 1986.

MR. SAMUEL W. SPECK,
Associate Director, Federal Emergency Management Agency, Washington, DC.

DEAR MR. SPECK: Recent press reports indicate that FEMA has developed a new $1.5 billion plan to set up special command posts in the event of a nuclear attack. I am writing to oppose the kinds of proposals being considered.

Let me first say that I do not oppose any sensible planning which we might undertake to prepare for a wide array of national emergencies. My concern is that we take into account the scientific studies which show the virtual futility of civil defense in the case of nuclear war.

Your current proposal also disturbs me by seeming to give preferential treatment to public officials, while letting ordinary citizens fend for themselves. Why does FEMA envision this elitist protection policy when, in emergencies, all people will face the same problems and have the same needs?

I also find it alarming that FEMA's $1.5 billion plan places so much emphasis on saving post-attack property records as opposed to saving people—to the extent that either make sense, since a nuclear attack would render much of the nation useless or uninhabitable anyway.

It seems more prudent to me to invest in such things as nuclear crisis prevention than in worthless plans to combat nuclear winter. I hope that your agency will immediately table these present plans and focus on the kind of disaster aid which FEMA does well and which really helps people. Our current budget requirements simply don't allow for extravagant planning activities which offer little real hope of serving a useful purpose.

Thank you in advance for your attention and cooperation.

Sincerely,

BYRON L. DORGAN,
Member of Congress.

MENTAL HEALTH ASSOCIATION TO HONOR ESTHER D. MALLACH

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DioGUARDI. Mr. Speaker, on Wednesday, May 28, 1986 the Mental Health Association of Westchester County, Inc. [MHA] will honor Mrs. Esther D. Mallach during the MHA's gala 40th anniversary dinner dance celebration at the Tarrytown Hilton. It is with great pleasure that I rise today to pay tribute to this remarkable woman, Mrs. Mallach.

For 25 years, Mrs. Mallach has unselfishly vested her energies in the MHA. And under her helmsmanship the MHA has blossomed into one of Westchester County's most prominent and respected mental health resource centers. Upon graduating from the Columbia School of Social Work, Mrs. Mallach worked with the National Refugee Service—now NYANA. In 1960, Mrs. Mallach began with the MHA as a field consultant. She was appointed executive director 2 years later. Since then, Mrs. Mallach has directed the introduction of numerous programs including a day program, community residences, and social clubs for mentally ill patients, the suicide prevention service, and the Child Abuse Prevention Program to name just a few.

Appropriately, Mrs. Mallach's talents have not gone unnoticed. Gov. Mario Cuomo appointed Mrs. Mallach a member of the Harlem Valley Psychiatric Center Board of Visitors in 1979, where she is currently president of the board. In addition, she is chairperson of the advisory board of the Westchester Community College Human Resources Department. If that is not enough, Mrs. Mallach also serves as a member of the Westchester Community Mental Health Services Board, the Department of Social Services Advisory Board, the Westchester Health Planning Council, and the executive committee of the Mental Health Association in New York State.

Formerly, Mrs. Mallach was president for the Westchester chapter of the National Association of Social Workers, and chairperson of the Mid-Hudson Region for Statewide Planning for Vocational Rehabilitation Services.

Mrs. Mallach has provided the MHA with indefatiguable zeal and dedication. Her efforts are apparent and appreciated throughout Westchester. We wish Mrs. Mallach well in her endeavors. She will certainly be missed at the Mental Health Association of Westchester County, Inc.

SANTA ROSA PUBLIC HIGH SCHOOL COMMENCEMENT ADDRESS

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. ORTIZ. Mr. Speaker, I will soon have the honor of addressing the graduating class of Santa Rosa Public High School in my congressional district. I am inserting a copy of my text for the benefit of my colleagues.

SANTA ROSA PUBLIC SCHOOL COMMENCEMENT ADDRESS, MAY 30, 1986

Superintendent Murphy, members of the board, faculty, distinguished guests, graduating class of 1986, ladies and gentlemen:

It is with great pride that I participate in this commencement ceremony of the Santa Rosa Public High School. Today, more than ever, education is an essential component for a successful career. No matter what anyone tells you, no matter how many others have made it in the past without an education, the future still belongs to the educated.

Our technology has grown so rapidly in the last 50 years, that President Franklin Roosevelt would not recognize this country if he were to come back today. In fact, President John Kennedy would hardly recognize today's society. It is for those reasons that Santa Rosa has succeeded in challenging you to become scholars, citizens, and intellectuals.

Art Buchwald, the noted syndicated humorist, once told a graduating class that he could say something very profound, but the students would have forgotten it in 20 minutes. Instead, he chose to recite anecdotes so that, 20 years later, when their children asked them what they did on graduation day, they could proudly say, "I laughed." Today, when I finish speaking to you, I hope you will have laughed also. But when your children ask what you did on graduation day, I hope you will say, "I thought."

First, let me say that we, the older generation, have given you a perfect world. And we don't want you to do anything to louse it up.

I have not come here today to bring you a message of doom. Sometimes the tendency in Washington is to wring your hands and say that everything is rotten. But I don't feel this way. I am basically an optimist—otherwise, I would never have flown Metro Airlines.

I don't know if this is the best of times or the worst of times, but I can assure you that this is the only time you've got! You can either be concerned only about yourself, or you can go out and make life better for everyone around you.

Education, whether it is college, technical school, or on-the-job training, is the primary key to your future. But I urge you to go beyond your own personal goals. Find time to sit and talk to a senior citizen. Make time to take the hand of a child. Show a student what your company is about. Explain how your career satisfies you. And don't forget to sit under the stars some night with someone you love.

Now I know you're also worried about jobs. But I can assure you that out of this class, at least 10 of you are going to find work. And I know who you are. But unfortunately, I'm not at liberty to tell you.

Seriously though, you need not be overly worried about your careers. Most of you and I come from the same ancestry. We are Hispanic, and at times we face situations others do not. But regardless of what you encounter, I can assure you that you are going to make it in life.

You are fortunate to have experienced an education in the United States. You are special people in your community, because it is your shoulders upon which rests the future of your neighbors. Your younger brothers and sisters, cousins and neighbors will look up to you and want to follow your footsteps. If you seek more education and a better life, so will they. Remember, the founders of the American Constitution were also the founders of American scholarship. Books were their tools, not their enemies. Those same books are your keys to success as well.

Professor, and President Woodrow Wilson once said that every man sent out from a university should be a man of his nation as well as a man of his time. I am confident that the young men and women who carry the honor of graduating today will soon give from their lives, from their talents, a high

measure of public service and community concern.

John Masefield, in his tribute to the European educational system, wrote that an educational facility was "a place where those who hate ignorance may strive to know, where those who perceive truth may strive to make others see."

I could suggest many courses of action for you to take. I could tell you how I struggled at times or about others I saw fail. But you would have to experience much of the same before you learned. It seems that young people just do not listen much to older generations. And believe me, I know. I still have trouble getting my own children to turn down their stereos!

You young graduates must decide how far you want to go in life. Today, only about a third of all Hispanic youths expect to graduate from college. If you decide that you want an education, you can obtain one. If you push forward, others will follow. What will result is a day in the not so distant future when Hispanic youths will not think twice about higher education—they will plan and expect college degrees.

Whatever you do in life, let me suggest that it is noble to pursue any career—regardless of the power, glamour, or money involved. But above all, remember from where you have come. Remember the difficulties you encountered. Then extend your hand to those who follow you. You will learn that God has placed us on this Earth to share with others. And you will learn that when we share, we all live better lives.

What we need are more graduates who can ride easily over broad fields of knowledge and recognize the needs of their neighbors and friends. Recognizing the needs of others means being interested in others, but more importantly, trying to understand others.

Earlier I said that I hoped you could look back on today and say, "I thought." Let me conclude today by telling you of a king who never got along with his son. One day, after both had disagreed with each other for years, the son left home.

After many months, the king finally sent a message to his son asking him to come home. The son replied that he could not. So, the king sent back another message. It simply read, "come as far as you can, and I will carry you the rest of the way."

I am convinced that if we all were willing to either go as far as we could, or to carry others the rest of the way, the world would be a better place in which to live on this Commencement Day of 1986. I extend my sincerest congratulations to you. My thoughts and prayers are with you, and may your luck in life be guided by a heavenly star.

THE ENVIRONMENT COMMITTEE OF GREAT BRITAIN

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mrs. LLOYD. Mr. Speaker, the Environment Committee of the House of Commons of the British Parliament published a comprehensive report on their findings concerning radioactive wastes in Great Britain. That report was forwarded to me as a courtesy since they visited the United States during July 1985, met with members of our subcommittee, and received a briefing from the staff. Their report was quite complimentary of the programs carried out in the United States relative to high-level radioactive waste disposal and the West Valley Demonstration Project. The report is also instructive because it answers the question "What should the United Kingdom do with radioactive waste?"

LOW-LEVEL WASTES

The Environment Committee noted that the French use a definition of low-level waste "incorporating both half-life and alpha content as well as activity." They observed that the French system also leads to the exclusion of very toxic radionuclides from a low-level waste disposal facility. The committee, therefore, recommended that low-level waste be redefined so that it may have a half-life no greater than 30 years, that it may contain "no alpha-bearing waste" or "particularly toxic radionuclides."

SEABED DISPOSAL

The committee reports that the British Government appears quite eager to resume sea dumping of low-level radioactive wastes regardless of the London Dumping Convention Resolutions opposing such dumping. The British Government, however, is postponing its decision on the sea dump until the results of the various international reviews are published and their Department of Energy conducts a detailed study of the best practicable environmental option for each kind of waste. The Environment Committee made a specific recommendation that any disposal methods chosen by the Government of Great Britain should reduce the dilute and disperse element of their design to be as small as technically possible. They, therefore, conclude that it might be unwise to regard sea dumping as a possible disposal option.

HIGH-LEVEL RADIOACTIVE WASTE

The Environment Committee is worried that the United Kingdom is lagging far behind those other countries involved with high-level radioactive waste disposal. Committee members visited the near surface test facility in Washington State and made the observation that all of the countries that they visited have constructed underground facilities which are used for research alone and not intended to be developed as full operational disposal sites. They commend this approach to the British Government recommending that research on a fully constructed deep geological site in their country is urgently needed and such a site should be designated as an experimental facility, explicitly excluded from being a potential operating disposal facility.

RADIOACTIVE DISCHARGES TO THE ENVIRONMENT

The committee was highly critical of the amount of radioactivity that the United Kingdom discharges into the sea principally from its reprocessing activities. It noted that the United Kingdom discharges more radioactivity into the sea than any other nation, and as a result the Irish Sea is the most radioactive sea in the world. Although the concentrations of the discharges are not in themselves harmful, the committee is worried that certain organisms will concentrate the radioactive elements and ultimately reach the human environment through food consumption. In this regard, they are highly critical of disposal options which dilute and disperse radioactivity. They recommend that the Sellafield reprocessing facility be required to reduce discharges to extremely low levels so that they are as low as technically achievable, not just within international limits.

DOSE LIMITATION

The committee noted that the average doses of radioactivity received by the general public as a result of the United Kingdom nuclear industry are extremely low. In fact, they noted that they are far below international standards for radiological protection. Since the actual discharges are so far below the levels fixed by the international community, the committee recommends that the regulatory permits should set the discharge limits at much lower levels to more closely reflect routine discharge requirements of the industry. They believe that lower discharge limits will render the operators more open to prosecution in the event of serious incidents which result in releases which are below international community standards, but are significantly above normal operating conditions. (I seriously question the technical justification for this since international standards are now purposefully set at a conservative level to protect health and safety.)

PUBLIC PARTICIPATION

The Environment Committee fully endorsed a greater public participation in the monitoring and operation of disposal sites for radioactive waste. They believe that local authorities should be given a far greater role in monitoring the performance of the disposal sites for all levels of radioactive waste. The committee recommends that the nuclear industry be more open and forthright in all its affairs and takes. It further recommends that they embrace a concept of the Rolls-Royce solution to convince the public in actions as well as words. They cite the U.S. program for high-level waste disposal as this type of Rolls-Royce solution.

REPROCESSING

The Environment Committee was not convinced that reprocessing was either economic or appropriate for continuation in the United Kingdom. They recommended that new studies be conducted to evaluate the need for reprocessing Magnox spent fuel, which cannot be stored in water for a long period of time as can LWR spent fuel in the United States. Magnox refers to the British gas reactor technology. However, they note that dry storage is a potential option for this fuel, and they therefore recommend that full analyses of the problems of storage and disposal of Magnox fuel be carried out in order to be "absolutely certain" that there is no alternative to reprocessing this fuel.

RESEARCH

The committee recommends that the current monetary commitment to radioactive waste research commitment in the United Kingdom not be allowed to fall in real terms, since important and pressing problems remain unresolved. The committee further recommends that its Department of Energy retain the lead responsibility for radioactive waste policy and be more alert in important gaps in the research program, such as for land and

subseabed disposal of high-level radioactive wastes, and in the appraisal of reprocessing and fuel cycle alternatives.

Mr. Speaker, many will be able to criticize this report as superficial and some suggestions may be impractical and lack a firm scientific basis. However, it raises many of the concerns addressed in the United States regarding the nuclear waste issue. I personally welcome other countries' evaluations of the entire nuclear waste issue because it is possible that we can learn from their independent assessments of the problems and solutions concerning this potential barrier to energy development. I thank the Environment Committee of the Parliament of the United Kingdom for sharing their report with me and the United States Congress.

THE SANTA ANA OMNIBUS LAND BILL

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. RICHARDSON. Mr. Speaker, I am pleased to be able to introduce for myself, Mr. LUJAN and Mr. SKEEN, the Santa Ana omnibus land bill. This bill, for the people of Santa Ana Pueblo in New Mexico, is the result of a collaborative effort by the entire New Mexico congressional delegation. It is also being introduced today in the Senate by Mr. DOMENICI and Mr. BINGAMAN.

This bill is one that the Santa Ana people and the New Mexico congressional delegation have been working together on for several years. The bill has provisions to:

One, convey to Santa Ana Pueblo Mineral Interests in a 57-acre tract of land which the pueblo purchased from private landowners. This 57-acre tract contains good quality gravel, which when restored to Santa Ana would enable them to resume their gravel enterprise, an important economic development endeavor for the tribe.

Two, clarify pueblo boundary descriptions discovered to be in error. These corrections were confirmed by the Southern Pueblo Agency of the Bureau of Indian Affairs, who assisted in preparing the technical amendments addressing them.

Three, authorize an exchange of lands between the Santa Ana Pueblo and the University of New Mexico in order to resolve a longstanding trespass problem. The settlement states that the pueblo would relinquish 26.57 acres along the east side of Coronado Park and Monument to the University of New Mexico, in exchange for the university giving to them 120 acres west of the park and monument and two 4-year tuition scholarships each year for a total of 5 years to qualified Santa Ana students.

This provision solves several problems at the same time—it clears up previous troubles with trespass, which caused a strain between the pueblo, Coronado Park and Monument and the university; it also ensures that 10 deserving qualified Santa Ana students would get much needed educational assistance. Congressional action is necessary to authorize this exchange agreement, which has already been signed by the Governor's office, the Natural Resources Department of New Mexico; the U.S. attorney's office, the Bureau of Indian Affairs, the Pueblo of Santa Ana, the University of New Mexico, and the Museum of New Mexico.

Mr. Speaker, I am glad that the members of the New Mexico congressional delegation were able to work together to develop and to introduce the Santa Ana omnibus land bill for the benefit of the people of Santa Ana Pueblo. This bill addresses a number of the problems experienced by Santa Ana, as they strive for economic self-sufficiency and self-determination. I look forward to action on this bill and its eventual passage. Thank you.

AFRICA FAMINE, RECOVERY, AND DEVELOPMENT FUND ACT

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. FASCELL. Mr. Speaker, I am pleased to join with several of my colleagues today in introducing the Africa Famine, Recovery, and Development Fund Act, legislation which proposes a reorganization of U.S. development assistance programs for the countries of sub-Saharan Africa.

In introducing this measure, I note that the conceptual framework for the proposal owes a great deal to the efforts of Interaction, a coalition of private voluntary organizations which have recommended changes in U.S. assistance programs for Africa, and to Committee on African Development Strategies, a joint project of the Council on Foreign Relations and the Overseas Development Council, cochaired by Lawrence S. Eagleburger and Donald F. McHenry.

The crisis facing the 46 nations of sub-Saharan African extends far beyond the drought which has afflicted many of these countries in recent years. Africa's myriad problems result both from the impact of outside forces and from mistakes made by Africans themselves. Today, many of the African nations and many industrialized nations have reached a concensus on the nature of these problems and on possible solutions. This is an important first step in what must be a joint effort if Africa is to deal with its problems and move toward a better life for its citizens.

The legislation we are introducing recognizes that because this concensus has developed, new approaches to African development have emerged. It is appropriate that we undertake a serious and thoughful review of U.S. contributions to African development efforts. This legislation represents a first step in that process. As sponsors of this legislation, we offer no commitment that the measures proposed represent a magic solution to African problems. Rather, they provide a basis for shaping a U.S. response. The legislation provides no funds at this time, although we make no pretense that financial resources, through aid, trade, and debt relief, are crucial for Africa.

The proposal provides basically for increased flexibility in the administration of assistance programs in Africa, by establishing a separate Africa Famine, Recovery and Development Fund. The purposes for which this Fund would be available include increasing agricultural production, maintaining and restoring the region's natural resource base, improving health conditions and providing increased access to voluntary family planning services and developing small-scale income-generating opportunities. By moving away from the present system of delimiting assistance by functional accounts, the proposal recognizes that the current system may contribute to overburdening administrative capabilities. Because functional accounts permit somewhat greater advance accountability, it may make sense to consider initial implementation of the new Fund in a few countries.

I look forward to working with the Foreign Affairs Committee's Subcommittee on Africa which already has underway a review of African development, with other members of the Committee on Foreign Affairs, and with the other cosponsors of this legislation as we review this and other proposals carefully. Africa's needs are great but they did not develop overnight. Solutions can be found but they to will not be developed overnight. If we are to avoid compounding errors of the past, we must take the time for a detailed review of Africa's needs and how the world community should act to address them. What we report back to the full House will probably not look like the measure we are introducing today, but this proposal provides a vital basis for our undertaking.

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. FORD of Michigan. Mr. Speaker, I am pleased to have the opportunity to participate in the congressional call to conscience vigil for Soviet Jews to appeal to the Soviet Government to uphold its pledge as a signatory of the Helsinki Final Act ratified by the Soviets in 1975. As the Members of this body know, emigration statistics remain unacceptably low as the Soviet authorities continue their stringent restrictions on accessibility to emigration visas. The current Soviet emigration laws force a Soviet Jew to undergo a lengthy procedure which usually must be repeated and places the Soviet Jew in a no-win cycle.

I am particularly concerned about Mr. Vladimir Lifshitz, a Leningrad mathematician who was convicted of circulating anti-Soviet slander on March 19, 1986, and received a 3-year sentence. Mr. Lifshitz is the first Soviet Jew to be sentenced to imprisonment since the November 1985 summit held in Switzerland.

The Soviet Union has repeatedly denied Vladimir Lifshitz permission to emigrate to Israel with his family since 1981. As a result of his application for emigration, he lost his job as head of a division in a research institute. His wife Anna, a construction engineer, also lost her job and is unable to find a new job in

accordance with her profession and qualifications, despite the great demand for such professionals.

To protest official harassment and the denial of permission to emigrate to Israel, Mr. Lifshitz has gone on two separate hunger strikes, one of which lasted 22 days. Recently Anna LIfshitz wrote to the prison's medical department requestng immediate hospitalization for her husband for examination and diagnosis for his constant headaches and nausea after an unexplained 10-day stay in the investigation prison hospital.

I urge the Soviet Government to release Mr. Vladimir Lifshitz and allow him to join his family in Israel as an example of the Soviet commitment made in 1975. Finally, I am honored to participate in the call to conscience vigil and hope that our continued efforts to defend and uphold basic human rights—rights guaranteed by the Soviet Constitution—will soon result in the reunification of refusenik families like the Lifshitz'.

AMERICAN HOSTAGES IN AMERICA

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. KOLTER. Mr. Speaker, I rise for a most special tribute today. On December 9 in my New Castle District office in Lawrence County in the 4th District of Pennsylvania, an armed man held an elderly couple at knifepoint during a 90-minute siege.

Joseph P. Frazier and his wife Margaret of New Castle had walked into my office for assistance with senior citizen matters when the armed man seized control of the office, also holding an aide of mine hostage, while I was alerted on the floor of the House.

The hostage-taker was promoting his pro-war stance and the Frazier's were innocent bystanders.

Because of dedicated efforts by police in D.C. at the Capitol and in Lawrence County, the Fraziers escaped without physical injury.

Now, Joseph—a member of the New Castle chapter of the National Association of Federal Employee—and Margaret, are celebrating their 27th wedding anniversary.

Today, before the U.S. House of Representatives, I pay deep tribute to this couple. By no choice of their own, there are example to the plight of the senior citizen in America today who fall prey to such actions.

Let this incident leave us vigilant. The retired person deserves the protection of society, both financially and in terms of security.

But I also salute this couple—Mr. and Mrs. Joseph F. Frazier—for the courageous personal way they handled themselves and the situation that evening, and for their spirit in continuing to be undaunted by such actions.

Before my colleagues, I say their names with honor.

A TRIBUTE TO AMBASSADOR GEORGE J. FELDMAN

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. O'NEILL. Mr. Speaker, Ambassador George J. Feldman has distinguished himself in politics, the law, and in public service. He has been a very special friend of the O'Neill family for many years.

Ambassador Feldman was born in Boston and received his law degree from Boston University. From 1926 to 1930 he served as Administrative Assistant to U.S. Senator David I. Walsh of Massachusetts. He then became counsel at the Federal Trade Commission and later was council for the National Recovery Administration. In 1942, he entered the U.S. Air Force as a captain and, after serving in the 355th Fighter Group, he was released as a major in 1945.

He established his law practice in New York City but was always available when called upon to serve the Government. In 1958, the House of Representatives established the Select Committee on Astronautics and Space Exploration. This was done in response to the Soviet Union's successful launch of Sputnik. Speaker Rayburn appointed Majority Leader McCormack as chairman of the select committee and the two leaders agreed that the membership of the committee and its staff should be comprised of the very cream of the crop. So it was then John McCormack turned to his friend and adviser, George Feldman, who agreed to return to Washington as chief counsel and director of the committee.

George Feldman assisted Chairman McCormack in putting together a superior staff and immediately the committee began to hold the landmark hearings and issue the special reports which helped shape the course of the Nation's space program. Before the year was over, the Congress had passed the Space Act, which set up the National Aeronautics and Space Administration [NASA] and had chartered the permanent House Committee on Science and Technology, with expanded jurisdiction covering science as well as space. The select committee had also produced a "Survey of Space law", which included a comprehensive study of the political and legal programs associated with the exploration of outer space. When the United Nations set up a Committee on the Peaceful Uses of Outer Space, George Feldman was appointed to the U.S. Delegation to the U.N. General Assembly—his brilliant contributions and his unsurpassed expertise in the area now well established and recognized.

In 1960, he was appointed to serve as part of the U.S. Delegation to the U.N. Conference on the Law of the Sea. He was a member of the U.S. NATO Citizens Committee 1961–62. In 1965, President Johnson appointed his U.S. Ambassador to Malta, where he served for 2 years. In 1967, Johnson appointed him U.S. Ambassador to Luxembourg. His service in these important posts was, of course, of the highest caliber—his extraordinary skill and talent seemingly limitless.

A complete list of this unique man's contributions would be awesome; these are just some examples.

Throughout his distinguished career Ambassador Feldman has found time to lecture at Boston University Law School and in New York; to publish "The Reluctant Space Farers", and several other important works; and to give selflessly on behalf of his country whenever and wherever called upon. He has received honorary degrees from both Holy Cross College and Boston University in recognition of his outstanding contributions.

His late wife, Marion, was a lovely and talented woman. Their's was a wonderful partnership and it was a joy to associate with such a beautiful team.

Ambassador Feldman and I see each other often and recently he shared a letter with me that he had written to Pope John Paul II regarding the Pontiff's historic visit to the synagogue in Rome. Ambassador Feldman is himself a man who has devoted his life, above all else, to the quest for peace and the dignity of all people.

It is with pleasure that I share a copy of Ambassador Feldman's letter with my colleagues. I know you will find in it the expression of deep love for mankind and the gracious appreciation of a most exceptional gentleman.

APRIL 24, 1986.

Supreme Pontiff
Pope JOHN PAUL II
Vatican City State 00120
Europe

YOUR HOLINESS: I am especially grateful that I have lived to witness, albeit remotely, the magnanimous gesture of your April 13 visit to the main synagogue in Rome. For me, already well past my allotted three score and ten, as well as for my fellow Jews the world over, your visit validated "Nostra Aetate" in the unique and sincere fashion which the world has come to recognize as the hallmark of your pontificate. In one historical step you have overcome a schism spanning two thousand years and have given new substance and meaning to the words of St. Paul when he spoke of ". . . my brethren, my kinsmen, the Israelites. To them belong the sonship, the glory, the covenance, the worship and the promises. To them belong the patriarchs, and of their race, according to the flesh, is the Messiah."

I have been fortunate to have had a long, close and cherished relationship with some of the finest of your flock. From my earliest youth in Boston to the later honor of a Doctorate of Laws conferred on me by Holy Cross College, my contacts with Roman Catholics were invariably marked by a spirit of mutual respect, affection and fellowship. On this level of personal experience, the tension between Christians and Jews has always been, for me, simply an enigma. Yet Judaism, like the Church itself, has a sense of history which reflects a collective experience quite unlike my own. But I refuse to ruminate on past grievances, however well founded. One yearns for a turning of the page—a prospect significantly enhanced by your exemplary action. Christ was, after all, no stranger to the synagogues. In the firm conviction that, finally, we shall all be gathered to the bosom of the same God, I thank you from the bottom of my heart for your opening to charity—the central message of Christ, whose Vicar you are.

With my dear late wife, Marion, I had the pleasure of meeting your predecessor, Paul, VI in a private audience during my embassy to Malta. My fondest hope now is for the honor of an audience with you whom, by your grace, have addressed me and all Jews as brothers.

Respectfully yours,

GEORGE J. FELDMAN.

JAPAN AGREES TO TALKS ON U.S. AUTO PARTS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. WOLPE. Mr. Speaker, 2 weeks ago today we learned that the Japanese Government had communicated to the United States its agreement to a new round of market-oriented, sector-specific [MOSS] negotiations focusing on transportation equipment, including auto parts. This agreement represents a significant accomplishment for several of my colleagues and the Northeast-Midwest Congressional Coalition.

Representatives SANDER LEVIN and MARCY KAPTUR, with the aid and assistance of Representatives NANCY JOHNSON and LYNN MARTIN, have spearheaded a coalition drive to make auto parts the primary subject of the next round of MOSS talks. This effort began last July, when Representatives LEVIN, KAPTUR, and JOHNSON were part of a delegation of coalition members who visisted Japan for discussions on trade issues. Their meetings included talks with parts buyers and executives from Japanese auto manufacturers concerning the meager level of purchases of American auto parts.

The imbalanced trade in auto parts represents a significant portion of our overall trade deficit with Japan. Although Japanese firms produced 7.6 million passenger cars in 1985 and exported 2.3 million to the United States, representing sales of $14 billion, they purchased only $200 million in original equipment and replacement parts from American manufacturers.

In the months since that trip, Representatives LEVIN, KAPTUR, JOHNSON, and MARTIN have sought persistently to bring pressure on the Japanese Government to negotiate on auto parts. To this end they worked closely with officials in the executive branch in a welcome display of cooperation in the national interest.

Among other things, Representatives LEVIN and KAPTUR hosted a coalition-sponsored conference in Michigan at which almost 200 American auto parts manufacturers met face to face with respresentatives of Japanese auto companies to learn how they could sell to the Japanese market.

They also sought and gained the support of the House leadership from both parties in their effort, and just prior to the Tokyo economic summit introduced a joint resolution favoring inclusion of auto parts in the MOSS talks that gathered almost 80 cosponsors.

Mr. Speaker, our colleagues should be congratulated for this achievement. A story in the business section of the Washington Post on Thursday, May 8, reported the Japanese Government's agreement and provided some excellent background on the issue. I ask that the article be reprinted in the CONGRESSIONAL RECORD in its entirty.

The article follows:

JAPAN AGREES TO NEW TRADE TALKS WITH UNITED STATES—USE OF AMERICAN-MADE AUTO PARTS IN JAPANESE PLANTS TO BE KEY ISSUE IN DISCUSSIONS

(By Stuart Auerbach)

Japan has agreed to a new series of trade talks with the United States on transportation equipment, including the use of American-made auto parts in Japanese assembly plants in both countries, administration officials said yesterday.

Nobuo Matsunaga, Japanese ambassador to the United States, informed President Reagan of the agreement yesterday as the president was boarding Air Force One to return to Washington from the economic summit in Tokyo, the State Department said.

Secretary of State George P. Shultz and Foreign Minister Shintaro Abe agreed in January to hold the new series of trade negotiations. But until this week, officials were unable to agree on what products should be covered in the talks. The State Department originally proposed market-opening talks for four other areas—processed foods, wine and liquor, chemicals and emerging technologies. All were rejected by the Japanese. Reagan brought up transportation equipment as a substitute during his meeting in Washington last month with Prime Minister Yasuhiro Nakasone.

The Japanese government has been under great pressure from Congress and the Reagan administration to press its auto makers to buy more American parts for their home market as well as their factories in the United States.

The Commerce Department said that U.S. auto parts account for less than 1 percent of cars produced in Japan and 20 percent of the cars made in Japanese assembly plants in this country.

The combined trade deficit for autos and parts totaled $24 billion last year, about half of the total U.S. deficit with Japan.

Japan's agreement to make auto parts a major element of trade talks was hailed by Reps. Sander M. Levin (D-Mich.) and Marcy Kaptur (D-Ohio), who had mobilized congressional pressure on the issue. They promised "continued congressional involvement" to "reinforce the importance of reducing the U.S. trade deficit in auto parts."

Sen. Pete Wilson (R-Calif.), who held hearings last month on the auto parts issue, said he wants the trade talks to assure U.S. parts makers of access to all Japanese auto plants, whether they are in Japan or in this country.

Commerce Undersecretary Bruce Smart, who called auto parts "the key" to the new trade talks, said getting Japanese auto makers to buy more American parts for cars they make in Japan should help U.S. manufacturers crack the Japanese factories in this country. Smart will be the lead negotiator for the United States in the new round of talks.

The traditional parts suppliers, who often have close ties with Japanese auto makers, are now clustering around the newly opened assembly plants here, cutting their American competitors out of this market as well as the one in Japan.

"Japanese car makers who lock quality American suppliers out of their vast $26 billion home market are bringing the same tactics to their transplanted assembly plants here," complained Robert W. McMinn, senior vice president of the Automotive Parts and Accessories Association (APAA), at the Wilson hearing.

Left unchecked, he said, the traditional suppliers to the Japanese auto makers could control half the contents of all cars sold in this country by 1989.

Assistant Secretary of Commerce H.P. Goldfield agreed that the traditional relationship deprived American makers of an equal shake in the Japanese market. "We don't believe we are being given an equal opportunity to compete with Japanese auto parts suppliers," he said three weeks ago after returning from leading an auto parts trade mission to Japan.

APAA Chairman Denis J. Healy said "deeply entrenched barriers . . . ranging from elusive parts specifications to bid lots so small that competitive pricing is impossible" have prevented American companies from selling in Japan.

He added that, if a company can't crack the market to sell original parts, "a tall wall" keeps it from supplying spare parts. "It's no wonder we have less than 1 percent of their home market."

State Department officials said auto parts will be "the major component" of the new trade talks. There are some concerns, however that the Japanese will use the generic name of transportation equipment to defuse the U.S. thrust for added sales in auto parts.

Other areas to be covered are still up in the air, though U.S. officials said they are willing to include a variety of products under the title of transportation equipment.

Among them are railroad engines and equipment for Japan's heavily subsidized national railroad, which is being turned into a private business and equipment for the Kansai International Airport now under construction. Japan has refused to let foreign companies bid on the construction contract, which has drawn complaints from U.S. officials.

FIRE ISLAND NATIONAL SEASHORE AMENDMENT OF 1986

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DOWNEY of New York. Mr. Speaker, today I am introducing legislation with my colleagues Congressman Bill Carney that reasserts the original goals of the Fire Island National Seashore Act of 1964. This legislation is identical to a bill being introduced in the other body by Senators ALPHONSE D'AMATO and DANIEL PATRICK MOYNIHAN.

Fire Island is one of a series of fragile barrier beaches that parallel the south shore of Long Island. It is an island of many faces. It is a place of great natural beauty with several unique beach forests and wilderness areas yet it also supports nearly 20 communities. Finally, Fire Island provides protection to Long Island and its marine resources from the Atlantic Ocean and the many storms and hurricanes that strike northeast coastal areas such as Long Island. The preservation of this resource is critical to those who live on Fire Island, enjoy its beaches and lands, and the

millions of residents who reside on the south shore of Long Island.

Congress created the Fire Island National Seashore in 1964 to ensure that these three faces of Fire Island would not be disfigured by a New York State proposal to build a highway along the length of the island. If the highway had been built it would have destroyed the Fire Island communities and upset the fragile ecology of the island.

As it did with Cape Cod, Congress created the Fire Island National Seashore around existing communities which were incorporated within the external park boundary. This formula, called the "Cape Cod Formula," is a mechanism that assures the protection of public park resources from adverse development on adjacent private property and maintains the continuity of the communities within the park.

Under this formula, the Secretary of Interior, pursuant to his trust authority to protect park resources, develops guidelines which the local towns follow in their enactment of zoning regulations. The Secretary must then determine whether local zoning conforms with the guidelines and will preserve the fragile ecology of Fire Island. Once approved, as long as private use complies with local zoning and the rules are enforced, the Secretary's use of eminent domain is suspended.

In 1984 Congress enacted legislation that I authored to strengthen Federal enforcement of local zoning within the Seashore. The 1984 amendment was aimed at limiting development occurring on Fire Island that threatened the welfare and future of the barrier island.

The legislation I am introducing today comes in direct response to actions that New York State is taking that preempt the trust relationship for Fire Island between the Federal Government and local Fire Island towns. In response to the Coastal Zone Management Act of 1972, the New York State Legislature enacted the Coastal Erosion Hazards Act of 1981 aimed at preserving New York's coastal areas including Fire Island. Under the State act, New York has begun identifying erosion hazard zones and developing specific restrictions on the use of private property in those zones. These State regulations conflict with Federal regulations for the Seashore.

However, the Coastal Zone Management Act, the basis for the New York State act, was intended to exclude Federal lands from State coastal zones. The act permits a State to regulate and protect its coastal zone but: "Excluded from the coastal zone are lands the use of which is by law subject solely to the discretion of or which is held in trust by the Federal Government, its officers or agents."

Clearly, a potential conflict between the State and Federal standards is looming. The House Committee on Interior and Insular Affairs made specific reference to this point in its report accompanying the 1984 Fire Island amendment. The committee noted that:

It prefers to carry out the intent of Congress in 1964, entrusting the Fire Island National Seashore to the joint regulation of the Federal Government and the towns, rather than to add an intervening level of State regulation in this Federal enclave, as envisaged for coastal areas in general by the Coastal Zone Management Act of 1972.

New York State, however, persists in proceeding with the development of its own regulations which apply to areas already regulated by the Federal Government. Homeowners on Fire Island are faced with the uncertainty and inequity of dual and conflicting regulation.

The Fire Island National Seashore Act and all of its amendments have been designed to achieve the same goals as the State act. Congress has recognized the importance of Fire Island to the mainland. It understands that reckless development on Fire Island presents nearly as great a danger to Fire Island and Long Island as natural disaster does. That is why my 1984 amendment was developed. We realized the original Fire Island Act was not adequately controlling illegal development. So Congress strengthened the enforcement powers of the Federal Government. The intent of Congress has been to preserve Fire Island communities while ensuring that Fire Island itself is not harmed from haphazard development.

It is not my intention with this legislation to preclude New York from carrying out its responsibilities on Fire Island. I would like to give the amendments enacted in 1984 a chance to work. The legislation I am introducing today affirms that in the case of conflicting regulations, those developed through the Federal-town government mechanism, the Cape Cod formula, will prevail. This bill will preserve the natural beauty of Fire Island, the communities on the beach and the island that is so important to the protection of long Island's south shore.

SECTION. 1. AMENDMENT OF FIRE ISLAND NATIONAL SEASHORE LEGISLATION.

Section 3 of the Act of September 11, 1984 (78 Stat. 928; 16 U.S.C. 459e-2) is amended by adding the following new subsection at the end thereof:

"(h) Within the boundaries of the seashore, notwithstanding any other authority of Federal or State law, any matter that is covered by regulations of the Secretary under subsection (a) shall be governed exclusively by the ordinances approved in accordance with subsection (c).".

ENOUGH MEXICO-BASHING

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. COLEMAN of Texas. Mr. Speaker, The enclosed article from today's New York Times, written by the eminent scholar Dr. Jorge Castenada of the Carnegie Endowment for International Peace, says it all: Enough Mexico-bashing.

Dr. Castenada reiterates the point I have been making since I first came to Congress, which is that this administration has no Mexico policy, only a fragmented crisis-by-crisis approach in which each U.S. agency is allowed to formulate its own policy toward Mexico.

I have introduced an amendment to the omnibus trade bill that could change this present incoherence by establishing a comprehensive framework within which to conduct relations with Mexico, beginning with an economic summit and creating a Cabinet-level U.S.-Mexico Commission to bring continuity to our relations with Mexico instead of institutionalized crisis, which the present approach encourages.

Mr. Speaker, I would strongly urge all of my colleagues in this House to study carefully the attached article, "Enough Mexico-Bashing."

The article follows:

ENOUGH MEXICO-BASHING

(By Jorge G. Castañeda)

WASHINGTON.—It's Mexico-bashing time in Washington again. On this occasion, though, the consequences of the United States' public browbeating of its southern neighbor could get out of hand. Recent Administration statements and actions directed against Mexico go beyond anything seen in the past, and Mexico is far more vulnerable than ever before to American swipes at its officials and institutions.

Mexico's economic crisis has worsened over the past months. The price of oil has plummeted, and the country's foreign earnings, as well as its Government income, have shrunk dramatically. The service on its $97 billion foreign debt has become an unbearable burden: it now eats up nearly 75 percent of Mexico's foreign exchange and condemns its economy to permanent stagnation. This means, among other things, that the one million new jobs that are necessary this year to keep up with population growth will not be created.

President Miguel de la Madrid Hurtado is under mounting pressure to take unilateral steps—a moratorium on interest payments or an outright default—on the debt front. On Feb. 21, he announced to the nation that things could not continue as they were and that he expected the international financial community to show some understanding of Mexico's plight. It has shown nothing of the sort; yet Mexico has not burned its bridges or resorted to drastic unilateral action.

Like all Mexicans, President de la Madrid is only too aware that a major confrontation with the United States and American bankers would have grave consequences for Mexico. In addition to the obvious economic consequences of a Mexican default, there would surely be political retaliation as well. In order to protect his country from such American reprisals, President de la Madrid has bent over backward searching for ways to lighten Mexico's debt burden, without confronting Washington or the banks.

In fact, the United States is already acting as if it were retaliating against a Mexican moratorium. For nearly a month, for example, the visa section in the United States Embassy in Mexico City has been closed because of alleged inadequate security guarantees. For many Mexicans, the effects of this restriction are devastating.

But all other problems pale in comparison to the Reagan Administration's behavior last week during a hearing on Mexico in the Senate Subcommittee on Western Hemisphere Affairs. Officials from the State Department and United States Customs Bureau blasted Mexico and its Government for everything from alleged drug trafficking to its Central American policy. Conservative Republicans, including Senator Jesse Helms, had a field day, accusing Mexico of every vice under the sun.

Granted, these were Senate hearings, and they do not necessarily reflect an initiative by the Administration. But attacks on Mexico, and on its highest officials—including its President—by Administration offi-

cials such as the customs commissioner, William Von Raab, are another matter. Either they are United States policy, or they are not.

In truth, the Reagan Administration has no Mexican policy. Either it is only able to focus on one issue at a time—drugs, Central America, immigration issues. Or it is unable to unify separate Federal agencies' policies into a coherent whole. It would seem that every agency and department in Washington has its own Mexican agenda and its own Mexican axe to grind; yet no one is organizing issues, defining priorities or making the necessary hard choices.

The consequences for Mexico and for Mexican-American relations are clear. If Mexico is indeed suffering the equivalent of retaliation for what it has not done, then it might as well go ahead and do it—suspend interest payments on its debt until a new agreement is reached. President de la Madrid is under considerable pressure to do just that—angry, nationalist pressures that Senator Helms and his colleagues have only encouraged. The Administration, through the irresponsible statements of some officials and the inexplicable passivity of others, only makes things worse.

If this incoherence and irresponsibility persist in Washington, the damage to United States-Mexican relations could be serious. To avoid this, the Reagan Administration must formulate a more coherent policy toward Mecico—and it must begin by either substantiating its accusations, or publicly withdrawing them. Only then will Mexico be able to respond adequately to American concerns. In this week's bitter climate, no Mexican politician can begin to acknowledge, much less address them.

LEGISLATION IS INTRODUCED IN HOUSE TO STIMULATE COMPETITION AMONG FINANCIAL INTERMEDIARIES

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DREIER of California. Mr. Speaker, the congressional stalemate over how best to shape our Nation's banking laws threatens to further deteriorate the viability of the financial services industry, and the consumer confidence that is essential to its continued well-being. Today, a vast segment of that industry must operate within the confines of an antiquated legal system, created over a half century ago in an economic and financial services environment that has since been abandoned.

In an effort to promote the development of an efficient financial services industry and enhance the stability of the banking system, I am today introducing legislation that will stimulate competition among financial intermediaries and contribute to the development of a financial marketplace that responds to the needs of consumers.

My bill, entitled the Consumer Products and Financial Services Equity Act, would allow financial institution holding companies to offer expanded consumer products and services. In addition, the bill contains provisions to close the so-called nonbank bank loophole and allow for the creation and regulation of a new type of bank, to be known as a consumer bank. More important, Mr. Speaker, this legislation will strengthen the banking system, thereby enhancing the safety and soundness of the industry.

Specifically, this legislation would allow bank holding companies, and multiple savings and loan holding companies, to establish subsidiaries which may engage in securities transactions as a broker, dealer, or underwriter with respect to mortgage-backed securities, municipal securities, commercial paper issued by any entity, and mutual funds. These are relatively low-risk activities that banking organizations are already familiar with.

The bill would require a bank or multiple savings and loan securities affiliate to be a holding company subsidiary rather than a bank subsidiary. As a result of the affiliate's separate capitalization, any losses it incurred would not impair the capital of the bank. An affiliate would also have to maintain sufficient capital in relation to the nature of the volume of its securities activities to comply with the net capital requirements of the Securities and Exchange Commission.

In addition, the bill gives the Federal Reserve Board authority to disapprove a holding company's proposed investment in an affiliate if the Board determined that the capital resources or the management of the holding company and the proposed affiliate were insufficient to support the anticipated business activities.

Beyond these capital requirements and the constraints imposed by the marketplace, securities affiliates would be subject to the International Lending Supervision Act of 1983, which strengthened the powers of the Federal banking agencies to establish minimum levels of capital for banks. Failure to comply with the minimum capital requirements would result in severe financial and civil penalties.

Section 23A of the Federal Reserve Act would also apply. It requires that loans and related transactions with holding company affiliates be fully collateralized and subject to limitations on amount. No more than 10 percent of a bank's capital may be lent to a single affiliate and no more than 20 percent may be lent to all affiliates. These limitations have been effective since their enactment in 1933. Furthermore, Congress revised Section 23A in 1982 to include restrictions against the purchase by a bank from its affiliate of assets whose value is impaired.

With respect to the non-bank bank loophole, my legislation would amend the Bank Holding Company Act of 1956 [BHCA] to redefine a "bank" to include any institution which is insured by the Federal Deposit Insurance Corporation (FDIC) or which accepts demand deposits or other deposits withdrawable by check or similar means for payment to third parties, and makes commercial loans.

Excluded from the definition of a "bank" would be: First, any foreign bank having an insured or uninsured branch in the U.S.; second, mutual savings banks, savings banks, credit unions, thrifts, savings and loan associations which are federally insured or eligible to apply for such insurance, consumer banks, industrial banks, Morris Plan banks, and industrial loan companies; third, certain credit card banks which engage only in credit card operations and maintain only one office; and, fourth, certain trust companies, the FDIC-insured deposits of which are not marketed through an affiliated company and which do not obtain payment or payment-related services from any Federal Reserve bank or exercise Federal Reserve discount or borrowing privileges.

As I said, this legislation would exclude consumer banks from the definition of a bank. However, they will be subject to strict requirements, which include: First, a prohibition against making commercial loans; second, a requirement to maintain investments in specified types of consumer loans; and third, a requirement to make available in a State an aggregate amount of loans equal to 65 percent of the consumer deposits held by such institution which were received from consumers residing in such State.

Antitying provisions and the Community Reinvestment Act would also apply to consumer banks and consumer bank holding companies. Consumer banks would be fully regulated and insured, and would be restricted in the types of loans and financial services they could provide. They would be subject to normal capitalization requirements, a higher community reinvestment standard, and all consumer protection measures that are required of full-service banks.

Consumer banks will be subject to the same laws and regulations as other banks. These include the National Banking Act, the Federal Reserve Act, the FDIC Act, the Monetary Control Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, and the Consumer Credit Protection Act, which includes the Truth in Lending Act. In addition, consumer banks will be subject to antitrust and securities laws, and examination by State and Federal regulatory agencies.

Without doubt, Mr. Speaker, the process of revamping our banking laws must be deliberate. But it is important that we start the process now. The integration of the financial services business has already arrived, but commercial banking organizations are restricted in their ability to compete.

For some, the answer is to turn back the clock and reverse the technological advances and progressive economic developments of recent years. This is clearly a mistaken approach which would have dangerous implications on the safety and soundness of the banking system. The results would be fewer investors of capital in banks and thrifts, less competition, less businesses, and less innovation in the development of consumer products and services. Moreover, prohibiting the ownership of a depository institution by commercial, industrial, and financial firms would require major divestitures, and could create additional instability in the system.

The limited-service banks that exist today have stimulated competition among financial institutions and contributed to the development of a financial marketplace that is much more responsive to consumer preferences. My legislation will take these developments a step further.

Banking organizations would be able to diversify by offering integrated financial planning for its current customers, as well as small investors who cannot afford expensive brokers. At the same time, consumer banks would be

able to meet the needs of consumers that are not being adequately served by the existing banking system.

The benefits of consumer banks would be vast. First, they would fill a void that currently exists in the types of financial products and services available to low-income families, minorities and women who are heads of households, and will provide greater access to banking institutions. Second, well-managed, highly profitable and diversified commercial firms can provide needed capital to an ailing depository institution, particularly failing thrifts.

More important, consumer banks would not pose any safety and soundness threats or regulatory problems. As evidence, it is important to note that today's limited-purpose banks are not endangering or abusing any laws. None face insolvency or have become insolvent, and there is no evidence of abuse to the payments system by commercial firms that own limited-purpose banks or thrifts.

Likewise, bank and multiple savings and loan holding company ownership of securities subsidiaries would not threaten the safety of the banking system. Instead, the opportunity to add new sources of revenue at relatively low risk will strengthen the system. In fact, the declining financial performance of banks in recent years can, in many ways, be attributed to limitations on the products and services banks can provide. These limitations make it difficult for banks to seek alternative sources of income as they watch their traditional activities erode at the hands of large commercial firms and investment banking organizations. The result has been greater reliance on more risky lending, both domestic and international, while top-quality borrowers increasingly turn to the commercial paper market for their credit needs.

The expanded range of permissible holding company activities that I am proposing are a natural extension of banking. Banks consistently report favorable results from underwriting and dealing in U.S. Government, municipal, and Eurobond securities. They have demonstrated competence in these activities, and there is no rational reason why they should not be allowed to do at home what they can do abroad.

Mr. Speaker, I am not proposing a radical restructuring of our banking laws. To the contrary, my legislation attempts to channel the radical developments that have already taken place in a prudent and productive manner. If we continue to do nothing but merely react to changing developments in the financial services marketplace, we will miss the opportunity to structure the system to meet the growing and complex needs of consumers, while insuring a strong and competitive financial services industry well into the next century.

This legislation, I believe, will start us in the right direction, and I urge the support of my colleagues for this proposal. It will bring about constructive and progressive changes in our Nation's banking laws that are necessary to the continued viability of the industry.

CONGRESSIONAL SALUTE TO THE 1986 RECIPIENTS OF THE DISTINGUISHED SERVICE AWARDS OF THE PASSAIC HEART FOUNDATION, INC. OF PASSAIC, NJ

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. ROE. Mr. Speaker, on Wednesday, May 28 the people of my congressional district and the State of New Jersey will join together at the annual awards dinner of the Passaic Heart Foundation, Inc. of Passaic, NJ to honor four outstanding citizens of New Jersey who have given unselfishly and willingly of their time in service to their fellowman.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and deepest appreciation to the Passaic Heart Foundation's honorees—a roster of exemplary community leaders and highly reputable citizens of New Jersey, as follows:

The Honorable: Steven Alexander, M.D., F.A.C.S.; Salvatore Cannata; Daniel P. Conroy, Jr., M.D., F.A.C.C.; Jack DiPiazza; and Philip J. Jasper, M.D., F.A.C.S.

Mr. Speaker, the Passaic Heart Foundation is a highly prestigious eleemosynary organization in my congressional district dedicated to charitable and fundraising endeavors on behalf of victims of heart disease. Their strong commitment to seeking research and quality health care for those suffering organic or functional abnormalities of the heart is applauded by all of us. For example, in 1985 the Passaic Heart Foundation donated $2,000 to the Scleroderma Society in order to help with research. Scleroderma is the hardening of the skin and affects different parts of the body including the heart and other vital organs. Another donation of $1,800 in new equipment was given to the Passaic Volunteer First Aid and Rescue Squad, which consisted of a recorder Annie, a resusci-child, and a resusci-baby.

May I also commend to you the officers and board of trustees of the Passaic Heart Foundation, as follows:

The Honorable: J.R. Russo, chairman; Harry Antman, cochairman; John Lacquaniti, treasurer; Charlotte Antman, secretary; Josephine Lo Re, coordinator; Robert Abramowitz, Esquire, Counsel; Bonnie Abramowitz; Phil Birnbaum; Virginia Castiglia; Mel Currier; Millie Gatto; Dennis Gero; Esta Hymovitz; and Morris Werbin.

Mr. Speaker, our honorees have truly distinguished themselves in their career pursuits—all highly admired and respected for their outstanding accomplishments in their sphere of expertise. During the testimonial dinner on May 28 they will also be cited for their extracurricular activities, their strong personal commitment and sincerity of purpose in helping all our people—young and adults alike—suffering from diseases of the heart. There is much that can be said of their exemplary skills in their all-consuming professions which have enabled them to attain the highest regard and esteem of all who have the good fortune to know them.

Mr. Speaker, D. Steven Alexander has assisted the Passaic Heart Foundation financially and devoted many hours of his valuable time in their noble cause on behalf of victims of heart disease. He was born in Passiac, NJ, educated in the Passaic school system and a graduate of Passaic High School. His undergraduate college studies were attained at Cornell University and he received his medical degree from the New York University School of Medicine.

He served his medical internship at the Cincinnati General Hospital and University of Cincinnati Medical Center. He completed his residency in surgery and urology at the Mount Sinai Hospital in New York City. He entered the practice of urology in Passaic in association with the late Dr. Bernard D. Pinck and has been attending urologist at the Beth Israel Hospital, the Passaic General Hospital and St. Mary's Hospital.

Among his medical school appointments, we are proud of his service as assistant clinical professor of urology at the Mount Sinai School of Medicine in New York City. He is a member of the American Urological Association, the American Medical Association, and a fellow of the American College of Surgeons.

Dr. Alexander served our people and our country with distinction in Korea as a captain in the U.S. Army Medical Corps.

Mr. Speaker, Salvatore Cannata, director of the Passaic County Department of Consumer Affairs, was selected because he expends himself beyond the duties of his office and is actively involved with the United Way and other charitable organizations in Passaic County. He was born in Passaic, NJ, and educated in the Passaic school system. He obtained his G.E. degree from William Peterson College and attended Rutgers, the State university where he received the State meat inspector's license in meat processing, inspecting, and slaughtering. He operated Cannata's Superette in Passaic until 1974.

In January 1975 he was appointed deputy director of consumer affairs and in 1978 was elevated to his current office of public trust as director of consumer affairs. He also served on the advisory committee of the State citizens consumer affairs.

Consumer affairs helps our people on consumer-oriented issues to prevent fraud and provide the necessary consumer and economic information for all of our citizens to make well thought-out choices in the marketplace. Sal Cannata has made a major contribution to this nationwide effort.

Sal Cannata is a past commander of the American Legion Post 200 of Passaic, 1961–62 and has been Passaic County employees chairman of United Way since 1978. He is an active member of Passaic UNICO and was named their Man of the Year in 1983. He is county committeeman, Clifton Democratic Club, 34th District; member, Chrysler Customer Satisfaction Arbitration Board; former Clifton constable and member, Chief of Police Association of New Jersey.

He is a member, New Jersey State Organization for Cystic Fibrosis; Beth Israel Hospital Association, Passaic; notary public, Passaic

County; and North Jersey-Essex County Blood Bank. He is active in Mount Carmel Church Passaic affairs and is a member of the Holy Name Society.

Among his many citations, he received the Presidential National Award for Community Service (1984); Humanitarian Award for U.S.A., Puerto Rico and Virgin Islands, 1984; and the Passaic and Bergen County Retarded Children A.R.P. Humanitarian Award, 1985.

Mr. Speaker, Dr. Daniel Conroy is one of the most outstanding cardiologists in our country and has helped many people. He was born in Brooklyn, NY, and received his bachelor of science degree from St. Peter's College, Jersey City, NJ. He attained his medical degree from the Universidad Autonoma de Guadalajara, 1975. For his postgraduate medical training he participated in the Fifth Channel Program at United Hospital Medical Center, Newark, NJ, 1975–76.

He fulfilled his straight medical internship, 1976–77, completed his residency in internal medicine, 1977–78, and was a fellow in cardiology, 1978–80, at St. Michael's Medical Center, Newark, NJ. He is certified by the Medical Board of Examiners as a physician in internal medicine and cardiovascular diseases having achieved diplomate, American Board of Internal Medicine, 1979, and diplomate, cardiovascular diseases, 1981.

Dr. Conroy is a member, American College of Physicians, and a fellow, American College of Cardiology. Since 1980 he has been an associate attending, the General Hospital Center at Passaic, NJ, and associate attending, St. Mary's Hospital, Passaic, NJ. He is a physician on the courtesy staff at St. Michael's Medical Center, Newark, NJ and conducts a private practice in Lyndhurst, NJ and in Clifton, NJ.

Mr. Speaker, Jack DiPiazza, proprietor of Leonard Bakery, who services area restaurants and airlines, was selected for his humanitarian involvement with charities. He was born and raised in Bolognetta, Sicily where as a young boy he began his early learnings and developed his business acumen in his family's macaroni factory.

The pleasure of great personal dedication and always working to the peak of one's ability with sincerity of purpose and determination to fulfill a life's dream—that's the success of the opportunity of America—and the mark of distinction in our society of the selfmade man. The aspirations and successes of Jack DiPiazzi in the mainstream of America's business enterprises does indeed portray a great American success story.

Jack DiPiazza came to our country in 1955 and settled in Lodi, NJ. He began working full time for Scheps Cheese and part-time for Marcal Paper Mill, both in East Paterson, NJ. He was always looking for better ways to support himself and his growing family. The opportunity came in 1960, when he was able to purchase shares in what was then a small retail store known as Leonard's Pizzaria. Through hard work and determination he began to add other products to sell such as Italian pastries, breads, cakes and cookies. His ambition did not stop there. Jack, who was now sole owner of Leonard's Bakery, felt his products were good enough for him to expand into the wholesale market. He began selling to restaurants, caterers, hotels, and other bakeries. He now distributes his products as far as California and Florida and is proud to be one of the many successful Italian-American businessmen in our country today.

He has been involved in many civic and charitable organizations. He is a member of the St. Anthony Society, Garfield, NJ, where he donated his time and money in building their clubhouse. He has received awards from the Kiwanis and Veterans of Foreign Wars of Lodi for his outstanding contributions to their noble goals and objectives. He is a member of the Passaic Chamber of Commerce and a major donor to the city's hospitals and churches. In 1978, Jack was one of the founders of the Italian American Forum of Lodi and was the club's 1981 president. He is also on the club's board of directors. His many activities as a member of the Italian American Forum include being cochairman of the committee for Boys Town of Italy where $40,000 was presented to the Right Reverend Monsignor Carroll-Abbing to aid him in his work with orphaned children. He was also active in raising funds to help the earthquake victims of Italy and the building of a school in Cosensa, Italy. In 1984, he was honored by his native Italy who bestowed upon him the high honor of being named a cavaliere and later a commendatore.

Mr. Speaker, Dr. Philip Jasper was selected for his concern and care for the citizens of Passaic, his outstanding work at St. Mary's Hospital and his support of many charities within Passaic County. Like all Passaic Heart Foundation's honorees, he has shown a warm feeling and understanding for his fellowman. He was born in South Amboy, NJ, and is a graduate of St. Mary's grammar and high schools in South Amboy. He completed his undergraduate college studies at Mount St. Mary's College, Emmitsburg, MD in 1952 and earned his M.D. degree in 1958 from the University of Rome, Italy.

Dr. Jasper served as an intern at Martland Medical Center, Newark, NJ, 1958–59, completed his surgical residency, 1959–60, and his urology residency, 1960–63. He is certified by the Medical Board of Examiners as a physician in urology having attained Diplomate of the American Board of Urology, 1966 and is a fellow of the American College of Surgery, 1967.

He was a clinical instructor of urology at Newark City hospital for 14 years before accepting his current assignment as clinical instructor at Mount Sinai Medical Center, New York City. He has served on the executive committees of all three hospitals and is president of the St. Mary's Hospital at the present time. He also is the director of urology at St. Mary's.

Dr. Jasper serves on the Passaic County Medical Society as trustee and is delegate to the New Jersey State Medical Society. He is State delegate to the JEMPAC (Political Action Committee). He is fluent in the Italian language and has lectured before the Italian Urological Society on several occasions. From 1965 to 1968 he served as commissioner on the Passaic County Mental Health Board.

He has a well-established practice with offices in the cities of Passaic and Clifton, NJ. He has served as past president, the Passaic County Medical Society; past president, the medical staff of the Beth Israel Hospital; and is a former member of the board of trustees of the Beth Israel Hospital. He has authored 15 articles published in urological and medical journals and presented scientific papers at meetings of major urological societies—both in the United States and abroad.

During the period 1946 to 1948, Dr. Jasper served our people and country with distinction as a member of the USMC.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of life and way of life here in America. As we gather together on May 28 in tribute to our honorees' leadership endeavors and personal commitments dedicated to caring and sharing in service to people, I know you will want to join with me in extending heartiest congratulations and deepest appreciation for all of their good works. We do indeed salute the 1986 recipients of the Distinguished Service Awards of the Passaic Heart Foundation, Inc. of Passaic, NJ.

THE CRUCIAL LINK BETWEEN EDUCATION AND COMPETITIVENESS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. GEPHARDT. Mr. Speaker, much has been said about our trade crisis and the need to take strong steps to achieve a genuinely open and fair world market. I will not repeat those arguments today. My colleagues know that I am a strong supporter of the Trade and International Economic Policy Reform Act.

Today I want to talk about an especially important title of the bill: the education and training title. The very presence of an education and training component in trade legislation is tremendously significant. It shows that we have recognized that America will not be strong unless the American people are strong.

The administration and my colleagues on the other side of the aisle seem not to have recognized this obvious fact. The administration continues to propose crippling cuts in our education budget, and the substitute trade bill contains no provisions for education and training. This is a mistake.

The education and training programs in H.R. 4800 are programs for people, programs specifically aimed at enabling our people to acquire the knowledge and skills they will need to compete effectively in a highly competitive and rapidly changing world market.

The other components of the trade bill are designed to ensure that the rules of international trade are fair, and that all our trading partners observe them. As important as trade laws are, we must have the ability to make use of them. We must establish a level playing field, but we must also ensure that our people are in prime condition to play on that field.

In order to compete successfully, our workers and researchers must be able to read,

write, and calculate at advanced levels. They must have the ability to function in the languages of our major competitors. They must be able to develop the world's most advanced industrial techniques and processes and the world's most innovative software. They must have the skills necessary to function at high levels in cutting edge industries.

My colleagues on the Education and Labor Committee have designed a set of measures that will address these needs. The measures are responsible and creative; they are targeted at the real needs of our present and future workers, while at the same time allowing the flexibility necessary to respond to local conditions.

I commend Chairman HAWKINS and the other members of the Education and Labor Committee for their excellent work. I urge my colleagues to recognize the importance of their contribution by voting for H.R. 4800, the trade legislation that would strengthen our people as well as our market access, in the international competition that will determine our standard of living for decades to come.

A SOLID FOUNDATION FOR HIGHER EDUCATION

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. GALLO. Mr. Speaker, in 1965, Morris County, NJ became the location of a great educational experiment. The County College of Morris, which stands today as a model for quality higher education, is a tribute to the commitment and dedication of those people who have undertaken the challenge of transforming this promising idea into a solid educational opportunity for thousands of students since 1965.

At the center of this effort is a man who has guided the growth and development of the County College of Morris for all of those years.

As the first president of this growing institution of higher education, Dr. Sherman H. Masten has worked with the college trustees, faculty and staff to build a county college of the finest reputation from its very inception.

With Dr. Masten's expert guidance, we in Morris County have developed a county college that is the envy of similar institutions across the Nation.

Dr. Masten's continuing interest and concern in development of quality curricula has been the major contributing factor in our county college's high academic standards. The CCM curricula and its program of community support services are widely recognized among educators as models for other schools to follow.

As a former trustee who was involved with the campus expansion program, I know from first-hand experience that Dr. Masten is a strong advocate for an inspirational campus setting.

Using his earlier experience as a driving force behind the development of a new campus at the Ulster County Community College in Kingston, NY, Dr. Masten was instrumental in guiding the college expansion program.

Because of his efforts, we are blessed with a campus that is both beautiful and functional.

In all areas of leadership, both academic and administrative leadership, Dr. Masten's unique talent for motivating people has built a solid foundation upon which we can continue to build for many years to come.

The people of Morris County and the State of New Jersey owe Dr. Sherman H. Masten a debt of thanks for his efforts to build an institution of quality education for our young people.

As a Member of Congress who is concerned with the future of higher education, I applaud my good friend Dr. Sherman Masten for the example he has set for future generations of educators to follow.

I hope that, for the sake of quality education, he continues to follow his dreams where they may lead him.

JOINT RESOLUTION TO COMMEMORATE THE LAST VOYAGE OF THE "PRIDE OF BALTIMORE"

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mrs. BENTLEY. Mr. Speaker, today I am introducing a joint resolution to commemorate the last voyage of the *Pride of Baltimore*. Just last week, the vessel, the *Pride of Baltimore* sailed the Caribbean Sea. On May 13, 1986 the *Pride of Baltimore* departed St. John's in the Virgin Islands bound for the Port of Norfolk.

Later in the same day, the clipper was overcome by a tempestuous storm and high winds and waves. Eight of the crew members survived the sinking clipper. They were on a raft in the Caribbean Sea for 4½ days until the eight crew members were rescued by the *Toro Horton,* a Norweigian freighter on May 19, 1986. It is believed that two of the crew members were drowned in the sinking of the *Pride of Baltimore*.

Mr. Speaker, the heroic lives and death of the crew members of the clipper provide an opportunity to commemorate the last voyage of the *Pride of Baltimore*. In commemorating the vessel we also pay tribute to the ongoing tradition of sailors taking the risk of high seas.

I, therefore, urge my colleagues both in the Senate and the House of Representatives to join me in designating the day of June 1, 1986 as the "Pride of Baltimore Day." It is only fitting that June 1 be designated because this was the day that the *Pride of Baltimore* was scheduled to berth at the Baltimore Inner Harbor after a tour of goodwill. We must not let the heroic lives and death of crew members of the clipper vessel, the *Pride of Baltimore* go without proper congressional commemoration and recognition.

S. 2416

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. GALLO. Mr. Speaker, I rise in strong support of S. 2416, a bill to raise the ceiling on the VA Home Loan-Guaranty Programs from $30.9 billion to $40 billion. In addition, the bill provides $2.4 million for additional staff to handle the processing of the large number of financing applications due to the recent decline in interest rates.

It is with great pleasure that I rise to support this bill which provides our Nation's veterans with the ability to obtain a good credit rating upon their return from military service. The VA Home-Loan Guaranty was established to reward our servicemen and women by allowing them to obtain credit extensions on favorable terms for home purchases, construction, repairs, and improvements. This bill guarantees the continued solvency of the VA Home Loan-Guaranty Program and serves to recognize the invaluable and dedicated service of our Nation's veterans.

As elected representatives, and more importantly, as American citizens, we have an obligation to repay our veterans for the countless hours of sacrifice and service which they have provided protecting our towns, our homes, and our loved ones. Insuring the solvency of the VA Home Loan-Guaranty Program is a very small way to say thank you. Mr. Speaker, I urge my colleagues on both sides of the aisle to recognize the need for this legislation and to provide their wholehearted support.

MAY 18-24 IS NATIONAL SMALL BUSINESS WEEK

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. McDADE. Mr. Speaker, I applaud the President for proclaiming this Small Business Week. As our country salutes the small business owners of America, I think the theme is most appropriate because it is true "Small Business is Big in the U.S.A." It is a time to pause and recognize the contributions that small business makes to our economy.

As President Reagan has said, "Nothing characterizes the American economy better than our 14 million small businesses. They should be a source of pride for all Americans." Small businesses employ more than half of the private sector labor force and generate the vast majority of all new jobs. Small business plays an essential role in our economy in producing and marketing new products.

This year small business owners from all over the country will attend the White House Conference on Small Business. Many of the recommendations from the 1980 Conference on Small Business have already become law. I am looking forward to seeing what the 1986 Conference recommendations will be. These

recommendations will help in forming a small business agenda for the next Congress. It is in the best interest of our Nation for small businesses to continue to grow and prosper in our economy.

The men and women who will be honored this week for their achievements best exemplify America's entrepreneurial spirit.

Mr. Speaker, I ask my colleagues to please join with me in celebrating Small Business week, congratulating all the award winners and wishing future success to all small business owners.

A SALUTE TO REV. JOSEPH D. FORGOTCH

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. YATRON. Mr. Speaker, on June 22, 1986, Rev. Joseph D. Forgotch will be honored on the 45th anniversary of his service in the priesthood. On this special occasion, a testimonial dinner will be held for Father Forgotch in Mahanoy City, PA.

Reverend Forgotch is a life-long resident of Schuylkill County. He was born in Mahanoy City to Anthony and Kathryn Krohn Forgotch on August 30, 1914. He attended Mahanoy City Public Schools and graduated from Mahanoy City High School in 1932. After graduation, Father Forgotch entered St. Charles College in Catonsville, MD, and then attended St. Charles Seminary, Overbrook. On June 7, 1941, he was ordained into the priesthood by the late Dennis Cardinal Dougherty in Sts. Peter and Paul Cathedral in Philadelphia.

In keeping with his longstanding commitment to our area, Father Forgotch returned to Schuylkill County and celebrated his first Mass on June 8, 1941 in St. Mary's Church in Mahanoy City. His first appointment was on loan to the Harrisburg Diocese and to St. Mary's Church in Shamokin. In later years, he served in Frackville and Philadelphia and, in February 1958, he was made pastor of St. Mary's Church in Ringtown, PA, where he continues to serve today. In 1966, in recognition of his dedication to the priesthood Father Forgotch was appointed by Bishop McShea as a member of the Diocesan Liturgical Committee.

In addition to his service at St. Mary's Church in Ringtown, Father Forgotch is active in a number of community organizations in the area. He is a member of the Ringtown Lions Club and the Fountain Springs Country Club. He was also an instrumental force in the development of the area's CYO basketball program which has been hugely successful. For 45 years, Father Forgotch has dedicated his life to helping his fellow citizens through his commitment to the priesthood as well as his dedication to numerous community organizations. He is being justifiably honored for his dedication, hard work and service. I know that my colleagues will want to join me in saluting Father Forgotch and in wishing him continued success and good fortune in the years to come.

REPUBLICANS LAUNCH ATTACK ON LOAN POLICIES OF THE INTERNATIONAL MONETARY FUND AND WORLD BANK

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. OBEY. Mr. Speaker. Some confusion persists in the press between the Joint Economic Committee staff study, "The Impact of the Latin American Debt Crisis on the U.S. Economy," and an attack being launched by some Republicans in the U.S. Senate on loan policies of the International Monetary Fund and the World Bank. Those international lending institutions have been a favorite target of conservatives and protectionists for years. They are not, however, the target of the JEC study.

The staff study, which the committee released 2 weeks ago, examines administration policy, not the institutions which are the tools to implement that policy. It is clear that the Third World debt policy emanated from the U.S. Treasury and the Reagan White House. The international lending institutions seldom act without the concurrence of the United States. In fact, the United States holds more than 20 percent of the voting shares in the IMF and is thereby the only nation in the world with outright veto power over any proposals before the institutions. In this instance, however, the policies were adopted not only with the concurrence of the United States but at its urging.

In meeting the Latin American debt crisis, the policy asked repayment to the money center banks at a pace that could only be achieved by dramatic cuts in the Third World purchase of U.S. manufactured and agricultural products and by rapid production of Third World commodities almost all of which were already in surplus on world markets. The policy asked too little of the banks, which under the arrangement not only had their capital protected but were able to maintain high profit margins on the loan in question. The result was a further drop in commodity prices, a $17 billion shift in the United States balance of trade with Latin America and serious damage to U.S. agricultural and export manufacturers. By some estimates, the debt crisis policy has cost the U.S. economy a million jobs.

No legislation is needed to correct this problem. The administration needs only to face up to the consequences of its policy. It has the executive authority to change a policy that favors the banks to one that treats the various economic sectors with greater balance. The IMF and other multilateral institutions provide the administration with the tools needed to implement a fair and balanced policy. The only thing that is missing is the wisdom and sense of fairness to make such a use of these institutions possible.

ABC UNIFIED SCHOOL DISTRICT HONORS EMPLOYEES WITH OVER 25 YEARS OF SERVICE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House to join me honoring the employees of the ABC Unified School District.

On June 4 the school district will honor the service and devotion of their employees at a special reception. The employees being honored have given over 25 years of service to the students and people of the ABC Unified School District.

These individuals are being honored for their commitment and dedication to education. They are to be commended for their contributions to the needs of the students in the school district. The welfare and future of our young are well cared for and safely secured by these outstanding employees. It takes special people to take care of and educate our Nation's students. I am proud that these fine people have chosen to work in my community for so many years.

Mr. Speaker, the ABC Unified School District is one of the finest school districts in the State of California. The loyalty of the people being honored today reflects the district's outstanding relationship with its employees. I want to recognize two individuals for exceptional service. Virginia P. Dilley has been a teacher in the district for 38 years and Deputy Superintendent Charles C. Vernon served the district for 27 years. I want to congratulate and thank them for adding something special to education.

THE MEDICARE VISION AND OCCUPATIONAL THERAPY BENEFIT IMPROVEMENT ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. STARK. Mr. Speaker, today I am introducing a bill designed to provide Medicare beneficiaries with necessary services. The bill would authorize Medicare reimbursement to optometrists for vision-care services and expand reimbursement under Medicare for occupational therapy services.

Many beneficiaries are being forced to forego covered eye-care services or are paying for eye services furnished by optometrists out of their own pockets because they do not have ready access to an ophthalmologist. This bill provides beneficiaries with protection against these expenses when the services would already be covered under the program if performed by an ophthalmologist. The bill does not expand or change the current coverage rules for eye-care services under Medicare.

Furthermore, the bill would modestly expand Medicare's occupational therapy benefit. With patients being discharged from the

hospital sooner, occupational therapy services are needed to enable beneficiaries to function independently.

EXPLANATION OF PROVISIONS

Vision Care

Currently Medicare covers eye-care services when furnished by a physician (a medical doctor or doctor of osteopathy) to a beneficiary with a complaint or symptom of eye disease or injury. Reimbursement for eyeglasses or for eye examinations for the purpose of prescribing, fitting, or changing eyeglasses or contact lenses is denied except for prosthetic lenses for aphakic patients, that is those patients without the natural lens of the eye. Under current law, an optometrist, legally authorized by the State to practice optometry, is reimbursed under Medicare only for the purpose of furnishing services related to the treatment of aphakic patients.

The bill would authorize Medicare reimbursement for vision care services furnished by optometrists, if the services are among those already covered by Medicare when furnished by a physician and if the optometrist is authorized by State law to provide the services.

Occupational Therapy

Occupational therapy is a medically prescribed treatment that is concerned with the restoration or improvement of functions that have been impaired by illness or injury, or when functions have been permanently lost or reduced due to illness or injury. Occupational therapy improves the individual's ability to perform those tasks necessary to ensure independent functioning.

Medicare currently covers medically necessary occupational therapy services under part A when provided as a part of covered inpatient or post-hospital extended care services or as a part of home health services or hospice care.

Part B coverage of occupational therapy services is limited to treatment in a hospital outpatient department, comprehensive outpatient rehabilitation facility, home health agency, or when provided as incident to the services of a physician.

The bill would extend reimbursement under part B of Medicare for occupational therapy services. The bill would authorize part B reimbursement for occupational therapy services provided in a skilled nursing facility (after part A coverage has been exhausted), in a clinic or rehabilitation agency. Payment would be based on Medicare's reasonable cost basis.

Furthermore, the bill would provide for coverage of occupational therapy services when furnished in a therapist's office or a beneficiary's home. No more than $500 in incurred expenses would be eligible for coverage in a calendar year per beneficiary. Payment would be based on Medicare's reasonable charge rules.

In general, this bill would make coverage of occupational therapy services comparable to the existing coverage of physical therapy services.

VETERANS DESERVE HOME LOANS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DOWNEY of New York. Mr. Speaker, I rise today to voice my support for H.R. 4775, a bill to raise the Veterans' Administration Home Loan Guarantee Program ceiling from $18.2 billion to $40 billion and to free additional funds for the program's operation.

This program deserves our support. In these days of falling interest rates, home buying has become more and more attractive. Many veterans are now able to consider buying a home or refinancing a present mortgage. We are seeing a great increase in the number of veterans who need financing assistance. More than 400,000 mortgage loans will be guaranteed by the VA this year. This type of economic activity is good for the country and good for our veterans.

With this increased activity we see a greater need than ever for personnel to staff this program. This legislation would provide for that need.

This bill will result in $15 million in savings this year and will cost only $27 million for the next 2 years. This is a relatively small investment considering our budget of almost $1 trillion.

Without this legislation this program will be without funding. This would be a mistake of great proportions and an abdication of the debt we owe to those who served our Nation. I hope my colleagues will join me in supporting it.

PREAPPRENTICESHIP TRAINING PROGRAM

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. MORRISON of Connecticut. Mr. Speaker, I wish to commend the students and staff of the Women's Employment Resource Center of New Haven on the occasion of the graduation of the first 15 students from the Center's Preapprenticeship Training Program. The purpose of this program is to train low-income women for careers in fields traditionally filled by men, such as construction, manufacturing, and high technology.

The Preapprenticeship Training Program is funded by the New Haven Private Industry Council and began its first set of training sessions on March 3, 1986. The current graduates learned about all aspects of building construction, including carpentry, plumbing, and electrical work, by constructing a small building under the supervision of an instructor from West Haven High School. They also learned about safety and first aid, physical fitness, and basic industrial arts, as well as ways to deal effectively with the pressures of the work world.

I am very proud of the accomplishments of 15 women who have completed their preapprenticeship training. The 15 graduates are Aquanetta Carreia, Dolores Costin, Linda Covington, Deirdre Ford, Terri Gatling, Tonya Gonsalves, Karen Harrington, Beverly Harrison, Germaine Holland, Cynthia Humphrey, Charlene Maselli, Rita Natale, Marcie Staffa, Patricia Van Seyst, and Joann Williams. They will be placed in entry-level jobs or apprenticeship programs where they will begin their careers. I congratulate them on their achievements and wish them the best of luck in the future.

The Preapprenticeship Training Program enables women to increase their earning capacity by placing them in higher paying occupational and career categories than would be otherwise open to them. But the program does more than help the individual women who participate. Such programs are great opportunities for the city of New Haven, the seventh poorest city in the country, because they contribute to the economic health of the city through increasing the tax base and expanding the numbers of skilled workers.

The Preapprenticeship Training Program stands as a promising example that equal opportunity in our economic system can be turned into reality. I know my colleagues join me in congratulating the students and staff of the program and wish them many years of continued success.

SMALL BUSINESS WEEK, 1986

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. MAVROULES. Mr. Speaker, this past Monday, my subcommittee held a hearing in Detroit, MI, to review the role of the small business sector in our economy, and how our Government can better assist small firms.

This hearing was particularly timely since it kicked off the start of Small Business Week, 1986. As President Reagan stated when announcing this special week, "The business of America begins with small business—millions of men and women, bold and imaginative starters, seizing opportunities and providing jobs that help to ensure that our Nation will remain economically strong and free."

Small Business Week is an appropriate time to reflect on the importance of small firms to the Nation's economy. Today, small businesses employ over 58 percent of all private sector employees. Small firms produce over half of the Nation's gross national product. Perhaps more importantly, a vast majority of all net new jobs and innovations in the United States are being created by our smaller enterprises. Small businesses are deeply involved in their communities, providing employment and services, and contributing to the overall well-being of an area.

During the past year, thousands of small business owners have been meeting at small business conferences throughout most of the 50 States, in preparation for this August's White House Conference on Small Business. The recommendations presented by the delegates to this national conference will help us in Congress to formulate a small business

agenda designed to make sure our small firms have a definite role to play in advancing the Nation's prosperity.

Small Business Week is also a time to reflect on how much we as a nation can or should do to help small businesses. I must take this opportunity, therefore, to express my concern over the recent actions of the new Acting Administrator for the Small Business Administration. Mr. Charles Heatherly has stated that he fully supports the President's latest proposal to transfer some of the SBA's responsibilities to the Department of Commerce, while eliminating many other functions. He is actively pursuing this agenda although the Congress has clearly shown its support for an independent SBA. I am afraid that such actions could undermine the effectiveness of the agency.

As Members of Congress, our mission is not to guarantee the success of every small business venture. Rather we seek to ensure that our small businesses are playing on a level field, receiving the same opportunities and Government support as large business. An independent SBA has a definite role to play in this arena. Therefore, I believe that the essential assistance and credit avenues provided by the Small Business Administration must remain available to the American small business person.

THE "J" CURVE, THE G-5 AND THE DEFICIT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. PORTER. Mr. Speaker, a new curve has gained popularity with economists: the "J" curve. This curve explains why, after a 20-percent devaluation in the U.S. dollar following the G-5 intervention, the trade deficit has continued to rise.

The reason is simple: changes in trade flows lag behind changes in currency value. American consumers take time to change their import buying habits while American exports—primarily large capital goods—do not rise in volume until new contracts are completed for future delivery at a lower price.

The G-5 intervention could, in the coming year, contribute to a solution to our trade imbalance. But many in Congress prefer to downplay this effort while forgetting that the responsibility of instituting the most important element of any comprehensive trade program lies with this body. I am speaking of cutting the Federal budget deficit which has made international debtors of all Americans.

Mr. Speaker, to reduce our trade deficit we must maintain long-term cooperation with G-5 members. Unfortunately, supporters of today's trade bill abandon such cooperation and replace it with political pandering and protectionism.

BRUCE GREENFIELD TO BE HONORED FOR YOUTH WORK

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. LENT. Mr. Speaker, on June 23, the friends and colleagues of Mr. Bruce Greenfield of North Bellmore, NY, will honor him for 15 years of dedicated work with the youth of our communities. A constituent of mine, Mr. Greenfield is director of youth activities for the United Synagogue of America. Today, I am pleased to recognize this fine American for his outstanding contributions to the betterment of the young people of the New York metropolitan area.

During the past 15 years that Mr. Greenfield has been youth activities director, the organization's programs have flourished. Today, more than 6,500 youngsters from over 100 conservative congregations across the New York metropolitan area participate in a variety of activities.

Young people have boundless energy and enthusiasm. However, as adults, our biggest challenge is helping them direct that tireless energy into productive and worthwhile efforts. Mr. Greenfield has devoted his career to providing our young people with this kind of opportunity, to encouraging them to pursue stimulating interests, and to helping them become responsible, active citizens.

His hard work and commitment has earned him the respect and admiration of many. As director, he coordinates and directs the teen and preteen programs, the summer camp program, as well as the Alumni and Friends Association. He administers the organization's scholarship program, which has raised over $250,000 for educational assistance to deserving students.

Active in many other community efforts, Mr. Greenfield has expended considerable time and energy on behalf of Soviet Jewry, the State of Israel, and most recently, the forgotten and oppressed Jews in Arab lands, most notably, Ethiopia.

In closing, I'd like to express my most sincere appreciation to Mr. Greenfield for all his many years of dedicated work, and wish him many years of health and happiness.

NATIONAL SMALL BUSINESS WEEK

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. LUKEN. Mr. Speaker, I welcome the opportunity to salute the small business men and women of America during National Small Business Week, 1986. From May 16 through May 24 the Nation's 15 million small businesses will be recognized and honored at ceremonies across America. Here in Washington we will host the 50 winners from each State chosen by SBA's small business advisory councils.

Small entrepreneurs have consistently led the Nation in job creation, technology innovation, and improved opportunities for women, minorities, and veterans. The Congress, the Federal Government, and State governments must encourage the efforts of small business in order to ensure that their successes continue.

There are many ways that the Congress can help. Particularly, the Congress needs to keep a close eye on regulations that hinder more than help these businesses. We must provide a stable environment that encourages growth and innovation for small business.

The area of taxation is of great importance to small business. Capital formation has always been one of the key problems to starting a business. We must make sure that our tax laws do not take away money that is vitally needed from these companies. Tax reform should be fair and simple to help both small and large businesses.

A major concern to small companies recently is the cost of insurance. This monumental problem needs to be addressed both locally and nationally. It is important to allow businesses to operate without prohibitive liability insurance costs.

This year an important event, the White House Conference on Small Business, will take place in August. This meeting will allow small business persons the chance to present the Congress and the Federal Government with an agenda for action. The previous conference, held in 1980, produced 60 recommendations. Over two-thirds have been acted on either legislatively or administratively.

Mr. Speaker, let us start this week, National Small Business Week, and begin to study some of these problems mentioned here. Let's help the millions of entrepreneurs to continue to provide Americans with valuable jobs and services.

VETERANS' ADMINISTRATION MORTGAGE PROGRAM BENEFITS

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DAUB. Mr. Speaker, I rise in strong support of S. 2416 which would raise the current $18.2 billion ceiling on the Veterans Administration Home Loan Guaranty Program to $40 billion.

On February 25, the Congress passed legislation which corrected an estimating error of the VA's fiscal 1986 guarantee activity. Last summer, the Veterans Administration estimated its home loan guarantees would total only about $12 billion in fiscal 1986, but due to the sharp decline in interest rates and the healthy state of the economy, many more veterans than expected have been seeking new homes or refinancing old ones.

However, the 9½-percent interest rate has encouraged further unprecedented refinancing and new loan activity. It is estimated that more than 400,000 mortgage loans will be guaranteed by the VA this year. This is more

than double the number of loans guaranteed last year.

As a strong supporter of the VA Home Loan Guaranty Program, I am pleased to join with my colleagues in taking quick action so that we send a clear signal to many veterans that this particular benefit will remain viable and available to them.

TRIBUTE TO DR. JOHN MANLY

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. DERRICK. Mr. Speaker, I would like to take this opportunity to honor one of South Carolina's most respected educators, Dr. John W. Manly, upon his retirement as executive vice president of Tri-County Technical College, Dr. Manly has served in this capacity since 1971 and will be sorely missed by the school's administration, faculty, students and friends of the college.

In the early days of his tenure at Tri-County Technical College, Dr. Manly established the Child Development Department, a program that has had statewide implications. Working with Clemson University, he planned, implemented, and directed a special training program for vocational and technical education teachers. This program provided teaching skills to South Carolina vocational teachers.

Through his leadership and service, Dr. Manly has helped shape not only Tri-County Technical College, but our entire State tech system. In South Carolina, we look to the technical education system as a means to economic development. The contributions of individuals like Dr. Manly make this goal a reality.

Mr. Speaker, it is a pleasure for me to recognize today Dr. Manly's achievements and commend him for his distinguished service. I wish him many years of happy retirement.

ADMIRALTY ISLAND LAND EXCHANGE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SEIBERLING. Mr. Speaker, yesterday, I joined with Chairman UDALL of the Committee on Interior and Insular Affairs and with the committee's ranking Republican member, Representative YOUNG of Alaska, in introducing a bill, H.R. 4833, intended to provide a framework for land exchanges involving lands on Admiralty Island, in southeastern Alaska.

BACKGROUND

Introduction of H.R. 4833 is the latest chapter in a very long story.

Proposals for the protection of Admiralty Island date back at least to 1901, when President Theodore Roosevelt recommended that it be made a brown bear refuge. In subsequent years, Admiralty was proposed several times for national park status, for wilderness, for a national sanctuary, and for recreation use. Although the island has been frequently studied, no special protective status was granted until 1978.

For years before that, Admiralty Island was under threat of massive clearcutting operations. The threat did not materialize only because the first timber purchaser went bankrupt and two subsequent purchasers forfeited their contracts. In 1969, Admiralty Island was included in the largest single timber sale in U.S. history. The Forest Service awarded a 50-year contract to United States (Plywood) Champion International to cut 8.75 billion board feet of timber. The company's initial plan called for clearcutting a section on the west side of Admiralty near the village of Angoon. That threat was stayed by a lawsuit which resulted in the cancellation of the contract by mutual consent of the company and the Forest Service in 1975.

However, another controversy arose over withdrawals of land on Admiralty Island announced that same year by the Secretary of the Interior on behalf of two "urban" Native corporations. The corporations, Goldbelt, Inc., and Shee Atika, Inc., were formed under section 14(h)(3) of the Alaska Native Claims Settlement Act [ANCSA] to represent Natives living in the urban centers of Juneau and Sitka respectively.

Native peoples residing in the traditional villages in southeast Alaska formed village corporations under section 16 of ANCSA. These villages were entitled to select 23,040 acres of public lands encompassing their villages. The "urban" Native corporations, including those for Kenai and Kodiak as well as for Juneau and Sitka, were treated differently under ANCSA because their shareholders were living in municipalities or "urban" centers that were predominantly non-Native and where land was in private ownership. Therefore, they could not receive the immediately local township of public land, or so-called core township, which all other villages were granted. The controversy over the urban Native land withdrawals on Admiralty arose largely from an interpretation given to section 14(h)(3) of ANCSA by the Secretary in promulgating regulations to implement it. That interpretation, as applied to Admiralty Island, became the subject of litigation.

When the 95th Congress began consideration of proposed Alaska lands bills, the litigation was on inactive status. The parties to the suit were encouraged by the Interior Committee to try to reach agreement on a voluntary resolution of the land selection problem. The Forest Service at that time indicated it could find sufficient land to meet the selective requirements of the urban corporations if given guidelines for determining values. Both the Juneau and Sitka corporations indicated their willingness to accept alternate land off Admiralty Island, if their economic interests were protected.

ALASKA LANDS DEBATES

In 1978, the House passed H.R. 39, a bill entitled "The Alaska National Interest Lands Conservation Act." Final action on similar legislation was blocked in the Senate by the threat of a filibuster, and the 95th Congress adjourned without completing action on Alaska lands legislation.

On December 1, 1978, President Carter, employing his powers under the Antiquities Act of 1906, issued a proclamation designating most of Admiralty Island as a national monument to be managed by the U.S. Forest Service—the island has been part of the Tongass National Forest since that forest was created.

The House-passed Alaska lands bill of the 95th Congress included provisions addressing the status of the Native selections on Admiralty Island.

In general, the bill authorized the Secretary of Agriculture to designate alternative lands of equal or greater timber values in southeast Alaska but off Admiralty Island which would be made available to the Native corporations in exchange for their on-island selections.

In April 1979, Goldbelt, Inc., concluded an exchange agreement with the Secretary of Agriculture whereby Goldbelt agreed to relinquish its selections on the northwestern coast of the island in exchange for other lands in the Tongass National Forest. That exchange was ratified in the House passed bill of the following—96th Congress.

Final congressional action on Alaska lands legislation came in the 96th Congress. The House had passed its version—the Udall-Anderson bill—in May 1979. The Senate passed a bill in August 1980.

The Senate version, like the House bill, confirmed the Goldbelt exchange. It also included a specific land exchange between the United States and Kootznoowoo, Inc., the corporation for Angoon—the only village actually located on the island—whereby Kootznoowoo received lands off Admiralty. And the Senate bill included provisions granting Shee Atika, Inc., the surface estate in the lands on Admiralty Island which had been relinquished by Goldbelt. The subsurface estate in those lands was conveyed to Sealaska, Inc., the regional corporation formed pursuant to ANCSA whose shareholders are Natives in southeastern Alaska.

We in the House who had been involved with this matter anticipated that there would be a conference, in accordance with the normal course of business, to reconcile differences between the House and Senate bills. The concerned Senators, however, would not agree to such conference and made it clear that they intended to leave the House a "take it or leave it" choice; that is, the Senate bill or no bill.

On November 12, 1980, the House acquiesced in the Senate version, and the act was signed into law by President Carter on December 2, 1980.

The Alaska National Interest Lands Conservation Act designated most of Admiralty Island as a national monument (a legislative designation replacing the similar designation under the Presidential Proclamation of 1978). Within the monument boundaries there is an area (the Greens Creek area at the north end of the monument) which was excluded from wilderness designation so as to permit continued, limited exploration and development of minerals by a joint venture which had claims in the area. Also within the outer boundaries of the monument, as a private inholding, are the lands conveyed to Shee Atika and Sealaska. These are commonly referred to as the "Cube Cove lands."

SINCE 1980

Enactment of the Alaska Lands Act did not end controversy over Admiralty Island.

Since 1980, the status of Shee Atika's lands at Cube Cove and the corporation's attempts to subject them to timbering have been the subject of protracted litigation which is still ongoing.

Additional controversy has resulted from administration proposals regarding mineral development in the Greens Creek area.

Section 504 of the Alaska Lands Act has facilitated mineral exploration in the Greens Creek area. As was the case under the Presidential Proclamation of December 1, 1978, the area, as part of the national monument, remains withdrawn from mineral entry. However, the act provided that holders of unperfected claims properly located, recorded, and maintained as of November 30, 1978, could receive exploration permits for such of those unperfected claims as were located within three-fourths of a mile of a patented or perfected—core—claim. Recipients of the exploration permits were authorized to explore the relevant unperfected claims and to apply for patents to the minerals therein. Issuance of such mineral patents would require the showing of a valuable discovery, under the general mining laws.

Section 504(c)(2)(A) of the Alaska Lands Act provided that, absent special circumstances (which did not occur), all exploration permits for claims within the Admiralty Island National Monument would expire December 2, 1985. Section 504(e)(2) provided that, absent a prior assertion of a valid discovery, an unperfected claim within the Admiralty Island National Monument "shall be conclusively presumed to be abandoned and shall be void" upon expiration of an exploration permit for such claim.

Since enactment of the Alaska Lands Act, a joint venture, known as the Greens Creek Joint Venture, has carried out exploration activities in the Greens Creek area under permits issued pursuant to the relevant provision of the act. As the deadline for expiration of the permits approached, the joint venture sought to avoid the consequent voiding of any claims that remained unperfected when the permits expired.

The joint venture first approached the U.S. Forest Service, requesting administrative action to remove the Greens Creek area from the Admiralty Island National Monument and thus from the ambit of section 504 of the Alaska Lands Act.

After favorable consideration of this request at lower levels within the Department of Agriculture, the Acting Secretary of Agriculture informed Chairman UDALL and the Interior Committee, by a letter dated December 24, 1984, that the administration intended to utilize the authority provided by section 103(b) of the Alaska Lands Act to make minor adjustments in the boundaries of conservation system units so as to exclude the Greens Creek area from the Admiralty Island National Monument while adding a nearby area known as Young Bay or VCU 133 to the monument.

On January 29, 1985, Chairman UDALL wrote to the Secretary of the Interior and the Secretary of Agriculture regarding this and other matters. In that letter, the chairman expressed strong opposition to the proposed change in the boundary of Admiralty Island National Monument, and concluded that "For the Department of Agriculture to attempt to overturn these legislative arrangements" with regard to mineral exploration in the Greens Creek area "is clearly beyond the proper scope" of the boundary-adjustment provisions of section 103(b).

PUBLIC LAW 99-235

During 1985, the Greens Creek joint venture sought legislative action to extend its ability to carry out exploration activities in the Greens Creek area. In response, the Interior Committee reported a bill which was enacted as Public Law 99-235. That public law provides that no claim will be voided by operation of section 504(e)(2) of the Alaska Lands Act until midnight, December 2, 1986.

Public Law 99-235 also addresses other matters affecting Admiralty Island which were dealt with in the Alaska Lands Act, and in particular the status of the Cube Cove lands.

On November 7, 1985, Shee Atika testified that it believed that recent decisions in the trial courts enabled it to "pursue resource development that will result in the harvesting of timber on our Admiralty Island properties." We were told that Shee Atika had already advertised a stumpage sale in order to produce immediate income. Testimony was given that Shee Atika intended that by March 1986 the necessary contracts would be finalized so as to provide for harvesting on the Cube Cove lands.

While both Shee Atika and Sealaska have testified that they are amenable to steps which would avoid development of the Cube Cove lands, Shee Atika has made it clear that its financial situation is such that an indispensable element in any such alternative arrangements is expeditious receipt by Shee Atika of needed funding to enable it to meet certain outstanding obligations and business expenses.

For its part, Sealaska has testified that it has entered into an agreement in principle with the Greens Creek Joint Venture, contingent upon Sealaska's exchange of its subsurface estate in the Cube Cove lands for Federal lands in the Greens Creek area.

As an interim measure intended to assist in efforts to further resolve the status of the Cube Cove lands, Congress provided in Public Law 99-235 that the Secretary of Agriculture should seek to negotiate an agreement with Shee Atika under which Shee Atika would agree, in return for agreed compensation, not to allow timber harvest or other activities on its Admiralty Island lands that would be inconsistent with their possible future inclusion in the Admiralty Islands National Monument Wilderness. The law's language is mandatory upon the Secretary of Agriculture, but not mandatory in any way upon Shee Atika. Such negotiations in fact have taken place, but no agreement has been reached.

Enactment of Public Law 99-235 came during the final days of the first session of the present Congress. Since Congress reconvened earlier this year, efforts have continued to try to develop legislation which would address Admiralty Island questions in a more conclusive manner. Those efforts have produced the bill H.R. 4833, which Chairman UDALL, Representative YOUNG, and I introduced yesterday.

THE NEW BILL

H.R. 4833 would authorize an exchange offer which Shee Atika—or both Shee Atika and Sealaska—could accept or reject.

If Shee Atika and Sealaska both accept the bill's offer, the two corporations would relinquish and convey to the United States their right, title, and interest to the Cube Cove lands. In return, the United States would give to the corporations lands and other things of value as follows:

Shee Atika would receive both the surface and subsurface estate in certain lands on Baranof Island, near Sitka, and the United States would be contractually obligated to build a road to connect those lands to the existing road network; Shee Atika would also receive the surface estate in certain lands on Kuiu Island. In addition, conveyance of the Cube Cove lands would be deemed to be complete satisfaction of certain outstanding obligations of Shee Atika to the United States.

Further, Shee Atika would receive title to 40 percent of the subsurface estate of certain lands in the Greens Creek area, would receive two payments from the United States—in successive fiscal years—totaling $15 million, and could harvest some of the timber on the Cube Cove lands, under terms and conditions designed to protect environmental values of those lands.

If both corporations accept, Sealaska would, for its part, receive the subsurface estate in some of the lands whose surface would go to Shee Atika; certain other subsurface interests in southeast Alaska; 60 percent of the subsurface estate in the Greens Creek lands; and a long-term lease to the surface of some of the Greens Creek lands.

Should Sealaska decline the bill's offer, Shee Atika would receive all—not just 40 percent—of the Greens Creek subsurface, and timber harvesting on the Cube Cove lands would be reduced accordingly. Should Shee Atika reject the bill's offer, there would be no exchanges, regardless of Sealaska's acceptance or refusal.

None of the exchanges authorized by the bill would adversely affect the ability of the Forest Service to manage the Tongass National Forest in accordance with the Alaska Lands Act or other applicable law now in effect.

CONCLUSION

In conclusion, Mr. Speaker, H.R. 4833 represents a good-faith effort to make possible a resolution of disputes which have dragged on for many years.

No doubt, there are features of the bill which some may find it difficult to unreservedly endorse. I would not claim that it is a perfect bill. In particular, I regret that practical, political difficulties apparently preclude—at least in this Congress—a solution which would prevent any further harvesting of the timber on the Cube Cove lands.

As things stand, however, I believe that H.R. 4833 is as good a legislative proposal as can be fashioned which has any chance at all of enactment and acceptance by the concerned corporations and that would eliminate the Cube Cove inholding from the Admiralty

Island National Monument and, at the same time, enable the Greens Creek mineral development project to go forward. It is on this basis that the coauthors of the bill have gone forward with it.

THE MERCHANT SEAMAN'S BENEFIT ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BIAGGI. Mr. Speaker, I am introducing legislation on this National Maritime Day, which is set aside each year to recognize the American merchant marine and the seamen who serve on our vessels. The Merchant Seaman's Benefit Act recognizes those remaining merchant seamen who served the Nation well during the hostilities of World War II by providing them with veterans' status and benefits.

May 22 actually marks the day in 1819 when a fledgling U.S.-flag merchant marine saw the SS *Savannah* commence what was to be the first successful crossing of the Atlantic Ocean by a vessel using steam propulsion and the beginning of a new era in shipping.

May 22 also marks the day we recognize those merchant seamen who gave their lives in the defense of this great Nation. During World War II alone, more than 700 merchant vessels and nearly 6,000 merchant seamen were lost due to enemy action. This group has the highest casualty rate of any of our armed services other than the Marine Corps.

I can recall those days in 1942 and 1943 when our shipping was being brutalized by enemy submarines operating close to our shores. I can recall the battle of the Atlantic in our efforts to resupply our European allies—and the relief convoys that traveled the treacherous Murmansk route to resupply our Russian allies. I can recall the Pacific campaigns and the support missions that were conducted by a proud and ever-present merchant marine. I can remember seeing hundreds of vessels anchored off City Island, NY—an area I presenty represent—preparing for convoy duty for the crossing of the Atlantic. West coast ports and many gulf coast ports were likewise crammed with merchant vessels and merchant seamen ready to risk their lives in the war effort.

We must never forget those dedicated individuals who sailed into the darkness of the unknown with little or no protection. It is now most fitting for a grateful nation to recognize the valiant efforts of those veteran merchant seamen who are still with us.

Merchant seamen have manned our ships since the creation of our Nation. They have sailed in peace and in war. Today, we have merchant seamen manning our prepositioned supply fleet in the Indian Ocean, our specialized Military Sealift Command vessels, and our privately owned, deep-draft fleet of merchant vessels. Today, as before, they stand ready to help this Nation in its time of need.

My legislation would provide veterans' benefits to those merchant seamen who served on merchant vessels during the period of hostilities from December 6, 1941 to and including August 15, 1945. This includes service as a civilian or civil service member of the merchant marine on vessels of the United States on ocean, coastwise, or intercoastal voyages.

To qualify, a seaman must have sailed for a total period equal to at least 18 months during the 45 months of hostilities. This service must be verifiable by entries noted in a continuous discharge book, a certificate of discharge, or other appropriate documentation. Many of these records, if lost and not in the possession of the seaman, can be obtained from the Coast Guard for a reasonable search and duplicate fee. In those cases where service was on civil service manned vessels—such as the old Army Transportation Service which might not have issued appropriate Coast Guard documentation—the process of verification might be more difficult—but certainly not impossible.

One might ask why so many years after the termination of World War II are we interested in this type of legislation. For one thing, the United States is the only major maritime nation that has not recognized those merchant seamen who contributed greatly to the war effort. To understand why, we must review some history.

After World War II, the issue of veterans' status was reviewed by the Congress, but no action was taken. This was primarily due to the mistaken assumption that merchant seamen were highly paid for the risk they took in the form of war-zone bonuses. When one does an analysis of pay scales, military dependent allowances, certain surtax and victory tax exclusions, the actual incomes after taxes of a merchant seaman and a naval seaman were fairly comparable. This, of course, does not include the veterans' benefits a naval seaman received such as mortgage, educational, and reemployment assistance—to name only a few.

Another inequity was the amount of assistance the dependents of a merchant seaman killed in action received compared to dependents of a naval gun crew seaman. The dependents of a merchant seaman received a lump sum payment of $5,000. Dependents of a naval seaman killed in action received 6 months' base pay, an annuity for life, and coverage for dependent children until age 18. Based on life expectancy tables and the number of dependents, these benefits are from three to six times as much as a merchant seaman's dependents received. The same compensation ratio prevailed for those seamen who received disabling injuries.

Some argue that merchant seamen were free to stop sailing whenever they desired and were not subject to the degree of control exercised over a member of the armed services—and that, therefore, they should not be entitled to veterans' status. While this argument appears valid on its face, the realities of manning merchant vessels during the war leads one to a different conclusion.

A merchant seaman was only paid for the time he was attached to a merchant vessel and received no pay between voyages while awaiting assignment to another vessel. When he took leave, he was not paid—while the naval seaman was paid 12 months a year with 30 days of paid annual leave. I might add that, except for a few senior licensed officers, every merchant seaman aboard a merchant vessel could have earned more money ashore in defense-related work without taking the risk of being killed or incapacitated by bombs or torpedos.

It is true that in some instances merchant seamen made one or two voyages and then decided to seek safe shoreside employment. My bill recognizes this fact and only provides benefits to those whose actual sailing time—from signing on shipping articles to signing off shipping articles—equals 18 months.

The issue of veterans' status for merchant seamen was reopened in 1977 with the enactment of Public Law 95-202. This law requires the Secretary of Defense to designate as veterans the Women's Air Force service pilots and other "similarly situated groups" if the Secretary finds that the service constituted active military service and the members were discharged honorably.

Recently, the Department of Defense Civilian/Military Service Review Board granted veterans' status to merchant seamen who were requisitioned by the Army to serve on "blockships" in support of "Operation Mulberry" during the landings of Normandy. This decision has, in my opinion, raised questions of fairness and reasonableness.

Sunken blockships were a part of the artificial harbors that provided a sheltered area for tugs, barges, landing craft, and antiaircraft platforms. These artificial harbors were called "mulberries" and were used to discharge enormous amounts of supplies and equipment until a major port facility could be captured.

It is inconceivable to me that those who served in this one operation were granted veterans' status while the men who served in the wartime merchant marine for months and years are denied that status. These seamen chose to accept risks in the defense of our Nation, and it is about time we recognize their contributions.

I am sure that reasonableness and fairness will prevail and that the limited number of remaining merchant seamen veterans will be recognized by a grateful nation. This bill attempts to clarify obvious inequities, and I hope it will be enacted quickly.

JUDGE CLAIBORNE SHOULD RESIGN

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SENSENBRENNER. Mr. Speaker, on May 16, 1986 U.S. District Judge Harry E. Claiborne of Nevada became the first sitting Federal judge to go to prison. He is also the first Federal judge in history to be incarcerated for offenses committed while serving on the bench.

Chief Judge Claiborne was convicted by a jury in August 1984 for failing to report $106,000 income from his law practice on Federal tax returns in 1979 and 1980. He was sentenced to 2 years in prison and a fine of $10,000. The Federal Court of Appeals for the Ninth Circuit affirmed the conviction and the U.S. Supreme Court declined to grant certiorari.

Mr. Speaker, Judge Claiborne has refused to resign from his lifetime position and will continue to draw his $78,000 annual salary unless he is removed by the impeachment process. An impeachment proceeding must be originated in the House of Representatives. At this time, there appears to be no activity to get the impeachment process started.

Judge Claiborne is a convicted felon and should resign immediately. His presence on the bench mocks the honor and integrity the public expects in the judiciary. Even Otto Kerner, the first Federal judge ever convicted of a criminal offense while still holding office, resigned his judgeship before serving his prison term. Halsted L. Ritter, the last Federal judge to be impeached and removed from office, was charged with failing to report certain income on his Federal tax return—the very same offense on which Judge Claiborne was convicted by a jury.

Therefore, in order to uphold the integrity of the judiciary and prevent erosion in public confidence in judges, I am requesting that Judge Claiborne immediately resign from his position as U.S. district judge. If he does not submit his resignation by June 4, 1986, I will introduce a resolution calling for his impeachment.

Institutions thrive, and survive, only when they are trusted by the general public and understood. The time has come for Judge Claiborne to realize that while he occupies a seat in the Federal judiciary, he does not own it.

Mr. Speaker, please insert into the RECORD my letter to Judge Claiborne requesting his resignation and a National Law Journal editorial calling for Judge Claiborne's resignation.

The material follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 22, 1986.

Judge HARRY E. CLAIBORNE,
Federal Prison Camp, Maxwell Air Force Base, Montgomery, AL.

DEAR JUDGE CLAIBORNE: I hereby request that you resign immediately from your position as judge for the U.S. District Court of Nevada.

If you do not submit your resignation by June 4, 1986, I will exercise my privilege as a U.S. Representative to introduce a resolution to begin proceedings for your impeachment.

Sincerely,

F. JAMES SENSENBRENNER, Jr.,
Member of Congress.

TIME TO RESIGN

It is not surprising that U.S. District Judge Harry E. Claiborne is insisting he will never resign from the bench. After all, during the lengthy criminal investigation of his conduct—and since his conviction and sentence on federal tax evasion charges—he has continued to maintain his innocence and has continued to claim that he is the subject of a "vendetta" by the U.S. Justice Department.

He has filed his notice of appeal, and we can understand why he would not want to take any final action on his status as a judge until his appeals are exhausted. However, if those appeals are unsuccessful we believe he should reconsider his plan to fight his removal from the judiciary.

The impeachment process is unwieldy and would be nothing more than a forum for Judge Claiborne to restate his defenses in the criminal case against him.

Judge Claiborne is a convicted felon. If an unfavorable final judgment comes from the courts, there is no good reason for him to impugn the integrity of the federal judiciary by remaining on the bench. He should resign immediately; it would be rather absurd to do otherwise.

"OPEN LETTER" OF PASCO COUNTY MEDICAL SOCIETY

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BILIRAKIS. Mr. Speaker, several weeks ago, the Pasco County Medical Society printed an open letter to President Reagan in the Florida newspapers. This letter, in essence, expresses the concern of the Pasco County medical community over current policies of the Health Care Financing Administration [HCFA] in administering the Medicare/Medicaid Programs which may well contribute toward the deterioration of the high-quality health care to which we, in our society, have become accustomed. I would like to share the letter in its entirety with my colleagues below:

[An advertisement from the Times, Pasco County, FL, Apr. 6, 1986]

AN OPEN LETTER TO PRESIDENT REAGAN

PASCO COUNTY MEDICAL SOCIETY,
New Port Richey, FL., April 6, 1986.

RONALD W. REAGAN,
President, United States of America, The White House, Washington, DC.

DEAR MR. PRESIDENT: As the nation's leading conservative, and spokesman for less government, we wonder if you are aware of the activities of the Health Care Financing Administration (HCFA)?

As you know, HCFA is responsible for the administration of Medicare funds, and is currently dispersing these funds for Medicare/Medicaid patients via the prospective payment system to hospitals and other health care facilities across the nation. As a direct consequence of regulations and directives of HCFA to PRO's—Peer Review Organizations (a misnomer)—throughout the country, Medicare/Medicaid patients:

(1) are often being forced to leave the hospital before their physicians feel they should;

(2) often must go to nursing homes where care is sometimes substandard, and almost always less than ideal in quality, and the cost of which depletes them of their life savings;

(3) have been given letters of discontinuation of benefits, even as they lay dying;

(4) if admitted to a hospital as an emergency, cannot, except under unusual circumstances, be transferred to the hospital of their choice where their records are and where their personal physicians practice;

(5) must have certain surgeries performed as out-patients (e.g., cataracts, cystoscopies, etc.) even though as very elderly people they are frail, infirm and with chronic illnesses, and often have either no one to care for them at home or have only an equally elderly spouse to rely upon;

(6) must undergo uncomfortable and tiring tests as out-patients—such as those that you, Mister President, had as an inpatient;

(7) who are cancer patients in chronic pain, and even paraplegics, must come and go daily as out-patients for radiation treatments.

Do you realize, Mister President, that under the current system, an 85-year-old woman who lives alone, with multiple but uncomplicated rib fractures, cannot be admitted to a hospital for care while a 45 year-old man with the same injuries can?

Have you been informed, Mister President, that HCFA decides who is to be admitted to, and how long a patient is to stay in a hospital; that these functions no longer belong to those who are training, experience and knowledge are best suited to make such judgments—the physicians?

Are you aware, too, that a patient whose hospitalization has been retroactively and arbitrarily denied is told in writing that he/she is under no obligation to pay the hospital bill, thus depriving the hospital totally or partially of payment for services rendered in good faith?

From these facts several questions arise:

(1) Is this "less" government?

(2) Does such activity differ from that of Socialist countries, e.g., the Soviet Union? Some of us have been told by a representative of a federally designated peer review organization that we have a "duty to State" above our duty to God and our patients.

(3) Is this the way a great nation treats its sick poor and sick elderly? Is the budget to be balanced on their backs?

(4) Are those who have served their country and contributed to its greatness, prosperity and glory to be so shabbily treated?

We are still the wealthiest nation in the world. No one has yet shown that we cannot pay for the care of our elderly. We give billions away to other nations; we pay the interest on debts other nations owe us to satisfy bank shareholders, yet we cannot render quality care to our sick elderly and sick poor! The prospective payment system of HCFA, and the law upon which it is based, TEFRA, and which you approved, is unjust, unfair, discriminatory, and morally wrong.

Will you correct it?

Respectfully,

HARVEY O. KAISER. M.D.,
President.
MICHAEL MYERS, M.D.,
President elect.
VINCENT COTRONEO, M.D.,
Vice president.
KRISHNA RAVI, M.D.,
Secretary/Treasurer.

As you can well see, these physicians, concerned about the health and well-being of their patients and in a position to know, firsthand, the adverse impact of current policies, point to problem areas such as: Early discharge of patients, surgeries, and testing that are done on an out-patient basis when the condition of the patient warrants hospitalization, et cetera.

The problems which these physicians outline are, of course, the same ones which I and my colleagues on the Energy and Commerce Committee's Health and Environment Subcommittee have been examining for some time.

As a fiscal conservative, I, of course, am very concerned about the large budget deficits that are facing our country, and I am doing everything I can to see that Government spending is brought under control. However, as you may know, I have always made every effort to see that the budget is not balanced on the backs of the elderly and poor in our society,

especially when it comes to their health care. As a member of the Energy and Commerce Committee's Health and Environment Subcommittee, I am actively pursuing appropriate remedies for the current ailments or our Medicare/Medicaid policies which, while controlling waste and misuse of Government money, will enhance, not detract from, the excellent health care for which our society is known.

The prospective payment system [PPS], diagnosis related groups [DRG's], et cetera, are all relatively new concepts. It is to be expected, therefore, that, while well-intentioned, new initiatives such as these will not be perfect. The key, however, is to pinpoint the weak and inadequate policies and act to correct them, while simultaneously acting to preserve and enhance those which have proven beneficial—for the patient, health care provider, as well as for the Government.

I am pleased to report that I am cosponsoring legislation, H.R. 4638, also known as the Medicare Quality Protection Act of 1986, which attempts to do precisely this. This legislation makes numerous recommendations for correction of present failings in the system, such as requiring refinement of the prospective payment system for hospitals to better account for variations in severity of illness, ensuring access to appropriate post-hospital care, guaranteeing the beneficiary's right to appeal a continued stay denial, et cetera.

I am pleased to report that I am also currently drafting legislation of my own, to be introduced shortly after the return from the Memorial Day district work period, which will make further revisions in current law in order to better protect the health care of our citizens, for I, too, share the goal and desire of the Pasco County Medical Society—seeing that adequate, quality health care is available at affordable and attainable levels for everyone in our society who needs it.

Mr. Speaker, I commend all the members of the Pasco County Medical Society for their timely initiative, and I pledge my continued commitment to working to achieve our mutual goal.

THE FINANCIAL FRAUD DETECTION AND DISCLOSURE ACT OF 1986

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. WYDEN. Mr. Speaker, I am introducing today a bill H.R. 4886 designed to both require and enable independent auditors to detect and disclose illegal and fraudulent activities at publicly held corporations. This would be done pursuant to an auditor's review of corporate documents and certification of financial statements required by Federal securities laws.

The Financial Fraud Detection and Disclosure Act is a product of 16 months of hearings in the Energy and Commerce Oversight and Investigations Subcommittee. Six of my colleagues on the subcommittee—Mr. SIKORSKI, Mr. LUKEN, Mr. ECKART, Mr. SLATTERY, and Mr. SHELBY, as well as the distinguished chairman of both the subcommittee and the full committee, Mr. DINGELL—have joined me as original cosponsors of this bill.

The regulatory system established under the Federal securities laws is based on the concept of full and fair disclosure of all pertinent information to investors and other users of corporate financial reports. This legislation is designed to provide assurances to Congress and the public that illegal and irregular activities at publicly held corporations will be discovered and reported to the proper regulatory authorities by those in the best position to perform this vital function—independent auditors.

All too often in recent years, independent auditors either have failed to detect or to report fraudulent activities at a number of major corporations and financial institutions in this country. In one financial disaster after another, including E.F. Hutton, United American Bank, Penn Square Bank, E.S.M. Government Securities, Home State Savings and Loan of Ohio, American Savings and Loan of Florida, Drysdale Government Securities, Saxon Industries, and others, the disaster struck virtually on the heels of a stipulation by audit firms that the companies were financially sound. The result? Hundreds of thousands of investors and creditors were out hundreds of million of dollars.

The accounting profession—from the Cohen Commission to the Treadway Commission—has been studying this issue for 10 years, but has taken no effective action. The Securities and Exchange Commission also has failed to take the steps necessary to correct this deficiency—even though both it and the accounting profession have the authority to do so.

It is clear to us that the regulatory system is deficient in this critical area. Because the regulators and the profession have abdicated their responsibility, we feel it is time for Congress to step in.

In the 1984 case of United States versus Arthur Young & Co., the U.S. Supreme Court—in a unanimous decision—eloquently described the "public watchdog" role of independent auditors and the accounting profession. In that case, the Court declared that:

> By certifying the public reports that collectively depict a corporation's financial status, the independent auditor assumes a public responsibility transcending any employment relationship with the client. The independent public accountant performing this special function owes ultimate allegiance to the corporation's creditors and stockholders, as well as to the investing public. This "public watchdog" function demands that the accountant maintain total independence from the client at all times and requires complete fidelity to the public trust.

I fully agree with the Court's assessment. Unfortunately, because audit firms must compete fiercely for lucrative corporate accounts, this emphasis on independence and fidelity to the public trust can sometimes get lost in the shuffle—and independent auditors often seem to feel that their primary loyalty is to the corporate managers who hire them.

This is particularly troubling where detection and disclosure of illegal or irregular activities at the audited firm is concerned. Because the standards used by independent auditors are fundamentally deficient in the area of detecting and disclosing illegal activities and financial irregularities, the accuracy of financial reports filed with the SEC for the protection of shareholders, depositors, creditors, and the public at large can be seriously distorted.

Under the Generally Accepted Auditing Standards of the American Association of Certified Public Accountants [AICPA] an independent auditor discovering fraud is only required to inform the client firm's management and consider resigning from the audit account. Although a unanimous Senate subcommittee report stated 10 years ago that auditors should report illegal acts to Government authorities, the AICPA has done little but study the issue ever since.

The wholly inadequate fraud reporting standards that were on the AICPA books 10 years ago are still there—and make a mockery of the Supreme Court's clear and eloquent statement on the independent auditor's public responsibility. As Chairman DINGELL has repeatedly pointed out during the course of the subcommittee's investigation, existing audit standards in this area are tantamount to telling the canine variety of a watchdog that his only duty, upon discovering a burglar in his house, is to leave the house.

Our subcommittee has examined a number of massive, well-publicized financial disasters where independent auditors have failed to detect or report blatantly fraudulent activity. For example, an intricate and blatantly illegal shell game at ESM Government Securities that ultimatey brought down the entire State-insured savings and loan industry in Ohio was unraveled in a matter of hours by the receiver appointed by the court to sort through the rubble.

In other instances, such as the Beverly Hills Savings & Loan Association in California, internal corporate controls designed to make it possible for independent auditors to detect irregularities were virtually nonexistent. A separate section of our bill would upgrade the presently inadequate audit standards in this area by requiring independent auditors to thoroughly evaluate internal control mechanisms established by corporate management.

Mr. Speaker, all available evidence points to the conclusion that the impact and cost—financially as well as in terms of public confidence—of financial fraud at publicly held corporations is increasing dramatically. A better early warning system to protect the public is clearly needed—and independent auditors are in the best position to provide that safeguard.

It is our hope that the accounting profession will quickly embrace this proposal. Our bill does not apply to small independent businesses or any auditing activities not required by Federal securities laws. And it provides full legal immunity for auditors who report known or suspected illegal or irregular acts to the SEC or other appropriate authorities—a protection that is both necessary and one that only Congress can provide.

All audit firms certifying documents filed with the Securities and Exchange Commission will be affected alike by this legislation—in terms of both their duties and the protections provided for fulfilling these duties. This should enable auditors to protect the public and fully

comply with their public watchdog responsibilities free from any fear that blowing the whistle will cause them to lose business to a competing firm.

The clear and specific standards we have drafted for detecting and reporting financial fraud will go a long way toward meeting the legitimate concerns of both the Congress and the public in this area. This legislation will be fully aired at upcoming subcommittee hearings and Chairman DINGELL has pledged to see to it that a bill is quickly reported out by the full committee. We urge all our colleagues in the House to support this important initiative.

FLORIO CALLS ATTENTION TO IMPACT OF TERRORISM ON TOURISM INDUSTRY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Ms. MIKULSKI. Mr. Speaker, I want to direct the attention of my colleagues to a recent article appearing in the April 7, 1986, edition of Travel Trade that was authored by Congressman JAMES J. FLORIO, the chairman of the House Subcommittee on Commerce, Transportation and Tourism. The article highlights JIM FLORIO's concern about the impact increased terrorist incidents have had on the international tourism industry, and the need for an accountable allocation of funding for airport security improvements at the Federal Aviation Administration [FAA].

Last year, 6.5 million Americans made reservations to travel abroad. Because of an increase in terrorist incidents involving Americans, 1.4 million canceled their plans. Of these, 850,000 canceled their trips outright, 150,000 changed their reservation for another foreign destination, and 220,000 chose to travel within the United States. This loss in travel reservations has translated into a loss for our tour operators, our travel agents, and our airlines as well as the economies of our allies.

Mr. FLORIO has put forth a useful plan for establishing a clearinghouse of information that could offer potential travelers centralized and timely facts regarding security risks in other nations. Often, the lack of knowledge about the security of a particular nation has led to unfounded fears of traveling to that particular nation. Mr. FLORIO also deplores the use of most of the funds in FAA's ADAP program for administrative costs at FAA rather than the airport improvements that this program, which is funded by a tax on airline tickets, was meant to accomplish.

As a member of the House Subcommittee on Commerce, Transportation, and Tourism, I would like to commend the chairman's initiative in holding hearings on this particular situation recently and in addressing a problem that is detrimental to world tourism. Mr. FLORIO'S article follows:

REP. FLORIO URGES FAA BAILOUT IN LONG-TERM ANTITERROR FIGHT

(By Rep. James J. florio)

The highly publicized terrorist attacks on U.S. travelers abroad have caused many Americans to re-schedule their trips to other countries. Yet, little concern has been voiced over our own government's plans to severely cut back funding for the Federal Aviation Administration (FAA), the agency which has responsibility for providing security at U.S. domestic airports. Likewise, efforts which other countries have made to increase security at airports and other tourist locations have received relatively little attention.

According to the U.S. Travel Data Center, 6.5 million Americans had made reservations to travel abroad in July of last year. After the TWA hijacking, 1.4 million of these people (22%) changed their reservation.

Of this 1.4 million who changed their reservations, 850,000 cancelled their trips outright. Another 150,000 changed their reservation to another foreign destination; 220,000 chose a domestic U.S. destination.

Over 8,000 incidents of international terrorism have occurred since 1968 when statistics first began to be complied. Over 50% of this number have been directed against U.S. interests. In 1985 alone, the number of international terrorist incidents were up 36%, and casualties jumped 70%. U.S. casualties during 1985 actually quadrupled, going from 42 in 1984 to 162 in 1985.

NEW FUNDING OKAYED

In an effort to aggressively deal with the problem of terrorism, Congress last year enacted legislation that provided new funding for sky marshals, air traffic controllers, airline inspectors and research and development for new devices to detect explosives. This legislation also gave the Department of Transportation new responsibility for evaluating airport security at home and abroad and established new guidelines for the Department of State to implement travel advisories.

The positive benefits of this legislation are now in danger of being undone by the Administration's budget cutting plans. The FAA administrator has said he does not know how he will be able to continue running his agency if the second round of budget cuts are implemented later this year as scheduled. The agency has already had to request an additional $80 million to get it through the rest of this budget year.

Clearly, we must not mindlessly cut programs like the FAA. Such cuts directly affect that agency's ability to carry out its responsibilities.

We also need to give tourists better information about security conditions abroad. I believe the U.S. Travel and Tourism Administration should serve as a "clearinghouse" for information regarding security risks. It could also help travel agents and tour operators get the information they need from government agencies to answer questions that tourists have. The goal should always be to provide the traveling public with sufficient information to make what ultimately must be a personal decision about the risk involved in foreign travel.

The travel and tourism industry must become active on these matters that affect our ability to combat terrorism. Otherwise, terrorism will continue to cause hundreds of thousands of Americans to cancel their foreign travel plans.

EDWARD J. FLICKINGER

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. HYDE. Mr. Speaker, one of the really nice people I know, Edward J. Flickinger, is retiring from the Ada S. McKinley Community Services after 15 years of distinguished service. He is to be honored at a testimonial dinner at the Chicago Marriott Hotel on June 27, 1986.

Ed joined Ada S. McKinley Community Services, Inc. as its business manager in 1971; shortly thereafter was appointed controller; and in September 1980 appointed associate director. He holds a Master's degree in business administration from the University of Chicago, and before joining McKinley, held executive and managerial positions in several companies engaged in commerce and industry. He and his wife, Mary, reside in Hinsdale, IL and are the parents of two children.

Ed is a member of the Joint Committee of Community Service Providers, a statewide organization of agency executives and senior staff of the Illinois Department of Mental Health and Developmental Disabilities. He has been the agency's representative at innumerable meetings locally and statewide; and has been a leading member of a McKinley task force whose members work with administrators and legislators in matters affecting the regulation and/or funding of the agency's program. He has been instrumental in securing the passage of legislation favorable to the more cost effective performance of community service provider agencies; and from year to year has been in the forefront of efforts to increase the amounts of funding made available by the State for community services for the mentally retarded and other developmentally disabled children and adults.

At its 1985 convention, the Illinois Association of Rehabilitation Facilities presented him with a special appreciation award citing him for "Special dedication to the field of rehabilitation during his career."

Ed is a world traveler, an accomplished photographer, and he has lobbied long and effectively for developmentally disabled people, and on behalf of excellence in education.

As he retires from his present position, I am sure he will not become less active but will redirect his considerable energies and talent in different and equally useful directions.

I am proud to call him a friend.

TERROR VERSUS THE THIRD WORLD

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GREEN. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared recently in the New York Times. This op ed piece presents one of the most lucid arguments I have read concerning

why it is in the interest of Third World nations to join in the fight against terrorism.

The article follows:

TERROR VS. THE THIRD WORLD

(By Pranay Gupte)

In the fight against terrorism, there can be no such thing as nonalignment. Terrorism is a cancer that has afflicted developing countries as much as it has hurt the West.

Even as the leaders of the industrial democracies were meeting in Tokyo last week to discuss terrorism, bombs went off in Sri Lanka, killing some 15 people in Colombo. The authorities blamed Tamil separatists—Marxist-led terrorists who have long been financed by Libya. Terrorist violence cropped up again last week in India's strategic Punjab state, where Sikh separatists—also reportedly helped by Libya and others—want their own nation. In virtually every region of the third world, there is evidence of meddling by Libya or by the other major patrons of terrorism, Syria and Iran, who particularly target governments that do not subscribe in their brand of radicalism or who are sympathetic to democracy and Washington.

It is time for the leading industrial nations most concerned with terrorism to join hands with like-minded governments in the third world. The fight against terrorism has to be a global fight, not merely one designed to protect Western interests. The consensus on terrorism reached in Tokyo may tacitly encourage some third world states to stiffen their own approach against terrorism, but it will need a fresh infusion of resources from the West to encourage hesitant governments to accelerate their own domestic efforts against foreign-supported terrorism.

Westerners are often puzzled as to why third world governments do not speak out more forcefully against international terrorism. In the aftermath of the American bombing of Libya, for instance, third world leaders predictably rallied behind Col. Mu'ammar Qadhafi and excoriated the United States. Their rhetoric reflected the third world's obsession with two shibboleths—solidiarity and nationalism. The rhetoric was also partly explained by the fear that Colonel Qadhafi evokes and by the wish not to be seen as siding with the Reagan Administration.

Yet third world leaders now must choose. They can remain victims of their own timorousness, or they can band together against the kind of revolutionary terrorism that Colonel Quadhafi and others have foisted on the world's poor countries.

The consequences of Libyan, Syrian and Iranian interference in third world states go beyond the violence that it generates. Such support of terrorist groups forces many third world governments to be more authoritarian with their populations. In Sri Lanka, for example, the freely elected, pro-Western Government has had to assume stern emergency powers to counter Tamil terrorism.

Moreover, fighting terrorism requires stepped-up expenditures for military and paramilitary forces—monies that most poor third world countries can ill afford. And because combating terrorism requires increased reliance on military measures, the center of political gravity often moves toward the armed forces.

It may be unrealistic to assume that the third world's leaders will suddenly isolate Colonel Qaddafi and other sponsors of terrorism, but that is exactly what they must attempt to do if they are to protect themselves and the fragile stability of their nations. A strong stand against terrorism need not imply jettisoning the notions of third world solidarity and nationalism. These leaders must remember that their backyards will continue to be the bloodstained battle zone for terrorist activities, even if those activities are largely aimed at Western interests. Moreover, third world countries that do not cooperate more forthrightly in the fight against international terrorism may well find that the much-needed capital and technology they get from the West will shrink as a result.

The nonaligned movement, whose leaders will soon hold a summit meeting in Zimbabwe, can lead the way in issuing an unqualified call against terrorism. The industrialized countries should encourage this effort, with more money, better exchanges of intelligence and stronger political support. But in the end, it is up to the nonaligned leaders to mobilize third world support for international law-enforcement agencies cracking down on terrorist networks that find havens in their own backyards.

TRIBUTE TO ESTHER D. MALLACH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GILMAN. Mr. Speaker, during the next few days, members of the medical and mental health community in Westchester County, NY, are gathering to pay tribute to the woman who has become known as "Mrs. Mental Health Association."

Esther D. Mallach joined the Westchester MHA as a field assistant in 1960. Her dynamism and dedication were so outstanding that she became executive director of the organization 2 years later. Now, after nearly a quarter century of outstanding service to our communities, Esther D. Mallach is preparing to retire. Although her many friends will be honoring her, any efforts to truly show our gratitude will be feeble when compared to her many accomplishments.

Esther Mallach is a graduate of the Columbia School of Social Work. She went to work for the highly respected National Refugee Service, but soon thereafter left to raise a family with her husband Aubrey—who enjoys a distinguished career of his own in the mental health field.

A person of Esther's energy cannot be kept at home forever. As soon as she deemed it appropriate, she resumed her career by working with the Westchester Mental Health Association [MHA].

When Esther Mallach began her long association with the Westchester MHA, it was a hard-working but small and little-recognized organization. Almost single-handedly, Esther turned the organization around to make it one of the most respected groups in its field in the Nation. A full list of Esther's accomplishments during her 25 years as executive director would fill many pages. She initiated the day program and established community residences. She initiated a suicide prevention service long before suicide became a nationally recognized crisis, and, to this day, her service remains the only one of its kind in Westchester. She initiated programs for abused spouses as well as for victims of child abuse.

Under Esther Mallach's leadership, which the Gannett Westchester newspapers have categorized as "astute and insightful," the Westchester Mental Health Association became a model for other mental health associations from Maine to Hawaii.

Seven persons of diverse backgrounds and temperaments served as president of the Westchester MHA during Esther's quarter century of leadership—Charles I. Rostov, Wirth H. Koenig, Ira S. Stevens, Hattie L. Goodbody, George R. Farnham, Larua M. Holland, and Hon. Alvin M. Suchin. The fact that each of these differing personalities share respect, admiration, and love for Esther is in itself a rare tribute to a special individual.

It was in recognition of her significancy accomplishments that the Governor of New York State appointed Esther to the Harlem Valley Psychiatric Association Board of Visitors in 1979. In further recognition of her leadership, her colleagues elected her as that body's president, a position she still holds today. She is also a member of the Westchester County Community Mental Health Board.

I first met Esther Mallach in 1982, after redistricting included part of Westchester within my 22d Congressional District. I was immediately struck by her intimate knowledge of, and genuine concern for, mental health issues. She subsequently has become a frequent visitor to and correspondent with my Washington and district offices. My staff and I have come to appreciate that here is a person not merely "going through the motions," but a person who demands responsiveness and excellence to a concern that she has made the central focus of her life.

The upcoming 40th anniversary celebration of the Mental Health Association of Westchester will be a tribute to Esther Mallach. Later this year, she and Aubrey will enjoy a well-deserved and long-delayed retirement. Although her shoes will be difficult to fill, we agree that the time is long past due for Esther and Aubrey to take a rest from doing for others.

Mr. Speaker, our Nation would be a much better place for us all if we had more dedicated citizens such as Esther Mallach. I invite my colleagues to join with me in thanking Esther Mallach for a lifetime of public service.

To Esther and Aubrey, to their children and grandchildren, we extend our thanks and say "well done."

DISTRICT HEIGHTS—50TH ANNIVERSARY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. HOYER. Mr. Speaker, this year District Heights, MD, is celebrating its 50th anniversary. District Heights is one of the earliest suburbs of Washington, DC, and one of the closest, as it lies near the District line. Since 1926, when 25 homes were constructed by the Dis-

trict Heights Co., District Heights has evolved into an active, family-oriented community. There is no place in all of Prince Georges County that has greater spirit. As suburbs and developments have sprung up around it, District Heights has retained much of its small-town flavor. It has attracted scores of people moving from the city to find quite and contentment.

Evidence of the importance of family and education in District Heights is the fact that by 1936, when there were about 40 homes in the community, a school was there as well. The year 1936 also marked the incorporation of the Town of District Heights, approved by the votes of 68 citizens.

The municipal government of District Heights was dominated for years by one man, Mayor Mike Roll. In the State of Maryland, there was no municipal official of higher ability and integrity, and there was no elected official more beloved by his constituents. He served as mayor so successfully, that he was elected to 13 consecutive terms. At the time of his death in 1981, he was the senior municipal official in Maryland.

The spirit and character of Mike roll is indicative of the type of citizens who live in District Heights. As Shakespeare said, "The people are the City." There are no finer people, and there is, thus, no finer city, than District Heights. Truly, this place represents what is best about America from the spirit of volunteerism to the respect of family.

Mr. Speaker, you can judge that District Heights has a special place in my heart, I am proud to call it home, as it has been for the last 30 years of my life. And, it is with special pride that I ask you to join in sending the congratulations of this House to District Heights on its 50th anniversary.

"FATHER AL" CELEBRATES HIS 50TH ANNIVERSARY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GILMAN. Mr. Speaker, from time to time we encounter religious leaders whose dedication to the betterment of humankind transcends denominational boundaries. Such a leader is Msgr. Alexander Markowski, who is affectionately known throughout Orange County, NY, as "Father Al."

On June 8th, Father Al will be celebrating the 50th anniversary of his ordination into the priesthood. Let me recount for our colleagues just some of this outstanding clergyman's accomplishments.

Father Al was born in Poughkeepsie, NY, in 1909. After an education at St. Joseph Parochial School in Poughkeepsie, Don Bosco Prep School in Ramsey, NJ, and at St. Mary's College in Orchard Lake, MI, Father Al knew that he had been called to the religious life. He studied for the priesthood at St. Joseph's Seminary in Yonkers, NY, and was ordained on June 6, 1936, by the late Cardinal Patrick Hayes at St. Patrick's Cathedral in New York City.

His first assignments were to parishes in the Bronx and in Ossining, but it was after his assignment to St. Francis of Assisi Parish in Newburgh in 1951 that we in the mid-Hudson region came to know, respect, and love Father Al. His devotion to his flock, and especially to the children, earned him a place in the hearts of young and old. He became a source of spiritual guidance for the entire community. Father Al was appointed chaplain to the city of Newburgh Police Department and to the town of New Windsor Fire Department, as well as to the Elks. All of Orange County was broken-hearted when Father Al was reassigned to St. Augustine's Parish in New York City, NY, in 1958, but when he was returned to St. Francis of Assisi as pastor 4 years later, Father Al was welcomed as if he had never been away.

Father Al made his top priority the construction of the badly needed new parochial school. Through his skillful leadership and dedication, this beautiful new building opened in September 1965. At the formal dedication ceremony on April 23, 1966, the late Cardinal Francis Spellman announced the elevation of Father Al to the rank of monsignor.

Father Al is known to public officials of all faiths throughout Orange County, NY, due to his willingness to participate and offer his blessings at political dinners and events. Although Father Al is popularly sought for this task due to his well-known fairness and impartiality, it has been an inspiration to all of us in politics to know that Father Al is looking over our shoulders.

On Sunday, June 8, Msgr. Alexander Markowski will celebrate a Mass of Thanksgiving marking his 50th anniversary in the priesthood, which will be followed by an outpouring of love and thanks from his many admirers. I invite our colleagues to join with us in thanking this dedicated man of God for a job well done for the past half century.

ROBERT L. HADDAD: NATIONAL SMALL BUSINESS ACCOUNTANT ADVOCATE OF THE YEAR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STUDDS. Mr. Speaker, I rise today to congratulate Robert L. Haddad, certified public accountant with the Boston Office of Price Waterhouse, on being named the 1986 National U.S. Small Business Administration Accountant Advocate of the Year by the National Small Business Advisory Council.

Robert Haddad was chosen as the Massachusetts 1986 Small Business Accountant Advocate of the Year from nominations received from various banks, trade associations, and chambers of commerce. It is a great distinction that Mr. Haddad has also been selected as the first National Small Business Award winner from New England.

Maintaining the highest standards of excellence throughout his career, Mr. Haddad has committed himself to helping small businesses improve their financial climate. He is a nationally recognized authority on small business tax issues and devotes considerable time to advising various governmental groups about the impact of changes in tax regulations on small business. Mr. Haddad has actively participated in several councils that have developed national legislative agendas for small business, including as a member of an Issue Development Task Force for the White House Conference on Small Business. He has also served as an advisor to both the Internal Revenue Service Commissioner and the Massachusetts Special Commission on Taxation, and as director of the Smaller Business Association of New England. I am especially proud and appreciative of Bob's diligent efforts as chairman of my own task force on small business.

Mr. Speaker, both on the local and national levels, Robert Haddad is helping to sharpen the awareness of accountants, attorneys, and small business people of taxation problems. For his exemplary leadership and hard work in behalf of small business in Massachusetts and across the Nation, Robert Haddad deserves our warm congratulations.

PRIVATIZATION SHOULDN'T COME AT TAXPAYER EXPENSE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Ms. MIKULSKI. Mr. Speaker, last week the House adopted a fiscal year 1987 budget. It is this body's responsibility to determine how best to allocate Federal funds while reducing the Federal deficit.

It is ironic that despite all the talk we hear about the need for deficit reduction from the Reagan administration, it has proposed privatizing three of its largest transportation assets at fire sale prices.

The administration wanted to sell Conrail to Norfolk Southern at a price most credible financial analysts consider a giveaway. Only until it became clear that $1.2 billion for Conrail was unacceptable to the House did they even begin to reconsider raising the asking price.

At the same time, the administration wants to lease National and Dulles Airports, property worth as much as $2 billion, for a 50-year period for a total of $47 million.

While privatizing these assets is not a bad idea, the terms of any privatization should maximize, not minimize, the return to the American taxpayer. Despite all the rhetoric about the need to reduce the deficit, the administration's proposals on Conrail and National and Dulles Airports fall far short of being fiscally responsible.

The taxpayers of this country deserve better in both deals. A recent Baltimore Sun editorial, entitled "Federal Giveaways", describes these short-sighted proposals best.

[From the Baltimore Sun, May 7, 1986]

FEDERAL GIVEAWAYS

Why should the federal government own and operate two major passenger airports and one of the largest freight railroads in the country? The answer is, it shouldn't. But the Reagan administration has not been able to muster much of a case to justify its proposed alternatives.

The U.S. government never should have put itself in the business of running two Washington airports, Dulles and National. State or regional authorities are much better positioned to do that job properly. Yet when it came time to dispose of the airports, the administration championed a sweetheart arrangement pushed by Virginia officials. Sen. Barry Goldwater, who has never minced words, called this deal "stupid." A $47-million lease for 50 years is all that a Virginia-dominated authority would have to pay the nation for property worth as much as $2 billion. That's an absolute steal.

From the federal perspective, this could rank among the top giveaways of the century. With monumental deficits staring the White House and Congress in the face, there is no rational reason to support this plan. Yes, get Uncle Sam out of the airport-management business. But how about demanding the best deal possible for the taxpayers?

The same question should be asked the administration of its efforts to sell Conrail to the Norfolk Southern railroad. Transportation Secretary Elizabeth Dole wants to give NS the Conrail freight line for $1.2 billion, even though two other bidders are willing to pay up to 50 percent more. For its $1.2 billion. Norfolk Southern would get $6 billion in assets that are among the most modern in the railroad industry, $1.6 billion in cash and equivalents, $1.4 billion in tax benefits, surplus real estate worth $200 million and a profit last year of $440 million. Chalk up another prime candidate for giveaway of the century.

The logical option would be to spin off Conrail—for top dollar—as a private, independent railroad. The company no longer needs federal assistance to survive. It is a well-managed, profitable railroad that is proving to be far more durable and viable than critics expected. Yet Mrs. Dole refuses to consider the more lucrative proposals that would avoid anti-trust complications.

No wonder so many congressmen are leery of these measures. The Republican Senate gave grudging approval to both the Conrail and airport bills this year, but the opposition was much stronger than expected. Both bills face uphill battles in the Democratic House, and well they should. The administration's proposed deals are bad bargains.

REMARKS OF ELLIOT RICHARDSON AT ANN ARBOR

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. PURSELL. Mr. Speaker, I would like to bring to attention some comments made by Ambassador Elliot Richardson when he spoke in my district at the Fourth Presidential Library Conference at the Gerald R. Ford Library in Ann Arbor:

STATEMENT BY ELLIOT RICHARDSON

Thank you very much Mr. White, President Ford, President Shapiro, ladies and gentlemen. Those were very kind words, Tim, but perhaps the kindest thing of all is that you refrained at the last moment from saying, "And I now present the former Elliot Richardson."

I am in many ways delighted to be here, not only for the sake of the honor and pleasure of being in the company of President Ford but also that of seeing colleagues with whom I have worked in his administration. I am grateful to President Ford for relieving me of a period of comparative unemployment, at least I was not in public office, in late 1974 when he asked me to go to the United Kingdom. As it happened I was at that time engaged in a study of questions relevant to the very undertaking that has brought you here this evening.

I was then a Fellow of the Woodrow Wilson International Center for Scholars at the Smithsonian. My main interest at that time was to try to dig out of the records leading up to the Declaration of Independence and the framing of the Constitution of the United States, the framers' view of the role of the citizen. It was to me an eye-opening experience, an inspiring experience. I had not up until then fully grasped the degree to which the founders of this Republic were truly creative in the approach they took to things that we take all too much for granted.

I won't undertake now to try to review in any depth the things that I learned from that experience, but I do want to stress the most important one, and that is the profound implications of the manner in which we created the government of the United States. We the people literally came together and decided what powers we wanted government to have and then in a sense we delegated those powers upward. This began, I am always proud to say, in Massachusetts, where the world's oldest written constitution still survives, and perhaps more important to the invention of this process than any other single individual was Massachusetts' own John Adams.

The citizens of Massachusetts came together first in their towns, and in each town they debated the question of what powers should be conferred on the new government of the state of Massachusetts. The towns then chose delegates and sent them to a convention where differences were hammered out. The delegates then asked John Adams to put the results in draft form for them, and he sent back a draft which the towns rejected. A new round of debate led to the selection of new delegates and a second convention, and out of that came a new draft, also by John Adams, and a constitution at last emerged. Other states soon followed suit.

It wasn't clear at first whether or not these new constitutions were really the supreme law of the states. In a few instances legislatures, somewhat unreflectingly, undertook to pass laws inconsistent with their constitutions. And in each case the state supreme courts struck down this legislation. For the first time in the history of the world, citizens had come together and delegated powers to a government which could not be enlarged upon by action of any government officer in any manner inconsistent with the powers conferred by the citizens. And, of course, as you all know, when the Constitution of the United States was submitted to the states for ratification, many states held out as a condition to their acceptance of it that there would be adopted a Bill of Rights, based on the Bill of Rights of the Massachusetts Constitution, which would operate as a further constraint because it would spell out things that the government could not do in derogation of the rights of the individuals.

We still carry out the business of government under that framework. It works, and to an extraordinary degree. I am not among those who believe that the system would work any better if we somehow adapted it to look more like a parliamentary system. Part of the credit, certainly, is attributable to the ingenuity of the systems of checks and balances written into the Constitution. But to my mind it is due even more to the fact that it was and remains understood that, although we the people have delegated limited responsibilities to those who hold public office in the interest of all of us, we, nevertheless, retain ultimate responsibility. We cannot delegate it; it belongs to us. We may fulfill it well or poorly, but nevertheless we have it.

And, I think, despite what sometimes looks like apathy, we do value it. I see no other way of accounting for the long fight to expand the franchise, first by the elimination of property qualifications, then gradually to include Indians and the freed slaves and, belatedly, women. But there were fights at each stage on behalf of those who had not yet been given the right to vote. I have seen no happier explanation of why this was so than in an article in the *Kettering Review* by Hannah Arendt that I read the other day, in which, referring to the citizen's right of access to the public realm, she quotes Jefferson's telling phrase about the "public happiness" to be found in being "a participator in the government of affairs."

We value being participators because this is how we gain the opportunity as individuals to be heard, to have an impact, to make a difference. I am absolutely convinced that individuals who have that feeling of participation possess a larger sense of what it is to be a free human being. It is, I think, fundamentally because of this that, despite the differences among the factions foreseen by Madison, we have not only survived and prospered, but have prevailed in extreme difficulty, including internal struggle.

We are now beset by difficulties that derive from an enormous increase in the sheer scale of the problems that we have to address and somehow to resolve, and by their concurrent increase in complexity. The founding fathers could hardly have foreseen that there would develop such a daunting array of issues that we as citizens are somehow expected to have some kind of an opinion about: the toxic waste superfund, acid rain, the Middle East, Nicaragua, arms control, health care cost containment—a very, very long list. And yet, if we are to remain a responsible self-governing society, we cannot abdicate, we cannot accept the abandonment of responsibility for trying somehow to have an individual impact on these issues, we cannot give up and turn them over to a group of nameless bureaucrats or non-elected experts.

Can we continue despite this complexity to succeed as we have? I suppose no one can give an ultimately confident answer. But I am convinced that the very existence of the Domestic Policy Association and the National Issues Forum, in which so many people here tonight have participated, does represent a constructive response to the problem of how to involve citizens in a deeper understanding of the issues that concern them. Just in talking with some of you here this evening, I was given a new lift of confidence by what I could see of your very evident qualities of concern and caring and intelligence. I have no doubt that so long as there are people who will participate as you have been doing, so long as there are organizations like the Domestic Policy Association and institutions like the Kettering Founda-

tion to support their activities, that we shall find our way through this maze of complexity. We shall succeed in what Daniel Yankelovich calls "working through" these problems.

I think the distinction he has made in this context between public opinion and public judgment is profoundly important. To be effectively self-governing, to feel the sense that our opinions matter, it is not enough, as Dan has pointed out, that our views simply be recorded at the moment in time reflected in a public opinion poll, but rather that we engage our minds and imaginations, as he has said, in a continuing process of working the problem through.

Now here, I think, it is important also to emphasize—I am sure President Ford would agree with this—that, although we the people have delegated to some among us responsibilities for things that concern us in common and we cannot ultimately abdicate our own responsibility, there is nevertheless an important role for leadership. To say that we have ultimate power is not to say that we should be oblivious to or try to shut off a process in which those who do have delegated responsibility, whether they hold it through election or by appointment, seek to create a continuing dialogue with and among us. And, I think, the very fact of complexity increases the burden of responsibility on the role of leadership. I think this is true in two respects.

The first involves priorities. You could list perhaps a hundred very tough problems like those I ticked off a few moments ago, adding things like the utility of diagnostic related groups, the competing considerations involved in tax reform, and on and on and on.

To the extent, then, that it may not as a practical matter be possible for us to be adequately informed on all of these things, our President and other national leaders can, nevertheless, in communication with us and through continuing dialogue with us help to bring about the recognition that there are certain priorities that should be addressed now—today, tomorrow, this year. By focusing on these priorities and not trying to do everything at once, we the people can still play a meaningful part in bringing about sensible resolutions of our problems. I see this process as one in which the role of the citizen and the role of political leadership are mutually indispensable and mutually reinforcing.

There is another respect in which I think the role of leadership is also vital, and that is in the formulation and communication of strategies. Here I would use the word strategy in two quite different senses. One is the straight-forward application of the word to the formulation of a plan, the identification of goals, the mapping out of the routes to achieve these goals, and the establishment of milestones to determine progress along those routes. But a strategy can also be a framework for dialogue, a way of making complex issues intelligible, and I believe that a critical responsibility of leadership is to articulate strategies in order to illuminate the choices among competing alternatives.

And finally, when it comes to making such choices, we the people must always keep steadily in view the fact that the ultimate function of the political process is to resolve conflicts among competing values, not simply to compare objective, quantifiable measures of costs and benefits. To the extent that we can, through better analysis, narrow down the range of sensible options as far as possible, this is all to the good; but in the end it is only how we feel about what is enduringly important that can determine the outcome of difficult choice.

And so, it is essential in the end, that the political process invite and bring to bear a sense of enduring values, and that in choosing directions we pursue the ultimate objective of consensus. We have an unfortunate tendency, perhaps because we select leaders by voting and resolve issues in the Congress by votes, to give inadequate recognition to the fact that the fundamental strength of our society rests on the solidity and the breadth of a consensus which is more than an expression of the majority will. It is the outcome of a process that engages us all in reaching the conclusion that, well, on the whole this is probably right. And especially in a world as complex as this and in a world that is in so many respects dangerous, it is vital that we the people see it as our responsibility to participate with our political leaders in the development of the kind of consensus that can assure the soundness and continuity of our policies in the years ahead.

And I believe that what has brought all of you here tonight and what will continue, I hope, for a long time to inspire the work of the Domestic Policy Association and the National Issues Forum will be this kind of vision of the real significance of what you are doing. For all of these reasons I feel very proud and honored to have had a part in this evening's program.

Thank you very much.

CARL E. STOTZ, RECOGNIZED

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GEKAS. Mr. Speaker, today, I would like to recognize the founder of an American institution which has been enjoyed by America's youth and parents alike since 1939. The man I am referring to is Mr. Carl Stotz of Williamsport, PA and the institution is the world of Little League Baseball.

In 1939, Carl Stotz was playing catch with his two young nephews and reflected back on his days as a youth and his desire to play on an organized team with bats, balls, coaches and uniforms. A few days later, Stotz loaded some neighborhood kids in a car and went to Memorial Park, the site of the present-day Carl E. Stotz Field where they played an experimental game. It was then that the idea of Little League Baseball was born, but organizing the league remained a major task.

Dedicated to the success of this league, Carl Stotz and a few of his buddies worked tirelessly arranging for sponsorships, organizing teams and schedules, engineering a field, and establishing rules and regulations. Stotz had to make 57 personal visits to local businesses before he finally was able to obtain a sponsor. His commitment paid off as he watched the number of players grow from 54 in 1940 to 216 players in 1943 and to 900 in 1947. Today the program includes 2.5 million young players on 150,000 teams located in 24 foreign countries in addition to the United States.

Mr. Speaker, I would ask my colleagues in the U.S. Congress to join me in recognizing a man whose enthusiasm for the game of baseball has touched so many lives. It is the inspiration and dedication of Mr. Carl E. Stotz that so many young people have experienced the thrill of baseball. The efforts of this fine man have put Williamsport, PA, on the map as the "Home of the Little League World Series."

STATEMENT OF THE HONORABLE DANTE B. FASCELL ON THE 65TH BIRTHDAY OF DR. ANDREI SAKHAROV

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LANTOS. Mr. Speaker, yesterday the Committee on Foreign Affairs, under the leadership of its outstanding chairman, Congressman DANTE FASCELL, held a special reception to pay tribute to Soviet human rights leader Dr. Andrei Sakharov on his 65th birthday.

On this festive occasion, Chairman FASCELL made thoughtful and sobering comments:

We honor a man most of us have never met, a man who cannot even know that we are remembering his birthday, nevertheless, this man holds a permanent place in our thoughts and our memory.

Mr. Speaker, I urge my colleagues to read and consider the remarks of the distinguished chairman of the Committee on Foreign Affairs.

The statement follows:

OPENING REMARKS OF HON. DANTE B. FASCELL ON ANDREI SAKHAROV 65TH BIRTHDAY CELEBRATION

Mrs. Bonner, Members of the Sakharov Family, Members of Congress, Distinguished Guests:

Thank you all for coming here today to honor a man most of us have never met. That is our loss, and I look forward to the day when Andrei Sakharov can be with us in person for such an occasion as this.

Last week Anatoly Shcharansky was in this room, speaking eloquently for Sakharov and for the campaign for human rights to which both men have contributed so much. Shcharansky's freedom seems like a miracle, but those who worked nine long years for his release know that it was a miracle of his endurance—and of yours.

The Soviet Union freed him because his friends in the West never forgot him, because he and every prisoner of conscience Moscow holds remain alive and important to us. We will go on demanding their freedom, their fundamental human rights, until the Soviets understand that respect for those rights is a basic premise of normal, productive East-West relations.

Andrei Sakharov, whose 65th birthday we celebrate today, has always understood that political truth about our shrunken world.

As a physicist he stands in the great, humane tradition of Einstein and Nils Bohr, men who saw that the power of the atom made peace a necessity for humanity's survival.

As a political philosopher, Sakharov stands in the tradition of Gandhi and Martin Luther King, men who made the power of conscience a force for freedom.

And as a Russian thinker, he stands in the tradition of Herzen and Tolstoy, men who

thought for themselves and whose thinking defined the moral debate of their times.

We honor him—in his absence—for the greatness of his spirit, for being, as Nikita Khrushchev said, "a crystal of morality among our scientists." But we can honor Andrei Sakharov best by continuing, in his name, the campaign for peace, progress and human rights for which he has given his own freedom.

What this ceremony today says to Andrei Sakharov, who cannot even know that we are remembering his birthday, and to the leaders of the Soviet Union, who force him to celebrate the day in lonely exile, is that Americans have not forgotten him and will not forget him.

Our memory is the only birthday gift we can give. It can't be held up by the postal censors or blocked by the border guards or stopped by the KGB agents who surround his apartment in Gorky and close him off from normal, human contact.

Andrei Sakharov holds a permanent place in our thoughts and our memory. He matters to us, not just on his birthday today, but every day. We care for his well-being now and for the future. We think of him in captivity, and we wish for his freedom.

And we do more than wish for it. We demand it. We will continue to demand it until the Soviet leaders grant it.

Like Andrei Sakharov, Americans want stable, constructive and peaceful relations between the superpowers. We know that many obstacles stand between us and that goal.

Few of them are easy to overcome, but one is simplicity itself: freedom for Andrei Sakharov. He could be free now. He should have been free long ago.

And until his voice is part of the world's discourse again, those who share his hopes and values, as we do, must speak out for him.

Thirteen years ago a Western reporter asked Andrei Sakharov why, when his efforts to defend others seemed so futile, he continued his public protests.

"A man may hope for nothing," Sakharov answered, "yet speak nonetheless—because he cannot remain silent." We speak out for Sakharov today because he has been forced into silence, because we hope to hear his voice again, and because, as long as he cannot speak, we must.

We cannot remain silent. And we will not. Thank you.

ROMULUS JUNIOR HIGH SCHOOL BAND PROGRAM RECEIVES HIGH HONORS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. FORD of Michigan. Mr. Speaker, I would like to call your attention to the recent accomplishments of the Romulus Junior High School Concert and Symphonic Bands. Romulus Junior High School is located in the 15th Congressional District of Michigan, which I represent.

Both the Romulus Concert and Symphonic Bands performed at the State Band Festival on May 3 and received first division superior ratings The concert band was in class C junior high school category and the symphonic band was in the class A junior high school classification.

Earlier, on March 15, the Romulus groups received first division ratings at the district band festival held at the Romulus Senior High School. This qualified the young musicians for the State festival.

The bands were graded by three judges in the prepared music section, which includes a required composition, a march and a selected number, and then by another judge in the sight reading section, where two numbers are performed without practice. The State band festival is administered by the Michigan State School Band and Orchestra Association.

The Romulus Junior High School Band Program, under the leadership of the Band Director, Richard Kruse, was 1 of 3 out of 624 junior high schools in the State of Michigan to have two groups earn the coveted first division rating at the State festival. Romulus Junior High School was the only school out of the 114 junior high schools in Wayne County to have a band earn a first rating as well as the only school out of the 264 junior high schools from the greater Detroit metropolitan area with two groups earning the first ratings. For Director Richard Kruse, the first ratings were his 13th and 14th consecutive first ratings at the State festival.

The Romulus Junior High School bands have achieved these high performance goals because of the concern, understanding and support of the members of the Romulus Board of Education. The Romulus Board of Education and Central Administrators Dr. William Bedell, superintendent, Dr. Terrel LeCesne, assistant superintendent for administrative services and Joel Carr, business manager have been able to add many new and innovative programs in the Romulus schools so that the performing musical groups continue to achieve superior results. Romulus school system bands earned four first ratings at the district festivals this year with the jazz band at the senior high also receiving a No. 1 rating. Romulus was the only school system in Michigan to accomplish this feat this year.

Members of the Romulus Board of Educators who have demonstrated this educational leadership are: Kenneth Berlinn, president; Jo Ann Marvicsin, vice president; Sandra Langley, secretary; Mary King, treasurer; Daniel Bales, trustee; Pat Patterson, trustee; and Edward Wilkerson, trustee.

The bands have also received the help and special support provided by the principal, Tom Dolan, and the assistant principal, Dan Hurst. These gentlemen also initiated many new programs at Romulus Junior High School which aided the overall educational environment.

Mr. Speaker, I want to take this opportunity to express my congratulations to the Romulus community and to these fine bands. The members of these bands who performed at the State festival and who have made us so proud are:

CONCERT BAND

Flute: Jennifer Moore, Shelly Kopchia, Brooke Hammers, Teri Rea, Terri Smith, Trisha Vargo, Robert Long, Amy Sherman, Belinda Rose, Mary King, Julie Keating, Natalie Dane, Trina Venturini and Carrie Whiles.

Clarinet: Laura Crieth, Stacie Brown, Jason Roy, Leslie Vance, Mary McEwen, Jennifer Sherbrook, Veronica Marusak, Dorinda Davis, Michelle Kelly, Tawana Spease, Kerri Crutchfield, Sylvia Harris, Cindy Jones, Marcy Ursiney, Joan Dubanik.

Alto clarinet: Rachel Scott and Nancy Moomaw.

Bass clarinet: Leshon Holmes and Angela Hopewell.

Alto sax: Michelle Haines and Sandy Jones.

Tenor sax: Amy Phillips.

Baritone sax: Garth Hixon.

Cornet: Kelly Miller, David Dork, Roman Stanowski, Mike Tackett and Shannon Sharrow.

French horn: Molina Tolbert.

Trombone: Jeff Martinez, Mark Pyenta, Jeff VanAmeyde, Todd Hauter, Jennifer Woodall, Brea Hance and David Lumpkin.

Baritone: Mike Cantrell, Scott Boger and Jennifer McGraw.

Tuba: James Thomas, Keith VanAmeyde, Guam Lee and Patrick McDaniel.

Percussion: Lanise Parker, Pam O'Connor, Brian Winborn and Kim Hopewell.

SYMPHONIC BAND

Flute: Juan Rivera, Christine Fortune, Cina Jackson, Susan Hamel, Dawn Clark, Laura Wasvary, Leslie Drozd, Venise Smith, Jennifer Stump, Lynette Cain, Andrew French, Jennifer Sample and Angela Beckett.

Oboe: Becky Bales.

Bassoon: Anita Wood.

Clarinet: Elizabeth Jones, Krystal Brown, Heather Baron, Nicky Stoynoff, Amran Mukarran, Charlene Clelland, Denice Miller, Melissa Anderson, Patti Imielowski, Heaven Jackson, Carissa Steele, Nicole Thomas, Eben Smith and Carrie Christopher.

Alto Clarinet: Yvonne Kenner and Tracy Hayley.

Bass clarinet: Tonya Thompkins and Melissa Avery.

Alto sax: Sherri Coffy, Michelle Haines, Christine Martell, Beth Bergman, Becky Szente and Stephanie Kennedy.

Baritone sax: Tony Collackio

Cornet: Jennifer Tabbs, Tina Kvicala, Mark Hoinka, Jennifer Daniel, Shelly Krauth, Kim Lewis, Dominic Parise, Erin Newland, Harold Gregory, Renee Roehrich, Mike Jones, Tom Patterson.

French horn: Rochelle Brooks, Amy Ursiney, Renee Bitner, Crystal Thompson, Tracy Lawyer.

Trombone: Jackie Shay, Nathan Henning, Ricky Rogala, Doug Stewart, Debbie Svacha, Eugena Halimon.

Baritone: Joel McClure and Rodney Halimon.

Tuba: Matthew McIntosh, Jon Sharp and Edward Miller.

Percussion: Doug Allen, Lamont Kennedy, Ginger Miles, Martina Rock, Gary Hardt and Chris Jones.

1986 CONGRESSIONAL SENIOR CITIZEN INTERNS: HELEN S. BROWN AND PHILLIP CHELNICK

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STOKES. Mr. Speaker, the 1986 Congressional Senior Citizen Intern Program is taking place this week on Capitol Hill. This program provides active, involved and concerned senior citizens with the opportunity to come to Washington to observe the work of their representatives in Congress, attend seminars on the legislative process and attend briefings on legislative initiatives affecting America's seniors.

In this, my fifth consecutive year of participation in the Senior Citizen Intern Program, I am very pleased to sponsor two outstanding seniors from the 21st District of Ohio. Mrs. Helen S. Brown of Cleveland and Mr. Phillip Chelnick of Cleveland Heights are two individuals from my district who have made numerous contributions to the community.

Mr. Speaker, Mrs. Brown is well-known throughout the Cleveland metropolitan area for her work with and for the benefit of the elderly. She is the former director of the east Cleveland Office on Aging and the Helen S. Brown Senior Citizen Center. The center was named in her honor at the request of the seniors she served. Although she retired from the director position in February 1986, she has continued her active involvement in working to increase services for east Cleveland seniors. Mrs. Brown has received numerous awards as a result of her work with the elderly and in 1981, served as a representative from Cuyahoga County to the White House Conference on the Aging.

Mr. Speaker, Mr. Chelnick has made similarly illustrious contributions to the community. He was the founder and motivating force behind the Adult Social Action Committee of the Jewish Community Center in Cleveland Heights and served as its chairman for 14 years. He is currently chairman emeritus of that committee. The Adult Social Action Committee was established to create a vehicle at the Jewish Community Center for senior adult advocacy and involvement in issues of concern, and has worked in such areas as housing for the elderly and reduction in Social Security payments to retirees on fixed incomes. Mr. Chelnick is the recipient of many awards and citations including the JCC's Kronenbarg Award for Outstanding Service both to agency and community and the Senior Adult Leadership and Community service award of the JCC. He was named as one of six outstanding senior adults in Ohio in 1973 and like Mrs. Brown, has been a delegate to the White House Conference on Aging.

Mr. Speaker, I am very pleased to have had the opportunity to sponsor such fine citizens as Helen Brown and Phil Chelnick for participation in the 1986 Congressional Senior Citizen Intern Program. I am confident that they will return to the 21st District eager to share what they have learned and experienced with their fellow seniors.

THE CITY OF SPRINGFIELD, MA

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BOLAND. Mr. Speaker, as Springfield, MA, the place of my birth, continues the yearlong celebration of its 350th anniversary, I would like to bring to the attention of my colleagues an editorial from the May 21, 1986, Boston Globe, which offers a brief, yet interesting and informative, portrait of Springfield. It summarizes the history and spirit of the city in as fine a manner as I have read, and at this point I would like to submit it to the RECORD.

A SPRINGFIELD TRIBUTE

The virtues of Springfield and its environs have long been lost on the chauvinistic denizens of Boston. In 1974, a Boston politician seeking statewide office spoke to Springfield Mayor Richard Neal about campaigning in Springfield. The politician asked, "Can you get there in one day?"

Ninety miles from Boston, Springfield, the birthplace of the postcard, basketball and Dr. Seuss, is celebrating its creative spirit and rich heritage in a year-long 350th-anniversary party.

Yankee ingenuity and immigrant labor built Springfield into the financial and cultural capital of western Massachusetts. Charles and Frank Duryea invented the gasoline-powered automobile in a machine shop on Tyler Street; Alonzo D. Phillips invented the friction match; Amos Call invented the monkey wrench, and Charley Martin the parking meter. Horace Smith and Daniel B. Wesson invented the Smith & Wesson revolver, and Dr. James Naismith the sport of basketball. The Hendee Manufacturing Co. built the first motorcyle with a gasoline engine on State Street.

Today, Springfield has a symphony orchestra, live theater, 15 colleges within a 20-minute drive, a low unemployment rate, a diverse economy and a booming downtown that is as clean as any suburb.

The anniversary of fur trader William Pynchon's decision to leave Roxbury in 1636 and cut a deal with the Wampanoag Indians for the Connecticut River site includes public concerts, picnics, parades, sporting events, lectures, fireworks and exhibits. Last Sunday, a pancake breakfast for 25,000 stretched down Main Street.

Schoolchildren are reenacting historical vignettes. Outdoor fitness centers are being built at public parks, and corporations and individuals are planning to underwrite a city agency "wish list" of items, like park benches, that the city budget cannot afford. The celebration is an appropriate tribute to 350 years of history and progress.

CONGRESSIONAL SALUTE TO THE HONORABLE HAROLD M. NITTO, AND TO THE HONORABLE HERBERT SUSSER, JUDGES OF THE SUPERIOR COURT OF NEW JERSEY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. ROE. Mr. Speaker, we commenced this month proclaiming by Presidential decree that May 1, 1986, be declared Law Day, U.S.A., with the theme designated by the American Bar Association as "Foundations of Freedom," and throughout our land we traditionally focused our attention on the importance of the rule of law in our free society.

Our Nation's history has been replete wtih great men of law who have played major roles in the fight to preserve freedom and the rule of law. Today, I call your attention to two outstanding lawyers in my congressional district and State of New Jersey who have given long and distinguished service to the legal profession—in the courts—in their daily lives—ever seeking individual freedom and equal justice for all: The Honorable Harold M. Nitto and the Honorable Herbert Susser who have formally retired from their high offices of public trust as judges of the Superior Court of New Jersey.

Mr. Speaker, in tribute to these learned judges and their many meritorious achievements on the bench in exemplary service to our people, with your permission I would like to insert at this point in our historic journal of Congress excerpts of a recent published article reporting on the testimonial retirement dinner held in their honor. This report appeared in a highly respected publication among lawyers in our State and Nation—The Reporter: "An Antidote to Law Reviews"—which is published by our Passaic County Bar Association and reads, as follows:

NITTO-SUSSER RETIREMENT DINNER DRAWS FULL HOUSE

(By Daniel Crystal)

A massive turnout of friends and admirers jammed the banquet room of the Robin Hood Inn in Clifton at the retirement dinner given by the Passaic County Bar Association for popular Judges Harold M. Nitto and Herbert Susser on Tuesday evening, January 7th.

In each case though, actual retirement is something of a myth. Both guests of honor intend to continue to be active in the law.

The mandatory retirement at 70 requirement of the state constitution has forced Judge Harold M. Nitto of the Family Part of the Superior Court, Chancery Division, and Judge Herbert Susser of the Civil Division of Superior Court, to retire. Nevertheless, Judge Nitto plans to continue to serve part time as a judge, while Judge Susser will be "of counsel" to the firm of Fischer, Kagan, Ascione & Zaretsky in Clifton in which his son, Allen, is an associate.

Approximately 260 people, including many judges and leaders of the Bar in Passaic and other counties, attended the retirement dinner and made clear their respect and admiration for the two jurists.

Each was presented with a plaque from the Bar Association thanking him for his

long years of dedicated service as a judge in Passaic County.

Herman Osofsky, president of the Association, presided over an evening which sparkled with camaraderie and affection for Judges Susser and Nitto.

TRIBUTE TO JUDGE SUSSER

Retired Superior Court Judge Irving I Rubin, himself a victim of the same mandatory retirement provision of the constitution, introduced Judge Susser and presented him with his plaque, which states: "To the Honorable Herbert Susser, in grateful recognition of your dedicated services as a Superior Court judge."

Judge Rubin sketched Judge Susser's close ties over his entire lifetime to the Passaic County courthouse.

"If I were presenting the background and qualifications of Judge Susser to a jury", Judge Rubin noted, "I'm sure the jury would decide that Judge Susser was destined for the judiciary from birth. He was born on Market Street in the City of Paterson, not too far from the courthouse. He was raised on Oliver Street which to the uninitiated might be called practically around the corner from the courthouse. He attended Public School 23 which became part of the new courthouse parking lot. When he became associated with Abe Brenman and later Marty Piper in the practice of law, it was on Market Street not far from the courthouse here. He has lived all his life in Paterson and still lives in the city with his wife, Gloria. He attended Central High School in Paterson."

Judge Rubin congratulated Judge Susser for his years of work as a judge which he termed pleasure for the retiring judge.

A GOOD JUDGE'S CREDO

Judge Susser was eloquent in his response. Noting that he had deliberately not prepared a written talk, he told the attentive audience:

". . . I decided that I would not write, but that I would speak to all my friends, to all my colleagues, from the heart.

"It has been for me a wonderful experience.

"I've been a pretty lucky guy. I've had a wonderful wife, wonderful children, daughters-in-law, grandchildren. I've had the good luck to have had a career at the bar and then to achieve what so many men would like to achieve—to have served here on the judiciary for thirteen years, and all of it has been a wonderful experience for me. But the greatest pleasure I got was the friendships that I made over these many years.

"And I think, reflective of it, are the numbers that are here tonight. You're not doing me honor, you are merely giving me pleasure and making me feel that in some degree my career has been worthwhile.

"When I knew that I was going to become a judge, I thought of what I would like to do most. I decided then that the thing that I wanted to do most was to be able to treat those men and women who came before me in the manner that I would have like to have been treated when I practiced law.

"And if I have to some small degree lived up to that pledge and that expectation, then my years on the judiciary have been a success and you have helped me make it that success. Thank you very much."

Thunderous applause greeted Judge Susser's unassuming, eloquent response to the Association's tribute to him.

HONORING JUDGE NITTO.

The other honoree of the evening, Family Court Judge Harold M. Nitto, was introduced by Newton M. Roemer, former Bar Association president, former editor-in-chief of The Reporter, and retired chair and member of the Board of Bar Examiners. Newt, deftly and affectionately, told the attentive audience of his long-time association with Judge Nitto. He claimed the title of being midwife to the latter's judicial career since he had given a favorable response as to the future judge's judicial potentialities when questioned by the late Pierre Garvin, then Appointments Secretary to Governor Cahill and later Chief Justice of the New Jersey Supreme Court.

On a more sober note, Roemer praised Judge Nitto's outstanding judicial career.

"I must say," he declared, "that there is a very serious side to Harold Nitto that I want to comment on. He has written some rather heavy opinions.

"One had to do with a very erudite article that he submitted to the New Jersey Law Journal on the proposed Family Court. Then in 1976 he wrote a very important opinion on the right of institutionalized mental patients to receive effective medical and psychiatric treatment during their confinement. There was also the *Brandenburg* case which involved the important question of determining the proper time to evaluate equitable distribution. In that case, our Supreme Court eventually adopted his trial court findings.

"In adition, in 1983, he wrote a very scholarly opinion which gave a comprehensive analysis of the Uniform Child Custody Jurisdiction Act."

Congratulating Judge Nitto on his years as a jurist, the Reporter's former editor-in-chief pointed out that it was significant that he of the Jewish faith was presenting the Bar Association's plaque of thanks and approval to Judge Nitto of Italian origin.

"So, having delivered myself of these choice thoughts and recollections," Newt said in concluding his witty introduction of Judge Nitto, "I guess what it all comes down to is that Nutah Mordecai, the son of Schmuel, is going to introduce Haraldo Mihael, the son of Francesco, and I guess that's what democracy is all about."

Then he presented the Bar Association's plaque to Judge Nitto: "Judge Nitto, it is a great honor, a privilege, to be able to present this plaque to you."

YEARS OF CHANGING LAW

Judge Nitto made clear how much he was moved by the massive outpouring of Bar Association members, judges and friends to do honor to himself and Judge Susser. He thanked the members of the dinner committee who had arranged the dinner, and paid tribute in his turn to the help he had received from his Assignment Judges in Passaic County: Assignment Judges Nicholas Mandak, Peter Ciolino, Charles S. Joelson and John F. Crane. He told the audience about how much the encouragement and help of his family had meant to him. And then he gave a brilliant address, summarizing the changes in law during the 18 years that he had served as a judge as follows:

PROGRESS IN FAMILY LAW

(By Harold M. Nitto, Judge, Superior Court of New Jersey)

Retirement dinners, like testimonial dinners in general, are usually distinguished by rubber chicken and war stories. The chef has spared us from the former and I shall do my best to avoid the latter.

From the time of my appointment to the bench as Judge of the Juvenile and Domestic Relations Court in 1970 my judicial activities have centered around the family and its innumerable problems. During that time we have witnessed a major restructuring in the way these matters are handled. I need mention only the Divorce Reform Act and the reports of the Supreme Court Committee on Matrimonial Litigation. Having been an active participant in this transition you may be assured that there were many times when progress was almost overcome by frustration, born of the limitations implicit in the scope and nature of judicial powers.

It is in this connection that I would like to share some thoughts with you for a moment.

On January 24, 1982 Chief Justice Warren E. Burger of the United States Supreme Court delievered his annual report on the State of the Judiciary. During the course of his remarks he noted that a "host of new kinds of conflicts have flooded the courts . . . there is some form of mass neurosis that leads many people to think that courts were created to solve all the problems of mankind."

Nowhere has this observation been more valid than in our own state. Our courts have not hesitated to address a myriad of complex and technical problems with remarkable results. Let me cite a few examples:

Robinson v. *Cahill* broke new ground in the field of education; *State* v. *Leonardis* in pretrial intervention; *State* v. *Carter* in criminal justice; *Department of Health* v. *Owen-Corning Fiberglass Corp.* on questions of air pollution; *Newark* v. *Natural Resource Council* in infra-red aerial tidal mapping; *State* v. *Hurd* in hypnosis; *Woodsum* v. *Pemberton Township* in aquifer technology; *Malvasi V. Malvasi* in dealing with human leucocyte antigen typing, *Berman* v. *Allan* in amniocentesis; *Cepeda* v. *Cumberland Engineering Co.* in machine design defects; *D'Arc* v. *D'Arc*, voiceprints; *State* v. *Chatman*, flameless atomic absorption analysis; *In re Quinlan* and *in re Conroy*, life sustaining mechanism; *State* v. *Finkle, Vascar, Tenore* v. *Nu Car Carriers*, economics; *In re Grossman*, sex reassignment surgery; *State* v. *Johnson*, use of drunkometer; *State* v. *Walker*, use of polygraph; *State* v. *Dantonio*, use of radar; *State* v. *Sinnott*, use of sodium pentothal; *Cortese* v. *Cortese*, use of blood grouping; in *State* v. *Cerciello*, use of fingerprint identification; and *Becton Regional High School*, invasion of privacy, a case which has attracted national attention. The judge who made the *Becton* decision was Assignment Judge Peter Ciolino.

Having mentioned these, can we ignore *Mt. Laurel*, the Pinelands cases, the right to life and the numerous issues evolving from new modalities and dynamics of state of the art? The power of the courts has been clearly and firmly stated, as our Supreme Court in *State* v. *Abbot* has reminded us, only last June that judicial power imports the power to fashion needed and appropriate remedies.

It can be fairly stated that the courts have been given a major role in the resolution of social and political issues. Litigation has come to be accepted as a part of the natural order. Again, as was stated by Chief Justice Burger "Americans are increasingly turning to the courts for relief from a range of personal distresses and anxieties. Remedies for personal wrongs that were once considered the responsibility of institutions other than the courts are now boldly asserted as legal entitlements. The courts have been expected to fill the void created by the decline of church, family and neighborhood unity."

Nowhere have the courts responded to the new challenge with greater responsibility than in our own state. Rarely has the concept of non-justiciability been invoked because the remedy might be difficult to fashion. Judicial pioneering has become the rule rather than the exception. Problem solving has become the hallmark of the judicial establishment while maintaining a proper respect for separation of powers in our tri-partite structure.

In a free and open society as ours, it is only natural that the general society should turn to the courts to fill in the seams which separate our three branches of government.

The complexities of social economic and technical problems which have so far yielded to courtroom solutions are only the harbingers of things to come. Given the continuation of a responsible judiciary and a committed bar, such as is represented here tonight, we cannot fail.

THE DEPRESSION GENERATION RETIRES

The fortuitous fact that both Judge Nitto and Judge Susser have retired at approximately the same time has a deeper significance to students of the law. Each is very much an individual, yet in some ways they are both paradigms of important strands that help make up part of both the Bench and the Bar in our country.

One by one, like the retirement of Justices Morris Pashman and of the late C. Thomas Schettino of our own Supreme Court, we are witnessing the youth of the Great Depression retire from brilliant legal and judicial careers. Many have been Italian; many have been Jewish. They came to maturity in difficult years, and they have honored their respective ethnic backgrounds at the same time as they have enriched both the practice of law and the practice of judgeship. It's eminently worthwhile accordingly to appraise the individual achievements of these two Passaic County jurists against the broader issue that in many ways each is the representative of an outstanding ethnic group that found opportunity for full expression in law and the judiciary.

JUDGE NITTO'S BACKGROUND

When Judge Nitto formally retired on February 27, 1986, it marked the completion of eighteen years of judicial service.

He was first appointed to the bench as Judge of the South Hackensack Municipal Court on January 8, 1948 and was subsequently reappointed through April 9, 1952 when he resigned to attend to the mounting responsibilities of an active private practice.

In June 1970, Nitto was appointed to the Passaic County Juvenile and Domestic Relations Court and was designated Presiding Judge of that Court.

His next step up the judicial ladder came in September 1976 when he was named to the Passaic County Court where he was assigned to hear matrimonial cases. In December 1978, he was appointed to the Superior Court of New Jersey. Since that time he has served in the Chancery Division, Matrimonial (now Family) Part, after having been reappointed in April 1980.

Judge Nitto came somewhat late to the study of law since, as Newt Roemer reminded the audience at the retirement dinner, the future judge had originally taken a premedical course in college. He went to law school because it was thousands of dollars cheaper than medical school. From 1934–1938, he pursued a B.A. degree at New York University. In 1942, he received his L.L.B. from Rutgers. In 1953, he formed the firm of Nitto and Nitto with his later brother, Carl, and pursued an active trial lawyer's career, representing insurance companies among other clients. He served as General Counsel to St. Mary's Hospital in Passaic, and was a member of the hospital's Board of Trustees. He was a charter member of the Society of Hospital Attorneys and also a member of the Advisory Board of the New Jersey Bank & Trust Company, now Midlantic National Bank/North.

Judge Nitto has served on the Board of Paul VI Regional Diocesan High School. He has held membership in the Serra Club, the Institute of Fairleigh Dickinson University, St. Andrew's R.C. Church in Clifton, and numerous civic and service organizations. He is a member of the Passaic County and American Bar Associations and of the American Judiciture Society.

Judge Nitto lives at 140 Hepburn Road, Clifton, New Jersey, with his wife, Jeanne. They have a daughter, Lisa, who is a registered nurse, and granddaughter, Marissa.

He hopes for a part-time family court assignment after his formal retirement.

"The following day I hope to be back to work," he told reporters.

APPRAISING JUDGE SUSSER

Judge Susser's legal and judicial career is equally revelatory of how the young men and women of various faiths and ethnic backgrounds who had to cope with the Great Depression of the Thirties and with World War II found niches and legal and judicial honor in the law.

Judge Susser was born in Paterson, as his long-time friend, Judge Rubin, told the audience at the retirement dinner. He attended Paterson School No. 23 (on the site of which the new Court House stands), Central High School, New York University and Rutgers Law School. He was a partner in Brenman & Susser, later Brenman, Susser and Piper, with offices in Paterson.

On a family note, he is married to the former Gloria Mogul, originally resident of New York City. He has two sons, Jack, married to Bonnie, and Allen, married to Andrea, as well as three granddaughters, Alexa, Alicia and Carly.

He was counsel to the Passaic County Planning Board. On December 13, 1972, he was appointed Judge of the Passaic County Juvenile and Domestic Relations Court. On June 18, 1973, he became Presiding Judge, Passaic County District Court. He moved up the judicial ladder on July 2, 1976, to the Passaic County Court. On December 7, 1978, he was appointed to the Superior Court of New Jersey.

As a judge, he sat in the Juvenile and Domestic Relations, Matrimonial, Criminal and Civil Divisions. He has served on the Supreme Court Judicial Education and College Committee, and has been a lecturer both on Landlord-Tenant and on Sentencing under the New Jersey Criminal Code. He is presently a member of the Supreme Court Committee on Pensions and Salaries. He is a member of the Passaic County and New Jersey State Bar Associations, as well as the American Judicature Society.

How active lawyers and judges contribute to civic causes and organizations is well illustrated by Judge Susser's affiliations.

For five years he served as President of the Y.M. & Y.W.H.A. of North Jersey. He also served for two years as President of the New Jersey Federation of Y.M. & W.W.H.A.'s. He was formerly a member of the National Board of Directors of the Jewish Welfare Board. He has been the recipient of the Harry S. Feller Award for outstanding service to the Jewish Community Centers and Y.M. & W.W.H.A.'s on a local, regional and national level. He has been past President of the Paterson B'Nai Brith and a recipient of their Americanism Award. He has been a member of the Board of Directors of the Community Synagogue and of the Hebrew Free School.

In addition, he has been active in the United Fund Campaign and a member of the Veritans Club. He twice served as General Solicitation Chairman of the United Jewish Appeal Campaign.

Nor is that all. He has also served on the Board of the Miriam Home for the Aged and was Senior Vice-President of the Miriam apartments and one of the original trustees. Like Judge Nitto, he has never forgotten his roots. Both have used their legal and judicial skills to benefit the civic organizations of their own national groups. Each has been a public spirited citizen throughout his entire career. They have both continued to pay their dues to their own people and the country as a whole.

Future plans?

"I promised my son I would one day join him," Susser said. He will work for the Clifton firm of Fischer, Kagan, Ascione & Zaretsky. "If I don't feel that excited, I can always come back to the bench."

New Jersey law allows part-time assignments for retired judges.

Judge Susser's last days on the bench provided plenty of challenge. On December 19, he approved a $2.5 million settlement in a suit filed against Six Flags-Great Adventure by the family of one of the eight victims of a 1984 fire at the Jackson amusement park.

It was the first monetary settlement in the case and was subsequent to the acquittal of the company by an Ocean County jury on criminal charges of manslaughter. "I went out with a bang," Judge Susser told reporters at the time.

Of rather diminutive stature, Judge Susser has nothing of the Napoleonic complex of over-reaction. The son of eastern European immigrants grew up in Paterson. His family owned a candy store at Oliver and Marshal Streets. While clerking in a law office he worked nights and weekends to get through New York University and Rutgers Law School, from which he graduated in 1939. His law school years were accordingly those of the depression.

He will take on the big ones when he returns to the practice of law after a three-month vacation in Palm Beach, Fla. His plans are to join in his new firm's legal action against the Palestine Liberation Organization (PLO) and the owners of the Achille Lauto cruise ship in the death of Leon Klinghoffer. The firm had represented Marilyn Klinghoffer, wife of the 69-year-old New York City man who was killed October 10, 1985, by Palestinians who hijacked the cruise ship in the Mediterranean. (As we go to press, we learn that Mrs. Kinghoffer has died of cancer.)

The Reporter extends its own words of praise to Judges Susser and Nitto in the familiar line: "Well done, thou good and valiant public servants."

Mr. Speaker, it is, indeed, appropriate that we reflect on the deeds and accomplishments of our people who have contributed to the quality of life here in America and the preeminence of our representative democracy, second to none, among all nations throughout the world. I appreciate the opportunity to seek national recognition of Judges Nitto and Susser for their lifetime of dedication to the

cornerstone of freedom, the rule of law, in their notable judicial careers which have truly enriched our community, State and Nation. We do indeed salute two distinguished citizens, esteemed lawyers, and great Americans—the Honorable Harold M. Nitto and the Honorable Herbert Susser, judges of the Superior Court of New Jersey.

TRIBUTE CEREMONY FOR MR. BRADFORD MORSE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. YATRON. Mr. Speaker, the Honorable Bradford Morse, a former Member of Congress from the State of Massachusetts, recently retired as administrator of the United Nations Development Program. I would like to commend to your attention the remarks made by U.N. Secretary General Perez de Cuellar on April 30, 1986, at the tribute ceremony in the honor of Mr. Morse.

The information follows:

REMARKS AT THE TRIBUTE CEREMONY FOR MR. BRADFORD MORSE, APRIL 30, 1986

Mr. Brown, distinguished guests, ladies and gentleman, It gives me great pleasure to join you here this evening in paying tribute to a truly remarkable colleague, Bradford Morse.

His name is a household word. It immediately brings to mind the dynamic, resourceful and humane approach to international problems which he has demonstrated in various fields of endeavour at the United Nations over nearly a decade and a half. Few have worked harder and given more of themselves than he. His departure is a great loss to the United Nations system. The memory and the fruits of his contribution will endure.

Brad Morse has brought to this Organization a pragmatic and imaginative disposition which reflected very well his rich experience in the legislative branch of the United States government.

As the Permanent Representative of my country over a number of years and subsequently as Brad's fellow Under-Secretary-general, I came to know and appreciate his professionalism and his total dedication to the ideals of the Organization. Many times over the years we have seen him cut through red-tape and reconcile conflicting viewpoints. He did so with fairness and skill, in a manner which has won him great respect in widely disparate parts of the world. Of this he—and indeed all of us at the United Nations—can be justly proud.

Brad's contribution has been marked by an extraordinary ability to organize and administer: to energize colleagues and to convert plans, programmes and projections into real action on the ground. Perhaps above all, however, he has approached every task with a level of energy that can be at the same time both inspiring and, to the dormant, quite terrifying. But this energy was always channelled to the most remarkable and constructive effect. His many achievements are testimony to this fact.

It is to the United Nations Development Programme that Brad has given of his great qualities in fullest measure. Within three years of his appointment as Administrator in 1976, he had conducted an overhaul of the Programme and ensured an unprecedented level of confidence in its work on the part of donors and recipients alike.

Over the past decade, the Programme has increasingly been seen as the world's most comprehensive source of development assistance, with ever more important coordinating and catalytic roles. No longer is it regarded simply as the sum of its project financing.

No one but Brad could possibly have handled both the responsibilities of UNDP with those of the Office for Emergency Operations in Africa which I asked him to set up and direct in December 1984. The situation then was bleak indeed. Famine, caused by a variety of factors, was threatening the lives of 35 million Africans, with ten million uprooted from their homes and lands. A truly herculean effort was undertaken by the Emergency Office in cooperation with other branches of the United Nations system. There is no doubt that it saved millions of those lives and helped bring the crisis in Africa down to manageable proportions.

It has been said that the accomplishments of the United Nations are taken for granted as soon as they are registered. I am certain that the millions of people who are now alive as a result of this extraordinary endeavour will never take the Untied Nations for granted. They will be the witnesses to one of the finest ever undertakings of the international community. For this, Brad, you have our profound gratitude.

Of course, none of these accomplishments could have been possible without the extraordinary loyalty and affection that Brad always inspired in those around him. His generosity of spirit and his rich capacity for friendship nurtured a genuine and extremely valuable team spirit among his colleagues and opened governmental and other doors which to many would have remained locked.

Ladies and gentlemen, how should I conclude a tribute to our good friend? The United Nations career of Brad Morse illustrates how this institution—dedicated to a better world—is a truly effective force for good. It channels the capacities of many remarkable individuals in the interest of the human family as a whole and not just certain parts of it.

The cause of development, which Brad served with such distinction, derives from the Charter aim, quote, to promote social progress and better standards of life in larger freedom, unquote. We have come to learn that the global peace which we all seek will remain elusive so long as cruel and grotesque disparities in living standards endure. Peace cannot be guaranteed before all members of the human family can live in dignity. For this to happen their hopes and their horizons cannot be circumscribed by endemic poverty and deprivation. Peace and development are therefore inextricable. Brad Morse worked tirelessly for both.

To his fellow citizens I say. Look at the record of this Great-hearted son of the United States of America in the service of the United Nations, for there is important meaning to be found therein.

To all those who have worked with him. Let us take up his example and act on it, as the best tribute we could possibly pay.

My dear Brad, I have little doubt that in the future we will stand to benefit from your wise counsel. For the moment, however, we reluctantly yield you to a well-earned reduction in your workload and of course to your family.

We thank you from our hearts and wish you every good fortune.

AVOID OVERREACTION TO TERRORISM

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. EDWARDS of California. Mr. Speaker, last week the Subcommittee on Civil and Constitutional Rights held 2 days of hearings on the antiterrorism capabilities of State and local police. We heard testimony from the FBI, representatives of the New York City and Chicago police departments, and the heads of two leading police organizations.

Our witnesses agreed that more needs to be done, particularly in the area of training. But after months of terrorism hysteria from the media and from some of our Federal officials, it was refreshing to hear law enforcement professionals warn against the dangers of overreaction to a problem that, domestically, has been on the decline. The testimony of one of our witnesses, Jerald R. Vaughn, executive director of the International Association of Chiefs of Police, was reprinted this morning on the op-ed page of the Washington Post. I commend Mr. Vaughn's balanced and realistic comments to my colleagues:

[From the Washington Post, May 21, 1986]

TERRORISM: WHAT POLICE CAN DO

(By Jerald R. Vaughn)

Terrorism is highly publicized on a regular basis by the news media and consequently generates significant fear in our citizens. Therein lies the dilemma for the police executive in the United States; developing a reasonable response capability without overreacting in the face of declining incidents of terrorism.

Unfortunately, since terrorism is such a highly publicized activity, a whole cadre of "entrepreneurial experts" on the subject has appeared and has exploited that fear in order to provide training, equipment and publications—much of which is of dubious quality.

Perpetuating a fear that is unwarranted on the basis of fact only assists the terrorists in achieving their purposes, however repugnant they may be to our traditional values. Similarly, equipping local police at airports and other risk locations in the United States with heavy armament and other equipment of warfare would only serve to alarm citizens about the threat of terrorism. When we alter our basic way of life, we have in fact been defeated by the terrorist.

To address this issue appropriately, the fundamental differences between our country and other nations must be recognized. The majority of foreign nations utilize a national police force, which in many cases is either directly associated with the military or operates very much as a military unit. Those countries have but one police authority to rely on for a response to terrorism.

Unlike a national police system, the United States was founded on the principle of local control. Consequently, more than 17,000 independent law enforcement agencies serve our cities, countries, states and federal government. It is almost always the local police who are the first responders to any criminal event. This situation holds true for acts of terrorism.

In many departments, specialized tactical response teams are in place to handle such criminal events as hostage taking and barricaded gunmen. Many other jurisdictions, however, do little to prepare for such occurrences, and many police officials honestly believe that such things cannot happen in their jurisdictions. As they analyze their communities, they simply do not see any likely target for such an activity. What they often overlook is that a potential target—a dignitary or other person who may serve the purpose of a terrorist—could visit their community.

Cities such as Chicago, Los Angeles and New York are well prepared for terroristic events. Cooperation between local and federal authorities is on a very high level, and joint response teams have been developed. On balance, however, the level of preparedness for terrorism in most state and local law enforcement agencies is probably less than desirable.

In my opinion, the most important thing that can be done to increase that level of preparedness is to provide accurate, timely and realistic training to key decisions makers—mayors, city managers, top police executives—so that as they look objectively at the problem of terrorism in the context of their communities, they can make logical and reasonable choices based upon the resources available. They can also pursue mutual aid compacts and increase communication with other law enforcement entities if information suggests that as an appropriate course of action.

I do not believe that it would be a wise expenditure of funds or in the best interest of the public to have the federal government finance such things as heavy armament for local police, except in those cases in which there is a clearly identified risk in that community and it is beyond the capability of the community to equip its officers accordingly. The most appropriate role for the federal government would be to assist state and local governments in training the key decision makers. This can be done by agencies such as the FBI, which has lead-agency responsibility for response to such occurrences.

It must be kept in mind, however, that it is the local police who most often will respond first to such incidents. To rely on state or federal terrorist response teams is often very ineffective because of the lapse between the occurrence and the arrival of those teams.

Perhaps the most important consideration is to achieve a reasonable balance between the safety and security of our innocent citizens and realistic assessment of the actual level of the threat to ensure that serious overreaction does not occur.

REASSESSMENT OF NATO—POSSIBLE REDEPLOYMENT OF U.S. ARMED FORCES

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. PETRI. Mr. Speaker, last week the Washington Post carried a column by Henry Kissinger on the deployment of U.S. Armed Forces in Europe. Dr. Kissinger has long been a strong supporter and protector of the Atlantic Alliance, and his column deserves careful attention. He concludes that, in Europe's interest as well as our own, it is time for a major reassessment of the alliance, a greater role for Europe in its own conventional defense, and a redeployment to the United States of some of our forces currently based in Europe.

I agree with these conclusions, and I have introduced today a resolution embodying them and including the major supporting arguments. Although the major reasons for realigning roles of the alliance partners and redeploying some United States forces are strategic and political, not economic, we would also realize significant U.S. defense budget savings, which we need badly. Dr. Kissinger's column follows:

ALLIANCE CURE: REDEPLOYMENT

(By Henry Kissinger)

The American retaliation against Libya and its aftermath have brought home dramatically the extent of discord in the Atlantic Alliance over issues outside of Europe.

In the United States there was widespread support for President Reagan. In Europe there was near-unanimous disapproval, except in French public opinion. Even in Britain the remarkable Prime Minister, Margaret Thatcher, was nearly alone in maintaining, against the press, most of the Cabinet and the opposition, the special relationship with the United States.

The governments that dissociated themselves from American policy were in most cases the friendliest conceivable. Had the opposition in most nations been in office, the reaction would have been far more overtly hostile.

All this has produced a new source of tension in the Alliance. Few Europeans have grasped the bitterness their attitude has caused among much of the American public. On the other hand Americans have not understood that these disputes go back at least a generation and have become critical largely because of the success of the Alliance.

The North Atlantic Treaty Organization was a response to the fear of Soviet aggression against Europe. At that time, 40 years ago, the United States had a huge nuclear superiority and was dominant economically, while Europe was only beginning its recovery from the war. Conflicts outside Europe were produced by the process of decolonization; the Soviet role in them was relatively minor. The United States, reluctant to be involved in colonial wars, insisted that the obligations of the Atlantic Treaty did not extend outside of Europe. Indeed, it reserved the right to oppose its allies in the Third World, and during the Suez Crisis of 1956, when it went so far as to threaten Britain and France with economic sanctions.

Since then, conditions have changed dramatically. Europe has recovered its economic dynamism and is moving, although fitfully, toward political unity. The fear of Soviet invasion has diminished. American nuclear superiority has been replaced by rough parity with the Soviet Union, and European Allies increasingly question the credibility of the nuclear deterrent.

But one early problem remains almost unchanged, although the two sides of the Atlantic have exchanged their roles. Now it is Europe that insists that the treaty's obligations do not extend to the developing world. And it is Europe that feels free to dissociate itself from U.S. actions where indigenous upheavals and Soviet efforts to outflank the Alliance produce contemporary crises.

That process of dissociation has been accelerating for at least a decade and a half.

During the 1973 Middle East war, Britain and West Germany refused to grant the United States permission to use American bases for reconnaissance or blocked American arms shipments to the Middle East from their territories. Allied governments almost unanimously have opposed American policy on Afghanistan sanctions, toward Iran during the hostage crisis and in Central America and Grenada.

But there is one fundamental difference. When the United States thwarted Europe a generation ago, it was accelerating an inevitable process of decolonization. When Europe dissociates itself from the United States today, it challenges a concept of global defense and therefore, indirectly, the psychological basis of America's commitments even to the defense of Europe. The practical consequence is that a major portion of America's armed forces is tied up where governments will permit its use only against the least likely threat, an all-out Soviet attack on the Central Front. With respect to the most probable challenges—where crises have in fact arisen—the Allies not only veto the use of the forces based in Europe but involve the Alliance to seek to block U.S. action even by American forces based outside the treaty area. Gradually the concept of reciprocal obligation is being drained from the Alliance.

This produces the following problems, which must be solved if long-term paralysis is to be avoided: the United States cannot grant Europe a veto over its actions outside the NATO area unless it is ready to abdicate its responsibilities for the global equilibrium, but neither can it be in Europe's interest to undermine America's willingness to defend its vital interests, for the defense of Europe is part of these vital interests.

Hence the political and military arrangements within the Alliance will have to be adjusted.

Improved consultation, the traditional patent medicine for Alliance ills, will not suffice by itself. Secretary of State George P. Shultz had delivered several thoughtful and eloquent speeches on the basic theme that governments that nurture terrorist groups would be held accountable. The president had made the same point frequently since his first days in office.

All these efforts were rebuffed. The Allies insisted that terrorism was a police problem, not a military problem. They rejected economic sanctions as unworkable. They blamed the spread of terrorism on the alleged American failure to make progress on "solving" the Israeli-Arab confrontation, ignoring the fact the terrorist groups attacking America used terror in part to destroy moderate Arab governments and the peace process.

All this time Americans were seeing defenseless fellow countrymen being murdered and terrorized on foreign soil. In such circumstances no American president could fail to act, especially as economic sanctions were being rejected.

In due course some common Allied program against terrorism may well emerge if only to forestall further American unilateral action.

But this will no longer go to the heart of the problem. The United States as well as its allies would make a mistake to paper over the cracks in the Alliance that recent events have made explicit.

European governments might begin the process of re-examination by asking themselves whether they have not permitted the cracks to become unnecessarily wide by taking so passive an attitude toward the radical peace organization and militant church

groups that are so ready to mount anti-American demonstrations. Too many European governments have sought to purchase domestic tranquillity by catering to the myth that they are restraining the immature, bellicose Americans. As a result, in cries European public opinion often takes on the qualities of a Frankenstein monster driving governments to ever greater dissociation from the United States. In its appeal for restraint the European Community seemed to put the United States and Libya on the same level.

Sources of the problem can be seen in two facts: First, it is unnatural for a continent with a population larger than that of the Soviet Union and a gross national product one and a half times greater than it to rely for so much of its defense on a distant ally. Second, the prevalent strategic doctrine of nuclear retaliation is inconsistent with the realities of nuclear parity.

All this breeds an attitude of helplessness in Europe with regard to defense, and it is coupled with the conviction that opposition to America is free. It turns European foreign policy increasingly into an issue in European domestic politics.

A larger European role in the defense of Europe is long overdue. This will require not only a more substantial material effort—where in fact progress is being made—but also an explicit European identity within NATO. If the Atlantic relationship can encourage a European Economic Community where competition with the United States is inevitable, it should welcome a European Defense Community, in which all incentives—in case of a Soviet attack or pressure on Europe—would be for cooperation rather than dissociation.

If Europe were to assume more responsibility for its defense, the two sides of the Atlantic could then deal more realistically with the declining credibility of the nuclear deterrent and the increasingly evident need to rely more heavily on traditional ground and air forces.

As the defense of Europe is being redefined, the disagreements outside the NATO area should be faced explicitly.

The Allied countries that are members of the annual Economic Summit—the United States, France, West Germany, Britain and Italy—should immediately set up a high-level group under the chairmanship of the distinguished Secretary General of NATO, Lord Peter Carrington. The assignment should be to define frankly what differences are foreseeable and how to manage them. Of course, unilateral action by any NATO country should be a last resort, but realistically there will be times when it is necessary. In that event, the allies owe it to each other to remember that undermining an Ally's self-confidence inevitably erodes the ability to act in concert where they do agree.

Whatever the group concludes in this essentially political study, a careful strategic study should be made of whether current NATO deployments still fit strategic and political realities.

The conclusion, I believe, is unavoidable: Some of the American forces now in Europe would contribute more effectively to global defense if they were redeployed as strategic reserves based in the United States and able to be moved to world trouble spots.

The F-111s in Britain are a case in point. The outcry in all circles of British opinion against Mrs. Thatcher's granting of permission for the F-111s bombers to fly from Britain to attack Libya raises for Americans inevitable questions: In the future, is it safe for America to count on a similar decision in comparable circumstances? Two former British prime ministers from each of the major parties, Edward Heath and James Callaghan, have stated publicly that they would have refused permission, and so did the leaders of all opposition parties. Should therefore America expose another prime minister to such grave domestic risks? And can the United States take the strategic risks of such precarious deployments?

The case for moving these planes to the United States is powerful. The air base for them could be kept in Britain with all required maintenance and support facilities, and the planes could periodically visit there to make the point that they were available to NATO if needed. But fundamentally they would be available for action outside the NATO area directly from the United States. Similar principles could be applied to other forces suitable for a strategic reserve, forces such as certain long-range fighter planes and air-transportable ground forces. The objective should be to distinguish clearly between those American forces earmarked exclusively for the defense of Europe and those available for other areas.

Such a major reassessment of the Atlantic Alliance should not be undertaken as a reaction to a transitory mutual recrimination. It should be done carefully and constructively with the goal of increasing the overall effectiveness of the defense of free peoples and of bringing the demands on political leaders into line with that which a democratic framework will sustain.

H. Con. Res. 341

Concurrent resolution expressing the sense of the Congress that the member nations of the North Atlantic Treaty Organization should reassess armed forces deployments in Europe with a view toward withdrawing some units of the United States Armed Forces as a strategic reserve available to respond worldwide to threats against the security of the United States

Whereas the United States has responded, where it could do so effectively, to threats to its security arising anywhere in the world, including threats from terrorism, indigenous upheavals in the third world, and Soviet attempts to outflank the Atlantic Alliance;

Whereas a major portion of the United States Armed Forces is positioned in the countries of Western Europe where the governments of those countries will permit the use of United States Armed Forces only against the least likely threat, an all-out Soviet attack on Western Europe;

Whereas the countries of Western Europe challenge the defense concept of the United States which is based on a global strategy directed against threats to the United States arising anywhere in the world;

Whereas this global defense strategy is indirectly the psychological basis for the commitment of the United States to the defense of Western Europe;

Whereas the United States cannot grant Western Europe a veto over United States actions outside the member nation area of the North Atlantic Treaty Organization unless the United States is ready to abdicate its responsibilities for the global equilibrium;

Whereas it cannot be in the interest of Western Europe to undermine the willingness of the United States to defend its vital interests, of which the defense of Western Europe is a part;

Whereas a large European role in the defense of Western Europe is both long overdue and feasible since Western Europe has a population larger than that of the Soviet Union and a total gross national product one and a half times that of the Soviet Union;

Whereas there is a particular need to focus greater European attention on the conventional defense requirements of Western Europe in an era of approximate superpower parity in strategic nuclear forces; and

Whereas some units of the United States Armed Forces now in Western Europe would contribute more effectively to the global defense of the United States if those units were redeployed in the United States as strategic reserves available to respond worldwide to threats against the security of the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the member nations of the North Atlantic Treaty Organization (hereinafter referred to as "NATO") should make a major reassessment of the Atlantic Alliance, including a careful strategic study of whether current armed forces deployments by NATO still fit NATO's strategic and political realitites;

(2) the nations of Western Europe should take greater responsibility for their own conventional defense; and

(3) those units of the United States Armed Forces currently based in Western Europe which are not earmarked exclusively for the defense of Western Europe should be withdrawn to the United States for use as a strategic reserve available to respond worldwide to threats against the security of the United States.

EAST FALMOUTH MAN PULLS STRUGGLING YOUTH FROM COLD WATERS OF LITTLE BAY IN BOURNE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STUDDS. Mr. Speaker, on Sunday, April 6, Julio Barrows was participating in an ecumenical youth program retreat in Monument Beach, MA. Mr. Barrows was suddenly alerted to a young man who was struggling in the frigid water of Little Bay after having fallen from a canoe. Without hesitation, Mr. Barrows courageously rescued the boy.

Following is a detailed account of Mr. Barrows' heroic act from the Falmouth Enterprise of April 11, 1986:

East Falmouth Man Pulls Struggling Youth From Cold Waters of Little Bay in Bourne

(By David D. Theall)

Late Sunday afternoon, Julio Barrows Jr., Sandwich Road, swam into the frigid water of Little Bay, Monument Beach, and rescued a Lynn youth who had fallen out of his canoe.

Mr. Barrows was serving as an adult leader with Echo of Cape Cod, an ecumenical youth program sponsored by the Catholic Church of the diocese of Fall River, at a retreat at Briarwood Conference Center on Shore Road, Monument Beach. During a

talk by the Right Rev. Bruce Nealon of Fall River, one of the high school boys in the program glanced out the window and saw Andre Comeau Jr. floundering in the water after having fallen out of his canoe.

"I charged waist-high into water, which was frigid, and yelled out to the boy if he could hang on for a few minutes until I could find a rope or something. He was about a hundred yards off shore and in well over his head. His canoe had gotten away from him, and he was struggling in the water. . . "

Standing on shore was Mr. Comeau, who kept yelling at his son. He was pale, said Mr. Barrows.

Noticing an upturned rowboat on shore, Mr. Barrows flipped it over and attempted to release the oars, which were tied securely to the boat. Not wanting to waste precious time on the oars, he pushed the boat into the water and started swimming the boat in choppy water to the struggling boy. Off in the distance, he could see the boy bobbing up and down.

"A CALMING EFFECT"

"Seeing the boat coming toward him seemed to have a calming effect," said the modest rescuer. "I told him to grab hold of it at first and just rest; then I climbed in and pulled him in too."

Mr. Comeau took his son away soon after the rescue. Mr. Barrows described Andre as a young teen-ager, possibly 11 or 12. He was visiting family friends in the neighborhood of the conference center and was not involved in the youth program that was meeting there.

"He had layers of clothes on," recalled Mr. Barrows, "and hiphigh boots. It's not surprising he had difficulty swimming . . . although the water was freezing also."

Asked whether the boy was wearing a life preserver, Mr. Barrows said, "No, but there were two in the canoe." How he learned this resulted from a strange request from the boy's father, who yelled at them, when they were halfway back to shore, both wet and shrivering, to go back and retrieve the wayward canoe. Reluctantly, Mr. Barrows rowed out and fetched it. It was full of water, but floating, and the boy held its rope while Mr. Barrows resumed the rescue operation.

Upon reaching shore, Mr. Comeau shook Mr. Barrows' hand and then turned his attention to his shaken son. Mr. Barrows left quietly, neither expecting nor receiving any recognition.

The Bourne rescue squad arrived on the scene quickly, but probably not in time to have kept the boy from drowning. When asked about the near-fatal accident, a spokesman for the rescue squad said that by the time they got there Sunday afternoon, "the police had already saved the kid." The police did arrive, but after the rescue was completed by Mr. Barrows.

Mr. Barrows, a 48-year-old native of Harwich, married a Falmouth woman, Mary Rezendes, in 1962 when he was in the Air Force. They have four children, two girls and two boys. While in the service, he was trained in water safety, In 1976 he retired from the Air Force with the rank of technical sergeant and opened an upholstery business, which he operates from his spacious Sandwich Road home.

Mr. Barrows is a eucharistic minister of St. Anthony's Church in East Falmouth, a member of the Falmouth Knights of Columbus and a serious racquetball player at Falmouth Sports Center.

"I'm in excellent physical shape," was Mr. Barrows' self-evaluation with regard to his ability to stand up to the physical demands of the situation, without mentioning the instinctive courage he demonstrated on the occasion.

Asked what he thought about as he went to bed Sunday night, Mr. Barrows recalled vividly, "The look in his eyes. I don't even remember what he looks like, but the look in his eyes told a story."

What was that story?

"Gratitude . . . thank God."

THE MEDICAID COMMUNITY SPOUSE PROTECTION ACT OF 1986

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Ms. MIKULSKI. Mr. Speaker, today I am introducing a legislative package which addresses the problem of spousal impoverishment as a result of Medicaid spend down.

Each year, thousands of elderly citizens face a very traumatic situation: the need to insitutionalize a sick spouse. This situation often occurs at a time of mental and physical exhaustion for the community spouse and is coupled with a sense of anguish. This anguish stems from the realization by the community spouse that he or she can no longer care for their sick spouse in their home.

Adding to the emotional strain of the institutionalization process, is the discovery by most elderly that Medicare does not pay for long-term care and that the cost of long-term care far exceeds the couple's available resources or income.

The next step in this scenario usually leads to the local public assistance office. There they may learn that their income and resources exceed the State Medicaid eligibility requirements. They must, therefore, spend down to the State determined Medicaid eligibility level in order to qualify for Medicaid assistance.

Through this process of spend down, honest middle-income elderly citizens are forced into bankruptcy in order to meet the costs of their spouse's institutionalized care. In most cases, the community spouse's living expenses are not reduced with the institutionalization of their spouse. Yet, through the spend down process, the spouse remaining in the community is often left without sufficient income to meet even the most basic needs for subsistence. This places many essential items in the senior market basket out of reach for the community spouse. These items include special diets, medications, life line utilities, and medigap health insurance.

This problem is particularly acute among older women. After a lifetime of playing by the rules and saving for their retirement years, the community spouse is forced into destitution in order to meet the long-term care needs of her institutionalized spouse.

To address this problem, I am introducing the "Medicaid Community Spouse Protection Amendments of 1986." Under this legislative package the community spouse will be entitled to retain a modest, but adequate standard of living. A couple will be able to cut back and scale down so as to meet the family's responsibilities for the costs of institutionalization, but it will not be forced to spend down into poverty.

More specifically, this legislative package will:

1. Allow the community spouse to keep up to $25,000 of the couple's liquid assets so that their life savings are not devastated as a result of the institutionalization of one spouse. This provisions recognizes the communal nature of a couple's savings and other resources. It's not his money or her money, but their money.

In addition, there would be a minimum Federal standard for the living allowance for the community spouse of $750.

2. Require State Medicaid agencies to recognize court ordered support plans as exemptions in determining Medicaid eligibility. Individuals now can have their unique financial circumstances reviewed on a case by case basis in State court to determine the institutionalized spouse's financial responsibility to the community spouse. In this way, special circumstances can be accounted for that might otherwise not be foreseen by Federal regulations. Under my legislation, State Medicaid agencies would be required to recognize such support orders.

3. Establish a system of nursing home prescreening. Through this process, potential Medicaid beneficiaries will be advised of requirements for eligibility, and their options for payment. In addition, this system could be used to determine the appropriateness of institutionalization and serve as a referral mechanism for those in need.

4. Establish an individual Long-Term care account to encourage individuals to save for health related expenses so that they can avoid financial ruin.

Through the introducion of this legislative package, I hope to initiate debate on how we, as a Nation, meet our social responsibilities to the institutionalize elderly and their families. We are witnessing a trend where it is not the hospital stay that pauperizes our elderly. Rather, it is the length of stay in a long-term care facility that consumes a couple's life savings leaving them no financial security after a lifetime of hard work and saving. This is truly an American tragedy.

Many times we feel helpless in the wake of catastrophes that befall our fellow citizens. Prior to the introduction of these bills, the case of community spousal impoverishment was such an instance. The enormity of a problem, however, should never prevent us from developing a solution. The Medicaid Community Spouse Protection Amendments of 1986 is a bold, yet simple solution to the problem of spousal impoverishment as a result of Medicaid spend down.

STATEMENT OF YELENA BONNER ON THE 65TH BIRTHDAY OF HER HUSBAND, DR. ANDREI SAKHAROV

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LANTOS. Mr. Speaker, yesterday, in honor of the 65th birthday of Soviet scientist and human rights leader Andrei Sakharov, the Committee on Foreign Affairs held a special reception to honor him and his outstanding wife Yelena Bonner.

As one of the founding members of the Moscow Helsinki Monitoring Group, Mrs. Bonner herself is a leading international advocate for human rights. But yesterday, Mrs. Bonner spoke eloquently of her double role—both as a devoted wife and as a dedicated coworker with her husband and fellow human rights advocate, Andrei Sakharov.

It was a very moving statement. She expressed concern for his health and his fate, living in forced internal exile in Gorki. She has shared that fate with him and will soon leave the United States, where she has been receiving medical treatment, to rejoin Andrei Sakharov in Gorki to resume their shared lives there.

Yelena Bonner expressed faith in Dr. Sakharov as the "spiritual leader of our time," who has spoken so profoundly about his view that the "defense of human rights is the defense of life on Earth."

Mr. Speaker, I commend Yelena Bonner's thoughtful remarks to my colleagues.

SPEECH DELIVERED BY ELENA BONNER AT THE CONGRESS OF THE UNITED STATES, MAY 21, 1986

Members of Congress, ladies and gentlemen, on behalf of my husband I thank everyone present in this hall as well as all those who are celebrating his 65th birthday, wherever they may be.

I thank President Reagan for his warm letter which I received yesterday. I take it as an expression of concern for my husband, and I hope his concern will not be in vain.

In celebrating Andrei Sakharov's birthday, we honor him, and our thoughts turn to the country where he was born, lives and works. It is a signal honor for any country to number among its citizens such a man as Andrei Sakharov.

I find myself today in a difficult situation. I am speaking both as a wife and as a contemporary of Andrei Sakharov.

As a wife, I fear for his life and fate. In Gorky, anything can happen, and the world will never learn the truth about us. You all know that during the last years our letters and telegrams have been altered, and misleading films about our life have been sent to the West. After my return to Gorky, we are likely to be cut off from any communication with the outside world. The West will receive nothing but disinformation.

Andrei Sakharov is confined in Gorky in violation of Soviet laws. As long as he does not enjoy the same rights as other Soviet citizens, his life is in danger.

As his wife, I could speak of his state of health, of his isolation, and of the deprivation of normal scientific and personal contacts. I could tell you that for six years he has not been allowed to spend a single minute outside the limits of Gorky. I could tell you that living under the lens of a concealed camera is oppressive and psychologically dangerous. I could tell you how desperately afraid I am of returning, of living again in that atmosphere of falsehood where everyone lies—the press, officials, and scientists. If it were not for Andrei Dmitrievich, I would not return there, I would not even give it a second thought. But I do not want to speak of all that. There are enough people who can understand my feelings.

Today I would like to speak simply as a contemporary of Andrei Sakharov.

Every age has its heroes. In fairy tales, people are simply born to be heroes, but in real life, it requires many qualities and the right circumstances for a person to live his destiny. To begin with, it depends on the social system in which he lives and the people who surround him.

Andrei Dmitrievich Sakharov has become the spiritual leader of our time as a consequence of the interaction of external events and his individual qualities, together with the nature of his upbringing and the environment which shaped him.

We live in the aftermath of World War II. We must not underestimate the importance of that fact. We live after the Holocaust, the Gulag, Katyn, Auschwitz and Hiroshima.

Since World War II, people have been trying to create social institutions capable of preventing a repetition of those tragedies. These have included the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Helsinki Final Act. Sakharov stands for these institutions and his philosophy is closely linked to them.

The times called for someone like Sakharov to appear. We are all witnesses of an astounding spurt of progress for our civilization. Science determines the quality of our life in the second half of the twentieth century. Sakharov's scientific brilliance, his profound understanding of the benefits and hazards of progress, place him on the cutting edge. His personal qualities include absolute honesty, courage so natural that it tends to be overlooked, and a morality founded on his innate knowledge of good and evil. All these together have made him Andrei Sakharov, the Andrei Sakharov who is known and respected throughout the world.

His basic premise is the indivisibility of Peace, Progress and Human Rights; his basic ideology is the defense of human rights as the defense of life on Earth. Such an ideology can unite people of East and West, of different creeds, of different races. But it requires us to recognize our responsibility before history, to apply equal standards in judging the events and people of different social systems, and to refrain from bending the truth for personal advantage. We must be serious in our approach.

Let me give you a few examples.

It is great that the International Committee of the Red Cross has succeeded in gaining access for its delegates to prisons in Chile, but they must be admitted to the prisons of the Soviet Union, Cuba and China as well. Western journalists, aided by world public opinion, are able to visit Nelson Mandela, but why are they not allowed to visit prisoners of conscience in the Soviet Union?

The catastrophe in Chernobyl must not become a pretext to halt the development of nuclear power in the West. The proper guarantees for safeguarding the environment are an open society and the right of citizens to control their government's actions, not efforts to hinder progress. Chernobyl showed that the Earth is a small planet, that our successes and failures are shared by all of us, and that we have a common stake in the future. That is the cornerstone of Andrei Sakharov's philosophy.

And finally, let me mention a subject close to the theme of today's celebration. Is it responsible for scientists from East and West to conduct nongovernmental talks on disarmament and on nuclear testing while ignoring the only voice on the Eastern side that is both competent and independent, the voice of Andrei Sakharov?

I thank the Congress of the United States and the American people for the opportunity to speak here and to say that by honoring Andrei Sakharov on his 65th birthday, we affirm once again our determination to defend life on Earth and our freedom.

"STAGING AREAS" VITAL TO SHOREBIRDS MIGRATIONS: LOSS OF KEY AREAS COULD THREATEN MILLIONS OF SHOREBIRDS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BONKER. Mr. Speaker, It has been known for some time that shorebirds of the Americas, including sandpipers, plovers, turnstones, and sanderlings, commonly fly thousands of miles every year. The marathon migration typically begins in the Arctic, where most shorebirds breed and hatch their young, down to the warmth of Central or South America for the winter and back to the north in the spring. The roundtrip for many will be more than 15,000 miles.

Recent research, however, shows that shorebirds are highly dependent on a few key staging areas where they concentrate in enormous numbers to consume plentiful food supplies that allow them to quickly refuel and continue their endurance flights. Four such staging areas have been identified in North America that support more than a million shorebirds every year: the Cooper River delta in Alaska; Gray's Harbor, WA; the Bay of Fundy in eastern Canada; and the Delaware Bay. Almost all of the breeding population of some species feed in one of these areas at a time. Numerous sites in North, Central, and South America are also vital as stopover or wintering areas.

Congressman AL SWIFT and I represent the Gray's Harbor, WA staging area, which is the last major estuary many shorebirds will use before embarking on the final 1,500-mile leg of their migration to Arctic and sub-Arctic breeding gounds. Contributing the importance of the 94-square mile Gray's Harbor estuary is Bowerman Basin, a remarkably productive 500-acre mudflat that is host to nearly half of the spring migrants. Although Bowerman Basin has been threatened by development for years, there appears to be a growing appreciation in the area for the vital role it plays in shorebird migrations. Permanent protection for Bowerman is a must.

The dependence of shorebirds on these vital staging areas makes them more vulnerable than their great numbers might suggest. The loss of one of these areas to pollution, overfishing, or development could threaten the existence of entire species. As research more clearly identifies those sites that are essential to shroebird migrations, the Government and private oganizations must take steps to protect these areas from conflicting uses.

I would commend to the attention of my colleagues the following article form the New York Times by Mr. Erik Eckholm which details the spring migration of shorebirds and their dependence on the key staging areas in North America.

The article follows:

[From the New York Times, May 20, 1986]

SPRING RITE OF GLUTTONY FATTENS BIRDS FOR JOURNEY

(By Erik Eckholm)

REEDS BEACH, NJ.—Every May the normally tranquil shores of the Delaware Bay are transformed into a frenzy of life as a million migrating shorebirds stop by to partake of the nearest thing to a free lunch that nature has to offer.

The scene at Reeds Beach this week is primeval. A narrow, otherwise unspectacular beach seethes with an undulating carpet of sandpipers, thousands crowded wing to wing amid clusters of horseshoe crabs that inch up from the sea like invading army helmets.

The birds pick earnesly at the sand, gorging in the crabs' freshly laid eggs. Strewn about are helpless crabs that were flipped over by the waves, their legs waving frantically as they shrivel in the sun.

After two weeks of gluttony, as fat as they can be and still fly, the little birds will take off for nesting grounds in the Arctic.

Much to their astonishment, ecologists did not learn about this avian melee, the largest spring gathering of shorebirds in North America, until the late 1970's. Their subsequent research has established how important this area is for the birds, and on Wednesday the Governors of New Jersey and Delaware will dedicate large parts of the bay's shoreline as a protected area.

Shorebird scientists hope this will be the first in an extensive network of reserves throughout the Americas to safeguard vital feeding grounds, many only recently identified, of the intercontinental migrants.

Because of their fantastic yearly journeys, the 20 million or more shorebirds that pass through the United States, representing an assortment of species from the sandpiper, plover and phalarope families, cannot be protected in any one place.

Underpinning the Delaware Bay's spring pandemonium are the horseshoe crabs, an endless stream of which crawl onto the beach to deposit billions of pale green eggs the size of pearls of tapioca.

In an ancient mating ritual, male crabs station themselves along the water's edge as high tide recedes. When a female creeps out of the surf, males race for the chance to grab her carapace with their pedipalps, special grippers the males have behind the mouth.

Once a male has successfully attached himself to the much larger female, she burrows into the sand to lay tens of thousands of eggs, which the male fertilizes. By mid-May, the sands are saturated with crab eggs.

In May, too, the shorebirds begin arriving from South America, first a few at a time and then in hordes. Species mainly from the sandpiper family, including sanderlings, red knots, ruddy turnstones, semipalmated sandpipers and dunlins, are joined in the feast by laughing gulls, which bully aside the smaller birds.

By early June, the crabs will have disappeared back into the sea and the overstuffed shorebirds will have flown on to their northern breeding grounds.

While shorebirds have long been respected for their feats of flight, only recently have studies begun to reveal just how awesome their achievements really are. But the new findings also suggest that many shorebird species may be far more vulnerable than their observed multitudes would imply.

About 40 of North America's 49 shorebird species make the round trip every year from the Arctic, where most breed, down to the warmth of Central or South America for the winter and then back north in the spring. Strangely, the birds that nest the farthest north tend to be the ones that winter the farthest south, in Argentina, southern Brazil and Tierra del Fuego. The annual circuit for many exceeds 15,000 miles.

The travel schedules of individual species are being traced through the banding and survey efforts of hundreds of volunteers and scientists throughout the hemisphere, an effort begun in 1974 by the Manomet Bird Observatory near Plymouth, Mass. Birds are banded with multiple colors that allow their later identification with binoculars.

The studies show that several species—especially red knots, sanderlings, ruddy turnstones, whiterumped sandpipers, Baird's sandpipers, stilt sandpipers and semipalmated sandpipers—concentrate in enormous numbers during their migrations at a few key "staging areas," where plentiful food allows them to replenish their energy quickly and move on.

KEY STAGING AREAS

At least four sites in North America each support more than a million shorebirds every year: the Copper River delta in Alaska, Gray's Harbor, Wash., and the Bay of Fundy in eastern Canada as well as the Delaware Bay. Four-fifths or more of the entire breeding populations of some species feed in one of these sites at a time. Numerous other sites in North, Central and South America are also vital as stopover or wintering areas.

These unusual concentrations "break the usual link between a species' abundance and its immunity to extinction," warned J.P. Myers, an ornithologist with the Academy of Natural Sciences in Philadelphia. Shorebirds have low rates of reproduction, so major inroads into the adult population, as would occur if a crucial stopover area were damaged, could jeopardize an entire species.

That abundant shorebirds can indeed be threatened became clear at the turn of the century, when intensive hunting for sport and food drastically depleted many species. With the banning of hunting early this century, most species have recovered. But the once-plentiful Eskimo curlew remains on the verge of extinction and some plovers, too, are still scarce.

Now shorebird scientists, with the backing of the World Wildlife Fund and other groups, are trying to gain protection of the hemisphere's major shorebird staging and wintering areas as a network of "sister reserves." The cause has also been endorsed by the International Association of Fish and Wildlife Agencies, which joins wildlife officials from individual states and from Mexico and Canada. Conservation groups are pushing the concept in Central and South America as well.

The idea of sister reserves is gaining attention, Dr. Myers said, but many key sites remain without formal protection and some face immediate threats. The Cheyenne Bottoms of Kansas, for example, a critical staging area for shorebirds flying east of the Rockies, are losing their waters to agriculture. Conflicting water demands also imperil the role of Mono Lake, Calif., as a stopover site. Almost everywhere, in South America as well as the United States, remaining wetlands visited by migrating birds are candidates for commercial or agricultural development.

AVIAN EXCESS IS NOT UNKNOWN

The spring feeding frenzy at the Delaware Bay shows just how vital a staging site can be for its visitors.

Red knots, for example, winter in southern Brazil, where they feast on small snails. When they head north, often in early May, they are "extraordinarily fat," said Brian A. Harrington, a biologist with the Manomet Observatory. But when the robin-size birds arrive later in the month in the Delaware Bay, they are thin and exhausted after a flight of 5,500 miles with little or no rest.

Then, in just two weeks of feasting on crab eggs, they double their weight, building up energy reserves for their flight to the Arctic.

"There are few places where the birds can lay on fat so fast," Dr. Harrington said. "The food has to be rich and abundant."

Avian excess is not unknown. Some of the birds, said Paul D. McLain of the New Jersey Division of Fish, Game and Wildlife, "get so fat they can hardly even fly," and bounce along like an overloaded airplane when trying to take off.

For birds flying along the East Coast in the spring, the horseshoe crabs of the Delaware Bay provide what is probably an irreplaceable resource, which is why scientists are so anxious to see the bay protected. In the fall, when the birds move south food is plentiful in marine areas such as the Bay of Fundy, Cape Cod Bay and eastern Maine, and the shorebirds refuel in these areas instead.

With their accumulating survey results, biologists are learning for the first time how far and long different shorebirds species fly.

Some species migrate in a singleminded manner, taking a few weeks to reach their destinations with lengthy flights and few rest stops. Others mosey along for months, and some are in almost perpetual migration, following a moveable feast up and down the Americas.

The birds usually fly high, at around 15,000 feet and at speeds approaching 50 miles an hour, scientists believe. Many fly as much as 2,000 miles at a time in 35 to 50 hours without stopping, according to Dr. Myers. And recent evidence gathered by Dr. Harrington suggests that Hudsonian godwits may fly as much as 8,000 miles at a time, although they might be taking brief rests at undiscovered stopovers in South America.

Only three years ago Dr. Myers discovered that many sanderlings circumnavigate the Americas each year, traveling from Chile and Peru up the Western United States in the spring and then flying home through Cape Cod. This "staggering extension of their migration distance," Dr. Myers said, "was not even suspected" before recent field studies revealed it.

Research on migrating songbirds indicates that they orient themselves with a combination of visual, magnetic and astronomic cues. No one knows if the same holds for shorebirds. A particular mystery, Dr. Myers said, is how the juveniles find their way south: the adults tend to leave the Arctic as soon as they can after breeding, often before their new progeny can fly, and the juveniles fly south on their own. Yet somehow they find the right rest stops and arrive at the right winter home.

For the professional and voluntary bird-banders who are making the new discoveries, tracing the journeys of shorebirds brings more than scientific satisfaction.

"It's a euphoric experience to find a bird that you had banded thousands of miles away," Dr. Myers said. "it makes migration tangible."

Sometimes the scientists get carried away. Dr. Myer's colleagues do not let him forget the time along the Louisiana shore that he spotted a bird he had banded in Chile. He jumped into a truck and chased the bird onto a mud flat. The truck, as well as the bird, was lost for good.

Dr. Harrington recalls one red knot he first caught in Massachusetts in July 1980, captured again in April 1981 in southern Argentina, then again in Massachusetts in July 1981, the bird having flown nearly 20,000 miles in the interim.

"It made me think about how much difficulty we humans, with our luggage, visas and airplane tickets, have getting from one part of the world to another" Dr. Harrington said.

"The birds just pick up and fly," he said wistfully.

"JUST SAY NO" WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GILMAN. Mr. Speaker, this past week, all across our Nation, children and adults alike have been celebrating their commitment to remain drug-free. The scourge of drug abuse takes its toll many times over, in lost lives, pained families, crime and corruption.

Earlier this week President Reagan proclaimed May 18–24, 1986, as "Just Say No" Week, an extension of the First Lady's outstanding drug abuse prevention work. Mrs. Reagan's commitment and leadership in this area has been the impetus for renewed dedication on the part of parents, teachers, public officials and so many of our schoolchildren that the way through life must be drug free. It is crucial, however, that we reach the millions of other children and teenagers who may fall prey to this deadly menace. Accordingly, the activities and celebrations being planned this week will hopefully reach all of our country's youth.

The Select Committee on Narcotics Abuse and Control, of which I am ranking minority member, has held substantial hearings on the need for additional drug abuse education activities. Though our law enforcement community is doing everything in its power to interdict the illicit substances that enter our borders, they stress that the fight will only be won if we aggressively address the demand side of this massive problem and educate our population until there is no longer demand for these illegal and devastating substances.

Mr. Speaker, I would like to insert at this point in the CONGRESSIONAL RECORD the President's and first lady's remarks upon the commemoration of "Just Say No" Week. I encourage my colleagues to participate in appropriate activities in their districts, and accordingly, feel that the annexed President's proclamation succinctly sums up all of our attitudes on this important issue.

REMARKS BY THE PRESIDENT AND THE FIRST LADY, MAY 20, 1986

The President: I appreciate all of you joining us here today to kick off "Just Say No" Week. And before I begin, I want to give a long-distance hello to Senator Paula Hawkins. Senator Hawkins has been a loyal warrior in the battle against drug abuse. So, long-distance, Senator, thank you for all you've done, and best wishes for a speedy recovery.

When our team got to Washington nearly 5½ years ago we pledged to put America's house in order. Well, that required more than economic reform and bolstering our national defense. Our country was threatened by an epidemic of drug abuse that's been growing in intensity since the 1960's. By 1980, illegal drugs were every bit as much a threat to the United States as enemy planes and missiles. The plague was fueled by an attitude of permissiveness, both public and private. America was losing its future by default.

Early in our administration, I issued a challenge. Americans in and out of government, I said, should do all we can to defeat the drug menace threatening our country. And I'm pleased that many of you who were in there when I issued that challenge are with us today. I'm also grateful for all the hard work and long hours that you've committed to this truly noble endeavor.

The first thing we did was take down the surrender flag and raise the battle flag. Together we beefed up our enforcement arm, and today more arrests are being made and more narcotics are being seized than ever before. Today there's also more communication and effective coordination between the levels of government and department and agencies than many believed was possible. We are, indeed, trying to do everything government can do to combat drug traffickers.

But just as important, I happen to think more important, we've enlisted the American people in this battle. Parents, service clubs, youth organizations responded to our call. We found prominent citizens, captains of industry, singers, actors and athletes—individuals who young people look up to—were more than willing to do their part. Why? Well, because they love people and they love this country.

What we've got to do now is make certain that we continue to give our young people—like the ones with us here today—the support and backing they need to "Just Say No" to drugs.

[A Proclamation by the President of the United States of America, May 20, 1986]

JUST SAY NO TO DRUGS WEEK, 1986

People all across America are becoming increasingly aware of the terrible dangers of drug abuse. Permissive attitudes about drug use have been replaced by deepening concern and—what is more important—action. People of all ages and from all walks of life are rallying against this terrible scourge. Many young people are taking a leading role in the effort to help other young people from "getting hooked," and in assisting addicts to break the chains of their addiction.

Although young people are exposed to far too many opportunities to experiment with drugs, an ever-increasing number are saying no to drugs and to alcohol. They are joining together to learn how, and to make it stick. They are forming "JUST SAY NO" clubs to help them resist temptation and to encourage their peers to stay drug-free. On May 22, many thousands of children and teenagers will Walk Against Drugs to encourage others to join them in saying "No" to drugs.

These young people of America are demonstrating that healthy and productive lives are possible when you "Just Say No." Many other children of the world share this commitment to put a stop to drug abuse; in Great Britain, Canada, Ireland, Costa Rica, and Sweden, children are actively pursuing this same idea—JUST SAY NO!

We, as adults, owe a debt of gratitude to our children for setting such a fine example; for leading the way to a better future for generations. I congratulate our young people for their courage and zeal in this crusade. I challenge the adults of the world to encourage and support them, and to follow their lead in saying "No" to drugs. I am confident that, working together, we will conquer drug abuse.

To recognize those American young people who are publicly fighting drug abuse by saying "No" to drugs and thereby contributing to the end of this plague in America, the Congress, by Senate Joint Resolution 337, has designated the week beginning May 18, 1986, as "Just Say No To Drugs Week" and authorized and requested the President to issue a proclamation in observance of this event.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week of May 18 through May 24, 1986, as Just Say No To Drugs Week. I ask each person to make a personal commitment to saying "No" to drug and alcohol abuse; and I call on all Americans to join me in observing this week with appropriate programs, ceremonies, and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twentieth day of May, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN.

PUBLIC NEEDS FULL FACTS ON BILINGUAL EDUCATION ACT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. HAWKINS. Mr. Speaker, recently the administration's bilingual education proposal was introduced in the Senate and House of Representatives as S. 2256 and H.R. 4538. Education Secretary Bennett asserts that this legislation is necessary because current law prohibits "flexibility" in local schools and that the Federal Government mandates a particular method of instruction called transitional bilingual education [TBE] in this law renewed several times by the Congress and even signed by this President.

Under the General Education Provisions Act, as amended through December 31, 1984, section 432 reads:

Prohibition Against Federal Control of Education—No provision of any applicable program shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration or personnel of any educational institution, school or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by an educational institution or school system, or to require the assignment or transportation of students or teachers in order to overcome racial imbalance.

The current Bilingual Education Act (reauthorized in 1984) is in compliance with the letter and the spirit of that law.

The following are methods of instruction well known in the teaching profession: Audiolingual method; total physical response method; grammar-translation method; concurrent approach; and, more recently, the natural language approach.

Transitional bilingual education is not a method, but rather a legislative label which describes a program which uses a non-English language initially while at the same time introducing individuals to a well-structured program of English.

Just as the words "humanities," "business" or "vocational education" do not imply a method, neither does "transitional bilingual education."

Since 1968 when the Bilingual Education Act was introduced, local schools have always had the flexibility to choose and propose whichever method they want to use for bilingual education programs of instruction.

Secretary Bennett's use of the "flexibility" is a euphemism for eliminating all native language instruction from these programs. Similarly, his use of the word "choice" is a euphemism for eliminating chapter 1 from local schools so that parents can "privatize" Federal support for local schools.

Secretary Bennett continues to ignore the flexibility provided in the current Bilingual Education Act. He also has ignored evidence of research and evaluation reports funded by his own Department which support bilingual education.

The American public deserves an honest debate on this issue. I am confident that such a debate will help us to focus on the needs of the ever-growing number of children needing bilingual courses in school in order to learn English and to become productive citizens.

HANFORD SHOULD COMPLY WITH ENVIRONMENTAL LAWS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. WYDEN. Mr. Speaker, on Monday I introduced a bill (H.R. 4848) to require the Department of Energy (DOE) to begin complying with Federal and State environmental laws at its Hanford Nuclear Reservation in the State of Washington. The bill also would require, with 3 years, the termination at all DOE sites of the dumping of liquid radioactive and hazardous wastes directly into the soil.

I introduce this bill, along with my distinguished colleague JOHN MILLER of Washington, because strong environmental safeguards at the Hanford Nuclear Reservation in southeast Washington are critical to the future of the Pacific Northwest. The Hanford reservation is located on the Columbia River, which divides Washington and Oregon, and which serves as a source of food, irrigation and transportation for both States.

Nevertheless, State and Federal officials have repeatedly testified that Hanford currently violates a variety of environmental laws and standards, including the Solid Waste Disposal Act and State hazardous waste laws. My bill would force Hanford's present operations to comply, within 2 years, with these and other State and Federal environmental laws, including the Clean Air Act and the Federal Water Pollution Control Act.

H.R. 4848 also would require DOE, within 3 years, to identify and characterize wastes previously dumped at Hanford, and to remove or otherwise safely dispose of all such wastes which are an environmental hazard.

Under the bill, within 180 days of enactment, DOE will submit a schedule of the steps it will take to comply with the Act, along with an estimate of the costs of carrying out those steps. The compliance schedules and activities would be adopted in consultation with the Environmental Protection Agency (EPA) and the Governors of the States of Washington and Oregon.

Mr. Speaker, if a commercial nuclear facility did business the way Hanford does, the Government would shut it down tomorrow. A commercial facility would not be allowed to dump radioactive and hazardous liquid wastes right into the ground. And yet that's exactly what Hanford is doing at its "Plutonium and Uranium Recovery through Extraction" (PUREX) facility. A commercial facility also would not be allowed to pollute springs so that they exceed the Federal drinking water standards for nitrates. And yet, according to Washington State officials, that's just what the PUREX dumping has done.

DOE officials have indicated in the past that they intend to begin complying with environmental laws at some point in the future. However, I am concerned that left to their own devices, the compliance may be "too little, too late." For example, when the EPA and the State of Washington cited Hanford last February for violations of hazardous waste laws at two dumping sites, they stopped dumping there, but continued to argue that those sites should be granted a waiver from the environmental laws. I believe this reflects DOE's general attitude that it is a special case; that it cannot allow environmental laws—at the State or Federal level—to "get in the way" of its work.

DOE officials, and others, have at times argued that its lack of compliance is due to lack of necessary appropriations from the Congress. H.R. 4848 will allow DOE to show this, if indeed it is the case, through the compliance schedule and cost estimate provisions.

This bill would complement the bill I introduced on May 23, 1985, H.R. 2593, which gives EPA the responsibility for monitoring DOE's compliance with environmental laws. This new compliance and clean-up bill will tell us what needs to be done and requires DOE to do it. The monitoring bill will ensure we have an accurate picture of DOE's progress toward meeting these goals.

Mr. Speaker, too many times we wait for a crisis before taking action to protect our citizens from radioactive and other hazardous wastes. The terrible legacies of Love Canal and other superfund sites stand as symbols of such misplaced complacency. H.R. 4848 would end DOE's failure to comply with minimal environmental standards, which everyone else must obey, before Hanford becomes the Love Canal of the West. We cannot wait for the hazardous wastes at Hanford to lead to tragic consequences. It is morally right and cost effective to take preventive action now, before it is too late for us and for our children and succeeding generations.

SUB-SAHARAN AFRICA NATURAL RESOURCE AND ENVIRONMENTAL MANAGEMENT TRAINING AND EDUCATION ACT

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mrs. SCHNEIDER. Mr. Speaker, today I am introducing legislation that will contribute substantially to the long-term economic development of sub-Saharan African countries and take a giant step forward in protecting the critical natural resource base of these countries. Importantly, it will help to ensure that famine-stricken African countries have the necessary skills and expertise to achieve economic growth without damaging the natural resource systems on which growth depends.

This bill, the Sub-Saharan Africa Natural Resource and Environmental Management Training and Education Act, is the result of 5 days of hearings held last fall on the African famine crisis by the Subcommittee on Natural Resources, Agricultural Research and Environment of the Science and Technology Committee. Testimony at the hearings made clear that the fragile natural resource base of the sub-Sahara requires particularly wise management. Evidence also clearly demonstrated that there is a lack of skilled personnel in the sub-Sahara who are able to provide the prudent natural resource management which is necessary. The lack of trained personnel is a major factor in the current agricultural crisis. A recent U.S. Department of Agriculture study concluded that most African countries do not have trained people to administer government programs or to improve food productivity using environmentally sound methods.

The famine that has wracked large parts of Africa in the last few years has brought about an outpouring of American generosity. I am proud of my fellow citizens for this incredible concern for the needs of people halfway around the world. We in the Congress, however, would be shortsighted if we did not see

that mere famine assistance is only a Band-Aid. A stable and economically viable Africa is vital to the United States interest in global stability. We must look to the longer term, more difficult task of creating new partnerships with these countries which will help them to become self-sustaining. This can only happen if the economic development that takes place does not further erode the fragile and already damaged natural resource base on which economic growth depends.

The African training bill is one step in addressing the long-term problems in the sub-Sahara. The bill requires the United States to establish a training and education program designed to encourage the development and utilization of appropriate natural resources and environmental management techniques in the sub-Sahara. This program will provide support for, first, appropriate regional training and educational institutions engaged in natural resource and environmental activities in this area; second, national and local training and education program through Government extension services, non-governmental organizations and other program institutions that demonstrate potential for effective community based educational capacity; third, U.S. research and development programs designed to incorporate the training and educational personnel in natural resource and environmental activities that are relevant to the sub-Saharan region, and fourth, other development training programs, educational efforts and related activities carried out by international, regional, bilateral, and nongovernmental organizations aimed at establishing or strengthening institutions to increase the capacity of sub-Saharan nations to effectively manage their natural resources on a sound environmental basis.

While flexible in approach, this legislation emphasizes two important target groups for training assistance:

WOMEN

Women carry out as much as 80 percent of farm activities and provide up to 90 percent of the rural food supply. Yet these same women rarely receive any of the agricultural training, extension service, research or technology innovations provided by foreign assistance. In many countries, laws and customs deprive women of access to these tools. This bill would specifically require that women receive training in proportion to their participation in the funded activities such as forestry, agronomy, water management and herding.

NONGOVERNMENTAL, ORGANIZATIONS

Nongovernmental organizations can provide training to local community people who otherwise might not be reached by government programs but who are the backbone of the local economies. The bill requires that its objectives should be met wherever practical through nongovernmental organizations which are active in the region where the training or education activity is to be undertaken.

To implement the program, the bill requires the Agency for International Development to include in each sub-Saharan nation's development strategy statement a plan to assist the nation in developing an effective training and education program. The bill requires no additional Federal spending. AID would be required to spend at least 1 percent of funds made available to each sub-Saharan nation under sections 103, 106, and 121 of the Foreign Assistance Act to carry out the act. AID also would be required to prepare a report to Congress on additional steps which can be taken by Federal agencies to meet the goals of the bill.

The bill is consistent with recommendations made by various organizations which have studied the situation in the sub-Sahara. For example, the Office of Technology Assessment concluded in a 1984 report that agricultural extension systems in Africa generally are ineffective, that women contribute significantly to the production of food crops but have limited access to training and that private and voluntary organizations can play a significant role in assisting the people of the region in meeting their essential needs. The bill is also consistent with the Environment and Energy Study Institute's 1985 recommended congressional agenda for improving management of natural resources in less developed countries. This report recommends that the United States enhance environmental and related development training in less developed countries.

It is particularly fitting at this time to concern ourselves with this issue. The U.N. General Assembly special session on the critical economic situation in Africa will begin May 27. The session is intended to establish a frame of reference for the future actions of the international community and of its members in assisting Africans toward sustainable economic development. Essential in this process is the training of local citizens in environmental management practices.

Mr. Speaker, few events have galvanized the attention of the world as has the recent famine in Africa. The dimensions of this problem are staggering. There is no question that the sub-Saharan region will face serious food production problems for some time to come. Despite the end of the drought in many regions, the destruction of the soils and forests in recent years has been so severe that a major international effort must be made to help restore these damaged lands. This effort must result in the people of these countries managing their development with the best information available for sound decisionmaking. This legislation will ensure that U.S. foreign aid to sub-Saharan nations will help the people of Africa to become self-sufficient and the economies of the countries to become self-sufficient.

LEGISLATION TO AMEND THE INTERNAL REVENUE CODE WITH RESPECT TO THE TREATMENT OF CERTAIN AIR TRANSPORTATION

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BARNARD. Mr. Speaker, together with 24 of my colleagues, I am today introducing legislation to correct a serious inequity in the fringe benefit provisions of the Tax Reform Act of 1984. While that act established a tax on certain fringe benefits provided by employers to employees, it exempted from taxation specified categories of fringe benefits including "no-additional-cost services"—that is, benefits provided to employees and their families when the benefits do not impose "substantial additional costs" on the employers. Congress created this "no-additional-cost services" exception so that the Tax Code would not discourage the consumption of goods and services that would otherwise be wasted. The report accompanying the Tax Reform Act of 1984, defined the exemption in the following way:

"Generally, situations in which employers incur no additional cost in providing services to employees are those in which the employees receive, at no substantial additional cost to the employer, the benefit of excess capacity which otherwise would have remained unused. * * *"

In other words, if the employee's fringe benefit doesn't impose any additional cost on the employer and would otherwise go to waste, it should not be considered taxable income.

Unfortunately, and I believe inadvertently, Congress limited the "no-additional-cost services" exemption to those services which are also sold to the public in the ordinary course of the employer's business. The result is that while commercial airlines and railroads, for example, can offer employees and their families tax-free empty seats, firms not in the transportation business but owning or leasing aircraft or railroad cars, cannot—even though the employer does not incur any additional expense and even though the seat occupied would otherwise have remained empty.

Mr. Speaker, this "line of business" limitation, which creates an artificial distinction between unused capacity on a commercial airliner versus unused capacity on an employer-provided aircraft, is illogical and unfair. All of the public policy reasons that justify a tax exemption for the value of an empty seat on a commercial airliner or commercial train, apply equally to an employer-provided aircraft or railroad car:

In both cases, the trip would have taken place with or without the "hitchhiking" employee;

In both cases the business owning or leasing the aircraft incurs no substantial additional costs by permitting the empty seat to be occupied;

In both cases excess capacity would have remained unused except for the employee occupying the seat; and,

In both cases the imposition of a tax on the "hitchhiking" employee discourages the consumption of goods and services that would otherwise be wasted.

In point of fact, Mr. Speaker, it would have made far greater public policy sense, in the case of empty aircraft seats, to offer the "no-additional-cost services" exemption only to employees of firms not in the commercial airline business. This is because employees of commercial airlines view free seats as an inducement to accept and continue in their jobs; whereas employees of firms not in the transportation business, do not anticipate the benefit. In other words, if a fringe benefit is regarded as something that an employee counts on

as a part of his compensation, then it makes greater public policy sense to tax the value of free flights by commercial airline employees than by employees of firms not in the aircarrier business.

I am in no way suggesting that commercial airline employees be taxed on the value of empty seats they occupy. What I am suggesting and what my legislation would accomplish, is that all employees be treated equally in the face of unused, cost-free capacity, whether or not their employer happens to be in the commercial transportation business.

Mr. Speaker, the legislation I am introducing today is straightforward and fair: It amends the Internal Revenue Code by including in the definition of "no-additional-cost services" the value to an employee or other occupant of an empty seat on any employer-provided aircraft but only if the following three conditions are met:

First, the aircraft flight must be for a legitimate business purpose;

Second, the employer must not incur any substantial additional cost in providing such transportation; and,

Third, the seat occupied by the "hitchhiking" person would otherwise be empty.

All three tests would have to be met in order for the value of the flight to be excluded from taxation. If the aircraft was flying for a nonbusiness purpose, my amendment would not make the value of the flight tax exempt. If the employer incurred substantial additional cost in providing such transportation—if, for example, the aircraft flew out of the path of its scheduled flight plan—the value of the flight would similarly not be tax exempt. If an employee, scheduled to fly for business reasons, was "bumped" by a person not traveling for business, the value of the flight would not be tax exempt.

Mr. Speaker, in addition to the basic unfairness of the current distinction between services offered "in the line of business" versus other services, there is another powerful agrument for amending the Tax Code. That argument has to do with the cost to the IRS of enforcing this fringe benefit provision; and the expense to business firms of complying with the complex set of implementing regulations proposed by IRS. As chairman of a House IRS oversight subcommittee which has faithfully supported vigorous, but efficient and fair, tax administration, it is my view that if the existing law is not amended and if the temporary Treasury/IRS regulation implementing that law becomes final in its present form, it will actually produce "negative revenues." That is, it will cost far more to enforce than it will return in dollars to the U.S. Treasury. Given the constraints of Gramm-Rudman and the necessity for collecting all the tax dollars currently due the Treasury, this must not be allowed to happen.

The Commerce and Monetary Affairs Subcommittee, which I chair, has strongly supported IRS' contention that except for compelling reasons directly impacting the integrity of our tax system, use of its resources should be prioritized based on tax revenues produced. Given the shrinking dollars available to IRS and the pressing enforcement problems it faces, I believe it would be a great mistake to force the Service into an expensive compliance effort that would raise almost no revenues and force firms that operate business aircraft to maintain a mountain of required records. IRS presently lacks manpower resources to collect hundreds of millions of dollars in taxes that have been assessed, but not paid. It lacks the resources to pursue proven cases of tax evasion representing the loss of additional hundreds of millions of dollars in revenues. How can we justify imposing this additional burden on the Service when it lacks resources to carry out its main function of assessing and collecting dollars desperately needed to balance the budget.

Mr. Speaker, I urge my colleagues to join with me in support of this amendment to the Internal Revenue Code. I also hope that its introduction will send a signal to the Treasury Department that it should reexamine its temporary regulation governing the taxability of empty seats on employer-provided aircraft. Once before, in recognition of strong congressional and private sector concern over Treasury's original "empty seat" regulation, the Department modified its proposal by allowing empty seats to be occupied on a tax-free basis, but only if 50 percent of the seats on the aircraft are occupied by business travelers. While Treasury's change slightly improved the original proposal from a public point of view, it complicated the already difficult paperwork and recordkeeping burdens of that proposal. I believe that a strong case has been made in favor of a further modification of the temporary regulation. Pending legislative action on my bill, I call on the Treasury Department to take the initiative and eliminate the discriminatory feature and paperwork burdens presently in its pending temporary regulation.

A copy of the legislation is included below:

H.R. 4884

A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain air transportation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (h) of section 132 of the Internal Revenue Code of 1954 (relating to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR CERTAIN NONCOMMERCIAL AIR TRANSPORTATION.—For purposes of this section, the term 'no-additional-cost service' includes the value of transportation provided to any person on a noncommercially operated aircraft if—

"(A) such tranportation is provided on a flight made in the ordinary course of the trade or business of the taxpayer owning or leasing such aircraft for use in such trade or business,

"(B) the flight on which the transportation is provided would have been made whether or not such person was transported on the flight, and

"(C) no substantial additional cost is incurred in providing such transportation to such person.

For purposes of this paragraph, an aircraft is noncommercially operated if transportation thereon is not provided or made available to the general public by purchase of a ticket or other fare."

(b) The amendment made by subsection (a) shall take effect on January 1, 1985.

TRIBUTE TO REPRESENTATIVE WILLIAM CARNEY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SOLOMON. Mr. Speaker, today my close friend and colleague from New York, Congressman BILL CARNEY, has announced that he will not seek reelection to this House for a fifth term.

This is a saddening bit of news not only for me and our New York colleagues, but for all Americans whose deeply rooted faith in traditional American values were represented by BILL here in the House over the past 8 years. As the Republican whip for New York, there were no other Members of this body who could be more consistently counted upon to cast votes in strong support not only of the policies of the Republican Party, but also those of our great President, Ronald Reagan. Not only has BILL CARNEY been the tops in New York, but in my book, he has been one of the tops in the entire Nation.

Not only will I miss his friendship and legislative skills, but this Nation will be less well off because of the absence of his voice in the 100th Congress.

Mr. Speaker, I insert into the RECORD the text of BILL CARNEY'S statement announcing his retirement.

STATEMENT BY REP. WILLIAM CARNEY

Thank you all for coming. Today I am announcing that I will not seek reelection to the House of Representatives for a fifth term.

This was a difficult decision to reach, and it goes against my every instinct to leave the office the voters of eastern Long Island entrusted to me for 8 years. I came to Congress in 1979 filled with the desire to do good things—for my constituents—and this nation. And while I will not be a member of the 100th Congress when it meets next year, I know that I have accomplished much of what I set out to do.

The United States is a stronger, more respected—and far more prosperous land than it was when I first took Office. In those dark days, President Carter spoke of a national malaise, the economy was in a shambles and the United States seemed to doubt its ability to serve as the leader of the free world.

But I believed in the inherent strength of this nation, confident that with foresight and leadership greatness would again be ours. I believed that the system would serve us well if channelled in the right direction. I believed, too, that one man could make a difference.

And I was right. The individual men and women who I am privileged to serve with and call my colleagues have made a very great difference.

The malaise is gone. We in Congress courageously supported the policies that brought America back. Our economy is strong and robust, and just as importantly, we have rediscovered our national pride, patriotism and sense of purpose.

From my first day in Washington up to this very minute, the only questions I ever asked before making a decision or casting a vote, first, is it right, and secondly is it to the benefit of the people who put me here.

Those same questions acted as my one and only guide on the issue of Shoreham.

I strongly believe in upholding federal law and protecting an orderly licensing process. A procedure which guarantees opponents and supporters alike their day in court. The law specifically shields an issue as crucial as public safety from political tampering. I could not sanction any attempt to subvert the law or tamper with the process to influence the outcome.

This, then, is my dilemma. Shoreham pitted Bill Carney the public servant against Bill Carney the politician. I'm happy to say that Bill Carney won.

I faced a crisis of conscience which placed my commitment to do what I know in my heart to be right—that is see the system through to its conclusion—up against pursuing the path of least political resistance to do and say the things necessary to save my political career.

I can tell you that political expediency never had a chance, and that is why my name will not be on the ballot in November. I could not sell out my conscience or the trust you placed in me for another two years in Congress.

Now as I prepare to leave this office, I would be saddened and disappointed if all that I have tried to do—to contribute to a restored economy, a renewed respect for America abroad and a revitalized sense of patriotism—was pushed in the background by Shoreham.

I hope that one day these things will carry more weight than my stand on one issue. Today, however, is not that day. I want to assure every resident of the First Congressional District that in the weeks and months ahead I will continue to provide the professional and concerned constituent service you all deserve. In addition, I will work closely with my successor—whoever that may be—to ensure a smooth transition.

I'd like to thank my dedicated staff for all their hard work and patience. I am also deeply indebted to my loyal supporters, close advisors and—most importantly—my family for their guidance and understanding. Without them, I could not have come this far. They were there when both Bill Carneys needed them. I believe we have all won, thank you.

A TRIBUTE TO SGT. MAJ. CHARLES FERG

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SCHEUER. Mr. Speaker, As Memorial Day approaches, I want to call attention to Sgt. Maj. Charles Ferg of the U.S. Marine Corps, who has served our Nation in military service for nearly 30 years.

Sergeant Major Ferg's military record includes tours of duty spanning the globe to such hotspots as Vietnam and Beirut.

Sergeant Major Ferg is a credit to himself, his family, and his Nation.

His personal military decorations include: The Navy Achievement Medal, the Presidential Unit Citation, four awards of the Navy Unit Commendation, the Meritorious Unit Commendation, nine awards of the Good Conduct Medal, the Marine Corps Expeditionary Medal, the National Defense Service Medal, the Armed Forces Expeditionary Medal, the Vietnam Service Medal with Silver Star, the Humanitarian Service Medal, the Sea Service Deployment Ribbon with two stars, the Republic of Vietnam Meritorious Unit Citation, the Gallantry Cross Color, the Republic of Vietnam Meritorious Unit Citation Civil Actions Color, and the Republic of Vietnam Campaign Medal.

Mr. Speaker, Sergeant Major Ferg represents the best and the brightest in our military service and he is an example for all of our Nation's youth who look to military service as a career.

Sergeant Major Ferg will be leaving soon from his post at Fort Schuyler in the Bronx to assume duties with the 4th Marine Division in New Orleans.

The transfer of Sergeant Major Ferg, his wife and two children is New York's loss and New Orleans' gain.

I wish him the best in his new post.

AMERICA'S TRADE CRISIS—A TIME FOR ACTION

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GUNDERSON. Mr. Speaker, it is widely recognized that international trade is an essential component of the American economy. A strong and viable international trade sector is critical to the health and vitality of the U.S. economy. But it is also clear that international trade is just as essential to the economic well-being of western Wisconsin. This is no secret to the people of western Wisconsin, who recently responded to a districtwide questionnaire distributed by my congressional office by indicating that they ranked the trade issue above terrorism, arms control, Central America and United States-Soviet relations as a foreign policy priority issue.

The residents of western Wisconsin, joined by the American public, recognize that something must be done about the U.S. trade deficit—a deficit that reached $148.5 billion in 1985—more than double that of 1983. Today, through its vote on H.R. 4800, the "Trade and International Economic Policy Reform Act of 1986," Congress has the opportunity to show that it will do something about the trade deficit. We have a chance to enact legislation that will help move us beyond a framework governing international trade that was designed in an era when total trade was less than 4 percent of U.S. gross national product and little more than raw materials were imported from developing countries; to a system recognizing that imports of manufactured goods account for more than one-fourth of overall U.S. industrial consumption, and American farmers and manufacturers are competing daily with countless low-wage paying newly industrialized nations.

The bill we are considering today tackles the difficult issue of trade through a variety of strategies and methods. Provisions are included that will help provide the Wisconsin and American agricultural sectors with an opportunity to regain some of the market share that has been lost over the past few years. Well-focused education and employment training programs are establishd as an integral part of the U.S. trade effort. The problem of nations aiding their trade posture through the use of unacceptable and substandard foreign labor practices is also addressed. Most importantly, the bill goes beyond empty words to requiring concrete actions to reverse the trade deficit now threatening the American and world economy.

ALL IS NOT GLOOM

There have been some positive signs in recent months. Underlying conditions affecting the trade balance have improved markedly. The dollar has fallen 30 percent against an average of the major currencies since its peak in February. Interest rates have continued to decline more in the United States than in any other countries. And, as U.S. interest rates decline and the dollar decreases, U.S. goods should increase in attractiveness to foreign buyers.

PROBLEMS REMAIN

Since 1960, the U.S. share of world trade has dropped from roughly 18 to 13 percent. In 1970, imports represented only 8 percent of the U.S. market in capital goods. Last year, foreign imports in this area increased to 26 percent.

In 1980, when U.S. exports in manufactured goods were at their peak at $224.5 billion, over 6 million Americans owed their jobs to exports. Since that time, U.S.-export volume has dropped off by about 14 percent—resulting in the loss of approximately 1.5 million jobs since 1980.

American agriculture has been equally hard hit by declining trade. The value of agricultural exports has fallen from $39.1 billion in 1982 to $31.2 billion and is expected to fall even further to $29 billion this year. In addition, comodities imports are increasing—$19.8 billion in 1985 and $20 billion forecasted for 1986.

Despite the fact that the United States had a positive trade balance for agricultural commodities in 1985, there is still much concern over the fact that we have seen a significant decline over recent years. In 1981, the United States enjoyed its largest agricultural trade balance with $43.8 billion in exports and only $17.2 billion in imports.

CONSEQUENCES OF THE TRADE DEFICIT

So what exactly do these trade statistics mean for the United States?

One consequence of the U.S.-trade deficit, felt in very real human terms, is the loss of American jobs. Until 1980, the growth of U.S. exports had stimulated employment in the United States. In that year, merchandise exports alone represented $224.2 billion for the United States—and 6 million jobs. However, between 1980 and 1983, the International Trade Administration estimated that 1.5 million total jobs were lost throughout the economy, largely due to falling export volumes.

In addition to the loss of jobs, the United States is in the process of losing entire industries. Key industries—steel, textile, footwear, machinery—and even those U.S.-dominated industries such as electronics, telecommunications and other "high-technololgy" fields are threatened by rising foreign competition. It can

be justifiably argued that America's ability to defend itself in a time of war will be seriously jeopardized if we allow basic U.S. industries to vanish from the domestic scene.

CAUSES

It is obvious that we face a trade problem of enormous proportions, but what are the causes?

First, despite recent reductions the overvalued U.S. dollar remains as one of the largest contributing factors to our current trade deficit. As the dollar increased its value by 30 to 50 percent against other currencies in the past few years, U.S. firms competing against foreign competitors have been placed at a severe disadvantage. In effect, the increased dollar served as a tax of between 30 to 50 percent on U.S. exports and as a subsidy of the same amount on U.S. imports.

A rapid expansion of income and demand in the United States compared to diminishing buying power and demand abroad, particularly in Third World and debtor nations; substandard labor conditions in competing foreign countries resulting in much lower labor costs as compared to those in the United States; ability of our own industries and U.S. products to compete with those from foreign nations; and unfair trade barriers in other countries, are other contributing factors to the U.S. trade deficit.

ADMINISTRATION RELUCTANCE TO ACT

Another very significant factor has been the administration's reluctance to act in a timely manner on recommendations and findings from the International Trade Commission [ITC] and on provisions in current law.

Since 1948, when the General Agreement on Trade and Tariffs [GATT] was implemented, we have maintained reasonable alternatives to protectionist legislation, which, as structured and enforced, provide relief from imports. Sections 201 and 301 of the 1974 Trade Act, for example, are intended to restrict imports, based on an ITC's favorable recommendation. Following are three examples of such alternatives, which unfortunately, have been either ignored or not enforced.

Last year, the ITC ruled unanimously that imports had imposed serious injury to the domestic industry. Consequently, the Commission recommended quotas for 5 years on nonrubber footwear imports valued over $2.50 per pair. However, President Reagan failed to implement the Commission's recommendation.

TEXTILE

Likewise, the textile industry faced with administration inaction found it necessary to appeal to Congress for relief from unreasonable import levels. The Commerce Department has confirmed that had the multifiber arrangement [MFA] been enforced, the legislation intended to limit textile imports by 30 percent would not be necessary. A Presidential veto has thwarted legislation passed by Congress that would have implemented the ITC recommendations.

THE ITC AND PORK

At times, even the ITC has failed to adequately address the trade issues confronting American industry and producers. The Commission ruled last year that Canadian pork had injured our domestic industry. Accordingly, the import of live hogs into America was restricted. It was recommended, however, to allow unrestricted quantities of fresh pork products into the United States. Ultimately, this decision merely benefits Canadian pork processors. As a result, American pork producers have found it necessary to appeal this decision in the courts.

TRADE AND AMERICAN AGRICULTURE

I want to thank my colleagues who worked with me in developing a number of initiatives, included in this bill, that are of particular importance to farmers adversely impacted by U.S. trade problems. These new programs, if enacted, will greatly benefit the farming and rural communities in which they reside.

Two provisions in particular will help the dairy farmers of this country. One would provide for the reclassification of casein from an industrial product to a food product. The other would prohibit milk produced by foreign-owned dairies, financed by or with industrial development bonds, from receiving the class I or II price for their milk established under the Federal market order program.

CASEIN

Only 1 percent of all casein imported into this country was used for food and feed purposes back in 1955. In 1985, 90 percent of all casein went toward food and feed uses. It is necessary and proper that casein be reclassified as a food product. In the 6 years I have been in Congress, several attempts were made to reclassify casein, but all proved unsuccessful. This change will not have a direct impact in the short term, but rather gives us the means to address casein imports in the long term.

FOREIGN-OWNED DAIRIES

With an ever increasing surplus of milk, a dairy termination program has been put in place in an effort to help bring about a balance in supply and demand. At a time when American dairy producers are being asked to help pay for a dairy termination program, it is apalling that our Government is permitting foreign investors to use low-interest industrial development bonds to finance large dairies which will help to defeat the purposes of the farm bill.

The legislation today, incorporates a bill I introduced earlier this year that corrects this inequity by prohibiting these large foreign investors from selling their milk at a class I or II prices and effectively limiting them to the manufacturing price of $10.98 per hundredweight. When you consider that the overorder price being paid in the Georgia market order is approximately $15.35 per hundredweight, this legislation will effectively reduce the incentive foreign-owned dairies might have to add to the American dairy surplus.

ADDITIONAL AGRICULTURE PROVISIONS

In addition to the reclassification of casein and dealing with the foreign investors in the dairy industry, H.R. 4800 has several other provisions that are essential to the agricultural sector.

As mentioned earlier, the ITC's decision on imports of hogs and pork products and their effects on our domestic producers has failed to adequately resolve the issue of importation of raw and processed products. This legislation would clarify our unfair trade laws with respect to processed products to insure that the ITC examine the possible injury to growers of these products.

H.R. 4800 also makes it a priority that all interested foreign purchasers be allowed to acquire U.S. commodities through our Export Enhancement Program. This will allow us to move more of our commodities and at the same time develop new markets for our products.

Other provisions will give more authority to USDA in agricultural trade matters, as well as require the President to submit an annual agriculture trade strategy report. The report will have to include recommended policy and spending goals for 1-, 5-, and 10-year periods.

EDUCATION COMPONENT

Title V of H.R. 4800, the Education and Labor component of the bill, establishes well-focused education and employment training programs as a integral part of the U.S. trade effort. In order for American industries to compete internationally, both now and in the future, we need to maintain a well-trained work force.

FUNDING FOR STATE PROGRAMS

In the education and training component of the bill we address several areas of concern, both for workers and for potential employers. First, this section provides funding to States for supplemental programs in vocational education and training to displace workers; literacy education to adults and to out-of-school youth; and provides assistance to improve math, science, and foreign language instruction for elementary and secondary students in order to better prepare our current and future work force for the employment needs of the future.

TRAINING AND ASSISTANCE FOR DISPLACED FARMERS

Second, during committee consideration of the trade issue, I worked with my colleagues to ensure that displaced farmers, were eligible for employment training and transitional assistance to individuals displaced due at least in some part to competition from imports and exports. This bill requires the Department of Labor to identify not only those industrial workers displaced due to import and export competition, but it directs the Department to identify farmers being dislocated from their farms due in part to international competition or to financial hardship. Through this provision which I authored, the Federal Government will make its first formal effort to identify and locate these farmers in need of transitional and retraining assistance.

Another important program established by this measure is a joint labor-management training program, encouraging the development of labor-management committees to provide retraining and education assistance to existing workers in threat of displacement.

TIME FOR ACTIONS

Again, H.R. 4800, the "Trade and International Economic Policy Reform Act of 1986" is not perfect. There are a number of problems in this bill which I hope can be resolved during its consideration. But, the time for talk has passed. If we do not act soon, we will not

need to worry that our actions will result in foreign retaliation—there will be no U.S. firms against which to retaliate. This legislation is a starting point from which we can build a bipartisan consensus on trade. It is critical that we to act now with substantive measures in order to adequately address the Nation's problems in international trade.

KIM DAE JUNG, DEMOCRACY AND FREEDOM IN SOUTH KOREA

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Ms. MIKULSKI. Mr. Speaker, Secretary of State Shultz' praise of Korean President Chun Doo Hwan while visiting Seoul last week was overstated and unjustified. His words demonstrated the Reagan administration's misunderstanding of the real South Korea—a nation full of tension, repression, and violence.

In recent months violent student protests pervaded with anti-Americanism have become a regular occurrence throughout South Korea. Two weeks ago over 4,000 protesters marched in Inchon carrying placards defaming the Chun government and the United States. And just after Mr. Shultz' visit, over 100 police and students were hurt after a peaceful demonstration turned into a fire and rock throwing riot.

Kim Dae Jung, cochairman of the Council for the Promotion of Democracy in Korea, denounces this violence. But he knows that in part it stems from the perception that the United States tacitly supports the authoritarian Chun government. Secretary Shultz' blatant support of Chun last week merely adds fuel to the fire.

I received a letter recently from Mr. Kim. In it he explained the goals that the United States must support, not only to promote democracy, but also to regain the backing of the Korean people: reform of the constitution, direct presidential elections, prompt restoration of democratic institutions, the end of the military dictatorship, and an open and firm U.S. support of democratic and human rights developments.

As Korea hosts the 1988 Summer Olympics, the eyes of the world will be focused on its people, its natural beauty, its rich history, and its current government. Now is the time for the Chun government to make real progress toward democratic reform that will bring an end to the repression, and therefore, the violence. Now is the time for the United States to make clear its record that it stands for democracy and against repression wherever it occurs—be it Korea, Nicaragua, South Africa or the Soviet Union.

I would like to submit for the RECORD a recent statement written by Mr. Kim that appeared in the Washington Post.

KOREA: WHAT WE WANT

(By Kim Dae Jung)

SEOUL.—Secretary of State George Shultz is scheduled to visit Korea this week, just at a time when, I believe, the Korean-American relationship is at a very important stage.

In the military coup led by Gen. Chun Doo Hwan in 1980, I was arrested and imprisoned. After five years in prison in Korea and in exile in America, I returned home in February of last year. The most shocking thing to me was the cooling off I noticed in the Korean public's feelings toward the United States and the pronounced anti-American sentiments of some elements in Korea society. This year, their anti-America slogans are becoming very pronounced and frequent.

It seems that there are three major reasons for such worsening of sentiments toward the United States. First is the perception, unfounded as it is, that at the time of the coup carried out by Chun and the massacre of citizens in Kwang Ju, the United States acted in support of these activities or at least failed to endeavor positively to block them.

Second, in Korea now, all democratic institutions, such as the press, National Assembly and the courts, have turned into mere tools of the despotic Chun regime. Despair prevails. The general public has no place to turn in order to solve these problems by democratic means. There is a widely held perception that the United States tacitly supports this tyranny.

Third, the U.S. government, Congress, news media and citizens have critized human rights and the lack of progress toward genuine democratization in Korea. The fact is that all these criticisms have been kept from being reported by the Korean media. On the other hand, the remarks made by U.S. government leaders and some pro-Korean personages in support of the Chun regime are played up in the press. A false impression is thus given to the Korean people that the U.S. government and people all support and tolerate the undemocratic Chun regime.

Even more unfortunate is the fact that we in the political opposition, being concerned about this trend and making efforts to correct it, are blocked from working effectively for that purpose. Our publications are censored by the government. I am prohibited from speaking directly to students and industrial workers. I am constantly under surveillance: my phone conservations are tapped and my mail is censored before reaching me. Those who associate with me are themselves subjected to police harassment.

The political reality in Korea today is that if we fail to remedy the situation soon, there is a great possibility that there may be a drastic deterioration in the political situation and in the Korean people's feelings toward America. How can such a negative development be prevented? The only remedy is a prompt restoration of democratic institutions.

When democratic institutions are established, the freedom-loving Korean people will be able to speak out and participate actively without fear of reprisals. Once this occurs, the influence of radical elements within Korean society will be greatly reduced. Once the popular desires for freedom and justice is satisfied the root cause of radicalism will disappear.

If the United States supports such democratic developments, our people's current misconceptions concerning the United States will be corrected. Although the absolute majority of our people may criticize U.S. policy toward Korea, continued oppression by the despotic regime provides the best chance for radicals to expand their influence.

Our people are resolved now to put an end to the military dictatorship in the coming presidential elections. This is an absolute commitment. As long as the military dictatorship continues, there will be neither freedom and justice nor national security and peace. Now will there be the friendly relationship with the United States. If we fail to end the military dictatorship in the presidential elections next year, this nation will be eventually thrown into chaos and toward political polarization. This would clearly present an open invitation for North Korean aggression. Korea could then become another Vietnam.

Democracy is the only path toward stability and security. Democracy is the only way to attain the common interests of Korea and the United States. We are not asking the United States to restore our democracy for us. The restoration of our democracy must be achieved with our own efforts and through our own sacrifices. We have asked the United States for only two things: one is that the United States should unequivocally declare its open and firm support of the great cause of Korean democratization and restoration of human rights. The other is that the commander of the U.S. forces in Korea, who is the commanding general of the Korea-U.S. Combined Forces Command, should endeavor to ensure the political neutrality of the Korean Armed Forces. Then, we will take care of the rest.

Secretary Shultz' visit will provide a very important opportunity for Koreans to judge whether U.S. policy toward Korea has really changed since the Philippine elections and the promulgation of the Reagan Doctrine. While the Korean people have great interest in the Shultz visit, some misgivings still linger.

Under a democratic system, compromise is an essential political function and virtue. However, tyranny and democracy are absolute extremes. There can be no compromises between the two unless Chun's regime completely accepts democratization of our nation. The Korean people earnestly desire an end to the military rule which has persisted over the past 25 years. To this end, they believe that constitutional revision is necessary to enable them to pick their president by direct popular vote. The opposition party in Korea is mounting a major, nationwide campaign to urge constitutional revisions to allow for such direct presidential elections. The voting in the February 1985 general election showed a high degree of support for our party's position on constitutional revision. In rallies that have been held throughout the country this spring, it has become obvious that there is tremendous grass-roots support for such a change.

In a country such as Korea, where there is a total absence of freedom of the press, local autonomy and fair elections, no one can expect a transfer of power with either an indirect presidential election system or the "Cabinet responsibility" system. Our people are confident that only through a direct presidential election system can the nation overcome election frauds and other built-in institutional advantages held by the government party.

Corazon Aquino could never have won if she had to face the same conditions that currently confront the political opposition party in Korea. President Chun has now offered a compromise in which the ruling party agrees to move up constitutional revision to before 1988 in return for opposition party concessions on the direct election system. I believe that this would be a great

setback for the Korean people. There can be no compromise on how the Korean people should be allowed to choose their own president.

The democratic forces in Korea, which genuinely hope to return to the traditional friendly relationship with the United States, now await Secretary Shultz' visit with both high expectations and feelings of uneasiness.

THE MICRO-ENTERPRISE PROMOTION ACT OF 1986

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GILMAN. Mr. Speaker, today I am introducing legislation to encourage micro-enterprise owned by the poor in developing countries. The purpose of this bill is to enable poor people to achieve food security and meet other basic needs by helping them to help themselves.

The micro-enterprise approach to development has been neglected by governments and multilateral banks even though informal sector activities employ from 30 to 70 percent of the labor force in developing countries.

Micro-enterprises typically have four workers or less, usually involve family members, and are located both in urban and rural areas. Their activities include light manufacturing, tailoring, retailing, and very small industries, such as rice husking, basket weaving, shirtmaking, and selling food. One financial intermediary currently making loans to micro-enterprises is loaning less then $200 at 16-percent interest. It has a 98-percent repayment rate, compared to 50 percent to 90 percent default rates for big industrial loans in Third World countries.

In addition, 65 percent of the loans are to women—the farmers of the Third World.

The smallest loan—$1 to a beggar woman—enabled her to become a vendor of ribbons, hair clips, and bangles.

Constant indebtedness to traders, informal moneylenders, loansharks, or relatives perpetuates the poverty of poor people in developing countries. Formal financial institutions in developing countries do not recognize the viability of income-generating enterprises owned by the poor. These formal financial institutions prevent the poor from gaining access to legal credit through extensive collateral requirements and difficult repayment schedules.

Documented increases in incomes of micro-enterprise borrowers and successful repayment rates among poor borrowers have begun the process of penetrating the barriers of formal financial institutions which have previously excluded the poor. Emphasis must now be placed on making funds available so we can better target assistance to entry-level micro-enterprises owned by the very poor.

Accordingly, I am inserting a full copy of the full text of this measure and I urge my colleagues to cosponsor and support the legislation.

H.R. 4894

A bill to amend section 108 of the Agricultural Trade Development and Assistance Act of 1954 to encourage loans for micro-enterprises owned by the poor in developing countries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Micro-Enterprise Promotion Act of 1986".

SEC. 2. MICRO-ENTERPRISE CREDIT PROGRAM.

Section 108 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1708) is amended by adding at the end the following new subsection:

"(j)(1) The Congress finds that—

"(A) numerous micro-enterprises owned by the poor comprise the informal sector economy in developing countries;

"(B) micro-enterprises are small-scale operations, typically having less than 4 workers;

"(C) micro-enterprises, which are located in both urban and rural areas, engage in activities such as light manufacturing, tailoring, retailing, processing and transporting food, and servicing farm machinery;

"(D) micro-entrepreneurs who have been able to obtain small loans have demonstrated their ability to repay those loans and have achieved significant improvements in their living standards and made significant contributions to the local economy;

"(E) formal financial institutions in developing countries, however, have not recognized that, although micro-enterprises owned by the poor may lack collateral for loans, they can nevertheless be financially viable;

"(F) as a result, micro-enterprises owned by the poor have had little access to formal sources of credit; and

"(G) in order to address this problem, a high priority in carrying out this section should be to provide financial assistance to these micro-entrepreneurs.

"(2) Accordingly, the President shall establish a program under this section, administered by the Agency for International Development, pursuant to which foreign currencies generated from the sale of United States agricultural commodities under this section are used by financial intermediaries in developing countries to provide loans to micro-enterprises owned by the poor.

"(3) The financial intermediaries selected to participate in this program shall include (but not be limited to) cooperatives and other indigenous organizations that are privately owned and controlled.

"(4) For each of the fiscal years 1986 through 1990, foreign currencies shall be made available under this subsection for loans to micro-enterprises owned by the poor in an aggregate amount equivalent to not less than 20 percent and not more than 30 percent of the value of all sales of agricultural commodities for foreign currency for use under this section.

"(5) For the purposes of this subsection, the term 'micro-enterprise' means a small-scale enterprise (either a single proprietorship, a small-group enterprise, or a cooperative) which operates within the informal sector economy of a developing country, in either an urban or a rural area, and which lacks access to formal credit sources.".

ENTRANCE INTO A NEW ERA: CLEVELAND HEIGHTS DEDICATES A NEW CITY HALL

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STOKES. Mr. Speaker, the city of Cleveland Heights, located in the 21st District of Ohio, completed a major step this year toward its goal of creating a town center for the community.

On Sunday, June 1, 1986, city officials will dedicate its new city hall, approximately 1 year and 7 months after the groundbreaking for the structure. Designed by Cleveland Heights architects Dickson & Dickson, the new facility provides not only a symbolic core, but also a real center for all city services: Administrative, judicial, and safety.

Mr. Speaker, the new Cleveland Heights City Hall provides the citizens of that community with a convenient facility in which all city services are housed under one roof. A resident will be able to come to city hall, find parking with little problem, and conduct routine business quickly and easily. The city hall will also accommodate visitors in wheelchairs; something that was impossible in the old structure.

The new structure is a marked departure from the old cramped quarters at the former city hall. The exterior design of the new building leaves a stately, yet contemporary impression. Inside, a 50-square-foot atrium, topped with a pyramid-shaped skylight, gives the building a spacious, brilliant quality. The atrium provides a forum for ceremonial functions, as well as a focal point in design, by having municipal offices surround it.

However, Mr. Speaker, the hall's site also has a historical significance. It is located on land adjacent to Severance Center. The entire area was the setting for Severance family's estate, Longwood. The Severance family is noted for its contributions to Greater Cleveland, including the world-renowned Cleveland Orchestra. At the present time, there are plans to develop the surrounding area into a town center that would serve a multitude of needs in the Cleveland Heights community.

I should also note that in the cornerstone ceremony for the building in November 1985, city officials buried a time capsule scheduled to be opened in the year 2036.

This is important, Mr. Speaker, because Cleveland Heights is perhaps the most culturally diverse community in the Greater Cleveland area and the town prides itself on its commitment to fostering an environment where people of many cultures, acres, and religions can peacefully live, work, and raise families. Cleveland Heights has major programs in place to maintain its integrated nature.

This commitment to maintaining this kind of community is symbolized in the time capsule's contents. Clearly a concerted community effort, the time capsule contains essays, poetry, and artwork from area school children, menus from local restaurants, worship service programs from Heights' churches, and various

artifacts from city hall, all reflective of life in 1986 in Cleveland Heights, OH.

Mr. Speaker, I hope that the new Cleveland Heights City Hall serves its residents well, and would like to offer my congratulations to Mayor Alan J. Rapoport, Vice Mayor Carol Edwards, and council members Robert H. Arnold, Barbara Boyd, Philmore J. Hart, Leonard Horowitz, Joanne E. O'Brien, and Richard Weigand; former City Manager Richard V. Robinson; current Manager Robert C. Downey and the city hall staff for their contributions in making this structure a reality.

IN HONOR OF CLAIRE L. ROTHMAN

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today on behalf of Claire L. Rothman, who, on May 29, 1986, will be honored by the City of Hope, Medical Center Aides.

Whether dealing with temperamental rock stars, high-strung athletes, burly boxing promoters, or obstinate labor union officials, Claire Rothman displays a combination of charm and tenacity which makes her unique. As vice president and general manager of the Forum in Los Angeles, Ms. Rothman is the only female general manager of a major entertainment facility in the United States. Jerry Buss, the Forum's owner, calls her "talented and creative, and she goes about our business with a dedication that makes her one of our most valuable people."

The scope of her responsibilities makes possible the smooth operation of the Forum. In a typical week, Ms. Rothman can be seen supervising a ticket sale for the latest rock group, negotiating with a local union, and running the show for a sold-out Lakers basketball game. It is a job that can go from 9 a.m. until midnight, requiring spontaneous and creative solutions to a myriad of problems.

In her years at the Forum, Ms. Rothman has received numerous awards, both for herself and the arena. These honors include: Billboard's "Facility Manager of the Year"; Harper's Bazaar "Diamond Superwoman Award"; Women in Business' "Ten Women of the Decade," and Bullock's "Portfolio Award," honoring women who have excelled in their careers.

Ms. Rothman is also very active in the community, sharing her time and expertise with many worthwhile organizations. She is on the board of directors of the International Association of Auditorium Managers. She also serves as a board member of the American Collegiate Talent Showcase (ACTS) which seeks new talent at the college level. In addition, Ms. Rothman also is a member of the Centinela Hospital Advisory Board and the City of Hope Resources Board. In 1983, she was elected to the City of Hope Board of Directors. She is also currently a member of Convention Cabinet of the Executive Council of the City of Hope for their national convention in 1985. Ms. Rothman is active in women's groups, such as Women In Business and The Trusteeship for the Betterment of Women.

"Entertainment and sports are no different than any other field that women can bring something unique to," says Ms. Rothman. "This is a business where women's creativity and the ability to deal with people and bring out that team spirit are evident."

It is a pleasure to share Claire Rothman's accomplishments with my colleagues in the U.S. House of Representatives. I ask that they join me in wishing Claire all the best in her future endeavors.

ADDRESS OF SECOND LIEUTENANT MICHAEL K. LENNON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SKELTON. Mr. Speaker, recently I had the privilege of attending Bravo Company's Mess Night at Quantico, VA. During the course of that evening, Marine 2nd Lt. Michael K. Lennon—who was serving as master of ceremonies—gave a stirring address on the qualities and characteristics of leadership. Lieutenant Lennon's remarks exemplify the caliber of the young men and women serving in our Armed Forces today, and I am pleased to share his thoughts with my colleagues in the Congress.

Good evening General Wendt, distinguished guests, ladies and gentlemen. As President of the Mess, I welcome you to Bravo Company's Mess Night.

We gather this evening as members of an elite corps of officers to celebrate that which we share in common.

Certainly we share many things—our uniform, our training, our camaraderie and love for corps and country.

But what deeper bond do we share?

What we share is that fundamental desire to lead Marines.

We have been taught a great deal about leadership in the past 17 weeks. We have been taught in the classroom and in the field, and through our discussion groups. We practice our techniques on a day-to-day basis as billet holders.

In retrospect recall what our first few weeks were like here, as "lieutenantdates" if you will—formations at the drop of a hat, unsure of each other, and unsure of ourselves—only beginning the metamorphosis from college students to Marine Officer.

We as Marines, as officers, and as a Company have grown.

General John A. Lejeune, defined leadership as the sum of those qualities of intellect, human understanding, and moral character that enable a person to inspire and to control a group of people successfully.

I memorized that defintion as a Marine recruit in 1978 just as I memorized many things—and from time to time I thought about what this definition meant to me and how I could apply it to the daily challenges that faced me as an NCO and Staff NCO.

I noted that, although leadership is defined as a sum, the sum itself is not limited or restricted. General Lejeune obviously intended that leadership be an ongoing and ever-growing aspect of our obligation.

We as leaders must acknowledge these aspects and strive to improve ourselves as professionals just as we seek to improve those in our charge.

To those in our charge we must be firm and fair, yet just and compassionate. General Lejuene noted that the relationship between officer and enlisted should in no sense be that of superior to inferior nor that of master to servant, but rather that of teacher to scholar.

So where does TBS fit in and exactly what do we learn here?

Well, we become physically and mentally tough while gaining the technical and tactical proficiency that will enable us to fill the role of the teacher in General Lejeune's model.

As teachers we must not forget that at one time, we too were just learning. We must recall the questions that we asked about material not covered in the Enabling Learning Objectives. For example: What is the Effective Casualty Radius of a Nuclear Hand-grenade? Why can't I hitchhike from box to box? Should I throw the grenade now, Sir?

We also improve the intellect that General Lejeune found so necessary in leadership. We must note, however, that the knowledge gained at TBS is not gained for selfish reasons. Our purpose is to utilize the knowledge we gain to increase the abilities of those we lead.

Next, we gain insight into the nature of human understanding. We discover our own strengths and weaknesses as well as those of our peers and of our leaders.

We gain this knowledge with the realization that the enlisted Marines in our command will have a different perspective on our Corps based upon the individual reasons for service, and their widely varying educational and cultural backgrounds.

We have memorized the principals and traits of good leadership. We have practiced on each other.

Now we must choose to attack the leadership challenges which will face us with the flexible determination of an understanding, moral and educated representative of our society knowing that TBS is not an end unto itself, but merely a means to a larger end. For it is here that we have truely learned The Basics.

We gather this evening at Quantico, the crossroads of our beloved Corps.

For some of us, this crossroads marks the beginning of a challenging and honorable path in life.

But regardless of our pasts, or commissioning sources, or our prior experiences, we must now stand together as one Corps of officers, just as those before us have stood—uncompromising and unwavering. Facing the present and the future with more pride in what we are now and in what we shall be than in what we have been or where we are from.

For in our hands lies the future of our Corps and our Country. Thank you.

COLOMBIA TO HOLD PRESIDENTIAL ELECTION MAY 25

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GARCIA. Mr. Speaker, on Sunday, May 25, Colombia will hold its presidential elections. As the following report from the Council on Hemispheric Affairs (COHA) explains, the balloting represents a crossroads for the

nation. Among the issues at stake are whether Bogotá will continue to play a leading role in the Contadora process, and if the effort to promote internal reconciliation that the retiring President, Belisario Betancur, pioneered will be abandoned. The report was written by COHA Research Associate Lawrence Boudon. I commend his findings to the attention of my colleagues.

COLOMBIA AT CROSSROADS AS COUNTRY POISED TO ELECT NEW PRESIDENT

(By Lawrence Boudon, Research Associate, Council on Hemispheric Affairs)

Colombians go to the polls May 25 to elect a new president and the result may determine Colombian politics at home and abroad for years to come. Colombia's constitution is 100 years old this year and the country finds itself at a critical crossroad, both in terms of its continued commitment to democracy, and the maintenance of an active Central American policy.

COMPROMISE OR CONFRONTATION?

At stake is the future of the internal peace process, begun by President Belisario Betancur in 1984, which, although marred with failures, has had some success integrating guerrilla forces into mainstream political life. The military, against the process since its inception, may either be given freer reign in suppressing the insurgency, or invite demands that it further yield some of its almost plenary authority to civilian rule. Colombia's leading role in the Contadora group may also be compromised by the outcome of the voting. Finally, with an improving economic scenario, the elections may decide whether the country will follow in the footsteps of neighboring Ecuador with efforts aimed at export-oriented growth, or, rather, use its added revenues for vitally-needed domestic socio-economic reforms.

A TOUGH ACT TO FOLLOW

Under the Colombian electoral laws, a president may not seek a consecutive term of office, thus the country must bid farewell, for now, to a man who stood apart from the autocratic, frequently corrupt, traditional politicians who went before him. His immediate predecessor, liberal Julio Cesar Turbay Ayala, was implicated in a major financial scandal and was a known heavy drinker.

Belisario Betancur, a college professor from a very humble background, initiated dozens of public programs—such as a 20,000 unit housing project in South Bogota, and an electrification program to extend electric power throughout the country. He put Colombia on the road to domestic tranquility by offering the guerrillas an opportunity to re-enter legal life, supported the development of oil and coal exports, and brought Colombia into world politics with an active policy in Central America.

Barely after his inauguration in August 1982, Betancur made the controversial but popular decision to reject a Colombian bid to hold the World Cup soccer tournament in 1986, in favor of devoting its limited resources for badly needed social programs. Although his popularity shrunk towards the end of his term, due to continued guerrilla and military violence and the mishandling of the Palace of Justice takeover, experts doubt that either of the contenders for this year's elections are likely to be as bold as was Betancur in breaking new political ground. All in all, Betancur was one of Latin America's most extraordinarily contemporary leaders.

THE CANDIDATES

The Liberal candidate, Dr. Virgilio Barco, who is considered the frontrunner due to his party's victory in the March congressional elections, favors industrial growth, rural development, internal peace and social justice, and a dynamic role for Colombia in hemispheric affairs. He is likely to continue many of the policies begun by Betancur including the pacification and integration process. The ruling Conservative Party candidate, Alvaro Gomez Hurtado, on the other hand, is for export-led growth, fiscal conservatism including a smaller role for the state in development, and internal peace through law and order. Although his party suffered reverses in the March poll, his hardline against the guerrillas has gained him growing popularity among those Colombians who feel the peace process has been an unqualified failure.

TWO-PARTY HEGEMONY

The other candidates—Colombia has traditionally been a restrictive two-party system—have either dropped out of the race, as did New Liberal Luis Carlos Galan and Patriotic Union candidate Jacobo Arenas, or are not considered to be factors in the election. In the Liberal Party platform, Barco is committed to "the broadening of political, economic and social participation," while Gomez promises "National Participation" which is "placing the people within our democracy." But the realities are that besides the two main parties, political groups in Colombia have never been able to mount any real electoral challenge. This fact has been one reason why many alienated Colombians have chosen the path of armed struggle and, should the system remain relatively closed, may force groups as the Colombian Revolutionary Armed Forces (FARC)—who ran in the March elections as the Patriotic Union (UP), but who received only 1 percent of the vote—back into clandestinity.

INTERNAL PEACE PROCESS IN TROUBLE

The future of the peace process, which in recent months has seen the signing of truce agreements with several National Liberation Army (ELN) fronts, depends upon the outcome of the election. Barco favors the process, but wants to go beyond simple ceasefires to an actual integration of the guerrillas into Colombian political life. The Liberal Party "supports providing guarantees so that the groups or parties which disagree with the system can publicize their programs, engage in political action and join in civilian life, abandoning armed action as a strategy for seeking power." But Barco has also emphasized that Colombia "cannot continue to live in a state of war." He may in the end, display less patience in dealing with the guerrillas than did Betancur.

Alvaro Gomez has continually criticized Betancur's peace initiative, saying that "enough time has passed and the results are unsatisfactory," although he claims that "we are not going to rashly declare an experiment over when there are still possibilities of victory." Gomez's father was ex-president Laureano Gomez, under whose rule from 1950–53 was unleashed the bloody "Violencia" which claimed the lives of over 100,000 Colombians in a brutal partisan civil war. Colombian specialists consulted by COHA generally believe that Gomez intends to terminate the peace process and give the armed forces the green light to combat the guerrillas in the manner they see fit. The Colombian military has never accepted the prospect of peace and has continually violated the truce with the FARC, the ELN, and the M-19 guerrilla groups. When the latter occupied the Palace of Justice last November, one of their demands was to publicize the records of the government's peace commission to demonstrate the military's guilt.

The guerrillas have never been satisfied with the truce, either, and, despite the extension signed by the FARC in March, a government announcement April 30 that the military's budget would be increased by some $12 million, prompted the group's leadership to warn that "if the government doesn't put the enemies of peace on a leash," they would be forced to submit the country to a civil war. This announcement came despite the fact that the FARC has already demobilized 2,500 guerrillas out of an estimated 6,000.

The Colombian military has been increasingly active against the insurgents, especially since the Palace of Justice siege. At Christmas time, the Armed Forces carried out a dragnet campaign in the Cali region in which 25 people were killed, 70 wounded and over 100 arrested. Various parts of the country remain under a state of siege, which Defense Minister Miguel Vega Uribe has stressed will run through the elections, citing continued guerrilla activity. The almost unqualified autonomy displayed by the military is an issue with which the new civilian president will have to grapple.

IMPROVING ECONOMIC PICTURE

Colombia, like most of Latin America, has suffered a long recession dating back to 1981. Although inflation has not been excessive, unemployment has risen to 14 percent. Colombia is blessed with having one of Latin America's smallest relative foreign debts at around $11 billion, and is also the beneficiary of rising coffee prices—which accounts for 50 percent of the country's export earnings and is expected to bring in $2.7 billion in additional revenues in 1986. The country has also become a net exporter of oil and the Cerrejon coal project is scheduled to add another $16 billion in income by the year 2002.

Barco has declared that "the main objective of my government will be the creation of jobs, which is the most heartfelt need of the country." His program includes industrial growth, an accelerated agrarian reform and state intervention. His platform claims that "the economic and social policies of the state should be oriented toward making the sustained growth in production and equitable distribution of assets and income compatible." Barco will also push ahead with the development of oil and coal exports.

Gomez, as a final conservative, leans towards the private sector and foreign investment. His platform promises to reduce the size and involvement of the state in the economy in order to "create employment in the private sector with better efficiency and higher salaries." Gomez will cut taxes and reduce government spending in favor of private initiative. His program is not unlike that of President Leon Febres Cordero in neighboring Ecuador, who has been touted as the "Latin American Reagan," whose economic policies have received blessings from the Intenational Monetary Fund and the White House.

INVOLVEMENT IN CONTADORA

The remaining question to be resolved May 25 is whether Colombia will cease to be a leader of the Contadora Peace Process in Central America, a high priority for Betancur, but one over which he has been criti-

cised internally for letting it take precedence over pressing domestic problems. Indeed, Betancur has been very active internationally over his four-year tenure and it remains to be seen how much attention the victorious candidate will devote to this arena.

Barco is likely, as is Gomez, to pay more attention to internal matters than did Betancur. However, Barco remains committed to the idea of inter-American cooperation and Latin American solidarity. His platform stresses "committing the United States to a policy of peace and economic equity for the continent." Gomez, on the other hand, is more nebulous on this issue and is expected to warm up relations with Washington.

On the issue of Contadora and Central America, Barco promises to "support the right of the Central American peoples to pursue their policies of economic, social and political transformation without any type of foreign intervention, particularly that of a military sort, and assistance in conflict in this region, with a view to finding political solutions to the serious situation of conflict faced by the Central American region." He will undoubtedly, though, devote less time to the process than did Betancur. Gomez may abandon the group altogether or, at least, convert Colombia into a passive noncontributor.

IN AGREEMENT ON DRUGS

At least the two major candidates are in basic agreement on the need to combat drug production and trafficking in Colombia. The country has received millions in U.S. aid towards this end and both have expressed a strong commitment to cooperation, including a continuation of the extradition treaty. The country was able to eradicate 2,000 hectares of coca in 1985 and expects to accomplish more this year.

PRO BONO REPRESENTATION BY GOVERNMENT EMPLOYEES

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. KASTENMEIER. Mr. Speaker, current law (18 U.S.C. 205) makes it a crime for an officer or employee of the United States in any of the three branches or any U.S. agency—including the District of Columbia—to represent anyone in any proceeding or matter in which the United States or the District of Columbia is the opposing party or has a direct and substantial interest. During the 98th Congress I introduced H.R. 6267 which would have removed several limitations in 18 U.S.C. 205. H.R. 6267 had the support of the Federal Bar Association, the American Bar Association, and the Judicial Conference for the D.C. Circuit. The main impetus of the bill was to increase pro bono opportunities for federally employed and D.C. Government attorneys. The broad impact of H.R. 6267 was that it would have allowed representation by a federally employed attorney or other employee when a different agency of the Federal Government was on the opposing side, "if not inconsistent with the faithful performance of his duties." The administration through the Federal Legal Council and the Office of Government Ethics [OPM] indicated its opposition to the broad bill—H.R. 6267—but its potential support for a narrower bill. In response to their concerns a narrower bill was drafted, and is being introduced by the chairman of the Subcommittee on Judiciary and Education of the Committee on the District of Columbia, Mr. DYMALLY, and me.

This bill merely removes the barriers preventing Federal employees from doing pro bono work in which the District of Columbia is the opposing party and preventing D.C. employees from doing pro bono work in which the Federal Government is the opposing party. The bill removes this barrier which is inconsistent with home rule, and puts the District of Columbia in the same position as States. In no case could an employee perform pro bono work if it was inconsistent with the faithful performance of his or her government duties. Government agencies generally develop internal guidelines for employees relating to possible pro bono activities by attorneys and others.

It is expected that the bill will primarily affect attorneys and broaden their ability to perform pro bono work. There are more than 20,000 federally employed lawyers in the country and the majority live and work in the D.C. metropolitan area. This legislation will assist the client community, many of whom cannot receive legal services due to Federal funding cuts. I plan to conduct a hearing on the subject on June 12, 1986.

OUR CANADIAN TRADE PROBLEM

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SCHUETTE. Mr. Speaker, Canadian softwood lumber consumption in the United States has increased from less than 20 percent of the United States softwood lumber market in 1975 to more than 31 percent in 1984. Between 50 and 60 percent of Canadian lumber production has been exported to the United States over the past decade. Imports of Canadian lumber are a concern for United States producers because productive capacity in the United States and Canada currently exceeds what the North American lumber market can absorb. This leads to heightened competition, depressed lumber prices and employee layoffs.

The United States concern over Canadian lumber imports is primarily a result of the continued low price for lumber. Estimates from Data Resources, Inc., indicate that capacity utilization in the United States is just 80 percent while in Canada it is 90 percent. Other studies report a less dramatic, but nonetheless important utilization rate.

U.S. producers have estimated that more than 250 sawmills have been closed since 1978, causing the loss of 38,000 jobs. During this same time, 85 mills were opened in Canada. In Michigan, Canadian softwood occupied 53.2 percent of the market share in 1983.

Clearly, we must address this serious problem.

In addition, United States imports of both live swine for slaughter and fresh, frozen, and chilled pork meat from Canada have increased substantially over the past few years. This increase is the result of several factors, including the strength of the dollar and Canadian Government support policies which constitute an unfair subsidy on Canadian pork exports.

Agricultural products must be treated or processed before being sold to end users or manufacturers. Producers and initial processors, therefore, are part of the same industry. A high tariff exists on live hogs from Canada which are subsidized. To escape this tariff, processed pork is sent from Canada to the United States. When United States pork producers brought a trade remedies case citing injury to our pork industry due to the influx of subsidized fresh, chilled, and frozen pork from Canada, however, the International Trade Commission ruled that processed pork products were not part of the same industry as live hogs, and therefore countervailing duties should not be imposed on the pork, which they determined was not directly subsidized.

In light of the intent of Congress, this was a very questionable decision, underlining the importance of clarifying Congress' original legislative intent. This is even clearer when we realize that the result of this unfortunate decision has been that while the import number of live hogs from Canada was reduced by 7 percent last year, fresh and chilled imported pork from Canada has increased 22 percent, thereby overwhelming all benefits of the countervailing duty placed on live hogs. Michigan, just across the border, has taken in more than its share of Canadian pork.

This ITC determination conflicts not only with the intent of Congress, it conflicts with findings made by the Commerce Department. As a result of the ITC, Canadian producers are escaping punitive duties on their hogs simply by slaughtering them in Canada and exporting pork, which remained exempt from the extra duties.

In the past 3 years, the U.S. trade deficit has tripled and the instances I have cited involving hogs, pork, and softwoods are a part of the reason.

This unprecedented trade deficit is partially the result of the strong dollar, which in turn is partially a result of the hugh Federal deficit. It is therefore necessary that we reduce and eliminate the deficit if we are to restore the balance to our balance of payments.

Canada is our largest trading partner, and a healthy and competitive trade relationship between our two countries is in the best interest of us all. But our merchandise trade deficit with Canada more than tripled between 1980 and 1984. Widespread Canadian Federal and Provincial subsidies on products exported to the United States have placed our domestic industries in an unfair competitive disadvantage. The result is lost jobs, diminished production and production capacity, and a threat to the future of our farm families, small and large business, and entire industries.

American producers are good enough to compete anywhere in the world. It is not through any lack of will or capacity that they often fall behind on world markets. Rather, we often see foreign governments offering subsidies for their industries that compete against

our domestic industries. Decisions such as the one reached by the ITC regarding Canadian pork imports do not help to alleviate this situation. Our trade laws must be geared toward securing a fair and open world market for the American farmer and manufacturer. Their products can stand up to any in the world.

MRS. SHIRLEY PHELPS HONORED

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. CLAY. Mr. Speaker, on Wednesday, May 28, 1986, at 7 p.m., Mrs. Shirley Phelps will be honored at the National Democratic Club by her many friends and admirers for her 25 years of dedicated and personable service to the National Democratic Club and its members.

At this event, many Members of Congress, family, and friends will gather to honor this very personable person who has faithfully carried out her duties at the club.

Shirley is perhaps one of the most recognized persons in the Democratic Club to both members and guests. Her ready smile and witty conversation was always present and available.

Her ability to recognize and greet members and guests is legendary. This ability has helped to make many neophytes in the club feel welcome and comfortable.

I am delighted that many of my colleagues and friends of Shirley have decided to honor her. I am pleased to thank and congratulate her on her many years of service and commitment to duty. She is truly an example to all of us.

DARING TO SPEAK OUT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. CONYERS. Mr. Speaker, at a recent dinner honoring Paul Findley, our former colleague and author of the recently published "They Dare to Speak Out," a distinguished American Rabbi, Dr. Elmer Berger, introduced the featured guest with a speech on American politics and the Mideast, the value of which merits reprinting in the RECORD.

Dr. Berger was ordained after graduating from Hebrew Union College in Cincinnati and the University of Cincinnati where he was elected Phi Beta Kappa. He served congregations in Pontiac and Flint, MI, before helping to found the American Council for Judaism in 1943, which he became executive director in 1955 and later executive vice president. Since then, Dr. Berger has specialized in issues related to the preservation of Judaism as a religion of universal values in the United States and in advancement of the Mideast peace process.

Rabbi Berger's observations and insights are as provocative as they are useful. In the spirit of the Argentinian editor Jacabo Timmerman, he concerns himself with the themes of world silence, democracy, and its susceptibility to subversion and the ever-recurring phenomena of political persecution.

REMARKS BY ELMER BERGER

It would be possible to begin these remarks by saying to the spirit of Diogenes, "Throw away your lantern." But although this is a happy occasion, it is also too suffused with serious matters to be so flip. For we are here to honor a man who really believes literally in the old maxim, "Politics is the art of the possible". And we are here to acknowledge the import of a book this man has written which, if the grammarian purists will forgive me, translates the word "possible" in that maxim as an activist verb rather than a static noun or adjective. For Paul Findley's "They Dare to Speak Out" is testament to the truth of another injuction of democracy that works: "Let the people know". For Findley obviously believes that in knowing, the "possible" of politics is stretchable, expandable, extendable to horizons to be better than we are. So, honoring this man and acknowledging the merit of his book we reaffirm our faith in the inherent superiority of freedom over regimes which operate on the premise that what is politically possible is limited to what a few know, or think they know, who confuse power with omniscience and are tempted to claim near-infallibility by virtue of their accessibility to memoranda stamped "top secret".

But the title of Paul Findley's book contains an implicit caveat. With deliberation, I am sure, he chose the word "dare" to characterize the action of those he selected for speaking out on one of the most politically hazardous public issues of recent American history. That the former journalist and congressman chose this particular word suggests two, following ideas. First, that in the problems of Zionism and American relations with the State of Israel, a kind of mind-fix has set in among the American people. The two phenomena have been cultivated as subjects above and apart from the usual, hurly-burly of popular, political debate. They have been invested with a kind of sanctity and the holy of holies is perceived as a place not to be invaded politically without hazard. And secondly, in commending those who have taken the "dare", Findley implies that they have performed a service to our * * * induced by methods of intimidation which, if not all illegal flirt with the barest minimum of a free society's values.

The book is about much more that the unquestioned efficiency—if not the ruthlessness of the American-Israel Political Action committee, the official Israeli lobby, too often called "the Jewish lobby", in Washington. Findley documents meticulously the pervasive influence of AIPAC reaching to schoolboards to affect decisions about what text books may be used in local school systems, as for example in Tucson, Arizona. He lists universities throughout the country where Zionist influence, operating on academic authorities or boards or regents nominate or veto who may or may not be invited as visiting lecturers, or who may, or may not be, approved for tenure. It penetrates church councils and pulpits where interfaith dialogues are being held to persuade the participants, with not-so-subtle threats amounting to defamation, that pro-Israeli political positions have a proper place in theological discourse involving Judaism and often Islam. And AIPAC influence on the managers of mass media of information often exceed conventional methods of competition for column inches or air time. I can testify personally to the truth of the examples Findley recounts in all these vital areas of American public opinion makers. All of these activities are in addition to, as well as in support of, the more or less jungle rules followed by most of the more obvious lobbying efforts among the nation's political leaders. AIPAC, directly, or through surrogates, reaches across legally established election districts, taking advantage of the obscene costs of modern political campaigns, making financial contributions supporting candidates voicing the most extravagant commitment to Israel and discouraging support for more responsible opinions expressing some objectively demonstrable concerns for wider American interests. In short, there is virtually no working part of the American public opinion machinery in which the Zionist/Israel lobby does not supply ample lubrication.

There is very little real secrecy about these activities and, in a strict sense, certainly no deep, dark conspiracies. In fact, the AIPAC managers boast of their achievements, no doubt believing that nothing succeeds like success and to underline, perhaps even to exaggerate public perception of their power increases the efficacy of their intimidation potential. So, after the 1984 election, Thomas Dine, according to The Wall Street Journal, boasted that what he called "Jewish money" defeated Senator Charles Percy who had been Chairman of the Senate's Foreign Relations Committee and had expressed serious reservations about the Israeli claim to have annexed Jerusalem. I suggest to you that such a boast from another's mouth would be labeled an anti-semitic canard. And Dine, the Director of AIPAC, in the same report described the present Congress as the "most pro-Israel" in history, as if its members should be awarded at least Boy Scout merit badges for such zealous minding of the business of the American people.

What is so worrisome and frustrating in all of this is not really the reach of the Zionist lobby into every hamlet of our nation's life. It is rather the apathy, the acquiescence of the American people, beginning with our political, academic, journalistic and clerical leadership. And the worry and frustration are intensified by the fact that many of these same leaders consistently remind the nation of the vital interests of America and the free world in the Middle East.

The great service of Paul Findley's book is that it is a collection of documented case-histories which, at least partially, explains the contradiction of a free people losing by default to a special pleading apparatus in an area of public issues involving vital, national interests. And the wide variety of the cases Findley examines cautions all Americans the distortion of the democratic processes begins in the fabric of our own lives and is not limited to a mishapen policy toward Israel and the broader, more important and assets of the rest of the Middle East.

It would be inappropriate for me to preempt much more of this evening which belongs to Paul Findley. But I would speak less than my conscience and, I think, knowledge, if I failed to mention here a nuance of a difference of opinion with a few lines in the concluding pages of his revealing book. He says, "The Jewish community, acting alone, could retrieve free speech from the casualty list" of victims of this peculiar reticence in our political dialogue about issues

associated with this Zionist/Israel phenomenon. He does add that Jews are "some of the most thoughtful and outspoken critics of Israel. But they speak out as individuals. They are not seen as Jewish leaders".

I am pleased to have been included in his list as I am always pleased to be on the hit list of the Anti-Defamation League which, in its perceived passion for civil and human rights, exercises its right to villify any who find the Zionist state less than saintly or who criticize the minions it directs through the organized Zionist movement in the United States. It is patently not true that those of us who will not be told what to think by the Zionist/Israel apparatus all act or speak as only individuals. For more than forty years I have had the devoted and generous support of an organized following who have made it possible for me to keep alive and, I think to enrich, the tradition of anti-Zionism which is older in American life by many decades than perceived, present, uncounted support of Zionism. And there are other organizations and numerous individuals who stand on a platform essentially the same as ours. We reject the anti-semitic conception of Jews as a separate national entity. Judaism, or free identity as Jews, we all insist has nothing at all to do with the gratuitous extension of Israel's extraterritorial nationality claims automatically to include all Jews. We recognize the national character of the Palestinians, displaced originally by the discriminatory character of Israel's illegitimate "Jewish people" nationality claims, Palestinians still condemned to exile by the Zionist state's exclusivist citizenship laws and the institutionalized exclusivism of its social, political and economic structures.

The failure is not an absence of protest against the Zionist practice of repression and intimidation Findley inventories. The failure lies with the operators of the political power-structure of American life. The tin horn, self-appointed spokesmen for a non-existent entity called "an American Jewish community" are welcomed at the White House and their advice is sought before the men elected to represent the interests of all the American people make a move involving Israel. But when one of us numbered among those who "dare to speak out" writes a letter to the Secretary of State, or asks for an appointment we are met with stone-walling or a computerized reply. It is not that the policy-makers do not know we exist. It is that they want to hang on to the claim of deniability. They do not want to know what we have to say. For to hear us and comprehend what we have to say would start a process of self-indictment for many of the power-brokers on counts of dereliction, of failure to enforce even existing legislation designed to maintain the integrity of the nationality status of individual American citizens and of any voluntary organizations they may design to sustain their legitimate heritage. Those are harsh words. But the accusations can be substantiated. As my dear friend and frequent mentor, Dr. W.T. Mallison has made clear more than once and about more than one aspect of this problem, one constructive action the United States Government could perform would be to enforce relevant legislation, without fear or favor.

Without presuming to the multiple roles of prosecutor, judge and jury, I believe, on the basis of my own years of research and that of more specialized authorities, there is sufficient credible evidence to warrant the suspicion that the tax laws, the Foreign Agents Registration Act, the laws limiting the use to which grants in military are put, the espionage acts, the legislation requiring the licensing of certain sophisticated components of weaponry are all enforced, with something less than the constitutionally-sworn application of the laws of the land without regard to race, religious faith or ethnic derivation. We have had deals already made on the Pollard case. We have silence on the Kryton trigger case. We know United Jewish Appeal funds finance settlements in the occupied territories in violation of both domestic and international law. When I review this dismal record of the elected guardians of our national integrity I am often reminded of Britain's World War I statesman, David Lloyd George who is reported once to have said, "I am a man of principle; and one of my principles is expediency".

The second reservation I have about Paul Findley's well-intentioned exhortation to American Jews is that, innocently, he employs Zionist jargon when he speaks of "the American Jewish community". While it is a convenient expression, it is dangerously misleading when employed in any political context. For in the political sense not only is there no such entity as a community of Jews. It is a concept easily determined to be fictitious by any investigation of the genuine conceptions American Jews are proud to hold of their own identity. Ask the garden variety American Jew, walking the street or managing his shop, or practicising his profession how he thinks of his place in the political spectrum of this democracy and by far the majority will insist upon his status as an individual, American citizen. Ask him if the American Jewish Committee, or the collective called Presidents of Major American Jewish Organizations, the so-called Presidents Club, or the Anti-Defamation League speaks for him on general American political issues or can deliver his or her vote and he or she is likely to be insulated. The chances are more than 100 to 1 he will not know the president of any of these organizations, even if he should happen to belong and he will not know, let alone knowing anything about a litter of them all together. Not more than half of all American Jews belong to the ever-breeding number of listed, so-called "Jewish" organizations. Something like 4% of American Jews contribute to the United Jewish Appeal and some of those do so under duress which threatens jobs or social ostracism. None of this is esoteric knowledge. It would be easily available to even amateur researchers on the staffs of our legislators and in the White House. But it would be inconvenient for the incumbents to know these things for it might greatly alter a cliche in the usual, dull campaigning and it would shift responsibility for a seriously flawed foreign policy to those who are responsible for declaring or financing it, instead of their posing as pragmatic politicians democratically responding to perceived attitudes of a small segment of American voters.

I say to you with full confidence that there is no one, and no organization and no conglomerate of organizations posessing legitimate mandates to speak for American Jews. If general characterizations are to be used, the old maxim that where there are two Jews there are always three opinions is much more accurate. There are no ballot boxes to be stuffed for the election of those with vested interests who claim to speak for this country's six million Jews; and if history tells us anything it says, "woe to anyone who ever tries to erect an electoral structure for a separate constituency of this country's citizens who are Jews." "The corruption of language", said some anonymous sage of another era, "is the beginning of the corruption of civilization". I have devoted this must time to some examination of the vocabulary often used to characterize Jews in American life because Paul Findley makes a point in his book. And I suggest to this audience that the imprecise use of language which often says "Jews" when it should say "Zionist" and which says "Judaism" when "Zionism" is the accurate term, only serves Zionist ends. The confusion is deliberately cultivated by the Zionist apparatus. Where it is successfully employed it magnifies Zionist strength many fold. We who oppose excessive Zionist influence in American policy-making and who oppose Zionism's discrimnatory society in Israel as the root cause of the Palestine conflict should do everything possible to isolate the phenomenon, shrinking its perceived political clout in the public image by respecting the crucial, character difference between this movement of a foreign, theocratic/racist nationalism and the universally acknowledged moral and ethical values of Judaism which are shared by the sister religious faiths of Islam and Christianity.

With apologies for taking so much of your time, I close paraphrasing the last few thoughts eloquently expressed by Paul Findley in the concluding paragraphs of his book. Not without justifiable apprehension he suggests that if we Americans fail in our responsibilities for a peace in the Middle East built upon justice we may invite the apochryphal catastrophe of modern war. A prelude to that unspeakable horror could well be that we Americns would have lost the delicate, sensitive skills to maintain the precarious balances of freedom which are the soul of our democracy. In the last, eloquent sentence of his book Findley puts it this way:

"In short, when a lobby stifles free speech nationally on one controversial topic—the Middle East—all free speech is threatened."

He might have put it somewhat differently. He might have said if we Americans allow this to happen we will by default have surrendered one of our most precious birthrights. But however it is said, this veteran on the hustings says to Paul Findley, a solemn "Amen"! and offers a rousing "Salute"! for his book and a prayer which says, "More power to your good right arm."

JOSH HASSOL REPORTS ON OZONE POLLUTION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. FLORIO. Mr. Speaker, this past semester, my staff and I had the privilege of having Joshua Hassol, of Norton, MA, serve as an intern in my office. Josh, who will be a junior at Wesleyan University in Connecticut, spent a semester in Washington working in my office and pursuing his interest in learning how the legislative process operates. I was impressed by Josh's diligence and perserverance as well as his deep interest in not only our Government's workings, but also in current domestic and foreign policy issues.

In particular, during his tenure, Josh displayed a firm interest in the environment and in legislative proposals that would address the problems toxic waste and emissions are causing. An area that Josh explored related to ozone pollution and the policy that the Environmental Protection Agency is considering. This is a very timely issue, considering the fact that the House Energy and Commerce Subcommittee on Health and Environment, on which I serve, is currently addressing the problem of acid rain and ozone pollution through a comprehensive acid deposition control act.

I was so pleased with the clear and concise analysis in a culminating report Josh Hassol wrote for me that I wanted to share this report with my colleagues. I wanted to extend to Josh my appreciation and the appreciation of my staff for his hard work this past semester and with him success in his future efforts. The report follows:

INTRODUCTION

Details of EPA ozone policy are briefly discussed in this memo, along with the process by which ozone is formed in the atmosphere, the health and economic threats it poses, and the growing issue of non-attainment.

TWO ROLES OF OZONE

Ozone plays two distinct and contrary roles in the atmosphere. In the upper atmosphere it is the source of the much-discussed ozone layer, which shields the earth from harmful ultraviolet rays. Because of this, ozone is absolutely necessary in the upper atmosphere, and there is concern that the ozone layer may be being depleted. In the lower atmosphere, however, ozone presents a serious threat to the environment and the public health. Because of the chemistry and dynamics of the atmosphere, ozone can not be exchanged between layers, and therefore the issues of the ozone layer and ozone air pollution remain separate. This memo focusses on ozone as an air pollutant.

OZONE FORMATION

The problem of ozone air pollution is a particularly vexing one. Central to the complication is the fact that ozone, as a pollutant, is not released directly into the atmosphere, but is instead the product of a complex chain of atmospheric reactions involving various emissions. This makes ozone an evasive pollutant to regulate, as its sources are diverse and not easily targeted.

The production of ozone in the atmosphere begins with the emissions of precursor gasses, specifically hydrocarbons and nitrogen oxides. The precursors have many sources, among them fossil fuel burning power plants, motor vehicles, petroleum refineries, petroleum storage tanks, and many less obvious sources and activities, such as painting, using household cleansers, and filling our cars with gasoline. In the atmosphere nitrogen dioxide (NO_2) is broken down, releasing an oxygen atom (O). The oxygen then reacts with molecular oxygen in the atmosphere (O_2), to form an O_3 molecule, or ozone. Of great importance is the fact that the original breakdown of NO_2 is powered by sunlight, and therefore ozone is only produced during daylight hours. Nitrous oxide (NO), produced during the breakdown of NO_2, can rapidly react with O_3 (ozone) to produce NO_2 and O_2, thereby destroying the ozone and bringing the cycle back to where it began. The reaction system can thus establish an equilibrium, wherein ozone is produced and destroyed, and its concentration regulated. The situation is complicated, however, by simultanious emissions of hydrocarbons, which interfere with the cycle and allow ozone to accumulate at higher than equilibrium levels.

HEALTH EFFECTS

Data gathered from both animal experiments and controlled studies of humans indicate that even short term exposure to ozone can be detrimental to health. Minor complications include eye and throat irritation and chest pain. Major problems can also occur, such as reduced lung function, respiratory track damage, decreased bloodflow to the heart due to thickening of arterial walls, and lung fibrosis. Individuals with respiratory problems (such as asthmatics) have a greater susceptibility to the health effects of ozone, but large numbers of healthy people can also suffer.

ECONOMIC EFFECTS

Several national studies have been conducted to determine the economic consequences of ozone pollution. The studies examined virtually every cash agricultural crop in the nation and show a clear, if not absolute, link between ozone and crop losses. It is believed that 90% of the crop losses due to pollution are caused by ozone, and economic losses of several billion dollars annually have been estimated. The studies are supported by biochemical experiments that have conclusively shown ozone to damage plant foliage, root structure, and to inhibit growth and yield.

Ozone is also believed by many scientists to be causing severe damage to many ecosystems, including forests. This additional economic and environmental concerns of considerable magnitude. For example, some estimates of economic losses from forest damage exceed $10 billion annually.

NONATTAINMENT

In 1971 National Ambient Air Quality Standards (NAAQS) for all photochemical oxidants (of which ozone is one) were set at .08 ppm, and an attainment date of 1982 was mandated. When the Clean Air Act was amended in 1977, the attainment dates for some severely polluted areas were extended to 1987. In 1979 the NAAQS were changed to ozone standards specifically, and the levels were relaxed to .12 ppm. Even with these extensions and relaxations, however, it appears certain that many of our major cities are not even going to come close to meeting the NAAQS.

Every major metropolitan area in the United States has ozone levels above the NAAQS. Predictably, Los Angeles has the highest amount. Perhaps of more concern than overall levels is the fact that since 1981, 17 cities have shown increases in ozone levels, while only twelve cities have shown decreases, and 7 have shown no change. The Philadelphia region is one of the areas in which ozone levels have risen since 1981; from .153 ppm to .2 ppm or above (.2 ppm in 1983). It is virtually certain that the New Jersey-Philadelphia area will be non-attainment in 1987.

EPA POLICY

The EPA seems reluctant to make any definite statements with regard to ozone policy. From my conversations, I gathered that the Agency is committed to stringent regulation and enforcement and is considering regional programs to help problem areas develop strategies for meeting the NAAQS. Beyond that, the individuals I spoke with provided no details.

The EPA formulated a two stage approach for dealing with ozone. Stage one is essentially a strengthening of existing programs for monitoring, regulation and compliance, and would also include a "tracking program, to monitor and evaluate the effectiveness of the components of stage one Stage two, sometimes referreed to as Gasoline Marketing, is concerned with controlling the release of vapors when gasoline is being pumped into automobiles. (During the filling of underground storage tanks, gasoline vapor emissions are under the jurisdiction of stage one.) As mentioned earlier, gasoline vapors are one of the precursor emissions that can form ozone in the atmosphere. Specifically, they are a major source of hydrocarbons. With stage two technologies, refueling vapors are collected at the pump and returned to the underground tank via a specialized nozzle and hose system. Of importance to New Jersey is that since much of its ozone problem originates in the Philadelphia and Ner York areas, it is doubtful that implementing stage two technologies would be effective in lowering its ozone levels to the mandated NAAQS.

Another alternative is onboard technologies, wherein each automobile would be equipped with a system for containing vapors from its gas tank and burning them in the engine, rather than simply releasing them as in present automobiles. Onboard systems would appear to necessitate federal policy in much the same way as catalytic converters on automobiles do.

The need for government action is addressed in H.R. 4567, the Acid Deposition Control Act of 1986, which would amend section 202(a)(6) of the Clean Air Act. H.R. 4567, mandates that within six months of enactment, the EPA institute nationwide regulations requiring either stage two technologies, onboard systems, or both.

Still another option is to chemically lower the volatility of gasoline. Volatility is a measure of how readily a substance vaporizes or evaporates, so that by lowering the volatility of gasoline, the emission of vapors can be reduced. Furthermore, volatility lowering would affect all automobiles, regardless of what onboard technologies they may or may not have.

A related issue is the fact that before onboard systems can be instituted, specific national volatility levels must be established, as the specifications of onboard systems (ie. the size of containment vessels, filters, etc.) are contingent on volatility.

FRANCIS X. BELLOTTI

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. MOAKLEY. Mr. Speaker, at the end of his current term, the able attorney general of the Commonwealth of Massachusetts, the Honorable Francis X. Bellotti, will retire from public office.

During his 12 years as our State's chief legal officer, Attorney General Bellotti has made the office a vital force in benefit of our citizens. The political vision that has shaped the philosophy of his office is eloquently stated in Mr. Bellotti's recent address to the State Democratic Convention, and I would like to share his remarks with my colleagues:

REMARKS OF ATTORNEY GENERAL FRANCIS X. BELLOTTI AT THE MASSACHUSETTS DEMOCRATIC STATE CONVENTION, SPRINGFIELD CIVIC CENTER, FRIDAY, MAY 16, 1986

It has been a long, hard road, with many turns, that has brought me to this time and place—to stand before you tonight with the singular honor of representing the Democratic Party.

I speak to you as someone who has truly grown up with the Democratic Party—not just because I have been in Democratic politics for three decades, but much more important, because growing up poor, it was my support, my source of opportunity, my inspiration.

And as we begin this convention, I can feel the same strength and vitality that made the Democratic Party the powerful force for social change that it was in those early, difficult years.

In the 20's and 30's, there were no pensions, no medical benefits, no job benefits, no child care, no elderly programs. We were a generation that grew up in a depression, trying to survive in a world where we always seemed to be on the outside.

We did not turn on the radio at night and hear editorials about the "quality of life". We did not open newspapers in the morning and read feature stories about "lifestyles". In those "good old days", we talked about, thought about and planned for—survival.

My father was gassed in the first world war and stayed in a veteran's hospital until I was 16, when he died. My mother supported our family on the unequal pay that women earned—so I know what discrimination is and I know that the E.R.A. is not a feminist issue—it is a survival issue—I also know that I could not have lived—or ever have become educated without what we call social or democratic legislation.

The values we learned then were the values of human dignity and personal sacrifice. We learned that government had to protect the worker, the young, the elderly—the people.

It was during this time that both institutions and individuals had a natural alliance with a strong central government, a government that was perceived as necessary to coordinate the economic and social programs that could put our world back together again.

It was a time when liberal values and liberal assumptions went virtually unchallenged.

And then it all changed. Our parity and our programs were so successful, our precepts so unassailable, that we did not see the urgency of new problems on the horizon. We had remembered all of the answers, but we had forgotten the questions.

For a while, we stopped talking to all of the people. We talked to narrow constituencies and we addressed narrow problems. We still cared, but it didn't show.

The warmth and humanity of personal leadership, with all of its frailties, was submerged. We developed a whole class of technocrats, managers and statisticians to give us supporting data for our assumptions, to help us fine tune our solutions. We formed committees and blue ribbon commissions to make our decisions.

And something very important was lost along the way. Many of our political leaders gave away their power to make the decisions and lost their will to fight for the individual.

When political leaders stopped asking the important questions and began hiring managers to give them the right answers, they became farther and farther removed from the human aspects of decision making. Managers are not chosen for their strength of character or the integrity of their personal opinions. They are asked to put aside such human elements and to rely upon "professionalism" and "expertise".

When the manager tells the politician that schools must be closed or factories shut down, the human aspect of those decisions—the price that must be paid by the children, the workers and the families—is just another variable in the equation—another intellectual problem that must be addressed in the managerial scheme and not the overriding consideration. And there is lost the fundamental purpose of all government—to take care of its people.

We, as Democratic leaders, have always seen things differently. To us, government is not a business with a profit and loss bottom line. To us, fiscal responsibility means doing as economically as possible the things that people need to have done but cannot do themselves.

As far back as 1764, James Otis said: "The end of government being the good of mankind points out its great duties: It is above all things, to provide for the security, the quiet, the happy enjoyment of life, liberty and prosperity. * * *"

That hasn't changed and never will.

Yes, we need technical experts in a complex technological world—they play an important role. But clearly, the most important force for change must come—has to come—from the will, the drive, the spirit of our great political leaders.

And that brings us to this precise moment in time. Maybe, without even becoming aware of it, we have begun to understand this, we have begun to awaken.

In our State, particularly, we are in the midst of a renaissance. These have become good times—they will remain good times if we only know what to do with them.

So I am especially proud and honored to be able to address this convention—my birthplace—and my party—at a time when our Commonwealth is stronger economically and in almost every other way than any State in the Nation. When, by virtue of the quality of its Democratic leaders, it has an unparalleled opportunity to be a driving force as the national Democratic Party boldly challenges the future.

Our State and our party can be justifiably proud of their ability to produce leaders of national stature—throughout history and to this very moment.

And as we go forward from here, it is not individual issues that should consume our thoughts—they must be addressed—but they pass and new issues constantly appear. What endures is the general commitment to all of our people, to their happiness and to their dignity. The purity of this commitment is the very heart of the Democratic Party.

It is here and in strong political leadership that our hope for the future lies.

For only in a leadership vacuum would we be seeing judges and courts asked to make moral and political decisions—decisions they are not equipped to make. A process that makes people lose faith in their government. Because any social change that does not involve the people themselves in the political process is, at best, illusory and at worst, unjust.

Today, for the first time in many years, we in the Democratic Party are asking questions instead of just proposing answers. We are asking where we have been, where we are and where we want to go.

I hope we have learned that political leadership does not derive from a negotiated agenda, nor from impersonal managerial strategies, nor from articulating the perceived public will.

The political leaders we seek to carry on the tradition of the Democratic Party will not be just managers, they will not be just idealogues, they will not be just consensus takers, they will not be just power brokers.

They will be the men and women who will refuse to routinely sacrifice their judgment to public opinion, who will not be afraid to take political risks—including the risk of losing political power. Becaue it is not power that corrupts, it is the fear of losing power.

Above all, our political leaders of the future must be men and women who care about people, who believe that they each have a special kind of dignity. They must believe in the enduring values of the Democratic Party, values that will outlast time and temporal troubles, the values that have made it the magnificent instrument of social change that it is, the party of my childhood—and of my future.

Leaders who will understand and accept that ours is a party of turbulence and dissent—of excitement and passion—the powerful and driving force that has brought us here tonight, that is our life—and our future—that has given us the opportunity to be anything in the world that we want to be.

As you have taken me from defeat after defeat and given me the opportunity for 12 wonderful years to do what I most wanted in all this world.

In a short while, I will be leaving office—but tonight I want you to know how grateful I am to you and to the people of my State. With all of the hard times, I would not have missed it—or you, for the world.

There will, I am sure, be better attorneys General than I, but there will never be one who cares more about you than I do.

Thank you—for everything.

REFLECTIONS ON MEMORIAL DAY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. HOYER. Mr. Speaker, as we commemorate another Memorial Day, all Americans should remember the supreme sacrifice made by the more than 1 million Americans who have died in the service of their country. By remembering them, we honor their example.

In 1868, Gen. John Logan, the commander-in-chief of the Grand Army of the Republic, stated:

Let no ravages of time testify to coming generations that we have forgotten as people the cost of a free and independent nation.

While the observance of Memorial Day evolved out of tributes to the dead—both Union and Confederate—from the Civil War, this day has become an opportunity to honor all of our country's courageous soldiers, sailors, marines, and airmen. Throughout our country's history, they have shed their blood in defense of our country, our values, and our freedoms.

During the American Civil War, the bloodiest conflict in our country's history, thousands of men—from the North and the South—died during the goriest single day of that war. It has been almost 124 years since the noise of thousands of Union and Confederate rifles and cannons filled the air near Sharpsburg, MD, in the Battle of Antietam. Today, our country is not at war. But, neither are we at peace. In recent weeks, an American soldier has been killed during a terrorist bombing of a nightclub in West Berlin. Two other Americans, the Air Force crew of an F-111, died in carrying out a retaliatory air strike against Libya, a country whose Government has aided and abetted international terrorism.

Our country's history is replete with hundreds of military battles and skirmishes—both minor footnotes and major historical events. Recently, American military personnel have become the targets of terrorists. The death of brave American military personnel, at the hands of cowardly assassins, is no different than death on the battlefied.

On Monday, May 26, 1986, let us all remember the young men and women who have died in defense of the United States and freedom. Further, let us pray for a peaceful and just world in which young Americans will no longer face death at the hands of anonymous terrorists or hostile forces.

en. James A. Garfield, a future President of the United States, served as the main speaker at the observance of the first national Memorial Day. On May 30, 1868, speaking at the National Cemetery at Arlington, VA, General Garfield remarked:

I am oppressed with a sense of the impropriety of uttering words on this occasion. If silence is ever golden, it must be here beside the graves of 15,000 men whose lives were more significant than speech and whose death was a poem the music of which can never be sung. With words we make promises, plight faith, praise virtue. Promises may not be kept; plighted faith may be broken; and vaunted virtue may be only the cunning mask of vice. We do not know one promise these men made, one pledge they gave, one word they spoke, but we do know they summed up and perfected, by one supreme act, the highest virtues of men and citizens. For love of country they accepted death, and thus resolved all doubts, and made immortal their patriotism and virtue.

THE AFL-CIO AND SOUTH AFRICA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GARCIA. Mr. Speaker, yesterday a number of Members of Congress introduced a new sanctions bill against the Government of South Africa. While most media attention has been paid to congressional pressure on the Government of South Africa, as well as pressure on United States companies and institutions of higher learning to divest themselves of South African holdings, the labor movement in this country has been also actively involved in the fight to eliminate apartheid.

I am including an article from the April 21 edition of Africa News on the work being done in this country by labor in conjunction with the Free South Africa Movement. It is only after all Americans work together can we really begin to have an effect on the Government of South Africa. The struggle to abolish apartheid will not come easily, and I'm certain labor will play an important role in this struggle.

U.S./SOUTH AFRICA—ANTIAPARTHEID ACTIONS SPREAD

NEW YORK.—Shanties built to dramatize the living conditions of South African's blacks have sprung up on campuses across the country as part of a new wave of anti-apartheid protests that have included actions on more than 100 campuses and labor-sponsored rallies in seven major cities.

Most of the campus protests have focused on forcing university trustees to sell investments in companies doing business in South Africa. Students in 35 states took part, according to the American Committee on Africa in New York, which for the fifth year acted as coordinator for two "National Weeks of Anti-Apartheid Action" between March 21 and April 6.

On March 22 the American labor federation, the AFL-CIO, sponsored the rallies to protest corporate involvement in South Africa. A key focus of these events was the Shell Oil boycott launched in January as a joint effort of the United Mine Workers (UMW) and the Free South Africa Movement (FSAM).

According to the organizers, local boycott committees have been set up in ten cities, with active campaigns already under way in Miami, Houston, Birmingham, Detroit and Cleveland. The UMW has devoted seven full-time organizers to the boycott and UMW President Richard Trumka has vowed to wage a "million dollar" campaign against Shell.

One of the largest, sustained college protests has been taking place in Berkeley, where students calling for divestment and "an end to institutionalized racism" at the University of California have clashed repeatedly with police and campus security officials.

The Berkeley demonstrations began in late March when students erected twelve shanties, which were quickly torn down by city police who cited them as a "fire hazard." When demonstrators erected eighteen new shanties two days later—apparently with the approval of the local fire marshal—a major confrontation developed.

Seven squads with over 200 police in full riot gear moved in early on the morning of April 3, surrounded the shanties and began assaulting students in what one observer called "a full scale police riot." By most accounts, demonstrators then responded by throwing rocks, bottles and eggs at the police and pushing garbage dumpsters, bins and other obstacles in the way of paddy wagons being used to remove arrested protesters. As a result, it took police more than four hours to dismantle the shanties and arrest 89 protesters.

Administration and police officials blame the protesters for the violent confrontation, but the coalition of groups that organized the shanties disagree. Coalition members claim that police had prepared for a violent confrontation, saying that the policemen who staged the attack were not wearing badges by which they could be identified, that they arrested coalition's legal observers first and that they attempted to keep the media away from the area of the protest.

In the week following the shanty actions, students held two major rallies on campus and blockaded the doors of one main administration building in an effort to press their case.

"We've had dialogue after dialogue after dialogue with them [the administration], and they've refused to allow us even to sit on the committees that are considering these issues," said one participant in the protest, 22-year-old English major Mia Laurence. Berkeley students "will do whatever it takes" to achieve their goals, she said in a telephone interview.

Continuing frustration over the reluctance of university administrations to divest has been behind many of the other campus confrontations this spring. At the University of Utah, where students built three shanties to press their demands that the school divest $1.7 million in South Africa-related stocks, Alan Chandler, a spokesman for the protesters declared: "Frankly, we're convinced the university will not consider the issue of divestment seriously until they find the student body restive. We're hoping these shanties will force them to reconsider the issue."

Portland, Oregon students staged a sit-in at the offices of IBM, where twelve persons were arrested. At Boston and Brown Universities and Smith College, divestment protesters have staged hunger strikes. And at Georgetown University in Washington, D.C., a reverse apartheid simulation day—in which white students were the object of discrimination—was followed by a sit-in at the entrance to the administration building by some 50 students demanding divestiture.

Shanties of various types have been built at the universities of Texas, Wisconsin, Michigan, New Hampshire, Maryland and North Carolina, as well as at Duke, Yale, the Massachusetts Institute of Technology, and Dartmouth College, among others. But the mock townships have not been universally welcomed.

Many school administrations ordered dismantlement of the improvised structures. Two of the Utah shanties were fire bombed the first week after they were erected, as was one of the University of Michigan's Ann Arbor campus. At Dartmouth, one of the first campuses to erect shanties, conservative students armed with sledgehammers and crowbars tore down two structures last February before campus police intervened. The subsequent legal battle on the New Hampshire campus has drawn national attention.

Nonetheless, anti-apartheid students at Dartmouth perserved, turning one shanty into a "mobile home" that was trucked first to a protest at Phelps Dodge's New York headquarters and later used in a demonstration at Columbia University.

The two-week protest climaxed on April 4, the 18th anniversary of the assassination of Martin Luther King, which organizers dubbed National Divestment Protest Day. A major rally in New York City that day included stops at Citibank, Shell Oil Company and Mobil as organizers sought to highlight those companies' involvement in South Africa.

In Atlanta, a coalition of student and community groups laid a wreath at the grave of Martin Luther King Jr., and then organized a picket out-side Coca-Cola's downtown headquarters to highlight a boycott of Coke products because of that company's investments in South Africa. At central park in downtown Houston, more than 200 student

protesters rallied to demand that the University of Houston divest.

But many of this year's protests have had a broader focus than earlier anti-apartheid actions. "Intensified student pressure for divestment during the Weeks of Action has also been the occasion for the linking of anti-apartheid work to struggles against domestic racism and U.S. intervention in Central America," says Josh Nessen, national student coordinator for the American Committee on Africa (ACOA).

A National Divestment Day rally at the University of Chicago, for example, was addressed by South African exile Don Ngubeni and Julio Dimas Sosas, a student from El Salvador, in support of both divestment and an end to U.S. support for the Duarte government. A joint project of the southern African and Central American solidarity movements, Ngubeni and Sosas toured the United States in March, making stops in Charlottesville, Va., Gainesville, Fla., Montgomery, Ala., and Madison, Wis. A major aim of the tour was the mobilization of opposition to U.S. funding for UNITA in Angola and the Nicaraguan contras.

Nessen believes the resurgence of campus protests during this school year has layed the basis for continuing actions in the months ahead. "The campus and grassroots movement has put South Africa back on center stage," he said.

The locus of action may now shift to the labor-led Shell boycott campaign, which though still in its formative stages, has already had a major impact on anti-apartheid organizing in the United States. It is the first national, labor-initiated anti-apartheid campaign and the first recent effort to mount a nationwide consumer boycott of a company because of its links to South Africa.

In Houston, local groups stage demonstrations each Wednesday at Shell's offices there. Ada Edwards, the head of the local Free South Africa Movement chapter, reports that they are planning daily protests. Among the campaign's backers is the local chapter of the Oil, Chemical and Atomic Workers Union, which represents Shell employees in Houston.

In Birmingham, Ala., Sidney Hill, a black electrician and UMW member who works underground at a local mine, has taken a leave of absence to work full time on the boycott. A local coalition of labor, community and civil rights activists launched the boycott March 6 at a press conference in downtown Birmingham, and Hill reports that since then there have been pickets "two or three days a week" at Shell gas stations in the area.

"Unless the dollars stop flowing into Shell gas stations, they will not deem it necessary to stop supporting apartheid," says Hill. "That's the key—to move out of rhetoric and into action."

The Shell campaign seems certain to bolster efforts by activists to bar companies operating in South Africa from doing business with state, local and municipal governments, many of which have already passed divestment legislaltion. Selective purchase measures restricting a company's ability to do business with state and local government are beginning to raise alarms in corporate boardrooms across the country.

Bell & Howell, for example, cited a "real fear" of boycotts by state and local governments in announcing its decision to withdraw from South Africa in February.

A CONGRESSIONAL TRIBUTE TO DENNIS McCARBERY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Dennis McCarbery, a leader in my district, who will be honored June 6 for the completion of his outstanding tenure as president of the California State University, Dominguez Hills Alumni Association.

Mr. McCarbery's accomplishments in his capacity of association president are almost too numerous to list. Not only did he launch a successful annual fund drive, conduct a new homecoming program, initiate a past presidents recognition program, and conduct new membership activities such as Alumni-Night at Lakers and Clippers games, but, under his leadership, the alumni association implemented new methods of membership retention and recruitment with the result of increasing membership to over 500.

Before embarking on his long and fruitful career which spans journalism and public relations, Mr. McCarbery gained a B.A. in journalism from California State University at Los Angeles, and a master's degree from California State University, Dominguez Hills. He began what would prove to be a notable career in journalism as sports editor of the Palos Verdes Peninsula News (1965), moved on to a position as managing editor of the Lomita News (1966), and from there, progressed to assistant city editor of the South Bay Daily Breeze (1966–70).

Following his fine work as a journalist, Mr. McCarbery embarked on a new career in public relations, beginning as public information officer for the Los Angeles County Department of Beaches (1970–78). He then served as special events director for the American-Pacific Group (1981–83). Mr. McCarbery is currently serving as public affairs media director for Los Angeles 15th District Councilwoman Joan Milke Flores. As media chief, he directs all media relations and publicity, and produces the councilwoman's "Inside Community Issue' cable television program.

Mr. McCarbery has served as executive director of the Redondo Beach Chamber of Commerce, and as president of the South Bay Athletic Club. Additionally, he is a life member of the Palos Verdes Peninsula Jaycees and the California Junior Chamber International Senators.

It is with great pride that my wife, Lee, joins me in congratulating Dennis McCarbery for his many civic contributions. He is truly deserving of this recognition by the California State University, Dominguez Hills Alumni Association. We wish Dennis, his wife Lena, their children, Cindy, Tammy, and Michael, and their grandchildren, all the best in the years to come.

MARGERY TYRE—CITIZEN OF THE YEAR

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LEVINE of California. Mr. Speaker, Margery Tyre has been selected by the Beverly Hills YMXA as the 1986 Citizen of the Year.

No one could better deserve this honor and I wanted to bring it to the attention of my colleagues.

Marge is a remarkable woman. She has not only served her community in too many capacities to mention in a short statement, but her warmth and wit have been an improtant part of the lives of all of those people fortunate enough to call her their friend, including myself.

I have known Marge and her husband Norman most of my life. Her daughters Patti Tanenbaum and Joy Coburn are lifelong friends of mine and their charm and warmth reflect the legacy of their mother.

As a member of the board of the National Council of Christians and Jews, Cedars Sinai, the American Red Cross and the Assistance League of Southern California, Marge has contributed substantially to her community.

I am pleased to report Marge's honor to my colleagues and to ask them to join me in saluting her on this accomplishment. It is important to recognize here for this honor at this time as well, so Patti's husband, Bob, will remember that he is not the only celebrity in the Tyre family.

CLEVELAND HEIGHTS HIGH SCHOOL HALL OF FAME

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STOKES. Mr. Speaker, it gives me great pleasure to call to the attention of my colleagues that 10 celebrated Cleveland Heights High School alumni have recently been inducted into the school's "Distinguished Alumni Hall of Fame."

Mr. Speaker, it was in 1981, that Cleveland Heights High School first established the "Distinguished Alumni Hall of Fame." The hall of fame project was begun to graphically show current students what an extraordinary adult population the school has produced over the years and to inspire the students to strive for the same level of accomplishment. Distinguished graduates of this fine institution are selected by current students for induction into the hall of fame. This unique involvement of the students in choosing the inductees further serves to strengthen the student role model relationship.

On April 17, 1986, Cleveland Heights High School held its sixth annual hall of fame ceremony. On this occasion, nine alumni returned to the school and participated in an entire day of activities and celebrations held in their honor. This included speaking to selected

classes and a dinner which was held at the school.

Mr. Speaker, at this time, I am pleased to present to my colleagues, this year's inductees into the Cleveland Heights High School, "Distinguished Alumni Hall of Fame." They are:

Martin Alpert, a doctor who gave up medicine to become founder and president of Tecmar, Inc., a company that designs, develops and manufactures computer products.

Nelson Blachman, senior scientist, office of the engineer, GTE, Sylvania Systems Corp.

Gary Ellis, science policy analyst, project director, biological applications program, Office of Technology, U.S. Congress.

Muriel Ente, principal of Coventry School, Cleveland Heights, OH.

Thomas Herbell, senior research scientist, National Aeronautics and Space Administration.

Lynda Hirsch, soap opera expert.

Joel Hyatt, founder of Hyatt Legal Services.

Rosabeth Moss Kanter, professor of sociology and organization management, Yale University and chair of the board of trustees of Goodmeasure, Inc.

Muriel Siebert, the first woman to hold a seat on the New York Stock Exchange and the former superintendent of banks for the State of New York.

Jerry Sloan, vice president, public relations, American Motors.

Mr. Speaker, I extend my heartiest congratulations to the honorees for their peerless service to the public good and wish them continued success and happiness in the years ahead. The students of Cleveland Heights High School are to be commended for their selection of such a notable and worthy group of individuals.

ADULT ILLITERACY AWARENESS MONTH

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. HAWKINS. Mr. Speaker, millions of Americans are unable to read a newspaper or write a simple sentence. Even by the most conservative estimates, a staggering 23 million adults lack the basic communication skills to handle the day's minimum demands, such as balancing a checkbook, looking up names in a telephone directory, or following traffic regulations.

Illiteracy is unquestionably a national shame. The United States controls more than one-third of the world's economic power, but ranks only 49th in literacy levels. The problem is likely to get worse instead of better with society's increasing emphasis on high technology.

A nonreader is a family tragedy and a failure to learn to read, either by children or adults, is the educational equivalent of cancer.

The total costs of the haunting specter of illiteracy vary, but estimates run into the billions of dollars annually. Employers must train workers for the jobs they hold and often provide remedial and basic literacy courses for employees.

More than one-third of the people who receive Government assistance are illiterate; almost 75 percent of the unemployed lack the basic skills to get a job and the Nation's prisons are filled with inmates unable to read.

Moreover, illiteracy is often passed down through families. Children of high school dropouts and illiterates often become dropouts themselves and are a cog in the vicious cycle of poverty and unemployment.

I believe that this serious problem must be brought to the attention of the American people, therefore, I am introducing a joint resolution designating the month of September 1986 as Adult Literacy Awarness Month.

During September, 1,400 newspapers, public broadcasting and a major network will participate in a literacy awareness and information campaign called Project Literacy US [PLUS]. The campaign will include public service announcements, news articles, and primetime televison programming on the problem of illiteracy.

In addition, the President has been requested to issue a proclamation urging the American people to observe the month with activities to increase awareness of the problem of adult illiteracy.

AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND ACT OF 1986

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GILMAN. Mr. Speaker, I am pleased to join my colleague from Florida, the chairman of the Foreign Affairs, Mr. FASCELL, in introducing the Africa Famine Recovery and Development Fund Act of 1986. A similar measure, S. 2208, has been introduced in the other body by Senators KASTEN and KENNEDY.

The United States can be proud of the significant role that we played in combatting the Africa famine, but now is not the time to let up, when the recovery is just beginning. A U.S.-led global initiative, undertaken with the same sense of urgency as the emergency response but with a commitment to a much longer time period and directed toward the root causes of Africa's development problems, is needed if future famine is to be prevented.

There is a growing consensus among Africans and donors alike on the major constraints to African economic development which have been outlined in recent reports such as the Compact for African Development sponsored by the Overseas Development Council, the InterAction-proposed African Recovery and Development Act, and Africa Tomorrow by the Congressional Office of Technology Assessment. These include the need for overall macroeconomic policy reform and sectoral reforms which emphasize agriculture, policy reform and sectoral reforms which emphasize agriculture, especially food production, the importance of environmental protection and rehabilitation to increasing agricultural production, slowing population growth, the relationship of health and nutrition to agricultural production, the importance of nonformal education, and the need for small-enterprise development to complement agriculture. The proposed legislation does the following:

Establishes a permanent fund within AID to which future appropriations can be made for long-term assistance in Africa, and requires all existing AID programs in Africa be administered through the new authorities of the Fund;

Strengthens and expands the current authorization language, making its implementation more flexible than AID programs elsewhere;

Emphasizes the role of private voluntary agencies and international organizations, giving authority for them to use the Fund;

Provides short-term assistance to form a bridge between famine relief and the long-term development effort;

Mandates long-term assistance be used to achieve policy and agricultural reforms, and to assist small farmers, especially women, for environmental rehabilitation, primary health care/family planning, human resource development, and income generating projects;

Requires steps to achieve better international cooperation and coordination of African aid programs;

Calls for a special effort to reduce trade barriers and encourage United States-Africa trade; and

Recognizes the important role of the African Development Bank and Fund and the World Bank's special facility for Africa.

The Fund would be financed from the normal appropriation for Africa and in addition "such amounts as may be necessary" to carry out the program.

This legislative proposal does not contemplate shifting large amounts of resources from other regions to Africa, but it does seek to increase the flow of United States development assistance to Africa to a level more commensurate with need; 20 of the 34 poorest countries in the world are in Africa. In Asia and Latin America per capita food production is increasing and population growth rates are decreasing, while in Africa the opposite is true. Africa has experienced a 20-percent decline in per capita food production over the past two decades. According to the 1985 U.N. report on the World Social Situation, acute malnutrition affects 35 percent of preschool children in Africa, 16 percent in Asia, and 4 percent in Latin America.

The initiative represents an important opportunity for the United States to make a long-term commitment to self-sufficiency and development in Africa.

Accordingly, I urge my colleagues to support and cosponsor this legislation.

SMALL BUSINESS AND NATIONAL TOURISM WEEK

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SKELTON. Mr. Speaker, tourism is big business in America. So big, that it is our Nation's second largest employer. In 1984, Americans spent $218 billion on travel in this country. And that same year, foreign travelers

brought an additional $11 billion into our Nation. Together that represents 6 percent of the U.S. gross national product. Yet while the tourism industry is big business it is overwhelmingly made up of small businesses. In fact, 98 percent of the businesses in the travel and tourism industry are small businesses. So it is befitting that for the week of May 18 to 25, 1986, we are recognizing the numerous contributions made by our small businesses across the country and highlighting the tourism industry's economic impact.

We should also remember the enormous contributions small businesses make. For instance, 98 percent of the 14 million nonfarm businesses in the United States are small businesses. And, the small business sector creates far more jobs than bigger businesses. They employ 48 percent of the private work force and account for 38 percent of our gross national product.

I believe these facts and figures illustrate the significant contributions of our Nation's entrepreneurs. I would also point out that we are a nation of opportunity, unlike any other nation. Our countries' small business owners' have demonstrated perseverance and overcome countless difficulties. So it is, indeed, important that we designate this week to recognize their achievements and contributions.

We, in Congress, recognize that the strength of our Nation's economy is rooted in the ability of our business owners to tend to their business efficiently and effectively and not spend their limited time on needless Government paperwork and other administrative burdens. Therefore, we should take this opportunity to reaffirm our commitment to assist small businessowners.

This week is set-aside for small businesses. I am hopeful that a message of encouragement reaches all the small businessowners of our Nation and that the tourism industry's economic contributions are emphasized. I take this means to offer my congratulations to our Nation's small business men and women.

THE KICCI NOKA PEACE CHAIN

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GUNDERSON. Mr. Speaker, I am pleased to take this opportunity to bring to the attention of my colleagues once more a visit to Washington, DC, by seven industrious young ladies of the Kicci Noka Camp Fire Club of Eau Claire, WI. These special young ladies travelled over 1,000 miles this week to present an 18-mile-long "Chain of Peace" to the President.

The National Camp Fire theme for 1986 is world peace. And, as their first project, the Kicci Nokas of Eau Claire and other national camp fire clubs circulated petitions which read: "As a legacy and gift to the children who will be born and live on this planet Earth, I hereby commit myself to fostering peace. I promise to do everything I can to help create a common future of peace for all human beings." Those signatures were included on a laser disc with thousands of others, from over 100 countries, that was aboard the space shuttle *Challenger* when disaster struck last January 28.

Wanting to further their efforts to promote peace, the seven members of the Kicci Noka Camp Fire Club chose to undertake a unique project to demonstrate their commitment to peace. They solicited assistance from 18 other States, 5,000 schoolchildren and senior citizens throughout the Eau Claire area in constructing a 1 million link, 18-mile-long "Chain of Peace."

On Monday, May 19, the Kicci Noka Camp Fire Club and their advisers presented one-fifth of that chain to me and a special assistant to the President on the steps of the U.S. Capitol. As you know, the chain was also on display on the Capitol's west front terrace.

At a time when there is so much strife and tension in our world, it is refreshing to witness the untiring commitment and accomplishments of seven energetic, special ladies toward furthering the message of peace. They, their advisors, and the supportive community of Eau Claire, WI, should be commended and proud of this project which stands as a monument of hope and peace for all generations, for today and tomorrow.

OLDER AMERICANS MONTH

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BONKER. Mr. Speaker, I would like to commend this country's older citizens and all the organizations that participated in this year's Older Americans Month activities. It is fitting that we acknowledge the great contributions that older Americans have made and continue to make to our society. We have benefited from their many achievements and the wisdom they provide us. Their efforts deserve this special recognition.

The designation of May as Older Americans Month is important because it helps to focus national attention on our older citizens, who represent the fastest growing segment of the population. This year's theme, "Plan on Living the Rest of Your Life: Have Your Health and Have Everything," is especially timely. The theme was chosen to highlight the wholistic approach necessary to maintaining an enhancing health and fitness for older adults and their families. Preventive health care is important at every age, and particularly as we grow older. Increasingly, we have recognized that health promotion and disease prevention can help people of all ages live healthier, longer lives.

On May 1, 1986, the Administration on Aging appropriately kicked off Older Americans Month by honoring 52 exemplary community projects that help older people improve their health and fitness, and thus improve their quality of life. In my home State of Washington, a project called Elderscreen of Snohomish County was honored for developing an innovative health screening program. I want to publicly applaud their efforts and this much deserved recognition. Certainly thousands of health service providers throughout the country are to be commended for their work and dedication in serving the needs of older Americans.

Mr. Speaker, today I join with many of my colleagues in the Congress in paying tribute to all older Americans and the organizations that serve them. Our Nation's older Americans enrich our lives and our society, and I salute their many contributions and accomplishments.

THE FARM INCOME SECURITY ACT

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SCHUETTE. Mr. Speaker, I don't think anyone would support the imposition of a 1-year holding period on all paychecks for every working person in the country.

But there is one group of workers that are suffering under that restriction—and of all people, it's America's farmers.

Under the law, farmers must wait 12 full months to receive part of their Government crop—deficiency—payments. Although many will harvest their crops in the fall of 1986, they won't be paid in full until late 1986.

We all know the hardships and great stress farmers and their families are struggling with today. To deny them the help we have promised until a year has passed is Government at its most heartless, and for some—too little, too late.

Today, I am joined by Representatives MARLENEE, TAUKE, CRAIG, BEREUTER, WEBER, MCEWEN, BOULTER, MADIGAN, COLEMAN of Missouri, ROBERTS, FRANKLIN, SUNDQUIST, COMBEST, EVANS of Iowa, GUNDERSON, and LIGHTFOOT in introducing the Farm Income Security Act of 1986. This bill makes all deficiency payments payable at the same time, approximately 5 months after harvest. It is simple justice for those who work in America's largest industry.

TRIBUTE TO DR. CAROL B. CHOYE

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mrs. BURTON of California. Mr. Speaker, I am pleased to tell my colleagues, especially my friend from Princeton, NJ, Representative COURTER, that Dr. Carol B. Choye, a native San Franciscan, was appointed superintendent of Princeton Regional Schools on April 14, 1986.

Dr. Choye is one of only five Asian-American women superintendents in the country. Mrs. Choye attended the public schools in San Francisco and received baccalaureate and master's degrees with honors from the

University of California at Berkeley and a doctor of education degree from the University of San Francisco.

She accepts the post at Princeton after having distinguished herself as an outstanding public educator in the State of California. During her 26 years of service to the San Fancisco United School District, Dr. Choye served as a teacher, a vice principal, a principal, an area superintendent, a curriculum coordinator, and an associate superintendent.

Some of Dr. Choye's other related professional accomplishments and activities include:

Member, California State Superintendent Bill Honig's Transition Team;

Vice president, Executive Board of California Task Force for Integrated Education; and

Assistant professor, San Francisco State University.

Dr. Choye was also responsible for developing San Francisco's model curriculum standards; the selection of district textbook and instructional materials.

Her new appointment is effective July 1, 1986.

A TRIBUTE TO JEAN G. ISAACS

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. DANIEL. Mr. Speaker, before we return to this Chamber in early June, one of the most dedicated individuals it has ever been my privilege to know will have left us.

Jean G. Isaacs, Congressional Liaison Specialist, Air Force Legislative Liaison, is retiring after 34 years in Federal service, 32 years here in our midst.

It understates the case to refer to Jean as merely competent. She is the memory for the liaison office. She has served under countless directors and Air Force secretaries, and can recall at a moment's notice what has transpired under any given set of circumstances. Jean knows what can be done—and what cannot—and can be a world class diplomat in steering you toward the former and away from the latter.

Members of Congress, their personal staffs, committee personnel all rely on Jean Isaacs, and they know that their reliance is well-placed. When the subject is the Air Force, Jean is the one to whom many turn.

Jean is known by her associates as a team player, but she is a star player in any league.

To say that Jean will be missed does not say nearly enough. She has become a part of our working lives in such a way that we will all feel a little loss—a little lonesome—when she has gone.

I do not know what Jean Isaac's plans are for the future, but I am firmly convinced that whatever course she follows there will be others who share our own high esteem for this lady.

A CONGRESSIONAL SALUTE TO DR. GENERO B. "HANK" GARCIA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Dr. Genero B. "Hank" Garcia, a leader in the academic community in my district, who will be honored at a retirement dinner on June 19, 1986. Dr. Garcia is retiring from his position as the assistant superintendent of the secondary division of the Long Beach Unified School District.

A native of Arizona, Dr. Garcia moved to southern California. He served in the Navy during World War II and returned to California to complete his education. Over the years, Dr. Garcia received a B.A. from Santa Barbara State College, an M.A. from Los Angeles State College, a Ph.D. from the University of Southern California, and has done additional graduate work at Long Beach State College.

In 1952, Dr. Garcia joined the staff of the Long Beach Unified School District as a teacher of English and history. He was then promoted to a vice principal's position and later to a position as assistant director of personnel. He has also held the principal's position at four schools, respectively, Stephens Junior High School, Hill Junior High School, Polytechnic High School, and Wilson High School. In 1974, he was appointed to his present position as assistant superintendent of the secondary division of the Long Beach Unified School District. For the last 12 years, Dr. Garcia has been responsible for the education of thousands of students who have attended Long Beach's junior and senior high schools, and adult schools.

In addition to his fine work in managing the secondary division, Dr. Garcia has been responsible for many innovations in secondary school programs. Dr. Garcia was instrumental in the planning of many model projects that serve as national examples for other school districts. These programs include, the Adopt-a-School Partnerships; School Site Budgeting; the Learning Assessment Program; the Center for International Commerce (CIC); the Program of Additional Curricular Experiences (PACE); off-campus guidance classes; Saturday SAT test preparation; the Better Teenager Association: intensive English for limited English proficient students, and a dropout prevention and reduction program that has contributed to the record $10 million in academic scholarships won by the class of 1985. These and other major accomplishments are a testament to Dr. Garcia's tireless dedication to providing the best quality of education for the students in my district.

Our local high schools are nationally known and respected for their academic and athletic excellence, largely because of the quality of leadership that has been provided by Dr. Garcia. I am sure that he will be sorely missed by his colleagues and by students; however, the positive influence that he has had on secondary education will be felt both in the schools and in the communities in Long Beach, and throughout southern California, for many years to come.

It is with great pride that my wife, Lee, joins me in wishing Dr. Genero B. "Hank" Garcia, his wife Carlyn, and their children, Linda and Rick, all the best in the years ahead.

PENNSYLVANIA STATE UNIVERSITY AT HARRISBURG CELEBRATES 20TH BIRTHDAY

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GEKAS. Mr. Speaker, on May 12, 1986, I had the pleasure of attending a Founder's Day Dinner to celebrate Pennsylvania State University at Harrisburg's 20th birthday. Many institutions would consider 20 years of existence only a stage of infancy, and for many that might be the case. But that is not the case for the Capitol Campus of PSU, as its called.

This birthday officially marked the transfer of 177 acres of land from the Federal Government to the college. The land was formally known as the Olmstead Air Force Base. Returning to participate in the birthday celebration was the man who helped create Pennsylvania State University at Harrisburg 20 years ago, Eric A. Walker, then president PSU.

The campus has changed since its birth 20 years ago. In 1966, the first graduating class included 17 students. The college employed eight instructors to teach the students. One hundred and five students enrolled part time for night graduate courses.

Today, the college has 2,500 full-time students and 137 full-time instructors. It offers 18 undergraduate degree programs, 11 master's degree programs, and two doctoral programs.

Mr. Speaker, I would like to ask my colleagues in the U.S. Congress to join me in recognizing the Pennsylvania State University at Harrisburg on its 20th birthday and everyone who worked to make the dream become a reality.

TRIBUTE TO DR. WILLIAM T. CARTY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LAGOMARSINO. Mr. Speaker, it is a privilege for me to pay tribute today to a distinguished citizen from my district, Dr. William T. Carty. As a scholar, educator, and administrator, Dr. Carty has dedicated his entire adult life to ensuring that thousands of students received quality educations to equip them with the skills necessary to lead successful lives.

Thirty-six years ago Dr. Carty received his doctor of education degree and began working as a teacher. Since then he has served the education field as an instructor, a principal, and he will retire this year from 25 years as the superintendent of the Carpinteria Unified School District.

Throughout his career he has set an example as an educational leader by virgorously

continuing his own education. After receiving his doctorate he returned to the university 6 years later to do post graduate work in the field of psychology and pupil peronnel services. In 1981 he returned to take computer literacy courses.

As a young man Dr. Carty was a volunteer in the U.S. Navy and fought in the Pacific Theater. He was awarded a One Battle Star and a commendation for bravery. Within the educational field he has received awards for administrative and academic excellence and is a member of various academic boards.

Dr. Carty has been a leading member in the Carpinteria community. He has worked with the Red Cross, United Way, Crippled Children's Fund. He has also been in the local Chamber of Commerce and a church member. His outstanding participation in the community illustrates his sincere concern for its growth and prosperity.

The retirement of this distinguished citizen, dedicated family man, and educational role model is a loss to Carpinteria. He will be missed by all who have been touched by his professionalism, leadership and personal involvement. He leaves behind a legacy of excellence that will provide a challenge and an example to his successor.

ON NEED TO END NUCLEAR PROLIFERATION

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. OWENS. Mr. Speaker, in 1965, Tom Lehrer put out a record album entitled, "That Was the Year That Was." One rather humorous song asked "Who's Next?" It referred to the spread of nuclear weapons and the fact that many regimes, believed to be unstable or otherwise dangerous, could soon have the bomb, as it was referred to in that slightly simpler era. Listening to that song today, our list of potential forces for nuclear proliferation has increased. Today, small scale nuclear weapons could clearly fall into the hands of the various forces fighting governments as well as unstable governments themselves.

Accepting the very real possibility of nuclear weapons as well as other sophisticated weapons falling into the wrong hands, the question remains just what can we do? Assuming that all reasonable people agree that it would be dangerous if sophisticated weapons, and the technology which makes them possible, fell into the hands of those who would cause untold harm with them, it becomes our responsibility to control the flow of those weapons which originate in our own country. It is also reasonable for us to urge our allies to take the same position.

Over the last 5½ years, the amount of foreign aid which is for military purposes as opposed to civilian use has increased. This increase is not because we are selling or giving away six-shooters or Remington rifles. This increase represents the transfer of high-technology weapons which, once out of our hands, we have precious little control over. Although one can sympathize with the desire to keep American military personnel out of other countries, the exchange of sending weapons without American military control is very frightening indeed. We send forth weapons of destruction, which can be aimed at us and our allies, with virtually no control over what is done with these weapons by the recipient Government. Furthermore, and perhaps even more dangerously, we do not have any way of securing these weapons and keeping them out of the hands which are seen as a threat to American citizens or America itself.

For example, it should give one pause to know that surface-to-air missiles can now be hand held and launched. The advances in miniturizing instruments of destruction may make them easier to handle in the field, but it also makes it easier to obtain them through thefts or capture from the intended recipient. Surface-to-air missiles can take down a military or civilian plane with one shot. Sophisticated sensing devices which are built into the missiles make it possible for even a bad shot to hit its target. That target may well be an American plane.

Even simple weapons pose a threat. While we may perceive ourselves as arming one side of a conflict, we should not rest easy that the weapons will remain with the side that we support. One of the first lessons of guerrilla warfare is to inflict damage and seize the enemy's weapons for future use. In many situations, the weapons of one side are captured and turned against the original owners.

Sophisticated technology supplied for peaceful civilian use also has its own dangers. Nuclear powerplants may well be established to supply energy, but material from those plants can be utilized to create weapons. The technology needed for this transformation is relatively simple. It can be carried out by technical personnel with minimal knowledge.

Given the fact that technology given to one side or for one purpose can be turned on us and our allies, it is time that we looked at the dangers realistically and tailored our foreign policy in recognition of these dangers. A policy which allows weapons to leave this country without ensuring the control of those weapons is foolhardy. A policy which sees only economic advantage in selling nuclear energy facilities, but ignores the danger of misuse of nuclear materials, is both shortsighted and foolish. It is high time to stop the export of weapons and technology which can so readily be misused.

BEULAH SMITH RETIRES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GEPHARDT. Mr. Speaker, Mrs. Beulah Jefferson Smith, a special education teacher at Buder School in St. Louis, MO, will retire on June 13, 1986, after 30 years of continuous service.

Mrs. Smith was born in St. Louis and is a product of the St. Louis public schools herself, having attended Cole Elementary, Sumner High school, and Stowe Teachers' College.

Mrs. Smith's career began at L'Ouverture School. After 18 years at Franklin, she was appointed to Banneker Reading Clinic to help those children with the greatest need. She received further training in special education at St. Louis University. Mrs. Smith taught reading in the Catholic schools, on loan from the St. Louis public schools. From there she was assigned to Adams School and then to Buder School as a resource special education teacher.

Mrs. Smith has been important in uplifting the morale of both staff and students through her influence. At Buder she sponsored the student council. Her artistic abilities have been displayed throughout the halls of Buder School.

The St. Louis public school children have greatly benefited by Mrs. Smith's service as a teacher whose philosophy is: "If teachers put forth their best, students will try to put forth their best."

Special education teachers play a crucial role in giving all our children the opportunity to fulfill their potential. I commend you, Mrs. Smith, and join with the Buder School family and the St. Louis public schools in wishing you the best in your retirement.

EQUAL ACCESS TO TECHNOLOGY AND THE TRADE BILL

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. WYDEN. Mr. Speaker, I would like to take just a moment to express my sincere appreciation to my distinguished colleagues on the Ways and Means Committee, Mr. GIBBONS and Mr. FRENZEL, and to the leadership of the House for including in the omnibus trade bill legislation I introduced earlier this year to make reciprocal access to technology a formal, priority negotiating objective in all upcoming multilateral and bilateral trade talks.

All our past efforts in this critical area have been thwarted. Most foreign technology is off limits to Americans. In Japan we are prohibited from licensing Government-held patents. We are denied participation in joint research and development ventures. We are refused access to Government funded laboratories. In a nutshell, the reciprocal flow of technology between the United States and other industrial countries is seriously out of whack.

What we need and ought to receive is fair and reciprocal access to foreign government-owned or government-supported technology. Our trade negotiators must give top priority to ensuring that U.S. firms are given an opportunity to participate in foreign government-supported research programs and laboratories.

Reciprocal access to technology should be a particularly high priority in any future trade negotiations with Japan. We've had informal talks with the Japanese on technology exchange in the past—the 1983 United States-Japan High Technology Group, for example—but nothing has come of them. That's why a more formal and a more direct process needs to be put in place. Designating access to technology as a formal United States negotiating objective is a responsible and constructive approach that will allow negotiators on both

sides to determine the most effective and flexible means to achieve this goal in good faith.

The alternative to a fair sharing of new knowledge could be a hard-line approach that would cut off foreign access to our technology. Some have suggested exactly that. Reluctance to provide equitable access to technology would be considered an unfair trade practice—and we would retaliate by cutting off foreign researchers who seek to acquire U.S. know-how.

Congress should take a more positive approach. Since technology ultimately knows no national boundaries, we should negotiate for the removal of government-imposed restrictions—wherever they exist. Rather than slamming the door to our own research labs, we should strive to increase the world's storehouse of knowledge by working cooperatively to develop and share new, cutting edge technologies—those that will determine the kind of world our children and grandchildren will inherit. If we proceed with wisdom in this area, we can go a long ways toward ensuring a healthy international marketplace in which all nations can prosper.

Again, Mr. Speaker, I'm delighted that the omnibus trade bill includes reciprocal access to technology as a formal negotiating objective—and I'm very grateful for the cooperation and support of the chairman and ranking minority member of the House Trade Subcommittee.

CANTERBURY ELEMENTARY SCHOOL WINS NATIONAL AWARD

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STOKES. Mr. Speaker, it was a smashing success. Working under the theme "Communicating With the Young at Heart," the Canterbury family honored senior citizens during the entire month of November 1985. Some of the activities included:

A senior adult who was a former television show host gave a television production workshop with fifth grade students using the school's video equipment.

Several senior adults were invited to share the art of storytelling with many classes.

A grandfather showed fourth grade students the art of glass designs.

A senior adult who is a world traveler and museum docent shared pictures and adventures from his recent trip to Europe and Asia.

"Kids on the Block," a touring puppet show, presented a show on aging which heightened student awareness of the capabilities and desires of some senior adults.

Senior adults were invited to join students and the Canterbury art teacher to work together on projects.

Municipal Judge Murrill Capers spoke to an assembly or senior adults, students and parents.

Mr. Speaker, as a result of Senior Citizens Month, many senior adults have stayed on at Canterbury School as permanant volunteers, others have come in to conduct special projects and still others have donated books to the school library. The students have benefited also, by gaining a better understanding of the aging process, increasing their respect for senior adults, and increasing sensitivity toward our senior adult population.

On behalf of the residents of the 21st District of Ohio, I wish to congratulate Principal Katie Shorter, students, teachers, staff and parents of Canterbury Elementary School on receipt of the National School Public Relations Assocation 1986 Golden Achievement Award and on its successful efforts to communicate and interact with one of our community's most valuable resources—our senior adults.

ROCHESTER, MA: 300 YEARS

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STUDDS. Mr. Speaker, on June 4, the town of Rochester, MA, will celebrate its 300th anniversary. To describe Rochester's earliest history is, in many important ways, to recount the birth of this Nation. The economic, cultural, and social forces that helped a handful of colonies evolve into the United States are mirrored in Rochester's past.

The story begins in 1680 when a few Englishmen of the Plymouth colony made a plantation near Sippican harbor on the upper shore of Buzzard's Bay. These planters belonged to the class which Governor Bradford described as "used to a plaine countrie life and ye innocente trade of husbandrie." In pursuit of this trade, they came to seek richer pastures than were to be found on the Plymouth shore. When they laid out their new homesteads, alloting to each associate sections of woodland, salt meadow, cedar swamp, and sea beach, they provided for certain future for a grist-mill, a saw mill, fishing station and one lonesome acre for a burying place.

The remoteness from other English settlements forced the settlers to reply upon their own resources. They wove flax and sheep's wool into materials for clothing; they made and shared in the use of the plows and tools needed in their methods of agriculture; they cut firewood in a common forest and grazed cattle in common pastures; they built sloops for freighting and fishing, and traded with each other by "truck and dicker."

In time, families expanded around the homesteads and formed small isolated villages. On June 4, 1686, the town of Rochester, Plymouth County, was established from this common land called Sippican. It took its name from the ancient city of Rochester, in Kent, England, the ancestral home of many of the first settlers. Oysters found on the shores of Rochester, England, were celebrated for their excellence and the earliest American settlers, finding an abundance of shellfish here, named this tract "Rochester Towne in New England." The original "Proprietors" included names that are still present today in Rochester: Winslow, Clark, Briggs, Burgess, Dexter, White, Barlow, Hammond, Davis, Foster, Ellis, Dunham, and Bradford.

Before them was the open bay; behind them was a primeval forest stretching away for miles and miles, offering no lines of travel except the meandering paths trodden by Indians on their journeys to the shore for shellfish, or by herds of deer. This forest was a valuable inheritance. From its pine knots, tar was made in restricted quantities and sent to the West Indies, to be bartered for such tropical products as were needed at home. Lest a time might come when the forests of pine, oak, and spruce trees might suffer, the people of Rochester decreed that no timber of any sort could be carried away; that no man could cut posts, rails, or house-frames except for his own use; and every boat's load of white cedar brought to the landing for shipment abroad would pay an export tax in money. The basis of their political economy was the "protection" of future values. To this action, the upper shore of Buzzard's Bay today owes its picturesque woodlands; while nearby highlands are barren of trees.

The larger settlement of Rochester soon spawned other towns and, as a result, lost the shoreline which inspired its name. What Rochester never lost, nor ever will, is its proud history, as one of this great Nation's earliest settlements.

Mr. Speaker, I take this opportunity to congratulate the citizens of Rochester and I urge my colleagues to join with me as we celebrate the occasion of the Town of Rochester's Tricentennial.

PROTECTING RELIGIOUS FREEDOM IN THE MILITARY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Ms. MIKULSKI. Mr. Speaker, I want to take this minute to speak out for religious freedom and religious choice for those who are serving in our country's military. Mr. Speaker, I think that the men and women who protect our country are great. They have made a big commitment. They are protecting our way of life. And one of the pillars of our way of life is the freedom to worship, religious freedom. The least we can do for these men and women is to make sure that they also can worship with a military chaplain of their own faith.

That is why I support the Military Chaplains Faith Balance Act, H.R. 1875. This bill would make sure that all religious faiths, Catholic and Jewish and Protestant, are fairly represented among military chaplains. And we need to give every man and woman in the military who wants to worship, the chance to do so. Mr. Speaker, I urge my colleagues to join me in supporting H.R. 1875.

THE MEDICAL DEVICE AMENDMENTS OF 1976—10 YEARS LATER

HON. HENRY A WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. WAXMAN. Mr. Speaker, today marks a very important milestone for the oldest of our Government's consumer protection agencies, the Food and Drug Administration. On this date 10 years ago, a new era of consumer protection was begun with the enactment of the Medical Device Amendments of 1976. This historic legislation substantially broadened the FDA's regulatory jurisdiction over medical equipment used by health professionals in diagnosing and treating injury and illness, as well as home health care products used by consumers.

This relatively new role for FDA is appropriate in view of the explosion in the development of new medical technologies, such as artificial hearts, implantable drug pumps and defibrillators, prosthetic limbs, and a variety of home test kits to detect conditions such as pregnancy and cancer. These developments can relieve pain and suffering and extend life, but they also raise new and very difficult questions about safety and effectiveness, and therein lies the main value of the 1976 Device Amendments. With their passage, the American people were afforded a greater degree of health protection by having new products subjected to rigorous scientific scrutiny by FDA before being made available for clinical use.

As with any complex new law, the Medical Device Amendments has presented a difficult challenge for the agency to implement and for Congress to oversee. In looking back on FDA's performance over the first decade in implementing this law, I believe the agency has done a very creditable job overall. Congress, through its oversight, has identified certain areas for improvement, and we hope to work with FDA and all interested parties in making those improvements.

I wish to take this opportunity to commend the FDA and its Center for Devices and Radiological Health, and to recognize the skills and professionalism of the scientists, engineers, and health professionals who make up the Center. They have given the Nation 10 years of dedicated public service in the field of medical devices.

UPDATE ON THE RAILROAD ACCOUNTING PRINCIPLES BOARD

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. RAHALL. Mr. Speaker, one of the most crucial elements in establishing reasonable railroad rates is the determination of railroad costs. It was due to the Interstate Commerce Commission's rather inept attempts to develop sound and reasonable railroad accounting principles necessary to determine the accuracy of railroad costs that the Congress, in the Staggers Rail Act of 1980, transferred this responsibility to a Railroad Accounting Principles Board.

The Board would be independent of the ICC, established under the auspices of the Comptroller General, and composed of experts in the field of rate regulation, accounting, economics, rail transportation, and shipping. However, appropriations were never provided for the Board and its 3-year authorization expired at the end of fiscal year 1983.

As abuse of the Staggers Rail Act increased due to the manipulation of its provisions by the ICC through the rules and regulations it promulgated, the Congress recognized that the Railroad Accounting Principles Board [RAPB] was badly needed and with the enactment of the legislative appropriation for fiscal year 1985, the Board was reauthorized and funded. Additional funding was provided in fiscal year 1986 and fiscal year 1987 will be the finish up year for the RAPB.

At this time, the Board is in the process of developing a body of cost accounting principles applicable to railroad regulatory proceedings and is to submit a report with recommendations for appropriate legislative or administrative actions to the Congress in 1987.

In this process the Board has issued for public comment a discussion memorandum on January 31, 1986, covering issues on which the RAPB is seeking input from interested parties. The regulatory measurement and costing principles and other issues identified in the Board's January memo are fully within, and responsive to, the mandate given the RAPB by the Congress and represent desirable and appropriate coverage of matters that are to be addressed within the scope of the Board and its finding, conclusions and recommendations to the Congress.

Mr. Speaker, as one who worked hard for the enactment of the reauthorization of the RAPB, I would again offer my deep appreciation to the chairman of the legislative subcommittee, VIC FAZIO, as well as to the chairman of the Subcommittee on Commerce, Transportation and Tourism, JIM FLORIO, for their support and continued effort to insure that railroad rates are maintained at reasonable levels.

PEACE—A PRODUCT OF MUTUAL COOPERATION—A MESSAGE TO THE SOVIET UNION FROM TEENAGERS OF NORTHEASTERN MINNESOTA

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. OBERSTAR. Mr. Speaker, the theme of the American Legion's 26th Annual Project Democracy Essay Program and Speech Contest focused on how to achieve peace between the United States and the Soviet Union. The contest winners expressed their thoughts in the form of a letter to General Secretary Mikhail Gorbachev of the Soviet Union. The common message of the winning presentations was that peace can be achieved through mutual cooperation, better communication, establishment of trust between the two superpowers, and that the consequence of failure to achieve peace would be the unleashing of the most brutal, destructive force known to the history of our planet: nuclear war.

The winners in the Essay Contest were Dan Weaver of Virginia, first place; Jennifer Giroux of Mountain Iron-Buhl, second place; Julie Matonich of Hibbing, third place; and Becky Maki of Chisholm, fourth place. Honorable mention winners were Amy Maly of Toivola-Meadowlands, Patrick LaLonde of Aurora-Hoyt Lakes, and Becky Jordan of Cook. Winners in the Speech Contest were Jodi K. Ellwood of Gilbert, first place; and Janet Clement of Cherry, second place. Honorable mention winners were Katherine Lean of Mountain Iron-Buhl and Julie Strukel of Chisholm.

Mr. Speaker, I submit the winning presentations for the consideration of my colleagues because these essays represent the very thoughtful, sensitively expressed and deeply felt views of today's teenagers on the most fundamental question facing the United States and the Soviet Union, President Reagan and Mr. Gorbachev, and all of us in the Congress: the issue of peace that will last not just for our time, but for all time and the thoughts of these young people on how to achieve that goal.

(By Dan Weaver, Virginia)

DEAR MR. GORBACHEV: I have a question that is very perplexing to me. Why is it that our two countries can't live in harmony. It doesn't seem right that two countries such as our own have so many disagreements just because of the different ideologies and forms of government. I would think that different governments would back each other no matter what kind of government they are as long they are the better for the people.

The United States and the Soviet Union have had many differences over the years, but that doesn't give either country the right to destroy the world. There is no reason for such a tremendous build-up in nuclear arms. Both our countries talk about the need for defense. Why is there a need for such overpowering defense if neither country is on the offense. If the two countries could swallow their pride and stop building bombs that could destroy the world many times over, maybe other countries would follow the example.

The United States and the Soviet Union would both benefit from mutual cooperation. Just think of the money each country would save if they didn't have to spend it on weapons. That money could help living conditions of the people of both countries. New technical advances would be unbelievable. With more cooperation things such as trade might increase. This would bring even greater profit to both countries. The people of the United States and the Soviet Union would profit greatly from this mutual cooperation.

Collaboration between our countries could be a great help to the world. Terrorism, world hunger and many other things could be halted or at least slowed down with the cooperation of our two countries. Living standards of many countries could rise with backing of our two countries.

Not only would the United States and the Soviet Union but also the whole world would benefit if we'd drop our differences and work on our things in common. I hope we realize that we can live in harmony

before it's too late. Dropping differences would not only help us (us meaning the United States and the Soviet Union), but it would also help the whole world.

(By Jennifer Giroux, Mt. Iron-Buhl)

DEAR MR. GORBACHEV: "Into the depth of the earth. . . ., we cast all weapons of war. We bury them from sight forever and plant again the Tree of the Great Peace." Dekanawidah, a native American Indian who devised the idea for the League of the Iroquois, spoke these words in his speech for the opening of the Iroquois Council.

Several hundred years ago, before Europeans and others came to North America, five Iroquois Indian tribes living apart as separate natoins formed the League of the Iroquois in pursuit of peace. They had engaged in battles with each other for many years and had little in common but a desire for peace and harmony.

The purpose of the confederation was to live in peace, to protect against invasion of their domain by other nations, and to form a government among themselves. The acceptance of the Iroquois Constitution led to the end of bloodshed among the nations for over three hundred years, and they unified against ouside enemies.

Throuigh their wisdom, these Indians looked past their pride as separate nations and united for the good of all. If it was possible for so-called 'ignorant savages" to lay down their weapons in return for peace and friendship, why is it not conceivable that your nation and mine, both comprised of civilized people, can throw away mutual distrust and animosity in exchange for the guarantee of a peaceful future?

An American forefather and great leader, Thomas Jefferson, is said to have studied the Constitution of the Iroquois at the time that the United States Constitution was being formed. Today it is my desire that the world community also follow the Iroquois' example by disarming their weapons, embracing each other, and working for the good of all.

The United States and the Soviet Union are the two most powerful countries in the world. If our two nations together follow the example of the Iroquois and lay down our arms, we will serve as an example to the rest of the world and perhaps make it possible to achieve global peace.

From our noble past comes these words of Longfellow's poem "Hiawatha:"

"Buried was the bloody hatchet;
Buried was the dreadful war club;
Buried were all warlike weapons;
and the war-cry was forgotten.
Then was peace among the nations."

I challenge you, Mr. Gorbachev, to hold counsel with the leaders of my country in an effort to effect a just and lasting peace.

1. "I Have Spoken," Virginia Armstrong, Swallow Press Inc., 1971.

2. "Hoyt's New Encyclopedia of Practical Quotations," Funk and Wagnalls Company, copyright 1940.

(By Julie Matonich, Hibbing)

DEAR MR. GORBACHEV: I would like to discuss with you our two countries, their similarities, differences, and problems. I would especially like to compare our people, but unfortunately, I don't know very much about the Russian people. Your country, it seems to me, has not opened its doors to us or our press as much as I would like; consequently, we have to guess at what goes on in Russia and what its people are really like.

I have been led to believe that your people are generally poor and unhappy. The few with money and power are generally shown as being greedy and wanting to control the world. I have been informed by newspapers and magazines that your people, in their turn, have negative opinions about us. They think that we do not care for our poor, and that we are a careless society where crime is very high. We also believe the worst of each other as far as dangerous escalation of nuclear arms is concerned.

Some of the above conceptions on both sides may be true to a greater or lesser extent, but it would be healthier to focus on more positive points. If we are to live in peace, we must learn to communicate with and understand each other. The secrecy between our countries can only cause more fear and mistrust—we have to open our doors. It is imperative that we see each other as real people, people with hopes, fears, dreams, aspirations, and concerns for others and for the world. Our ideals may differ, but we are all human.

It is not enough, Mr. Gorbachev, that our leaders meet only every so often. There should and must be constant communication. Our scientists and economists should share their ideas and work together. Our athletes should compete much more frequently, in totally nonpolitical ambience. People should be able to travel more freely between our countries; indeed, they should be encouraged and aided to do so. Delegations of teachers and students should visit each other's countries to learn as much as they can, and then they should share that knowledge with their countrymen. Our cultures should be interchanged; books, music, magazines, fine arts—all should be shared for understanding.

These, Mr. Gorbachev, are just a few of my thoughts on steps that should be taken to help our countries achieve mutual trust and understanding. I firmly believe that trust and understanding are the necessary first, vital steps that will bring Russia and the United States to a more secure and lasting relationship.

(By Dekki Maki, Chisholm)

DEAR MR. GORBACHEV: One of the greatest fears of people today is that of nuclear war. Teen-agers are not immune to this fear. We are just now approaching the time when we are becoming aware of world relationships. In a few years, we will be able to express our views and to act on them.

It is important that everyone is aware of the competition between the United States and the Soviet Union in the nuclear arms race. Although this race is a means of preventing either country from becoming too powerful, a limit should be set on nuclear arms production.

As a teen-ager, I wounder if I am going to live past the age of thirty, because the threat of a nuclear holocaust grows greater every day. The through of waking up one morning the finding the United States and the Soviet Union at war frightens me.

Even though we must be realistic and accept the fact that world peace is not in the near future, it is possible for the United States and the Soviet Union to become allies.

As the two strongest nations, ours should set an example. We can prove to other, smaller countries that it is not necessary to be opponents in the game of nuclear war. Nuclear war is not like a mere chese game. Checkmate is total destruction.

An alliance between our two countries should be advantageous to all sides. We could pool our resources to achieve higher goals. Scientists and chemists would share knowledge and work together to uncover new cures for deadly diseases. Biologists could work together and discover new resources to improve our economies. Perhaps most important of all, education could be combined and furthered to better instruct the up-and-coming generations who shall one day be our leaders.

It would be well worth the while if peace could be obtained beween our two beautiful nations.

(By Jodi K. Ellwood, Gilbert)

DEAR MR. GORBACHEV: In Europe and America there is a growing feeling of fear over the destruction of world peace. The citizens of the Soviet Union and the United States are asking themselves: Can world peace finally occur?

Communism is a word that puts fear and anger into the minds of the citizens of the United States. Do the citizens of the Soviet Union get this same feeling when the words Capitalism and Democracy are mentioned?

Why are our two countries always made the villains in some wicked novel by each other? Aren't we just trying to deal with our own problems such as the economy?

A few months ago, the superpower leaders met in Geneva. You and Mr. Reagan met and discussed many items such as security issues, regional conflict, bilateral issues, and human rights. Only one area of arms control was agreed on. The area was nuclear nonproliferation or an agreement to stop the spread of nuclear weapons. But while improvements were being made, a lot of criticism was going on. You criticized the United States for abusing American Indians, blacks, and other minorities while President Reagan criticized you for your government's treatment of Jews, Andrei Sakharov, and the failure to comply with the Helsinski accords. The time spent criticizing could have been used more wisely. Why can't we be positive rather than negative?

In January, 1986, the citizens of the United States saw and heard you present a speech and the Soviet Union citizens heard Mr. Reagan. It seemed then as if we were finally advancing. But now the headlines once again read, "U.S. vs. Soviet Union," or "Nuclear Arms may cause third World War." A third World War is something that nobody wants. The war would not only ruin everything that we have strived for but it would also destroy the world.

Mr. Gorbachev, I am worried about the future of both of our countries. Will this feeling of fear or threat of war always be with the people? Will they ever be able to live freely? As a high school senior, I often wonder what my future will be like. I do not want it to be clouded with this fear.

People are the best natural resource of any country. Letting the people know the truth about each other may lead to a feeling of security and peace. The people of the Soviet Union and the United States are similar in so many ways. We are both loving and caring people trying to survive. Our children are the future doctors, lawyers, and leaders. They should be able to meet their goals without the threat of nuclear war over their heads.

Having trust in another person gives a sense of security. Could having trust in another nation also lead to world security and peace?

The time has come for our two countries to work together. We need to have more meetings to work out a plan for the future. Not to criticize each other for what has already been done, but to strive for the future by starting over.

Let's advance to better relations by trusting one another and working together for a successful future. Let's put our differences aside and work to solve our problems . . . To be successful countries, understanding countries, and most important of all, the Peaceful countries.

(By Janet Clement, Cherry)

DEAR MR. GORBACHEV: You don't know me and I know very little about you. I only know that at any time you could destroy most or all of my country and I am afraid. I also know your people think we are monsters, they, too, are afraid. Why is there all this fear?

At one point we were allied; our great powers united. We are still great powers but now they are directed against each other and the whole world sits on edge as we wait for the day when our powers will clash and life as we know it will cease to be.

I would like to think this clash will never happen; not in my lifetime, my children's lifetime, or any of my descendents lifetimes. But if you will look back in history any two cultures with such conflicting points-of-view have settled it one way—war. One side forces the other to adopt their way of life. I feel, though, in a war today there wouldn't be any winner: We must learn from our past mistakes and overcome our differences.

This doesn't mean you have to become the perfect democratic nation or that we would have to turn communist. This means we must solve the mystery and settle the mistrust between our countries. Behind your secretive curtain I can see nothing. I can't see your people's joy or pain because I can't even see your people. I don't know if every Russian person truly hates me in their heart just for being American. I don't know if Russian children know the joys and freedoms I know. I do know that I have no great desire to see the Soviet Union disappear and could learn to live in harmony beside them if you would only let me try.

So, Mr. Gorbachev, I ask you, would you let me try? Would you let me see a little part of your country, of your people, of your way of life? Maybe we would discover we are not so far apart. The worst that could happen is we could discover we really don't want to murder each other.

FATHER WALTER E. SCHMIDT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. MINETA. Mr. Speaker, I would like to ask you and my distinguished colleagues to join me in saluting Father Walter E. Schmidt. Father Schmidt will be honored at a testimonial banquet on Tuesday evening, June 17, 1986, for his 43 years of service to Santa Clara University and the community at large.

When the newly ordained Jesuit arrived at Santa Clara in 1943, he expected to begin a career as a college theology professor, But no sooner had he begun to teach theology, he was asked to assume additional responsibilities as dean of men. It was an appointment that launched an administrative career that would span more than four decades of sustained growth at the university.

In 1944, Father Schmidt discovered he had extra time at his disposal due to conscription for the war which reduced Santa Clara's all-male student body to only 60 students. With juvenile delinquency sharply on the rise among Santa Clara Valley youngsters, the Santa Clara City Council permitted a small group of teenagers to open a youth club in a vacant grocery store. Dubbing themselves the Wutzit Club, the teens went looking for adult supervision. The teenagers found the young dean of men agreeable to helping them as best he could. Under Father Schmidt's leadership, the Wutzit Club grew to 1,000 members within 3 years.

In 1947, to assist the Wutzit Club finance its many activities, Father Schmidt flew to Hollywood and garnered support from studio executives for the production of a benefit of a performance of "Hollywood Star Time." The show was headlined by Frank Sinatra and included Jack Carson, Robert Alda, and Rhonda Fleming.

Two additional benefits secured Father Schmidt's reputation as a master fundraiser, and with money from these and other promotional activities, he purchased a 5-acre site to build a modern facility for "his kids." In 1956, the Santa Clara Valley Youth Village opened at 2147 Newhall Street. For the next 30 years, it would serve as an important center for both the young and the elderly in the valley.

Father Schmidt's accomplishments did not go unnoticed. He was asked by President Eisenhower to serve on the Council of Youth Fitness, and later he was appointed a special advisor to President Kennedy's Committee on Juvenile Delinquency and Youth Crime. He received many community awards, including the First Annual Community Service Award for the National Conference of Christians and Jews.

During these years, Father Schmidt was also working diligently on his administrative duties at the university. Appointed vice president for university relations in 1960, he assumed responsibility for the growing public relations, development, and fundraising programs at Santa Clara.

In 1965, Father Schmidt founded the Board offFellows, and for the next 20 years coordinated the activities and meetings of the organization. One of his responsibilities with the Fellows was coordinating the arrangements for their annual black-tie benefit, the Golden Circle Theatre Party.

In 1971, after serving as special assistant to the university president, Father Schmidt was named senior vice president of the university. He served in that capacity until his retirement in October 1985. Father Schmidt continues his lifelong interest in helping young people as president of the Father Schmidt Foundation for Youth. It is fitting that the foundation has become a major source of financial assistance to outstanding students at Santa Clara University.

Mr. Speaker, on the occasion of his retirement from Santa Clara University, Father Schmidt can be confident that our country is most grateful for his contributions and accomplishments, and I, consequently, ask my colleagues to join with me in expressing our thanks and congratulations to Father Walter E. Schmidt.

EB AWARENESS: A MOST WORTHY CAUSE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SOLARZ. Mr. Speaker, for the majority of Americans, every morning involves a series of routine tasks in preparation for a new day. Each morning we think nothing of eating breakfast and going to the office. For most of us these tasks are effortless. But for a victim of epidermolysis bullosa [EB], accomplishing these tasks is a result of extreme effort which generally requires assistance. Those who suffer from EB experience pain from just a touch or an accidental nudge. This pain prevents them from carrying out many of the ordinary tasks which most of us take for granted.

EB is an as-yet-incurable skin disorder that causes open bleeding sores to form more or less all over the body. It is created by a genetic defect that makes the skin's connective tissue extremely fragile. Though in no way contagious, the disease may often cause its victim to be socially ostracized.

In the most severe form of epidermolysis bullosa, the entire skin surface can erupt in blisters from even a slight trauma, producing unsightly scars that never disappear. The disease also affects the extremities, creating web-like scars that cause fingers and toes to actually fuse.

This baffling disorder is often disastrous to children born with it, and to their families. Because the afflicted person's life is so constricted, the future so discouraging, and the demands on the family so great, many parents are simply unable to cope and have to institutionalize their EB children.

This week I introduced House Joint Resolution 639, a bill that would make the week of December 1, 1986, Epidermolysis Bullosa Awareness Week. It is my hope that, as more people are made aware of the terrible effects of EB, new funds essential to the researching of this disease will be made available. There are few programs which pay greater dividends, which provide so much hope, and which make such a material difference in the lives of our constituents than the research into this tragic disease. Over 40,000 people in the United States are presently affected with EB, and researchers have shown that approximately 1 out of every 50,000 children is born with it.

I am also proud that DEBRA, one of the Nation's most active public health organizations, is headquartered in my Brooklyn district. Their selfless work on behalf of EB should serve as an example to all those in the health care field.

According to Dr. Lawrence E. Shulman, a director at the National Institutes of Health, "Research and advancement in treating and identifying the causes of EB are expected to benefit all those suffering from this grave skin disorder." At this moment, researchers at the University of California at Torrence, Harvard

Medical School, and the Shriners Hospital for Crippled Children in Portland are studying the basic science of the skin basement membrane zone, the region between the epidermal and dermal layers. Scientists at the Rockefeller University, New York City, and the University of Alabama are using highly specific monoclonal antibodies as research tools to identify components of the skin. Studies at the University of North Carolina at Chapel Hill are focused on characterization and isolation of a basement membrane zone molecule involved in acquired EB and of its possible significance in inherited forms of EB.

Yet without further congressional support, many of these programs will not be able to continue their groundbreaking work. I urge my colleagues to cosponsor this important legislation and assist the Dystrophic Epidermolysis Bullosa Research Association of America [DEBRA] in its valiant struggle to increase the public's awareness of this debilitating disease.

LITTLE IMPROVEMENT NOTICED IN SOVIET EMIGRATION POLICY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. MAZZOLI. Mr. Speaker, for the past several years, I have participated in the Congressional Call to Conscience Vigil in an attempt to draw attention to the plight of Soviet Jews and other prisoners of conscience who are seeking freedom and emigration from the Soviet Union. This is a specially worthy effort and a timely moment for the call in view of Anatoly (Natan) Shcharansky's visit to the Capitol last week and his heroic efforts to call the country's and the world's attention to the plight of those, not so fortunate as he, who are still in the Gulags and behind the Iron Curtain yearning to be free.

Despite the best efforts of Members of Congress and concerned American citizens in recent years, there has been little noticeable improvement in Soviet emigration policy toward its Jewish citizens.

In fact, sadly to note, Soviet Jewish emigration has been in decline since 1979—when Soviet officials placed more stringent restrictions on emigration. Emigration reached its highest level in nearly 2 years in April 1985, when 166 Jewish citizens were permitted to leave. And that number is appallingly low.

In particular, I am concerned about the plight of the Yakov Beilin family. Yakov Beilin is a forestry technician who lives in a small Jewish community in Tula. Most of his family, eight aunts and uncles who previously lived in Vilna, were exterminated with their young children during World War II.

In 1973, Beilin's father died after a long illness. Before he died, his last stated wish was that his family move to Israel where his only sister resided. This request the widow Beilin decided to fulfill.

Yakov Beilin's mother was granted permission to emigrate to Israel, but Yakov Beilin, his wife, and two children were refused. Despite her age and frailty, Yakov Beilin's mother decided to make the move.

His mother remains most distressed by being separated from her family. She writes:

"I have but one desire. I beg you to help me bring my son and his family to Israel. The few years that I have left to live, I would like to spend together with him."

Mr. Speaker, as one of many concerned Members participating in this year's vigil, I hope the Soviet Union will exhibit respect for basic human rights and privileges, as guaranteed under the Soviet Constitution and the Helsinki Accords, and reunite the Beilin family and other Soviet families in similar circumstances.

INTRODUCTION OF A BILL FOR THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. McCAIN. Mr. Speaker, today I am introducing legislation which would return a measure of local control to the local government of the Salt River Pima-Maricopa Indian Community. Prior to the U.S. Supreme Court decision in *Oliphant* v. *Suquamish Indian Tribe,* 435 U.S. 191 (1978), Indian Tribal governments exercised limited criminal jurisdiction over Indians and non-Indians passing through or located on lands within the boundaries of their communities; much like our other local systems of government such as counties and municipalities.

Oliphant defined both the limits on a State with regard to jurisdiction within Indian lands, and the limits of tribal governments over non-Indians. Specifically, the Court stated that under the plenary powers of the Congress it could, but it had not, grant Indian tribes jurisdiction—over non-Indians—for criminal offenses. This reversed a large body of case law that had developed, particularly in relation to the Indian Civil Rights Act of 1968, Public Law 90–284, title II, section 202. The Indian Civil Rights Act guaranteed to the Indian people the general constitutional rights outlined in the U.S. Constitution and Bill of Rights, except that it differed in regard to the separation of church and state, and it did not require public provision of counsel to indigents.

As an unforeseen consequence of this decision, a gap now exists in some areas of the country concerning misdemeanor criminal jurisdiction over non-Indians passing through Indian lands. Prior to Oliphant, many of the criminal codes of Indian tribes provided the misdemeanor provisions that are not included in the Federal Major Crimes Act, nor would be considered by State criminal codes which are enforced by Federal officials pursuant to the Assimilated Crimes Act. Since Oliphant it has been unclear what misdemeanor law applies to non-Indians within Indian boundaries.

In the case of the Salt River Pima-Maricopa Community in Arizona certain actions which are violations of misdemeanor criminal codes for community residents are not applicable to non-Indians, and are not violations of any applicable State, county, or municipal codes; resulting in a situation in which two classes of people exist side-by-side and law enforcement officials can only prosecute the Indian class.

For example, it is a violation of the Community criminal code to publicly consume alcoholic beverages. However, non-Indians regularly disregard this law because tribal police cannot enforce the law against them. This has caused disputes over the use of public areas within the community's borders and hard feelings between Indians and non-Indians.

The legislation that I am introducing, along with my colleagues, Congressmen JIM KOLBE and MORRIS UDALL, would grant the Salt River Pima-Maricopa Indian Community misdemeanor criminal jurisdiction over non-Indians passing through the reservation. We do this, not only to bring equity back to this particular area of government in Arizona, but as a recognition of the efforts of the Salt River community to act as a responsible citizen and good neighbor in Arizona.

The mayors of all the surrounding non-Indian communities and the Governor of the State of Arizona have endorsed this legislation. These local and State officials recognize that Indian communities should be treated like other communities in the State and be accorded the same respect and responsibilities.

I am hopeful that the legislation will move quickly through the Congress. However, I also recognize the need to make a complete record on this issue as it is the first congressional exercise of its authority to grant such jurisdiction, as laid out by the U.S. Supreme Court decision in *Oliphant.* I believe this legislation is necessary and appropriate, and I urge my colleagues to support this effort.

GEORGE PALMER, SCHOOL OFFICIAL, RETIRES

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. THOMAS of California. Mr. Speaker, my fellow Representatives, I ask you to join me in paying tribute today to a veteran of the Bakersfield City School District.

Associate superintendent, Mr. George Palmer, is retiring after running the business side of the municipal school district for 23 years. The district includes 32 schools with students from kindergarten through junior high school.

George Palmer started his career in education as an elementary school teacher in 1952. He became a school counselor and then in 1958 a principal at Hort and then Noble Elementary School in Bakersfield. In 1963 George took on the role of associate superintendent of the Bakersfield City School District and served as acting superintendent three times. Being in this position since the 1960's has not always been smooth sailing. But throughout the tough times George Palmer has acted as a calming influence. His wit and professional conduct were an inspiration to all during some of the most turbulent years in public education.

Throughout his administrative career George has kept a real understanding and

caring of the needs of teachers and students. He exemplifies the real benefits of administrators who come from the ranks of teachers.

George is an active member of the Bakersfield community. He has served as chairman of the Kern County United Way campaign, as well as the president of the California Association of School Business Officials, and chapter president of the educational fraternity Phi Delta Kappa.

The Bakersfield City School District will surely miss George Palmer but the residents of Bakersfield are lucky because he is remaining in the area and his contributions to the community will continue long after his retirement.

PROFESSIONALS' LIABILITY INSURANCE REFORM ACT OF 1986

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. RITTER. Mr. Speaker, yesterday, in an effort to address the current crisis due to the unavailabilty and unaffordability of liability insurance, I introduced the Professionals' Liability Insurance Reform Act of 1986. You may have heard from professionals in your district asking for help in this area. Officers or employees of State or local governments, members of boards or commissions of colleges or universities, social service organizations, and nonprofit organizations have all suffered lawsuits while trying to serve their communities. Professionals such as physicians, dentists, attorneys, engineers, public accountants, and architects, individuals who provide the intellectual base for so much productive employment in our society, are also in jeopardy. When these professional workers' efforts are curtailed, there is a domino effect bringing down related jobs as well. If engineers, and architects don't work because they cannot get liability insurance, construction workers are also idle, steel and cement for the projects aren't made, furnishings aren't sold, and so it goes across the economy.

The Professional's Liability Insurance Reform Act of 1986 will go a long way toward eliminating current problems in the tort liability system at the State level. What this bill does is give the State legislatures strong incentive to move rapidly toward reform of their State tort liability systems. It gives each State 4 years to substantially comply with a set of minimum standards set out in the bill. These minimum standards are generally agreed as necessary to address the unavailability and uninsurability problem. In general the bill asks for States to set up:

Pretrial screening of cases as an inexpensive means of excluding spurious claims:

Limits on non-economic damages pain and suffering, mental anguish, et-cetera;

Restrictions on attorneys' contingency fees;

Limits on joint and several liability attribution of fault;

Punitive damage awards that go to courts rather to plaintiff;

Counsel's liability for excessive costs;

Structured settlements using a system of periodic payments; and

Judgment awards to be reduced by collateral compensation.

If, and only if, the States do not change their tort liability system to substantially comply with these proposed changes, these changes would supersede State law. It is my hope that this will not have to happen.

I urge my colleagues to join me in supporting this legislation and similar legislation addressing the tort liability crisis. Until this problem is addressed, our productivity as a nation will suffer. American businesses and American workers need relief from this crisis and legislation such as the Professional Tort Liability Relief Act will go a long way to provide that relief.

HOMELESSNESS AWARENESS WEEK

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LELAND. Mr. Speaker, I strongly endorse House Joint Resolution 347 proclaiming this Homelessness Awareness Week. This resolution is a painful reminder of the continuing crisis of homelessness in America. The millions of Americans who experienced homelessness this year demand more than our awareness. There must be a commitment of public and private resources sufficient to assure that every American has a place to call his or her own "home."

Homelessness has been growing significantly since 1982 in both major metropolitan and rural areas of our Nation. During 1985 alone, the U.S. Conference of Mayors reports homelessness increased by 25 percent in 22 major cities surveyed.

The forces responsible for this human crisis are rooted in recent social and economic factors. First, the rise in unemployment in the early 1980's displaced hundreds of thousands of potentially self-sufficient wage earners. Today, nearly two of every three jobless workers are without benefits, not including the "discouraged workers" who have given up looking for employment because their job skills do not match the jobs available.

Second, a growing number of poor Americans cannot afford the housing that is available. This is a result of increasing poverty, urban renewal efforts, reductions in the real value of welfare benefits, reductions in disability benefits, reductions in Federal funds for housing and community development, rising utility costs, and severe cuts in section 8 Federal housing assistance for low-income Americans.

Third, a revolution in mental health care during the 1970's has displaced thousands of mentally disabled Americans out of institutions and onto the streets. This "deinstitutionalization" was intended to protect the health and welfare of those who would otherwise have been locked up for life. Unfortunately, sufficient community mental health resources have not been provided to assist these individuals to reenter mainstream America.

I feel strongly the problem of homelessness must be addressed with the combined will of Federal, State, and local governments as well as the charity of the private voluntary community. In the coming weeks, I will be introducing comprehensive legislation which improves services to fight homelessness and its underlying causes. Specifically, the bill would improve assistance under the Aid to Families with Dependent Children and Supplemental Security Income programs, prevent unnecessary evictions from private rental housing, provide increased health, eduction and job training services for the homeless, and improve the accessibility of Federal assistance programs to eligible homeless persons. Additionally, it would establish a national right to shelter for the homeless.

According to a January 1986 New York Times/CBS news poll, the majority of Americans think Government is not demonstrating enough concern for the homeless. I urge my colleagues to join with me in making a commitment to invest today in preventive and remedial services for the homeless. This is both a moral and budgetary imperative.

IRRIGATED AGRICULTURE THREATENED IN CALIFORNIA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. MILLER of California. Mr. Speaker, two great issues have paralyzed water policy and agriculture in the Central Valley of California far too long.

The continuing selenium contamination crisis at Kesterson Reservoir and the valleywide drainage problem threaten the future of irrigated agriculture in California.

The proposed settlement of a longstanding lawsuit between the Westlands Water District and the Department of the Interior jeopardizes the repayment of the entire Central Valley project and the integrity of Federal reclamation law.

Both these crises—Kesterson and Westlands—have been grossly mismanaged by the Bureau of Reclamation and the Department of the Interior. Footdragging, secrecy, evasion, and ignorance have become the hallmarks of the administration's policy.

The cost of their failures—degradation of water quality, increased repayment costs and utility rates, contamination of farmland and wildlife, and endless, multibillion-dollar subsidies for agribusinesses—those costs will be borne not by bureaucrats in the Bureau, but by the taxpayers of America.

The fact is that the administration has failed—failed to solve problems, failed to win the confidence of the public or the Congress, and failed to abide by the mandates of reclamation law. We are witnessing a repetition of the bureaucratic bungling which created these problems in the first place.

No longer can we entrust the Keystone Kops of Kesterson to solve these problems.

My Subcommittee on Water and Power Resources has conducted a thorough review of the documents produced for the Westlands

lawsuit negotiations. That review has led me to the inescapable conclusion that there are numerous issues being considered by the litigants which should be decided in the open by elected representatives, not in closed rooms by regional solicitors.

That is why I am today introducing a comprehensive bill to resolve in a fair, economically sound and environmentally safe manner, the drainage problems and the reauthorization of Westlands. I intend to hold hearings on this legislation immediately after the Memorial Day recess.

The bill would require the Secretary to establish guidelines to insure that any agricultural drainage from California irrigation districts does not pose a threat to public health, safety, or the environment. Irrigation districts would be encouraged—through Federal assistance—to develop plans to meet these guidelines. The Secretary would be prohibited from signing any contract with a district that fails to develop a drainage plan by 1992.

A California Water Exchange would be established to market surplus agricultural water under contract to Central Valley Project [CVP] customers. Any irrigation district could make water available to the exchange and the Secretary would be required to market the water to the highest bidder.

Districts must use the proceeds from the sale to pay their appropriate share of operation, maintenance, and capital costs. Districts could retain 75 percent of the remaining funds to finance solutions to their drainage problems. Otherwise, the district would only keep 25 percent of the profits.

Any funds received by the Federal Government would be equally divided for three purposes: One, repaying the costs of the San Luis Drain, a land retirement program and establishing a ground water management research area; two, restoring California wetlands and sport fish; and, three, repaying the capital costs of the CVP. By expediting repayment of project costs, this bill will reduce long-term subsidies and save taxpayers millions of dollars.

The bill would authorize a $30 million research program to examine the drainage problems of the Central Valley, and also would establish the research objectives for this program. However, the program would proceed only after the State of California had agreed to pay 35 percent of the costs.

The bill would direct the Secretary to comply with the State Water Resources Control Board order to close Kesterson Reservoir. It would authorize the Secretary to spend up to $30 million to clean up the contamination at the reservoir.

To assist farmers affected by drainage problems, the bill permits the Secretary to purchase two types of farmland from willing sellers at fair market value. First, lands which if permanently retired would improve the quality of a district's agricultural wastewater. Second, lands no longer suitable for sustained production because of contamination.

The bill would authorize the Secretary to purchase up to 4,000 acres immediately adjacent to Kesterson Reservoir for a groundwater water research area.

The bill would finally resolve the complex problems surrounding the legal battles between Westlands and the Federal Government. The bill would expand the service area of the District from 500,000 acres to 650,000 acres. It would replace an outdated surplus crops provision with one recently approved by the Congress in the Garrison Diversion Unit Reformulation Act (P.L. 99-294).

The bill would prohibit any further construction of the San Luis Drain beyond its present terminus at Kesterson Reservoir. However, the bill would relieve the district from repayment of the $42 million spent on the drain to date.

Finally, the bill would authorize an additional $100 million for distribution systems and drains in Westlands. However, in order for these funds to be spent, Westlands would have to come into compliance with the Reclamation Reform Act of 1982 [RRA]. In addition, the legislation clarifies that any additional long-term water service to any portion of the San Luis unit would trigger full compliance with the RRA for the district which enters into the contract.

This legislation establishes the framework we need to resolve the drainage problems which threaten the future of irrigated agriculture in California. it is a comprehensive and innovative solution to these problems and I intend to work diligently to seek enactment at the earliest possible date.

A TRIBUTE TO CAPT. JAMES SMITH

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LENT. Mr. Speaker, a veteran of the Vietnam war once said, "Poor is a Nation that has no heroes; beggard is that Nation that has, and forgets". Truer words were never spoken. Here is the story of one man, Capt. James Smith, whose bravery during the battle of Mobile Bay in the Civil War earned him the Congressional Medal of Honor. The published account of Captain Smith's valor during this battle reads as follows:

For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty as Captain of a gun on board the U.S.S. *Richmond* and against the ram "Tennessee" in Mobile Bay, on August 5, 1864. Despite the damage to his ship and the loss of several men on board as enemy fire raked her decks, Smith fought his gun with skill and courage throughout the prolonged battle which resulted in the surrender of the Rebel Ram "Tennessee" and in the successful attacks carried out on Fort Morgan.

But, tragically, the Nation that had so commemorated Captain Smith's courage soon forgot his exceptional spirit of loyalty. Upon his death in 1881, there were no military honor guards to mourn his passing, no one present to tell of his heroic valor, and no military awards or honors. In fact, there was no recognition of any kind, not even a simple headstone to dignify his grave. Captain Smith's outstanding achievement and contribution to the success of the Civil War was buried along with his casket in a New City cemetery until his story was unearthed almost 100 years later.

Through the efforts of Mr. Thomas Brenker this injustice has been rectified and Captain Smith will have the ceremonial burial befitting his heroism. My office has worked closely with Mr. Brenker in bringing Captain Smith's remains to their rightful resting place in Arlington Cemetery. However, Captain Smith's selfless loyalty to this country and his courageous deed should never have been forgotten. I commend Mr. Brenker for bringing this gross negligence to our attention and I am pleased to have been a part of his effort to pay tribute to this American hero.

Although this story has a happy ending—that is, our recognition of Captain Smith's courage and self-sacrifice—there are many others who have not been so appropriately honored. Indeed, there are over 200 deceased recipients of the Congressional Medal of Honor who have been buried, without notice, in unmarked graves around the country. I have introduced legislation, House Joint Resolution 501, which addresses this grave injustice. This bill, instigated by my work on behalf of Capt. James Smith, makes clear the resolve of Congress to acknowledge and honor these near-forgotten heroes by examining the need for a central clearinghouse for information on recipients of the Congressional Medal of Honor.

On this Memorial Day we take time to remember our war dead. I can think of no more fitting tribute to these fallen soldiers than this ceremony honoring Capt. James Smith. On Memorial Day we make clear that we have not forgotten, nor will we ever forget, the heroism of all our veterans who so fiercely protected "liberty and justice for all".

SMALL BUSINESS WEEK—FOCUSING ON SMALL HIGH TECHNOLOGY FIRMS AND THE FEDERAL GOVERNMENT

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. MAVROULES. Mr. Speaker, almost 4 years ago President Reagan signed the Small Business Innovation Development Act into law. In his Rose Garden speech, he noted that:

The Small Business Innovation Development Act recognizes that we in Government must work in partnership with small business to ensure that technologies and processes are readily transferred to commercial applications.

With those words, the President pledged his total commitment to the new SBIR Program.

Today, my subcommittee took a small step toward ensuring the continuation of this landmark measure by repealing its unset provision. This action is particularly timely coming as it does during Small Business Week, 1986.

I would like to point out that when announcing this year's Small Business Week, President Reagan stated that:

Business of America begins with small business * * * Their innovative entrepre-

neurial spirit has brought a new excitement to the marketplace.

It is this most innovative sector, working together with the participating agencies, that has made the SBIR Program a success. The testimony of these agencies attest to the high quality of the SBIR proposals; and the agencies' SBIR Program managers are very enthusiastic about the program. It has increased small business participation in the R&D process, while allowing these agencies to explore new and risky ideas that would never have been considered before.

In reviewing the testimony my subcommittee received during recent hearings which looked at the achievements of the SBIR Program, I personally believe that SBIR is a particularly appropriate use of Federal funds.

It is true that we must have patience regarding the future marketing of the innovative ideas being developed under SBIR. The agencies, however, have stated that the potential for commercialization of the SBIR projects they have funded is very promising.

Unfortunately, despite these favorable reviews, many agencies have indicated that it may be impossible, without this statute, to continue an SBIR-like program on their own.

Therefore, it remains up to the Congress to ensure that our Federal agencies continue this cooperative arrangement with small high technology firms. By considering reauthorization now, we would be ensuring that there is no gap in its implementation as well as sending a message to the participating agencies and interested small businesses that we want this important program to continue.

I recently received a letter from the National Federation of Independent Businesses, which has long been among the most vocal supporters of the SBIR Program. Their letter pointed out that:

The successes of this program are many, and the biggest winner has proved to be the Federal Government.

NFIB also states that:

The excellent job being done by the Small Business Administration in managing the SBIR is the primary reason the program can boast so many successes.

Furthermore, the NFIB letter expresses support for the timely reauthorization of the Small Business Innovation Development Act, pointing out that:

While the act does not expire until 1988, Government agencies must begin their budgeting efforts now for the upcoming years. It is appropriate that you begin the process of permanently reauthorizing the SBIR.

I think we will all agree that the SBIR is no longer an experiment. There is no better time than Small Business Week to take the first steps toward reauthorization.

THERESA EBERENZ RETIRES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GEPHARDT. Mr. Speaker, on June 13, 1986, Miss Theresa Eberenz will retire from the St. Louis Public Schools after more than 40 years of loyal service as a teacher.

Miss Eberenz was born in St. Louis, educated in Normandy, MO, and received her teacher training at Harris Teachers' College, earning a bachelor of education degree. Her master of science degree was earned at St. Louis University.

Miss Eberenz' career as a teacher had its beginning at Field School. She has also taught at Clark, Lindenwood, and Buder Schools. Miss Eberenz has kept a close association with her colleagues from Field School. She is active on the board of the Lindenwood Community School.

She has always had a keen interest in science and has involved her fifth grade students in the St. Louis Science Fair. Some have received awards.

Miss Eberenz has been an asset to St. Louis children throughout her teaching career, working actively with students, parents, and fellow teachers. Her philosophy is: "There is good in every child, and with enough patience you will find it."

I know that the whole community at Buder School will miss Theresa Eberenz. There is no more important service to our country than teaching our children. With the students and staff of the St. Louis Public Schools, I salute you, Miss Eberenz, and wish you the best in your retirement.

RETIREMENT OF GEN. ROBERT W. SENNEWALD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SKELTON. Mr. Speaker, I rise today to announce to my colleagues the retirement and pay tribute to an outstanding military officer, Gen. Robert W. Sennewald, who is stepping down as the commanding general, U.S. Army Forces Command.

Throughout his career, General Sennewald has held a wide variety of important command and staff positions, including the commander in chief of the Republic of Korea [ROK]/United States Forces, deputy commander in chief of all U.S. forces in the Pacific Theater, and commanding general of the U.S. Army Training Center and Fort Dix in New Jersey.

General Sennewald is a 1951 distinguished military graduate from Iowa State University. His military education includes completion of the basic and advanced officer courses at the artillery and missile school, the U.S. Army Command and General Staff College, and the National War College.

Awards and decorations received by General Sennewald include the Defense Distinguished Service Medal, Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit with two Oak Leaf Clusters, Bronze Star Medal with Valor Device with one Oak Leaf Cluster, Air Medals, Army Commendation Medal with one Oak Leaf Cluster, the Vietnamese Service Medal, the Republic of Vietnam Campaign Medal, and the Purple Heart.

Mr. Speaker, I feel certain that the Members join me in praising this distinguished American soldier for his many years of dedicated service to his country, and in wishing General Sennewald and his wife, the former Nancy Jane Vance, and their three children, Steven, Ann, and Julie all the best in the many years to come.

GIRL SCOUT SILVER AWARD TO MICHELLE MOYER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. GEKAS. Mr. Speaker, on June 9, 1986, Michelle Moyer of Beavertown, PA, will receive the Girl Scout Silver Award, Girl Scouting's highest honor. This award has special significance because Michelle is the first Girl Scout from Beavertown to receive it.

Michelle has put forth a great deal of effort in pursuit of the Silver Award, including earning the Challenge of Being a Girl Scout by helping set up a children's fingerprinting program for her community and helping with Girl Scout day camp. She also worked on the emergency preparedness, global understanding, music skills for living, leadership, career exploration, and photography projects.

I would like to congratulate Michelle on her achievements in Girl Scouts and wish her similar successes in her future endeavors.

STAR WARS BOYCOTT

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. OWENS. Mr. Speaker, I recently received a report on the progress of the strategic defense initiative (star wars) boycott by researchers in science and engineering. These researchers have pledged to not seek any star wars funding and not to accept any funding for star wars research if it is offered to them. This is quite an incredible effort! It is almost beyond belief that researchers in the academic community are willing to forego available research funds in an era when the research dollar is pursued with greater devotion than the knights pursued the Holy Grail.

The star wars boycott was begun by concerned scientists for a number of reasons. One can be sure that those reasons did not include an excess of research moneys. However they did include concern that star wars was not technically feasible, that a limited capacity system—which might be feasible—would simply serve to escalate the arms race, that star wars research would violate existing arms control agreements and that the development of a system would be a step toward a strategy which could trigger a nuclear war. The strength of these concerns motivated the scientists to take a step which is virtually unprecedented in this country—the refusal of research scientists to develop arms which would ultimately prove destructive to all people.

The Manhattan project of World War II to develop the atomic bomb had some interest-

ing fallout. Scientists involved with the project were confronted with the destructive capacity that they had generated. The two bombs dropped on Japan were real weapons which landed on real people and caused real destruction. This was no longer an exercise in theory which was motivated by a desire to end the war and the sheer intellectual curiosity which made finding out if the bomb was a possible challenge. Once the bombs had been dropped, the consequences had to be dealt with. The scientists involved divided into two camps. There were those who stood in awe of what they had created and decided that it was not good. There were those who were equally awed by the ability that they had created to use for defense or offense. Those pressed on to develop bigger, and to them, better bombs, Of course, our adversaries were busy doing the same thing and soon "they" too had the bomb and we entered the era where it was possible to destroy the world as we know it.

Each leap in the technology of destruction has been applauded by those who somehow feel protected by this. However, there are others who have wondered why we continue to squander our resources so that we may increase the magnitude of destruction possible.

Young people have come to my office to question why they are having a hard time getting the resources to go to college while we continue to spend billions of dollars to increase our destructive capacity. With their rather direct perspective on survival, they ask why it is necessary to destroy the world so many times over. I have no answer for them. I find no reason to classify devices as weapons of defense or offense, when the consequences of their use is destruction of the user as well as the target. In order to be useful, a weapon is supposed to have the capacity to be aimed at an enemy without having it backfire on the user with equally devastating consequences. The scientists and engineers who have signed the pledge recognize the fact that star wars is dangerous. So far, 3,700 professors and senior researchers as well as 2,800 graduate students have signed the pledge. They have done so knowing that they will not have access to one of the greatest boondoggles around. Their concern for their fellow beings has outweighed their concern for their own careers. This was no small act for each and every person who signed the pledge. Both their courage and concern are to be commended.

UNFAIR FOOTWEAR COMPETITION FROM BRAZIL

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. COUGHLIN. Mr. Speaker, there has been much discussion lately about United States' export problems with our trading partner, Brazil. Just last week, a Cabinet-level committee ordered the preparation of retaliatory trade actions directed at Brazil in response to its refusal to ease restrictions on the import of computers and related technology.

Clearly, American companies are experiencing problems as they attempt to do business in Brazil and we are aware of many Government actions in that nation which have been designed to protect Brazilian domestic industries.

Today, however, I would like to center my remarks on a problem involving the rubber footwear industry.

For some time, a firm located within my congressional district, Joneric Products, has maintained a manufacturing facility for the production of safety shoes. These safety shoes are used by countless of workers in their daily work to protect themselves from injury. The growing need for these safety shoes is demonstrated by the recent expansion and modernization of Joneric Products' operations. The company has purchased new machinery and equipment and created new manufacturing jobs within Montgomery County to continue to expand its operations.

Unfortunately, their new enterprise and private investments in our Nation's manufacturing base are threatened by a Brazilian company which has begun exporting a similar product at unreasonably lower prices.

Joneric's safety shoes are priced in the $20 range which is a reasonable price to guarantee worker protection. The similar shoes currently being exported by Brazil cost approximately $8 a pair. This $8 figure, I should point out, includes a 37-percent import duty. While I recognize that Brazil has a lower wage rate for its production workers, I nevertheless believe that the Brazilian shoes must be coming into our Nation at a price below its production costs. If this allegation is proven, a clear case of import subsidies by the Brazilian Government would appear.

These subsidies pose a serious threat to the economic viability of Joneric Products and its workers. If Joneric is forced to cut back its operations due to this unfair foreign competition, it will result in the loss of jobs and increased hardship for the families of its workers.

The pricing mechanism of the Brazilian imports must be comprehensively examined. In light of the United States Trade Representative's efforts to negotiate with the Brazilian Government on trade issues, I think the situation of Joneric Products should be investigated.

I hope that the USTR investigates whether the Brazilian Government is unfairly subsidizing its safety shoe exports and if subsidies are found, that appropriate actions be taken. Quite simply, our Nation cannot afford to lose any more of its vital manufacturing base.

TRIBUTE TO FRITZ HUNTSINGER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. LAGOMARSINO. Mr. Speaker, I wish to take this moment to bring to the attention of my colleagues the death of one of my most honored constituents.

Fritz Huntsinger, founder of VETCO Offshore, Inc., was born in Eimdeldinges, Germany, on June 8, 1899, and attended schools in Switzerland. He served in the German Army during World War I, in Russia on the Western front. He was a prisoner of war in England until 1920. He returned to Germany and earned a diesel engineering degree from Nurenberg University in 1923. That same year he immigrated to the United States and became a floor sweeper for Schwab Tool Co., in Ventura, CA. This company served the emerging oil industry in Southern California. In 1928 Fritz rose to general foreman. At the height of the depression, the Schwab-Lane Tool Co. went bankrupt and Fritz bought the company in 1930 at a sheriff's sale, using his life's savings. This was the birth of Ventura Tool Co. and parent of VETCO Offshore which now employs over 3,000 people worldwide. In 1977 VETCO became a subsidiary of Combustion Engineering headquartered in Stanford, CT.

Ventura Tool Co. started out as a job shop operation earning the confidence of the oil patch by providing innovative services and craftsman machining work to solve the industry's problems on an urgent basis. Fritz became much in demand, because he didn't know the things that couldn't be done so he did them. He developed innovative tools and services over the years, many of which later developed many into sizable industries in themselves.

Fritz, early in his career, began sharing his good fortune in his newly adopted country with the less fortunate. He was a prime contributor to the establishment of the new Community Memorial Hospital in Ventura, donating to them one of the first brain and body scan diagnostic machines west of Chicago. He contributed to the City of Hope and other medical research. In the field of education, he donated the Huntsinger Academic Center to Pepperdine University, an aquatic center to Hood College in Maryland for use by handicapped children in the three neighboring States. He contributed to a youth center in Celle, West Germany for orphaned children from the Eastern Zone. He has contributed to the California Institute of Technology since 1952 and was a member of the advisory council. He has always been a contributor to organizations fostering a strong American youth such as the Pyle's Boys Camp, the Boy Scouts of America, Y.M.C.A., Salvation Army, various Little League teams and the Ventura Girls' Softball Team, which became the National Champions 2 years in a row. In December 1977, the Ventura County Boy Scouts awarded him with their highest award—the Gold Condor Award.

He was an active participant in civic affairs, having served three sessions on the Ventura County Grand Jury, twice as foreman, and was chairman of the Ventura County Flood Control Committee. He was very active in trade associations which foster the preservation of the private enterprise system. He was a frequent speaker before various government bodies, providing expert testimony.

Fritz earned many awards for his achievements and contributions to society. In 1972 he received the Ventura Jaycees award as Outstanding Citizen of the Year. In 1977 he was elected to the 33d Degree Mason and was appointed the Grand Supreme Commander as the First Vernable Master of the County Scot-

tish Rite Bodies. Also in 1977 he was named Industrialist of the Year by the California Museum of Science and Industry. In 1979 he was named Man of the Ages by the American Petroleum Industry. In 1982 he received the highest honor awarded by the American Offshore Industry for his achievements in supplying equipment to the offshore industry and for his humanitarian and philanthropic accomplishments.

Early in World War II, Fritz, remembering his own loneliness during World War I, formed the Tuesday Afternoon Rest and Aspiration Society to provide a place for servicemen to meet and mingle with the businessmen of Ventura. He remained Chief of the R&A until his death and enjoyed weekly respite from responsibility reveling in the fellowship of men from all walks of life.

Fritz was a member of the board of directors of Community Memorial Hospital in Ventura from 1951, serving as its president from 1960–65. He served as a member of the board of trustees of Pepperdine University, helped organize the Ventura County Taxpayers Association and served as its first president, was a member of the executive board of the National Ocean Industries and served as its national finance chairman. He was a member of the Poinsettia Lodge of Masons, member and president of the Ventura Shrine Club, member of the Legion of Honor of the Demolay and Knight Commander of the Court of Honor. He served as Guardian Member of the Boy Scouts of America and was a member of the Ventura Chamber of Commerce and served as its president in 1938 and 1946.

Fritz is survived by his wife, Marianne, sons Carl and Fritz R, six grandchildren and three great grandchildren. I ask my colleagues to join me in expressing sympathy to the Huntsinger family and in celebrating the life of such a great man.

NATIONAL TOURISM WEEK

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. TALLON. Mr. Speaker, today I am joining with Congressman BILL BONER in introducing a resolution designating the week of May 17, 1987, as National Tourism Week.

The purpose of this resolution is to bring to the public's attention the opportunities and adventures provided by tourism in the United States. I urge my colleagues to join me in cosponsoring this resolution.

As we celebrate National Tourism Week for 1986, I would like to highlight some of the events, festivals, and scenic attractions that not only bring thousands of tourists to my district, but also provide interesting and exciting opportunities for our residents.

Probably best known is the Grand Strand—a 60-mile stretch of clean, wide, safe, public beach. There's plenty for young and old, from minature golf to three dozen golf courses. We enjoy abundant surf, pier and offshore fishing, and host to the popular Arthur Smith Fishing Tournament. Accommodations include 45,000 rooms and 10,000 campsites. Also in this area we have the Intracoastal Waterway and the Waccamaw River providing water sports, fishing, and hunting.

Brookgreen Gardens, the world's largest outdoor collection of American sculpture, is housed in a garden setting along the southern Grand Strand. It contains more than 400 pieces of sculpture, amidst nearly 500 species of native trees, flowers, shrubs, and a wildlife park featuring birds and animals native to South Carolina in a natural setting.

I am also proud to have in my congressional district a wide array of local festivals celebrating the heritages, specialties, and cultures of these areas. Included are tobacco, cotton, sweet potato, chicken bog festivals, arts and crafts shows, horse shows, and old fashioned days.

My district is home for the largest 1-day tourism event in the State, the Darlington 500 NASCAR race. Other races including the TranSouth 500 are held throughout the year, and the Joe Weatherby Museum houses the world's largest collection of stock racing cars.

A touch of France can be found at the family-owned Truluck Vineyards in Lake City which offers tours of its vineyards and bottling facilities, along with a sampling of its premium wines.

There are abundant hunting and fishing areas throughout the district including the Georgetown low country and the Santee lakes area.

Mr. Speaker, I urge my colleagues to cosponsor the resolution proclaiming National Tourism Week for 1987. I also welcome those who may choose the variety, the beauty, and the excitement of a South Carolina vacation.

NATIONAL TOURISM WEEK 1986

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BADHAM. Mr. Speaker, as vice chairman of the Congressional Travel and Tourism Caucus. I have long been aware of the outstanding partnership that exists between the travel industry and the Federal and State governments in the promotion of tourism to our country. This spirit of cooperation is best symbolized in the annual observance of National Tourism Week which is being celebrated this week all over America.

Tourism is gaining wider recognition every year as one of our Nation's leading employers and revenue generators. Tourism is a wide variety of enterprises such as restaurants, hotels and motels, amusement parks, buses, travel agencies, car rentals, and souvenir shops. It is fitting that we honor them during National Tourism Week as important businesses that attract domestic and international travelers to our areas and provide services to those travelers during their stay.

California is the No. 1 travel destination in the Nation and receives more foreign visitors than any other State. Tourism is the third largest employer in our State. California had more people employed in tourism industry jobs than any other State in 1983 and ranked second in jobs generated by foreign visitor spending. In 1983, travelers to California spent nearly $28.5 billion and our tourism businesses paid more than $3,366 million in tax revenues.

Tourism works for California and for the rest of America. This week we salute the travel and tourism industry as a major and growing force in our national and State economy. I am also pleased to join my Tourism Caucus colleagues as we introduce legislation today to designate the week of May 17, 1987, as next year's National Tourism Week.

GOODBYE TO THE FIRST WOMAN FOREIGN SERVICE OFFICER AT U.S. DEPARTMENT OF STATE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mrs. SCHROEDER. Mr. Speaker, I wish to express my sorrow at the death of Lucile Atcherson on May 9, 1986, and to bring to the attention of my colleagues the achievements of Ms. Atcherson, the first woman in the U.S. diplomatic corps.

Lucile Atcherson received her A.B. degree from Smith College at age 18. She did volunteer work for the Franklin County (Ohio) Suffrage Association, then worked as a paid organizer for woman suffrage at the local, State, and Federal levels. She was secretary to Anne Morgan, president of the American Committee for Devastated France; and directed the general headquarters of that committee in Paris from 1919 to 1921.

After being in France for over 4 years, she recognized that the job of aiding the French would end soon. She had met some of the men in the American Embassy, even helping to type some of their papers. Work in the Foreign Service interested her, so she decided to apply to take the entrance examination.

She returned to the United States in 1921 and set about teaching herself what she thought she should know for work in the Foreign Service. She took the Diplomatic Service examination in July 1922 and ranked third with a combined written and oral score only a fraction of a percentage point behind the highest scoring candidate.

She was notified on December 5, 1922, that she had been appointed to the Diplomatic Service and would be assigned to Washington. On December 18, she reported to the Department of State and became the first woman Foreign Service officer in the United States.

The efforts of Ms. Atcherson and other women to enter the Foreign Service set off quite a debate among Government officials as to whether women should be allowed to serve. Some felt that an Executive order should be issued excluding not only women, but blacks and naturalized citizens as well from eligibility for employment. Some argued that there were ways for rating applicants from these groups so low on the examinations that they would not get a passing grade. Still others felt that applications must be judged on an equal basis and with equal treatment.

Fortunately, one of these last was Secretary of State Charles Evans Hughes, who refused to even suggest to the President that he issue such an Executive order. Hughes also told the Board of Examiners that he thought

It would only be a question of time before women would take their place in diplomacy and consular work just as in other professions.

He added that there was no reason for

creating friction by attempting to stem the inevitable tide temporarily.

The next question to be dealt with was the issue of Ms. Atcherson's assignment. She was initially assigned to the Division of Latin American Affairs in Washington. Although most officers received training in political affairs for a month or two and then were sent overseas, Ms. Atcherson was not assigned until she had served for 2 years and 4 months. In April 1925, she was assigned to the Legation at Berne, Switzerland.

In spite of the objections raised by the head of the Legation, Hugh Gibson, Ms. Atcherson was assigned anyway and sent across the Atlantic. She even managed to deal with such concerns Gibson worried about as what she should wear on official occasions and where she should sit at official dinners.

Ms. Atcherson continued in Berne for 2 years, then was transferred as Third Secretary of the Legation in Panama in February 1927. She resigned from the Foreign Service in September 1927. Her resignation was accepted with regret.

In 1978, the Department of State honored Lucile Atcherson on Foreign Service Day for her pioneering efforts.

TRIBUTE TO CHARLES FREDRICK CASH

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. HUBBARD. Mr. Speaker, I want to take this opportunity to pay tribute to the late Charles Fredrick Cash.

A large entourage of State and local corrections officials and employees attended the funeral of Charles Fredrick Cash Monday morning, May 12, at St. Paul's Catholic Church in Princeton, KY.

Cash, age 35, died at approximately 4:45 a.m. Friday, May 9, at the West Kentucky Farm Center from injuries caused by a blow to the head with a blunt instrument, according to Kentucky State Police. Cash held the position of corrections farm program supervisor in charge of the dairy, gardens, orchards, and food processing plant at the farm center. He and his family lived on the farm.

The accused criminal in the incident is in custody at Kentucky State Penitentiary and is expected to be indicted by the June Lyon County Grand Jury, according to Commonwealth Attorney Bill Cunningham. He was serving a life sentence for a 1974 willful murder conviction.

Farm center Warden John Duncan said the incident has been turned over to the State police and Cunningham for investigation.

Cunningham has said he feels the Kentucky Department of Corrections and Classifications will take a look at the inmates who are placed at the farm center and Duncan said he too is sure there will be a re-evaluation of who is sent there.

There was a more than capacity crowd at both the funeral and at the rosary service that was conducted at 7 p.m. May 11 at Dunn's Mortuary in Eddyville.

Approximately 150 to 200 attended a memorial service for Cash at 3 p.m. Sunday at the farm center and a separate memorial service was held by farm center inmates.

The murder of Fred Cash, a well liked, hard-working young man, was tragic, front page news across Kentucky May 9–12.

When I called the young widow of Fred Cash to express my sympathy and offer my assistance to her and her family, Marilyn Cash did ask that Fred Cash's untimely and unfortunate death not be in vain. Marilyn Cash urges through her Congressman that correctional institutions' officials be given more security as they guard our correctional institutions. Marilyn Cash's hope at this point is that additional funding from the Federal and State governments will give those who guard and work at our correctional institutions more protection in the future.

This Congressman would add that our Nation's correctional institutions' officials are generally underpaid. Kentucky is a good example.

In Kentucky, law enforcement officers are entitled to hazardous duty pay. Correctional institutions' officers and workers are not entitled to hazardous duty pay in Kentucky, which is very unfair.

Bill Cunningham, the western Kentucky Commonwealth attorney whose jurisdiction includes Kentucky State Penitentiary at Eddyville and the KSP farm center near Fredonia recently said: "No one deserves hazardous duty pay as much as corrections officers. Unfortunately, it takes tragedies like this one to call attention to it." I agree with those views.

Charles Fredrick Cash was a member of St. Paul's Catholic Church, the St. Vincent DePaul Society, and the Cursillo Movement. He was a 1973 graduate of Murray State University with a bachelor's degree in agriculture.

Surviving are his wife, Marilyn Cash of Lyon County; one son, Christopher Cash; two daughters, Karen Cash and Kathy Cash; his parents, Mr. and Mrs. Edwin Cash of Graves County; four brothers, Don Cash of Corpus Christi, TX, John Cash of Anaheim, CA, David Cash of Memphis and Terry Cash of Bethany, OK; three sisters, Carole Embry of Mississauga, ON, Canada, Janet Jones of Mayfield and Annette Cash of Louisville.

MICHAEL DEAVER'S GUATEMALAN CONNECTION

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. TORRICELLI. Mr. Speaker, I would like to bring to the attention of my colleagues an article by Colin Danby and John Burstein regarding former White House Deputy Chief of Staff Michael Deaver's lobbying activities on behalf of Guatemala.

The article, prepared on behalf of the Council on Hemispheric Affairs, provides details about Mr. Deaver's efforts to enlist support for the military Government of Guatemala during the 1980 Presidential campaign in the United States. In light of the allegations concerning Mr. Deaver's current activities on behalf of other foreign governments, I believe this matter deserves attention.

MICHAEL DEAVER'S GUATEMALAN CONNECTION

(By Colin Danby and John Burstein, Research Associates, Council on Hemispheric Affairs)

Reagan confidant and former White House staffer Michael Deaver's possible violations of conflict of interest laws in his lobbying for Canada and other nations are now well-known, but Deaver has other skeletons in his closet as well, including ties to the Guatemalan military government of Gen. Lucas Garcia, a regime that compiled one of the world's most abominable human rights records.

Michael Deaver, said to be among President Ronald Reagan's closest friends, worked for two extreme right-wing Guatemalan organizations in 1980, as part of an effort by the military government of that country to gain influence with the Reagan camp. At the time, the Lucas Garcia regime was among the hemisphere's worst human rights violator, accounting for over 5,000 victims in 1980 alone. The regime had become such a pariah that the Carter administration decided to recall its ambassador to Guatemala, Frank Ortiz, that year for being overly friendly with the dictator.

Guatemalan rightists ardently wooed the Reagan campaign in 1980, hoping for a reversal of the Carter administration's human rights policy if the Republicans won. In June 1980, Deaver's then-existing firm of Deaver & Hannaford arranged for two trips to Guatemala by California journalists and politicians at the expense of the Guatemalan Freedom Foundation. The head of this organization was sugar baron Roberto Alejos, one of whose plantations was used to train Bay of Pigs invasion participants. Another leading figure was the notorious John Trotter from Texas, who has been accused of being involved in the death-squad murders of at least five union organizers at his Guatemala City Coca-Cola bottling plant. After an international boycott of Coke over the incident, the Coca-Cola company bought the franchise back from him.

In August 1980, Deaver & Hannaford was also retained by Amigos del Pais, several of whose members were also implicated in financing death squads. (At the time, Deaver briefly got into trouble with the U.S. Justice Department for not registering promptly as a foreign agent.) The firm received $130,200 a year, plus expenses, for an "information program to journalists, businesses, elected officials and other persons interested in U.S.-Guatemala trade and relations." Deaver set up meetings between leading Guatemalan rightists and U.S. businessmen and politicians, particularly Reagan campaign figures, several of whom promised a resumption of U.S. military aid. Deaver left the firm, which became Hannaford Co., in early 1981 when he joined the new Reagan administration.

Deaver later insisted that he had been hired to improve the human rights reputa-

tion of the Guatemalan government, but most of the contacts that he made with government officials and members of Congress were aimed at lifting the arms embargo. Deaver continued to champion Guatemala's interests after he joined the White House staff, and is credited with setting up a last-minute meeting between Reagan and then-dictator Gen. Efrain Rios Montt, after Reagan had already left on a trip to Latin America. Deaver, the President's advance man for the trip is said to have hastily worked the Guatemalan ruler into Reagan's itinerary after the President was in the air, and long after the itinerary had been released to the press—with no mention of a meeting with Rios Montt. After the encounter, Reagan said that Guatemala had gotten a "bum rap" on human rights.

An inquiry in May 1981 by then-COHA Board of trustees Chairman Chauncey Alexander, who at the time served as director of the 90,000-member National Association of Social Workers, into the propriety, of Deaver's engaging in discussions of Guatemala policy while his firm held the Amigos contract, elicited a reply from White House counsel Fred Fielding that "if Mr. Deaver were to participate in such discussions, no conflict-of-interest would result."

Deaver & Hannaford also worked closely with Richard Allen, who himself met with a number of prominent Guatemalans and who later sold his consulting firm to Hannaford when he became White House national Security Adviser. Allen had been forced to "withdraw" from the Reagan campaign in October 1980 after revelations that he had used his position as an aide to president Nixon to land lucrative consulting contracts when he left that administration. A later scandal forced Allen to leave the Reagan administration in 1982.

Deaver & Hannaford's role in influencing Guatemala policy was not unprecedented. In mid-1980, it was disclosed that the firm was receiving $60,000 a year from the government of Taiwan at the same time that candidate Reagan called for restoring full U.S. diplomatic relations with that country.

Dr. John Foster, head of the Division of Mission of Canada's United Church of Christ and Robin Sears, principle secretary of the leader of the Ontario New Democratic party, both COHA Trustees issued the following statement: "It is sad indeed that Canada has entrusted its interests in such important issues as acid rain and bilateral trade to a man who, without compunction, served the interests of the most bloodthirsty dictatorship in this hemisphere, the military government of Guatemala, by working to ply weapons to Latin America's worst human rights violator. Michael Deaver is a man of questionable public morals who has vended his access to Ronald Reagan to the highest bidder. We urge Prime Minister Mulroney and External Affairs Minister Clark to immediately consider cancelling Mr. Deaver's contract."

Deaver's firm currently holds a one-year contract with the Canadian government, worth $106,000, which is due to expire June 30, 1986.

INTERPRETATION OF LEGISLATION IMPLEMENTING COMPACT OF FREE ASSOCIATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SOLARZ. Mr. Speaker, last year when the Congress considered the legislation implementing the Compact of Free Association between the United States and the Federated States of Micronesia and the Republic of the Marshall Islands, one of the key issues in the debate was the question of post-compact management. Specifically, the issue was which agencies of the U.S. Government would play the lead roles in implementing the compact.

As chairman of the Subcommittee of Asian and Pacific Affairs of the House Foreign Affairs Committee, I played a key role in the negotiations with my colleagues on the Interior Committee concerning the resolution of this issue. The outcome of these negotiations was that the Department of State was made responsible for government-to-government relations with the Freely Associated States.

It was my understanding of the phrase "government-to-government relations" that the Department of State would be responsible not merely for consular duties in the Freely Associated States, but for all dealings with the governments of the Freely Associated States, other than on questions concerning the administration of various Federal programs specified in the compact legislation, for which the Department of the Interior would be responsible.

It was my clear understanding at the time, and it remains my understanding now, that government-to-government relations was meant to be interpreted broadly, and not limited to the narrow interpretation of consular affairs. For example, the compact requires consultations by the Freely Associated States on foreign affairs issues. It would make no sense for any agency of the U.S. Government but the Department of State to conduct such consultations.

When the executive branch drafts an Executive order to implement the compact legislation, including the provisions on post-compact management, I expect that the Executive order will reflect the same understanding of the role of the State Department that I have just expressed.

TRADE NEGOTIATIONS WITH BRAZIL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. KOSTMAYER. Mr. Speaker, I rise to bring to the attention of my colleagues in the House, negotiations which are currently between the U.S. Trade Representative and the Government of Brazil regarding certain trade problems.

I am particularly concerned about a small firm located in my congressional district in Warrington, PA. This firm, Joneric Products Inc., manufactures safety shoes used by workers for railroads, public utilities, and the Postal Service. It employs about 100 people and has been in operation for 12 years.

It has come to my attention that Brazil may be exporting to the United States subsidized shoes that unfairly compete with domestically manufactured shoes. Brazil already has lower wage rates for its production employees as well as reported Government subsidization in this and in other areas as well. This pricing greatly damages the competitive abilities of Joneric Products and other footware manufacturers. In fact, the Brazilian companies are able to price their footwear below the actual cost of production in the United States.

Last year, Joneric expanded and modernized its plant with new equipment and additional employees in an attempt to expand production of its safety shoes. Despite this investment, the foreign competition could very well result in the layoff of many Joneric employees. Furthermore, Mr. Speaker, this action could also result in increased costs to the Federal Government in the form of support programs and lost taxes. Once again, unfair foreign competition is damaging the manufacturing base of our country and it is my opinion that this problem deserves a closer look.

I urge the U.S. Trade Representive to include the domestic rubber footwear industry in his attempts to deal with these Brazilian trade practices affecting the working people of southeastern Pennsylvania. I have written to Mr. Clayton Yeutter making that request and am attaching a copy of my letter:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 22, 1986.

Mr. CLAYTON YEUTTER,
U.S. Trade Representative,
Washington, DC.

DEAR MR. YEUTTER: I am writing in reference to the trade negotiations which are currently underway with the government of Brazil. Basically, I would like to request that the domestic rubber footwear industry be included in these negotiations.

This issue is of particular importance to me as it affects a firm located in my Congressional district in Warrington, Pennsylvania. This firm, Joneric Products, Inc., manufactures safety shoes used by workers for railroads, public utilities, and the Postal Service.

Unfortunately, however, Joneric is being undercut by unfair competition from Brazil. Brazil not only has lower wage rates for its production employees but also has reported government subsidization in this and other areas as well. As a result, the Brazilian companies are able to price their footwear below the actual cost of production in the United States. Needless to say, this pricing greatly damages the competitive abilities of Joneric Products and other footwear manufacturers.

Although Joneric recently made a substantial capital investment to modernize its facilities, the Brazilian imports could very well result in the layoff of many Joneric employees. In addition, this action could result in increased costs to the federal government in the form of support programs and lost taxes.

Unfair foreign competition continues to damage the manufacturing base of the United States and it is my opinion that this problem deserves a closer look.

I urge you to include the domestic rubber footwear industry in your discussions with the Brazilian government in an attempt to protect the interests of the people of southeastern Pennsylvania and the nation as a whole.

Sincerely,

PETER H. KOSTMAYER.

RESOLUTION ON THE BUDGET

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. JEFFORDS. Mr. Speaker, I would like to outline the reasoning behind my votes on the budget resolution options put before us today. I will focus primarily on the Republican budget substitute offered by the Mr. Latta and the House Budget Committee bill.

Let me first offer my congratulations to the members of the 92 Group that have put many long hours of thought and calculation into the budget process. The 92 Group Budget Task Force produced a very well thought-out document that clearly explains the various impacts of its spending decisions and carefully evaluates the economic climate and funding needs of the coming year. This budget also meets the Gramm-Rudman deficit reduction target for fiscal year 1987. The 92 Group can take pride in having produced the most responsible budget to come before us this year.

Because the 92 Group budget formed the basis for the Republican budget alternative, I supported Mr. LATTA'S substitute. I am especially pleased that this alternative meets the deficit reduction target without resorting to increases in taxes beyond those revenues identified in the President's budget request. While I can understand the reluctance of both the House and Senate Budget Committees to make the cuts necessary to meet the Gramm-Rudman targets without increasing revenues, we must make that additional effort to curb spending. The House Republicans have shown this is possible without making unacceptable cuts in domestic programs.

I am uncomfortable, however, with the amount of funding provided for the Department of Defense. The guideline of a discretionary spending freeze should apply to defense spending as well. Because funding for the Department of Defense has nearly doubled since 1980, the constraint of level funding should not have an adverse impact upon our national security or readiness. Therefore, I have endorsed the House Budget Committee's philosophy of disallowing any increases for the Pentagon. When the Republican alternative failed to receive majority support, I voted for the committee's bill, partly because of its posture on defense spending.

I would like to briefly outline the components of my own budget proposal that strikes a reasonable compromise between the priorities of Democrats and Republicans and of the House and the Senate. My budget, I believe, again illustrates how a reasonable spending blueprint can be formulated without resorting to new taxes.

Function 050: Defense spending should be held constant at 1986 levels, providing $285 billion in budget authority and 276.2 in outlays.

Function 150: In addition to the Republican international affairs proposals, I include the 92 Group provision of an additional $295 million cut in the MAP authorization. We should be concentrating more upon domestic needs or international development programs than on military equipment grants to other nations.

Function 250: I support the Republican general science budget levels, but with the incorporation of the Budget Committee chairman's recommendation of a $400 million reduction in NASA funding.

Function 270: I endorse the Republican energy funding level, but would not cut the conservation/weatherization program.

Function 300: On natural resources, my budget includes the Budget Committee proposals.

Function 350: The 92 Group level of $23.5 billion in budget authority is most appropriate for agriculture.

Function 370: On commerce and housing, I have adopted the Budget Committee proposals.

Function 400: For transportation, I recommend the Budget Committee level, without the additional $200 million for the Federal Aviation Administration.

Functions 450 and 500: The Budget Committee proposals come closest to my own recommendations in the areas of community and regional development, and education and training. I am particularly pleased that the Budget Committee followed the Senate's lead in providing strong support for education.

Functions 550 and 570: Here, I believe that the Republican evaluation best meets the Nation's health needs. These levels will provide adequate health coverage without further aggravating the increases in hospital costs.

Function 600: Income security is a crucial category. My budget provides for full COLA's for all civilian and military retirees at the CBO estimated level for fiscal year 1987. I am distressed that the Budget Committee assumes 4.1 percent inflation, yet budgets for only 2 percent COLA's. In addition, my budget provides full funding for child nutrition and the AFDC program.

Function 650: Social Security recipients must also receive a full COLA consistent with the CBO projections, not a 2 percent COLA as advocated by the alternatives before us.

Function 700: Veterans benefits are funded at the Budget Committee level, with the exception of some reduction in construction funds.

Function 750: I follow the Republican levels for the administration of justice function, except that my budget does not reduce funding for Legal Services.

Function 800: Here again, the Republican level is most appropriate, although my budget does not include an 8-percent cut for the legislative branch.

Function 850: Under the general purpose fiscal assistance category, my budget provides for a $4 billion reauthorization for the general revenue-sharing program for fiscal year 1987.

Functions 900 and 920: I follow the lead of the Budget Committee in the net interest and allowances categories.

Function 950: My budget incorporates the Republican proposals for offsetting receipts.

A NICARAGUAN DEMOCRAT SPEAKS OUT

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BARNES. Mr. Speaker, in our seemingly eternal debate over the Reagan administration's misguided policy of aid to the Contras, we too often lose sight of the real issues. In the May 12 Washington Post, Cardinal Miguel Obando y Bravo, archbishop of Managua, brings us back to the real issue, which is the necessity for national reconciliation in his country.

The cardinal rightly refuses to be drawn into a debate over U.S. policy. He resents the cynical efforts of both sides to use him for their own purposes: the Sandinistas by trying to make his right to freedom of speech conditional on his denunciation of U.S. policy; the Reagan administration and its allies by suggesting that he, in fact, favors that policy.

I make no pretense that the cardinal is on my side; he is on the Nicaraguan peoples' side. But I quote the words of the Nicaraguan bishop, which he cites in his article:

"We feel that any form of assistance, regardless of the source, which causes the destruction, suffering, and death of our families, or which sows hatred and discord among the Nicaraguan people, is reprehensible."

The cardinal says that reconciliation is the only real solution, and he is right. In my view—and that of most Latin Americans—reconciliation in Nicaragua cannot begin until United States policy changes. I believe the Hamilton alternative would give reconciliation a chance. When the House again takes up this issue, I urge my colleagues to vote for reconciliation.

The article follows:

[From the Washington Post, May 12, 1986]

NICARAGUA: THE SANDINISTAS HAVE "GAGGED AND BOUND" US

(By Cardinal Miguel Obando y Bravo)

Your message asking me for an article arrived on Sunday, April 13, just as I finished celebrating Mass, and my first decision was not to grant your request. I must not confuse my pastoral mission with others, however worthy, such as politics or journalism, which are different from the mission that our Lord has entrusted to me. But, I am not obligated to keep silent either. As a man, as a citizen, as a Christian and even as a bishop, I have certain duties that I must fulfill, and these duties compel me to grant your request.

In the Mass I just celebrated, I had to announce, with great sorrow, that some of the offices of the Curia, occupied by the State Security Police since October 1985, had been confiscated by government order, despite the fact that they were built on land occupied by the Apostolic Nunciature.

In these offices there was a small printing press donated by the German Bishops' Con-

ference, which was used to print our bulletin "Iglesia," a strictly intra-ecclesiastical publication. Both the press and the bulletin were seized by the State Security Police, along with all the files, including baptismal records and my own personal seal.

During the Mass, I read the pastoral letter which we, the bishops of Nicaragua, had written for Holy Week. The pulpit was now our only means of disseminating information, because the letter was totally censored and pulled from the pages of the newspaper La Prensa, the only private newspaper in the country, which attempted to publish it, but in vain. We believe that the reason for the censorship was that for the second time we called all Nicaraguans to reconciliation and dialogue as the only way to peace.

It was also announced that the Sunday bulletin with the prayers and texts for the day would not be available because it was confiscated and that my Sunday address would not appear in La Prensa, which, under the heading "The Voice of Our Pastor," had been published for many years in that newspaper, because it too had been censored, despite the special care taken to exclude from it anything that could serve as the remotest excuse for censorship.

"Radio Catolico," the only Catholic radio station, had been closed by the State several months earlier. It was at this point, when the Church was gagged and bound, that your request arrived.

The reading for the day, taken from the Acts of the Apostles, was about an incident that pricked my conscience. The Sanhedrin sent for Peter and John, intending to force them into silence. "But Peter and John said to them in reply: 'Is it right in God's eyes for us to obey you rather than God? Judge for yourselves. We cannot possibly give up speaking of things we have seen and heard' " (Acts 4:18:20).

I felt then that I ought to tell the truth and speak as a prophet speaks, even at the risk of being a "voice that crieth in the wildnerness." I would explain to those that have ears to hear the sensitive situation of our church and the serious danger we place ourselves in simply by speaking out.

I am reminded of the incident related in the 22nd chapter of Matthew: "Then the Pharisees went away and agreed on a plan to trap him in his own words." The method they chose was to appeal hypocritically to His spiritual authority, saying: "Master, you are an honest man, we know; you teach in all honesty the way of life God requires. . . . Give us your ruling on this: are we or are we not permitted to pay taxes to the Roman emperor?" Jesus was aware of their malicious intention and said to them: "You hypocrites! Why are you trying to catch me out?"

History repeats itself, and this is the situation of the Nicaraguan Bishops, a situation that we denounced in our recent pastoral letter. An appeal is made to our moral authority and to our position as spiritual leaders of the people. We are asked to make a statement on an extremely sensitive political matter, but the real objective is not to seek moral guidance, but rather to use our statement to manipulate opinion.

If Jesus had answered that taxes should be paid to Caesar, He would have become a collaborator of the occupying Roman imperialists. If He had answered no, he would have become a criminal and an agitator who violated the laws of the land. If He had not answered at all, He would have lost His authority in the eyes of the people.

We are asked to issue a statement against U.S. aid to the insurgents. The state-controlled communications media, the organizations of the masses in the service of the system and their allies is the so-called People's Church and the minister of Foreign Affairs, Father Miguel d'Escoto, are all clamoring for our statement. But, as I mentioned, it is not moral guidance that is sought, since on several occasions our Conference of Bishops has already stated that it was against any outside interference, whether by the United States or the Soviet Union. (Pastoral letter of April 12, 1984). The intention is to use the statement to manipulate.

While no effort was spared in suppressing our earlier statements, this statement would be given international publicity. Not for the faithful—but for the U.S. Congress. But we are not pastors to the Congress of the United States.

If we were to support military aid to the insurgents, we would be persecuted as traitors. If we opposed aid, we would be accused of taking sides, which would automatically disqualify us as pastors to all of the people. If we remain silent, our silence would be considered guilty, the silence of complicity.

It can be argued that the U.S. Conference of Bishops has more than once issued statements on political matters. But there is one big difference the U.S. bishops' statements are made freely, they are addressed to their own people and their purpose is to provide moral guidance. They can make such statements in complete freedom, and they can give their reasons, with full access to the communications media. Their words are not censored, twisted or distorted. But above all, their statements do not make them criminals and traitors to their country.

In Nicaragua any dissident from the Sandinista cause can be placed outside the law through an ingenious distortion of the truth:

The government, with all the media under its control, has taken great pains to convince the outside world that what is happening is essentially a direct attack by the United States on our country. That there is a war, open or covert, between the two countries, and, consequently, any form of assistance to the enemy, whether material or moral, is punishable by law.

Along the same lines, and with equal insistence, it rejects both the idea that an East-West conflict has made of our country a disposable card, a pawn in the game between the superpowers, and the reality of a civil war: an enormous number of Nicaraguans oppose with all their might the turn taken by a revolution that has betrayed the hopes of the Nicaraguan people and even its own promises.

To accept the reality of an East-West conflict would be to admit that the Sandinistas are just as much the tools of Soviet interests as the insurgent forces are of the United States. If this is accepted, aid from the one is equally as deplorable as aid from the other. It would necessitate the withdrawal of the Soviet and Cuban advisors, as well as the withdrawal of all U.S military and,

If the reality of an internal conflict between Nicaraguans is admitted, the conclusion could not be avoided that the insurgent dissidents are now in the same position that the Sandinistas themselves once occupied, and, consequently, that they have the same right that the Sandinistas had to seek aid from other nations, which they in fact did request and obtain in order to fight a terrible dictatorship.

To accept this would mean giving the insurgents the title of "rebels," a title that the Sandinistas proudly gave to themselves in former days.

The only possible argument against this is that unlike the Somozan dictatorship, which the Nicaraguan people fought almost unanimously, this is a democratic government, legitimately constituted, which places the interests of the Nicaraguan people above any ideological struggle or international cause, seeks the welfare and peace of the people and enjoys the support of an overwhelming majority.

Unfortunately, this is not true either. To accept this as the indisputable truth is to ignore the mass exodus of the Miskito Indians, who, on numerous occasions, fled in the thousands, accompanied by their bishop, Salvador Schaeffer. It is also to ignore the departure of tens of thousands of Nicaraguan men and women of every age, profession, economic status and political persuasion. It is to ignore that many of those who are leaders or participants in the counter-revolution were once leaders or members of the Sandinista front or were ministers in the Sandinista government. It is to ignore the lack of any justification for the most terrible violation of freedom of the press and of speech in the history of our country. It is to ignore the progressive and suffocating restriction of public liberties, under the cover of an interminable national emergency law and the continual violation of human rights. It is to ignore the expulsion of priests and the mass exodus of young people eligible for military service . . . None of this is true of a government that has the sympathy and general support of the people.

And this is what the Nicaraguan bishops wish to state:

"It is urgent and essential that the Nicaraguan people, free of foreign interference or ideologies, find a way out of the situation of conflict that our country is experiencing.

"We reaffirm today, with renewed emphasis, what we said in our pastoral letter on Easter Sunday, April 22, 1984:

"Foreign powers are taking advantage of our situation to promote economic and ideological exploitation. They view us as adjuncts to their own power, without respect for our persons, our history, our culture and our right to determine our own destiny.

"Consequently, most of the Nicaraguan people live in fear and are uncertain about the future. They feel deeply frustrated. They cry out for peace and freedom, but their voices go unheard, drowned out by militaristic propaganda on every side.

"We feel that any form of assistance, regardless of the source, which causes the destruction, suffering and death of our families, or which sows hatred and discord among the Nicaraguan people is reprehensible. To choose anmibilation of the enemy as the only possible way to peace is inevitably to choose war."

The Church proposes reconciliation through dialogue as the only real solution, the only way to peace, and maintains, in the words of His Holiness John Paul II, in his visit to El Salvador in March 1983, that this dialogue ". . . is not a delaying tactic to strengthen positions prior to continuing a fight, but rather a sincere effort to respond, by seeking appropriate solutions to the anxiety, the pain, the weariness and the fatigue of the many who yearn for peace. The many who wish to live, to rise again from the ashes, to seek warmth in the smiles of children, free from terror and in a climate of democratic cooperation."

This is the text that was censored by the Sandinista government.

We are asked to issue a statement against aid, the Church and the position of our Conference of Bishops, which is trying to guide the Church through turbulent waters, more by the spirit than by the natural sciences and politics of man, which do not seem to hold any solution for such difficult problems. We are in a difficult situation, but we place our faith and trust in the Lord Jesus, the Prince of Peace and the Lord of History.

TAX RELIEF FOR MORTGAGE REFINANCING

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. STALLINGS. Mr. Speaker, today, I am introducing legislation to reverse the Internal Revenue Service decision denying a tax deduction for points paid to refinance home mortgages.

Since the early eighties, homeowners in America have paid exorbitantly high rates of interest on loans of all kinds, including mortgage loans. Fortunately, over the last 6 months, we have seen a drop in interest rates and a concomitant rush by homeowners to lower their monthly housing costs by refinancing their mortgages. It is not unusual for homeowners to save hundreds of dollars each month simply by refinancing.

Under current tax law, homeowners may deduct in the year paid the prepaid interest on loans used to purchase or improve their homes. But the IRS has said points to refinance are different and not covered by section 461(g) of the Internal Revenue Code. Thus, the cost of refinancing must be amortized over the life of the loan.

In contrast, my legislation would impose consistency in the law by allowing homeowners to deduct in the year paid the points on refinancing, just as they deduct immediately the points paid to purchase or improve their homes. In addition, it will help alleviate the extraordinary costs borne by homeowners as a result of Federal economic policy that have held interest rates at such high levels. It would be unfair to have forced homeowners to pay such high interest costs over the last 5 years and not allow them to fully benefit from the lower rates of the last 6 months.

A TRIBUTE TO ROBERT E. McCANN

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. PURSELL. Mr. Speaker, I would like to take this opportunity to comment on the career of a gentleman from my district who has been a faithful servant and now is retiring.

Mr. Speaker, Robert E. McCann, a native of Michigan, was born on October 30, 1927. He received his undergraduate degree—and later, a specialist degree—from Wayne State University. His graduate degree came from the University of Michigan.

Prior to starting his education career, he served in both the U.S. Navy and the U.S. Army and now is a member of the Disabled American Veterans.

Mr. McCann began his professional career as a teacher at the Gompers School in Detroit, later moving to Monroe School in Livonia. Within a short time, he became involved in Livonia's principal training program, becoming principal of Hull Elementary School of Livonia in 1961.

He remained in that position until becoming principal of Cass Elementary School in 1979, a position he still holds.

Robert McCann's leadership as a building principal is characterized by his willingness to listen rather than prejudge the members of his staff. As an administrator, Bob respects, trusts, and treats his staff as highly trained professionals, allowing each to develop and display their own teaching style.

He allows and encourages innovation and staff development. He fosters an independently functioning staff, partly through his skillfully conducted "3-minute staff meetings."

Mr. McCann takes an active role in his community, yet keeps his educational, professional, and civic lives separate. He was first elected to the Livonia City Council in 1968 and has served continuously since then. He held the office of council president from 1975 to 1980 and again from 1982 to 1984. He held the office of vice president from 1968 to 1970.

Mr. Speaker, Robert McCann is a quiet, reserved, approachable, warm, serious man with a sense of humor that is sophisticated, and full of unending Irish blarney. He skillfully uses this humor as a tool to get to the heart of matters, and to inject this quality into situations when really needed. An honest, unpretentions man, he demonstrates a quiet, consistent love for children.

These qualities have made a lasting impression on all those who have known and worked with him. I congratulate him on his retirement and ask the other Members of this body to join with me in wishing him all the best.

TRIBUTE TO TONY CIOFALO—YONKERS THANKS YOU!

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BIAGGI. Mr. Speaker, it is my privilege and pleasure to have this opportunity to ask my colleagues in the House of Representatives to join me in extending our heartiest appreciation and gratitude for the many years Tony Ciofalo devoted in dedicated service to the Yonkers community through his work in the economic, social, and political life of the community. I was honored to be invited to the Yonkers Italian City Club for their "Toast and Roast of Tony Ciofalo" tonight. I would like to take a minute to share with my colleagues some of Tony's accomplishments and attributes. Tony has truly helped make Westchester County what it is today.

One of Tony's most substantial contributions to the Westchester County community is his business, Ciofalo Tile & Contractors. He has demonstrated, by his example, the attitude, pride, and service necessary to a successful business. The young entrepreneurs of today have in Tony a shining example of service with a smile, of commitment to his word, of pride in his name and business. If today's businesses look to him as their model for their projects, the Yonkers business community will grow and prosper.

The Westchester community can also use the Ciofalo family as a role model. Tony's lovely wife Grace, his impressive children, John and Carol, and his numerous and delightful grandchildren brighten the Yonkers community.

Tony, an excellent example of Tony's generosity with his time and talent is his involvement in Westchester County baseball. He has been instrumental in the growth and maturing of the thousands of teens who called him "coach," during his work as general manager of the championship baseball teams including the Ninth Ward Dems, the Yonkers Athletics, and the Hillviews. His work with these semipro and amateur teams enabled many young men to grow in confidence and skill while enjoying the marvelous game of baseball. However, his expertise was not restricted to the minor leagues. As a scout for the Mets he helped introduce seasoned minor leaguers to the world of major league baseball. Although baseball is his favorite, his dedication to the youth in the Yonkers community led to his involvement in many other athletic programs including fundraising for the Cardinal Hayes High School Hockey Program. By his example and encouragement, many young men in Westchester County and Bronx have gained experience and expertise in areas they could not have participated in otherwise.

Given Tony's community involvements I already mentioned, I scarcely know where he found the time to be so active in the Westchester County political life. His leadership in the Italian City Club, the Kimbal Crest Taxpayers Association, and the East Yonkers Taxpayers Association demonstrate his dedication to the improvement of Yonkers. If that was not enough, he also founded and served as president of the Hillview Social Club, while serving as a member of the Ninth Ward Republican Club and the Republican County Committee. However, Tony's participation was not restricted to political associations; the Heart Fund, the CIAO, and many other charitable and philanthropic organizations owe him heartfelt gratitude and appreciation for his many hours of devoted service.

"No" is a simple word, but Tony Ciofalo has never been able to say it. Wherever there was a good cause, a needy organization, a worthwhile activity, there Tony Ciofalo could be found. As his Representative in Congress, I must say, if the Yonkers and Bronx community would look to him as their example, the 19th Congressional District would shine as a model to the rest of the country, because Tony Ciofalo shines as an inspiration for all of us.

NATIONAL TOURISM WEEK TRADITION

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. BONER of Tennessee. Mr. Speaker, National Tourism Week is being celebrated this week all across America for the third year in a row. State and local proclamations are being issued, tourism conferences are being held, and exciting events are planned to highlight the economic importance of tourism for our people and our Nation. Earlier this year, eight major travel industry organizations formed a National Tourism Week Coalition. This coalition is coordinating the planning and observance of National Tourism Week and developing a year-round promotion of the event. The distinguished honorary cochairs of the National Tourism Week Coalition are Donna Tuttle, Under Secretary of Commerce for Travel and Tourism, representing the public sector; and William H. Edwards, vice chairman of the Hilton Hotels Corp., representing the private sector.

In my home State of Tennessee, a special tourism promotion is underway involving the Tennessee welcome centers. Hundreds of hotels, motels, and campgrounds are providing lucky travelers with complimentary rooms, meals, flowers, and campground space during National Tourism Week. Tourism is the second largest employer in Tennessee and we recognize just how important it is for our State.

Mr. Speaker, today I am proud as chairman of the Congressional Travel and Tourism Caucus to introduce legislation to designate the week of May 17, 1987, as National Tourism Week for next year. Joining me as original cosponsors of this legislation is the entire bipartisan tourism caucus steering committee. One out of every 15 working Americans has a job relating to the travel industry.

I urge my colleagues to cosponsor the National Tourism Week resolution. Let us keep up the National Tourism Week tradition. It is important that we officially recognize tourism's importance to the economic, social, and cultural welfare of the United States.

CHINESE ENVOY CALLS U.S. BOMBING STATE TERRORISM

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. RALPH M. HALL. Mr. Speaker, with the impending sale of some $500 million in advanced electronic and radar equipment to the People's Republic of China, I want to insert in the CONGRESSIONAL RECORD an article from the Houston Chronicle which relates that nation's reaction to the recent American aerial reprisals against terrorist Libya. The remarks are those of the People's Republic of China's Ambassador to the United States, Mr. Han Xu. While a guest of the State of Texas, at sesquicentennial festivities in Houston, Mr. Xu stated that "the U.S. bombings of Libya was state terrorism which should have been avoided through fair and reasonable discussions." He went on to state that his nation had always been in favor of seeking a fair and reasonable settlement of differences among states through peaceful dialog. This brings to my mind the assault against U.N. forces across the Yalu in the Korean war, and I do not remember any dialog toward peaceful resolutions between the People's Republic of China and other nations in that instance.

I am concerned that this nation, which now is to receive massive technological information and supplies to upgrade its fighter aircraft, was so adamantly against our actions against terrorism in the world, while at the same time our long-time friends, the Republic of China on Taiwan, stood by us. I long have been against the sale of arms and technology to the People's Republic of China and only regret that it was not possible to bring the President's proposal to the floor of the House where objections could have been raised over the threat of these capabilities to our friends on Taiwan. We should remember our friends in Taiwan, and remember that they were our allies in World War II, and they had to leave Red China to seek the freedoms they had fought for and remember that they, too, seek to buy aircraft from us. We should sell the free Chinese on Taiwan the fighter planes they seek because they are a great check and balance against the Communist of Red China.

CHINESE ENVOY CALLS U.S. BOMBING STATE TERRORISM

(By Nicholas C. Chriss)

The People's Republic of China ambassador to the United States says the U.S. bombing of Libya was "state terrorism" that should have been avoided through fair and reasonable discussions.

"The Chinese government has always condemned all forms of terrorism, but at the same time we are against the encroachment upon the territory of a sovereign state under the pretext of striking against terrorism," Han Xu said in Houston Sunday.

"We have always been in favor of seeking a fair and reasonable settlement of differences among states through peaceful dialogue."

Han, 62, is a veteran diplomat, having served in the Soviet Union, in China's Liaison Office in Washington, D.C., from 1973 to 1979 during the Cultural Revolution and in the Foreign Ministry at home.

Texas officials invited him to take part in the Sesquicentennial and San Jacinto Day celebration in Houston.

In 1971, when Secretary of State Henry Kissinger made a secret visit to China to prepare for an unprecedented visit by a U.S. president—Richard M. Nixon—he was met at the airport in Peking by Han, then a Foreign Ministry official.

"The use or threat of force can only further complicate an issue rather than facilitate a settlement," Han said, regarding the Libyan bombing.

"We ask the U.S. government to stop forthwith its encroachment upon the territory and sovereignty of Libya and call on the parties concerned to exercise restraint, cease hostilities and avoid the further deterioration of the situation in the interests of peace and the stability in this region."

Asked what the United States should do to combat Libyan-inspired and financed terrorism, Han replied:

"I don't want to get involved in the conflict. I haven't heard what the Libya side of the argument is. We have to listen to both sides."

Han said terrorism had its roots in the displacement of the Palestinian people from their homeland by Israel, a position China has maintained for years.

During the last several years, some members of Yasser Arafat's Palestine Liberation Organization had reportedly received training in China.

Han, who has been in this country one year, said the displaced Palestinians could not return home, "So they did something, and so it goes back and forth and there is no end.

"We also oppose state-run terrorism, a kind of terrorism also exists in the world, and it kills a lot of people."

Han cited the bombing of Tunisia by Israeli planes and the South African attack on Namibia.

"The United States' bombing in Libya is also a kind of state terrorism to a certain extent," he said.

The question of the United States air strike on Libya was being taken up by the United Nations, Han said, and "I think the majority of the members condemn this kind of attack."

Asked what China would do if faced with continual attacks of terrorists on its citizens, Han replied, "We believe all this kind of terrorism should be punished." He referred to an attempted airline hijacking several years ago by a co-pilot and his subsequent sentencing to prison.

"We will condemn them (the terrorists)," Han said. "We will try to find out why it happened. We would try to seek a settlement with a fair and reasonable dialogue. But up to now we haven't met such a situation."

Whether a fair and reasonable dialogue works depends on "whether you have tried enough or not," Han said.

"The only countries that support the United States (for its Libyan bombing strike) are Britain and Israel.

"I hope the United States will make a very easy calculation," he said, referring to its support of Israel, with 3 million people, in the Middle East, instead of 20 million Arabs.

"It's a simple matter of mathematics: You are supporting the minority instead of the majority.

"You have supported Taiwan and opposed the People's Republic of China in the past, and you support South Africa instead of the majority of African people, and you supported (President Anastasio) Somoza (of Nicaragua) and opposed the people in Central America.

"We hope the United States will get along with the other countries in the world, on good terms. If you adopt the correct posture, you can do a lot of things that are good for the people in the world.

"You send your fleet so far away to other countries (in the Mediterranean Sea), and you bomb other countries. For instance, if Libya sends its fleet to the Gulf of Mexico, what would be the United States' reaction? Sometimes you have to think what the people in the world feel.

"But we are friends, and I also hope we can learn from you."

In other matters, Han said:

China's oil and gas potential is large, that the price-per-barrel decline will probably have some impact on offshore drilling, but that none of the foreign energy companies

have ceased their exploration efforts in the South China Sea.

China's new economic reforms should not be mistaken for a transition to capitalism but rather as the building of a socialist system with "Chinese characteristics."

Its once-inadequate agricultural system can now export cotton and grain.

The economic reforms and the consequent new wealth have led to some problems with crime, pornography and corruption but "when you open the door, you cannot prevent some flies from coming in or you must keep it closed."

China's policy now is to maintain an open door policy, and that it hopes one day to establish a relationship with Taiwan as it intends to do with Hong Kong when that British crown colony island is returned to the Chinese in 1997, "one country with two systems"—communist and capitalist.

PRODUCT LIABILITY BILL

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SHUMWAY. Mr. Speaker, today I am introducing a product liability bill which addresses the major concerns of both manufacturers and consumers by providing reasonable redress to injured product users while addressing the problem of skyrocketing damage awards. Under the provisions of this measure, a consumer injured in any one of the 50 States would be entitled to receive actual economic damages plus up to $250,000 for pain and suffering and $250,000 in punitive damages. The bill assures reasonable compensation for injured consumers, while enabling manufacturers to anticipate product liability suit limits.

In an effort to ensure fairness in the field of product liability, the bill would incorporate the comparative fault standard under which the manufacturer and the product user are each held accountable for their respective negligence in either the production or the use of the product.

I strongly urge my colleagues to sponsor this needed legislation.

IN HONOR OF DR. ANDREI SAKHAROV'S 65TH BIRTHDAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. KEMP. Mr. Speaker—

Peace, progress, human rights—these three goals are indissolubly linked: it is impossible to achieve one if the others are ignored.

These are the ideas expressed by Dr. Andrei Sakharov in his acceptance speech for the Nobel Peace Prize over 10 years ago. This address was delivered by his wife, Dr. Yelena Bonner, since Dr. Sakharov was not permitted to leave the Soviet Union to accept the award. It is again Dr. Bonner who submitted part of the text of the address for publication in today's New York Times, in honor of Dr. Sakharov's 65th birthday. It is interesting to note that, even in 1975, Dr. Sakharov recognized the importance of linkage, a policy which only recently has been a cornerstone of our foreign policy deliberations.

In observance of Dr. Sakharov's birthday, and in recognition of the great personal sacrifice both Dr. Bonner and Dr. Sakharov have made to further our mutual beliefs in human dignity and world peace, I have introduced House Resolution 4867 to award these two great humanitarians the Congressional Gold Medal. I have been joined in this legislative recognition by my colleagues, Mr. LANTOS, Mr. FASCELL, Mr. GILMAN, Mr. BROOMFIELD, and Mr. HYDE.

We celebrate in this country with "National Andrei Sakharov Day," and on Capitol Hill with a birthday party in his honor. Once again, Dr. Sakharov must be represented by his wife, Dr. Bonner, as he has not been permitted to leave the closed city of Gorky, where he has been banished to internal exile for the past 6 years.

It is sad to note that we are no nearer now to achieving the goals and ideals Dr. Sakharov expressed than we were when his words rang out in Oslo in Dr. Bonner's voice a decade ago. The intransigence of the Soviets remains tragically the same.

What has also not changed is the free world's commitment to achieving the mutual goals of Dr. Sakharov and freedom-loving people everywhere. While Natan Shcharansky has been allowed to join his wife, Avital, in Israel and Dr. Bonner has been permitted to come ot the United States temporarily to obtain the medical treatment she so desperately needed, the number of Jews permitted to leave the Soviet Union has plummeted drastically. Although we are all delighted that Natan has been freed, he himself has been an ardent advocate of our continuing efforts to free those he left behind in the moral prison that is the Soviet Union. Natan reminds us that it was news of the West's efforts on his behalf, on behalf of Dr. Sakharov, and of all other refuseniks, dissidents and prisoners of conscience, that kept the flame of hope alive for them. So let us continue to keep that flame alight, and try to realize the goals Dr. Sakharov stated in his 1975 address, of peace, progress and human rights. And let us hope to hear it from him in person, next year on his 66th birthday.

A RETURN TO GORKY, AND A NOBEL SPEECH

(By Andrei D. Sakharov)

Today is Andrei D. Sakharov's 65th birthday. My husband is celebrating it alone in Gorky. In two weeks, I will return to him and again share the ordeal of exile. The six months I have spent in America since I arrived for medical treatment have convinced me that my husband and his fate will be remembered here. I hope that some of the ideals that he expressed in his 1975 Nobel Peace Prize address will be remembered as well.—YELENA G. BONNER.

Peace, progress, human rights—these three goals are indissolubly linked: it is impossible to achieve one if the others are ignored.

International trust, mutual understanding, disarmament and international security are inconceivable without an open society, freedom of information, freedom of conscience and the right to travel and choose the country in which one wishes to live. Freedom of conscience, together with other civil rights, provides a basis for scientific progress and a guarantee that it will not be misused, a basis for economic and social progress and a guarantee that social rights can be defended effectively.

Détente can be assured only if it is accompanied by consistent attention to the availability and free exchange of information in all countries and absolute respect in all countries for civil and political rights. In short, in addition to détente in the fields of disarmament and trade, détente is needed in the field of ideas.

The Final Act signed at Helsinki is noteworthy because it extends official recognition to the complex approach which seems to be required for the solution of international security problems. The Act contains far-reaching provisions on the connections between international security and the defense of human rights, the free flow of information and freedom of movement. These rights are secured by solemn undertaking of the participating states. Obviously, we cannot speak of guaranteed results, but we can speak of new opportunities that can be realized only by long-term, systematic work, in which the participating states, and especially the democracies, maintain a united and consistent attitude.

We must fight for every individual and against every act of injustice and against every violation of human rights. So much in our future depends on this.

In struggling to defend human rights, we ought first and foremost to protect the innocent victims without demanding the destruction or total condemnation of the regimes we hold responsible. We need reform, not revolution. We need a flexible, pluralist, tolerant society, which will foster a climate of free inquiry and debate and the open-minded use of the successes of all social systems. What is détente? What is rapproachement? We are concerned not with words but with a willingness to create a better and more decent society, a better world order.

Thousands of years ago, tribes were engaged in a fierce struggle for survival. It was important not only to know how to handle a club but also to be capable of intelligent thought, preservation of common knowledge and experience, and altruistic assistance to other members of the tribe.

Today, the whole human race faces a similar test. In endless space, many civilizations are bound to exist, among them societies wiser and more "successful" than ours.

An infinite number of other civilizations may exist on the preceding and following pages of the Book of the Universe. Yet we should not minimize our sacred endeavors in this world, where, like faint glimmers in the dark, we have emerged for a moment from the dark chaos of unconscious matter in order to fulfill the demands of reason and to create a life worthy of ourselves and of the goals we only dimly perceive.

BONNER'S HABIT OF FREE SPEECH

(By Mary McGrory)

Yelena Bonner, who is a forthright and demanding woman, wanted a birthday party for her husband, and she got one.

It wouldn't be everyone's idea of a gala, although there was a cake and champagne of sorts. The speeches were long, and of course, the newly 65-year-old guest of honor, Andrei Sakharov, was absent. Bonner, nonetheless, seemed elated.

Decked out in white silk and garnets, she was with her 85-year-old mother, a fragile figure with tightly drawn skin who looks like a character from a 19th-century Russian novel. Her daughter and son—children of a previous marriage—spelled each other as her interpreters, and she greeted warmly the score or more of politicians who joined the turnout in the House Foreign Affairs Committee hearing room.

Bonner was a nurse in World War II and is obviously accustomed to emergencies. She has been in one since 1973, when the Soviets cracked down on her and her husband for declaring openly that Russians have a right to human rights, as guaranteed in the Helsinki Accords.

For a while, Sakharov's frame saved him from the worst consequences of his heresy. He is a Nobel laureate, father of the Soviet H-bomb and demonstrably one of the world's preeminent scientists. When the authorities were about to strike, Bonner was on the telephone, at all hours, to Western correspondents, advising them of new torments in store, often averting them.

But in 1980, when the Soviets invaded Afghanistan and Sakharov denounced the action, their chancy, although exhilarating, existence was ended. The Sakharovs were exiled to the wretched hamlet of Gorki. They were cut off from friends, family and fellow scientists.

After Sakharov staged a hunger strike, the Soviets reluctantly let Bonner come to this country for heart surgery. She was supposed to lower her voice while here. She did not. Once a chain smoker, she gave up cigarettes. But she hasn't given up free speech.

Obviously, it costs the Soviets to treat so shamefully a man designated three timers a "hero of the Soviet Republic" and a person of qualities that make him nothing less than noble. But they bear the universal disgust that greets each attempt to rationalize the presecution rather than risk the informed jeremiads of a freed Sakharov.

Sakharov is no Solzhenitsyn, who turned out to be a Slavic Born-again with ideas fresh from the Middle Ages. After the initial furor of his release, Solzhenitsyn disappeared from public consciousness. Sakharov is a modern man, questing, progressive, focused on the imperatives of the nuclear age.

His wife, after six months, must go back to join him in exile. At the birthday party, this interpid soul said that she is "dreadfully afraid" of what awaits her.

She wants protection, which to her is public tributes and expressions of concern of her husband. Protection means Western scrutiny as unrelenting as KGB surveillance. Congress wants to oblige. Rep. Jack Kemp (R-N.Y.) gave her a bill that would award both Sakharovs the Congressional Gold Medal.

In her presence, the term "quiet diplomacy" slinks away. Clamor, to her, is the only way. Anatoly Shcharansky, another recent Soviet visitor, got out after nine years because his wife, Avital, never stopped reminding the world of his unjust imprisonment.

Shcharansky said last week that ". . . no quiet diplomacy without strong public pressure can help."

Bonner, expected, as did everyone else, that President Reagan, who has never practiced quiet diplomacy with the Soviets, would receive her with open arms. Bafflingly, his door is closed to her. Our vehemently anticommunist president has been strangely hooded in his treatment of these two fabled Soviet dissenters. He vetoed press cameras at his meeting with Shcharansky and a White House press briefing with the ebullient little survivor.

Bonner is not welcome at all.

Richard Pipes, a birthday party speaker and former Reagan National Security Council aide, blames Richard Nixon. "He tells Reagan that quiet diplomacy worked for 300,000 Soviet Jews, but it was the Jackson-Vanik amendment. The president looks both aggressive and indecisive this way, gets the worst of both worlds."

Reagan couldn't stay completely out of it, and on Monday sent Bonner what she called a "warm letter" and to the birthday party an Andrei Sakharov Day proclamation.

Bonner was asked if a meeting with Reagan would help. "Of course," she said. "You can't be for human rights and be secretive. We are not thieves in the night. We do not come with bombs and guns."

NEIGHBORLY SENIOR SERVICES—20 YEARS OF CARING FOR OLDER AMERICANS

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. YOUNG of Florida. Mr. Speaker, May is Older Americans Month—a time when we give thanks to the valuable contributions older Americans have made throughout their lives and many continue to make to help improve the way of life in our communities. Older Americans Month is also a time when we call attention to the special needs and concerns of our aging population.

It is most fitting that in conjunction with Older Americans Month, the people of Pinellas County, FL, I represent are celebrating the 20th anniversary of Neighborly Senior Services, a predominantly volunteer organization that cares for the special and diverse needs of older Americans. Founded in 1966 as the Neighborly Center, the program provided services at one adult day care center and meals on wheels to 150 people. Since then, the program has grown dramatically to meet the needs of Pinellas County's large elderly population. Today Neighborly Senior Services and its more than 6,000 volunteers provide assistance each year to 10,000 people, serve 1.2 million meals, and provide 400,000 rides to senior citizens.

Neighborly Senior Services offers support to older Americans in four important areas: nutrition, transportation, day care, and community care.

Through the nutrition programs, volunteers provide 4,600 meals per day to senior citizens in the Meals on Wheels Program and at 32 congregate dining centers.

The coordinated transportation program arranges 2,000 trips per day for senior citizens throughout the county. The program is staffed by volunteer drivers whose minibuses are widely recognized around our area.

Six adult day care centers provide for the special needs of 350 senior citizens. The Lealman Day Care Center is specifically dedicated to treating patients suffering from Alzheimer's disease.

The community care program provides critical services to 800 homebound elderly patients to help them live independently outside a nursing home. In addition to nutritional services, nurses and volunteers help these people with homemaking services, therapy, medical care, and the monitoring for emergency situations.

Other specialized programs offered by Neighborly Senior Services include telephone reassurance and companionship, escort services for those who are unable to travel alone, and a support network of counselors to help families and friends with the special problems of dealing with the elderly.

The programs of Neighborly Senior Services should be a model for organizations serving older Americans in other parts of our Nation. It should be noted, however, that without the dedicated work of the staff and volunteers, these programs would not be available to the senior citizens of Pinellas County, who account for almost one-third of our population.

In addition to the time and energy of these workers, Neighborly Senior Services is only able to offer a wide array of programs because of the financial support of community organizations, clubs, and churches, the contributions of municipal, county, and State governments, and Federal assistance under the Older Americans Act.

Unfortunately though, Neighborly Senior Services has had to curtail some of its most important services in the past year for financial reasons. Fewer meals will be served this year, the number of rides provided to senior citizens will be reduced, and community care services will be strained. Most recently, I learned that the South Adult Day Care Center in St. Petersburg—our Nations' first center of its kind for senior citizens—may have to close.

A variety of financial pressures such as dramatically rising liability insurance costs have contributed to the need to reduce services. Local governments and organizations have indicated their willingness to commit additional resources to these programs and in the coming weeks I will be the chairman of a countrywide fund raising drive to raise the necessary resources so that services will not be curtailed and day care centers will not be closed.

We are making a concerted effort in Florida to provide for our State's growing population of senior citizens. The Federal Government, however, also has a responsibility to assist us in these efforts. Senior citizens are the fastest growing component of our Nation's population. The number of Americans over the age of 65 is projected to increase almost 25 percent by the year 2000, twice the rate of growth for the general population. A large portion of these older Americans will leave the districts of my colleagues in the northeast and midwest and will move to Florida. Florida's population of senior citizens will nearly double by the year 2000.

While we welcome all those Americans who enjoy Florida's warm, sunny weather and natural beauty, we must provide adequate resources to meet their special needs. The freedom to move and live anywhere in the United States is one of our Nation's basic rights, but these migratory trends require Federal support.

We must not retreat from meeting our Federal commitment to provide the appropriate

resources and services to older Americans as they move about our country in their retirement years. Through organizations such as Neighborly Senior Services we can provide for their needs. We have demonstrated that for the past 20 years. The people of Pinellas County are willing to donate their time and money for this cause, but we still need the help of the Federal Government.

As we continue to make the difficult budgetary choices in the coming months and years to ensure our Nation's sound financial future, let's not forget the needs of older Americans who represent a rapidly growing share of our population. And let's not forget the programs and services groups like Neighborly Senior Services have set in place over the past 20 years to provide for these needs.

LET'S PROTECT AMERICAN OBSERVERS ON FOREIGN FISHING VESSELS

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. JONES of North Carolina. Mr. Speaker, today I am introducing a bill which will require that foreign vessels fishing in the U.S. Fishery Conservation Zone meet minimum health and safety standards for the quartering of U.S. observers and the carrying out of observer functions.

The Fishery Conservation and Management Act of 1976 [FCMA] requires all foreign vessels fishing in our Fishery Conservation Zone [FCZ] to carry U.S. observers. U.S. observers carry out two important functions: First, they monitor compliance with U.S. fishery laws and regulations, and, second, they collect valuable data necessary for fishery management. Unfortunately, the conditions which observers are subjected to aboard foreign vessels are often unsanitary and dangerous. If the observer believes that conditions are too dangerous, he or she may request to disembark at the nearest port or be removed by the U.S. Coast Guard. Under current law, the observer requirement may be waived if the Secretary of Commerce determines that conditions abroad a foreign vessel are so unsafe that an observer's safety is jeopardized. Clearly, a situation has developed that in essence provides no incentive for foreign fishing vessels to provide a clean and safe workplace for our observers. On the contrary, it provides a disincentive.

In 1985, the National Marine Fisheries Service distributed a questionnaire among observers to determine if conditions aboard foreign fishing vessels posed a serious threat to the health and safety of U.S. observers.The results of the survey indicated that 22 percent of the foreign vessels fishing in our FCZ contained obvious health and safety hazards. Vessels from Taiwan, Spain, and Italy were especially unsafe or unhealthy, failing to meet the most basic safety standards in at least 50 percent of the Italian, 58 percent of the Spanish, and 100 percent of the Taiwanese vessels surveyed. The most common inadequacies reported were: inoperable or inadequate number of lifeboats or liferafts; rat infestation; insufficient number of lifejackets; and no emergency position indicating radio beacons.

The problem of observer safety has been of interest to both Congress and the administration for several years. A recent General Accounting Office [GAO] investigation and audit on several aspects of the observer program, including safety, recommended that Congress amend the FCMA to authorize sanctions against unsafe foreign fishing vessels. The administration, in 1985, submitted draft legislation to Congress which authorized the Secretary of Commerce to revoke a foreign fishing vessel's permit if its observer requirement was waived because of unsafe conditions.

The bill that I am introducing today represents not only the incorporation of the GAO recommendation and a portion of the administration's draft legislation, but also the development of a set of safety guidelines. The first section of the bill requires the Secretary of Commerce to develop health and safety standards for observers and it eliminates the current observer exemption if a vessel is found to be unsafe. The second section of the bill requires that foreign nations certify that their vessels meet the health and safety standards for that country when they apply for permits to operate in our waters. Finally, this section directs the Secretary of Commerce to rescind a foreign fishing vessel's permit if the vessel is not in compliance with the promulgated regulations concerning observer safety.

I believe, as does this administration and the GAO, that we have a moral and legal obligation to prevent U.S. observers from being subject to unsafe conditions. As yet, no U.S. observer has been lost at sea, although there have been several near-accidents. I intend to ensure that our observers have a safeworking environment. The bill that I have introduced would do just that and I encourage Members to support this measure when it comes before the House of Representatives.

NERVE GAS AND NATO

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. UDALL. Mr. Speaker, our colleagues, Representative DANTE B. FASCELL and JOHN PORTER, have written a highly perceptive and timely article on a forthcoming NATO decision on the production of new nerve gas weapons.

In giving its tentative approval to the production of binary chemical munitions last year, Congress required that the North Atlantic Council, NATO's highest governing body, approve the decision. NATO's Defense Planning Commission has already given its tentative approval, but a number of NATO members have strong objections to the plan.

As our colleagues make-clear, it is vital that any decision by NATO to approve the production of new chemical weapons be fully accepted by the NATO countries themselves. It would be folly to base and store these new binary chemical weapons in the United States. Logic requires that they be based in Europe; that is why Congress insisted on approval by the North Atlantic Council.

Over the years, there has been strong congressional opposition to the production of new chemical weapons. Prior to last year's vote, Congress rejected their unconditional production on seven occasions. As our colleagues point out, the multi-billion-dollar binary production plan has not been proven to be satisfactory from a technical performance standpoint, necessary from a defense standpoint, desirable from a foreign policy standpoint, or productive from an arms control standpoint.

At this point, I submit into the RECORD their article, which appeared in yesterday's Christian Science Monitor.

[From the Christian Science Monitor, May 21, 1986]

STRINGS ON U.S. NERVE GAS

(By Dante B. Fascell and John E. Porter)

Tomorrow, NATO will make a crucial decision regarding the future of new lethal binary chemical weapons in Europe.

NATO's Defense Planning Committee meets in Brussels to consider whether to make chemical weapons part of the arsenal of the alliance.

After four years of rejecting Pentagon requests the United States Congress last year finally approved—conditionally—a plan to produce binary nerve gases.

As they weigh their options in Brussels tomorrow, NATO officials must know that Congress take these conditions seriously.

Congress mandated, for example, that U.S. binary production could begin after next Oct. 1 only if environmental, safety, and testing requirements were satisfied. Congress has also required that the United States hold off producing these weapons until "a force goal of binary munitions has been formally adopted by the North Atlantic Council."

The Defense Planning Committee will make only a preliminary decision tomorrow. Some Europeans may have been misled to think that binary approval by subgroups like this committee would satisfy Congress.

But as House members who were intimately involved in the negotiations that produced these conditions, we state without equivocation that this would not even come close to compliance with the law.

Congressional opposition to the Pentagon's binary nerve gas program has been based on these facts:

The General Accounting Office has found that the binary Bigeye bomb fails to meet even the Pentagon's own operational and safety standards.

Congress has substantially increased funding for improved chemical defense rather than spending billions on new offensive chemical weapons.

A ban on the production and use of chemical weapons is preferable to a costly and dangerous chemical weapons arms race.

The military logic of producing new chemical weapons dictates their forward deployment in Europe. As Gen. Bernard Rogers, supreme allied commander of NATO, put it: "They [binaries] are not going to do any good stored back in the warehouses in the United States, if the times comes when we feel we must have them in the [European] theatre."

However, our European allies have consistently said that such necessary deployment on their soil is inadvisable and unacceptable.

We invite our European allies to decide themselves whether they want to support a chemical deterrent policy based on an im-

proved chemical defensive posture and meaningful arms control efforts.

To do otherwise would engage the alliance in a controversial and costly chemical offensive program that would add to the U.S. deficit at home, split the NATO alliance abroad, and benefit only the Soviets.

U.S. AUTO PARTS—MADE IN JAPAN?

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Ms. OAKAR. Mr. Speaker, I rise this morning to applaud the efforts of two of my colleagues, MARCY KAPTUR and SANDER LEVIN, for their significant work in putting the issue of auto parts on the agenda for the formal trade talks with Prime Minister Nakasone of Japan.

Recently, the Toledo Blade printed an article describing the importance of this issue and the fine work of my two distinguished colleagues and friends. I urge you to read this piece.

KAPTUR, LEVIN KEY TO SUMMIT TRADE GAIN

(By Mike McManus)

Reagan was A Clear Winner At Summit," said a typical headline last week, referring to his persuasive skills on terrorism and trade issues.

But to the 200,000 workers in auto-parts firms who have lost jobs to foreign competition since 1979 Mr. Reagan's more important victory was that he persuaded Japanese Prime Minister Nakasone to open formal talks on allowing U.S. auto-parts companies to sell to Japanese car producers.

Two members of Congress deserve special credit for raising the issue and fighting tenaciously: Democrats Marcy Kaptur of Toledo and Sander Levin (D., Mich.).

"The overwhelming majority of the cars Japan exported went to the U.S.—at a value of $15 billion. But they purchased less than $200 million of American-produced automobile parts and equipment," says Representative Levin, who represents part of the Detroit area.

"The U.S. auto industry, made up of 40,000 small and medium-sized firms employing 1.6 million workers, has been shut out of one of the most lucrative markets in the world," he said in a May 1 press conference where he added that "the Tokyo summit provides a golden opportunity for concrete bilateral action to reduce the $50 billion U.S.-Japan trade deficit."

A few days later Mr. Reagan got a letter in Japan from House Speaker Tip O'Neill and the House minority and majority leaders which said "American parts companies have put their house in order: They have set up permanent offices in Japan, they have increased product quality, lowered reject output, and become price competitive.

"However, when adjusted for inflation, their sales to the Japanese have actually declined since five years ago."

One result: Unemployment is still 9.2 per cent in Michigan, and it is 8 per cent or more in Illinois and Ohio—states with auto concentrations.

Why? Haven't auto sales been good?

Yes, but look at how many smaller cars with American names like Ford, Plymouth, or Dodge are made in Japan. Lift up the hood of a Chevy Cavalier, a Buick Skyhawk, or any GM "J" car—to see an engine made in Brazil..

This "outsourcing" is not only shrinking the work force of Chrysler GM and Ford, but it is wiping a huge swath through autoparts firms.

What about those new Japanese assembly plants in America?

"The cars being made in the U.S. are no more than kits, like a model-airplane kit that you buy and assemble," says Pat Choate of TRW, a big maker of parts ranging from seat belts to valves and steering gear. "The Nissan plant, Toyota and Mazda plants are only warehouses with an assembly line. All the value added is in the parts that come from Japan," he said.

"Now they are bringing their own parts manufacturers with them. The American firms will be wiped out. The Japanese are intent on coming to the U.S. and capturing the autoparts industry and dominating it."

To get a firsthand feel for the difficulty of selling American parts to Japanese firms, Representatives Levin and Kaptur of Toledo went with a delegation of members of Congress to Japan over the Fourth of July recess. They delivered their request for reciprocity not only to the companies but also to Prime Minister Yasuhiro Nakasone and to Diet (parliament) members.

In December the United States and Japan concluded the first round of yearlong market-oriented, sector-specific (MOSS) talks in the fields of telecommunications, wood products, electronics, and pharmaceuticals. Both sides agreed to discuss two new MOSS sectors in 1986. Congressmen Levin and Kaptur began lobbying the Administration, asking for auto parts.

Meanwhile they hosted a "Trading With Japan" conference for 150 auto-parts suppliers and high-ranking representatives from six Japanese firms. "The suppliers had unsatisfying contacts with the Japanese in the past, or none at all," says Lee Kadrich of the Auto Parts and Accessories Association.

Diplomats would have described the dialogue as "frank." It was clear that Japanese firms preferred buying from sister companies in Japan. Political muscle was needed to get the attention of Tokyo's leaders.

With the help of the Northeast-Midwest Congressional Coalition (which had arranged their trip to Japan and provided logistics for "Trading With Japan") Representatives Levin and Kaptur secured top bipartisan support in the House and met with the secretary of commerce and the U.S. trade representative.

In April the U.S. Government officially asked for auto parts as the next MOSS sector. But when Prime Minister Nakasone came to town, he told Mr. Levin the issue was at a "delicate stage."

Mr. Levin and Miss Kaptur escalated again, taking the chairmen of the Senate Foreign Relations Committee and House Foreign affairs Committee with them to see Secretary of State Shultz, asking that the barriers to U.S. auto parts be discussed at the "highest government-to-government level."

Not only did Mr. Shultz talk to the foreign minister but President Reagan also brought it up with Prime Minister Nakasone, getting an OK.

What can it mean economically? "We are finally at the bargaining table where breathtaking opportunities can arise," said Miss Kaptur.

She's right. As a result of MOSS negotiations U.S. telecommunications business soared from $200 million a year to $2 billion.

TERRORIST ATTACKS ON SRI LANKA

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. WILSON. Mr. Speaker, the United States has been the target of international terrorism, and therefore can well understand the predicament of Sri Lanka, a sister-democracy with whom we have close and friendly relations, which is the target of sustained terrorist violence.

Terrorist groups struck twice, in quick succession, recently in that country's capital. On May 3 a bomb placed aboard an Air Lanka jet at Colombo's international airport destroyed the plane and killed 17 passengers. Then, on May 7 a bomb was set off in the capital's central telegraph office killing 12 and injuring nearly 150. These two bombings were reported to be the work of Tamil terrorist groups that are attempting to set up a separate state in Sri Lanka.

The Wall Street Journal of May 15, carried the following editorial, which sets out cogently the situation that country faces, and what needs to be done by the international community:

[From the Wall Street Journal, May 15, 1986]

MASSACRE IN COLOMBO

Americans may not consider the friendly, scenic island of Sri Lanka as a hot spot in the East-West conflict, but don't tell that to the Sri Lankans. In recent days, bombs have ripped apart an Air Lanka jetliner, killing 16, and a telegraph office in downtown Colombo, killing 12 and marking a major escalation of violence. One more Western-leaning country looks like falling into the maw of the international terror network.

Like many such troubles, Sri Lanka's have their roots in ethnic squabbles, in this case between minority Tamils and the majority Sinhalese. But as in Lebanon or Ireland, whatever legitimated grievances the Tamils do have long ago ceased to be relevant. Radicals quickly polarized matters, terrorizing both Sinhalese and any Tamils moderate and courageous enough to want to negotiate.

The Colombo government has offered some autonomy for Tamil majority areas, but the radicals by now won't settle for anything less than a separate state.

There may have been a time when these local disputes could be fought without outside influence, but that day is long gone. Nowadays radicals anywhere can avail themselves of sanctuaries, training camps and weapons dealers only too willing to promote trouble in a democratic state. The Tamil groups began tying themselves into this network and bragging about it, telling visiting reporters about their links to the radical offshoot of the PLO led by George Habash and about how their men had trained in Lebanon.

"Our basic alliance is still with the PLO. But we maintain active contact with the other groups like the Zimbabwe African People's Union, the Zimbabwe African National Union and the African National Congress," one of the Tamil leaders told an Indian reporter two years ago.

Sri Lankan officials have also claimed to have evidence of East German aid to the Tamils, and, in any case, East Bloc aid to PLO terrorists is old news. The opportunities for mayhem must seem too good to be true. Sri Lanka remains an underdeveloped place with a weak military. Terrorist sanctuaries are available across the Palk Strait in the Indian state of Tamil Nadu, which is dominated by ethnic Tamils who support the separatists. When Rajiv Gandhi's government tried to deport two Tamil terrorist leaders last year demonstrations broke out in the state, and India backed down. Nor does it hurt that all of the major Tamil groups are avowed Marxists seeking to divide a "capitalist" state. India has done its best to try to mediate this dispute, but its efforts have foundered on the demands of Tamil radicals.

Sri Lankan President Junius Jayawardene said Sunday that his country could be dismembered unless the West comes to his aid with arms and money. "Ours is a democratic country," he said, "and it is being destroyed by these people." It is probably time for the U.S. and other countries to respond to his request. In modern times, terrorism is invasion by other means and the Sri Lankas of the world are the front-line states.

MONSIGNOR OF THE SHOESHINE BOYS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. RINALDO. Mr. Speaker, Monsignor John Patrick Carroll-Abbing is known the world over as the "Monsignor of the Shoeshine Boys" who took in hundreds of children rendered homeless by the ravages of World War II in a small town outside Rome. That was the beginning of Boys' Towns of Italy, a foundation that would lead to the nine Boys' and one Girls' Town in various parts of Italy that have served over 20,000 children over the last 40 years.

Monsignor Carroll-Abbing's story has been recounted everywhere as a symbol of dedication and understanding for our fellow man. Only last year, he was honored by the Foreign Press Association in New York when they gave him their first World Humanitarian Award. On that occasion, he received tributes from President Reagan, President Sandro Pertini of Italy, and President Patrick Hillary of Ireland. Later that year, he said mass at the Vatican with Pope John Paul II in honor of the 40th anniversary of the Boys' and Girls' Town organization.

While Monsignor Carroll-Abbing's work among children is well known, I want to bring to my colleagues' attention recent remarks he made on the plight of the elderly which deserve special attention.

As one who has worked nearly all his life among children, Monsignor Carroll-Abbing pointed out just last month that the well-publicized attention to youth has in some instances overshadowed the condition of the elderly. Monsignor Carroll-Abbing described the elderly in fact as "the real hidden heroes of the world."

I completely agree with his comments, and I also believe we should take a moment to reflect on his recommendation that now is the time to create "self-help programs for aged" along the lines of programs designed for children.

In his own words, Monsignor Carroll-Abbing underscored the heart of the problem:

While the pressing needs of the elderly may not appear to be as obvious or as compelling as those of our children, in reality their needs are quite similar and, sadly, they simply are not being properly addressed at this point in time.

The physical and social needs of the aged are escalating day by day as their number grows, and continuing neglect, public apathy and economic imbalance are now taking their toll.

Mr. Speaker, I believe the Monsignor's remarks are especially pertinent as we discuss matters relating to the budget, and I want to commend Monsignor Carroll-Abbing for his leadership not only for youth but for the aged of this world.

His contributions cannot be minimized, and I urge my colleagues to pay heed to his words.

NATIONAL ASSOCIATION OF SOCIAL WORKERS CELEBRATES 30-YEAR ANNIVERSARY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Ms. MIKULSKI. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to the National Association of Social Workers who celebrate their 30th anniversary this year.

Founded from a merger of several predecessor organizations, NASW smoothed the way for social work's journey toward its present status as a vital and necessary profession. As a social worker and a member of the NASW, I am especially proud of the work that NASW advocates. NASW's members spend their lives caring for others; their work has made a great difference in the lives of many.

The need for social workers in Maryland and in the Nation has never been greater than it is now. In the past 5 years, social programs have been severely cut. In 1981, more than $1 billion was cut from the $7 billion budget for aid to families with dependent children. They depended on that money for food, clothing, and basic necessities.

In addition, education funds have been cut, Medicare costs have risen, and pensions have been cut.

The social workers see the direct results of these budget cuts every day. They are the helping hands that reach out to the welfare mother or runaway child. They are the voice of hope to the drug addict.

The NASW has provided the organizational structure social workers needed to consolidate their professional interests with their interest in having a stronger voice in the national political arena. Through NASW, social workers have been able to unite and use their resources effectively to advance sound policies and programs which worked toward human service.

It is an honor to acknowledge the accomplishment of NASW for their commitment to the people of our Nation. It is recognition that is truly deserved.

SUPERFUND REAUTHORIZATION

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. SAXTON. Mr. Speaker, on Tuesday, May 20, the Environmental Protection Agency announced it was adding 170 new sites to the final National Priority List under Superfund and was proposing an additional 45 more sites. This announcement brings the total number of sites on the NPL to 703 with an additional 185 sites on the proposed list for a grand total of 888 sites in need of Superfund cleanups.

Upon a closer examination of these numbers, we see that New Jersey and in particular, the 13th Congressional District, are disproportionately represented. New Jersey as a whole has 97 sites on the NPL final and proposed list—almost twice as many sites as the second highest State. Furthermore, the 13th District has 18 sites—the highest number of sites of any congressional district in the country.

Mr. Speaker, in light of these additions and the large number of toxic sites requiring hazardous cleanups, it is nothing short of a crime that the Superfund conferees have yet to arrive at a compromise bill. There are 888 toxic sites, endangering our health and environment, waiting to be cleaned up. Both Houses and the administration agree—they must be cleaned up. Both Houses passed legislation, months ago, to reauthorize the program. both Houses and the administration agreed to interim funding pending final reauthorization. With all this support for Superfund, it is inconceivable that a compromise has not been achieved.

With the June 1 deadline on interim funding fast approaching, we once again face a potential EPA shutdown due to a lack of funding. Mr. Speaker, the 13th District, New Jersey and this country with its 888 toxic sites can wait no longer for Superfund reauthorization. On behalf of those who have been and are still waiting, I urge the conferees to achieve a compromise measure as soon as possible. Our constituents deserve no less.

MARIE DiRESTA OF BAY RIDGE PRESENTED WITH CIVIC AWARD

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. MOLINARI. Mr. Speaker, I rise today to pay tribute to Marie DiResta, an outstanding and dedicated community leader from my district who has recently been named the recipient of the 1986 Bay Ridge Civic Award by the Bay Ridge Community Council. Mrs. DiResta is currently the outgoing executive secretary of the BRCC. She has been a member of the

council since 1964 serving in many of the elected positions and becoming the first woman president in 1974. Throughout her 28 years of service in the community, she has also served as a member of many community organizations including: the board of directors of the Bay Ridge Nursery; the executive secretary of the Bay Ridge Mental Health Council; Community Board 10—serving on both its health and safety traffic and transportation committees and the board of trustees of the New York League for Early Learning.

As a result of her tireless efforts on behalf of the community, Mrs. DiResta has received many other honors including: The Polaris Award for Community and Civic Activity of the Christopher Columbus Association, awards from the Dyker Heights Civic Association and the 68th Precinct for civic activities, and citations from the New York State Senate and the New York State Assembly.

Mr. Speaker, it is people such as Marie who keep our communities strong. I ask my distinguished collegues to join with me in extending my proud congratulations to Marie DiResta and in thanking her for her outstanding service.

HONORING WALTER RUFFIN BATTLE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. HOYER. Mr. Speaker, on Thursday, May 29, Walter Ruffin Battle, principal of Suitland High School in Prince Georges County, Maryland will be honored at a retirement dinner marking 30 years of service as an educator.

Walter Battle has positively influenced thousands of children in Prince Georges County as a teacher, junior high school vice principal and principal and, since 1978, as principal of Suitland High School.

A resident of the Washington, DC area since the age of 2, Mr. Battle graduated from Miner Teachers College in Washington, DC in 1952 with a BA degree in social studies. He then serve our country in the U.S. Air Force for 4 years. Following his honorable discharge from the Air Force, Walter Battle began his career in education in 1956 as a social studies teacher at Fairmont Heights High School. He also continued to pursue his own education, receiving a masters degree in education in 1960 from George Washington University.

In June 1971, Walter Battle moved from the classroom to become vice principal of Bethune Junior High School. His career as an administrator continued when he became principal of Francis Scott Key Junior High School in 1975. Finally, in 1978, he was appointed to his current position—principal of Suitland High School.

A recitation of Walter Battle's career pathdoes not give you a measure of the man. He has dedicated himself to educating young people in a very chaotic period. He began his career in what was a segregated school system.

Despite low budgets and little support from the country school board, Fairmont Heights High School was proud to graduate a generation of outstanding young people. These accomplishments are attributable to the ability and commitment of many teachers, including, prominently, Walter Battle. Those professional achievements were recognized as Mr. Battle assumed administrative duties during the 1970s, another turbulent time in our school system's history.

The last few years have brought renewed recognition of the importance of educators to the future of the United States. It seems that our society had, for a time, forgotten that lesson. All that time, among us there were individuals who had not forgotten, educators like Walter Battle who have devoted their lives to preparing young people for productive lives.

Mr. Speaker, I am sure you and our colleagues will join me in extending congratulations and best wishes to Mr. Walter Ruffin Battle, and to his wife, Nona Battle, for a happy and healthy retirement.

DON HICKS CALLS FOR COMPLETE EVALUATION OF MIDGETMAN OPTIONS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. COURTER. Mr. Speaker, the following essay from the Wall Street Journal, "Go Back to the Scowcroft Blueprints on ICBM Modernization," is a helpful exposition on the current status of the ICBM modernization program. The author, Undersecretary of Defense Don Hicks, makes the case for following the Scowcroft Commission's recommendations for 100 MX missiles, in addition to the development and deployment of a small ICBM. Both programs are integral parts of a reasoned strategy for reducing ICBM vulnerability and strengthening deterrence.

Unfortunately, both the MX missile and the small ICBM programs have been micromanaged and redirected by the Congress, effectively discarding the Scowcroft roadmap. It will be virtually impossible for the President to obtain congressional approval for an additional 50 MX missiles, regardless of basing mode, and, until recently, Congress seemed determined to hold the small ICBM to 30,000 pounds and a single warhead.

If the small ICBM is ever to be survivable and cost-effectively deployed, all reasonable missile configurations and deployment options must be fully explored. Dr. Hicks is doing just that, and he only asks that the Congress bear with him until all the facts are in. I think he makes an eminently sensible case, and I urge my colleagues to pay careful attention to his arguments.

[From the Wall Street Journal, May 21, 1986]

GO BACK TO THE SCOWCROFT BLUEPRINTS IN ICBM MODERNIZATION

(By Donald A. Hicks)

Some recent comments on the U.S. intercontinental ballistic missile modernization program have suggested that those in the Reagan administration and elsewhere who want to explore the possibility of a multiple-warhead version of the Small ICBM have a hidden agenda—that far from being supportive of the program, their motive is, in fact, to kill it.

The issue of strategic force modernization is complex, and its understanding is not aided by devil theories. In the case of the Small ICBM, the program must be viewed in light of blueprints the bipartisan Scowcroft Commission drew up in 1983 for the future evolution of our ICBM force on a basis consistent with deterrence, stability, and the goal of mutual force reduction through arms-control negotiations with the Soviets.

The key elements of force structure laid out on the Scowcroft road map, and strongly endorsed by the Reagan administration, were the deployment of 100 MX Peacekeeper missiles coupled with the development of a new missile—the Small ICBM. The combination was designed to provide near-term capability while creating a strong incentive for the Russians to negotiate reduction of heavy ICBMs—represented on the Soviet side by the SS-18 with its 10 (and potentially 14) warheads—while providing a U.S. with a Small ICBM force that would deter the Soviets from a first strike.

There is some concern that the administration may be wavering in its support of the basic Scowcroft proposal. In fact, there has been no change in the administration's position. The attitude of Congress, on the other hand, has changed significantly since the commission's recommendations were published.

At the outset, Congress limited the Small ICBM to 30,000 pounds in weight—with 3,000 pounds of leeway allowed, if needed. Subsequently, Congress reduced the planned MX force by half, capping it at 50 missiles, unless a basing mode other than the silo mode proposed by the Scowcroft Commission was adopted. While this leaves the door open to look at survivable basing modes, some key congressmen have made it clear that no basing mode is likely to receive their approval.

The MX program was also set back by a series of congressional actions that limited annual procurement to rates well below those recommended by the administration. Planners of the original 100-MX program (plus test missiles) envisioned building to an optimum production rate of 48 per year. The administration requested 27 missiles in fiscal 1984, 40 in 1985, and 48 in 1986. The rates approved by Congress were 21, 21 and 12, respectively. The net result of these lower and less efficient production rates was a major (and predictable) escalation of unit cost.

The irony is that at these less-than-optimum rates, projections indicate that we probably wind up paying more for 50 deployed MXs, and associated test missiles, than we would have paid for the full 100-missile program originally contemplated. In short, for the same amount of dollars, we get less deterrence, less arms-control leverage and less efficiency in the use of defense resources than would have been the case had Congress fully supported the Scowcroft Commission's thoughtful and balanced recommendations. Even today, at an efficient production rate, we could procure, and deploy in Minuteman silos (as we are doing with the first 50 Peacekeeper missiles), an additional 50 MXs for a total cost of $2 billion—a relatively inexpensive complement to the roughly $50 billion cost projected for an equivalent number of deployed warheads on single-reentry-vehicle Small ICBMs.

It is generally recognized that the 30,000-pound limitation on the Small ICBM that

was imposed by Congress was a mistake and, if literally enforced, would impose its own set of inefficiencies on the further evolution of our ICBM force.

Most of the restriction's earlier proponents now acknowledge that the missile will have to weigh at least 37,000 pounds to allow the addition of penetration aids and other features essential for system effectiveness. One would hope that a collateral lesson learned from this experience would be that the design of complex weapons systems by legislative fiat is fraught with difficulties. To constrain the weapons-development process by arbitrarily limiting the examination of alternatives clearly risks inefficiencies, diseconomies and irrational results.

That is why, in order to prepare for the decision later this year on full-scale development of the Small ICBM, the Defense Department is evaluating a range of options that appear to be technologically achievable, cost-effective, and consistent with national policy. These include the examination of multiple-warhead missiles for the Small ICBM.

The economies of multiple warheads are obvious: By placing two or three reentry vehicles on a single missile, it is possible to achieve the same military capability with a substantially reduced number of missiles. So long as mobility is maintained and the Small ICBM deployment area remains roughly constant in size, survivability is not affected, and the cost to the Soviets of countering the force remains unchanged. This is because the only effective way to attack a mobile Small ICBM force, in which the precise location of each missile is unknown, is to saturate the deployment area with incoming Soviet reentry vehicles. For a fixed deployment area the number of reentry vehicles needed to do this is a constant, regardless of the number of Small ICBMs involved. The key technological issue, therefore, is whether missile mobility can be preserved with a Small ICBM that could accommodate more than a single warhead.

The ultimate decision on configuration will, of course, rest with President Reagan and Congress. However, the Defense Department will provide the technical basis for a fully informed decision, consistent with the national goals of maintaining an adequate defense deterrent, while providing the foundation for effective arms-control negotiations with the Soviets.

SAMUEL A. ROTH HONORED

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. TRAFICANT. Mr. Speaker, it is with pleasure that I rise today to pay tribute to an outstanding citizen of the 17th Congressional District of Ohio, Mr. Samuel A. Roth.

Mr. Roth has been chosen to receive the Guardian of the Menorah Tribute from B'nai Brith. The award will be presented during a dinner at Sqaw Creek Country Club on Sunday evening, June 1, 1986. This honor is presented each year to a person who, through service and commitment, has demonstrated devotion to the cause of youth and the community. Chairing this event are Robert A. Lackey, Ronald C. Mostov, and Bruce E. Sherman. Honorary chairpersons are Lawrence J. Heselov, Rabbi Mitchell Kornspan, and James L. Pazol.

A husband and father of two, Mr. Roth has served—and continues to serve—his community in a variety of ways. A professional engineer, he is president of Roth Brothers, Inc. He is a board member of the regional growth division of the Youngstown Area Chamber of Commerce, and is participating in the Leadership Youngstown 1986 Class. Active in national and State engineering organizations, he has served as president of the Mahoning Valley Society of Professional Engineers. He is also a member of Kiwanis and a board member of the Youngstown Symphony Society.

Since 1977, Sam Roth has worked diligently toward the creation of the Commission for Jewish Education, which he currently heads. He has also been active since the early 1970's in the Youngstown Area Jewish Federation, having volunteered in a variety of capacities. He has served his synagogue and the Jewish Community Center as well.

In "Pirkei Avot", it is written: "The world is sustained by three things—by study, by service, and by deeds of kindness." Clearly, Sam Roth is one of those who helps to sustain the world. I am delighted that so many have chosen to honor Samuel Roth on June 1, and am pleased to add my voice to those who thank and congratulate him. His commitment to duty and to others is an example to us all.

NATIONAL TOURISM WEEK

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. RITTER. Mr. Speaker, as we observe National Tourism Week, we learn a number of things about our society and about our national character. As the original author of this legislation in 1983, I'm proud to once again be a strong supporter of this bill in 1986.

National Tourism Week informs us that tourism has become an important part of our lives. Second, it tells us that we place a priority on the acquisition of knowledge: in its highest form, tourism is a quest for knowledge, through tourism, the individual acquires a deeper awarness of his heritage, his environment and the culture to which he belongs. Travel stretches our minds and develops our sense of civilization.

In its highest form, tourism is a quest for knowledge. We want to know about a different place, so we visit it. And there's plenty to learn right in the Lehigh Valley of Pennsylvania. We have historic Bethlehem, Musikfest, the Sun Inn, the Canal Museum, the Lehigh County Historical Society, the Bach Festival, a variety of ethnic festivals. The list goes on.

Tourism is a freedom—the liberty to explore our State and our Nation, to visit our elected representatives and observe them in action, to engage in outdoor recreation outside our home communities, or to travel abroad.

Not all peoples share that freedom. There are restrictions on travel in some countries. Permission must be obained from the central government to leave the country, and the citizen's passport is impounded by the national police upon his return. We are fortunate that we may travel freely.

The quest for knowledge and freedom to travel have made tourism important to not[only our leisure, but to our work, Roughly 7 percent of the American labor force is employed by the tourism industry, either directly or indirectly. That is more than is employed in mining, construction, agriculture, utilities, finance, insurance or real estate.

Today, tourism, is the second largest private employer in the Nation is one of the top three employers in 39 States; and generates more than $41 billion a year in wages and salaries.

Tourism also means industrial and manufacturing jobs for those who build roads, bridges, cars, buses, hotels. It means steel, cement, manufactured products. Tourism is important to Lehigh Valley jobs.

This year, two-thirds or more of the American public is expected to travel to a destination 100 miles or more from home. Last year, Americans took 1 billion such trips, more than twice as many as were reported in the 1972 National Travel Survey. Tourism is a feature of American life.

That we have set aside this week to acknowledge the benefits that tourism bestows on this Nation is, therefore, fitting. I hope that every citizen will take this occasion to reflect upon these benefits.

HIGHLAND PARK—AN ALL-AMERICAN CITY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. PORTER. Mr. Speaker, the city of Highland Park, IL, serves as a model for all other cities which face the flight of retail businesses from their communities. Because of its bold efforts to confront changes accompanying the creation of mammoth suburban shopping malls, the city of Highland Park will be appropriately honored as one of nine All-American Cities for 1986.

In the late 1970's Highland Park's downtown retail area was decaying because residents were attracted to newer, larger retail centers outside the city. The city initiated a controversial redevelopment program which has resulted in a 72.7-percent increase in retail sales in 1985–86 over 1980–81. In addition to the program's success, the redevelopment effort preserved many downtown historical buildings. These achievements show that Highland Park truly deserves this award.

I am proud to represent a city which has shown such tremendous leadership in meeting today's urban challenges.

NATIONAL TOURISM WEEK

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 22, 1986

Mr. DASCHLE. Mr. Speaker, I rise to call to the attention of my colleagues the observance of National Tourism Week. Tourism is vital for all of America, and each of us benefits from its effects. We learn about friends from other parts of the country and develop an appreciation of other geographic regions and for the history of our neighbors' lives. Not only does tourism work for America, but it works for my home State of South Dakota.

In 1983, the most recent year for which figures are available, travel and tourism was the second largest employer in the State. It generated 14,400 jobs for South Dakotans, enhancing payroll potential and bringing in millions of dollars annually from visitors.

And understandably so. South Dakota has so many beautiful attractions and warm, friendly people, it's no wonder that tourists flock to our State, spending over $1.3 million every single day on travel-related activities. From Mount Rushmore and the Black Hills to the Badlands, on to Wall Drug and the Corn Palace, and following with the unending glory of golden farmlands, South Dakota is a land of plenty to see and do.

On behalf of my fellow South Dakotans, I celebrate National Tourism Week and invite you all to come visit our land of infinite variety.

SENATE—*Monday, June 2, 1986*

The Senate met at 2 p.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Our prayer today will be delivered by the Reverend Bernard R. Hawley, pastor, First Presbyterian Church, Salina, KS. Incidentally, he is the father of Steve Hawley, who is an astronaut, and father-in-law of astronaut Sally Ride.

PRAYER

The Reverend Bernard R. Hawley, pastor, First Presbyterian Church, Salina, KS, offered the following prayer:

Let us pray.

In a new way, O Lord, we are bound together, citizens and Senators, bearers of a common heritage of hope, sharers of a common future and a common dream.

Because we cannot be servants of peace until we are at peace within ourselves, because we cannot further the cause of right unless we do the right, because we cannot speak of freedom unless we feel our spirits free, we turn to You, to pause in this historic moment, to recall that we are in the presence of the eternal, in the midst of time, the meaning hidden in the mysterious depth of our existence. Because we come to this moment in many ways, because we see from different points of view, the dream we share is but partially complete.

As we weave the new fabric of our common life, may our differences add new depth and beauty to the emerging pattern of our life together. Forbid that we should lose the vision that calls for the best within us, for without that vision Your people perish. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator BOB DOLE of Kansas, is recognized.

Mr. DOLE. I thank the distinguished Presiding Officer, Senator THURMOND.

REV. BERNARD R. HAWLEY—GUEST CHAPLAIN

Mr. DOLE. Mr. President, let me first congratulate our distinguished guest chaplain today, on behalf of myself and my colleague, Senator KASSEBAUM.

Reverend Hawley is a fellow Kansan, the pastor of the First Presbyterian Church of Salina, KS. He has served his congregation with distinction for the past 21 years.

We appreciate his words of inspiration, and we are glad he could take part in a little bit of history this afternoon.

Reverend Hawley has strong ties to America's space program—his son Steve has flown on two space shuttle missions, and he is the father-in-law of Sally Ride, the first American woman in space. I am pleased that Mrs. Hawley, Jean, is also here today.

Many of you will remember the excellent work of Reverend Hawley at the memorial service in Houston for the crew of the space shuttle *Challenger*. His inspirational message that day came at a time when the country needed comfort and support, in the face of a national tragedy.

We commend Reverend Hawley for his dedicated service, and we thank him for coming so far to be with us today.

A DAY OF HISTORY: TELEVISION IN THE SENATE

Mr. DOLE. Mr. President, there is no doubt about it: This day is historic in many ways. It is exciting in many ways.

Now that TV in the Senate is here, now that the public has an opportunity—and we underscore "opportunity"—I doubt that we will ever be without television in the Senate, except for that period when we pull the plug and take a look at ourselves and see what we might do to correct certain areas.

I think that today we catch up with the 20th century. We have been the invisible half of Congress for the past 7 years. We have watched our House colleagues with interest—at least, I have watched with interest—in the TV coverage in the House.

In my view, this is a challenge to the Senate. I have said a number of times that I have reservations. I believe all of us, either publicly or privately, probably have reservations. But we are going public. We will be watched by our friends and by people across the country.

As I have said before, I hope that the Senate may change, not as an institution, but may become a more efficient body because of televised proceedings.

These are not major items. But to the leadership—whether it is the majority leader or the distinguished minority leader or both—we sort of have a responsibility around here to make things move, to complete our work, and we cannot do that, very honestly, without the cooperation of 98 other Senators. The only power we have comes from the Members. I remember Senator STENNIS making that very clear when we called a meeting of all Senators.

The leadership really has no power. We can set the agenda. We can do our best to move legislation. But whether anything really happens depends on every one of us—every one of us—Republicans, Democrats, new Members, older Members, whatever.

So it is my hope that we might become a more efficient body; that there might not be delay between amendments. Maybe we can even speed up rollcall votes, though I do not think whether we complete a rollcall vote in a precise 15-minute period is a measure of how effective this body is as an institution.

I think it is a rather exciting day. I thank all my colleagues, particularly my good friend and former colleague, Senator Howard Baker, as well as the distinguished minority leader, who has put his shoulder behind this legislation. There are many others, on both sides: the Senator from Maryland [Mr. MATHIAS], chairman of the Committee on Rules and Administration; Senator FORD, the ranking Democrat on that committee; Senator ALBERT GORE, who is here today, who brought fresh enthusiasm from the House for TV in the Senate; Senator BILL ARMSTRONG, on this side of the aisle, who has yearned for this opportunity, not for himself but for the Senate and for the American people; and those who had reservations, and there are some here right now. So, as I look around and I see the opportunities, I think there are certain pioneers of television in the Senate.

I noted that this morning the Washington Post made reference to Senator Baker as "Captain Video," and that may be true. Certainly, this is a dream Senator Baker had for some time. We were pleased to implement what he started. He had laid the groundwork, he built up the support, and I think that with new Members coming from the House and others who have changed their positions, it has finally arrived.

□ 1410

Mr. President, today the U.S. Senate "catches-up" with the 20th century. As the Senate majority leader, let me welcome the millions of Americans who are watching this historic event—at home, in school, at the office, or wherever technology takes us. Thanks to television, you the viewer can now dial-in your democracy. It has been a long time coming.

SENATE TV—THE CHALLENGE

In my view, the hallmark of our great political system is an informed electorate. But for the past 7 years, the Senate has been the invisible half of Congress, off-limits to electronic media. Today, that disappearing act ends. Keep in mind, however that this challenge is still an experiment. On July 15 we will pull-the-plug on the cameras for 2 weeks to assess what has transpired, and to decide what comes next. And what comes next will largely be determined by how 100 Senators conduct themselves.

Television in the Senate represents a challenge to every Member of this body. We can either rise or fall to the occasion. If Members play to the cameras with gimmicks, filibusters and endless speeches, then we have failed the test. Ours is serious business, and we have a responsibility to the people—this is their Senate. We have agreed to the TV experiment with this purpose in mind: to bring the Senate to the people, and in the process make this body more efficient, responsive, and productive.

If Members can resist the temptation to exploit technology, we have an opportunity to make this a landmark event: Historians can call this day a turning point, or the day the Senate walked off the stage of history, instead of on.

SENATE PIONEERS

I am hopeful and optimistic that my colleagues understand the challenge. My predecessor and good friend Howard Baker of Tennessee is one of them, and I am pleased he could be on Capitol Hill today as an eyewitness to this historic debut; my colleague, the distinguished minority leader ROBERT BYRD of West Virginia is another, and the able Senator from Colorado, BILL ARMSTRONG, has reason to be proud this afternoon, to mention just a few of the many Members who played a supporting role in bringing television and radio to the Senate.

A NEW HISTORY BOOK

Mr. President, today we also begin page 1 of a video history book. No longer will the great debates in this Chamber be lost forever. What a thrill it would be to watch Henry Clay, John Calhoun, or Daniel Webster in action. Of course, there were no cameras or tape recorders rolling when those congressional giants spoke. But sadly, the sights and sounds of great debates featuring such legends as Everett Dirksen, Lyndon Johnson, Hubert Humphrey, and Howard Baker—men who lived during the age of radio and television—were also lost forever. Now, future generations can have the opportunity to watch history in the making, thanks to videotape.

A BUSY AGENDA

This will be a busy week, with a stack of major issues that need immediate attention. We open deliberations today with an issue of great importance—continued funding for higher education. On the line will be $9.6 billion for each of the next 5 years for student aid, financial assistance for black colleges, student loans and many other education programs. Beginning Wednesday, I hope to bring before the Senate a people's issue—tax reform.

On May 7, the Senate Finance Committee—by a 20-to-0 vote—approved a revolutionary overhaul of the Tax Code. It is a reform package that promises to do away with much of the confusion, frustration, and inequity in the present system.

On Thursday, the debate on tax reform will be temporarily set aside to take final action on President Reagan's request to sell a modified arms package to Saudi Arabia. Then we will return to the tax reform debate.

FOR THE PEOPLE

For the next 6 weeks, the people will be watching us gavel to gavel and it won't take them too long to get a handle on this place. We can get down to business and tackle the issues of the day. Or we can fool around. It is up to us. Let us hope that we meet the challenge. If we don't I am certain we will hear from our viewers, loud and clear. So there are a number of good things about to happen.

We are going to initiate or inaugurate TV in the Senate by later on today taking up the Higher Education Act. It was not selected for any particular purpose. But here is a bill that has over 50 cosponsors, broad bipartisan support, supported by the administration, except for a few areas. It would seem to me that was a good way to start off, something we might agree on and, hopefully, conclude action on that bill by tomorrow evening.

On Wednesday, if the Budget Committee is granted a waiver, and Senators PACKWOOD and LONG are prepared, as I am certain they will be, we will start on the historic tax reform bill which I believe will be of interest to viewers all across this country and Americans, taxpayers wherever they may be, because we will be discussing, debating, and disposing of genuine tax reform.

That may take a few days, hopefully not too many days, but maybe 5 or 6 or 7 legislative days.

Then I am advised by Senator HATFIELD, the Appropriations Committee chairman, that we are ready to do the supplemental. So I would hope we could follow up the tax bill with the supplemental.

I am advised that Agriculture Stabilization Conservation Service [ASCS] offices may be closed or may not be issuing checks because of the lack of funds and that will affect farmers in this country. So I hope we could dispose of that very quickly.

Mr. President, in conclusion, the Senate will be in session for most of the 6 weeks of the test period almost on a daily basis. I assume we will at least in the next 3 weeks probably have Friday sessions, because we are on the tax bill. We will start another recess the close of business June 27. It is now June 2.

So I would alert my colleagues we probably could have Friday sessions but in any event the people will be watching gavel to gavel. And I do not believe it is going to take them very long to get a handle on this place. They are going to understand very quickly. We can get down to business and tackle the issues of the day or we can fool around. It is up to us. But I believe we are going to meet the challenge. If we do not, I am certain we are going to hear from our friends and viewers across the country loud and clear.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The able Democratic leader, Senator BYRD of West Virginia, is recognized.

A STEP FORWARD FOR REPRESENTATIVE DEMOCRACY

Mr. BYRD. Mr. President, Tennyson said, "the old order changeth, yielding place to new."

Today is a historic occasion. The proceedings of the U.S. Senate are being broadcast to the Nation on television for the first time. Not that we have operated in secret until now. Millions of Americans have sat in the galleries and observed Senate debates during their visits to Washington. But today they can witness the proceedings in their own homes. We might say that the Nation is tuning in late.

Woodrow Wilson said that, "the informing function of Congress should be preferred to its legislative function." Today, as the U.S. Senate comes out of the communications dark ages, we create another historic moment in the relationship between Congress and technological advancements in communications through radio and television.

In 1923, just 3 years after the beginning of commercial radio in this country, the American people heard the opening of Congress and President Calvin Coolidge's State of the Union Address. And as early as 1947, when television was still in its infancy, President Harry Truman's State of the Union Address was televised.

Although proceedings in the Senate Chamber have been televised only once before, when Nelson Rockefeller was sworn in as Vice President of the United States on December 19, 1974, television has already left a monumen-

tal mark in the history of the Senate. The first telecasts of committee hearings came in 1947 when Gen. George C. Marshall testified on his plan to reconstruct postwar Europe.

In 1951, came the famous, and enormously popular, telecasts of the hearings of the Special Senate Committee to Investigate Organized Crime in Interstate Commerce, better known as the Kefauver Committee. Those televised hearings attracted such a large national audience that motion picture theaters canceled regularly scheduled movies in deference to their loss of customers to the Kefauver Committee hearings.

From April to June 1954, television covered the controversial Army-McCarthy hearings.

In February 1966, came the telecasts of the Senate Foreign Relations Committee's hearings on the Vietnam war. In his book, "The Powers That Be," David Halberstam wrote that these hearings became "a constitutional confrontation of the first order" that "ended more than a generation of assumed executive branch omniscience in foreign policy, and congressional acquiescence to that omniscience."

Then, of course, those who watched them will always remember the telecasts of the Senate Select Committee on Presidential Campaign Activities—also known as the Ervin Committee's watergate investigation. In its final report, the Ervin Committee pointed out:

> The facts which the Committee produced dealt with the very integrity of the electoral process; they were facts, the committee believed, the public had a right to know . . . It was desirable that every citizen be able to view the hearings, if not in the caucus room, then in his home or place of business.

If television cameras had been present in the old Senate Chamber down the hall in the early 19th century, they would have captured the magnificent orations of Daniel Webster, John C. Calhoun, and Henry Clay. The cameras also would have witnessed the great compromise that these legislative giants negotiated in order to hold together the increasingly hostile sections of the country and to stave off civil war as long as possible.

If the television cameras had been here in 1861 they would have recorded Senator Jefferson Davis' dramatic farewell address as he left to become President of the Confederacy. Later the cameras would have witnessed the growing opposition among the radical Republicans of that time to the moderate policies of Abraham Lincoln and Andrew Johnson; and they would have broadcast the impeachment trial of President Johnson, which took place in this very Chamber where we speak.

One hundred years ago, in the 1880's television cameras would have let the Nation witness the great Senate debates over free coinage of silver and protective tariffs.

If we had had television in the Senate in the 1930's we might today have a visual historical record of how the New Deal's social and economic legislation was crafted—Social Security, Federal deposit insurance, and aid to farmers. Television could also have broadcast the great debate between isolationsts and internationalists over whether the United States should become involved in the Second World War, a debate which was largely centered in this Chamber, but which was ended at Pearl Harbor on December 7, 1941.

Television could have recorded the long and bitter Senate debates over America's deepening and tragic involvement in the War in Vietnam. And one cannot gainsay that that war might somehow not have become the war it was if those floor debates had been covered by television and radio.

The Senate has been in business for nearly 200 years, and the Senate Chamber has been the scene for some of the most dramatic moments in our Nation's history. What a shame that there were no television cameras to record those scenes for posterity.

And why should the Senate continue to be the invisible half of Congress—the people's branch? At a snap of the finger television cameras and microphones rush to pick up the Chief Executive's statements delivered by a press secretary at the White House, while the Secretaries of State and Defense—or press secretaries appearing on their behalf—often speak before the TV cameras to the American people.

The House of Representatives opened its Chamber debates to Americans in their living rooms by television several years ago. Today, many Americans think that their Congress consists only of the House of Representatives. The Senate is the invisible "other House" of Congress—out of sight, out of mind."

Americans can watch their favorite football and basketball teams but they cannot see their Senate at work as it discusses matters of war and peace, jobs and trade, education and Social Security, or how much the American worker or businessman or farmer will be taxed or how those tax dollars will be spent.

Mr. President, Talleyrand, the French statesman who dominated European politics for 40 years said:

> There is more wisdom in public opinion than in Napoleon, Voltaire, or all the ministers of state, present and to come.

But public opinion should be an informed public opinion. Hence, the wisdom of Woodrow Wilson's words emphasizing the importance of Congress' informing function over the legislative function.

Mr. President, the Senate met behind closed doors for the first 5 years of its existence. It permanently opened its doors to the public on December 7, 1795. To accommodate the spectators, a small, cramped gallery, which could barely hold 50 people, was erected in the Chamber. That was the Senate's first step.

Today, 191 years later, the Senate takes its second step—a giant step—as it extends its galleries from ocean to ocean and beyond; and instead of a mere handful of 50 Americans, a potential 240 million Americans may now see and hear the Senate's proceedings.

As we begin this new experiment in opening our debates to massive scrutiny through the eye of the camera, we can only guess at the impact this medium will have upon our proceedings in the future. But we do know that, just as public opinion is in advance of the law, it is only through an informed public opinion that our Nation's laws will be best, its prosperity enhanced, its treasures properly husbaned, and its future destiny be most favored.

As the advance of communications is irresistible, so is the progress of representative democracy inevitable. And today, the two are one as the Senate takes this new and sure step forward—a step that is as irreversible as it is inexorable.

Mr. President, if I have any time remaining, I yield it to the distinguished Senator from Tennessee [Mr. GORE].

□ 1420

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator will be recognized for 1 minute.

The Senator from Tennessee, Mr. GORE.

TELEVISION AND FREE DEBATE

Mr. GORE. Mr. President, Thomas Jefferson once wrote: "Our laws and institutions must move forward," hand in hand with the progress of the human mind.

Fifty years ago, our executive branch began appearing on television. Today marks the first time when our legislative branch in its entirety will appear on that medium of communication through which most Americans get their information about what our Government and our country does.

The marriage of television and free debate in the Senate will be a benefit to the American citizens. It will bring changes in this institution. But whatever changes that are due to the feeling that millions of Americans are paying attention to what goes on on the floor of the Senate will, in the final analysis, be good and positive changes.

Mr. President, I would like to give credit to the distinguished minority

leader, Senator BYRD, who led the fight to open up this Chamber to television and radio coverage. I would like to pay tribute to my predecessor——

The PRESIDING OFFICER. The 1 minute remaining to the Senate minority leader has expired.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator may proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, the Senator from Tennessee.

Mr. GORE. Mr. President, I appreciate the courtesy of the majority leader.

I was going to say also that I was going to pay tribute to my predecessor, Howard Baker, who fought so long and hard to achieve this breakthrough that is possible here today. Senator DOLE has provided magnificent leadership in structuring the way in which this has come about and all of those of us fought for it are very grateful to him.

The chairman and ranking minority member of the Rules Committee, of course, have led the way throughout. I would like to make a special mention of my colleague, the Senator from Colorado, Senator ARMSTRONG, with whom I worked particularly closely, who played a very key role in making this day possible.

But, once again, in closing, I think the real credit belongs to Senator BYRD, who led the fight; and never before was the fight led by Senator BYRD and it is not an accident that it occurred this time when he was leading the way.

I appreciate him yielding to me and I appreciate the majority leader's courtesy, as well.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

SCHEDULE

Mr. DOLE. Mr. President, just let me indicate the schedule for today. Following special orders in favor of Senator HAWKINS—her statement will be read by Senator THURMOND—Senator THURMOND, Senator CRANSTON, Senator PRESSLER, Senator MATHIAS, Senator PROXMIRE, Senator WILSON, and Senator GORE—and they are permitted to speak for 5 minutes each—we will have routine morning business until the hour of 3:15 p.m. Following that, we will begin consideration of S. 1965, the higher education bill. Senator STAFFORD and Senator PELL will be managing that bill. I understand they are prepared to commence on that legislation as soon as we have completed action.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, would it be possible after the Senators he has named, if I would be able to have 5 minutes prior to the consideration of the education bill?

Mr. DOLE. Mr. President, I ask that unanimous consent at this time that the Senator from Massachuesetts be permitted to speak for 5 minutes following Senator GORE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I thank the Senator.

Mr. DOLE. Mr. President, let me also add that we will probably be in early tomorrow morning. We do want to complete action on the higher education bill tomorrow. I am advised by Senator STAFFORD, the chairman of the committee, that he believes today they can do a lot of business, that they can take a number of amendments that are going to be accepted. Tomorrow morning we could hopefully be on the bill by 9:30 and maybe even have votes before the policy luncheon, which will begin at 12:30 p.m.

So it is my hope we can complete action on that bill tomorrow—hopefully fairly early tomorrow; if not, maybe early evening—so that on Wednesday, unless something unforeseen happens, we will be prepared to move to the tax reform package.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. DOLE. Yes.

Mr. CRANSTON. When is it expected the judgeships will come up?

Mr. DOLE. We will take them up this afternoon if it is all right with the Senator from California; but probably not. Following the tax bill, I promised the appropriations people we would take up the supplemental. We are in for 4 weeks and then we are out again for awhile. It may be very difficult to move on those before the next recess.

Mr. CRANSTON. I thank the leader very much.

RECOGNITION OF SENATOR THURMOND

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina [Mr. THURMOND] is recognized for a period not to exceed 5 minutes.

NATIONAL TELEVISION COVERAGE OF SENATE CHAMBER PROCEEDINGS

Mr. THURMOND. Mr. President, on December 24, 1954, I was appointed to the U.S. Senate by the Governor of South Carolina to fill the unexpired term of the Honorable Charles Ezra Daniel, who had resigned. I was officially sworn in as a U.S. Senator on January 5, 1955. At that time, television was a relatively new medium. Most Americans did not own televisions, and television viewing was not as integral a part of American culture as it is today.

The role of television in American society has changed dramatically since I took the oath of a U.S. Senator on this floor over 31 years ago. That period of time has also been marked by many changes in our Federal Government. Unfortunately, a number of these changes, in my opinion, have not been in the best interest of the American people.

The Federal Government has grown too big, too intrusive and too impersonal. During my Senate career, I have taken many opportunities on this floor to express my opposition to legislation which I believed to be contrary to the best interest of the American people. There have also been numerous occasions when I have spoken here in support of policies which I believed were in the public interest, such as a strong national defense. The televising of Senate Chamber proceedings also represents a wise and warranted policy.

Broadcast media coverage recognizes the basic right and need of the citizens of our Nation to know the business of their Government. It will, I believe, lead to a more informed citizenry, and thereby hopefully improve the quality of our representative democracy. The ability of the electorate to study the representation provided by their respective Senators will be greatly enhanced. In the long run, the quality of Senate debate and decisionmaking will be improved, and the Nation will be the better for it.

I am optimistic that these goals can be achieved because I firmly believe in the potential for constructive influence which television can have on society.

As the history of the Senate is written, today will be noted as the first time American viewers have had the opportunity to watch gavel-to-gavel coverage of proceedings in this Chamber. Despite the historic nature of this day, it is my sincere hope that it will serve as a milestone in the progression of events leading up to full, continuous access to Senate proceedings through live television and radio broadcasts. Upon the expiration of this test period of radio and television coverage of Senate proceedings, the Senate should approve permanent broadcast coverage. The American public deserves no less.

In closing, Mr. President, I want to commend the able former majority leader, Senator Howard Baker, for coming up with the idea of having television in the Senate. He was the originator of this thought and deserves to be commended highly for it. Also I would like to commend Senator DOLE, the man who implemented the idea of Senate debate, and who has been successful in getting this parcel passed in the Senate.

Also to be commended is the able minority leader, Senator ROBERT BYRD,

who has cooperated in this matter all the way through. Senator MATHIAS, chairman of the Rules Committee, and Senator ARMSTRONG are ardent supporters of television in the Senate. Senator GORE is another strong supporter, and they all deserve to be commended for active interest in this important matter which I feel means much to the public, will improve the proceedings of this body, and will expedite its work in the future.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Florida (Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

The distinguished Senator from South Carolina is recognized to read Senator HAWKINS' statement.

Mr. THURMOND. Mr. President, I would like to turn to a statement by the able Senator from Florida, Senator PAULA HAWKINS, who is unable to be here at this time on this subject: "America's Borders: An Open Invitation to Terrorists and Drug Traffickers".

AMERICA'S BORDERS: AN OPEN INVITATION TO TERRORISTS AND DRUG TRAFFICKERS

Mrs. HAWKINS. Mr. President, once upon a time when immigrants poured into this country they were meticulously checked. They were positively identified, registered and carefully examined for disease. Today, there are thousands of people crossing the border between Mexico and the U.S. For these illegals, there is no identification, no registration and no health exam. They bring with them diseases of the Third World, drugs and the potential for terrorism.

In April, 1.2 tons of cocaine were seized along the uncontrolled border at San Diego, the largest haul of drugs ever along the international border. That was the quantity our agents confiscated; the amount that got through is anybody's guess. This is part of the legacy of the alien problem at the San Diego crossing. In 1965, some 6,500 aliens were apprehended at this point of the border. Last year the number soared to 427,000. This year is already a horror show. In April 70,000 undocumented aliens were apprehended. The Immigration and Naturalization Service estimates that for every illegal alien that is caught, another two or three make it through. Assuming those figures are accurate, that means that as many as 200,000 undocumented aliens are invading our country each month in the San Diego area. Dealing with statistics such as these the potential for drug trafficking and terrorism can hardly be overestimated. Most of the "illegals" are Mexican but last year there were 10,000 nationals from 72 countries who tried to enter the U.S. at the San Diego border area without documentation. Many of these OTM's—other than Mexicans—are victimized along the way to what they hope will be a better life. Many have to pay off Mexican police in order to reach the border. Others are robbed or beaten, and sometimes raped, along the way. There is another especially odious practice. Bandits shadow a group of 20-or-so aliens being shown the ropes by their guide, then shoot one of them, in the process terrorizing the others into surrendering whatever valuables they may have. The OTM group one night included Nicaraguans, Guatemalans, Lebanese, Peruvians, Poles, and Yugoslavs. If you consider this ethnic makeup, the potential for terrorist infiltration and drug smuggling in border areas is enormous. No other nation in the world tolerates this kind of violation of its borders and threats to its security.

Part of the problem is that the U.S. imposes no penalty to those who try to enter its territory illegally. Those who are sent back are free to try again, and again, until they are successful. There are numerous instances of aliens trying to cross the border and being returned to Mexico several times within a 24-hour span. At one time most of those who tried to cross the U.S.-Mexican border were rural youths, trying to find work and a fresh start in life on California farms. Now, more likely than not, they are street thugs. They have weapons. They knife or shoot border patrolmen; they rob anybody who crosses their path. Once on the American side of the border, they are responsible for drug sales and robberies, a veritable crime wave. If a border patrolman dies in a hail of bullets from the weapon of an illegal alien, it is just another law officer killed in line of duty. But if an alien is shot, there is a hue and cry about police brutality. Once an alien sets foot on U.S. territory, he is protected by a passel of human rights laws and regulations. I do not think any sensible person wants to deprive an alien of certain basic rights. However, this factor should be weighed against the prospects of increased risks to our law enforcement personnel and threats to our national security.

A news reporter, Edward L. Fike, writing in the San Diego Union (May 11, 1986), described a bizarre daily ritual at the southern California border crossing. Men, women and children mill around the streets of the Mexican border town of Tijuana, particularly its worst slum area, Colonia Libertad, until sunset. As night falls they begin moving toward the border for one of the strangest confrontations on this planet, an army of desperate people trying to enter the U.S. illegally and a corporal's guard of border patrolmen, Customs officials, Immigration and Naturalization Service agents and policemen trying to thwart their entry. Despite valiant efforts by the protectors of our border, it is a losing proposition.

Reporter Fike sums up the situation this way: "There has never been anything like this in the history of the United States. It is incredible that this powerful nation passively tolerates such a gross violation of its sovereignty . . . The nation's most porous border at San Diego, the most out-of-control, is an open invitation to terrorists, drug smugglers and international criminals—the dregs of earth and certainly the enemies of freedom."

Mr. President, I agree with this assessment. Without adequate control of our borders, we have no clue as to the real identity of the masses who pour across our boundaries and disappear into the streets of our towns and cities. They may be terrorists, they may be drug traffickers or they simply may be the worst elements of society who come here to victimize our citizenry. We must find a way to regain control of our borders. The risks from failure to do so are too great to contemplate.

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for a period not to exceed 5 minutes.

TELEVISION COVERAGE OF THE SENATE PROCEEDINGS

Mr. CRANSTON. Mr. President, it was inevitable in our democracy that floor proceedings in the U.S. Senate would one day be televised. In one sense this is a historic development. It is a first. But in a larger sense it is merely yet another logical step in opening up our Government to the people, and to the public. That is a process that has been going on for some time. In perhaps slow but certainly steady progress, more and more Government business has been opened up to the sunlight of publicity.

□ 1440

We opened up committee and conference committee meetings to the press, the broadcast media, the public. We passed the Freedom of Information Act. We require Government officials to disclose their holdings and the source of their incomes. We require that all campaign contributions and the names of contributors be publicly reported.

And now, with the coming of the television age to the floor of the Senate, the public's right to know has been expanded to the public's right to see and hear.

The question naturally arises, see and hear what? Sometimes it seems that nothing is happening on the Senate floor, and, in fact, sometimes nothing is. The action is going on elsewhere: in committee rooms, in Senators' offices, in the offices of the Senate leaders. But that is all preliminary. Sooner or later, everything has to come here. Here is where the final say, the final act, takes place. Here is where the law is made. Here, for example, over the next several days, we will be debating and deciding whether to extend programs for higher education. I believe we should. Whether to override President Reagan's insistence on selling missiles to Saudi Arabia. I believe we should override his insistence. I oppose providing our weapons to a nation that backs Qadhafi and finances the PLO and Syrians. And we will be debating whether to reform the Tax Code and what shape that reform will take. We must and will reform the Tax Code. But I hope we can save independent individual retirement accounts, IRA's, and there are a few other ways that I and others will seek to improve that measure before it passes the Senate.

It is fitting that in a democracy such as ours that these actions take place under full public scrutiny, light, cameras, and all, not just to satisfy public curiosity or suspicion, legitimate though those ends may be. The public's right to know is not limited to learning Government decisions after they are made, but to participate to the greatest extent practical in the making of these decisions. That is what democracy is all about. We need less paranoia about leaks to the public and more concern about the free flow of information to the public. That is what an intelligently functioning democracy is all about.

I do not know how the Senate will do as TV fare. We are not much in the way of entertainment. We have a number of very witty Members but as a whole we are not very funny, at least not intentionally. We do have serious business here and we take our job very seriously. For serious Americans who take America seriously this is the show to watch.

RECOGNITION OF SENATOR MATHIAS

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland, Senator MATHIAS, for not to exceed 5 minutes.

TELEVISING SENATE PROCEEDINGS—THE LOGICAL CONCLUSION OF A DEBATE BEGUN IN 1783

Mr. MATHIAS. Mr. President, several times today this has been referred to as a historic occasion. Whether or not it will be a historic occasion is, I think, the subject for the judgment of history. But at least it is a historical occasion because it carries on one step further the debate that has been in progress since this country was founded.

When the Senate was first created by the Constitution in 1787 there was no provision for any kind of visitors' gallery, no way in which the public could participate in any way in the proceedings of the Senate. In fact, it got to be something of a scandal at the time. Word got out not only in this country but in Europe as well, and we were teased a little bit about it by that famous Frenchman Mirabeau, who said:

> The peers of America disdain to be seen by vulgar eyes: the music of their voices is harmony only for themselves, and must not vibrate to the ravished ears of an ungraceful and uncourtly multitude.

Whether the music of the voices of Senators has ever been harmony even in their own ears may be subject to some doubt, but the fact is that this question of how far the public should be included in Senate debates has been an ongoing question.

In that early period, the public went to George Washington, then President of the United States, and said, "Mr. President, what can you do about it?"

Washington replied in that mystified way that Presidents sometimes have about what happens on Capitol Hill, "Why they keep their doors shut, when acting in a legislative capacity, I am unable to inform you; unless it is because they think there is too much speaking to the gallery in the other House, and business thereby retarded."

Well, of course, that possibility is one that was raised before we made the decision to turn the cameras on today: Would it be too much speaking to the galleries and the cameras, and retard business?

I think that is unlikely because we did open a visitors' gallery 5 years after the Senate first convened for business and, in effect, the Senate floor has been kind of a stage. Senators have been acting on this stage, the audiences watching in the galleries.

By our action today we have not fundamentally altered that situation. We have simply enlarged the galleries. We have pushed out the walls to include all the American people who wish to watch. I think that is an important consideration.

I believe that the American people will gain a more comprehensive understanding of what happens here: The fact that so many decisions are not clear and easy to make but are complex and difficult, and are really the result of making choices between alternatives, none of which seem very appetizing and none of which seem very desirable but which are forced upon us by the events of our day.

I think it will be an enormously important advantage for the American people if we are able to convey that sense of the difficulty of choices and the importance of choices in their lives.

When this Chamber in which we now meet was inaugurated on January 4, 1859, the Presiding Officer, then Vice President of the United States John C. Breckinridge, made an interesting statement. He said:

> Let us devoutly trust that another Senate, in another age, shall bear to a new and larger Chamber, this Constitution vigorous and inviolate, and that the last generation of posterity shall witness the deliberations of the Representatives of American States still united, prosperous, and free.

Well, that hope expressed when the Senate moved to this Chamber is an important hope which should be alive today because, in effect, we have done just what Vice President Breckinridge predicted. We have moved to a larger Chamber, a larger Chamber made possible by the electronic media of our generation.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for a period not to exceed 5 minutes.

□ 1450

ARMS CONTROL VERSUS STAR WARS ON COST AND EFFECTIVENESS

Mr. PROXMIRE. Mr. President, we have two alternatives to reduce the prospect of a nuclear strike in our country. One alternative is SDI or star wars, and the other alternative is arms control.

As every day passes it becomes clear we cannot have both. We have to make a choice. That choice is absolutely critical. Which should it be, star wars or arms control?

Those who argue for star wars say it might be able to protect our cities. Virtually nobody, except perhaps the President of the United States, seems to believe that, including the people who work for the President in the Department of Defense, and certainly including virtually every independent scientist in the country.

You cannot put a big astrodome over the country and keep all intercontinental ballistic missiles from penetrating. We know that.

Well, the people who defend star wars said, "Yes, but it can partly protect our nuclear deterrent."

Well, Mr. President, our nuclear deterrent is not vulnerable. Fifty percent of our nuclear deterrent is in submarines moving invisibly and swiftly under the oceans.

The Secretary of the Navy has testified that they are invulnerable now and will become more invulnerable because of improving technology for many years to come.

Twenty-five percent of our nuclear deterrent is in bombers capable of taking off within the few minutes or already in the air in the vast air envelope that covers the Earth.

As we know, those bombers can go about the speed of sound. It is impossible to track all those bombers or anything like them.

Twenty-five percent of our nuclear deterrent is in land-based, stationary missiles, which we can easily convert, as the distinguished junior Senator from Tennessee has stated, shift into missiles which are mobile and which would be very hard to find and they would be virtually invulnerable.

Mr. President, star wars destroys arms control because there is no way the Soviet Union is going to agree to a limit on their offensive nuclear deterrent as long as we have any prospect of building a defense. The way they

overwhelm it is by building more defensive missiles and they are going to do it. Stars wars will cost between $1 trillion and $2 trillion according to the best testimony we can get before the Defense Appropriations Subcommittee. It will cost hundreds of billions to maintain and modernize it. In arms control, on the other hand, both superpowers have an obvious self-interest in arms control because it slows or stops the arms race, thereby increasing superiority for both superpowers.

I think we should rely on the self-interest of the Soviet Union. We do not have to trust them, we do not have to feel they are altruistic, because they are not, but in their own self-interest, they would want to prevent the enormous economic burden an arms race will impose on them. An arms race would leave two losers and no winners. So both have a clear self-interest in compliance.

As I say, what we can count on is self-interest, self-interest, not idealism.

Arms control will cost less than one-tenth of 1 percent—in other words, one-thousandth, less than one-thousandth of what star wars will cost. That is the best information we can get. This chart shows it to some extent, with star wars in the red and arms control a tiny blue.

Here is $1. One dollar. That is what arms control will cost compared to $1,000 for star wars.

Looked at still another way, Mr. President, over the years, it will cost our people between $8 and $9 in taxes a year for arms control and $8,000 or $9,000 for star wars.

Arms control does require funds for verification, including satellite observation, on-the-spot inspection, the stationing and manning of monitoring stations by both superpowers, and aggressive pursuit of every indication of violations, requiring a beefed-up inspection of the offending power and securing promptness in discontinuance of the violation. To sum up, is arms control in our national security interest? Strictly national security, mind you. I am talking about national security, not any idealism.

It is indeed. That is why the Joint Chiefs of Staff, whose responsibility is strictly for national security, have come down so hard in contrast to the President and the Secretary of Defense recently for the SALT treaty.

Arms control is not a matter of pie-in-the-sky idealism. It is not a matter of pacifism. It is the most practical, hard-headed realism.

MYTH OF THE DAY: SOVIETS LEAD OVER UNITED STATES IN SDI TECHNOLOGY—PART I

Mr. PROXMIRE. Mr. President, the myth of the day is that the Soviets are ahead of the United States in star wars technology.

This myth is the engine of fear driving and justifying our own star wars program—the claim that the Soviets are ahead of us in star wars technology and that the United States must catch up.

Official statistics from the Department of Defense comparing United States and Soviet standings in the 20 most important basic technology areas convincingly demonstrate that this claim of United States inferiority is a myth. The SDI program, or star wars, is a technology program rather than a deployed military system. Thus comparing basic technology standings is a fair way to view the relative position of each country.

Of the 20 basic technologies assessed by the Department of Defense, at least 17 are directly linked to SDI research. Of these 17 areas, the U.S.S.R. is superior to the United States in none. Not even one. The United States and U.S.S.R. are judged equal in six areas. And the United States is judged superior to the U.S.S.R. in 11 categories. This is evidence of overwhelming United States leadership compared to the Soviet Union in the basic technologies most useful in researching and developing a star wars defense. As the Department of Defense has stated, "These technologies have the potential for significantly changing the military capability in the next 10 to 20 years." Therefore what is being measured here is militarily significant.

Mr. President, I ask unanimous consent that a portion of a study on this issue by the Union of Concerned Scientists be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STAR WARS: MYTH VS. REALITY

MYTH: THE SOVIETS ARE AHEAD OF US

One of the most dubious claims made in support of the Strategic Defense Initiative [SDI] is that the Soviet Union is ahead of the United States in developing a space-based missile defense. There is simply no evidence to support this claim. This alarmist projection mirrors the "bomber gap" of the 1950's and the "missile gap" of the 1960's. As was true with both those feared "gaps," the "Star Wars gap" is decidedly in the United States' favor. Congress and the American public should be aware that scare tactics are being used to generate support for the President's highly controversial proposal.

SOVIET SUPERIORITY REJECTED

Although Secretary of Defense Weinberger has charged that the Soviets are ahead of the US in the field of strategic defense, Pentagon officials in charge of the SDI program have stated publicly that the US holds a commanding lead. Said SDI director General James Abrahamson, "in the key areas needed for a broader defense—such as data processing and computer software—we are far, far ahead." And Dr. Robert Cooper, director of the Defense Advanced Research Projects Agency (DARPA), has told the Senate Armed Services Committee "I don't think that the Soviets are [as] far advanced as to where we are in many, if not most, of these technologies."

According to a 1986 Pentagon report, the US is ahead of the Soviet Union in virtually every basic technology "critical to defense" over the next ten to twenty years—including those being explored for space-based missile defense (see chart). The study rates the US superior to the USSR in 14 of the 20 key areas of military research, and equal to the USSR in the remaining six. The report's clearest message is that the Soviet Union does not lead the US in a single critical area of military technology.

The US edge in ballistic missile defense (BMD) technologies is the result of a prudent, sustained research effort spanning more than a decade. Prior to the birth of the SDI, funding for missile defense research continued at a generally constant level. The state of the Soviet BMD program does not, by itself, provide any basis for the drastic acceleration of the American program planned by the current administration.

The PRESIDING OFFICER. The Senator's time has expired.

RECOGNITION OF SENATOR WILSON

The PRESIDING OFFICER. Under the previous order, the Senator from California [Mr. WILSON] is recognized for a period of time not to exceed 5 minutes.

Mr. WILSON. I thank the Chair.

CONGRESSIONAL NEWSLETTERS AND TV IN THE SENATE

Mr. WILSON. Mr. President, we are for the first time affording the public the opportunity to view the proceedings of the Senate. This has been rightly termed an historic day—not, Mr. President, that I delude myself that the primitive art form that we practice on the Senate floor is likely to constitute any great threat to the ratings of "Dallas" or "Dynasty" or "Falcon Crest." But at least we hope it will provide the opportunity, if not for a significant new form of entertainment, then for an important new source of information.

I think it is important, too, that while we cannot expect very many to sit glued to their television sets engaging in extended viewing of this coverage, at the very least, Mr. President, the kind of gavel-to-gavel coverage that we are now affording will allow not just C-SPAN but also all television news media, on those occasions where the importance of the subject under debate warrants it, to select and televise to a much larger audience the proceedings of this body. In short, the American people will have an opportunity they have not had before, if they choose to take it, to see and watch the Senate in what we hope will be action on the floor.

We live in a time of great cost-consciousness. Most of us in this Chamber voted for a thing last year called

Gramm-Rudman-Hollings, and we were right to do so.

It would also be right, Mr. President, if those of us in this Chamber, having so voted, were to set a good example for the Nation by reining in the cost of our own operation, including even the important cost of those means by which we undertake to report to the American people on our stewardship of their tax dollars and their security.

Mr. President, when I went back to California during this recess, I was immediately greeted by the sight of a bumper sticker which I took with some good humor: It said, "Do something about junk mail. Tell your Congressmen to quit sending it."

I happen to be in sympathy with those sentiments. I think that probably represents a popular view with a great many Americans who receive unsolicited reports from their Member of Congress or from their Senator, something they have not asked for and they are not likely to read, but something that does, in fact, cost them an enormous amount of money.

Recently, the Senate took a very good first step. In our debate on the budget resolution, we amended that resolution to transfer $100 million plus—actually over a 3-year period, some $280 million—into research on Alzheimer's disease and AIDS. We took that money from the legislative account and the amount that was taken was the equivalent of what we spend in terms of the franking privilege to send congressional newsletters.

So, Mr. President, as we celebrate this historic day, I hope that very soon, we shall have the opportunity to celebrate a second historic day, the one on which we keep faith with our constituents on this—as we urge cutbacks in other far more essential services. I hope that in the spirit of Gramm-Rudman-Hollings, we take the point of view expressed in that bumper sticker and remember that we have already voted 95 to 2 to eliminate that kind of wasteful spending. I hope, in short, that we will cut out the kind of money that we have been spending on unsolicited congressional newsletters. It happens to amount, Mr. President, to over $100 million a year. It happens to amount, in fact, to all the taxes paid in 1 year by the taxpayers of the city of Long Beach or the city of Oakland, CA. In contrast, the cost of televising these proceedings—of the installation of the cameras and the salaries of those operating them—is barely more than 1 percent of that, a tiny fraction of it.

Mr. President, I thought on this day when we are celebrating what we hope will be an historic improvement in our ability to communicate with our constituents, we ought to make that comparison.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Tennessee [Mr. GORE] for a period not to exceed 5 minutes.

Mr. GORE. Mr. President, I thank the Chair.

□ 1500

THE PRESIDENT'S DECISION ON SALT II

Mr. GORE. Mr. President, before we adjourned for the Memorial Day, over 3 weeks, I delivered a series of speeches on the strategic defense initiative, one each day. It was my intention to resume that series today, and I shall deal with that strategic defense initiative in this speech, Meanwhile, there have been developments in arms control, both in Washington and Geneva, which require preliminary comment.

In my opinion, the President's decision to announce the end of the SALT II minimum limits if the decision is carried out, is a blunder of the greatest magnitude. Indeed, it could be judged by history as his worst mistake. It reverses a series of statesmanlike decisions the President had made earlier which kept at least the rudiments of an arms control regime in place while negotiations proceeded.

Without that framework, we could face a situation in which the strategic arms race is completely unregulated by any agreement with the Soviets, whether formal or tacit.

This decision, both in its substance and the manner in which it was made, illustrates the administration's ambivalence toward arms control and what I believe is a deep confusion about our Nation's strategic goals.

Mr. President, I think our President is justified in condemning the Soviet record on compliance with existing arms control agreements. But the violations of which he has declared do not go to the core of the SALT II agreement, and moreover the remedy the President has proposed hurts us more than them. There are five reasons why. First of all, the Soviet Union has four hot production lines for making intercontinental ballistic missiles, while we have one huge warm production line. In other words, they can quickly take advantage of the absence of limits much more than we can.

Second, the treaty limits the Soviet Union more than it limits us. If it remains in place, it will require them to destroy and dismantle far more launchers than we will be required to destroy and dismantle for the next several years, and in fact compliance with the SALT agreement so far has caused the Soviet Union to destroy more than a thousand launchers while requiring us to destroy less than 100 launchers.

Third, as a self-governing people, we require a consensus on strategic policy, whether for assigning a priority to the military budget or building and deploying a new weapons system. The Soviet Union requires no such consensus and they have shown time and again that they are willing to spend whatever is necessary to keep themselves on the course of strategic weaponry that they have mapped out.

Fourth, we are part of a true alliance made up of independent partners, whereas the Warsaw Pact is made up of the Soviet Union and subservient puppets. The SALT II decision has already meant new strains on the NATO Alliance.

Fifth, this decision may tragically misread the most likely Soviet reaction. Instead of making the "radical changes" that the President has demanded of them, they may instead see in the decision to abandon SALT II coupled with an aggressive American pursuit of new missile defenses a simple one word message, "build"—build offensive missiles and build them fast in order to ensure their continued ability to penetrate any Amercian defenses, particularly since they would no longer be constrained in any way by a treaty which prevented them from taking that course of action.

Now, Soviet compliance with existing treaties has been bad. I have spoken on this matter on prior occasions. They have encrypted and violated SALT II in doing so. They have deployed two new types of missiles instead of the one allowed by SALT II, and they have brazenly violated the ABM Treaty through the location of the Krasnoyarsk radar too far inland. But there are alternatives for dealing with these violations. We can go ahead with provision of the Midgetman missile as an appropriate response to the SS-25. We can apply penetration aids, and we can try to get some satisfaction on the encryption issue, although here the Soviet Union must respond in a forthcoming way. Nothing they could do in the area of compliance would have a bigger impact on the thinking in America about arms control than to announce a drastic reduction in the amount of encrypting they carry out during their missile tests. But just as the Soviets should change their behavior, we should ask ourselves about what changes might be productive in the United States in order to reach the goals we say we want.

The first thing which has to occur, Mr. President, in my judgment, is for President Reagan to decide in his own mind and in his policies whether or not we really want to work out a cooperative relationship of stability between ourselves and the Soviet Union. Some in his administration evidently

feel that is not our best course of action.

As we know, a major factor in the President's decision was longstanding dissatisfaction with Soviet compliance, involving charges of misconduct ranging from sharp practice at best to outright violation at the worst. Many of us can understand the President's impatience. But the Soviets have not, to this time, damaged the core provisions of the treaty which limit the number of various types of delivery system, or the number of weapons they carry. Nor is there any risk to our security, in what the Soviets have been doing, which exceeds the risk to us involved in an open-ended arms race.

As for diplomacy and international politics, there is no doubt that if the President carries out his intention to violate SALT limits this fall, he will seriously damage our country's interests. Notwithstanding our problems about Soviet compliance, in the eyes of world opinion, we and not the Soviets shall have been first to decisively break with SALT II. Whatever the Soviets may then elect to do, it will be at no political cost to themselves: They will be ideally situated to place the blame on us, and to make maximum use of that around the globe.

In terms of domestic politics, the President's decision is also very much against the national interest. The President's earlier policy of interim restraint had strong bipartisan support in Congress, representing, in turn, very strong currents of public opinion. Only this past April, more than half the Senate wrote to the President urging him to stay with SALT II.

Unfortunately, he has chosen to listen to the promptings and demands of those who are deep within the right wing of his own party. One hopes the President realizes that he has made a concession to those who will not be appeased. One hopes he realizes that there is no form of arms control this same group will ever find acceptable. One hopes the President realizes that he is, for the sake of placating this group, abandoning the base of moderate bipartisan support in Congress and in the country, which he once coveted.

The one ray of light in this situation is that it is not yet irreversible. The Soviets have announced that they will take no action until the United States actually violates a SALT limit. That will not occur at least until late fall, when further modernization of our forces will require further dismantlings. Therefore we have a period of time during which good sense may yet prevail.

The President has also indicated willingness to reconsider his decision concerning SALT, in the light of any positive developments in Soviet policy. Perhaps, if he had just waited a bit longer, he needn't have climbed so far out on a limb. As reported by the press over the weekend, the Soviets may have decided to make a significant adjustment in their position.

Until now, the Soviets have insisted that there can be no reductions unless the United States entirely foreswears SDI, including every last vestige of research that might be related to it: an unreasonable, unworkable proposal. Now, the press is quoting administration officials to the effect that the Soviets may have begun to show flexibility on this point. According to these accounts, the Soviets have suggested that deep reductions might occur, despite a certain level of United States research on SDI, providing the ABM Treaty is tightened up, and both sides guarantee that there will be no SDI deployments for a substantial period of time.

If this is so, and if the details show promise of further compromise, then this could be the long awaited breakthrough—providing a breakthrough is what the President really wants, at bottom. A double judgment is involved: First, upon the quality of the Soviet proposal; and second, upon the reality of the administration's will to seek, rather than avoid, agreement with the Soviets. The President must understand that if he acts precipitously now, he may destroy what potential for progress there is, and surely bear the responsibility and costs for doing so.

Mr. President, I hope the Senate will give this question further discussion in the near future. Meanwhile, I plan to resume my schedule of talks on SDI, as originally planned.

RECOGNITION OF SENATOR KENNEDY

The PRESIDING OFFICER (Mr. COHEN). Under the previous order, the Senator from Massachusetts [Mr. KENNEDY] is recognized for not to exceed 5 minutes.

Mr. KENNEDY. Thank you very much, Mr. President.

TELEVISION IN THE SENATE

Mr. KENNEDY. Mr. President, I, too, join those in this body in congratulating Senator BYRD, of West Virginia, for his leadership on this extremely important occasion of bringing the Senate of the United States into the 20th century and to congratulate our majority leader and all those who played such an important role in what I consider to be a very important day for the Senate and for the American people.

ARMS CONTROL

Mr. KENNEDY. Mr. President, I think it is entirely appropriate that on the first day of television in the Senate we have had two important statements made on the issue of the arms control policy of this administration by individuals in this body who have spent a good deal of time on this issue, the distinguished Senator from Wisconsin [Mr. PROXMIRE] and my friend and colleague from Tennessee [Mr. GORE].

I too want to address the Senate on this issue because I do find that the actions which have been taken by our President in recent times have drawn the attention of the American people to this issue of whether we are going to have a Government that is committed to arms control or whether we are going to abandon a process to which, over the period of the last 30 years, Republican and Democratic Presidents alike have committed this Nation.

Six years into the Reagan administration, the prospects for nuclear arms control have never seemed bleaker. No issue has higher implications for the future of our country or our planet, and yet no issue has lower priority on the administration's agenda.

The President's decision to repudiate the SALT agreement is a triumph of ideology over common sense. The rabid right is spoiling for a new escalation of the arms race against the Soviet Union, and now their unrelenting, systematic, anti-SALT compaign has finally won the acquiescence of the President.

Previous administrations, under both Republican and Democratic Presidents, negotiated the SALT I and II limits on offensive nuclear missiles, but this administration has now decided to abandon those controls. It is the worst decision so far of the Reagan Presidency, and it is virgorously opposed by the leaders of all our NATO allies.

The President complains that the Soviets are cheating on SALT. But the alleged violations are marginal, and come nowhere near the core of SALT. To defy the limits on multiple warhead missiles goes to the very heart of SALT and any such U.S. action would be out of all proportion to the alleged Soviet violations.

SALT is far from perfect, but it represents the only existing restraint on the Soviet nuclear buildup. Ironically, the President is discarding SALT just when it will begin to affect the Russians most. Since 1972, to remain within SALT, the Soviet Union has dismantled over 1,000 land-based missiles, 250 submarine-launched missiles and 19 missile-firing submarines. To stay within the limits through 1990, they will have to dismantle another 600 missile launchers and 5 additional submarines, many from among their newest systems.

By contrast, SALT costs the United States next to nothing. All of the new weapons in the President's strategic modernization program can still go forward. Abandoning SALT now

simply shoots ourselves in the foot, when we ought to be putting our best foot forward on arms control.

Perhaps there is some method in this madness. Perhaps the rightwing bluster and the harsh attack on SALT are all a charade, a presummit ploy to wring greater concessions from the Soviet Union and enhance the prospects for a successful summit later in the year. But if that is true, it is a dangerous game that no administration should play.

President Reagan has 2 years left in office. He has many worthwhile achievements and I have not hesitated to praise them or to agree with him. But all of these achievements could be eclipsed by a wrong decision on arms control. The brief years remaining in his Presidency may well determine his legacy—either as a peacemaker President who tried to end the nuclear arms race and remove the nuclear sword of Damocles from the Earth, or as a warrior President who turned his back on arms control and launched the worst and most dangerous cold war of all time.

Congress cannot legislate arms control. We can fight hard to deny the appropriation of any funds for a reckless resumption of the arms race. But only President Reagan has the power to move forward on arms control and bring us closer to a lasting peace.

□ 1510

The Chernobyl disaster is the handwriting on the wall, a sign of what lies ahead if we proceed on the present course. There is still time for Mr. Reagan to play his greatest role as President—the role of peacemaker. It will be sad—and a threat to the peace as well—if he chooses to exit from the White House in the role of Rambo.

Mr. RIEGLE. Mr. President, I ask unanimous consent to proceed for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM LEGISLATION

Mr. RIEGLE. Mr. President, as others have said, this is clearly a historic day in the U.S. Senate, when the American people are given the opportunity, for the first time, to actually come into the Chamber and listen and, in a sense, to participate with us in the judgments we have to make here.

I want to address specifically a key issue that is going to be coming before the Senate 2 days from now—namely, the tax reform bill.

Most people in the country know what they have heard on television or read in the newspapers, but it is very difficult to have the full story about the tax bill. I have in front of me a copy of the bill, which was printed just last Friday; it comes in two parts. This is the first part, and it is very thick, and this is the second part. It is so big that it could not be bound in a single volume. The bill is the largest I recall seeing in my 10 years in the Senate. It is 2,847 pages long, and it is in fine print.

It is so complicated that we have a summary document, which is in this green cover. If you just want to read the summary between now and 2 days from now, when the measure will come up on the floor, the summary is 1,124 pages. Looking inside this, I show my colleagues that this is very fine print.

So this is not something that we are going to read quickly. There is a lot here to digest. I think it shows the complexity of our existing Tax Code and the tremendous number of changes that are being proposed in this legislation.

I am not sure that anybody yet fully understands the net effect of all the changes in the tax law. Some are very good and some are not so good. I want to be able to vote for a tax reform bill that simplifies our tax laws and makes them fairer. I hope to be able to vote for this bill, but I think some changes will be needed in it.

The main change, I think, is to restore the individual retirement account, to keep it the way it is in existing law. I want to share some facts with my colleagues about this matter when we get into the debate on the IRA's later this week.

The latest year's information we have is for 1983, in terms of all the people in the country who invested in the individual retirement accounts. It shows that 72 percent of all the money that was contributed to IRA accounts came from taxpayers earning $50,000 a year or less.

It is very interesting. If you take people who took out IRA's in 1983 by income categories, it turns out that 4.7 percent of all the money contributed came from people whose incomes were less than $10,000 a year. Almost 15 percent of the money came from people earning from $10,000 to $20,000 a year. Almost 21 percent came from people earning $20,000 to $30,000 a year. Another 21 percent of the total money contributed came from people earning $30,000 to $40,000 a year. About 16 percent of the money contributed came from people earning $40,000 to $50,000 a year.

I relate those statistics because they show that the overwhelming majority of the IRA investment money came from people in the broad middle class. These data are from 1983, the latest we have. But more and more people have learned about IRA's, and more and more working people have started putting money into IRA's because they have learned about it since that time, so I do not want to see it taken away.

We have a very low savings rate in the United States. We need to lift our savings rate so that we have the money for capital investment, productivity improvement and new jobs in our country. One way we get the savings rate increased is to provide an incentive for people to put money in IRA's, to provide for their retirement later.

It is very important that we maintain the IRA's in the existing form, if we can possibly do so.

I think that where the American people come in on this is that we have received a lot of citizen mail already. Senators have received mail from their constituents saying that they want to keep the IRA as it presently is.

I say to my colleague from Alabama and to others that the American people, over the next week or two, should send another million letters to Washington, to the Senators from their States, and we will get the mail. It is easy to do: You just write to your U.S. Senator by name, Washington, DC. If we receive another million letters in the next 2 weeks, and I think we should, it will have a very major bearing on the final decision on IRA's.

I also hope that when the debate takes place, people across the country will listen carefully to the facts presented about the IRA's, and if they feel as strongly as I do that they should be saved, then it is important to take the time to let us know. It does not take much time to sit down and write a note, in your own handwriting, and say: "Mr. Senator, I want to see the IRA saved." If that mail is forthcoming, I think we will be successful in saving the IRA's.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MELCHER. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized.

THE PROBLEMS OF RURAL AMERICA

Mr. MELCHER. Mr. President. I want to welcome this day in the Senate when we have opened up our procedures. By the actions we take here, whether discussing a bill or an amendment to a bill, we are opening these procedures so that everybody can see us on television.

I say that because there is no way of convincing the people that we are doing a real job in handling the public's affairs unless they are privy, unless they are able to watch what happens here.

Senate affairs are really the affairs of the entire country; and the rights of the people to follow those affairs as

they unfold in the Senate are rights that should or should not be quarreled about, they should not be quibbled with, they should just be granted.

All the years we have debated whether or not we should open the Senate procedures to television, for the reasons I have just mentioned and for others that I will dwell on a little longer, I have been in favor of it—absolutely foursquare behind televising the Senate proceedings.

Whenever a group of people in this country are in trouble, there is a tendency to look to Washington to see how to correct those troubles. Sometimes—for instance, with rural America—it is pretty difficult to describe exactly what those troubles are. Yet, the troubles of rural America during the past several years have been so great and so devastating that we are witnessing the change of rural America in such a manner that it may never be the same again. Indeed, many areas of rural America are so devastated that the communities have been changed and have been altered in social structure.

□ 1520

I think this is very regrettable. Rural America by and large depends upon the activities of agriculture, our most basic industry. Agriculture commodity prices have been in such a low and going-lower process over the past several years that producers on the land are losing money, many of them being liquidated. The cumulative effect on their communities in rural America is that they too are going down the tube.

We have had certain actions over the past year that have helped rural America but those actions have not been sufficient.

All of us go home and talk to the people of rural America. When they ask us why we are not doing more, it has been fairly difficult to explain why the actions here in Washington have been sort of halfway, sort of lukewarm, but all in all insufficient to revive and revitalize and permit rural America to share in what has been described by the Reagan administration as economic recovery.

This week we will be taking up the tax bill and the tax bill should be examined very thoroughly on how it affects both agriculture and the small businesses of rural America. If they are to understand that, if they are to have the opportunity to understand that, it is going to have to be from the debate that occurs here on this Senate floor. When we proceed on the tax bill here in the Senate, I believe it is essential that those of us who are concerned with reviving the economy for rural America thoroughly discuss the features in the tax bill that will be a net minus or a net plus for agriculture and for the small businesses of rural America.

I would hope that that type of discussion will enhance the understanding of the people of this country about a very significant and vital bill. Indeed the tax bill that is passed by Congress this year if it is passed, and most of us expect that it will be, will have a significant effect on rural America, on agriculture, in particular, over the next generation. To hasten the action of passage of the bill without a thorough understanding of just what effect it would have on agriculture, the small businesses of agriculture, and rural America would be not only heartless, it would be unconscionable.

We have that duty to let the people know, and I believe we should take that opportunity to let the people know.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond 3:15 p.m. with statements therein limited to 5 minutes ach.

The Senator from Alabama.

TV IN THE SENATE

Mr. HEFLIN. Mr. President, TV in the Senate has brought some new additions to this Chamber. These additions are the television cameras and lights which are stationed in the balconies and ceilings of this historic room.

Nearly 200 years ago, it would have been tremendously difficult for our forefathers to have imagined a device which could instantaneously transmit the deliberations of the U.S. Senate to the living rooms and dens of millions of American families. If they were living today, I am certain that each one of them would recognize the great contributions such technology can make to democracy. I am pleased that the Senate as a body has come to the same conclusion. Television in the Senate will undoubtedly provide citizens with greater access and exposure to the actions of this body. This access will help all Americans to be better informed of the problems and issues which face this Nation on a day-by-day basis. Rather than reading some second hand account of Senate debate and votes, people of all ages can watch closely almost all proceedings and can develop their own informed, knowledgeable opinion. An informed public means a stronger, more viable democracy. I am pleased that television coverage has been adopted by the Senate, and I look forward to a greater involvement and awareness of the citizens of this Nation as a result of this addition. I am glad this Chamber has been made more accessible to the people of our Nation.

Still, bringing television to the Senate has caused more changes than the addition of the television cameras and lights which I previously mentioned. I have noticed a slight change in the atmosphere of Members of this great body even in the few short weeks during which proceedings have been test-televised in Senate offices only.

The other night I came on the floor of the Senate and I noticed about 30 of my Republican colleagues—all but 2 of whom had on "TV" blue shirts, red ties, and dark suits.

I realized then that there had been a consultant hired in order to advise them on TV dress. But I wondered why there were two that were not so similarly dressed. But I realized that those two seldom ever get the word.

There is also a secret rumor going around that in the cloakroom of the Republicans there is a secret booth and in that secret booth there are all sorts of powder and makeup. Some of them call it a makeup artist booth but they tell me really the correct name is makeover room.

There is a new emphasis on appearance among Members in the Senate. Consultants have been hired by some Senators—especially the Presidential hopefuls—to shape their TV image. I imagine that Capitol Hill area sales of hair spray, styling mousses, grecian formula, ultra bright toothpaste, and mascara have recently reached an all-time high.

I anticipate the names of upcoming bills which the Senate will consider in the near future may be influenced by TV jargon. The tax bill could become "the New Let's Make a Deal," while special interest legislation for certain Senators could be passed by "The Wheel of Fortune." Filibusters on urgent bills may be called "Jeopardy," and late night sessions could be entitled "Moonlighting." Those present, however, may be familiar with the ever popular production that was carried on one of the TV networks several years ago called "The Winds of War." I am afraid that one of our prolonged night sessions may well be called "The War of Winds."

To mark this great occasion, I have written a sonnet. I hope you will be merciful in your reviews and will allow me all poetic license.

A SONNET TO SENATE TV

Turn the spotlight over here,
Focus the camera at my place,
Pages, please don't come to near,
Otherwise you just might block my face.

Some have made the worst claim yet,
That viewers will tire from a dull plot,
But I'll be willing to make a bet
Lobbyists will probably watch a whole lot.

Now that we're carried on television stations,
People can view all our speeches and votes,

Our words will reach ears throughout the world's nations,
Anyone wishing can watch and take notes.
In this Democracy, such freedom's the pleasure,
That all Americans can now treasure.

Thank you.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GLENN. Mr. President, I ask unanimous consent that I be permitted to speak for not longer than 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TELEVISION IN THE SENATE

Mr. GLENN. Mr. President, this is the first day of television in the U.S. Senate. I voted for that because I think the people of this country do have a right to know. This includes a lot of things that the people of the country deserve to have a right to know about the U.S. Senate, but I do have some reservations as to whether this will change the way the Senate operates.

In recent weeks, we have had a lot of advice in the Senate. We have had committee meetings about what the camera angles will be and how best to keep your head up and look at those cameras. We have had meetings about how to hold the mike so that you do not make a noise such as I make now by rubbing the mike against my clothing. Also, we should not even hold the mike, because it is liable to make a noise.

Those of us with thin hairlines or little hair on the head have been advised that you do not lean over like this into the camera, because that will give a poor impression. [Laughter.]

Mr. President, I will not say that TV in the Senate is going to change anything. But I wish to note that we have had advice on how to do this, and how to make certain that we cut that shine on the head, and if necessary how to do the eye shadow, and the whole thing, so that those of us unfortunate enough to have bags under the eyes look a little bit better.

Mr. President, I would hasten to add that personally, of course, I plan to do nothing different.

After we have that done, of course, we may even want to perhaps be certain that everything is done properly for the camera here, and we have even had advice that we do not do as I did today and come with a plain old white shirt and a summer tie. Heaven forbid. Now, I do not know whether my colleagues feel that this would be a better decorum for the Senate, and I see distinguished Senator STAFFORD over here nodding "no," but perhaps the people of Ohio would be glad to make a judgment on what they want to see me attired in here in the U.S. Senate.

So, Mr. President, there are just a few of our concerns here in the Senate, and I am sure that none of us will do a thing differently in the Senate of the United States now that we are on television.

Thank you.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I just want to say that I listened very carefuly to the able words of the distinguished Senator from Ohio and I will practice not holding the microphone up like this in the future.

Mr. GLENN. Good.

Mr. STAFFORD. I was counseled by my wife to wear a blue shirt today, but rummaging through my available supply, I found they were all white, and I then concluded that I was too old to change anyway and that even makeup would not help much and that the bags under the bags under my eyes would just have to stay there, and we will just have to take the Senator from Vermont the way he is. With that conclusion, I came here as I usually do, prepared to work, but without worry which camera was aimed at me or whether the red light was on or not.

I think if we all do it that way, we may be better off.

Mr. GLENN. Amen.

Mr. STAFFORD. I yield to the Senator from Rhode Island.

Mr. PELL. As long as we are in this mood of greater levity, I am reminded about 20 years ago, I received I think from the pages, the award for being the worst-dressed Senator, and I remarked at that time it is better to be a work horse than the show horse.

I suggest that the Senator from Vermont and I continue to follow that adage.

C. CARNEY SMITH, LIFE INSURANCE LEADER

Mr. RIEGLE. Mr. President, today I ask that the Senate take note of the recent death of a native son of Michigan, who distinguished himself over a long career as one of the life insurance industry's greatest leaders.

C. Carney Smith, 73, a retired executive vice president of the National Association of Life Underwriters in Washington, died of an aneurysm on May 23, 1986, in a hospital in Kalamazoo, MI. He lived in Alexandria, VA.

Mr. Smith served as executive vice president of NALU from 1963 to 1979. During his career, he was acknowledged as a potent and effective leader in the life insurance industry.

In 1970, he received the John Newton Russell Memorial Award, the highest honor bestowed by the life insurance business for distinguished service. He also received the District of Columbia Association of Life Underwriters' Bernard L. Wilner Award in 1959.

After his retirement from NALU in 1979, he served on the board of directors of Liberty National Corp. of Birmingham, AL, and on the board of directors of Washington National Life Insurance Co. of New York. He was also a consultant to other life insurance companies.

Mr. Smith began his insurance career in 1946 as an agent and later a sales manager with the Mutual Benefit Life Insurance Co., in Newark, NJ. In 1949, he was transferred to its Washington office and was a general agent for the company there until 1963.

Mr. Smith was born in Kalamazoo, MI, and was a graduate of Western Michigan University. He received a master's degree from the University of Michigan in 1938. During his postgraduate studies, Mr. Smith worked for the Kalamazoo City Welfare Department and later was the director of the speech department at North High School in Flint, MI, for 3 years.

He was chairman of the Department of Speech at Alma College in Alma, MI, until 1942. For the next 4 years, he was the regional director of the Eastern Area American Red Cross in Washington.

Mr. Smith served as a trustee for the Life Underwriter Training Council and as chairman of several NALU committees. He was a past national president of the General Agents and Managers Conference and a member of the General Agents and Managers Association. He was a past president of the District of Columbia Life Underwriters Association, the District's Chapter of the American Society of Chartered Life Underwriters, and the Estate Planning Council. He was former district governor of Lions International.

He received an honorary doctor of laws from Alma College, the Distinguished Alumni Award from Western Michigan University, and the Golden Plate Award from the American Academy of Achievement.

Mr. Smith was first vice president of the University Club in Washington when he died, and he was a member of the Congressional Country Club in Bethesda, MD.

He is survived by his beloved wife of 52 years, the former Millicent Krone, who is also a native of Michigan; a son, Clark K. Smith of Durham, NC; a daughter, Patti Barker of Bowie, MD, and three grandchildren.

Mr. President, the life insurance industry has lost a great leader, and the people of Michigan can be proud of his accomplishments.

TRIBUTE TO SENATOR HOWARD BAKER ON TELEVISING SENATE PROCEEDINGS

Mr. WARNER. Mr. President, the Senate has had a public gallery open to individual visitors and to the print media since 1794. Today the Senate is opening its proceedings to all of our citizens by providing television coverage for the first time. We cannot participate in this occasion without stopping to pay tribute to one of our colleagues.

Howard Baker was instrumental in laying the groundwork for this historic day. During the 97th and 98th Congresses, Senator Baker championed televising the Senate proceedings. While serving with Senator Baker on the Committee on Rules and Administration, I saw first hand how his efforts over the years led to this historic day.

When Senator Baker testified before the Senate Rules Committee in 1983 on Senate Resolution 66, no Senator more clearly stated the reasons for the need to televise Senate proceedings than former majority leader Baker. At the time of his appearance I had reservations about televising our proceedings. But, after listening to his statement, I was convinced of the necessity for radio and television coverage of this body.

Mr. President, I ask unanimous consent to have printed in the RECORD that testimony which I found so convincing. I am confident that my colleagues will be impressed by this important testimony, and will join me in unanimous praise for and thanks to our former colleague, Senator Howard Baker.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF HON. HOWARD H. BAKER, JR., A U.S. SENATOR FROM THE STATE OF TENNESSEE

Senator BAKER. Mr. Chairman, while I had hoped that television cameras would be in place along the gallery rails by now, I nonetheless am pleased to elaborate on my strongly held conviction that the time has come to extend public access to the Senate's deliberations through audio and video telecommunications.

The principal arguments for televising the Senate are well known by now: Public galleries have graced the Senate since 1795, and television is nothing more than an extension of those galleries; the committees of the Senate have done business under the TV lights for years, and the House of Representatives has televised its floor proceedings since March 1979, without calamity to the Republic; it should not be necessary for an American citizen to make an expensive pilgrimage to Washington to see his Government in action when technology can make him an eyewitness to history in his own home; and Congress now spends more than $18 million a year to provide a written transcript of floor proceedings. An individual annual subscription to the Congressional Record costs $218. The printed word does not communicate the energy, the feelings, the pathos, nor the humor that humanizes the consideration of the great issues before this Republic.

But there's still more to it than that. The Senate is in danger of surrendering its special place in American Government through technological default.

The President of the United States has no hesitation about using television to sell his programs to the American people, and rightfully so. This particular President is very good at it.

Spirited and colorful floor debate from the House of Representatives—a finely calibrated rendering of current public opinion—has become a staple of the evening news.

Even our courts have opened their doors to television cameras with no loss of dignity and with a great gain in the Nation's understanding of our system of justice. The Supreme Court is considering allowing television coverage.

Where is the Senate in all of this? Our images are reduced to the artist's caricature, our words to the reporter's paraphrase. We are cloaked in mystery, although we do the public's business. A balanced constitutional government needs the Senate to voice its opinion, and this opinion must be portrayed first-hand.

Thomas Jefferson once poured hot coffee from a cup to a saucer as a parable of the difference between the House and the Senate in American Government.

The Senate is designed to cool the passions of the moment and to serve the long-term interests of the Nation. Our 6-year terms are fixed to make us more immune to transient political pressure than our 2-year House colleagues or even the 4-year President.

Ours is intended as a moderating influence on the Nation. Ours is a forum in which the rights of minority opinion are accorded greater weight than anywhere else on earth.

If this special character is lost in the public debates of significant issues, the country will be much the poorer for it. If all political debate is televised save the Senate's, then the Senate's special prominence cannot be saved.

The vivid historical record we are squandering by the day is another source of frustration for me. What would we give today to see the great debates of Webster and Clay and Calhoun preserved on videotape? What less celebrated treasures have been lost in time? How much better could future leaders prepare for public service if they could see their Government at work first hand?

Video tapes of House proceedings are a wonderful learning tool for civics and current events teachers. These tapes give our young citizens the opportunity to know, by the best means available, how and why decisions are made by the House of Representatives. Senate debate can and should offer corresponding education.

Beyond the public's right to witness the affairs of their own Government, beyond the Senate's institutional and historical responsibilities, there is the simple truth that to sequester the Senate from television is to break a bargain that we ourselves have made.

It is no longer the political party but television that brings private citizens to public prominence. Through news coverage and through paid campaign advertising, the candidate relies on television above all to commend himself to the electorate.

Only a very few Senators remain in office who began their public service before the age of television. Still fewer could claim it has played no part in their subsequent political success.

This is not to say the Senate owes television itself anything at all. It does not. But if Senators are prepared to use television exposure to gain office, we should also be prepared to accept television coverage of our performance in office.

We need not throw ourselves on the mercy of the network news organizations. The House controls its own coverage, and the networks abide by those rules. The Senate has an equal power and, in my view, an equal obligation to the American people.

Because the electronic age has given the American people so much of a presence at other government proceedings and moments in history, to deny television and radio coverage of Senate debates is tantamount to a return to the closed door policy of the first few years of the Senate's history. The times demand this conclusion, and this democracy will thrive on the results.

Mr. Chairman, the only other remarks I would make are these. I have been in politics awhile, and in the course of my campaigns, beginning in 1964 until today, I have seen a steady, inexorable increase in the impact and importance of television on the American political system. I do not believe there is a person in the Senate at one time or the other who has not utilized television to gain election to the Senate, either in terms of paid commercials, which is the case with most of us—almost all of us—perhaps, every one of us—or certainly in terms of our opportunity to communicate with the country, with our constituents in our States, through the electronic media of radio and television.

Mr. Chairman, I find it strange that we will depend on television to get elected, but will not trust television to record our activities in the Senate. We grew up on television as politicians, but we blank it out when we are finally given that trust that we sought initially of the people of this country.

I am absolutely convinced, Mr. Chairman, that if we had had television in the 18th century, at the concluding decade of the 18th century, when our brilliant young founding fathers created this Republic, and when they considered whether or not the legislative process would be conducted in public or in private, had we had television then, it would have been simply a matter of routine to say that we will have open public deliberations, and we will guarantee that through the presence of a public gallery in which people may sit and watch, and by electronic coverage by radio and television. I am convinced they would have done that, but unfortunately, our modern marvels of communication were not available to them, and they had no way to know.

But Mr. Chairman, I think of television as a mere extension of that public gallery and a logical one.

Mr. Chairman, I hope that the Senate will go forward with a decision now to authorize that extension of the public gallery by electronic means. In the course of the years that I have advocated that, my friends—and they are my friends—and my colleagues have sometimes said on the floor and occasionally to me in private that television may create a political advantage for some Sena-

tors. Some say, "Well, you look good on television, and I do not," or "You sound good, and I do not." It may create a class of Senators who will have a particular advantage. I do not think that is true. I think the Senate is a magnificent institution that it is made up of its 100 parts, and the country is entitled to see us, warts and all.

We have no reason to try to conceal the activities of the Senate from the American people, and I think it is patently unfair that the only way the people of the United States can see their Senate in action is to spend the money to come to Washington to see it from the public gallery.

So, Mr. Chairman, I hope this committee will receive this further testimony from these several witnesses and will go forward with reporting a resolution to the Senate. And it is my intention, Mr. Chairman, to ask the Senate to turn to consideration of this resolution as soon as possible, consistent with the other legislative obligations that fall upon us.

I am convinced the Senate is up to the challenge and that the country will be better served to see us as we are.

One final point, Mr. Chairman. It costs us now $18 million per year to publish the printed Congressional Record. It costs us $508 per page to do that. I have no quarrel with that. But I venture the estimate, Mr. Chairman, that it would take far less than that to record the activities of the Senate on videotape and preserve it in the archives of the Congress, for this and future generations to see what really happened. That is what public government is all about.

LIBERTY

Mr. GOLDWATER. Mr. President, Eleanor Scott Morse, who served very valiantly with the OSS in World War II, and who is one of the oldest surviving members of that group, has written a poem entitled "Liberty." I think it touches the subject in such a good and complete way that I would like to have it inserted in the RECORD, and I ask unanimous consent that it appear at this point in my remarks.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

LIBERTY

(Eleanor Scott Morse)

"Give me your tempest-tossed."
A life they had always known, but little more
And not in this beloved land we know.
They had really only half-lived life before.
It was usually a continent ago.
As aliens at each newer Plymouth knelt
The religion that required of them a vow
Gave to their eyes a vision and they felt
The rock of pilgrim home that is our now.
So they came ocean-weary wander-tossed
But still future-committed, wondering
That while to an older culture some sort lost
They woke each dawn to hear the new birds sing.
They had arrived, and though they knew not where,
Still, it was knowing whence that brought them here.

"Give me your tempest-tossed"—Description, Statue of Liberty, from a poem by Emma Lazarus.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

HIGHER EDUCATION AMENDMENTS OF 1986

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1965, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1965) to reauthorize and revise the Higher Education Act of 1965, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause and insert new language.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1530

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate now turn to Senate Resolution 417, the budget waiver to accompany S. 1965, the higher education bill.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, there is no objection on this side. The matter has been cleared.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 417) waiving section 303(a) of the Congressional Budget Act of 1974, with respect to the consideration of S. 1965, the higher education amendments of 1986.

Mr. HATCH. Mr. President, I yield to the distinguished chairman of the Budget Committee with regard to this budget waiver.

Mr. DOMENICI. Mr. President, I might first indicate that I feel right at home. It is nice and bright in here, just as it is in New Mexico. I do not feel too much different otherwise than I have in the past, however.

I am here to make a little statement to the Senate about this budget waiver and take just a couple of minutes of the Senate's time with reference to the reason we are here and the present status of the budget resolution which clearly will alleviate problems if we are able to resolve it.

Mr. President, I support adoption of Senate Resolution 417. This resolution waives section 303(a) of the Congressional Budget Act to enable the Senate to consider S. 1965, the higher education amendments of 1986.

The waiver of section 303(a) is required because S. 1965 extends the guaranteed student loan program through fiscal year 1991, creating new entitlement authority beginning in fiscal year 1989. The Congress, of course, has not adopted a budget resolution for fiscal year 1989.

Mr. President, I believe it would be helpful to my colleagues if I took this opportunity to discuss the status of the budget resolution, and our conference with the House. Once the budget conference is completed, it will no longer be necessary for the Senate to waive the Budget Act in order to consider various legislative proposals. The conferees on the fiscal year 1987 budget met formally just before the recess. During the recess the two staffs have met regularly to discuss the differences.

In general, a number of similarities exist between the House and Senate resolutions. Both propose substantial constraint on the nondefense programs. The Senate resolution assumes $21.8 billion in nondefense reductions in fiscal year 1987, the House a similar amount—$22.7 billion. Neither the Senate nor the House can be accused of damaging social programs more than the other. Both the Senate and the House assume identical revenue numbers over the next 3 years.

Where the two resolutions differ involves defense spending, and the procedural issue of reconciliation and how we achieve the revenues and savings figures over the next 3 years.

The House resolution assumes a major cutback in our national defense and security. Over the next 3 years, the House would reduce—I repeat, reduce—national defense by over $43 billion. The Senate, in an overwhelmingly bipartisan vote on May 2, voted to maintain the current level of defense spending. The Senate figure assumes a slight moderation in defense spending—about $12.5 billion in savings—over the next 3 years.

The Senate also voted to raise revenues, in part to pay for our national defense. While defense spending under the Senate's approach would increase $35 billion over the next 3 years, the assumed revenue would increase $45 billion. Thus, 80 percent of the Senate's defense increase will be financed with increased revenues.

I am hopeful we will be able to conclude the budget resolution conference soon—hopefully, within a week. But, it is clear to me that until our major differences over defense and revenues can be resolved, I will be forced to regularly come to the floor and talk about waivers under the Budget Act of the United States of America, not just

procedural but the act itself, which is substantive law. I do not enjoy having to come here to do this. But I cannot allow the Senate's strong bipartisan position on its resolution to be dismissed idly.

I thank the distinguished Senator from Utah for yielding the floor.

Mr. HATCH. Mr. President, I move the adoption of the budget waiver.

The PRESIDING OFFICER. Is there further debate on the waiver? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 417) was agreed to, as follows:

S. RES. 417

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, section 303(a) of that Act is waived with respect to consideration of S. 1965, the Higher Education Amendments of 1986 and any committee amendments thereto.

A waiver of section 303(a) is necessary because S. 1965 as reported provides new entitlement authority for the guaranteed student loan program to become effective during fiscal year 1989, before the concurrent resolution on the budget for fiscal year 1989 has been agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I understand, by previous order, the Senate will now begin consideration of S. 1965.

The PRESIDING OFFICER. That is the pending business.

Mr. HATCH. Mr. President, this year students in my own State of Utah have already received nearly $38,550,000 in Federal financial aid to help them pursue a postsecondary education. Not only are their personal horizons and future opportunities expanded by this increased access to higher education, but the future of this country is also improved. As Thomas Jefferson so often reminded us, an educated citizenry is crucial to the preservation of representative government.

This is why I am pleased that the Senate is now turning to consider S. 1965, the Higher Education Amendments of 1986. Its passage will ensure continuation of legislation vital to the future of many of our Nation's young people, the Higher Education Act of 1965. Although this is a complex bill, one which it has taken considerable bipartisan effort to draft, I look forward to its speedy consideration by the Senate.

The heart of the Higher Education Act is student financial aid. The variety of aid programs—including grants, loans, and work-study—assists millions to pursue postsecondary education at a wide range of higher educational institutions—public and private; 1 year, 2 years, and 4 years; liberal arts, technical, vocational, and professional.

Two of the major student financial aid programs reauthorized by this bill are the Pell Grant Program and the Guaranteed Student Loan, or GSL, Program. In 1985, according to the Census Bureau, Utah students received $19,705,000 in Pell grant assistance to attend these various schools. This worthy program, appropriately named for my colleague Senator PELL, the distinguished senior Senator from Rhode Island, provides assistance to our neediest youth. In that same year, 1985, Utah students also received $44,670,000 in guaranteed student loans. With final passage of this bill, these and the other student financial aid programs will continue to expand the opportunities open to students in Utah and across this country.

There are probably many more worthy programs each of us would like to authorize and fund. In our current budgetary straits, however, we can't. To date, many legitimately different viewpoints about the proper mix of policies and programs have been accommodated to produce this bill. And some may even criticize us for having already done too much in S. 1965.

I believe, however, that we have been as fiscally responsible as possible with our bill, with the reauthorization of these programs so vital to the youth of this Nation and to the future of our country as a whole. We have not reauthorized programs unfunded for the last 5 years and have authorized no new spending programs. We have tightened the criteria for eligibility for student aid and focused that aid—particularly grants—on the most needy and truly independent students. Yet we have also faced up to the need to increase the responsibility of the student and his family for shouldering a reasonable portion of educational costs. We have instituted a minimum "self-help" requirement. We have raised loan limits on a variety of programs. But we have also instituted several provisions to ameliorate the intolerably high rate of defaults on student loans—including some provisions added since the Labor and Human Resources Committee considered this bill, and unanimously sent it to the Senate floor, on March 19.

There may, of course, be some additional amendments that my colleagues would like to adopt here on the Senate floor. But I expect that they will be few. For I am proud to say that I believe the dedicated, bipartisan effort which has brought this important bill to the floor has balanced ensuring greater educational opportunity and equality of access to a wide variety of educational opportunity and equality of access to a wide variety of educational institutions with fiscal responsibility.

We can be proud of this bill. Let us proceed to its speedy but deliberate consideration.

Before I turn the time over to the ranking minority member on the committee, Senator KENNEDY, and to the manager of the bill, the distinguished Senator form Vermont, and to the distinguished Senator from Rhode Island, I would like to pay them particular tribute because I believe this bill represents an awful lot of hard work—bipartisan hard work—on behalf of the distinguished Senator from Vermont, Senator STAFFORD, on behalf of the distinguished Senator from Rhode Island, Senator PELL—and I might add, on behalf of Senator KENNEDY, Senator DOLE, and a whole variety of others on our committee whom I will not name at this time. But, I would particularly like to commend Senator STAFFORD and Senator PELL. They both should be known as "Mr. Education" in this country. They have worked and fought for these programs for many years and have done a tremendous job of bringing this bill to the floor.

So I want to compliment Senators STAFFORD and PELL for the efforts they have put forth, and of course I also want to compliment the other members of our committee. They have all worked hard on this, and it is a good bill.

If we can make it better, that will be great. But I think most people will find this a very substantial and good bill which is being brought to the floor of the U.S. Senate.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, before addressing the Senate briefly in an opening statement in support of this legislation, I, too, want to join in recognizing the very significant achievement that this legislation represents, and to commend Senator STAFFORD of Vermont, who has been the chairman of the Education Arts and Humanities Subcommittees now for a number of years, and has spent enormous number of hours in reviewing various recommendations of our committee.

He has always been willing to listen to different views, different ideas, and different recommendations about how this legislation could be more effective in strengthening the quality of education in our country.

I want to especially recognize my colleague, the Senator from Rhode Island, Senator PELL, who has also chaired the Education Subcommittee for many years at a different time, and now continues to spend the bulk of his time in the service of the people of Rhode Island, and the people of this country in the area of education.

This legislation was unanimously reported by our Human Resources Committee. There was not one dissenting vote, and I really think that is a great tribute to both of their efforts, and to the efforts of others on the committee who have spent time on this extremely important and valuable legislation that makes such a difference for all Americans.

Mr. President, all of us are aware that the United States is falling behind in this new age of all-out international competition, in which nations compete for progress and wealth, not by force of arms but by intelligence and effort in the workplace. This economic and social contest is being waged every day by every American—and also by millions of people in other lands. The challenge we face is how to wage this contest most effectively—and the legislation before us is one of the most promising signs that our country can do better.

Last week, President Reagan drew a line in the dust against Congress. He stressed his commitment to free competition and open trade—and threatened to veto any action by Congress that challenges the flawed course he is pursuing.

But we cannot win the battle for economic eminence with one hand tied behind our back on trade, and the other hand tied behind our back on education.

We cannot continue to look the other way and mouth pious platitudes about free trade, when other nations take advantage of our ideals, violate the principles of fair trade, subsidize their exports to the United States—and then slam their own doors to U.S. goods whenever good old-fashioned Yankee competition gets too stiff.

If this administration is so deeply concerned about the noncompliance of the Soviet Union with agreements on international arms control, why are they so blithely unconcerned about the noncompliance of our own allies with the fundamental rules of international trade?

The same misplaced priorities have hamstrung our attempts in recent years to deal with the increasingly serious problems facing education in America.

Cutting the budget for education is unilateral disarmament in the struggle for the future. We must not accept an administration budget whose bottom line is billions more for star wars, but not a penny for student aid.

And let there be no mistake about the facts. The need for aid to education is overwhelming; dollar signs are being nailed above the doors of every college in America, and rising costs are pricing higher education beyond the reach of millions of our students. Yet the Federal Government is spending 31 percent less for education today, adjusted for inflation, than we were spending in 1980—31 percent less. Six barren years of budget policies like that have made this administration the most antieducation administration in our history.

In the legislation now before us, it is gratifying to see that many members of the President's own party have joined us in beginning to reverse those false priorities. We have come together now, in a bipartisan and productive endeavor, to deal more adequately—and more fairly—with the pressing needs of higher education in America.

A generation ago, in the 1950's, the shock of Sputnik launched the last great reform in American education. Now, in our own generation, the shock of competition from Europe and Japan is launching a new era of reform, in order to preserve our standard of living at home and our role in the modern world. I believe that America can out-compete any other nation on Earth, but in order to prevail in the years ahead, we must educate our citizens today to meet tomorrow's challenge.

To those who doubt whether this brighter future can be reached, I say, "Come to Massachusetts and witness education enlarging opportunity." Two decades ago, our Commonwealth was being written off as a victim of low cost foreign goods and the migration of talent and opportunity to the Sunbelt. Today, Massachusetts has one of the lowest unemployment rates, one of the most thriving economies, and one of the brightest futures of any State. We have succeeded in pulling ourselves up by our own bootstraps, because we have given priority to education as the cornerstone of our strategy to revive and revitalize our economy.

I look forward to the coming debate on this legislation. If there is a criticism of this bill, it is not that it does too much for higher education, but that it does too little. Spending on education is an investment in people and an investment in the future that will repay this country many times over. The budget-slashers in the administration have got it wrong—in spending for education, we are adding to our assets, not adding to the debt.

Nothing has given me greater pride in my service in the Senate than my work on our Education Committee. I am proud of the legislation we now lay before the Senate, and I urge its swift enactment.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, The Higher Education Act of 1965 stands out as the single most important piece of legislation affecting postsecondary education in this country. It represents to present and future generations, the Federal commitment to educational achievement. It offers to millions of students annually, vital financial support to pursue their own vision of the American dream. It is a law that promises financial access to postsecondary educational training to truly needy students who seek the opportunity to better themselves through academic accomplishment. In 1985, 12.2 million students were enrolled in our Nation's colleges. Programs authorized under the Higher Education Act provide Federal financial assistance to many of these students who qualify for such aid. S. 1965, the Higher Education Act Amendments of 1985, will reauthorize and extend these programs through fiscal year 1991.

By so doing, it will reaffirm the Federal commitment to providing all of us the opportunity to seek a higher education. Without the Higher Education Act, many low- and middle-income families surely would not send their children to college and the Nation would be the loser.

□ 1550

It is an honor for me to manage this bill today with my friend and able colleague, CLAIBORNE PELL, who served before me as chairman of the Senate Education, Arts and Humanities Subcommittee and who is the author of most of our higher education programs. Additionally, it is no accident that the Higher Education Act is the first bill to be considered on such an historic occasion as the first day of television coverage. The Congress, through the leadership of our majority leader, ROBERT DOLE, has indicated repeatedly the high priority we place on education. We take seriously the long-held view of millions of Americans that the road to a better life is reached in large part by attainment of a higher education.

The reauthorization of this comprehensive law has consumed the Subcommittee on Education, Arts and Humanities and the full Committee on Labor and Human Resources, chaired with distinction and ability by Senator ORRIN HATCH, for the past year and a half. Hearings were held in Washington and around the Nation which gave students, parents, financial aid experts, and other knowledgeable professionals the opportunity to comment on the effectiveness of the existing law and the need for revision. Their message was very clear: These programs are vitally important and, for the most part, they are working well.

S. 1965 reflects this viewpoint. Amendments to existing programs are perfecting and clarifying in intent. Limited new initiatives are included as the committee's primary goal was to give renewed emphasis to the major building blocks of Federal support—the Pell Grant and Guaranteed Stu-

dent Loan Programs. Title IV, Student Financial Assistance, makes up 95 percent of the cost of the Higher Education Act. In S. 1965, that means $9.3 billion out of the total $9.6 billion authorization for this legislation. In this Senator's view, that is exactly where the Federal spending should be. Access to postsecondary education is best facilitated by providing financial assistance to eligible students to attend their school of choice.

Mr. President, I would say that I know of no better way to spend American taxpayer dollars than on education, which is the future of the United States.

Throughout our deliberations on S. 1965, the committee members had three important goals in mind. First, there was a strong commitment to restoring the balance between grant and loan support in the student financial aid programs. An alarming 56 percent of the very lowest income students who attend college are forced to take on significant debt to supplement their Pell grant awards. S. 1965 increased the maximum Pell grant award to $3,200 by fiscal year 1991. This is an important provision which has the full support of committee members. If real access to higher education is to be achieved, the Federal Government must make adequate grant support available to the neediest students. The Pell Grant Program does just that. On close examination of S. 1965, my Senate colleagues will find that the Pell Grant Program alone was substantially increased in this reauthorization.

In order to increase the Pell Grant Program, other spending had to be carefully scrutinized. A second priority of committee members was to hold down spending in the remaining institutional aid titles. To achieve this, authorization levels for currently funded programs were reduced to their fiscal year 1987 appropriated level, plus an inflationary increase. Programs that had not been appropriated in recent years are repealed in S. 1965. Consequently, the overall authorization for the Higher Education Act is reduced by $2.1 billion from that of current law.

I regret that the constraints of our national deficit and debt have required that that occur.

This fiscal restraint has been strengthened by improved accountability. A renewed Federal Commitment to higher education must be met with greater diligence on the part of program beneficiaries. That means more students must repay their Government subsidized loans; banks must put more effort into collection of defaulted loans and make these loans to better educated borrowers; and guarantee agencies must share a greater portion of the risk in making unsecured loans to students. S 1965, in conjunction with amendments to the Guaranteed Student Loan Program previously enacted in Cobra, accomplishes all of this. The current default rate on GSL's is not a shocking statistic, as fewer than 8 percent of program participants fall into this category. Even this number is unacceptable to an American public willing to provide financial support to students who could not go to college without it, but unwilling to subsidize deadbeats who default on their loans and help deny the opportunity to other students who wish to go to college.

The final goal of the committee was the fair and equitable distribution of student financial aid. At a time when spending had to be restricted and eligibility for program participation made more stringent, the committee members wanted assurances that aid would be farily and accurately targeted to needy students. This bill requires that all students demonstrate need upon application for financial aid. It caps overall eligibility for Pell Grant assistance at a $30,000 family income. It requires an $800 self-help contribution from all recipients of Federal assistance. It also recognizes that students on American college campuses today are not necessarily 18 to 22 years old and dependent on their families, as when Senator PELL and I were in college. Over 50 percent of today's undergraduate and graduate students are beyond traditional school age. Many students have dependents of their own to care for while attending school. S. 1965 revises the need analysis system to treat independent students, particularly those with dependents of their own, fairly in terms of child-care cost considerations, adequate living allowances, and reasonable taxation rates.

Senator PELL and I are very proud of the fact that not only did all of the members of the Subcommittee on Education, Arts, and Humanities sign on as cosponsors of this legislation; all of the members of the full Committee on Labor and Human Resources did also.

Since that time, over 40 of my Senate colleagues have become cosponsors of these Higher Education Act amendments. That is a strong tribute to the hours of work and negotiation invested in S. 1965, and the excellent work of the staff on both sides of the aisle. In order to achieve the goals I have outlined, every member of the committee had to make important compromises. Mr. President, S. 1965 has extensive bipartisan support because a firm belief in the importance of Federal support to educational excellence and achievement came before individual interests. A vote for S. 1965 is a vote to continue the American tradition of access to higher education for citizens in all income levels. Learning is too important to the future stature of our Nation to price it out of anyone's reach.

Mr. President, I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I am very glad to express my own strong support for this bill, S. 1965. I would be remiss at the outset if I failed to pay tribute to the person who is mainly responsible for this bill being on the floor today as well as protecting our student aid programs from decimation again and again over the past 5 years. Everybody in this Chamber knows that that is Senator STAFFORD of Vermont, the chairman of our Subcommittee on Arts and Humanities. Without his stewardship over these past years, I am afraid we would simply be picking up the pieces instead of charting a strong new course in the next 5 years.

Senators THURMOND and SIMON gave invaluable help on title 23, the strengthening of institutions. Senator DODD helped with his leadership on title 6, international education. Senator KENNEDY helped us right through the bill, particularly by his assistance on community provisions. Senators QUAYLE, WALLOP, and HATCH helped us with the input on student aid provisions in S. 1965.

This bill, which carries an initial-year pricetag of $9.66 billion, would reauthorize key elements of the higher Education Act for a 5-year period. This 5-year period is very important because it permits institutions of higher learning to make plans and fix their course and not have to change from year to year. While this figure is about $1 billion above current appropriations, it is more than $2 billion below the authorizations in current law. This is a significant achievement, and demonstrates clearly that this bill was written in the spirit of prudent fiscal restraint.

S. 1965 is also a bill that has been written in the spirit of comity and bipartisanship. All 16 members of the Labor and Human Resources Committee are cosponsors of S. 1965. As Chairman STAFFORD indicated when the bill was reported to the floor in mid-May, it had 38 cosponsors, 20 Republicans and 18 Democrats. And now, as we know, it has over 40. That was but another hallmark of the strong support for this bill from both sides of the aisle and an indication of the excellent work in negotiation and draftsmanship of our staffs.

The major focal point of S. 1965 is student aid. Over 95 percent of the funds authorized in this bill go to students in the form of grants, loans, work study, and special instructional assistance. This is very much in accordance with the traditional role of the Federal Government with respect to higher education, which is to pro-

vide equal educational opportunity to students who have the talent and desire to pursue a postsecondary education but lack the resources necessary to finance it.

That is why the figure of 95 percent of the funds in this bill going directly to students is very important. I know the ambition of many of us has always been that a youngster who has the moxie, the intelligence, and the drive would not be denied an education because of lack of funds. I think that is the situation today.

Today, almost 3 million students receive Pell Grants. The program is the foundation upon which all of our Federal student aid efforts rest. Since its beginning in the school year 1973–74, the Pell Grant Program has helped more than 20 million students pursue a postsecondary education that otherwise could well have been beyond their economic reach. It has transformed not only the landscape of American higher education but also the dreams and accomplishments of millions of men and women throughout the Nation.

The Pell Grant Program, however, has not kept pace with either the general cost of living or the escalating costs of a college education. We should remember that over the past 4 years, the value of a Pell Grant has actually declined by a fifth or 20 percent. At the same time, the cost of a college education has increased by almost 40-percent. So here you have the value of a grant declining by 20 and the cost going up by almost 40 percent.

In addition, we have experienced over the last decade a very disconcerting increase in student indebtedness. Ten years ago, grants comprised 75 percent of the student aid package, and loans made up only 25 percent. Today, however, that is reversed and loans outdistance grants and make up almost 60 percent of the student aid package.

Increasingly, students are completing their academic work and beginning their professional career with an enormous debt hanging over their heads. That debt has a very definite impact on the career choices made by students who have had to borrow heavily to finance their college education. In many instances, they feel they must choose the career where the financial reward is the greatest simply because they face the immediate need to begin repaying their student loans.

This, in my view, is one of the reasons why we need more people going into teaching. They cannot afford it because if they go into a profession that does not pay as highly as some others, they are faced with a tremendous debt as they start out in life.

In fashioning S. 1965 we sought to come to grips with these two trends in several ways. First, we propose to increase the maximum grant under the Pell Grant Program to $2,400 for fiscal 1987, and by an additional $200 for each of the 4 years thereafter.

Second, we retain the provision enacted in reconciliation that every applicant for a student loan first complete an application for a Pell Grant. This will be of particular benefit to students from low-income families who may qualify for Pell Grant assistance, but might not know it is available.

Third, and most important, we have included the cost of child care as an allowable expense in calculating a Pell Grant. This will be of direct help to women who either must borrow heavily to finance their college education or must defer that education altogether because of the need to remain at home to care for their children. This is a provision of which we in the committee are particularly proud.

Fourth, both the supplemental grant program and the direct loan program have been retargeted so that they will serve first those students who demonstrate exceptional financial need, with a special emphasis upon students receiving Pell Grants. Again, this is a change that should direct more financial resources to the most needy students and also lessen the need to borrow large amounts of money.

In the Guaranteed Student Loan Program, we have made a series of changes that are very important to the future strength and health of this program. Under the provisions of S. 1965, every student applying for a loan would have to demonstrate financial need. The interest rate on the loans would be held at 8 percent while the student is in school, but would increase to 10 percent after the student has graduated and entered repayment. The special allowance paid to banks would be decreased from the current 3.5 to 3.25 percent. And, loan limits would be increased from $2,500 a year to $3,000 a year for freshmen and sophomores, and from $2,500 to $4,000 a year for juniors and seniors. For graduate students the amount would increase from $5,000 to $7,500 a year.

These changes accomplish two very important objectives. They help make sure that the program will help needy students who must rely upon loans to help finance their college education, and they also help make sure that neither the borrower nor the lender has a special or unfair advantage in the operation of this important program.

In addition, we retain another provision for reconciliation which requires that information about student loan defaulters become available to credit bureaus to be available when making the decision whether or not that person will receive credit cards, personal loans, or other types of credit assistance. What this means is that those students who wish to get a credit card must have that information available. Then that information is fed into the credit card companies. If a student is not in a position to warrant a credit card, then he is probably not in a position to pay back his loan. But any student in a position to seek a credit card, any young person, should be in a position to start paying back loans.

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I am also pleased that we have been able to include a new emphasis upon community service in both the College Work Study Program and the State Student Incentive Grant Program. I remain very hopeful that the increased Federal match will spur campuses throughout our country to implement programs that make community service an integral part of a student's education.

In graduate education, we have made two very significant changes. First, in the grant program to enhance graduate education opportunities for women and minorities, we have increased the annual stipend from $4,500 to $7,000. This is absolutely necessary in order that this program might adequately reflect the costs of a graduate education.

Second, we have stipulated that those who receive awards under the National Graduate Fellows Program shall be known as Jacob K. Javits Fellows. Nothing could be a more fitting tribute to a man who labored so long and so hard for the cause of education. He was my dear friend, colleague and partner in education, who I can remember stood on the floor where his successor now is, helping handle those education bills.

S. 1965 also contains a very important provision concerning overall eligibility for student aid, be it grants, loans, or college work study. This provision requires that a student must, after completion of the second year in college, maintain a cumulative "C" average, its equivalent, or academic standing consistent with the institution's requirements for graduation. Effective implementation of this provision will insure that student aid will go only to those students who have need and who are serious about their work * * * students who are completing and passing the courses in which they are enrolled. Students who are goofing off or not passing their courses would no longer be permitted to receive this aid.

Further, I have long been concerned that we should be taking a long, hard look at the quality of the education that recipients of Federal student aid are receiving. I am of the firm belief that when these students attend a particular institution of higher learning, they must do so with complete confidence that they will receive the kind of education they are promised and

that the education is of the highest quality possible; that they are truly attending an institution of higher learning and not of higher cost.

Accreditation by an agency recognized by the Department of Education forms the basis upon which Federal student aid flows to an institution. It makes sense, therefore, that we understand that process and we are confident it is working well in terms of according accreditation only to worthy institutions. Accordingly, we have provided in S. 1965 for the establishment of a commission to study postsecondary institutional and programmatic recognition process. This is an important step and one which I hope will lend a more comprehensive understanding to a process that is such a critical part of the Federal student aid system.

Mr. President, on numerous occasions, I have pointed out my deep-seated belief that the real strength and health of our Nation is not dependent upon weapons of destruction, the machines of construction, or the gold in Fort Knox, but the sum total of the education and character of our people. As Disraeli said of England over a century ago:

"Upon the education of the people, the fate of the nation depends."

Those words ring just as true for America today. For few would question that what we do in education today will have benefits for our society for years and years to come. What we accomplish right now in a classroom may well unleash the talents of a new artist, begin the discovery of the cure to a mysterious disease, or perhaps even lead to the achievement of a lasting peace on this planet.

It is in the classrooms of America that we sustain this Nation, and it is through education that we ensure that our future will be strong and vibrant. And it is in that spirit that I urge my colleagues to join Senator STAFFORD and me in supporting this very important piece of legislation.

Again I would like to pay great tribute to the chairman of our subcommittee, Senator STAFFORD, for all that he has put into this effort and for helping meld together many diverse viewpoints.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, obviously what we have done in bringing together all of our committee, 41 Members of the Senate, could not have been done had it not been for the equal effort of Senator PELL. It has been, as I said earlier, a pleasure to work with him, and I think it has been best for the country and best for education that we have been able to work together without ever thinking about our political labels. I wish only that we were talking about much larger sums for education, which is the future of this country. When I think that we are talking about something like $9.6 billion, which probably would not run the Department of Defense for 2 weeks, it puts in perspective the amount of money we are asking the Senate and the Congress to provide for education next year. Sometimes I think our priorities may have gotten mixed up a bit.

(By request of Mr. PELL, the following statement was ordered to be printed in the RECORD:)

● Mr. SIMON. Mr. President, if education is a classroom with our future inside, it is the most important job of Congress to keep the classroom standing, its doors open, and ensure both quality and equality for those who enter the doors. S. 1965, the Higher Education Act Amendments of 1985, reauthorizes the Higher Education Act, providing funding for student grants and loans, and authorizing Federal funds for libraries, graduate opportunities, foreign language study and international education, campus construction, institutional support for colleges which serve low-income and minority students, fellowships for those who wish to become teachers, cooperative education programs, and innovative educational demonstration projects supported by the fund for the improvement of postsecondary education.

While I would like to see expanded Federal commitments in many areas in the Higher Education Act, I believe we have balanced our national interest in quality and equity in postsecondary education within the very real fiscal constraints we face today. "Pay as you go" is not just a slogan; it is a principle we must apply to the expenditure of Federal funds for education, the environment and for national defense. Those of us who want more money spent on education must also be willing to raise the revenue to pay for it.

The largest portion of S. 1965 is for student financial assistance. More than $8 billion is authorized for the two major programs—Pell grants, primarily for low-income students, and Guaranteed Student Loans [GSL's], available to most low- and middle-income students. In addition, campus-based loan and grant programs and the College Work Study Program provide flexible, auxiliary support determined by an on campus financial aid officer on an individual case basis, within parameters of need.

I have long been concerned, and this concern has been shared by many of my colleagues on the committee, about the ratio between grants and loans a student receives. The proportion of total aid awarded in the form of grants peaked in 1975-76 at 80 percent. The last year in which grant aid represented a majority—51 percent—of all Federal student aid was 1982-83. In 1984-85, just under 45 percent of all aid is estimated to be in the form of grants, with 52 percent awarded as loans and 4 percent awarded work related assistance.

More and more, students are finding themselves receiving smaller grants, and increasingly larger loan debt. During the period 1975 to 1984, the loan indebtedness of students has almost quadrupled. In 1975, 11 percent of all students borrowed an average of $2,100, while in 1984, 30 percent of all borrowed an average of $7,900. This growing indebtedness of students has a profound effect on their choice of jobs—favoring higher income careers over lower paying but critical careers, such as teaching. Growing debt may also have a negative effect on student loan default rates. I believe that bringing the balance of grants and loans closer to a 50-50 split will allow greater flexibility in career choices and lower default rates.

Another concern I have about student aid is that GSL's are considered "entitlements" while Pell grants, which serve the lowest income and neediest students, are subject to annual appropriations. Appropriations for Pell grants have been far short of meeting the needs of eligible students and Congress' commitment in the 1980 amendments, yet GSL's, as "entitlements" have continued to fully serve both low- and middle-income students, because GSL funding is assured. Since we must focus our resources, I would like to see the focus on those students with the greatest need. Those students are Pell grant eligible students. As we face possible cuts in the budget, whether through Gramm-Rudman-Hollings procedures or for other reasons, I fear that it will be those least able to afford college and most vulnerable to reductions in title IV aid who will sustain the largest cuts—Pell grant recipients not GSL recipients. For this reason, I questioned assumptions in the cost of the GSL Program made by CBO and OMB, based on Treasury bill rates for the next 5 years, because if those assumptions are wrong, it will be Pell grant students who will see their funding cut, not those who benefit from the "entitlement" status of the GSL.

As written, S. 1965 provides increases in loan limits in the GSL Program—raising loan amounts for the first time in 15 years. Pell grants are increased modestly. We have made changes in the needs analysis used for GSL and campus-based programs, and Pell grant assistance in order to target assistance on those who need it most. We have taken a major step forward by writing the Pell grant family contributions schedule into law, while circumscribing the Secretary's authority to make modifications in the "need

analysis" for GSL and the campus-based programs. Among those provisions to be used in determining the cost of attendance, I am pleased that the committee mandated consideration of child care expenses, so the Federal student assistance acknowledges a changing profile of higher education—the nontraditional student, especially women.

Many titles in S. 1965 continue effective programs, and in some cases they are expanded. Community service performed by college students is encouraged in two new sections of the bill. Ten percent of college work study funds are earmarked for community service work, with particular emphasis on programs related to child care and literacy. Additionally, $3.8 million is included in a section of the fund for the improvement of postsecondary education to support college demonstration programs in community service with the same emphasis on literacy and child care.

Title III, institutional aid is one of the most critical discretionary grant programs in the act. It has played a meaningful role in fostering and sustaining the growth and development of community colleges, historically black colleges and universities, and smaller public and private 4-year institutions of higher education. Without this continuing source of support, it would be difficult for many of these institutions to continue to expand their curriculums, improve their library and learning resource centers, and meet the academic support needs of the nontraditional, minority, or often less-well-prepared student.

I am pleased to have played a major role in developing the title III provisions in S. 1965. There is much more we could and should do—especially in providing construction and maintenance funding under part B and in ensuring a minimum level of support for institutions of higher education serving large numbers of minority students, especially native Americans, Hispanic Americans, students studying at struggling institutions in the Pacific Basin, native Hawaiians, and certain Asian American subgroups.

Library resource programs are continued, with a much needed section on college library acquisitions. Our bill requires a needs test to determine which schools could most benefit from Federal help in improving and expanding their collections. We will target funding to where it will be best spent.

We have continued a modest program of fellowships for students of education. I would like to see the teacher training title of the bill expanded, but am pleased that the Carl D. Perkins Fellowships, and Talented Teacher Fellowships—renamed after teacher/astronaut Christa McAuliffe—will continue and graduate several classes of new teachers.

I am particularly interested in title VI of this bill on international education. The 93 area study centers supported by title IV provide invaluable resources on every geographic area of the world—their cultures, languages, economics, politics, and history. A modest increase is included in this title to provide for intensive summer language institutes for high school and college language teachers, and expansion in the program would include two centers for language pedagogy to help all language teachers and students with the most effective techniques for teaching and learning. As schools and postsecondary institutions respond to the internationalization of the marketplace and other facets of everyday life, such language and intercultural knowledge is crucial for an effective work force and citizenry.

The massive requirements for material assistance for colleges will never be met by Federal programs—colleges and universities need billions of dollars of building and laboratory rehabilitation; instrumentation for science labs; and facilities in the fastest growing segments of postsecondary education, particularly community colleges—but the title VII programs in this bill acknowledge the need and effectively leverages existing revolving funds and modifies construction provisions to aim funding toward renovation and reconstruction.

The committee has also reauthorized the Department of Education's educational research functions under the Office of Educational Research and Improvement [OERI]. Regional education laboratories and centers will be continued along with the valuable work of the Center for Education Statistics, ERIC research services, and the periodic educational surveys conducted through OERI.

There is no authorization in title XI—Urban Universities unlike the House passed bill. When we go to conference with the House, I hope to encourage my colleagues to review the provisions in H.R. 3700 authorizing university business economic development partnerships which utilize academic strengths for community development—a marriage of research and training capacities with economic development opportunities.

We do not have a perfect bill. We do have legislation which addresses the major needs of those in the education community—students and teachers, institutions and parents, and our Nation as a whole, which must depend on a population which has achieved to its limits of capability through educational opportunity.●

AMENDMENT NO. 1969

(Purpose: To make modifications to improve the bill, to strike provisions enacted in the Consolidated Omnibus Budget Reconciliation Act of 1985, to make technical corrections, and for other purposes)

AMENDMENT NO. 1970

(Purpose: To authorize the Student Loan Marketing Association to undertake the financing or refinancing of the construction, reconstruction, renovation, or purchase of education and training facilities and housing for students and faculties (including the underlying real property), and related equipment, instrumentation, and furnishings)

Mr. STAFFORD. Mr. President, on behalf of myself and all the members of the Committee on Labor and Human Resources, I send two packages of technical and clarifying amendments to the desk and ask that they be stated.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes amendments numbered 1969 and 1970.

Mr. STAFFORD. Mr. President, I ask unanimous consent that further reading of these two packages of amendments may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the amendments will be considered en bloc.

The amendments are as follows:

AMENDMENT NO. 1969

On page 170, line 7, after "Act" insert the following: "(other than amendments made to part B of title IV of the Act)".

On page 170, after line 26, insert the following:

(c) DURATION.—The first sentence of section 411(a)(3) of the Act is amended by adding before the period at the end thereof a comma and the following: "except that such period may not exceed 5 years".

On page 172, line 9, before the period insert the following: "and, in the case of institutionally owned housing, room and board".

On page 183, line 14, strike out "(F)" and insert in lieu thereof "(G)".

On page 184, after line 25, insert the following:

"(G) In the computation of family contributions from effective family income and parental assets for any academic year beginning on or after July 1, 1986, the proceeds of a sale of farm or business assets of the family shall be excluded from family income if such sale results from a voluntary or involuntary foreclosure, forfeiture, liquidation, or bankruptcy.

On page 189, line 10, strike out "may" and insert in lieu thereof "shall".

On page 189, line 25, beginning with "the" the first time it appears, strike out through "parents" on line 1 on page 190 and insert in lieu thereof the following: "the student's parents (in the case of a dependent student), or by the student and the student's spouse (in the case of an independent student),".

On page 196, line 10, beginning with "amount" strike out through "award" on

line 11, and insert in lieu thereof "eligibility index".

On page 196, beginning with "the" the first time it appears on line 13, strike out through "award" on line 14 and insert in lieu thereof "the data used to calculate the eligibility index of the student".

On page 196, between lines 15 and 16, insert the following:

"(B) recalculate the eligibility index of the student if there has been a change in circumstances of the student or in the data submitted;

On page 196, line 16, strike out "(B)" and insert in lieu thereof "(C)".

On page 196, line 18, strike out "(C)" and insert in lieu thereof "(D)".

On page 196, line 18, strike out "amount of the award" and insert in lieu thereof "data".

On page 196, line 20, strike out "the amount of the award" and insert in lieu thereof "amount of the eligibility index".

On page 197, line 5, strike out "1985-1986" and insert in lieu thereof "1986-1987".

On page 197, line 6, strike out "awards" and insert in lieu thereof "amount of the eligibility index, and on the accuracy of the questions on the application form".

On page 204, strike out line 5 and insert in lieu thereof the following:

REAUTHORIZATION; PRIOR EXPERIENCE PROVISION

On page 204, line 6, insert after "SEC. 117." the following: "(a) REAUTHORIZATION.—"

On page 204, between lines 15 and 16, insert the following:

(b) PRIOR EXPERIENCE CONSIDERATION.—Section 417A(b)(2) of the Act is amended by adding at the end thereof the following new sentence: "For fiscal years after 1985, the level of consideration given to prior experience shall not vary from the level of consideration given this factor for fiscal year 1985.".

On page 205, between lines 11 and 12, insert the following:

(3) Section 417D(c)(3) of the Act is amended by inserting "as determined by the institution" after "academic support".

On page 205, line 12, strike out "(3)" and insert in lieu thereof "(4)".

On page 207, line 1, strike out "(4)" and insert in lieu thereof "(5)".

On page 207, line 3, strike out "shall give priority" and insert in lieu thereof "may provide financial assistance".

On page 209, line 20, strike out "1986" and insert in lieu thereof "1988".

On page 209 line 22, strike out "1990" and insert in lieu thereof "1992".

On page 210, line 1, strike out "1986" and insert in lieu thereof "1988".

On page 210, line 3, strike out "1990" and insert in lieu thereof "1992".

On page 210, line 7, insert "(1)" before "'Section".

On page 210, between lines 13 and 14 insert the following:

(2)(A) Section 428(a)(2)(B) of the Act is amended to read as follows:

"(D) The schedule of expected family contributions required by section 482 shall apply to the determination required by this paragraph.".

(B) Section 428(a)(2)(E) of the Act is repealed.

On page 210, line 17, strike out "(F)" and insert in lieu thereof "(E)".

On page 211, line 4, strike out "(G)" and insert in lieu thereof "(F)".

On page 216, beginning with line 1, strike out through line 10 on page 217.

On page 217, line 13, strike out "SEC. 136." and insert in lieu thereof "SEC. 135.".

On page 217, line 24, strike out "SEC. 137." and insert in lieu thereof "SEC. 136.".

On page 218, line 9, strike out "SEC. 138." and insert in lieu thereof "SEC. 137.".

On page 218, line 12, strike out "(as redesignated by section 135(a)(1))".

On page 218, line 14, strike out "(as redesignated by section 135(a)(1))".

On page 218, lines 19 and 20, strike out "and income-sensitive".

On page 219, line 3, strike out "and income-sensitive".

On page 219, line 14, strike out "SEC. 139." and insert in lieu thereof "SEC. 138.".

On page 220, strike out line 1 and insert in lieu thereof the following:

DEFERMENT RULES

On page 220, between lines 1 and 2, insert the following:

SEC. 139. (a) DISABILITY RULE.—(1) Section 428(b)(1)(M)(vii) is amended by striking out "spouse" and inserting in lieu thereof "dependent".

(2) Section 427(a)(2)(C)(vii) of the Act is amended by striking out "spouse" and inserting in lieu thereof "dependent".

(b) MATERNAL LEAVE.—(1)(A) Section 428(b)(1)(M) of the Act is amended by striking out "or" at the end of clause (vii) and by adding before the semicolon at the end thereof the following new clause: "or (ix) not in excess of 6 months of maternal leave".

(B) Section 427(a)(2)(C) of the Act is amended by striking out "or" at the end of clause (vii) and by adding before the semicolon at the end thereof the following new clause "or (ix) not in excess of 6 months of maternal leave".

(2) Section 435 of the Act is amended by adding at the end thereof the following new subsection:

"(k) The term 'maternal leave' means a period of time during which the borrower is pregnant, is caring for her newborn child, is caring for her child immediately following the placement of the child through adoption, if the child has not attained 3 years of age, if the borrower meets the criteria for needs applicable to loans under this part.".

On page 220, line 2, strike out "SEC. 140." and insert in lieu thereof "(c)".

On page 220, beginning with line 10, strike out through line 19 on page 223 and insert in lieu thereof the following:

TRANSFER OF LOANS AUTHORIZED

SEC. 140. Section 428(b)(2) of the Act is amended—

(1) by striking out "and" at the end of clause (C);

(2) by striking out the period at the end of clause (D) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(E) provide that any State or nonprofit private institution or organization that has entered into such an agreement with the Secretary can transfer loans which are insured under this part to any State, nonprofit private institution, or organization that also has such an agreement with the Secretary with the approval of the recipient, State, institution, or organization.".

INFORMATION ON DEFAULT

SEC. 141. Section 428 of the Act is amended by adding at the end thereof the following new subsection:

"(j)(1) In order to notify eligible institutions of former students who are in default of their continuing obligation to repay student loans, each guarantee agency may, upon the request of an eligible institution, furnish information with respect to students who were enrolled at the eligible institution and who are in default on the repayment of any loan made, insured, or guaranteed under this part. The information authorized to be furnished under this subsection may include the names and addresses of such students.

"(2) Nothing in paragraph (1) of this subsection shall be construed to authorize public dissemination of the information described in paragraph (1).".

On page 223, line 21, strike out "SEC. 143." and insert in lieu thereof "SEC. 142.".

On page 223, after line 26, insert the following new section:

MULTIPLE DISBURSEMENTS OF LOANS

SEC. 143. Section 428(i) of the Act is amended to read as follows:

"(i)(1) Any guaranty agency or eligible lender (hereafter in this subsection referred to as the 'escrow agent') may enter into an agreement with any other eligible lender that is not an eligible institution or an agency or instrumentality of the State (hereafter in this subsection referred to as the 'lender') for the purpose of authorizing multiple disbursements of the proceeds of a loan to a student. Such agreement shall provide that the lender will pay the proceeds of such loans into an escrow account to be administered by the escrow agent in accordance with the provisions of paragraph (2) of this subsection. Such agreement may allow the lender to make payments into the escrow account in amounts that do not exceed the sum of the amounts required for disbursement of initial or subsequent installments to borrowers and to make such payments not more than 45 days prior to the date of the disbursement of such installment to such borrowers. Such agreement shall require the lender to notify promptly the eligible institution when funds are escrowed under this subsection for a student at such institution.

"(2) Each escrow agent entering into an agreement under paragraph (1) of this subsection is authorized to—

"(A) make the disbursements in accordance with the note evidencing the loan;

"(B) commingle the proceeds of all loans paid to the escrow agent pursuant to the escrow agreement entered into under such paragraph (1);

"(C) invest the proceeds of such loans in obligations of the Federal Government or obligations which are insured or guaranteed by the Federal Government;

"(D) retain interest or other earnings on such investment; and

"(E) return to the lender undisbursed funds when the student ceases to carry at an eligible institution at least one-half of the normal full-time academic workload as determined by the institution.".

On page 224, line 5, strike out "(j)" and insert in lieu thereof "(k)".

On page 234, line 9, strike out "and income sensitive".

On page 236, line 6, strike out "(k)" and insert in lieu thereof "(l)".

On page 236, beginning with line 25, strike out through line 12 on page 241.

On page 241, line 16, strike out "SEC. 149." and insert in lieu thereof "SEC. 147.".

On page 246, beginning with line 12, strike out through line 5 on page 249 and insert in lieu thereof the following:

ADDITIONAL STUDENT LOAN INFORMATION AND CONTACT REQUIRED

SEC. 148. (a) LOAN INFORMATION.—Section 433A of the Act is amended—

(1) by redesignating clauses (8), (9), (10), (11), and (12), as clauses (9), (10), (11), (12), and (13), respectively, and

(2) by adding after clause (7) the following new clause:

"(8) a statement of the total cumulative balance, including the loan applied for, owed by the student, the projected level of indebtedness of the student based on a four-year college career, and an estimate of the projected monthly repayment given the level of indebtedness over a four- or five-year college career;".

(b) SEPARATE STATEMENT.—Section 433A of the Act is amended by adding at the end thereof the following new subsection:

"(d) Each eligible lender shall, at the time such lender disperses a loan with respect to a borrower which is insured or guaranteed under this part, provide the borrower with a separate paper which summarizes the rights and responsibilities of the borrower with respect to the loan, including a statement of the consequences of defaulting on the loan and a statement that each borrower who defaults will be reported to a credit bureau. The requirement of this paragraph shall be in addition to the information required by subsection (a) of this section.".

On page 249, line 8, strike out "SEC. 151." and insert in lieu thereof "SEC. 149.".

On page 249, line 8, insert "(1)" after the dash.

On page 249, between lines 10 and 11, insert the following:

(2) Section 435(g)(1)(A)(ii) of the Act is amended by inserting before the semicolon a comma and the following: "and unless it is a trust company which makes student loans as a trustee pursuant to an express trust.

On page 250, line 5, strike out "SEC. 152." and insert in lieu thereof "SEC. 150.".

On page 250, line 13, beginning with "may" strike out through "Graduates" on line 20, and insert in lieu thereof "shall include a requirement, with respect to the eligibility of students attending such medical schools for loans made, insured, or guaranteed under part B, that a student is ineligible for such loans unless the student is attending such a medical school in which at least 75 percent of the students enrolled are nationals of the country in which such medical school is located".

On page 250, line 22, strike out "SEC. 153." and insert in lieu thereof "SEC. 151.".

On page 251, line 10, strike out "SEC. 154." and insert in lieu thereof "SEC. 152.".

On page 251, line 15, strike out "SEC. 155." and insert in lieu thereof "SEC. 153.".

On page 252, line 17, strike out "SEC. 156. (a)" and insert in lieu thereof "SEC. 154. (a) STUDY REQUIRED.—".

On page 252, line 19, strike out "national" and insert in lieu thereof "multistate".

On page 253, between lines 6 and 7, insert the following:

(8) adequacy of reserved funds in relation to guaranty commitments made by the agency;

(9) types of services provided to lenders, eligible institutions, and borrowers;

(10) use of funds generated through participation in the guaranteed student loan program by amount and nature of expenses for administrative support for programs other than the guaranteed student loan program;

On page 253, line 7, strike out "(8)" and insert in lieu thereof "(11)".

On page 253, line 9, strike out "(9)" and insert in lieu thereof "(12)".

On page 253, line 10, strike out "(10)" and insert in lieu thereof "(13)".

On page 253, line 12, strike out "(11)" and insert in lieu thereof "(14)".

On page 253, line 13, insert after "(b)" the following: "REPORT.—".

On page 253, between lines 19 and 20, insert the following:

TREATMENT OF CERTAIN EDUCATION LOANS IN BANKRUPTCY PROCEEDINGS

SEC. 155. (a) GENERAL RULE.—Section 1328(a)(2) of title 11, United States Code, is amended by striking out "section 523(a)(5)" and inserting in lieu thereof "paragraph (5) or (8) of section 523(a)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply to any case under title 11, United States Code, commenced before the date of the enactment of this Act.

On page 260, between lines 5 and 6, insert the following:

(c) REALLOTMENT CONFORMING AMENDMENTS.—(1) Section 442(d)(1) of the Act is amended—

(A) by inserting "(A)" after "except that"; and

(B) by adding before the period at the end thereof the following: "(B) the Secretary shall give preference for not less than one-half of the remainder of such reallotments to eligible institutions for use in initiating, improving, and expanding programs of community service-learning conducted in accordance with section 448 of this part".

(2) Section 442(d)(2) of the Act is amended by—

(A) inserting "(A)" after the paragraph designation; and

(B) adding at the end thereof the following new subparagraph:

"(B) The requirement for preference for reallotment contained in subparagraph (B) of paragraph (1) of this subsection shall be made upon application by the eligible institution to the Secretary in such manner and such form as the Secretary may require. The Secretary shall, in determining the distribution of funds under such preference, give consideration to the ratio of the number of students participating in community service-learning work-study programs at the eligible institution to the number of all students participating in the work-study program at such institution. No eligible institution may receive amounts that exceed 5 per centum of the amount available for preference under paragraph (1)(B) of this subsection.".

On page 263, beginning with line 20, strike out through line 12 on page 265.

On page 265, line 14, strike out "SEC. 170." and insert in lieu thereof "SEC. 169.".

On page 265, beginning with line 22, strike out through line 19 on page 266.

On page 266, line 21, strike out "SEC. 173." and insert in lieu thereof "SEC. 170.".

On page 267, line 4, strike out "SEC. 174." and insert in lieu thereof "SEC. 171.".

On page 267, beginning with line 17, strike out through line 13 on page 268 and insert in lieu thereof the following:

STUDENT LOAN INFORMATION

SEC. 172. Section 463A of the Act is amended—

(1) by redesignating clauses (8), (9), (10), (11), and (12), as clauses (9), (10), (11), (12), and (13), respectively, and

(2) by adding after clause (7) the following new clause:

"(8) a statement of the total cumulative balance owed by the student, the projected level of indebtedness of the student based on a two- or four-year college career, and an estimate the projected monthly repayment given the level of indebtedness over a two-, four-, or five-year college career;".

DEFERMENT FOR MATERNAL LEAVE

SEC. 173. (a) GENERAL RULE.—Section 464(c)(2)(A) of the Act is amended—

(1) by striking out "or" at the end of clause (vi);

(2) by striking out the period at the end of clause (vii) and inserting in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(viii) is on maternal leave, as defined in section 435(h).".

(b) CONFORMING AMENDMENT.—Section 464(c)(2)(A) of the Act is further amended by adding at the end thereof the following new sentence: "The period during which the repayment may be deferred by reason of clause (viii) shall not exceed six months.".

On page 268, line 15, strike out "SEC. 176." and insert in lieu thereof "SEC. 174.".

On page 269, beginning with line 19, strike out through line 14 on page 270.

On page 292, beginning with line 19, strike out through line 16 on page 295 and insert in lieu thereof the following:

CERTIFICATION OF STUDENT ELIGIBILITY; ADDITIONAL REQUIREMENTS

SEC. 187. (a) CERTIFICATION RULES.—Section 484 of the Act is amended by inserting at the end thereof the following new subsection:

"(c) Each eligible institution may certify student eligibility for a loan by an eligible lender under part B of this title prior to completing the review for accuracy of the information submitted by the applicant required by regulations issued under this title, if—

"(1) checks for the loans are mailed to the eligible institution prior to disbursements;

"(2) the disbursement is not made until the review is complete; and

"(3) the eligible institution has no evidence or documentation on which the institution may base a determination that the information submitted by the applicant is incorrect.".

(b) REQUIREMENTS.—(1) Section 484 of the Act (as amended by subsection (a)) is amended by adding at the end thereof the following:

"(d) No student shall be eligible to receive any grant, loan, or work assistance under this title if the eligible institution determines that the student borrowed in violation of the annual loan limits under part B or part E of this title in the same academic year, or if the student borrowed in excess of the cumulative maximum loan limits under such part B or part E.".

(2) Section 484 of the Act (as amended by subsection (b)) is amended by adding at the end thereof the following new subsection:

"(e) A student who is admitted on the basis of the ability to benefit from training shall in order to remain eligible for any grant, loan, or work assistance under this title, receive the general education diploma or complete by the end of the first year of the course of study an institutionally prescribed course of remedial or developmental education. In the case of such a student who is attending an institution for less than 1 year the student shall complete an institutionally prescribed course of remedial or developmental education, or receive a general education diploma prior to certification or graduation.".

On page 295, line 18, strike out "SEC. 189." and insert in lieu thereof "SEC. 188.".

On page 295, beginning with line 21, strike out through line 2 on page 296 and insert in lieu thereof the following:

"SEC. 485A. (a)(1) Upon the request of the borrower, a lender described in clause (i), (ii), or (iii) of section 428C(a)(1) of this Act, or defined in subpart I of part C of title VII of the Public Health Service Act may, with respect to all loans eligible for consolidation under section 428C of this Act and loans guaranteed under subpart I of part C of title VII of the Public Health Service Act, offer a combined payment plan under which the lender shall submit one bill to the borrower for the repayment of all such loans for the monthly or other similar period of repayment.

"(2) A lender offering a combined payment plan must comply with all provisions of section 428C applicable to loans to be consolidated under this section and must comply with all provisions of subpart I of part C of title VII of the Public Health Service Act applicable to loans under that subpart which are made part of the combined payment plan.

"(3) Such lender may offer a combined payment plan only if—

"(A) the lender holds an outstanding loan of that borrower which is selected by the borrower for incorporation into a combined payment plan pursuant to this section (including loans which are selected by the borrower for consolidation under this section); or

"(B) the borrower certifies that the borrower has sought and has been unable to obtain a combined payment plan from the holders of the outstanding loans of that borrower.

"(4) In the case of multiple offers by lenders to administer a combined payment plan for a borrower, the borrower shall select from among them the lender to administer the combined payment plan including its loan consolidation component, if any.

"(5) Upon selection of a lender to administer the combined payment plan, the proceeds of such loan selected by the borrower for incorporation in the combined payment plan will be paid by the lender to the holder or holders of the loans so selected to discharge the liability on such loans, except that—

"(A) the lender selected to administer the combined payment plan has determined to its satisfaction, in accordance with reasonable and prudent business practices, for each loan made part of the combined payment plan (i) that the loan is a legal, valid, and binding obligation of the borrower; (ii) that each such loan was made and serviced in compliance with applicable laws and regulations; and (iii) that in the case of loans under this part or under subpart I of part C of title VII of the Public Health Service Act, the insurance on such loan is in full force and effect.

"(6) Lenders offering combined payment plans that include loans eligible for and selected by the borrower for consolidation must comply with all provisions of section 428C of this Act in order to consolidate such loans.

"(7) The status of an individual as an eligible combined payment plan borrower terminates upon receipt of a combined payment plan or upon receipt of a consolidation loan under this section except with respect to loans received under this title or pursuant to subpart I of part C of title VII of the Public Health Service Act after the date of receipt of the combined payment plan or the consolidation loan.

"(8) No origination or insurance premium shall be charged to the borrower on any combined payment plan.

"(9) Repayment of a combined payment plan shall commence within 60 days after all holders have, pursuant to paragraph (5), discharged the liability of the borrower on the loans selected for consolidation.

On page 296, between lines 9 and 10, insert the following new section:

NATIONAL STUDENT LOAN DATA BANK

SEC. 189. Part F of title IV of the Act is amended by inserting after section 485A (as added by section 188) the following:

"NATIONAL STUDENT LOAN DATA BANK

"SEC. 485B. (a) In order to assure improved and accurate information on student loan indebtedness and institutional lending practices, and to insure improved compliance with the repayment and loan limitation provisions of this title, the Secretary is authorized to establish and carry out a nationwide computerized student loan data bank containing information regarding loans made, insured, or guaranteed under part B and loans made under part E. The information in the data bank shall include—

"(1) the exact amount of such loans made,

"(2) the names, social security numbers, and addresses of the student borrowers (and in the case of dependent students the names and addresses of the parents of such students), and

"(3) the guarantee agency responsible for the guarantee of the loan in the case of loans made, insured, or guaranteed under part B.

The information to be stored in the student loan data bank established by this subsection shall be furnished by guaranty agencies.

"(b)(1) Subject to the provisions of paragraph (2) and (3), and notwithstanding the provisions of section 552(a) of title 5, United States Code, relating to freedom of information, access to information in the data bank established and maintained pursuant to subsection (a) of this section shall be restricted to individuals and Federal agencies, specifically authorized by the Secretary to have such access.

"(2) In carrying out this subsection, the Secretary shall approve access to information for—

"(A) research on student loan practices, student and parental indebtedness, repayment and debt collection trends, Federal costs associated with the guaranteed student loan program under part B of this title, including the cost of interest subsidies and special allowance payments;

"(B) the improvement of Federal debt collection practices and Federal criminal prosecutions under this title, relating to loans made, insured, or guaranteed under part B or loans under part E of this title; and

"(C) furnishing information in response to an official request made by any committee of the Congress.

"(3) No name, address, or social security number of any individual borrower may be made available to any requesting individual, Federal agency, or organization, unless the Secretary determines that the request is connected with the enforcement or debt collection responsibilities imposed by Federal law on such individual, agency, or organization;

"(c) The Secretary shall prepare and submit to the Congress twice in each fiscal year a report describing the results obtained by the establishment and operation of the student loan data bank authorized by this section.".

On page 297, beginning with line 6 strike out through line 10 on page 298.

On page 298, line 13, strike out "SEC. 194." and insert in lieu thereof "SEC. 193.".

On page 304, after line 20, insert the following new section:

CLARIFYING THE STATUTE OF LIMITATIONS FOR ADMINISTRATIVE OFFSET

SEC. 194. Section 2415(i) of title 28 of the United States Code is amended to read as follows:

"(i) The provisions of this section shall not prevent the United States or an officer or agency thereof from collecting by means of administrative offset at any time, any claim of the United States or an officer or agency thereof from money payable to or held on behalf of an individual. Whenever the head of an agency or the designee attempts to collect a claim of the United States by administrative offset pursuant to an applicable statute or the common law, the head of an agency or the designee shall prescribe regulations and establish standards for the exercise of such administrative offset which are consistent with the standards promulgated under section 3711(e) of title 31, and are based on the best interest of the United States, the likelihood of collecting by offset, and the cost effectiveness of carrying an open claim beyond 6 years.".

On page 319, line 7, strike out "and (ii)" and insert in lieu thereof the following: "(ii), (iii), and (iv)".

On page 323, line 17, beginning with "Administrator" strike out through "Statistics" on line 18, and insert in lieu thereof "the Assistant Secretary for Educational Research and Improvement".

On page 342, line 16, strike out "it" and insert in lieu thereof "the institution, (other than an institution applying under part C)".

On page 345, line 8, strike out "increased energy costs,".

On page 347, lines 5 and 6, strike out "each year" and insert in lieu thereof "every other year".

On page 347, line 9, strike out "or" the first time it appears and insert in lieu thereof the following: "and institutions which enroll significant numbers of".

On page 347, lines 9 and 10, strike out "or Pacific Basin institutions under part D" and insert in lieu thereof "or Native Hawaiian students under part A".

On page 349, line 6, after "and" insert the following: "Asian Americans and".

On page 355, between lines 14 and 15, insert the following:

"(4) Funds appropriated for part C shall remain available until expended.".

On page 359, line 12, strike out "GRADUATE" and insert in lieu thereof "COMPREHENSIVE".

On page 359, strike out line 16 and insert in lieu thereof the following:

(B) by striking out "graduate and undergraduate" and inserting in lieu thereof "comprehensive";

On page 366, line 10, strike out "graduate" and insert in lieu thereof "comprehensive".

On page 369, line 24, strike out "Section 732(5)(B)" and insert in lieu thereof "Section 732(b)(5)(B)".

On page 370, strike out lines 10 through 20 and insert in lieu thereof the following:

(b) COMPUTATION OF ALLOWABLE DEDUCTIONS.—Section 732 of the Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall compute the discount which may be offered to a borrower as an inducement to early repayment under subsection (b)(5) in an amount determined by the Secretary to be in the best financial interests of the Government, taking into account the yield on outstanding marketable obligations of the United States having maturities comparable to the remaining term of such loan, if (A) the repayment is made from non-Federal sources, (B) the Secretary has received satisfactory assurances that the housing or other educational facilities financed with the loan will continue to be used for purposes related to the educational institution for the original term of the loan, and (C) the repayment is made prior to October 1, 1991.".

On page 372, strike out lines 16 through 21 and insert in lieu thereof the following: "the Secretary of the Treasury which shall not be more than the average current yield on outstanding obligations of the United States of comparable maturities in the month preceding the month in which the contract for such loan is made.

On page 373, line 9, after the period insert the following: "Such notes or other obligations issued to obtain funds for loan contracts entered into after the effective date of the Higher Education Act Amendments of 1985 shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the average current yield on outstanding obligations of the United States of comparable maturities in the month preceding the month in which the contract for such loan is made.".

On page 395, strike out lines 20 and 21, and insert in lieu thereof:

(1) by striking out paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

On page 397, between lines 18 and 19, insert the following new section:

RECONSTITUTING NATIONAL GRADUATE FELLOWS PROGRAM FELLOWSHIP BOARD

SEC. 276. (a) APPOINTING AUTHORITY; COMPOSITION.—Section 932(a)(1) of the Act is amended—

(1) by striking out "President" and inserting in lieu thereof "Secretary"; and

(2) by striking out "15 individuals" and inserting in lieu thereof the following: "13 individuals after July 31, 1987, and prior to August 1, 1989, 11 individuals after July 31, 1989, and prior to August 1, 1991, and 9 individuals after July 31, 1991"; and

(3) by adding at the end thereof the following new sentence: "The Secretary shall assure that individuals appointed to the Board are broadly knowledgeable about and have experience in doctoral education in the arts, humanities, and social sciences.".

(b) DUTIES.—Section 932(a)(2) of the Act is amended to read as follows:

"(2) The Board shall—

"(A) establish general policies for the program established by this part and oversee its operations;

"(B) establish general criteria for the distribution of fellowships among eligible academic fields identified by the Board;

"(C) appoint panels of academic scholars with distinguished backgrounds in the arts, humanities, and social sciences for the purpose of directing fellows; and

"(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.".

(c) TERMS OF OFFICE.—Section 932(a)(4) of the Act is amended to read as follows:

"(4) The term of office of each member of the Board shall be four years; except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of six years.".

(d) MEETINGS REQUIRED.—Section 932(a)(6)(B) of the Act is amended to read as follows:

"(B) The Board shall meet at least once a year, or more frequently, as may be necessary to carry out its responsibilities.".

(e) SELECTION CRITERIA.—Section 932(b) of the Act is amended to read as follows:

"(b) The recipients of fellowships shall be selected from among all applicants nationwide by distinguished panels appointed by the Fellowship Board to make selections under criteria of academic excellence established by the Board.".

(f) EFFECTIVE DATE.—The amendments made by subsections (a) and (c) of this section shall take effect with respect to individuals appointed to the Fellowship Board to fill vacancies occurring after the date of enactment of this Act on the Fellowship Board as constituted prior to the amendments made by this section. The Secretary shall make initial appointments under this subsection so that the terms of three members expire at the end of two years, three members expire at the end of three years, and three members expire at the end of four years.

On page 397, line 21, strike out "SEC. 276." and insert in lieu thereof "SEC. 277.".

On page 398, line 6, strike out "SEC. 277." and insert in lieu thereof "SEC. 278.".

On page 401, line 20, beginning with "$3,000,000", strike out through "$3,646,519" on line 23 and insert in lieu thereof the following: "$5,250,000 for fiscal year 1987, $5,512,500 for fiscal year 1988, $5,789,125 for fiscal year 1989, $6,078,580 for fiscal year 1990, and $6,382,500".

On page 408, line 14, insert "(a) GENERAL RULE.—" after "SEC. 294.".

On page 408, beginning with line 17, strike out through line 3 on page 413, and insert in lieu thereof the following:

"SEC. 1207. (a) Whenever any institution receives a gift from or enters into a contract with a foreign source, the value of which is $250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.

"(b) Each report to the Secretary required by this Act shall contain:

"(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the aggregate amount of such gifts and contracts received from each foreign government.

"(c) Notwithstanding the provisions of subsection (b), whenever any institution receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose:

"(1) For such gifts received from or contracts entered into with a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source which is a natural person, and the country of incorporation, or if unknown, the principal place of business for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

"(d)(1) If an institution described under subsection (a) is within a State which has enacted requirements for public disclosure of gifts from or contracts with a foreign source that are substantially similar to the requirements of this section, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under subsection (a). The State in which the institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under State law if the State report is filed.

"(2) If an institution receives a gift from, or enters into a contract with, a foreign source, where any other department, agency, or bureau of the executive branch requires a report containing requirements substantially similar to those required under this Act, a copy of this report may be filed with the Secretary in lieu of a report required under subsection (a).

"(e) All disclosure reports required by this Act shall be public records open to inspection and copying during business hours.

"(f)(1) Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated thereunder, a civil action may be brought in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of the Act.

"(2) For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

"(g) The Secretary may promulgate regulations to carry out the ministerial duties imposed on the Secretary by this section.

"(h) For purposes of this section—

"(1) the term 'contract' means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties;

"(2) the term 'foreign source' means—

"(A) a foreign government, including an agency of a foreign government;

"(B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

"(C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

"(D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;

"(3) the term 'gift' means any gift of money or property;

"(4) the term 'institution' means any institution, public or private, or, if a multicampus institution, any single campus of such institution, in any State which—

"(A) is legally authorized within such State to provide a program of education beyond high school;

"(B) provides a program for which it awards a bachelor's degree (or provides not less than a two-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and

"(C) is accredited by a nationally recognized accrediting agency or association and to which institution Federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of Federal financial assistance to any of its subunits; and

"(5) the term 'restricted or conditional gift or contract' means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding (A) the employment, assignment, or termination of faculty; (B) the establishment of departments, centers, research or lecture programs, or new faculty positions; (C) the selection or admission of students; or (D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.".

(b) REPEALER.—Section 1207 of the Act, as added by subsection (a) of this section is repealed on August 1, 1989.

On page 426, line 25, insert "and section 406" after the end parenthesis.

On page 428, line 2, after "(a)" insert the following: "GENERAL AUTHORITY.—(1)".

On page 428, line 3, strike out "(1)" and insert in lieu thereof "(A)".

On page 428, line 5, strike out "(2)" and insert in lieu thereof "(B)".

On page 428, line 6, strike out "(3)" and insert in lieu thereof "(C)".

On page 428, line 8, strike out "(b)" and insert in lieu thereof "(2)".

On page 428, line 16, strike out "(c)" and insert in lieu thereof "(3)".

On page 428, line 19, strike out "(d)" and insert in lieu thereof "(b) ADVISORY COUNCIL.—".

On page 429, line 8, strike out "(e)" and insert in lieu thereof "(c) ANNUAL REPORT.—".

On page 430, line 1, strike out "(f)" and insert in lieu thereof "(d) STATISTICAL RECORDS.—".

On page 430, line 11, strike out "(g)" and insert in lieu thereof "(e) UNIFORM FINANCING DATA.—".

On page 166, in the table of contents, item "Sec. 117." is amended to read as follows:

Sec. 117. Reauthorization; prior experience provision.

On page 166, in the table of contents, strike out items "Sec. 135." through "Sec. 156." and insert in lieu thereof the following:

Sec. 135. Prohibiting the practice of forcing students to use certain lenders.
Sec. 136. Administrative fee.
Sec. 137. Repayment scheduled; rounding of payments.
Sec. 138. Premiums, inducements, and unsolicited mailings prohibited.
Sec. 139. Deferment rules.
Sec. 140. Transfer of loans authorized.
Sec. 141. Information on default.
Sec. 142. Rule for reinsurance based on default rates.
Sec. 143. Multiple disbursements of loans.
Sec. 144. State guaranty agencies as lender of last resort.
Sec. 145. Auxiliary loan limits.
Sec. 146. Student loan consolidation.
Sec. 147. Authority of the Secretary to impose and enforce limitations, suspensions, and terminations.
Sec. 148. Additional student loan information and contact required.
Sec. 149. Definition of eligible lender; prohibition of certain inducements by eligible lenders.
Sec. 150. Special eligible institution rule for certain medical schools.
Sec. 151. Special allowance.
Sec. 152. Repeal of duplicative provisions.
Sec. 153. Student loan marketing association.
Sec. 154. Study of practices of State guaranty agencies and National guarantors under the guaranteed student loan program.
Sec. 155. Treatment of certain education loans in bankruptcy proceedings.

On page 167, in the table of contents, strike out items "Sec. 169." through "Sec. 177." and insert in lieu thereof the following:

Sec. 169. Priority of needy students.
Sec. 170. Increasing loan limits.
Sec. 171. Rounding of payments.
Sec. 172. Student loan information.
Sec. 173. Deferment for maternal leave.
Sec. 174. Peace Corps and VISTA forgiveness provisions.

On page 167, in the table of contents, strike out items "Sec. 187." through "Sec. 193." and insert in lieu thereof the following:

Sec. 187. Certification of student eligibility; additional requirements.
Sec. 188. Combined payment plan.
Sec. 189. National student loan data bank.
Sec. 190. Truth in advertising.
Sec. 191. Availability of State grant assistance.
Sec. 192. Financial and student support services training.
Sec. 193. Advisory Committee on Student Financial Assistance.
Sec. 194. Clarifying the statute of limitations for administrative offset.

On page 169, in the table of contents, strike out item "Sec. 276." and insert in lieu thereof item "Sec. 277.", and insert after item "Sec. 275." the following new item:

Sec. 276. Reconstituting of National Graduate Fellows Program Fellowship Board.

On page 169, in the table of contents, strike out item "Sec. 277." and insert in lieu thereof item "Sec. 278.".

On page 1, after the title, insert the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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AMENDMENT No. 1970

On page 251, line 15, after "Sec. 155." insert the following: "(a) GENERAL AUTHORITY.—".

On page 252, between lines 13 and 14, insert the following:

(b) REINSURANCE AUTHORITY.—(1) Section 439(d)(1) of the Act, as amended by subsection (a), is amended—

(A) by striking out "and" at the end of clause (C);

(B) by striking out the period at the end of clause (D) and inserting in lieu thereof a semicolon and "and"; and

(C) by adding after clause (D) the following new clause:

"(E) to buy, sell, hold, insure, underwrite, and otherwise deal in obligations issued for the purpose of financing or refinancing the construction, reconstruction, renovation, or purchase of educational and training facilities and housing for students and faculties (including the underlying real property), and related equipment, instrumentation, and furnishings, subject to paragraph (6); and".

(2) Section 439(d) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) The authority contained in clause (E) of paragraph (1) of this subsection shall be available only for educational facilities purposes described in each clause which do not qualify under usual business practice because of—

"(A) the difficulty or inability of the institution to otherwise obtain financing on reasonable terms for such purposes;

"(B) the difficulty or inability to obtain financing through the use of the proceeds of bonds or other evidence of indebtedness by the institution or reasonable terms for such purposes; or

"(C) the difficulty or inability to obtain guarantees or insurance by the institution on reasonable terms for such purposes.".

Mr. STAFFORD. Mr. President, these two packages are technical and clarifying amendments to S. 1965. Included in this package are amendments that make necessary corrections and additions to the bill as it was introduced. A series of substantive provisions required greater diligence on the part of lenders to educate student borrowers about their indebtedness and establish a national student loan data bank. A number of purely technical amendments to the remaining institutional aid titles in S. 1965 complete the package. These amendments, in the understanding of this Senator, are noncontroversial and, as I pointed out, have been introduced on behalf of all members of the committee and I believe they have therefore been agreed to by all members of the committee.

At the appropriate time, Mr. President, I would be prepared to move their acceptance by the Senate, after the Senator from Rhode Island has had a chance to comment.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. These amendments have been worked out carefully, in detail, by both sides of the aisle, by Senators and their staffs, and I believe they are in order and they should be accepted by the Senate as a whole.

Mr. STAFFORD. Mr. President, I would move the adoption of the amendments en bloc, the two packages, and I know of no further speakers.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments (Nos. 1969 and 1970) were agreed to.

Mr. STAFFORD. Mr. President, I would move to reconsider the vote by which the amendments were agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1971

(Purpose: To provide for income contingent direct loan demonstration project)

Mr. STAFFORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

(The Senator from Vermont [Mr. STAFFORD] proposes an amendment numbered 1971.)

Mr. STAFFORD. Mr. President, I ask unanimous consent that further reading of the amendment may be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 304, after line 20, insert the following:

PART F—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

DEMONSTRATION PROJECT AUTHORIZED

SEC. 196. The Act is amended by adding after part C the following:

"PART D—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

"STATEMENT OF PURPOSE

"SEC. 451. It is the purpose of this part to examine the feasibility of a direct loan program which uses the income contingent repayment method in order to increase the economic and full use of direct student loan funds.

"DEMONSTRATION PROJECT AUTHORIZED

"SEC. 452. (a) The Secretary shall from the amounts appropriated each year carry out demonstration projects in accordance with the provisions of this part.

"(b) For the purpose of making contributions to student loan funds established pursuant to this part there are authorized to be appropriated $5,000,000 for the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1991.

"(c)(1) The Secretary shall allot the amounts appropriated in each fiscal year pursuant to subsection (b) among institutions of higher education which desire to participate in the pilot project authorized by this part and which have agreements with the Secretary under section 453.

"(2) The Secretary may not enter into agreements with more than 10 institutions of higher education under this part.

"AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION

"SEC. 453. An agreement with an institution of higher education under this part shall—

"(1) provide for the establishment and maintenance of a student loan fund for the purpose of this part;

"(2) provide for the deposit in such fund of Federal capital contributions from funds appropriated pursuant to section 452;

"(3) provide for the deposit in such fund of a capital contribution by such institution equal to not less than one-ninth of the amount of the Federal capital contribution described in clause (2);

"(4) provide for the deposit in such fund of collections of principal and interest on student loans made from deposited funds and any other earnings of such funds;

"(5) provide that such student loan fund shall be used only for—

"(A) loans to students, in accordance with the provisions of this part,

"(B) administrative expenses; and

"(C) costs of litigation, and other collection costs agreed to by the Secretary in connection with the collection of a loan from the fund (and interest thereon) or a charge assessed pursuant to regulations;

"(6) provide that repayment of the loans made from such student loan funds will be made in accordance with a repayment schedule, which will be adjusted annually on the basis of the total amount borrowed by the student and the adjusted gross income of the student borrower for the most recent calendar year preceding the year in which the payment determination is made, together with such adjustments in the schedule as the Secretary and the institution determine will best carry out the purpose of this part, except that for the first two years of the repayment period the schedule shall require a fixed payment plan;

"(7) provide for the distribution of assets from student loan funds under this part in accordance with criteria prescribed by the Secretary, based upon the provisions of section 466; and

"(8) provide for such other assurances and limitations as the Secretary may reasonably require.

"TERMS OF LOAN UNDER THE PILOT PROGRAM

"SEC. 454. (a)(1) Loans from any student loan fund established pursuant to an agreement under section 453, to any student by any institution shall, subject to such conditions, limitation, and requirements as the Secretary shall prescribe by regulation, be made on such terms and conditions as the institution may determine.

"(2) The aggregate amount of all loans made by institutions of higher education from loan funds established pursuant to agreements under this part of any student may not exceed $17,500.

"(3) The total amount of loans made by institutions of higher education from loan funds established pursuant to such agreement for any academic year may not exceed—

"(A) $2,500 in the case of a student who is in the first or second academic year of a program of education leading to a bachelor's degree;

"(B) $3,500 in the case of a student who is in the third such year; and

"(C) $4,500 in the case of a student who is in the fourth and fifth such year.

"(4) The interest rate on all such loans shall be the rate equal to the rate obtained for each calendar year (A) by computing the average of the bond equivalent rates of ninety-one day Treasury bills auctioned for such three-month period preceding such year, and (B) by adding 3 per centum to the resulting per centum.

"(5) Loans made from loan funds established pursuant to such agreements shall contain such agreements for deferments, interest accrual during deferments, and loan cancellation, as are consistent with the provisions of part E of this title, subject to such modifications as the Secretary may, by regulation, prescribe.

"(b) The Secretary may by regulation prescribe such other terms for loans made from loan funds established pursuant to such agreements as the Secretary determines will contribute to carrying out the provisions of this part.

"FEASIBILITY STUDY

"SEC. 455. (a) The Secretary shall, based upon the projects assisted under this part, conduct a study of the feasibility of extending the pilot project to a direct student loan fund program of general applicability beginning after September 30, 1990.

"(b) The Secretary shall prepare and submit to the Congress a report on the feasibility study begun pursuant to subsection (a) not later than October 1, 1991 and October 1, 1995, together with such recommendations as the Secretary deems appropriate.".

On page 167, in the table of contents, after item "Sec. 194." insert the following:

"PART F—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

"Sec. 196. Demonstration project authorized.".

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. This is an amendment that was worked out specifically with the administration by both sides of the aisle. It is a good amendment and I hope it will pass.

Mr. STAFFORD. Mr. President, I join the able Senator from Rhode Island in urging the Senate's adoption of this amendment. The beneficiaries of this approach will be those who enter professions which do not pay large salaries. The lawyer making $40,000 a year will be expected to pay more quickly than the teacher making $25,000 a year even if they have borrowed the same amount. For a long time we have heard how the prospect of steep loan payments right after college has affected the career choices of many young Americans. This direct loan pilot proposal will let us see once and for all if we cannot try a more creative approach to loan repayment which recognizes the ability to pay by various borrowers.

Mr. President, I urge the adoption of the amendment and I commend the Secretary of Education and his staff for taking the lead in working out this particular matter. Mr. President, I move the adoption of the amendment and I know of no further speakers unless the Senator from Rhode Island has an additional comment.

□ 1620

Mr. PELL. Mr. President, I second the motion.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1971) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1972

(Purpose: To strike a provision dealing with student support services)

Mr. STAFFORD. Mr. President, I am about to offer another amendment with respect to removing the new veterans' program from the TRIO programs. But before I do that, knowing the desire of the majority leader to complete action on this measure by tomorrow night, and noting that there are a number of amendments that could be disposed of this afternoon, I believe without rollcall votes—indeed, they could be accepted by the managers of the bill—I hope that any Members of the Senate who are listening or watching the proceedings have an amendment that we could take up this afternoon would come to the floor, so that the amendments might be disposed of before we return to this bill tomorrow morning.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes an amendment numbered 1972.

Mr. STAFFORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 204, line 16, strike out "; VETERANS".

On page 204, beginning with line 26, strike out through line 25 on page 206.

On page 207, line 1, strike out "(4)" and insert in lieu thereof "(2)".

On page 207, line 3, strike out "(B)" and insert in lieu thereof "(e)".

Mr. STAFFORD. Mr. President, I offer this amendment to return to the provisions of current law with regard to the treatment of veterans by the TRIO programs. In an effort to improve services for Vietnam and post-Vietnam era veterans, the committee expanded the current veterans programs. Unfortunately, the intent to improve services for needy veterans was carried over for those who would not normally be eligible for TRIO services, and this amendment is now necessary to correct the eligibility criteria.

The TRIO programs have worked well in the past because they are tightly targeted to the neediest students, those who would not attend college without these important programs. I like to say that it is the TRIO administrators who have made a success of our student aid programs by helping to keep students from disadvantaged backgrounds in college. Those administrators strongly support this amendment, and I urge my colleagues to do so likewise.

Mr. PELL. Mr. President, I see the merit of this amendment, but I should like to raise a question with respect to Senator SIMON's amendment which, while removing this provision from the bill, would have it stand on its own feet as a separate piece of legislation. I understand that this amendment of Senator SIMON will be raised by him tomorrow.

I just want to express my own support for this amendment, which would cost any more money, so it would be a wash. It would still mean that it would be separate programs for the veterans.

Mr. STAFFORD. That is my understanding. We understand that Senator SIMON will raise the issue tomorrow.

Mr. PELL. I look forward to supporting it at that time.

Mr. STAFFORD. Mr. President, I know of no other speakers.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1972) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, we are advised, we hope correctly, that Senator WILSON may be here for the purpose of offering an amendment.

As we said earlier, there are at least three or four amendments we can adopt without a rollcall vote this afternoon, if the proponents are willing and able to come to the floor. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1630

Mr. ANDREWS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDREWS. Mr. President, I am very glad to join with my colleagues who have done such a great job in putting together this S. 1965 reauthorizing legislation for the Higher Education Act.

As an original cosponsor of it, I am happy that they were able to bring it to the floor finally so that we could discuss this most important bill, and I would hope, Mr. President, that by tomorrow we can pass it through this body and get it on its way.

Education is extremely important to all of us and I would think that we have to realize that when this bill was first passed back in the seventies the costs of education were totally different than they are today, and the escalation in prices have hit those students right where it hurts them the most, hit them in the opportunity of not being able to get that education that they are otherwise qualified for.

As a member of the Budget Committee and of the Appropriations Committee I know full well the problems we have in this Nation today with our tight budget, and I know how difficult it is, as a conferee now meeting on this budget resolution, to make sure that we get the maximum amount of power out of each Federal dollar we have, and Federal dollars are harder and harder to come by. Nobody wants to advocate a tax increase, Mr. President.

But this bill for higher education is not a spending bill. This bill is an investment bill. If you do not like people, if you hate students, if you cannot stand young people and you only worship the almighty dollar, I would say, Mr. President, you still should support this bill and this authorization because it will pay back. It will pay back, Mr. President, about $10 for every dollar we invest in the education of our capable young people.

That is what America indeed is all about. It is people. The best investment we could make is in those young Americans who are coming up. Whether they want to go to a diesel mechanics school or a university or a college or go on to graduate school level, that opportunity should be facilitated and if we do indeed and in fact facilitate it, Mr. President, we will have a better tomorrow, and it represents one of the wisest uses of American dollars that we can see.

So Mr. President, I would hope that after the initial debate today which coincides with the first day of the Senate on television I hope the debate has not been too dilatory because of that. Certainly I am not going to add to the time taken for debate because I have been an original cosponsor of this bill, as I pointed out.

I commend my colleagues from both sides of the aisle on the committee for the expeditious way they have handled this legislation, for their solid backing and the constructive staff work that has gone into this reauthorization.

I hope, Mr. President, that we can speedily reauthorize the Higher Education Act amendments because of the great need out there in this Nation to make sure that our students, our prospective students for this fall know what the rules for the game are and know now, knowing what you can do

and what the opportunities are to move ahead in education next fall when you will have to make your class arrangements. Not being able to do all that is opportunity denied.

So I hope that we move with great haste on this very important piece of legislation. I commend my friend, the senior Senator from Vermont, for the part he has played, as well as my friend, the Senator from Rhode Island, for the constructive part he has played.

□ 1640

Mr. STAFFORD. Mr. President, if my very distinguished friend will yield for just one moment, I wish to comment that over the years he and I have known each other—and I will not mention how long that is any more—that his record in support of education has long been well known and admired by all of us who care about the American educational system. He has done much to help provide the funds that fuel the programs we authorize in legislation like the higher education bill, S. 1965.

Mr. ANDREWS. We have a difficult time, Mr. President, doing the appropriating until our friends on the authorizing committee have done the authorizing. That is why this piece of legislation is so important and why I hope we can get it passed as expeditiously as possible.

I thank my colleague for his kind words and I thank him also as chairman of the committee for the fantastic support he has given to education and for the way he has moved this particular authorization bill.

Mr. STAFFORD. I very much appreciate the very kind words of the most able Senator.

Mr. THURMOND. As you know, there are several junior colleges and community colleges in South Carolina which have received title III funds in the past.

Mr. STAFFORD. I am aware of that.

Mr. THURMOND. These schools and others like them have relatively low tuitions. They make important contributions because they enable poor students many opportunities to obtain a postsecondary degree. However, because of the low tuition charged by these schools, many of their students are not eligible for certain Federal education grants, known as Pell grants and other campus-based aid.

Mr. STAFFORD. The Senator is correct. Furthermore, one of the factors used in determining eligibility for title III—institutional aid is the percentage of students at the institution who receive Pell grants and other campus-based aid.

Mr. THURMOND. In our work on this bill in the Education Subcommittee and the full Labor and Human Resources Committee, we recognized that the policy underlying the institutional aid programs in title III would best be served if such schools were expressly made eligible for these funds.

Mr. STAFFORD. That is correct, I say to Senator THURMOND. Accordingly, section 352 of this bill mandates that the Secretary of Education waive the eligibility requirements provided in section 312(A)(i)(I) in certain cases.

Mr. THURMOND. Section 352 is clearly written in consideration of these schools and I want to take this opportunity to thank the distinguished Senator from Vermont for agreeing to include this waiver provision in this legislation.

Mr. STAFFORD. Mr. President, if the able Senator from California has an amendment, we will be glad to consider it at this time.

Mr. WILSON. Mr. President, I thank the distinguished manager.

AMENDMENT NO. 1973

(PURPOSE: To require multistate guarantors with respect to loans insured by such multistate guarantors for students who are residents of a State for which the multistate guarantor is not the State designated guaranty agency to report such loans to the guarantor that is so designated.)

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 1973.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 220, between lines 9 and 10, insert the following new section:

REPORTING REQUIREMENT FOR MULTISTATE GUARANTORS

SEC. 141. (a) GENERAL RULE.—Section 428(b) of the Act (as amended by section 140) is further amended by adding at the end thereof the following new paragraph:

"(5)(A) Each multistate guarantor guaranteeing loans under this part shall, with respect to loans insured by the multistate guarantor for students who are residents of a State for which the multistate guarantor is not the State designated guaranty agency for the purpose of this part, report such loans to the appropriate State-designated guaranty agency.

"(B) The information required by subparagraph (A) shall include—

"(i) the name, the social security number, and the address of the borrower;

"(ii) the amount borrowed, the cumulative amount borrowed, the income reported for application, the purposes and cost of attendance of the borrower.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to loans made after October 1, 1986, and shall be reported not later than six months after the date of enactment of this Act and at each six-month interval thereafter.

Redesignate the succeeding sections in part B of title I accordingly.

On page 166, in the table of contents, after item "Sec. 140." insert the following:

"Sec. 141. Reporting requirement for multistate guarantor.";

and redesignate the succeeding items in part B of title I accordingly.

Mr. WILSON. I will not repeat at length the eloquent statement just made by my distinguished friend from North Dakota, other than to say he is absolutely right. For the U.S. taxpayer to invest in education by assisting those eager to acquire an education is one of the best possible investments we can make. But there have been problems, as we know, that threaten the ability to invest.

Mr. President, my amendment would simply allow State education agencies access to loan information from multistate guarantors that lend in their States and that are not the State appointed guaranty agency.

The problem of course, is that the soaring costs of unpaid student loans has caused great concern in this body and with very good reason. The cost to the Federal Government resulting from student loan defaults has grown to billions of dollars. It is not something that those of us who wish to see education for so many American students can afford to ignore. This high default rate not only threatens the integrity of the loan program itself, but it also could very well result in a threat to the amount of funding available—the all too scarce resources available—to deserving students.

For this reason, this committee has wisely recommended several very positive changes in the loan program that are aimed at achieving a lower loan default rate. Part of what they have done is to include the States in sharing the burden. They have increased the State's role in sharing the costs of defaults.

If we are going to require that States bear a greater share of the cost of defaults, then we owe it to them to provide them with the tools necessary to gain accurate information regarding student borrowers within their respective States, including loans insured by the multistate guarantors who, under current Federal law, are not required to provide such information to States that request it.

For example, in the State of California, a law has been passed which requires multistate guarantors to report loan information to the State Post-Secondary Education Commission. However, the multistate guarantor which serves California has refused to provide that information. In fact, this lender has written to the Commission and attempted what seems to be virtually blackmail as a condition for com-

plying with the request for information.

I have a copy of the letter which I will ask to have printed in the RECORD at the conclusion of this statement.

If we are going to achieve a significant reduction in student default rates there must be a willingness on behalf of the Federal Government, lenders and students to reach a solution, and I think clearly there is. But this must include an effort by multistate guarantors to help prevent student loan defaults.

This amendment is supported by the National Conference of Governors.

I believe that the information on multistate guarantor lending activity is essential to these State agencies in providing for the reduction of defaults, and I urge my colleagues to adopt my amendment.

Mr. President, I ask unanimous consent that the letter I referred to be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HIGHER EDUCATION ASSISTANCE FOUNDATION,
Saint Paul, MN, April 22, 1986.

MS. MARJORIE DICKINSON,
Director of Special Projects, California Post-Secondary Education Commission, Sacramento, CA

DEAR MS. DICKINSON: During our meeting with Mr. Chavez on April 3, 1986, we indicated our willingness to be of assistance to the California Post-Secondary Education Commission by providing, as feasible and appropriate, data needed to carry out its responsibilities. However, we also expressed two concerns. First, we are concerned about the possible precedent that could result from providing data in the context of a California law about which constitutional questions have been raised. Secondly, while we understand that state agencies throughout the country would like data for various kinds of studies, both time and expense prohibit us from responding to requests which require unique data elements and formats.

Discussions subsequent to the April 3 meeting—and your letter of April 15, 1986—suggest that most of the information you now seek is included in the data we provide the U.S. Department of Education. Thus, when California Education Code Section 69763.3 Subdivision (a) is repealed and Subdivisions (b) and (c) amended to apply only to the California Student Aid Commission rather than including out-of-state guarantors, the Higher Education Assistance Foundation will provide to the California Post-Secondary Education Commission a tape of the data elements included in the U.S. Department of Education Record Dump, except the name and social security number of individual borrowers. Instead of names and social security numbers we will provide an identifier for each borrower.

As you request in your letter of April 15, 1986, we will select the data according to the categories you desire. Specifically:

1. California residents attending school in California;

2. California residents attending school elsewhere and borrowing under a guarantor other than the state designated guarantor in the state where they attend school;

3. Non-California residents attending school in California borrowing under a guarantor other than the state designated guarantor in their state of residence.

After the initial tape, which will include information for the period 1978-1985, we will provide annual data for subsequent years by December 15 of each year.

Mr. Richard Hawk, Chairman of HEAF, has talked with Roy Nicholson, President of United Student Aid Funds, with regard to this matter. While no one from the Post-Secondary Education Commission had talked to Mr. Nicholson at the time of Mr. Hawk's conversation with him, it is my understanding that Mr. Nicholson is agreeable to discussing a similar approach with the Post-Secondary Education Commission.

Sincerely,

GARRY D. HAYS,
President.

Mr. STAFFORD. Mr. President, I have listened to the statement by the most distinguished and able Senator from California in connection with his amendment. It is a good amendment, in my opinion. I am prepared to accept it.

Before I do, I might say that I particularly agree that defaults on guaranteed student loans are a serious problem. True, they represent only 8 percent of the outstanding loans, but 8 percent of the outstanding funds in loans runs something like $1.3 billion annually. If that money were available for further Pell grants and student loans, some additional 1 million students would have an opportunity to utilize these funds for the purpose of going to college. So it is particularly important that information on loans be shared and that we take every reasonable step we can think of to try to reduce loan defaults on the loans so that more money will be available for more students to go to college.

I, therefore, am very happy to support this amendment and accept it for the majority.

Mr. PELL. Mr. President, I think this is an excellent amendment. It means that, from the viewpoint of multistate lenders, that knowledge will be transmitted to the home State of the individual. I think it will result in savings in programs and a wider knowledge of what is going on.

I commend the Senator from California for his amendment and recommend it be supported.

Mr. WILSON. Mr. President, I thank my colleagues and join in the congratulations that have been extended to them. I thank them for their cooperation and for their generous comments.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1973) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, in the hopes that there might be another amendment offered which would not require a rollcall vote this afternoon, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1700

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. STAFFORD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 5:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 28, May 29, and May 30, 1986, received messages from the President of the United States submitting sundry nominations and treaties; which were referred to the appropriate committees.

(The nominations and treaties received on May 28, May 29, and May 30, 1986 are printed at the end of the Senate proceedings.)

REPORT ON IMPLEMENTATION OF STABLE FOOD PRODUCTION PLANS—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 147

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 22, 1986, during the adjournment of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance:

To the Congress of the United States:

Section 213(c) of the Caribbean Basin Economic Recovery Act (CBERA) requires that all beneficiary countries exporting beef or sugar to the United States under the duty-free provisions of the Act submit a stable food production plan. Food plans consist of measures and proposals to ensure that food production in and the nutritional level of the population of a

beneficiary country are not adversely affected by changes in land and other resources use that could result from increased sugar and beef production undertaken in response to the duty-free treatment for these exports into the United States.

In accordance with section 213(c)(4) (19 U.S.C. 2703(c)(4)) of the Caribbean Basin Economic Recovery Act (CBERA), I am submitting to you my biennial report on the extent to which each CBERA beneficiary has implemented its stable food production plan and the results of such implementation. My report concludes that each beneficiary country has demonstrated a good faith effort to implement and monitor its stable food production plan, although there have been varying degrees of success in country efforts to improve nutritional levels and to increase agricultural productivity.

RONALD REAGAN.

THE WHITE HOUSE, *May 22, 1986.*

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 148

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 23, 1986, during the adjournment of the Senate, received the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. Section 1703(c), I hereby report to the Congress on developments since my last report of November 13, 1985, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran-United States Claims Tribunal, established at The Hague pursuant to the Claims Settlement Agreement of January 19, 1981 (the "Algiers Accords"), continues to make progress in arbitrating the claims before it. Since my last report, the Tribunal has rendered 29 more decisions for a total of 223 final decisions. Of that total, 167 have been awards in favor of American claimants; 110 were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties, and 57 were adjudicated decisions. As of April 1, 1986, total payments to successful American claimants from the Security Account stood at approximately $538 million. In cases between the governments, the Tribunal has issued two decisions in favor of each government, dismissed one claim that had been filed by the United States, and dismissed four claims that had been filed by Iran. In addition, Iran has withdrawn fifteen of its government-to-government claims, while the United States has withdrawn three.

2. The Tribunal continues to make progress in the arbitration of claims of United States nationals for $250,000 or more. More than 40 percent of the claims for over $250,000 have now been disposed of through adjudication, settlement, or voluntary withdrawal, leaving 292 such claims on the docket. In recent decisions that should prove favorable for many American claimants, the Tribunal decided that principles of international law and the Treaty of Amity, Economic Relations and Consular Rights between the United States and Iran require that Iran provide compensation for the full value of expropriated property, regardless of the legality of the act of expropriation. In two major recent awards on agreed terms, two United States oil companies settled their claims against Iran for a total of $115 million. Settlement discussions continue to proceed between numerous American claimants and Iranian respondents.

3. The Tribunal continues to make progress on claims of United States nationals against Iran of less than $250,000 each. While this process is slower than we would like, more than 120 claims are in active arbitration. The Department of State has submitted more than 34,000 pages of text and evidence in support of these claims. Additional pleadings are being filed weekly. The Tribunal held the first hearings on these claims in December, and the first two decisions—which may provide a basis for more rapid disposition of many other claims—have recently been filed. Iran has not to date been willing to negotiate a lump sum settlement of these claims. Since my last report, another three small claimants (including one whose claims has been scheduled for a hearing) have received awards on agreed terms, bringing the total number of such awards to fifteen.

4. The Department of State continues to coordinate the efforts of concerned governmental agencies in presenting United States claims against Iran as well as response by the United States Government to claims brought against it by Iran. Since my last report, the Department has filed pleadings in eight government-to-government claims based on contracts for the provision of goods and services. The Tribunal recently issued a decision holding that the contractual time limitation on the filing of claims under the Foreign Military Sales program is applicable to FMS-based cases at the Tribunal, but leaving unresolved the question of the evidentiary requirements applicable in proving shipment of goods under the contracts.

In addition to work on the government-to-government claims, the Department of State, working together with the Department of the Treasury and the Department of Justice, filed five pleadings in disputes concerning the interpretation and/or performance of various provisions of the Algiers Accords. The Tribunal held two hearings on interpretive disputes. The first dealt with the standard of proof that a corporate claimant must satisfy to establish that it enjoys the requisite United States or Iranian nationality for bringing a claim before the Tribunal. The second hearing dealt with the disposition of the balance remaining from the $3.667 billion transferred in January 1981 to the Federal Reserve Bank of New York, as fiscal agent for the United States, for the payment of Iran's syndicated indebtedness.

5. The "Agreed Clarification on Payment of January Interest out of Dollar Account No. 2," which I mentioned in my previous report, was signed on November 20, 1985, by the Federal Reserve Bank of New York, as fiscal agent of the United States, and by Bank Markazi Jomhouri Islami Iran (Iran's central bank), acting on behalf of the Government of Iran, its agencies, instrumentalities or controlled entities. This Agreed Clarification allows interest still owing on Iran's syndicated debt for the period January 1-18, 1981 ("January Interest"), to be paid from Dollar Account No. 2 at the Bank of England. Bank Markazi is now in the process of negotiating January Interest settlements with the relevant bank syndicates.

Since my last report, no settlements of nonsyndicated debt claims of U.S. banks against Iran have been paid from Dollar Account No. 2. Thus, among banks responding to a December 1981 *Federal Register* notice requiring the registration of all U.S. banks with claims against Dollar Account No. 2, about 16 banks have yet to settle their claims. In addition, a number of those banks that have already reached settlements with Iran have reserved claims against Dollar Account No. 2. The balance in Dollar Account No. 2 currently exceeds $625 million, an amount clearly sufficient to satisfy both outstanding nonsyndicated debt claims and the January Interest claims now payable out of this account.

6. There have been no changes in the Iranian Assets Control Regulations since my last report.

7. My last report described a bench ruling issued by the United States Claims Court in a Sperry Corporation challenge to the two-percent administrative fee that had been deducted from Tribunal awards paid to U.S. claimants from the Security Account, pursuant to a Treasury Department directive license to the Federal Re-

serve Bank of New York. As I reported, Title V of the "Foreign Relations Authorization Act, Fiscal Years 1986 and 1987," Public Law 99-93 (P.L. 99-93), replaced the fee deducted pursuant to this directive license with somewhat lower statutory fees. I noted that, in light of this legislation, it was unlikely that the Claims Court would issue a judgment based on its bench ruling, but that Sperry Corporation, in a continuation of its litigation, was challenging the constitutionality of P.L. 99-93.

Since my last report, the Claims Court has rejected Sperry's challenge to P.L. 99-93, although no judgment has yet been issued. Because P.L. 99-93 was made effective as of the date the Treasury Department directive license was issued, June 7, 1982, the Claims Court indicated that it would dismiss as moot Sperry's challenge to the two-percent fee deducted pursuant to the directive license. I also reported that the Treasury Department was in the process of refunding to all affected claimants the difference between the prior two-percent fee and the one-and-one-half-percent fee (one percent on amounts above $5 million) authorized by P.L. 99-93. This process was completed in December 1985. The refunds totaled approximately $2.6 million.

8. The claims settlement process created by the Algiers Accords continues to affect important diplomatic, financial, and legal interests of the United States and its nationals, and relations with Iran present an unusual challenge to the national security and foreign policy of the United States. The Iranian Assets Control Regulations issued pursuant to Executive Order No. 12170 continue to play an important role in regulating our relationship with Iran and in enabling the United States properly to implement the Algiers Accords. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

RONALD REAGAN.

THE WHITE HOUSE, *May 23, 1986.*

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO NICARAGUA—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT PM—149

Under the authority of the order of the Senate of January 3, 1986, the Secretary of the Senate, on May 23, 1986, during the adjournment of the Senate, received the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I hereby report to the Congress on developments since my last report of October 31, 1985, concerning the national emergency with respect to Nicaragua that was declared in Executive Order No. 12513 of May 1, 1985. In that order, I prohibited: (1) all imports into the United States of goods and services of Nicaraguan origin; (2) all exports from the United States of goods to or destined for Nicaragua except those destined for the organized democratic resistance; (3) Nicaraguan air carriers from engaging in air transportation to or from points in the United States; and (4) vessels of Nicaraguan registry from entering United States ports.

1. The declaration of emergency was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.*, and the National Emergencies Act, 50 U.S.C. 1601 *et seq.* This report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c).

2. The Office of Foreign Assets Control of the Department of the Treasury issued the Nicaraguan Trade Control Regulations implementing the prohibitions in Executive Order No. 12513 on May 8, 1985, 50 Fed. Reg. 19890 (May 10, 1985). There have been no changes in those regulations in the past six months.

3. Authority to license exports of goods from the United States to Nicaragua on the basis of contracts concluded prior to May 1, 1985, expired under the regulations on October 31, 1985. Since that time, fewer than 50 applications for licenses have been received with respect to Nicaragua, and the majority of these applications have been granted. Of the licenses issued in this period, most either authorize exports for humanitarian purposes, covering medical supplies, food, and animal vaccines, or authorize the filing of applications to acquire intellectual property protection under Nicaraguan law. A few additional licenses authorize exports to a foreign embassy or international organization.

4. The trade sanctions complement the diplomatic and other aspects of our policy toward Nicaragua. They exert additional pressure intended to induce the Sandinistas to undertake internal dialogue with the organized democratic resistance and to engage in serious negotiations in the Contadora Process. The trade sanctions are part of a larger policy seeking a democratic outcome in Nicaragua by peaceful means.

5. The expenses incurred by the Federal government in the period from May 1, 1985, through April 30, 1986, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Nicaraguan national emergency are estimated at $519,725, of which approximately $519,460 represents wage and salary costs for Federal personnel, and approximately $265 represents out-of-pocket expenses for travel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Assistant Secretary for Enforcement, and the Office of the General Counsel), the Department of State, the Department of Justice, and the National Security Council.

6. The policies and actions of the Government of Nicaragua continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Nicaragua as long as these measures are appropriate and will continue to report periodically to the Congress on expenses and significant developments, pursuant to 50 U.S.C. 1641(c) and 1703(c).

RONALD REAGAN.

THE WHITE HOUSE, *May 23, 1986.*

IMPORT RELIEF FOR WESTERN RED CEDAR SHAKES AND SHINGLE INDUSTRY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM 150

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 23, 1986, during the adjournment of the Senate, received the following message from the President of the United States; which was referred to the Committee on Finance:

To the Congress of the United States:

In accordance with Section 203(b)(1) of the Trade Act of 1974 (19 U.S.C. 2253(b)(1)), I am writing to inform you of my decision today to grant import relief to the western red cedar shakes and shingles industry. At the request of the Northwest Independent Forest Manufacturers and other private petitioners, the United States International Trade Commission (ITC) instituted an investigation to determine whether increasing imports of wood shakes and shingles were injuring the domestic wood shakes and shingles industry. The ITC found that imports are a substantial cause of serious injury or threat thereof to the domestic red cedar shakes and shingles industry. Red cedar shakes and shingles imports have increased dramatically in recent years, causing a substantial drop in domestic production, profits, and employment.

I have decided to modify the ITC remedy by providing for a declining tariff over the period of relief, rather than a constant 35 percent duty as recommended by the ITC. The relief program I am implementing calls for a duty of 35 percent ad valorem for the

first 30 months of the period, a 20 percent ad valorem duty for months 30 through 54, and an 8 percent duty for months 54 through 60. This 5-year graduated relief program will facilitate the industry's transition back to free market competition and will help reduce consumer costs in the latter months of the relief period. Petitioners have indicated that the industry would support the concept of graduated relief.

In conjunction with providing import relief, I have directed the United States Trade Representative to request that the ITC advise me of the probable economic effect on the domestic industry of the termination of import relief after 30 months. This advice is to include a review of the progress and specific efforts being made by the domestic producers of western red cedar shakes and shingles to adjust to import competition. The Trade Representative is also directed to request, on my behalf, advice regarding termination of relief from the Secretaries of Commerce and Labor.

The ITC, Commerce, and Labor advice is to be provided to me, through the Trade Representative, 3 months prior to the expiration of the first 30-month relief period. It is my intention to continue relief for the entire 5-year period if it appears at the end of 30 months that market conditions warrant a continuation of relief and that domestic producers have begun to make reasonable progress toward adjustment.

RONALD REAGAN.

THE WHITE HOUSE, *May 23, 1986.*

REPORT ON CONSERVATION AND USE OF PETROLEUM AND NATURAL GAS AT FEDERAL FACILITIES—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 151

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 29, 1986, during the adjournment of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

As required by Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978, I hereby transmit the seventh annual report describing Federal actions with respect to the conservation and use of petroleum and natural gas in Federal facilities.

RONALD REAGAN.

THE WHITE HOUSE, *May 29, 1986.*

ANNUAL REPORT OF THE REHABILITATION SERVICES ADMINISTRATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 152

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 29, 1986, during the adjournment of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 13 of the Rehabilitation Act of 1973, as amended, I am pleased to transmit the annual report of the Rehabilitation Services Administration. The report, prepared by the Department of Education, covers activities supported under the Act in Fiscal Year 1985.

RONALD REAGAN.

THE WHITE HOUSE, *May 29, 1986.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations and treaty received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following enrolled bills and joint resolutions:

On May 15, 1986:

S. 381. An act for the relief of Mishleen Earle; and

S. 1818. An act to amend section 1153 of title 18, United States Code, to make felonious sexual molestation of a minor an offense within Indian country.

S.J. Res. 289. Joint resolution to designate 1988 as the "Year of New Sweden" and to recognize the New Sweden 1988 American Committee.

On May 19, 1986:

S. 49. An act to amend chapter 44 (relating to firearms) of title 18, United States Code, and for other purposes;

S.J. Res. 288. Joint resolution to designate the month of May 1986, as "National Birds of Prey Month"; and

S.J. Res. 324. Joint Resolution to designate the week beginning May 18, 1986, as "National Digestive Diseases Awareness Week."

On May 20, 1986:

S.J. Res. 247. Joint resolution to designate the week of June 1 through June 7, 1986, as "National Theatre Week";

S.J. Res. 251. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986";

S.J. Res. 323. Joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day"; and

S.J. Res. 337. Joint resolution designating May 18-24, 1986 as "Just Say No to Drugs Week."

On May 21, 1986:

S.J. Res. 267. Joint resolution designating the week of May 26, 1986, through June 1, 1986, as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week."

On May 23, 1986:

S. 8. An act to grant a Federal charter to the Vietnam Veterans of America, Inc.;

S. 974. An act to provide for protection and advocacy for mentally ill individuals, and for other purposes;

S. 2329. An act to make technical corrections in the higher education title of the Consolidated Omnibus Reconciliation Act of 1985;

S. 2416. An act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments, and for other purposes; and

S.J. Res. 246. Joint resolution to designate May 25, 1986 as "Hands Across America Day," for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a four thousand mile human chain from coast to coast.

On May 27, 1986:

S.J. Res. 266. Joint resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month."

On May 28, 1986:

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day."

On May 29, 1986:

S. 173. An act to settle and adjust the claim of the Tehran American School for $13,333.94.

On May 31, 1986:

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the Military Personnel accounts of the Department of Defense for fiscal year 1986.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 22, 1986, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House agrees to the amendments of the Senate to the bill (H.R. 3570) to amend title 28, United States Code, to reform and improve the Federal justices and judges survivor's annuities program, and for other purposes.

The message also announced that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, NJ, as the "New Jersey International and Bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place."

The message further announced that the House has passed the following bills and joint resolution, without amendment:

S. 2179. An act to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes;

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the Military Personnel accounts of the Department of Defense for fiscal year 1986; and

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

The message also announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 95. Concurrent resolution to recognize and honor the contributions of Consumers Union;

S. Con. Res. 142. Concurrent resolution authorizing a technical correction to be made in the enrollment of the bill H.R. 2672; and

S. Con. Res. 144. Concurrent resolution providing for an adjournment of the House from May 22, 1986 to June 3, 1986, and for an adjournment of the Senate from May 21, 1986 to June 2, 1986.

The message further announced that pursuant to the provisions of section 276a-1 of title 22 of the United States Code, the Speaker appoints as members of the delegation to attend the conference of the Interparliamentary Union, to be held in Bonn, Federal Republic of Germany, on May 26 through May 31, 1986, the following Members on the part of the House: Mr. PEPPER, Chairman, Mr. HAMILTON, Vice Chairman, Mr. DICKS, and Mr. HAMMERSCHMIDT.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 2416. An act to revise further the limitation applicable to Chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments, and for other purposes;

H.R. 2672. An act to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes;

H.J. Res. 526. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; and

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day."

Under the authority of the order of the Senate of January 3, 1985, the bill S. 2416 was signed on May 22, 1986, during the adjournment of the Senate by the Vice President.

Under the authority of the order of the Senate the bill H.R. 2672 and the joint resolutions House Joint Resolution 526 and House Joint Resolution 636 were signed on May 27, 1986, during the adjournment of the Senate, by the Vice President.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 30, 1986, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills and joint resolutions:

S. 2179. An act to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes;

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the military personnel accounts of the Department of Defense for fiscal year 1986; and

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

Under the authority of the order of the Senate of January 3, 1985, the enrolled bills and joint resolution were signed on May 30, 1986, during the adjournment of the Senate by the President pro tempore (Mr. THURMOND).

MESSAGES FROM THE HOUSE

At 2:42 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 347. Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week."

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 4800. An act to enhance the competitiveness of American industry, and for other purposes; and

H.J. Res. 479. Joint resolution to designate October 8, 1986, as "National Fire Fighters Day."

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 335. Concurrent resolution honoring Lester R. Brown for his many years of service to his country; and

H. Con. Res. 340. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3570.

MEASURES REFERRED

The following bill and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4800. An act to enhance the competitiveness of American industry, and for other purposes; to the Committee on Finance.

H.J. Res. 479. Joint resolution to designate October 8, 1986, as "National Fire Fighters Day;" to the Committee on the Judiciary.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 335. Concurrent resolution honoring Lester R. Brown for his many years of service to his country; to the Committee on the Judiciary.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that she had presented to the President of the United States the following enrolled bills and joint resolution:

On May 22, 1986:

S. 2416. An act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments, and for other purposes.

On May 30, 1986:

S. 2179. An act to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes;

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the Military Personnel accounts of the Department of Defense of fiscal year 1986; and

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3213. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the status of certain budget authority proposed for rescission by the President in his fourth special message for fiscal year 1986; pursuant to the order of January 30, 1986,

referred jointly, to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources.

EC-3214. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, notice that the Department of the Navy intends to exercise a provision of law for exclusion of the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC-3215. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, notice that the Department of the Navy intends to exercise a provision of law for exclusion of the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC-3216. A communication from the Deputy Assistant Secretary of Defense (Military Manpower and Personnel Policy), transmitting, pursuant to law, the annual report on certain former military officers or former civilian employees of the Department of Defense now affiliated with defense contractors for fiscal year 1985; to the Committee on Armed Services.

EC-3217. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a consolidated annual report for 1986 on community development programs administered by the Department of Housing and Urban Development; to the Committee on Banking, Housing, and Urban Affairs.

EC-3218. A communication from the Secretary of Energy, transmitting, pursuant to law, the seventh annual report on the use of alcohol in fuels; to the Committee on Energy and Natural Resources.

EC-3219. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of overpayment of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3220. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of overpayment of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3221. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of overpayment of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3222. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of overpayment of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3223. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3224. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60 day period prior to May 30, 1986; to the Committee on Foreign Relations.

EC-3225. A communication from the Director of Legislative Affairs, AID, transmitting, pursuant to law, a report on noncompetitive new contracts in excess of $100,000; to the Committee on Foreign Relations.

EC-3226. A communication from the U.S. Postal Service Records Officer transmitting, pursuant to law, a report on an altered Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3227. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3228. A communication from the Director of the Office of Personnel Management transmitting a draft of proposed legislation to restructure the Federal Employees Health Benefits Program; to the Committee on Governmental Affairs.

EC-3229. A communication from the Secretary of Education transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3230. A communication from the Secretary of Labor transmitting, pursuant to law, a report on an altered Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3231. A communication from the Administrator of the Veterans' Administration transmitting, pursuant to law, the semiannual report of the VA's inspector general; to the Committee on Governmental Affairs.

EC-3232. A communication from the inspector general of the Department of Health and Human Services transmitting, pursuant to law, the semiannual report of the inspector general; to the Committee on Governmental Affairs.

EC-3233. A communication from the Secretary of Agriculture transmitting, pursuant to law, the semiannual report of the inspector general; to the Committee on Governmental Affairs.

EC-3234. A communication from the Chief Executive Officer of Freddie Mac transmitting, pursuant to law, FHLMC's 1985 Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-3235. A communication from the general counsel of the U.S. Copyright Office transmitting, pursuant to law, a report on two new and two altered Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-3236. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on an altered Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3237. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 6-164; to the Committee on Governmental Affairs.

EC-3238. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 6-163; to the Committee on Governmental Affairs.

EC-3239. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 6-162; to the Committee on Governmental Affairs.

EC-3240. A communication from the chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 6-165; to the Committee on Governmental Affairs.

EC-3241. A communication from the Assistant Attorney General and the Assistant Secretary of the Interior transmitting a draft of proposed legislation to authorize and regulate Indian gambling; to the Select Committee on Indian Affairs.

EC-3242. A communication from the general counsel of the Office of U.S. Trade Representatives transmitting, pursuant to law, the 1985 report on requests for documents under the Freedom of Information Act; to the Committee on the Judiciary.

EC-3243. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to authorize appropriations for the refugee assistance program; to the Committee on the Judiciary.

EC-3244. A communication from the chairman of the Council on Environmental Quality transmitting, pursuant to law, the 1985 Freedom of Information report; to the Committee on the Judiciary.

EC-3245. A communication from the chief immigration judge, Department of Justice, transmitting pursuant to law, reports on grants of suspension of deportation under section 244(a)(1) and (2) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3246. A communication from the general counsel of the Office of the U.S. Trade Representative transmitting, pursuant to law, a report on requests for documents in 1984 under the Freedom of Information Act; to the Committee on the Judiciary.

EC-3247. A communication from the general counsel for administration, Executive Office of the President, transmitting, pursuant to law, the Freedom of Information Act report for 1985; to the Committee on the Judiciary.

EC-3248. A communication from the Commissioner of the Immigration and Nationality Service transmitting, pursuant to law, reports on waivers granted under section 207(c)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3249. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the 1985 annual report of the Director of the National Institute of Arthritis, Diabetes, and Digestive and Kidney Disease; to the Committee on Labor and Human Resources.

EC-3250. A communication from the executive director of the National Diabetes Advisory Board transmitting, pursuant to law, the Board's 1986 annual report; to the Committee on Labor and Human Resources.

EC-3251. A communication from the Secretary of Education transmitting, pursuant to law, a report on certain final regulations for education grants; to the Committee on the Judiciary.

EC-3252. A communication from the Secretary of Education transmitting, pursuant to law, a report on final regulations for certain Education Research Grant programs; to the Committee on Labor and Human Resources.

EC-3253. A communication from the Secretary of Education transmitting, pursuant to law, a report on final regulations for certain programs of assistance to States for the education of handicapped children; to the Committee on Labor and Human Resources.

EC-3254. A communication from the Executive Director of the National Digestive Diseases Advisory Board transmitting, pursuant to law, the Board's 1986 annual report; to the Committee on Labor and Human Resources.

EC-3255. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the 1985 annual

report on activities under the Older Americans Act; to the Committee on Labor and Human Resources.

EC-3256. A communication from the Secretary of Education transmitting, pursuant to law, the 1985 annual report of the National Technical Institute for the Deaf; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-731. A resolution adopted by the National Association of Secretaries of State relating to protection for purchasers of farm products; to the Committee on Agriculture, Nutrition, and Forestry.

POM-732. A resolution adopted by the Mayor and Common Council of Gary, Indiana, favoring tax reform not to be revenue neutral and increased funds be used to reduce the Federal deficit; to the Committee on Finance.

POM-733. A resolution adopted by the City Council of Avon Lake, Ohio in recognition of Save American Jobs/Industry Day; to the Committee on the Judiciary.

POM-734. A resolution adopted by the California Federation of Women's Clubs supporting an amendment to the constitution granting the President line-item veto power; to the Committee on the Judiciary.

POM-735. A resolution adopted by the Mayor and Council of the Borough of Woodstock, New Jersey favoring an amendment to the 16th amendment to the constitution relative to taxation; to the Committee on the Judiciary.

POM-736. A resolution adopted by the City Council of Wickliffe, Ohio in recognition of Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-737. A resolution adopted by the Legislature of the State of Alaska; to the Committee on the Judiciary.

"SJR 33

"Whereas friendship is an expression of goodwill toward others and a caring force for hope, promise, and understanding; and

"Whereas the spirit of brotherhood and friendship is important and vital to our survival; and

"Whereas people throughout the world need the opportunity to communicate peacefully with one another; and

"Whereas a national friendship week provides an opportunity for all people to amicably join together in friendship and give evidence of their commitment to peace; and

"Whereas a national friendship week has been proposed by former Anchorage Mayor George Byer to remind the people of the United States to extend friendhip to others wherever they may be in order to promote amity, peace, and accord among all citizens of the world; and

"Whereas the United States Congress now has before it Senate Joint Resolution No. 151, introduced by Senator Frank Murkowski and co-sponsored by Senator Ted Stevens, establishing June 22 through June 28 in each year as "National Friendhip Week";

"Be it resolved that the Alaska State Legislature supports the establishment of "National Friendship Week"; and be it

"Further resolved by the Alaska State Legislature that the United States Congress is respectfully urged to act quickly in 1986 to designate the week of June 22 through June 28 in each year as 'National Friendship Week.' "

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under the authority of the order of the Senate of May 21, 1986, the following reports of committees were submitted on May 29, 1986:

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with amendments:

S. 1988. A bill to establish a program for the prevention and control of diabetes among native Americans (Rept. No. 99-311).

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1622. A bill to promote the development of native American culture and art (Rept. No. 99-312).

By Mr. PACKWOOD, from the Committee on Finance, with an amendment in the nature of a substitute:

H.R. 3838. A bill to reform the internal revenue laws of the United States (Rept. No. 99-313).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2507. An original bill to amend and extend certain laws relating to housing, and for other purposes (Rept. No. 99-314).

By Mr. PACKWOOD, from the Committee on Finance, without amendment:

S. Res. 416. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3838 and of the Committee on Finance amendment thereto.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STAFFORD, from the Committee on Labor and Human Resources, without amendment:

S. Res. 417. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974, with respect to consideration of S. 1965, the Higher Education Amendments of 1986; referred to the Committee on the Budget.

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 417. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1965, the Higher Education Amendments of 1986.

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2294. A bill to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes (Rept. No. 99-315).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY:

S. 2508. A bill to amend section 112 of title 18, United States Code, relating to protection of foreign officials, official guests, and internationally protected persons, to remove the exemption for the District of Columbia; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

Mr. STAFFORD, from the Committee on Labor and Human Resources:

S. Res. 417. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974, with respect to consideration of S. 1965, the Higher Education Amendments of 1986; to the Committee on the Budget.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY:

S. 2508. A bill to amend section 112 of title 18, United Stated Code, relating to protection of foreign officials, official guests, and internationally protected persons, to remove the exemption for the District of Columbia; to the Committee on the Judiciary.

CLARIFICATION OF LAWS RELATING TO PROTECTION OF CERTAIN PERSONS IN THE DISTRICT OF COLUMBIA

Mr. GRASSLEY. Mr. President, recently this city, the capital of the free world, has been the location of a miniature drama which has unfolded on two different streets in northwest Washington. The settings have been Massachusetts Avenue and 16th Street, now known as Sakharov Plaza. In each case citizens, in the exercise of their constitutionally protected rights, protest the brutal treatment of human beings in faraway lands. They do so honestly, openly, and with all the courage of their convictions. They do so in the most exalted traditions of our Nation's great history.

In one setting, those that exercise these rights by protesting before the South African Embassy are ordered by authorities to disperse and, if they fail to do so, they are arrested. However, that is where these protestors contact with the legal system ends.

In the other setting, before the Soviet Embassy, things are not so simple. While the protestor's message is a similar one and is presented in a similar manner, the treatment they receive from authorities is quite different. These activists, following their arrests, face an ordeal of prosecution, trial, conviction, sentencing, fines, and even prison.

The law which has been violated in these instances is section 22-1115 of the District of Columbia Code. That law prohibits public demonstrations within 500 feet of a diplomatic facility which is located in the District of Columbia. The violations are the same by both groups of protestors, the treatment they receive is different.

On May 15, the Subcommittee on Administrative Practice and Procedure, which I chair, examined how this drama was unfolded and why. We asked the players in this drama about their roles and we demanded an explanation and an accounting for this disparate treatment.

A building located not far from here bears a cogent inscription. Those words on the Supreme Court read "Equal Justice Under Law."

Hopefully, that is more than a mere slogan. It is against this principle that we assessed the Government's conduct in this affair. We assembled a complement of excellent witnesses to help us make such a judgment.

Our first panel was made up of those Soviet Jewry and human rights activists whose deep personal convictions led them to experience, first hand, the Federal court system. They explained what circumstances compelled them to make their decision and really led me to the course of action I am pursuing today.

It is ironic that this hearing took place during the week of Natan Shcharansky's visit to our country. When Natan was received by the Congress in the Capitol rotunda, he reminded us of the impact that public protest has on those within the walls of the Soviet gulag. He told us stories of how when, by some slim chance, reports of such protests reached the prisoners' ears, their burdens seemed lighter and their hopes brighter.

It is incumbent upon us to remember whose purpose we serve when we, the beacon of freedom in this world, chill these types of public protest. I don't believe it is in the best interest of our great Nation to do so.

To be sure, there is a valid and very important congressional purpose underlying section 1115 of the D.C. Code; that is, protecting the security of the property and the safety of the diplomatic representatives of foreign nations. Our recent experiences in Iran and elsewhere certainly highlight the importance of such protection. But this purpose is fully served by the provisions of a more recent and more comprehensive congressional statute, as well as by the generally applicable provisions of District of Columbia law.

Under these other provisions the protestors outside of the Soviet Embassy would not have been in violation of any law and the appropriate diplomatic facility would be fully protected.

In 1972, Congress passed the Act for the Protection of Foreign Officials and Official Guests of the United States (P.L. 92-539, 86 Stat. 1070). Section 301 of that act, codified—as subsequently amended—at 18 U.S.C. section 112(b), provides that a person is guilty of a crime if he willfully:

First, intimidates, coerces, threatens, or harasses a foreign official or an official guest or obstructs a foreign official in the performance of this duties;

Second, attempts to intimidate coerce, threaten, or harass a foreign official or an official guest or obstruct a foreign official in the performance of his duties; or

Third, within the United States but outside the District of Columbia and within 100 feet of any building or premises in whole or in part owned, used, or occupied for official business or for any diplomatic, consular, or residential purposes by—a foreign government or official—congregates with two or more other persons with intent to violate any other provision of this section.

Section 401 of the act, codified—as subsequently amended—at 18 U.S.C. section 970, similarly makes it a Federal crime for a person willfully, with the intent to intimidate, coerce, threaten or harass, to "forcibly thrust any part of himself or any object" into any building used for diplomatic purposes, or to "refuse to depart from such * * * premises after a request." This existing congressional legislation provides comprehensive protection for both diplomatic property and diplomatic personnel.

The 1972 act is considered by the U.S. Government to provide adequate protection to foreign diplomats and their property all across the United States, including in New York City, the headquarters of the United Nations and the residence of many foreign diplomats of ambassadorial rank. Congress did not extend this act to the District of Columbia only because it was informed that "a District law of long standing affords similar protecton to foreign officials in the Nation's Capital." S. Rep. No. 92-1105, reprinted in 1972 U.S. Code Congressional and Administrative News 4316, 4328.

Therefore, in light of the administration's refusal to alter their prosecution policy regarding these demonstrators, today I am introducing legislation which will apply this law to diplomatic facilities within the District of Columbia. Under this law, none of the demonstrators would be subject to arrest or prosecution.

In my view, it is grossly offensive to constitutional values that a U.S. citizen can be sent to prison simply because he or she stands peacefully on a public street holding up a sign saying "Russia Out of Afghanistan" or "Solidarity" or "Apartheid is Evil." There is no reason to believe that professional diplomats need to be protected against seeing such signs. There is certainly no reason to believe that they need such protection more in the District of Columbia than they do in New York or Chicago or Los Angeles.

And there is emphatically no reason why the residents of the District deserve less protection of their constitutional rights under the first amendment than residents of the other 50 States and the several territories. D.C. Code section 22-1115 ought to be repealed, and replaced with the fully adequate protections found in the Federal criminal law, 19 U.S.C. sections 112 and 970.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (3) of subsection (b) of section 112 of title 18, United States Code, is amended by striking out "but outside the District of Columbia and".

(b) The Act entitled "An Act to protect foreign diplomats and consular officers and the buildings and premises occupied by them in the District of Columbia", approved February 15, 1938 (52 Stat. 30; D.C. Code 22-1115 and 1116) is repealed.

ADDITIONAL COSPONSORS

S. 65

At the request of Mr. DOLE, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 65, a bill to improve the transfer of technology from government laboratories to the public and for other related purposes.

S. 524

At the request of Mr. ARMSTRONG, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 524, a bill to recognize the organization known as The Retired Enlisted Association, Inc.

S. 873

At the request of Mr. CHAFEE, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 873, a bill to amend title XIX of the Social Security Act to assist severely disabled individuals to attain or maintain their maximum potential for independence and capacity to participate in community and family life.

S. 1446

At the request of Mr. ANDREWS, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1446, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of wars.

S. 1486

At the request of Mr. DOLE, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1486, a bill to amend the Equal Credit Opportunity Act.

S. 1847

At the request of Mr. MITCHELL, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Illinois [Mr. SIMON], and the Senator from Pennsylvania [Mr.

HEINZ] were added as cosponsors of S. 1847, a bill to provide for a Samantha Smith Memorial Exchange Program to promote youth exchanges between the United States and the Soviet Union, and for other purposes.

S. 1937

At the request of Mr. STEVENS, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 1937, an original bill to restrict smoking to designated areas in all U.S. Government buildings.

S. 1941

At the request of Mr. DENTON, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1941, a bill to protect the security of the United States by providing for sanctions against any country that provides support for perpetrators of acts of international terrorism.

S. 1942

At the request of Mr. DENTON, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 1942, a bill to amend title 10, United States Code, to improve the security of U.S. military installations.

S. 2083

At the request of Mr. STAFFORD, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of S. 2083, a bill to amend the Toxic Substances Control Act to require the Environmental Protection Agency to set standards for identification and abatement of hazardous asbestos in the Nation's schools, to mandate abatement of hazardous asbestos in the Nation's schools in accordance with those standards, to require local educational agencies to prepare asbestos management plans, and for other purposes.

S. 2181

At the request of Mr. D'AMATO, the names of the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 2181, a bill entitled the "Construction Industry Labor Law Amendments of 1986."

S. 2190

At the request of Mr. SARBANES, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 2190, a bill to provide that the full cost-of-living adjustment in benefits payable under certain Federal programs shall be made for 1987.

S. 2203

At the request of Mr. STAFFORD, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2203, a bill to establish a program to reduce acid deposition and for other purposes.

S. 2204

At the request of Mr. MCCLURE, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 2204, a bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to permit the use of park entrance, admission, and recreation use fees for the operation of the National Park System, and for other purposes.

S. 2206

At the request of Mr. NICKLES, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2206, a bill to amend the Internal Revenue Code of 1954 to repeal the windfall profit tax on crude oil.

S. 2209

At the request of Mr. DOLE, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 2209, a bill to make permanent and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to indiviudals who work despite severe medical impairment; to amend such act to require concurrent notification of eligibility for SSI and Medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions; and for other purposes.

S. 2215

At the request of Mr. LUGAR, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2215, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to ensure safer pesticides and to better protect the public and the environment, and for other purposes.

S. 2256

At the request of Mr. QUAYLE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 2256, a bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes.

S. 2294

At the request of Mr. WEICKER, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Rhode Island [Mr. PELL], and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of S. 2294, a bill to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes.

S. 2335

At the request of Mr. DENTON, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 2335, a bill to protect United States citizens from terrorism.

S. 2359

At the request of Mr. PRESSLER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 2359, a bill to amend title 38, United States Code, to establish a Veterans' Administration Readjustment Counseling Professional Fellowship Program.

S. 2411

At the request of Mr. D'AMATO, the names of the Senator from Nebraska [Mr. ZORINSKY], the Senator from Illinois [Mr. DIXON], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2444

At the request of Mr. STAFFORD, the name of the Senator from New Jersey [Mr. BRADLEY] was added as cosponsor of S. 2444, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, the Dependent Care State Grant Program, and for other purposes.

S. 2479

At the request of Mr. TRIBLE, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 2479, a bill to amend chapter 39 of title 31, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

S. 2487

At the request of Mr. BINGAMAN, the name of the Senator from Iowa [Mr. HARKIN] was added as cosponsor of S. 2487, a bill to provide grants to States for fellowships for individuals who have outstanding ability, demonstrate an interest in a teaching career, and will teach in areas of the State in which there is a shortage of quality elementary or secondary school teachers or in fields of study in which there is a shortage of quality elementary or secondary school teachers, or both, and for other purposes.

SENATE JOINT RESOLUTION 244

At the request of Mr. DECONCINI, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Florida [Mr. CHILES], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Michigan [Mr. LEVIN], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 244, a bill to designate October 8, 1986, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 327

At the request of Mr. ROCKEFELLER, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor

of Senate Joint Resolution 327, a joint resolution to provide for the President to report on the status and implementation of the recommendations of the President's Commission on Industrial Competitiveness.

SENATE JOINT RESOLUTION 343

At the request of Mr. D'AMATO, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Joint Resolution 343, a joint resolution designating the week of September 21, 1986, through September 27, 1986, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE JOINT RESOLUTION 348

At the request of Mr. GLENN, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of Senate Joint Resolution 348, a joint resolution to designate the week beginning November 24, 1986, as "National Family Caregivers Week."

SENATE CONCURRENT RESOLUTION 137

At the request of Mr. HOLLINGS, the names of the Senator from Nebraska [Mr. ZORINSKY], the Senator from Nebraska [Mr. EXON], the Senator from Oklahoma [Mr. BOREN], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Concurrent Resolution 137, a concurrent resolution expressing the sense of the Congress that the Federal Government take immediate steps to support a national STORM program.

SENATE RESOLUTION 406

At the request of Mr. WEICKER, the names of the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of Senate Resolution 406, a resolution honoring the 125th anniversary of organized camping in the United States.

AMENDMENT NO. 1823

At the request of Mrs. KASSEBAUM, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of Amendment No. 1823 intended to be proposed to S. 100, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

SENATE RESOLUTION 417—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. STAFFORD, from the Committee on Labor and Human Resources, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 417

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, section 303(a) of that Act is waived with respect to consideration of S. 1965, the Higher Education Amendments of 1986 and any committee amendments thereto.

A waiver of section 303(a) is necessary because S. 1965 as reported provides new entitlement authority for the guaranteed student loan program to become effective during fiscal year 1989, before the concurrent resolution on the budget for fiscal year 1989 has been agreed to.

AMENDMENTS SUBMITTED

HIGHER EDUCATION AMENDMENTS

STAFFORD (AND OTHERS) AMENDMENT NOS. 1969 AND 1970

Mr. STAFFORD (for himself, Mr. HATCH, Mr. KENNEDY, Mr. QUAYLE, Mr. PELL, Mr. NICKLES, Mr. METZENBAUM, Mrs. HAWKINS, Mr. MATSUNAGA, Mr. THURMOND, Mr. DODD, Mr. WEICKER, Mr. SIMON, Mr. WALLOP, Mr. KERRY, and Mr. GRASSLEY) proposed two amendments to the bill (S. 1965) to reauthorize and revise the Higher Education Act of 1965, and for other purposes; as follows:

AMENDMENT NO. 1969

On page 170, line 7, after "Act" insert the following: "(other than amendments made to part B of title IV of the Act)".

On page 170, after line 26, insert the following:

(c) DURATION.—The first sentence of section 411(a)(3) of the Act is amended by adding before the period at the end thereof a comma and the following: "except that such period may not exceed 5 years".

On page 172, line 9, before the period insert the following: "and, in the case of institutionally owned housing, room and board".

On page 183, line 14, strike out "(F)" and insert in lieu thereof "(G)".

On page 184, after line 25, insert the following:

"(G) In the computation of family contributions from effective family income and parental assets for any academic year beginning on or after July 1, 1986, the proceeds of a sale of farm or business assets of the family shall be excluded from family income if such sale results from a voluntary or involuntary foreclosure, forfeiture, liquidation, or bankruptcy.

On page 189, line 10, strike out "may" and insert in lieu thereof "shall".

On page 189, line 25, beginning with "the" the first time it appears, strike out through "parents" on line 1 on page 190 and insert in lieu thereof the following: "the student's parents (in the case of a dependent student), or by the student and the student's spouse (in the case of an independent student),".

On page 196, line 10, beginning with "amount" strike out through "award" on line 11, and insert in lieu thereof "eligibility index".

On page 196, beginning with "the" the first time it appears on line 13, strike out through "award" on line 14 and insert in lieu thereof "the data used to calculate the eligibility index of the student".

On page 196, between lines 15 and 16, insert the following:

"(B) recalculate the eligibility index of the student if there has been a change in circumstances of the student or in the data submitted;

On page 196, line 16, strike out "(B)" and insert in lieu thereof "(C)".

On page 196, line 18, strike out "(C)" and insert in lieu thereof "(D)".

On page 196, line 18, strike out "amount of the award" and insert in lieu thereof "data".

On page 196, line 20, strike out "the amount of the award" and insert in lieu thereof "amount of the eligibility index".

On page 197, line 5, strike out "1985-1986" and insert in lieu thereof "1986-1987".

On page 197, line 6, strike out "awards" and insert in lieu thereof "amount of the eligibility index, and on the accuracy of the questions on the application form".

On page 204, strike out line 5 and insert in lieu thereof the following:

REAUTHORIZATION; PRIOR EXPERIENCE PROVISION

On page 204, line 6, insert after "SEC. 117." the following: "(a) REAUTHORIZATION.—"

On page 204, between lines 15 and 16, insert the following:

(b) PRIOR EXPERIENCE CONSIDERATION.—Section 417A(b)(2) of the Act is amended by adding at the end thereof the following new sentence: "For fiscal years after 1985, the level of consideration given to prior experience shall not vary from the level of consideration given this factor for fiscal year 1985.".

On page 205, between lines 11 and 12, insert the following:

(3) Section 417D(c)(3) of the Act is amended by inserting "as determined by the institution" after "academic support".

On page 205, line 12, strike out "(3)" and insert in lieu thereof "(4)".

On page 207, line 1, strike out "(4)" and insert in lieu thereof "(5)".

On page 207, line 3, strike out "shall give priority" and insert in lieu thereof "may provide financial assistance".

On page 209, line 20, strike out "1986" and insert in lieu thereof "1988".

On page 209 line 22, strike out "1990" and insert in lieu thereof "1992".

On page 210, line 1, strike out "1986" and insert in lieu thereof "1988".

On page 210, line 3, strike out "1990" and insert in lieu thereof "1992".

On page 210, line 7, insert "(1)" before "'Section".

On page 210, between lines 13 and 14 insert the following:

(2)(A) Section 428(a)(2)(B) of the Act is amended to read as follows:

"(D) The schedule of expected family contributions required by section 482 shall apply to the determination required by this paragraph.".

(B) Section 428(a)(2)(E) of the Act is repealed.

On page 210, line 17, strike out "(F)" and insert in lieu thereof "(E)".

On page 211, line 4, strike out "(G)" and insert in lieu thereof "(F)".

On page 216, beginning with line 1, strike out through line 10 on page 217.

On page 217, line 13, strike out "SEC. 136." and insert in lieu thereof "SEC. 135.".

On page 217, line 24, strike out "SEC. 137." and insert in lieu thereof "SEC. 136.".

On page 218, line 9, strike out "SEC. 138." and insert in lieu thereof "SEC. 137.".

On page 218, line 12, strike out "(as redesignated by section 135(a)(1))".

On page 218, line 14, strike out "(as redesignated by section 135(a)(1))".

On page 218, lines 19 and 20, strike out "and income-sensitive".

On page 219, line 3, strike out "and income-sensitive".

On page 219, line 14, strike out "SEC. 139." and insert in lieu thereof "SEC. 138.".

On page 220, strike out line 1 and insert in lieu thereof the following:

DEFERMENT RULES

On page 220, between lines 1 and 2, insert the following:

SEC. 139. (a) DISABILITY RULE.—(1) Section 428(b)(1)(M)(vii) is amended by striking out "spouse" and inserting in lieu thereof "dependent".

(2) Section 427(a)(2)(C)(vii) of the Act is amended by striking out "spouse" and inserting in lieu thereof "dependent".

(b) MATERNAL LEAVE.—(1)(A) Section 428(b)(1)(M) of the Act is amended by striking out "or" at the end of clause (vii) and by adding before the semicolon at the end thereof the following new clause: "or (ix) not in excess of 6 months of maternal leave".

(B) Section 427(a)(2)(C) of the Act is amended by striking out "or" at the end of clause (vii) and by adding before the semicolon at the end thereof the following new clause "or (ix) not in excess of 6 months of maternal leave".

(2) Section 435 of the Act is amended by adding at the end thereof the following new subsection:

"(k) The term 'maternal leave' means a period of time during which the borrower is pregnant, is caring for her newborn child, is caring for her child immediately following the placement of the child through adoption, if the child has not attained 3 years of age, if the borrower meets the criteria for needs applicable to loans under this part.".

On page 220, line 2, strike out "SEC. 140." and insert in lieu thereof "(c)".

On page 220, beginning with line 10, strike out through line 19 on page 223 and insert in lieu thereof the following:

TRANSFER OF LOANS AUTHORIZED

SEC. 140. Section 428(b)(2) of the Act is amended—

(1) by striking out "and" at the end of clause (C);

(2) by striking out the period at the end of clause (D) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(E) provide that any State or nonprofit private institution or organization that has entered into such an agreement with the Secretary can transfer loans which are insured under this part to any State, nonprofit private institution, or organization that also has such an agreement with the Secretary with the approval of the recipient, State, institution, or organization.".

INFORMATION ON DEFAULT

SEC. 141. Section 428 of the Act is amended by adding at the end thereof the following new subsection:

"(j)(1) In order to notify eligible institutions of former students who are in default of their continuing obligation to repay student loans, each guarantee agency may, upon the request of an eligible institution, furnish information with respect to students who were enrolled at the eligible institution and who are in default on the repayment of any loan made, insured, or guaranteed under this part. The information authorized to be furnished under this subsection may include the names and addresses of such students.

"(2) Nothing in paragraph (1) of this subsection shall be construed to authorize public dissemination of the information described in paragraph (1).".

On page 223, line 21, strike out "SEC. 143." and insert in lieu thereof "SEC. 142.".

On page 223, after line 26, insert the following new section:

MULTIPLE DISBURSEMENTS OF LOANS

SEC. 143. Section 428(i) of the Act is amended to read as follows:

"(i)(1) Any guaranty agency or eligible lender (hereafter in this subsection referred to as the 'escrow agent') may enter into an agreement with any other eligible lender that is not an eligible institution or an agency or instrumentality of the State (hereafter in this subsection referred to as the 'lender') for the purpose of authorizing multiple disbursements of the proceeds of a loan to a student. Such agreement shall provide that the lender will pay the proceeds of such loans into an escrow account to be administered by the escrow agent in accordance with the provisions of paragraph (2) of this subsection. Such agreement may allow the lender to make payments into the escrow account in amounts that do not exceed the sum of the amounts required for disbursement of initial or subsequent installments to borrowers and to make such payments not more than 45 days prior to the date of the disbursement of such installment to such borrowers. Such agreement shall require the lender to notify promptly the eligible institution when funds are escrowed under this subsection for a student at such institution.

"(2) Each escrow agent entering into an agreement under paragraph (1) of this subsection is authorized to—

"(A) make the disbursements in accordance with the note evidencing the loan;

"(B) commingle the proceeds of all loans paid to the escrow agent pursuant to the escrow agreement entered into under such paragraph (1);

"(C) invest the proceeds of such loans in obligations of the Federal Government or obligations which are insured or guaranteed by the Federal Government;

"(D) retain interest or other earnings on such investment; and

"(E) return to the lender undisbursed funds when the student ceases to carry at an eligible institution at least one-half of the normal full-time academic workload as determined by the institution.".

On page 224, line 5, strike out "(j)" and insert in lieu thereof "(k)".

On page 234, line 9, strike out "and income sensitive".

On page 236, line 6, strike out "(k)" and insert in lieu thereof "(l)".

On page 236, beginning with line 25, strike out through line 12 on page 241.

On page 241, line 16, strike out "SEC. 149." and insert in lieu thereof "SEC. 147.".

On page 246, beginning with line 12, strike out through line 5 on page 249 and insert in lieu thereof the following:

ADDITIONAL STUDENT LOAN INFORMATION AND CONTACT REQUIRED

SEC. 148. (a) LOAN INFORMATION.—Section 433A of the Act is amended—

(1) by redesignating clauses (8), (9), (10), (11), and (12), as clauses (9), (10), (11), (12), and (13), respectively, and

(2) by adding after clause (7) the following new clause:

"(8) a statement of the total cumulative balance, including the loan applied for, owed by the student, the projected level of indebtedness of the student based on a four-year college career, and an estimate of the projected monthly repayment given the level of indebtedness over a four- or five-year college career;".

(b) SEPARATE STATEMENT.—Section 433A of the Act is amended by adding at the end thereof the following new subsection:

"(d) Each eligible lender shall, at the time such lender disperses a loan with respect to a borrower which is insured or guaranteed under this part, provide the borrower with a separate paper which summarizes the rights and responsibilities of the borrower with respect to the loan, including a statement of the consequences of defaulting on the loan and a statement that each borrower who defaults will be reported to a credit bureau. The requirement of this paragraph shall be in addition to the information required by subsection (a) of this section.".

On page 249, line 8, strike out "SEC. 151." and insert in lieu thereof "SEC. 149.".

On page 249, line 8, insert "(1)" after the dash.

On page 249, between lines 10 and 11, insert the following:

(2) Section 435(g)(1)(A)(ii) of the Act is amended by inserting before the semicolon a comma and the following: "and unless it is a trust company which makes student loans as a trustee pursuant to an express trust.

On page 250, line 5, strike out "SEC. 152." and insert in lieu thereof "SEC. 150.".

On page 250, line 13, beginning with "may" strike out through "Graduates" on line 20, and insert in lieu thereof "shall include a requirement, with respect to the eligibility of students attending such medical schools for loans made, insured, or guaranteed under part B, that a student is ineligible for such loans unless the student is attending such a medical school in which at least 75 percent of the students enrolled are nationals of the country in which such medical school is located".

On page 250, line 22, strike out "SEC. 153." and insert in lieu thereof "SEC. 151.".

On page 251, line 10, strike out "SEC. 154." and insert in lieu thereof "SEC. 152.".

On page 251, line 15, strike out "SEC. 155." and insert in lieu thereof "SEC. 153.".

On page 252, line 17, strike out "SEC. 156. (a)" and insert in lieu thereof "SEC. 154. (a) STUDY REQUIRED.—".

On page 252, line 19, strike out "national" and insert in lieu thereof "multistate".

On page 253, between lines 6 and 7, insert the following:

(8) adequacy of reserved funds in relation to guaranty commitments made by the agency;

(9) types of services provided to lenders, eligible institutions, and borrowers;

(10) use of funds generated through participation in the guaranteed student loan program by amount and nature of expenses for administrative support for programs other than the guaranteed student loan program;

On page 253, line 7, strike out "(8)" and insert in lieu thereof "(11)".

On page 253, line 9, strike out "(9)" and insert in lieu thereof "(12)".

On page 253, line 10, strike out "(10)" and insert in lieu thereof "(13)".

On page 253, line 12, strike out "(11)" and insert in lieu thereof "(14)".

On page 253, line 13, insert after "(b)" the following: "REPORT.—".

On page 253, between lines 19 and 20, insert the following:

TREATMENT OF CERTAIN EDUCATION LOANS IN BANKRUPTCY PROCEEDINGS

SEC. 155. (a) GENERAL RULE.—Section 1328(a)(2) of title 11, United States Code, is amended by striking out "section 523(a)(5)" and inserting in lieu thereof "paragraph (5) or (8) of section 523(a)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply to any case under title 11, United States Code, commenced before the date of the enactment of this Act.

On page 260, between lines 5 and 6, insert the following:

(c) REALLOTMENT CONFORMING AMENDMENTS.—(1) Section 442(d)(1) of the Act is amended—

(A) by inserting "(A)" after "except that"; and

(B) by adding before the period at the end thereof the following: "(B) the Secretary shall give preference for not less than one-half of the remainder of such reallotments to eligible institutions for use in initiating, improving, and expanding programs of community service-learning conducted in accordance with section 448 of this part".

(2) Section 442(d)(2) of the Act is amended by—

(A) inserting "(A)" after the paragraph designation; and

(B) adding at the end thereof the following new subparagraph:

"(B) The requirement for preference for reallotment contained in subparagraph (B) of paragraph (1) of this subsection shall be made upon application by the eligible institution to the Secretary in such manner and such form as the Secretary may require. The Secretary shall, in determining the distribution of funds under such preference, give consideration to the ratio of the number of students participating in community service-learning work-study programs at the eligible institution to the number of all students participating in the work-study program at such institution. No eligible institution may receive amounts that exceed 5 per centum of the amount available for preference under paragraph (1)(B) of this subsection.".

On page 263, beginning with line 20, strike out through line 12 on page 265.

On page 265, line 14, strike out "SEC. 170." and insert in lieu thereof "SEC. 169.".

On page 265, beginning with line 22, strike out through line 19 on page 266.

On page 266, line 21, strike out "SEC. 173." and insert in lieu thereof "SEC. 170.".

On page 267, line 4, strike out "SEC. 174." and insert in lieu thereof "SEC. 171.".

On page 267, beginning with line 17, strike out through line 13 on page 268 and insert in lieu thereof the following:

STUDENT LOAN INFORMATION

SEC. 172. Section 463A of the Act is amended—

(1) by redesignating clauses (8), (9), (10), (11), and (12), as clauses (9), (10), (11), (12), and (13), respectively, and

(2) by adding after clause (7) the following new clause:

"(8) a statement of the total cumulative balance owed by the student, the projected level of indebtedness of the student based on a two- or four-year college career, and an estimate the projected monthly repayment given the level of indebtedness over a two-, four-, or five-year college career;".

DEFERMENT FOR MATERNAL LEAVE

SEC. 173. (a) GENERAL RULE.—Section 464(c)(2)(A) of the Act is amended—

(1) by striking out "or" at the end of clause (vi);

(2) by striking out the period at the end of clause (vii) and inserting in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(viii) is on maternal leave, as defined in section 435(h).".

(b) CONFORMING AMENDMENT.—Section 464(c)(2)(A) of the Act is further amended by adding at the end thereof the following new sentence: "The period during which the repayment may be deferred by reason of clause (viii) shall not exceed six months.".

On page 268, line 15, strike out "SEC. 176." and insert in lieu thereof "SEC. 174.".

On page 269, beginning with line 19, strike out through line 14 on page 270.

On page 292, beginning with line 19, strike out through line 16 on page 295 and insert in lieu thereof the following:

CERTIFICATION OF STUDENT ELIGIBILITY; ADDITIONAL REQUIREMENTS

SEC. 187. (a) CERTIFICATION RULES.—Section 484 of the Act is amended by inserting at the end thereof the following new subsection:

"(c) Each eligible institution may certify student eligibility for a loan by an eligible lender under part B of this title prior to completing the review for accuracy of the information submitted by the applicant required by regulations issued under this title, if—

"(1) checks for the loans are mailed to the eligible institution prior to disbursements;

"(2) the disbursement is not made until the review is complete; and

"(3) the eligible institution has no evidence or documentation on which the institution may base a determination that the information submitted by the applicant is incorrect.".

(b) REQUIREMENTS.—(1) Section 484 of the Act (as amended by subsection (a)) is amended by adding at the end thereof the following:

"(d) No student shall be eligible to receive any grant, loan, or work assistance under this title if the eligible institution determines that the student borrowed in violation of the annual loan limits under part B or part E of this title in the same academic year, or if the student borrowed in excess of the cumulative maximum loan limits under such part B or part E.".

(2) Section 484 of the Act (as amended by subsection (b)) is amended by adding at the end thereof the following new subsection:

"(e) A student who is admitted on the basis of the ability to benefit from training shall in order to remain eligible for any grant, loan, or work assistance under this title, receive the general education diploma or complete by the end of the first year of the course of study an institutionally prescribed course of remedial or developmental education. In the case of such a student who is attending an institution for less than 1 year the student shall complete an institutionally prescribed course of remedial or developmental education, or receive a general education diploma prior to certification or graduation.".

On page 295, line 18, strike out "SEC. 189." and insert in lieu thereof "SEC. 188.".

On page 295, beginning with line 21, strike out through line 2 on page 296 and insert in lieu thereof the following:

"SEC. 485A. (a)(1) Upon the request of the borrower, a lender described in clause (i), (ii), or (iii) of section 428C(a)(1) of this Act, or defined in subpart I of part C of title VII of the Public Health Service Act may, with respect to all loans eligible for consolidation under section 428C of this Act and loans guaranteed under subpart I of part C of title VII of the Public Health Service Act, offer a combined payment plan under which the lender shall submit one bill to the borrower for the repayment of all such loans for the monthly or other similar period of repayment.

"(2) A lender offering a combined payment plan must comply with all provisions of section 428C applicable to loans to be consolidated under this section and must comply with all provisions of subpart I of part C of title VII of the Public Health Service Act applicable to loans under that subpart which are made part of the combined payment plan.

"(3) Such lender may offer a combined payment plan only if—

"(A) the lender holds an outstanding loan of that borrower which is selected by the borrower for incorporation into a combined payment plan pursuant to this section (including loans which are selected by the borrower for consolidation under this section); or

"(B) the borrower certifies that the borrower has sought and has been unable to obtain a combined payment plan from the holders of the outstanding loans of that borrower.

"(4) In the case of multiple offers by lenders to administer a combined payment plan for a borrower, the borrower shall select from among them the lender to administer the combined payment plan including its loan consolidation component, if any.

"(5) Upon selection of a lender to administer the combined payment plan, the proceeds of such loan selected by the borrower for incorporation in the combined payment plan will be paid by the lender to the holder or holders of the loans so selected to discharge the liability on such loans, except that—

"(A) the lender selected to administer the combined payment plan has determined to its satisfaction, in accordance with reasonable and prudent business practices, for each loan made part of the combined payment plan (i) that the loan is a legal, valid, and binding obligation of the borrower; (ii) that each such loan was made and serviced in compliance with applicable laws and regulations; and (iii) that in the case of loans under this part or under subpart I of part C of title VII of the Public Health Service Act, the insurance on such loan is in full force and effect.

"(6) Lenders offering combined payment plans that include loans eligible for and selected by the borrower for consolidation must comply with all provisions of section 428C of this Act in order to consolidate such loans.

"(7) The status of an individual as an eligible combined payment plan borrower terminates upon receipt of a combined payment plan or upon receipt of a consolidation loan under this section except with respect to loans received under this title or pursuant

to subpart I of part C of title VII of the Public Health Service Act after the date of receipt of the combined payment plan or the consolidation loan.

"(8) No origination or insurance premium shall be charged to the borrower on any combined payment plan.

"(9) Repayment of a combined payment plan shall commence within 60 days after all holders have, pursuant to paragraph (5), discharged the liability of the borrower on the loans selected for consolidation.

On page 296, between lines 9 and 10, insert the following new section:

NATIONAL STUDENT LOAN DATA BANK

SEC. 189. Part F of title IV of the Act is amended by inserting after section 485A (as added by section 188) the following:

"NATIONAL STUDENT LOAN DATA BANK

"SEC. 485B. (a) In order to assure improved and accurate information on student loan indebtedness and institutional lending practices, and to insure improved compliance with the repayment and loan limitation provisions of this title, the Secretary is authorized to establish and carry out a nationwide computerized student loan data bank containing information regarding loans made, insured, or guaranteed under part B and loans made under part E. The information in the data bank shall include—

"(1) the exact amount of such loans made,

"(2) the names, social security numbers, and addresses of the student borrowers (and in the case of dependent students the names and addresses of the parents of such students), and

"(3) the guarantee agency responsible for the guarantee of the loan in the case of loans made, insured, or guaranteed under part B.

The information to be stored in the student loan data bank established by this subsection shall be furnished by guaranty agencies.

"(b)(1) Subject to the provisions of paragraph (2) and (3), and notwithstanding the provisions of section 552(a) of title 5, United States Code, relating to freedom of information, access to information in the data bank established and maintained pursuant to subsection (a) of this section shall be restricted to individuals and Federal agencies, specifically authorized by the Secretary to have such access.

"(2) In carrying out this subsection, the Secretary shall approve access to information for—

"(A) research on student loan practices, student and parental indebtedness, repayment and debt collection trends, Federal costs associated with the guaranteed student loan program under part B of this title, including the cost of interest subsidies and special allowance payments;

"(B) the improvement of Federal debt collection practices and Federal criminal prosecutions under this title, relating to loans made, insured, or guaranteed under part B or loans under part E of this title; and

"(C) furnishing information in response to an official request made by any committee of the Congress.

"(3) No name, address, or social security number of any individual borrower may be made available to any requesting individual, Federal agency, or organization, unless the Secretary determines that the request is connected with the enforcement or debt collection responsibilities imposed by Federal law on such individual, agency, or organization;

"(c) The Secretary shall prepare and submit to the Congress twice in each fiscal year a report describing the results obtained by the establishment and operation of the student loan data bank authorized by this section.".

On page 297, beginning with line 6 strike out through line 10 on page 298.

On page 298, line 13, strike out "SEC. 194." and insert in lieu thereof "SEC. 193.".

On page 304, after line 20, insert the following new section:

CLARIFYING THE STATUTE OF LIMITATIONS FOR ADMINISTRATIVE OFFSET

SEC. 194. Section 2415(i) of title 28 of the United States Code is amended to read as follows:

"(i) The provisions of this section shall not prevent the United States or an officer or agency thereof from collecting by means of administrative offset at any time, any claim of the United States or an officer or agency thereof from money payable to or held on behalf of an individual. Whenever the head of an agency or the designee attempts to collect a claim of the United States by administrative offset pursuant to an applicable statute or the common law, the head of an agency or the designee shall prescribe regulations and establish standards for the exercise of such administrative offset which are consistent with the standards promulgated under section 3711(e) of title 31, and are based on the best interest of the United States, the likelihood of collecting by offset, and the cost effectiveness of carrying an open claim beyond 6 years.".

On page 319, line 7, strike out "and (ii)" and insert in lieu thereof the following: "(ii), (iii), and (iv)".

On page 323, line 17, beginning with "Administrator" strike out through "Statistics" on line 18, and insert in lieu thereof "the Assistant Secretary for Educational Research and Improvement".

On page 342, line 16, strike out "it" and insert in lieu thereof "the institution, (other than an institution applying under part C)".

On page 345, line 8, strike out "increased energy costs,".

On page 347, lines 5 and 6, strike out "each year" and insert in lieu thereof "every other year".

On page 347, line 9, strike out "or" the first time it appears and insert in lieu thereof the following: "and institutions which enroll significant numbers of".

On page 347, lines 9 and 10, strike out "or Pacific Basin institutions under part D" and insert in lieu thereof "or Native Hawaiian students under part A".

On page 349, line 6, after "and" insert the following: "Asian Americans and".

On page 355, between lines 14 and 15, insert the following:

"(4) Funds appropriated for part C shall remain available until expended.".

On page 359, line 12, strike out "GRADUATE" and insert in lieu thereof "COMPREHENSIVE".

On page 359, strike out line 16 and insert in lieu thereof the following:

(B) by striking out "graduate and undergraduate" and inserting in lieu thereof "comprehensive";

On page 366, line 10, strike out "graduate" and insert in lieu thereof "comprehensive".

On page 369, line 24, strike out "Section 732(5)(B)" and insert in lieu thereof "Section 732(b)(5)(B)".

On page 370, strike out lines 10 through 20 and insert in lieu thereof the following:

(b) COMPUTATION OF ALLOWABLE DEDUCTIONS.—Section 732 of the Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall compute the discount which may be offered to a borrower as an inducement to early repayment under subsection (b)(5) in an amount determined by the Secretary to be in the best financial interests of the Government, taking into account the yield on outstanding marketable obligations of the United States having maturities comparable to the remaining term of such loan, if (A) the repayment is made from non-Federal sources, (B) the Secretary has received satisfactory assurances that the housing or other educational facilities financed with the loan will continue to be used for purposes related to the educational institution for the original term of the loan, and (C) the repayment is made prior to October 1, 1991.".

On page 372, strike out lines 16 through 21 and insert in lieu thereof the following: "the Secretary of the Treasury which shall not be more than the average current yield on outstanding obligations of the United States of comparable maturities in the month preceding the month in which the contract for such loan is made.

On page 373, line 9, after the period insert the following: "Such notes or other obligations issued to obtain funds for loan contracts entered into after the effective date of the Higher Education Act Amendments of 1985 shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the average current yield on outstanding obligations of the United States of comparable maturities in the month preceding the month in which the contract for such loan is made.".

On page 395, strike out lines 20 and 21, and insert in lieu thereof:

(1) by striking out paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

On page 397, between lines 18 and 19, insert the following new section:

RECONSTITUTING NATIONAL GRADUATE FELLOWS PROGRAM FELLOWSHIP BOARD

SEC. 276. (a) APPOINTING AUTHORITY; COMPOSITION.—Section 932(a)(1) of the Act is amended—

(1) by striking out "President" and inserting in lieu thereof "Secretary"; and

(2) by striking out "15 individuals" and inserting in lieu thereof the following: "13 individuals after July 31, 1987, and prior to August 1, 1989, 11 individuals after July 31, 1989, and prior to August 1, 1991, and 9 individuals after July 31, 1991"; and

(3) by adding at the end thereof the following new sentence: "The Secretary shall assure that individuals appointed to the Board are broadly knowledgeable about and have experience in doctoral education in the arts, humanities, and social sciences.".

(b) DUTIES.—Section 932(a)(2) of the Act is amended to read as follows:

"(2) The Board shall—

"(A) establish general policies for the program established by this part and oversee its operations;

"(B) establish general criteria for the distribution of fellowships among eligible academic fields identified by the Board;

"(C) appoint panels of academic scholars with distinguished backgrounds in the arts, humanities, and social sciences for the purpose of directing fellows; and

"(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.".

(c) TERMS OF OFFICE.—Section 932(a)(4) of the Act is amended to read as follows:

"(4) The term of office of each member of the Board shall be four years; except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of six years.".

(d) MEETINGS REQUIRED.—Section 932(a)(6)(B) of the Act is amended to read as follows:

"(B) The Board shall meet at least once a year, or more frequently, as may be necessary to carry out its responsibilities.".

(e) SELECTION CRITERIA.—Section 932(b) of the Act is amended to read as follows:

"(b) The recipients of fellowships shall be selected from among all applicants nationwide by distinguished panels appointed by the Fellowship Board to make selections under criteria of academic excellence established by the Board.".

(f) EFFECTIVE DATE.—The amendments made by subsections (a) and (c) of this section shall take effect with respect to individuals appointed to the Fellowship Board to fill vacancies occurring after the date of enactment of this Act on the Fellowship Board as constituted prior to the amendments made by this section. The Secretary shall make initial appointments under this subsection so that the terms of three members expire at the end of two years, three members expire at the end of three years, and three members expire at the end of four years.

On page 397, line 21, strike out "SEC. 276." and insert in lieu thereof "SEC. 277.".

On page 398, line 6, strike out "SEC. 277." and insert in lieu thereof "SEC. 278.".

On page 401, line 20, beginning with "$3,000,000", strike out through "$3,646,519" on line 23 and insert in lieu thereof the following: "$5,250,000 for fiscal year 1987, $5,512,500 for fiscal year 1988, $5,789,125 for fiscal year 1989, $6,078,580 for fiscal year 1990, and $6,382,500".

On page 408, line 14, insert "(a) GENERAL RULE.—" after "SEC. 294.".

On page 408, beginning with line 17, strike out through line 3 on page 413, and insert in lieu thereof the following:

"SEC. 1207. (a) Whenever any institution receives a gift from or enters into a contract with a foreign source, the value of which is $250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.

"(b) Each report to the Secretary required by this Act shall contain:

"(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the aggregate amount of such gifts and contracts received from each foreign government.

"(c) Notwithstanding the provisions of subsection (b), whenever any institution receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose:

"(1) For such gifts received from or contracts entered into with a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source which is a natural person, and the country of incorporation, or if unknown, the principal place of business for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

"(d)(1) If an institution described under subsection (a) is within a State which has enacted requirements for public disclosure of gifts from or contracts with a foreign source that are substantially similar to the requirements of this section, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under subsection (a). The State in which the institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under State law if the State report is filed.

"(2) If an institution receives a gift from, or enters into a contract with, a foreign source, where any other department, agency, or bureau of the executive branch requires a report containing requirements substantially similar to those required under this Act, a copy of this report may be filed with the Secretary in lieu of a report required under subsection (a).

"(e) All disclosure reports required by this Act shall be public records open to inspection and copying during business hours.

"(f)(1) Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated thereunder, a civil action may be brought in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of the Act.

"(2) For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

"(g) The Secretary may promulgate regulations to carry out the ministerial duties imposed on the Secretary by this section.

"(h) For purposes of this section—

"(1) the term 'contract' means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties;

"(2) the term 'foreign source' means—

"(A) a foreign government, including an agency of a foreign government;

"(B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

"(C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

"(D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;

"(3) the term 'gift' means any gift of money or property;

"(4) the term 'institution' means any institution, public or private, or, if a multicampus institution, any single campus of such institution, in any State which—

"(A) is legally authorized within such State to provide a program of education beyond high school;

"(B) provides a program for which it awards a bachelor's degree (or provides not less than a two-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and

"(C) is accredited by a nationally recognized accrediting agency or association and to which institution Federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of Federal financial assistance to any of its subunits; and

"(5) the term 'restricted or conditional gift or contract' means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding (A) the employment, assignment, or termination of faculty; (B) the establishment of departments, centers, research or lecture programs, or new faculty positions; (C) the selection or admission of students; or (D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.".

(b) REPEALER.—Section 1207 of the Act, as added by subsection (a) of this section is repealed on August 1, 1989.

On page 426, line 25, insert "and section 406" after the end parenthesis.

On page 428, line 2, after "(a)" insert the following: "GENERAL AUTHORITY.—(1)".

On page 428, line 3, strike out "(1)" and insert in lieu thereof "(A)".

On page 428, line 5, strike out "(2)" and insert in lieu thereof "(B)".

On page 428, line 6, strike out "(3)" and insert in lieu thereof "(C)".

On page 428, line 8, strike out "(b)" and insert in lieu thereof "(2)".

On page 428, line 16, strike out "(c)" and insert in lieu thereof "(3)".

On page 428, line 19, strike out "(d)" and insert in lieu thereof "(b) ADVISORY COUNCIL.—".

On page 429, line 8, strike out "(e)" and insert in lieu thereof "(c) ANNUAL REPORT.—".

On page 430, line 1, strike out "(f)" and insert in lieu thereof "(d) STATISTICAL RECORDS.—".

On page 430, line 11, strike out "(g)" and insert in lieu thereof "(e) UNIFORM FINANCING DATA.—".

On page 166, in the table of contents, item "Sec. 117." is amended to read as follows:

Sec. 117. Reauthorization; prior experience provision.

On page 166, in the table of contents, strike out items "Sec. 135." through "Sec. 156." and insert in lieu thereof the following:

Sec. 135. Prohibiting the practice of forcing students to use certain lenders.
Sec. 136. Administrative fee.
Sec. 137. Repayment scheduled; rounding of payments.
Sec. 138. Premiums, inducements, and unsolicited mailings prohibited.
Sec. 139. Deferment rules.
Sec. 140. Transfer of loans authorized.
Sec. 141. Information on default.
Sec. 142. Rule for reinsurance based on de-

fault rates.
Sec. 143. Multiple disbursements of loans.
Sec. 144. State guaranty agencies as lender of last resort.
Sec. 145. Auxiliary loan limits.
Sec. 146. Student loan consolidation.
Sec. 147. Authority of the Secretary to impose and enforce limitations, suspensions, and terminations.
Sec. 148. Additional student loan information and contact required.
Sec. 149. Definition of eligible lender; prohibition of certain inducements by eligible lenders.
Sec. 150. Special eligible institution rule for certain medical schools.
Sec. 151. Special allowance.
Sec. 152. Repeal of duplicative provisions.
Sec. 153. Student loan marketing association.
Sec. 154. Study of practices of State guaranty agencies and National guarantors under the guaranteed student loan program.
Sec. 155. Treatment of certain education loans in bankruptcy proceedings.

On page 167, in the table of contents, strike out items "Sec. 169." through "Sec. 177." and insert in lieu thereof the following:

Sec. 169. Priority of needy students.
Sec. 170. Increasing loan limits.
Sec. 171. Rounding of payments.
Sec. 172. Student loan information.
Sec. 173. Deferment for maternal leave.
Sec. 174. Peace Corps and VISTA forgiveness provisions.

On page 167, in the table of contents, strike out items "Sec. 187." through "Sec. 193." and insert in lieu thereof the following:

Sec. 187. Certification of student eligibility; additional requirements.
Sec. 188. Combined payment plan.
Sec. 189. National student loan data bank.
Sec. 190. Truth in advertising.
Sec. 191. Availability of State grant assistance.
Sec. 192. Financial and student support services training.
Sec. 193. Advisory Committee on Student Financial Assistance.
Sec. 194. Clarifying the statute of limitations for administrative offset.

On page 169, in the table of contents, strike out item "Sec. 276." and insert in lieu thereof item "Sec. 277.", and insert after item "Sec. 275." the following new item:

Sec. 276. Reconstituting of National Graduate Fellows Program Fellowship Board.

On page 169, in the table of contents, strike out item "Sec. 277." and insert in lieu thereof item "Sec. 278.".

On page 1, after the title, insert the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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On page 251, line 15, after "Sec. 155." insert the following: "(a) GENERAL AUTHORITY.—".

On page 252, between lines 13 and 14, insert the following:

(b) REINSURANCE AUTHORITY.—(1) Section 439(d)(1) of the Act, as amended by subsection (a), is amended—

(A) by striking out "and" at the end of clause (C);

(B) by striking out the period at the end of clause (D) and inserting in lieu thereof a semicolon and "and"; and

(C) by adding after clause (D) the following new clause:

"(E) to buy, sell, hold, insure, underwrite, and otherwise deal in obligations issued for the purpose of financing or refinancing the construction, reconstruction, renovation, or purchase of educational and training facilities and housing for students and faculties (including the underlying real property), and related equipment, instrumentation, and furnishings, subject to paragraph (6); and".

(2) Section 439(d) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) The authority contained in clause (E) of paragraph (1) of this subsection shall be available only for educational facilities purposes described in each clause which do not qualify under usual business practice because of—

"(A) the difficulty or inability of the institution to otherwise obtain financing on reasonable terms for such purposes;

"(B) the difficulty or inability to obtain financing through the use of the proceeds of bonds or other evidence of indebtedness by the institution or reasonable terms for such purposes; or

"(C) the difficulty or inability to obtain guarantees or insurance by the institution on reasonable terms for such purposes.".

STAFFORD (AND PELL) AMENDMENT NO. 1971

Mr. STAFFORD (for himself and Mr. PELL) proposed an amendment to the bill S. 1965, supra; as follows:

On page 304, after line 20, insert the following:

PART F—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

DEMONSTRATION PROJECT AUTHORIZED

SEC. 196. The Act is amended by adding after part C the following:

"PART D—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

"STATEMENT OF PURPOSE

"SEC. 451. It is the purpose of this part to examine the feasibility of a direct loan program which uses the income contingent repayment method in order to increase the economic and full use of direct student loan funds.

"DEMONSTRATION PROJECT AUTHORIZED

"SEC. 452. (a) The Secretary shall from the amounts appropriated each year carry out demonstration projects in accordance with the provisions of this part.

"(b) For the purpose of making contributions to student loan funds established pursuant to this part there are authorized to be appropriated $5,000,000 for the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1991.

"(c)(1) The Secretary shall allot the amounts appropriated in each fiscal year pursuant to subsection (b) among institutions of higher education which desire to participate in the pilot project authorized by this part and which have agreements with the Secretary under section 453.

"(2) The Secretary may not enter into agreements with more than 10 institutions of higher education under this part.

"AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION

"SEC. 453. An agreement with an institution of higher education under this part shall—

"(1) provide for the establishment and maintenance of a student loan fund for the purpose of this part;

"(2) provide for the deposit in such fund of Federal capital contributions from funds appropriated pursuant to section 452;

"(3) provide for the deposit in such fund of a capital contribution by such institution equal to not less than one-ninth of the amount of the Federal capital contribution described in clause (2);

"(4) provide for the deposit in such fund of collections of principal and interest on student loans made from deposited funds and any other earnings of such funds;

"(5) provide that such student loan fund shall be used only for—

"(A) loans to students, in accordance with the provisions of this part,

"(B) administrative expenses; and

"(C) costs of litigation, and other collection costs agreed to by the Secretary in connection with the collection of a loan from the fund (and interest thereon) or a charge assessed pursuant to regulations;

"(6) provide that repayment of the loans made from such student loan funds will be make in accordance with a repayment schedule, which will be adjusted annually on the basis of the total amount borrowed by the student and the adjusted gross income of the student borrower for the most recent calendar year preceding the year in which the payment determination is made, together with such adjustments in the schedule as the Secretary and the institution determine will best carry out the purpose of this part, except that for the first two years of the repayment period the schedule shall require a fixed payment plan;

"(7) provide for the distribution of assets from student loan funds under this part in accordance with criteria prescribed by the Secretary, based upon the provisions of section 466; and

"(8) provide for such other assurances and limitations as the Secretary may reasonably require.

"TERMS OF LOAN UNDER THE PILOT PROGRAM

"SEC. 454. (a)(1) loans from any student loan fund established pursuant to an agreement under section 453, to any student by any institution shall, subject to such conditions, limitation, and requirements as the Secretary shall prescribe by regulation, be made on such terms and conditions as the institution may determine.

"(2) The aggregate amount of all loans made by institutions of higher education from loan funds established pursuant to agreements under this part to any student may not exceed $17,500.

"(3) The total amount of loans made by institutions of higher education from loan funds established pursuant to such agreement for any academic year may not exceed—

"(A) $2,500 in the case of a student who is in the first or second academic year of a program of education leading to a bachelor's degree;

"(B) $3,500 in the case of a student who is in third such year; and

"(C) $4,500 in the case of a student who is in the fourth and fifth such year.

"(4) The interest rate on all such loans shall be the rate equal to the rate obtained for each calendar year (A) by computing the average of the bond equivalent rates of ninety-one day Treasury bills auctioned for such three-month period preceding such year, and (B) by adding 3 per centum to the resulting per centum.

"(5) Loans made from such funds established pursuant to such agreements shall contain such agreements for deferments, interest accrual during deferments, and loan cancellation, as are consistent with the provisions of part E of this title, subject to such modifications as the Secretary may, by regulation, prescribe.

"(b) The Secretary may by regulation prescribe such other terms for loans made from loan funds established pursuant to such agreements as the Secretary determines will contribute to carrying out the provisions of this part.

"FEASIBILITY STUDY

"SEC. 455. (a) The Secretary shall, based upon the projects assisted under this part, conduct a study of the feasibility of extending the pilot project to a direct student loan fund program of general applicability beginning after September 30, 1990.

"(b) The Secretary shall prepare and submit to the Congress a report on the feasibility study begun pursuant to subsection (a) not later than October 1, 1991 and October 1, 1995, together with such recommendations as the Secretary deems appropriate.".

On page 167, in the table of contents, after item "Sec. 194." insert the following:

PART F—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

"SEC. 196. Demonstration project authorized.".

STAFFORD AMENDMENT NO. 1972

Mr. STAFFORD proposed an amendment to the bill S. 1965, supra; as follows:

On page 204, line 16, strike out "; VETERANS"

On page 204, beginning with line 26, strike out through line 25 on page 206.

On page 207, line 1, strike out "(4)" and insert in lieu thereof "(2)".

On page 207, line 3, strike out "(B)" and insert in lieu thereof "(e)".

WILSON AMENDMENT NO. 1973

Mr. WILSON proposed an amendment to the bill S. 1965, supra; as follows:

On page 220, between lines 9 and 10, insert the following new section:

REPORTING REQUIREMENT FOR MULTISTATE GUARANTORS

SEC. 141. (a) GENERAL RULE.—Section 428(b) of the Act (as amended by section 140) is further amended by adding at the end thereof the following new paragraph:

"(5)(A) Each multistate guarantor guaranteeing loans under this part shall, with respect to loans insured by the multistate guarantor for students who are residents of a State for which the multistate guarantor is not the State designated guaranty agency for the purpose of this part, report such loans to the appropriate State-designated guaranty agency.

"(B) The information required by subparagraph (A) shall include—

"(i) the name, the social security number, and the address of the borrower;

"(ii) the amount borrowed, the cumulative amount borrowed, the income reported for application, the purposes and cost of attendance of the borrower.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to loans made after October 1, 1986, and shall be reported not later than six months after the date of enactment of this Act and at each six-month interval thereafter.

Redesignate the succeeding sections in part B of title I accordingly.

On page 166, in the table of contents, after item "Sec. 140." insert the following:

"Sec. 141. Reporting requirement for multistate guarantor.";

and redesignate the succeeding items in part B of title I accordingly.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Committee on the Budget will meet to discuss the committee's recommendation with regard to Senate Resolution 416 on Tuesday, June 3, 1986, in room 608 of the Dirksen Senate Office Building, at 2:30 p.m. Senate Resolution 416 waives section 303(a) of the Budget Act for purposes of considering the Senate Finance Committee-reported tax bill (H.R. 3838).

Messrs. Rudy Penner of the Congressional Budget Office and David Brockway of the Joint Committee on Taxation will be present for questions.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry has scheduled a full committee hearing to consider the nomination of Mr. George S. Dunlop, of North Carolina, to be Assistant Secretary for Natural Resources and Environment, U.S. Department of Agriculture.

The hearing will begin at 10 a.m., Thursday, June 5, 1986, in 332 Russell Senate Office Building.

For further information please contact Warren Oxford or Terry Wear at 224-2035.

ADDITIONAL STATEMENTS

ELLIOT RICHARDSON ON PAYING OUR DUES

● Mr. MATHIAS. Mr. President, just before the Memorial Day recess, an article appeared in the Washington Post which deserves to be singled out for its candor and clarity on an important question: the credibility of our international commitments.

In that article, Elliot Richardson stressed that international institutions work only when they are taken seriously. As a nation which proclaims the rule of law, the United States cannot pick and choose its moments to observe international obligations, certainly those to which we have already subscribed by treaty. Mr. Richardson referred specifically to the question of dues to the United Nations. But he could have referred to other commitments as well.

Whether it involves a financial payment or the use of force, our policies must be consistent with our international obligations. As Mr. Richardson noted, we can renegotiate the terms of these obligations, but we cannot walk away from them.

The article follows:

. . . AND SKIRTING THE LAW

When ships of the U.S. Sixth Fleet sailed into the Gulf of Sidra last month, White House spokesmen treated the episode as a police action carrying two messages. The first was that international law prohibits exclusionary zones such as Muammar Qaddafi's "line of death." The second, implicit in the deadly vigor with which the first was delivered, was that terrorism is an impermissible violation of international norms.

When a squadron of U.S. bombers struck Libyan terrorist support facilities several weeks later, the president again invoked an international norm in justification: the self-defense provisions in Article 51 of the United Nations Charter.

It is not surprising that this country, after long provocation, should act as the avenging instrument of abused international law. From the early 19th century, when President Madison sent U.S. Marines against the Barbary pirates, the United States has championed international norms, which in turn have served American interests in global stability. What is surprising is that the same country that defends international law against terrorism—and exhorts others to do so—is now violating it at the United Nations.

As a result of congressional cuts topped off with additioal trimming by administration budget cutters, the United States will reduce its contribution to the U.N. this year by at least 40 percent—roughly $80 million—and in so doing violate its international legal commitments under the U.N. Charter. Defenders of the U.S. cuts argue that they will force the world body to give this country influence commensurate with its 25 percent share of U.N. costs and that in any event the U.N. cannot receive special treatment at a time of belt-tightening for the entire federal budget.

They are missing the point. United Nations dues are not determined by unilateral action. They are apportioned according to a negotiated formula anchored in Article 17, a binding provision of the U.N. Charter, and based upon members' gross national products. By no means, however, does the existence of Article 17 permanently shackle this country to payment of any particular percentage contribution. On the contrary, at U.S. urging, the General Assembly has already reduced the United States' share of the bill on three occasions in the past. If the American people want it lowered again—by whatever amount—there is a procedure for negotiating it down that would not violate, and thus weaken, the U.N. Charter.

But the legal course has been ignored. Ironically, in their collective resort to illegality, Congress and the administration have injured this country's stature and credibility as a defender of international law at precisely the time we are exhorting others to join in its defense against terrorism. That is a double standard that should be disquieting to U.S. policy makers.

First, as a delegation of European ambassadors pointed out to Deputy Secretary of

State John Whitehead, the casual disregard of U.S. treaty obligations in one case tends to debate the value of our signature on any treaty. After all, the United States is party to numerous treaties and legal commitments that are vital to our national interests—the NATO Pact, the Convention on Civil Aviation, the Nuclear Non-Proliferation Treaty, various bilateral and multilateral treaties governing extradition, the network of friendship, commerce and navigation treaties that protect and promote U.S. trade and investment abroad, and many others. Do we really want to have to explain to our allies and fellow signatories when our word is good and when we might be winking?

Second, it is worth reminding ourselves that the very norms the United States sought to defend by its actions in the Gulf of Sidra, Tripoli, and Benghazi derive their legal standing from their status in a U.N. agreement. For the Gulf of Sidra example, the source is the Law of the Sea Treaty, whose provisions on the definition of a bay on international rights of overflight and navigation and on the 12-mile territorial limit, give these principles a legal stature. For the strikes against Tripoli and Benghazi, the relevant source is the U.N. Charter itself, whose Article 51 protects the "right of individual or collective self defense."

Finally, before overturning Article 17, let us also remember one more thing. It was the United States which for many years insisted upon the binding application of this provision: first against countries that, like the U.S.S.R., continue to refuse payment for some U.N. peacekeeping activities and for technical assistance to developing countries; and more recently, against member states that are chronically late with their dues. In a 1962 proceeding before the World Court, the United States argued: "The legal consequence of the General Assembly assessment resolution . . . was to create binding legal obligations of member states"—an opinion reaffirmed by the legal adviser to the State Department in 1975 and again in 1978.

Ultimately, the choice faced by the United States is starkly simple; we abide by our treaties or we don't. If Congress wants to change the terms of a treaty, the legal recourse is to renegotiate. If negotiation fails, then other methods may be considered. But to throw our legal commitments to the winds is to invite others to do the same or, as in the case of the Soviet Union, to condone their having done so.●

CARE: PAST AND FUTURE

● Mr. LUGAR. Mr. President, this year we celebrate the 40th anniversary of CARE, the largest, nonsectarian, nongovernmental, nonprofit, development and relief organization in the world. On May 11, 1946, the first CARE packages were delivered to wartorn Europe. By the time the last of more than 100 million packages was delivered in 1967, the term "care package" had taken a place in the English language.

Few of us know today what the acronym originally stood for, but few of us would fail to recognize what the organization named CARE represents. President Reagan's 1985 presentation to CARE of the Presidential World Without Hunger Award acknowledged CARE's key role since its founding in 1946 in the fight against hunger, poverty, and disease throughout the world. Over 900,000 individuals in the United States and Puerto Rico have made their own acknowledgement of the value of CARE's work through their personal financial contributions to the organization. Other thousands have contributed throughout the world. This broad base of support amply demonstrates appreciation for the vital role played by CARE over the last four decades.

The Third World has been hard hit by worldwide economic disruptions in recent years. The resulting widening gap between developed and developing nations continues to threaten global security. CARE has been in the forefront of efforts to meet these challenges.

But CARE is not just a relief agency. The organization has always taken the lead in combining short-term relief with longer-term rehabilitation and development. As it celebrates its 40th anniversary, CARE continues to move forward into new and exciting areas. CARE's 5-year overall plan—entitled "CARE for the Future"—focuses the organization's development strategy on the crucial areas of health, natural resources conservation, and employment opportunity.

In the area of health, CARE is concentrating on helping developing nations preserve their most precious resource—children. Without the resources to make improvements in health and welfare, Third World children are the first to suffer in any crisis situation. Every day thousands of children die from diseases that are, for the most part, treatable or preventable. CARE has long recognized the need for adequate health and nutritional care for the young and is committed to improving primary health care.

In the area of conservation of natural resources, CARE has initiated projects at the community level centering on tree planting, soil conservation and enhancing food production. For instance, CARE currently operates the largest agroforestry program in the world—a program which combines agriculture and forestry to restore productivity to overworked lands. These projects are underway in 19 countries throughout the world and already 7.3 million seedlings have been planted just in Africa.

CARE is not just concentrating on feeding and vaccinating people in the Third World but is also addressing the need for productive employment. CARE's community projects are aimed at establishing small family businesses or cottage industries at the village level. The projects vary greatly but all are designed to provide impoverished people with the opportunity to work toward self-sufficiency. Through this approach CARE is helping thousands of people in the Third World look beyond survival toward a brighter future.

As we look back in celebration at CARE's last four decades, Mr. President, we need to join CARE in also looking at the future. This outstanding organization is clearly not content to rest on its past accomplishments, as important as they may be. The long-term focus embodied in the "CARE for the Future" plan is typical of CARE's approach. In the 40 years, CARE has been the key to improving countless lives throughout the developing world. We look forward to its promising future in this crucial effort.●

MEDICAL DEVICE LEGISLATION—MARKING THE 10TH ANNIVERSARY

● Mr. HATCH. Mr. President, 10 years ago on May 28, President Ford signed into law legislation that significantly enhanced consumer protection and the quality of health care services in this country. The 1976 Medical Device Amendments to the Federal Food, Drug, and Cosmetic Act profoundly affected the manner in which medical products are regulated by the Food and Drug Administration.

Prior to that date, FDA could take action only in cases where devices already in clinical use were found to be unsafe, and much of FDA's work in the early days related to grossly hazardous and in some cases fraudulent devices. Many of the bona fide devices that were being used around the time of the 1938 FDC Act were relatively simple items which applied basic scientific concepts. Thus clinicians and other users could easily identify whether such devices were functioning properly.

The need for greater Federal control over medical devices became evident around 1960, when the post-war revolution in biomedical technology introduced a new and wider variety of sophisticated devices to the medical arena. New developments in electronics design engineering, plastics, metallurgy, and ceramics led to the invention of a host of revolutionary devices such as pacemakers, cardiac and renal catheters, heart valves, surgical implants, and dialysis machines. These new breakthroughs signaled the need for a change in FDA's role, as well as the need for broader authority.

The 1976 legislation, which was based on the work of a former HEW study group on medical devices in the early 1970's, gave the FDA explicit authority to regulate medical devices prospectively—that is, to review their diagnostic and therapeutic utility, the validity of accompanying medical claims, and their safety and effectiveness, before they were allowed onto the market.

Today, in commemoration of the passage of the Medical Device Amendments of 1976, I sent the following letter to the Commissioner of Food and Drugs, Dr. Frank E. Young, congratulating him and the FDA's Center for Devices and Radiological Health for the excellent job they have done during the past 10 years in implementing the Medical Device Amendments of 1976.

JUNE 2, 1986.

FRANK E. YOUNG, M.D., Ph. D.,
Commissioner,
Food and Drug Administration,
Rockville, MD.

DEAR DR. YOUNG: On this tenth anniversary of the Medical Device Amendments of 1976 I want to extend my congratulations to you and FDA's Center for devices and Radiological Health for the outstanding efforts you have made during the last ten years in implementing this important public health law.

With the 1976 Device Amendments came the monumental task of regulating nearly 2000 generic types of devices, which presently range from ordinary clinical thermometers to medical marvels such as artificial hearts. The underlying intent of the new law was to assure the safety and effectiveness of new medical products coming onto the market without imposing unnecessary barriers for the development of safer, less invasive, and more cost-effective technologies. This balance between safeguarding the American public from unsafe and ineffective medical devices and facilitating medical innovation has been a very difficult one to achieve. Nonetheless, one cannot help but be impressed with the efforts of the FDA and its Center for devices and Radiological Health over the past decade in skillfully maintaining that delicate balance.

I commend the FDA and the staff of its Center for Devices and Radiological Health for ten years of high commitment and quality public service.

Sincerely,

ORRIN G. HATCH,
Chairman.●

SERGEI KHODOROVICH—SOVIET PRISONER OF CONSCIENCE

● Mr. LUGAR. Mr. President, I would like to share with my colleagues the situation of Sergei Khodorovich, a Soviet prisoner of conscience, only one of many who suffers in the Soviet Union for his religious beliefs and defense of human rights. I ask that this statement be printed in the RECORD.

The statement follows:

YET ANOTHER PRISONER OF CONSCIENCE: SERGEI KHODOROVICH

Early last week the Berne Human Contacts Meeting of the Helsinki Signatory States concluded in Switzerland. I was very pleased to learn of the Soviet announcement that it plans to release members of 36 families divided by the Iron Curtain. This act helps give meaning to the joint statement by President Reagan and General Secretary Gorbachev on the importance of resolving humanitarian cases in a spirit of cooperation. However, there is still a long path ahead.

Over the past ten years, since the Helsinki Accords were signed, there have been continuing problems with human rights abuses in Eastern Europe and the Soviet Union, particularly with respect to the persecution of religious believers. Anatoly Shcharansky's recent visit to the United States reminds us of the continuing struggle for all prisoners of conscience. As Chairman of the Senate Foreign Relations Committee, I am constantly reminded of human rights violations around the world and, primarily, Eastern Europe and Soviet violations of the Helsinki Accords. Recently, another case has come to my attention—that of Sergei Khodorovich.

As a result of his Christian faith and defense of human rights, Sergei Khodorovich, a 44-year-old Russian, has suffered years of abuse and imprisonment in a Soviet labor camp in Norilsk, Siberia. He was scheduled for release from prison on April 7. Only days before his release date, however, Khodorovich was re-arrested in prison camp, presumably under Article 188-3 of the Soviet Criminal code.

This article, enacted shortly before Andropov's death, authorizes prison officials to resentence prisoners to an additional one to five years of imprisonment for what is obscurely defined as "malicious disobedience." A person may be sentenced to years in prison for such simple infractions as possessing a prayer book or Bible, or encouraging other prisoners to take part in religious worship. Moreover, these protracted sentences are imposed without the benefit of a trial. Thus, prison authorities can essentially inflict perpetual imprisonment upon those who refuse to "reform" and recant their faith.

Khodorovich was imprisoned more than three years ago for managing the Russian Social Fund, a charity established by Alexander Solzhenitsyn in 1974 to assist the families of prisoners of conscience. Khodorovich took over that position in 1977 after the previous manager was arrested. During the years that followed, Khodorovich was fired from his job, harassed by the KGB, and finally arrested in 1983 for "circulation of anti-Soviet slander."

For two months, while awaiting trial, he was systematically beaten by Soviet officials in a fruitless attempt to coerce a false confession that the Fund is a front for Western intelligence agencies. But even two months of this barbaric treatment could not force the human rights activist to renounce the charitable work. A surge of Western protests, including a news conference here on Capitol Hill, resulted in a halt to those beatings, and Khodorovich received a lighter sentence than expected—three years in a strict labor camp on the coast of the Arctic Ocean, much of which time was spent in total isolation.

Khodorovich is suffering from Botkin's disease and hypertonia. Since his arrest, he has been denied visiting privileges with his wife, Tatyana, and son, Igor. He has now been sentenced to another three year prison term. Those in the West who fight continually for the freedom of dissidents report that any prsioner like Khodorovich, who has served time in isolation, is particularly vulnerable to harsh punishment.

The writings of men such as Andrei Sakharov and Alexander Solzhenitsyn have clearly exposed the brutal tactics of Soviet officials to destroy the physical and emotional strength of those who are courageous enough to stand up for human rights and dignity. Those of us in a position to do something substantial to change these conditions have a duty to assist those, such as Sergei Khodorovich, who covet the same freedoms that we treasure in our nation.

Sergei continues to suffer greatly for his courageous, unselfish efforts to help many people, and we must denounce and demand a halt to such abominable human rights violations. At the same time, we must remember that Khodorovich is just one of many who has been persecuted in the Soviet Union for his religious beliefs and desire to help others. In raising his case, we are really raising those of thousands who suffer equally, and whose names we cannot mention today.

On Tuesday, May 13, we had the opportunity to welcome Anatoly Shcharansky to the Capitol of the United States, and I had the pleasure of meeting with him personally in my office. Anatoly Shcharansky is now out of the Soviet gulag for two essential reasons. First, he is a man of great courage, faith and conviction. Second, and just as important, he is free because of his friends, in this country and others, who pursued his release through a long, persistent fight on his behalf.

We must continue to work together to hold those in Moscow accountable to their pledge of respect for religious beliefs and individual freedoms as embodied in the Helsinki Agreement. We must take every action possible to ensure that the kind to torture inflicted on such men as Khodorovich and Sakharov is not allowed to persist. It is my hope that the Soviet's significant step at the Berne Meeting signals that the Soviet Union shares our desire to move ahead in efforts to improve mutual understanding and to make progress in other areas of human rights. I strongly urge that the Soviet government fully consider its obligations under the Helsinki Final Act and Madrid Concluding Document of the Conference on Security and Development in Europe, and I know that my colleagues join me in this effort.●

ADVANCE NOTIFICATION PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Committee on Foreign Relations.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification has been received.

Interested Senators may inquire as to the details of this advance notification at the office of the Committee on Foreign Relations, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 22, 1986.

Dr. M. GRAEME BANNERMAN,
Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b)(1) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost $50 million or more.

Sincerely,

PHILIP C. GAST,
Director.●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act, as amended.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 2, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Concurrent Resolution 32. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is through May 22, 1986. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

Since my last report Congress has completed action on and sent to the President H.R. 2672, the Federal Employees Retirement System Act of 1986. As a result of this action, revenue estimates have changed.

With best wishes,

Sincerely,

RUDOLPH G. PENNER.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 2ND SESSION, AS OF MAY 22, 1986

[Fiscal year 1986—in billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,057.1	980.3	778.5	2,018.2
Budget resolution, Senate Concurrent Resolution 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over resolution by		12.7		
Under resolution by	12.6		17.2	60.5

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limits in $2,078.7 billion.

FISCAL YEAR 1986, SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF MAY 22, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds.	723,461	629,772	
Other appropriations	525,778	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions.	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation urgent supplemental appropriation, 1986 (Public Law 99–243).			
Federal Employees Benefits Improvement Act of 1986 (Public Law 99–251).		4	
VA home loan guarantee amendments (Public Law 99–255).		−51	
Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272).	−4,259	−6,001	765
Department of Agriculture urgent supplemental, 1986 (Public Law 99–263).			
Advance to Hazardous Substance Response Trust Fund (Public Law 99–270).			
FHA and GNMA Credit Commitment Assistance Act (Public Law 99–289).		−380	
Total	−4,259	−6,428	765
III. Continuing resolution authority.			
IV. Conference agreements ratified by both Houses: Federal Employees Retirement Act of 1986 (H.R. 2672).			−90
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation.	272	185	
Veterans readjustment benefits.	91	91	
Compact of free association.	205	205	
Special benefits (Federal employees).	14	14	
Family social services	100	75	
Guaranteed student loans.	6		
Payment to civil service retirement [1].	(37)	(37)	
Total entitlements	688	570	
Total current level as of May 22, 1986.	1,057,108	980,302	778,469
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining: Over budget resolution.		12,702	
Under budget resolution.	12,592		17,231

[1] Interfund transactions do not add to budget totals.

Note: Numbers may not add due to rounding.●

SENATE'S TAX REFORM BILL

Mr. LEVIN. Mr. President, on May 21, I posed some questions on the Senate floor regarding the Senate Finance Committee's tax reform bill. One question I asked was how many taxpayers would be paying more in taxes under the Finance Committee bill than under current law. Articles have appeared which point out the possibility that a significant number of taxpayers—including two-earner couple middle-income taxpayers—could well receive net tax increases under the legislation. I ask that following my remarks one such article from the Wall Street Journal appear in the RECORD.

In my statement of May 21, I referred to two specific examples provided by one of the principal proponents of the bill showing how taxpayers fared under it. I attempted to show that with minor and reasonable modifications those taxpayers could be converted from winners to losers under the Finance Committee plan. However, I have since discovered that one of those modified examples which looked to a two-wage-earner family making $60,000 a year is incorrect due to an arithmetic error. The original example indicated that this family would have received a $580 tax cut under the Finance Committee plan. My modification relating to IRA contributions suggested that this family would actually experience about an $80 tax increase. Actually, even with my modification this family would have received a $250 tax cut. I regret this error and want to take this opportunity to set the record straight.

The article follows:

[From the Wall Street Journal, May 27, 1986]

YOUNG PROFESSIONALS MAY BE LOSERS IN SENATE PLAN TO REVISE TAX CODE

(By Alan Murray)

Yuppies, beware.

The tax plan pending in the Senate cuts taxes for most Americans, but for one closely-watched group—the young urban professionals—it may mean a big tax increase.

Consider this profile of a typical young professional couple. They have few or no children and they own their own home. Both work at major corporations. Their combined salary is between $50,000 and $75,000 a year. True to form, they buy lots

of things, often with credit cards. And while they aren't big savers or investors, they are savvy enough to take full advantage of the one tax shelter readily available to them: the individual retirement account.

That's also the profile of a loser under the Senate Finance plan. If it becomes law, their tax bill is likely to become upwardly mobile.

CAUGHT IN THE MIDDLE

The tax plan offers significant rate cuts to taxpayers currently in the highest tax-rate brackets; it also offers big increases in the standard deduction and the personal exemption to low- and middle-income families. But for the prototypical young professional, it's easy to get caught in the middle.

For example, here's what would happen to the taxes of such a couple in Maryland, as calculated by the Washington office of the accounting firm of Coopers & Lybrand.

She makes $40,000 a year; he makes $20,000. Currently, they deduct $13,000 in interest on their home mortgage, $2,000 in interest on car and credit card loans, $4,535 in state taxes and $1,000 in charitable contributions. Each makes an annual $2,000 contribution to an IRA, although each is also covered by an employer's pension plan.

If the Senate bill is enacted, their taxes would jump 13% in 1988.

Why such a heavy burden? Mostly because the rate reductions offered by the Senate plan mean little to this couple. Under current law, their deductions already bring them down to the 28% tax bracket; under the Senate Finance proposal the top rate falls just slightly to 27%. Meanwhile, the plan's big increase in personal exemptions—which would nearly double to $2,000 in 1988 under the Senate plan—helps a little, but not much, because the couple has no children. Nor does the plan's increase in the standard deduction help much, because the couple itemizes their deductions.

Instead, the Senate Finance Committee would chop two of the couple's itemized deductions. The deduction for interest on auto, credit card and other consumer loans would be phased out over four years, cutting non-mortgage interest deductions by $1,200 in 1988, and the deduction for sales taxes would be eliminated, reducing the couple's deductions by another $426.

The Senate Finance plan would also eliminate two adjustments the couple currently uses to reduce their adjusted gross income: $4,000 in deductions for their IRAs and the $1,800 "two-wage earner" deduction.

The picture improves slightly if the couple quickly produces two children. Even so, their tax bill would still be 7% higher under the Senate Finance plan than under current law.

SOBERING MESSAGE

David T. Wright, national director of tax services at Coopers & Lybrand, says the above example is typical of what young professional families can expect. His message is clear: This tax bill isn't for them.

The tax plan passed by the House of Representatives would be less painful. The same couple with no children would face only a 2% tax rise; with two children, their tax bill would be virtually unchanged from current law.

The Joint Committee on Taxation argues that families with incomes ranging from $50,000 to $75,000 would enjoy an average tax cut of 3.9% under the Senate plan. But that's just an average; Coopers & Lybrand says that many families will be far worse off than that.

FAMILIES WHO BENEFIT

To be sure, a family earning $75,000 that doesn't own a home and has few deductions would enjoy a significant windfall: Their top tax rate could drop to 27% from 42%. Likewise, a family with five or six kids would almost certainly enjoy a tax cut, thanks to the generous boost in the personal exemption. And families that have avoided IRAs and buy most things with cash rather than credit would be equally likely to enjoy some benefit under the plan.

But the stereotypical young professional owns his own home and uses lots of credit cards. Statistics show that most such people also have IRAs. The Employee Benefit Research Institute shows that over 50% of all families earning from $50,000 to $75,000 a year contribute to an IRA. A majority of those make the full contribution—$2,000 for singles and $4,000 for couples—allowed each year. And most IRA contributors are covered by employer pension plans and therefore would lose that deduction if the Senate plan were enacted.

For a two-earner family with no children, which shelters $4,000 in IRAs each year, the loss of that tax break alone could easily offset any benefit from lower tax rates and an increased personal exemption.

LOSING CONSUMER INTEREST

Add to that the loss of consumer interest deductions and the picture grows worse. "Consumer interest is a big item that people haven't given a lot of thought to yet," says Mr. Wright. Interest on the typical small car loan can easily run $1,000 a year. And in the year in which a car is bought, taxpayers will also lose the separate deduction for the sales tax paid on the car.

The loss of the interest deduction could be avoidable. Taxpayers may be able to escape that by increasing their home mortgage—since interest on home mortgages will still be deductible—and then paying cash for cars and other big-ticket items.

But many young professionals are likely to find themselves disillusioned with the Senate tax plan. "I haven't talked to any of my friends—all two-earners couples—who don't lose under the plan," says Pamela Pecarich, 42-year-old manager of tax policy for Coopers & Lybrand. "A lot of people are concentrating on the marginal tax rates and expect a tax cut. But they may be surprised."

PORTRAIT OF A LOSER

The following shows the 1988 tax liability of a family with two wage earners, $60,000 a year in wages and salaries and no children.

	Current law	Senate finance
Wages, salary	$60,000	$60,000
Interest income	1,000	1,000
Deductions:		
IRA	(4,000)	
Two-earner deduction	(1,800)	
State and local taxes	(4,535)	(4,109)
Mortgage interest	(13,000)	(13,000)
Consumer interest	(2,000)	[1](800)
Charitable contribution	(1,000)	(1,000)
Personal exemptions	(2,333)	(4,000)
Tax	5,988	6,769

[1] Under the "phase-out" of the consumner interest deduction, 40% of such deductions would still be allowed in 1988.

Source: Coopers & Lybrand.

DETECTIVE CAPT. MALCOLM E. GRASS

● Mr. LUGAR. Mr. President, I would like to take this opportunity to join my Hancock County constituents and all Indiana citizens to express my deepest sadness and regret concerning the death of Detective Capt. Malcolm E. Grass. Grass was shot and killed in the line of duty on May 8, 1986, as he worked with the FBI to arrest two extortion suspects in Greenfield, IN.

Grass, a lifelong Hancock County resident, started his law enforcement career as the deputy town marshal of Shirley in 1964. He later became the town marshal. In 1972, he joined the Hancock County Sheriff's Department as a deputy. In 1974, he was appointed sheriff and was then reelected to two additional terms. He had recently served as the chief deputy and captain of the Hancock County Sheriff's Department.

Grass showed a relentless dedication to police work. He was "a man who had come to symbolize law and order and the decent way of life," eulogized the Greenfield Daily Reporter.

I share the sense of loss with those who have come to love and respect Malcom E. Grass. My deepest sympathy is with his family, his wife Carolyn, and his two sons Kerry and Mark.●

THE INDEPENDENCE OF THE NATIONAL TRANSPORTATION SAFETY BOARD

● Mr. LAUTENBERG. Mr. President, on May 23, the Washington Post and the New York Times reported that James Burnett, the former Chairman of the National Transportation Safety Board, had been interviewed regarding his reappointment as Chairman by James Burnley, Deputy Secretary of Transportation. In a May 27 letter that I wrote to the President, I question whether such an interview was appropriate.

The activities of the Department of Transportation in a variety of transportation safety areas are, when warranted, investigated and criticized by the National Transportation Safety Board. The independence of the Board is essential to its credibility with the Congress and the public.

Mr. President, it is fundamentally wrong for the Department of Transportation to play a determinative role in the appointment of the Chairman of the National Transportation Safety Board regardless of who the nominee might be. The Board must not be politically the servant of the Department it is charged with investigating. Even the appearance of undue influence threatens the credibility of the Board.

Mr. President, I ask that the text of my letter to the President be printed in the RECORD.

The letter follows:

U.S. SENATE,
Washington, DC, May 27, 1986.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to express my concern about a threat to the independence of the National Transportation Safety Board. On Friday May 23, the *Washington Post* reported that James Burnett, chairman of the National Transportation Safety Board, had been interviewed regarding his reappointment as chairman by James Burnley, Deputy Secretary of Transportation. I question whether such an interview is appropriate.

The National Transportation Safety Board is an independent agency responsible for investigating a wide range of transportation accidents. As such, it has the responsibility to oversee the policy and procedures of the Department of Transportation and to call it to task when warranted. The role of the Board as critic is precisely what was contemplated when the Board was established. It is essential that the Board's independence be maintained.

No area better illustrates the need for an independent National Transportation Safety Board than aviation safety. 1985 was the worst year in air safety since 1977. The Board has been called upon to investigate a number of accidents including the tragic loss of six lives in New Jersey on November 10, 1985, when two planes collided over a densely populated community. The investigation of that crash was focused on the performance of the air traffic control system.

The Federal Aviation Administration and the Department of Transportation have been criticized by the Congress for the laggard pace at which the air traffic control system is being rebuilt. When an accident occurs which involves a mistake by air traffic controllers, like the November 10, 1985 New Jersey crash or the recent near miss on the runway of Chicago's O'Hare airport, congressional concern is focused on the adequacy of the FAA's performance.

The National Transportation Safety Board's responsibility is to tell the Congress and the public why a crash occurs and what should be done to avoid crashes in the future. The Board's exercise of its duties cannot be influenced by any political agenda. The Board's direction cannot be influenced by the agency it is charged with investigating.

If the interview of Mr. Burnett by Mr. Burnley was used to pass judgment on Mr. Burnett's conduct of the Board's duties, I find it inappropriate and a threat to the Board's independence. The public credibility of an essential independent agency is at stake. Even the appearance of undue influence threatens the ability of the Board to conduct its affairs.

I urge that steps be taken immediately to assure the Congress and the public that decisions affecting the National Transportation Safety Board are made on safety grounds alone.

Sincerely,

FRANK R. LAUTENBERG.●

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1740

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 2506

Mr. THURMOND. Mr. President, I ask unanimous consent that S. 2506, to establish a Great Basin National Park, be star printed to reflect the following changes which I send to the desk.

Mr. BYRD. Mr. President, this matter has been cleared on our side. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY

Mr. THURMOND. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from three treaties transmitted by the President of the United States to the Senate on May 28, May 30, and June 2, 1986:

Encouragement and Protection of Investments Treaties with Cameroon (Treaty Doc. 99-22), with Bangladesh (Treaty Doc. 99-23), and with Egypt (Treaty Doc. 99-24).

I also ask that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the treaty between the United States of America and the Republic of Cameroon concerning the Reciprocal Encouragement and Protection of Investment, signed at Washington on February 26, 1986. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

The Bilateral Investment Treaty (BIT) program, initiated in 1981, is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Cameroon and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *May 22, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the treaty between the United States of America and the People's Republic of Bangladesh concerning the Reciprocal Encouragement and Protection of Investment, with protocol and exchange of letters, signed at Washington on March 12, 1986. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

The Bilateral Investment Treaty (BIT) program, initiated in 1981, is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Bangladesh and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with protocol and exchange of letters, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *May 30, 1986.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the treaty between the United States of America and Arab Republic of Egypt concern-

ing the Reciprocal Encouragement and Protection of Investment, signed at Washington September 29, 1982; with a related exchange of letters signed March 11, 1985; and a supplementary protocol signed March 11, 1986. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

The Bilateral Investment Treaty (BIT) program, initiated in 1981, is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Egypt and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible, and give its advice and consent to ratification of the treaty, with related exchange of letters and supplementary protocol, at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *June 2, 1986.*

ORDERS FOR TUESDAY

RECESS UNTIL 9:30 A.M.

Mr. THURMOND. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 9:30 a.m., on Tuesday, June 3, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. THURMOND. Mr. President, following the recognition of the two leaders under the standing order of 10 minutes each, I ask unanimous consent that there be special orders in favor of the following Senators for not to exceed 4 minutes each: Senators HAWKINS, CRANSTON, PRESSLER, PROXMIRE, LEVIN, and GORE,

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. THURMOND. Mr. President, following the special orders just identified, if time permits, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 10:15 a.m., with Senators permitted to speak therein for not more than 2 minutes each.

Mr. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

HIGHER EDUCATION BILL

Mr. THURMOND. Mr. President, at the conclusion of routine morning business, the Senate will resume consideration of S. 1965, the higher education bill. Votes could occur prior to the hour of 12 noon in relation to S. 1965.

RECESS BETWEEN 12 NOON AND 2 P.M.

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon and 2 p.m. in order for the weekly party caucuses to meet.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. THURMOND. Mr. President, at 2 p.m., the Senate will resume consideration of S. 1965, the higher education bill. Votes can be expected throughout the day on Tuesday, June 3, 1986.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. THURMOND. Mr. President, I now move that the Senate stand in recess until 9:30 a.m., Tuesday, June 3, 1986.

The motion was agreed to; and, at 5:50 p.m., the Senate recessed until Tuesday, June 3, 1986, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 28, 1986, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF STATE

Jonathan Moore, of Massachusetts, to be U.S. Coordinator for Refugee Affairs and Ambassador at Large while serving in this position, vice Howard Eugene Douglas, resigned.

DEPARTMENT OF EDUCATION

Peter R. Greer, of Maine, to be Deputy Under Secretary for Intergovernmental and Interagency Affairs, Department of Education, vice A. Wayne Roberts.

COMMODITY FUTURES TRADING COMMISSION

Kalo A. Hineman, of Kansas, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring June 19, 1991, reappointment.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

James S. Rosebush, of the District of Columbia, to be a member of the National Museum Services Board for a term expiring December 6, 1989, vice Anne Carroll Badham, resigned.

PEACE CORPS NATIONAL ADVISORY COUNCIL

Creighton E. Mershon, of Kentucky, to be a member of the Peace Corps National Advisory Council for a term of 2 years expiring November 29, 1987, new position.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Jonathan T. Howe, xxx-xx-xxxx xxx-.../1110, U.S. Navy.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Robert L. Schweitzer, xxx-xx-xxxx xxx-... age 57, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John L. Ballantyne III, xxx-xx-x... xxx-... U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Paul S. Williams, Jr., xxx-xx-xxxx xxx-... age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 3036 to be assigned as chief of chaplains, U.S. Army:

To be chief of chaplains, U.S. Army

Chaplain Brig. Gen. Norris L. Einertson, xxx-xx-xxxx U.S. Army.

The following-named Army Medical Corps officers for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611, 612, 615, 616 and 617:

To be permanent major general

Brig. Gen. Robert H. Buker xxx-xx-xxxx, Medical Corps, U.S. Army.

Brig. Gen. John E. Major xxx-xx-xxxx, Medical Corps, U.S. Army.

Brig. Gen. Philip K. Russell xxx-xx-xxxx, Medical Corps, U.S. Army.

To be permanent brigadier general

Col. Richard D. Cameron xxx-xx-xxxx, Medical Corps, U.S. Army.

Col. James H. Rumbaugh xxx-xx-xxxx, Medical Corps, U.S. Army.

Col. Richard T. Travis, xxx-xx-xxxx, Medical Corps, U.S. Army.

IN THE AIR FORCE

The following officer for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall the officer be appointed in a grade higher than that indicated:

LINE OF THE AIR FORCE

To be Major

Frank W. Pate, xxx-xx-xxxx

The following-named officers for permanent promotion in the U.S. Air Force, under the provision of section 628, title 10, United States Code, as amended, with dates of rank

to be determined by the Secretary of the Air Force:

LINE OF THE AIR FORCE

To be lieutenant colonel

Michael F. Chorvat, xxx-xx-xxxx
Alexander W. Golly, xxx-xx-xxxx
Frederick J. Hollinger, xxx-xx-xxxx
Igor Vichnevsky, xxx-xx-xxxx

To be major

James L. Abbruscato, xxx-xx-xxxx
Edward M. Brown, xxx-xx-xxxx
Ronald A. Cathey, xxx-xx-xxxx
Jeffrey C. Conklin, xxx-xx-xxxx
James R. Laforce, xxx-xx-xxxx
Richard D. Parmentier, xxx-xx-xxxx
Frank W. Pate, xxx-xx-xxxx
Jerald L. Whitmore, xxx-xx-xxxx

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code (effective date in parenthesis):

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. David W. Arnett II, xxx-xx-xxxx (2/26/86).
Maj. Ralph C. Aymin, xxx-xx-xxxx (2/8/86).
Maj. Robert B. Bailey, xxx-xx-xxxx (2/10/86).
Maj. Kerry B. Bartels, xxx-xx-xxxx (3/6/86).
Maj. Harrison S. Carter, xxx-xx-xxxx (3/8/86).
Maj. Eugene P. Foltz, xxx-xx-xxxx (3/7/86).
Maj. John W. Fotsch, xxx-xx-xxxx (2/21/86).
Maj. Jose L. Fournier, xxx-xx-xxxx (2/7/86).
Maj. Ronnie H. Gill, xxx-xx-xxxx (2/11/86).
Maj. Francis O. Glaser, xxx-xx-xxxx (2/9/86).
Maj. Gerald J. Julian, xxx-xx-xxxx (2/8/86).
Maj. Ernest R. Keating, xxx-xx-xxxx (3/3/86).
Maj. Theodore J. Kline, xxx-xx-xxxx (2/8/86).
Maj. Norbert S. Koziol, xxx-xx-xxxx (2/8/86).
Maj. Larry L. Landtroop, xxx-xx-xxxx (3/17/86).
Maj. Thomas P. Lauppe, xxx-xx-xxxx (3/15/86).
Maj. Paul J. Mullin, xxx-xx-xxxx (3/14/86).
Maj. Jeffrey H. Okazaki, xxx-xx-xxxx (8/30/85).
Maj. Rafael J. Perez-Guillermety, xxx-xx-xxxx (3/1/86).
Maj. James M. Quick, xxx-xx-xxxx (3/20/86).
Maj. Steven M. Reynolds, xxx-xx-xxxx (1/31/86).
Maj. Theron J. Royer, xxx-xx-xxxx (2/9/86).
Maj. Jacob B. Seher, xxx-xx-xxxx (2/28/86).
Maj. William J. Sinnes, Jr. xxx-xx-xxxx (2/28/86).
Maj. David E. B. Strohm, xxx-xx-xxxx (2/26/86).
Maj. James P. Toscano, xxx-xx-xxxx (2/1/86).
Maj. Daniel L. Wolfe, xxx-xx-xxxx (2/26/86).
Maj. Jack A. Yakovich, xxx-xx-xxxx (2/17/86).

MEDICAL SERVICE CORPS

To be lieutenant colonel

Maj. Gene A. Carruth, xxx-xx-xxxx (12/8/85).

MEDICAL CORPS

To be lieutenant colonel

Maj. Larry P. Putnam, xxx-xx-xxxx (3/9/86).
Maj. Donald C. Waugh, xxx-xx-xxxx (3/7/86).

NURSE CORPS

To be lieutenant colonel

Maj. Carol M. Hannon, xxx-xx-xxxx (3/21/86).

IN THE MARINE CORPS

The following-named officers of the Marine Corps and Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel, under title 10, United States Code, section 624:

Allen, Richard D., xxx-...
Anzelmo, Ralph H., xxx-...
Applen, Jeffery A., xxx-...
Armstrong, Ronald J., xxx-...
Barton, Stanley N., xxx-...
Beaudoin, Robert A., xxx-...
Behel, Ivan M., xxx-...
Bellegarde, Joseph F. Jr., xxx-...
Bennett, Charles D., xxx-...
Benskin, George H., III, xxx-...
Benson, William P., xxx-...
Bergstorm, Dan T. xxx-...
Bixiones, Michael J., xxx-...
Blickensderfer, Tom L., xxx-...
Bolton, Dennis G., xxx-...
Booren, Stephen D., xxx-...
Bouldry, John F., xxx-...
Bowdon, William G., III, xxx-...
Bowling, William L., xxx-...
Brewton, Robert R., xxx-...
Browne, Thomas A., xxx-...
Bruntlett, Johnny xxx-x...
Bubsey, William E., xxx-...
Buchanan, Jeffrey D., xxx-...
Bullen, Michael M., xxx-...
Burke, Robert R., xxx-...
Burkett, Richard D., xxx-...
Cassidy, Barry L., xxx-...
Cavin, Jackie L., xxx-...
Cerovac, Lee A., xxx-...
Chancey, Geary L., xxx-...
Clark, Eligah D., Jr., xxx-...
Cleveland, William C., Jr., xxx-...
Cohn, John R., xxx-...
Collenborne, Gary W., xxx-...
Collins, James M., II, xxx-...
Conway, James T., xxx-...
Cooper, Edwin M., xxx-...
Cotten, Randolph P., xxx-...
Coulman, Michael A., xxx-...
Crabtree, Shawn, xxx-...
Cuddy, Jack C., xxx-...
Danner, David K., xxx-...
Davis, Gilbert H., xxx-...
Dement, William Z., xxx-...
Dieterle, Kurt M., xxx-...
Dinkel, Richard, xxx-...
Dippolito, Paul R., xxx-...
Dodt, Robert C., Jr., xxx-...
Dolezal, Michael J., xxx-...
Dorman, Charles W., xxx-...
Dorn, Peter R., xxx-...
Dotto, Peter A., xxx-...
Drury, John E., xxx-...
Dudley, Russell V., xxx-...
Dupree, Frank W., xxx-...
Durrance, Paul G., xxx-...
Echternach, David A., xxx-...
Ehlers, Paul C., xxx-...
Eicher, James M. II, xxx-...
Elder, John M., xxx-...
Ellington, Jay M., xxx-...
Elliott, Dallas A., xxx-...
Etsell, Teddy J., xxx-...
Falasco, Kenneth R., xxx-...
Fanning, John T., xxx-...
Farlee, Jim, Jr., xxx-...
Farmer, Douglas A., xxx-...
Farmer, Jon W., xxx-...
Faunce, Brian L., xxx-...
Favor, William A., Jr., xxx-...
Fink, Ord J., Jr., xxx-...
Fladeboe, Jan P., xxx-...
Forbush, Melvin W., xxx-...
French, Richard B., xxx-...
Fuller, Dwain L., xxx-...
Gabarra, Edward A., Jr., xxx-...
Galiger, Gary L., xxx-...
Garcia, Dennis O., xxx-...
Gardner, Nancy M., xxx-...
Gibbons, William J., xxx-...
Given, William M. III, xxx-...
Gomez, Arthur, xxx-...
Goodwin, George G. III., xxx-...
Gordon, Joseph P., Jr., xxx-...
Green, William H., xxx-...
Gross, Ronald J., xxx-...
Gunter, Rembert S., Jr., xxx-...
Hacker, Earl W., xxx-...
Haglund, Randall B., xxx-...
Hammerle, William L., xxx-...
Hardee, James C., xxx-...
Harmon, Richard L., xxx-...
Harvey, K. L., xxx-...
Havrilla, Michael J., xxx-...
Hellmer, Werner xxx-...
Hickman, John P., xxx-...
Hilliard, Anthony S., xxx-...
Himes, Timothy J., xxx-...
Holcomb, Ward A., xxx-...
Holdstein, John D., xxx-...
Holt, Timonthy L., xxx-...
Hoover, Ben E., xxx-...
Houston, Richard A., Jr., xxx-...
Howerton, Lonnie A., xxx-...
Inabinet, Harold L., xxx-...
Jardon, Travis L., xxx-...
Jenkins, Richard J., xxx-...
Johnson, Brian T., xxx-...
Kaiser, Rudolph D., xxx-...
Kane, Terry R., xxx-...
Keck, David G., xxx-...
Keller, Alvin W., Jr., xxx-...
Kelly, Gerard P., xxx-...
Kennedy, Michael J., xxx-...
Kephart, Michael M., xxx-...
Kerr, George H., xxx-...
Ketelhut, Robert L., xxx-...
King, Thomas R., xxx-...
King, Willis J., Jr., xxx-...
Kirwan, Stephen E., xxx-...
Klehm, Richard A., xxx-...
Klinker, Richard J., xxx-...
Labadie, Stephen J., Jr., xxx-...
Langdon, John II, xxx-...
Lard, Ronald L., xxx-...
Lasher, John R., Jr., xxx-...
Lee, David J., xxx-...
Legas, David S., xxx-...
Lemmer, Gregory G., xxx-...
Lepley, Richard C., xxx-...
Levan, Kenneth B., xxx-...
Lister, Richard M., xxx-...
Lott, Claude L., xxx-...
Lott, Jeffery L., xxx-...
Lowe, Michael E., xxx-...
Lucke, Edmund A., xxx-...
Lynn, John K., xxx-...
Machabee, Lawrence A., xxx-...
Maher, Harold J., xxx-...
Manella, Arnold N., xxx-...
Mares, Eugene F., xxx-...
Mason, Judson P., Jr., xxx-...
Maxie, Michael J., xxx-...

McAleer, Robert P., xxx-...
McClain, Carl R., xxx-...
McDonough, Robert C., Jr., xxx-...
McHenry, William E., xxx-...
McIlroy, Hugh M., Jr., xxx-...
Mead, Gene S., xxx-...
Meagher, John B., xxx-...
Mellon, Robert G., xxx-...
Melton, Robert S., xxx-...
Melton, William R., xxx-...
Milano, Ottavio J., xxx-...
Mills, John R., xxx-...
Milne, Thomas P., xxx-...
Moran, Bruce H., xxx-...
Morgan, Terrence C., xxx-...
Morris, James R., xxx-...
Mortensen, Charles W., xxx-...
Moyer, John J., xxx-...
Mugg, Stephen F., xxx-...
Muir, Robert S., xxx-...
Nance, Michael R., xxx-...
Neal, Richard O., xxx-...
Norris, Gary O., xxx-...
Norton, Philip D., xxx-...
O'Berhelman, Dennis K., xxx-...
O'Donnell, James P., xxx-...
Osborne, John C., xxx-...
Ottinger, Paul R., xxx-...
Owen, Richard L., xxx-...
Parrish, William H., xxx-...
Parsons, Gregory W., xxx-...
Pastuf, John C., xxx-...
Payne, Reuben B., III, xxx-...
Pettine, John F., xxx-...
Pharris, Jackson C., II, xxx-...
Phelps, Terry R., xxx-...
Pia, David R., xxx-...
Poggemeyer, Richard A., xxx-...
Polak, Raymond L., xxx-...
Pool, Constance G., xxx-...
Proffitt, David A., xxx-...
Pruden, James R., Jr., xxx-...
Pruett, Billy J., xxx-...
Pyles, Randall B., xxx-...
Randell, John A., xxx-...
Rathbun, Robert W., xxx-...
Reath, Thomas F., xxx-...
Reiner, John F., III, xxx-...
Reynolds, John H., xxx-...
Riggins, Ernest S., xxx-...
Riggio, Joseph J., xxx-...
Rivenbark, Charles R., xxx-...
Roach, Robert D., xxx-...
Robb, Marlen C., Jr., xxx-...
Rogers, James E., xxx-...
Rohloff, Gerald H., xxx-...
Roques, Paul F., Jr., xxx-...
Sachtleben, James L., xxx-...
Schara, Jon A., xxx-...
Schnell, Mark M., xxx-...
Schroeder, Raymond K., Jr., xxx-...
Scott, Joe E., xxx-...
Seagraves, William R., xxx-...
Shea, Robert M., xxx-...
Sherrill, Charles R., xxx-...
Sherwell, Robert H., xxx-...
Sherwood, Richard V., xxx-...
Shillito, Robert G., xxx-...
Shintani, Richard Y., xxx-...
Sims, Larry J., xxx-...
Sluis, Kenneth R., xxx-...
Smith, Michael H., xxx-...
Smith, Ronald C., xxx-...
Snow, Willie T., xxx-...
Solum, Kenneth A., xxx-...
Spain, William R., xxx-...
Spittler, Asher W., II, xxx-...
Stanford, Charles R., xxx-...
Stephens, William R., xxx-...
Stevens, Bruce M., xxx-...
Stevens, Ronald L., xxx-...
Stone, Kent R., xxx-...
Stuart, George G., xxx-...
Stuart, Lynn A., xxx-...
Stuart, Robert C., xxx-...
Stump, Robert G., xxx-...
Sukow, Tim J., xxx-...
Summerlin, Jerry W., xxx-...
Supko, Leonard M., xxx-...
Swan, David T., xxx-...
Tallent, Michael E., xxx-...
Terry, Jon D., xxx-...
Thomas, David M., xxx-...
Titus, David G., xxx-...
Tromly, Gene A., Jr., xxx-...
Turner, Craig J., xxx-...
Turner, David J., xxx-...
Tyler, Douglas D., xxx-...
Vanderlinden, Guy M., xxx-...
Vanesselstyn, David, xxx-...
Vesely, James E., xxx-...
Wagner, John H., xxx-...
Walker, Richard W., xxx-...
Walt, Lawrence C., xxx-...
Ware, James G., xxx-...
Weston, Newell J., xxx-...
White, Robert G., xxx-...
Whitson, Jimmy L., xxx-...
Wiggins, Hugh N., xxx-...
Williams, Hensley C., xxx-...
Williams, William T., xxx-...
Wire, James M., xxx-...
Wolfrom, Fredrick H., xxx-...
Wooten, Walter W., xxx-...
Worl, John C., xxx-...
Wyatt, Douglas D., xxx-...
Yaskovic, Robert A., xxx-...
Yohannan, Frank, xxx-...

Executive nominations received by the Secretary of the Senate May 29, 1986, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF STATE

G. Norman Anderson, of Florida, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sudan.

Frank G. Wisner, of the District of Columbia, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Republic of Egypt.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 5081, to be Chief of Naval Operations, a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Adm. Carlisle A.H. Trost, xxx-xx-xxxx / 1120, U.S. Navy.

IN THE AIR FORCE

The following-named officer under provisions of title 10, United States Code, section 8034, to be Chief of Staff, U.S. Air Force:

Gen. Larry D. Welch, xxx-xx-xxxx FR, U.S. Air Force.

Executive nominations received by the Senate June 2, 1986:

THE JUDICIARY

D. Lowell Jensen, of Virginia, to be U.S. district judge for the northern District of California vice William H. Orrick, Jr., retired.

IN THE AIR FORCE

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Gen. Charles A. Gabriel, xxx-xx-xxxx FR, U.S. Air Force.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent major general

Brig. Gen. Bernard Loeffke, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Jackson E. Rozier, Jr., xxx-xx-xx... xxx-... U.S. Army.
Brig. Gen. Jack D. Woodall, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Thomas A. Sands, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Robert M. Bunker, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Richard E. Stephenson, xxx-xx-x... xxx-... U.S. Army.
Brig. Gen. Charles M. Murray, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Charles E. Honore, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Leo M. Childs xxx-xx-xxxx, U.S. Army.
Brig. Gen. John R. Greenway, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Charles B. Eichelberger, xxx-... xxx-xx-x... U.S. Army.
Brig. Gen. William A. Roosma, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Raphael J. Hallada, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Teddy G. Allen, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Gerald P. Stadler xxx-xx-xxxx, U.S. Army.
Brig. Gen. Frederick M. Franks, Jr., xxx-... xxx-xx-x... U.S. Army.
Brig. Gen. Michael F. Spigelmire, xxx-xx-xx... xxx-... U.S. Army.
Brig. Gen. William H. Reno, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Wilson A. Shoffner, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. William S. Flynn, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Raymond E. Haddock, xxx-xx-x... xxx-... U.S. Army.
Brig. Gen. Willard M. Burleson, Jr., xxx-... xxx-xx-x... U.S. Army.
Brig. Gen. David M. Maddox, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Howard D. Graves, xxx-xx-xxxx xxx..., U.S. Army.
Brig. Gen. Dennis J. Reimer, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Ronald K. Anderson, xxx-xx-xx... xxx-... U.S. Army.
Brig. Gen. James W. Crysel, xxx-xx-xxxx, U.S. Army.
Brig. Gen. Gordon R. Sullivan, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. William H. Riley, Jr., xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Samuel N. Wakefield, xxx-xx-xx... xxx-... U.S. Army.
Brig. Gen. Glynn C. Mallory, Jr., xxx-xx-xx... xxx-... U.S. Army.
Brig. Gen. Calvin A. H. Waller, xxx-xx-xxxx xxx-... U.S. Army.
Brig. Gen. Billy M. Thomas, xxx-xx-xxxx, U.S. Army.
Brig. Gen. James W. Wurman, xxx-xx-xxxx xxx-x... U.S. Army.

IN THE AIR FORCE

The following cadets, U.S. Air Force Academy, for appointment as second lieutenants in the Regular Air Force, under the provisions of sections 9353(b) and 531, title 10, United States Code, with dates and rank to

be determined by the Secretary of the Air Force:

Kel Oliver Christianson, xxx-xx-xxxx
Jon-Chase, Declerck, xxx-xx-xxxx
Brain Edward O'Connor, xxx-xx-xxxx

IN THE AIR FORCE

The following officers, U.S. Air Force Officer Training School, for appointment as second lieutenants in the Regular Air Force, under the provisions of section 531, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Abbott, Thomas G., xxx-xx-xxxx
Agopsowicz, Richard, xxx-xx-xxxx
Aicher, Mark A., xxx-xx-xxxx
Aquino, Vincent T., Jr., xxx-xx-xxxx
Arbuckle, David L., xxx-xx-xxxx
Archambault, Lee J., xxx-xx-xxxx
Avary, Dean W., xxx-xx-xxxx
Banks, Sheila B., xxx-xx-xxxx
Baum, Kenneth D., xxx-xx-xxxx
Beckman, Donald G., xxx-xx-xxxx
Bernston, Glen E., xxx-xx-xxxx
Berry, Douglas A., xxx-xx-xxxx
Blankenship, Brian S., xxx-xx-xxxx
Bobbitt, John D., xxx-xx-xxxx
Brissey, Dwight C., xxx-xx-xxxx
Brock, Monty L., xxx-xx-xxxx
Brown, Richard K., xxx-xx-xxxx
Cain, Gary L., xxx-xx-xxxx
Composano, David Jr., xxx-xx-xxxx
Carter, John F., xxx-xx-xxxx
Chandler, Mark S., xxx-xx-xxxx
Chase, Sandra E., xxx-xx-xxxx
Chicken, Michael C., xxx-xx-xxxx
Christenot, Gary B., xxx-xx-xxxx
Clark, Dan L., xxx-xx-xxxx
Clark, Donna D., xxx-xx-xxxx
Coffman, Bryan J., xxx-xx-xxxx
Combs, Gary W., xxx-xx-xxxx
Commeau, Paul M., xxx-xx-xxxx
Cook, Russell D., xxx-xx-xxxx
Cox, Gary L., xxx-xx-xxxx
Curry, Barbara, xxx-xx-xxxx
Daniels, John A., xxx-xx-xxxx
Davis, Dwayne M., xxx-xx-xxxx
Debono, Vincent G., Jr., xxx-xx-xxxx
Dickerson, Debra J., xxx-xx-xxxx
Dolan, Kristen J., xxx-xx-xxxx
Dorn, Matthew D., xxx-xx-xxxx
Doster, Kent H., xxx-xx-xxxx
Dotson, Edward H., xxx-xx-xxxx
Dubron, Steven A., xxx-xx-xxxx
Dudley, Charles W., xxx-xx-xxxx
Duke, David A., xxx-xx-xxxx
Duke, Jonathan W., xxx-xx-xxxx
Duncan, Lee R., xxx-xx-xxxx
Earl, Mark J., xxx-xx-xxxx
Eichenbrenner, Stephen J., xxx-xx-xxxx
Ells, James H., xxx-xx-xxxx
England, Michael T., xxx-xx-xxxx
Eskridge, Leonard A., xxx-xx-xxxx
Ewing, John B., xxx-xx-xxxx
Falconer, Todd, xxx-xx-xxxx
Ficarrotta, Joseph C., xxx-xx-xxxx
Fife, Keith C., xxx-xx-xxxx
Fletcher, Kelly E., xxx-xx-xxxx
Florian, Daniel J., xxx-xx-xxxx
Franco, Gabriel S., xxx-xx-xxxx
Frisby, Scott V., xxx-xx-xxxx
Fronczak, Linda K., xxx-xx-xxxx
Gardner, Patrick J., xxx-xx-xxxx
Garneau, Edouard A., xxx-xx-xxxx
Goldizen, Derrill T., xxx-xx-xxxx
Gonthier, Gregory R., xxx-xx-xxxx
Goodlin, Wayne A., xxx-xx-xxxx
Gravante, Joseph J., Jr., xxx-xx-xxxx
Gray, John T., xxx-xx-xxxx
Gretsch, Peter W., xxx-xx-xxxx
Haight, Tammy M., xxx-xx-xxxx
Harmon, Steven M., xxx-xx-xxxx
Hendren, James P., xxx-xx-xxxx
Henry, William H., xxx-xx-xxxx
Hill, Kenneth E. Jr., xxx-xx-xxxx
Hobson, Mark A., xxx-xx-xxxx
Hoffman, Brian T., xxx-xx-xxxx
Holmberg, Courtney D., xxx-xx-xxxx
Hughson, Montgomery C., xxx-xx-xxxx
Huson, Mark L., xxx-xx-xxxx
Hutchison, David E., xxx-xx-xxxx
Jacobs, Jeffrey L., xxx-xx-xxxx
Jacox, Michael G., xxx-xx-xxxx
Jansen, Leonard J., xxx-xx-xxxx
Joder, Daniel R., xxx-xx-xxxx
Kelley, Jeffrey S., xxx-xx-xxxx
Kimbrough, Clifton T., xxx-xx-xxxx
Kimes, Peter W., xxx-xx-xxxx
Kingsley, James S., xxx-xx-xxxx
Kleinman, Steven M., xxx-xx-xxxx
Korns, Stephen W., xxx-xx-xxxx
Kroszkewicz, Steven M., xxx-xx-xxxx
Kuenzi, Steven M., xxx-xx-xxxx
Lancaster, Paul L., xxx-xx-xxxx
Larson, Donald M., xxx-xx-xxxx
Larson, Richard A., xxx-xx-xxxx
Levens, Kenneth W., xxx-xx-xxxx
Loftus, David M., xxx-xx-xxxx
Lowdermilk, Jeffrey S., xxx-xx-xxxx
Lung, David A., xxx-xx-xxxx
Lynch, Michael W., xxx-xx-xxxx
Malcolm, Scott A., xxx-xx-xxxx
Marr, James S., xxx-xx-xxxx
Masdon, Samuel A., xxx-xx-xxxx
Mayfield, Julie A., xxx-xx-xxxx
McCaig, Timothy W., xxx-xx-xxxx
McComas, James Moynader, xxx-xx-xxxx
McCoy, James A., xxx-xx-xxxx
Minkiewicz, Gregory R., xxx-xx-xxxx
Mondy, Keith L., xxx-xx-xxxx
Moore, Kevin R., xxx-xx-xxxx
Morgan, David W., xxx-xx-xxxx
Muschinske, Kent D., xxx-xx-xxxx
Naughton, Timothy S., xxx-xx-xxxx
Nazionale, Michael L., xxx-xx-xxxx
Needham, Jeffrey L., xxx-xx-xxxx
Nelson, Jeffrey E., xxx-xx-xxxx
Neuhaus, Bryan K., xxx-xx-xxxx
O'Brien, Timothy R., xxx-xx-xxxx
Parchment, Earl W., Jr., xxx-xx-xxxx
Pence, Donna L., xxx-xx-xxxx
Powers, Bruce E., xxx-xx-xxxx
Price, James H., xxx-xx-xxxx
Richards, John F., Jr., xxx-xx-xxxx
Ross, Cecil L., xxx-xx-xxxx
Rusnak, Robert C., xxx-xx-xxxx
Sansone, David L., xxx-xx-xxxx
Sawyer, Thomas J., xxx-xx-xxxx
Scarboro, Thomas E., xxx-xx-xxxx
Schalch, Dirk D., xxx-xx-xxxx
Segond, Steven V., xxx-xx-xxxx
Shuck, David L., xxx-xx-xxxx
Sikes, James K., xxx-xx-xxxx
Simpson, Dean W., xxx-xx-xxxx
Simpson, Richard D., xxx-xx-xxxx
Sitterly, Daniel R., xxx-xx-xxxx
Smith, Russell J., xxx-xx-xxxx
Spires, Robin L., xxx-xx-xxxx
Srubar, Joe H., Jr., xxx-xx-xxxx
Stalnaker, Mark J., xxx-xx-xxxx
Stevens, Bruce M., xxx-xx-xxxx
Stevenson Gary, xxx-xx-xxxx
Stewart, Christopher D., xxx-xx-xxxx
Stewart, Curtiss S., xxx-xx-xxxx
Stewart, David C., xxx-xx-xxxx
Strack Barbara J., xxx-xx-xxxx
Strazzo John E., xxx-xx-xxxx
Talbert, Kim M., xxx-xx-xxxx
Taylor, Paul J., Jr., xxx-xx-xxxx
Templeman, James G., xxx-xx-xxxx
Tolle, Ralph C., xxx-xx-xxxx
Tracy, Gregory D., xxx-xx-xxxx
Turner, David L., xxx-xx-xxxx
Vanhoy, Linda S., xxx-xx-xxxx
Walton, Bryan K., xxx-xx-xxxx
Walz, Jon D., xxx-xx-xxxx
Weinman, Robert G., xxx-xx-xxxx
Williams, Mark J., xxx-xx-xxxx
Wilson, William R., xxx-xx-xxxx
Withrow, James P., xxx-xx-xxxx
Worley, Joel D., xxx-xx-xxxx

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code:

LINE OF THE AIR FORCE AND EFFECTIVE DATE

To be colonel

Arnold, Larry K., xxx-xx-xxxx, 28 Dec 85.
Benton, Jimmie D., xxx-xx-xxxx, 16 Jul 85.
Blair, Gary C., xxx-xx-xxxx, 7 Dec 85.
Blount, Charles L., xxx-xx-xxxx, 4 Dec 85.
Bozeman, Tandy K., xxx-xx-xxxx, 1 Oct 85.
Broman, John D., xxx-xx-xxxx, 30 Dec 85.
Brown, William F., xxx-xx-xxxx, 15 Dec 85.
Coons, David J., xxx-xx-xxxx, 8 Dec 85.
Cooper, Frank L., xxx-xx-xxxx, 17 Nov 85.
Crain, Jimmie G., xxx-xx-xxxx, 16 Dec 85.
Crane, Clifford D., xxx-xx-xxxx, 8 Dec 85.
Davenport, Jack E., xxx-xx-xxxx, 7 Dec 85.
Dobrowolski, Walter J., xxx-xx-xxxx, 6 Oct 85.
Dugar, James V., xxx-xx-xxxx, 31 Dec 85.
Everson, Myron O., xxx-xx-xxxx, 7 Dec 85.
Franke, Robert D., xxx-xx-xxxx, 19 Dec 85.
Giere, Bernard D., xxx-xx-xxxx, 7 Dec 85.
Goettel, Hugh P., xxx-xx-xxxx, 27 Dec 85.
Griffin, Joe K., xxx-xx-xxxx, 4 Dec 85.
Haerter, Edward J., xxx-xx-xxxx, 7 Dec 85.
Healy, Robert L., xxx-xx-xxxx, 8 Dec 85.
Hollenbeck, Bernard R., Jr., xxx-xx-xxxx, 31 Dec 85.
Hostetler, Richard O., xxx-xx-xxxx, 31 Dec 85.
Kozdras, Frank W., xxx-xx-xxxx 20 Dec 85.
Larson, Jon L., xxx-xx-xxxx, 20 Dec 85.
Lichtfuss, Armin R., xxx-xx-xxxx 20 Dec 85.
Main, Gerald D., xxx-xx-xxxx, 20 Dec 85.
Mason, Arvey E., xxx-xx-xxxx, 20 Dec 85.
Matthews, James R., xxx-xx-xxxx 30 Oct 85.
McCartney, Richard P., xxx-xx-xxxx 31 Dec 85.
McKinney, James R., xxx-xx-xxxx, 30 Dec 85.
Melvin, James A., III, xxx-xx-xxxx, 31 Dec 85.
Morey, Douglas B., xxx-xx-xxxx 7 Dec 85.
Newcomb, Allen J., xxx-xx-xxxx 11 Dec 85.
Pilcher, Ray A., xxx-xx-xxxx, 17 Nov 85.
Pochmara, Paul A., xxx-xx-xxxx, 7 Dec 85.
Rahn, Norman H., Jr., xxx-xx-xxxx 18 Nov 85.
Rand, David H., xxx-xx-xxxx, 16 Nov 85.
Robar, Dan A., xxx-xx-xxxx, 27 Dec 85.
Rummel, Edward B., xxx-xx-xxxx 17 Dec 85.
Schultz, Wayne L., xxx-xx-xxxx, 20 Dec 85.
Shoff, Firman E., xxx-xx-xxxx, 14 Dec 85.
Simeone, Joseph K., xxx-xx-xxxx 23 Dec 85.
Smith, Sam R., xxx-xx-xxxx, 8 Dec 85.
Spillane, William D., xxx-xx-xxxx 11 Dec 85.
Stafford, John C., xxx-xx-xxxx, 18 Dec 85.
Townsend, Ralph D., xxx-xx-xxxx 30 Dec 85.
Tuxill, Bruce F., xxx-xx-xxxx, 20 Dec 85.
Walsh, Thomas M., xxx-xx-xxxx 31 Dec 85.

Wear, William C., III, xxx-xx-xxxx, 31 Dec 85.
Whitsett, Charles J., xxx-xx-xxxx 7 Dec 85.
Williams, James M., xxx-xx-xxxx 11 Dec 85.
Wilson, William A., xxx-xx-xxxx 30 Dec 85.
Woodcock, Neil R., xxx-xx-xxxx, 31 Dec 85.

CHAPLAIN CORPS

Wright, John E. xxx-xx-xxxx, 7 Dec 85.

DENTAL CORPS

Nolan, Leonard F., Jr. xxx-xx-xxxx 13 Dec 85.

JUDGE ADVOCATE

Cervin, Bennett W., xxx-xx-xxxx, 7 Dec 85.
Denaco, Parker A., xxx-xx-xxxx, 23 Dec 85.
Pate, Allen C., xxx-xx-xxxx, 7 Dec 85.
Paul, Bernard A., xxx-xx-xxxx, 15 Dec 85.

MEDICAL CORPS

Altaker, Lawrence L., xxx-xx-xxxx, 15 Dec 85.
Capps, James A., Jr., xxx-xx-xxxx, 2 Nov 85.
Fiden, William J., Jr. xxx-xx-xxxx, 17 Dec 85.
Ignatius, Richard xxx-xx-xxxx, 28 Dec 85.
McFarland, James A., xxx-xx-xxxx 9 Oct 85.
Toussaint, John B. xxx-xx-xxxx, 16 Nov 85.

IN THE ARMY

The following-named officers for appointment under automatic integration in the Regular Army of the United States, in their active duty promotion grade of major, under the provisions of title 10, United States Code, sections 531, 532, and 533:

Abbott, Johnny R., xxx-xx-xxxx
Adair, Ronnie M., xxx-xx-xxxx
Adams, Roy J., xxx-xx-xxxx
Adams, William L., xxx-xx-xxxx
Adams, William T., xxx-xx-xxxx
Adelman, Steven J. xxx-xx-xxxx
Akroyd, Claudia M., xxx-xx-xxxx
Aleshin, Nicholas, xxx-xx-xxxx
Allen, Jonathan, xxx-xx-xxxx
Allen, Larry R., xxx-xx-xxxx
Allwein, Kelcy M., xxx-xx-xxxx
Alspach, Rita M., xxx-xx-xxxx
Anderson, Clinton T., xxx-xx-xxxx
Anderson, Edwin W., xxx-xx-xxxx
Anderson, Michael E., xxx-xx-xxxx
Angelacci, Andre, xxx-xx-xxxx
Angle, Charles D., xxx-xx-xxxx
Arbucci, Anthony A., xxx-xx-xxxx
Arnold, Scott T., xxx-xx-xxxx
Arnwine, Martemas, xxx-xx-xxxx
Arosteguy, Robert xxx-xx-xxxx
Astin, Roger W., xxx-xx-xxxx
Athan, Byron D., xxx-xx-xxxx
Atkinson, Richard B., xxx-xx-xxxx
Bacharach, Sam A., xxx-xx-xxxx
Badger, Scott B., xxx-xx-xxxx
Baehr, Edward J., xxx-xx-xxxx
Baggett, Lewis E., xxx-xx-xxxx
Baker, Byron G., xxx-xx-xxxx
Baker, Claude P., xxx-xx-xxxx
Baker, Daniel F., xxx-xx-xxxx
Baker, Francis L., xxx-xx-xxxx
Ballagresti, Joseph xxx-xx-xxxx
Ballenger, Frugoli, xxx-xx-xxxx
Balod, McPaul P., xxx-xx-xxxx
Banaszak, Michael A., xxx-xx-xxxx
Banks, James O. xxx-xx-xxxx
Barker, William C., xxx-xx-xxxx
Barnes, Jack D., xxx-xx-xxxx
Barnette, Philip L., xxx-xx-xxxx
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Walsh, Raymond W., xxx-xx-xxxx
Wang, Phillip A., xxx-xx-xxxx
Ward, Katherine L., xxx-xx-xxxx
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Waters, Robert L., xxx-xx-xxxx
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Watts, Alan C., xxx-xx-xxxx
Webb, Thomas L., xxx-xx-xxxx
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Webster, Kenneth W., xxx-xx-xxxx
Weir, Thomas L., xxx-xx-xxxx
Weisz, Nancy J., xxx-xx-xxxx
Welnack, Richard G., xxx-xx-xxxx
West, James C., xxx-xx-xxxx
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White, Daniel P., xxx-xx-xxxx
White, David A., xxx-xx-xxxx
Whitehead, Kurbie D., xxx-xx-xxxx
Wilder, Allen M., xxx-xx-xxxx
Williams, Charles K., xxx-xx-xxxx
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Wilson, William L., xxx-xx-xxxx
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Witcher, Eric M., xxx-xx-xxxx
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Wood, Connie L., xxx-xx-xxxx
Yaciuk, Andrew, xxx-xx-xxxx
Yanos, Bernard N., xxx-xx-xxxx
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EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 3, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 4

9:30 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the District of Columbia government.
SD-192

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee.
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

Small Business
To hold hearings on the elimination of the capital gains differential for individuals and its impact on small business capital formation.
SR-428A

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1935, to provide for certain vessels to be documented under the laws of the United States to entitle them to engage in domestic coastwise trade.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

11:00 a.m.
Governmental Affairs
To hold hearings on the nomination of Evelyn E. Crawford Queen, to be an Associate Judge of the Superior Court of the District of Columbia.
SD-342

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 5

9:30 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2256, to remove certain requirements relating to reservations of funds for special alternative instructional programs and transitional bilingual educational programs.
SD-430

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of George S. Dunlop, of North Carolina, to be an Assistant Secretary of Agriculture.
SR-332

Armed Services
Closed buisness meeting, to discuss committee consideration of S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense.
SR-222

Energy and Natural Resources
To resume oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings to review the services trade between the United States and Japan.
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Endowment for the Arts, and the Institute of Museum Services.
SD-192

4:00 p.m.
Select on Intelligence
To hold a closed briefing on intelligence matters.
SH-219

JUNE 6

9:30 a.m.
Joint Economic
To hold hearings on the employment/unemployment situation for May.
SD-562

JUNE 9

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

JUNE 10

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
To continue oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on alleged Department of Defense subcontractor kickbacks.
SD-342

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on efforts to improve the health status of children.
SD-430

JUNE 12

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission, and recreation use fees for the oper-

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ation of the National Park System, and S. 2130, to preserve, protect and revitalize the National Park System.
SD-366

Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

JUNE 16

1:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the second waste repository site selection under the Department of Energy's Office of Civilian Radioactive Waste Management.
SD-366

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and efficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues.
SR-332

Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide the Secretary of Health and Human Services the authority to conduct epidemiological studies of the health effects of radiation in places of employment.
SD-342

Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

Select on Indian Affairs
To resume hearings on S. 902 and H.R. 1920, bills to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Committee on Post Office and Civil Service on a Postal Rate Commission report on the use and abuse of the preferred mail rate.
SD-342

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 19

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on general aviation product liability.
SR-253

Energy and Natural Resources
To hold oversight hearings to review the impact of the explosion of the Soviet nuclear powerplant at Chernobyl on the domestic nuclear industry.
SD-366

10:00 a.m.
Small Business
To hold oversight hearings on the implementation of the Prompt Payment Act (P.L. 97-177).
SR-428A

JUNE 20

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2266, to establish a ski area permit system on national forest lands established from the public domain, S. 2287, to designate a certain portion of the Great Egg Harbor River in the State of New Jersey for potential addition to the Wild and Scenic Rivers System, S. 2320, to add certain lands on the Island of Hawaii to Hawaii Volcanoes National Park, S. 2351, to revise the boundaries of Olympic National Park and Olympic National Forest in the State of Washington, and S. 2466, to designate a segment of the Saline Bayou in Louisiana as a component of the National Wild and Scenic Rivers System.
SD-366

JUNE 23

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings to review budget requests for the Department of Energy's Office of Energy Research and the Office of Environment, Health and Safety.
SD-366

JUNE 24

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1903, and a related measure to improve the safe operations of commercial motor vehicles.
SR-253

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1149, to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction cost, and related matters.
SD-366

3:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 489 and H.R. 3174, bills to allow members of the armed forces to bring claims for damages against the United States for personal injury or death arising out of medical, psychological, or dental care furnished by a Department of Defense hospital.
SD-226

JUNE 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
SR-253

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JUNE 26

10:00 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on prospects for exporting American coal.
SD-366

JULY 17

9:20 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 2417, to provide for the establishment of an independent commission to study and make recommendations regarding the management of aviation safety.
SD-562

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security Income Maintenance Programs on work and welfare issues.
SD-430

10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2412, to withdraw and reserve certain public lands.
SD-366

JULY 22

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues, focusing on barriers to agricultural trade.
SR-332

Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 29

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues, focusing on the impact of the 1985 farm bill (P.L. 99-198) on world agricultural trade.
SR-332

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 5

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues.
SR-332

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

JUNE 3

10:00 a.m.
Environment and Public Works
To hold hearings on the expansion of the Pavilion at the Old Post Office Building in the District of Columbia.
SD-406

JUNE 4

10:00 a.m.
Labor and Human Resources
To hold hearings on the nomination of Robert E. Windom, of Florida, to be an Assistant Secretary of Health and Human Services.
SD-430

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SR-253

HOUSE OF REPRESENTATIVES—*Tuesday, June 3, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, to say the good words of grace and to live these words in our hearts. May we express the wonder and awe of life, and also to experience those words in our lives. Grant, O God, that the words we have said with our lips, we may believe in our hearts, and all that we believe in our hearts we may practice in our daily lives. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the bill on the Private Calendar.

STEVEN McKENNA

The Clerk called the bill (H.R. 1598) for the relief of Steven McKenna.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

CONSENT CALENDAR

The SPEAKER. Pursuant to the order of the House of Thursday, May 22, 1986, this is Consent Calendar day. The Clerk will call the eligible bill on the Consent Calendar.

RURAL WATER RIGHT-OF-WAY POLICY ACT OF 1985

The Clerk called the bill (H.R. 3617) to exempt rural water systems facilities assisted under the Consolidated Farm and Rural Development Act as amended from certain right-of-way rental payments under the Federal Land Policy and Management Act of 1976.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The bill will be passed over until the next call of the Consent Calendar.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills and joint resolution on Friday, May 30, 1986:

S. 2179. An act to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes;

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the military personnel accounts of the Department of Defense for fiscal year 1986; and

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

PRESIDENT'S ANNOUNCEMENT ON SALT II PROVOKES FEAR OF NUCLEAR ARMS RACE ESCALATION

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, by means of this statement I very earnestly and respectfully call upon President Reagan to reconsider his announced plan of last week to deliberately abandon our 7-year observance of the terms of the SALT II Treaty.

If there is any one thing the world clearly does not need and cannot afford, it is a new escalation of the nuclear arms race.

Out of personal consideration for the President and in deference to the constitutional responsibility of his office, I have maintained public silence on this matter for a full week following his announcement, hoping that the solemn entreaties from our allies and friends throughout the world would bring him to the realization of the awful gravity of our unilaterally abrogating the terms of that treaty.

It is emphatically not for that purpose that Congress has provided so amply and generously to the Pentagon. Both Houses of Congress by strong bipartisan majorities have called for the President to resubmit the treaty for official ratification. It is deeply disappointing that he has not done so.

Presidential talk of scrapping the SALT II Treaty dismays and confuses our allies and puts us, the United States, in the position of the antagonist. It makes our country appear to be the reluctant party in arriving at constructive arms agreements. That role is out of character for us and inconsistent with our long-avowed national purpose.

Such an action at this time would not even be in our own strategic best interest, since it could give both reason and excuse to the Soviet Union, having much larger missiles than ours, to arm those ICBM's with nuclear warheads in multiple numbers beyond our present technological capacity to keep pace.

For each and all of these reasons, I call upon Mr. Reagan to honor the express wishes of the Congress and the clear desire of all mankind to avoid a new round of leapfrogging in the nuclear arms race and an unwanted resumption of the hostile attitudes which have only recently begun to abate.

WE AS A NATION HAVE SHOWN AN AMAZING ILLITERACY AND INCOMPETENCE IN MONETARY AFFAIRS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, the late Walter E. Spahr was an outstanding monetary scientist, foreseeing many if not most of the trials and tribulations of the irredeemable dollar. Here is one of his memorable quotations:

The clinical facts are that an irredeemable currency, lacking the disease-fighting white cells of gold, is a diseased and dangerous monetary bloodstream. It distorts and weakens the economy, and can ultimately destroy it.

We in this nation have shown an amazing illiteracy and incompetence in monetary affairs; we have revealed that we want the bloating and undermining forces, but not the solid and purifying element, in our currency. (Monetary Notes, May 1, 1958.)

Mr. Speaker, the sad part is not our illiteracy in monetary affairs, but our

dogged stubbornness in refusing to learn.

TVA DIRECTORS ASKED TO CEASE PAYMENTS UNDER IMPROPER PERSONAL SERVICES CONTRACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, yesterday the General Accounting Office [GAO] informed me that the contract which the Tennessee Valley Authority [TVA] entered into to make retired Adm. Steven White its nuclear czar at $355,200 a year was illegal. GAO correctly ruled that a personal services contract cannot be used to circumvent the pay cap and the double dipping restrictions.

Due to a legal technicality, GAO cannot order TVA to stop spending money under this illegal contract, as it can with most other agencies. The fact that GAO cannot order TVA to stop does not make the TVA-White contract any more legal. I, therefore, call on the Directors of the Tennessee Valley Authority to immediately cease payments under this improper contract.

TVA contracted with Steven White to be its nuclear czar because its nuclear power program is in shambles. Not one of its five nuclear powerplants is operating or likely to begin operating in the near future. TVA management says that, unless TVA spends millions on outside management, its enormous investment in nuclear power will go down the drain. My own view is that spending millions to try to get these plants running is pouring good money after bad.

A group of skilled TVA employees has been warning of safety problems at the nuclear plants for years. Instead of giving these employees charge of making the plants safe, TVA management has taken reprisals against these whistleblowers. Perhaps, TVA could have averted its present calamity if it had listened to its own employees.

I hope and expect TVA to comply with the ruling of GAO. If TVA decides to tough it out, I will work with other House Members to enforce this ruling through legislation.

TORT ACTION PROCEDURE REFORM ACT

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, having just returned from 10 days in central Wisconsin, I can report that Americans are suffering from the increasing number and cost of civil lawsuits.

Liability insurance premiums for Wisconsin truckers have doubled in the past 2 years, as have average malpractice premiums for physicians in our part of the country. Liability coverage for 24 Wisconsin counties was terminated altogether several months ago, and at least 3 counties in my district are facing million-dollar lawsuits. One small local manufacturer of equipment for the handicapped is now paying liability insurance premiums exceeding one-eighth of its sales revenue, even though it has never lost a lawsuit. We all pay for this in increasing cost and decreasing availability of goods and services.

To reverse this trend, I am introducing legislation mandating pretrial arbitration for civil personal injury legal claims. Experience indicates that this reform will reduce costs while providing swifter justice for all. I urge your support.

□ 1210

LEGISLATION TO PRESERVE EXISTING ARMS CONTROL AGREEMENTS

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, today I am introducing legislation to maintain the limitations on strategic nuclear weapons systems included in existing arms control agreements. I take this action because of my deep concern over the implications of recent administration statements announcing their intention to abandon arms control restraints later this year.

I was in Geneva acting in my capacity as a congressional observer to the arms negotiations when the announcement was made to dismantle two Poseidon submarines. This action was welcomed by our NATO allies, and by all of us interested in arms control.

However, the positive impact of that decision was more than offset by the rhetoric included in the President's statement indicating the intention to ignore SALT I and SALT II limits in the future and to make strategic weapons decisions on solely military grounds. The statements of the Secretary of Defense and others following the announcement were especially disturbing to our allies.

No one claims that existing arms control agreements are perfect. We all hope that the goal that both the President and Mr. Gorbachev agreed upon at last year's summit, a 50-percent reduction in strategic nuclear forces, will be achieved. But success in that goal will be incalculably more difficult in an atmosphere of an unconstrained arms race. That will, I fear, be the inevitable consequence if we abandon the agreements we have achieved.

For all the bombast from the political right, we often do not realize what existing arms agreements have accomplished. To comply with the limits established by SALT I and II, the Soviet Union from 1972 to 1985 removed 1,007 land-based ballistic missiles and 233 submarine-based ballistic missiles from the active force and dismantled 13 Yankee class ballistic missile submarines. Since then a 14th Yankee has been retired with another 18 missiles.

Past Soviet practice indicates that these missiles would not have been retired nearly so rapidly in the absence of SALT limits. On the U.S. side, we have removed 320 land-based missiles and 544 SLBM's to remain in compliance, prior to the President's announcement last week.

In the next 5 years, SALT II will require the Soviet Union to remove at least 500 to 600 ballistic missiles and to destroy missile silos equivalent to the number of mobile missiles deployed. On the U.S. side, we would have to remove between 200 and 300 missiles or bombers equipped with cruise missiles as new systems are deployed.

Perhaps most importantly, SALT II limits the number of warheads that the Soviets can place on their largest missiles, the SS-18 and SS-19. Without these limits, the Soviets could add as many as 8,000 ICBM warheads to existing missiles. In addition, the Soviets have at least three warm ICBM production lines to our one. In light of these facts of life, the Soviet potential without SALT II is extremely troubling, and clearly not in our security interest. That has been the consistent position of the Joint Chiefs of Staff. The Soviets have already announced their readiness to exceed the critical numerical limits of SALT if we abandon them.

The President's statement left open some possibility that he may reconsider the abandonment of over a decade of arms control negotiations. Everyone shares his concern over Soviet noncompliance with aspects of the treaties other than the numerical limitations. I agree that we should pursue these concerns in the established forum, the Standing Consultative Commission. I also agree that some proportional response, such as proceeding with our own mobile missile, the Midgetman, is appropriate. But I can not see the wisdom of throwing the baby out with the bath water. I can not support the abandonment of arms control, which is what some in this administration hope to accomplish.

The bill I have introduced will insure that we do not abandon these critical numerical limitations without express congressional approval. Certainly, our constitutional responsibilities dictate that any policy shift of this magnitude have the support of the legislative branch.

I know there are a large number of other Members interested in this issue and I look forward to working closely with them, to support an appropriate legislative vehicle.

AAL RECEIVES VOLUNTARISM AWARD

(Mr. ROTH asked and was given permission to address the House for 1 minute.)

Mr. ROTH. Mr. Speaker, President Reagan has presented the 1986 Volunteer Action Awards. Of the more than 2,300 nominees one of the 19 nationwide winners of the award was an organization I am pleased to represent.

Aid Association for Lutherans of Appleton, WI, was recognized for the mobilization of its volunteers to conduct humanitarian, service, social and education programs in communities all over our Nation.

AAL is a fraternal benefit society providing its members with insurance and fraternal benefits, as well as the opportunity to volunteer their services to their local communities. AAL members engage in fundraising activities as well as engaging in education and service activities.

Accepting the award for AAL was Mary Kohn, who was AAL's fraternalist of the year. Also present with Mary Kohn and her husband Art, was Joanie Johnson, representing AAL's corporate volunteers.

I want to offer my congratulations to AAL and its 1.4 million members for this distinguished award. AAL truly represents the spirit of voluntarism that has made our country great.

PRESIDENT'S AWARD TO NORFOLK NAVAL SHIPYARD

(Mr. SISISKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SISISKY. Mr. Speaker, I want to call our attention to the award recently given to Norfolk Naval Shipyard: the Commander in Chief's award for installation excellence. I am proud to represent the shipyard and proud that they won this award.

The yard won the President's award because of its ability to complete ships on time and under budget. The yard handled a 118-percent workload, realized over $12 million in productivity savings and cost avoidances, and accomplished this while shrinking the shipyard work force by 1,027 through attrition.

Norfolk Naval Shipyard is the oldest naval shipyard in the United States. It has a long and distinguished history dating from before the American Revolution. It has the distinction of having been a shipyard under the British Empire, the United States of America, and the Confederate States of America.

It was during the latter period that the shipyard outfitted the U.S.S. *Merrimac* which became the Confederate State's ironclad *Virginia*. The classic battle between the Confederate ironclad *Virginia* and the U.S. ironclad *Monitor* marked the beginning of modern naval warfare.

Norfolk Naval Shipyard has maintained standards of excellence unmatched by any other naval shipyard. In 1984 they received the U.S. Senate productivity award. In 1981 they received a Navy unit commendation. In 1981, 1982, and 1984 they received the CNM productivity excellence award. In 1981-84 they received Navsea commendations for their equal employment opportunity programs.

In addition to these honors, Norfolk Naval Shipyard has now received Presidential recognition for a "job well done." I think this recognition from the President is well deserved.

I do not know how many of my colleagues have visited Norfolk Naval Shipyard. If you have not, I urge you to do so. You will find thousands of highly skilled, highly dedicated, highly motivated Federal workers fully committed to meeting the national security needs of this Nation.

Sometimes we do not reflect on the contribution these people make to national security. They are our insurance when freedom is threatened; they are a dependable and reliable group of men and women who can accomplish almost any conceivable ship repair task.

In my opinion, this string of awards over the last few years points to one thing: Norfolk Naval Shipyard is the best shipyard in the world. I am pleased to see them receive the kind of recognition they deserve, both as Federal employees and as men and women who protect the national security of the United States.

PRESIDENT SHOULD DECLARE DISASTER IN WESTERN PENNSYLVANIA FLOOD

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, last Friday at 6 o'clock in the evening a wall of water came down Pine Creek and Little Pine Creek in Allegheny County in western Pennsylvania, causing widespread loss of property, and at this point eight known dead and an unconfirmed number of missing.

I call upon the President to act immediately to declare this instance a major Federal disaster.

I have spent the last several days walking through the mud and talking to people who are trying to put their lives back together. One thousand families had extensive damage in their homes. The municipal facilities, particularly the sewage facilities, have been severely damaged. There is pollution, with the need of tetanus shots and the like.

I cannot emphasize enough how important it is for the Federal Government to be there. Even without limited disaster programs, the importance of being there is so real to these people. It is important that they know that help is available, and only the President can make that designation.

TRUSTING THE SOVIETS WHEN THEY ARE CHEATING IS UNILATERAL DISARMAMENT

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, a few moments ago the majority leader accused the administration of unilaterally abrogating the SALT II Treaty. Mr. Speaker, what about the Soviet violations of that treaty, Are those not important? Evidently not.

What a mockery that kind of position makes of the verification of treaties that the political left says that they favor. We have verified that the Soviets are violating SALT II. We know that they are cheating. We know that their cheating is detrimental to our national security. Yet we are told by the majority leader and by others on the political left that those things do not matter. Despite the Soviet cheating, they say, we should continue to abide by the treaties.

If that is what they mean by verification, then what they are really saying is that they are for unilateral disarmament, because trusting the Soviets even when we know that they are cheating is not in any way mutual disarmament, it is pure and simple unilateral disarmament, and that is unacceptable as a policy.

□ 1220

REPRESENTATIVE PEPPER FOR TELEVISING HOUSE AND SENATE SINCE 1944

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, I rise to commend the other body for following the good example of this House in televising its proceedings. I know of no reason why the mysterious instrument of television should not carry the proceedings of the Houses of Congress to people in their homes and offices, as well as to people who are fortunate enough to be in the galleries of our bodies and to see and hear what we do in our respective Houses.

I hope, Mr. Speaker, it is not impermissible vanity for an older American to observe that it was I who in 1944 as a Member of the Senate introduced Senate Joint Resolution 145 authorizing the broadcasting of the proceedings of the Senate and the House of Representatives. That was in 1944, and in 1945 I introduced Senate Joint Resolution 55 authorizing the broadcasting of the proceedings of the Senate and the House of Representatives. That was before television.

Finally, in 1947, I introduced in the Senate S. 2213, amending the Legislative Reorganization Act of 1946, as amended, to provide for the broadcasting and televising of the proceedings of the Senate and the House of Representatives.

I commend my colleagues in both Houses of the Congress upon making more effective this great institution of democracy which is at the heart of America.

On March 15, 1977, my distinguished colleague, the gentleman from Texas [Mr. BROOKS] made these comments:

In 1944, Claude Pepper was trying to televise the House and Senate. He has been for it ever since.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC, *June 3, 1986.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

At 12:00 p.m. on Friday, May 23, 1986 and

(1) Said to contain a message from the President wherein he transmits the periodic report concerning the national emergency with respect to Iran; and

(2) Said to contain a message from the President whereby he transmits the periodic report concerning the national emergency with respect to Nicaragua; and

At 5:20 p.m. on Friday, May 23, 1986 and

(3) Said to contain a message from the President on cedar shakes and shingles trade decision transmitted pursuant to 19 U.S.C. 2253(b)(1); and

At 3:45 p.m. on Thursday, May 29, 1986 and

(4) Said to contain a message from the President whereby he transmits the seventh annual report describing Federal actions with respect to the conservation and use of petroleum and natural gas in Federal facilities; and

(5) Said to contain a message from the President whereby he transmits the annual report of the Rehabilitation Services Administration for Fiscal Year 1985; and

At 3:40 p.m. on Friday, May 30, 1986 and

(6) Said to contain a message from the President whereby he transmits the Annual Report of the Corporation for Public Broadcasting for Fiscal Year 1985.

With kind regards, I am,
Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-227)

The SPEAKER pro tempore (Mr. HUBBARD) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of Monday, June 2, 1986, at page 12071.)

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO NICARAGUA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-228)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs, and ordered to be printed:

(For message, see proceedings of the Senate of Monday, June 2, 1986, at page 12072.)

IMPORT RELIEF FOR WESTERN RED CEDAR SHAKES AND SHINGLES INDUSTRY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-229)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

(For message, see proceedings of the Senate of Monday, June 2, 1986, at page 12072.)

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE REPORT ON H.R. 4784, D.C. HOMELESS SHELTERS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tonight to file a report on the bill, H.R. 4784.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON CONSERVATION AND USE OF PETROLEUM AND NATURAL GAS AT FEDERAL FACILITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of Monday, June 2, 1986, at page 12073.)

ANNUAL REPORT OF REHABILITATION SERVICES ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceedings of the Senate of Monday, June 2, 1986, at page 12073.)

ANNUAL REPORT OF CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, Tuesday, June 3, 1986.)

PROJECTED REDUCTIONS IN DEFENSE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-230)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Armed Services and the Committee on Foreign Affairs, and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, June 3, 1986.)

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Veterans' Affairs; which was read and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, May 21, 1986.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Section 5004 of title 38, United States Code, requires that the Committees on Veterans' Affairs adopt a resolution approving major medical construction projects and leases of $500,000 or more proposed by the Veterans' Administration for each fiscal year. The House Committee on Veterans' Affairs met on May 21, 1986, and authorized the construction of various projects in Fiscal Year 1987 by unanimous voice vote.

A copy of the Resolution adopted by the Committee and a listing of the projects authorized are enclosed.

Sincerely yours,
G.V. (SONNY) MONTGOMERY,
Chairman.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, June 4, 1986.

COMPUTER FRAUD AND ABUSE ACT OF 1986

Mr. HUGHES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4718) to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Computer Fraud and Abuse Act of 1986".

SEC. 2. SECTION 1030 AMENDMENTS.

(a) MODIFICATION OF DEFINITION OF FINANCIAL INSTITUTION.—Section 1030(a)(2) of title 18, United States Code, is amended—

(1) by striking out "knowingly" and inserting "intentionally" in lieu thereof; and

(2) by striking out "as such terms are defined in the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.),".

(b) MODIFICATION OF EXISTING GOVERNMENT COMPUTERS OFFENSE; USE OF COMPUTER EXCLUSION.—Section 1030(a) of title 18, United States Code, is amended—

(1) in paragraph (3), by striking out "knowingly" and inserting "intentionally" in lieu thereof;

(2) in paragraph (3), by striking out ", or having accessed" and all that follows through "prevents authorized use of, such computer";

(3) in paragraph (3), by striking out "if such computer is operated for or on behalf of the Government of the United States and such conduct affects such operation" and inserting in lieu thereof "if such computer is exclusively for the use of the Government of the United States or, in the case of a computer not exclusively for such use, if such computer is used by or for the Government of the United States and such conduct affects such use"; and

(4) by striking out "It is not an offense" and all that follows through "use of the computer.".

(c) MODIFICATION OF AUTHORIZED ACCESS ASPECT OF OFFENSES.—Paragraphs (1) and (2) of section 1030(a) of title 18, United States Code, are each amended by striking out ", or having accessed" and all that follows through "does not extend" and inserting "or exceeds authorized access" in lieu thereof.

(d) NEW OFFENSES.—Section 1030(a) of title 18, United States Code, is amended by inserting after paragraph (3) the following:

"(4) Knowingly and with intent to defraud, accesses a Federal interest computer without authorization, or exceeds authorized access, and by means of such conduct furthers the intended fraud and obtains anything of value, unless the object of the fraud and the thing obtained consists only of the use of the computer;

"(5) intentionally accesses a Federal interest computer without authorization, and by means of one or more instances of such conduct alters information in that computer, or prevents authorized use of that computer, and thereby causes loss to one or more others of a value aggregating $1,000 or more during any one year period; or

"(6) knowingly and with intent to defraud traffics (as defined in section 1029) in any password or similar information through which a computer may be accessed without authorization, if—

"(A) such trafficking affects interstate or foreign commerce; or

"(B) such computer is used by or for the Government of the United States;".

(e) ELIMINATION OF SECTION SPECIFIC CONSPIRACY OFFENSE.—Section 1030(b) of title 18, United States Code, is amended—

(1) by striking out "(1)"; and

(2) by striking out paragraph (2).

(f) PENALTY AMENDMENTS.—Section 1030 of title 18, United States Code, is amended—

(1) by striking out "(b)(1)" and inserting "(b)" in lieu thereof;

(2) by striking out "of not more than the greater of $10,000" and all that follows through "obtained by the offense" in subsection (c)(1)(A) and inserting "under this title" in lieu thereof;

(3) by striking out "of not more than the greater of $100,000" and all that follows through "obtained by the offense" in subsection (c)(1)(B) and inserting "under this title" in lieu thereof;

(4) by striking out "or (a)(3)" each place it appears in subsection (c)(2) and inserting ", (a)(3), or (a)(6)" in lieu thereof;

(5) by striking out "of not more than the greater of $5,000" and all that follows through "created by the offense" in subsection (c)(2)(A) and inserting "under this title" in lieu thereof;

(6) by striking out "of not more than the greater of $10,000" and all that follows through "created by the offense" in subsection (c)(2)(B) and inserting "under this title" in lieu thereof;

(7) by striking out "not than" in subsection (c)(2)(B) and inserting "not more than" in lieu thereof;

(8) by striking out the period at the end of subsection (c)(2)(B) and inserting "; and" in lieu thereof; and

(9) by adding at the end of subsection (c) the following:

"(3)(A) a fine under this title or imprisonment for not more than five years, or both, in the case of an offense under subsection (a)(4) or (a)(5) of this section which does not occur after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph; and

"(B) a fine under this title or imprisonment for not more than ten years, or both, in the case of an offense under subsection (a)(4) or (a)(5) of this section which occurs after a conviction for another offense under such subsection, or an attempt to commit an offense punishable under this subparagraph.".

(g) CONFORMING AMENDMENTS TO DEFINITIONS PROVISION.—Section 1030(e) of title 18, United States Code, is amended—

(1) by striking out the comma after "As used in this section" and inserting a one-em dash in lieu thereof;

(2) by aligning the remaining portion of the subsection so that it is cut in two ems and begins as an indented paragraph, and inserting "(1)" before "the term";

(3) by striking out the period at the end and inserting a semicolon in lieu thereof; and

(4) by adding at the end thereof the following:

"(2) the term 'Federal interest computer' means a computer—

"(A) exclusively for the use of a financial institution or the United States Government, or, in the case of a computer not exclusively for such use, used by or for a financial institution or the United States Government and the conduct constituting the offense affects such use; or

"(B) which is one of two or more computers used in committing the offense, not all of which are located in the same State;

"(3) the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any other possession or territory of the United States;

"(4) the term 'financial institution' means—

"(A) a bank with deposits insured by the Federal Deposit Insurance Corporation;

"(B) the Federal Reserve or a member of the Federal Reserve including any Federal Reserve Bank;

"(C) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

"(D) a credit union with accounts insured by the National Credit Union Administration;

"(E) a member of the Federal home loan bank system and any home loan bank;

"(F) any institution of the Farm Credit System under the Farm Credit Act of 1971; and

"(G) a broker-dealer registered with the Securities and Exchange Commission pursu-

ant to section 15 of the Securities Exchange Act of 1934.

"(5) the term 'financial record' means information derived from any record held by a financial institution pertaining to a customer's relationship with the financial institution; and

"(6) the term 'exceeds authorized access' means to access a compute with authorization and to use such access to obtain or alter information in the computer that the accesser is not entitled so to obtain or alter.".

(h) LAW ENFORCEMENT AND INTELLIGENCE ACTIVITY EXCEPTION.—Section 1030 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(f) This section does not prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency of the United States, a State, or a political subdivision of a State, or of an intelligence agency of the United States.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SHAW. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. HUGHES] will be recognized for 20 minutes and the gentleman from Florida [Mr. SHAW] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have moved to suspend the rules and pass the bill, H.R. 4718, the Computer Fraud and Abuse Act of 1986. It is with great pleasure and satisfaction that I rise in support of the bill before us. It was reported by voice vote by the Committee on the Judiciary on May 6, 1986. It is the culmination of 4 years of bipartisan work in the Congress.

During this thorough investigation it became clear that computer technology has brought us a long way in the past decade. However, computer technology—with all its gains—has left us with a new breed of criminal: The technologically sophisticated criminal who breaks into computerized data files. One element of this expanding group of electronic trespassers—the so-called hacker—is frequently glamorized by the media, perhaps because the image of the hacker is that of a bright, intellectually curious, and rebellious youth—a modern-day Huck Finn. The facts are these young thrill seekers are trespassers, just as much as if they broke a window and crawled into a home while the occupants were away. The hacker of today can become the white-collar crime superstar of tomorrow, and we must not glamorize our Huck Finns into John Dillingers.

While we need to be concerned about youthful hackers, they pale in significance in comparison to the computer sophisticated criminal who combines his technological skill with old-fashioned greed and criminal intent to rob banks or destroy business records or steal trade secrets. The tools of the trade are not Smith and Wesson, but IBM and Apple. However, in today's world of instant electronic transfer of funds, the result can be more far reaching—and harder for law enforcement to reach.

What can be done about these crimes? I believe Government and industry have a dual responsibility: Industry must work to prevent such crimes, and Government must be willing and able to prosecute when crimes occur. The legislation before us, I believe, will go a long way toward fulfilling the responsibility of Congress in this scenario.

At this juncture, I would like to bring special attention to my colleagues who have worked hard and effectively in this endeavor. The first is the gentleman from Florida, Mr. NELSON, who was the first to bring this subject to the attention of the House of Representatives and has been a constant champion and dedicated proponent of this important legislation. Also, the ranking Republican of the Subcommittee on Crime, Mr. MCCOLLUM, and Mr. SHAW, who have been invaluable in this bipartisan endeavor. I also would like to thank Senators TRIBLE and LAXALT for their assistance in developing this consensus bill. I appreciate their efforts in shepherding S. 2281, the companion bill to H.R. 4718, in the other body.

As many Members may recall, in the last Congress we enacted computer crime legislation as a part of the conference on the comprehensive crime bill. At the behest of our colleagues in the other body, we deleted from that legislation certain provisions of the House-passed credit card/computer crime bill dealing with felony theft and private-sector offenses involving misuse or damage involving computers. Since that time, both through the hearing process and informal negotiations with interested parties, we have attempted to develop a bill to perfect the existing law and fill the gaps we left as a result of that conference agreement.

The legislation before us today, I believe, will expand in an appropriate but limited manner the types of criminal misconduct involving computers that should be subject to Federal jurisdiction while at the same time leaving to State and local agencies their proper role in this national problem.

In doing so, this bill expands the existing protection of financial records in financial institutions to all customers rather than only to customers who are "individuals" or partnerships consisting of five or fewer partners. The bill would also delete coverage of authorized users of Government computers from this portion of existing law and make subsection 1030(a)(3) a pure trespass provision. The improper modifications, destructions or disclosures by authorized users of Federal computers however, are presently violations of other laws such as the Privacy Act, trade secrets laws, 18 U.S.C. 1361, et cetera, and there are adequate administrative sanctions that can also be imposed on Federal employees. Government employees also will be subject to the new "intent to defraud" felony offense in 1030(a)(4). This solves a potential problem that the existing law might have a "chilling effect" on "whistleblowers."

The major impact of this bill is in its three new offenses. The first proposes a 5-year felony violation for unauthorized access to a "Federal interest computer" in furtherance of an intent to defraud. These computers are defined as computers used by the Federal Government or by financial institutions, or when the conduct involves computers in different States. The second new offense can be categorized as "a malicious damage" felony violation in regard to Federal interest computers if there is $1,000 or more in damages.

The last new offense is a misdemeanor provision designed to proscribe the conduct associated with "pirate bulletin boards" used by hackers to display passwords to other persons' computers.

Having worked with experts on computer crime over the past several years, I believe the legislation passed in the last Congress along with the bill now being considered combined—with active efforts of industry to safeguard their property—will address the emergence of the computer criminal in our society.

Protection—both through law and technology—can and must be developed for the intangible property—information—which is the lifeblood of computer systems. Unless we act now to secure the "locks" and provide the laws, computer crime will be the crime wave of the next decade.

□ 1235

It is a good bill, and I would be remiss if I did not thank our staff, Ed O'Connell in particular of the majority staff, and Charlene Heydinger of the minority staff, for their work over the past 6 months in developing this consensus legislation.

It is a good bill. It is a bill that I think will be effective in dealing with the computer criminal.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. HUGHES] has consumed 7 minutes.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like first of all to compliment the chairman of the subcommittee, the gentleman from New Jersey [Mr. HUGHES], as well as the ranking member, the gentleman from Florida [Mr. MCCOLLUM] and my friend and colleague, the gentleman from Florida [Mr. NELSON], for the wonderful job that has been done on this bill, and also to add my congratulations to the members of the staff, as the chairman just did.

Mr. Speaker, The bill before us today, H.R. 4718, will send a strong message to Americans that computer crime is unacceptable and will be strictly punished. The current law regarding persons who access computers without authorization is enhanced by the provisions of this new bill.

H.R. 4718 protects Federal computers, bank computers, and computers used in interstate commerce. The bill provides a model for States to be used in developing local computer crime laws that would cover all other computers.

H.R. 4718 compliments current law by making it a crime to access a computer of the Federal Government or a financial institution. Penalties are also established for accessing a computer with intent to defraud the Federal Government, a financial institution, or a computer accessed by a second computer from a different State. Destruction of these computers is also prohibited. Finally, persons who traffic in the passwords used to gain unauthorized access to Federal Government computers will also be committing a crime.

This bill improves existing law and expands its coverage to include other serious computer crime activities. I urge the adoption of H.R. 4718.

Mr. Speaker, I reserve the balance of my time.

Mr. HUGHES. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Florida [Mr. NELSON].

Mr. NELSON of Florida. I thank the gentleman for yielding time to me.

Mr. Speaker, what a privilege for me to come to this point after years of interest in this subject matter, so that I can take the well of this House to thank the chairman of this subcommittee for his vision in understanding the problem of computer crime and then being able legislatively to do something about it.

The gentleman from New Jersey, the chairman of the subcommittee, is a man of extraordinary talent in the way that he can work in a bipartisan fashion and the way in which he can work with our colleagues in the other body and with the administration, specifically the Department of Justice, in fashioning a piece of legislation that will now flesh out the skeletal structure that was passed in 1984 into a complete piece of legislation that will become Federal law to address this problem of computer crime.

The gentleman from New Jersey spoke about the fact that we are confronting a new type of criminal today. It is not the kind of criminal who uses the crowbar, but a criminal who uses the computer keyboard, just as much an effective criminal, just as much a person who, in the old Latin term, uses the "mens rea," the criminal intent, and one who can do a great deal more damage than just breaking into the old safes of yesterday, one who can break into national security information, one who can break into the transactions of interstate commerce, one who can break into, indeed, the transactions of international commerce.

So it is a day of joy and happiness for me, after becoming involved with this subject matter 9 years ago when, then a member of the Legislature of the State of Florida, we passed the first computer crime law in the Nation—which then became a model for the other States. Most of the 50 States now have such laws on their books and now, thanks to the gentleman from New Jersey [Mr. HUGHES], the chairman of the subcommittee, and his counterpart in the other body, Senator LAXALT, we will have a law on the Federal books that will give our prosecutors the tools that they need to go after this new, highly sophisticated type of criminal.

I just want to make reference to one other individual, not an individual who is in this body, but to a fellow who was at the time the chairman of the Florida Legislature Criminal Justice Committee, of which I was one of his subcommittee chairmen, who had the vision back in 1977 and 1978 to realize what potential this had for the Nation, and assigned the State legislation to me. His name is Ralph Haben, from Palmetto, FL, who then went on to become the speaker of the Florida House of Representatives. He is the one who had vision and gave me that opportunity to lead that successful legislative effort.

It is a happy day, and I thank the gentleman from New Jersey for his extraordinary leadership.

Today we are concerned with the broad problem of assuring the security and accuracy of computer operations in the financial and business heart of the Nation.

Computer-assisted crime is the way we should refer to this particular type of wrongdoing. But I doubt that the simpler, less accurate term "computer-crime" will disappear from popular reports of the problem.

Nevertheless, what we are talking about is not crimes committed by computers, but crimes committed by people with the assistance of computers. This includes crimes committed by people at a computer keyboard and crimes that take advantage of the ability of computer systems to bypass the human controls that existed in traditional accounting and auditing procedures.

The computer-assisted crime problem poses major difficulties for the future because computers will be increasingly available in our society to assist in whatever work we have to perform, and that means this power tool will be increasingly available for those criminal persons we always seem to have among us.

Computers may not commit crimes—any more than guns commit crimes. But we have to be realistic—there are people who will commit crimes with guns if they are readily available, and there are people who will commit crimes with computers as they become ubiquitous in our society. I doubt, frankly, that we can address the problem of crime by banning either. Americans may not now be as attached to their computers as they are to their guns, but I suspect they will be inseparable before too long.

It has been estimated that there are some 56,000 large general purpose computers and 213,000 smaller business computers in use by American businesses, universities and research organizations. Another 570,000 minicomputers and 2.4 million desktop computers are in use in the private sector.

The Federal Government, particularly the Pentagon and the Bureau of the Census, has many computers—more than 15,000 computers in the entire Federal establishment, including more than 3,000 in the Department of Defense.

I am sure there will be many more computers in government and business, and in our homes and schools, in the years ahead. I have direct experience in my own congressional office where we have a powerful minicomputer—with 256 K of core memory and 60 megabytes of disk memory, a tape drive for backups, and its own emergency power supply.

We were the test site for an advanced computer system designed for congressional correspondence. And our system demonstrates what is happening and will be happening in offices and institutions across the country.

More and more people are learning to use computers as a routine part of their work. In my office, we do not have a single computer operator who would preside over this mysterious new technology like the priest of some powerful but unknowable force.

From the receptionist to the administrative assistant, the computer is a daily working tool in my Washington office. We have also connected our district offices with our in-house computer, so the Florida staff members are able to handle correspondence and casework through the computer. They direct the computer to produce letters, either from standard letters or directly from the keyboard, and these come out in Washington in the daily stream of the letters that makes up a substantial part of a congressional office's daily work. The computer system also handles messages and memoranda back and forth and allows us to create and modify documents in Washington or Florida.

My point is not to talk about computerized office procedures. Rather, I am trying to emphasize—perhaps a little like preaching to the convinced—to emphasize that familiarity with

computers is becoming the common experience of tens of millions of working Americans. And where people work daily with a powerful tool such as a computer, there will be those who go far beyond normal day-to-day use to overstep the boundaries between legitimate and criminal uses of these powerful devices.

It is estimated that there are more than 2 million computer operators, programmers, and technicians in the country. And I think this figure is far too low. It calculates primarily those who have a good deal of training in computer programming and operation, rather than the general use that is now becoming the norm for business and government offices.

Certainly the number of people familiar with computers outside of business and government is growing rapidly. It has been estimated that more than 6 million home computers are in use. This figure will explode in the next few years.

Moreover, these computers will increasingly be interfacing with the data banks of major institutions—banks, to direct the transfer of funds among the customers accounts; department stores, to order merchandise; TV polling operations, to get instant public reaction to public events, and many, many more.

So, granted that computers are becoming widespread in our society: Why should the Federal Government be involved? Why should theft and fraud and property damage be made Federal crimes when they involve computers?

Well, the Federal Government obviously has a direct interest when Federal agency computers are involved. The first electronic computer was designed for the military to calculate artillery trajectories in World War II. The first nonmilitary application—Univac I—was designed on contract for the Bureau of the Census. It cut the time for tabulating the 1950 census from more than 3 years to months—a remarkable achievement for the time. But Univac I was turned over to the Smithsonian as a museum piece in 1962. We have made considerable progress from those first vacuum-tube computers. With microchips, their capacity can virtually be held in your hand today.

The Defense Department has accepted the fact that computers are vulnerable to unauthorized penetration. Pentagon computers are compartmentalized so that a breach of security in one part will not enable an unauthorized person to access more than a small part of the total information in the system. Commercial computer systems have been developing similiar defenses against unauthorized users—along with programs to audit use to detect unauthorized use after it occurs.

It is also important that Government make its policy clear—that its computers and the computers systems vital to our national economy are not to be tampered with. This is one of the objectives of the legislation I am cosponsoring.

Federal legislation to strengthen the powers of Federal prosecutors to bring to justice those who illegally penetrate either the military or the civilian computers of the Federal Government obviously is in order.

Therefore, I urge passage of this legislation sponsored by my friend from New Jersey the chairman of the subcommittee. Enactment of this legislation into law will happily complete an 8-year effort to give U.S. attorneys a new Federal tool to prosecute this new type of criminal.

Mr. HUGHES. Mr. Speaker, will the gentleman yield to me?

Mr. NELSON of Florida. Certainly. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding.

Mr. Speaker, I just want to thank the gentleman. Even though the gentleman is not a member of our Subcommittee on Crime, it was the gentleman from Florida who brought to my attention initially his great concerns over this area of criminal endeavor. I had not been sensitized to the extent of computer crime in this country because corporate America was very hesitant to come forward and tell just exactly what problems they had. They were embarrassed. They did not want to invite additional trespass on their data base. The gentleman from Florida worked extremely hard in the Flordia Legislature in developing the model for many States around the country to follow in the area of computer crime.

□ 1245

I want to thank the gentleman for helping us lay the groundwork in the 98th Congress and working with us in this Congress to flush out the additional amendments that were needed to create an extraordinarily effective statute in my judgment. I want to thank the gentleman for that.

Mr. NELSON of Florida. The gentleman is very kind and I thank the gentleman for his leadership.

Mr. RODINO. Mr. Speaker, I rise in support of H.R. 4718, the Computer Fraud and Abuse Act of 1986. H.R. 4718 in general deals with what can be characterized as white collar crimes, which often are neglected both at the Federal and State levels. The prosecution of white collar crime, which silently robs millions of dollars from all of us, must remain in high priority for Federal law enforcement. It is in this perspective we must deal with computer fraud as we attempt to deter the theft of one of our most prized intangible commodities, information.

The Computer Fraud and Abuse Act of 1986 would accomplish this by setting up two new felonies, one involving any fradulent theft and the other malicious damage of $1,000 or more caused by unauthorized access to a Federal interest computer. The bill, therefore, covers computers used by the Federal Government or financial institutions, or conduct involving computers in different States. The bill also would proscribe trafficking in computer passwords as a misdemeanor offense. This latter conduct is associated with what is called pirate bulletin boards.

In passing this legislation, I believe the Congress will be providing needed and appropriate protection to our computer resources and, hopefully, decrease future attempts by high technology criminals in our society. A report by a task force on computer crime of the section of criminal justice of the American Bar Association stated:

The annual losses incurred as a result of computer crime appear, by any measure, to be enormous. Over 25% (72) of the survey respondents report "known and verifiable losses due to computer crime during the last twelve months." The total annual losses reported by these respondents fall somewhere between $145 million and $730 million. Thus, the annual losses per respondent reporting losses could be anywhere from $2 million to as high as $10 million. Approximately 28% of the survey respondents reported no available system to monitor or estimate the value of their computer crime losses.

Federal law must keep pace with technology. It is as important today to develop Federal protection for intangible property such as computerized information as it was to develop Federal law to protect tangible assets in interstate commerce in the past. I commend the chairman of the Subcommittee on Crime, Mr. HUGHES, and the ranking subcommittee member, Mr. MCCOLLUM, for their fine work on this legislation, and I urge my colleagues to support it.

Mr. SHAW. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. HUGHES. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. HUGHES] that the House suspend the rules and pass the bill, H.R. 4718, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 4718, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SENTENCING GUIDELINES ACT OF 1986

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4801) to amend section 994 of title 28, United States Code, to clarify certain duties of the U.S. Sentencing Commission, as amended.

The Clerk read as follows:

H.R. 4801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sentencing Guidelines Act of 1986".

SEC. 2. GUIDELINES AND POLICY STATEMENTS.

Section 994 of title 28, United States Code, is amended—

(1) in subsection (a)(2)—

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively;

(B) so that subparagraph (C) reads as follows:

"(C) the sentence modification provisions set forth in sections 3563(c), 3564, 3573, and 3582(c) of title 18;"; and

(C) by adding after subparagraph (C) the following:

"(D) the fine imposition provisions set forth in section 3572 of title 18; and

(2) so that paragraph (3) of subsection (a) reads as follows:

"(3) guidelines or general policy statements regarding the appropriate use of the provisions for revocation of probation set forth in section 3565 of title 18, and the provisions for modification of the term or conditions of supervised release set forth in section 3583(e) of title 18."; and

(3) in subsection (b)—

(A) by inserting "(1)" after "(b)";

(B) by designating the second sentence as paragraph (2); and

(C) in that second sentence as so redesignated, by striking out "25 per centum" and inserting in lieu thereof "the greater of 25 percent or 6 months, except that, if the maximum term of the range is 30 years or more, the maximum may be life imprisonment".

The SPEAKER pro tempore. Is a second demanded?

Mr. SHAW. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. CONYERS] will be recognized for 20 minutes, and the gentleman from Florida [Mr. SHAW] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4801 addressed problems in current law that inhibit the U.S. Sentencing Commission from carrying out its statutory mandate. The bill is endorsed by the Sentencing Commission and was reported from the Committee on the Judiciary without opposition.

The first problem that the bill addresses concerns the Sentencing Commission's authority to issue general policy statements about the imposition of fines. Current law authorizes the Commission to issue general policy statements "regarding application of the guidelines or any other aspect of sentencing or sentence implementation * * * including the appropriate use of" several specified sanctions. A fine is not one of the specified sanctions. The silence about fines in current law may encourage litigation in the future, so H.R. 4801 as reported explicitly authorizes the Sentencing Commission to issue general policy statements about fines.

The bill also addresses two other problems, both arising because of the 25-percent rule in current law. The Sentencing Reform Act provides that if a sentencing guideline promulgated by the Commission calls for a term of imprisonment, the maximum prison term of the guideline cannot exceed the minimum by more than 25 percent of the minimum. This formula creates problems when a guideline involves a short term of imprisonment, on the one hand, or life imprisonment, on the other hand.

At the short end, the 25-percent rule would result in a proliferation of guidelines ranges and make it virtually impossible for the Commission to draw meaningful distinctions among the various guidelines. The Commission needs additional discretion if it is to be able to prevent the development of narrow, impractical guidelines at the short end. H.R. 4801 as reported adopts a recommendation of the Judicial Conference of the United States and gives the Commission greater discretion by providing that the maximum prison term cannot exceed the minimum by more than 25 percent or 6 months, whichever is greater.

At the long end, the problem involves life imprisonment. There is mathematically no way to determine a minimum prison term in a guideline that calls for life imprisonment. As matters now stand, such a guideline must specify life imprisonment as the only punishment. H.R. 4801 as reported gives the Commission greater discretion by providing that if life imprisonment is the maximum of a guideline, the minimum must be at least 30 years imprisonment.

The Sentencing Commission is facing very tight deadlines. The Commission must submit the initial set of sentencing guidelines to Congress by next April 11, and even before then must circulate a draft of those guidelines for public comment. Current law must be changed before the Commission can begin the process of drafting guidelines and policy statements. It is important, therefore, that this legislation be dealt with expeditiously.

Mr. Speaker, the enactment of H.R. 4801 as reported will enable the Sentencing Commission to move forward with its work. The bill, consistently with the philosophy of the Sentencing Reform Act, which established the Sentencing Commission, provides the Commission with limited additional discretion in the drafting of sentencing guidelines and clarifies the authority of the Commission to issue general policy statements about fines. I urge my colleagues to support it.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to my colleague, the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Speaker, I want to say that I am generally supportive of what the gentleman is trying to do. I think that the 25 percent does cause some problems and I understand from the gentleman's statement that he has just made what he is attempting to do.

I wanted to say that my concern over the past few years with respect to sentencing at virtually all levels in the court system, and especially my concern with respect to sentencing guidelines and the actual sentencing procedure by judges with respect to those people in our society who are defined as "career criminals," loosely defined, admittedly, but nonetheless, those who are repeat offenders, has caused me a great deal of concern.

I believe that there ought to be a due process for everyone in our system and that we ought to try and rehabilitate and those kinds of things, but I also believe, as I am sure the gentleman does, that there comes a time in our court system when we need to recognize that a very small percent of the criminals in this country commit the majority of the violent crimes. Those so-called career criminals who are not able to be rehabilitated need to be kept off the streets.

We have discovered in dozens of different ways and dozens of different jurisdictions that it is increasingly difficult to keep them off the streets. I think that has been the genesis of much of the sentencing reform that has been the product of legislation here in Congress.

I wanted to say that I am very concerned about what is going on in the court system with respect to these career criminals and anything that tightens it up so that when we move these people in with a third or fourth offense, armed robbery, those kinds of things, that we can put these people behind bars and keep them behind bars.

Mr. CONYERS. The Sentencing Commission is in the process of determining that kind of question. We are not really getting into it at this point because we have assigned that onerous task to them.

I am sure they are very sensitive to those, happily few people in our citizenry, who actually require incarceration for the safety of the general community. I want to assure the gentleman that for those people who have been proven incorrigible, I have no problem with recognizing that. At the same time, like the gentleman from North Dakota [Mr. DORGAN], I am not here to deprive them of any of the legal rights to which they are afforded, but the fact still remains that if they are indeed proven incorrigible, if

they maintain continued patterns of criminal conduct that is completely recidivist, they do pose a much different and more serious kind of problem and one that I think the criminal justice system has been looking at more carefully.

We have begun to isolate out a number of people that, unfortunately, fit this kind of characterization, but I do hope that we will recognize that for the great majority of people who come into the criminal justice process, this probably will not occur. I am only thankful that the Sentencing Commission, and not me or you, has to sit around and try to figure that kind of thing out.

Mr. DORGAN of North Dakota. Mr. Speaker, the point I was trying to make is that a minority of the criminals in this country are conducting or committing a majority of the violent crimes, and the criminal justice system has seemed to be unable to cope with describing who those folks are, moving them off the streets into the prisons and keeping them there.

I think there are some State governments that have offered some good leadership here. The State of Minnesota, the State of Washington and others have begun to develop some grid systems which is the basis of what the Commission is going to do that describes that if you commit a certain kind of crime and it is the first offense, there is a different recommendation for sentencing.

□ 1255

If you commit the third felony, and it is a serious third felony, with a gun, that we ought to treat that criminal much differently and impose a different kind of sentence on that criminal, because society cannot be safe without some assurance that the criminal justice system deals appropriately with those folks.

I have seen myself instance after instance of people who have not been able to be dealt with by the current system; who commit the crime, go to prison, get out; commit the crime, the next time they get probation; commit the crime, get probation again; commit another crime, go to prison for a few months.

The fact is the system has not been able to deal with this career criminal business as effectively as it should, and I think that is what the sentencing guidelines will finally get at, by developing this grid system.

I want to say again that what the gentleman is recommending in this legislation is good; and I support it. I just wanted to raise those concerns that I have about the so-called career criminals and our inability to deal with them at this point.

Mr. CONYERS. The gentleman should be pleased to learn that the guidelines used in Minnesota and Washington and Pennsylvania were not only studied carefully, but some of that was used in the framework that has formed the guideline system that the U.S. Sentencing Commission is using.

I know that in the gentleman's State, this is probably not nearly the kind of problem that it is in more urban areas, where crime, violent crime, this kind of criminal activity is far more serious.

So I appreciate his concerns, as a member of the national legislature, that joins with us in working out these problems.

Mr. DORGAN of North Dakota. I thank the gentleman.

Mr. CONYERS. Mr. Speaker, the Sentencing Commission is still in the beginning of its work; it is far from through. So I would like to invite my colleague to stay apprised of what it is doing. Our subcommittee plans to have oversight hearings in which we invite not only the Chairman of the Sentencing Commission, but the entire Commission itself to discuss its work with us and the problems that they have encountered and anything else that they would like to share with us.

So Congress has not turned the baby and the bath water over to an independent agency. We are all working together very much, and I can report to this body that the Chairman and the members of the Commission have demonstrated a great sense of cooperation with the subcommittee on this matter.

Mr. DORGAN of North Dakota. I think this is very important work, and I thank the gentleman from Michigan [Mr. CONYERS] for his efforts.

Mr. HUGHES. Will the gentleman yield?

Mr. CONYERS. I yield to the chairman of the Crime Subcommittee, the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. I just want to say to my colleague that the Subcommittee on Crime, which I chair, just reported out a career criminal bill which broadens the predicate offenses that we passed in the 98th Congress.

As you may recall, we dealt in the 98th Congress with two classes of criminals; burglars and robbers, three-time losers caught with a weapon, which provided a Federal response where requested by State authorities.

We are broadening that, the predicate offenses, to include high-level drug traffickers, violent offenders, persons engaging in trafficking in explosives, arson, extortion offenses. So it is going to be a much broader predicate offense, and it sends a signal to the career criminals that "if you get caught with three convictions, and in fact you possess a weapon, that you're going to jail for 15 years, minimum, mandatory."

Mr. DORGAN of North Dakota. Will the gentleman yield?

Mr. CONYERS. I yield to the gentleman.

Mr. DORGAN of North Dakota. Mr. Speaker, I have cosponsored that legislation; I think it is excellent legislation and I am happy that it is being reported out.

Mr. HUGHES. If the gentleman will yield further, it came out of the subcommittee, unanimously, before our Memorial Day recess, and I expect to take it to the full committee hopefully in the next couple weeks.

Mr. CONYERS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4801.

H.R. 4801, reported by the House Judiciary Committee without dissent on May 20, makes changes in current law necessary to facilitate the drafting of workable guidelines by the Sentencing Commission established as a part of the Comprehensive Crime Control Act of 1984.

Recognizing the importance of workable guidelines, Congress has been extraordinarily cooperative in taking action requested by the Sentencing Commission and that cooperation should extend to H.R. 4801. Moreover, since the guidelines must be promulgated by April 1987, we must act with dispatch.

Most significantly, H.R. 4801 gives the Commission greater latitude in the guidelines that it promulgates. Under current law, the range between the maximum and minimum of a specific guideline cannot vary by more than 25 percent of the minimum. Although this requirement was intended to prevent inordinately wide ranges, guidelines at the lower end would have ranges that are too narrow. H.R. 4801 rectifies this problem by permitting the Commission to issue guidelines that vary by 25 percent or 6 months, whichever is greater.

The Chairman of the Sentencing Commission, Judge William Wilkins, indicated in testimony before the Judiciary Committee that the Commission will rarely issue a guideline that contains such a wide variation; but he emphasized that such discretion would greatly facilitate the Commission's work.

On the other hand, H.R. 4801 requires that if a guideline range is issued for life imprisonment as a maximum, the minimum can be no less than 30 years. Under current law there is effectively no minimum.

The Department of Justice favors legislation previously passed by the Senate (S. 1236) containing a somewhat narrower range than H.R. 4801. The differences between these two

bills are not substantial and can easily be resolved, but favorable action now by this House will hasten this resolution.

Mr. Speaker, I urge the adoption of H.R. 4801.

Mr. RODINO. Mr. Speaker, H.R. 4801 will make it possible for the U.S. Sentencing Commission more effectively to carry out its mandate. I urge my colleagues to vote for the bill.

The Sentencing Reform Act of 1984 made significant changes in the Federal sentencing system. The act gave Federal judges greater formal control over the punishment meted out to Federal offenders by eliminating parole and greatly reducing the amount of good time credit an offender could earn while in prison.

Other provisions of the Sentencing Reform Act, however, reduced judicial control over the punishment. The act requires a judge to impose a sentence authorized by the applicable sentencing guideline and permits the judge to go outside of that guideline only if the judge finds that there is present in the case an aggravating or mitigating circumstance that was not adequately considered when the guideline was formulated and that should lead to a sentence other than that called for in the guidelines. The judge, moreover, is not encouraged to impose a sentence other than one authorized by the guideline. If the judge does go outside the guideline, the aggrieved party—the defendant if the sentence is more severe than that called for by the guideline; the prosecution if the sentence is more lenient than that called for by the guideline—is entitled to appeal.

The Sentencing Reform Act, therefore, vests most of the sentencing discretion in the Sentencing Commission, the body responsible for drafting sentencing guidelines. The Commission is an independent agency within the judicial branch composed of seven voting members appointed by the President with the advice and consent of the Senate. In addition, the Chairman of the U.S. Parole Commission is an ex officio, nonvoting member, as is the Attorney General or someone designated by the Attorney General.

The Commission has considerable discretion to develop such guidelines as it considers appropriate. There are, however, limitations on the Commission's discretion. Thus, the Sentencing Reform Act requires that the guidelines be based on at least two factors—offense severity and offender characteristics. The act also sets up a 25-percent rule, requiring that if a guideline calls for a range of prison terms, the maximum of the range cannot exceed the minimum by more than 25 percent.

It is this 25-percent rule that creates two serious obstacles to the Sentencing Commission's drafting of sentencing guidelines. At the short end, the 25-percent rule requires numerous narrow guidelines. As U.S. District Judge William W. Wilkins, the Chairman of the Sentencing Commission has noted, such guidelines are impractical and "would not only unduly restrict the discretion of the sentencing judge but also would undoubtedly encourage many defendants charged with petty offenses to stand trial rather than plead guilty."

The 25-percent rule also creates a problem if a guideline authorizes life imprisonment, for there is mathematically no way to determine what life imprisonment is 25 percent more than. As matters now stand, the Commission must make life imprisonment the only punishment in a guideline.

U.S. District Judge William W. Wilkins, the Chairman of the Sentencing Commission, notified me of these two problems, as well as a problem related to the Commission's authority to issue general policy statements about the imposition of fines. After reviewing the issues, I introduced H.R. 4801 to resolve the problems. The bill explicitly authorizes the Commission to issue policy statements about fine imposition, and it modifies the 25-percent rule. As reported by the Committee on the Judiciary, the bill provides that the maximum prison term of a guideline cannot exceed the minimum by more than the greater of 25 percent or 6 months, except that if the minimum is 30 years imprisonment or more, the maximum may be life imprisonment.

Mr. Speaker, the Judiciary Committee has attempted to assist the Sentencing Commission in its work. To that end, the Judiciary Committee last year drafted and secured the prompt enactment of legislation that expedited the appointment of members of the Commission and permitted the submission to Congress of the Commission's initial budget request. Earlier this year, the Commission requested additional time in which to submit the initial set of sentencing guidelines to Congress in order to restore the time lost between the enactment of the Sentencing Reform Act and the appointment of the members of the Commission, a period of almost 1 year exactly. The House Judiciary Committee responded promptly to this request and secured the enactment of legislation giving the Commission an additional year.

The bill before us also responds to the needs of the Commission and to its request for changes in the Sentencing Reform Act. The bill is endorsed by the Commission, and I urge my colleagues to support it.

Mr. SHAW. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. CONYERS] that the House suspend the rules and pass the bill, H.R. 4801, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4801, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROTECTING TROPICAL FORESTS IN DEVELOPING COUNTRIES

Mr. YATRON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2957) to amend the Foreign Assistance Act of 1961 to protect tropical forests in developing countries, as amended.

The Clerk read as follows:

H.R. 2957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 1 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating section 118 (22 U.S.C. 2151p) as section 117;

(2) by striking out subsection (d) of that section; and

(3) by inserting after that section the following new section 118:

"SEC. 118. TROPICAL FORESTS.

"(a) IMPORTANCE OF FORESTS AND TREE COVER.—In enacting section 103(b)(3) of this Act the Congress recognized the importance of forests and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forests in developing countries, which pose a serious threat to development and the environment. Tropical forest destruction and loss—

"(1) result in shortages of wood, especially wood for fuel; loss of biologically productive wetlands; siltation of lakes, reservoirs, and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and

"(2) can result in decertification and destabilization of the earth's climate.

Properly managed tropical forests provide a sustained flow of resources essential to the economic growth of developing countries, as well as genetic resources of value to developed and developing countries alike.

"(b) PRIORITIES.—The concerns expressed in subsection (a) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be given high priority by the President—

"(1) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities; and

"(2) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

"(c) ASSISTANCE TO DEVELOPING COUNTRIES.—In providing assistance to developing countries, the President shall do the following:

"(1) Place a high priority on conservation and sustainable management of tropical forests.

"(2) To the fullest extent feasible, engage in dialogues and exchanges of information with recipient countries—

"(A) which stress the importance of conserving and sustainability managing forest resources for the long-term economic benefit of those countries, as well as the irreversible losses associated with forest destruction, and

"(B) which identify and focus on policies of those countries which directly or indirectly contribute to deforestation.

"(3) To the fullest extent feasible, support projects and activities—

"(A) which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and

"(B) which help developing countries identify and implement alternatives to colonizing forested areas.

"(4) To the fullest extent feasible, support training programs, educational efforts, and the establishment or strengthening of institutions which increase the capacity of developing countries to formulate forest policies, engage in relevant land-use planning, and otherwise improve the management of their forests.

"(5) To the fullest extent feasible, help end destructive slash-and-burn agriculture by supporting stable and productive farming practices in areas already cleared or degraded and on lands which inevitably will be settled, with special emphasis on demonstrating the feasibility of agroforestry and other techniques which use technologies and methods suited to the local environment and traditional agricultural techniques and feature close consultation with and involvement of local people.

"(6) To the fullest extent feasible, help conserve forests which have not yet been degraded, by helping to increase production on lands already cleared or degraded through support of reforestation, fuelwood, and other sustainable forestry projects and practices, making sure that local people are involved at all stages of project design and implementation.

"(7) To the fullest extent feasible, support projects and other activities to conserve forested watersheds and rehabilitate those which have been deforested, making sure that local people are involved at all stages of project design and implementation.

"(8) To the fullest extent feasible, support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing, including reforestation, soil conservation, and other activities to rehabilitate degraded forest lands.

"(9) To the fullest extent feasible, support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation, including research in agroforestry, sustainable management of natural forests, small-scale farms and gardens, small-scale animal husbandry, wider application of adopted traditional practices, and suitable crops and crop combinations.

"(10) To the fullest extent feasible, conserve biological diversity in forest areas by—

"(A) supporting and cooperating with United States Government agencies, other donors (both bilateral and multilateral), and other appropriate governmental, intergovernmental, and nongovernmental organizations in efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis;

"(B) whenever appropriate, making the establishment of protected areas a condition of support for activities involving forest clearance or degradation; and

"(C) helping developing countries identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas.

"(11) To the fullest extent feasible, engage in efforts to increase the awareness of United States Government agencies and other donors, both bilateral and multilateral, of the immediate and long-term value of tropical forests.

"(12) To the fullest extent feasible, utilize the resources and abilities of all relevant United States Government agencies.

"(13) Require that any program or project under this chapter significantly affecting tropical forests (including projects involving the planting of exotic plant species)—

"(A) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and

"(B) take full account of the environmental impacts of the proposed activities on biological diversity,

as provided for in the environmental procedures of the Agency for International Development.

"(14) Deny assistance under this chapter for—

"(A) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner which minimizes forest destruction and that the proposed activity will produce positive economic benefits and sustainable forest management systems; and

"(B) actions which significantly degrade national parks or similar protected areas which contain tropical forests or introduce exotic plants or animals into such areas.

"(15) Deny assistance under this chapter for the following activities unless an environmental assessment indicates that the proposed activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development:

"(A) Activities which would result in the conversion of forest lands to the rearing of livestock.

"(B) The construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands.

"(C) The colonization of forest lands.

"(D) The construction of dams or other water control structures which flood relatively undegraded forest lands.

"(d) PVOs AND OTHER NONGOVERNMENTAL ORGANIZATIONS.—Whenever feasible, the President shall accomplish the objectives of this section through projects managed by private and voluntary organizations or international, regional, or national nongovernmental organizations which are active in the region or country where the project is located.

"(e) COUNTRY ANALYSIS REQUIREMENTS.—Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of—

"(1) the actions necessary in that country to achieve conservation and sustainable management of tropical forests, and

"(2) the extent to which the actions proposed for support by the Agency meet the needs thus identified.

"(f) ANNUAL REPORT.—Each annual report required by section 634(a) of this Act shall include a report on the implementation of this section.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Pennsylvania [Mr. YATRON] will be recognized for 20 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. YATRON].

Mr. YATRON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on July 10, 1985, I introduced H.R. 2957 to address one of the most critical environmental issues facing humankind today, tropical deforestation. This bill was an outgrowth of extensive hearings that the Subcommittee on Human Rights and International Organizations, which I chair, conducted on this issue. The bill, as amended, was unanimously adopted by both the subcommittee and the full Foreign Affairs Committee. The subcommittee action occurred on October 3, with the full committee acting on December 11, 1985.

I want to thank the ranking member of the subcommittee, Mr. SOLOMON, for his valuable contribution to the bill. I also want to commend Congressman DANTE FASCELL, Foreign Affairs Committee chairman, and Congressman DON BONKER, my predecessor on the subcommittee, for their outstanding leadership on international environment issues. I also want to commend the gentleman from Michigan [Mr. BROOMFIELD] for his strong support.

Mr. Speaker, every year an area approximately the size of Pennsylvania is deforested. If this loss is not arrested, the consequences for both developed and developing nations could be catastrophic. Tropical forests are an essential source of food, medicines, and other basic necessities for millions of people. Forests also help maintain soil quality, limit soil erosion, preserve climatic stability, modulate seasonal flooding, stabilize hillsides, and protect marine resources. They also contain two-thirds of the world's approximately 4.5 million plant and animal species. The devastating effects of deforestation are tragically displayed in the horrors of the African famine.

Clearly, forests are vital to the continued economic improvement of developing countries. They are also becoming increasingly important to the economic and military security of the industrialized societies, especially our own. The basic thrust of H.R. 2957 is to enhance the capabilities of developing countries to manage these forests wisely for sustained growth. It builds on and strengthens existing law, section 118 of the Foreign Assistance Act, which declares the importance of tropical forests and mandates Presidential action. It seeks to ensure that the protection of forest resources throughout the world remains a high national priority.

More specifically, H.R. 2957 calls for a greater effort in U.S. assistance to developing nations to increase policy dialog, education, training, research, information exchange, institution building, and the involvement of the local population to limit deforestation and encourage conservation. The measure also seeks to increase international cooperation, and improve coordination with nongovernmental organizations. The bill also urges the denial of funds for projects which significantly degrade tropical forests.

H.R. 2957 does not authorize new funding, is noncontroversial, and bipartisan. It is cosponsored by over 55 of our House colleagues of both parties. Companion legislation has been introduced in the Senate.

In addition, the subcommittee has worked closely with the administration on this measure and I offered amendments in both the subcommittee and committee markup incorporating many of its views.

Mr. Speaker, I believe that this measure constitutes a reasonably modest, but significant approach to deal with a pressing international environmental problem and I think it merits the support of the House.

□ 1305

Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, which I support, seeks to address a problem in Third World countries with growing global implications: The indiscriminate and uncontrolled destruction of forests.

Each year, large areas of the Third World are stripped of their forest cover. The resultant environmental damage threatens to wreak havoc on the ecosystem. Moreover, the destruction of forests is part of a vicious cycle in which millions of people are denied the hope of a better life.

Grinding poverty reduces large numbers of people to subsistence living that discourages orderly farming and conservation methods from being implemented. As the land is stripped of its vegetation, soil and other resources, the people are forced to migrate into new areas where the same destructive cycle starts again.

Ethiopia is a vivid example. It is a country about three times larger than California. At the turn of the century, fully 40 percent of Ethiopia was covered by forests. Today, only 4 percent retains its forest cover, and we know what this had led to.

This bill will not solve the problem, but it does direct our foreign aid toward necessary field programs in agroforestry research and development. Moreover, it parallels ongoing efforts to encourage reform and restructuring of agricultural policies and practices in Third World countries.

I understand that this bill is very similar to the guidance the Administrator of the Agency for International Development [AID] sent to aid field missions.

The bill outlines certain actions expected of the President in helping developing countries to protect tropical forests. These include exchanges of information, support for training and educational efforts, conservation of forest resources, and aid in ending destructive agricultural policies.

I want to thank the sponsors for their excellent work. I was particularly pleased with the helpful contributions of the gentleman from New York [Mr. SOLOMON] during committee consideration of this bill. I urge my colleagues to support this measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YATRON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FASCELL. Mr. Speaker, I rise to support H.R. 2957, protection of tropical forests in developing countries, one of the two measures concerning international environmental protection which are under consideration by the House today.

I would like to commend Hon. GUS YATRON, chairman of the Subcommittee on Human Rights and International Organizations, for the thoughtful attention the subcommittee under his leadership has given to international environmental issues. He and Hon. GERRY SOLOMON, ranking minority member of the subcommittee, have been leaders in this Congress in recognizing that successful development efforts around the world must take into consideration the impact expanding economic development has on the environment. I would also like to commend Hon. BILL BROOMFIELD, ranking minority member of the committee for his support and assistance, and Hon. DON BONKER, who for many years has worked to educate us on the importance of international environmental protection measures such as the ones before us today.

The legislation before the House today is directed specifically to development activities undertaken by the U.S. Agency for International Development. AID is already generally considered as the most responsible development organization in focusing on environmental concerns, and these bills will strengthen further AID's mandate to ensure environmentally sound development and to help developing countries build the expertise needed to safeguard their forests and develop appropriate wildlife protection programs.

H.R. 2957 would enhance our efforts to preserve one of the Earth's most valuable resources, our tropical forests. Forests are an essential source of raw materials; they help to protect our climate; they contribute to maintaining soil and water quality necessary for agricultural production. They are also critical ingredients for economic growth in developing nations. H.R. 2957, which the Committee on Foreign Affairs adopted unanimously, is an important step to ensure that progress is made in reducing the loss of tropical forests.

I urge my colleagues to support H.R. 2957, to protect tropical forests in developing countries.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. YATRON] that the House suspend the rules and pass the bill, H.R. 2957, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROTECTING BIOLOGICAL DIVERSITY IN DEVELOPING COUNTRIES

Mr. YATRON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2958) to amend the Foreign Assistance Act of 1961 to protect biological diversity in developing countries, as amended.

The Clerk read as follows:

H.R. 2958

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151q) is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) FUNDING LEVELS.—For each fiscal year beginning with fiscal year 1987, not less than $10,000,000 of the funds available to carry out this part (excluding funds made available to carry out section 104(c)(2), relating to the Child Survival Fund) shall be allocated for assistance pursuant to subsection (b) for activities which were not funded prior to fiscal year 1987. In addition, the Agency for International Development shall, to the fullest extent possible, continue and increase assistance pursuant to subsection (b) for activities for which assistance was provided in fiscal years prior to fiscal year 1987.

"(d) COUNTRY ANALYSIS REQUIREMENTS.—Each country development strategy state-

ment or other country plan prepared by the Agency for International Development shall include an analysis of—

"(1) the actions necessary in that country to conserve biological diversity, and

"(2) the extent to which the actions proposed for support by the Agency meet the needs thus indentified.

"(e) LOCAL INVOLVEMENT.—To the fullest extent possible, projects supported under this section shall include close consultation with and involvement of local people at all stages of design and implementation.

"(f) PVOs AND OTHER NONGOVERNMENTAL ORGANIZATIONS.—Whenever feasible, the objectives of this section shall be accomplished through projects managed by appropriate private and voluntary organizations, or international, regional, or national nongovernmental organizations, which are active in the region or country where the project is located. For each fiscal year beginning with fiscal year 1987, the Agency for International Development shall allocate not less than $3,000,000 of the funds made available for assistance pursuant to subsection (b) for projects managed by such organizations.

"(g) ACTIONS BY AID.—The Administrator of the Agency for International Development shall—

"(1) cooperate with appropriate international organizations, both governmental and nongovernmental;

"(2) look to the World Conservation Strategy as an overall guide for actions to conserve biological diversity;

"(3) engage in dialogues and exchanges of information with recipient countries which stress the importance of conserving biological diversity for the long-term economic benefit of those countries and which identify and focus on policies of those countries which directly or indirectly contribute to loss of biological diversity;

"(4) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity;

"(5) whenever possible, enter into long-term agreements in which the recipient country agrees to protect ecosystems or other wildlife habitats recommended for protection by relevant governmental or nongovernmental organizations or as a result of activities undertaken pursuant to paragraph (6), and the United States agrees to provide additional assistance necessary for the establishment and maintenance of such protected areas;

"(6) support, as necessary and in cooperation with the appropriate governmental and nongovernmental organizations, efforts to identify and survey ecosystems in recipient countries worthy of protection;

"(7) cooperate with and support the relevant efforts of other agencies of the United States Government, including the United States Fish and Wildlife Service, the National Park Service, the Forest Service, and the Peace Corps;

"(8) review the Agency's environmental regulations and revise them as necessary to ensure that ongoing and proposed actions by the Agency do not inadvertently endanger wildlife species or their critical habitats, harm protected areas, or have other adverse impacts on biological diversity (and shall report to the Congress within a year after the date of enactment of this paragraph on the actions taken pursuant to this paragraph);

"(9) ensure that environmental profiles sponsored by the Agency include information needed for conservation of biological diversity; and

"(10) deny any direct or indirect assistance under this chapter for actions which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas.

"(h) ANNUAL REPORTS.—Each annual report required by section 634(a) of this Act shall include, in a separate volume, a report on the implementation of this section.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Pennsylvania [Mr. YATRON] will be recognized for 20 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. YATRON].

Mr. YATRON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2958 is similar to H.R. 2957, as it deals with a compelling international environmental issue, biological diversity. I introduced the measure in tandem with H.R. 2958 and it was unanimously approved, as amended, by the Subcommittee on Human Rights and International Organizations and the Foreign Affairs Committee October 3 and December 11, respectively. I also want to thank and commend Mr. SOLOMON, Chairman FASCELL, Mr. BONKER, and Mr. BROOMFIELD for their efforts on this measure as well.

Biological diversity, the preservation of Earth's myriad life forms and ecosystems, is related to tropical deforestation but is more comprehensive in scope. While the effects of wildlife loss parallel those of deforestation, the implications can be even more severe for the developed world. Scientists estimate that by the year 2000, as many as 2 million species may be lost forever. The United States is becoming increasingly dependent on these diverse species for new medicines, food sources, and a host of critical industrial products. For example, our corn crop has been helped by the increased resistance to disease provided by crossing with Mexican wild grasses. The tropical periwinkle plant is important to the treatment of leukemia and other forms of cancer.

Yet wild species of plants and animals are being lost in the world's developing nations faster than they can be identified or discovered, much less tested for their value to man. Unfortunately, that destruction is often aided by policies or funds from the United States. The developing country loses a valuable source of revenue, increasing demands for U.S. foreign assistance, and the world loses a potential medical, industrial or agricultural breakthrough.

H.R. 2958 is a product of extensive subcommittee hearings and builds on and strengthens existing law, section 119 of the Foreign Assistance Act, which authorized the President to provide assistance to developing countries to help them maintain and protect valuable wildlife resources. The basic thrust of H.R. 2957 is to enhance the capabilities of developing countries to manage wildlife resources wisely for sustained growth. The bill does not dictate any solution, but endeavors to help developing nations help themselves on this matter.

H.R. 2958 urges the President, when providing assistance to developing countries, to increase policy dialog, education, training, research, information exchange, institution building, and the involvement of the local population to protect wildlife habitats and develop sound wildlife management and conservation programs. The measure also seeks to increase international cooperation, improve coordination with non-governmental organizations and prevent ongoing or future aid projects from destroying valuable plant and animal resources.

H.R. 2958 does not authorize new funding, is noncontroversial, and bipartisan. It is cosponsored by over 55 of our House colleagues of both parties and companion legislation has been introduced in the Senate. The subcommittee has worked to accommodate administration views on the bill and this amended version is the product of our cooperation.

Mr. Speaker, I believe that H.R. 2958 is a reasonable, modest, but significant approach to arrest the loss of wildlife resources, to promote the prospects of sustained growth in the developing world and to preserve the industrialized base and military security of developed nations. I think the bill merits the support of the House and I strongly appeal for its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Pennsylvania has very ably described the legislation under consideration.

Mr. Speaker, this bill, which I support, is aimed at developing a U.S. strategy for the preservation of "biological diversity" in the Third World. The concept of biological diversity embraces individual species of plants and animals as well as ecosystems in general.

Maintaining biological diversity has been an important objective for human endeavor through the centuries. Genetic resources have often provided new foods, medicines, and energy sources to meet human needs. Scientists estimate that if present trends continue, as many as 2 million distinct life forms may be lost forever by the year 2000. The primary culprit in this process has been inappropriate development and agricultural schemes

pursued in Third World countries. Poor policies have resulted in the widespread destruction of natural habitats needed to sustain plant and animal life.

This bill will not solve the problem—but it will serve to initiate a process of consultation and coordination between our Government and the governments of Third World countries as they seek to deal with this most difficult problem.

This important bill would earmark $10 million in already authorized funds for new programs for the protection and maintenance of wildlife habitats and in developing sound wildlife management and plant conservation efforts.

In addition, the bill would require the Administrator of the Agency for International Development [AID] to cooperate with international organizations in efforts to protect biological diversity. The AID Administrator would also be required to engage in dialog and exchanges of information with recipient countries and, whenever possible, to enter into long-term agreements with those countries to protect ecosystems or other wildlife habitats.

I would like to commend the bill's sponsors and the gentleman from New York [Mr. SOLOMON] who so ably guided this measure through the Foreign Affairs Committee during its deliberation on the matter. I urge my colleagues to support the legislation before us.

Mr. SEIBERLING. Mr. Speaker, I rise in support of H.R. 2957 and H.R. 2958, two bills whose passage is critical if we are to slow down and reverse the tragic deforestation and destruction of biological diversity in Third World countries.

Neither bill authorizes new spending. Rather they direct the President to adopt policies of lending and spending by U.S. agencies that favor conservation of tropical forest resources which are essential to the economic as well as ecological well-being of these developing countries.

For example, H.R. 2957 would, among other things, require the President to deny assistance for development projects that would remove forest land unless they "contribute to the livelihood of the rural poor" and do so in the least harmful environmental manner.

H.R. 2958 provides that, beginning in 1987, the Agency for International Development [AID] must earmark $10 million of its assistance funds for conservation of biological diversity, of which $3 million must go to private, voluntary, and nongovernmental organizations.

If anything, the proposals are too modest. I have just returned from Central America where I led a congressional delegation to look at these very problems. In Costa Rica, we saw perhaps the most enlightened country in terms of environmental policy. In barely 15 years, that small democracy has set aside some 10 percent of its national surface in national parks, wildlife refuges and other protected areas. Yet deforestation in the other 90 percent is continuing at such a pace that in 20 years, Costa Rica may have to make a decision whether to import lumber or start cutting in the sanctuaries.

Virtually all deforestation in that country, and elsewhere in Central America and the tropics, means ultimately the conversion of vibrant, genetically diverse forests to low-production, single-use pasturelands. We flew over large areas of new pasturelands and were struck by the small number of very poor quality cattle now occupying them. In destroying their forests, mainly through burning, peasants are literally destroying their own food base as well as habitat for innumerable species of wildlife. Certain species of what we consider American songbirds are already starting to diminish because of destruction of their winter habitat in Central and South America.

In Panama, we witnessed the accelerating deforestation of the watershed that supplies Gatun Lake, and through it the Panama Canal, with its lifeline of clean water. Each time a ship goes through a lock, 2.8 million gallons of water flow out of the lake. Because of the deforestation, siltation is increasing in the lake and its tributaries. Local experts advised us that if the destruction of forests in the watershed continues at the present rate, within 20 years the silted up lake will no longer hold sufficient water to support operation of the Canal! The Panama Canal Commission is already spending $40 million per year in dredging. Belatedly, AID has entered into an agreement with the Panamanian Government to help fund a possible solution to the problem. Much remains to be done, however, to protect Panama's forests from the slash and burn agriculture which is increasing at an alarming rate.

As for the issue of biological diversity, let me cite a single observation on the trip. We witnessed the workings of the leafcutter ant. This insect swarms the forest gathering snippets of leaves which it stores below ground as a base for a fungus. The fungus is its sole food. Scientists have discovered that the ant avoids certain leaves; they are now trying to determine whether the rejected leaves contain a natural fungicide. If such a fungicide can be isolated, it could have enormous benefits as a medicine for humans and animals. H.R. 2958 would make it possible to explore many such possibilities by preserving genetic diversity.

Mr. Speaker, the two bills before us represent a modest beginning in reorienting administration policies with regard to international programs. We learned that moneys available to AID in the two countries we visited amount to tens of millions of dollars whereas expenditures by conservation agencies, such as the National Park Service and the U.S. Fish and Wildlife Service, amount to mere thousands. The Fish and Wildlife Service, for example, is funding a valuable Masters Degree Program for Latin American conservationists at the Nataional University in Costa Rica. The money available to the agency for this purpose is only $50,000 annually, yet this program will provide the first such training within Central and South America.

It is time to correct the imbalance. These bills are a good start. We need also to bring U.S. conservation agencies more vigorously to the fore. They have the expertise which is badly needed in Third World countries; their involvement is also badly needed in helping to implement U.S. policies toward these countries which will ultimately benefit all of us.

I commend the chairman of the International Organizations Subcommittee, Mr. YATRON, for his leadership in developing these very important measures. I am pleased to support their passage.

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YATRON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. YATRON] that the House suspend the rules and pass the bill, H.R. 2958, as amended.

Mr. FASCELL. Mr. Speaker, I also rise in support of H.R. 2958, for the protection of biological diversity in developing countries, and commend Mr. YATRON, the sponsor of this legislation, as well as Mr. BROOMFIELD, Mr. SOLOMON, and Mr. BONKER for their efforts on this issue.

Biological diversity involves the preservation of plant and animal species. We know that large numbers of species, many of whose potential contribution to human well-being has not even yet been explored, are being lost as habitats are destroyed in developing countries.

H.R. 2958 strengthens the mandate of the Agency for International Development to protect biological diversity in developing countries through protection and maintenance of wildlife habitats and support for wildlife management programs. I urge my colleagues to support this modest and worthwhile proposal.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passsed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PENDING IMPEACHMENT OF JUDGE CLAIBORNE

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SENSENBRENNER. Mr. Speaker, U.S. District Judge Harry Clai-

borne of Nevada is in jail. He was convicted of income tax evasion by a jury of his peers. He lost all of his appeals, and the conviction is now final. But he has refused to resign, and by refusing to resign, this convicted felon is still collecting his $78,100-per-year salary for making license plates or doing whatever prisoners do at the Federal penitentiary in Montgomery, AL.

Before the recess I called upon Judge Claiborne to resign. If he fails to resign by the close of business tomorrow, I shall exercise my prerogative as a U.S. Representative to bring a resolution of impeachment before this body. We cannot afford to let another day pass of having this convicted felon being paid by the taxpayers at a rate of almost $217 per day.

Yesterday the Waukesha Freeman, the second largest newspaper published in my district, wrote an editorial saying that this Congress ought to impeach Judge Claiborne if he refuses to resign. I shall submit this editorial for insertion in the RECORD.

I call on my colleagues not to shirk their duties as U.S. Representatives just because it is unpleasant to go through an impeachment vote.

If the man has abused the system of justice and makes a mockery of the Federal courts, it is up to the Congress to purge the courts of this cancer.

[From the Waukesha Freeman, June 2, 1986]

SENSENBRENNER IS RIGHT

If U.S. District Judge Harry Claiborne of Nevada does not resign his lifetime judicial appointment by Wednesday, U.S. Rep. F. James Sensenbrenner Jr., R-Menomonee Falls, will introduce a resolution to begin impeachment proceedings against Claiborne.

Although federal judges were correctly given lifetime appointments so they can dispense justice insulated from congressional politics, Sensenbrenner is right in this case: Claiborne should be impeached. Claiborne has the dishonor of being the first federal judge to ever go to prison; he sits in a federal prison in Alabama, serving a two-year sentence for tax evasion. Because he refused to resign as a judge, he remains on the federal payroll—collecting $78,000 a year. That's our tax money, being mailed to a convicted felon!

An impeachment resolution is long and cumbersome: the House would have to approve that resolution, and the Senate would have to hold a trial on it.

But the idea that a federal judge could betray such a public trust, violate such a basic duty of citizenship as paying one's fair share of taxes, be judged and sentenced and imprisoned—collecting his $78,000 a year all the while—makes a mockery of our system of justice. Claiborne, sitting in jail yet collecting $78,000 a year, seems to reinforce all those who argue that our judicial system is corrupt—so corrupt some will label Claiborne a "winner" if he emerges from this two-year sentence and walks back into his judicial job.

We agree with the Washington Post: Claiborne "should not be able to get way with it. . . . If it takes action by both houses of Congress to get rid of him, let's have it."

Sensenbrenner correctly gave Claiborne until Wednesday to resign, and it's sad that there is little evidence the judge will resign. So, impeach him; the sooner Judge Claiborne becomes simply Inmate Claiborne, the better.

COLLECTIVE BARGAINING FOR CERTAIN CONGRESSIONAL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 5 minutes.

Mr. FRANK. Mr. Speaker, during a May 22 special order on extending collective bargaining rights to House restaurant employees, I made reference to the fact that in 1975, the Librarian of Congress, without the need for direction or instruction by Congress, established a system for collective bargaining of the employees of the Library of Congress. I incorrectly stated that the General Accounting Office conducted the representation election at the Library of Congress. I should have noted that under the system established by the Librarian of Congress, the election was supervised by a neutral third party umpire, selected by the parties.

Where management does not have an antiunion bias, as in the Library of Congress example, it is not difficult for the parties prior to an election to agree on a neutral umpire to supervise the election and to resolve complaints. However, because of the antiunion bias shown by the Architect of the Capitol such a preelection agreement is most unlikely.

Accordingly, under the resolution now before the House Democratic Caucus, the General Accounting Office would conduct a secret ballot election to determine if the House restaurant workers wish to be represented by a labor organization for purposes of collective bargaining, and would resolve any complaints or challenges.

ARCTIC NATIONAL WILDLIFE REFUGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, I am very pleased to introduce legislation today to designate the Coastal Plain of the Arctic National Wildlife Refuge as wilderness. During the development of the Alaska National Interest Lands Conservation Act, the House of Representatives on two occasions voted overwhelmingly to designate the Coastal Plain of the Arctic National Wildlife Refuge as wilderness. These votes occurred with full knowledge that there was a geologic formation in the Coastal Plain of the refuge which might possess petroleum resources. The judgment of the House was that this area is one of the greatest treasures of wildlife and other environmental resources that we have anywhere in this Nation. This treasure is simply too valuable and sensitive to be at risk on speculative oil and gas exploration and development activities.

When the bill reached the Senate, the critical wildlife habitat area along the coast of the wildlife refuge was left out of wilderness. The area was to be seismically surveyed and mapped and a study conducted on its natural and mineral resources. At no time did the House participate in the negotiations that led to the inclusion of this provision. Despite our strong urging, the Senate refused to seriously reconsider this and many other vital matters of deep concern to the House.

In the fall of 1980, it became apparent to me that further efforts to seek alterations in the Senate bill would be fruitless and I reluctantly urged my colleagues to join me in accepting the Senate bill. I made it very clear at the time, however, that the bill was seriously deficient in many important respects, and that wilderness designation for the Coastal Plain should be reconsidered in the future. This bill is introduced today in that spirit.

My position at that time, as it is today, is that once the seismic survey of the Coastal Plain was completed under the law, regardless of whether there were positive indications of oil and gas potential under the Coastal Plain, the Congress should complete the job of designating the Coastal Plain of the Arctic Wildlife Refuge as wilderness. With pressure continuing to be applied to selling off the Nation's few petroleum reserves, it makes good sense to me to keep some areas in reserve for future generations to explore and in the event there should be sufficient oil and gas to warrant development to possibly develop. This is one such area. In the meantime, the extraordinary abundance of wildlife continues to rely on the undisturbed habitat of the Coastal Plain.

The Coastal Plain is home to a great number and a wide variety of wildlife including polar bears, grizzly bears, muskoxen, caribou, wolves, wolverines, arctic foxes, millions of birds, including ducks, geese, swans, loons, and ptarmigan, and 16 species of fish. Offshore the frigid Arctic Ocean harbors walrus, seals, an occasional narwhal, and the endangered bowhead whale.

Of paramount importance, the Coastal Plain is critical to the life cycle of the porcupine caribou herd which numbers over 160,000. This herd usually winters in Canada and, as it has for thousands of years, migrates to the Coastal Plain to calve and nurse its young. During this critical stage of its life cycle, the caribou are extremely sensitive to intrusions. Wildlife biologists believe that the intensive petroleum development may result in abandonment of areas previously used for calving with potentially devastating effects on the viability of the herd. If ever an area cried out for long-term protection, this is it. It is time to resume the fight to designate this incomparable area as wilderness.

Biological evidence and commonsense leads one to conclude that intensive oil and gas activities could seriously affect this internationally important wildlife treasure. Estimates of the oil and gas potential of the refuge are notable for their enormous differences. To put it in perspective, however, even if there were several hundred million barrels, it would represent only a 10- to 30-day supply for the United States based on current consumption rates.

Furthermore, with the development in nearby Prudhoe Bay, as well as the dedication

of the National Petroleum Reserve to the West, there would be no significant amount of Arctic coastline remaining to provide a yardstick of what nature created in that area if the Coastal Plain is not protected.

One of the activities which has been proceeding at the Interior Department, which is of grave concern to me with respect to the Arctic Coastal Plain, is the effort to encourage the native community throughout Alaska to seek subsurface rights to the Coastal Plain in return for other surface and subsurface rights they may hold elsewhere in Alaska. As one of the authors of the Alaska Native Claims Settlement Act, and as one who has championed Native American issues for many, many years, I certainly will continue to assist Native Americans through the State of Alaska. But I believe that the dollar should not drive such important decisions for this Nation as to whether we protect the Coastal Plain of this refuge or cause us to sacrifice great principle and commonsense. To do so in this part of Alaska would be extremely myopic and in all likelihood irreversible.

I urge my colleagues to join me in completing the task of protecting the Arctic National Wildlife Refuge and its incomparable natural resource contribution to this Nation.

EDUCATION IMPORTANT TO NATIONAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, the June/July edition of the Community, Technical and Junior College Journal contains a fine article on our colleague, Representative CHARLIE BENNETT. The article was written by Frank Mensel, vice president for Federal relations for the American Association of Community and Junior Colleges. Representative BENNETT makes some good points about the importance of education to national security. I commend this article to my colleagues:

NATIONAL SECURITY: EDUCATION HIGH ON CONGRESSMAN BENNETT'S AGENDA

(By Frank Mensel)

"If you will take the advice from an older man, Mr. President, please don't do it!" As one of Congress' most authoritative voices on military affairs, Representative Charles E. Bennett (D-FL) had been invited by President Reagan in 1981 to a Camp David retreat. The quote was Congressman Bennett's reaction to the President's plan to push a massive military buildup and a major tax cut at the same time.

In essence, Congressman Bennett, who is the chairman of the House Armed Services Committee's Subcommittee on Seapower, was telling the President that his game plan would lead to huge federal deficits, which since 1981 have become the largest in the nation's history, more than doubling the national debt. The accuracy of Congressman Bennett's prophecy should hardly be surprising, in the light of his experience and his record.

Just two months older than the President, he exudes the same upbeat vigor that has been the Reagan hallmark. Yet as the third most senior member of the House (the distinction he shares with Rep. Peter Rodino, of New Jersey), he has been an ardent student and shaper of defense policy under seven presidents—dating from President Truman, whose straight-from-the-shoulder style he also resembles.

One of Congressman Bennett's favorite legislative initiatives for the last two Congresses has been the community college bill, the Skilled Enlisted Reserve Training Act (SERTA), otherwise known as the Bennett-Thurmond Bill (H.R. 40, S. 801). SERTA is an apt symbol of his dogged devotion to, and pride in, his work. "We'll weave SERTA into the nation's military policy base if it takes ten years," he recently remarked.

Congressman Bennett believes the New GI Bill could be strengthened by the SERTA concept. "For those reserve and national guard recruits who want to pursue college courses while they serve their six-year enlistments, the SERTA approach would entice them into the courses that would meet their unit's technical skill needs, which so often are the critical skill needs of our military generally," said Congressman Bennett.

For those who may not be familiar with SERTA, the bill would provide tuition assistance to service enlistees who enroll in college courses that meet the military's critical skill needs.

It would also provide monthly stipends to the GIs, just as the New GI Bill does. The student would have the option of serving his or her military obligation in the regular forces or in the reserve. The training would be targeted on the bases and units with the most pressing skills shortages, and the courses to fill those needs would be programmed with the associate degree-granting schools that were most convenient geographically to those bases and units. Where courses occasionally need content improvement to meet military standards, SERTA would assist the colleges in making those improvements.

Among his stronger convictions, Congressman Bennett wants less emphasis on nuclear buildup, more on conventional forces. "To overload American defenses with marginal nuclear weaponry, at the expense of conventional forces, is to risk catastrophe, because it tempts Soviet aggression in Europe among other places," he tells his colleagues and supporters.

His legislative record sparkles with successes that have bolstered national security. His bills have provided needed ships for the Navy, advances in military pay, improved military housing, and military justice reform. He also spearheaded the scholarship program for physicians and dentists serving the armed forces. He authored the legislation creating the Arms Control Agency as well as the act that allows the military services to assist in interdicting drug smugglers.

Those who think he might be slowing down simply are not followers of his legislative record. Given the general trend toward shorter congressional careers, he holds an unblemished attendance record in Congress that likely will never be equaled, let alone surpassed. Most congressmen are pleased to make a one hundred percent attendance record for a single year in their Hill careers. With nearly thrity-eight years in the House, Congressman Bennett has not missed a single role call on a legislative vote since 1951. He has amassed a record of more than fifteen thousand votes—which among other things means he has never ducked a tough vote. Besides his demanding work on the Armed Services Committee, he is a member of the Merchant Marine and Fisheries Committee and the Democratic Steering and Policy Committee of the House. He is dean and chairman of the Florida delegation and has twice been elected the Southeast's representative of the House's Democratic Steering and Policy Committee.

As an old cliché of public office goes, he is "only a heartbeat away" from the chairmanship of the Armed Services Committee. In fact, he would be chairman today were it not for internecine warfare within his own party last year. He is second in committee seniority to Representative Melvin Price (D-IL), who was retired from the chairmanship last year by the House Democratic Caucus.

Congressman Bennett responded to a series of questions about education and national security posed by the Journal. His responses follow.

WHY ARE CONVENTIONAL FORCES SO VITAL FOR OUR NATIONAL SECURITY?

Last November President Reagan met with Soviet Premier Gorbachev to discuss ways for our two countries to reduce the tensions that run so deep between us. Many of my colleagues in Congress as well as myself welcome the meeting and have called for concrete actions to reduce nuclear armaments. However, while we applaud this we must ponder this question: If we reduce nuclear arms, will our conventional forces be up to the task of defending us? The answer is no.

No less an expert than General Bernard Rogers, the Supreme Allied Commander of NATO, has pointed out on many occasions that we have dangerous deficiencies in the area of military readiness and combat sustainability. A major shortcoming that has hampered the military has been the failure to adequately meet the ammunition, support, and communication equipment needs of our armed forces.

There are people in this country who are against nuclear weapons and also against beefing up our conventional weaponry. But if Western Europe were attacked conventionally, NATO would face the dark specter of having to use theater nuclear weapons. Why? Because of a lack of trained manpower, ammunition, and war materiel. It's good to be for reducing nuclear arms, but if we reduce such arms without an improvement of our conventional readiness, U.S. interests in Western Europe would be in great peril. It is imperative that we increase the readiness of our armed forces.

DOES THE GI BILL CONTINUE TO SERVE THE NATIONAL INTEREST?

Yes, it does. Statistics indicate that the New GI Bill is very important in attracting quality recruits. During the first five months alone of the program, recruits were enrolling at a rate of fifty percent. Participation was highest—sixty-seven percent—in the Army, where enlistees in the hard-to-fill skill categories are eligible for the enhanced Army College Fund.

As for reserve components—where eligibility is conditioned on signing up for six years—the program has been very helpful. For example, the New GI Bill is credited with a twenty percent boost in reenlistments at the 186th Tactical Reconnaissance Group of the Mississippi Air National Guard. That's testimony for the benefits of the New GI Bill.

HOW DO YOU RATE THE IMPORTANCE OF EDUCATION TO NATIONAL SECURITY?

In my view, education is essential to national security. It is a sad fact that today military people are not technically qualified

to properly maintain and operate the equipment they presently have. One study found that eighty-one percent of the Army aircraft maintenance personnel were not qualified to maintain the aircraft they were servicing, and sixty percent of the people assigned to communications were not properly qualified. Similar findings of incompetence were uncovered in all critical operational categories. This is really a very sad and dangerous commentary on our national defense. It is stupid to continue to spend vast sums of money for increasingly sophisticated equipment without the ability to obtain people qualified to maintain and operate the equipment.

This is why I am a sponsor of legislation known as the Skilled Enlisted Reserve Training Act (H.R. 40), which would establish a program to provide high school graduates with technical education and training in skills needed by the armed forces.

We must face reality: the day of the need for the uneducated foot soldier and the jack-of-all-trades military officer has passed. We are living in a world of specialists. Unless we recognize this fact and act accordingly, we will find ourselves in deep, deep trouble. Being well rounded never hurts, but the cutting edge is specialization. Our armed forces are becoming more and more dependent on advanced technology but are having trouble finding enough able personnel to fill many technical positions. The need for individuals with specific technical training has increased dramatically with the increased sophistication of modern warfare.

The Navy has reported that it has only been able to fill fifty-three percent of their needs for entry-level engineers, and by 1988 will need 70,000 more technical personnel, representing a thirty percent increase in the number of technical positions. Army planners have stated that the Army Reserve units alone need at least 250,000 technically skilled personnel. Many problems face all branches of service because of a lack of skilled hands necessary to provide sufficient maintenance and support. Reports indicate that there are Marine pilots who are flying only half their training flights simply because the corps doesn't have an adequate number of skilled technicians. We cannot, frankly, allow this type of situation to continue.

This is why education is so vital to our national interests. From what I've already said, you can see that emphasis on education would go well with a move to strengthen our conventional forces. The SERTA bill I have sponsored is good in that it would attract more individuals into the services by allowing participants the choice of meeting their military commitment and pursuing their technician training in their home community.

Another attractive feature of this program is that it offers the participant promotion to a noncommissioned officer grade between E-3 and E-8 upon completion of training. Thus the enrollee will not only gain career training in a demand skill without having to leave his hometown, but will also gain advancement in both rank and pay.

I believe that these two features will help attract large numbers of personnel to the program and lead to a higher retention rate than the present system.

Legislation such as this is needed to ensure that the military get properly trained people in its ranks. Not only would something like this help in the military, but people trained under SERTA would be potential members of the civilian workforce, individuals who could help pump up our economy and fill those skilled positions that civilian employers are trying to fill.

Education must be at the forefront of any movement to strengthen our conventional forces. Without adequate education, any such effort is doomed to failure.

WHAT IS YOUR ASSESSMENT OF THE PRESENT RISKS OF NUCLEAR WAR?

I don't believe we will see a nuclear war within the foreseeable future. Why? Because I don't really believe the Soviet Union wants a nuclear war and I'm sure the United States doesn't. Also, with President Reagan and Premier Gorbachev involved in what appears to be a serious dialogue, the relationship between the two nations appears to be less volatile, although we cannot soon expect to be best friends, that's certain.

However, this doesn't mean that we should ignore the threat of nuclear war. We must preserve an adequate nuclear deterrence. Again, I stress the need for our country to improve its conventional forces. I may sound like a broken record, but if we don't improve conventional forces, we are tempting the Russians to attack by not being sufficiently able to prevent a conventional war in Europe. And if this were to happen, if the Soviets did try a conventional war in Europe, the United States, in a very short time, would have to wage nuclear war.

The Reagan administration once hinted that it would be possible to fight a "limited" nuclear war. I disagree. I believe that once nuclear weapons are introduced into an already volatile situation the result will be a no-holds-barred nuclear war, which would result in the destruction of millions of people in both countries and possibly bring an end to civilization.

The U.S. has been criticized for not proclaiming a no-first-strike policy, while the Soviet Union has made that proclamation. We can and should proclaim such a policy only after we have sufficiently improved our conventional defenses. Obviously we cannot honestly do that now.

□ 1320

FINANCIAL INSTITUTIONS EXAMINATION IMPROVEMENT ACT OF 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware [Mr. CARPER] is recognized for 5 minutes.

Mr. CARPER. Mr. Speaker, today I am introducing, along with my colleague STAN LUNDINE of New York, a slightly modified version of H.R. 3567, the Depository Institution Examination Improvement Act of 1985, a bill we introduced on October 16, 1985. I am pleased to be able to tell you that the bill is being introduced with 37 additional members of the House Banking Committee as original cosponsors, including Chairman ST GERMAIN and ranking minority member, CHALMERS WYLIE.

Like its predecessor, H.R. 3567, this legislation represents a major step forward in our attempt to enhance the safety and soundness of our financial institutions—banks, thrifts, and credit unions. The original bill grew out of hearings conducted by the Banking Committee last year and meetings Congressman LUNDINE and I have held with representatives from the financial industry and the regulatory agencies. During this lengthy process, many witnesses testified to the importance of improving the compensation and training of examiners and supervisors as a fundamental first step in strengthening the ability of our depository institution regulatory agencies to supervise the institutions they oversee. Since the introduction of the original bill, we have worked diligently with the staffs of the regulatory agencies and with both the majority and minority staff of the Banking Committee to make the changes necessary to meet the needs of the agencies.

Briefly, the bill would enable the regulatory agencies to develop a reasonable system of compensation for all Federal examiners. Additionally, the bill provides for better training of these examiners, and it authorizes a graduate degree program in financial management analysis. Finally, the legislation would require the establishment of a uniform procedure for reviewing, with the consent of the States, State examinations of institutions which are also subject to examination by Federal agencies.

The goal of this legislation is to provide Federal and State examiners of depository institutions with the expertise necessary to identify problem institutions sooner—restoring confidence in our banks, thrifts, and credit unions.

Mr. Speaker, let me conclude by saying there are some people in this country who apparently believe that the deregulation of our financial industries also means that we need less rigorous supervision of banks, savings and loans, and credit unions. Those people are wrong.

Last year a record number of banks since the Great Depression failed in this country. This year there are approximately 1,000 banks and almost as many savings and loans that are on so-called trouble lists, closely watched institutions.

In this environment, America does not need fewer, less well-trained examiners. If anything, we need more and better trained personnel to oversee our troubled financial institutions and to help prevent a national crisis in confidence similar to those crises that have occurred in States like Maryland and Ohio.

This bill is not offered as a cure-all. This bill is not offered as a panacea. But I do think that with this piece of legislation we have something that the institutions, the regulators, the depositors, and a clear majority of the House Banking Committee believe will help lead us through some troubled turbulent times for our financial institutions, and to better ensure that the

safety and soundness that we are all concerned about, the safety and soundness that we all seek, is better guaranteed as we look to the years ahead.

IMPEACHMENT OF JUDGE HARRY CLAIBORNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 10 minutes.

Mr. KASTENMEIER. Mr. Speaker, the time has come to introduce a resolution calling for the impeachment of Judge Harry Claiborne, a district judge from the State of Nevada. In my opinion, it is the responsibility of senior members of the House Committee on the Judiciary to come forward with this resolution. I therefore join with Chairman PETER W. RODINO, JR., Congressman JACK BROOKS, Congressman DON EDWARDS, Congressman DAN GLICKMAN, Congressman CARLOS MOORHEAD, and Congressman HENRY HYDE as part of a bipartisan and coordinated effort.

Judge Claiborne was convicted during a second trial in August 1984 of willfully failing to report $108,000 in legal fees he had earned as a defense attorney. His first trial ended in a hung jury.

On April 21, 1986, the Supreme Court, without comment, refused to hear Judge Claiborne's final direct appeal contending that Federal agents abused their power in an effort to obtain a conviction. Judge Claiborne is presently incarcerated in a Federal correctional facility, and is continuing to draw his $78,700 annual salary.

As chairman of the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice—which has oversight responsibility for the Federal judiciary—I feel that the bell has finally tolled for the commencement of Congress' constitutionally conferred power to impeach Judge Claiborne.

I do not make this decision lightly. I wish there were alternatives. There are none.

I do not doubt that the impeachment process is cumbersome and unwieldy. We have not voted articles of impeachment for a single Federal judge since 1936 when Judge Halsted L. Ritter (Southern District of Florida) was impeached by the House for using his office for direct monetary gain. The present Congress—with all the pressures we face in an election year on trade, taxes, the budget, and national security—may not be the best equipped to satisfy our constitutional obligations.

Yet, we must try. The situation of having a sitting Federal judge in prison drawing his salary is extraordinary when you think about it. This situation calls for an extraordinary response. Almost seven decades ago, Lord Bryce taught us:

> Impeachment . . . is the heaviest piece of artillery in the congressional arsenal, but because it is so heavy, it is unfit for ordinary use. It is like a hundred-ton gun which needs complex machinery to bring it into position, an enormous charge of powder to fire it, and a large mark to aim at.

Any federal judge convicted of a Federal felony provides us with a large mark. I, and other members of the House Committee on the Judiciary, would have preferred to wait for the judicial branch of government to make its recommendations pursuant to the Judicial Misconduct and Disability Act of 1980. As chief sponsor of that act (Public Law 96-458), I can remind Members that it provides a fast-track procedure for any circuit council (such as the ninth judicial circuit, the regional circuit encompassing the State of Nevada, where Judge Claiborne sits) to recommend impeachment. Today, every circuit in this country (including the ninth circuit) is required to have a process to govern the receipt and handling of complaints against judges. Each council—based on information otherwise available to the council—can act expeditiously to recommend impeachment of a Federal judge to the Judicial Conference of the United States. In turn, the Judicial Conference can determine that the consideration of impeachment is warranted. It this is done, the Conference "shall so certify and transmit the determination * * * to the House of Representatives for whatever action the House of Representatives considers to be necessary."

Such action by the judicial branch coupled with evidence provided by the executive branch—through the U.S. Department of Justice—would allow Congress to proceed with due regard for separation of powers and the autonomy of the coordinate branches of Government.

The judicial branch has not acted, perhaps out of fear that a complaint is necessary for ignition of judicial discipline proceedings; and indeed the executive branch has not acted to file a complaint or to request the commencement of an impeachment proceeding.

This, however, should not deter us from acting. The executive branch has prosecuted and a court of law has convicted. Now, with the Supreme Court's refusal to grant Judge Claiborne's petition for certiorari, the time to act has arrived. A conviction has occurred, and all direct appeal rights have been exhausted. That, to me, at least, presents a prima facie case for the commencement of an impeachment proceeding.

Much debate about impeachment has centered around whether criminality is an essential ingredient. That issue is not present here at all. A criminal conviction has occurred and has been affirmed.

Even assuming that Judge Claiborne's criminal conviction was reversed on collateral appeal, the fact remains that in both English precedent and American practice, a finding of criminality is not necessary. "The emphasis has been on the significant effects of the conduct—undermining the integrity of office, disregard of constitutional duties and oath of office, arrogation of power, abuse of the governmental process, adverse impact on the system of government."

I am persuaded that he has violated his oath of office—to uphold the Constitution and laws of the land—taken as a Federal judge. His actions clearly undermine the integrity of office and have an adverse effect on our system of government. Respect for the rule of law is of paramount importance to the American justice system. The average citizen cannot comprehend how a duly constituted judge—appointed by the President and confirmed by the Senate—who has been convicted of a Federal crime, can retain his judicial robes. Similarly, the citizenry has the right to ask how a Federal judge, presently sitting in a prison cell, can continue to receive his full salary. Perhaps, most importantly, we must inquire how a judge, who has served his time in prison, can return to the bench and exercise the judicial power of the United States, including the sentencing of convicted criminals to imprisonment.

Let us answer these questions in a fair and expeditious way. Let us discharge our constitutional responsibility by commencing an impeachment inquiry.

IMPEACHMENT OF JUDGE HARRY CLAIBORNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. RODINO] is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, today I am introducing a resolution calling for the impeachment of Judge Harry E. Claiborne, chief judge of the U.S. District Court for the District of Nevada. I am joined in this resolution today by Mr. FISH, Mr. BROOKS, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. GLICKMAN, Mr. MOORHEAD, and Mr. HYDE.

Judge Claiborne was convicted in August 1984 of two counts of Federal income tax evasion for failure to pay taxes due in excess of $100,000. He was sentenced to 2 years in prison and a $10,000 fine. The judge has exhausted all direct appeals of his conviction—the Federal Court of Appeals for the Ninth Circuit upheld the verdict in July 1985, and the U.S. Supreme Court refused to grant certiorari on April 21, 1986.

Judge Claiborne's collateral attempts to block his imprisonment have also been unsuccessful, and he entered prison on May 16, 1986, to serve his sentence.

As a judge appointed for life tenure during good behavior under article III of the Constitution, Judge Claiborne can only be removed from office by impeachment. Since he has not resigned from office, Judge Claiborne is still receiving his judicial salary in excess of $78,000 per year—despite being in jail.

In light of Judge Clairborne's conviction of a Federal crime and the exhaustion of all direct judicial appeals, the responsibility falls upon the House of Representatives to perform its constitutional duty and initiate an impeachment proceeding. An immediate question arises here as to whether a judicial officer of the United States has violated his oath of office and the public trust placed in him. If the House of Representatives votes to impeach Judge Claiborne, it will then be up to the Senate to try him.

An impeachment proceeding is an extreme procedure which should only be instituted in the most compelling circumstances. Only 12 times in the history of the United States have resolutions or articles of impeachment been adopted by the House of Representatives and sent to the Senate for trial. The most recent impeachment and trial was of Judge Halsted L. Ritter in 1936. The House Committee on the Judiciary voted articles of impeachment against President Richard M. Nixon in 1974,

but President Nixon resigned from office prior to impeachment by the House.

The criminal conviction of Judge Harry Claiborne, a sitting Federal judge, is obviously a very serious matter that must be looked into in order to preserve the integrity of the Federal judiciary.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. YATRON) to revise and extend their remarks and include extraneous material:)

Mr. FRANK, for 5 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

M. ANNUNZIO, for 5 minutes, today.

Mr. CARPER, for 5 minutes, today.

Mr. KASTENMEIER, for 10 minutes, today.

Mr. GAYDOS, for 5 minutes, today.

Mr. MRAZEK, for 60 minutes, on June 5.

(The following Member (at the request of Mr. CARPER) to revise and extend his remarks and include extraneous material:)

Mr. RODINO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. MONSON.

Mr. COURTER in two instances.

Mr. MCGRATH.

Mr. BEREUTER in three instances.

Mr. LEWIS of California in two instances.

Mr. CONTE.

Mr. PETRI.

Mrs. ROUKEMA.

(The following Members (at the request of Mr. YATRON) and to include extraneous matter:)

Mr. YATRON in two instances.

Mr. FASCELL.

Mr. TORRICELLI in three instances.

Mr. BARNES.

Mr. LANTOS.

Mr. UDALL.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DE LA GARZA in 10 instances.

Mr. WHEAT.

Mr. MURTHA.

Mr. LUNDINE.

Mrs. SCHROEDER.

Mr. LEVINE of California.

Mrs. BURTON of California.

Mr. KASTENMEIER in two instances.

Mr. VENTO.

Mr. COELHO.

Mr. FLORIO.

Mr. STARK.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolution of the Senate of the following titles:

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the military personnel accounts of the Department of Defense for fiscal year 1986;

S. 2179. An act to amend the Communications Act of 1934 to provide for reduction in the term of office of members of the Federal Communications Commission, and for other purposes; and

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

BILL AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, a bill and joint resolutions of the House of the following titles:

On May 28, 1986:

H.R. 2672. An act to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes;

H.J. Res. 526. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; and

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day."

ADJOURNMENT

Mr. CARPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 4, 1986, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and amended reports of various House committees and delegations traveling under authorizations from the Speaker concerning the foreign currencies and U.S. dollars utilized by them during the third quarter of calendar year 1985 and the first quarter of calendar year 1986 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Other expenditures for Codel de la Garza: [3]											
	8/13	8/16	Munich, Germany								
Local transportation									1,221.99		1,221.99
Control room									211.22		211.22
Consulate personnel									125.98		125.98
Interpreter									102.88		102.88
	8/16	8/18	Lisbon, Portugal								
FSN Embassy support personnel									3,477.83		3,477.83
Local transportation									1,045.47		1,045.47
Control rooms									957.10		957.10
Telephone									715.15		715.15
Miscellaneous									181.46		181.46
Committee total					14,089.00		69,780.91		10,584.59		94,454.50

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Addendum to original report.

E de la GARZA, Chairman, Apr. 29, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. E. Thomas Coleman	1/5	1/9	Ireland	522.23	652.00						652.00
	1/9	1/12	West Germany	878.40	360.00						360.00
			West Germany				57.58				57.58
			West Germany						169.85		169.85
Military transportation							2,996.00				2,996.00
Codel Rose:											
Hon. Charles Rose	1/10	1/12	Hong Kong	2,460.10	316.00						316.00
Commercial transportation							164.00				164.00
Hon. Arlan Stangeland	1/10	1/12	Hong Kong	2,460.10	316.00						316.00
Commercial transportation							164.00				164.00
Mr. Charles Hilty	1/10	1/12	Hong Kong	2,460.10	316.00						316.00
Commercial transportation							164.00				164.00
Joan T. Rose	1/10	1/12	Hong Kong	316.00							316.00
Commercial transportation							164.00				164.00
James Waller	1/10	1/12	Hong Kong	2,460.10	316.00						316.00
Commercial transportation							164.00				164.00
Diane Liesman	1/10	1/12	Hong Kong	2,460.10	316.00						316.00
Commercial transportation							164.00				164.00
Other expenditures for Codel Rose:	1/10	1/12	Hong Kong								
Local transportation								1,326.00	175.06		175.06
Miscellaneous								39.60	5.09		5.09
Committee total					2,908.00		4,037.58		350.00		7,295.58

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

E de la GARZA, Chairman, Apr. 29, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Lawrence Coughlin	1/23	1/26	Panama		372.00		[3] 1,332.00				1,704.00
Hon. Bill Gray	1/6	1/10	South Africa		432.00		[3] 17,334.00		145.38		17,911.38
Hon. Terry Lewis	3/23	3/27	Costa Rica		300.00		[3] 1,004.40				1,304.40
Commercial transportation							797.20				797.20
Hon. Bill Lowery	1/4	1/7	South Korea		411.00		[3] 5,876.77		115.23		6,403.00
	1/7	1/10	Japan		540.00				65.52		605.52
Hon. Joe Skeen	1/23	1/26	Panama		372.00		[3] 1,332.00				1,704.00
George Allen	2/5	2/10	Philippines		400.00		[3] 3,606.00				4,006.00
Jeffrey W. Jacobs	1/23	1/26	Panama		372.00		[3] 1,332.00				1,704.00
Dennis Kedzior	1/8	1/9	Singapore		234.00		[3] 296.00				4,530.00
	1/9	1/10	Philippines		160.00				100.00		260.00
	1/10	1/12	Guam		92.00						92.00
	1/12	1/19	Hawaii		600.00						600.00
Commercial transportation							4,487.04				4,487.04
William Marinelli	1/8	1/9	Singapore		234.00		[3] 296.00				530.00
	1/9	1/10	Philippines		160.00				100.00		260.00
	1/10	1/12	Guam		92.00						92.00
	1/12	1/19	Hawaii		600.00						600.00
Commercial transportation							4,364.56				4,364.56
Mark W. Murray	1/8	1/9	Singapore		234.00		[3] 296.00				530.00
	1/9	1/10	Philippines		160.00				100.00		260.00
	1/10	1/12	Guam		92.00						92.00
	1/12	1/19	Hawaii		600.00						600.00
Commercial transportation							4,557.89				4,557.89
Terry R. Peel	1/1	1/5	France		536.00				72.00		608.00
	1/6	1/9	Pakistan		333.00				23.50		356.50
	1/9	1/14	India		492.00				38.00		530.00
	1/15	1/17	United Kingdom		276.00		2,649.50		66.00		2,991.50
John Plashal	1/4	1/6	United States		150.00						150.00
	1/8	1/9	New Zealand		80.00						80.00
	1/9	1/17	Australia		698.70		4,022.44				4,721.14
Donald Richbourg	1/8	1/9	Singapore		234.00		[3] 296.00				530.00
	1/9	1/10	Philippines		160.00				100.00		260.00
	1/10	1/12	Guam		92.00						92.00
	1/12	1/19	Hawaii		600.00						600.00
Commercial transportation							4,487.04				4,487.04
George Schafer	1/6	1/9	Panama		300.00		[3] 1,332.00				1,632.00
William E. Schuerch	3/23	3/25	Dominican Republic		150.00		529.00				679.00
Committee total					10,558.70		60,227.84		925.63		71,712.17
Appropriations, surveys and investigations staff:											
G. Carter Baird	1/8	1/11	Japan		441.00		2,042.04		20.85		2,503.89
Thomas E. Crosson	1/9	1/10	Japan		183.75		2,254.06		57.25		2,495.06
	1/10	1/15	Korea		468.00						468.00
	1/15	1/17	Japan		305.00						305.00
	1/17	1/23	Philippines		428.75				10.81		439.56
Edwin C. Eads	1/4	1/18	Germany		1,138.00		2,136.00				3,274.00
	1/18	1/23	Italy		393.75						393.75
	1/23	2/1	England		882.75						882.75
Jerry M. Graves	1/4	1/18	Germany		1,156.75		2,032.00		20.00		3,208.75
	1/18	1/22	Italy		392.00						392.00
	1/22	1/26	Spain		396.00						396.00
	1/26	2/1	England		498.75						498.75
Albert E. Hines	1/19	2/1	Germany		1,056.50		1,914.59		61.70		3,032.79
Patrick Maguire	1/19	2/1	Germany		1,056.50		1,914.59		11.48		2,982.57
Joseph P. Normile	1/19	2/1	Germany		1,056.50		1,914.59		32.78		3,003.87
A.M. Statham	1/5	1/9	Panama		262.50		747.86		17.74		1,028.10
	1/9	1/14	West Indies		831.25						831.25
	1/14	1/16	Puerto Rico		348.75				11.00		359.75
Robert F. Stockman	1/9	1/10	Japan		183.75		2,254.06		49.83		2,487.64

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1986—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/10	1/15	Korea		468.00						468.00
	1/15	1/17	Japan		305.00						305.00
	1/17	1/23	Philippines		428.75				20.24		448.99
Bernard J. Trescavage	1/4	1/18	Germany		1,138.50		2,136.00		4.10		3,278.60
	1/18	1/23	Italy		393.75						393.75
	1/23	2/1	England		882.75				9.10		891.85
R.W. Vandergrift	1/7	1/9	Panama		177.30		1,103.00		23.50		1,303.80
	1/9	1/13	West Indies		568.75				132.00		700.75
	1/21	1/23	Germany		168.75		2,015.00		10.00		2,193.75
	1/23	1/26	England		414.00				68.77		482.77
B. Alan Weaver	1/5	1/9	Panama		348.75		747.86		9.84		1,106.45
	1/9	1/14	West Indies		831.25				108.00		939.25
	1/14	1/16	Puerto Rico		150.00				30.00		180.00
Carlton A. Weiss	1/4	1/18	Germany		1,156.75		2,032.00		11.00		3,199.75
	1/18	1/22	Italy		392.00						392.00
	1/22	1/26	Spain		396.00						396.00
	1/26	2/1	England		498.75				12.00		510.75
Committee total					20,199.30		25,243.65		731.99		46,174.94

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Travel by military aircraft.

JAMIE L. WHITTEN, Chairman, May 6, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Fitzgibbons, Robert [3]	1/5	1/5	England		138.00						138.00
	1/6	1/8	Scotland		152.00						152.00
	1/8	1/9	England		138.00						138.00
	1/9	1/10	Sweden		116.00						116.00
Smith, Nancy [3]	1/5	1/6	England		138.00						138.00
	1/6	1/8	Scotland		152.00						152.00
	1/8	1/9	England		138.00						138.00
	1/9	1/10	Sweden		116.00						116.00
	1/10	1/11	Denmark		84.00						84.00
	1/11	1/17	France		705.00		111.67				816.67
Refund per diem					−208.44						−208.44
Surface transportation for stafdel while in France 7 days.											566.67
Finnegan, David	2/9	2/12	Japan		588.00						588.00
	2/13	2/16	Hong Kong		500.00						500.00
Local taxis							27.00				27.00
Commercial air fare							2,359.00				2,359.00
Smith, Russell	2/9	2/12	Japan		588.00						588.00
	2/13	2/16	Hong Kong		500.00						500.00
	2/17	2/20	Bangkok		308.00						308.00
	2/21	2/25	Singapore		585.00						585.00
Commercial air fare							2,758.00				2,758.00
Nelson, David	2/14	2/16	Hong Kong		375.00						375.00
	2/17	2/20	Thailand		308.00						308.00
	2/21	2/26	Singapore		585.00						585.00
	2/26	3/1	Taiwan		291.00						291.00
	3/1	3/5	Hong Kong		625.00						625.00
Local taxi							18.00				18.00
Air fare Hong Kong/Taipei							266.00				266.00
Commercial air fare							2,997.00				2,997.00
Chesson, John [3]	1/5	1/6	England		138.00						138.00
	1/6	1/8	Scotland		152.00						152.00
	1/8	1/9	England		138.00						138.00
	1/9	1/10	Sweden		116.00						116.00
	1/10	1/11	Denmark		84.00						84.00
	1/11	1/17	France		705.00		132.70				837.70
Refund per diem				1,500	−199.73						−199.73
Norwood, Robert C. [3]	1/5	1/6	England		138.00						138.00
	1/6	1/8	Scotland		152.00						152.00
	1/8	1/9	England		138.00						138.00
	1/9	1/10	Sweden		116.00						116.00
	1/10	1/11	Denmark		84.00						84.00
	1/11	1/17	France		705.00		123.79				828.79
Refund per diem				1,400	−186.41						−186.41
Sims, Stephen F	2/14	2/16	Hong Kong		375.00						375.00
	2/17	2/20	Thailand		308.00						308.00
	2/21	2/26	Singapore		585.00						585.00
	2/26	3/1	Taiwan		291.00						291.00
	3/1	3/5	Hong Kong		625.00						625.00
Local taxis							18.00				18.00
Air fare Hong Kong/Taipei									266.00		266.00
Commercial air fare							2,979.00				2,979.00
Waxman, Henry A., MC	1/2	1/5	Peru		432.00						432.00
	1/6	1/7	Venezuela		108.00						108.00
	1/8	1/10	Brazil		324.00						324.00
	1/11	1/14	Argentina		342.00						342.00
	1/14	1/14	Panama								
In country transportation							133.27				133.27
Miscellaneous in countrry expenses									116.67		116.67
Military air fare							4,226.83				4,226.83
Stockton, Peter D.H. [3]	11/10	11/20	Japan		1,482.00						1,482.00
	11/20	11/23	Korea		312.00						312.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1986—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
In country transportation							193.53				193.53
Committee total					14,385.42		16,609.79		116.67		31,111.88

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial air fare will be filed on supplemental report.

JOHN D. DINGELL, Chairman, May 12, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN, JAN. 1 AND MAR. 31, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. William F. Clinger	1/5	1/9	Ireland	522.23	652.00		2,996.00				3,648.00
	1/9	1/12	Germany	878.40	360.00						360.00
Hon. Edolphus Towns	1/6	1/10	South Africa		432.00		17,334.00		145.38		17,911.38
John R. Galloway	1/17	1/19	Mexico		216.00		1,109.66				1,325.66
							67.49		87.10		154.59
Committee total					1,660.00		21,507.25		232.48		23,399.53

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JACK BROOKS, Chairman, May 15, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DR. JAMES D. FORD, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 5 AND JAN. 12, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Dr. James D. Ford	1/5	1/9	Ireland	522.23	652.00					522.23	652.00
	1/9	1/12		878.40	360.00					878.40	360.00
Committee total					1,12.00						1,012.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES D. FORD, Jan. 16, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO FRENCH POLYNESIA, NEW ZEALAND, AUSTRALIA, AND FIJI, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 7 AND JAN. 21, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Odessa Vrtikapa	1/7	1/9	French Polynesia		236.00						
	1/10	1/14	New Zealand	573.16	300.00						
	1/14	1/18	Australia	693.00	464.00						
	1/18	1/21	Fiji		366.00						
							13,498.48				
Committee total					1,366.00		13,498.48				
Debra Cabral	1/7	1/9	French Polynesia		236.00						236.00
	1/10	1/14	New Zealand		300.00						300.00
	1/14	1/18	Australia		464.00						464.00
	1/18	1/21	Fiji		366.00						366.00

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Military air transportation							13,498.48				13,498.48
Committee total					1,366.00		13,498.48				14,864.48

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ODESSA VRTIKAPA, Jan. 29, 1986; DEBRA CABRAL, Jan. 1, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. JAMES J. FLORIO, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 7 AND JAN. 10, 1986

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
James J. Florio	1/7	1/10	Israel		133.00		431.00				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES J. FLORIO, Feb. 10, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. JIM MOODY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 19 AND JAN. 24, 1986

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Jim Moody	1/19	1/24	Switzerland	1,332.10	495.00						495.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JIM MOODY, Feb. 25, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO MEXICO, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 17 AND JAN. 19, 1986

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
George Burke	1/17	1/19	Mexico	101,760	212					101,760	212
Robert McClure	1/17	1/19	Mexico	101,760	212					101,760	212
Roger Fleming	1/17	1/19	Mexico	101,760	212					101,760	212

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

GEORGE A. BURKE, Feb. 18, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COLLEEN HELM, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 13 AND FEB. 18, 1986

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Colleen Helm	2/13	2/14	Thailand		110.00						
	2/14	2/15	Vietnam		98.00						
	2/15	2/17	Thailand		220.00						
	2/17	2/18	Korea		137.00						
Military transportation							18,404.00				
Committee total					565.00		18,404.00				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

COLLEEN M. HELM, Feb. 27, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO SOUTH AFRICA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 6 AND JAN. 10, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Christopher J. Matthews	1/6	1/10	South Africa		432.00		17,334.00				
Steven G. Murphy	1/6	1/10	South Africa		432.00		17,334.00				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHRISTOPHER J. MATTHEWS, Mar. 5, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. THOMAS S. FOLEY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 19 AND JAN. 20, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas S. Foley	1/19	1/20	Japan		360.00						360.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

THOMAS S. FOLEY, Apr. 2, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, BILLIE GAY LARSON, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 20 AND FEB. 2, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Larson, Billie Gay	1/20	1/21	Japan		180.00				39.30		219.30
	1/21	1/28	China		743.00		92.50				835.50
	1/28	1/31	Thailand		330.00				158.05		488.05
	1/31	2/2	Australia		366.00				255.02		621.02
Military air transportation							22,684.00				22,684.00
Committee total					1,619.00		22,776.50		904.74		24,847.87

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILLIE GAY LARSON, Apr. 28, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO DOMINICAN REPUBLIC, VENEZUELA, ARGENTINA, AND BRAZIL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 7 AND FEB. 20, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Charles Mellody	2/7	2/10	Dominican Republic		432.00		389.00				821.00
	2/10	2/12	Venezuela		216.00		993.00				1,209.00
	2/12	2/15	Argentina		342.00		101.00				443.00
	2/15	2/20	Brazil		585.00		2,119.00				2,704.00
Kevin F. Peterson	2/7	2/10	Dominican Republic		432.00		389.00				821.00
	2/10	2/12	Venezuela		216.00		993.00				1,209.00
	2/12	2/15	Argentina		342.00		101.00				443.00
	2/15	2/20	Brazil		585.00		2,119.00				2,704.00
Committee total					3,150.00		7,204.00				10,354.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHARLES MELLODY, May 5, 1986.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. THOMAS S. FOLEY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 24 AND FEB. 25, 1986

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas S. Foley	2/24	2/25	Ireland		260.00		243.27				503.27

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

THOMAS S. FOLEY, May 21, 1986.

EXECUTIVE COMMUNICATIONS ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3570. A letter from the Comptroller General of the United States, transmitting a report on the status of budget authority that was proposed for rescission by the President in his fourth special message for fiscal year 1986, March 12, 1986, but for which the Congress did not pass a rescission bill, pursuant to 2 U.S.C. 685 (H. Doc. No. 99-225); to the Committee on Appropriations and ordered to be printed.

3571. A letter from the Comptroller General of the United States, transmitting a review of three rescissions transmitted by the President on April 25, 1986 in his sixth special message for fiscal year 1986, pursuant to 2 U.S.C. 685 (H. Doc. No. 99-226); to the Committee on Appropriations and ordered to be printed.

3572. A letter from the Deputy Assistant Secretary of Defense (Military Manpower and Personnel Policy), transmitting a report on defense contractors and consultants who during the past 3 years held positions of GS-13 or above within the Department, pursuant to 10 U.S.C. 2397(e) (96 Stat. 1293); to the Committee on Armed Services.

3573. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed letters of offer to Denmark for defense articles (transmittal No. 86-34), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

3574. A letter from the Secretary of Defense, transmitting a report on NATO conventional defense, pursuant to 22 U.S.C. 1928 nt.; to the Committee on Armed Services.

3575. A letter from the Director, Defense Security Assistance Agency, transmitting notification that the Department of Defense has suspended plans to proceed with a loan of U.S. Communications Security [COMSEC] equipment to Saudi Arabia for use in their AWACS aircraft; to the Committee on Armed Services.

3576. A letter from the Secretary of Housing and Urban Development, transmitting the consolidated annual report for the Community Development Program, the Rehabilitation Loan Program, and the Urban Homesteading Program, pursuant to 42 U.S.C. 5313(a) and 12 U.S.C. 810(e); to the Committee on Banking, Finance and Urban Affairs.

3577. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-168, "Wholesale Liquor Industry Storage Act of 1984", and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

3578. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-169, "D.C. General Hospital Commission Act Temporary Amendment Act of 1986", pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

3579. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Securities Held By D.C. Treasury For the Fiscal Year Ended September 30, 1985", pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

3580. A letter from the Executive Director, District of Columbia Retirement Board, transmitting the personal financial disclosure statement for Solomon J. Kendrick, pursuant to Public Law 96-122, sections 162 and 164(a)(1)(A); to the Committee on the District of Columbia.

3581. A letter from the Secretary of Education, transmitting final regulations for the Assistance to States for Education of Handicapped Children Program—Technical Amendments pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3582. A letter from the Secretary of Education, transmitting final regulations for State grants for strengthening the skills of teachers and instruction in mathematics, science, foreign languages, and computer learning and for increasing the access of all students to that instruction, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

3583. A letter from the Secretary of Education, transmitting final regulations for the Educational Research Grant Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3584. A letter from the Secretary of Education, the annual report for 1985 of the National Technical Institute for the Deaf, pursuant to 20 U.S.C. 684(b)(3); to the Committee on Education and Labor.

3585. A letter from the Secretary of Education, transmitting an evaluation of the operation of the Helen Keller National Center for Deaf-Blind Youths and Adults for fiscal year 1984, pursuant to 29 U.S.C. 1903(b)(2); to the Committee on Education and Labor.

3586. A letter from the Attorney General, Department of Justice, transmitting recommendations for coordination of Federal juvenile delinquency programs and activities, pursuant to 42 U.S.C. 5616(c); to the Committee on Education and Labor.

3587. A letter from the Chairman, National Commission for Employment Policy, transmitting a report entitled "Computers in the Workplace: Selected Issue", pursuant to Public Law 97-300, section 475; to the Committee on Education and Labor.

3588. A letter from the Secretary of Health and Human Services; transmitting the annual report of the Administration on Aging for fiscal year 1985, pursuant to 42 U.S.C. 3018; to the Committee on Education and Labor.

3589. A letter from the Administrator, Energy Information Administration, transmitting the annual energy review for 1985, pursuant to FEAA, section 57(a)(2) (90 Stat. 1139; 91 stat. 573); to the Committee on Energy and Commerce.

3590. A letter from the Executive Director, National Arthritis Advisory Board, transmitting the Board's 1985-86 annual report; to the Committee on Energy and Commerce.

3591. A letter from the Executive Director, National Diabetes Advisory Board, transmitting the Board's 1986 annual report; to the Committee on Energy and Commerce.

3592. A letter from the Secretary of Health and Human Services, transmitting the fifth annual report of the Director, National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases; to the Committee on Energy and Commerce.

3593. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed manufacturing license agreement for the production in Pakistan of 155mm and 203mm projectiles for the Pakistan Army, pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3594. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of a proposed license for the export of major defense equipment (transmittal No. MC-21-86), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

3595. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Army's proposed letters of offer to Denmark for defense articles and services (transmittal No. 86-34), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3596. A letter from the Chairman, Foreign Claims Settlement Commission of the United States; transmitting a report on operations under the War Claims Act of 1948, as amended, pursuant to 50 U.S.C. app. 2008; 22 U.S.C. 1622a; to the Committee on Foreign Affairs.

3597. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on the political contributions of Jonathan Moore, of Massachusetts, as U.S. Coordinator for Refugee Affairs and Ambassador at Large, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3598. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting reports of the political contributions for G. Norman Anderson of Florida, as Ambassador to the Republic of Sudan and Frank G. Wisner, of the District of Columbia, as Ambassador to

the Arab Republic of Egypt, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3599. A letter from the Acting Assistant Secretary of State, Legislative and Intergovernmental Affairs, transmitting the third 90 day report on the Camerena investigation, the investigations of the disappearance of United States citizens in the State of Jalisco, Mexico, and the general safety of United States tourists in Mexico, pursuant to Public Law 99-93, section 134(c) (99 Stat. 421); to the Committee on Foreign Affairs.

3600. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3601. A letter from the Director, Agency for International Development, transmitting a report on new contracts having a total estimated cost or price in excess of $100,000 which the Agency entered into without competitive selection procedures during the period of October 1, 1984 to September 30, 1985, pursuant to FAA section 634(a); to the Committee on Foreign Affairs.

3602. A letter from the Deputy Assistant Secretary of Defense (Resource Management and Support), transmitting the fiscal year 1985 report on the actuarial status of the military retirement system, pursuant to 10 U.S.C 1464(c) (97 Stat. 646); to the Committee on Government Operations.

3603. A letter from the Inspector General, Department of Energy, transmitting the semiannual report for the Office of the Inspector General for the period October 1, 1985 through March 31, 1986, pursuant to Public Law 95-91, section 208(c); to the Committee on Government Operations.

3604. A letter from the Inspector General, Department of Health and Human Services, transmitting the semiannual report of the Office of Inspector General for the period October 1, 1985 through March 31, 1986, pursuant to 42 U.S.C. 3524(a); to the Committee on Government Operations.

3605. A letter from the Comptroller General of the United States, transmitting a list of all reports issued by GAO during April 1986, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

3606. A letter from the Acting President—Chief Executive Officer, Federal Home Loan Mortgage Corporation, transmitting a report on compliance with the laws relating to open meetings of agencies of the Government (Government in the Sunshine Act), pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3607. A letter from the Administrator, Environmental Protection Agency, transmitting the semiannual report of the activities of the Inspector General for the period October 1, 1985 to March 31, 1986, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

3608. A letter from the Administrator, Veterans Administration, transmitting the semiannual report of the activities of the Inspector General for the period October 1, 1985 through March 31, 1986, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

3609. A letter from the Chairman, Council on Environmental Quality, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3610. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of an altered Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3611. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3612. A letter from the General Counsel, Office of the U.S. Trade Representative, transmitting a report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3613. A letter from the Records Officer, U.S. Postal Service, transmitting notice of an altered Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3614. A letter from the Secretary of Agriculture, transmitting the semiannual report of the activities of the inspector General covering the period October 1, 1985 through March 31, 1986, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

3615. A letter from the Secretary of Education, transmitting notice of a new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3616. A letter from the Secretary of Education, transmitting the twelfth semiannual report of the activities of the inspector general for the period October 1, 1985 through March 1, 1986, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

3617. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting a report on proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3618. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3619. A letter from the Secretary of the Interior, transmitting a report on geological surveys conducted outside the national domain for the period January 1 through December 31, 1985, pursuant to 43 U.S.C. 31; to the Committee on Interior and Insular Affairs.

3620. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act to extend the authorization of appropriations for the refugee assistance program, improve the effectiveness and administration of such program, and for other purposes; to the Committee on the Judiciary.

3621. A letter from the Administrator, Federal Aviation Administration, transmitting the Administration's semiannual report on the effectiveness of the Civil Aviation Security Program for the period July 1 through December 31, 1985, pursuant to 49 U.S.C. app. 1356(a); to the Committee on Public Works and Transportation.

3622. A letter from the Administrator, General Services Administration, transmitting a report of building project survey for Reading, PA, pursuant to Public Law 86-249, section 7(a) (86 Stat. 217); to the Committee on Public Works and Transportation.

3623. A letter from the Administrator, General Services Administration, transmitting a revised repair and alteration prospectus for the renovation of the Chet Holifield Federal Building, Laguna Niguel, CA, pursuant to Public Law 86-249, section 7(a) (86 Stat. 217); to the Committee on Public Works and Transportation.

3624. A letter from the Secretary of Energy, transmitting the seventh annual report on the use of alcohol in fuels, pursuant to 26 U.S.C. 4041 nt.; to the Committee on Ways and Means.

3625. A letter from the Secretary of Defense, transmitting a report on actions taken to increase competition for contracts and the competed dollar goal of the Department for fiscal year 1986, pursuant to 41 U.S.C. 419 and 10 U.S.C. 2301 nt.; jointly, to the Committees on Armed Services and Government Operations.

3626. A letter from the Secretary of Health and Human Services, transmitting a report on Social Security Advisory Committees, pursuant to 42 U.S.C. 1314(f); jointly, to the Committees on Energy and Commerce and Ways and Means.

3627. A letter from the Acting Chairman, Nuclear Regulatory Commission, transmitting a report on abnormal occurrences at licensed nuclear facilities, pursuant to Public Law 93-439, section 208; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

3628. A letter from the Comptroller General of the United States, transmitting an examination of the balance sheets of the Office of the Attending Physician, pursuant to Public Law 94-59, title III (89 Stat. 283); jointly, to the Committees on Government Operations and House Administration.

3629. A letter from the Comptroller General of the United States, transmitting the results of the examination of the Federal Prison Industries, Inc.'s, financial statements, pursuant to 31 U.S.C. 9106(a); jointly, to the Committees on Government Operations and the Judiciary.

3630. A letter from the Secretary of Transportation, transmitting the seventh annual report on the administration of the Offshore Oil Pollution Compensation Fund for the fiscal year ended September 30, 1985, pursuant to 43 U.S.C. 1824; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

3631. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on hiring and promotions of minorities and women in grades GS-11 and above between January 1, and March 31, 1986, pursuant to Public Law 93-438, section 201(h) (91 Stat. 1482); jointly, to the Committees on Interior and Insular Affairs and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on May 21, 1986, the following report was filed on May 28, 1986.]

Mr. CONYERS: Committee on the Judiciary. H.R. 4801. A bill to amend section 994 of title 28, United States Code, to clarify certain duties of the U.S. Sentencing Commission; with an amendment (Rep. 99-614).

Referred to the Committee of the Whole House on the State of the Union.

[Submitted June 3, 1986]

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 3108. A bill to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low power television station (Rept. 99-615). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 4784. A bill to require the transfer of jurisdiction to the District of Columbia over certain property to permit such property to be used as a shelter for the homeless; with amendments (Rept. 99-616). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VANDER JAGT (for himself, Mr. STARK, Mr. MATSUI, Mr. ARCHER, Mr. THOMAS of California, and Mr. FOWLER):

H.R. 4916. A bill to amend the Internal Revenue Code of 1954 to make certain changes relating to real estate investment trusts; to the Committee on Ways and Means.

By Mr. CARPER (for himself, Mr. LUNDINE, Mr. ST GERMAIN, Mr. WYLIE, Mr. BARNARD, Mr. BARTLETT, Mr. BEREUTER, Mr. CHANDLER, Mr. COOPER, Mr. DREIER of California, Mr. ERDREICH, Mr. FRANK, Mr. FUSTER, Mr. GARCIA, Mr. GORDON, Mr. HILER, Mr. HUBBARD, Mr. KANJORSKI, Ms. KAPTUR, Mr. KOLBE, Mr. LAFALCE, Mr. LEHMAN of California, Mr. LEVIN of Michigan, Mr. MCCANDLESS, Mr. MCCOLLUM, Mr. MCKINNEY, Mr. MCMILLAN, Mr. MANTON, Mr. MITCHELL, Mr. MORRISON of Connecticut, Mr. NELSON of Florida, Mr. PARRIS, Mr. RIDGE, Mr. ROEMER, Mr. ROTH, Mrs. ROUKEMA, Mr. SHUMWAY, Mr. TORRES, Mr. WIRTH, and Mr. WORTLEY):

H.R. 4917. A bill to improve the quality of examinations of depository institutions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANDERSON:

H.R. 4918. A bill to allow homeowners to deduct the full amount of prepaid interest paid in connection with the refinancing of their principal residence for the taxable year in which paid; to the Committee on Ways and Means.

By Mr. DICKS:

H.R. 4919. A bill to limit deployment and maintenance of United States strategic nuclear weapons consistent with existing arms limitation agreements; to the Committee on Armed Services.

By Mr. PETRI (for himself, Mr. MRAZEK, and Mr. JEFFORDS):

H.R. 4920. A bill to establish arbitration panels in the district courts of the United States for product liability actions, medical malpractice actions, tort actions against governmental bodies, and other civil actions for damages for personal injuries, to assist States in the establishment of such panels in State courts, and for other purposes; to the Committee on the Judiciary.

By Mrs. SCHROEDER:

H.R. 4921. A bill to protect copyrighted computer programs from illegal copying; to the Committee on the Judiciary.

By Mr. UDALL (for himself, Mr. SEIBERLING, Mr. JEFFORDS, Mr. MILLER of California, Mr. KILDEE, Mrs. SCHNEIDER, Mr. WEAVER, Mr. VENTO, Mr. MARKEY, Mr. GREEN, Mr. MCKINNEY, Mr. DE LUGO, Mr. RODINO, Mr. HOWARD, Mr. ST GERMAIN, Mr. RINALDO, Mr. DELLUMS, Mr. CONYERS, Mr. MOAKLEY, Mr. KASTENMEIER, Mr. MATSUI, Mr. AUCOIN, Mrs. BURTON of California, Mr. BEDELL, Mr. WEISS, Mr. EDGAR, and Mr. NEAL):

H.R. 4922. A bill to designate certain lands in Alaska as wilderness; to the Committee on Interior and Insular Affairs.

By Mrs. BYRON (for herself, Mr. MRAZEK, Mr. DOWNEY of New York, Mr. FOLEY, Mr. CARNEY, Mr. WIRTH, and Mr. SNYDER):

H. Con. Res. 344. Concurrent resolution to express the sense of the Congress that State and local governments and local educational agencies should require quality daily physical education programs for all children from kindergarten through the 12th grade; to the Committee on Education and Labor.

By Mr. FEIGHAN (for himself, Mr. SOLARZ, Mr. LEACH of Iowa, Mr. TORRICELLI, and Mr. UDALL):

H. Con. Res. 345. Concurrent resolution expressing the sense of the Congress concerning democracy in the Republic of Korea; to the Committee on Foreign Affairs.

By Mr. RODINO (for himself, Mr. FISH, Mr. BROOKS, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. GLICKMAN, Mr. MOORHEAD, and Mr. HYDE):

H. Res. 461. Resolution impeaching Harry E. Claiborne, judge of the U.S. District Court for the District of Nevada, of high crimes and misdemeanors; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

388. By the SPEAKER: Memorial of the Legislature of the State of Oklahoma, relative to POW's and MIA's; to the Committee on Foreign Affairs.

389. Also, memorial of the Senate of the State of Colorado, relative to discrimination, repression, and persecution of Soviet Jewry; to the Committee on Foreign Affairs.

390. Also, memorial of the Legislature of the State of Colorado, relative to MIA's and POW's in Southeast Asia; to the Committee on Foreign Affairs.

391. Also, memorial of the Legislature of the State of Colorado, relative to deferral of further wilderness designations in the State of Colorado; to the Committee on Interior and Insular Affairs.

392. By Mr. BROWN of Colorado: Memorial of the Legislature of the State of Colorado, relative to an amendment to the Constitution; to the Committee on the Judiciary.

393. Memorial of the Senate of the State of Illinois, relative to on-the-job training benefits for veterans; to the Committee on Veterans' Affairs.

394. Also, memorial of the Senate of the State of Louisiana, relative to the elimination of the Federal income tax exemptions for interest on bonds issued by State and local governments; to the Committee on Ways and Means.

395. Also, memorial of the House of Representatives of the State of Hawaii, relative to the Department of Agriculture and the cooperative State research service's efforts to develop the marine shrimp industry; jointly, to the Committees on Agriculture and Merchant Marine and Fisheries.

396. Also, memorial of the Senate of the State of Illinois, relative to use of foreign-made products in U.S. Naval and Coast Guard vessels; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

397. Also, memorial of the Assembly of California, relative to log homes; jointly, to the Committees on Banking, Finance and Urban Affairs; Energy and Commerce; and Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. TORRICELLI introduced a bill (H.R. 4923) to permit the vessel *Tub's Tub* to be employed in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 362: Mr. OBEY and Mr. WISE.

H.R. 1145: Mr. GEJDENSON.

H.R. 2952: Mr. TOWNS.

H.R. 2954: Mr. MICA.

H.R. 3142: Mr. EVANS of Illinois.

H.R. 4003: Mr. BRUCE and Mr. SAVAGE.

H.R. 4014: Mr. SMITH of Florida, Mr. BIAGGI, Mr. EVANS of Illinois, Mr. GLICKMAN, Mr. BARNES, Mr. EDWARDS of California, Mr. DYSON, Mr. WEAVER, and Mr. HERTEL of Michigan.

H.R. 4025: Mr. YOUNG of Florida, Mr. KRAMER, Mr. BREAUX, and Mr. BADHAM.

H.R. 4057: Mrs. COLLINS, Mr. SPENCE, Mr. BONIOR of Michigan, Mr. LANTOS, Mr. HYDE, Mr. WEAVER, Mr. BADHAM, and Mr. PERKINS.

H.R. 4088: Mr. GINGRICH.

H.R. 4090: Mr. HENDON.

H.R. 4194: Mr. ROBINSON and Mrs. ROUKEMA.

H.R. 4228: Mr. SAXTON.

H.R. 4241: Mr. PRICE and Mr. KILDEE.

H.R. 4384: Mr. DAUB.

H.R. 4391: Mr. LIPINSKI and Mrs. COLLINS.

H.R. 4433: Mr. SHUMWAY.

H.R. 4621: Mr. ECKERT of New York.

H.R. 4639: Mr. DANIEL, Mr. ECKART of Ohio, Mr. CLINGER, Mr. NELSON of Florida, Mr. MANTON, Mr. DAUB, Mr. EDWARDS of Oklahoma, Mrs. MARTIN of Illinois, Ms. KAPTUR, Mr. BILIRAKIS, Mr. DORGAN of North Dakota, Mr. GARCIA, Mr. SCHEUER, and Mr. DE LUGO.

H.R. 4660: Mr. MACK and Mr. LELAND.

H.R. 4680: Mr. SCHEUER, Mr. KANJORSKI, Mr. FAUNTROY, Mr. BOLAND, Mr. FROST, Mr. MILLER of Ohio, Mr. HOWARD, Mr. HAYES, Mr. WORTLEY, Mr. COLEMAN of Texas, Mr. KLECZKA, Mr. LEHMAN of Florida, Mr. MRAZEK, Mr. BUSTAMANTE, Mr. FORD of Michigan, Mr. LIPINSKI, Mr. WIRTH, Mr. MARTINEZ, Mr. LEVINE of California, Mr. VENTO, Mr. STARK, Mr. MORRISON of Connecticut, Mr. GLICKMAN, Mr. MINETA, Mr. SHAW, Mr. WILSON, Mr. MONSON, Mr. SOLO-

MON, Mrs. BOXER, Mr. LEVIN of Michigan, Mr. COBEY, Mr. ANDREWS, Mr. EDWARDS of California, Mr. VOLKMER, Mr. SMITH of Florida, Mr. OWENS, Mr. DIXON, Mr. ECKART of Ohio, Mr. KILDEE, Mr. OBERSTAR, Mr. LELAND, Mr. MCKINNEY, Mr. BARNES, Mr. PURSELL, Mr. WEAVER, and Ms. MIKULSKI.

H.R. 4682: Mr. GARCIA, Mr. PACKARD, Mr. COBEY, Mr. MORRISON of Washington, Mr. DAUB, Mrs. BYRON, Mrs. BENTLEY, Mr. CHENEY, and Mr. SYNAR.

H.R. 4773: Mr. NICHOLS.

H.R. 4792: Mr. MARLENEE.

H.R. 4807: Mr. KASTENMEIER, Mr. EVANS of Illinois, Mr. PENNY, Mr. OBERSTAR, Mr. SLATTERY, Mr. COATS, Mr. DERRICK, Mr. WALKER, Mr. WORTLEY, and Mr. JACOBS.

H.R. 4838: Mr. GINGRICH.

H.R. 4871: Mr. RODINO, Mr. SCHUMER, Mr. DORNAN of California, Mr. MITCHELL, Mr. RANGEL, Mr. SMITH of Florida, and Mr. MARTINEZ.

H.R. 4881: Mr. WAXMAN.

H.R. 4884: Mr. WHITTAKER and Mr. COMBEST.

H.R. 4891: Mrs. BENTLEY.

H.J. Res. 244: Mr. ERDREICH, Mr. DYMALLY, Mr. SAXTON, and Mr. ATKINS.

H.J. Res. 381: Mr. SEIBERLING.

H.J. Res. 429: Mr. MILLER of Ohio, Mr. SYNAR, Mr. VANDER JAGT, Mr. OLIN, Mr. CALLAHAN, Mr. DANIEL, Mr. WEAVER, Mr. WYDEN, Mr. SCHUMER, Mr. SABO, Mr. HAMMERSCHMIDT, Mr. BIAGGI, Mr. SKELTON, Mr. MCEWEN, Mr. GRAY of Illinois, Mr. THOMAS of Georgia, Mr. HEFTEL of Hawaii, Mr. APPLEGATE, Mr. DONNELLY, Mr. BOUCHER, Mr. DE LUGO, Mr. SAVAGE, Mr. FUQUA, Mr. FUSTER, Mr. COELHO, Mr. HEFNER, Mr. BONER of Tennessee, Mr. ROSE, Mr. ANDERSON, Mr. VALENTINE, Mr. TRAFICANT, Mr. WHITTEN, Mr. CONYERS, Mr. COYNE, Mr. BERMAN, Mr. STOKES, Mr. MARKEY, Mr. YATRON, Mr. MONTGOMERY, Mr. MACKAY, Mr. ROWLAND of Georgia, Mr. PACKARD, Mr. BRUCE, Mr. COUGHLIN, Mr. CLINGER, Mr. ROTH, Mr. WALGREN, and Mr. PEPPER.

H.J. Res. 508: Mr. CHAPPIE.

H.J. Res. 529: Mr. NELSON of Florida, Mr. MATSUI, Mr. FORD of Tennessee, Mr. ALEXANDER, Mr. BREAUX, Mr. LEVIN of Michigan, Mr. PERKINS, Mr. WYDEN, Mr. MCCLOSKEY, Mr. SUNDQUIST, Mr. BONIOR of Michigan, Mr. CARPER, Mr. WIRTH, Mr. LOWRY of Washington, Mr. FOGLIETTA, Mr. LIPINSKI, Mr. TALLON, Mr. ORTIZ, Mr. YOUNG of Alaska, Mr. CHAPPIE, Mr. CALLAHAN, Mr. FUSTER, Mr. GRAY of Illinois, and Mr. TRAFICANT.

H.J. Res. 640: Mr. SOLARZ, Mr. SABO, Mr. WOLPE, Mr. DIXON, Mr. NIELSON of Utah, Mrs. BOXER, Mr. DANIEL, Mr. HUNTER, Mr. HARTNETT, Mrs. LLOYD, Mr. CARNEY, Mr. UDALL, Mr. CHAPPELL, Mr. ROE, Mr. DWYER of New Jersey, Mr. REID, Mr. ACKERMAN, Mr. BONER of Tennessee, Mr. HEFNER, Mr. SLATTERY, Mr. LEWIS of California, Mr. FOGLIETTA, Mr. ORTIZ, Mr. KRAMER, and Mr. MARTIN of New York.

H.J. Res. 642: Mr. DASCHLE, Mr. SKELTON, Mr. HARTNETT, Mr. COURTER, Mr. JONES of Tennessee, Mr. MCCAIN, and Mr. HEFTEL of Hawaii.

H. Con. Res. 325: Mr. KASICH and Mr. MATSUI.

H. Con. Res. 326: Mr. GARCIA.

H. Res. 388: Mr. DE LUGO, Mr. DARDEN, and Mr. SCHEUER.

H. Res. 451: Mr. APPLEGATE, Mr. DEWINE, Mr. EVANS of Iowa, Mr. GARCIA, Mr. LELAND, Mr. MONSON, Mr. PARRIS, Mr. PEPPER, Mr. RICHARDSON, Mr. ROE, Mr. SAVAGE, Mr. SLATTERY, and Mr. WEAVER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

367. By the SPEAKER: Petition of the Ad Hoc Committee Against Contra Aid, Minneapolis, MN, relative to House investigations and hearings on Contra crimes; to the Committee on Foreign Affairs.

368. Also, petition of the City Council of Miracatu, Brazil, relative to aid to the Contras; to the Committee on Foreign Affairs.

369. Also, petition of the Borough of Woodstown, NJ, relative to an amendment to the Constitution; to the Committee on the Judiciary.

370. Also, petition of Senator Ted S. Nelson, chairman, committee on general governmental operations, Guam Legislature, Agana, Guam, relative to amnesty for H-2 alien workers on Guam; to the Committee on the Judiciary.

371. Also, petition of the council of the village of Brooklyn, Heights, OH, relative to the recognition of June 21, 1986, as "Save American Industry/Jobs Day"; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. BEREUTER:

(To the amendment in the nature of a substitute to H.R. 1 (text of H.R. 4746)).

—Page 93, after line 9, insert the following new section (and conform the table of contents accordingly):

SEC. 305. STUDY OF MORTGAGE CREDIT IN RURAL AREAS.

The Secretary of Housing and Urban Development shall conduct a study of the availability and use of funds for the purchase and improvement of residential real property in rural areas, particularly in communities that have populations of not more than 2,500 individuals. Not later than April 1, 1987, the Secretary shall submit to the Congress a detailed report setting forth the findings of the Secretary as a result of the study.

(To the amendment in the nature of a substitute (text of H.R. 4757)).

—Page 79, after line 24, insert the following new section (and conform the table of contents accordingly):

SEC. 305. STUDY OF MORTGAGE CREDIT IN RURAL AREAS.

The Secretary of Housing and Urban Development shall conduct a study of the availability and use of funds for the purchase and improvement of residential real property in rural areas, particularly in communities that have populations of not more than 2,500 individuals. Not later than April 1, 1987, the Secretary shall submit to the Congress a detailed report setting forth the findings of the Secretary as a result of the study.

By Mrs. BURTON of California:

(To the amendment in the nature of a substitute to H.R. 1 (text of H.R. 4746)).

—Page 90, after line 4, insert the following new section (and conform the table of contents accordingly):

SEC. 245. PROCEDURES AND POLICIES FOR MANDATORY MEAL PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) EXEMPTIONS FROM MEAL PROGRAMS.—

(1) REQUIRED EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall grant a tenant an exemption from such participation if—

(A) the program cannot satisfactorily accommodate the special dietary or health needs of the tenant, as certified by the physician of the tenant;

(B) the program cannot satisfactorily accommodate the special diet or food practices of the tenant;

(C) participation in the program substantially interferes with the employment of the tenant; or

(D) participation in the program constitutes an unbearable financial hardship on the tenant, taking into consideration the cost to the tenant of meals not covered by the program and other necessary living costs remaining after payment of charges for the program.

(2) ADDITIONAL EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may grant a tenant an exemption from such participation for any additional reason determined by the owner to be appropriate.

(b) FINANCIAL ASSISTANCE.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may, in lieu of granting an exemption under subsection (a)(1)(D), provide the tenant with financial assistance toward the cost of participation in the program.

(c) ACCEPTANCE OF FOOD STAMPS AS PAYMENT.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall accept food stamps toward payment for the meals included in such program.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "assisted housing" means housing that is assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, or section 8 of the United States Housing Act of 1937.

(2) The term "elderly" means any individual who is not less than 62 years of age or any family the head of which (or whose spouse) is not less than 62 years of age.

(e) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out this section.

(To the amendment in the nature of a substitute (text of H.R. 4757)).

—Page 77, after line 6, insert the following new section (and conform the table of contents accordingly):

SEC. 224. PROCEDURES AND POLICIES FOR MANDATORY MEAL PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) EXEMPTIONS FROM MEAL PROGRAMS.—

(1) REQUIRED EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall grant a tenant an exemption from such participation if—

(A) the program cannot satisfactorily accommodate the special dietary or health needs of the tenant, as certified by the physician of the tenant;

(B) the program cannot satisfactorily accommodate the special diet or food practices of the tenant;

(C) participation in the program substantially interferes with the employment of the tenant; or

(D) participation in the program constitutes an unbearable financial hardship on the tenant, taking into consideration the

cost to the tenant of meals not covered by the program and other necessary living costs remaining after payment of charges for the program.

(2) ADDITIONAL EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may grant a tenant an exemption from such participation for any additional reason determined by the owner to be appropriate.

(b) FINANCIAL ASSISTANCE.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may, in lieu of granting an exemption under subsection (a)(1)(D), provide the tenant with financial assistance toward the cost of participation in the program.

(c) ACCEPTANCE OF FOOD STAMPS AS PAYMENT.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall accept food stamps toward payment for the meals included in such program.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "assisted housing" means housing that is assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, or section 8 of the United States Housing Act of 1937.

(2) The term "elderly" means any individual who is not less than 62 years of age or any family the head of which (or whose spouse) is not less than 62 years of age.

(e) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out this section.

By Mrs. ROUKEMA:

(To the amendment in the nature of a substitute to H.R. 1 (text of H.R. 4746)).

—Page 115, line 1, strike "115 percent" and insert "90 percent".

By Mr. ROYBAL:

(To the amendment in the nature of a substitute to H.R. 1 (text of H.R. 4746)).

—Page 90, after line 4, insert the following new section (and conform the table of contents accordingly):

SEC. 245. MODIFICATION OF RESTRICTION ON USE OF ASSISTED HOUSING BY ALIENS.

(a) LIMITATION OF RESTRICTION TO NEW APPLICATIONS.—Section 214(a) of the Housing and Community Development Act of 1980 is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively; and

(3) by adding at the end the following new paragraph:

"(2) The restriction established in this subsection shall not apply to—

"(A) the continued provision of any financial assistance commenced before the date of the enactment of the Housing Act of 1986;

"(B) the provision of any financial assistance pursuant to a conversion from any other financial assistance; or

"(C) the provision of any financial assistance to an individual displaced from a dwelling as a result of an activity of the Federal Government or an activity approved or assisted by the Federal Government.".

(b) RETENTION OF RESTRICTION OF NONIMMIGRANT STUDENT-ALIENS.—Section 214 of the Housing and Community Development Act of 1980 is amended—

"(1) by redesignating subsection (c); and

"(2) by inserting after subsection (a) the following new subsection:

"(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may not make financial assistance available for the benefit of—

"(1) any alien who—

"(A) has a residence in a foreign country that such alien has no intention of abandoning;

"(B) is a bona fide student qualified to pursue a full course of study; and

"(C) is admitted to the United States temporarily and solely for purposes of pursuing such a course of study at an established institution of learning or other recognized place of study in the United States, particularly designated by such alien and approved by the Attorney General after consultation with the Department of Education of the United States, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student (and if any such institution of learning or place of study fails to make such reports promptly the approval shall be withdrawn); and

"(2) the alien spouse and minor children of any alien described in paragraph (1), if accompanying such alien or following to join such alien.".

"(c) CERTIFICATION AND DOCUMENTATION PROCEDURES.—Section 214 of the Housing and Community Development Act of 1980 (as amended by subsection (b) of this section) is further amended by adding at the end of the following new subsection:

"(d) In carrying out this section, the Secretary of Housing and Urban Development shall require, as a condition of providing financial assistance for the benefit of any individual, that such individual—

"(1) declare in writing, under penalty of perjury, whether or not such individual is a citizen or national of the United States; and

"(2) if not a citizen or national, provide such documentation regarding the immigration status of such individual as the Secretary may require by regulation.".

BY Mr. WORTLEY:

(To the amendment in the nature of a substitute to H.R. 1 (text of H.R. 4746)).

—Page 14, after line 12, insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 124. HOME EQUITY CONVERSION MORTGAGE INSURANCE DEMONSTRATION.

Title II of the National Housing Act is amended by adding at the end the following new section:

"DEMONSTRATION PROGRAM OF INSURANCE OF HOME EQUITY CONVERSION MORTGAGES FOR ELDERLY HOMEOWNERS

"SEC. 254. (a) PURPOSE.—The purpose of this section is to authorize the Secretary to carry out a demonstration program of mortgage insurance designed—

"(1) to meet the special needs of elderly homeowners by reducing the effect of the economic hardship caused by the increasing costs of meeting health, housing, and subsistence needs at a time of reduced income, through the insurance of home equity conversion mortgages to permit the conversion of a portion of accumulated home equity into liquid assets;

"(2) to encourage and increase the involvement of mortgages and participants in the secondary mortgage market in the making and servicing of home equity conversion mortgages for elderly homeowners; and

"(3) to require the evaluation of data to determine—

"(A) the extent of the need and demand among elderly homeowners for insured and uninsured home equity conversion mortgages;

"(B) the types of home equity conversion mortgages that best serve the needs and interests of elderly homeowners, the Federal Government, and lenders; and

"(C) the appropriate scope and nature of participation by the Secretary in connection with home equity conversion mortgages for elderly homeowners.

"(b) DEFINITIONS.—For purposes of this section:

"(1) The terms 'elderly homeowner' and 'homeowner' mean any homeowner who is, or whose spouse is, at least 65 years of age or such higher age as the Secretary may prescribe.

"(2) The terms 'first mortgage', 'mortgage', 'mortgagee', 'mortgagor', and 'State' have the meanings given such terms in section 201.

"(3) The term 'home equity conversion mortgage' means a loan secured by a first lien on a property upon which there is located a dwelling designed principally for a 1-family residence that—

"(A) provides for monthly payments to the homeowner based upon accumulated equity;

"(B) may provide for a fixed or variable term or for future sharing, between the lender and the homeowner, of the equity or appreciation in the vlaue of the dwelling;

"(C) provides that the loan shall become due on a specified date after disbursement of the full principal amount, or when a specified event (such as the sale of the dwelling or the death of the homeowner) occurs;

"(D) provides that the monthly payments required in the mortgage instrument shall be made directly by the lender to the homeowner;

"(E) provides that prepayment in whole or in part may be made without penalty at any time during the term of the loan; and

"(F) provides that the interest rate shall be fixed, as agreed upon by the mortgagor and the mortgagee at the origination of the mortgage.

"(c) INSURANCE AUTHORITY.—The Secretary may, upon application by a mortgagee, insure any home equity conversion mortgage eligible for insurance under this section and, upon such terms and conditions as the Secretary may prescribe, make commitments for the insurance of such mortgages prior to the date of their execution or disbursement to the extent that the Secretary determines such mortgages—

"(1) have promise for improving the financial situation or otherwise meeting the special needs of elderly homeowners;

"(2) will include appropriate safeguards for mortgagors to offset the special risks of such mortgages;

"(3) have a potential for acceptance in the private mortgage market; and

"(4) have a potential for purchase by a secondary market institution.

"(d) ELIGIBILITY REQUIREMENTS.—To be eligible for insurance under this section, a mortgage shall—

"(1) have been made to, and be held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

"(2) have been executed by a mortgagor who—

"(A) qualifies as an elderly homeowner;

"(B) has received adequate counseling by a third party (other than the lender) as provided in subsection (g); and

"(C) meets any additional requirements prescribed by the Secretary;

"(3) be secured by a dwelling that is designed principally for a 1-family residence and is occupied by the mortgagor;

"(4) involve a principal obligation (including such initial service charges, appraisal, inspections, and other fees as the Secretary shall approve, and all interest to be deferred and added to the principal) that does not, on the date the mortgage is accepted for insurance, exceed whichever of the following is less:

"(A) 125 percent of the maximum dollar amount established by the Secretary under section 203(b)(2) for a 1-family residence; or

"(B) 90 percent of the appraised value of the property;

"(5) provide for a fixed interest rate, as agreed upon by the mortgagor and the mortgagee;

"(6) contain provisions for full satisfaction of the obligation satisfactory to the Secretary;

"(7) provide that, in the event of any foreclosure on the mortgage, the homeowner shall not be liable for any difference between the net amount of the remaining indebtedness of the homeowner under the mortgage and the amount recovered by the mortgagee from—

"(A) the foreclosure sale; or

"(B) the insurance benefits paid pursuant to subsection (e); and

"(8) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserve, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may prescribe.

"(e) APPLICABILITY OF SECTION 204.—

"(1) Each mortgagee of a mortgage insured under this section shall be eligible to receive the benefits of insurance as provided in section 204(a) with respect to such mortgage, except that in the case of a mortgage providing for shared appreciation—

"(A) the insurance benefits shall not include the share of the mortgagee of the net appreciated value; and

"(B) the term 'original principal obligation of the mortgage' as used in section 204 shall not include the share of the mortgagee of the net appreciated value.

"(2) The provisions of subsections (b) through (k) of section 204 shall be applicable to mortgages insured under this section, except that—

"(A) all references in such subsections to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund; and

"(B) all references in such subsections to section 203 shall be construed to refer to this section.

"(f) DISCLOSURES BY MORTGAGEE.—The Secretary shall require each mortgagee of a mortgage insured under this section to make available to the homeowner—

"(1) at the time of the loan application, a written list of the names and addresses of third-party counselors who are approved by the Secretary as responsible and able to provide the counseling required in subsection (g); and

"(2) on an annual basis (but not later than January 31 of each year), a statement summarizing the total principal amount paid made to the homeowner under the loan secured by the mortgage, the total amount of deferred interest added to the principal, and the outstanding loan balance at the end of the preceding year.

"(g) COUNSELING SERVICES FOR MORTGAGORS.—The Secretary shall require the third-party counseling required in subsection (d)(2)(B)—

"(1) to be provided by counselors (other than the lender) who are approved by the Secretary as responsible and able to provide counseling to elderly homeowners; and

"(2) to include—

"(A) informing the elderly homeowner of options other than a home equity conversion mortgage that are available to the homeowner, including other housing, social service, health, and financial options;

"(B) informing the elderly homeowner of other home equity conversion options that are or may become available to the homeowner, such as sale-leaseback financing, deferred payment loans, and property tax deferral;

"(C) informing the elderly homeowner of all financial implications of entering into a home equity conversion mortgage, including any tax consequences, any effect on the eligibility of the homeowner for assistance under Federal and State programs, and any effect on the amount of such assistance;

"(D) informing the elderly homeowner of all the effects that entering into a home equity conversion mortgage will have on the estate and heirs of the homeowner;

"(E) providing any other information that the Secretary may require; and

"(F) providing the elderly homeowner with a written summary, acknowledged in writing by the mortgagor, of all of the information required in subparagraphs (A) through (E).

"(h) LIMITATION ON INSURANCE AUTHORITY.—No mortgage may be insured under this section after September 30, 1988, except pursuant to a commitment to insure mortgages issued on or before such date. The total number of mortgages insured under this section may not exceed 1,000.

"(i) ADMINISTRATIVE AUTHORITY.—The Secretary may—

"(1) enter into such contracts and agreements with Federal, State, and local agencies, public and private entities, and such other persons as the Secretary determines to be necessary or desirable to carry out the purposes of this section; and

"(2) make such investigations and studies of data, and publish and distribute such reports, as the Secretary determines to be appropriate.

"(j) PREEMPTION OF STATE LAW.—Mortgages insured and authorized under this section, and applicable regulations that contain or set forth provisions pertaining to sharing appreciation, increases in the outstanding balance after execution of the mortgage (including adding deferred interest to principal), disbursement of mortgage proceeds over an extended term, or setting of a due date in relation to the earliest of a specified event, shall not be subject to any constitution, statute, court decree, common law, rule, or public policy of a State that—

"(1) limits or prohibits sharing appreciation, increases in the outstanding balance after execution of the mortgage, or disbursement of mortgage proceeds over an extended time; or

"(2) requires that the term of the mortgage be fixed.

"(k) PROTECTION OF HOMEOWNER IN EVENT OF DEFAULT BY LENDER.—

"(1) Notwithstanding any other provision of law, and in order to further the purposes of the demonstration program authorized in this section, the Secretary shall take any action necessary—

"(A) to provide any mortgagor under this section with funds to which the mortgagor is entitled under the insured mortgage or ancillary contracts but that the mortgagor has not received because of the default of the party responsible for payment; and

"(B) to obtain repayment of disbursements provided under subparagraph (A) from any source.

"(2) Actions under paragraph (1) may include—

"(A) disbursing funds to the mortgagor from the General Insurance Fund;

"(B) accepting an assignment of the insured mortgage notwithstanding that the mortgagor is not in default under its terms, and calculating the amount and making the payment of the insurance claim on such assigned mortgage;

"(C) requiring a subordinate mortgage from the mortgagor at any time in order to secure repayments of any funds advanced or to be advanced to the mortgagor;

"(D) requiring a subrogation to the Secretary of the rights of any parties to the transaction against any defaulting parties;

"(E) imposing premium charges; and

"(F) preempting any State or local law that may prohibit or limit any of the actions described in subparagraphs (A) through (E).

"(l) REPORT TO CONGRESS.—The Secretary shall evaluate the program authorized in this section and, not later than April 1, 1989, submit to the Congress a report setting forth the results of such evaluation. Such report shall—

"(1) describe the types of mortgages appropriate for inclusion in such program;

"(2) describe any restrictions in State or local law that require preemption under subsection (j) or (k) in order to continue such program;

"(3) describe any changes in the insurance programs under this title, or in other Federal regulatory provisions, determined to be appropriate;

"(4) describe any risk created by such program to mortgagors or the insurance programs under this title, and whether the risk is adequately covered by the premiums under the insurance programs;

"(5) evaluate whether such program has improved the financial situation or otherwise met the special needs of participating elderly homeowners;

"(6) evaluate whether such program has included appropriate safeguards for mortgagors to offset the special risks of such mortgages;

"(7) evaluate whether home equity conversion mortgages have a potential for acceptance in the private market; and

"(8) evaluate whether such program has increased secondary mortgage market activity with respect to home equity conversion mortgages.".

SENATE—*Tuesday, June 3, 1986*

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of our fathers, Sovereign Lord of history and the nations, thank You for the connection now a reality between the Senate and the people, through television. We pray that this connection will enable the people to appreciate the extraordinary political process inherited from our founders. Recognizing all the negative possibilities in this live relationship, we ask Gracious God that this remarkable technology will provide constructive engagement between the people and their representatives. Help the viewers to be patient as they become familiar with the Senate operation. Help them to realize that most of the hard work is done in committee, that delay and debate are designed to guarantee the interests of a great nation of almost unlimited diversity. Grant that they will understand that compromise is the democratic process whereby conflicting interests of a pluralistic society are protected. Help them to comprehend the fact that the Senate stands in the vortex of a flood of legitimate issues—often clashing—involving local, State, regional, national, and international affairs, as well as special interests and the interests of millions of constituents. Mighty God, may this new close connection be a source of edification and insight motivating the people to exercise their sovereignty which is fundamental to our political system. In His name Who loves all people collectively and cares about each person individually. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SENATOR PAULA HAWKINS

Mr. MATHIAS. Mr. President, it is a great pleasure to see in the Senate today the distinguished Senator from Florida [Mrs. HAWKINS]. We are delighted that she is restored to health.

I know that she has been following the activities and the work of the Senate very closely during her absence. But it is a special pleasure to see her today. It will be good to have her wisdom and counsel back in the Senate.

It is an honor to welcome her back. We wish her the best of health in the years to come.

Mr. President, I reserve the balance of the time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The able Democratic leader is recognized.

ARMS CONTROL

Mr. BYRD. Mr. President, the current negotiations on arms control with the Soviets at Geneva have been going on for some 14 months. It has been frequently remarked upon that the complexity of the current negotiations, addressing, at the same time, intermediate-range missiles in Europe, intercontinental or strategic missile systems between the United States and the Soviet Union, and space-oriented weapons, is staggering. We are all hopeful that progress in these talks will eventually produce agreements, in the form of ratifiable treaties, on all these matters. The talks are made even more complex because other important arms control questions are being discussed with the Soviets in other fora at the same time, including such matters as nuclear testing limitations, nuclear sharing initiatives to reduce the risk of accidental war, chemical weapons, conventional forces balance in Europe, and so-called confidence-building measures such as prenotification of troop movements, exercises, and so forth. Even if both sides are negotiating vigorously in complete good faith, this tangled web of interrelated issues is a major challenge for both nations to sort through and make the necessary accommodations to reach reasonable agreements with the other side. The process takes time.

DELAYS IN THE NEGOTIATIONS

Arms control talks are not an isolated phenomenon untouched by other factors in the superpower relationship. A major example of the spin-off effect of other seemingly unrelated events, was when the Senate's consideration of the SALT II accords had to be indefinitely deferred because of the Soviet invasion of Afghanistan. Other recent events seem to have had effects on the current talks. The Chernobyl disaster, for example, may have had a chilling effect on the talks.

Further, Mr. President, we need to keep in mind that Mr. Gorbachev is still relatively new to his job, and what has been interpreted as Soviet stalling in Geneva may be partly related to a learning process that he is going through and the restructuring of the Soviet foreign policy apparatus that he has been directing.

RECENT SIGNS OF PROGRESS

Nevertheless, Mr. President, there have been some recent signs of some movement on arms control issues which can be interpreted in a positive light. Although until recently I have criticized the Soviets for an arms control policy that was highly loaded toward propaganda campaigns aimed at Western European audiences, it is now public that the Soviets last week tabled new proposals in Geneva which provide, according to preliminary assessments by unnamed administration officials quoted in the New York Times of June 1, 1986, "tantalizing" and "positive" elements dealing both with reductions in the Soviet strategic inventory as well as with space weaponry and the existing treaty on ABM systems. So this indicates some movement, and that is better than the stalling we saw for some months.

It has also been reported that Moscow is backing off its blanket rejection of SDI research, and is finally putting on the table proposals regarding the types of research acceptable under the ABM Treaty that Mr. Gorbachev alluded to during the extended conversations I and my colleagues from the Senate had with him and his associates on this matter last September. In addition, the Soviets have proffered a new proposal for the onsite verification associated with nuclear weapons testing, which has been reported to have been characterized by administration officials as an "interesting approach" to this question.

NOT UNDERCUTTING SALT IN 1986

Mr. President, President Reagan officially announced last week, on May 26, 1986, that he had decided to continue at least for the time being the policy of his administration with regard to the SALT II accords known as the "no undercut" policy. This is specifically in regard to the numerical launcher limits for MIRVed systems in those accords, and in order to remain within those limits, the President indicated that two aging Poseidon submarines would be dismantled. Even though the treaty was never ratified by the Senate, and even though it would have expired last year even if it had been ratified, the majority of the Senate has agreed and remains in agreement with the "no undercut" policy as it has been pursued so far by

the President and, indeed, urged this course of action on him for several reasons:

First, it is more advantageous for the United States from a military point of view to continue this policy through 1986 at the least.

Second, it has been important from the point of view of our allies in NATO, who believe it is in their military interest for the United States to continue this policy and who are reading the strong sentiments of their respective publics.

Third, the SALT II limits provide a benchmark from which current negotiations can work downward, as both sides pursue proposals for major reductions in strategic inventories.

Fourth, the policy of continuing to abide by the central SALT II limits has important symbolic value in extending the spirit of the first Reagan-Gorbachev summit meeting of last year, and helping to make the probable second summit meeting later this year more productive.

Some administration officials have indulged in irresponsible rhetoric to the effect that SALT is now dead. The President has not said that. The President made continued future compliance by the United States dependent on Soviet actions. As has been the pattern in his own administration, there are far too many officials eager to put words into the President's mouth or to reinterpret his words loosely and self-servingly.

Mr. President, I deplore this lack of discipline just as I deplore the gusher of leaks of classified information which continually springs forth from administration officials. The responsible position to take, I believe, is to withhold judgment on the future, work hard, take advantage of the present opportunities, and evaluate what progress might be achieved over the remainder of the year.

MR. GORBACHEV AND THE SUMMIT

There is one matter that Mr. Gorbachev can act upon right now that would be very important to the superpower relationship, to the arms control process that is now ongoing, and to the goal of progress on a range of outstanding United States-Soviet issues—that is, to get off dead center and agree to a summit scheduled for a specific date later this year. I would urge him to indicate his agreement to schedule it for a date certain now. In this way, the complicated presummit arrangements can begin and, further, the respective bureaucracies are forced to conduct the kind of fresh analyses of the various policies on arms control matters, in particular, which might produce new approaches and, perhaps, significant closure toward common positions which are in the national interest of both superpowers. Time is needed for these things to happen.

There is one matter that Mr. Gorbachev can act upon right now that would be very important in this relationship to the arms control process which is now ongoing and to the goal of progress on a range of outstanding United States-Soviet issues. That is to get off dead center and agree to a summit scheduled for a specific date later this year. Mr. Gorbachev should understand that time is the most fragile and delicate commodity of all in these matters, and he should not fritter it away.

Mr. President, Mr. Gorbachev has got to understand that he cannot plan hard-to-get on setting a date for the second summit, because that game works directly against his own interests. In order to really galvanize the arms talks, the driving impetus of a summit schedule is needed.

U.S. WEAPONS MODERNIZATION AND DEPLOYMENT SCHEDULES

From the point of view of the United States, I think it is important to provide adequate and reasonable time for opportunities on arms control to be explored without prejudging and, perhaps inadvertently, foreclosing progress that may be attainable. There is nothing magic, or critical from the point of view of military necessity or the strategic balance, that dictates a specific modernization schedule for our bomber force such that the 131st cruise missile must be made operational on a certain day this September or November, or even, for that matter, next January. That event is important only from a symbolic point of view, in that it would put the United States in the position of breaking through a central limit of the SALT II accords on strategic systems. Rather than this being desirable, I am convinced it is absolutely undesirable for our Nation.

I do not think it would be wise to allow production and deployment schedules of specific weapons to interfere with the current opportunities, in 1986, to explore openings that may exist to make progress in arms control. The strategic balance will not suffer if we give the very complex and tedious series of negotiations on arms questions I described earlier a chance to work for the rest of this year.

I believe that, in fashioning the defense authorization bill for fiscal year 1987, we need to ensure that the production and modernization schedules of our strategic weapons are not funded in such a way that would have the effect of substantially reducing the prospects of movement on arms talks this year. If we are not really interested in arms control with the Soviets, I do not know why we are in Geneva. Those production and weapons deployment schedules should be funded by the Congress in such a way to keep the window of opportunity open for at least the remainder of this year. This, as my colleagues know, is the thrust of the amendment laboriously negotiated and passed by the Senate last year on the defense authorization bill for 1986.

I, for one, do not want to give the Soviets a pretext for walking away from the SALT II Treaty, and blaming it on us. I, for one, would urge adequate consultations with our allies on a common strategy. I do not always agree with the advice of our allies, as for example on the question of common action against Libya—but on the arms control question we need to coordinate closely with our NATO partners because in many ways we are acting as their good faith agent at the same time we represent our own interest in the negotiations with the Soviets at Geneva.

SOVIET TREATY VIOLATIONS AND U.S. PROPORTIONATE RESPONSES

There is a continuing concern about Soviet compliance with the provisions of treaties they have signed with the United States. I have always been troubled by the question of Soviet compliance.

Mr. President, there have been repeated representations to Soviet authorities, some of which I and the delegation that I led to Moscow last year delivered to Mr. Gorbachev—and I may say that the distinguished President pro tempore [Mr. THURMOND] was a member of that delegation, the vice chairman of the delegation—on the question of the Soviet radar site at Krasnoyarsk, on the encryption of Soviet missile testing telemetry, and the question of a new deployed Soviet missile, the SS-25.

In last year's Senate amendment, the Senate specifically did not rule out the principle of proportionate responses to Soviet violations. I advocate the deployment of the Midgetman missile, for example, which could be construed as a proportionate response to the new Soviet mobile SS-25. There are other possible responses to other Soviet violations.

Those who advocate the abandonment of the SALT II limits completely, before the end of 1986, and before the second summit, have not, in my opinion, analyzed the question in a way that properly addresses and protects the national military interests of the United States and its allies.

Not only that, but those who advocate the abandonment at this point in time are undermining the prospects for a summit, and undermining the prospects for arms control agreements.

I hope that such analyses will take place before the President takes any future action. I also hope that his advisers will not act or be permitted to act in ways that foreclose the President's options and needlessly jeopardize arms control efforts now underway.

Mr. President, I yield the floor.

Mr. MATHIAS addressed the Chair.

The PRESIDENT pro tempore. The distinguished acting majority leader.

Mr. MATHIAS. Mr. President, until the remarks of the distinguished minority leader this morning, I had not realized there was any parallel between Mark Twain and SALT II. But having heard the minority leader this morning, I realize that in the case of both the reports of their deaths were greatly exaggerated.

I think there is much to agree with in what the minority leader has said this morning. It is my personal hope that we will continue to work to keep SALT II alive and keep the restraints in place, to work to have more balance and a more permanent arrangement in arms control and arms limitation with the Soviet Union.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. CRANSTON. Mr. President, if the Senator will yield briefly, I would like to join in expressing my regard for the remarks of my leader from West Virginia. The SALT treaty is a very, very important part of our task of trying to reduce the danger of nuclear war and restraining the Soviet Union in all of their armaments, as well as an exercise in self-restraint by the United States of America.

We have a great need to do all we can to sustain that treaty. I am prepared to work with the Senator from West Virginia, the Senator from Maryland, and all others who are concerned, to find a way in the Congress to advance the cause of arms restraint at a time of great peril and at a time when there is a danger of great strains with our allies because of their concern about the course we seem to have embarked upon under the administration.

Mr. BYRD. Mr. President, I thank the Senator for his statement.

SCHEDULE

Mr. MATHIAS. Mr. President, following the standing order for the recognition of the two leaders, we have a number of special orders for Senators to speak for not to exceed 4 minutes each. It is my understanding that special orders have been entered for Senators HAWKINS, CRANSTON, PRESSLER, PROXMIRE, LEVIN, and GORE.

Following the execution of the special orders, if time permits, we will have routine morning business, not to extend beyond the hour of 10:15 a.m., with Senators permitted to speak therein for not more than 2 minutes each.

Following routine morning business, but at no later than the hour of 10:15 a.m., the Senate will resume consideration of Senate bill, S. 1965, the higher education bill, and votes could occur prior to the hour of 12 noon in relation to that legislation.

In accordance with the usual practice, the Senate will stand in recess between the hours of 12 noon and 2 p.m. in order to permit party caucuses to meet. At 2 p.m., the Senate will resume consideration of S. 1965, the higher education bill. Votes can be expected throughout the day today.

The majority leader advises that he expects tomorrow the Senate will address the problem of the tax bill.

RECOGNITION OF SENATOR HAWKINS

The PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 4 minutes.

THE MEXICANS FIDDLE WHILE JUSTICE BURNS

Mrs. HAWKINS. Mr. President, today's floor statement on drugs is a continuation of the hundreds which I have given during the past 4 years.

I would like to begin today's statement by thanking my colleagues for delivering my statements during my hospitalization and subsequent recovery.

I would also like to thank the public for their many letters, cards, and prayers which obviously worked very well in my recovery and returning this first day to the U.S. Senate to my duties.

Mr. President, violence and intimidation are part of the stock in trade of narcotics traffickers. The veiled threat is always present and from time to time traffickers lash out at some public official or law enforcement agent to make a point. By intimidation they hope to forestall investigations into their detestable activities and frighten Government authorities and law officers into submission. Such was the case of Enrique Camarena, an American DEA agent who was abducted, tortured, and killed by Mexican drug traffickers in February 1985. The fact that no one has been brought to trial yet in connection with Camarena's brutal slaying may indicate the influence that drug smugglers have in the Mexican Government. One of the key suspects in Camarena's death reportedly has been a visitor at the ranches of two Mexican State Governors. As the saying goes: "It helps to have friends in high places."

There is a new twist in the campaign of terror against anyone who wants to hold drug traders responsible for their actions. Drug smugglers now wish to silence the press. A prime example of this kind of intimidation is the recent kidnaping of a photographer for an El Paso, TX, newspaper. Al Gutierrez was seized in a border town by an accused Mexican drug smuggler and was interrogated and beaten for 12 hours before being dumped on the side of the road. The 34-year-old Gutierrez was on assignment for the El Paso Herald-Post with orders to photograph a hotel development project believed to be owned by multimillionaire Gilberto Ontiveros who has been charged with drug trafficking in both the United States and Mexico. True that Gutierrez was initially suspected to be a DEA agent, but he identified himself and explained that he was on assignment to take pictures. Ontiveros personally is said to have put a 45-caliber pistol to Gutierrez' head, holding him at bay until six men came into the hotel manager's office, put a pillow case over Gutierrez' head, and forced him to undress and began beating him, with periodic threats to rape him. The photographer was told that his captors planned to kill Terence Poppa, a Herald-Post reporter who had written a series of stories about Ontiveros' smuggling operations. After 12 hours of abuse and mistreatment, Gutierrez was thrown out of a car alongside a road.

Meanwhile, the newpaper has learned that the Mexican state police are very unhappy about a forthcoming series of stories about police corruption and plan some kind of retaliation. The El Paso Herald-Post has assured its readers that it will not be intimidated and promises to keep writing the truth about narcotics trafficking along the Texas-Mexican border and the personalities involved in it.

Ontiveros, one of the biggest of the drug fat cats, is quite a character. Fabulously wealthy, he is thought to be the owner of Cesar's Palace, a luxury hotel project in a toney shopping district on the Mexican side of the border just across from El Paso. He is the owner of another luxury hotel and two fashionable residences in Juarez. He also has a vacation home once owned by the late Shah of Iran, a fashion boutique and several auto dealerships, along with several expensive cars. His preferred mode of travel is a fancy Mercedes-Benz limousine, with an entourage of pistol-packing thugs either in front or behind the limo. If people look closely at this comical caravan kicking up dust along Mexican roadways they can catch a glimpse of Ontivero's celebrated briefcase. On it the words "The Boss" are brilliantly and boldly spelled out in diamonds.

Ontiveros has a long record of cocaine, marijuana and weapons charges dating back more than 10 years. A U.S. warrant issued in 1982 on drug charges is outstanding. He is subject to arrest on those charges if he ever sets foot on American soil. But do not hold your breath waiting for him to waive extradition or for the Government of Mexico in some act of magnanimity to shove him across the border.

The life was wrung out of Enrique Camarena's brave body but his sacrifice is an inspiration for all law enforcement officers involved in the war on drugs to carry on. I hope that the El Paso Herald-Post, its brave reporters and photographers and courageous editors, as well as the press elsewhere in our Nation, will never knuckle under to the threats of the drug overlords, and someday the murderer of Enrique Camarena is brought to justice.

□ 0950

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER (Mr. MATHIAS). Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for a period not to exceed 4 minutes.

SUPPORT FOR HIGHER EDUCATION BILL

Mr. CRANSTON. Mr. President, I strongly support the bill now before us in the Senate to reauthorize Federal support for higher education.

This bill, S. 1965, is for young people who have everything: Intelligence, drive, desire to learn, ambition to achieve. They have everything except one thing: Money. They have everything except the money they need to get the education they want and must have to succeed. These are young people who need their Government's help, and that is what this bill provides.

This is no Government handout for the undeserving. Every one of the youngsters who will be helped under this bill has demonstrated his or her ability: They have gotten into college on their own, and on their own merit. They must maintain the grades to remain in college. And in some instances they must also hold down outside jobs. As with most education bills, some of the money in this bill will go to institutions.

But unlike other education bills, $9 out of every $10 will go directly to young people who want to learn, to grow, to succeed, to be the best they can be, to be productive citizens, to be Americans who are energetically participating in the realization of the American dream.

They will be our future engineers, teachers, doctors, lawyers, scientists, mathematicians, and trade experts who will move our country ahead.

In my State of California alone, for example, this bill will help put 150,000 kids a year through college.

I am not saying that every one of those 150,000 youngsters will one day be a successful doctor or scientist or teacher or engineer. But I am saying that none of them—not a single one of them—will ever be a doctor or scientist or teacher or engineer unless he or she gets a college education. Chances are that few, if any, of them will make it without the help they will get from this legislation. Not only those kids but our Nation will be the poorer if we allow that to happen.

I want to comment on the significance of one particular provision in the bill—renewal of the title III program for developing institutions. Title III is designed to assist postsecondary institutions serving large concentrations of minority students. I am especially pleased that I and others have been successful in seeing to it that Asian-American students are included along with black, Hispanics, Native Americans, and other minority groups. While popular notions indicate that Asian-Americans are economically and educationally advanced, a close analysis indicates that Asian-Americans—principally those attending urban public colleges—are economically and socially as vulnerable as other minority groups served by title III. In assuring educational access for Asian-Americans, we not only enable individual Asian-Americans to get an education, we also assist all eligible minority students, because institutions which enroll large Asian or Pacific ancestry student populations—and thus receive Federal funds under title III—also have large black and Hispanic populations.

Mr. President, I will vote for S. 1965 with enthusiasm. It is a good bill—good for the students and the schools they attend, and good for the country. It would be hard to pinpoint a more urgent need, in today's competitive international realm, than quality education for Americans young and old.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Chair now recognizes the Senator from Wisconsin [Mr. PROXMIRE] for a period not to exceed 4 minutes.

□ 1000

ARMS CONTROL SINKING FAST, MAY BE TERMINAL

Mr. PROXMIRE. Mr. President, the distinguished Presiding Officer, the Senator from Maryland, and the distinguished Democratic leader, Senator BYRD, have both said that SALT is not quite dead; they do not think it is dead; that it may be dying but maybe not. Well, I disagree. I think that both my good friends, Senators I highly esteem, are wrong, dead wrong. The fact is that since 1981 we have made no progress on arms control, and it is worse. Every single one of our arms control treaties are now either out, dead, finished, or just about to die.

There is overwhelming public support for arms control. Every Gallup poll, every Harris poll, every statewide referendum has shown, by 3 to 1 or 4 to 1, support for arms control in this country. The fact is that the three main arms control agreements are dead. The nuclear weapons test ban treaty, which we solemnly promised in two treaties in 1963 and 1974 that we would negotiate with the Soviet Union a total end to testing new nuclear weapons, is now dead. The administration in has made it crystal clear that it is gone.

The ABM Treaty, the Antiballistic Missile Treaty, Mr. President, was designed to stop a defensive arms race and also try to prevent the Soviet Union from trying to overcome any ABM system by building up their offensive nuclear arms. The ABM Treaty is virtually dead in view of the fact that the administration has a star wars program whose purpose is to build an ABM. The very heart of the ABM Treaty was to stop any kind of star wars program. That is what it was designed to do. The top priority of the administration, as I say, is to develop an antiballistic missile system which would make the ABM Treaty a dead letter.

Finally, there is the SALT II Treaty, which, according to the President of the United States, is virtually dead. He is not going to abide by it, he says, after this summer. The Secretary of Defense has made it crystal clear that the last rites are being said over the body of the SALT II Treaty.

Mr. President, there is another irony here, and that is that the greatest truism in negotiating is that we negotiate from strength. Are we strong vis-a-vis the Soviet Union? The fact is that, from an economic standpoint, the United States has twice the productivity of the Soviet Union. From a technological standpoint, the Secretary of Defense has said that we are ahead of them, if not tied with them. We have the same number of warheads. Three nuclear powers are the United Kingdom, France, and China. The United Kingdom and France indicate that they intend to quadruple their nuclear warheads over the next 10 or 15 years.

The irony is that there is overwhelming public support, and we can negotiate now from strength, if we only negotiate.

Mr. President, arms control in this dangerous nuclear age is virtually dead. The erratic progress arms control made since the beginning of the nuclear age 40 years ago came to a screeching halt in 1981. Since then, progress on negotiating nuclear arms limitations with the Soviet Union has been nil. It is worse. The existing arms control agreements are headed for the graveyard.

There are three main areas of nuclear weapons arms control agreements. The first is the agreement to negotiate a mutual, verifiable and comprehensive end to nuclear weapons testing with the Soviet Union. In 1963, the superpowers negotiated a partial test ban treaty confining nuclear tests to underground explosions. In 1973, the United States and the Soviet Union signed a treaty limiting underground nuclear explosions to 150 kilotons. In both these treaties, the superpowers promised explicitly to negotiate a treaty to end all nuclear weapons tests. Could we rely on such a treaty? Could we verify it? There are two big reasons why we know we can verify compliance.

First, our seismologists assure us we can verify such an agreement technologically. Second, the Soviets have expressed willingness to permit monitoring stations within the Soviet Union. They have also agreed to accept followup, on-the-spot inspection. So why don't we negotiate a test ban? Answer: The administration has flatly refused to negotiate. So this first area of arms control, a ban on further nuclear weapons testing, is dead.

The second major area of arms control aims to stabilize nuclear deterrence by a superpower agreement to prohibit either superpower from building antiballistic missile systems. Why was such an agreement necessary? Because nationwide antiballistic missile systems deployed either by the Soviet Union or the United States would directly challenge the credibility of the other superpower's nuclear deterrent.

If either superpower builds an effective nationwide ABM system, the adversary will certainly respond with a massive buildup of offensive missiles to overwhelm it. What does that do to arms control? It's devastating. Here is why: An ABM system deployed by either superpower would require the other not only to refuse to negotiate any limit on offensive nuclear arms, it also would require a major buildup to maintain the credibility of its deterrent. This is why the ratification of the ABM Treaty by the U.S. Senate in 1972 was a triumph for arms control. It not only stopped an immensely costly and destabilizing missile defense race, it also provided the basis for negotiating a substantial reduction in offensive nuclear arms.

So how is this second phase of arms control, the ABM Treaty, faring? Answer: It is on its death bed. The biggest research program in this Nation's history is the U.S. star wars or antiballistic missile project. This program is well underway as a research effort. Its cost will certainly be in the hundreds of billions of dollars, and it may well exceed a trillion. What will star wars do to the vital antiballistic missile arms control treaty of 1972? It will outright kill it. The whole purpose of the ABM Treaty was precisely to stop a program like star wars. Yet, the Congress, at the urging of the administration, is pouring more billions every year into the research forerunner of star wars. If deployed, that star wars ABM system will, of course, require the renunciation of the ABM Treaty. So what will be the Soviet reaction? It's simple. If the Soviet Union is to have any prospect of maintaining its status as a superpower, it will have no alternative except to build the nuclear offensive capability that can overcome the American star wars defense. That means an all-out, unrestrained, offensive nuclear arms race.

This brings us to the third and last arms control initiative, the Strategic Arms Limitation Treaties—especially SALT II—that are designed to limit offensive nuclear arms. SALT II has made the perils of Pauline look like sissy stuff. Every few months, SALT II has been strapped to the railroad tracks with a locomotive rushing headlong down on it. Somehow, like in the old movie serials, Pauline, or SALT II, survives and staggers along, barely avoiding sure destruction. Here is a treaty that was never ratified by this U.S. Senate. It actually expired 5 months ago. It is only kept alive by a President who has often indicated he has little use for it.

Last June, the President was pressed hard by some of the hawks in this body to let the treaty die. Why comply with SALT II by retiring an old Poseidon submarine when you bring on the new Trident? Junk SALT II and we can keep both of them. The President, in the best tradition of Pauline's Perils decided to give the treaty one more breath of life. At the last minute, he retired the Poseidon. It should have been an easy decision for two reasons. First, the budget pressure on the Defense Department could be eased a little by taking a Poseidon out of operation. Second, the limitations of continuing SALT II would be greater on the Soviets than on the United States.

This month, the President was again faced with a similar decision. This time, he had to retire two Poseidons or their equivalent. Apparently for the same reasons that decided the President last June, he saved Pauline again. He retired the two Poseidons. He continued compliance. Again the budget pressure on the Defense Department was obvious. The pressure on the Soviets of continuing the SALT II Treaty also contributed. Then the President said SALT II is done, we will not comply in the future, and Secretary Weinberger has made the death certain.

So, where does that leave arms control? Let us reconsider. There are three areas of concern. First, negotiating a mutual, verifiable end to nuclear testing. Technologically, this is the time to do it. The Russians are ready—in fact, very ready. The President is not. Test ban negotiations are dead. Second, the Antiballistic Missile Treaty. The treaty is essential to prevent both an anti-missile arms race and an offensive arms race to overcome the star wars defense. But the President has gone all out for star wars. Star wars spells the end of the ABM Treaty and the beginning of an all-out offensive and perhaps defensive nuclear arms race. The ABM is scheduled for death.

That leaves the final area of arms control, the Strategic Arms Limitation Treaty II [SALT II]. In the long run, SALT II would have died any way if star wars proceeded. It had to. No way could the Soviets abide by a limitation on their offensive arms if such a limitation combined with an American star wars defense destroyed the credibility of their deterrent.

MYTH OF THE DAY: SOVIETS LEAD UNITED STATES IN SDI TECHNOLOGY—PART II

Mr. PROXMIRE. Mr. President, yesterday I discussed the myth that the Soviets are ahead of the United States in star wars technology—refuting that myth with Department of Defense data showing a dramatic United States lead in technological areas relevant to SDI research and development.

Today I want to examine a second aspect of this argument—that the Soviets have a significant lead in antiballistic missile systems. This, too, is a myth.

The Soviet Union, under the terms of the SALT and ABM agreements, has deployed an ABM system around Moscow. Should this not be of concern to U.S. defense planners? No. Because the Moscow system is based on technology from the late 1960's and is no more advanced than the safeguard ABM system that the United States decided not to keep operational after determining it had little if any usefulness. Both systems were entirely vulnerable to attack. They could easily be saturated and thus posed no deterrent to nor significant limitation of U.S. offensive capabilities.

What about Soviet advances in particle beam weaponry? Again, the threat here is more hypothetical than real, for one of our most highly respected technology experts has testified: "We have been down that alley." The United States has concluded that it is not as promising as other technologies and as a result has not emphasized research in this area.

Could the Soviet air defense network be upgraded to a nationwide ABM defense? Here is an old debate—one that was fought out in the intelligence community in the mid- and late 1960's. Yet we still hear fears of a breakout. Given the technology that went into

the Soviet air defense network, it is highly unlikely that this system would be effective in an ABM mode. Substantial upgrading would be required and most likely a replacement for the missile systems deployed.

Even with a nationwide ABM based on the current or enhanced air defense network, Soviet defense planners would face thousands of cruise missiles with Stealth characteristics; Stealth bombers blasting holes in an ABM system; and submarine-launched ballistic missiles clearing paths in any defense fields. That is a formidable offensive force with which to contend.

So, Mr. President, when looked at from the perspective of United States technology or Soviet technology, there is no doubt that it is a myth that the U.S.S.R. leads the United States in star wars technology.

Mr. President, I ask unanimous consent that an analysis from the Union of Concerned Scientists on this point be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Union of Concerned Scientists]

SOVIET MISSILE DEFENSE ACTIVITIES

SDI proponents are fond of pointing out that the USSR possesses "the only anti-ballistic missile (ABM) system in the world." What they fail to mention is that the Soviet Galosh system—deployed around Moscow in conformity with the provisions of the ABM Treaty—is essentially identical in technology and sophistication to the Safeguard ABM system that the US dismantled in 1975. Safeguard was scrapped owing to its great expense, marginal effectiveness and vulnerability to attack. Leading US military experts attribute the same weaknesses to Galosh.

According to Sayre Stevens, former Deputy Director of Intelligence at the CIA and currently a member of the Pentagon's Defense Science Board, the Soviets' ABM system "cannot seriously hinder a US attack on Moscow." Other experts have suggested that deployment of Galosh has turned Moscow into the biggest bull's-eye on the planet, since it has caused the US, France, Great Britian, and probably China, to increase the number of nuclear missiles targeted on the Soviet capital.

Whereas the Galosh and Safeguard systems are/were based on "second generation" technologies employing a two-tiered missile interceptor scheme, the US has been working on more advanced BMD technologies for over a decade. The USSR has lagged considerably behind in large part because the key components of these more advanced systems are highly capable battle management computers and discriminating sensors—areas of demonstrated US superiority. Progress in air-based infrared sensors and "kinetic energy" (i.e. projectile) interceptors also place the US well ahead of the Soviets.

In the field of directed energy weapons such as lasers and particle beams, the Soviets have conducted a vigorous research program. But Soviet "breakthroughs" cited by SDI supporters have come in the areas of basic science; the transition from theoretical principle to working weapons continues to be a major Soviet weakness. Moreover, the Soviets have registered the most meaningful progress in technologies poorly suited for BMD missions.

One of these technologies involves development of a particle beam weapon. Assertions that the Soviets are dangerously outpacing the US prompted DARPA Director Cooper to say: "We have been down that alley." While the Soviets have devoted significant resources to the pursuit of the particle beam, the US has explored its potential and has concluded it holds little promise as an effective BMD weapon. Accordingly, less than 5% of the SDI budget goes into particle beam research.

Sayre Stevens has concluded:

"While the Soviet BMD program has momentum and has made significant technological progress over the past decade, it really has only now achieved the level of technology that was available to the United States ten years ago."

Closely related to the debate over the status of Soviet and American strategic defense programs is the USSR's extensive anti-aircraft network. Purveyors of the "Star Wars gap" warn that the Soviet air-defense system comprised of some 10,000 surface-to-missile (SAM) interceptors could be adapted for BMD purposes. In fact, Soviet SAMs cannot perform the BMD mission. They generally lack adequate acceleration and maneuverability, which in turn makes them susceptible to countermeasures accompanying attacking missiles such as decoy warheads and other penetration aids.

U.S. military planners have said repeatedly that the Soviet defense network would be ineffective against a coordinated U.S. attack. Robert Gates, the CIA's Deputy Director for Intelligence, testified before Congress that "against a combined attack of penetrating bombers and cruise missiles, Soviet air defenses during the next ten years proabably would not be capable of inflicting sufficient losses to prevent large-scale damage to the U.S.S.R.

"STAR WARS GAP" FICTITIOUS

The "Star Wars gap" resembles many other "gaps" that have punctuated the past forty years of Soviet-American military rivalry. Each alleged "gap" invariably surfaced when a major defense program faced stiff political opposition.

In the mid-1950s it was the "bomber gap." President Eisenhower accelerated the U.S. B-52 bomber program amidst the Defense Department's dire predictions of an impending imbalance between U.S. and Soviet bomber forces. Pentagon estimates showed that the U.S.S.R. would have as many as 600-700 strategic bombers by the early 1960s. As it turned out, the Soviets had fewer than 200 bombers in 1961, while the U.S. had more than 1600—an overwhelming U.S. advantage.

In the early 1960s Americans were treated to the "missile gap." Again Pentagon projections showed the US trailing the Soviets by up to 200 ICBMs by mid-decade. Faced with such a frightening assessment, the US accelerated both the Minuteman ICBM and Polaris SLBM programs. By 1964, the Soviets actually had only one-tenth as many ICBMs as originally forecast, while the US possessed more than 800—again a huge American lead.

The late 1970s brought the "vulnerability gap." Proponents maintained that Soviet advances in missile accuracy had created a "window of vulnerability" that could tempt the Soviets to launch a pre-emptive first strike. Deployment of the highly accurate MX missile, it was argued, would solve the problem by making Soviet silos equally vulnerable to attack. The President appointed a blue-ribbon panel to study the issue. In 1983 the Scowcroft Commission published its findings and concluded that the "window of vulnerability" was a myth. US submarines, bombers and to a lesser extent land-based ICBMs, were survivable and provided a compelling deterrent to the Soviet Union.

And now we face the "Star Wars gap." Despite its mythical nature, the idea of a gap has garnered popular support as a rationale for accelerating the SDI program. History should have taught us to scrutinize closely self-serving claims of Soviet military advantages.

Exaggeration of Soviet capabilities is neither a firm foundation on which to construct a prudent and cost-effective military strategy, nor a legitimate way to sell a specific defense program to the American people. It is very important to monitor Soviet BMD activities and to challenge Soviet actions which may constitute violations of arms control agreements—such as construction of a large radar facility in central Siberia. But playing on public fears is no way to facilitate a responsible, informed debate on so crucial a national security issue as the Strategic Defense Initiative.

The US has maintained an overwhelming lead in missile defense technologies through an expenditure of less than $1 billion a year over the past decade. A robust research effort, consistent with ABM Treaty and designed as a hedge against security-threatening Soviet breakthroughs, should continue. However, the President's proposal to spend $25-30 billion over the next four years goes far beyond that. It is a provocative program that likely will lead both nations into a dangerous and costly new arms race.

STATEMENT BY THE DIRECTOR, DEFENSE BUDGET PROJECT, AT THE CENTER ON BUDGET AND POLICY PRIORITIES

Mr. PROXMIRE. Mr. President, the Members of this Congress are privileged in that independent organizations regularly supply us with critical reviews and analyses of contemporary issues.

One such organization, the Center on Budget and Policy Priorities often provides this body with enlightening and interesting analysis on the subject of defense spending.

I have with me today the statement that Dr. Gordon Adams, director, Defense Budget Project, Center on Budget and Policy Priorities, used in his testimony before the Defense Subcommittee of the Senate Appropriations Committee on May 1, 1986.

In his testimony Dr. Adams addresses significant defense management and budgetary issues. He makes the valid and important point that it is the job of the Defense Appropriation Subcommittee to define the defense program within the financial framework set by the Budget Committee and that this job should not be left to the mechanisms established by Gramm-Rudman-Hollings.

Dr. Adams offers several good suggestions for review by the subcommittee and this Congress, the essence of

which are to tie future decisions—for example, weapon systems procurement—to national security missions and needs.

Mr. President, I ask unanimous consent that an abbreviated version of Dr. Adams' statement, to which I referred, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY GORDON ADAMS, DIRECTOR, DEFENSE BUDGET PROJECT

Good morning. I am Dr. Gordon Adams, Director of the Defense Budget Project at the Center on Budget and Policy Priorities in Washington, DC.

The Defense Budget Project is a nonprofit organization that conducts research and analysis on issues of national security, defense budget and defense economics.

Congress has taken major steps in the past twelve months toward slowing down the rapid growth in our nation's defense spending. While defense budgets grew at an average annual rate of 9 percent after inflation between FY 1981 and FY 1985, the impact of the Gramm-Rudman-Hollings legislation has been to slow that average rate to 6.8 percent through FY 1986.

In our view, the Gramm-Rudman-Hollings legislation has totally altered the context within which this Committee and the Congress are considering the new defense budget request. Until 1986, defense budgets were treated exclusively in the framework of military security issues. Today that framework has been broadened. The curve of military security has been crossed by the curve of budgetary resources and we have begun to recognize that our national security depends on our fiscal health as well as on our sizeable military strength.

It is important for this Subcommittee to define a detailed defense program within the Budget Committee's framework, rather than leave the job to Gramm-Rudman-Hollings. Automatic sequestrations for FY 1987 would distort the national security program totally, devastating any possibility of carefully defined choices and priorities.

In our view, however, living in the era of limited resources does not mean that we are pursuing an erratic path in funding defense. Instead, limits on defense resources actually forces the Congress to find the opportunities for clear, long-term planning, priority-setting and sound Defense Department management, while we still have more than adequate resources in the hands of the Defense Department to defend the nation's security.

Let me first describe one of the major reasons why we feel the Defense Department continues to retain more than adequate resources for the task at hand. I have noted that FY 1986 defense spending will actually grow in constant dollars over FY 1985, despite the first round of Gramm-Rudman-Hollings sequestrations. This growth stems from the extremely large backlog of appropriated funds accumulated by the Department in the wake of the excessive growth in procurement budget authority between FY 1981 and FY 1986. It is our sense that this backlog of unexpended funds is an index of the degree to which the Department has received funding at a rate beyond its ability to obligate and spend.

Limited resources for defense necessitate close scrutiny of the Administration's request for FY 1987. We would like to suggest several priority areas for the Subcommittee's attention:

National security concerns. We believe it is not appropriate to measure our commitment to our national security in terms of percentage increases or decreases in the dollars we deliver to the Defense Department. Instead, this committee and the Congress as a whole need to address fundamental security requirements and to design the programs to match those requirements, recognizing the need for fiscal restraint.

Procurement decisions. We urge the subcommittee to tie future procurement decisions to national security missions and needs.

Personnel and Operations and Maintenance. Over the past five years, personnel and O&M spending have lagged behind the growth rate in investment funding, actually falling as a share of total national defense budget authority from 60.8 percent in FY 1980 to 49.9 percent in FY 1986. We are concerned about the rapid addition of equipment to the inventory without adequate funds to staff, operate and maintain that equipment.

Black programs. The share of defense budget authority going into black programs has increased from 3 percent in FY 1981 to 7 percent in the FY 1987 budget request. We are concerned that this trend reduces the ability of Congress to maintain its oversight role with regard to defense investment spending at the very time when budgetary constraints increase the importance of such oversight and we urge the subcommittee to devote attention to this problem.

Research and Development. At 20 percent after inflation, R&D is the fastest growing part of the FY 1987 budget request, having already risen 87 percent after inflation since FY 1980. We call the Subcommittee's attention to the importance of selecting priorities among the R&D programs and to the possibility of slowing down some of the advanced programs while the Defense Department absorbs the funds it now has committed to new aquisitions. We particularly urge the subcommittee to consider freezing funding for the Strategic Defense Initiative at FY 1986 levels.

Procurement reform. Although reforms of the procurement process are not the responsibility of this subcommittee, the need for close scrutiny of the defense budget grows in part from the sense that some of the previously appropriated dollars have been wasted.

In conclusion, Mr. Chairman, as the Subcommittee considers the FY 1987 defense appropriation, we urge it to keep in mind that establishing sound priorities in defense, lowering the federal deficit and obtaining efficient management in the Defense Department can all be served by holding the "top line" of defense to a reasonable level over the next few years. The rapid buildup of the early 1980's has weakened public confidence in the defense program; it has also left the Defense Department with a large backlog of resources which will cause sustained defense growth for the coming years. It is especially urgent this year for the Congress to define its own budgetary level for defense; the alternative of Gramm-Rudman-Hollings would be harmful to a sound defense and bad management, indeed. We urge the Subcommittee to scrutinize defense resources closely, both those proposed in the new budget and those growing out of past budgets, in order to identify savings before the budget has been approved. Such scrutiny will ensure that the defense appropriations are used effectively and truly support our national security needs. Again, I appreciate the opportunity to present our views to the Committee and look forward to working together in the future.

RECOGNITION OF SENATOR LEVIN

The PRESIDING OFFICER (Mr. HECHT). Under the previous order, the Senator from Michigan [Mr. LEVIN] is recognized for not to exceed 4 minutes.

TAX REFORM

Mr. LEVIN. Mr. President, when the Senate reconvened yesterday, it was confronted with a 1,500-page tax reform bill and an 1,100-page committee report. It amazes me that the Senate might expect that it could adequately digest this amount of material in a few days and be in a position to intelligently begin to debate this bill on Wednesday. Reading gives rise to questions, which require time to answer. I am concerned that if we rush to consider this bill, then basic questions of fact and direction will be treated as afterthoughts when they should be primary concerns.

For example, under this bill, consumer interest is no longer deductible. However, apparently a homeowner can simply give a second or third or fourth mortgage on his or her home when buying a car or refrigerator or some other consumer item on credit. Under the committee bill, the interest on that purchase would be deductible. That raises a lot more questions than it answers, and I am concerned that it may, as a practical matter, be too late to raise those questions or reflect on those answers once the Senate is into the amendment process. Why allow only homeowners a method of circumventing the new prohibition on deducting consumer interest without granting a comparable option to renters? Who is going to determine the fair market value of the residence? Are we setting the stage for a confrontation between every homeowner and the IRS on whose appraiser is more accurate?

This is just one totally new provision of the tax reform bill which is thought provoking. What concerns me is that there must be other provisions in these hundreds and hundreds of pages which raise similar questions, but which we in the Senate will not uncover until the debate is nearly over or perhaps not even until after the bill has finally passed—unless—unless we take a little time for thoughtful deliberation between the issuing of the report and proceeding to the bill. If the merits of this tax reform bill are so unassailable, if its momentum is so unstoppable, then surely adequate time to consider the committee's

report cannot be considered an unacceptable threat to its ultimate success.

There is, then, a problem of overabundance; of a vast amount of material and a number of changes too massive to analyze, to consider, and to obtain public feedback within a few days. I am also concerned that it is already clear from the first 50 or so pages of the report that there is a scarcity of vital information about this bill's effects.

As I indicated prior to the recess, the Senate and the country should know how many taxpayers will be receiving tax increases under this tax reform bill. Will the losers under this bill be confined to people who have abused the Tax Code through tax shelters? How many of the losers will be middle-income taxpayers who are already paying a substantial amount in taxes? The plan which the President submitted last year would have increased taxes on 20 million families. The Senate and the country have a right to know, prior to beginning the debate on this bill, whether a similar situation applies to this bill.

On May 14, I asked the Joint Committee on Taxation these questions and others, such as how many taxpayers will experience a tax increase under the Finance Committee bill due to modification of the deduction for medical expenses, and due to the repeal of the deduction for interest payments on consumer loans. The committee report does not provide the answers. I do not see how the Senate can begin an informed debate without the answers, and I do not see how it is appropriate to consider this bill until our constituents have a little time to reflect on those answers.

Some would like to portray the debate over this tax reform bill as a battle between the special interests and the general interest. However, this is far too simple an analysis. Are those individuals who would have to pay more in taxes because of the new limits on deductibility of medical bills a special interest? Are all those struggling parents who will pay more in taxes because they can no longer deduct interest expenses on education loans for their kids a special interest? I think not. On the other hand, do specific corporations which receive specially tailored tax breaks under this bill through transition rules represent the general interest?

Finally, I am still endeavoring to get an answer to the question of where are we going to find the $40 billion in revenue that the budget resolution requires the Finance Committee to raise over the next 3 years. We have heard talk of using the tax reform bill's surplus in fiscal year 1987 to meet that goal for fiscal year 1987. However, the chairman and ranking Democrat of the Senate Budget Committee indicate that we cannot properly use such a gimmick to relieve ourselves from the obligation a few weeks later of raising revenues for deficit reduction. The Senate and the country should be told what are the potential revenue sources for deficit reduction prior to starting debate on divvying up the revenues generated through loophole closing and a minimum tax in this bill.

Those are some of the basic questions that have yet to be answered. Now, some would urge us not to worry. These problems can be fixed, these question can be answered, later. Just pass the bill, we are told, and the conference committee will work out the details.

But that is unacceptable to me and, I hope, to my colleagues. As Senators, we have certain obligations—they can not be delegated to a conference committee any more than they can be granted to the President or the court.

We have a job to do. And the fact is that we do not have the information and analysis needed to do it—we do not have enough data to allow us to begin a fully informed debate on this bill.

The train may be out of the station; it may be unstoppable. Perhaps it ought to reach its destination. But we have an obligation to know what that destination is.

I ask unanimous consent that a copy of the letter dated May 14 which I sent to the Joint Committee on Taxation, listing a number of questions about the Senate Finance Committee bill, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 14, 1986.

Hon. BOB PACKWOOD,
Chairman, Joint Committee on Taxation, Dirksen Building, Washington, DC.

DEAR MR. CHAIRMAN: As the debate on the tax reform bill approaches, I have a number of questions about the impact of the bill on various categories of taxpayers. I believe that the answers to these questions are essential to an informed debate on the legislation. I would ask that the Joint Committee look into these questions and provide me with the answers sufficiently prior to the matter's coming to the floor so we can adequately review the responses.

(1) Using the most recently available tax return data, what percentage and what absolute number of taxpayers fall into each of the following income categories, (which are the same categories used by the Joint Committee on Taxation in the description of the Finance Committee's tax plan?

What percentage and what absolute number of taxpayers who file joint returns or heads of household returns fall into each of the following income categories?

What percentage and what absolute number of taxpayers are two-earner couples in each of the following income categories?

Income categories (as defined in JCX-5-86):

Less than $10,000
$10,000 to $20,000
$20,000 to $30,000
$30,000 to $40,000
$40,000 to $50,000
$50,000 to $75,000
$75,000 to $100,000
$100,000 to $200,000
$200,000 and above

(2) What percentage and what absolute number of taxpayers in each of the following income categories will pay more in taxes under the Finance Committee's plan than they do under current law? What would be the average tax increase in each of these categories of taxpayers?

What percentage and what absolute number of taxpayers in each of the following income categories will pay less in taxes under the Finance Committee's plan than they do under current law? What would be the average tax cut in each of those categories of taxpayers?

Income categories:
Less than $10,000
$10,000 to $20,000
$20,000 to $30,000
$30,000 to $40,000
$40,000 to $50,000
$50,000 to $75,000
$75,000 to $100,000
$100,000 to $200,000
$200,000 and above

What is the average tax liability of those taxpayers in each of these categories who will receive tax increases compared to the average tax liability in each of these categories of those taxpayers who receive tax cuts?

(3) What percentage and what absolute number of taxpayers in each of the following income categories utilize the following itemized deductions and what is the average for each of these itemized deductions per income category?

(a) medical deduction
(b) consumer interest deduction
(c) two-earner deduction
(d) sales tax deduction

Income categories:
(a) $20,000 to $30,000
(b) $30,000 to $40,000
(c) $40,000 to $50,000
(d) $50,000 to $75,000

(4) What percentage and what absolute number of taxpayers in each of the following income categories will experience a tax increase under the Finance Committee plan due in part or in whole to repeal or modification of each of the following deductions:

(a) medical deduction
(b) consumer interest deduction
(c) two-earner deduction
(d) sales tax deduction

Income categories:
(a) $20,000 to $30,000
(b) $30,000 to $40,000
(c) $40,000 to $50,000
(d) $50,000 to $75,000

(5) What percentage and what absolute number of taxpayers will no longer qualify for the medical expense deduction in the following income categories as a result of the changes in the Finance Committee bill?

(a) $20,000 to $30,000
(b) $30,000 to $40,000
(c) $40,000 to $50,000
(d) $50,000 to $75,000

(6) What percentage and what absolute number of taxpayers in each of the following income categories utilize the IRA deduction, and what is the average IRA contribution per income category?

Income categories:
(a) $20,000 to $30,000
(b) $30,000 to $40,000
(c) $40,000 to $50,000
(d) $50,000 to $75,000

I understand the work involved in providing the answers to these questions, but I believe these answers are vital if the Senate is to thoughtfully consider the Finance Committee's tax reform legislation. I have sent a similar request to the Finance Committee.

Best wishes,

Sincerely,

CARL LEVIN.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. GORE] is recognized for not to exceed 4 minutes.

□ 1010

SDI—OBJECTIVES OF THE PROGRAM

Mr. GORE. Mr. President, this is the seventh in a series of floor speeches I have been giving on the strategic defense initiative. In those earlier speeches, I have been attempting to analyze how SDI affects certain key elements of the national security, including strategic stability, the dynamics of arms competition, prospects for arms control, and the viability of our existing deterrent forces. It has, moreover, been necessary to devote attention not merely to the effects of SDI but to its definition: noting that the perfect defense the President talks about is actually evolving toward a defense merely of strategic missiles.

To summarize what has gone before, in my view of the prospective effect of the stategic defense initiative is to destabilize the nuclear relationship between ourselves and the Soviets, to encourage a new round of competition in both offensive and defensive weapons at the expense of arms control, and to weaken the credibility of nuclear deterrence as the basis for our overall strategy.

I also believe, however, that SDI represents a very powerful impulse in the technological development of the times, and an equally powerful political impulse. Under the circumstances, it would be academic to suggest that the solution to problems associated with SDI is to totally disestablish the program. That is not likely to be in the cards. We can, however, hope to bring SDI and the scientific, military, political, and diplomatic forces it represents under some kind of constructive control. To assure, in other words, that it does not continue as a rogue program.

The question of how this might be done was the last issue I raised before we adjourned for Memorial Day. Today, I will address this point.

The key to a solution is in the way we define the objectives of the program. As originally defined by the President, SDI can lend itself to constructive purposes in the United States-Soviet dialog. As redefined by technologists and program managers, SDI probably cannot be pursued except at dire cost to all other objectives. If SDI is a long-term research program directed at a fundamental change of strategy for both ourselves and the Soviets, away from offenses and toward defenses, there are certain clear implications.

First, such a goal is infeasible without deep reductions in offensive weapons, and without shifts in the composition of nuclear forces toward greater stability, through the introduction of mobile ballistic missile forces on land.

Second, it is clear that the Soviets do not intend to undertake deep cuts unless SDI is constrained in some fashion. And one can only say that if the positions were reversed, we would feel the same way about it.

Third, it is possible to imagine compromises with the Soviets which do safeguard against a sudden lunge by either side toward massive defenses, but which also allow truly basic research on defenses to go forward.

Fourth, if it is possible to work out such a tradeoff—and the Soviets have just surfaced some ideas that hint that this might be the case, then the potential for a historic agreement in arms control could be present and should be vigorously pursued. On the other hand, if the purpose of SDI is to achieve irrevocable U.S. commitment by 1991 to the deployment of a quick and dirty defense force for the protection of U.S. missiles, then no such long-term compromise would be possible. Unfortunately, that appears to be precisely where SDI is headed—notwithstanding the President's continued assurances to the contrary.

It is, therefore, essential, as I said at the beginning of this series, that we have our great debate about SDI sooner rather than later. For we are now making choices which are determinative of the long-term future and of our fundamental interests, and we cannot afford to delay asking ourselves the basic questions until after technology has stolen away our freedom of choice.

In my next speech tomorrow morning, Mr. President, I will address in some detail each one of the criteria laid down by Ambassador Paul Nitze.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business not to extend beyond 10:15 a.m., with statements therein limited to 2 minutes each.

GEORGE EVANS' REMARKS AT UNITED STATES-JAPAN COAL CONFERENCE

Mr. FORD. Mr. President, George Evans is the Kentucky Secretary of Energy. He recently addressed the United States-Japan Coal Conference in Tokyo.

Mr. Evans has a broad and deep background in coal, including production, sales, management and coal research. His remarks at the Tokyo conference are timely and to the point. George Evans makes no bones about the threat to United States-Japanese relations implicit in our current trade issues which could well turn into a trade war.

Mr. President, I believe the points raised by Secretary Evans are most pertinent and commend them to the attention of my colleagues.

I ask unanimous consent that the text of the statement be included in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GEORGE E. EVANS, JR., TEXT OF REMARKS, U.S.-JAPAN COAL CONFERENCE MAY 21-23, 1986, TOKYO, JAPAN

Good Morning. It is indeed a pleasure to be among so many old friends . . . and to have the opportunity to make so many new ones.

We have gathered here because of our interest in coal . . . A truly remarkable mineral that has done more to improve the daily lives of men and women throughout the world . . . than any other.

You and I share this interest.

So, since I am with colleagues from the industry, I feel at home.

Moreover, I feel at home here in Japan.

Only four air miles from where our Kentucky Energy Cabinet and our Center for Coal Research Facilities are located . . . Japan's largest automobile manufacturer is building its first American plant.

Dr. Toyoda himself was in Kentucky a few weeks ago as Governor Martha Layne Collins' guest for the Kentucky Derby . . . and to break ground for Toyota's new facility.

I enjoyed immensely my conversations with Dr. Toyoda and other company officials.

And it was a personal privilege to take part in the groundbreaking ceremonies for what signals a new economic age in Kentucky.

I mention Toyota not so much to celebrate Kentucky's economic growth but rather to illustrate the degree to which we Americans and Japanese are increasingly linked in the global economy . . . from Frankfort, Kentucky . . . to Washington . . . to Tokyo . . . to Toyota City.

We are tied together . . . you and I . . . in ways that I could not begin to imagine when I was a young man first learning the coal business.

These closer ties . . . of course . . . mean increasing dependence on one another in virtually every aspect of our economies.

And that brings me back to coal.

My message today is this:

One . . . given the trends in the economies of the industrialized democracies . . . coal should be the fuel of choice of the present in far more cases than it is.

Two . . . coal is certainly the fuel of the future.

Three . . . because of the abundance of coal in the United States and because of the reliability of American coal . . . you and I

share an interest in making U.S. coal more competitive in world markets.

And four . . . together . . . we can make it more competitive.

Now . . . I have always believed in being direct in business dealings.

And I'll be direct today:

American coal producers want to sell more coal to Japanese buyers.

It's that simple.

We want to sell you more coal.

Now . . . we know that Japan already imports more U.S. coal than any other nation except Canada.

We appreciate that.

But our exports to you are flat . . . They're not increasing as they should to keep up with your growth.

And we want to increase American exports to Japan . . . for several reasons beyond the readily apparent ones of our own business interests.

We see lingering tension over an imbalance in trade. The situation is becoming intolerable. We see coal as a major way to reduce that imbalance.

We want to be Japan's primary supplier.

We believe we can be . . . Japan's primary supplier.

Since I am Energy Secretary of the state that produces more coal than any other . . . that is the position you would expect I would take.

However . . . I am also a businessman.

I have been for nearly half a century.

And I want you to know that I would never expect another businessman . . . whether in Kentucky, or here in Tokyo . . . I would never expect a businessman anywhere . . . to do anything . . . he considers not to be in his best interest.

Quite frankly . . . we in American must make our coal more competitive in price.

We have the quality.

No one can top us when it comes to quality.

We have the reliability.

We can deliver the order . . . no matter how large . . . week after week . . . month after month . . . year after year.

But we do need to become more competitive on price.

And it is at this point where everyone in this room has a stake . . . everyone.

American producers obviously have a stake.

But so do you buyers from Japan.

The more competitive we are on price . . . the better for you . . . the better for Japanese industry . . . the better for the people of Japan.

It is in your interest that producers in the nation with the largest coal reserves in the world . . . can deliver to you at a price you will take over others.

Fortunately . . . we have seen a narrowing of price between U.S. coal and that from several other nations.

In 1983 . . . for example . . . the price of U.S. coking coal delivered to Japan was $78.79 per metric ton . . . and that of Canadian coal about $8 less.

Today . . . they cost about the same.

Our price has dropped.

The difference in cost has also narrowed between U.S. coal and Australian coal . . . again because our coal now costs less than it did a few years ago.

A few moments ago . . . I said that trends in the economies of the democratic nations dictated that coal be the fuel of the present.

Why?

The most pressing reason is that we're using other sources of energy too quickly . . . especially oil and natural gas.

We're squandering them.

We can't count on oil and gas the way we can count on coal . . . not in the short term . . . and certainly not in the long term . . . not for a growing economy that will sustain our grandchildren . . . not for a growing economy for our great-grandchildren.

Anyone truly concerned about conservation . . . about managing our resources for future generations . . . should be appalled every time we allow a barrel of oil to replace coal . . . every time a thousand cubic feet of natural gas is burned in place of coal.

Oil and gas will continue to be unstable commodities in the world market as long as reserves last.

Let me repeat the last phrase, that last qualifier: as long as reserves last.

In that regard . . . the prospects for the industrialized democracies . . . are frightening.

We are using up reserves of oil and natural gas far more quickly than is general knowledge.

That is why we must make more judicious use of our oil . . . natural gas . . . and certainly our coal . . . today.

And it is why coal is most definitely the fuel of the future.

It is our most abundant energy resource.

We are not going to run out of coal.

To the great credit of Japan . . . this Nation seems to realize the importance of coal more fully than others . . . including the United States of America.

Just as the Japanese built state-of-the-art industrial plants in the 1960's while others were content to maintain old factories . . . so too the Japanese today are investing in state-of-the-art research and development facilities . . . including ways to use coal.

Several Japanese companies have formed a consortium and invested $30 million in the cool water California coal gasification combined cycle project.

The coal mining research center of Japan is operating a 40 ton per day peressurized, two-stage, fluidized bed gasification plant.

I understand that a 1,000 ton per day demonstration plant is being designed.

In Australia . . . research on the feasibility of the liquefaction of brown coal is being conducted . . . with Japanese support.

While at the bench scale . . . I understand that a 50 ton per day pilot project is in the works.

Additionally . . . there is a great deal of Japanese research going on in coal slurries . . . both coal-water and coal-oil.

In short . . . our Japanese friends . . . just as they have been in the forefront technologically and economically so many times . . . have wisely concluded that coal is the fuel of the future.

It goes back to what I was saying about our reserves in other forms of energy: They're running out . . . far faster than we would like.

No one in this world can predict the future of nuclear. The recent accident in Chernobyl in the Soviet Union, only serves to point out the uncertainties of nuclear power, and the international impacts that nuclear accidents have. Radiation does not recognize boundaries.

The lack of information concerning Chernobyl and the reliability of what information we do have, adds to the public's distrust of nuclear power.

We, in the United States, have had our own problems with nuclear, as in the case of Three Mile Island.

I believe that these accidents are moulding opinion against nuclear generated power.

We all recognize the power of public opinion.

In years ahead . . . we will all be forced to depend more on coal . . . throughout the world.

The economies that will prosper the most . . . will be those in which the technology allows the most efficient use of coal.

So I think it is clear that the industrialized democracies . . . all the industrial democracies . . . will be forced to turn to coal more and more in the future.

And because we in the United States have such an abundant supply of coal . . . some 500 billion tons in the demonstrated reserve base . . . Japan . . . and our other allies . . . can find in the United States of America . . . a reliable supplier of energy.

Coal being so vital in the future . . . is among the reasons Japan has an interest in importing more U.S. coal today.

Now . . . is the time to establish the relationships among people in this room . . . people who you come to know and trust . . . people you know you can count on.

Now is the time to build up the patterns of commerce that will be carried forward throughout the years.

Remember . . . I said I am a businessman.

I recognize that the businessmen of Japan did not achieve the quality of excellence and prosperity that prevails here today . . . by chance.

Certainly . . . they look to the future.

But they expect a good deal today as well.

And if we work together . . . as I suggest in my fourth point . . . we can make American coal a better deal . . . we can make it more competitive in price.

When I speak of working together, let me stress that I am including producer, transporter, and consumer.

We can count on the American railroads.

I know all of the Eastern United States railroads . . . and they are represented here today . . . have a vital interest and desire to see U.S. coal become more competitive. They will work with us.

I go back to what I said early . . . back when I mentioned Toyota.

I go back to what I said about a global economy.

Our globe is shrinking. We sit in our homes . . . and through satellite technology . . . watch live on television . . . events that are happening on the other side of the world.

We watch on Japanese television sets, of course.

Travel is faster . . .

Communications travel at the speed of light.

Ideas are transmitted around the globe.

Truly, our world is no bigger than a grapefruit.

Here I am . . . the Energy Secretary of Kentucky . . . speaking to Japanese coal buyers in Tokyo.

You do business around the world.

So do the Americans in this room.

We meet in Tokyo, we meet in Washington.

So when I speak of making our voices heard in Washington . . . I do not speak to the Americans alone.

I speak to all of us . . . to everyone in this room.

Ten years ago . . . fifteen years ago . . . it would have been unrealistic for me to stand here and call on our Japanese friends for help in Washington.

Today . . . because of the global economy . . . it is not unrealistic at all; it is logical.

As I said before, we are linked together . . . Americans and Japanese in many ways.

For those of us in the coal industry . . . it behooves us to speak clearly and forcefully . . . not only in this forum, but also in Washington and Tokyo. It is vital that policymakers hear the message from coal.

What must be our message?

Our governments, ours and yours, must recognize the place of coal in our energy needs . . . the world's energy needs . . . the needs of the industrialized democracies.

Our governments must understand that investors must have some degree of certainty about the future.

Time and again the coal industry is asked to invest millions of dollars to develop a mine.

And in the midst of developing it . . . the rules change drastically.

What once would have been a profitable venture . . . is now a money loser.

Our economies cannot reach their potential in the years ahead if governments continue to spawn such uncertainties for investors . . . if they continue to bind the industry hand and foot with unnecessary red tape.

Our governments must understand that coal must not be penalized at the expense of other forms of energy.

Take oil for example.

Proposed U.S. Federal legislation would protect so-called "stripper" oil wells.

Some of these wells produce as little as one barrel a day.

If legislation were introduced to protect a coal mine that produced one ton a day—the equivalent of five barrels . . . the sponsor would be laughed out of Washington.

And it's in your interest . . . the interest of everyone here . . . to see that coal is not put at a disadvantage.

We are global economy.

You do business in Kentucky . . . and in Washington . . . and throughout the world.

Coal is the fuel of the future.

We have the technology and the reserves to guarantee it.

And the United States can be your primary supplier . . . not only tomorrow, but today . . . if we work together . . . producers . . . transporters . . . users.

I cannot emphasize enough . . . "working together."

We've got to work together in Washington.

We've got to work together here.

We've got to work together to make sure the industrialized democracies . . . all of them . . . must recognize the importance of coal . . . that coal can be burned in compliance with the most stringent clean air standards anywhere in the world.

Through modern technology, we can burn coal cleanly.

With the advances in clean burning technology, we will see a return of traditional markets for coal that have been lost.

For example, the privately funded Kentucky Foundation for Energy Technology Development, has designed a modern coal fired, electric locomotive.

Indications are that it will be extremely cost efficient to operate, costing less than today's diesel electric locomotives, even with today's low oil prices.

Not only is it cheaper to operate, costs of production are less than conventional diesel electric locomotives.

And, it is environmentally acceptable.

What you and I must do . . . is convince people that coal can be burned cleanly . . . whether in a locomotive . . . or in an electric utility.

We must clean up coal's image.

I hesitate to use the word "image."

It brings to mind efforts to make something out to be something it is not.

It brings to mind efforts to put a good face on something that doesn't have a good face.

But that's not the case with coal.

The reality is that coal can be burned cleanly . . . and can meet our energy needs.

So what it takes is education . . . and information.

Because so much of public opinion is shaped and moulded by the news media . . . so much of what the world's population thinks it knows is reported to them by members of the news media . . . we must make sure the media understands . . . we must make sure that they know the whole story, and the true story . . . and report the facts to their reading and viewing audiences.

This is probably the greatest thing we in the industry could do for coal.

I've long been an advocate of a United States National Energy Policy based on coal . . . and Governor Martha Layne Collins feels the same way.

She has conveyed that message to President Reagan.

Whenever she talks about the need for a National Energy Policy based on coal . . . she also talks about the need for clean air . . . and how the two are consistent with one another.

If we commit ourselves to burning coal cleanly . . . it can be done.

You and I can see to that.

Japan is making admirable progress toward that goal.

So is the United States.

As we get that message across . . . as we make sure that goal is not penalized unfairly . . . as we recognized that coal is the fuel of the future . . . then we can move forward.

Then we can make U.S. coal more competitive . . .

And as we make U.S. coal more competitive . . . then Japan and the other industrialized democracies know they can count on U.S. coal to fuel prosperity on into the next century.

Coal is the fuel of the future.

Thank you.

RESTORATION OF TAX-FAVORED TREATMENT FOR THE IRA

Mr. BAUCUS. Mr. President, on May 6, 1986, the Senate Finance Committee reported out historic tax reform legislation that has captured the national interest. The Tax Reform Act of 1986 is good for the country and deserves our strong support.

Before we complete our work on tax reform, however, there is one issue above all that needs to be addressed: the repeal of the deduction for the IRA—which has received widespread criticism from people at all income levels, and for good reason.

In 1981, we passed legislation to make the IRA available to all workers, whether covered by employer pension plans or not. We made a commitment to the public to encourage retirement savings by allowing tax deductions for IRA's. Now, we are turning away from that commitment.

I know that the committee felt that IRA's have had marginal impact on national savings, that other tax-sheltered savings plans exist as substitutes for IRA's, and, that use of IRA's is quite low among lower income taxpayers.

Those arguments, however, do not speak to the widespread popularity of the IRA. We have had only 4 years of experience with the universal IRA—tax years 1982 through 1985. Americans contributed $4.7 billion to IRA's in 1981, and $35.7 billion in 1984—a 760-percent increase in 4 short years!

As for national savings, with total IRA assets increased in a few years to an estimated $250 billion, I ask, "Where would our national savings be without IRA's?"

The growth of cash or deferred arrangements, called 401(k) plans, and tax-sheltered annuities, or 403(b) plans, have been equally important in our long-range retirement planning policy. But, to exclude the universal IRA in favor of these plans sets one employment group against another. I favor all three tax savings plans.

Most of us heard the public reaction when we returned home for the Memorial Day recess. The message on tax reform was strong—"Save Our IRA."

Today, I offer a solution, a way to restore tax-favored treatment for the IRA. I propose the establishment of a 15-percent tax credit for IRA contributions for all workers. All taxpayers eligible for IRA's under current law would be eligible for the IRA tax credit.

To make this proposal revenue neutral, I suggest that the IRA credit be financed by those most likely to benefit from IRA's. I propose establishing a floor under itemized deductions of $600 per tax-filer ($600 for single taxpayers, heads-of-households, and $600 for each spouse for joint returns).

IRA data for 1983 shows that one-fifth of the taxpayers—those with adjusted gross income above $30,000—took two-thirds of all the IRA deductions. These are the taxpayers who contribute most to IRA's. These are the taxpayers who should contribute for the tax benefits of IRA's.

Many have argued for years that a tax credit for retirement planning would be more effective in encouraging savings among lower income taxpayers—those most in need of retirement savings, yet, those least likely to save. In 1981, the President's Commission on Pension Policy recommended the tax credit.

The IRA credit is progressive. The value of the tax savings is greater for lower income taxpayers.

Unlike the House tax reform proposal, the floor under itemized deductions I propose is pro-family. It is not associated with exemptions. A family with children will not be taxed any more

than a two-earner couple under this proposal.

With the restoration of tax-favored treatment for IRA's, I believe the tax reform bill reported by the Senate Finance Committee will receive huge public support. It will then truly be perceived as historic tax reform legislation for decades to come.

When the Senate begins the debate on tax reform later this week, I plan to offer this amendment to establish the IRA tax credit.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

HIGHER EDUCATION AMENDMENTS OF 1986

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1965, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1965) to reauthorize and revise the Higher Education Act of 1965, and for other purposes.

The Senate resumed consideration of the bill.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I think we are at this point ready to proceed with the consideration of S. 1965, the reauthorization extension of the Higher Education Act.

I see a valuable member of our committee, the very able Senator from Illinois, here. He may be in a position to offer an amendment.

Mr. SIMON. I thank the chairman.

AMENDMENT NO. 1974

(Purpose: To reauthorize veterans' cost of instruction payments)

Mr. SIMON. Mr. President, I do have an amendment.

Mr. PELL. Mr. President, if the Senator will yield, I am a cosponsor of the Senator's amendment.

Mr. SIMON. That is correct. I am pleased to have Senator PELL as a cosponsor.

Let me add, I am pleased to serve on this subcommittee with Senator STAFFORD and Senator PELL, both of whom have contributed so much in this area of higher education.

This amendment continues the veterans' cost of instruction program. Without this amendment this program would be discontinued. It provides tutoring and other forms of assistance to veterans who need it. It was designed originally for Vietnam veterans and now applies to any veteran.

Frankly, it is a program that in my State of Illinois is a very good program. It is very worthwhile. I believe the amendment is acceptable to the chairman of the subcommittee and I hope it can be adopted by this body.

□ 1020

Mr. STAFFORD. Mr. President, if the able Senator will yield, might I ask, does this amendment vitiate in any way the action we took in the Senate yesterday on some of the other amendments?

Mr. SIMON. It does not. It simply preserves this particular program.

Mr. STAFFORD. In that event, for the majority, I am pleased to support the Senator's amendment.

Mr. PELL. Mr. President, my understanding of what this amendment does—and I am very glad to cosponor it—is it simply takes the benefit for veterans in the previous education legislation and makes it a free-standing bill of its own.

Mr. SIMON. That is correct. I should have added earlier that it does not add any additional costs to the overall bill. It does precisely what the Senator from Rhode Island suggests.

Mr. PELL. So the veteran is in just as good a position as he was the day before yesterday.

Mr. SIMON. That is correct.

Mr. PELL. I think this is an excellent amendment, and I am very glad, indeed, to be a cosponsor of it and recommend it be accepted.

Mr. SIMON. Mr. President, I do not think the amendment actually has been called up yet, but I think we are in a position to adopt it as soon as it is read into the RECORD.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 1974.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 204, beginning with line 10, strike out through "1991" in line 13 and insert in lieu thereof the following: "$185,249,000 for fiscal year 1987, $194,511,000 for fiscal year 1988, $204,237,000 for fiscal year 1989, $214,449,000 for fiscal year 1990, and $225,171,000 for fiscal year 1991".

On page 204, beginning with line 26, strike out through line 25 on page 206.

On page 207, line 1, strike out "(4)" and insert in lieu thereof "(1)".

On page 207, strike out line 17 and insert in lieu thereof the following:

(c) REAUTHORIZATION OF VETERANS' COST OF INSTRUCTION PAYMENTS.—(1) Section 420A(a) of the Act is amended—

(A) by striking out "September 30, 1985" in paragraph (1) and inserting in lieu thereof "September 30, 1991"; and

(B) by striking out "September 30, 1986" in paragraph (1) and inserting in lieu thereof "September 30, 1992".

(2) Section 420A of the Act is amended by inserting at the end thereof the following new subsection:

"(h) There are authorized to be appropriated $3,150,000 for fiscal year 1987, $3,307,000 for fiscal year 1988, $3,473,000 for fiscal year 1989, $3,646,000 for fiscal year 1990, and $3,829,000 for fiscal year 1991.".

On page 204, line 16, strike out "; VETERANS".

On page 207, line 3, strike out "(f)" and insert in lieu thereof "(e)".

Mr. SIMON. Mr. President, I believe we are in the position that we are ready to adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment [No. 1974] was agreed to.

Mr. SIMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1975

(Purpose: To provide a Pell grant for first year graduate study)

Mr. SIMON. Mr. President, I have another amendment I would like to present to the body.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 1975.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 170, after line 26, insert the following new section:

GRADUATE STUDENTS

SEC. 102. (a) Purpose.—Section 411(a)(1)(A) of the Act is amended by inserting after "undergraduate" the following: "or as a graduate pursuant to paragraph (3)(B)".

(b) Rule for Graduate Students.—Section 411(a)(3) of the Act is amended—

(1) by striking out "The" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), the"; and

(2) by adding at the end thereof the following new subparagraph:

"(B)(i) A student may receive a basic grant for the completion of the first year of graduate study, other than professional study (as defined by regulations of the Secretary) if the student has received basic grants under this subpart for at least 4 academic years.

"(ii) In the event that appropriations in any fiscal year are insufficient to the pay the full entitlement under this subpart for all eligible undergraduate students, no eligi-

ble graduate student shall receive an award under this subpart.".

Redesignate the succeeding sections in subpart 1 of part A of title I accordingly.

On page 166, in the table of contents, insert after item "SEC. 101." the following new item: "SEC. 102. Graduate students."; and redesignate the items in subpart 1 of part A of title I accordingly.

Mr. SIMON. Mr. President, this is an amendment that I am offering with the hope that we can get some consideration. I recognize there is not the probability that this amendment is going to pass right now, but we ought to be doing something in this general area of graduate studies.

What this amendment basically does is it takes the Pell program and applies it to the first year of graduate study, the first year of graduate study only. Frankly, in my opinion, we ought to apply the Pell program to all graduate study. Our former distinguished colleague in the House, John Brademas, now the president of New York University, headed this commission that did a study on graduate study program and it shows we have a pretty massive deficiency. I think we have to recognize we have that massive deficiency.

I guess the point of this amendment, recognizing that it is not going to pass, is if I can get a commitment from the chairman and the ranking member that we will look at this whole problem of graduate study and see what we can do in concrete ways to encourage this country to move ahead, I am willing to withdraw the amendment if I can get that kind of assurance.

Mr. STAFFORD. Mr. President, will the distinguished Senator yield?

Mr. SIMON. I am pleased to yield.

Mr. STAFFORD. I am pleased to hear that with an assurance of an examination of this problem he may withdraw the amendment because, otherwise, as chairman of the subcommittee and manager of the bill, I would have to oppose it at this point. And I would do so with reluctance because, as I said yesterday, it seems to me the finest investment we can make in the taxpayers' dollars in this country is in the field of education, and the more technical the world becomes, the more important postgraduate collegiate-level education is.

So I can assure the Senator that we will examine this matter very carefully in our committee in the immediate future because it is an important issue. If we only had another $500 million, I would say, "Spend it here."

Mr. PELL. Mr. President, I would like to join with our chairman in his remarks. If we only had $30 million more, which is what this amendment comes to, I think this would be an excellent way of spending it. But, unfortunately, we have a finite amount of money from which we are drawing at this time.

The amendment is a good one. It earmarks the problem. It lights up a very real problem that we have, which is to increase the ebb and flow of the body of technical knowledge, and that can only come from graduate work, but, because of the budget shortage, we cannot accept this amendment at this time.

I would be glad to add my own assurance to the chairman's that we will do all we can to examine this problem, which is a real problem, and the solving of it, to which we are very sympathetic.

Mr. STAFFORD. If the Senator would yield further, I would just say when I mentioned the sum of $500 million I had in mind the shortfall which we are so unfortunately experiencing in the Pell grants under the present situation, not the cost of this particular program, that forces me in the position of having to ask the Senator to withdraw his amendment.

Mr. SIMON. I thank my colleagues. I hate to withdraw an amendment that receives such great praise, but I agree with both of my colleagues that this is an area where we have a severe problem. It is a problem this Nation has to face up to. We are slipping in this area of graduate study and the sooner we face up to it the better.

But, on the assurance I have received from both Senator STAFFORD and Senator PELL, Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 1976

(Purpose: To require eligible lenders to report on special allowance payments)

Mr. STAFFORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD], for himself and Mr. PELL, proposes an amendment numbered 1976.

Mr. STAFFORD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 250, between lines 2 and 3, insert the following:

(c) REPORT REQUIRED.—Section 438 of the Act (as amended by subsection (b)) is amended by adding at the end thereof the following new paragraph:

"(6) In order to evaluate the program authorized by this part, each eligible lender shall report annually to the Secretary such data relating to the payment of special allowance under section 438 received by such lender as the Secretary determines are required. The Secretary may make information furnished under this paragraph available only in the aggregate and may not identify any individual eligible lender.".

Mr. STAFFORD. Mr. President, I have sent that amendment to the desk on behalf of both Senator PELL and myself. I want the record to be clear on that.

Mr. President, this amendment requires that participating lenders report annually to the Secretary of Education on the income which is generated by their participation in the GSL Program. Throughout the reauthorization process and, in fact, for all the years that I have worked on this program we have heard from the banks that they can barely afford to make student loans. I, and many of my colleagues, have questioned this claim since these loans are risk free and many banks are actually competing for business by offering inducements such as radios to students. However, when we tried to find information on the actual amount that they earn by participating in the GSL Program, we were told that that information could not be found. The Department of Education does not have the information, the GAO does not have the information, and the banks have said that they will not share this information. Since the Federal Government guarantees these loans and subsidizes them throughout their life, I do not think that is too much to ask the lenders to share this information with the Department. The Student Loan Marketing Association does share this information, and doing so has had no adverse effect on Sallie Mae's business operations.

I, therefore, urge my colleagues to support this amendment, which I have offered for Senator PELL and myself.

Mr. PELL. Mr. President, I am very glad, indeed, to cosponsor this amendment with our chairman. As he points out, we have currently no information on the profits received by banks through their participation in the Guaranteed Student Loan Program. The banks complained vociferously that reductions in the special allowance will risk their participation in the program. We simply do not have adequate information to judge how profitable it is for banks to participate in the GSL Program. This will give us that information.

It is no great burden on the banks. I think it is a fine amendment and I trust that it will pass.

Mr. STAFFORD. Mr. President, I know of no other speakers on this amendment and, in consequence, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1976) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, we inform our colleagues that we currently have some 14 more potential amendments, some of which will not require a rollcall vote, and some of which can be accepted by the managers. But like the old saying, you can lead a horse to water, but you cannot make him drink. We cannot handle further amendments unless some of our colleagues who have them will come to the floor. I hope they are listening at this point, and that they might be willing to come over.

In that situation, I must suggest to the Chair the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1040

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I believe the Senator from Illinois has an additional amendment to offer.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 1977

(Purpose: To provide special counseling for borrowers)

Mr. SIMON. Mr. President, I send an amendment to the desk on behalf of Senator QUAYLE, Senator HATCH, and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself, Mr. QUAYLE, and Mr. HATCH, proposes an amendment numbered 1977.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 295, between lines 16 and 17, insert the following new section:

COUNSELING FOR BORROWERS

SEC. 189. Section 485 of the Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) Each eligible institution shall through financial aid officers or otherwise, provide counseling to borrowers of loans which are made, insured, or guaranteed under part B of this title or made under part E of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

"(1) general information with respect to the average indebtedness of students who have loans under part B or part E; and

"(2) the average anticipated monthly repayments, a review of the repayment options available, together with such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness.

In the case of a borrower who leaves an institution without the prior knowledge of the institution, the institution shall attempt to provide the information to the student in writing.".

Redesignate the succeeding sections of part E of title I accordingly.

On page 167, in the table of contents, insert after item "Sec. 188." the following:

"Sec. 189. Counseling for borrowers.".

and redesignate the succeeding items in part E of title I accordingly.

Mr. SIMON. Mr. President, this is a very, very simple amendment. The chief sponsor is the Senator from Indiana [Mr. QUAYLE] who has suggested the need for loan counseling for students who take out loans to go to college. It is a way of both giving them information on where they stand and a way of reducing the defaults.

Let me add, the public image of massive defaults is not an accurate image. In fact, defaults on student loans are lower than defaults on car loans at commercial banks.

Considering the fact that we have 8 million people unemployed, not counting the discouraged workers, that really is not a bad record.

The amendment says very simply each eligible institution shall, through financial aid officers or otherwise, provide counseling to borrowers of loans, and it specifies it should be general information with respect to the average indebtedness of students who have loans, the average anticipated monthly repayments, and some other detailed information.

I believe it is a completely noncontroversial amendment. It is a good amendment. I hope it can be adopted.

Mr. HATCH. Mr. President, I am happy to join my colleagues, Senator QUAYLE and Senator SIMON, in proposing this loan counseling "exit interview" amendment which has some reasonable possibility of reducing the rate of defaults. Husbanding the taxpayer's dollar by reducing defaults is the only way we will be able to keep these programs afloat for the next generation of students. I applaud my colleague from Indiana, Senator QUAYLE, and my colleague from Illinois, Senator SIMON, for the hard work they have expended in working out this proposal with both the lending and higher education communities.

Mr. STAFFORD. Mr. President, I am not going to oppose this amendment offered by the distinguished Senator from Illinois, Senator SIMON, because on reflection it occurs to me that the more counseling a student borrower gets, whether it is before he gets the loan or after he receives it, the more likely it is he will understand the terms of the loan.

There have been instances, in our committee, where we've been shown evidence of students borrowing who were so unaware of the actual circumstances that they thought they were getting a grant instead of a loan. I think the additional requirement in the Senator's amendment is a good one.

Mr. PELL. Mr. President, one of the real problems young people face sometimes is being a little confused, as the Senator pointed out, on whether it is a loan or whether it is a grant, and what the specific payback requirements are. I think this amendment of Senators SIMON, QUAYLE, and HATCH moves in the right direction and I am happy to support it.

Mr. SIMON. Mr. President, I thank my colleagues. I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1977) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1978

(Purpose: To increase the effectiveness of student loan information to borrowers)

Mr. STAFFORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes an amendment numbered 1978.

Mr. STAFFORD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 249, between lines 5 and 6, insert the following new section:

ADDITIONAL LOAN INFORMATION REQUIREMENT

SEC. 151. Section 433A(a) of the Act is amended by adding at the end thereof the following new flush sentence: Each eligible lender shall, at or prior to the time such lender disburses a loan to a borrower which is insured or guaranteed under this part, furnish the information described in clauses (2), (4), (5), (6), (7), and (10) of the preceding sentence verbally, by phone or in person, to the borrower.

Mr. STAFFORD. Mr. President, of all the amendments which will be considered on this bill, this should be the

one most easily embraced by the Senate. S. 1965 has gone a long way in addressing the No. 1 problem facing Federal student financial aid programs, the student loan default level, and I am proud of the efforts of all members of the committee in this area.

However, there still is one simple thing which can be done to cut down on defaults and that is to require that the lender who makes the loan and reaps the profits make a verbal contact with the borrower to make sure he or she understands the rights and responsibilities of the privilege of receiving a guaranteed student loan.

□ 1050

Mr. President, possibly my colleague from Rhode Island will have a comment.

Mr. PELL. Mr. President, this amendment moves in the same direction as the one earlier offered by the Senator from Illinois of making sure that the students are better informed as to the requirements that they must fulfill when they accept a loan. I am glad to accept this amendent, support this amendment and trust it passes.

Mr. SIMON. Mr. President, it is with great reluctance that I oppose my distinguished colleague from Vermont on this. This amendment was defeated in committee and I think—I see a staff member shaking her head. Maybe my memory is incorrect.

Mr. STAFFORD. If the able Senator will yield——

Mr. SIMON. Yes.

Mr. STAFFOFD. It was not. It was withdrawn in committee.

Mr. SIMON. It was withdrawn. Well, it was withdrawn because it would have been defeated I think.

Mr. STAFFORD. That is a matter of supposition.

Mr. SIMON. That is a statement on my part that may not be accurate. It is an amendment which sounded good in theory, but let me point out the very practical problems that you face. For example, the Illinois State Scholarship Commission has 168,000 loans. That means 168,000 phone calls. In the State of Illinois we have 102 counties. When I decide I want to call 102 Democratic county chairmen, I have a hard time reaching 102 Democratic county chairmen.

If we impose on them a burden of reaching 168,000 people, it is impossible and unworkable. I do not argue with the theory. I just think it is not practical, and I would hope that some other means of notifying people could be worked out. I am going to oppose the amendment.

Mr. STAFFORD. Mr. President, as was indicated, the amendment was offered in committee and there it was withdrawn at the request of Senator HATCH in order to allow him to proceed with other matters. Whether it might have been defeated or not is of course a matter of speculation.

It will come as no surprise to my colleagues that many students currently get student loans without having any direct contact at all with the bank making the loan. In fact, many students believe that they have received a grant instead of a loan, which eventually leads them to default on the loan.

In fact, Mr. President, can you imagine banks loaning money to borrowers with no credit rating or collateral to offer without even speaking with them to make sure that they understand the nature of the loans? This is one reason why this situation occurs, and that is the generosity of the American taxpayer in backing up these loans, remembering that these are guaranteed loans. The banks take no risk. The banks do not have to worry about whether the loans get paid back. They simple pass along the cost of the default to the taxpayer with no penalty. In this fiscal year, 1986, the Federal Government will pay out $1.3 billion in default claims. I hasten to point out that is only 8 percent of the loans outstanding so that 92 percent of the American college students who have taken out loans are paying them. But 8 percent are not, and the sum of money is large and it could do a great deal in terms of additional loans or grants if we had that money to dispense and did not have to pay it over to banks to cover defaults.

Mr. President, I ask unanimous consent that a table showing the pattern of defaults over the years be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE INFORMATION ON DEFAULTS

	Amounts in default	Annual increase in amounts of defaults [1] (percent)
1979	120 million	
1980	152 million	27
1981	152 million	0
1982	209 million	38
1983	406 million	94
1984	665 million	64
1985	1 billion 16 million	53
Projections		
1986	1 billion 260 million	24
1987	1 billion 282 million	2

[1] Each year, not cumulative.

Note.—Federal default claims are currently the fastest growing component of the GSL program.

The percentage rate of defaults as a factor of overall borrowing shows the following:

[Rates and claims in percent]

	Guarantee agency GSL's:		FISL—Direct Federal insurance being phased out:	
	Net rate	Lender's claims	Net rate	Lender's claims
1979	8.3	10.2	12.2	14.3
1980	8.5	10.6	12.3	15.1
1981	8.2	10.3	12.2	15.5
1982	7.4	9.1	11.6	15.3
1983	7.3	9.1	11.5	15.9
1984	7.7	9.5	11.2	16.3
1985	8.7	10.7	11.1	17.0

Mr. STAFFORD. Mr. President, this situation is serious and needs to be addressed with many types of tools. Why should the banks drawdown profits on GSL's for the years a student is in school with no administrative functions to perform and yet refuse to spend 5 minutes in either a telephone call or a face-to-face interview to make sure the student understands the conditions of the loan?

Up until 3 or 4 years ago a personal interview between the student borrower and the loan officer at the bank which was making the loan was required by many States. Banks lobbied ot have this eliminated because it "interfered with their loan volume."

Mr. President, this is not the guaranteed bank profit program. This is a program which is supposed to center around students. The program is increasingly becoming one of convenience for the lenders who want no contact with the students, only with the Federal Government to collect their profits and if default occurs to collect default claims.

Mr. President, I ask unanimous consent that an article on this issue from the Chronicle of Higher Education be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chronicle of Higher Education, Mar. 19, 1986]

MANY STUDENTS SAID TO BE CONFUSED, IGNORANT ABOUT BORROWING MONEY FOR THEIR EDUCATION: OFTEN, OFFICIALS HOLD, LENDERS AND ADMINISTRATORS JACK THE TIME AND INTEREST FOR COUNSELING

(By Robin Wilson)

College and university officials are increasingly concerned that students receive little guidance about securing loans for their education and managing their repayments.

Often, the officials say, lenders and aid administrators lack the time and interest to do the job—nor are they required to do it.

Indeed, students frequently receive Guaranteed Student Loans without even speaking to a lender or college official.

The problem is compounded by the fact that most students are unsophisticated in their understanding of debt, aid administrators say.

"Many students don't understand the relationship between paying off their loans and their future," says Norine L. Fuller, executive director of the Fashion Institute of

Design and Merchandising. "We find them to be extremely confused. By the time their student-aid package is made up, they don't know if they've gotten a grant, a loan, or College Work-Study."

Aid administrators say students should be better informed of the monthly repayments they will face after leaving college and of the effect that increasing their debts could have on their future finances. That is increasingly important as their borrowing climbs: The average undergraduate is $7,000 in debt upon graduation, and many medical students borrow $30,000 or $40,000—and some as much as $100,000—to finance their education.

In addition, administrators say, loan counseling may help curb defaults, which are on the increase. The government's payments on defaulted loans topped $1 billion last year.

"The reason we're having the default problem is that we're not doing a good enough job in describing to students the kinds of income they can expect and what effect a debt burden will have on managing living," says Frank R.A. Resnic, director of financial aid at Central Connecticut State University.

In light of those facts, many college officials are examining their own role in loan counseling, and some are taking steps to improve their procedures.

NO SENSE OF OBLIGATION

The College Scholarship Service held its first colloquium on student-loan counseling late last year. There, Theodore J. Marchese, vice-president of the American Association for Higher Education, decried the lack of guidance to student borrowers.

"We are routinely party to the putting of $8,000 and $10,000 loan indebtedness on students," Mr. Marchese said. But, he said, students assumed such a burden without "even the least information."

Because administration of the Guaranteed Student Loan program is spread among college officials, lenders, state student-loan guarantee agencies, and the federal government, he said, "no one party to the whole process . . . seems to have a clear sense of obligation toward students for the matter."

Lenders must inform student borrowers of the repayment obligations. But they typically satisfy that requirement by mailing students a statement on the terms of the loans, which some aid administrators say is difficult for students to understand and often goes unread.

Under federal regulations, colleges have no responsibility to help students understand the repayment requirements of Guaranteed Student Loans. Nor are colleges paid for administrative work on the guaranteed-loan program. As a result, few offer counseling sessions, aid administrators say.

A recent study of borrowers in New York State found that fewer than 20 per cent of students had met with aid officers to discuss their loan-repayment plans before leaving college. Many graduates said they were unsure of how much they owed or what their monthly repayments would be.

Part of the problem, says Terry W. Hartle, a resident fellow at the American Enterprise Institute, a think tank with close ties to the Republican Party, is that there is little incentive for colleges and lenders to counsel students, since they are not responsible for the debts in the event of defaults.

"You have a program that is administratively decentralized, but all the risk stays in Washington" Mr. Hartle says. Often, he says, colleges are "less concerned with recognizing the debt students are accumulating than they are with just signing up another student."

Likewise, many lenders are eager to hold down their administrative work to keep profits high, other critics charge.

REAGAN ASKS FOR COUNSELING

In his fiscal 1987 education budget, President Reagan proposed requiring personal counseling for Guaranteed Student Loan borrowers. But Education Department budget documents did not specify whether the job would be done by lenders or by colleges. Budget analysts in the department say that would have to be worked out in regulations implementing any legislation enacted by Congress.

Both lenders and college administrators acknowledge the importance of talking with students about their debts, but each side claims the other is most responsible.

A group of lenders last month told the House Postsecondary Education Subcommittee that they "strongly suggest that if counseling is to be required, responsibility be placed either with the financial-aid officer or some other party."

They said counseling students individually would be costly and impractical, since some large banks lend to students who live thousands of miles away.

College administrators, for their part, say they have neither the time nor the staff to conduct face-to-face interviews with student borrowers.

"Under the Guaranteed Student Loan program, we're not the lender, and it should be a lender function to do the up-front work about rights and responsibilities," says Paul G. Barberini, director of student financial assistance of Arizona State University.

Regardless of who they believe is responsible, college administrators say that increased attention to loan defaults is forcing them to become more involved in student-loan counseling.

"Schools see the guaranteed-loan program as being in jeopardy, as having a black eye because of defaults," says John E. Dean, a lobbyist for the Association of Independent Colleges and Schools.

A provision in an extension of the Higher Education Act approved by the U.S. House of Representatives also may push colleges to strengthen their student-loan counseling. Under the bill, students at a college could no longer receive guaranteed loans if, among other things, too many of the college's former students had failed to repay.

College representatives acknowledge that aid officers can play an important role in debt-counseling because they are located on campus and meet with students.

"The aid administrator will probably be one of the most crucial individuals, informing students of obligations and making sure they are aware of potential indebtedness," says Richard T. Jerue, vice-president of governmental relations of the American Association of State Colleges and Universities.

Many college aid administrators, however, say their efforts to improve student-loan counseling face a variety of barriers—from thinly staffed aid offices and poorly paid administrators to burdensome federal regulations.

Aid administrators and college representatives cite the following obstacles to increasing their student-loan counseling:

Aid counselors often are underpaid, with a consequent reduction in job motivation and a high job-turnover rate. Aid directors are expected to earn a median salary of $29,639 in the current academic year, according to a survey by the College and University Personnel Association, placing them among the lowest-paid administrators.

Low pay discourages aid officers from taking on extra duties such as loan counseling, says Kurt Kendis, a senior project manager at the Wharton Applied Research Center, who has researched student-loan issues.

At community colleges, aid administrators say, the salary problem is even worse, since their pay is usually below that of their counterparts at four-year institutions.

Gene S. Miller, student-aid director at Pasadena Community College, says five of the college's six aid counselors quit last year. The turnover decreased the office's effectiveness, she says, because new administrators had to spend hours learning the regulations and other procedures surrounding the aid programs, leaving them little time to spend with students.

Aid offices are understaffed and counselors don't have time to talk with student borrowers.

According to a 1984 survey by the National Association of Student Financial Aid Administrators, over half of all aid directors worked in offices with only one other full-time or part-time aid administrator. Only 17 percent of the directors had professional staffs of four or more.

Aid officers must follow cumbersome federal regulations governing other student grant and loan programs, reducing their ability to focus on loan counseling.

"We are annually audited [by the Education Department] on Pell Grants and biannually on campus-based aid programs," says Ms. Miller. "That is a lot of liability held over your head, so you are going to take what administrative time you have to run those programs as well as you can run them."

In addition, under an Education Department directive, aid officers must verify whether information submitted on student financial-aid applications is correct.

"The department constantly puts aid officers through the hoops of verifying and validating student-aid information," says Mr. Jerue of the American Association of State Colleges and Universities. "While they are doing that, they are not making sure that a student has the most up-to-date aid information."

ETS HAS COMPUTER PROGRAM

Despite such problems, some colleges are moving to establish new ways to help students manage their borrowing and plan for repayment.

Over 200 institutions have purchased a computer program designed by the Educational Testing Service that serves as a student-loan counselor. It calculates a student's monthly loan repayments and figures them as a percentage of the student's future income, based on the type of job the student plans to seek.

Hundreds of colleges are using a five-minute music video, produced by the Fashion Institute of Design and Merchandising, that shows students how repaying their loans can enhance their credit rating and improve their ability to secure additional consumer financing.

Colleges in Massachusetts have joined with lenders and the Massachusetts Higher Education Assistance Corporation in a project to educate students on the ins and outs of borrowing. The project begins with students in junior high-school and spans their graduation from college.

"Financial debt-management programs won't prevent increasing debt burdens," says Sylvia Q. Simmons, senior vice-president of the Massachusetts corporation, which guarantees loans to lenders. "But they will give students the skills to manage their budgets and really understand completely and fully the loan obligation."

Mr. STAFFORD. In conclusion, Mr. President, I urge my colleagues to help bring this program back to its original focus, on the student, and at the same time further cut down on loan defaults. The amount of funds which the Federal Government pays each year in default claims should be put to better use as grant aid for students from low-income families.

Mr. President, I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Just very briefly—and I usually am in agreement with my colleague from Vermont, and I agree with him on the desirability of reducing the defaults—I remind this body of a little history. It was not too long ago we had a hard time getting banks interested in the Student Loan Program.

What we are doing in this bill as of right now is pulling the 3½ percent that allow the banks down to 3¼ and we may have an amendment bringing it down to 3. Now, if on top of that we impose this kind of a burden, I think we are going to be in a position where we discourage banks from making these student loans. I do not usually stand up on the floor of this Chamber to defend banks, but I think this is one issue with which we have to be careful.

Now, my colleague says it is only 5 minutes per phone call. That is 5 minutes per phone call if you can reach people. But just assume it is 5 minutes per phone call. The Illinois State Scholarship Commission has 168,000 student loans. Five minutes per phone call, if my very hasty math is correct, means 840,000 minutes, which means 14,000 hours. That is if you get the phone call through in 5 minutes. We are talking about a very substantial burden. I would ask, Mr. President, that we have a rollcall vote on this amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. SIMON. I understand the rollcall will come——

Mr. STAFFORD. Will the able Senator withhold on that for a minute?

Mr. SIMON. Yes.

Mr. STAFFORD. Because a second part of the amendment has not yet been offered.

Mr. SIMON. I will certainly withhold.

Mr. STAFFORD. So if the Senator will withhold, if he desires a rollcall——

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. SIMON. I ask unanimous consent that my request be withdrawn temporarily while we complete this other amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1100

Mr. STAFFORD. Mr. President, I appreciate the courtesy of the Senator from Illinois.

I send a second amendment—a companion to the first amendment—to the desk, and ask that it be stated.

The PRESIDING OFFICER. It will take unanimous consent to consider these amendments en bloc.

Mr. STAFFORD. I ask unanimous consent that the amendment be considered and stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes an amendment to the other amendment:

On page 1, beginning with line 3 of the amendment, strike out through line 10 and insert the following new section:

ADDITIONAL LOAN INFORMATION REQUIREMENT

SEC. 151. Section 433A(a) of the Act is amended by adding at the end thereof the following new flush sentence: Each eligible lender shall, at or prior to the time such lender disburses a loan to a borrower which is insured or guaranteed under this part, furnish the information described in clauses (2), (4), (5), (6), (7), (8), and (10) of the preceding sentence verbally, by phone or in person, to the borrower.

Mr. STAFFORD. Mr. President, this is essentially the amendment which I described in the comments I made, and I appreciate the forbearance of the Senator from Illinois in allowing me to have this amendment before the Senate.

Mr. SIMON. Mr. President, I renew my request for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. SIMON. Mr. President, I ask unanimous consent that the vote on this be postponed until 2 o'clock and that just prior to the vote, the Senator from Vermont and I each have 2 minutes to explain the amendment, and then vote on it at that point.

The PRESIDING OFFICER. Is there objection?

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, a few moments ago, I proposed a second-degree amendment to the amendment I had proposed earlier. At this point, I ask unanimous consent, if that is necessary, to withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. STAFFORD. Mr. President, I now ask for the yeas and nays on the first amendment I offered.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1979

(Purpose: To increase the effectiveness of student loan information to borrowers)

Mr. STAFFORD. Mr. President, I again offer the second amendment which was stated earlier.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes an amendment numbered 1979 to amendment No. 1978:

On page 1, beginning with line 3 of the amendment, strike out through line 10 and insert the following new section:

ADDITIONAL LOAN INFORMATION REQUIREMENT

SEC. 151. Section 433A(a) of the Act is amended by adding at the end thereof the following new flush sentence: Each eligible lender shall, at or prior to the time such lender disburses a loan to a borrower which is insured or guaranteed under this part, furnish the information described in clauses (2), (4), (5), (6), (7), (8), and (10) of the preceding sentence verbally, by phone or in person, to the borrower.

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1110

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, it is my understanding, subject to correction by the Parliamentarian, that we are in a position to vote without a rollcall on the perfecting amendment which I just offered to the first amendment which is subject to a rollcall. I believe that is correct.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the amendment.

The amendment (No. 1979) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, at this point, it is the understanding of

this Senator that it would be desirable (and I consult with my colleagues who are here) to set this matter aside for the time being, so we can proceed with other matters before the 12 o'clock recess.

Mr. SIMON. Mr. President, my understanding is the leadership on this side would prefer to have that rollcall later, and so if we could have unanimous consent to set it aside at this point, I think that is a desirable thing.

The PRESIDING OFFICER. Does the Senator from Illinois make that request?

Mr. SIMON. I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, we are now at the point where, if Senators who have amendments would come to the floor, we could dispose of noncontroversial amendments between now and 12 o'clock. We would be—I am sure I speak for my colleague, Senator PELL—eager to get that done, it being the wish of the leadership on both sides of the aisle that we finish this bill today. Rather than stay here late tonight, it would be nice to complete action during the normal working hours.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I thank the Chair very much, and I thank the floor managers of this bill and those in the cloakroom for advising me about the time and the arrangements.

Mr. President, I am happy to speak in favor of the Higher Education Reauthorization Act. Before cosponsoring this bill, I looked at it closely to see that it continues the tradition of the fine support for programs which mean so much to our institutions of higher learning and to college students across the Nation. I am convinced that it does just that and hope that we will be able to complete its passage shortly.

It is clear to me, Mr. President, that if America is to remain strong and viable, we must maintain our commitment to higher education. More is required than a strong military to remain competitive in the world today. We cannot afford to lose the advantage we have held through the years based on the superior education of our people. At this crucial time when other nations are making noticeable gains in their own technological bases, we must give our institutions of higher learning the best opportunity possible to succeed and to expand the capacity of our people to attain greater heights in academic and intellectual pursuits.

The challenges facing our Nation are great. We are seeking solutions to a growing problem in the area of international trade which really does relate to our economic strength as a nation. We continue to see needs for innovations in the field of medicine and science, and we continue to seek technological advancements that will improve the quality of life for all of our people. The wonderful discoveries we have made through education during our first 200 years as a nation simply point to what can be done if we continue to support educational initiatives and give priority to maintaining the high standards of support for our colleges and universities. This is no time to hold back on the Federal support which is necessary for higher education to move forward.

As we look back on nearly 200 years under our U.S. Constitution, it is clear that our Government's early and continued emphasis on the importance of higher education has served us well. Our first leaders decided that a key component of our democracy would be availability of educational opportunities for all our people who are willing to work hard and apply themselves. Truly, the sky has been the limit. This commitment to educational opportunities for one and all has perhaps more than any other single factor contributed to our success as a nation.

This comprehensive bill continues programs about which I feel very strongly. I am especially interested in and supportive of the student financial aid programs. Countless individuals with whom I have come into contact through the years have attained college degrees and contributed significantly to the common good because of financial assistance they received from the Federal Government. Many of these individuals would have made it no further than high school without financial assistance. The investment we have made in the lives of these individuals has paid off tremendously.

There will almost certainly be discussion about the cost of the financial aid programs, as there should be. I know that we would all like to keep those costs as low as possible but I believe this bill does that. Any further efforts to reduce the amount of financial assistance will only undermine the purpose of the programs and will prevent some college students from obtaining the type of education they need and deserve.

A more important part of the financial aid programs on which to focus our attention is the repayment of the student loans. While I want every student to have a chance, and I see financial aid as the means for that, I think it is essential that they understand the need to pay back the money that they borrow. These programs provide a practical way to teach students to be responsible for their financial commitments.

I am also pleased that this bill provides continued support through aid to so-called developing institutions in Mississippi where budget constraints are immense. We have a number of higher education institutions which are struggling to provide quality education for their students. This program makes it possible for them to add those special items which give the students a boost and help them to move ahead. It is important that this program benefit not just the comprehensive 4-year universities, but also the smaller colleges and even the junior colleges.

With this bill, graduate and professional educational programs will continue to provide an emphasis for education beyond a 4-year degree. In my State I have seen the benefits to the students and to the people they serve after graduation, having successfully completed programs as Public Service Fellows or as what is now Jacob J. Javits Fellows.

Finally, Mr. President, it pleases me that this bill continues valuable support for programs in educational research and improvement. Our universities provide America's greatest source of mind power and research capabilities. It is important that we make full use of this resource and continue to provide the resources to enhance quality research so that innovations can continue to be made that will provide better life for all Americans.

Mr. President, these are only a few of the many programs that are reauthorized by this bill which we now consider. I could go on and talk about each one of them in greater length, but I simply want to say that I am happy this bill continues our commitment to higher education in America. I am for it, and I shall urge all of my colleagues to join with me now in passage of this bill. Our students, America's future, depend upon it.

This is a subject, Mr. President, that I have not made a great deal of noise about, but my experiences here over the years have gradually made me realize the enormity and the importance of this educational program that we have so successfully achieved, and I use that word "successfully" meaning every syllable and every item of punctuation about the entire matter.

I tried to imagine how long our system would last if there was not some special training given to some portion of our youth to make them qualified to cope with present problems in world affairs as well as local affairs, and how long our system of

self-government with the personal freedom that goes with it would last if we neglected to increase the time and training of our young people, whether or not they have a great deal of ability or not, but more particularly a training program that will give them the benefit—and our country and all that goes with it, the benefit of those individuals who have these extraordinary and talented minds.

So I look with satisfaction on the day that has brought this bill to the floor. I have great appreciation to those who have worked on the matter over the years. We have on this bill the names of members on this committee that have given a good portion of their public service, their service here on the Senate floor and in the committee rooms of the Senate, with nationwide significance in benefits and preparation of the worthy programs that we have the benefit of today—in a scientific way, and a military way, and in every phase of our activity in this truly great time in which we live.

I have been thinking of the 200th anniversary of the beginning of the use of our Constitution of the United States. This 200th anniversary is going to come during the lifetime of this bill which will certainly pass, and the things that have been accomplished because of the programs it supported exceeds perhaps any other like effort or productivity that has gone into the successful operation of our Government since this program was devised. I have been thinking of a list of items that might be prepared. What are we going to do for the next century, and the second century after the close of these first two? Just to think about that for a minute shows the void that would be created if we did not have this program or some program along this line.

So I was very glad. I was counting all the time on this comprehensive bill to be far-reaching, and to the point. It incorporates also the experience and benefits that have come over the years to these various elements of these high education programs now. I cannot name all of them with emphasis, but I do not want to exclude all of them and say that in my tenure here I have decided that this is the most important, and the most indispensible.

So we are really legislating here not in the field of experience, but in the field of necessities. And this comprehensive bill now continues programs about which we all feel very strongly—and I am certainly one of those that does feel strongly. I am interested in, especially interested in and supportive of the Student Financial Aid Program. I do not deserve any credit for it. But I have visited the campuses of the universities in my home State with a special eye at times for a review not in the academic rooms but on the campuses, in the mess halls, at the ball games and other events of that kind—a view that the product, the benefits, the untold advantages that these recipients have that makes all the difference in the world, not just in their personal opportunities, but it makes a great difference in the functions of our great system of Government. Countless individuals with whom I have come in contact through the years have attained college degrees and contributed significantly to the common good because of financial assistance they received in one way or another from the Federal Government. Many of these individuals would have made it no further than their high school without financial assistance. The investments we have made in the lives of these individuals has paid off tremendously.

I think with the utmost satisfaction I have known about these programs in a general way for a long time. I do not know just what term is used, but when I was a freshman in college in the 1920's we had there at what is now Mississippi State University a program for men who had served in World War I, and had been brought there under a special law. Some had not finished high school. They did not have the credits that were required for entrance to that institution at that time. I remember being there as a freshman and hearing these men called "war students". That was not said in derision of but it was a course designation. They were not able to enter the university fully and directly. They had to take some special work in order to get those additional credits.

We thought we were more advanced than they were, and that was a distinction that we appreciated. And we should have offered more of a helping hand to these men. Well, time passed on. The first thing we knew, one of those men was elected the president of our class in college. Things went on further than that, and several of them were exceptional, and one of those men to whom I was referring was elected president of that university in the course of time.

I use that now as an illustration. They were the seed corn. They had the talent, the buried talent, the neglected talent, for one reason or another over those critical years. But with chance and circumstance, someone that had a will like the men that fashioned this program, the will to work harder and bring about somebody to pave the way, those talented young fellows fulfilled their role in coming in there, finishing their high school credits, graduating with honors, and later serving many years in a very, very useful way with a high capacity.

I have been proud of those achievements and to think it. And I am proud of the memory of one of my classmates that made those achievements.

I also honor them and their honor associates today by these spoken words here on the Senate floor and use them as illustrations.

As we approach the next century under our constitutional government that does convey real freedom to all of us, we cannot afford to skip this part or neglect it, much less omit it, but must give it the highest priority, as I see it. These committee members who have done this work, worked out his bill and have brought us this measure for our consideration and approval, have rendered, in my humble opinion, a splendid service, if not the finest, within the field of our activities this year.

In this connection, not dealing in personalities, but I know that preparations are being made now for a real impression presentation of the benefits and blessings of our present form of government as we close out this second century. I commend the Chief Justice of the United States, the Honorable Warren Burger, for taking the chairmanship of this group who are going to fashion out and have the leadership role in programs that will be brought to every one of our citizens in the course of the next 2 years.

I found that out first as a member of the Appropriations Committee, where a very modest sum of money was requested for employment of some people to work on this worthy program.

I think the working out of this bill and its passage here today, or whenever it is passed, will be a great preparation step forward, one which we must take, for the living of this next century that is going to be our privilege to have and to have that same Constitution.

Mr. SIMON. Will the Senator from Mississippi yield?

Mr. STENNIS. I am glad to yield to the Senator.

Mr. SIMON. As he speaks about the need for moving ahead with student assistance, I could not help but recall a few years ago visiting Mississippi State University, where they are very proud that Senator STENNIS is an alumnus of that school, but also to note the young people there—your State has had above average economic problems—but to see the young people, who get a chance and can have an education, can move your State forward just as they can move this Nation forward. And that is what this is all about.

I commend my colleague from Mississippi for his leadership in this area. We are proud to have his support on this bill.

Mr. STENNIS. I thank the Senator from Illinois very much for his fine and generous remarks. I know something of his sentiments in this same field and of some of his truly fine at-

tainments before he came here as a Member. And in such a relatively short time that he has been here, he certainly is making a commendable mark. We appreciate very much your remarks.

Mr. PELL. Will the Senator yield?

Mr. STENNIS. Yes; I yield, Mr. President, to the Senator from Rhode Island.

Mr. PELL. Mr. President, I just wanted to rise and express my gratitude to the Senator from Mississippi for his very specific and real work in the Appropriations Committee. Over the years, he has taken a very strong leadership role in seeking to provide the funds adequate to our Nation's young people's education.

This is an investment in our future that is inflationproof. The only way you lose this investment is through your own individual death. But, otherwise, life goes on. As long as we are alive, investment in education is about the best possible inflationproof investment. The senior Senator from Mississippi has taken a tremendous leadership role in helping provide adequate support. I thank him for all young Americans.

Mr. STENNIS. I want to thank the Senator from Rhode Island especially. He has been consistent over the years in his leadership in this field, as well as other fields. And I cannot make the commendation too strong. He is consistent year after year, and his efforts have brought forth great works. It will live beyond the time of all of us. I thank him very much.

Mr. STAFFORD. Will the distinguished Senator yield?

Mr. STENNIS. Yes, I am delighted to yield to the chairman, the Senator from Vermont.

Mr. STAFFORD. Mr. President, since I have had the privilege of being a Senator—and I know that the Senator who has the floor will remember the day I arrived here for a special reason not directly associated with education—and throughout the years I have served with Senator PELL on the Education Subcommittee, I have always known of the strong support for education that the Senator has put forth. I wanted to take this opportunity not only to salute him on his long and distinguished service here, which is going to continue, but also on all the help he has given us as we have labored in the vineyard of education. We appreciate it.

Mr. STENNIS. I thank the Senator very much. I am grateful, indeed, for the fine work that you have done, so consisent, so diligent, and so effective over the years. And you have built monuments not for yourself, but you have written in a lot of the history that we are talking about when we refer to these 200 years.

I think it appropriate, too—and I will make this quite brief—that the chairman and I had an experience together here almost within an hour after he got here as a Senator. Two or three days before, he had voted for a certain bill in the House of Representatives. Thereafter, a vacancy occurred here in the membership from his home State. I happened to be floor manager of a bill. We were very much in need of votes. We had to have at least one more.

I see the majority leader has entered the Chamber. He knows about this one vote situation you can get into.

But, anyway, the plane landed at the airport and our prospective new Member was on the plane. We got him up here to the floor. It did not take long to find that he met all the qualifications of a Member of this body and on presenting himself to become a Member of this body, and he was very promptly sworn in. We did not even ask him whether he was going to vote the same way he did in the House of Representatives 2 or 3 days before. We took him on faith.

He was sworn in. He cast a vote on that bill for the second time—once in the House, once in the Senate—and it passed by a very close margin, very close margin. I cannot be sure it was by only one vote, but he made the difference. It gave us a new spark, a new fire. So I commend him highly not only for that, but for what he has done since then as a highly reasonable and effective Member of this body.

Mr. President, I did not want to take up too much time here myself. But this is a subject from which we are certain to draw dividends, benefits, not through the individual that profits directly and immediately from the program, but to us and our Nation, the strength of our constitutional government and the personal freedom that we drive on as we go down the highway of time.

Mr. President, there will almost certainly be discussion about the cost of this financial program, as there should be. I know that we all like to keep those costs as low as possible. I believe this bill will furnish the machinery for doing that. Any further effort to markedly reduce the amount of financial assistance will, I fear, only undermine the purpose of the program and will prevent some able, worthy, talented people from having the benefits that would be obtained from a type of loan, a Federal grant, or whatever. They would be denied in obtaining that type of education that they deserve.

A more fundamental part of the financial aid program on which to focus our attention is the repayment of the student loans. But I want every student to have a chance, and I see financial aid as a means for that chance. I think it is essential that they understand the need to pay back this money that they have borrowed.

I know that is sound philosophy. I think it is absolutely a necessity.

These proposals provide a great, practical way to teach students to be responsible for all of their financial commitments.

Mr. President, I mention these things with emphasis because sometimes with some people there is a tendency that because the money comes from the Government, it is Government money and it does not have to be repaid. A poorer system could not be found, to let that prevail. I do not have any doubt that it can be avoided by proper warning, by proper practice by those who have the responsibility for carrying out these programs.

Mr. President, I am grateful for the time I have been given to discuss the subject matter of this bill and the course that it will take. I yield the floor.

□ 1140

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 1980

(Purpose: to clarify that tutorial services are included within the meaning of community services under the work study program)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 1980.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 258, line 13, insert after "education" the following: "(including tutorial services)".

On page 259, line 9, insert after "education" the following: "(including tutorial services)".

Mr. BYRD. Mr. President, may I be recognized to speak on the amendment?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, first let me say that I fully support this very important legislation. I congratulate and express my thanks to the managers of the bill, Senator STAFFORD and Senator PELL, both of whom have long been supporters of this legislation to improve the opportunity for continuing education throughout our country.

I would like to note, in particular, my support for the new emphasis given to community service job opportunities in the College Work Study Program.

I commend Senators KENNEDY and DODD for their leadership on these particular provisions.

I share their philosophy that college work study jobs can and should be important opportunities for students. Not only do they enable a student to shoulder the financial burden of an education, but they also can provide an enriching experience for the student and useful service to the school and the community.

I am particularly supportive of encouraging colleges and universities to provide work study jobs.

Given the many reports and studies detailing the problems that exist in our schools today, there are many opportunities for college students to provide a useful service in these schools—high schools, elementary schools, adult education classes.

One opportunity of special interest to me is the opportunity to provide tutorial service jobs. No other type of job in the education field could be more directly related to alleviating the major problem in our school today: the standard of excellence of our students.

Tutors can provide remedial help. Tutors can challenge gifted students with increased educational opportunities.

Thus, Mr. President, I offer this amendment to underscore that such tutoring jobs are not only acceptable under the terms of the Work Study Program, but are encouraged.

My amendment would add the parenthetical phrase "(including tutorial services)" in the list of community service job areas.

Mr. President, we all know that many factors are important in increasing our children's abilities and desires to learn. But we also know that sometimes, all it takes is the motivating influence of one teacher, one teacher among the many throughout the student's entire educational experience, to turn that student into a lover of learning.

I think, too, that it is not impossible for a tutor to provide such an experience for a student.

I hope the managers of the bill will accept my amendment.

● Mr. SIMON. Mr. President, Chairman STAFFORD and Senator PELL, the Byrd amendment to title IV, college work study, would include tutoring activities among those jobs supported through the program. S. 1965, as reported by committee, includes a 10-percent set-aside for community service jobs, particularly in areas of literacy and child care. This set-aside would require a smaller match on the part of the college or university—90 percent Federal—10 percent campus, as opposed to 80 percent—10 percent—to encourage such community service programs. The Byrd amendment is an appropriate complement to both the new committee community service provisions and the intent of college work study.

The need for tutors in most levels of education—from elementary school to adult education classes—is clear. The experience of the tutor and more importantly the benefit to the student who is tutored, makes the investment of college work study funds for this purpose both relevant to the purpose of the program—for those in most academic fields and especially those in schools or departments of education—and has as a corollary effect, the increased educational achievement of others who may one day be in a position as students themselves in a college or university thanks to tutorial services, to return the time and attention of their tutors to others.

Senator BYRD is to be commended on his amendment to encourage educational outreach, community participation on the part of postsecondary students, and a wise use of college work study funds. This proposed addition to the College Work Study Program would benefit the student, the college, the community, and the individuals who receive the special tutoral assistance. College work study funds are salaries for and an investment in students who then invest themselves in the education of others through tutoring.

I urge all my colleagues to accept the Byrd amendment.●

Mr. STAFFORD. Mr. President, we have examined the amendment offered by the most distinguished Democratic leader and we are prepared to accept it.

Mr. PELL. Mr. President, this is an excellent amendment which I believe will improve the work study program. On this side of the aisle we are very glad to support the amendment.

Mr. BYRD. Mr. President, I thank my colleagues.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1980) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1978

The PRESIDING OFFICER. The question recurs on the previous amendment.

Mr. STAFFORD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STAFFORD. Would the Chair state which is the previous amendment? The Senator believes it is the amendment offered by the Senator from Vermont.

The PRESIDING OFFICER. The Chair is referring to amendment numbered 1978.

Mr. STAFFORD. Mr. President, I ask unanimous consent that that amendment be temporarily laid aside so that other amendments may be considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1981

(Purpose: To provide grants to States for fellowships for individuals who have outstanding ability, demonstrate an interest in a teaching career, and will teach in areas of the State in which there is a shortage of quality elementary or secondary school teachers or in fields of study in which there is a shortage of quality elementary or secondary school teachers, or both, and for other purposes)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 1981.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 358, between lines 11 and 12, insert the following:

SUBPART 6—FUTURE TEACHER TRAINING CORPS

PROGRAM AUTHORIZED

SEC. 237. Title V of the Higher Education Act of 1965 is amended by adding at the end thereof the following new part:

"PART G—FUTURE TEACHER TRAINING CORPS FELLOWSHIPS

"FINDINGS AND STATEMENT OF PURPOSE

"SEC. 581. (a) The Congress finds that—

"(1) excellence in and access to education is a national priority to improve human resources of the Nation, particularly to maintain economic competitiveness of the Nation;

"(2) although the States and localities bear primary responsibility for elementary and secondary education, educational achievement is a national concern;

"(3) demographic trends show a serious teacher shortage with some estimates projecting by 1990 1 million new teachers will be needed in the United States;

"(4) shortages of teachers exist in certain geographic areas of each State and in certain subject matter areas;

"(5) while there is a dramatic increase in minority student population, the proportion of minority teachers is declining, so that by 1990 minorities will constitute 30 percent of the total school population and comprise less than 5 percent of the elementary and secondary teaching force; and

"(6) it is appropriate to provide fellowship funds for outstanding students and experienced individuals to encourage them to

pursue careers in teaching and to help address the serious teacher shortage.

"(b) The purpose of this part is to make available, through grants to the States, fellowships to individuals—

"(1) who are outstanding postsecondary students or experienced individuals, and

"(2) who demonstrate an interest in a teaching career and a desire to teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State, or both.

"ALLOTMENT OF FUNDS

"SEC. 582. (a) GENERAL ALLOTMENT.—From the sums available pursuant to section 590(a) to carry out this part in any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than one-half of 1 percent of such remainder.

"(b) MOST RECENT DATE.—For the purposes of this section, the population of a State and of all States shall be determined by the most recently available data from the United States Census Bureau.

"(c) REALLOTMENT.—If any State elects not to receive its allotment under this part, the Secretary shall reallot, among the remaining States, amounts from such State in accordance with subsection (a) of this section.

"(d) DEFINITION.—For the purpose of this section, the term 'school-age population' means the population 5 years of age through 17 years of age.

"SELECTION OF FELLOWSHIP RECIPIENTS

"SEC. 583. (a) SELECTIVE REVIEW PANEL.—The Governor shall appoint a Selection Review Panel for the purpose of selecting individuals who will be awarded fellowships under this part who are interested in careers in teaching and who agree to teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State, or both.

"(b) SELECTION PROCEDURE.—(1) The Governor shall establish selection procedures to be applied by the Selection Review Panel appointed pursuant to subsection (a), together with such application procedures as may be necessary.

"(2) The application procedures established under paragraph (1) shall include—

"(A) rank in the graduating class at an institution of higher education,

"(B) grade point average in the institution of higher education,

"(C) leadership activities in the institution of higher education,

"(D) scores on recognized admission examinations for institutions of higher education and for graduate education, if applicable,

"(E) recommendations of faculty at an institution of higher education,

"(F) submission of evidence of scholarship, including a writing sample or a completed project, and

"(G) a description of previous work experience.

"GRANT APPLICATIONS

"SEC. 584. (a) IN GENERAL.—The Secretary is authorized to make grants to States in accordance with the provisions of this part. In order to receive a grant under this part, a State shall submit an application at such time, in such manner, and containing or accompanying such information as the Secretary may prescribe. Each application shall set forth a program of activities for carrying out the purpose set forth in section 581 in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purpose.

"(b) TERMS OF APPLICATIONS.—The Secretary shall approve an application only if the application—

"(1) describes the selection criteria and procedures to be used by the State in the selection of fellowships under this part which meet the requirements of section 583 and the other provisions of this part;

"(2) provides that the Governor of the State will administer the program;

"(3)(A) describes the outreach effort the Governor intends to use to publicize the availability of the fellowships authorized by this part to postsecondary students in the State and to potential midcareer applicants in the State;

"(B) provides assurances that the State will recruit among underrepresented groups for the program authorized by this part, particularly Black Americans, Hispanics, Asian Americans, and American Indians;

"(4) provides assurances that each recipient eligible under section 586(c) who receives a fellowship shall enter into an agreement with the Governor under which the recipient shall—

"(A) within the 3-year period after completing the postsecondary education for which the fellowship was awarded—

"(i) teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State for a period of not less than 3 years for the first year for which assistance was received and 4 years if the recipient receives assistance for 2 years; and

"(ii) teach in areas of the State in which there is a shortage of elementary or secondary school teachers in a field of study in which there is a shortage of elementary or secondary school teachers in the State for a period of not less than 2 years for the first year for which assistance was received, and 3 years if the recipient receives assistance for 2 years,

in an elementary or secondary school of a local educational agency of such State, a public elementary or secondary school of such State, an Indian school funded by the Bureau of Indian Affairs, or a public educational program in such State, any of which may be determined by such State, but in no event shall any recipient be required to teach for less than 2 years or more than 4 years;

"(B) provide the Governor with evidence of compliance with section 586 as required by such agency; and

"(C) repay all or part of a fellowship received under section 585 plus interest and, if applicable, reasonable collection fees, in compliance with section 587 and regulations issued by the Secretary under section 588, in the event that the conditions of clause (A) are not complied with, except as provided for in section 589;

"(5) provides (A) that the agreement entered into with recipients shall fully disclose the terms and conditions under which assistance under this part is provided and under which repayment may be required, and (B) a description of the manner in which the Governor will collect amounts owed under the program authorized by this part;

"(6) provides assurances that fellowship recipients may only attend institutions of higher education that have a clinical internship or experience program approved by the State;

"(7) provides that the State has a continuing education requirement for practicing teachers within the State;

"(8) provides assurances that a precertification teachers examination program will be in effect not later than 2 years after the first fellowships are awarded in the State under this part;

"(9) provides assurances that fellowships authorized by this part will be awarded without regard to sex, race, handicapping condition, or creed;

"(10) provides assurances that, with respect to the awarding of fellowships under this part, equal opportunity will be given to all postsecondary students in the State; and

"(11) provides that not more than 3 per centum of the grant shall be used for the administrative cost of the State in carrying out the provisions of this part.

"(c) CONSULTATION.—In developing the selection criteria and procedures to be used by the State, the State shall solicit the views of local educational agencies and other interested parties as the State deems appropriate, including classroom teachers, representatives of institutions of higher education, and representatives of the general public.

"AMOUNT AND DURATION OF ASSISTANCE

"SEC. 585. IN GENERAL.—Each recipient shall receive a fellowship not to exceed $5,000 for each academic year of graduate education in preparation to become an elementary or secondary school teacher. No individual shall receive fellowship assistance for more than 2 years of graduate education, as determined by the Governor.

"(b) INTERNSHIP ASSISTANCE.—Each institution of higher education, at which fellows receiving assistance under this part are enrolled in a post-baccalaureate program, is encouraged to insure that each such fellow will participate in an internship program at an elementary or secondary school of a local educational agency under which the local educational agency will provide assistance to the participating fellow.

"FELLOWSHIP CONDITIONS

"SEC. 586. (a) Recipients of fellowship assistance under this part shall continue to receive such fellowship payments only during such periods that the Governor finds that the recipient is—

"(1) enrolled in a post baccalaureate program in an institution of higher education;

"(2) pursuing such a program for teacher certification, and, if necessary, together with courses in an academic field in which the student intends to teach;

"(3) participate in a clinical internship experience program approved by the State; and

"(4) maintaining satisfactory progress as determined by such institution of higher education.

"(b) At the time a recipient of a fellowship is chosen, the recipient may not meet the teacher certification standards of the State.

"FELLOWSHIP REPAYMENT PROVISIONS

"SEC. 587. Fellowships found by the Governor to be in noncompliance with the agreement entered into under section 584(b)(4) shall be required to repay a pro rata amount of the fellowship awards received, plus interest, a penalty equal to 100 percent of such pro rata amount of such fellowship awards (without regard to interest thereon),

and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this part.

"EXCEPTIONS TO REPAYMENT PROVISIONS

"SEC. 588. (a) IN GENERAL.—A recipient shall not be considered in violation of the agreement entered into pursuant to section 584(b)(4)(C) if the recipient—

"(1) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(2) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(3) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

"(4) is seeking and unable to find full-time employment for a single period not to exceed 12 months; or

"(5) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this part.

"(b) TOTAL DISABILITY.—A recipient shall be excused from repayment of any fellowship assistance received under this part if the recipient becomes permanently and totally disabled as established by sworn affidavit of a qualified physician.

"AUTHORIZATION

"SEC. 589. (a) AUTHORIZATION AND NUMBER OF FELLOWSHIPS AUTHORIZED.—(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part for the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1990.

"(2) The Secretary is authorized during the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1990, to award not to exceed 5,000 fellowships under this part.

"(b) AVAILABILITY OF FUNDS.—Sums appropriated pursuant to this section for any fiscal year shall be available until the end of the second fiscal year succeeding the fiscal year for which they were appropriated.

"DEFINITIONS

"SEC. 590. As used in this part—

"(1) 'clinical internship or experience program' means a program that provides the student with a progressive series of preprofessional field experiences in a regular school classroom setting on a regular basis throughout the student's graduate education, including classroom observation, tutorial roles with students, teacher helper roles, teacher aide roles, and internships or periods of student teaching;

"(2) 'continuing education' means a program of education that takes into account developments in theories of learning and content areas, and may include locally based in-service instruction;

"(3) 'fields of study in which there is a shortage of elementary or secondary school teachers' means mathematics, the sciences, and any 3 other fields of study designated by the Governor;

"(4) 'Governor' means the chief executive of a State; and

"(5) 'State' means the several States of the Union, the District of Columbia, and the Commonwealth of Puerto Rico.".

On page 168, in the table of contents, after item "Sec. 236." insert the following:

"SUBPART 6—FUTURE TEACHER TRAINING CORPS

"Sec. 237. Program authorized.".

□ 1150

Mr. BINGAMAN. Mr. President, my amendment is essentially the same as S. 2487, which is legislation I recently introduced with eight colleagues to establish a graduate fellowship program entitled "The Future Teacher Training Corps Fellowship Act," designed to attract outstanding individuals to the teaching profession.

Cosponsors of the Senate bill that was introduced about 2 weeks ago, are Senators ROCKEFELLER, MATSUNAGA, GLENN, BURDICK, MELCHER, and HARKIN.

Mr. President, I am well aware of the committee's intent to pare down the Higher Education Act. I am in accord with the need, which has been expressed several times to rein in the Federal budget. But education I believe is a special case; education as has been stated by the floor managers and several others is an investment in our future and something that I believe we need to continue to fund and to improve.

I begin by thanking my distinguished colleagues, the Senator from Vermont [Mr. STAFFORD] and the Senator from Rhode Island [Mr. PELL] for their hard work in putting together the higher education amendments of 1986. Clearly their bill, S. 1965, has as its centerpiece the continuation of student financial aid under title IV. I agree that such aid needs to be continued. I would not, however, want to be part of continuing such aid at the expense of other worthy sections of the bill, in particular, title V which relates to teacher training and development.

S. 1965 as it is presently pending would repeal all but two of the title V programs for teacher training. The committee in its report stated, "General student aid is the most effective way for the Federal Government to support post-secondary education for all eligible students, including those intending to enter the teaching profession."

I personally must take exception to this view. I do not believe we can only hope that the average college student will enter the teaching profession by virtue of existing programs. The statistics simply do not bear this out.

Mr. President, let me cite some information about the budget proposals that are before us.

In a memo from the Education Subcommittee staff dated April 10, they summarize what is proposed, and let me refer to that memo. The current authorization for title V as I understand from their memorandum is $81 million. The 1986 appropriation is $15 million. This bill would put into law an authorization of $15,750,000 for title V.

In my view, that is not adequate to meet the needs this country faces in the area of attracting and retaining good people in teaching.

Mr. President, our ability to improve our educational system depends heavily upon our ability to attract well-educated teachers and to keep those teachers in the profession. The challenge comes at a particularly bad time in our history. The competence of our school teachers will surely decline in the next several years if current trends continue and if we do nothing to deal with those trends.

There are four specific trends that I am concerned with:

The first trend is that within the next 10 years there is going to be a significantly greater demand for teachers than there is a supply of teachers to meet that demand. I want to refer to a chart which makes this point. It is taken out of the recent report by the Carnegie Forum on Education and the Economy. It depicts the supply and demand of teachers from 1977 until 1992. This is a small chart. I apologize for that. This may be part of the Gramm-Rudman regime, Mr. President. But the chart is meaningful at any rate.

Let me point out that starting in late 1985 you can see from this chart a substantial increase in teacher demand. You can also see a substantial gap developing between the demand for teachers and the current supply of teachers. This teacher deficit is the result of demographic trends. First, we have the end of the baby boom, which meant that fewer new teachers were hired during the 1970's. Also some of those teachers who had been previously hired were actually dismissed because of their lack of seniority. You can see that reflected in the flat line of availability of teachers from about 1979 forward.

As a consequence of the fact that we have not been hiring new teachers, we have a teaching force today in our schools which is aging. Many teachers today are approaching retirement. In fact, the Carnegie Forum on Education and the Economy estimates that fully half of the teachers teaching today in the public schools of this country will retire in the next 7 years. Compounding the difficulties relating to the aging of our teaching force is the need to hire far more teachers in the years ahead for the children of the children of the baby boom. We can anticipate a steep increase in the rate at which this country will have to hire new teachers. Mr. President, in 1981, we hired nationwide approximately 115,000 new teachers. But by 1992, which this chart reflects, it is expected we will have to hire a full 215,000 new teachers in that 1 year alone. This demonstrates that the annual demand for teachers is increasing by virtue of the new influx of students coming into our schools.

A second trend that I would like to discuss is the quality of students at-

tracted to teaching. This continues to be a serious problem. The most recent data indicates that almost half of the students enrolled in teacher education come not from high school academic programs but from general and vocational programs, programs that were not intended to prepare students for college.

I'd like to return to another chart that does not directly support those statistics but it is relevant. This chart depicts in 1981 the qualifications of new teachers in the subject areas that they were currently teaching in. It shows, for example, that in 1981, 58 percent of the teachers teaching mathematics were in fact not certified or eligible for certification to teach math courses. In the case of the sciences, 55 percent of the teachers teaching sciences in our public schools were not eligible to teach those courses. And the chart shows similar statistics exist for other areas such as English, social studies, and foreign languages.

Mr. President, I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

QUALIFICATIONS OF NEW TEACHERS IN SUBJECTS THEY ARE TEACHING, 1981

[In percent]

	Certified or eligible for certification in field currently teaching	Not certified or eligible for certification in field currently teaching
Mathematics	42	58
Sciences	45	55
English	50	50
Social Studies	63	37
Foreign Languages	72	28
All Teachers	78	22

Source: U.S. Department of Education.

Mr. BINGAMAN. Mr. President, there is a problem of attacting quality people into teaching and retaining those persons. There is also the problem of being sure that the people who are teaching are qualified to teach in the subject areas in which they were hired to teach.

A third trend is the growing number of disadvantaged students in our schools. And here, Mr. President, I am talking about students from low-income families, frrom non-English-speaking backgrounds, and from single-parent households. Their numbers are increasing in our schools. These students pose an immense challenge for teachers and our educational system. These students need teachers who have a more sophisticated and complete understanding of their subjects. Simply stated, these disadvantaged students are more dependent upon schools than are students from more advantaged families.

A fourth and final trend that I want to refer to today is the declining proportion of minority teachers in the teaching force. The changing composition of the student body is in fact just the reverse of the changing composition of our teaching force. It is clear that the proportion of minority students in our student body in the public schools is increasing, but as that percentage of minority students increases, it is clear also that the percentage of minority teachers in the teaching force is declining. I am convinced that we cannot tolerate a future in which all of our students are taught by white Anglo-Saxon teachers. The country needs a teaching system that reflects the diversity of the Nation's racial and cultural heritage.

Mr. President, the problem then is, how do we substantially increase the teacher quality in the face of a steep increase in the demand for teachers, an increase in the number of disadvantaged students in the schools, and a particularly acute need for minority teachers.

I think these are serious problems, and I have an amendment that will address them.

Mr. President, I see that the majority leader and the chairman of the committee are seeking recognition, and I will yield the floor so that they can have that recognition.

□ 1200

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I understand that there are a couple of amendments to be accepted—an amendment by Senator HATCH and one by Senator BYRD. Also, we need to do a couple of housekeeping things before recessing for the policy luncheons.

I ask unanimous consent that the Senate recess at 12:15 p.m., rather than 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1982

(Purpose: To provide a deferment for certain mothers with preschool-age children who are just entering or re-entering the work force)

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. There is an amendment pending. It would require unanimous consent to lay that amendment aside.

Mr. HATCH. I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by the Senator from Utah will be stated.

The bill clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 1982.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 220, strike out line 1, and insert in lieu thereof:

DEFERMENT RULES

On page 220, between lines 1 and 2, insert the following:

"SEC. 139. (a) WORKING MOTHERS WITH PRESCHOOL AGED CHILDREN.—(1) Section 428(b)(1)(M) of the Act is amended by striking out "or" at the end of clause (ix) and by adding before the semicolon at the end thereof the following new clause: "or (x) not in excess of 12 months for mothers with preschool age children who are just entering or reentering the workforce and who are compensated at a rate not exceeding $1 in excess of the rate prescribed under section 6 of the Fair Labor Standards Act of 1938".

On page 220, line 2, strike out "Sec. 140." and insert in lieu thereof "(b)".

On page 267, beginning with line 17, strike out through line 13 on page 268 and insert in lieu thereof the following:

DEFERMENT FOR MOTHERS WITH PRESCHOOL AGED CHILDREN

SEC. 173. (a) GENERAL RULE.—Section 464(c)(2)(A) of the Act is amended—

(1) by striking out "or" at the end of the clause (vii);

(2) by striking out the period at the end of clause (viii) and insert in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(ix) is a mother with preschool age children who is just entering or reentering the workforce and who is compensated at a rate not to exceed the rate prescribed by section 6 of the Fair Labor Standards Act of 1938.".

(b) CONFORMING AMENDMENT.—Section 464(c)(2)(A) of the Act is further amended by adding at the end thereof the following new sentence: "The period during which the repayment may be deferred by reason of clause (ix) shall not exceed 12 months.

On page 167, in the table of contents, insert after "Sec. 172" the following new item:

"Sec. 173. Deferment for mothers with preschool aged childen.".

On page 167, in the table of contents, redesignate the succeeding items in part B of title I accordingly.

Mr. HATCH. Mr. President, I believe this amendment is an investment in the future—an investment in the future of mothers returning to the labor market and an investment which will, in the long run, reduce taxpayer expenditure.

Let me explain the proposal. This amendment will benefit mothers with preschool children who are entering the labor market for the first time, or reentering after a period of absence, and earning a wage of no more than $1 over the minimum wage. For 12 months, these mothers will receive a partial deferment on their guaranteed student loan. They will make a good-faith payment on their GSL for those

12 months, for they will be required to make the monthly interest payment on the loan.

There is a very good reason for deferring repayment of the principle of the loan obligation for 12 months for these mothers earning no more than $1 above the minimum wage. Since they have preschool children, in many cases these mothers would have to pay for child care in order to be able to accept employment, to go to work. At this entry level salary, I fear that many mothers might not be able to pay for transportation to work, other costs of returning to work, and child care.

If we give these mothers a partial deferment, to pay only the interest for 1 year, I hope that they will gain the advanced skills and work experience to earn a higher salary. With that higher salary, child care expenses and repayment of the full monthly GSL obligation would be not only possible but also probable.

The $1 million that this would cost in the first year, 1987, is minimal. It is even more minimal when we think of how important it is to get these productive citizens back into the workplace. They will have expanded both their personal horizons and economic opportunity. Not only these mothers, but also the taxpayer, will benefit as well. Many of these mothers may no longer continue on welfare rolls. It is possible that some defaults on GSL's will be prevented, for unless some of these mothers are able to enter or reenter the work force, they may be unable ever to repay their obligation to the U.S. taxpayer. Also, if these ladies get an opportunity to enter the marketplace, and the breathing space to improve their skills, they may well begin to climb the economic ladder with better and better jobs. Better and better jobs will mean higher salaries. Higher salaries will mean enhanced tax revenues.

This small, but important, amendment deserves passage, both for the sake of these mothers and for the American taxpayer.

I believe my colleagues are willing to accept this amendment.

Mr. STAFFORD. Mr. President, the able chairman of our committee, Senator HATCH, is persuasive, as always. The program has merit. The cost makes it very cost-effective, at less than $1 million. The majority is prepared to accept the amendment.

Mr. PELL. Mr. President, this is an excellent amendment offered by the chairman of our full committee. It brings equity to the position of women, and I recommend that it be adopted.

Mr. HATCH. I thank my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1982) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1983

(Purpose: To require the acceptance of an application from Preston County Board of Education, West Virginia, for disaster assistance under section 16 of the Act of September 23, 1950)

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside so that consideration may be given to an amendment which I send to the desk.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 1983.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 431, after line 13, insert the following new title:

TITLE IV—PINPOINT DISASTER ASSISTANCE UNDER FEDERAL IMPACT AID

APPLICATION REQUIRED

SEC. 401. Notwithstanding the notice relating to applications for pinpoint disaster assistance (43 Federal Register 57194 (1978)) or any other provision of Federal law or regulation, the Secretary of Education shall accept an application from Preston County Board of Education, West Virginia, under section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) filed after the date of enactment of this Act.

On page 169, after item "Sec. 305." insert the following:

TITLE IV—PINPOINT DISASTER ASSISTANCE UNDER FEDERAL IMPACT AID

"Sec. 401. Application required.".

Mr. BYRD. Mr. President, last November, several counties, towns, and rural areas in West Virginia were devastated by floods. Twenty-nine of West Virginia's 55 counties were declared disaster areas. One county among those was Preston County.

The Rowlesburg School in Preston County was destroyed by those flood waters. County school officials have been working to acquire temporary facilities, and to replace books and equipment, and assistance has been received from the Department of Education for this purpose. Unfortunately, the 90-day time period set by Department of Education regulation for the submission of an application for disaster assistance for permanent facilities has expired. My amendment will allow Preston County schools to submit its application for disaster assistance without regard to that deadline.

There is no question but that Preston County is entitled to disaster moneys from the Department of Education nor is there any question as to the need for the replacement of the school lost. This was well-documented in November when the Federal Emergency Management Agency responded to the disaster in West Virginia. Indeed, the eligibility of Preston County schools is not questioned by the Department of Education. As a matter of fact, this amendment has the support of the Department of Education.

I urge the managers of the bill to accept the amendment.

Mr. STAFFORD. Mr. President, we are aware of the amendment. We have examined it, and, for the majority, we accept it.

Mr. PELL. Mr. President, this is an excellent amendment. What has occurred would be a catastrophe for this community if this amendment is not accepted, and I recommend that it be accepted.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment offered by the Democratic leader.

The amendment (No. 1983) was agreed to.

Mr. BYRD. Mr. President, I thank both managers.

I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1984

(Purpose: To promote the development of Native American culture and art)

Mr. DOMENICI. Mr. President, on behalf of Senator MELCHER and myself, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The Senator from New Mexico is advised that there is an amendment pending, and it would require unanimous consent to consider the amendment now offered by the Senator.

Mr. DOMENICI. I thank the Chair. I understand that this amendment is going to be acceptable to the floor managers. Therefore, I ask unanimous consent that the pending Bingaman amendment be temporarily set aside for the purpose of considering the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by the Senator from New Mexico will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself and Mr. MELCHER and Mr. BINGAMAN, proposes an amendment numbered 1984.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

TITLE —NATIVE AMERICAN CULTURE AND ART DEVELOPMENT

SEC. . This title may be cited as the "Native American Culture and Art Development Act".

FINDINGS

SEC. . The Congress finds and declares that—

(1) Native American art and culture has contributed greatly to the artistic and cultural richness of the Nation;

(2) Native American art and culture occupies a unique position in American history as being our only native art form and cultural heritage;

(3) the enhancement and preservation of this Nation's native art and culture has a fundamental influence on the American people;

(4) although the encouragement and support of Native American arts and crafts are primarily a matter for private, local, and Native American initiative, it is also an appropriate matter of concern to the Federal Government;

(5) it is appropriate and necessary for the Federal Government to support research and scholarship in Native American art and culture and to complement programs for the advancement of Native American art and culture by tribal, private, and public agencies and organizations;

(6) current Federal initiatives in the area of Native American art and culture are fragmented and inadequate; and

(7) in order to coordinate the Federal Government's effort to preserve, support, revitalize, and disseminate Native American art and culture, it is desirable to establish a national Institute of Native American Culture and Arts Development.

DEFINITIONS

SEC. . For purposes of this title—

(1) The term "Native American art and culture" includes, but is not limited to, the traditional and contemporary expressions of Native American language, history, visual and performing arts, and crafts.

(2) The term "Institute" means the Institute of Native American Culture and Arts Development established by this title.

(3) The term "Native American" means any person who is a member of an Indian tribe or is a Native Hawaiian.

(4) The term "Indian tribe" means any tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act), which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

(5) The term "Native Hawaiian" means any descendent of a person who, prior to 1778, was a native of the Hawaiian Islands.

(6) The term "Secretary" means the Secretary of the Interior.

(7) The term "Board" means the Board of Trustees established under this title.

ESTABLISHMENT OF INSTITUTE

SEC. . (a) IN GENERAL.—There is hereby established a corporation to be known as the "Institute of Native American Culture and Arts Development", which shall be under the direction and control of the Board of Trustees established under this title.

(b) SUCCESSION AND AMENDMENT OF CHARTER.—The corporation established under subsection (a) shall have succession until dissolved by Act of Congress. Only the Congress shall have the authority to revise or amend the charter of such corporation.

BOARD OF TRUSTEES

SEC. . (a) IN GENERAL.—The Board of Trustees of the Institute shall be composed of 18 members as follows:

(1) 12 individuals appointed by the President of the United States by and with the advice and consent of the Senate from among individuals from private life who are Native Americans widely recognized in the field of Native American art and culture;

(2) 3 members of the Senate appointed by the President pro tempore of the Senate, upon the recommendation of the majority leader and the minority leader of the Senate, and

(3) 3 members of the House of Representatives appointed by the Speaker of the House of Representatives, upon the recommendation of the majority leader and the minority leader of the House of Representatives.

(b) APPOINTMENTS.—In making appointments pursuant to subsection (a)(1), the President of the United States shall—

(1) consult with the Indian tribes and the various organizations of Native Americans; and

(2) give due consideration to the appointment of individuals who will provide appropriate regional and tribal representation on the Board.

(c) TERMS OF OFFICE.—

(1) The term of office of each member of the Board appointed pursuant to subsection (a)(1) shall be 6 years, except that of such members first appointed, 4 shall serve for a term of 2 years, 4 for a term of 4 years, and 4 for a term of 6 years, as designated by the President as of the time of appointment. Any member of the Board appointed pursuant to subsection (a)(1) to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of the term. No member of the Board appointed pursuant to subsection (a)(1) shall be eligible to serve in excess of 2 consecutive terms, but may continue to serve until his successor is appointed.

(2) The term of office of each Member of Congress appointed to the Board under subsection (a) shall expire at the end of the congressional term of office which such Member holds at the time of such appointment.

(d) CHAIRMAN AND VICE CHAIRMAN.—The President of the United States shall designate the initial Chairman and Vice Chairman of the Board from among the members of the Board appointed pursuant to subsection (a)(1). Such Chairman and Vice Chairman so designated shall serve for 12 calendar months. The Chairman and Vice Chairman shall thereafter be elected by the members of the Board appointed pursuant to subsection (a)(1) and shall serve for terms of 2 years. In the case of a vacancy in the office of Chairman or Vice Chairman, such vacancy shall be filled by the members of the Board appointed pursuant to subsection (a)(1) and the member filling such vacancy shall serve for the remainder of the unexpired term.

(e) CONGRESSIONAL MEMBERS.—Members of Congress appointed to the Board under subsection (a) shall not be eligible to vote on any matter considered by the Board; but such Members of Congress shall be entitled to attend any meetings of the Board and to provide advice to the Board on any matter relating to the Institute.

(f) QUORUM.—Unless otherwise provided by the bylaws of the Institute, a majority of the members of the Board appointed under subsection (a)(1) shall constitute a quorum.

(g) POWERS.—The Board is authorized—

(1) to formulate the policy of the Institute;

(2) to direct the management of the Institute; and

(3) to make such bylaws and rules as it deems necessary for the administration of its functions under this title, including the organization and procedures of the Board.

(h) COMPENSATION.—Members of the Board appointed pursuant to subsection (a)(1) shall, for each day they are engaged in the performance of the duties under this title, receive compensation at the rate of $125 per day, including traveltime. All members of the Board, while so serving away from their homes or regular places of business, shall be allowed travel expenses (including per diem in lieu of subsistence), as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

PRESIDENT; EMPLOYEES

SEC. . (a) PRESIDENT.—The Board shall appoint a President of the Institute. The President of the Institute shall serve as the chief executive officer of the Institute. Subject to the direction of the Board and the general supervision of the Chairman, the President of the Institute shall have the responsibility for carrying out the policies and functions of the Institute, and shall have authority over all personnel and activities of the Institute.

(b) COMPENSATION.—The President of the Institute shall be compensated at an annual rate not to exceed that prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

(c) STAFF.—The President of the Institute, with the approval of the Board, shall have the authority to appoint and fix the compensation and duties of such officers and employees as may be necessary for the efficient administration of the Institute. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

(d) The Institute shall be considered an agency for purposes of chapter 71 of title 5, United States Code.

(e) Employees of the Institute shall receive compensation for work injuries and illnesses in accordance with chapter 81 of title 5, United States Code.

GENERAL POWERS OF THE INSTITUTE

SEC. . In carrying out the provisions of this title, the Institute shall have the power, consistent with the provisions of this title—

(1) to adopt and alter a corporate seal, which shall be judicially noticed;

(2) to make agreements and contracts with persons, Indian tribes, and private or governmental entities and to make payments or advance payments under such

agreements or contracts without regard to section 3324 of title 31, United States Code;

(3) to sue and be sued in its corporate name and to complain and defend in any court of competent jurisdiction;

(4) to represent itself, or to contract for representation, in all judicial, legal, and other proceedings;

(5) with the approval of the agency concerned, to make use of services, facilities, and property of any board, commission, independent establishment, or executive agency or department of the executive branch in carrying out the provisions of this title and to pay for such use (such payments to be credited to the applicable appropriation that incurred the expense);

(6) to use the United States mails on the same terms and conditions as the executive departments of the United States Government;

(7) to obtain insurance or make other provisions against losses;

(8) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and to accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(9) to solicit, accept, and dispose of gifts, bequests, devises of money, securities, and other properties of whatever character, for the benefit of the Institute;

(10) to receive grants from, and enter into contracts and other arrangements with, Federal, State, or local governments, public and private agencies, organizations, and institutions, and individuals;

(11) to acquire, hold, maintain, use, operate, and dispose of such real property, including improvements thereon, personal property, equipment, and other items, as may be necessary to enable the Institute to carry out the purposes of this title;

(12) to use any funds or property received by the Institute to carry out the purposes of this title; and

(13) to exercise all other lawful powers necessarily or reasonably related to the establishment of the Institute in order to carry out the provisions of this title and the exercise of the powers, purposes, functions, duties, and authorized activities of the Institute.

FUNCTIONS OF THE INSTITUTE

SEC. . (a) IN GENERAL.—The primary functions of the Institute shall be—

(1) to provide scholarly study of, and instruction in, the arts and culture of Native Americans, and

(2) to establish programs which culminate in the awarding of degrees in the various fields of Native American art and culture.

(b) SPECIAL CENTERS.—There shall be established within the Institute—

(1) a Center for Culture and Art Studies to be administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include, but not be limited to, Departments of Arts and Sciences, Visual Arts, Performing Arts, Language, Literature, and Museology; and

(2) a Center for Research and Culture Exchange, administered by a director (appointed by the Board), which shall include—

(A) a museum of Native American arts,

(B) a learning resources center,

(C) programs of institutional support and development,

(D) research programs,

(E) fellowship programs,

(F) seminars,

(G) publications,

(H) scholar-in-residence and artist-in-residence programs, and

(I) inter-institutional programs of cooperation at national and international levels.

(c) OTHER FUNCTIONS.—In addition to the centers and programs described in subsection (b), the Institute shall develop such programs and centers as the Board determines are necessary to—

(1) foster research and scholarship in Native American art and culture through—

(A) resident programs,

(B) cooperative programs, and

(C) grant programs;

(2) complement existing tribal programs for the advancement of Native American art and culture; and

(3) coordinate efforts to preserve, support, revitalize and develop evolving forms of Native American art and culture.

NATIVE AMERICAN PREFERENCE

SEC. . Notwithstanding any other provision of Federal or State law, the Institute is authorized to extend a perference to Native Americans in—

(1) admissions to, and enrollment in, programs conducted by the Institute,

(2) employment by the Institute, and

(3) contracts, fellowships, and grants awarded by the Institute.

NONPROFIT AND NONPOLITICAL NATURE OF THE INSTITUTE

SEC. . (a) STOCK.—The Institute shall have no power to issue any shares of stock or to declare or pay any dividends.

(b) NONPROFIT NATURE.—No part of the income or assets of the Institute shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(c) NONPOLITICAL NATURE.—The Institute may not contribute to, or otherwise support, any political party or candidate for elective public office.

TAX STATUS

SEC. . The Institute and the franchise, capital, reserves, income, and property of the Institute shall be exempt from all taxation now or hereafter impose by the United States, or by any State, county, municipality, Indian tribe, or local taxing authority.

TRANSFER OF FUNCTIONS

SEC. . (a) IN GENERAL.—There are hereby transferred to the Institute, and the Institute shall perform, the functions of the Institute of American Indian Arts established by the Secretary of the Interior in 1962.

(b) PERSONNEL, PROPERTY, AND LIABILITIES.

(1) All personnel, liabilities, contracts, personal property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of subsection (a) shall be transferred to the Institute.

(2) Personnel engaged in functions transferred by subsection (a) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions, except that such transfer shall be without reduction in classification or compensation for one year after such transfer.

(c) REFERENCES IN OTHER LAWS.—All laws and regulations relating to the Institute of American Indian Arts established by the Secretary in 1962 shall, insofar as such laws and regulations are appropriate, and not inconsistent with the provisions of this Title, remain in full force and effect and apply with respect to the Institute. All references in any other Federal law to the Institute of American Indian Arts, or any officer transferred to the Institute under subsection (b), shall be deemed to refer to the Institute or an officer of the Institute.

ANNUAL REPORT

SEC. . The President of the Institute shall submit an annual report to the Congress and to the Board concerning the status of the Institute during the 12 calendar months preceding the date of the report. Such report shall include, among other matters, a detailed statement of all private and public funds, gifts, and other items of a monetary value received by the Institute during such 12-month period and the disposition thereof as well as any recommendations for improving the Institute.

HEADQUARTERS

SEC. . The site of the Institute of American Indian Arts, at Santa Fe, New Mexico, shall be maintained as the location for the Institute of Native American Culture and Arts Development. To facilitate this action and the continuity of programs being provided at the Institute of Amercian Indian Arts, the Secretary is authorized to enter into negotiations with State and local governments for such exchanges or transfers of lands and such other assistance as may be required.

COMPLIANCE WITH OTHER ACTS

SEC. . (a) IN GENERAL.—The Institute shall comply with the provisions of—

(1) Public Law 95-341 (42 U.S.C. 1996), popularly known as the American Indian Religious Freedom Act,

(2) the Archeological Resources Protection Act of 1979 (16 U.S.C. 470aa, et seq.), and

(3) the National Historic Preservation Act (16 U.S.C. 470, et seq.).

(b) CRIMINAL LAWS.—All Federal criminal laws relating to larceny, embezzlement, or conversion of the funds or property of the United States shall apply to the funds and property of the Institute.

AUTHORIZATION

SEC. . There are authorized to be appropriated to carry out the purposes of this title—

(1) for the fiscal year beginning October 1, 1986, the sum of $4,000,000, and

(2) for each fiscal year thereafter, $4,000,000, to carry out such purposes.

Mr. DOMENICI. Mr. President, let me just state a few historic facts about this bill.

When the distinguished Senator from Montana [Mr. MELCHER] was chairman of the Indian Affairs Committee of the Senate some 7 years ago, he came to my State to conduct a formal hearing because a rather famous institute, the Institute of American Indian Art, founded by Executive order under President Kennedy and his then Secretary of the Interior, was having some very serious problems. There were some serious concerns about the institute's ability to continue its very vital work in Indian education and the promotion of Indian arts and culture.

As a result of that hearing in April 1980, the distinguished Senator from Montana and the Senator from New

Mexico, joined by a number of other Senators, have worked to perfect this bill, which we now offer as an amendment. It has been reported by the Indian Affairs Committee of the Senate. I would not take the time of the Senate to offer it on higher education bill, except for the fact that the House of Representatives has passed a similar bill, modeled after ours, but insufficient in several respects.

Therefore, we thought that the managers ought to take a Senate-pased bill to conference. We passed something very similar to this bill twice before in 1982, and in 1984, and then found that the House of Representatives failed to consider it.

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So we are basically offering the Senate version, which has been passed before, as an amendment.

I have a very lengthy statement that explains its history and what this bill will accomplish. In summary, we are going to give the Indian Arts Institute a new national charter. It will go governed by a board of 18 trustees and it will be able, therefore, to solicit contributions from Americans who are interested in the preservation of Indian arts and culture. At the same time it will become rather autonomous from the Federal bureaucracy under this new charter, but will continue to receive its basic Federal funding. It now receives funding from the Bureau of Indian Affairs to maintain and operate the Institute of American Indian Arts in Santa Fe, NM, which is the focal point in the United States for contemporary Indian art and Indian culture.

In order to accomplish the purposes as we describe them, we have to authorize the charter of this new institute, state its goals and principles, and then provide for the fact that it will be governed by the 18-member board which we provide be appointed in the following manner: 12 by the President of the United States, and 3 by the House and 3 by the Senate of the U.S. Congress. It will in that respect be autonomous and will not be subject to the line item approach and line item management of the Bureau of Indian Affairs. And, while they try hard, we do not think the Bureau's system is a very good mechanism for managing and directing the affairs of a national institute of this type.

We have a letter that is from the Board of Trustees of the Institute of American Indian Arts. This board is advisory but very involved and very knowledgeable. They indicate to me and to my cosponsor, Senator MELCHER, who took the lead some 6 years ago as chairman of the Indian Committee, that our new charter is needed. They have reviewed this bill and they favor it over the House version in its entirety, and they urge that we adopt it not only in the Senate but in conference.

I. INTRODUCTION

Mr. President, before I explain this amendment, I would like to offer a special note of gratitude to Senator JOHN MELCHER, ranking member of the Senate Select Committee on Indian Affairs. When Senator MELCHER was chairman of this committee, he held hearings in Santa Fe, NM. This was in April 1980. Since that time, he has helped lead the way for enactment of our bill in 1982 and 1984, the 2 years that the full Senate passed this legislation. He and I have been cosponsors of this initiative since 1980, and without his enthusiastic involvement, the history of Senate support could be quite different.

Senator MARK ANDREWS, chairman of the Senate Select Committee on Indian Affairs, also deserves special recognition and gratitude. He has solidly supported our efforts to improve the way Indian art and culture is taught and researched. Other Senators who have cosponsored this bill in its various incarnations and whose efforts I would also applaud are Senators GOLDWATER, INOUYE, BURDICK, HATFIELD, MATSUNAGA, BAUCUS, DECONCINI, COCHRAN, KENNEDY, and BINGAMAN.

Our amendment today is a fairly simple one. We are creating a new Federal charter for the Institute of American Indian Art in Santa Fe, NM. This charter has been passed twice by the Senate, as I noted earlier, once in 1982 and again in 1984. The House did not act in either of those years on our bill. This year, however, the House of Representatives has passed a modified version of the new charter we have shaped since 1980. The House bill was passed as an amendment to the House Higher Education Act. Today, we are asking to include the Senate version of a new charter for Indian arts and culture as an amendment to the Senate Higher Education Amendments of 1985, S. 1965.

Unfortunately, the House-passed version is in need of several changes to meet the goals we have established over the years for the improvement of this institution. Our primary goal is to give the Institute of American Indian Arts a new lease on life in three basic steps. First, we give it a new charter, similar to the one that establishes the Smithsonian Institution. Second, we organize the fragmented parts of current Government programs into a more cohesive and easily identifiable institution. And, third, we free the decisionmaking operations from Government control.

II. BACKGROUND

Current Federal control of the Institute of American Indians Arts in Santa Fe, NM, inhibits private gifts and donations. This problem is due to the perception that any gift to the school in Santa Fe will be ultimately controlled by officials in Washington, DC.

To remedy this situation and to inject new life and potential into this widely recognized school of American Indian Art, we have designed a federally chartered institute with a broader, more cohesive mandate and a freer hand. In the spirit of Indian self determination, we are giving more freedom to native Americans to guide their own institution for the teaching and preservation of native American art and culture.

Our bill establishes a board of trustees with 18 members, 12 of whom must be native Americans, appointed by the President of the United States. The other six are appointed by the Senate and House leadership—three members each. We believe that Presidential rather than secretarial appointments will go a long way to establishing the independence we seek.

Our bill, today's amendment, clarifies the Federal role in the preservation and stimulation of Indian art and culture. We replace the current fragmented system with a clear purpose and direction. The current institute has no legislative mandate as it was created by the Secretary of the Interior in 1962. Our bill transfers the functions of the Institute of American Indian Art to the newly chartered Institute of Native American Culture and Art Development. In addition to this transfer, the new corporation will also run a center for culture and art studies and a center for research and cultural exchange.

Our new organization and mandate send a signal to potential donors that their gifts and donations will not fall under the deadly control of bureaucracy. We tell potential teachers and students that their school can become what they make it, not what is determined for them by the Bureau of Indian Affairs. Yet, we do not remove the essential Federal support enjoyed by this one-of-a-kind institution. We are continuing the past levels of Federal support to this unique effort to preserve and encourage high quality expressions of native American art and culture. We also require that Santa Fe, NM, shall continue to be the home of this unique Indian institute.

This legislation is vital to the future development of a national effort to promote Indian art education and scholarship in a manner that can attract private support and tap the special talents of the Indian people of this Nation. With the continued support of the Federal Government and a newly invigorated Indian institute, our Federal investment will see many improved returns. Education in native American art and culture will be improved, private contributions can be increased, scholarship will have a

more free hand, and the story of Indian culture will be available to more Americans in a higher quality environment.

III. THE INSTITUTE OF AMERICAN INDIAN ART [IAIA]

As I mentioned earlier, the IAIA was established by the Secretary of the Interior in the Kennedy administration in 1962, and it was placed in the Bureau of Indian Affairs. The Institute of American Indian Arts was established in Santa Fe, NM, where it has continued to train and foster many well-known Indian artists such as T.C. Cannon, Doug Hyde, Karita Coffey, Randy Lee White, and Earl Biss. It is interesting to note that NASA recently invited Dan Namingha, a Hopi Indian and an IAIA alumni, to witness a space launch and paint his perception of the event.

In the past 3 years, the average student population at IAIA was about 225, with 180 full-time and 45 part-time students. There is dormitory space for 160 students. The remainder commute or live in Santa Fe. This year's class represents over 90 tribes from all parts of this country. The largest tribe represented at the school is the Navajo Tribe. Next in number are the Pueblo Indians of New Mexico, followed by the Oneida, the Onandaga, and the Sioux Indians. The average number of graduates in each of the past 3 years has been 58.

While the faculty size has been reduced since 1983 from 30 full-time teachers to 18 full-time teachers and 9 temporary ones, the quality of education has remained high. The North Central Association of Colleges and Schools accredited the institute in 1984, and recognition by the National Schools of Art and Design as an accredited institution is expected in 1986. In 1979, Unesco cited the institution as one of seven leading institutions in cultural education in the world, the only U.S. program so cited that year.

The fiscal year 1986 budget for operations and maintenance totalled $726,000. The education program budget totalled $1,575,000. The total fiscal year 1986 budget is about $2.3 million. Our bill, which includes additional functions, authorizes $4 million for fiscal year 1987 and each fiscal year thereafter.

IAIA currently holds the most important collection of contemporary American Indian art in the world. Over 8,000 pieces, mostly paintings and sculpture, are in the collection. IAIA performing arts groups have appeared at the White House, Kennedy Center for the Performing Arts, and the 1968 Olympics.

All functions of the Institute of American Indian Arts [IAIA] in Santa Fe, NM, would be transferred to the newly established Institute for Native American Culture and Arts Development [INACAD] with the location being maintained in Santa Fe, NM. The basic IAIA functions of instruction, degrees, and scholarly study of the art and culture of native Americans would continue in INACAD.

IV. FUNCTIONS OF THE INSTITUTE FOR NATIVE AMERICAN CULTURE AND ARTS DEVELOPMENT [INACAD]

In addition to the functions of the Institute of American Indian Art described above, the new Institute for Native American Culture and Arts Development would establish a center for culture and art studies and a center for research and cultural exchange.

The center for cultural and art studies will include departments of arts and sciences, visual arts, performing arts, language, literature, and museology. The center for research and cultural exchange will include a museum of native American arts, a learning resources center, fellowship programs, publications, and interinstitutional programs of cooperation at national and international levels.

The Institute for Native American Culture and Arts Development will also develop programs to foster research and scholarship in native American art and culture and programs to complement existing tribal programs for the advancement of native American art and culture. INACAD will also be charged with the coordination of efforts to preserve, support, revitalize, and develop evolving forms of Native American art and culture.

V. GENERAL POWERS OF THE INSTITUTE

By creating a board of trustees for the Institute of Native American Culture and Arts Development, we will be removing the decisionmaking processes from the U.S. Department of Interior's Bureau of Indian Affairs. The board of trustees will guide the future development of the institute and, like the Smithsonian Institution, be much more free to solicit and accept gifts and properties for the benefit of the institue. In its quasi governmental status, the new institute will be a more attractive investment for those parties who are now reluctant to give to a Government-run Indian school of art and culture.

These new freedoms and responsibilities are created in our bill which charters the Institute of Native American Culture and Arts Development. It is this promise of greater autonomy and Indian leadership which will attract many private donors—some of whom are already known to the current directors of the Institute of American Indian Arts in Santa Fe.

Our bill opens the doors for donors and improves the fragmented system of teaching, researching, and cataloguing native American art. At the same time, we make no infringement on the rights and privileges of individual tribes to continue to teach culture and art in traditional ways. Those who want to enroll may do so. Those who want to share their native rituals and arts may do so. Our hope is simply to provide a high quality institution to better encourage knowledge and innovations in native American art and culture.

VI. DIFFERENCES WITH HOUSE BILL

In addition to the altered structure and appointment mechanism in the board of trustees as I have previously discussed, there are several other differences important to the proper functioning of the Institute of Native American Culture and Art Development [INACAD]. Perhaps the most important oversight in the House bill is the tax exempt status. We include it, the House does not. We require the institute to comply with the American Indian Religious Freedom Act, the Archeological Resources Protection Act, the National Historic Preservation Act, and Federal criminal laws relating to the use or misuse of institute funds. The House bill does not contain these requirements.

A major concern in Santa Fe is the House provision that transfers the current museum and its contents from the Santa Fe Indian School to the institute. Our amendment leaves the museum building as the property of the Santa Fe Indian School and maintains the ownership of the very valuable contents with the institute. A study is currently under way to determine the best site and design of a new museum. Hopefully, we will give enough new life to the institute to stimulate and attract private funding sources for a museum of native American arts. The existing building is not an adequate museum and is best left to its previous owners at the Santa Fe Indian School. Our amendment does so.

Our bill also solves many personnel and compensation issues raised by current employees of the IAIA and other interested parties. We provide for Indian preference in admissions, enrollment, employment, and contracts.

In summary, the board structure, tax status, museum issue, personnel, and Indian preference issues are all vital to the basic design of a successful federally chartered corporation to promote and protect one of our Nation's most precious resources—the art and culture of the first Americans.

Mr. President, I ask unanimous consent that the letter from the board of trustees be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF TRUSTEES, INSTITUTE OF AMERICAN INDIAN ARTS, COLLEGE OF SANTA FE CAMPUS,

Santa Fe, NM, April 8, 1986.

Hon. PETE V. DOMENICI,
U.S. Senate,
Washington, D.C.

DEAR HONORABLE DOMENICI: I am pleased to write to you on behalf of the Board of Trustees of the Institute of American Indian Arts. As part of our briefings, we have learned to the early initiatives that you undertook for the Institute. We want you to know how much we appreciate those efforts.

The passage of S. 2726, and more recently S. 1622, calling for the establishment of a national Institute of American Indian Arts and Culture is a critical phase in the stabilization of the Institute. Most importantly, these actions permit time to prepare for a future program in an orderly fashion. We are pleased to have an opportunity in supporting your legislation and assisting in the transition toward the new national institution.

We support your position on the establishment of a free-standing, federally chartered institution with the appropriate means to administer a school such as the Institute of American Indian Arts. Appropriate governance is the key issue in this matter. Without the authority, and concomitant responsibility, at the local level, the initiatives, creativity, and flexibility necessary to the full development of a premiere program is not possible.

We also agree with the provisions of your legislation that facilitates utilization of funds and other assistance from the private sector. This provision has a particular appeal to individuals and foundations with whom we are in contact. There is greater assurance that any contribution to the Institute, given the local authorities of the administration and trustees, will be sound investments in the future of the school. We have anticipated that opportunity by forming the Development Foundation for the Institute of American Indian Arts. Pro bono service has been provided by a local law firm and should be concluded soon. This assistance demonstrates in one small way the commitment of the Santa Fe community to the Institute and the principles of your bill.

The Trustees of the Institute are prepared to secure support for the legislation with the help of our many alumni, art education associates, and tribal leadership. We will also contact our congressional delegations and ask that they give you and your cosponsors every assistance in moving the final legislation to passage.

It is also gratifying to see the response to your efforts by Mr. Bill Richardson and his colleagues in the House of Representatives with the introduction of HR 3700.

While we unamimously endorse the principles of both bills, our preliminary review of the bills would indicate a preference for your bill in those sections dealing with the appointive authority for the trustees and the number of congressional representatives on the trustees.

The Board is convinced that the future of the institute lies in its creditability as a world class institution. It must have strong and responsive representation from the Congress, the Indian community and colleague institutions in the arts and culture. The Senate bill provides such assurances.

We look forward to working with you and others in the Congress for the passage of the legislation. With it, a new era is certain for the Institute. You can take great pride in making it possible for another generation of talented American Indian youth to fulfill their potential, a potential as rich in the leadership it brings as it is in the contribution to America's cultural life.

Sincerely,

JOSEPH H. SAHMAUNT,
Vice-President,
I.A.I.A. Board of Trustees.

Mr. MELCHER. Mr. President, is the Senator finished?

Mr. DOMENICI. I am finished and I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, the Senator from New Mexico, my good friend, Senator DOMENICI, has correctly outlined the history of this bill, S. 1622.

The Indian Art and Culture Development Act has passed the Senate before and is offered now as an amendment to the higher education bill. If it is accepted it will pass the Senate for the third time.

The Senator from New Mexico and I have for the past 7 years sponsored and spearheaded the effort to make sure that American Indian culture and art will be more readily recognized, and will be more easily understood by the people of America through the provisions that are carried in this bill.

Mr. President, the oldest culture in the United States, of course, is the native American culture. The oldest heritage in the United States is the native American heritiage. The oldest art forms in the United States are native American art forms.

To the extent that we are all Americans, we should all understand Indian art, Indian culture, and Indian heritage.

This bill seeks to give national prominence and national recognition to that goal.

We have had only a haphazard, scattered method of preserving Indian art, heritage, and culture.

We seek through this amendment, which incorporates the text of S. 1622, a bill that was reported this year by the Select Committee on Indian Affairs, to make sure that all Americans will share in the preservation of the Indian arts and culture.

Mr. President, on September 11, 1985, I introduced S. 1622, a bill for the preservation and development of Native American Art and Culture. This bill was referred to the Select Committee on Indian Affairs which favorably reported the bill on May 29, 1986. Senators DOMENICI, ANDREWS, GOLDWATER, INOUYE, BRADLEY, SIMON, COCHRAN, DECONCINI, and MATSUNAGA cosponsored the bill. Senator DOMENICI has been particularly helpful in working with the various groups and individuals with a strong interest in this legislation.

Today, Senator DOMENICI and I are offering S. 1622 as an amendment to S. 1965, the Higher Education Act. S. 1622 represents the culmination of long and intensive work. The Senate has twice passed similar legislation but, unfortunately, the House was never able to complete action on the measure. This year, the House companion higher education bill, H.R. 3700, includes the Native American Culture and Art Development Act that is very similar to the amendment I am offering. The opportunity for final enactment is thus very favorable and I hope the Senate will again pass the measure.

This legislation will provide Federal support for Indian art and culture. While the artistic and cultural heritage of the United States has had numerous influences, the only genuinely Native heritage derives from the Indian people. Unfortunately, without impetus from the Federal Government, there is a clear danger not only that much of our existing Indian art and culture will be lost to future generations but continuing artistic expression will be stymied.

The unique aspects of American Indian art and culture must be preserved and fostered by a sensitive and concerned approach both to the historical and ongoing contributions of Native Americans. Current Federal initiatives in this area are fragmented and inadequate.

This bill would establish an Institute of Native American Culture and Arts Development directed by a board of trustees, a majority of which will be Indians. The primary functions of the Institute will be to provide the scholarly study of, and instruction in, the arts and culture of native Americans and to establish programs which culminate in the awarding of degrees in various fields of native American art and culture.

It is important to note that the Institute's programs would be designed to complement existing tribal programs for the advancement of native American art and culture. The Institute would play a crucial role in coordinating efforts to preserve, support, revitalize, and develop evolving forms of native American art and culture.

The Institute will have authority to create a Center for Culture and Art Studies and a Center for Research and Cultural Exchange and will incorporate the functions of the existing Institute of American Indian Arts.

The establishment of an Institute encompassing the art and culture of Indian people is not a new concept but, I believe, it is one whose time has come. The Senate Special Subcommittee on Indian Education in its 1969 report, "Indian Education: A National Tragedy—A National Challenge," recommended the creation of such an Institute and emphasized that

The information such as an Institute could disseminate, as well as the research which it would conduct, would greatly increase public knowledge and understanding

of the American Indian (Senate Report 91-501, p. 126).

Sixteen years have passed since the Senate received that recommendation. I believe this measure is long overdue and I ask for its adoption.

Mr. President, I ask unanimous consent that the report accompanying S. 1622, which is a rather short report, be printed in the RECORD.

The PRESIDING OFFICER. The Chair will advise the Senator from Montana it is not in order to put the entire report in the RECORD but excerpts from the report desired by the Senator from Montana can be printed in the RECORD.

Mr. MELCHER. I thank the Chair and we will excerpt the report and identify it as excerpts from the report accompanying S. 1622.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROMOTING THE DEVELOPMENT OF NATIVE AMERICAN ART AND CULTURE

The Select Committee on Indian Affairs, to which was referred the bill (S. 1622) to promote the development of Native American culture and art, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill (as amended) do pass.

The amendment is an amendment in the nature of a substitute.

PURPOSE

The purpose of the bill is to create a National Institute of Native American Culture and Arts Development by removing the existing Institute of American Indian Arts from the administration of the Bureau of Indian Affairs and placing it under the governance of an autonomous Board of Directors. The new Institute will have the status of an independent agency and will be tax exempt. The goal of the legislation is to create an institutional structure that will more effectively foster, promote and support the development of Native American Art and Culture.

BACKGROUND

This legislation was arrived at as a possible solution to the problems which beset the Institute of American Indian Arts in Santa Fe, New Mexico. It is the only national junior college offering an education to all tribes in the field of culture and art of the Native American. It was established in 1962, at the site of an industrial vocational school which was originally established for "Pueblo and other Indians" in 1890.

An audit conducted in June of 1979 by the Inspector General of the Department of the Interior reported that the Institute was severely underutilized. The enrollment was down to 140 from a high of 320 in 1976-77 and the cost per pupil was $13,096—almost double the comparable figures for the BIA's other post secondary schools.

On March 1, 1979, the All Indian Pueblo Council entered the picture when it applied to contract with the BIA for operation of the Institute's campus. The All Indian Pueblo Council intended to use the facilities to house its Albuquerque Indian School, due to the fact that many of the buildings on that campus were condemned. The All Indian Pueblo Council believed that the school was established in 1890 for Pueblos and should return to its original purpose. The Pueblo Council was denied the contract because of a provision in the Indian Self-Determination Act which precluded the BIA's consideration of the contract application without the approval of each tribe served by the Institute of American Indian Arts.

The BIA, under the direction of Assistant Secretary Forrest Gerard, was sensitive to the needs of the Pueblo students. On July 11, 1979, Gerard issued a statement that grades 10 through 12 of the Albuquerque Indian School would be transferred to Santa Fe to share the campus with the Institute students. At the same time, he announced that he would appoint a review team to study the future of the Institute of American Indian Arts. This was facilitated with the support of the New Mexico Congressional delegation. The BIA reported that it was considering transferring the functions of the Institute of American Indian Arts to Haskell Junior College in Kansas, so that the Pueblo Council would eventually have access to the entire Institute campus.

By this time, many groups of Indians and non-Indians nationwide, became increasingly aware that the fate of the Institute of American Indian Arts might be decided quickly and not in the best interests of the Institute itself. Congressman Sidney Yates chaired a House Interior Appropriations Subcommittee hearing on the status of the Institute on September 6, 1979, at which time support for the continued existence of the Institute at Santa Fe was voiced from a wide range of witnesses. Yates was wary of the BIA's commitment to the Institute and its ability to provide a quality education for the students.

During 1979-80 and 1980-81 schools years, the facility in Santa Fe was shared by the 10th, 11th and 12th grade Pueblo students and the Arts students.

Shortly after the election in November, 1980, the Pueblo leadership made a concerted effort to convince the Reagan Interior Department transition team and later Secretary Watt to transfer the entire IAIA facility to the Pueblos for use as a high school including grades 7 through 12.

Finally, on June 24, 1981, the Pueblos were successful and Secretary Watt announced that the Institute of American Indian Art would be moved for the 1981-82 school year to the nearby campus of the College of Santa Fe. Secretary Watt approved a 1 year contract with the College of Santa Fe to allow IAIA to use the college facilities. This is, according to an Interior Department news release, a short-term solution. The "long-term future of the school" will be decided after "seeking advice of knowledgeable artists, education administrators, tribal leaders and others."

In the intervening years since 1981, the BIA's administration of the school has continued to decline and public support for legislation designed to improve and expand the ability of the Institute to foster and promote the development of Indian art and culture has increased. Present staff at the Institute have grown increasingly frustrated with the administration of the school by the BIA; the student body strongly supports S. 1622; numerous tribal leaders and members as well as members of the National Indian Art community have contacted the Senate Select Committee on Indian Affairs and individual sponsors to urge passage of this legislation.

A critical element of S. 1622, as far as the school administration is concerned, is the provision which establishes an independent Board of Directors to govern the school. This meets standard postsecondary educational requirements for appropriate governance which will help the Institute gain full fledged acceptance and recognition within the overall higher education community. S. 1622 also incorporates a tax exempt provision which will make it possible for the new Institute to seek and accept charitable gifts and donations as a means of strengthening the Institute's budget.

LEGISLATIVE HISTORY

The concept addressed in S. 1622 was first proposed in 1969 by the Senate Special Subcommittee on Indian Education. Similar versions of this bill (S. 792 and S. 2166) were passed by the Senate in the 96th and 97th Congress; however, until this session, the House has not acted on a companion bill.

Senator Melcher introduced S. 1622 on September 11, 1985 and it is cosponsored by Senators Domenici, Andrews, Goldwater, Inouye, Matsunaga, Bradley, Simon, Cochran, and DeConcini.

The House Education and Labor Committee included a similar version of S. 1622 as an amendment to H.R. 3700, the Higher Education Act which passed the House on December 4, 1985.

COMMITTEE RECOMMENDATIONS AND TABULATION OF VOTE

The Select Committee on Indian Affairs, in open business session on May 14, 1986, by a unanimous vote of a quorum present, recommends that the Senate pass S. 1622, with an amendment in the nature of a substitute.

COMMITTEE AMENDMENTS

The Committee recommends an amendment in the nature of a substitute.

SECTION-BY-SECTION ANALYSIS

S. 1622 as amended by an amendment in the nature of a substitute:

SEC. 1, is the enabling clause which entitles the Act as the "Native American Culture and Art Development Act."

SEC. 2, describes the importance of Native American art and culture and states that the Federal government desires to establish a National Institute of Native American Art in order to preserve, support revitalize and disseminate Native American art and culture.

SEC. 3, provides definitions of the terms, Native American Art and Culture, Institute, Native American, Native Hawaiian, Indian Tribe, Secretary, and Board.

SEC. 4, establishes a corporation for the Institute, chartered by Congress and subject to change only with Congressional approval.

SEC. 5, establishes a Board of Trustees for the Institute, and describes its composition, appointment and authorities for the administration of the Institute.

SEC. 6, enumerates the duties of the President and employees.

SEC. 7, enumerates the powers of the Institute as provided by the Statute including adopting a corporate seal; to enter into agreements and contracts; to sue and be sued and enter into other court proceedings; to utilize and pay for services, property and facilities of executive branch; to use the U.S. mails; to obtain insurance; to obtain experts and consultants; to solicit gifts and contributions; to receive grants; to acquire and hold real estate for purposes of the Institute; and generally to carry out the provisions of the Institute.

SEC. 8, enumerates the primary functions of the Institute as follows: to provide instruction; to award degrees; to establish special centers (Culture and Art Studies, Re-

search and Cultural Exchange and Inter-institutional cooperation); to foster research and scholarships; to complement tribal programs; and general coordination.

SEC. 9, authorizes the Institute to extend Indian preference in areas of admissions, employment, contracts and grants.

SEC. 10, prohibits the issuance of stock or payment of dividends and establishes nonpolitical nature of the Institute.

SEC. 11, establishes the tax exempt status of the Institute.

SEC. 12, transfers all personnel, property and liabilities to the Institute from the Bureau of Indian Affairs.

SEC. 13, requires the Institute to submit an annual report to Congress.

SEC. 14, maintains the site of the Institute at Santa Fe, New Mexico and authorizes the Secretary to enter into negotiations with appropriate parties to make this possible.

SEC. 15, requires the Institute to comply with applicable public laws.

SEC. 16, authorizes $4,000,000 to carry out the law in 1987 and such sums as necessary thereafter.

COST AND BUDGET CONSIDERATIONS

The cost estimate for S. 1622, as amended, as provided by the Congressional Budget Office, is set forth below:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 21, 1986.

Hon. MARK ANDREWS,
Chairman, Select Committee on Indian Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN. The Congressional Budget Office has prepared the attached cost estimate for S. 1622, the Native American Culture and Art Development Act, as ordered reported by the Senate Select Committee on Indian Affairs on May 13, 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

MAY 21, 1986.

1. Bill number: S. 1622.

2. Bill title: The Native American Culture and Art Development Act.

3. Bill status: As ordered reported by the Senate Select Committee on Indian Affairs, May 13, 1986.

4. Bill purpose: To establish a national Institute of Native American Culture and Arts Development.

5. Estimated cost to the Federal Government:

[In millions of dollars]

	By fiscal years				
	1987	1988	1989	1990	1991
Institute of Native American Culture and Arts Development:					
Estimated authorization level	4	4	4	5	5
Estimated outlays	2	4	4	5	5

Basis of estimate

This bill authorizes funds for the Institute of Native American Culture and Arts Development (currently the Institute of American Indian Arts under the direction of the Bureau of Indian Affairs), and confers upon it agency status.

The 1987 authorization level for the institute is stated in the bill. The outyear estimates reflect this level adjusted for inflation.

Outlay estimates were made assuming full appropriation of estimated authorization levels. Outlays reflect the current spending pattern of Indian education programs.

6. Estimated cost to State and local government: The Congressional Budget Office has determined that the budgets of state and local governments would not be affected directly by the enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Ken Pott.

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

EXECUTIVE COMMUNICATIONS

The Committee had not received a report from the Administration on S. 1622 at the time this bill report was prepared.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. MELCHER. Yes; I am delighted to yield to my friend from Illinois.

Mr. SIMON. I simply want to join him and our colleague from New Mexico supporting this, and add one of these days we are going to have to support the tribally controlled colleges more adequately.

One of the really weak reeds in the higher education system in this Nation unfortunately are the tribally controlled colleges.

I strongly support this amendment.

Mr. MELCHER. I thank my friend from Illinois.

Mr. DOLE. Mr. President, we are going to have to extend the time 5 additional minutes. I need 4 minutes of this time. So I ask unanimous consent we extend to 12:20 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

Mr. DOMENICI. I ask unanimous consent that the junior Senator from New Mexico, Senator BINGAMAN, be added as original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank Senators GOLDWATER, INOUYE, BURDICK, HATFIELD, MATSUNAGA, BAUCUS, DECONCINI, COCHRAN, KENNEDY, and BINGAMAN, for the work they did in getting this bill into final form.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, do I understand that the Domenici amendment is the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. STAFFORD. For the majority, we are prepared to accept it and I yield for comment from the minority.

Mr. PELL. In view of the fact this bill passed twice the Senate before, we in the minority are glad to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1984) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction out routine morning business not to extend beyond 12:20 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

TESTIMONY OF SENATE EMPLOYEE IN OFFICE DEMONSTRATION PROSECUTION

Mr. DOLE. Mr. President, on behalf of myself and the distinguished minority leader, Mr. BYRD, I send to the desk a resolution from the Senate Legal Counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 418) to direct the Senate Legal Counsel to represent Lynn M. Collins in the case of *City of Madison* v. *Carol A. Arness.*

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the circuit court in Dane County, WI, is hearing a criminal prosecution stemming from a demonstration in Senator PROXMIRE's Madison office on March 17, 1986. The demonstrators, who were expressing concerns about issues relating to nuclear testing, had been invited to return to the office the next day but were asked to leave at the office's regular closing time.

The arrests, and the subsequent trespass prosecution, followed from the refusal of the demonstrators to leave when the office closed for the day. The city attorney of Madison has issued a subpoena to Lynn M. Collins, a Senate employee who serves as Senator PROXMIRE's home secretary in Madison and is in charge of the Madison office.

This resolution would authorize the testimony of Lynn M. Collins in these and related proceedings. Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 418) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 418

Whereas, in the case of *City of Madison* v. *Carol A. Arness*, Court Case No. 86 FO 169, pending in the Circuit Court, Branch 2 of Dane County, Wisconsin, the City Attorney has isued a subpoena for the testimony of Lynn M. Collins, Home Secretary of the Madison, Wisconsin office of Senator Proxmire;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that the testimony of an employee of the Senate concerning information acquired in the course of his official duties and that documents, papers and records under the control or in the possession of the Senate are needful for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistent with the privileges and rights of the Senate:

Resolved, That Lynn M. Collins is authorized to testify in the case of *City of Madison* v. *Carol A. Arness*, Court Case No. 86 FO 169, and in any related proceedings, except concerning matters which are privileged.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WELCOME BACK, SENATOR PAULA HAWKINS

Mr. DOLE. Mr. President, I want to take just one moment to welcome Senator PAULA HAWKINS back home to the U.S. Senate.

Senator HAWKINS has recently been undergoing intensive medical treatment for chronic back pain. Even though she was away from Washington, she never forgot her Senate responsibilities or her constituents. Her staff and her colleagues, many of whom read statements from Senator HAWKINS on the floor of the Senate, tried to help fill the void.

But it is Senator HAWKINS own indomitable spirit, her commitment to the citizens of Florida and of this country, that showed us all how one determined woman can overcome great obstacles to do the job she was elected to do.

Mr. President, I must say it is a great comfort to have one more Republican vote again. But much more important, it is good to know that we will have the wise, compassionate presence of Senator HAWKINS once more in the Senate. It is where she belongs.

Even more importantly, her presence is another indication of her spunk and her attitude and her willingness to push ahead. She has, I think, an endless supply of stamina and courage. I think her spirit and her representation of the State of Florida is outstanding, and the example she sets for all Americans who have periods of pain and distress and disability will live on and on and on.

Mr. President, I do want to extend my welcome to Senator HAWKINS.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12:20 having arrived, the Senate will now stand in recess until the hour of 2 p.m.

The Senate, at 12:20 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MURKOWSKI).

□ 1400

HIGHER EDUCATION AMENDMENTS OF 1986

The Senate continued with the consideration of S. 1965.

AMENDMENT NO. 1981

Mr. BINGAMAN. Mr. President, I will continue with a description of the amendment I have sent to the desk, which is the pending business. For my colleagues, I will briefly review the points I made prior to the lunch break, because I know some of them were not able to hear my remarks.

First, I want to point out that in many respects I think the bill is a step in the right direction, and I commend the floor managers and the chairman of the subcommittee and the ranking minority member of the subcommittee for their excellent work.

Title V, however, of this higher education bill, I believe, is unfortunately neglected. What I have offered is an amendment to try to deal with the problem, which is both a coming shortage of teachers and a problem of how to attract and retain good people in the teaching profession.

The proposal I am offering today would establish a Future Teacher Training Corps Fellowship Act. This would be a graduate fellowship program designed to attract outstanding individuals, both undergraduates and mid-career persons, to careers in teaching.

Recent education reports recommend the elimination of undergraduate degrees in education and urge that prospective teachers major in academic disciplines when they are undergraduates.

Under this proposal, students would receive their teacher training at the graduate level, coupled with an intensive supervised internship experience. My amendment would require a student to be enrolled in a masters in teaching program requiring that the student participate in a clinical internship or experience program.

The student would receive $5,000 to cover tuition and other costs associated with his or her education, and would repay the Federal Government by teaching in a geographic area and/or a subject matter area of demonstrated teacher shortage. The payback is based on the number of years of assistance received and whether the graduate serves in either or both of the underserved areas—that is, either serves in a subject matter area, such as math or science or language training, where a particular need has been shown, or serves in a geographic area where a particular need has been shown.

The amendment would require that within 3 years after a recipient completes his or her degree in teaching, the following service payback must occur:

If the recipient received 1 year of assistance and teaches in either a subject matter or geographic shortage area, the pay-back is 3 years. If the recipient teaches in an area that meets both conditions, the payback is 2 years.

If the recipient, however, receives 2 years of assistance and teaches in either a subject matter or geographic shortage area, the payback is 4 years. If the recipient teaches in an area that meets both conditions of geographic and subject matter, the payback would be 3 years.

□ 1410

Mr. President, let me make it clear that a student will receive no more than 2 years of Federal assistance under this proposal and will be required to pay back with no more than 4 years of teaching service. The payback is structured so that a student will have a shorter payback period if both conditions are met, that is, if the graduate teaches both in the subject area where there is a shortage and in a geographical area where there is a shortage.

The amendment defines subject matter shortage areas as math, the sciences, and any other three subjects determined by the State involved. The shortage of qualified teachers in the math and sciences is well known. A State, however, may have other areas of need and the amendment allows each State to designate as many as three additional subject areas. Geographic shortage areas are not defined in the legislation because such areas would be determined solely by each State. Each State is faced with its own set of circumstances that may dictate a different geographical need area. For example, in my State of New Mexico bilingual teachers are at a premium. Thus, a geographic area may include a remote rural section of the State as in northern New Mexico, or it

may include an inner city school in New York City.

Mr. President, it is my intention that these fellowships be awarded not only to undergraduate students who majored in an academic field but also to midcareer professionals who may be interested in a teaching profession and only need to reach some level of subject matter competency and clinical exposure to teaching in order to meet certification requirements. It is my further intention that those who are members of underrepresented groups in teaching will also be attracted to pursue a teaching career and to take advantage of this fellowship program.

Several colleagues have asked me whether the fellowship would include former teachers who may be interested in reentering the teaching force after this 1 or 2 years of graduate work. The need is great and a reserve pool is welcomed. The reentering teacher, however, will have to meet the criteria of noncertification at the time of entrance into the program. So the overall intent of the program is to attract new candidates into teaching.

I have also been asked whether a teacher now teaching could receive this fellowship and transfer over to another area of competency that the State defines as a teaching shortage area. The bill does not exclude this possibility, but I do not feel it is necessary to include such language in the legislation. Prospective applicants must be noncertified at the time they are chosen to ensure that current teachers who are sorely needed are not removed from the work force.

The amendment specifies that a State, in order to qualify as a grantee to distribute these fellowship funds, would have in place or will have in place by the time the first fellows graduate a precertification teachers examination program.

Mr. President, I know this is a fairly controversial part of the proposal.

Currently, 31 States have an examination for incoming teachers. The national trend points to some type of criteria to test new teachers, and this legislation encourages such efforts. It does not, however, mandate a certain type of test or a certain pass or failure rate. That is left to the appropriate State agency.

A second assurance that the State grantee must agree to is that the fellow may only attend a master's in teaching that has a clinical internship or experience program which is approved by the State. The deans of colleges of teacher education are calling for a restructuring of clinical programs so that students are not just exposed to an experienced teacher but have various clincial experiences that focus on the professional practice of teaching.

The Holmes Group said it best in their recent report, "*Tomorrows Teachers.*" I quote: "The intent—of a clinical program—is to prepare teachers who can learn from teaching, not merely survive it." Hopefully, acknowledging that there is a need for the best clinical experience possible, will generate some incentive to that end.

A third assurance by the State is that it have in place a continuing education requirement for practicing teachers. Maintaining and improving one's skills applies to all of us, but particularly to teachers, since changes occur frequently in subject matter areas and technique.

A final assurance is that the State will do all it can be attract students into teaching from underrepresented populations. The amendment notes that black Americans, Hispanics, Asian-Americans, and American Indians are underrepresented in the teaching profession. One in three students by the year 2000 will be a minority child in this country, and those children need their own role models.

Mr. President, let me just say a word here about the cost of this proposal. Yesterday, the chairman, Senator STAFFORD, indicated that the entire cost of this bill was something in the area of $9.6 billion, which, as he pointed out, would not run the Defense Department for 2 weeks. I agree with his analysis since I believe it puts into perspective the amount of money we are asking the Senate to approve for education. It certainly reflects a questionable set of priorities.

Let me also put my amendment into perspective if I could. The maximum of $25 million, which could be authorized by this amendment, is but a fraction of the $9.6 billion that is already in this bill. Moreover, it is minifraction of the Department of Defense budget. If the full amount of this bill would not keep the Defense Department running for 2 weeks, I think my amendment would keep it running for merely a few minutes.

One example is that it is twelve one-hundredths of 1 percent of the B–1 bomber program. It is 12 percent of the cost of a new Air Force One which has been requested by this administration; $25 million to begin to deal with the growing teacher shortage problem is a modest amount of money that is needed today to help us address a serious underlying problem that contributes to this Nation's declining competitiveness.

Let me make an analogy here just for a moment to the ROTC programs. As you can detect by naming this the Future Teacher Training Corps we had in mind in part of making a comparison to the Reserve Officer Training Corps.

It is interesting to make such a comparison as to what is going into the Reserve Officer Training Corps. Reserve Officer Training Corps in this country is established to attract and retain good people as officers in our military services. I support the program wholeheartedly. But I think it is clear that we are attracting and retaining good people as military officers where at this time in our history, there is no real shortage of people wanting those positions.

We now need to shift some resources to attracting and retaining good people in the teaching profession.

Mr. President, I have here the estimate that has been prepared by the various armed services of ROTC expenses for 1986 fiscal year and 1987 fiscal year, and I ask unanimous consent that the figures be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ROTC EXPENSES

[In thousands]

	Fiscal year—	
	1986 estimate	1987 estimate
Navy	$46,098	$49,150
Army	91,819	101,199
Air Force	47,929	53,939
Totals	185,846	204,288

Source: Taken from "Justification of Estimates for Fiscal Year 1987" and submitted to Congress February 1986 from the above departments.

Mr. BINGAMAN. Mr. President, as to the figures, for the benefit of my colleagues, I point out that the total amount we are spending in 1986 for ROTC expenses is something over $185 million, and I also point out that this is in addition to the amounts that go to the various service academies which are clearly in the business of training and preparing people as military officers. According to the administration's budget justification it proposes to increase the $185 million in 1986 to over $204 million in 1987.

I am suggesting that some small amount should go to attracting and retaining good-quality people into the teaching profession.

Mr. President, let me just conclude my initial remarks here by saying that I believe the Senate has a chance today to deal in a foresighted way with a serious problem that the country is going to face. The Carnegie Forum came out with a report 2 weeks ago which tried to sound the alarm about the need to address this coming shortage in our teaching force. I believe that report was excellent. I believe the Senate should heed the warning that is contained in that report. There have been several other excellent reports in the last few months that reached the same conclusion.

Mr. President, I believe this amendment would at least demonstrate the concern of the U.S. Congress and the U.S. Government to deal with this

problem, and I commend the amendment to my colleagues.

I yield the floor, Mr. President.

Mr. STAFFORD. Mr. President, it really is with great reluctance that I find myself in a position to oppose the amendment offered by the able Senator from New Mexico. I only wish we were not facing the $2 trillion national debt and very large deficits that we have seen in recent years.

The fact is that either we reach the targets in the Gramm-Rudman legislation for deficit reduction voluntarily, as I hope we will by the budget resolution between the House and Senate, or involuntarily if we fail.

□ 1420

But the fact of life is we do have a $2 trillion deficit. We do, even if things come out well, have a deficit in the coming year of $140 billion-some. All of these have constrained the Subcommittee on Education, in our deliberations on extending the Higher Education Act, to reduce sums below what we would like to do under different circumstances.

So it is in that original feeling and spirit that I have to say, in regard to the responsibility for the whole picture and education generally, that I am in a position to oppose reluctantly the Senator's amendment.

The amendment as we compute it, would add some $25 million in new funding to title V of S. 1965. That legislation, which came out of the committee unanimously and now has something like 45 or 46 sponsors this afternoon, repeals all but currently funded programs under title V. The members of the Education Subcommittee agreed to repeal those programs that are not funded because they have not been successful enough to merit any funding by the Appropriations Committee for the past 5 years.

In spite of strong committee interest in new teacher training initiatives, members of the committee honored an earlier commitment to restrict funding in the so-called institutional aid titles of the Higher Education Program to programs receiving current appropriations. Two title V programs met that criteria. The Carl D. Perkins Scholarship Program receives a $10.5 million authorization in S. 1965 and the Christa McAuliffe Talented Teacher Fellowship Program, renamed by an amendment by the distinguished Senator from Illinois, Mr. SIMON, receives $5.25 million in authorizations. These two relatively new initiatives, if fully appropriated, will provide financial incentives to the States to encourage young people to enter the field of education and experienced teachers to seek retraining, as well. It is not a total solution to the problem of declining education graduates and projected shortages of classroom teachers, but these issues do receive limited funding in S. 1965.

Senator BINGAMAN's proposal requiring teacher testing for State certification is a controversial step for the Federal Government to take without holding extensive hearings on this matter.

Mr. President, I find that I must urge my Senate colleagues to respect the spending parameters defined by the committee members in drafting this legislation and to oppose the amendment.

Finally, it seems to this Senator that the real problem with teacher retention and teacher retraining and teacher education in our schools really comes down to teachers' salaries. We are not paying our teachers enough nationwide. There are considerable variances across the country in the levels of teacher salaries. But, basically, we are losing too many talented teachers to industry where they can earn more money.

And, so, while I wish I were in a position to support this amendment, I would have to say to my friend, the Senator from New Mexico, under the circumstances we face today, I cannot do it and I must ask the Senate to reject it.

Mr. PELL. Mr. President, likewise, and very reluctantly, I must take the same position that the chairman has taken. We reached this bill, and particularly the funding of it, with a rather delicate balance and understanding between the administration and the Congress, the Senate, or at least our committee so far. This bill was reported out unanimously from the committee—not one vote against it. One reason, I believe, was because it had this general support.

And much as I would like to see the money spent for this purpose it is a good purpose and I would certainly support hearings on the subject in the future, certainly support a freestanding bill along these lines in the future—I do not feel this amount of money can be added to the bill at this time.

For this reason, I must recommend to my colleagues that we oppose it.

Mr. SIMON. Mr. President, I have discussed this briefly with my colleague from New Mexico and did not indicate whether I would support his amendment or whether I would not. I sympathize with the situation that the chairman of the committee described, because there are limited funds. I do think that this is a problem that is so overwhelming. While I think it is probable the amendment is going to be defeated, my gesture will be to vote for the amendment.

I agree completely with Senator STAFFORD that the fundamental problem is pay and we have to face up to it. It is very interesting, if you look at Japan, two things stand out: One is engineers and teachers receive almost the same pay. You look at what engineers and teachers receive in this country, and it is dramatically different.

The second thing that stands out in Japan—and I say this with great regret and I say it with all due respect to a lot of very fine teachers—in Japan, the average person going into teaching scores above average on testing, those in college. In the United States, those going into teaching today score appreciably below average. And that second point is one of the reasons, frankly, I am going to vote for the amendment of my colleague from New Mexico.

If this gets into conference, if it should be adopted, I think we would pare down the amount. But one of the points that this bill makes is that it gives an incentive to States to have precertification requirements for teachers. It is one of the areas we have to move ahead on. We have to say for teachers, just as we say for doctors and lawyers and engineers, "Before you can be considered for training for a teacher, you have to meet certain standards."

I think it is a move in the right direction. And though I have great respect for my colleague from Vermont and I understand the reason he takes the position that he does, I think this gesture is an important one and we can work out in conference some kind of a compromise on the funding. So I will support the amendment.

Mr. BINGAMAN. Mr. President, let me first of all thank my friend from Illinois, Senator SIMON, for his comments and his support for the amendment. Let me just respond on two of the issues that have been raised. I also agree with others who have spoken on this that teacher salaries is a major problem. It is perhaps the major problem we face in attracting and retaining good people in teaching.

This problem will not be solved by the amendment I am offering. But the amendment I am offering, I think, is what can be done appropriately by the Federal Government to help States and localities to bring people into teaching—good people—and to try to keep them there for a long enough period of time that they have been exposed to teaching, and will hopefully decide to stay. And, hopefully, during that same period, States and localities will decide to upgrade their salaries and make it attractive for these good people to stay in teaching. I do not in any way suggest that the whole problem is solved here.

Let me also just address the issue of whether or not the funding level is inappropriate. As the Senator from Vermont, the chairman of the subcommittee, has said, what is essentially being done here is the Senate is being asked to authorize funding for title V—that

is teacher training—for the next 5 years at the level we have appropriated it for the last 5 years, not the level we authorized for the last 5 years.

□ 1430

At the present time the current authorization for title V is $81 million. The level of funding is $15 million. We are now being asked to bring the level of authorization down to the historic level of funding.

I think that might make some sense in some areas, Mr. President. But when you look at these charts I have referred to in my earlier discussion, and look at the shortage that is developing in the last half of this decade, and compare that to the surplus of teachers that we have had in earlier years, I think we are in very different times than when this bill was last authorized. This is not an appropriate time for us to be just saying what has been adequate for the last 5 years should be continued for the next 5 years.

This is a reauthorization for a 5-year period. I think this sets in law the maximum amounts we will spend on various types of education in the next 5 years at the Federal level, unless we come back and amend it, which is not scheduled to occur.

Mr. President, I feel very strongly that it is not adequate for us to go into the next 5 years at the same level of funding in this area, considering the anticipated shortage and the problems we have had and expect to still get good people into teaching.

Mr. President, let me just indicate to the managers of this bill that I was informed that perhaps Senator MATSUNAGA had an amendment that he was going to offer to my amendment. I do not know if that is the case.

If that is not the case, I will be glad to go to a vote. If that is the case, I will be glad to defer to him.

● Mr. LEVIN. Mr. President, as this Nation has become concerned about the quality of education our children receive, we have also become aware of the quality of instruction that they get. While some want to blame a nation at risk on teachers, most of us recognize that the people in the classroom are dedicated, creative, and knowledgeable. They do their jobs in conditions which are often deplorable, with resources which are often inadequate and for salaries which are too often below par.

The bill before us today does very little to correct those conditions; in fact, by canceling all but two of the title V programs for teacher training, it may make the situation even worse.

But, Mr. President, this amendment to establish a graduate fellowship program for future teachers may help encourage some of our more talented undergraduates to select education as a profession. Given the current projections—which suggest that we may have a teacher shortage of over a million people by the 1990's—we certainly need to do something to encourage people to enter the profession.

This fellowship program will not solve the problem of teacher shortages, it may not statistically improve the quality of education in the United States, but it will make a statement about the seriousness with which the Senate sees those problems. It will make a statement about our commitment to deal with them.

Mr. President, I know there are financial constraints on our ability to do what we want to do to improve the educational system in the United States. But we cannot expect our economy to flourish if our workers cannot read; we cannot expect our society to be stronger if our citizens cannot add; we cannot expect America to grow if the minds of our children are not expanded. Providing up to 5,000 fellowships a year will not turn things around; but it can be a beginning. Beyond that, by assuring that recipients of these fellowships spend at least 2 years teaching in critical areas—either academic or geographic—we can help address the most pressing needs we face.

Mr. President, this is a modest amendment both in terms of its costs and its goals. But it is worthwhile and it is needed. I urge my colleagues to adopt it.●

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MODIFICATION TO AMENDMENT NO. 1981

Mr. MATSUNAGA. Mr. President, during the quorum call, I conferred with the Senator from New Mexico. He indicated to me that he was willing to modify his amendment to accept two provisions which I have approached him with. The language of my proposals are at the desk. The Senator from New Mexico is willing to modify his amendment to include provisions that I have referred to.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to modify my amendment to take the suggested amendments of the Senator from Hawaii, which are minor in nature, and which I do not believe change the subject of the amendment in any respect.

The PRESIDING OFFICER (Mr. MCCONNELL). The Senator has the right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

On page 4, line 9, after the period insert the following: "The Governor shall assure that representatives of local educational agencies, classroom teachers, personnel from institutions of higher education, and representatives of the general public are included on the Selection Review Panel.".

On page 6, line 7, insert "Native Hawaiians" after "Asian Americans,".

Mr. MATSUNAGA. For the information of my colleagues, one provision would insert "native Hawaiians" after "Asian Americans" in the amendment and the other proposal would simply reserve to the respective States that representatives of local educational agencies, classroom teachers, personnel from institutions of higher education, and representatives of the general public are included in the selection review panel.

Mr. BINGAMAN. The Senator from New Mexico accepts the proposal.

Mr. STAFFORD. Mr. President, if there are no other speakers on this side, we are prepared to proceed to vote.

Mr. BINGAMAN. Mr. President, could I insert one additional statement and then I will conclude?

I ask that Senators ROCKEFELLER, HART, JOHNSTON, and CHILES be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. I also ask unanimous consent to insert into the RECORD at this point a letter from the executive director of the Carnegie Forum on Education and the Economy.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 3, 1986.

Hon. JEFF BINGAMAN,
U.S. Senate, Hart Building, Washington, DC.

DEAR SENATOR BINGAMAN: I am pleased to respond to your request to review the Future Teacher Training Fellowship Act (S. 2487) that you recently introduced. This legislation strikes many of the central themes that we emphasized in our report, *A Nation Prepared: Teachers for the 21st Century,* and that point to the need for student financial aid programs at the graduate level to attract talented students to teaching careers.

The Task Force's proposals on student aid grow, in the first instance, out of a belief that if the nation is to have a competitive high-wage economy our schools must meet much higher standards of performance than has previously been the case. This will take very capable teachers working in a professional environment that supports and encourages effective teaching. While this will require that states and localities restructure the schools, it also casts a new light on teacher education.

Teachers that can bring a subject to life, engage students' interest, make learning a fulfilling activity and help students over the conceptual hurdles that might otherwise cause frustration must have a firm command of their subject and a sound grasp of

the pedagogical knowledge that is linked to student understanding in each field. The Task Force believes that such capacity is best fostered by having prospective teachers devote their undergraduate years to the study of the liberal arts and sciences, followed by a program of professional education at the graduate level.

To insure that shifting teacher education to the graduate level does not become a barrier to entering the profession, service contingent student aid programs, such as you have proposed, are needed. They are especially important for poor and minority students who often leave their undergraduate years with a substantial debt burden.

The nation now faces the prospect of a marked decline in minority teachers just as the student population is acquiring an increasing proportion of minority youngsters. If we are to stem the exodus of minorities from the teaching force then one key action policymakers can take is to provide a large number of fellowships for minority students interested in pursuing teaching careers.

Service contingent fellowships are also most appropriate to direct students to areas of long term shortage, whether the shortage be in a subject area, such as mathematics or science, or in a geographic area, for example, a rural school district. That this legislation is especially sensitive to these needs is commendable.

If the nation is to have the schools it needs to preserve a vibrant democracy, to insure equality of opportunity and to maintain our standard of living, we must retain our best teachers and see that they are joined by large numbers of equally capable and well educated new teachers. S.2487 would make an important contribution to this goal by filling a gap in the current array of Federal student aid programs.

The Carnegie Plan will not become a reality without a concerted effort at all levels of government. I extend my appreciation to you and your co-sponsors for taking this important first step at the federal level.

Sincerely,

MARC S. TUCKER.

Mr. BINGAMAN. Mr. President, let me quote a couple of sentences from this letter. I believe the report the Forum came out with 2 weeks ago is an excellent analysis of the problem facing us in this area. The letter that they have given me indicates their support for the type of a program I am suggesting here.

Mr. Tucker, their executive director, concludes by saying:

If the nation is to have the schools it needs to preserve a vibrant democracy, to insure equality of opportunity and to maintain our standard of living, we must retain our best teachers and see that they are joined by large numbers of equally capable and well-educated new teachers. S. 2487——

Which is the bill I am here offering as an amendment.

would make an important contribution to this goal by filling a gap in the current array of Federal student aid programs.

The Carnegie plan will not become a reality without a concerted effort at all levels of Government. I extend my appreciation to you and your cosponsors for taking this important first step at the Federal level.

MARC TUCKER,
Executive Director.

Mr. President, I ask for the yeas and nays.

□ 1440

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays are ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. ABDNOR] and the Senator from Alabama [Mr. DENTON] are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota [Mr. ABDNOR] would vote "nay."

Mr. CRANSTON. I announce that the Senator from Iowa [Mr. HARKIN], the Senator from Alabama [Mr. HEFLIN], the Senator from Massachusetts [Mr. KERRY] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER (Mr. ARMSTRONG). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 57, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—37

Baucus	Eagleton	Metzenbaum
Bentsen	Ford	Mitchell
Biden	Glenn	Moynihan
Bingaman	Gore	Nunn
Boren	Hart	Riegle
Bradley	Hawkins	Rockefeller
Burdick	Hollings	Sarbanes
Byrd	Inouye	Sasser
Chiles	Johnston	Simon
Cranston	Kennedy	Specter
D'Amato	Levin	Stennis
DeConcini	Matsunaga	
Dodd	Melcher	

NAYS—57

Andrews	Grassley	Nickles
Armstrong	Hatch	Packwood
Boschwitz	Hatfield	Pell
Bumpers	Hecht	Pressler
Chafee	Heinz	Proxmire
Cochran	Helms	Quayle
Cohen	Humphrey	Roth
Danforth	Kassebaum	Rudman
Dixon	Kasten	Simpson
Dole	Lautenberg	Stafford
Domenici	Laxalt	Stevens
Durenberger	Leahy	Symms
East	Long	Thurmond
Evans	Lugar	Trible
Exon	Mathias	Wallop
Garn	Mattingly	Warner
Goldwater	McClure	Weicker
Gorton	McConnell	Wilson
Gramm	Murkowski	Zorinsky

NOT VOTING—6

Abdnor	Harkin	Kerry
Denton	Heflin	Pryor

So the amendment (No. 1981), as modified, was rejected.

□ 1500

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Vermont, on which the yeas and nays have been ordered.

Mr. BUMPERS. Mr. President, I do not wish to speak on the amendment of the Senator from Vermont, but I wonder if the Senator from Vermont would yield me 3 minutes to speak on the previous amendment and on the bill in general.

Mr. STAFFORD. Mr. President, if the distinguished Senator will yield for a moment, it will be the intention of the Senator from Vermont to ask unanimous consent to withdraw the amendment, subject to a rollcall on amendment No. 1978. Before yielding the floor to the Senator from Arkansas, I ask unanimous consent to withdraw amendment No. 1978, notwithstanding the rollcall vote having been ordered in connection with it.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

□ 1510

Mr. BUMPERS. Mr. President, there is now no pending amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Mr. President, I want to talk for a couple of minutes about my feelings on the amendment which we just defeated.

First, I voted against the amendment more than for any other reason, because it added $25 million to a bill that, it is my understanding, already exceeds the budget resolution by some $900 million. But the amendment was meritorious in that it attempted to address what I believe every Member of this body knows is an increasingly urgent problem.

The Carnegie Forum on Education has just issued a report, and the distinguished Senator from New Mexico [Mr. BINGAMAN] has addressed many of the forum's comments and suggestions at great length. Everybody in this country who cares anything about education should read that report, as well as the dynamic report called "A Nation at Risk" that came out about 2 or 3 years ago.

If we are indeed faced with a teacher shortage in certain subject areas and geographic areas, the U.S. Congress as well as the States have a duty not only to encourage students to study those particular disciplines in college, but also to get them into the teaching profession.

That is what the Senator from New Mexico was attempting to do with a little carrot, namely a $5,000 1- or 2-

year scholarship for teacher candidates.

At the right time, I not only will support this amendment, but I will vigorously support it and speak on behalf of it.

While the Senator from New Mexico is attempting to address what is essentially an impending crisis of a shortage of teachers in certain disciplines, I have for 2 to 3 years now, had a bill pending in the Senate which I offered last year as an amendment to the NEH reauthorization and withdrew on the promise of hearings. A hearing on this bill was held during hearings on the higher education reauthorization last year. My amendment addresses a problem which is also discussed in the Carnegie Forum report, and that is simply this:

The Nation is at risk because of our educational system, and the first step to improving our educational system is through continuing education of our teachers.

First, we must quit spending so much time teaching teachers education courses, how to grade papers, that sort of thing, and teach them in the discipline that they are going to teach and then let them go on for a masters degree in education.

People should not be teaching mathematics unless they are well skilled in what they are teaching. If your child is in a mathematics class, you certainly want that child in a class where the teacher has been well schooled in mathematics, not in the learning curve or grading papers, though it does indeed require both to be a good teacher.

Jefferson believed in a participatory democracy, but he followed that by saying that the electorate must be educated. And if we are going to do anything about the situation as it exists now we cannot wait for another 5 or 6 or 7 years to start turning out a whole different kind of teacher. The bill that I have proposed is based on an experiment that the National Endowment for the Humanities and the Mellon Foundation started 2 or 3 years ago—I believe it was 4 years ago—where teachers were invited to participate in a course on a particular subject during the summer months.

The University of Texas was one of the institutions that offered a summer seminar. Fifteen teachers were invited to attend the University of Texas for the summer course, and they studies Virgil's Aeneid and Homer's Odyssey.

I would give anything in the world if I could take off a summer and study those two great epics. One really is sort of the foundation of the system of government that we live under, and that is Homer's Odyssey. In Homer's Odyssey, Ulysses is the hero. We reward people for taking risks. That is also a fundamental value in our system.

What could be more instructive than for our high school teachers to take a summer course in the comparative study of those two great writings?

But the interesting thing about that was the University of Texas had 15 positions and they had applications from 40 more qualified applicants. And nationwide, 2,300 teachers from 41 states applied for 225 places in the summer program. That shows how many teachers in this country are craving continuing education courses, but we do not pay them enough so they can pay their own way through continuing education courses during the summer. And since that time the Mellon Foundation and the National Endowment for the Humanities have collaborated in funding and administering these programs.

My bill would simply expand the NEH program. It is absolutely essential that we improve the skills and the teaching knowledge of our teachers, namely 2 million people who are already in elementary and secondary education.

Mr. President, the budget constraints are severe here. Everybody is trying to be very cautious about adding new funds to make certain that they do not increase the national deficit.

So while I thought that the Senator from New Mexico had a meritorious proposal—it probably does not go nearly as far as it ought to go—I voted "no" in the interest of reducing the deficit even though I believe it is something that Congress must address. I also believe we must provide for the continuing education of our teachers, and the model offered by the Mellon Foundation and the National Endowment for the Humanities is a fine one.

Mr. President, I yield the floor.

□ 1520

AMENDMENT NO. 1985

(Purpose: To authorize the Secretary to sell defaulted student loans, to garnish the compensation payable to officers and employees of the United States who are borrowers of loans under part B or part F of title IV, who are in default, to garnish 25 percent of the benefits payable to borrowers of loans under part B or part E of title IV, who are in default, and to make any borrower who is in default ineligible for Federal loans and discretionary grants)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. STAFFORD, Mr. PELL, Mr. HELMS, Mr. DOLE, and Mr. HATCH, proposes an amendment numbered 1985.

Mr. GRAMM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 249, between lines 5 and 6, insert the following new section:

AUTHORITY OF THE SECRETARY TO SELL DEFAULTED STUDENT LOANS

SEC. 151. Section 432 of the Act (as amended by section 149) is amended by adding at the end thereof the following new subsection:

"(q) The Secretary is authorized to sell defaulted student loans assigned to the United States under this part to collection agencies on such terms as the Secretary determines are in the best financial interests of the United States.".

Redesignate the succeeding sections in part B of title 7.

On page 296, between lines 9 and 10, insert the following new section:

INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT FOR FEDERAL GOVERNMENT EMPLOYEES

SEC. 190. Part F of title IV of the Act is amended for inserting after section 485A the following new section:

"INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT FOR FEDERAL GOVERNMENT EMPLOYEES

"SEC. 485B. (a)(1) Notwithstanding any other provision of law, when the head of any Federal agency receives notice under subsection (c) of this section—

"(A) that an individual is in default on any loan which is made, insured, or guaranteed under part B of this title, or is made under part E of this title, and

"(B) of the amount of the debt,

the head of such agency shall, in accordance with the provisions of this section, collect the amount of indebtedness furnished under subsection (c), in monthly installments, by deduction from the pay account of the individual employed in that agency.

"(2) The amount deducted for any monthly installment may not exceed 15 percent of the amount otherwise payable to such individual.

"(3) In carrying out the provisions of this section, the head of each agency shall follow the procedures set forth in paragraphs (2) and (3) of section 5514(a) of title 5, United States Code.

"(b) The head of each Federal agency shall transfer to the Secretary the amounts collected by deduction pursuant to subsection (a) of this section.

"(c) The Secretary shall notify the head of each Federal agency promptly of the names and social security numbers of each borrower of a loan described in subsection (a) who is in default and of the amount of the debt owed on such loan.

"(d) The head of each Federal agency shall notify each individual subject to the provisions of this section of the amount of each deduction made by reason of this section.

"(e) Notwithstanding any other provision of law, in any case in which the indebtedness relates to loans described in this section and has been reduced to judgment in a court of the United States, the deductions from basic pay shall be 25 percent.

"(f) For the purpose of this section—

"(1) the term 'Federal agency' has the same meaning given that term by section 5514(4)(B) of title 5 of the United States Code; and

"(2) the term 'pay account' means basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an individual not entitled to basic pay, other authorized pay.".

INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT

SEC. 191. Part F of title IV of the Act is amended by inserting after section 485A the following new section:

"INSTALLMENT DEDUCTION FROM BENEFITS FOR INDEBTEDNESS DUE TO DEFAULT

"SEC. 485C. (a)(1) Notwithstanding any other provision of law, when the head of any Federal agency receives notice under subsection (c) of this section—

"(A) that an individual is in default on any loan which is made, insured, or guaranteed under part B of this title, or is made under part E of this title, and

"(B) of the amount of the debt,

the head of such agency shall, in accordance with the provisions of this section, collect the amount of indebtedness furnished under subsection (c), in monthly installments, by deduction from the amount of the benefits payable to such individual under any program for which the head of the Federal agency is responsible.

"(2) The amount deducted for any monthly installment may not exceed 25 percent of the amount otherwise payable to such individual.

"(b) The head of each Federal agency shall transfer to the Secretary the amounts collected by deduction pursuant to subsection (a) of this section.

"(c) The Secretary shall notify the head of each Federal agency promptly of the names and social security numbers of each borrower of a loan described in subsection (a) who is in default and of the amount of the debt owed on such loan.

"(d) The head of such Federal agency shall notify each individual subject to the provisions of this section of the amount of each deduction made by reason of this section.

"(e) For the purpose of this section—

"(1) the term 'Federal agency' has the same meaning given that term by section 5514(4)(P) of title 5 of the United States Code; and

"(2) the term 'benefits' means cash assistance or its equivalent which is payable under a Federal program and which is specified by regulations issued by the Secretary, after consultation with the Director of the Office of Management and Budget, except that such term does not include—

"(A) benefits paid under the Food Stamp Act of 1977,

"(B) benefits paid under a State plan approved under part A of title IV of the Social Security Act, relating to aid to families with dependent children;

"(C) compensation paid to an officer or employee of any Federal agency;

"(D) benefits paid under a State plan approved under title XIX of the Social Security Act relating to Medicaid; and

"(E) supplemental security income.":

On page 298, between lines 10 and 11, insert the following:

"INELIGIBILITY FOR FEDERAL LOANS AND DISCRETIONARY GRANTS FOR ANY LOAN BORROWER WHO IS IN DEFAULT"

SEC. 194. Part F of title IV of the Act is amended by adding after section 490 the following new section:

"INELIGIBILITY FOR FEDERAL LOANS AND DISCRETIONARY GRANTS FOR ANY LOAN BORROWER WHO IS IN DEFAULT

"SEC. 491. No borrower of a loan made, insured, or guaranteed under part B of this title or made under part F of this title who is in default may be eligible for the period of default to receive any loan or discretionary grant under any provision of Federal law.".

Redesignate the sections in part F of title I accordingly.

Mr. GRAMM. Mr. President, I offer this amendment on behalf of myself, Senator STAFFORD, Senator PELL, Senator HELMS, Senator DOLE, and Senator HATCH.

Mr. President, we currently are spending about $3.3 billion a year on guaranteed student loans. We currently have in default of loans that have been made but have not been paid back about $4.3 billion. This year we will spend $1 billion of the taxpayers' money paying off guaranteed student loans to banks that are not paid off by the students who have borrowed the money to go to college. That is 30 percent of the current outlay on guaranteed student loans.

Now this is relevant, Mr. President, for two reasons. First, real people worked hard to earn that billion dollars that they are paying back as taxpayers because recipients of guaranteed student loans are not paying off the loans. Second, with the same budgetary impact, we could increase the level of guaranteed student loans made this year by 30 percent if we could collect the money that has been loaned to people in the past. That has not been repaid.

We have made progress in the past, Mr. President. In 1981, in the budget, we made some changes to strengthen our ability to collect money on guaranteed student loan defaults. We made some changes in 1982. We have had, I think, very innovative changes made by Senator PELL in his amendment that would bring guaranteed student loan payments into credit checks in getting credit cards, and I seek in this amendment today to further strengthen our ability to collect on defaulted guaranteed student loans.

The amendment that I have offered does four things that I think are important.

First of all, it allows the Secretary of Education, at his discretion, to sell defaulted student loans to collection agencies.

Second, it mandates that, when Government employees are in default on their guaranteed student loans, the Secretary of Education shall institute a process of garnishing their wages. If such garnishment can be taken through administrative action, the level of their reduction of their wages to pay off the guaranteed student loans would be set at a maximum of 15 percent of their payment. If, in fact, court action is required to institute the garnishment, then it would be 25 percent.

I remind my colleagues, in 1983, when we conducted a survey of the number of Government employees who had gotten guaranteed student loans, who had acquired educations, who had jobs as a result of that training and who had not paid back the guaranteed student loans, we had 35,000 employees of the Federal Government, many of them in the Department of Education, who had not paid back their loans. As a result of changes we instituted at that time, we have collected about $15 million of the $47 million owed us by employees of the Federal Government.

Third, this amendment would deny loans and discretionary grants to people who are in default of guaranteed student loans. So if Professor Brown is given a grant by the National Science Foundation, then his Social Security number would be run through the computer. If it turns up, in getting his Ph.D., he got a guaranteed student loan but he has not paid that loan back, then he would be required to pay back the guaranteed student loan before he could be granted a grant or a discretionary grant to conduct some scientific research.

Finally, we require that recipients of Federal payments who were found to be in default of guaranteed student loans have those payments reduced on a monthly basis of between 15 and 25 percent until that defaulted guaranteed student loan is paid off.

We do, however, deduct some social safety net basic programs from this right of offset on the part of the Federal taxpayer. We exclude aid to families with dependent children, food stamps, Medicaid, and SSI.

I am proud, Mr. President, that the distinguished chairman and ranking member of the subcommittee have cosponsored this amendment. I believe it will strengthen our ability to collect guaranteed student loans that are in default.

I think it is vitally important again that we do this for two reasons: No. 1, this money did not come from heaven. This came from working men and women who on average in this country did not go to college. No. 2, in all of this era of tight budgeting and talk about the Gramm-Rudman-Hollings bill and what it did to guaranteed student loans and other benefits, nobody ever points out that, if we could get the people who have gotten loans to pay the loans back, we could, on a continuing basis, increase the quantity of loans that we are making by over 30 percent every year by simply plowing that money back into the system.

So I thank my colleagues. I urge them to support this amendment.

Mr. STAFFORD. Mr. President, I think this is a very good amendment. I

am pleased to be a cosponsor of it. I commend the able Senator from Texas for originating the amendment. He is so correct that our defaults in the guaranteed student loan program, while roughly only 8 or 9 percent of the total, still represent about $1.3 billion currently, and many, many students would have the advantage of these loans if that money were being paid and not in default in this program.

So I believe that what the Senator has offered the Senate is a sound tool for bringing down the default rate and requiring those who have benefited from our higher education system to pay for their share of maintaining it and to make the money that they pay available to those who will follow them in the higher education system.

So I am pleased to support the amendment and for the majority to accept it.

Mr. PELL. Mr. President, I am very glad to be a cosponsor of this amendment of the Senator from Texas. It is a very worthy one. It simply is going to increase the ability of the Government, the American people, to retrieve what is theirs in any case.

It supplements very handily legislation already on the books. The Senator from Texas was kind enough to mention my own legislation which said that information with regard to guaranteed loan defaults would be made available to the credit bureaus. Any young person who wants a credit card is probably in a position to pay back the loan. If he does not want a credit card, he probably is not in a position to do so. This is a way of letting the private sector do some of the Government's work for it.

These proposals of the Senator from Texas move further along this direction and also supplement legislation we have approved in the past with a provision saying that all the information with regard to defaults would be made available to the Government for checking with Federal employees. So far that is being implemented within the Federal Government.

I am glad to support this amendment and trust my colleagues will do likewise.

The PRESIDING OFFICER. Are you ready for the question on the amendment?

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, will the sponsor yield for a question? Three-fourths of this looks good to me, but the point where you say you are going to take up to 25 percent to be withheld per month from people receiving Government benefits, excluding AFDC, food stamps, and Medicaid, let me just give you a couple of hypotheticals.

Here is someone who has been receiving a GSL loan, then got in an accident, is a paraplegic and is on disability. Under this amendment, as I read it, 15 to 25 percent of that person's disability benefits would be withheld.

Mr. GRAMM. If the Senator will yield, the way the amendment reads on that point is that up to 25 percent could be withheld. The Secretary would have the discretion, under special circumstances, to lower that amount or to set it on the basis of whether a person, for example, is drawing a substantial benefit or relatively small one.

□ 1530

I did not think we were going after the basic programs such as AFDC, food stamps, Medicaid, and SSI which go to poor people. I was afraid if I went further, we would have a difficult time trying to cut it off. I remind my colleague that whether people have qualified for benefits, or not, the fact that they have not paid a loan that they have entered into with the taxpayer I think gives us a very strong position asking that the loan be paid.

It is my intent in the bill, and the language provides that intent, which says up to 25 percent. I would be happy, through this colloquy, to strengthen the awareness of the Senator's concern by stating that it would be my intention within that constraint that reason and responsibility be applied, based on how large the benefit payment is to an individual in judging between zero and 25 percent as an amount.

Mr. SIMON. I thank my colleague for his response.

As I read the amendment, I think his intent is not to pick on people who face real problems. It could be a veteran who is receiving veteran's benefits. I wonder if we can go ahead with the amendment with the understanding that the Senator and I will try to work out some language and ask unanimous consent to return to have it modified because I do not think the amendment fits the flexibility which the Senator has just suggested.

Mr. GRAMM. I would be happy to do that. It is my belief at this point that we have given discretionary power to the Secretary. If the Senator would like to enhance that or specify, I do not believe that the colloquy would specify it in legislative history. I would be happy to make that change. It is my intention to collect money. It is not my intention to be unreasonably harsh on people who are drawing small benefits. That is why I exempted these basic safety net programs. It is my intention, however, to collect from people who may be very legitimately drawing a benefit. The basic principle here is the right of offset which a commercial bank has. If you have a commercial loan at a commercial bank and you default that loan but you have a savings account, under existing law they have the right to take an offset against that account and freeze that account until you settle your debt. That is the basic principle we are applying here.

If the Senator thinks it can be improved in terms of flexibility, I would certainly be willing to work with the Senator on that.

Mr. SIMON. I thank my colleague. I think there is a need to do that. I want to get rid of as many defaults as we can. People have borrowed from the Federal Government and we ought to be getting that money back. I do not think we ought to be hitting people who are really desperate. I know the Senator from Texas does not want to do that. I believe we can work that out.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1985) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, as a member of the Subcommittee on Education, Arts, and Humanities and as a cosponsor of the pending legislation, I rise with a sense of accomplishment to join my colleagues from the Labor and Human Resources Committee to speak in support of S. 1965, the Higher Education Act Amendments of 1986. At the outset, I wish to commend the distinguished chairman of the subcommittee Senator STAFFORD of Vermont, and its ranking minority member, whose name the student grants bear, Senator PELL of Rhode Island, as well as the chairman of the full committee, Senator HATCH of Utah, and its ranking minority member, Senator KENNEDY of Massachusetts, for the leadership they provided in reviewing and amending one of the most comprehensive pieces of legislation affecting education.

As the son of Japanese immigrants who placed the utmost value on acquiring a formal education and who made extreme sacrifices for the education of their children, I am proud to associate my name with legislation which provides our neediest students with access to higher education. The fact that this bill concentrates most of its funds on student aid, increases the limits of student grants and loans, expands the allowable expenses for cost of attendance, and focuses student aid on the most needy students, I think, in full accord with the best traditions of this great country of ours. As Thomas

Jefferson so wisely observed, an educated populace is an absolute essential to the survival of a democratic society such as ours.

S. 1965 contains proposed changes to improve the system of delivering student financial aid through simplification and clarification, while placing responsibility on the appropriate parties involved in the student aid application/approval process. These changes, I believe, will help to alleviate the concerns and criticisms often expressed about the Student Financial Aid Program and defaults in repayment.

To achieve all of this, while simultaneously attempting to be fiscally responsible, is an even greater accomplishment. The committee has developed a package which, I believe meets with the approval of members of all segments of the higher education community, as well as of the financial community. That S. 1965 was passed unanimously by the Senate Education Subcommittee, as well as by the full Labor and Human Resources Committee, and currently has at least 39 cosponsors is further evidence of the tremendous support that S. 1965 enjoys. Mr. President, I urge an overwhelming vote of support for this important legislation.

AMENDMENT NO. 1986

(Purpose: To authorize appropriations for the United States Institute of Peace for the fiscal years 1987 and 1988, and for other purposes)

Mr. MATSUNAGA. Having said that, Mr. President, I ask for the immediate consideration of an amendment which I have at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. MATSUNAGA], for himself, Mr. HATFIELD, Mr. STAFFORD, Mr. PELL, Mr. BYRD, Mr. ANDREWS, Mr. BAUCUS, Mr. BIDEN, Mr. BINGAMAN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. CRANSTON, Mr. DANFORTH, Mr. DECONCINI, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. EVANS, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GORE, Mr. HARKIN, Mr. HART, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. MATHIAS, Mr. MELCHER, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. PRESSLER, Mr. PRYOR, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SASSER, Mr. SIMON, Mr. SIMPSON, Mr. SPECTER, Mr. STENNIS, and Mr. DIXON, proposes an amendment numbered 1986.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 431, after line 13, insert the following:

TITLE IV—UNITED STATES INSTITUTE OF PEACE AUTHORIZATIONS OF APPROPRIATIONS

SEC. 401. (a) AUTHORIZATIONS OF APPROPRIATIONS.—(1) The first sentence of section 1710(a) of the United States Institute of Peace Act (22 U.S.C. 4609(a)) is amended—

(A) by striking out "fiscal year 1985" and inserting in lieu thereof "fiscal year 1987"; and

(B) by striking out "fiscal year 1986" and inserting in lieu thereof "fiscal year 1988".

(2) The amendments made by paragraph (1) shall take effect on October 1, 1986.

(b) AVAILABILITY OF FUNDS.—The second sentence of section 1710(a) of such Act (22 U.S.C. 4609(a)) is amended to read as follows: "Amounts appropriated under this section are authorized to remain available to the Institute until expended.".

On page 169, after the item relating to section 305, insert the following:

TITLE IV—UNITED STATES INSTITUTE OF PEACE

Sec. 401. Authorizations of appropriations.

Mr. MATSUNAGA. Mr. President, the amendment which I am offering is cosponsored by 59 Senators from both sides of the aisle, including Senators HATFIELD, STAFFORD, PELL, BYRD, ANDREWS, BAUCUS, BIDEN, BINGAMAN, BOREN, BOSCHWITZ, BRADLEY, BUMPERS, BURDICK, CHAFEE, CHILES, COCHRAN, CRANSTON, DANFORTH, DECONCINI, DIXON, DODD, DURENBERGER, EAGLETON, EVANS, EXON, FORD, GLENN, GORE, HARKIN, HART, HEINZ, HOLLINGS, INOUYE, JOHNSTON, KASSEBAUM, KENNEDY, KERRY, LAUTENBERG, LEAHY, LEVIN, LONG, MATHIAS, MELCHER, METZENBAUM, MITCHELL, MOYNIHAN, MURKOWSKI, PRESSLER, PRYOR, RIEGLE, ROCKEFELLER, ROTH, SARBANES, SASSER, SIMON, SIMPSON, SPECTER, and STENNIS.

Mr. President, the amendment would simply reauthorize the continued operation of the U.S. Institute of Peace, which would otherwise terminate on September 30, 1986.

The original legislation, as passed by Congress and signed into law by President Reagan in August 1984, provided for the establishment of the U.S. Institute of Peace, to be operated by an independent 15-member Board of Directors.

Although the act required the President to nominate members of the Board by April 20, 1985, it was not until the fall of 1985, that President Reagan nominated 9 of the 11 public members of the Board, who were then confirmed by the Senate in December. They were sworn into office and held their first meeting in February of this year, and the Peace Institute is still very much in its formative stage. As the author and introducer of the original legislation and one who labored 22 years for its passage, I am deeply appreciative of the continued strong interest and support expressed by my colleagues in the Senate and the House and by the American people. This interest and support will actually breathe life into the Institute and make it the strong, independent agency that it is intended to be.

The reauthorization amendment would make no changes in the Institute's basic mission. Congress envisioned the Institute as being devoted to peace research, education, and training. It was directed to "pass through" one-fourth of its annual appropriation to other educational institutions and nonprofit organizations to support peace research and education, as well as to develop its own research and training programs. The Institute is also authorized to establish the Jennings Randolph Program for International Peace, which would bring together scholars and future leaders of this country and other countries to learn the art of peacemaking and conflict resolution. The Institute would also disseminate information about peace research, education, and training, including the fruits of its own research.

The Institute received an appropriation of $4 million for fiscal year 1985 and, in accordance with the provisions of the original Authorization Act, these funds were "carried over" and released to the Institute's Board of Directors when they were duly sworn in at the midpoint of the fiscal year. The pending amendment would authorize a relatively modest $6 million for the Institute's second year of operations, in fiscal year 1987, based on the assumption that some of the original $4 million appropriation will be left over and can be carried over to the next fiscal year. For fiscal year 1988, the amendment would authorize funds in the amount of $10 million.

Mr. President, the U.S. Institute of Peace enjoys strong support of the American people and serves to reestablish the United States as a world leader in the cause of peace among its community of nations. The Institute deserves our continued strong support so that it can reach its full potential. I urge the adoption of the amendment.

□ 1540

As I understand it, the floor leaders on both sides of the aisle are willing to accept my amendment.

Mr. STAFFORD. Mr. President, as one of the cosponsors of the original legislation and the chairman of the subcommittee that voted it out due to the magnificent efforts of the Senator from the Hawaiian Islands, Mr. MATSUNAGA, and our former colleague, Jennings Randolph of West Virginia, I personally am happy to support this amendment. On behalf of the majority, I am prepared to accept it.

Mr. MATSUNAGA. I thank the chairman of the subcommittee.

Mr. PELL. Mr. President, in the New Testament—I cannot recall whether it is Matthew, Mark, Luke or John—it says "Blessed be the peacemakers."

We do little about it here. Here is a chance where we can.

I congratulate the Senator from Hawaii for putting into practical form at least one of the virtues of the New Testament.

Mr. MATSUNAGA. I thank the ranking Democratic leader.

Mr. STAFFORD. Mr. President, I know of no other Senator who wishes to speak on it.

Mr. PELL. That is true on this side, too, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1986) was agreed to.

Mr. MATSUNAGA. I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1987

(Purpose: To provide an optional private sector employment agreement under the Work Study Program)

Mr. EVANS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington [Mr. EVANS], for himself and Mr. ROCKEFELLER, proposes an amendment numbered 1987.

On page 256, after line 26, insert the following new section:

PRIVATE SECTOR EMPLOYMENT AGREEMENT

SEC. 164. Section 443 of the Act is amended by adding at the end thereof the following new subsection:

"(c) PRIVATE SECTOR EMPLOYMENT AGREEMENT.—In addition to the agreement described in subsection (b), an institution of higher education may, at its option, enter into an additonal agreement with the Secretary which shall—

"(1) provide for the operation by the institution of a program of part-time employment of its students in work for a private for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1);

"(2) provide that the institution will use not more than 25 percent of the funds made available to such institution under this part for any fiscal year for the operation of the program described in paragraph (1);

"(3) provide that, notwithstanding subsection (b)(6), the Federal share of the compensation of students employed in such program will not exceed 60 percent for academic years 1987-1988 and 1988-1989, 55 percent for academic year 1989-1990, and 50 percent for academic year 1990-1991 and succeeding academic years, and that the non-Federal share of such compensation will be provided by the private for-profit organization by which the student is employed;

"(4) provide that jobs under the work study program will be academically relevant; and

"(5) provide that the for profit organization will not use funds made available under this part to pay any employee who would otherwise be employed by the organization.".

Redesignate the succeeding sections in part C of title I accordingly.

In the table of contents, redesignate items "Sec. 164." and "Sec. 165." as items "Sec. 165." and "Sec. 166." and insert after item "Sec. 163." the following new item: "Sec. 164. Work sector employment agreement.".

Mr. EVANS. Mr. President, on behalf of the Senator from West Virginia [Mr. ROCKEFELLER], I have submitted this amendment to what I consider to be an outstanding authorization bill for higher education. I believe this will make it a somewhat better bill and will make it a better bill without any cost to the Federal Government, which I believe makes it even more desirable. It will expand the current college work-study program to allow the program to be used in for-profit organizations as well as not-for-profit organizations, as is now the case.

We have substantial experience in the State of Washington, Mr. President, with this program. We have a parallel State college work-study program, which is quite similar to the Federal program, except that it does allow for-profit organizations to qualify for the program as well as nonprofit organizations. This gives to the student and to the college a good deal of extra flexibility, giving the student an opportunity to take work in a location or a business which may well be that student's employer once he graduates from college.

This amendment would require that the work be related to the student's major, the student's course of study. It would not require that a for-profit company be a priority for hiring. It is an added option. It does not interfere with—in fact, I think it is quite compatible with—the current cooperative program, which really aims at students who are academically superior and it is a competitive program. There are many students who need the support and the help of college work-study who are perfectly adequate students but who do not qualify for the cooperative program.

In summary, Mr. President, this gives greater leverage for the existing amount of money because we will not allow the same sharing to the degree that is called for with not-for-profit organizations. It clearly will be career related, which is a benefit to the student. It will create a better linkage between education and the business community, and it will broaden the student's employment base. In other words, it creates an additional option.

I believe I share with my colleague from West Virginia a unique background in that both of us were Governors of a State, presidents of a college, and now serve together in the Senate. In that past experience, both as Governor and as president of a college, I found that college work-study at the State level was an exceptionally good program. In fact, I had the privilege of helping to bring it into existence.

Later, as a college president, I had the privilege of helping to carry it into existence at the college level with both profit and nonprofit organizations. It worked exceptionally well. I believe now is the time to expand that same opportunity to the Federal level.

□ 1550

Mr. ROCKEFELLER. Mr. President, I rise with my distinguished colleague from the State of Washington to offer this amendment. I also ask unanimous consent that the junior Senator from New Mexico [Mr. BINGAMAN] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROCKEFELLER. I congratulate Senator PELL, the ranking minority member and Senator STAFFORD, the chairman of the subcommittee, for their work on the legislation before the Senate, S. 1965. I regard it as an important piece of work. I also recommend the work of the entire Senate Labor and Human Resources Committee, whose members have played a major role in developing this legislation.

A key part of financial aid, Mr. President, is the College Work-Study Program. The program is a major national effort.

In this academic year 1986-87 about $562 million of college work-study funds are being distributed to approximately 3,500 colleges and universities across this country. Over 800,000 students have agreed to, and are earning part of the cost of their college education by working in jobs mostly funded by college work-study.

Under the existing law, Mr. President, a participating institution, being a college or university, can use its work-study funds to provide jobs on campus or in nonprofit institutions or organizations around town, so to speak. In either case, the employer, be it the college, the university, or the nonprofit group, must pay about 20 percent of the student's wage and the Federal Government through the Work Study Program pays the rest, about 80 percent. The amendment that Senator EVANS and I are offering would provide a third option to the institution receiving work-study funds, and I think a wise one. We propose to authorize participating colleges and universities to involve the private for-profit sector in providing jobs to college work-study students. It would be, as the Senator from Washington has noted an option, providing the ability to higher education institutions to use up to 25 percent of their college work-study funds for this purpose.

Now, one might say, "Well, doesn't that mean that the Federal Government is going to be in the position of subsidizing businesses?" My answer to that is twofold: One, we want to upgrade the quality of work opportunities for college students dependent on college work-study. Two, we require through this amendment that for-profit employees pay a much greater percentage of college work-study students' income than what must be paid by the college or the nonprofit institution employers. College and nonprofit institutions would continue paying 20 percent of student earnings. Under our amendment, for profit institutions would start by contributing 40 percent of the students wage, then in 2 years would pay 45 percent, and by the academic year of 1991 they would pay 50 percent of the earnings. So the Federal Government and businesses would split the cost of jobs for work-study students.

In addition, people may say, "Well, is this amendment going to displace workers?" And the answer to that is no. Typical work-study students work on average of about 9 hours a week, for a total of about $900 per 9-month academic year—employers will not opt for these student employees in place of workers available for more hours or full time.

It seems to me, Mr. President, that our proposal offers an ideal opportunity. Colleges in rural communities and small towns simply cannot place students adequately within their own institutions. They try. They do not want to turn down any of their work-study allocation. They must accept the Federal money, and therefore they struggle to create enough jobs to make use of these funds. But in many cases, they must "make work." On-campus jobs may not always offer productive work.

By adding the option of jobs in the for-profit sector, we will enable colleges to provide meaningful work to students. In Washington State's State-funded program, students have served as law clerks, pharmaceutical interns, engineering aides, bank teller trainees, physical therapy aides, public affairs assistants at commercial radio stations, and marketing assistants. These are all solid, real-life, working positions. They are not just working in cafeterias, mopping up floors, or working as a file clerk—all jobs which are important, I recognize. The point is that many colleges, in order to use work-study funds, create jobs on campus which are not necessary or helpful.

The Senator from Washington and I are trying to provide a third option, not a third mandatory requirement but a third option for the university or the college to use. We want to allow college work-study students to work in the private for-profit sector. I do not see how this can be anything but a good idea. This is a good idea for the college, for the student, and for business.

We are an entrepreneurial society. Young people are demonstrating increasing interest in gaining "real world" practical work experience. Our amendment would give them the ability to do that. I know that smaller colleges from my State are very anxious to pursue this option.

As the Senator from Washington stated, he and I were both college presidents. I had to address the problem constantly at West Virginia's Wesleyan College in Buckhannon, WV, of generating adequate jobs on campus to use all of our Federal work-study funds. I would have loved to have been able to send some of my students downtown to businesses, to the Corhart Refractory or to one of the local glass plants to work in accounting, marketing, or other aspects of their operations. This amendment will help students, and businesses, and will enhance college community relations. Mr. President, I hope that this amendment will be supported by my colleagues, and I am very proud to offer it with my distinguished colleague, Senator EVANS.

The PRESIDING OFFICER (Mr. EVANS). The Senator from Vermont.

Mr. STAFFORD. Mr. President, we have had the opportunity to examine the amendment offered by two most distinguished Senators, EVANS and ROCKEFELLER, and we believe the amendment is meritorious and for the majority we are prepared to accept it.

Mr. President, I am advised also, speaking for Senator PELL, who had to temporarily leave the Chamber, he is willing for the minority to accept the amendment as well.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, I ask unanimous consent that Senators DOLE, GOLDWATER, and ZORINSKY be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, the Senators will be added. The question is on agreeing to the amendment of the Senator from Washington and the Senator from West Virginia, and others. Is there further discussion?

The amendment (No. 1987) was agreed to.

Mr. EVANS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. Mr. President, I move to table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, I rise today not only to support the overall goal of S. 1965, the Higher Education Amendments of 1986, but in addition, to request that I be added as a cosponsor of the bill.

Financial assistance under the Higher Education Act is a primary means used by millions of Americans to achieve a postsecondary education. In fiscal year 1986, some $8.65 billion was appropriated for higher education.

In my own State of Illinois, for the period of July 1, 1986 through June 30, 1987, $8.5 million was approved under the National Direct Student Loan Program to be awarded to some 40,676 students at 148 institutions. A total of 27,345 student awards were approved to 205 institutions for the Supplemental Education Opportunity Grants Program at a level of $17 million. Additionally, $21.7 million was approved under the College Work-Study Program to be awarded to 32,134 students at 156 Illinois institutions.

I would like to note that the Senate Committee on Labor and Human Resources has seen fit to reject many of the higher education proposals that were submitted by the administration. Generally, the committee has responded to the needs of many students in aiding them to achieve a postsecondary education.

I would also like to note the special recognition the committee has given to Blackburn College in Carlinville, IL, regarding its campus work-study program. Students at Blackburn College are required to work 15 hours per week in on-campus, nonpaying jobs for the cost of their education and to keep the cost of attending Blackburn College within the reach of moderate income families.

Congratulations are in order to the administration, faculty, students, and friends of Blackburn College for this successful endeavor. I urge other institutions to explore this innovative program.

Mr. President, I also urge my colleagues to join me in supporting the passage of S. 1965.

I ask unanimous consent, Mr. President, that I be added as a cosponsor of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

□ 1600

AMENDMENT NO. 1988

(Purpose: To authorize a College Construction Loan Insurance Association)

Mr. DODD. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] proposes an amendment numbered 1988.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 369, line 7, strike out "$10,500,000" and insert in lieu thereof "$5,000,000".

On page 369, line 7, strike out "$11,025,000" and insert in lieu thereof "$5,525,000".

On page 369, line 8, strike out "$11,576,250" and insert in lieu thereof "$6,076,250".

On page 369, line 8, strike out "$12,155,063" and insert in lieu thereof "$6,655,063".

On page 369, line 9, strike out "$12,762,816" and insert in lieu thereof "$7,262,816".

On page 369, line 11, strike out "$10,500,000" and insert in lieu thereof "$5,000,000".

On page 369, line 11, strike out "$11,025,000" and insert in lieu thereof "$5,525,000".

On page 369, line 12, strike out "$11,576,250" and insert in lieu thereof "$6,076,250".

On page 369, line 12, strike out "$12,155,063" and insert in lieu thereof "$6,655,063".

On page 369, line 13, strike out "$12,762,816" and insert in lieu thereof "$7,262,816".

On page 386, between lines 5 and 6, insert the following new section:

ESTABLISHMENT OF THE COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

SEC. 254. Title VII of the Act is amended by adding at the end thereof the following new part:

"PART F—COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

"CONGRESSIONAL DECLARATION OF PURPOSE; DEFINITION; INCORPORATION

"SEC. 761. (a) PURPOSE.—The Congress declares that it is the purpose of this part to authorize participation of the United States Government and the Student Loan Marketing Association in a private, for profit corporation to be known as the College Construction Loan Insurance Association (hereafter in this part referred to as the 'Corporation') which will, directly or indirectly, alone or in collaboration with others—

"(1) guarantee, insure and reinsure bonds, debentures, notes, evidences of debt, loans and interests therein, the proceeds of which are to be used for an education facilities purpose;

"(2) guarantee and insure leases of personal, real or mixed property to be used for an education facilities purpose; and

"(3) issue such letters of credit and undertake such obligations and commitments as the Corporation deems necessary to carry out the purposes described in clauses (1) and (2).

"(b) STATUS AS NON-GOVERNMENTAL ENTITY.—The Corporation shall not be an agency, instrumentality or establishment of the United States Government and shall not be a 'Government corporation' nor a 'Government controlled corporation' as defined in section 103 of title 5, United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

"(c) CORPORATE POWERS AND LIMITATIONS; APPLICABILITY OF THE PROVISIONS OF THIS PART.—The Corporation shall be subject to the provisions of this part and, to the extent not inconsistent with this part, to the District of Columbia Business Corporation Act. The business activities of the Corporation shall always be limited to the purposes set forth in subsection (a) of this section. It shall have the powers conferred upon a corporation by the District of Columbia Business Corporation Act as from time to time in effect in order to conduct its corporate affairs and to carry out its purposes and activities incidental thereto.

"(d) DEFINITION OF EDUCATION FACILITIES PURPOSE.—As used in this section, an 'education facilities purpose' includes any activity relating to the construction, reconstruction, renovation, acquisition or purchase of (1) education, training or research facilities or housing for students, faculty or staff, (2) any underlying real property or any interest therein, (3) furniture, fixtures and equipment to be used in connection with any education or training facility or housing for students, faculty or staff, and (4) instructional equipment and research instrumentation including site preparation for such equipment and instrumentation.

"CRITERIA FOR GUARANTEES AND INSURANCE

"SEC. 762. (a) GENERAL RULE.—In carrying out the purposes and activities described in section 761, the Corporation shall assure that not less than 100 percent of the aggregate amount of—

"(1) the bonds, debentures, notes, evidences of debt, loans, and interest therein, the proceeds of which are to be used for an education facilities purpose, and

"(2) the lease of personal, real, or mixed property to be used for such purpose,

shall be made available for educational facilities purposes which do not qualify under usual business practice because of—

"(A) the difficulty or inability of the institution to otherwise obtain financing on reasonable terms for such purposes;

"(B) the difficulty or inability to obtain financing through the use of the proceeds of bonds or other evidence of indebtedness by the institution on reasonable terms for such purposes; or

"(C) the difficulty or inability to obtain guarantees or insurance by the institution on reasonable terms for such purposes.

"(b) CRITERIA REQUIRED.—The incorporators of the Corporation appointed pursuant to section 763 shall establish uniform criteria for the requirement imposed by subsection (a) of this section.

"PROCESS OF ORGANIZATION

"SEC. 763. The Secretary of the Treasury, the Secretary of Education and the Student Loan Marketing Association shall each appoint two persons to be incorporators of the Corporation. If either the Secretary of the Treasury or the Secretary of Education fail to appoint incorporators within 90 days after the date of enactment of the Higher Education Amendments of 1986, the Student Loan Marketing Association, after consultation with the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives, shall have the authority to name the incorporators which have not been so appointed. The incorporators so appointed shall each sign the articles of incorporation and shall serve as the initial Board of Directors until the members of the first regular Board of Directors shall have been appointed and elected. Such incorporators shall take whatever actions are necessary or appropriate to establish the Corporation, including the filing of articles of incorporation.

"OPERATION AND ELECTION OF BOARD OF DIRECTORS

"SEC. 764. (a) IN GENERAL.—The Corporation shall have a Board of Directors which shall consist of eleven members, of whom one shall be elected annually by the Board to serve as chairman. Directors shall serve for terms of one year or until their successors have been appointed and qualified, and any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the Director whom he succeeds. Two Directors shall be appointed by the Secretary of the Treasury; two Directors shall be appointed by the Secretary of Education; three Directors shall be appointed by the Student Loan Marketing Association; and the remaining four Directors shall be elected by the holders of the Corporation's voting common stock at least one of whom shall be a college or university administrator.

"(b) CUMULATIVE VOTING.—The articles of incorporation of the Corporation shall provide for cumulative voting under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-327(d)).

"INITIAL CAPITAL

"SEC. 765. (a) AUTHORITY TO ISSUE COMMON STOCK.—The Corporation shall issue shares of voting common stock of no par value at such time within six months of its incorporation as shall be designated by the initial Board of Directors, for an aggregate consideration of not more than $16,000,000. During each of the four years thereafter, the Corporation shall issue additional voting common stock at such date or dates in each year determined by the Board for an aggregate consideration of not more than $41,000,000 in each year.

"(b) SUBSCRIPTION BY SECRETARY OF EDUCATION.—The Secretary of Education is authorized and directed to subscribe to and purchase, in each of the five years referred to in subsection (a) of this section, voting common stock of the Corporation having an aggregate purchase price of not more than $11,000,000, subject to availability of appropriations.

"(c) SUBSCRIPTION BY ASSOCIATION.—The Student Loan Marketing Association is authorized to subscribe to and purchase in each of the five years referred to in subsection (a) of this section voting common stock of the Corporation having an aggregate purchase price of not more than $5,000,000.

"(d) ANNUAL ISSUANCE.—The Corporation is authorized to offer for subscription and purchase to the general public in each of the second through fifty years referred to in subsection (a) of this section voting common stock having an aggregate purchase price of not more than $25,000,000. Not less than $10,000,000 of such stock shall be set aside for purchase by institutions of higher education prior to being offered to the general public.

"ISSUE OF NONVOTING STOCK AND DEBT TO THE PUBLIC

"SEC. 766. The Corporation may issue without limitation as to amount or restriction as to ownership such nonvoting

common, preferred and preference stock, debt and such other securities and obligations, in such amounts, at such times and having such terms and conditions as may be deemed necessary or appropriate by its Board of Directors.

"OBLIGATIONS NOT FEDERALLY GUARANTEED

"SEC. 767. No obligation which is insured, guaranteed or otherwise backed by the Corporation, shall be deemed to be an obligation which is guaranteed by the full faith and credit of the United States.

"AUTHORITY OF SECRETARY TO SELL COMMON STOCK; RIGHT OF FIRST REFUSAL

"SEC. 768. (a) AUTHORITY TO SELL.—The Secretary of Education may, at any time after a date which is five years after the date of incorporation of the Corporation, sell (in one or more transactions) the voting common stock of the Corporation owned by the Secretary. Prior to offering such common stock for sale to any other person, the Secretary shall offer such stock to the Student Loan Marketing Association at the price determined pursuant to subsection (b). Not later than 30 days prior to the sale of such stock, the Secretary shall advise, in writing, the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives of plans of the Secretary.

"(b) PURCHASE PRICE.—The price at which the Secretary may sell the voting common stock of the Corporation under subsection (a) of this section shall be the market value of such shares as determined by the Secretary, on the basis of an independent appraisal, but shall not be less than the value of such shares as shown on the books of account of the Corporation as of the date of closing of such purchase. In no event shall the purchase price be less than the original issuance price.

"(c) BOARD OF DIRECTORS ELECTED AFTER MAJORITY BUY-OUT.—If the Student Loan Marketing Association acquires from the Secretary of Education sufficient voting common stock so as to own more than 50 percent of the issued and outstanding voting common stock of the Corporation, section 764 (except subsection (b)) of this Act shall be of no further force or effect and the Board of Directors of the Corporation shall thereafter be elected entirely by the voting common shareholders.

"(d) RIGHT OF FIRST REFUSAL TO ASSOCIATION.—Until such time as the Student Loan Marketing Association acquires all of the voting common stock owned by the Secretary, the Student Loan Marketing Association shall have the right to purchase all, or any lesser portion it shall select, of each of the issues of equity securities or other securities convertible into equity of the Corporation as the Corporation may issue from time to time, on the same terms and conditions as such securities are to be offered to other persons.

"(e) AUTHORITY OF ASSOCIATION WITH RESPECT TO CORPORATION.—The Student Loan Marketing Association is authorized and empowered to purchase stock and to carry out such other activities as are necessary and appropriate for carrying out the Association's obligations and responsibilities with respect to the Corporation. The Student Loan Marketing Association is also authorized to enter into such other transactions with the Corporation, including the acquisition of securities and obligations of the Corporation referred to in this section and sections 765 and 766, and arrangements for the provision of management and other services to the Corporation, as shall be approved by the Student Loan Marketing Association and the Corporation.

"RETURN OF STOCK SALE PROCEEDS

"SEC. 769. The proceeds received by the Secretary of Education upon the sale of any of its shares of the Corporation to the Student Loan Marketing Association shall be deposited in the general fund of the Treasury.

"AUDITS; REPORTS TO THE PRESIDENT AND THE CONGRESS

"SEC. 770. (a) ACCOUNTING REQUIREMENT.—The books of account of the Corporation shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by an independent public accountant.

"(b) REPORTS.—The Corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a report of its operations and activities under this part, which annual report shall include a copy of the Corporation's financial statements and the opinion with respect thereto prepared by the independent public accountant reviewing such statements and a copy of any report made on an audit conducted under subsection (a).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 771. There are authorized to be appropriated $11,000,000 to carry out the provisions of this part, to remain available until expended.".

On page 167, in the table of contents, after item "Sec. 253." add the following:

"Sec. 254. Establishment of the College Construction Loan Insurance Association.".

Mr. DODD. Mr. President, I offer this amendment on behalf of myself, Senator PRESSLER, Senator SIMON, and Senator KERRY.

This amendment will establish the College Construction Loan Insurance Association.

I should like to identify what the needs are, the rationale for this particular amendment, and try to explain what the amendment would do.

In order for the higher education community to meet the Nation's future human resource needs, especially in high technology areas, there is a critical need to upgrade antiquated educational facilities, laboratories, and scientific equipment throughout the Nation.

Twenty-five percent of the Nation's higher education facilities were built before World War II, and an additional 25 percent were built prior to 1960.

The administration has adequately and accurately pointed out that the total need for university-based construction and renovation is between $40 and $80 billion.

Clearly, over the years, it has been the role of the Federal Government to help meet this facilities construction need. We all recognize that our national security and economic prosperity depend upon university-based research in a variety of areas as well as the continued production of well-informed, well-trained young people.

The Federal Government has long recognized the national interest in promoting the construction and renovation of higher education facilities. The Morrill Act of 1862 helped to build a network of federally supported land-grant colleges that drove our agricultural and industrial revolutions. The Higher Education Facilities Act of 1963 and the Higher Education Act of 1965 have provided hundreds of millions of dollars in financial assistance for the construction and renovation of academic facilities.

In addition, recent reports issued by the National Science Foundation, the Department of Defense, and the Special White House Science Council have all concluded that the Federal Government has a vital interest in the construction and renovation of higher education facilities and should provide increased financial assistance for this purpose.

There are some current options available for financing, but I argue that in each of these cases the variety of options is inadequate to meet the demand, as pointed out by the White House and others.

There is Federal assistance under title VII of the Higher Education Act, but between 1973 and 1985, the total amount of money we have been able to come forward with is about $22 million, despite the fact that the estimates are that the needs range in the area of $40 billion to $80 billion.

We also have internal funding as an option. As we know, the pressing needs of increased student aid, faculty salary increases, and required daily maintenance have precluded institutions from financing major construction or renovation through their operating budgets.

As to gift campaigns, it is true that a lot of people make significant contributions to higher education institutions; but, as we know, most of those contributions are already going to some of the most well-endowed colleges and universities in this country. If we adopt the House tax bill's provision to include charitable gifts of appreciated property in the alternative minimum tax, it would further decrease such gift contributions to colleges and universities.

As to borrowings, of the 3,000 institutions of higher education in the United States, only 500 have access to tax-exempt bond financing. This is because the market requires strong credit and tax-exempt rating if they are to receive any assistance.

As nonprofit institutions, colleges, and universities are generally excluded from the taxable financing market. Many that attempt to borrow from their local banks have problems acquiring loan insurance and/or face prohibitively high interest rates.

Those are the options. As I have pointed out, they really have not been adequate to meet this need.

Why this proposed facilities loan guarantee corporation? The question is, how can the Federal Government hope to address this need, given the fiscal realities we face and the enormity of the problem?

No one would suggest that in the fiscal austerity mood of Congress, we are going to support massive amounts of Federal money directly from the Federal Treasury into this area, so we try to come up with a creative mechanism to lure private capital for this need. This amendment would accomplish that goal, not all at once, but it begins a process this year that I think will lead to the financing that is needed.

This amendment would establish a private, for profit corporation which will guarantee and insure bonds and loans for the construction and renovation of academic facilities and research equipment.

The key to this corporation is that it will be able to leverage tremendous amounts of private capital with a very small amount of Federal funds. The Federal Government would purchase $11 million in stock in the corporation in each of the first 5 years, and after 5 years, the Government would sell its shares back to the corporation and deposit the money back into the Federal Treasury.

So it is revenue neutral, in terms of not costing the Government anything, except what we lost immediately. The measure provides that those shares or stocks cannot be sold for less than they were purchased for during the years this program would be activated.

In addition, the corporation would serve only those schools which do not now have access to bond or loan insurance, thus ensuring that the Corporation does not compete in the existing bond market. So schools that can go the other route would not qualify for this program.

By virtue of the guarantees and insurance it provides, the corporation will first, enhance the credit worthiness of noninvestment grade but financially sound institutions; second, help ensure the availability of financing to such institutions; third, lower debt issuing and interest costs to such institutions.

Actuarial estimates indicate that the corporation will be able to leverage $2 to $5 billion in the first 5 years of this program's existence.

The corporation would be subject to all State and Federal insurance and qualification laws as well as the Federal securities statute.

This amendment is also budget neutral because it reduces the authorizations for other parts of title VII of this act by the amount the Federal Government would be putting in over the next 5 years.

In conclusion, given the critical national need for trained personnel and advanced university-based research, we should take this cost-effective step to help address the need for facilities construction and renovation. For this reason, the corporation is strongly supported by the Director of the National Science Foundation and every higher education organization.

The corporation would not be a panacea for our facilities problem but would represent a Federal commitment to help address the need at a time of fiscal constraint.

Due to limited capital, the corporation would start slowly and gradually serve more and more institutions. Even under the corporation's guidelines, not every guarantee sought will be issued. Some schools will never get money because they are not fundamentally sound.

The corporation's activities will help to supplant the current congressional practice of earmarking appropriations for specific institutions. This practice bypasses peer review and ensures assistance only to institutions with strong lobbyists and political connections.

Mr. President, while we have done a great deal in this bill—Senator PELL and Senator STAFFORD deserve a great deal of support and commendation for what they have done—we are providing assistance for students to go to some of the finest institutions in this country; and we want to make sure that the facilities at those institutions will be up to the talents and desires of those young people we will depend upon in the years ahead for the security of this country.

I have received a great deal of support in drafting this amendment from Senator METZENBAUM, who has an amendment to this amendment which I agree with, as well as Senator DANFORTH, Senator PELL, Senator STAFFORD, and their staffs.

I urge the adoption of this amendment.

Mr. STAFFORD. Mr. President, the amendment offered by Senator DODD to establish a private loan insurance corporation to benefit below investment grade institutions, addresses an important concern of the higher education community. It would set up a for-profit corporation with a clearly defined mission: making loan guarantees available to colleges otherwise unable to borrow funds for vital construction projects on their campuses. Because the corporation is limited to guarantees for high-risk schools, representatives of the private bond market, originally opposed to the proposal, now endorse it.

I commend my colleague from Connecticut for his hard work in drafting an amendment which responded to every concern raised by committee members throughout our deliberations on title VII. I urge my colleagues to vote yes for this proposal.

Mr. PELL. Mr. President, I think this is a good amendment. It fills a very real need. It is revenue neutral because it costs the taxpayer not a nickle more. I recommend to my colleagues that we support it. However, before voting on the amendment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent that this amendment be temporarily laid aside so that we may bring up another matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1989

(Purpose: To provide for a study on the escalating cost of higher education)

Mr. DODD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD] for himself, Mr. QUAYLE, Mr. KENNEDY, and Mr. KERRY, proposes an amendment numbered 1989.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 413, strike out lines 4 and 5 and insert in lieu thereof the following:

TITLE III—EDUCATION ADMINISTRATION

PART A—RESEARCH AND IMPROVEMENT

On page 431, after line 13, insert the following:

PART B—STUDY ON THE ESCALATING COST OF HIGHER EDUCATION

STUDY REQUIRED

SEC. 311. (a) STUDY REQUIRED.—The Comptroller General shall conduct a study on the escalating cost of higher education. The study required by this section shall—

(1) Identify the current cost of obtaining a higher education and determine how that cost has changed in recent years,

(2) forecast the future cost of obtaining a higher education with consideration given to prospective demographic changes in student enrollments,

(3) determine the specific causes of recent changes in cost and the extent to which each of those causes has contributed to such changes,

(4) evaluate the impact of such changes in cost on institutions of higher education, their students, and lower and middle income families,

(5) make recommendations on how such changes in cost can be minimized in the future, and

(6) outline State and Federal policy options which may help to minimize such changes in cost in the future.

(b) SPECIAL CONSIDERATION.—In conducting such study, the Comptroller General shall give special consideration to the impact of escalating costs on lower and middle income students and families, the impact of escalating costs on female and minority students, the impact of escalating costs on the career choices made by students, and the relationship between escalating costs and the Federal student financial assistance programs.

(c) CONSULTATION REQUIREMENTS.—During the conduct of such study, the Comptroller General shall consult frequently with the Department of Education, the Chairman of the Senate Committee on Labor and Human Resources, and the Chairman of the House Committee on Education and Labor.

(d) REPORT TO CONGRESS.—The Comptroller General shall, within one year of the date of enactment of this Act, submit to the Congress a report on the study required by this section, together with recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

On page 169, in the table of contents, strike out the item relating to title III and insert in lieu thereof the following:

"TITLE III—EDUCATION ADMINISTRATION

"PART A—RESEARCH AND IMPROVEMENT"

On page 169, in the table of contents, after item "Sec. 305." add the following:

"PART B—STUDY ON THE ESCALATING COST OF HIGHER EDUCATION

"Sec. 311. Study required.".

□ 1610

Mr. DODD. Mr. President, I offer this amendment on behalf of myself, Senator QUAYLE, Senator KENNEDY, and Senator KERRY.

John F. Kennedy once wrote: "The future of young people and the Nation rests in large part on their access to college and graduate education. For this country reserves its highest honors for only one kind of aristocracy—that which the Founding Fathers called an 'aristocracy of achievement arising out of a democracy of opportunity'."

Mr. President, I believe we are in danger of losing that "democracy of opportunity" which President Kennedy so eloquently referred to almost 25 years ago. Over the past 5 years, the spiralling cost of higher education has devastated the academic buying power of our lower and middle-income families. If we allow this trend to continue, we will find ourselves in the very situation which we have worked so hard to prevent: students choosing colleges based on the depth of their pocketbooks, rather than on the depth of their intellect, determination, and motivation.

Consider these statistics: according to the National Center for Education Statistics, average charges for undergraduate tuition and fees, room and board rose by 108 percent at public institutions and by 137 percent at private colleges and universities between 1974 and 1984.

The College Board, an independent education research organization, recently estimated that the total annual cost of attending a 4-year public college jumped 8 percent over last year, to an average of $5,314. For private institutions the increase over last year was 8 percent, to an average of $10,476. This is the fifth year in a row that higher education costs have outpaced the overall rate of inflation.

In my own region—New England—colleges and universities and their students have been especially hard hit by the increasing cost of higher education. According to a recent study by the New England Board of Higher Education, tuitions at public institutions in our region have increased by 113 percent since 1978. Tuitions at New England's 20 most expensive private colleges increased by 120 percent during the same 7-year period. And while the national inflation rate was under 4 percent in 1985, tuition rate increases for academic year 1985-86 were 8 percent or more for our New England schools.

It's easy to lay the blame for rising costs at the doors of our colleges and universities. Unfortunately, nothing is that simple. These schools have no control over the cost of inflation-prone goods like heating oil, books, periodicals, and other supplies, each of which has at least doubled in cost over the last decade. Moreover, during the double-digit inflation period of the 1970's, colleges and universities made a valiant attempt to control their institutional costs. Faculty and staff salary increases were kept to a minimum, and most institutions deferred essential repair of facilities, plant improvements, and the acquisiton of needed technological equipment, in an effort to keep tutition prices down and student enrollments up. By and large, institutions of higher education are now playing catch-up ball; trying to boost artifically low faculty salaries and repair badly neglected infrastructures.

Mr. President, there is no lack of statistics to document the exploding cost of higher educaton. What we are lacking as a policymaking institution is the analytical research on how rising costs are affecting our students, families, and the schools themselves—and what we can do about it.

For example, what impact is this cost trend having on middle America? We know that many families face difficult choices—not only about where to send their kids to school but whether they can send their kids to school and still replace the family car, paint the house, or take a much needed vacation. What exactly are the choices being made and how badly are families hurting?

What is the impact of rising costs on the students themselves? We know that many more are relying on student loans than ever before and that student indebtedness is reaching dangerous levels. But how many students are not seeking graduate degrees because of their undergraduate loan debts? How many would-be public and Government servants are we losing to high paying careers because of these debts? What is the impact on those who have the most trouble paying for college in the first place—women and minorities

Finally, what precisely is the relationship between the rising cost of higher education and our student financial assistance programs? Do these programs encourage schools to increase tuition costs or do they help institutions and students cope with rising costs which are caused by other factors? I suspect the truth lies somewhere in between. But we need to know if we are to make effective policy choices concerning these programs.

Mr. President, the amendment which I am offering will help us understand the complex issues associated with rising educational costs. My amendment would authorize the General Accounting Office to conduct a study to consider the cost issue in a comprehensive fashion. In addition to identifying current and future cost trends, my amendment would have GAO address many of the difficult questions which I just posed. Perhaps most important, it is my hope that GAO will be able to offer us concrete recommendations on how the Federal Government can help to stem the tide of rising education costs.

This is a critical issue for all Americans. Nothing less is at stake than our diverse system of colleges and universities and our commitment to the philosophical foundation of the Higher Education Act of 1965: That all young Americans should have access to and choice of educational opportunities, regardless of their personal wealth.

I urge the adoption of the amendment.

Mr. PRESSLER. Mr. President, I rise as a cosponsor of this very important amendment which the distinguished Senator from Connecticut just explained. This amendment offers a fresh, unique approach to a complex and costly problem—outdated university facilities and equipment.

In particular, our university research facilities desperately need improvements. This problem is well documented. Study after study recommends that a major Federal initiative is needed to help rebuild our university research facilities.

This amendment gives us a chance to make a big difference with a relatively small amount of Federal funding. Under current fiscal constraints, we simply do not have the funding

available to rebuild these facilities. Therefore, the most cost-effective way to spend limited Federal dollars is to leverage them against private funds. This amendment does just that, by creating a private, for-profit corporation which will guarantee and insure bonds and loans for the construction, renovation, or acquisition of educational facilities. Additionally, it targets this funding to those institutions which need it most.

Mr. President, we have long depended on our universities, and university trained scientists, to develop the technologies which have made this Nation so great. They desperately need new facilities and equipment in order to continue to make these great contributions to our Nation. I urge my colleagues to adopt this amendment.

Mr. PELL. Mr. President, I think this is an excellent amendment.

I was struck by the figures the Senator from Connecticut advanced, $5,000 for a public education, $10,000 for a private university. I could not help but think that it costs more to send a person to jail—$25,000 a year—than it does to send a young man to school.

Because of the high cost of higher education, I think you find that the tendency to go into lower paying occupations is less.

Anyway, I think it is an excellent amendment and it gives the facts and figures from which to make, hopefully, sensible judgments.

I will commend it to my colleagues and hope we support it.

The PRESIDING OFFICER. Is there further debate?

Mr. STAFFORD. Mr. President, for the majority we examined this amendment and we think it is a good one and we are prepared to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1989) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair for recognizing me.

The PRESIDING OFFICER. Will the Senator withhold for a moment? We have a unanimous-consent request to lay aside the amendment for a moment.

Does the Senator wish to continue to lay this amendment aside?

Mr. DODD. Mr. President, I ask my colleague from North Carolina is he offering an amendment? I have an amendment. We are just waiting for the Senator from Ohio to come over. It is an amendment to that amendment.

I do not mind asking unanimous consent that we continue to lay that aside, if the Senator from North Carolina has an amendment he wants to offer.

Mr. HELMS. Mr. President, of course I am perfectly willing to accommodate my friend from Connecticut. With the understanding I shall be recognized after the disposition of this amendment, I certainly will yield to him.

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, it is my understanding, and this is really a parliamentary inquiry, that currently the pending business is an amendment of the Senator from Connecticut. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STAFFORD. If the Senator from Connecticut has no objection, I ask unanimous consent to temporarily lay aside his amendment in order to accomplish a brief matter for Senator BOREN and then to have a couple colloquys in the RECORD.

Mr. DODD. I have no objection.

Mr. STAFFORD. In that case, Mr. President, I ask unanimous consent that the Dodd amendment may be temporarily laid aside for the purposes I have stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABDNOR. Mr. President, I wish to ask the distinguished chairman of the Education, Arts and Humanities Subcommittee to clarify the committee's intent with respect to the special rule for foreclosure, forfeiture, liquidation or bankruptcy contained in section 181 of the bill before us, S. 1965. This provision was also included in COBRA, the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272).

As the sponsor of an identical amendment to the Senate farm bill (S. 1714), it is my understanding that this language is designed to assist farm and business families facing voluntary or involuntary foreclosure, forfeiture or bankruptcy, including those who negotiate a partial liquidation of farm or business assets at the request of a lender. Many families in my State of South Dakota who have experienced financial difficulties have sold some of their assets, at the behest of a lender, in order to reduce their debt. Despite the fact the proceeds from these sales are used to retire outstanding debt, the resulting capital gains have served to render many deserving applicants ineligible for student aid.

Mr. President, I believe my friends, the senior Senator from Vermont and the distinguished ranking minority member of the subcommittee, Senator PELL, agree that this amendment is intended to permit the exclusion of these capital gains from the computation of the expected family contribution for the Pell grant and GSL [guaranteed student loan] Programs.

Mr. STAFFORD. The Senator from South Dakota is correct. The situation he has described, in which farm or business assets have been sold pursuant to an agreement between the owner and his or her lender, is covered by the special rule for foreclosure, forfeiture, liquidation, or bankruptcy as a voluntary foreclosure.

Mr. ABDNOR. Mr. President, I wish to thank my distinguished colleague for clarifying this matter. I appreciate his help, and that of Senators PELL, HATCH, and KENNEDY, in addressing this important issue. I assure my colleagues that this amendment will serve to ensure access to Pell grants and GSL's to a great many financially needy students.

INTERNATIONAL STUDIES

Mr. GORTON. Mr. President, I wish to recognize the achievement of the Labor Committee in putting together this very important legislation, and commend Senator STAFFORD of Vermont for his leadership on S. 1965. The Senate's prompt action on this legislation will ensure continuation of programs vital to the future of many of our Nation's young people.

I wish to call the Senate's action, however, to one item of concern to students studying non-Western languages such as East Asian and Middle Eastern languages. While section 242 of S. 1965 reauthorizes a stipend program for students who are engaged in programs of language and international studies, it also places a new and, I believe, unintended condition on the stipend that will preclude some students from being eligible for assistance.

To be eligible for a foreign language and area studies [FLAS] stipend under S. 1965, students must be engaged in competency-based language training. This is a term of art that refers to programs that use a specific type of exam to assess a student's level of language competency. The trouble with this provision is that complete and standard exams of this sort have not been devised for many languages.

The Chinese language, for example, has not yet had standardized tests developed to measure written competency. I do not believe that the Labor Committee or this body desires to prevent students from taking advantage of the FLAS stipend program simply

because competency tests have not yet been developed for the languages they are studying.

Mr. STAFFORD. Mr. President, I thank the senior Senator from Washington for his remarks. It certainly was not the intention of the committee to exclude students studying important languages such as Chinese from the stipend program.

I can assure my colleague that I will address this matter when the House and Senate meet in conference on the higher education reauthorization bill. Clearly, the Labor Committee intended the FLAS stipend program to be available to students studying languages for which complete and standardized tests are not available. I will represent this position in the committee of conference.

Mr. GORTON. I appreciate the commitment of my colleague from Vermont. Once again, I congratulate him for his distinguished management of this bill.

Mr. STAFFORD. Mr. President, I ask unanimous consent that Senator GORTON be added as a cosponsor of S. 1965.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1990

Mr. STAFFORD. Mr. President, on behalf of Senator BOREN and for both Senator PELL and myself, I send an amendment to the desk and I ask for its immediate consideration and that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD], for Mr. BOREN, proposes an amendment numbered 1990.

At the appropriate place, insert: *Provided*, That funds appropriated in P.L. 97-377 under the terms of H.R. 3598 (97th Congress) shall be available as a direct appropriation.

Mr. STAFFORD. Mr. President, the purpose of this amendment has to do with a program honoring Carl Albert, former Speaker of the U.S. House. The original legislation appropriated, as this Senator understands it, $2 million of Federal funds for the program and, required private matching funds. But due to the disastrous financial situation in Oklahoma, in terms of both the oil economy and the farming economy, after raising about three-quarters of a million dollars, those who are arranging for the matching funds have been unable to obtain further funds, and there is no realistic opportunity that they will be able to.

So without costing the Federal Treasury any money, what this amendment will do is allow the $2 million which has been already appropriated, as I understand it, to be drawn down and to be utilized now together with 700 and some-odd thousand dollars raised locally. That is the purpose.

And this amendment I have offered for my colleague, Senator BOREN, and I believe Senator PELL joins me in that offer.

Mr. PELL. Mr. President, the Senator from Vermont is absolutely correct. I am very glad to support this amendment, which does not cost the Government or the taxpayers any more money. It simply makes available money that has already been appropriated without having the requirement that it be matched to alleviate the hardships suffered by Oklahoma through its oil and farming economies.

I commend it to my colleagues and trust they will support it.

CARL ALBERT CONGRESSIONAL RESEARCH AND STUDIES CENTER

Mr. BOREN. Mr. President, today I am introducing an amendment to S. 1965, the Higher Education Amendments of 1985, on behalf of the Carl Albert Congressional Research and Studies Center. Under Public Law 97-377, continuing appropriations for fiscal year 1982-83 were made including $2 million to the Carl Albert Center at the University of Oklahoma. This was made within the terms of H.R. 3598 which allowed for this money to be available to the center on a dollar for dollar matching basis up to the $2 million maximum. To date, approximately $700,000 has been matched, leaving a balance of $1.3 million. The language proposed here as an amendment to S. 1965 would lift the matching provision and make the balance of the previously authorized funds available as a direct appropriation. No new appropriation is involved.

The Carl Albert Congressional Research and Studies Center was established in 1979 by the Oklahoma State regents for higher education and the board of regents of the University of Oklahoma. This action was taken pursuant to a joint resolution of the State legislature. The center is devoted to research, instruction, and to the development of scholarly resources on the U.S. Congress. I am sure we all remember Carl Albert as the very distinguished and able Speaker of the House from 1971 to 1977 after already serving in the House for 24 years. Not only does the foundation of this center honor him, but it enables so many students to have the advantage of an outstanding program focusing on the structure, personnel, history, processes, and policies of Congress. Study of State and foreign legislative experience is also germane to the mission of the center. In the broadest sense, the center seeks to foster an understanding of the role of representative democracy in the modern world.

It is fitting that the Carl Albert Center carries the name of a preeminent scholar of the Congress, and the only living former Speaker. Speaker Albert has granted both the people of Oklahoma and the people of the entire United States a lifetime of uncommon service and leadership. The young students who will be preparing for government leadership and service in the future have a great challenge ahead of them. We owe to our young students an unbridled opportunity to develop the tenacity, courage, and integrity that Speaker Carl Albert so well exemplified.

Mr. President, as is so often the case, the issue of funding at the appropriate time can either make or break a project. All that I am proposing is that the funds already earmarked and promised to the Carl Albert Congressional Research and Studies Center, but not yet matched, be made in the form of a direct appropriation. In a time of such stress in so many parts of the world, not in the least in the State of Oklahoma which is suffering from severe economic pressures, money already appropriated for this program should be released now and put to immediate use.

Mr. President, I urge my colleagues to recognize the importance of the funding of the Carl Albert Congressional Research and Studies Center, and allow for this direct appropriation to be made as an amendment to the Higher Education Amendments of 1985.

Mr. STAFFORD. Mr. President, I am simply going to add that both the Senator from Illinois and I served under Carl Albert in the U.S. House. The Senator from Illinois carries his years so well and is so much younger it is hard to believe that he did, but I look as one who served at that time.

Mr. SIMON. If my colleague will yield, I thank him very much.

The Senator and I did have the honor of serving under him. He was a great Speaker.

● Mr. NICKLES. I join with my colleague Senator BOREN in asking that Congress waive the matching requirement for the Federal assistance going to the Carl Albert Center located at the University of Oklahoma.

Currently, Oklahoma is in the throes of a severe economic recession, with our two major industries, agriculture and energy, undergoing terrific financial strain. In the original legislation that authorized Federal assistance to the Carl Albert Center, it included a requirement that the State match any and all Federal financial assistance dollar for dollar. To date, Carl Albert has received and matched $700,000 from the Federal Government.

The amendment that Senator BOREN and I are supporting today would allow the O.U. Carl Albert Center to receive the remaining $1.3 million in Federal funds as a grant, waiving the matching requirement. This is not

without precedent, as a number of special institutions and centers of national significance like the Carl Albert Center are receiving straight grants from the Federal Government, with no match required at all. Oklahoma's unique situation demands that similar treatment be given to the unique mission of the Carl Albert Center.●

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1990) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

□ 1624

The PRESIDING OFFICER. The business before the Senate is the amendment of the Senator from Connecticut.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 1991 TO AMENDMENT NO. 1988

(Purpose: To assure that the College Construction Loan Insurance Association does not guarantee, assure, or reassure indebtedness of participating institutions that discriminate on account of race, color, religion, national origin, sex, or handicapping condition)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1991 to amendment numbered 1988.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, between lines 8 and 9, insert the following:

"(c) NONDISCRIMINATING REQUIRED.—(1) The Corporation may not carry out any activities with respect to any education facilities purpose of a participating institution if the institution discriminates on account of race, color, religion, national origin, sex (to the extent provided in title IX of the Education Amendments of 1972), or handicapping condition.

"(2) Each participating institution shall certify to the Corporation that the institution does not discriminate as required by the provisions of paragraph (1).

Mr. METZENBAUM. Mr. President, although I am very sympathetic to the problems facing colleges which need to upgrade their educational facilities, I have had a number of very serious concerns about proposals to create a new loan insurance association.

The plan, as it currently appears in the House bill, and as originally proposed in the Senate, would create a new, federally financed entity to insure bonds which would operate in competition with the private sector.

The House proposal does not adequately target services for those schools which are currently unable to obtain access to the private bond market. It would therefore create unfair competition with the private sector.

It exempts this new entity from State insurance regulation.

It guarantees that any bond insured by the new association will not lose its tax-exempt status despite provisions in the Internal Revenue Code that might cause a contrary result.

It authorizes the Education Department to spend $125 million to purchase shares in the new association. After 5 years, these shares could be sold. There is, however, no assurance that the Federal Government will recoup its investment.

Mr. President, those provisions cause me great concern. As a matter of fact, this amendment, which we have discussed over a period of many months, has been a matter of some difficulty for me. But we have been able to successfully work out, with the distinguished Senator from Connecticut and the chairman of the subcommittee, an amendment that I believe addresses these concerns and makes a number of important improvements over the House-passed version of this proposal.

That is the amendment we have before us at this moment. Under the amendment of the Senator from Connecticut, the authorization is reduced to $11 million per year. The amendment also ensures that the Federal Government will recoup at least this amount should it decide to sell its shares in the Association, that, I believe, protects the Government's investment.

The amendment is 100 percent targeted, Bonds insured through this association can be used only for educational facilities purposes, and/only for schools which cannot obtain financing elsewhere.

The exemption from State insurance regulations is eliminated.

No changes in the tax rules governing bonds insured by the Association will occur.

I therefore stand before you and say I support the Dodd amendment, which we have spent many hours working on together. However, Mr. President, I do have one reservation.

Mr. President, I am deeply concerned that the House provision, and the amendment before us, will allow schools that discriminate on the basis of race, color, religion, national origin, sex or handicapping condition to participate in this new program.

We have a longstanding national policy prohibiting schools that discriminate from participating in Federal education programs. And I am certain that the author of this amendment does not intend that such institutions should benefit from the College Construction Loan Insurance Program.

Therefore, I have sent an amendment to the desk and it is before the Senate for immediate consideration.

My amendment would merely prohibit the College Construction Loan Insurance Association from carrying out any activity which benefits any educational institution that discriminates. It would have the effect of nullifying any insurance policy covering any bond or other obligation issued by such an institution.

I understand that the author of the underlying amendment is willing to accept this amendment.

I might say that I appreciate his cooperation as well as that of the managers of the bill in addressing the concerns which the Senator from Ohio has had.

I believe that the changes we have made, assuming that this amendment will be accepted, represent vital improvements over the House-passed bill. These modifications will help to ensure an effective and helpful program, which targets assistance on those colleges most in need, as well as a more responsible investment of Federal tax dollars. And it will further provide that this program will not be available to those institutions that discriminate.

Mr. DODD. Will the Senator yield?

Mr. METZENBAUM. I certainly will.

Mr. DODD. Let me thank my distinguished colleague for this amendment. To make it absolutely clear, this was an oversight on our part which the Senator from Ohio accurately identified and raised this amendment to cover. It was never my intention in working through this process to have something not included which should have been included. I thank the Senator for that.

I also want to thank him for improving substantially the House product and also in improving what we offered originally for discussion to tighten this down considerably. I think it will clearly not only do the job which we would all like to see done in improving the quality of our facilities across this country, but we are going to see to it that it is targeted in the very narrow sense that it does specifically that job and does not end up impeding the market with other forms of assistance which are available. I do thank the Senator from Ohio for his work.

Mr. METZENBAUM. It has been a privilege to work with the Senator from Connecticut on these matters.

Mr. PELL. Mr. President, I urge that the amendment be agreed to.

Mr. STAFFORD. Mr. President, we have examined the amendment and we are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1991 to amendment No. 1988) was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment as amended? If not, the question is on agreeing to the amendment, as amended.

The amendment (No. 1988), as amended, was agreed to.

Mr. DODD. I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that I be allowed to yield to the senior Senator from Connecticut with the understanding that I be allowed to proceed following the senior Senator from Connecticut.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1992

(Purpose: To provide a sense of the Senate that the administration shall immediately release a portion of the $5,000,000 the administration has agreed to provide for a shelter for the homeless in the District of Columbia)

Mr. WEICKER. Mr. President, I would like to thank my distinguished colleague from North Carolina for his courtesy in this matter.

Mr. President, I have an amendment which I send to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. WEICKER], for himself and Mr. ANDREWS, proposes an amendment numbered 1992.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 431, after line 13, add the following new title:

TITLE —SHELTER FOR THE HOMELESS IN THE DISTRICT OF COLUMBIA

RELEASE OF FUNDS FOR HOMELESS SHELTER

SEC. . (a) The Senate finds that—

(1) the Federal Government has agreed to provide for an adequate shelter for the homeless in the District of Columbia;

(2) the Federal Government has agreed to provide $5,000,000 for the renovation and remodeling for such a shelter; and

(3) it is essential that construction begin immediately in order to be completed by the cold weather months.

(b) It is the sense of the Senate that—

(1) the Administration should immediately release a portion of the $5,000,000 the Administration has agreed to provide for the renovation and construction of the homeless shelter at 425 Second Street, Northwest, in the District of Columbia; and

(2) the remaining funds should be immediately released upon the official conveyance of title to the shelter from the Federal Government to the District of Columbia.

Mr. WEICKER. Mr. President, we have a very immediate problem that requires the attention of not just the Senate but principally the House of Representatives and also the administration. It deals with the current fast of Mitch Snyder, of the community for creative nonviolence. That fast, which includes no food or water, relates to a shelter for the homeless here in Washington, DC, more particularly to an agreement which was arrived at which required that the Federal Government deed the property over to the Government of the District of Columbia, and that $5 million be provided for the refurbishing of that facility.

The scenario to this point is as follows:

First, the Senate has acted. It has passed legislation which would deed that property to the District of Columbia. The House has not acted. The Senate, by virtue of the supplemental appropriations bill passed out of committee, has acted both to deed the property and to provide the money, $5 million.

As most of my colleagues know, the supplemental has not had the opportunity to be passed on by the full Senate. Therefore, due to inaction by the Representatives, the inability to have the matter encompassed in the Senate supplemental appropriations bill, the insistence of the administration that they will not deviate from the prior agreement which, in effect, required secession of that property and the $5 million, it has resulted in nothing being done.

The problem of Mitch Snyder obviously is an immediate one, the physical agony associated with this fast is great.

But I have to say right now that this is really only a small section of a problem which is a disgrace to all of us. It is a little hard to conceive in 90 degree weather of the misery attendant upon those who have no place to lay their heads. But the fact is that in the winter months past, the shame that I felt as I passed these grates and see these unfortunates lying there, and that story is repeated not just here in Washington, DC, but in New York City and such throughout the country, is such that it demands our attention and our action.

So, regardless of who is at fault, whether it is the House of Representatives, whether it is the administration, or whether it is some procedural deficiency on our part, the fact is that unless this refurbishing commences immediately we will go through another winter of this shame. And that is enough.

I would hope this amendment, which is a sense-of-the-Senate resolution, would be agreed to by this body and that for whatever role any of us play in it, House, Senate, or administration, the commitment would be made, the property would be deeded over, the refurbishing would start, and then at least we can say for those who are the least fortunate among us, we have used our power properly as it should be used on behalf of the powerless. I urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I believe this is an excellent amendment. I know Mitch Snyder. I admire him. He is a man who not only talks and leads, but one who also suffers in the causes in which he believes.

As the Senator pointed out, it is a disgrace to go home in the winter and see warm grates with people sleeping on them. I recognize that this is a problem which has always existed, but at least we can reduce it. I think this amendment is a good one and goes in the right direction. I am glad to support it.

Mr. STAFFORD. Mr. President, I, too, believe this is a good amendment for a worthy purpose. For the majority, I am prepared to accept it.

The PRESIDING OFFICER. Is there further debate?

The Senator from Connecticut.

□ 1636

Mr. WEICKER. Mr. President, I want to add one further comment. First, I presented this amendment in behalf of myself and Senator ANDREWS. Second, I want to give credit to Senator HATFIELD, who has been working mightily behind the scene to bring all parties together. I only hope this might assist Senator HATFIELD in that endeavor as it is intended.

Mr. STAFFORD. Mr. President, I think Senator HATFIELD has obviously played a key role in formulating this resolution. It reminds me that I inadvertently overlooked Senator HATFIELD when I named two of the principals who brought the Peace Institute into being in Congress. Senator HATFIELD, along with former Senator Jennings Randolph and Senator SPARK MATSUNAGA, was the third very competent Member of that trio that did the basic groundwork for the Institute of Peace and, indeed, brought it into being.

Mr. PELL. Mr. President, I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1992) was agreed to.

Mr. WEICKER. I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1993

(Purpose: To restore the neighborhood school and to curb forced busing by federal courts, and for other purposes)

Mr. HELMS. Mr. President, I have an amendment at the desk which I ask to be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] poses an amendment numbered 1993.

At an appropriate place in the bill, add the following:

SEC. . (a) This section may be cited as the "Neighborhood School Act".

(b) The Congress finds that—

(1) court orders requiring transportation of students to or attendance at public schools other than the one closest to their residences for the purpose of achieving racial balance or racial desegregation have proven an ineffective remedy and have not achieved unitary public school systems and that such orders frequently result in the exodus from public school systems of children which causes even greater racial imbalance and diminished support for public school systems;

(2) assignment and transportation of students to public schools other than the one closest to their residences is expensive and wasteful of scarce supplies of petroleum fuels;

(3) the assignment of students to public schools or busing of students to achieve racial balance or to attempt to eliminate predominantly one race schools is without social or educational justification and has proven to be educationally unsound and to cause separation of students by race to a greater degree than would have otherwise occurred;

(4) there is an absence of social science evidence to suggest that the costs of school busing outweigh the disruptiveness of busing and

(5) assignment of students to public schools closest to their residence (neighborhood public schools) is the preferred method of public school attendance and should be employed to the maximum extent consistent with the U.S. Constitution.

(c) The Congress is hereby exercising its power under article III, section 1, and under section 5 of the fourteenth amendment of the U.S. Constitution.

(d) Section 1651 of title 28, United States Code, is amended by adding the following new subsection (c):

"(c)(1) No court of the United States may order or issue any writ directly or indirectly ordering any student to be assigned or to be transported to a public school other than that which is closest to the student's residence unless—

"(i) such assignment of transportation is provided incident to the voluntary attendance of a student at a public school, including a magnet, vocational, technical, or other school of specialized or individualized instruction; or

"(ii) the requirement of such transportation is reasonable.

"(2) The assignment or transportation of students shall not be reasonable if—

"(i) there are reasonable alternatives available which involve less time in travel, distance, danger, or inconvenience;

"(ii) such assignment or transportation requires a student to cross a school district having the same grade level as that of the student;

"(iii) such transportation plan or order or part thereof is likely to result in a greater degree of racial imbalance in the public school system than was in existence on the date of the order for such assignment or transportation plan or is likely to have a net harmful effect on the quality of education in the public school district;

"(iv) the total actual daily time consumed in travel by schoolbus for any student exceeds thirty minutes unless such transportation is to and from a public school closest to the student's residence with a grade level identical to that of the student; or

"(v) the total actual round trip distance traveled by schoolbus for any student exceeds 10 miles unless the actual round trip distance traveled by schoolbus is to and from the public school closest to the student's residence with a grade level identical to that of the student.".

(e) The school closest to the student's residence with a grade level identical to that of the student shall, for purpose of calculating the time and distance limitations of this Act, be deemed to be that school containing the appropriate grade level which existed immediately prior to any court order or writ resulting in the reassignment by whatever means, direct or indirect including rezoning, reassignment, pairing, clustering, school closings, magnet schools or other methods of school assignment and whether or not such court order or writ predated the effective date of this legislation.

(f) Section 407(a) of title IV of the Civil Rights Act of 1964 (Public Law 88-352, section 407(a); 78 Stat. 241, section 407(a); 42 U.S.C. 2000c-6(a)), is amended by inserting after the last sentence the following:

"Whenever the Attorney General receives a complaint in writing signed by an individual, or his parent, to the effect that he has been required directly or indirectly to attend or to be transported to a public school in violation of the Neighborhood School Act and the Attorney General believes that the complaint is meritorious and certifies that the signers of such complaint are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief, the Attorney General is authorized to institute for or in the name of the United States a civil action in any appropriate district court of the United States against such parties and for such relief as may be appropriate, and such court shall have and shall exercise jurisdiction of proceedings instituted pursuant to this section. The Attorney General may implead as defendants such additional parties as are or become necessary to the grant of effective relief hereunder.".

(g) For the purpose of this Act, "transportation to a public school in violation of the Neighborhood School Act" shall be deemed to have occurred whether or not the order requiring directly or indirectly such transportation or assignment was entered prior to or subsequent to the effective date of this Act.

(h) If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. HELMS. Mr. President, I suppose in the course of the past year, I have visited perhaps 12 or 15 States. Without exception, I have noted that there is almost a crisis in each of the States with reference to financing the operation of the public schools. There is also great difficulty in the manner in which these schools are operated. That led me to the conclusion that I should put before the Senate on this measure an amendment that was approved by the Senate overwhelmingly in 1982.

The amendment would do a lot of things. First, it would save the schools of America hundreds of millions of dollars which are now being wasted on forced busing. This amendment would also curb the anachronism—and it is nothing more than that—of court-ordered forced busing in the schools and restore the neighborhood school to its rightful place in American public education.

The amendment would do this by prohibiting Federal judges from ordering the busing of schoolchildren beyond a roundtrip of 30 minutes or 10 miles each day. In other words, a Federal judge could not require the busing of schoolchildren for more than 15 minutes or 5 miles each way to and from the school.

Mr. President, let me be very clear about one thing, because I anticipate the arguments that are going to be made. This amendment does not affect in any way what local school boards may do on their own. They will continue to be free to have as much busing as they want. But, of course, they will be answerable to their local communities, usually at the ballot box. That is the way the system works in this country. What this amendment does is get Federal judges out of the business of running local school systems.

Mr. President, I am sure that the editors and columnists of the major newspapers in this country will rise in self-righteous indignation about this legislation. They always do. And they are always wrong. Oh, they are going to proclaim that it is an attempt to "return to segregation." Not so.

They will declare that it will "reopen old wounds." Not so.

They will say, "Let sleeping dogs lie." Well, the dog has slept long enough. It is time for Congress to act rationally about the waste of hun-

dreds of millions of dollars in buying school buses that should not be necessary and paying for the gasoline and the drivers and all the attendant expenses.

Mr. President, the editors and columnists have not listened to the parents of this country, black and white, who are absolutely fed up with forced busing and they do not want their children bused across town any more just to reach some racial quota. These editors have not paid any attention to the decline in student achievement which has gone hand in hand with the breakup of the neighborhood schools brought about by this court-ordered forced busing.

They, the editors, have not applied common sense, in my view, to a decade and a half of experience with busing; they are unwilling to admit that it has not worked, and it will not work.

I pulled from my files this morning, Mr. President, an article written by our late distinguished colleague from North Carolina, Sam Ervin, who wrote often and eloquently about the constitutional problems associated with forced busing. Later, I am going to ask unanimous consent that the article by Senator Ervin, which appeared in the July 23, 1981, edition of the Charlotte Observer on forced busing, be printed in the RECORD. I shall not do that at this point.

Mr. President, Federal court orders mandating the busing of schoolchildren to achieve racial quotas and racial balance, or threats of such orders, have caused enormous disruption to the public schools of our country over the last decade and a half. It is impossible to estimate the hundreds upon hundreds of millions of dollars that have been wasted in an experiment that just has not worked. In many communities today the neighborhood school is nothing more than a memory, and in its place there is only perpetual uncertainty about where children are going to be assigned. Whereas stability used to be the way in American public schools, instability has now become endemic in those school systems plagued by forced busing.

This instability has naturally taken its toll on the learning process, and I do not believe it is possible to account for the much-publicized decline in achievement test scores without careful consideration of the advent of forced busing.

Nor is it possible, if you think about it, to evaluate the astonishing growth of private schools without looking at the massive turmoil engendered by court-ordered busing. Let me say again just for the sake of emphasis that blacks and whites alike, in poll after poll, have made clear that they have had enough of this. The last poll I saw showed that 80 percent of the black parents in this country do not want it. What we are seeing is an unprecedented lack of confidence by parents, black and white, in the ability of these school systems to educate children in a competent manner.

Mr. President, what I am saying is not new. I have said it over and over again on this floor, and as long as I am here, until this busing travesty is corrected, I guess I will be saying it. Forced busing and its disruption have been with us for 15 years or more. We know that it has not worked. We know that even a majority of black citizens, as I said earlier, whom it was intended to help, reject it today.

What has the Congress of the United States done about it in all these years in light of all the evidence against forced busing to preserve the neighorhood school? What has Congress done to rein in Federal judges who seem more interested in running local school systems than in enforcing the law against criminals? What has Congress done to ensure that the next generation of public school students will not be robbed of the opportunity to have a good education because of forced busing?

The answer to these questions, Mr. President, is that Congress has done nothing. Congress has not done one thing of substance. Congress has not passed one single bill that would directly curb forced busing.

□ 1650

The Senate must share in the blame, but I must say that it was the House of Representatives, not the Senate, that failed to act in the 97th Congress the last time this issue was considered. Colleagues who were here at that time, in the 97th Congress, will remember that the Senate grappled with the busing issue for many months. From June 1981 until March 1982, the Senate, off and on, considered busing amendments to the Department of Justice authorization bill, and the so-called Johnston-Helms antibusing amendment was finally agreed to on February 4, 1982, and the bill passed the Senate on March 2.

But then what happened? I will get to that in a minute. It is the old, old story of what happened on the other side of the Capitol. There was extended debate in 1981-82 by my distinguished colleague from Connecticut [Mr. WEICKER] and others, but the Senate ultimately worked its will and spoke loudly and clearly against forced busing. More than 60 Senators joined to invoke cloture on the busing legislation, and on its merits the Johnston-Helms bill was adopted by a vote of 58 to 38.

But, Mr. President, this Senate action was thwarted in the House of Representatives. Once the Johnston-Helms legislation reached the House Judiciary Committee, it never saw the light of day again because Speaker O'NEILL and Chairman RODINO made sure that this legislation would not, and it did not, get to the House floor for a vote, much less a RECORD vote.

The sad fact is, Mr. President, that if Mr. RODINO and Mr. O'NEILL had allowed the House to consider this legislation, it would have passed overwhelmingly in the House as it did in the Senate, so the manifest will of the American people was thwarted, stopped dead in its tracks, by Speaker O'NEILL and Chairman RODINO. They were within their rights to use their power, but they were wrong as far as the American people were concerned.

And it is not right for us, Mr. President, to roll over and play dead on this issue just because the House failed to act the last time around. I think we ought to give Speaker O'NEILL and Chairman RODINO another chance to relieve the injustice currently being experienced by countless hundreds of thousands of families as a result of forced busing.

Therefore, I am today offering virtually the same language on busing that the Senate adopted in 1982. It is called the Neighborhood School Act, and the credit for this precise language which has already proved successful must go in large measure to my distinguished colleague from Louisiana, Mr. BENNETT JOHNSTON. While no one has ever claimed that this language is perfect, it is a helpful first step for ridding our public school system of the disruptive effects of forced busing.

So what does the amendment do, Mr. President? The essence of it is to restrict the injunctive power of Federal district courts so that they cannot issue orders for busing beyond certain time and distance limits, which I have already explained. The basic rule is that every busing order must be reasonable and in no event can busing ever be required forcing a student to travel a round trip more than 30 minutes or 10 miles per day.

But the amendment does more than that. It allows those who are being transported in violation of these limits to petition the Attorney General requesting him to file an action in Federal district court to bring about compliance with the act. If the Attorney General believes the allegations in such petition are correct, and he believes that the signers of the petition are unable to initiate legal proceedings themselves, then he is authorized to seek compliance in the name of the United States Government.

So that is it, Mr. President. We have been down this road before and I do not propose to delay the Senate with any further comment except to remark once more upon a splendid statement by my dear friend, the late Sam Ervin, as published in the Charlotte Observer of July 23, 1981. I ask unanimous consent, Mr. President,

that this article by Senator Ervin be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charlotte Observer, July 23, 1981]

GOOD SCHOOLS, NOT FORCED BUSING

(By Sam Ervin, Jr.)

(At the Observer's invitation, Sam Ervin Jr., who was chairman of the Senate subcommittee on constitutional rights when he served as a U.S. senator from North Carolina, explains his views on mandatory school busing.)

The Supreme Court asserts that the forced busing of school children for integration purposes is justified, even actually required by the equal protection clause of the Fourteenth Amendment. This assertion is, in reality, undeniably proof of Lord Acton's aphorism: "Power corrupts, absolute power corrupts absolutely."

The allegation's falsity is proved by multitudes of other Supreme Court decisions which apply the equal protection clause correctly.

The Fourteenth Amendment became part of the Constitution on July 21, 1868. When it is interpreted and applied aright, its equal protection clause is one of the simplest and most salutary of the provisions of the Constitution. The clause specifies that no state "shall deny to any person within its jurisdiction the equal protection of the laws."

By this phrase the equal protection clause requires the laws of the state to treat all persons within its jurisdiction alike under like circumstances, both in the rights conferred and the responsibilities imposed. The clause applies only to states and state officials acting under state law. It does not apply in any way to private individuals, or confer to the federal government any power to control their conduct.

Since all federal officers, including Supreme Court justices, are bound by oath or affirmation to support the Constitution, no court, department or agency of the federal government has any power to require a state or any state officer acting in its behalf to violate the equal protection clause. The Supreme Court has expressly ruled that Congress cannot do so.

Instead of either requiring or justifying the forced busing of school children for integration purposes, the equal protection clause actually *forbids* the federal judiciary to take such action.

When it enters a forced busing decree, the federal district court initially commands the school board to divide the students in a district or attendance zone into two groups; to permit students of the first group to attend their neighborhood schools in one district or zone; and to deny students in the second group admission to such neighborhood schools.

The most sophisticated sophistry cannot wash out the plain truth that the second command of the decree requires the school board to deny students in the second group admission to their neighborhood schools solely on account of their race, and that is exactly what the Supreme Court ruled in the Brown Case, the school desegration decision, is a violation of the equal protection clause.

While judges responsible for forced busing decrees are snug in their beds, parents of the students to whom the decrees apply are compelled to arise from their beds, and to arouse their children from their slumbers, prepare and serve them breakfast, and send them outdoors, no matter how inclement the weather might be, to await the arrival of the buses.

The students, often small tots, are compelled to take round trips, often long and wearisome, each school day between their homes and often distant schools. All this is done to mix students in racial proportions the federal judiciary deems desirable.

Such unrestrained exercise of judicial power, I submit, has no rightful place in an America which boasts in its national anthem that it is the land of the free, unless it is indispensable to the nation's well being. No such case can be made for forced busing of students for integration purposes.

Advocates of forced busing exhibit no concern for the plight of white children who are transferred from superior schools in white communities to inferior schools in black communities. They are indifferent to the inescapable conclusion that on the basis of their own premise this forced busing denies these children equal educational opportunities.

The only intelligent remedy for past deficiencies in education is remedial education; and the only intelligent way to secure equal educational opportunities for all children, black and white, is to establish adequate schools in all areas.

Substituting forced busing for intelligent solutions of educational problems calls to mind the remark of Pope Julius III to the Portuguese monk: "Learn with how little wisdom the earth is governed."

Mr. HELMS. I thank the Chair, and I yield the floor.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, as was the case a few years ago, I rise to oppose the amendment of the distinguished Senator from North Carolina. I hope that the debate will not take 9 months once again, but if that is necessary then so be it.

I think it should be clearly understood that what is at issue in this amendment is not the remedy of busing or, to use the term of the drafter of the amendment, "forced busing." That is not the issue. The issue is the independence of the judicial system of the United States of America because, indeed, if the Senate of the United States can dictate what court remedies are going to be as applied to black schoolchildren, then the Senate of the United States has the right to dictate to the courts as to what the remedies should or should not be when it comes to other elements of our population. Busing is a world that is not popular in many quarters, black, white, or whatever. But please understand this: It just did not arise of itself. Rather, it was the remedy, the sentence, if you will, that was imposed after an institution, and entity, or individual was found to be in violation of the law, as much in violation of the law as if murder were committed, as if rape were committed, just as much in violation of the law, and that guilt was adjudged either by a judge or a jury.

Do you mean to tell me that if an individual has been found guilty of murder, we have the right as the U.S. Senate to say what the penalty will or will not be, after the fact? The matter of busing came to pass as the judicial redress to the great wrong of discrimination and segregation perpetrated by this country for too many years, and unfortunately we in the Senate and the House and in the White House never had the courage to do what was called for by the Constitution. What was called for both by law and by ideal. We did not have the courage to do it. And so, as is the situation in many other cases, it fell upon the courts to enforce the rights of Americans, in this case minority Americans, black Americans.

We did not like the sentence. We did not like the remedy. I dare say the convicted criminal, convicted murderer, does not like to be imprisoned for life or indeed lose his or her life, or the convicted rapist does not like to be sentenced to jail. I am sure we did not like it when we were told to do the right thing in terms of educational opportunity for all of our citizens. We did not like it.

Now the cause seems to have lost some of its political popularity. I am talking about the cause of civil rights. And so this is the time to strike, this is the time to turn the clock back. Blacks are not politically popular, not so much as they were in the 1950's and 1960's. And so this is the time to take away from them that third branch of Government, an independent judiciary. Well, maybe one day it will be unpopular to be old. How popular were the retarded and the disabled in this country. Not very popular until the courts and the Congress stepped in. Maybe it will be unpopular to be retarded, disabled, or handicapped. Maybe it will be unpopular to be poor. Maybe it will be unpopular to be rich. But why should I as an American citizen settle for two branches of government rather than three? I have three working for me now: The legislative, House and Senate; the executive, and an independent judiciary. But if you pass this amendment, then Congress can go ahead and put itself in the stead of the judicial branch and therefore we no longer have three branches of the Government to protect our rights but two.

Now, this is an election year, and I am sure that nobody wants to be on record as being "for forced busing." That is what this is all about. It is so much more difficult to explain why you are for the Constitution of the United States in a short election campaign. It is so much more difficult to explain the three separate but equal branches of government to the constituency during a short election campaign. It is so much more difficult to

explain that what is involved here is the principle, and the principle applies not just to black and white or yellow or any shade of color, but it applies to our religion; it applies to our economic status; it applies to our physical and mental condition. That is so much more difficult to explain. Why not just cast a quick vote here and then you are off the hook as far as "busing" is concerned.

□ 1700

But the fact is that in approving this amendment, the Senate of the United States is willing to sacrifice the institution and the principle in the face of what obviously is an emotional issue as it relates to a particular remedy.

So I repeat that busing was not invented out of thin air. It was the penalty, it was the sentence, it was the remedy which was meant to redress over 100 years' worth of wrongs to a substantial portion of our population. Like any individual or entity, convicted, we did not like and we do not like the sentence. I think we all understand that.

Much of this debate, of course, is academic at this juncture. Much of our society is integrated, and educational opportunity is there for millions of Americans. But it did not come to pass by virtue of what we did. It came to pass by virtue of what the courts did.

Now we think we are over that hump, so let us zero in and say that what was done was wrong. Well, it was right for the times, and I want that principle to be preserved for all time.

In fact, when any one of us, as Americans, has our rights in jeopardy, if the politicians will not stand beside us, the courts will. So maybe if this issue of educational opportunity is settled, there will be many issues for the future that are either settled now or when the time comes the settlement will be difficult.

I realize that the passage of this bill, worked at so long and so hard by my good friend from Vermont Senator STAFFORD and my good friend from Rhode Island Senator PELL—I realize that this was supposed to go through here in fast order. Now this amendment comes up, which is the absolute right of the distinguished Senator from North Carolina, and clearly this puts a different cast on the time of debate as it relates to the education bill.

I think it is important that we once again have the United States understand what is at issue; and maybe the one favor that I and others like the distinguished Senator from Maryland and others on the floor—maybe the one favor we can do for our colleagues, Democrat and Republican alike, who are up for election is to not put them under the hammer of misguided passion, and we will take it on our shoulders.

I might add that I did take it on my shoulders the last time I debated it, and I was up for election. So it is not that I am immune from the election process in this debate. It was not the last time I debated it.

Mr. MATHIAS. Mr. President, will the Senator yield for a question?

Mr. WEICKER. I will yield, and I will yield the floor.

I think it is our job, at least for a little while, to have this Nation start to appreciate the Constitution of the United States. If you want to take the independence of the judiciary away, and if you want to politicize the judiciary, then go ahead and use article V and make this a constitutional amendment, and let us have it out there for everybody to do it the right way—not by amendment.

It is not a question that this is a little, harmless amendment and is not going to go anywhere, anyway. If we are not able to stand up for the Constitution of the United States and understand it and explain it, who else will?

I will be glad to respond to a question, and I will be glad to yield the floor.

The PRESIDING OFFICER (Mr. GARN). The Senator from Maryland.

Mr. MATHIAS. Let me pose to the Senator this question: Are we not faced with two serious issues? One is the civil rights question embodied in the whole issue of segregated schools and the means of integrating education in this country. The second and really totally independent issue is the question of stripping the courts of jurisdiction in a pending area of litigation.

Mr. WEICKER. That is correct.

Mr. MATHIAS. So even if busing were not involved, the court-stripping aspect of this amendment is one of very serious proportions for this country.

Mr. WEICKER. It is the overriding principle, if indeed all our rights are to be preserved now and in the future.

Mr. MATHIAS. One of the reasons stated by the distinguished sponsor of this amendment for offering it was that he had been forced to go to the court-stripping mechanism because Congress had not been willing to comply with the direction he thought should have been taken in dealing with restriction on appropriations. He thought that Congress had not acted sufficiently forcibly to satisfy his sense of what was right.

In fact, Congress, in failing to go the route that the Senator from North Carolina would like to have seen it go, was acting perhaps not as courageously and forthrightly as we should have, but nonetheless we acted. The fact that we did not do what he wanted us to do is not a reason to strip the Court of an important area of jurisdiction.

Mr. WEICKER. I agree. I see my distinguished friend here, and I think he should respond to it.

Mr. HELMS. I will gladly respond.

The Senator knows that the Senate passed this overwhelmingly. Does he know that?

Mr. MATHIAS. I was here.

Mr. HELMS. He also knows that Speaker O'NEILL and Chairman RODINO would not let the House consider it.

Mr. MATHIAS. Is that not the constitutional method?

Mr. HELMS. I am responsible only for the U.S. Senate and my little part in it. I want to give Speaker O'NEILL and Chairman RODINO a chance to redeem themselves.

Mr. MATHIAS. I am sure the Senator from North Carolina knows that there are various ways in which you can act in a legislative body.

Mr. HELMS. Certainly.

Mr. MATHIAS. Some of them are positive methods, and some of them are negative methods. The Senator from North Carolina, I think, is acquainted with both.

Mr. HELMS. I say to my friend—and he is indeed my friend—that the reason why Chairman RODINO and Speaker O'NEILL did not let the House act was that they knew full well that the House would have done precisely what the Senate did in passing it.

I say to the Senator from Maryland that denying a body a chance to vote on it—just 2 men out of 435—is not the legislative process.

Mr. MATHIAS. Does that justify going to the extreme of undertaking to strip the courts of a historic area of jurisdiction?

Mr. HELMS. I was hoping the Senator might ask a question like that.

Article III of the Constitution bestows upon Congress not only the right but also, I think, the duty to restrain Federal judges; and the Congress of the United States has done it on 57 occasions, according to a count by Senator Ervin the last time I talked with him about it before his death.

So there is nothing novel about it. We are not stripping the court. We in the Senate are exercising the responsibility and duty of the U.S. Congress, and I would hope the Members of the House would do the same.

Mr. MATHIAS. There is, of course, a constitutional responsibility on Members of Congress to legislate on the subject of jurisdiction of the courts.

Mr. HELMS. That is correct.

Mr. MATHIAS. But it is the most basic element of fairness that you do not remove from the jurisdiction of the courts an issue which is pending in the courts, because to do that would violate, it seems to me, every precept of justice as we know it.

If the legislature could move into an area of pending litigation and deprive the courts of jurisdiction, you would absolutely violate any concept of what is right and fair in our judicial system and in our legislative system.

□ 1710

Mr. HELMS. If the Senator will yield once more, and I will take no more of his time, and I am grateful for his patience—for 15 years we have had this folly imposed by the courts. I do not know what the Senator means by something pending in court. For 15 years we have had the Federal courts trying to act as a school board, and I say that enough is enough, and 80 percent of the black parents in this country say the same thing.

So whom are we defending? Whose rights are we defending? This Senator says I am defending the rights of the parents, black and white, to be able to restore the neighborhood school concept, and that is all I am saying.

The courts are not competent to run the schools, but that is precisely what has happened for 15 years, at a cost of billions of dollars now because it cost hundreds of millions of dollars each year to buy the buses and gasoline and hire people and haul these children who get up before dawn and get on these buses and ride right by their neighborhood school.

That is all I am saying.

You talk about fairness. I want to be fair to the children of this country and to the parents of this country.

Mr. MATHIAS. I believe the way to be fair to the children of this country, the parents of this country, is to maintain our constitutional standards of fairness, and that does not involve stripping the courts of jurisdiction.

Mr. HELMS. I say to the Senator that article III is very explicit on that about what the rights and duties of Congress are. But I thank the Senator.

Mr. WEICKER. Mr. President, I believe I still have the floor.

I yield for a question.

Mr. HELMS. I thank the Senator for yielding.

Mr. WEICKER. Let me just wind up in sum relative to the comments just made by saying the following:

If there are those who felt uncomfortable for 15 years, I suspect a great many more felt uncomfortable for 100 years. And if, indeed, the Government is not in a position to run a school board, I might point out that the school boards were not in the position to run the schools for 100 years as they have differentiated between Americans.

We did not get to this 15-year period except that we went through a 100-year period of abysmal segregation and discrimination. I think we have come through it.

Obviously there is still more work to be done, but in the education area it stands as testimony to this independent judiciary and to this tripartite Government that the resolutions worked.

The Senator from North Carolina is correct. There is the color of a right to bring up his argument by virtue of another portion of the Constitution. It is a debatable matter as to whether or not we have jurisdiction over the courts and all levels of the judiciary. But that is why that problem ought to be resolved here. That is why it is up to the legislative branch not to permit it to go to the courts but to say that we want to keep that independent judiciary and not politicize it.

Now, I do not want to put the blame on the House of Representatives or Speaker O'NEILL, or whoever over there, if this amendment does not move very fast. Indeed, I and Senator MATHIAS and others will take full responsibility for 9 months of debate on this floor. There was not really much time for the House to act. And it will be 9 months more.

As a matter of legislative history, George Washington was a great advocate of the U.S. Senate. Thomas Jefferson did not want to have a Senate. He wanted only one House, the House of Representatives. And one day at breakfast—and this is a true story—Washington and Jefferson were discussing the new Government, the possibility of the Constitution. Jefferson expressed his opposition to the Senate and Washington turned to him and said, "Tell me something." He said, "Why is it that you take your coffee and pour it into your saucer?" And Jefferson responded "To cool it."

And Washington responded "That is why you need a Senate," to cool the passions of the time, to give deliberation, to the issues raised before the American public. That is why there is the U.S. Senate.

All of us in this Chamber support the distinguished Senator from Vermont and the distinguished Senator from Rhode Island in their efforts in education. But at what price, at what price? At the cost of independence of the judiciary? At the cost of any time in the future any one of us who became unpopular being able to plead the justice of our cause before the courts? Oh, no, that is too high a price, and the time has come now to discuss this matter. And, indeed I welcome it because the last debate was a very silent one for a long period of time. This one will not be. Whatever anybody feels that they gain in terms of being able to curse the courts, they have paid a terrible price in the protection of their own rights when the time comes to determine those rights.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in opposition to this amendment.

There are really two parts to it. One my distinguished colleague from Connecticut, Senator WEICKER, referred to, and that is what we do to the courts. The second—and this amendment goes far beyond just the courts—it addresses the whole question of busing. The reality is busing can be good; it can be bad. It is a tool.

My friend from North Carolina, and he is my friend, should not deprive the schools of my hometown of Carbondale, IL, who use busing. They have made a determination that busing is an effective tool and it is very interesting, contrary to the amendment of the distinguished Senator from North Carolina that says that busing is without social or educational justification and has proven to be educationally unsound and to cause separation of students by race to a greater degree than would have otherwise occurred.

Mr. HELMS. Will the Senator yield 1 minute?

Mr. SIMON. I am pleased to yield.

Mr. HELMS. I apologize because I enjoy him. But let me emphasize as strongly as I can that the school board in Carbondale, IL, will still have the right and power to use whatever busing it wants. I made that clear at the outset. It is Federal courts who are restricted under this legislation. So we are not depriving school boards of any judgment. They will have to be answerable to their constituencies. That is all I am saying.

Mr. SIMON. If the Senator will yield, I would urge that he reread his amendment and his amendment does not deprive the schools, but his amendment declares—it says, "Congress finds that * * * assignment, transportation of students.* * *" It does not say by the courts. But assignment of students on the basis of race in any school district through busing is wrong, is unsound educationally. It does not say by the courts.

Mr. HELMS. If the Senator will yield, that is in the findings and is an opinion shared by more than 80 percent of the parents, including the black parents, of this country.

Mr. SIMON. There are a great many people who have that opinion. All I can tell you is Carbondale, IL, as well as Urbana, IL, and other places—I do not know about studies in the other cities—I can tell you in Carbondale, IL, we have done it. It is accepted by the community. And we have had tests that show it has not done any harm to the white students and it has lifted the black students appreciably in the test scores.

□ 1520

Why should the Senate of the United States say to the people in Carbondale, IL, that they should not be doing this? I think the people in Car-

bondale, IL, ought to make that decision.

Mr. HELMS. There is no such thing in the substantive part of this amendment, I say to my friend from Illinois. It does not affect the powers of local school boards.

Mr. SIMON. I say in all due respect to my friend from North Carolina that he ought to read his amendment.

Mr. HELMS. I read it.

Mr. SIMON. The Senator should get his staff to look at it again. But anyway, that is one part. We are saying in effect some things that I do not think we should say. We are interfering in local government.

The second part, here I agree with the Senator on what his amendment does. It says to the courts, you cannot do this.

I read the amendment which refers to article III, section 1, as a basis for doing that. Once in a while we ought to read the Constitution in this body. You read article 3, section 1, and as the basis for this its says:

> The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish.

That does not take away or authorize Congress to take away from any court any area of jurisdiction. At least I cannot read it that way.

Then you go to section 5 of the 14th amendment which is also referred to here. Section 5 says:

> The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

This is the due process article. Now I think you maybe could strain to bring or to say this amendment would fall under that. But you have to strain a little bit to do it.

Then I think finally we have to ask ourselves, do we serve a good public purpose by passing such an amendment? I respect the sincerity of my colleague from North Carolina. He wants to do the right thing but I think it is the wrong thing. All we do is stir up problems with this kind of an amendment. The reality is the courts should have this tool. They are going to continue to have it even if we adopt this amendment.

In St. Louis, for example, a former Member of the House whom many of you remember is Bill Hungate, now a Federal judge. He has used the tool of busing to integrate the schools in that area because they have faced the major problem. It is not the ideal tool in many cases. Maybe it is not the ideal tool there. But he faced no alternative. We should not be depriving the courts of these tools to guarantee that every citizen in our country has a chance for a decent quality education. That is what the whole thing is about.

So with all due respect to my friend who wants me to yield, I see right now, I will be pleased to yield to him.

Mr. HELMS. I thank the Senator.

The Senator did not read far enough. Article III, go down to section 2. It says:

> In all the other Cases before mentioned, the Supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

Let me say to my friend that the distinguished Chief Justice himself delivered to the Senate sometime back a package of jurisdictional suggestions. So there is no prohibition in the history of this country for Congress to remove jurisdiction for whatever reason the Congress wishes to do it. So I say again that Senator Ervin identified for me 57 times—I remember it because I remember at the time the term 57 varieties—the Congress of the United States has removed from the courts their jurisdiction in various matters.

I thank the Senator.

Mr. MATHIAS. Will the Senator yield for a question?

Mr. SIMON. I will in just a moment. I want to respond.

In fact, the section that the Senator from North Carolina is referring to is section 2 of article III. So that his amendment is in error there. I was reading section 1 that is referred to by his amendment.

I will be pleased to yield to the Senator from Maryland.

Mr. MATHIAS. I am glad we referred to section 2 of article III of the Constitution because that is very important in the consideration of this issue. Section 2 provides in its opening sentence:

> The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution . . .

That, it seems to me, puts in question not only the wisdom of this amendment but the constitutionality of this amendment because it is true in some matters the Congress can deprive the jurisdiction of the Federal courts. But I seriously doubt that the Congress can deprive the Supreme Court of the United States or any Federal court of jurisdiction on a matter which arises under the Constitution itself. That, I think, is a very serious subject which the Senate will have to consider as it ponders this amendment. We cannot deprive the courts of the jurisdiction over cases arising under the Constitution. We can change their jurisdiction in other matters. We can, if the Senator from North Carolina would in his wisdom wish to do so, simply eliminate the lower courts. We could abolish the circuit courts. We could abolish the district courts. But we cannot say to the courts of the United States that they cannot adjudicate the constitutional issues because that is in itself mandated by the Constitution. Would the Senator from Illinois agree?

Mr. SIMON. I could not agree with my colleague from Maryland more.

Mr. President, I yield back the floor.

Mr. SPECTER and Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the import of the amendment now pending before the Senate has far greater ramifications than has been thus far discussed. On the surface, the language of the Senator from North Carolina states that no court of the United States can order or issue any writ directly or indirectly ordering any student to be assigned and to be transported to a public school other than that which is closest to the student, but this amendment is part of a long series of issues that would have the import of denying the Supreme Court of the United States jurisdiction to decide on constitutional issues. I submit, Mr. President, that since Marbury versus Madison, a landmark case, there has been a very longstanding body of law in this country which establishes the authority of the Supreme Court of the United States to decide what laws are and are not constitutional. When the courts of this country enforce the equal protection clause of the 14th amendment they do so in terms of interpreting the Constitution.

If the Congress, through the removal of jurisdiction, could defeat the authority of the Federal courts to decide constitutional issues, then the Congress would be nullifying the basic law of this land established since Marbury versus Madison, that the Supreme Court of the United States has the power to decide what laws are constitutional.

If the Congress can affect the jurisdiction of the Federal courts in interpreting equal protection of the laws where the issue is one of remedy; namely, the remedy of busing, then there would be no constitutional issue that the Congress could not control by removing the jurisdiction of the Federal courts.

The issue today, Mr. President, is really a broad critical issue, and is not whether busing should or should not be carried out in this country. That is an issue on which many will disagree. I think it is true that most Americans do not like busing. Blacks as well as whites do not like to have children bused far away from their homes. But what the amendment on the floor today seeks to do is establish a much broader principle which would be enormously destructive of the fabric of American constitutional law by providing that the Court has no power over court-ordered remedies to enforce the equal protection clause of the 14th amendment. If this logic is accepted then the Congress could also say the

Federal courts have no jurisdiction to enforce the principles of freedom of speech under the first amendment.

If the Congress can say that the Federal courts have no jurisdiction over a remedy for busing under the equal protection clause of the 14th amendment, then the Congress can say that the Federal courts have no jurisdiction on questions of freedom of the press or freedom of religion or any other fundamental rights guaranteed in the U.S. Constitution and in the Bill of Rights.

That is why this issue goes far beyond the narrow issue of busing and far beyond the issue which is framed in the bill now pending before the U.S. Senate.

I dare say, Mr. President, that if the Senate were to pass this amendment, and pass the bill with the amendment in it, and if the House of Representatives were to concur, and if the matter were to come to the Supreme Court of the United States, the Supreme Court of the United States would have no alternative but to declare this law unconstitutional because, if this law was upheld, the Supreme Court would be denigrating and eliminating the power which the Supreme Court and the Federal courts have exercised in this country since Marbury versus Madison.

□ 1730

I think it is unwise for this body to pass this amendment because to do so is to establish a constitutional confrontation which is unnecessary and one in which I think the Supreme Court would say that our action is unconstitutional. It would be an amendment establishing a principle of the greatest danger, which would then nullify the power of the Federal courts to protect basic fundamental rights of speech, religion, the press, all those rights embodied in the Constitution of the United States.

I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair.

Mr. President, the Senator has said that the Supreme Court would declare this unconstitutional. Article III is very clear.

In any case, Mr. President, we have gone on long enough on this thing. I said at the outset to the distinguished Senator from Vermont [Mr. STAFFORD] that I had no wish to prolong it, and I do not. But I do want to vote. Therefore, with the fervent hope that Senators will vote against my motion, as I shall, I move to table the amendment and I ask for the yeas and nays.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there a sufficent second? There is not a sufficient second.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. I will advise the Senator from Connecticut that a motion to table is pending and his offer of an amendment is not in order.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, is there a motion to table pending?

The PRESIDING OFFICER. There is a motion to table pending.

Mr. DOLE. Mr. President, I ask unanimous consent that there be 20 minutes of debate equally divided between the distinguished Senator from North Carolina and the distinguished Senator from Connecticut.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, and I have no intention to object, I would like to know, for the benefit of my colleagues, what the distinguished majority leader will have up for tomorrow before the Senate.

AGENDA

Mr. DOLE. If we can complete action on the higher education bill this evening, we would have the tax reform bill before the Senate tomorrow. I must say, though, I will have to inform the Senate that there are 23 requests for special orders tomorrow, which will take 2 hours. There may be TV in the Senate, but hopefully we can work something out on that. We will come in very early tomorrow morning. It will be quite early in the morning.

We do want to move to tax reform tomorrow.

Mr. BYRD. Mr. President, does the distinguished majority leader expect to finish this bill today?

Mr. DOLE. It is my understanding that after this matter is disposed of, and I think it can be disposed of to nearly everyone's satisfaction, there is one other amendment that will take about an hour.

Mr. STAFFORD. If the majority leader will yield, it would appear that we could finish this bill by 6:30, if we can get away from the matter which is pending at the present time.

Mr. BYRD. I think this is a very important bill. I fully support it and I hope the Senate will dispose of it today.

With respect to having the tax bill before the Senate tomorrow, I, personally, support that tax bill, as far as I now know. I would certainly be inclined to vote for it now, but that is not to say that I would not support some amendments to it.

I hope the majority leader will give the Senate more time before bringing that bill before the Senate—at least for amendments.

There is a supplemental appropriations bill which needs to be passed. The supplemental appropriations bill has money in it for FEMA and for the Soil Conservation Service.

□ 1740

Those are needed for the devastated areas of West Virginia and Mississippi and several Western States, including California, as a result of floods. Disastrous floods occurred in West Virginia last November. I hope that the supplemental appropriations bill could be called up promptly and acted on.

Let me say this about the tax bill, if I may, and I still reserve the right to object. I do not intend to object with respect to this request. I shall be happy to let the request go forward if I could get unanimous consent not to lose my right to the floor so that we could continue discussing, for just a very few minutes, the program for tomorrow and the next day with respect to whether it is the tax bill or the supplemental appropriations bill or whatever. I have no objection to this request if, without objection, I could retain my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the request for the limitation of time?

Mr. HELMS. Reserving the right to object.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, would the Senator from West Virginia yield so I may get the yeas and nays on the Helms amendment?

Mr. DOLE. I ask for the yeas and nays on the Helms amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, if I may have a copy of the bill so we shall all see what we are talking about.

I hold in my hand the House bill that came over to the Senate. The Senate Finance Committee developed this substitute—1,493 pages—which was made available to the Senate only yesterday, June 2, at 8:45 in the morning.

Here is the committee report from the Senate Finance Committee. This committee report contains 1,124 pages.

I am glad to see tax reform come to the Senate. Senate Democrats have long supported tax reform. I want to see the Senate act on this bill. But it is mind boggling to think that the Senate can act on this bill, a bill of this immensity, this length, and this scope after its having been available to the Senate only for 2 days and the committee report's having been available only since last Friday, while the Senate was in recess.

This may be the most important bill that this Congress shall pass and I think the Senate ought to know what is in it. The Joint Committee on Taxation has not been able to supply Senators on my side of the aisle with the financial data needed in order for Senators to make intelligent decisions with respect to amendments. Amendments are to be revenue neutral, so if a Senator offers an amendment and adds here in one place, he has to indicate where he is going to subtract somewhere else. The Joint Taxation Committee is the only committee that has the supercomputer model capacity to supply Senators with the information needed.

As I said to the distinguished majority leader earlier today, I hope we can do the supplemental first. That would give us more time to get the information we need on the tax bill.

I do not know whether Senators on the other side of the aisle have been able to get such information from the Joint Taxation Committee or not, but I have asked my own Senators who are on that joint committee, today in conference, to see if they could urge the Joint committee on Taxation to supply the data that are needed for Senators to make responsible judgments.

I want to say to the distinguished majority leader that I want to cooperate in getting the tax bill up. I, personally, have no objection to laying that bill down and having Senators on both sides make opening statements tomorrow or the next day. In the meantime, I hope that the majority leader would join with me in urging the Joint Committee on Taxation to make available to Members on both sides of the aisle the information that Senators have requested.

I hope the distinguished majority leader will consider pressing forward with the supplemental appropriations bill. I know there have been some objections on this side, but I have talked today with Senators in the effort to remove those objections. I do not know that I have succeeded, but I think that at least chances may be better than they were earlier.

From reading newspapers, I get the impression that there is as big push on here, a big steamroller drive now that the bill has been reported to the Senate, that there must be no amendments, that it be sent quickly to the conference committee. I am not willing to just leave it up to the conferees between the two Houses, to do the work of putting together a product that the Senate is not willing to give its own time to. Here is one Senator who feels that I as a Senator have that duty.

I thank the distinguished majority leader. I want to cooperate with him and will cooperate with him. He says that he hopes to bring the tax bill up tomorrow. I myself have no objection to laying it down, but I hope that the Senate would go to the supplemental.

Mr. President, I yield the floor.

□ 1750

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me indicate that we will start on the tax bill tomorrow. We had hoped to take up the supplemental before the recess but that was objected to. We had 2 days set aside for it then. We have just come back from a 10-day recess. We are getting ready tc start another one on June 27 and we have a lot of work to squeeze in here. If we are going to bring up the supplemental tomorrow, we will be on it the rest of the week.

Now, if those parties who were objecting last week are willing to help work out some time agreement, certainly there are all kinds of options. And I do not quarrel with the distinguished minority leader; the tax bill is a massive piece of legislation. But it is not going to be passed in 1 or 2 or 3 days. So every day somebody can read another 100 pages. It will probably be around here for a week or more, and there are amendments. We have already been notified of amendments to the tax bill. I think many Senators' staffs are working overtime to get a handle on the bill. It is a very big, large piece of legislation.

As far as the supplemental is concerned, I am preliminarily advised the only program that may be in immediate jeopardy would be the Commodity Credit Corporation. At least that is my preliminary advice. But I have discussed this with the distinguished chairman of the Appropriations Committee, and all of us are interested in the supplemental, if we can reach some time agreement on the bill. There are a large number of potential amendments to the supplemental. There are more amendments pending to that right now than there are to the tax bill, so it would seem to me we should begin the tax bill tomorrow. In the meantime, if we can work out some agreement on the supplemental I would be perfectly willing late Thursday to go to work on the supplemental.

Mr. BYRD. Mr. President, does the majority leader yield?

Mr. DOLE. Yes, I yield.

Mr. BYRD. The majority leader says that the only program that is in jeopardy is Commodity Credit.

Mr. DOLE. That is my understanding.

Mr. BYRD. That may be true, but I have to say to my friend the majority leader that there are $250 million in that bill for FEMA. FEMA is out of money. There are, I believe, $37.5 million in the till for the Soil Conservation Service. There are people in West Virginia who have been waiting since last November to have the stream impediments removed from the creeks and the rivers, and debris removed so that even moderate rainfall will not result in additional flooding. Just a couple of days ago, there was a flood that struck Pennsylvania. Of course, I am sure that FEMA will undoubtedly be called on for some help there.

FEMA is our of money. There is no money with which FEMA can respond to these needs. So while there may not be any program in jeopardy other than the Commodity Credit Program, I am saying that the supplemental funding is needed in the States hit by devastating floods.

I have done what I can to remove the objection to taking up the supplemental appropriations on this side. I believe I understood the distinguished majority leader to say last week there was some problem on this side also on that bill. I may or may not be correct but I think I recall that.

Mr. DOLE. Not a problem in taking up the bill. There is going to be debate. There could be a problem on this side between appropriations and armed services in the defense matter, but again certainly I would be happy to separate FEMA out of the bill right now and send it over. I do not want anything to happen to anybody in need of money, Whether it is West Virginia or Pennsylvania. So I think the best thing to do is to finish this bill, if we can, quickly, take up the tax reform bill tomorrow, see if we can work something out on the supplemental. If we did do that, that would also give Members on this side who need it time to study the bill, but what I would not want to happen would be to get into the supplemental on Thursday because we are going to lose about 4 hours with the Saudi arms sale. Then Friday everybody will want to go home, so nothing will happen Friday. Nothing will happen Monday because nobody want to vote on Monday. So you are back here next Tuesday, Wednesday, and Thursday on the supplemental. Then everybody wants to go home on Friday. Then you have 2 weeks for the tax bill before we recess. If I can prevent that, obviously we would like to have the tax bill passed

so that we can get to conference when the Senate resumes its business on July 14. It would seem to me we should be able to have a tax bill on the President's desk by Labor Day. But at the same time I understand the importance of the supplemental. The Commodity Credit Corporation is very important to many of our States. I would hope that some of those Members who have amendments might be willing to work with us and see if we can work out some time agreement. I would be willing to discuss it with the minority leader.

Mr. BYRD. Mr. President, may I say—and I do not intend to belabor the point—the distinguished majority leader says he would be willing to take FEMA out of this bill and pass it. I know of no way of doing that. This is a supplemental appropriation bill. It came over from the House of Representatives, FEMA appropriations cannot be taken out of this bill and passed, ipso facto, like that. When FEMA gets its money, it will be through the supplemental appropriation bill.

I thank the distinguished majority leader. I thank all Senators for their patience.

HIGHER EDUCATION AMENDMENTS OF 1986

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. HUMPHREY). Who yields time?

Mr. WEICKER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The motion to table amendment No. 1993.

Mr. WEICKER. And as I understand it, the request is that there is to be 20 minutes of debate, 10 minutes equally divided between the Senator from North Carolina and the Senator from Connecticut; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. I yield 2 minutes to the distinguished Senator from Montana.

□ 1800

Mr. BAUCUS. Mr. President, I very much oppose the amendment offered by the Senator from North Carolina, and I oppose it very strongly, because I think it is a pernicious attempt to undermine the basic constitutional rights given to Americans under the U.S. Constitution.

This is essentially the same court-stripping debate that we have had in this body during the last 2 or 3 years. Granted, this amendment is fashioned as a remedy. But if the Supreme Court is to enforce basic constitutional rights, it also must be able to provide remedies that are inherent to protecting constitutional freedoms.

This amendment is essentially an attempt to give Congress, by a majority vote, the right to overturn Supreme Court decisions—the right to take away basic remedies which are inherent to the Supreme Court's ability to interpret the supreme law of the land.

For that basic, fundamental reason, I not only oppose this amendment; I oppose it very strongly, and I think that any right thinking American would oppose it just as strongly.

Our Founding Fathers set up three coequal branches of Government—judicial, legislative, and executive. A strong judicial branch of government is essential to maintaining our constitutional rights and freedoms.

If this amendment is adopted, it will set the precedent for Congress, by majority rule, to take away basic constitutional rights and freedoms. We, obviously, cannot have that.

In addition, if this amendment is adopted, it will set the precedent for allowing the 50 States to interpret the U.S. Constitution. That could result in 50 different interpretations.

Our Founding Fathers, under this supremacy clause, under Marbury versus Madison, established a branch of Government to interpret the Constitution, the Supreme Court of the United States. If this Congress wants to limit the authority of that branch, we must go go down the road provided in the Constitution: by way of a constitutional amendment. We cannot do it by majority vote.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WEICKER. Mr. President, I rise to oppose the amendment of the distinguished Senator from North Carolina.

I think it important that when the RECORD is read, and when it is read in an election year, the RECORD states that this has nothing to do with busing. This has to do with whether or not all of us, as Americans, are going to have the protection of the courts when we need it.

If you vote with Senator HELMS and you are elderly, worry about the fact that there might come a time when you will need the protection of the courts. If you vote with Senator HELMS and you are handicapped, worry about the fact that your time may come and you will not have the protection of the courts. If you vote with Senator HELMS and you are part of a union, worry about whether or not your rights will be protected by the courts.

If you vote with Senator HELMS and you are a person of religious leaning, worry as to whether or not the courts will protect your particular belief. If you vote with Senator HELMS and you work for the media and believe in a free press, worry as to whether or not the courts will keep that press free; or, if you are a woman, the court will protect your rights when those rights come under attack. That is involved here.

So if we want to talk politics and elections, let us talk about the issue, and the issue is a nonpoliticized judiciary that extends its shelter to all of us when we need it. It is as simple as that.

I hope the amendment is defeated. But just as important, understand, for those who will be called to account on election day, do not be swayed by the fact that they voted against Senator HELMS. They voted for all their constituents.

Mr. President, I would suggest the absence of a quorum, except that I know Senator HELMS is not on the floor. If that is the case, would it be charged to both sides?

I yield the floor.

Mr. HELMS. Mr. President, may I inquire as to the time situation?

The PRESIDING OFFICER. The Senator from Connecticut has 5 minutes, and the Senator from North Carolina has 3 minutes.

Mr. HELMS. Mr. President, I suggest the absence of a quorum, with the time to be charged equally.

Mr. WEICKER. Mr. President, I would hope that we could handle the time factor more equitably. Senator MATHIAS, I know, wishes to speak on this issue, but I would not like to see all the time revert to the Senator from North Carolina just prior to the vote. I hope that if he has something to say with respect to tabling his own amendment—which is a rather bizarre practice, to begin with—he would address that subject.

The PRESIDING OFFICER. Is there objection to the request?

Mr. WEICKER. I object.

The PRESIDING OFFICER. If neither side yields time, the time runs equally.

Mr. WEICKER. Mr. President, I yield 2 minutes to the distinguished Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, in the wonderful, paradoxical way of the Senate, I find myself supporting the motion of the Senator from North Carolina, because I think he is right in wanting to table his own amendment. It is an amendment that should be tabled. I think it is an amendment that should be tabled because it is unconstitutional.

I think it would be futile to tell the courts that they could not address fundamental constitutional issues. On that ground alone, this amendment should be tabled. It is bad law. It is bad precedent. It would be bad practice.

So I urge all Senators to vote "aye" in favor of the motion of the Senator from North Carolina to table this

amendment, wipe it out of this bill, and get on with the very important educational legislation to which it has been engrated.

Mr. President, I hope the amendment will be tabled overwhelmingly.

Mr. WEICKER. Mr. President, I understand that when this vote takes place, should the amendment not be tabled, it would be the intention of the distinguished Senator from North Carolina to withdraw his amendment. That frames this exercise as what it is meant to be—a little politics in an election year.

In other words, what he is saying is that he has no intention of having this become the law of the land. Let us put it out there.

Mr. HELMS. Mr. President, regular order.

Mr. WEICKER. Let us put it out there for all to vote on, and let us have them held accountable.

That is why I want to make the point that the courage in this matter is with those who vote to table this amendment. They are not willing just to have an academic exercise. They understand the message it sends to the rest of the Nation, regardless of the format; and the format, as I say, is a vacuous exercise, never meant to become law, but to put the screws to people on a very passionate issue.

As I say, the courage belongs with those who stand up for the Constitution of the United States. There are these three separate but equal branches of Government, and they are our final guarantor—any one, two, or all three—of all the rights we have as American citizens. If this amendment is adopted, you own just a little bit less in terms of those rights.

When I took the oath of office when I came to the U.S. Senate, it was to make sure that whatever I left was just as great, just as capable of realization of all the ideals we believe in, not something less because the tempers of the times made it politically popular to stamp on that document.

□ 1810

You know what is going to happen. If this amendment is tabled it will be withdrawn and it will not be law, and if it is not withdrawn there are those of us who are going to stand up here and talk for 6 and 9 months, and it will not become law.

So I would hope that, No. 1, it is tabled, but when the rollcall is read as a matter of the RECORD the badge of courage attaches to those who opposed the amendment of the Senator from North Carolina. They indeed are true patriots.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

The Senator from North Carolina has 10 minutes remaining.

Mr. HELMS. Mr. President, I will yield back in a moment the time assigned to me. I want to say this with all the gentility I possess because I am sure the Senator from Connecticut is worthy as he says he is with respect to his courage and nobility of purpose.

But I am fascinated by the argument presented today, as has been the case each time this matter has come up, the declarations from the distinguished Senator from Connecticut that it is unconstitutional to implement the Constitution.

If I did not love the Senator as I do, I would say that is fatuous. But I am not going to say that.

What I am saying is that those of us who recognize the treacherous road down which public education has been led for the past 15 years have some interest in the schoolchildren who stand in the dark and ride 20 miles or more a day. We have some interest in the taxpayer who has been soaked for not hundreds of millions but billions of dollars in unnecessary expenditures over the past 15 years. We have some interest in the 80 percent or more of the families, black and white, in this country who are fed up to here with forced busing.

The suggestion has been made over and over again in the face of what I have assured Senators, and If they would just read the amendment they would see that I am correct, that this amendment does not preclude any school board from implementing whatever busing system it wants. It just says to the school board you do it at whatever risk you may perceive with your own constituents, bearing in mind that 80 percent or more of those constituents do not like what is going on.

Now, Mr. President, it is true that I have moved to table my own amendment. I did it because the Senator from Connecticut did not want to do it and other Senators who favor forced busing do not want to do it. They remember the overwhelming vote in this Senate the last time this matter was presented, which was 1982, in the form of the Bennett Johnston-Jesse Helms amendment.

I hope Senators will vote against tabling this amendment, and it is true that I am going to have a colloquy with the distinguished Senator from South Carolina, who is the chairman of the Judiciary Committee. And I hope that he will assure me that S. 37, introduced on January 3, 1985, by the distinguished Senator from Utah [Mr. HATCH] for himself and Mr. THURMOND, will be reported by the Judiciary Committee so that the Senate can consider it.

Incidentally, that piece of legislation, S. 37, has precisely the same provision, worded somewhat differently, about jurisdiction of Federal courts, and let us eliminate one myth here: Congress created the inferior courts and Congress can do anything it wants to about the inferior courts, including abolishing them.

I reiterate that according to Senator ERVIN on at least 57 occasions the Congress of the United States has implemented article III of the Constitution, and I know of no squawks back then that this was court-stripping.

We do not want a country where the courts run the whole Government. This is a tripartite system of government. We are coequal partners—the executive, the judicial, and the legislative. When the courts have exceeded their authority, Congress has the responsibility of saying "Enough is enough," Mr. President, and that is all the pending amendment says, that a child may not be ordered by a Federal judge to ride more than 5 miles or 15 minutes past a neighborhood school just for the purpose of a judicial exercise.

Mr. President, it is clear that the vast majority of the American people, black and white, want to have some freedom about this thing. You want to talk about freedom; yes, let us talk about it.

I hope Senators will vote against tabling so that we can go ahead and pass this bill.

I am not going to pursue it now, but I am going to have a colloquy with the distinguished Senator from South Carolina with reference to S. 37.

Mr. President, I will ask unanimous consent that two studies be printed in the RECORD at the conclusion of my remarks, one a "Sociological Study of Busing," and the other is the "1983 Separation of Powers Subcommittee Report" on this matter of school busing.

Mr. President, I call my colleagues' attention to an article in the spring/summer 1982 edition of the Journal of Social, Political and Economic Studies by Walter G. Thompson, a Washington civil rights consultant. Entitled "Racial Integration in U.S. Schools: The 'Busing' Controversy," the article argues that available data show busing has not been helpful to black students' achievement. Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RACIAL INTEGRATION IN U.S. SCHOOLS: THE "BUSING" CONTROVERSY

(By Walter G. Thompson)

Until well after World War II, the United States of America was generally perceived—both by its own citizens and by foreigners—to comprise essentially a white Protestant nation, whose members dominated, but coexisted peacefully, with a variety of diverse minority ethnic groups. However, with the advent of strong 'civil rights' movements a

number of measures were introduced to modify this situation, with a view to converting the United States into a truly multiracial political state. The immigration laws were revised to favor non-European immigration, replacing legal restrictions which had deliberately sought to keep the United States essentially Northern European in ethnic character. Various measures were introduced to advance non-whites in the economic and political spheres, and a variety of measures were introduced—in the face of considerable resistance by legislators—to enforce the racial integration of American public schools. Since schools had traditionally been segregated primarily by virtue of the tendency of diverse racial and ethnic groups to congregate in separate neighborhoods, effective racial integration of local neighborhood schools could only be achieved by the enforced transportation of black pupils into schools located in predominantly white neighborhoods and of white pupils into schools in predominantly black neighborhoods—regardless of the wishes of both pupils and parents. We have here attempted to document the history of this enormous, state-directed experiment, the future of which now seems to be in serious doubt as a result of the widespread opposition which it appears to have aroused among virtually all ethnic communities.

THE LEGAL FOUNDATIONS OF "BUSING"

In 1954 the Supreme Court decision in *Brown* v. *Board of Education* laid the foundations upon which force busing was to be initiated (1): "that in the field of public education the doctrine of 'separate but equal' (established by the court in *Plessy* v. *Ferguson)* has no place; separate facilities are inherently unequal." Since that time the U.S. Executive has supported a policy of forced busing as a part of its 'affirmative action' plan to bring about educational desegregation in public schools to permit 'equal Minority educational opportunity.' Title 42(2) of the Civil Rights Act of 1964 confirmed that "desegregation means the assignment of students to public schools and within such schools without regard to their race, color, religion or national origin." Despite the fact that the Title specifically declared that "desegregation shall not mean the assignment of students to public schools in order to overcome racial imbalance"; this reservation was generally interpreted as being inapplicable to systems practising "de jure" segregation, and the Federal Government and the courts progressively enforced busing until by August 13, 1981, students were allocated to schools in Beaumont, Texas(3), according to the color of ping-pong balls drawn from a cement mixer.

THE EDUCATIONAL IMPACT OF FORCED BUSING

The "Coleman Report" (1959)(4) was the beginning of an era of social science studies concerning the academic merits of forced busing based upon student achievement statistics, the results of which may be grouped into four categories:

(1) Achievement statistics that are critical of busing.

(2) Achievement statistics that "support" busing.

(3) Interpretations of achievement statistics by social scientists who argue that statistics support busing.

(4) Interpretations of achievement statistics by social scientists who argue that statistics do not support busing.

Achievement Statistics that are Critical of Busing

Coleman, Armor, St. John, Bradley & Bradley, Stephan and Scott interpret achievement statistics of bused students critically;

Coleman (1959): Although the U.S. Commission of Civil Rights "Coleman" Report was widely expected to establish beyond doubt that minority students benefitted from busing, the data contained in the report actually indicated the contrary. Black pupils were found to begin and remain four to six years behind white pupils in both segregated and desegregated schools. While attempting to fault Coleman because of his use of cross-sectional data, lack of "control" for original ability, family background variables, school environment, racial context or community circumstances, Moynihan (1969 Coleman Ed.) concluded that busing had not been successful and that in fact no one knew how to raise academic achievement among minority groups.

Armor (1972)(5): In his "Review of the Evidence" ex-Havard professor Armor examined tests from Boston (the METCO program in which 15,000 blacks were voluntarily bused to middle class white suburban schools in 1968-70); White Plains, New York; Ann Arbor, Michigan (1965); Riverside, California (1965-70); and Harford/New Haven, Connecticut (Project Concern). He concluded that "The grades of black students, however, generally fell when they were transferred to predominately white schools" while their achievement test results remained unchanged.

Pettigrew, in his critical review of Armor's work (6) argued that the METCO tests involved methodological flaws: (a) only 52 out of 82 control students could be traced and of these only 21 actually attended segregated schools; (b) the system studied in Armor's survey was voluntary, limited, and used siblings as control students allowing families to choose which students should be bused; (c) that the second of three tests (1969) only recorded 51 percent of the bused and 28 percent of the control students in the program; and that Armor did not review six crucial tests that "clearly supported" busing.

Armor replied to these criticisms in the following manner(7): METCO control students were screened to make sure of their black neighborhood background; two-thirds of the control students did attend segregated schools while those who went to desegregated schools mixed with lower class, inner city white classmates in "transition" areas with previously low white student bodies at the time of the tests; the tests considered "crucial" by Pettigrew did not support busing—Evanston (20 percent black) had a black-white achievement gap that increased, rather than narrowed, over three years from 16 to 25 percentile points—Berkeley's apparent increases in black achievement grade levels (1st to 3rd grade) from 1.6 to 2.8 were overshadowed by white improvement from 1.9 to 4.1(9)—Sacramento results were insignificantly positive (10).

St. John (1975) (11): In her review of 120 studies, the proponent of busing at the University of Michigan, Nancy St. John, concluded that there was no evidence that black achievement levels increased as a result of forced busing. Since her more significant studies are also reviewed by other social scientists, discussion of them has been postponed (see *Weinburg* and *Crain & Mehard*). However, we here examine two of her more significant studies not noted elsewhere: in the first, 1,500 blacks in previously integrated schools (5-40 percent) gained moderate grade increases of 3.4 grades as compared with an increase of 2.8 grades in segregated schools over the three year period; in the second 2,800 voluntarily-bused blacks, in contrast, showed no grade increase (Scott 1981).

Bradley & Bradley (1977): In an examination of 29 studies the Bradleys felt that all these suffered from methodological deficiencies. They concluded either that busing was ineffective or the data was inconsistent or inconclusive. The more significant of the studies reviewed by the Bradleys were also examined by Weinburg and Crain & Mehard. A discussion of these studies may therefore be found included with studies by these social scientists.

Stephan (1978): Stephan examined the same pro-busing tests as had the Bradleys, with the conclusion that 10 cut of 34 might be considered positive.

Scott (1981): Scott analysed the findings of all the major social scientists given here with emphasis upon the eight major tests that are generally cited in support of the educational merits of forced busing. This analysis is listed in the section concerning *Weinburg* and *Crain & Mahard.* Scott concluded that no longitudinal tests with proper control students (students from segregated schools with the same IQ and background as the desegregated students tested) have been shown to be of any benefit to black students. No test has ever been reported to suggest that the achievement gap between whites and blacks could be narrowed by more than a sixth.

Achievement Tests that "Support" Busing

Pettigrew, Jencks, Weinburg, Crain & Mahard, and a U.S. Commission of Civil Rights 1976 Report interpret the majority of achievement tests as evidence that busing benefits blacks academically:

Pettigrew (1973)(13): When criticizing Armor, Pettigrew cited six tests in support of busing (Scott 1981). These were:

Stone (1973) identified a marginal increase in math scores. Yet even these were probably inconclusive since they depend upon comparison with scores taken prior to desegregation in reading, not maths.

Banks: Tests were conducted for one year without "control" students from comparable segregated schools.

Laird (1966) had himself admitted that his tests were inconclusive: amongst 4-6 graders segregated 6th graders actually gained higher scores than their desegregated counterparts.

Morrision (1971): Only incomplete achievement results were recorded prior to desegregation; desegregated students obtained "compensatory educational services" making an accurate comparison with segregated schools impossible.

Zdep (1969): Only three black students were bused to each school, too small a number for tests to be conclusive.

Jencks (1972): In his book, Inequality, Jencks felt that black achievement could be improved by two or three percentile points at best (a small figure in relation to the 15 percentile point gap between blacks and whites). He later doubled this estimate (Mills Ed. 1973) without producing further evidence to support his revised opinion.

Weinburg (1977) and Crain & Mahard (1978): Weinburg and Crain are considered the country's two most ardent supporters of busing. Weinburg considered 19 out of 29 texts examined as "positive." Crain & Mahard argued that 19 out of 41 tests they

examined were "positive," while 12 were negative and 10 neutral. Scott (1981) compiled the following critical analyses of the eight major tests upon which Weinburg, Crain & Mahard and other social scientists base their support for busing:

Anderson (1966): (interpreted as positive by St. John, Crain, Stephan and neutral by the Bradleys and Weinburg) Blacks that were bused had been pre-selected for high IQ's in an open enrollment system usually attracting more adventurous blacks. Such blacks were therefore unrepresentative.

Evans (1973): (interpreted as positive by Weinburg and Crain) Students' grades measured in each of the three years varied greatly; the results seem inconsistent.

Mahan (1968: 70 Project Concern): (interpreted as positive by St. John, Weinburg, Crain and neutral by the Bradleys) Average achievement gains of desegregated blacks in test over six years were unrepresentatively high because of the unusually high achievement of a single group of black students during the period.

Mayer (1973). (interpreted as positive by the Bradleys, Stephan, Crain and neutral by St. John) The student population dropped from 667 to 343 in three years; St. John attributes sole maths gains to an improvement in instructional methods carried out at the time; Mayer described the results as "not at all encouraging."

Maynor (1970). (interpreted as positive by St. John, Stephan, Crain and neutral by the Bradleys) The Bradleys criticize the results as incorporating inadequate pretests and regarded the eight month span as being too brief.

Pritchard (1969): (interpreted as positive by Weinberg and Crain and neutral by St. John, Stephan and the Bradleys) The limited gain in maths has been attributed to a contemporary revision of the state curriculum.

Samuels (1958): (interpreted as positive by Weinburg, Crain, St. John and neutral by Stephan) This test has been questioned because of the inadequately low number of students tested and an unconvincingly large increase in maths achievement reported at 1.8 grades in one year.

Stattings (1959). (interpreted as positive by Weinberg, St. John, Stephan and neutral by Crain and the Bradleys) This one year study of a voluntary enrollment system was funded by the Southern Regional Council (adamant supporters of busing). Criticized for comparison of whites and blacks rather than segregated and desegregated students and the fact that students remaining with black teachers made the greatest gain (St. John), it seems inconclusive.

U.S. CCR (1976). The report, *Fulfilling the Letter and Spirit of the Law,* examined 1,292 schools (15 percent blacks) concluding that the "quality of schools" improved after desegregation.

The Interpretation of Achievement Statistics by Social Scientists Who Argue that these Statistics Support Busing

Social scientists agree that a national gap exists between black and white achievement, measured as one standard deviation, 15 percentile points or a difference of several achievement grades from kindergarten. 84 out of 100 whites perform better than blacks in kindred skills (Coleman (1959); Jencks (1972)). Controversy among social scientists centers upon whether this achievement gap could be narrowed by even a sixth by means of busing.

Prior to the Coleman Report, influential social scientists considered that busing must benefit blacks by placing them in schools with better facilities. (Conant, President of Harvard University, 1961)(15) However the Coleman Report stated authoritatively that the average black school was the same age as its white counterpart (p. 67-70 elementary school 28/29; secondary 31/34), that the same amounts were spent on black and white schools, that the classes were of the same size and that black and white teachers gained similar training. Regarding the quality of school facilities, regional school differences were found to be greater than majority-minority differences (p. 122). Despite renewed reference to the "inequality of facilities" theory by Clark, Kirp, and Cohen in a book later edited by Coleman (1969), the data revealed in the Coleman Report remained unchallenged. Instead, busing proponents began to argue that busing placed children in a better socio-economic atmosphere (St. John (1970)(16); Weinburg (1977); Crain & Mahard (1978) and Orgield (1979)). This philosophy had its roots in Allport's theory (1954) that mixing black and white pupils would lead to a "rub-off" of culture from whites to blacks as long as socio-economic levels were equal. These social scientists suggest that lower class blacks could benefit from busing when integrated into middle class white classes in ratios of between 20-40 blacks to 80-60 whites. They cited the marginal gains in the tests examined above as evidence. Crain & Mahard also cite the number of blacks who enroll and remain at northern colleges as supporting the view that blacks benefit from education in a predominately white environment. 20 percent of traditionally integrated blacks in northern colleges as compared with 11 percent of their northern segregated counterparts survive college. Critics, however, argue (Coleman, Armor, Scott) that these figures do not suggest that a white educational environment improves black college survival rates. They argue that the majority of northern desegregated black college students come from integrated, middle class, higher achieving black families anyway, and they note that segregated blacks in the south actually survive college better (16 percent) than their forcibly desegregated counterparts (19 percent).

The Interpretation of Achievement Statistics by Social Scientists Who Argue that Statistics do not Support Forced Busing

While Social scientists who support busing quote the "socio-economic" disadvantage theory, other social scientists find serious problems with such a theory. Jencks, although softening his view that the black-white achievement gap could only be narrowed by 13 percent, after ten black scholars labeled him as a racist (1974) (17), stated in court that (Rakus (18)): "There is no evidence that social reform can substantially reduce the extent of cognitive inequality, as measured by tests of verbal fluency, reading comprehension, or mathematical skill. Neither school resources nor desegregation has an appreciable effect on either test scores or educational attainment." In 1978 Coleman reinforced his previous findings, saying that "The assumption that integration could improve achievement of lower class black children has now been shown to be fiction." (19)

Rejecting the argument that children can be influenced to any great extent by the background of the children with whom they mix at school, Hanershek & Kain (20), Armor (21), Smith (22), Scott (1981), Sears & Melonahay (23) and Hose & Luce (1979) all argue that the critical stage is prior to the age of six (i.e. at home) and that the process is essentially completed by the age of 10, Jensen (24), Bloom (1964) and Jencks (1972) argue that heredity and home environment make up for at least 85 percent of the variation in influences upon a child. They say inherited achievement accounts for (Jensen) 80 percent IQ or 40 percent school achievement; (Bloom) 66 percent IQ; (Jencks) 45 percent ± 15 percent; and early home environmental influences (Jensen) 12 percent IQ or 54 percent school achievement; (Bloom) 33 percent IQ; (Jencks) 35 percent. The possible effect upon a child of a variation in school environment, mainly through different instructional methods, is given by them as 6-15 percent. As Cohen states (25), black and white children both assume that whites will carry out a task better in cases where there is no difference in socio-economic background or previous experience at the task.

CONCLUSION

Social scientists in general do not contest the view that black attainment can improve at best by one-sixth of the black-white achievement gap. Those critical of busing find that only middle class, higher achieving blacks obtain higher school results and that forced busing has no positive effect upon black achievement.

THE PSYCHOLOGICAL IMPACT OF FORCED BUSING

The psychological impact of forced busing must be at least as important if not more important than its educational impact in an analysis of the overall merits of busing. When the academic merits of forced busing are dubious it would be very hard to justify a policy of enforced busing if the psychological impact on children, as a result of removal from a stable environment and accompanying increase in classroom competitiveness were to result in an adverse impact. An analysis of the psychological impact of forced busing must include:

(1) The effect upon black self-concepts.

(2) The effect upon behavior and discipline in the classroom essential to the instruction of all students.

The Effect of Busing Upon the Self-Concept of Desegregated Blacks

"We might be desegregated but I don't think you could say we're integrated." Evanston High School (The Wall Street Journal (26)) may well illuminate fundamental problems for busing. In reporting that "blacks cry discrimination if whites have higher grades" reported Elsner is seen by most social scientists as highlighting the effect upon blacks when they are suddenly faced with new and severe competition from white students whose achievements average is fifteen percentiles above their own (Garard & Miller (1975)). Coleman (1959), St. John (1975) (27), Knowles & Prewitt (1969) (28), Ausebel (1963) (29), Sixeman (1978), Hughes & Wilson (1978) (30), Hunt & Hunt (1977) (31), Nelson (1978) (32), Evans (1971) (33), Caseli & Ayling (1973), McDoo (1977) (34), Epps (35), Coles (1963) of the Anti-Defamation League of B'nai B'rith and Hunt, Director U.S. Early Childhood Lab. (36) all argue that the effect of such a traumatic situation upon blacks is frustration, low confidence, low achievement, low aspirations, and an increase in "racial consciousness." Bullock (1978) argues that segregated white students are least "race conscious" (+8.0 on his scale where 0 represents neutral race consciousness) followed by desegregated blacks (−6.4), segregated blacks (−18.3) and desegregated whites (−25.3). Even such busing

proponents as Weinburg remark upon the increase in degree of "black consciousness" (37).

The most detailed study of black self-concept and the criticism that it evoked can be examined in the Armor-Pettigrew controversy.

Armor-Pettigrew Controversy: In his analysis of the Boston METCO program, Project Concern in Hartford and New Haven, Connecticut, and tests in White Plains, New York, Ann Arbor, Michigan, and Riverside, California, Armor examined both the educational (as noted above) and psychological impact of voluntary busing upon blacks. (He notes that the traumatic effect of busing upon the more "adventurous" voluntarily bused students in these tests ought to register less adverse impact than the psychological impact of busing upon forced students.) He also noted:

Black self-concept dropped because of greater competition.

Bused students entered their new school with higher educational and occupational aspirations (74 percent expected to go to college at the start as compared with a figure of 54 percent gained by Coleman for northern desegregated blacks) but these dropped to 60 percent by the end of the period.

After two years black support for nonwhite schools increased by 15 percent (76 percent of control students preferred desegregated schools; 58 percent of bused blacks preferred desegregated schools) while 75 percent of the black students stated they would perfer their own school culture if it was "as good a school."

While control student "racial consciousness" increased from 47 to 66 percent that of the bused students increased from 51 to 81 points; black "separatism" on a scale of 0-4 increased; among control students from 1.4 to 1.5; among bused students from 1.4 to 1.8.

By the end of the period the number of blacks having a single white friend or more decreased from 74 to 63 percent, blacks spent more time on their own (40 to 59 percent) and dated less whites (21 to 10 percent).

Reviewing Armor's results, Pettigrew made four points specifically concerning the "self concept" tests: (see above for Pettigrew's criticism and Armor's reply concerning test preparation and representation as a whole.)

Control students were tested at home in a less ideological environment than that at school. Armor replied by stating that control student scores could themselves be broken down to differentiate between the scores of control students with a more integrated background and a more segregated background. The more integrated control students showed a markedly higher "separatism" score than the more segregated control students.

Acquiescing with Armor's "aspiration" scores, Pettigrew argued that Pittsburgh and Evenston tests implied that lower black aspiration was indicative of higher achievement. (Katz, Levin Ed. 1967)

Without disputing Armor's "militarism" scores, Pettigrew claimed this as a "busing achievement."

The Effect of Busing upon School Discipline and Behavior

Social scientists agree that definite problems exist in the field of student and student-teacher relations in desegregated schools. As Crain noted, "blacks strike back through acts of rebellion" because "they do not feel they belong." (38) Social scientists differ only in their explanations of these problems and the methods by which they believe these problems may be solved. While a discussion of these differences follow in the third section of this paper, we here examine the extent of the problem.

The National Institute of Education (1978) (39) has stated that a child's most serious daily risk of personal injury is taken as he steps into a school bus, Dr. Barbara Sixeman, former superintendent of Washington, D.C. schools (1978) believes discipline to be the problem which busing most exacerbate. Indeed, the Washington D.C. official report, three years after initiation of desegregation stated that "prior to integration we did not have anything like the foul and obscene language we have anything like the foul and obscene language we have had since (p. 28) . . . we have degrading conduct (p. 30) . . . disciplinary problems have quadrupled since integration . . . one of the dangerous and deplorable developments in the District of Columbia schools is the sex attitude of the Negro (there was a 42 percent increase in 15 year old illegitimate pregnancies; 97.8 percent of 1955, 834 school children gonorrhea cases were among blacks—Department of Health) . . . Negro attitude of belligerence, sulleness, impertinenace and aggression (p. 29)." Languerton (40) lists some of the nationwide cases of violence closing schools in Detroit, Pittsburgh, New Brunswick, New Jersey, Boston, Kansas City, Pensacola, Cairo, Urbana and Kokama, quoting Detroit School Superintendent Drachler's remark, "We have today a polarization along racial lines that is threatening our entire city." (41)

Weinburg (42) is supported by Milwaukee public school 'suspension rates' (43) when noting high black school suspension and dropout rates. In the years 1976 to 1977 during which black enrollment increased from 29 to 48 percent in the Milwaukee public school system, statistics show that, while all white or black schools have low suspension rates, the overall suspension rate of schools altered up to down according (by a correlation of .65) according to the shift in the size of black enrollment. In the years 1976-77 and 1977-78, 22.4 whites were given suspensions per 100 whites, while 76.6 blacks were given suspensions per 100 blacks. Where 0 represents a black-white suspension proportionate to school enrollment black in Milwaukees schools ranged from +40 to −4.8.

Furthermore, as Shaw argued (44) it appears that association with members of the other race, at least in school study, tends to less acceptance of members of the other race."

THE VIEW OF SOCIAL SCIENTISTS WHO BELIEVE FORCED BUSING CAN WORK

Social scientists differ in the ways through which they feel the present faults of forced busing may be alleviated and the ways in which minorities may best receive 'equal educational opportunity'. Any solution must take into account three different points of view:

(1) The view of social scientists who believe forced busing can still be made to work.

(2) The view of the black community.

(3) The view of social scientists critical of busing who ask whether busing tackles the main educational problems of the black community.

Social scientists who continue to support busing agree that the feelings of bused blacks that they "do not belong" in desegregated classes causes them to experience an increase in 'racial consciousness' and fosters rebellious attitudes. (Crain, Jenkins, Weinburg (38+39)). However, they blame problems upon the formation of ability groups in desegregated classes and the 'prejudiced' attitudes of teachers.

Ability groups: Knowles & Prewitt (1969:38) note that only 5-10 percent of St. Louis black students are classified as being "gifted," 75 percent are classified as "slow learners" or "retarded," and 50 percent of black high school students are considered "terminal" i.e. completing their education when they leave high school (this last figure does not include high school drop outs). Kirp (45) substantiates that 75 percent of black students are found in bottom categories in San Francisco desegregated classes. In the years following desegregation Judge Wright of the D.C. Circuit court (1968) argued that ability groups were psychologically harmful to black students (46) and these groups were ruled unconstitutional in *Hobson* v. *Hansen* (1967) after the the U.S. CCR *Racial Isolation* report and an unpublished paper, *Brookvue et al.* (1967), argued that classrooms must be desegregated.

Today the abolition of ability groups is only supported by a minority of social scientists (Weinburg (1977)). The majority argue that ability groups are the necessary product of an environment where ability ranges across at least 30 achievement percentile points. Without them, the more able students would not achieve their potential, while the less able fail to obtain the special attention they need and would simply be "dragged along" with the rest of the class. These social scientists argue that ability groups in desegregated classes are essential for education as a whole and they believe that the abolition of ability groups would be detrimental to national education standards. Some even note that between 1964 and 1979 the national average pupil achievement scores have dropped 74 points from 973 to 894 (47) though this cannot be shown to be due solely to desegregation.

In his book, Minority Students, Weinburg (1977) lists surveys of the view of black and white teachers concerning black students. Social scientists do not query these results but offer different interpretations to explain them:

Charlotte Observer Opinion Survey of 897 black and white teachers (July 8, 1974 five years after desegregation):

[In percent]

	Positive response—	
	Black	White
Is integration worthwhile?	94	56
Is discipline a serious problem?	29	64
Is the quality of education in your school good?	87	70
Are students learning more since desegregation?	36	27
Are students learning less since desegregation?	10	74
Are you optimistic about the future of your school?	87	47

Weinburg interprets these figures to suggest that white teachers are prejudicial against black students and need "reeducation." Other social scientists suggest that, as a result of previous experience in higher achieving, white schools, white teachers are less accustomed to disciplinary problems, place greater stress upon higher results and are more disappointed when they see classes affected by black students who find competition too difficult and consequently "affect

other students with an atmosphere that it is not hip to study." (48)

Black student behavior as seen by black and white teachers (49):

[In percent]

Gottlieb (inner city 1964)	Teachers— White	Black
Ambition	20	36
Cooperation	35	61
Energy	33	48
Funloving	45	74
Happy	31	65
Highstrung	39	13
Impetuous	33	13
Lazy	53	19
Middle brow	34	19
Moody	33	13
Rebellious	35	13

BLACK STUDENT PROBLEMS IN ORDER OF SERIOUSNESS: RAYPAL (100 NEW YORK TEACHERS 1972)

Teachers—	White	Black
Truancy	1st	5th
Profanity	2	35.5
Resentfulness	3	12
Lack of interest	5	14
Stealing	6	1
Inattentiveness	7.5	20
Tardiness	7.5	38
Suspicion	9.5	16

While Raypal and Gottlieb argue that these results reflects teacher bias, other interpretation has been imposed. It has been suggested that while white teachers note black cooperation, energy, happiness and fun-loving character, they place greater emphasis upon achievement than black teachers. These figures therefore note black laziness and a high-strung and rebellious character. Solutions such as reducing teacher expectations (Biener & Gerard) (50) or the modification of curriculum to permit "flexible standards that prevent minority students from experiencing academic failure" (Maruyama & Miller (1975)) are seen as dangerous to the overall standard of education and not the best means to implement 'equal educational opportunity.'

THE VIEW OF THE BLACK COMMUNITY

"Both (whites and blacks) must embrace a higher principle of truth. It is not necessarily good or bad because is black or white. It is good or bad because it works or it does not work." (Tony Brown, Black Journal & CONGRESSIONAL RECORD 1977 (51))

In the New York Times Magazine (1972) (52) Hamilton argued that the NAACP, the largest black civil rights organization with 350,000 members, is only representative of a minority of middle class blacks who believe fervently in integration while black opposition to forced desegregation comes from three quarters:

(1) Black criticism of the theory "separate schools are inherently inferior."

(2) Black criticism that they are the victims of busing.

(3) Black criticism of an issue closely related to that of busing, abolition of all black colleges of higher education.

BLACK CRITICISM OF THE THEORY "SEPARATE SCHOOLS ARE INHERENTLY INFERIOR"

Thomas Sowell, a black professor previously at Stanford Center for Advanced Study in the Behavioral Sciences (1976-77), argues in two books, Black Education: Myths & Tragedies and Knowledge & Decisions, that the historic Brown decision that separate schools are inherently inferior "was neither supported by fact nor would it stand up under scrutiny." Within walking distance of the Surpeme Court he notes that Dunbar High School is an 80 year example of an all black school that has had higher tests than Washington schools with an average IQ 11 points higher than the national average (53) Thurgood Marshall, NAACP attorney to the *Brown* case, had himself, Sowell notes, been to such a school in Baltimore (Hucker (1975)). The existence of Catholic, Jewish and Greek schools, he says, testify that segregated schools are not inherently inferior. (54)

Sowell argues (Knowledge & Decisions:264FF) that forced desegregation is effectively a well-to-do, white, liberal tax upon lower class whites, who bear the sole burden of desegregation, to give blacks unjust benefits in the name of a false 'past gult (quoting Ladd & Lipset 39). He continues: restoring us to our original position would place us on the level of those in our countries of origin; any repayment of our economic contribution to the welfare of the country could turn out to be negative, many of those who would be forced to pay are not the descendants of those who 'exploited' blacks in the past; many ask why they should pay for acts committed by their ancestors (quoting Burnham 1975:104); any benefits to blacks would not be shared by all blacks; 70 percent of black Americans have Caucasian ancestors (Burnham (1975:143). "The rights to be free of government imposed disabilities in seeking a job or an education are rights of great value, not only to racial and ethnic minorities—as shown by the civil rights movement of the 1960s—but also to the population at large, as shown in their outraged (but largely futile) reaction to "affirmative action" and "busing" in the 1970s . . . Freedom is precisely the right to behave contrary to the values or beliefs of others . . . a university's loss of freedom in selecting faculty or students is their children's loss of freedom in seeking admission or in seeking the best minds to be taught by." (Knowledge & Decisions:32)

BLACK CRITICISM THAT THEY ARE THE VICTIMS OF FORCED BUSING

It has been argued that busing discriminates against blacks, fails to achieve even 'racial balance' and removes the ingredients essential for the black student to achieve his educational potential.

Busing discriminates: Cunningham (1981)(55) cites statistics that support Fantini's assertion that the vast majority of bused students are black. Examining busing statistics in Jefferson County, Kentucky (1979), Cunningham found that black students made up 80 percent of those bused to fulfill the requirement that 12-40 percent of each of the county's public schools be black. In *Newbury Area Council et al. v. Board of Education Jefferson County* (1975), it has been estimated that 84 percent of bused white children were to be transported for two years while 66 percent of bused black children were to be bused for eight years.

Busing has failed to achieve 'racial balance': It has been shown conclusively that despite a minimum direct federal grant of $126 million—a figure of little relevance when Los Angeles quotes the cost of busing in their area as $40 million alone—busing has been ineffective in achieving 'racial balance.' Clotfetter (1976) argues that once black enrollment in a previously white school reaches 25 percent there is a definite correlation between further increases and a decrease in white enrollment. Opposing Farley (1975), Coleman (1975), Fitzgerald & Morgan (1977), and Stenchcombe (1969), Clotfetter concluded that this trend was exponential rather than linear (possibly since lower class whites are much less mobile than their middle class counterparts). Nevertheless, by 1971 Detroit's black school population had increased from 60 to 82 percent, Richmond 44 to 82 percent, Boston 40 to 60 percent, Washington, D.C. 43 to 97 percent and Atlanta 41 to 90 percent to name a few examples. Giles (1974(56)), Scott (1979(57)) and Curts (1977(58)) all argue that "white flight" depresses achievement in schools with the effect that it hurts blacks.

A black cultural environment is essential to blacks: A study funded by the Emergency School Aid Act (1975-76) states that a definite correlation could be found between minority achievement and a black cultural environment. Blacks, argues Louis Scotlandville (1971)(59), are in even greater need of culturally enriching experiences for emotional stability during a transition of schools.

Desegregation reduces block culture; Pontiac (Mich. (1968) and Roth (1968)(60)) argue that black studies in non-segregated schools definitely increase black student confidence. Yet as Knowles & Prewitt (1969) note, a transition from a black neighborhood school to a desegregated white school is clearly accompanied by a drop in black orientated subject matter if curricula and a decrease in student understanding of their heritage. Ramirez Price-Williams (61) argue that since black students gain better results through "group" achievement, an Anglo-American environment that thrives upon individual achievement might hinder blacks from reaching their full potential, citing Decras (1975(62)). Steward (1977(63)) adds that forced busing further alienates black culture by effectively putting out of work black teachers and administrators who act as much needed "models" and cope well with black children. In 467 school districts in 1970, 34 dismissed and 194 demoted black principals, 127 dismissed and 103 demoted black teachers, and 462 blacks were dismissed in 127 districts in competition with whites as a result of desegregation.

Community Controlled Colleges: In place of forced busing as a solution to black educational problems, Gullentay(64) and Haskins praise such schools as Harlem's Community Controlled Schools and Morgan School, Washington, D.C., which offer: an expressive climate, parent involvement, better community rapport, more productive pupil-teacher classroom interaction and greater advances in achievement rates in three years. The Congress on Racial Equality joins in claiming that blacks prefer community controlled schools, pressing for parent's control selection of staff, curriculum and budget to desegregation as the solution to black educational problems.

BLACK COLLEGES OF HIGHER EDUCATION ARE CONSIDERED VITAL TO THE BLACK COMMUNITY

Black Harvard Professor Derrick Bell(65) discusses the views of black administrators concerning the importance of black colleges of Higher Education and notes nationwide criticism of federal policy when "plans to improve the quality of black schools are viewed as secondary to the racial balance goal." (*Milliken* v. *Bradley*) 1977(66))

The Director of Research, Policy and Plans for the NAACP National Office, Meyer, stated that the NAACP opposes black colleges since it "oppposes segregated schools no matter what else is taught or

how well it is taught" (1978(67)). Bell argues that black colleges carry out a vital role and are today thriving. In 1973 80 percent of southern black graduates and 40 percent of all American black graduates went to black colleges (HEW Commission on Black Higher Education 1978:13). Enrollment rose in 1978 in the nation's 105 black colleges for the eleventh year running by 0.8 to 213,720. Apart from offering blacks an atmosphere in which they may reach a greater traditional self-awareness and look up to black administrators, rather than the token black teacher in a white system, the Institute for the Study of Educational Policy (Equal Educational Opportunity for blacks in higher education 1976:54) emphasize that black colleges fulfill an invaluable role educating blacks who might not otherwise gain the opportunity to gain the benefits of higher education.(68) In 1950 the Court in *Sweatte* v. *Painter* ruled that the University of Texas must admit blacks, overturning the suggestion that a black school carry out the role. The court believed that the University of Texas "possessed to a far greater degree those qualities which are incapable of objective measurement but which make for greatness in a law school."(69) Yet since 1950 the University of Texas has graduated 55 blacks as compared with 800 blacks and whites from the predominantly black (at present 60 percent) Thurgood Marshall School of Law at Texas Southern "many of whom might not have met University of Texas admissions criteria." (Dean Otis King TMLS 1979. (70)) Similarly, HEW called for an end to 'low demand' programs at Florida's A&M (black) University, which was turning out 6,000 black teachers for segregated schools in 1953, transferring students to Florida State University and the University of Florida.(71) In 1978 FAM's School of Business and Industry received 252 freshmen from 33 states, all under the National Achievement School Program as well as $210,000 from corporations as scholarships.(72) However the effect of federal policy has been to transfer away faculties, such as 50 percent of the agricultural program, and replace white faculties like the new 90 percent white Architecture faculty. FAMU is slowly losing its black identity.

Black colleges of higher education slowly dwindle as a result of actions by "the worst enemy of traditional black colleges and universities . . . so-called 'liberals' . . . masquerading as friends . . . in HEW and the US Office of Education" as Dr. Samuel DuBois Cook, President of Dillard University New Orleans, argued (1973)(73)). Black administrators occassionally gain a breathing space in their battles to protect their colleges. The National Association of Equal Opportunity in Higher Education (NAFCO); made up of black college presidents) gained the support of the court in *Adams* v. *Califano* 1969(74) that achievement of equality of educational attainment was the special purpose of black colleges. In 1978 fifteen black college presidents successfully intervened with President Carter against an HEW proposed review of the private college Title III Aid to Developing Institutions Act (75). However, they realize that they are losing out.

Black administrators believe that supporters of enforced black transfer from black colleges and their eventual abolition "have a conception of . . . desegregation . . . which requires a white majority and requires blacks to be in the minority." (Dr. A. Billingsley, President of Morgan State University (1978(76)) They argue that the majority of blacks need compassionate and sympathetic institutions, that the case must be "beyond the superficiality of liberal 'racism' and seek to correct the historic educational injustices of segregation while avoiding the contemporary educational injustice of integration" (Black Massachusetts Council in Higher Education, *Ayers* v. *Waller*, May 10, 1975), and that the black community needs colleges with adequate budgets which have prime responsibility for black social welfare, community planning and community health. (77) In the words of Governor Lee of Maryland, "If you eliminate Morgan College's racial identifiability, you eliminate one of the black communities proudest symbols." (1976 (78))

BLACKS CRITICAL OF BUSING WHO ARGUE THAT IT DOES NOT TACKLE THE MAIN PROBLEMS OF BLACK EDUCATIONAL OPPORTUNITY

Many social scientists who are critical of busing argue that enforced busing can have little effect upon the educational achievement of black students since students benefit little from alterations in their school environment. Moynihan (Kuber Ed. p. 157) an Languerton (79) argue that any remedy must affect the black community itself. They note that in the years 1961 to 1971 blacks in the top 13 percent only obtained an increase in earnings from $10,000 to $15,000, the number of blacks on welfare doubled (1970 (80)), one ten black children were illegitimate in 1971 (81); black one-parent families doubled to 30 percent (82); blacks represented 11 percent of the population yet 56 percent of the murders, 45 percent of the rapes, 63 percent of the robberies in 1974, a crime rate ten times that of the white population. (83) The most effective way to improve black achievement and educational opportunity, they say, is, on the one hand, to tackle the problems of the black community as a whole, and on the other hand, to encourage parental responsibility and pride by supporting their desire to take an active interest in the upbringing of their children.

CONCLUSION

Social scientists agree that busing has not lived up to the expectations of those who advocated it two decades ago. While few people find real tangible gains in black student achievement even the most adamant supporters of forced busing recognize the generally deleterious psychological impact upon bused children removed from sympathetic neighborhood environments and placed in a new environment where they are confronted by a number of classroom problems. It is also argued that any attempt to reduce the psychological impact of busing by modifications of instructional methods merely results in a reduction in educational standards. As a result, an increasing number of social scientists argue that the educational problems of the black community cannot be solved by self-defeating, narrow measures such as busing, but instead involve an overall and balanced comprehension of the problems affecting that community as a whole. Finally, it may be asserted that black awareness of this fact is already strong.

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SEPARATION OF POWERS SUBCOMMITTEE REPORT

Mr. HELMS. Mr. President, I also bring to the attention of my colleagues an excellent report recently issued by the Judiciary Subcommittee on Separation of Powers on this matter of forced busing. Although the report is on S. 1647 from the 97th Congress, it contains much general information and background on the busing problem. I therefore ask unanimous consent that two sections of the report, Senate Report 98-79, issued in August 1983, be printed in the RECORD, sections IV and V (including footnotes).

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE NEIGHBORHOOD SCHOOL TRANSPORTATION RELIEF ACT—S. 1647

When the landmark case of *Brown* v. *Board of Education (Brown I)*, 347 U.S. 483 (1954), invalidated state laws establishing racially segregated public school systems on the ground that they violated the Equal Protection Clause of the Fourteenth Amendment, the decision also invalidated previous holdings of the Supreme Court itself. Thus, before assuming that the federal judiciary and, in particular, the United States Supreme Court are the surest, most constant guardians of the rights and duties established by the Constitution, Congress should remember that the pre-1954 Court was quite willing to condone legally mandated segregated schools and that the post-1954 Court has shifted from holding that the Equal Protection Clause requires racially neutral state laws to holding that equal protection not only permits but requires racially discriminatory state laws.

The decisions of the Supreme Court from the 1954 *Brown* case to the present also reveal that the Court has lost sight of its primary function as a judicial institution—determination of the rights and duties of particular litigants in the case before the Court—and has engaged instead in the legislative function of formulating plans and programs calculated to respond to changing social circumstances and articulated in terms of races and classes of people instead of individuals. By endorsing racial balance in public schools as, for all practical purposes, a constitutional right as well as a desirable social and political goal, the Court has at once justified social engineering by the federal judiciary and attempted to remove entirely the issue of racial desegregation of the public schools from the political, that is, the legislative, realm of American government.

A. PRE-BROWN CASES

In the first racial discrimination case to reach the Court after the Civil War, *Strauder* v. *West Virginia*, 100 U.S. 303 (1880), the Court, with two justices dissenting, held that a state law limiting the eligibility for serving on juries in state proceedings to "white male persons who are twenty-one years of age and who are citizens of the State," was invalid as "a denial of the equal protection of the laws to a colored man when he is put upon trial for an alleged offense against the State . . ." 100 U.S. at 310.

The Court explained the "true spirit and meaning of the Civil War Amendments," and particularly the Fourteenth, in broad terms:

The Fourteenth Amendment was designed to assure to the colored race the enjoyment of all the civil rights that under the law are enjoyed by white persons, and to give to that race the protection of the General Government, in that enjoyment, whenever it should be denied by the States. It not only gave citizenship to persons of color, but it denied to any State the power to withhold from them the equal protection of the laws, and authorized Congress to enforce its provisions by appropriate language. *Id.* at 306.

The Court, after citing several passages from the earlier opinion in the *Slaughter-House* cases,[15] continued:

If this is the spirit and meaning of the Amendment, whether it means more or not, it is to be construed liberally, to carry out the purposes of its framers. It ordains that no State shall make or enforce any laws which shall abridge the privileges or immunities of citizens of the United States (evidently referring to the newly made citizens, who, being citizens of the United States, are declared to be also citizens of the State in which they reside). It ordains that no State shall deprive any person of life, liberty or property, without due process of law, or deny to any person within its jurisdiction the equal protection of the laws. What is this but declaring that the law in the States shall be the same for the black as for the white; that all persons, whether colored or white, shall stand equal before the laws of the States and, in regard to the colored race, for whose protection the Amendment was primarily designed, that no discrimination shall be made against them by law because of their color. *Id.* at 307.

However, in subsequent cases concerning segregation in public schools the Supreme Court has not always taken the position that the Equal Protection Clause of the Fourteenth Amendment requires racially integrated public schools, much less that it requires racially balanced public shcools. In the noted case of *Plessy* v. *Ferguson*, 163 U.S. 537 (1896), the Court held that a Louisiana law requiring that railway passenger cars have "equal but separate accommodations for the white and colored races" violated neither the Thirteenth nor the Fourteenth Amendments. In passing, the Court noted the separation of races in public schools by states and, in the District of Columbia, by the United States Congress and remarked that such separation has "been held to be a valid exercise of the legislative power even by courts of states where the political rights of the colored race have been longest and most earnestly enforced," and "the constitutionality of which laws does not seem to have been questioned . . ." 163 U.S. at 544, 551. Only Justice Harlan dissented.

Twelve years after the *Plessy* decision, the Court upheld the state conviction of a private college corporation for violating a state law which made it unlawful for "any person, corporation, or association of persons to maintain or operate any college, schools, or institution where persons of the white and negro races are both received as pupils for instruction . . ." *Berea College* v. *Kentucky*, 211 U.S. 45 (1908). The Court declined to consider the question of whether the statute was valid as against individuals; instead, it upheld the law, as applied to the defendant corporation, as a valid exercise of the "power of a state over its own corporate creatures." 211 U.S. at 58. Justices Harlan and Day dissented.

It was not until 1950 that the Court repudiated in effect, if not in its express holding, the "separate but equal" doctrine as it applied to racial discrimination in education.[16] In *Sweatt* v. *Painter*, *supra*, the black plaintiff was denied admission to the University of Texas Law School in 1946. He then petitioned for a writ of mandamus to compel his admittance. Between the trial of the case and the hearing before the Supreme Court, a new law school for blacks was opened by the state of Texas.

The Court compared and contrasted the quantitative aspects of the white and black law schools in Texas and also contrasted "those qualities which are incapable of objective measurement but which make for greatness in a law school," 339 U.S. at 634, and found that the white and black facilities were not substantially equal. *Id.* at 633. Therefore, the Court held that "the Equal Protection Clause of the Fourteenth Amendment requires that petitioners be admitted to the University of Texas Law School." *Id.* at 636.

In *McLaurin* v. *Oklahoma State Regents*, *supra*, the black plaintiff had successfully obtained admission to the only state university which offered a doctoral program in education. That school had been limited to white students. However, once it had been ordered to admit plaintiff as a student, the school treated him differently because of his race. Plaintiff sought to enjoin the school from imposing segregated conditions upon him. The Court held the "appellant, having been admitted to a state-supported graduate school, must receive the same treatment at the hands of the state as students of other races," and reversed the judgment of the U.S. District Court which had denied plaintiff relief. 339 U.S. at 642. Both the *Sweatt and McLaurin* decisions were unanimous.

The Court's new practice of evaluating the factual educational conditions available to students in order to determine whether the state provided "substantially equal" facilities and hence afforded all students the equal protection of laws reached its conclusion in *Brown I*, *supra*. There, the Court adopted the finding of the Kansas court which stated, "Segregation with the sanction of law, therefore, has a tendency to retard the educational and mental development of Negro children and to deprive them of some of the benefits they would receive in a racially integrated school system." 347

[15] Footnotes at end of article.

U.S. at 494. The Supreme Court continued "Whatever may have been the extent of psychological knowledge at the time of *Plessy*, this finding is amply supported by modern authority. Any language in *Plessy* contrary to this finding is rejected." And the court concluded, "Separate education facilities are inherently unequal." *Id.* at 494-495.

B. POST-BROWN CASES

In *Brown I* the Court consolidated four cases, each of which was a class action. In each case the plaintiffs, Negro school children, sought admission "to the public schools of their community on a non-segregated basis." 347 U.S. at 487. The Court unanimously held that the creation of separate, segregated educational facilities deprived the plaintiffs of the equal protection of the laws. However, the Court did not order relief in any of the cases under review:

Because these are class actions, because of the wide applicability of this decision, and because of the great variety of local conditions, the formulation of decrees in these cases presents problems of considerable complexity. *Id.* at 495.

The Court then scheduled the case for reargument yet again, this time for reargument on the questions of remedies, which questions had been among those posed for the 1953 Term argument of *Brown*. However, even after hearing the second reargument, the Court still declined to decree specific relief. *Brown* v. *Board of Education (Brown II)*, 349, U.S. 294, 299 (1955):

Full implementation of these constitutional principles may require solution of varied local school problems. School authorities have the primary responsibility for elucidating, assessing, and solving these problems; courts will have to consider whether the action of school authorities constitutes good faith implementation of the governing constitutional principles. Because of their proximity to local conditions and the possible need for further hearings, the courts which originally heard these cases can best perform this judicial appraisal. Accordingly, we believe it appropriate to remand the cases to those courts.

Accordingly, the Court remanded the cases to the U.S. District Courts to take such proceedings and enter such orders and decrees consistent with this opinion as are necessary and proper to admit to public schools on a racially nondiscriminatory basis with all deliberate speed the parties to these cases. 349 U.S. at 301.

Without taking into account the impediment of public opposition, the mandate in *Brown II* to take steps necessary to admit public school students on a racially non-discriminatory basis was one with which all states could have complied by the beginning of the next school year. States in which there was little public opposition to *Brown II* promptly took steps to comply with the Court's holding-

By the opening of the (1955) fall term in the following year only eight states remained completely segregated in their system of public schools; and more than a quarter of a million Negro children were attending desegregated schools in states which had the year before required segregation.[17]

However, not all states and school districts proceeded with such alacrity, and at the root of the problems of school desegregation in the years since 1955 is the refusal of the Court to decree specific relief to the litigrants in *Brown II* and to instruct the inferior courts on specific remedies available in school cases. Professor Lino Graglia, a careful student of the school desegregation and subsequent forced busing cases, offers four criticisms of the Court for its failure to grant relief.[18]

1. "First, [the failure] was likely to be interpreted—and it was—as vacillation as uncertainty on the part of the Court that its new law would prevail." *Id.* at 35.

2. "Second, leaving the question of relief to the district courts with an explicit authorization of delay depending on 'good faith' and 'the public interest' put those courts in an untenable position . . . the only defense to intense opposition a local judge could have had for ending segregation was the clear and irresistible mandate of higher authority, and that mandate the Court did not provide." *Id.* at 35-36.

3. "Third, the Court's decision lost sight of the individual plaintiffs, whose rights, in legal theory, provided the Court's only warrant for making a decision." *Id.* at 36.

4. "By far the most unfortunate consequence of the Court's refusal to decree relief, however, was that it erroneously complicated and confused the issue." *Id.* at 37.

The latter two points in particular serve to illuminate our understanding of the actions of the Supreme Court and the inferior federal courts in the period between *Brown II* and the present. By refusing to decree relief to the individuals appearing before it, the Court shifted the focus from the particular litigrants to blacks as a group. In *Brown II* the black race, not the black litigrants, received a promise of future improvments, not a decree of specific relief. The effect, of course, was to use the same racial classification that underlay the discrimination and segregation the Court wished to invalidate.

The focus on the black race also gave rise to the notion that the black race, as a race, has rights. By failing to require the legally simple, though socially difficult, relief of requiring immediate assignment of children to schools without regard to race, the Court complicated the legal problem by delegating to the inferior courts the function of determining and decreeing the relief appropriate in each case. This, argues Professor Graglia, led to the metamorphosis of the original prohibition of segregation into a requirement of integration and to a shift in concern from "desegregation" to the "desegregation plan."

C. THE 1964 CIVIL RIGHTS ACT

A decade of uncertainty about the commitment of American government to racial equality was ended with passage of the 1964 Civil Rights Act, Pub. L. No. 88-352, 78 Stat. 241 (1964). The act reflected a consensus in Congress supporting the principle of racial nondiscrimination or racially neutral laws and rejecting racial discrimination for the purposes of achieving integration.

Title VI of the act, "Nondiscrimination in Federally Assisted Programs," states:

No person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financing assistance.

Other provisions of the statute also demonstrate that it was intended to prohibit racial discrimination, not to set up a new system of racial classification and quotas. Title IV of the act, "Desegregation of Public Education," authorizes the Attorney General of the United States to initiate school desegregation actions and explains that "desegregation" does not mean assignment of students to overcome racial imbalance:

"Desegregation" means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but "desegregation" shall not mean the assignment of students to public schools in order to overcome racial imbalance.

A proviso to section 407 emphasizes that the Act did not give federal officials or courts the power to transport students in order to overcome racial imbalance:

Nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transporation of pupils or students from one school to another or one school district to another in order to achieve such racial balance. . .

Section 410 implies that classification by race is prohibited: "nothing in this title shall prohibit classification and assignment for reasons other than race, color, religion, or national origin."

Thus, the language of the Act unambiguously prohibits all racial discrimination whether intended to promote segregation or intergration. The legislative history of the Act also supports this interpretation. Opponents of the act had begun to voice concern that the act might require racial discrimination to achieve intergration or racial balance. Proponents of the bill assured them that is would only eliminate racial segregation and would not set up an affirmative and race-conscious plan of intergration. While there are many examples from the Senate debate in which proponents of the act make assurances that it would embody a standard of racial neutrality, certain remarks made by Hubert Humphrey, the floor manager in the Senate, offer the most concise explanation of what the act would do:

[The *Gary*] case [*Bell* v. *School city of Gary, Indiana*, 324 F. 2d 209 (2d Cir. 1963)] makes it quite clear that while the Constitution prohibits segregation, it does not require integration. The busing of children to achieve racial balance would be an act to effect the integration of schools. In fact, if the bill were to compel it, it would be a violation, because it would be handling the matter on the basis of race and we would be transporting children because of race. The bill does not attempt to integrate schools, but it does attempt to eliminate segregation in the school systems. 110 Cong. Rec. 12717 (1964), cited in Graglia, *supra*, at 51.

The standard of racial neutrality set forth in the Civil Rights Act of 1964 has never been implemented by the executive branch or the federal judiciary. Despite the clear language and history of the act, both the executive branch and the federal judiciary have sought to impose a requirement of racial balance.

The decision in *Green* v. *County School Board of New Kent County*, 391 U.S. 430 (1968), provide the first indication that the Supreme Court would not be satisfied with racially neutral laws. The New Kent County school system had operated two schools on different sides of the county, schools that had been segregated *de jure*, that is, by requirement of state law. After *Brown II*, the defendant school board adopted a freedom-of-choice plan which gave each pupil some liberty in selecting the public school he would attend. As might have been expected, the racial composition of the schools did not undergo an immediate dramatic change. At the time the lawsuit was filed, one school was predominantly white and the other

school was exclusively black, because few blacks had applied for admission to the formerly *de jure* all-white school. The plaintiffs in the case sought injunctive relief against the school board's continued maintenance of an allegedly racially segregated school system.

The Court held that when public schools continue to be racially imbalanced, a freedom-of-choice plan is not a sufficient remedy, even though in other circumstances it might be. A student assignment plan would be sufficient only where it "dismantles the state-imposed dual system at the earliest practicable date." In *Green*, the Court began to use the words "dual system" to signify a system in which racial imbalance existed not because of present state discrimination but as a symptom of past discrimination. This semantic shift prepared the way for racially discriminatory busing by focusing on a social condition, racial imbalance, and not on state action as the real constitutional evil in school desegregation cases. By reinterpreting the words "dual system," the Court managed to appear as if it were combatting racial discrimination while in fact it was preparing to promote racial discrimination—racial discrimination for the purpose of achieving racial balance. When it decided *Green* the Court did not actually require racially discriminatory busing, however. Its suggested remedy for a "dual system" was to replace the freedom-of-choice plan with a neighborhood school attendance plan.

But two years later, in *Swann* v. *Charlotte-Mecklenburg Board of Education*, 402 U.S. 1 (1970), the Court embraced mandatory busing for racial balance. The facts of *Swann* are similar to those of *Green* in that the school system had been segregated *de jure* and that, while *de jure* segregation had ended, the schools were racially imbalanced. The federal district court in *Swann* held that the plaintiffs were entitled to injunctive relief from continued maintenance of a dual school system. As in *Green*, the district court used the words "dual school system" to mean a racially imbalanced school system. The district court in *Swann* was not satisfied, however, with the remedy of requiring the school board to adopt a neighborhood school assignment plan. Instead, it ordered the school board "to reach a 71%-29% white to black student ratio in the various schools" by adopting a plan that included extensive busing of students on the basis of their race. 402 U.S. at 23.

On review, the Supreme Court affirmed the plan. It neatly side-stepped the antibusing provisions in the Civil Rights Act of 1964 by ruling that those provisions were intended not to reduce the power of the federal courts, but only to ensure that the provisions of the act did not expand the power of federal courts to enforce the equal protection clause. *Id.* at 16. The Court then went on to determine that a district court could use racial ratios or quotas in shaping a remedy and rejected in its own words the standard of racial neutrality: "'Racially neutral' assignment plans proposed by school authorities may be inadequate." *Id.* at 28. It admitted that busing or, to use its terminology, "remedial altering of attendance zones" may be "administratively awkward, inconvenient and even bizarre in some situations," *Id.* at 28. It went on to hold, however, that where assignment of student to neighborhood schools would not effectively dismantle a dual school system, remedial power of a federal district court properly included the power to rearrange attendance zones and to order busing for racial balance of students within the rearranged attendance zones. *Id.* at 27.

With *Swann* the Court fully committed itself and the federal judiciary to classifying students by race. In *Green* the Court had shown that it was willing to recognize racial imbalance as prima facie evidence of a violation of the Constitution and that it was no longer satisfied with the standard of racial neutrality that permitted nondiscriminatory school assignment plans. In *Swann*, the Court showed that it was not only willing to require racial balancing, but also ready to permit court-ordered assignment of students on a racial basis. *Id.* at 28.

The Court stated its new position most explicitly in *North Carolina State Board of Education* v. *Swann*, 402 U.S. 43 (1971), a companion case to *Swann* v. *Charlotte-Mecklenburg Board of Education*. According to the Court's holding in *North Carolina State Board of Education* v. *Swann*.

Just as the race of students must be considered in determining whether a constitutional violation has occurred, so also must race be considered in formulating a remedy . . .

We . . . conclude that an absolute prohibition against transportation of students assigned on the basis of race, "or for the purpose of creating a balance of ratio" will . . . hamper the ability of local authorities to effectively remedy constitutional violations. 402 U.S. at 46.

The Court clearly rejected color blind assignment: "that requirement [color blind assignment], against a background of segregation, would render illusory the promise of *Brown* v. *Board of Education*". *Id.* at 45-46.

Ironically, by the reasoning in *Swann*, the Supreme Court and the federal judiciary have sought equality by advocating a discriminatory "remedy" for violations of the "right" to be free from racial discrimination. Missouri Attorney General John Ashcroft points out that they have substituted one immoral system for another:

[T]he overarching problem with busing for racial balance, imposed as a remedy for the immoral and unconstitutional system of segregated schools that existed prior to 1954, is that forced busing itself is immoral and unconstitutional. This is not simply a case of the cure being worse than the disease; rather, forced busing is an attempt to cure racism and coercion with more racism and more coercion . . . . The argument for busing rests on the premise that a school with, say, 60% white students and 40% black students is inherently more moral than an all-white or an all-black school. . . . What was and remains immoral is racial classification and coercion.[19]

According to General Ashcroft, court-ordered busing is an example of "the transformation of our federal courts from guardians of individual rights into balancers of class interests." He argues persuasively that these two roles are incompatible:

Individual rights, while they may be limited in scope, are absolute within their boundaries; class interests, on the other hand, tend to be defined relative to other interests. In a universe full of interests to be balanced there seems little room for absolutes. *Id.*

William F. Harvey, testifying before the Separation of Powers Subcommittee, agreed that the federal judiciary is improperly deviating from its constitutionally defined function:

Today school desegregation litigation has become bizarre and so constitutionally contorted that there is kind of unwritten assumption that when a school board or other public authority has been found to have engaged in discrimination which was an invasion of the person's right under the Fourteenth Amendment, then, in some way, that person's right is transferred to a kind of possessory interest or power of the United District Court system. It is used in any way which the United States District Court wants to fashion. Hearings on S. 1647 at 290-291.

In other words, after having found that a school board or other public authority has violated the constitutional rights of a class of persons, such as minority school children, the inferior federal courts have assumed the power of administering the schools without giving sufficient regard to constitutional and legal limits on their authority. Taking sociologists and not the law as a source of inspiration, they have administered these school systems primarily by consulting their own personal notions of how to achieve equality. The practices of such judges in school desegregation cases constitute a clear example of how federal judges have exceeded the proper limits of their authority.

Dean Harvey also observed that the federal courts may exceed the limits of their authority when they automatically order class remedies following a determination of class liability:

One can agree with the proposition that a determination of class liability is available to a class of persons, but it does not follow from this (and here I think a major constitutional blunder has developed) that a class remedy is available simply because a court finding of class liability has occurred. *Id.*, at 291.

Court-ordered busing, then, is at best a highly attenuated "justice" dispensed to statistical classes rather than to each individual who has been wronged.[20]

V. The Findings of S. 11647

Finding No. 1

The first three findings of the Act generally concern the effects of forced busing upon society. Finding No. 1 states that mandatory busing to achieve racial balance "often encourages greater separation of the races and ethnic groups by causing affected families to relocate their places of residence or disenroll their children from public schools." This finding is amply supported by the testimony and research of Dr. Charles T. Clotfelter and Dr. J. Michael Ross.

Dr. Clotfelter, a professor of public policy studies and economics at Duke University, testified that his research into the effect of mandatory busing indicates that many whites respond to such busing in their school district by either moving out of the district, the phenomenon called "white flight," or removing their children from public schools and placing them in private schools. Hearings on S. 1647 at 210-211.

Dr. Ross, a professor of sociology at Boston University, found that white flight occurred in every city he studied. Based upon his surveys of parental reactions to court-ordered busing and upon analyses of school loss rates within cities, he found:

In the first year court-ordered school desegregation, there is at least a doubling of the white loss of typically three to four times the loss rate that would be expected due to normal demographic factors. This loss continues in subsequent years. No city has experienced a pattern where the losses incurred in the first year are someway com-

pensated by relative gains in subsequent years as some people have argued.

Research shows that most of this loss is due to desegregation—at least two-thirds. It is permanent and not temporary. Unfortunately, it may not be reversible. *Id.* at 193.

He concluded that mandatory busing has produced racial imbalance not the racial balance intended.

The strongest argument against Finding No. 1 was made by Professor Reynolds Farley of the University of Michigan, yet he also conceded that "demographic studies of 'white flight' demonstrate that when an extensive integration plan is implemented, there is often an unusually large decline in white enrollment." *Id.* at 239. Professor Farley's point was that the decline in white students resulting from white flight is but a small portion of the long-term decline in white enrollment in urban public schools due to other demographic trends such as declines in fertility and the large trend toward small white populations in the largest American cities.

Professor Farley also alluded to studies that "suggest that racial residential segregation decreased, rather than increased, after the public schools were integrated," but the Subcommittee finds that Professor Farley's conclusion, if true, is quite consistent with Finding No. 1. *Id.* at 237. The white population that remains after a mandatory busing plan is implemented, might well be more conducive to greater residential and cultural integration with the minority population. This does not refute the findings that the forced busing causes whites to move from the cities or, in light of the evidence of a long range trend showing that whites are also leaving the cities for other reasons, that the forced busing accelerates the rate of white departure.

Considering all of the evidence presented on this question, the Subcommittee concludes that Finding No. 1 of S. 1647 is supported by strong evidence and that the finding is indeed correct.

FINDING NO. 2

Finding No. 2 states that busing—does not adequately take account of the fact the racial and ethnic imbalance in the public elementary and secondary schools is often the result of economic and social factors rather than past discrimination by public officials.

The Subcommittee finds the evidence presented in Eleanor Wolfe's study particularly persuasive on this point.[21] In the absence of clear evidence of governmental actions and laws aimed at segregating the public schools, federal judges have often assumed, and, based on the assumption, have then concluded that subtle governmental discrimination must be at the root of the racial imbalance in the schools. Wolfe argues convincingly that economic and social factors ignored by the judges and often not argued by the attorneys are more often the real cause:

[A]vailable materials indicate that housing decisions involve complex cost-benefit calculations and the socioeconomic characteristics of an area, as well as some clustering tendencies by both blacks and whites, are paramount. *Id* at 79.

In response, Professor Meyer Weinberg, Director of the Horace Mann Bond Center for Equal Education, University of Massachusetts, contended that a school system "that was once deliberately segregated *can* expand without further deliberate efforts by school authorities." *Hearings on S. 1647* at 113 (Emphasis supplied.). Professor Weinberg noted, furthermore, that "school districts often influence the very economic and sociologic factors that result in segregated housing." *Id.*

The Subcommittee finds Professor Weinberg's critique of Finding 2 unresponsive. To say that school districts *can* influence the economic and social factors that result in segregated housing does not preclude economic and social factors from influencing the racial composition of school districts. When courts fail to look at other factors besides the racial make-up of school districts, they are simply assuming what they are attempting to prove—that racial imbalance results only from *de jure* segregation.

Accordingly, the Subcommittee concludes that there is sufficient evidence to support Finding No. 2.

FINDING NO. 3

Finding No. 3 states that mandatory busing of school children to achieve "racial balance" is not reasonably related or necessary to the achievement of the compelling governmental interest in eliminating de jure, purposeful, segregation because such segregation can be eliminated without such assignment and transportation.

S. 1647 withdraws from the federal courts the single remedy of mandatory busing. The federal courts retain the power to require that school districts implement various other measures to rectify *de jure* segregation, including the use of voluntary integration plans such as magnet schools and voluntary desegregation of incentive plans described by Herbert J. Walberg, Professor of Education at the University of Illinois. *Id.* at 176-77.

Ralph Scott, Jr., Professor of Education, University of Northern Iowa, made a significant point about a study done by busing advocate Roy H. Forbes, Forbes concluded only that desegregation and compensatory education programs "did not negatively impact on the educational attainment of Southeasterners, White or Black." Professor Scott commented:

This I find unconsoling: if the discomfort associated with, and the billions of dollars spent on, busing and compensatory education do nothing more than not make things worse in our schools then such endeavors should be abandoned. "Junked" might be a better word. After all it is well established that Black and poor children suffer most because of inflation and higher taxes, both factors associated with busing and compensatory education. (Letter to Senator East, January 25, 1982, in Hearings on S. 1647 at 180-181.)

The Subcommittee finds the testimony for Willis D. Hawley, Dean of Peabody College, Vanderbilt University, unconvincing. Dean Hawley, arguing that it is a myth that "desegregation can be achieved without busing and largely through voluntary choice," nevertheless failed to offer any evidence that busing is, in fact, an effective remedy to *de jure* segregation of the public schools. His argument, as is the case with most pro-busing arguments, mistakenly assumes that the purpose of remedial court action is not simply the elimination of intentional racial discrimination but is, in his words, the "substantial reduction of racial isolation." *Id.* at 126-127. The Subcommittee finds, however, that goals such as the elimination of "racial isolation" through the use of programs requiring racial classification are goals which are impermissible under the Constitution and that the use of such means violate the very Equal Protection of law they are intended to promote.

Accordingly, the Subcommittee concludes that there is sufficient evidence to support Finding No. 3.

FINDING NO. 4

Finding No. 4 states that busing "causes significant educational, familial, and social dislocations without commensurate benefits."

Los Angeles, California, provides one of the most recent examples of the massive disruptions attending court-ordered busing for racial balance. Both in anticipation of and during the busing period, white students deserted the Los Angeles public schools in large numbers. The number of white students in Los Angeles schools dropped from 219,359 in 1976 to 125,654 at the beginning of the 1980-81 school year, a loss of 42.7 percent of the white school population. About 23,000 students in Los Angeles schools were being bused. In 1981, when it appeared certain that the busing program would be ended and when the school board provided each student the opportunity to return to his neighborhood school, 7,300 students immediately chose to avoid busing—4,300 of these students were members of minority groups.[22]

Boston, Massachusetts, provides another clear example of how busing causes disruption and discontent. On National Boycott Day, October 3, 1974, attendance at Boston public schools dropped to a low of 41,800 from a possible enrollment of about 82,000. Litigation in the federal courts resulted in a busing plan that required 25 policemen inside one Boston school, South High School, and 300 outside to maintain order. On January 8, 1975, South High School reopened with 627 students, 500 policemen, and metal detectors at the doors.[23]

After six years of court-ordered busing for racial balance, a Boston Globe poll of June 2 and 3, 1980, showed that both blacks and whites in Boston, in their mutual desire to raise the quality of education, preferred school improvement programs to mandatory busing, four to one. 127 Cong. Rec. S6651 (daily ed. June 22, 1981) (statement of Senator Johnston).

These examples of the disruption associated with mandatory busing in two of our leading cities provide ample evidence to support Finding No. 4.

FINDING NO. 5

Finding No. 5 states that busing "undermines community support for public education." The truth of this statement is illustrated by the proliferation of private schools and the flight from targeted public school districts which take place in the wake of mandatory busing. The shift in support away from the public schools and toward private schools is well documented by Professor Charles T. Clotfelter in "School Desegregation, 'Tipping,' and Private School Enrollment," 11 Journal of Human Resources 28 (1976).

Indeed, no finding of S. 1647 is less controversial than No. 5. Except for conclusory rejections of the Finding by some probusing witnesses. Hearings on S. 1647 at 174-175, no substantive criticism of it was offered at the hearings, and one pro-busing witness, Dr. Hawley, id., at 174, indicated that he agreed with the Finding.

The Subcommittee concludes that there is ample evidence supporting Finding No. 5.

FINDING NO. 6.

Finding No. 6 states that busing "often tends to disrupt social peace and racial harmony." The Subcommittee heard accounts

of the social disturbances caused by mandatory busing in Charlotte, North Carolina, and Boston, Massachusetts. Mrs. Jane Scott, a former member of the Charlotte, North Carolina, school board, testified concerning the "war-like atmosphere" that pervaded the junior and senior high schools in Charlotte after the imposition of mandatory busing. She reported how "police were ordered to wear riot gear, when answering a 'disturbance' call at a school." *Id.*, at 650-651.

Professor Nancy St. John, after a careful review of research on busing to achieve "racial balance," concluded that "desegregation . . . sometimes promotes . . . stereotyping and interracial cleavage and conflict." [24]

Again, on substantive criticism of this Finding was presented for Subcommittee consideration. The subcommittee, therefore, concludes that Finding No. 6 is supported by sufficient evidence.

FINDING NO. 7

Finding No. 7 states that busing—consumes the study time of students and increases the risks of injury from greater length of travel to and from school.

Concerning the part of Finding No. 7 which states that busing "consumes the study time of students," the Subcommittee heard from Dr. Herbert Walberg, one of the nation's leading researchers on the factors that promote the effectiveness of education. Dr. Walberg testified that research and common sense reveals that such factors as increased study time, parental support of school learning, and a close coordination of parental school efforts have consistently proved to produce superior learning results. Hearings on S. 1647 at 150-53.

Concerning the risks of injury posed by the increased busing of students, Senator Jesse Helms of North Carolina testified that injuries to children caused by bus accidents have increased dramatically since the courts began to order the busing of children to schools to achieve racial balance.

The U.S. Department of Transportation, Mr. Chairman, has reported that in the State of North Carolina alone for the school year 1977-1978 there were 1,292 school-bus crashes in which 1,020 schoolchildren and busdrivers were injured, for a total of 1,283. *Id.* at 439.

These figures represent, he said, an increase of about 30 percent in the number of accidents and about 50 percent in the number of injuries over pre-busing figures. In Senator Helms' words, "One crippled child and certainly one dead child is just too high a price to pay in terms of human value for a social experiment that is a demonstrable failure." *Id.*

Mandatory busing, however, diverts funds and the time and energy of educators, parents, and students that the positive factors adduced by Dr. Walberg require for success. The economic cost of busing is enormous. Senator Helms testified that in the Charlotte-Mecklenburg area of North Carolina, the cost of gasoline for operating school busing increases thirtyfold between 1969-70 and 1980-81, an increase that cannot be explained by the increase in the price of gasoline during that time. Money spent on gasoline is money not spent on teacher salaries, on needed educational materials, and on the maintenance and services needed to keep our schools operating. The time spent by students on school buses is time not spent on their studies and not channeled into other curricular and extra-curricular pursuits.

The criticism of Finding No. 7 was mostly conclusory. It is difficult to imagine facts or statistics that can "disprove" such commonplace conclusions about busing as its high cost and the time in transit that it demands on the bused children. For these reasons, the Subcommittee concludes that there is ample support for Finding No. 7.

FINDING NO. 8

Finding No. 8 states that busing "debilitates and disrupts the public educational [system] and wastes public funds and other resources." In the testimony of Senator Helms in support of Finding No. 7, *supra*, the Subcommittee was presented with sufficient evidence to support the assertion that busing "wastes public funds and other resources." Dr. Ralph Scott testified that busing diverts and wastes resources that could be directly applied to improving the education of our nation's youth:

I have worked in ghetto schools. All I can say is that there is so much that needs to be done in the processes of learning that I wish we would cease diverting resources into court mandates which have no demonstrable value and get onto the task of providing every child, irrespective of race or social background, the fullest and the greatest opportunity to develop competency. It is competency that will lead to actual integration. *Id.*, at 192.

Professor Weinberg, in criticizing Finding No. 8, stated that some busing programs have actually served to rehabiliate school systems and that there is no evidence that all school systems subject to mandatory busing have been put "through the wringer." Further, he states that "desegregation does not create educational problems; it uncovers them" *Id.* at 114.

The Subcommittee finds that the social and educational costs exacted by busing programs are much too high a price to pay for the chance that problems existing within a particular school system might be discovered and as a result the school district rehabilitated. For more than a decade federal judges have been requiring state and local school boards to assign and transport students to public schools on a racially discriminatory basis solely for the purpose of achieving particular degrees of racial balance in the schools. As a result of this court-ordered busing for racial balance, public schools have become battlegrounds for competing social theories, communities have been torn apart, and dissatisfaction with public schools has increased dramatically. Court-ordered busing for racial balance, moreover, has frequently caused increased racial imbalance and resegregation of public school systems.

The Subcommittee accordingly finds that Finding No. 8 is correct.

FINDING NO. 9

Finding No. 9 states that federal court-ordered busing "unreasonably burdens innocent persons who are not responsible for the wrongs such assignment and transportation are purported to remedy."

Court-ordered busing results in thousands of school children of all races and national origins being prohibited from attending the schools of their own and their parents' choice. The children are assigned to schools solely on the basis of a racial mixture or ratio desired by the court. The burden upon the children is reflected in the time spent by the children riding buses to and from school and in the many restrictions, seemingly minor to adults but meaning so much to school-age children upon their ability to participate in extra-curricular activities as a result of the busing programs.

The parents must cope with the inconvenience of having their children attend schools that are miles from home. The parents also shoulder the burden of forced busing when, as taxpayers, they are required to foot the bill for the administration of mandatory busing programs. Busing also complicates the tasks of school administrators who need to gear all plans for their school districts to the court-decreed primary scholastic objectives of racial and ethnic balance in the schools.

It was earlier argued that the appropriate relief and the relief originally prayed for in *Brown* v. *Board of Education* and other desegregation cases in just that—desegregation by requiring admittance of students to schools previously closed to them for reasons of race or ethnic background. Desegregation, of course, requires changes and sometimes quite extensive changes in the attendance patterns of school districts, and such changes naturally cause inconveniences and burdens on school students, parents, and school administrators. But the magnitude of these burdens pales when contrasted to those inflicted by court-ordered busing. *See supra*, at pp. 20-23.

Even in a case where *de jure* segregation can be clearly proved, it is not the guilty school administrators or directors who bear the brunt of ensuring court orders, it is the children and their parents, both as parents and as taxpayers, who must endure the hardships of busing and of the essential illegitimacy of these policy determinations made by the federal courts. Unlike in the political policymaking processes which should be the source of such programs, the students and parents have no influence upon the policymaking processes of the federal judges, who are answerable to no one and secured in their position for life. The Subcommittee finds that the usurpation of political power by the federal courts in the ordering and overseeing of mandatory busing programs is a perversion of the constitutional function of the federal judiciary and finds further that the usurpation typically results in a fundamentally unjust allocation of the human and financial costs of these illconceived, discriminatory programs.

For these reasons, the Subcommittee concludes that Finding No. 9 is supported by the available evidence.

FINDINGS NOS. 10 AND 11

The tenth finding is that federal court-ordered busing "infringes on the right to racially and ethnically neutral treatment in school assignment," and the eleventh states that such busing "has been undertaken without any constitutional basis or authority since the Constitution of the United States does not require any right to a particular degree of racial or ethnic balance in the public schools." The support for these legal findings is presented in some detail in Part IV of the report.

The Equal Protection Clause of the Fourteenth Amendment guarantees Americans of all races and national origins equal status before the laws of the States: in other words, the laws must be neutral with regards to race and national origin. The Supreme Court recognized this in the *Strauder* case and, after regrettably forgetting this truth for more than a half-century between *Plessy* and *Brown I*, reiterated the guarantee once again. *Brown II* required the inferior federal courts to issue such orders and decrees necessary to assure students admit-

tance to public schools "on a racially nondiscriminatory basis," 349 U.S., at 301.

Regardless of whether the Congress may, under the enforcement power of the Fourteenth Amendment, mandate remedial or "reverse" discimination, see *Fullilove* v. *Klutznick*, 448 U.S. 448 (1980), and regardless of whether such a political and social policy is desirable, the Congress has not in fact mandated disciminatory or remedial assignment of students to the nation's public schools. The language of the Civil Rights Act of 1964, in which Congress definitively expressed its will in this matter, and of Senator Humphrey make this conclusion quite clear. Without such legislation by Congress, and, the Subcommittee concludes, even with such legislation, the courts cannot ignore the requirement of the Fourteenth Amendment that state laws be neutral with regard to race and national origin. *Supra*, at pp. 7-8.

Nor is there any defensible basis for the assumption by the Supreme Court that the social policy of racial balancing in the public schools is required by the Constitution. The Court has used the ambiguity implicit in the words "dual system" to jsutify findings of *de jure* segregation where only racial imbalance, at most a symptom of deliberate discrimination, can be proved. This legerdemain has been admitted by some members of the Court, but a majority of the justices are not willing to halt the "evolution of the holding in *Brown I* into the affirmative-duty doctrine," *Keyes* v. *School District No. 1*, 413 U.S. 189, (1973) (Powell, J., concurring in part and dissenting in part), and to return to a defensible interpretation of the requirements of the Fourteenth Amendment. See *Keyes* v. *School District No. 1, supra*, opinions of Justices Douglas, Powell, and Rehnquist.

Based upon these reasons and upon the discussion in Part IV, *supra*, the Subcommittee concludes that Finding No. 10 and Finding No. 11 are supported by sufficient evidence.

FOOTNOTES

[15] 16 Wall. (83 U.S.C.) 36 (1873). The *Slaughter-House* cases did not involve racial discrimination. The *Strauder* Court, referring to the *Slaughter-House* cases opinion, said that "the true spirit and meaning of the Amendments . . . cannot be understood without keeping in view the history of the times when they were adopted, and the general objects they plainly sought to accomplish." (100 U.S. at 306) The Court also stated, "And it was added (in the Slaughter-House Cases), 'We doubt very much whether any action of a State, not directed by way of discrimination against the negroes, as a class, will ever be held to come within the purview of this provision.'" *Id.* at 307.

[16] The Court in *Brown* v. *Board of Education* cites *Missouri ex rel. Gaines* v. *Canada*, 305 U.S. 337 (1938), and *Sipuel* v. *Oklahoma*, 332 U.S. 631 (1948), as well as *Sweatt* v. *Painter*, 339 U.S. 629 (1950), and *McLaurin* v. *Oklahoma State Regents*, 339 U.S. 637 (1950), discussed infra, in support of the statement that "[i]n more recent cases, all on the graduate school level, inequality was found in that specific benefits enjoyed by white students were denied to Negro students of the same educational qualifications." The references to *Gaines* and *Sipuel* are misleading. In these two cases, there is no rejection, either express or implied, of the "separate but equal" doctrine. Rather, in both cases, black plaintiffs applied for admission to state law schools in states where no state law schools for blacks existed. Under these circumstances, the Court held that "the State was bound to furnish [the black plaintiff] within its borders facilities for legal education substantially equal to those which the State there afforded for persons of the white race, whether or not other negroes sought the same opportunity." *Gaines*, 305 U.S. at 351. The provisions of Missouri and Oklahoma to pay for Negro law students' tuition at out-of-state law schools was deemed to be not "substantially equal." Both cases were actions for writs of mandamus. The Court in *Brown I* cited the *Berea College* case, discussed *infra*, without comment.

[17] R. McKay, "'With All Deliberate Speed': A Study of School Desegregation," 31 N.Y.U. Law Review 991 (1956).

[18] Graglia, "Disaster by Decree: The Supreme Court Decisions on Race and the Schools" (1976).

[19] Ashcroft, "Possible Alternatives to Forced Busing," in McGuigan and Rader, eds., "A Blueprint for Judicial Reform" 211 (1981).

[20] See generally Bell, "Serving Two Masters: Integration Ideals and Client Interests in School Desegregation Litigation," 85 Yale Law Journal 470 (1976).

[21] Wolfe, "Trial and Error: The Detroit School Desegregation Case," (1981).

[22] Hearings on S. 1647 at 201-206 (statement of Professor J. Michael Ross); The 14th Amendment and School Busing: Hearings Before the Subcommittee on the Constitution of the Senate Committee on the Judiciary, 97th Cong., 1st Sess. 27-29 (1981) (statement of David J. Armor).

[23] Ross and Berg. "I Respectfully Disagree with the Judge's Order": The Boston School Desegregation Controversy 359 (1981); U.S. Commission on Civil Rights, "Desegregating the Boston Public Schools: Crisis in Civic Responsibility" 76, 131 (1975).

[24] St. John, "School Desegregation: Outcomes for Children" 85 (1975).

Mr. HELMS. I thank the Chair.

Now, Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. ABDNOR] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] the Senator from Iowa [Mr. HARKIN] the Senator from Massachusetts [Mr. KENNEDY] the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 45, nays 50, as follows:

[Rollcall vote No. 108 Leg.]

YEAS—45

Baucus	Glenn	Melcher
Bingaman	Gore	Metzenbaum
Boschwitz	Gorton	Mitchell
Bradley	Hart	Moynihan
Bumpers	Hatfield	Packwood
Burdick	Heflin	Pell
Byrd	Heinz	Riegle
Chafee	Inouye	Rockefeller
Cohen	Kerry	Rudman
Cranston	Lautenberg	Sarbanes
Dixon	Leahy	Simon
Dodd	Levin	Specter
Durenberger	Lugar	Stafford
Eagleton	Mathias	Stennis
Evans	Matsunaga	Weicker

NAYS—50

Andrews	Denton	Grassley
Armstrong	Dole	Hatch
Bentsen	Domenici	Hawkins
Boren	East	Hecht
Chiles	Exon	Helms
Cochran	Ford	Hollings
D'Amato	Garn	Humphrey
Danforth	Goldwater	Johnston
DeConcini	Gramm	Kassebaum
Kasten	Nunn	Symms
Laxalt	Pressler	Thurmond
Long	Proxmire	Trible
Mattingly	Quayle	Wallop
McClure	Roth	Warner
McConnell	Sasser	Wilson
Murkowski	Simpson	Zorinsky
Nickles	Stevens	

NOT VOTING—5

Abdnor	Harkin	Pryor
Biden	Kennedy	

So the motion to lay on the table was rejected.

□ 1840

Messrs. HATCH, PRESSLER, and HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah [Mr. HATCH].

Mr. HATCH. Mr. President, I ask unanimous consent that without losing my right to the floor, I may yield to the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Utah. I shall be brief.

Once again, Mr. President, the Senate has spoken on the matter of forced busing. I moved to table my own amendment to get a vote so that it could be there for all to see how the Senate feels about forced busing; that is to say, under the provisions of the amendment, to bus a child more than 5 miles or more than 15 minutes each way.

As I said during the debate, 80 percent or more of the parents of America, black and white, are opposed to forced busing. It is an exercise in folly that has gone on too long.

Mr. President, I have some questions I would like to ask of the distinguished Senator from South Carolina, the able chairman of the Senate Committee on the Judiciary.

I have a copy of S. 37, which was introduced on January 3, 1985, by the distinguished Senator from Utah [Mr. HATCH] and cosponsored by the distinguished Senator from South Carolina [Mr. THURMOND]. I understand the Senator from South Carolina could give me some idea of the prospects of this bill's being considered by the Senate Judiciary Committee, where it has been for nearly a year and a half.

Mr. THURMOND. Mr. President, in response to the able Senator from North Carolina [Mr. HELMS], I wish to say this bill has been pending in the committee from the time he stated. On account of controversy over nominations, on account of delay because of habeas corpus which has been put off since last year, too, on account of the exclusionary rule, which has been put off since last year, and on account of the stalling and delays in the committee, filibustering in the committee, we have not been able to reach this item. It is the No. 8 bill now to be con-

sidered. We hope to get to it next year. I want to get to it.

I hope this vote shows today that a majority of the Senate favors stopping school busing. I shall do everything I can to continue to pursue this matter because I think it is important. I commend the able Senator from North Carolina for sponsoring this amendment, the same as the bill that Senator HATCH and I have in the committee.

Mr. HELMS. The Senator is correct. I thank him for his comments.

There is a great similarity between S. 37 and the amendment I just offered. The language is not the same, but the thrust is the same with respect to the jurisdiction of the courts. I do hope the Senator can assure me, and Senator HATCH as well, that every effort will be made to remind the Senate Committee on the Judiciary that the U.S. Senate has once more spoken on this issue.

Frankly, we could have had this debate in 30 minutes or less. I did not propose to take up much time, but I do think the will of the Senate ought to be allowed to move. I hope the two Senators can assure me that the Judiciary Committee can, within the limits of their capability——

Mr. THURMOND. In response again to the distinguished Senator, I say that we shall make every effort to get to this bill and I hope we can get it passed by the committee. The will of the Senate has been shown here today. It has been shown in the past.

I might say further that the polls in the country show that people do not favor busing just for racial balance. Busing for other purposes is good, but the people, white and black, oppose busing just for racial balance. We think it ought to be ended. We will do everything we can to get this bill passed.

Mr. HATCH. Mr. President, this is a bill the Senator from North Carolina and others have worked on diligently. We shall do everything we can to pass the antiforced busing bill through the Judiciary Committee and then on the floor.

The Senator from South Carolina is right: The majority of black people in this country do not want to have forced busing; the majority of all people do not. But it has been forced on the people of this country because legislation of this kind has been bottled up for years.

I thank the Senator for what he has done this afternoon. He has shown the will of the people for what should be done to this issue. I hope, that since this point has been made, that the Senator from South Carolina will withdraw his amendment.

Mr. HELMS. Mr. President, that was my intention and I discussed it with the manager of the bill, Senator STAFFORD. Since the yeas and nays have not been ordered on the amendment, I withdraw it. I thank both Senators for their assurance.

The PRESIDING OFFICER. The Senator has that right.

The amendment (No. 1993) was withdrawn.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. Mr. President, I ask unanimous consent that without losing my right to the floor, I may yield to the Senator from South Dakota [Mr. PRESSLER].

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1994

(Purpose: To commence a study of financial aid formulas applicable to students in postsecondary educational institutions)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

□ 1850

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 1994.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the amendment be considered as read.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert: The U.S. Secretary of Education shall commence a study under Title IV of the Higher Education Act of 1965 with respect to financial aid formulas for students in postsecondary educational institutions with special attention to devising a more equitable formula for farm families.

Mr. PRESSLER. Mr. President, this amendment has been agreed to by both sides. I am offering this amendment today which concerns the students of farm families. The amendment is self-explanatory and I understand the managers of the bill have agreed to accept it. Therefore, I will be very brief in explaining the amendment.

My colleagues are undoubtedly aware of the extreme financial hardships experienced by many farmers and farm families. Simultaneously, higher education costs have sharply risen, and the availability of Federal student aid is decreasing. Each of these factors alone creates problems for some students. But combined, these three factors make it virtually impossible for a struggling farm family to send a child to college or vocational school.

My amendment simply states that the Secretary of Education should review financial aid formulas, in an effort to provide more equitable treatment to farm families. It is a reminder that the unique financial situation of farm families should not be ignored in determining financial aid eligibility. I have spoken with Department of Education officials regarding this amendment, and they have no opposition to such a review. Also, this amendment does not require any additional funding.

I have been contacted by many farmers in my State of South Dakota who are unable to secure financial aid for their child. This is primarily due to their land holdings, which are treated as an asset in financial need analysis. Too often, these families find that their land holdings keep them or their children from receiving financial assistance.

These are particularly rough times for many of our Nation's farmers who have extreme cash-flow problems. Many of their children who wish to further their education are hoping to study areas such as business which will help them learn how to better manage a farm. In many cases, they simply want an education so they will have something besides farming to rely on for their livelihood.

Nearly 30 years ago, Congress made the commitment "that no student of ability will be denied an opportunity for higher education because of financial need * * *." It is my hope that this amendment will help to ensure that this promise is not broken for the children of our farm families throughout the Nation.

Mr. President, I move the adoption of my amendment, if there is no further debate.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, for the majority, we are prepared to accept the amendment.

Mr. PRESSLER. Mr. President, I ask unanimous consent to add my colleague, Senator ABDNOR, as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator form Rhode Island.

Mr. PELL. I think this amendment has merit and I accept it on behalf of the minority.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 1994) was agreed to.

AMENDMENT NO. 1995

(Purpose: To provide for appointment of the members of the National Advisory Council on Educational Research and Improvement by the President with the advice and consent of the Senate, and for other purposes)

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 1995.

Mr. HATCH. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 417, beginning with line 13, strike all through line 25 on page 418, and insert the following:

"(c)(1) The Council shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. In addition, there shall be such ex officio members who are officers of the United States as the President may designate, including the Assistant Secretary. A majority of the appointed members of the Council shall constitute a quorum. The chairperson of the Council shall be designated by the President from among appointed members. Ex officio members shall not have a vote on the Council. The members of the Council shall be appointed to ensure that the Council is broadly representative of the general public; the education professions, including practitioners; policymakers and researchers; and the various fields and levels of education.

"(2)(A) Except as provided in subparagraph (B), members shall be appointed to terms of three years.

"(B) Of the members first appointed—

"(i) five shall be appointed for terms of one year;

"(ii) five shall be appointed for terms of two years; and

"(iii) five shall be appointed for terms of three years;

as designated by the President at the time of appointment.

"(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of a term until a successor has taken office.

"(D) An appointed member who has been a member of the Council for six consecutive years shall be ineligible for appointment to the Council during the two-year period following the expiration of the sixth year.

"(3) The council shall—

"(A) advise the Secretary and the Assistant Secretary on the policies and activities carried out by the office;

"(B) review and publicly comment on the policies and activities of the Office;

"(C) conduct such activities as may be necessary to fulfill its functions under this subsection;

"(D) prepare such reports to the Secretary on the activities of the Office as are appropriate; and

"(E) submit, no later than March 31 of each year, a report to the President and the Congress on the activities of the Office, and on education, educational research, and data gathering in general.

Mr. HATCH. Mr. President, this is a very simple amendment and it is one that needs to be added to S. 1965. It reiterates the language I believe is in the House bill, H.R. 3700. This amendment provides that the appointment of members to the National Advisory Council on Educational Research and Improvement should continue to be made by the President with the advice and consent of the Senate. It would enable the White House and the President, whoever he may be, to make the appointments of the 15 people on this important council. I believe this would correct what I believe to be a mistake in the present bill itself.

I believe the amendment is acceptable.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, we have discussed this amendment with the chairman of our full committee. It would take some temerity for the subcommittee chairman to say anything else. We are prepared on the merits to accept it.

Mr. HATCH. I thank the Senator.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. This is a good amendment. It is the original law. We brought it down from a Presidential appointment to a Secretarial appointment, meaning not subject to confirmation by the Senate. On reflection it is probably best that this council be appointed subject to Senate confirmation, which is what this amendment does.

Mr. HATCH. Mr. President, I want to thank my colleagues. This is a good amendment. It resolves a major problem. Thank you.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1995) was agreed to.

Mr. HATCH. I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1996

(Purpose: To include junior and community colleges under the waiver in section 352(a))

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 1996:

On page 317, line 4, strike out "(2)" and insert in lieu thereof "(II)".

On page 317, line 10, before the semicolon insert a comma and the following: "unless this requirement is waived under section 352(a)".

Mr. STEVENS. Mr. President, the amendment that I have just offered pertains to the Higher Education Act determination for title III on developing institutions. They are funded solely on the level of the Pell grants and other campus-based aid use. Because of the availability of State loans in Alaska, Alaska colleges generally do not use Pell grants. These colleges have been ineligible for receiving Federal funds.

A waiver, referred to as section 352(a), was put into this bill which takes care of the problem for 4-year colleges in Alaska. But it appears that junior and community colleges in Alaska have been left out. Junior and community colleges are an important part of Alaska's education system serving many isolated parts of our State. Many of these colleges are new and developing institutions and I believe are deserving of these funds. This amendment would correct that problem. I have discussed it with the manager of the bill and I am hopeful that he will accept the amendment.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I believe the amendment offered by the distinguished Senator from Alaska is a good amendment and for the majority I am prepared to accept it.

Mr. COCHRAN addressed the Chair.

Mr. STEVENS. Mr. President, may I ask my good friend from Rhode Island if he is prepared to accept the amendment. I might state I have one other technical amendment I would like to offer.

Mr. PELL. I recommend that we accept this amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, may I ask a question of the managers of the bill with respect to the amendment of the distinguished Senator from Alaska. There was an effort in 1980 when this measure was before the Senate to enlarge title III to include almost all universities and colleges, whether they were small, developing institutions under the definition in the act or not. I know that is not the intent of the distinguished Senator from Alaska. But to have the assurance of the managers of the bill that this does not distort the original intent of this section, and that is to direct institutional aid only to small colleges that serve primarily disadvantaged students from economically dis-

advantaged backgrounds, this does not change this part of the bill in that respect, does it?

Mr. STAFFORD. I would say to the very able Senator that he has described this correctly. Title III of the bill is aimed at the neediest, most disadvantaged colleges in the Nation.

Mr. COCHRAN. I thank the Senator.

Mr. STEVENS. Mr. President, I ask for adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1996) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to table the motion to reconsider.

The motion to lay on the table was agreed to.

□ 1900

AMENDMENT NO. 1997

(Purpose: To provide funding for developing institutions in Alaska which enroll Alaska Native students)

Mr. STEVENS. Madam President, I send another amendment to the desk.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 1997:

On page 319, line 5, strike out "Alaska Native or Aleut, or combination thereof" and insert in lieu thereof "or in the case of Alaska Natives, an enrollment of at least 5 percent".

Mr. STEVENS. Madam President, in defining eligible institutions under title III, language was inserted for schools serving various minority groups. One minority group was defined as including American Indians and Alaska Natives. While this language adequately covers the schools offering programs for American Indian students, it would exclude all but possibly one of the Alaskan schools serving Alaska Native students.

It is necessary to recognize the commonalities existing between American Indians and Alaska Natives, but also to take into consideration the distinct differences in their educational situations. My amendment would open eligibility to the colleges actively involved in recruitment and programming for Alaska Native students.

Again, this is a very technical amendment. I have discussed it with the manager of the bill, and I hope the amendment will be accepted.

Mr. STAFFORD. Madam President, once again, we have examined the amendment offered by the able Senator from Alaska, and we find it meritorious. For the majority, we are willing to accept it.

Mr. PELL. Madam President, this is a technical amendment, but it is a necessary one, and we are glad to accept it.

Mr. STEVENS. I thank the managers of the bill for their courtesy and their willingness to work out this matter for the small institutions of our State.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1997) was agreed to.

Mr. STEVENS. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Madam President, many of us remember Newton Minnow describing television as a vast wasteland back in the 1960's. I doubt that broadcasting the Senate will turn this wasteland into a garden. It is ironic that the first legislative issue to be considered by the televised Senate is the 1986 Reauthorization of the Higher Education Act of 1965.

Critics have argued that the illiteracy of American youth partly results from the many hours they spend in front of a television. It may be that television is being used as a scapegoat for deeper societal problems, but today we do have the opportunity to use the electronic media to reenforce for the viewers the value of an education.

The legislation now being debated represents the latest modifications and modernization of our Federal programs to provide financial assistance to students in post-secondary education. As a parent of four current and recently graduated students of higher education, I am well aware of the cost of education today.

Even with the low tax rates on individual income which will result from the tax bill which we will begin debating later this week, parents will still not have enough disposable income to finance their children's education out of pocket. The necessity for public and private student grants and loans is more critical today than at any other time in the 20-year history of the Higher Education Act.

Since 1965, the amount of time spent by young Americans watching television has increased while the scores they have achieved on scholastic tests has declined. If we required our youth to watch the Senate, we might cure them of their TV addiction.

In all seriousness, our education system has been at risk for a decade. We have finally begun to correct the problems identified at the elementary and secondary education levels. The problems are being dealt with at the local and State levels because this is where control of these educational systems belong. Higher education, as a national effort, is being renewed and reformed in a diversity of fashions. For 20 years, the Federal Government has focused on providing financial stability, through the Higher Education Act, as its role in higher education.

The chairman, the Senator from Vermont, and the ranking member, the Senator from Rhode Island, have both reviewed the history and accomplishments of the program. I will not repeat their lists of statistics and accomplishments, but I would like to reiterate that the program has widespread popular support because it has been so successful in assisting students in attending colleges and technical schools. Several months ago, I chaired a field hearing on the reauthorization bill in Laramie, WY. The witnesses, who came from every part of the State had one theme.

It is a good program, our bill is a basically good bill, and it should be enacted.

In Wyoming, the primary concern is with title 4 of the act, which involves the student financial aid programs. In my State, our seven colleges and the university are public institutions. We do have one private proprietary school. Our local communities and the State government are the major source of fundin,for our Wyoming schools. Institutional assistance, as is provided under title 3, is not the primary issue to the Wyoming higher education institutions as is the case in other States. The institutional aid is especially important to those States with private institutions disadvantaged and minority students.

In Wyoming, we have made use of such institutional programs as assistance to school libraries. There is also great interest in the programs to improve teaching in areas such as foreign languages. But, by far, the most important component is title 4 which is dominated by the Pell grant and guaranteed student loan programs. This title was the focus of comments during the Laramie hearing. It is the moving force behind the Higher Education Act.

The bill before us has its flaws. Some would like higher loan limits for student aid, or more grants rather than repayable loans. We were pressured to expand institutional aid. On the other side, objections have been raised against Federal higher education programs because of the cost. The administration recommended a number of changes to reduce the budget impact over the 5-year life of this reauthorization bill. The Education Subcommittee absorbed this buffeting from all sides, and produced the bill now under debate with all members of the subcommittee and the full committee as cosponsors.

The bill improves our student assistance programs. Grants, for low-income students, are expanded under the bill. Student loans are also increased, but provisions are included to raise cost sharing by both lending institutions and students. Reforms to reduce defaults and require satisfactory student progress are written into the bill. The institutional assistance portions have also been improved in a financially restrained manner.

Not all issues have been resolved in committee on S. 1965. Some issues will have to be resolved during Senate debate. The final product should be a bill that everyone can support. It is responsive to a major national goal, the education of our youth. The bill is a fiscally responsible measure. This legislation is an example of how Government works. It is a most appropriate way to introduce the Senate process to the American electronic audience.

AMENDMENT NO. 1998

(Purpose: To authorize a study of the use of volunteers in elementary and secondary school classrooms)

Mr. EVANS. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington [Mr. EVANS] proposes an amendment numbered 1998.

Mr. EVANS. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 413, strike out lines 4 and 5 and insert in lieu thereof the following:

TITLE III—EDUCATION ADMINISTRATION

Part A—RESEARCH AND IMPROVEMENT

On page 431, after line 13, insert the following:

Part B—USE OF VOLUNTEERS IN THE CLASSROOM STUDY

STUDY REQUIRED

SEC. 311. (a)(1) STUDIES REQUIRED.—The Secretary of Education (hereafter referred to in this section as "secretary") shall conduct a thorough study of how volunteers can best be used in the classroom. The study required by this section shall include—

(A) the feasibility of using recipients of student loans made, assured, or guaranteed under part B of title IV of the Higher Education Act of 1965 or part E of such title as part of repayment of such loans;

(B) the use of older Americans as such volunteers;

(C) the use of business persons and other professionals as volunteers; and

(D) the place of incentives to encourage voluntarism.

The study required by this section shall examine the methods of using volunteers designed to provide the greatest flexibility for local educational agencies.

(2) The Secretary shall also contract with the National Academy of Sciences to conduct a concurrent independent study for the purposes described in paragraph (1). For purposes of such study, the Secretary shall provide to the National Academy of Sciences any relevant data available to the Secretary at the onset of the study and on an continuing basis.

(3) REPORTS REQUIRED.—The Secretary and the National Academy of Sciences shall, not later than 1 year after the date of enactment of this Act, prepare and submit to the Congress their respective reports, together with a description of programs on the use of volunteers and with such recommendations as the Secretary deems appropriate.

(b) AVAILABILITY OF FUNDS.—Funds available for the administration of the Department of Education shall be used for the study required by this section.

On page 169, in the table of contents, strike out the item relating to title III and insert in lieu thereof the following:

"TITLE III—EDUCATION ADMINISTRATION

"Part A—RESEARCH AND IMPROVEMENT".

On page 169, in the table of contents, after item "SEC. 305." add the following:

"Part E—USE OF VOLUNTEERS IN THE CLASSROOM STUDY

"Sec. 311. Study required.".

Mr. EVANS. Madam President, I shall be brief.

The recent report of the Carnegie forum on education, an outgrowth of the Carnegie Foundation on the advancement of teaching, has presented to the Nation a dramatic and, I think, bold plan for teaching in the years ahead.

I had the privilege of serving on the Carnegie Foundation for 6 years and know the excellence of their work and the depth of their research.

I also had the privilege, in the State of Washington, of helping institute a volunteer program which brought youth into the opportunity of serving with nonprofit and other organizations in serving their community and doing it through volunteer service.

This amendment would ask that the Secretary of Education conduct a study to see how well we can weld those two concepts together, to bring volunteer service into the classroom, to go along with some of the other bold and dramatic proposals, as to the feasibility of the young as well as the senior citizens, who have such a wealth of knowledge, college students who have gained the privilege of their education through student loans, volunteering their service back in the classroom as aides to teachers, and in doing so perhaps be relieved of a share of that college loan.

Madam President, I think that the opportunities here are dramatic. I hope that a study will be conducted, and conducted promptly, and that out of it we can aid others in the dramatic new initiatives which are necessary if we are to have not only adequate teaching in the future but also adequate education for our children.

I hope and believe that the managers on both sides will accept the amendment.

Mr. STAFFORD. Madam President, we have examined the amendment of the able Senator from Washington and believe it is a good amendment. We are prepared to accept it.

Mr. PELL. Madam President, we often talk about the need for, and quality of voluntarism, and this is a good example of where we can expand our involvement in this area. It is a good amendment, and we support it.

Mr. EVANS. Madam President, I ask unanimous consent to have printed in the RECORD a fine article by David Broder in the Washington Post recently on this subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VOLUNTARY NATIONAL SERVICE—IN THE CLASSROOM

(By David S. Broder)

Whatever its faults, the report of the Carnegie Forum on Education cannot be criticized for a lack of boldness. The business, political and educational leaders who signed it proposed no less than a revolution in classroom teaching.

They suggested that undergraduate degrees in education be abolished. Teachers, they said, should have a broad liberal arts background and an advanced degree in teaching. They said top-line teachers should be so certified by a national board of their peers. They said those board-certified teachers should be placed in charge of their schools and held accountable for the schools' performance. And they said those teachers should be paid on a level equivalent to other professionals.

That is controversial enough. But in one respect, I wish the commission had been even, bolder. I wish it had embraced the idea of voluntary national service in the classroom for many of the millions of college students being educated with government aid for high-paying jobs.

The underlying rationale for such a proposal is implicit in the powerfully persuasive report entitled "A Nation Prepared: Teachers for the 21st Century," issued earlier this month. But the recommendation doesn't appear there.

The commission headed by Lewis M. Branscomb, chief scientist of IBM, made these points:

The nation faces a severe shortage of teachers, with many of those now in the classrooms approaching retirement age and a shrunken "baby-bust" college generation coming along behind them.

Already, too many of the top students entering college are shunning teaching in favor of higher-paying alternative careers. Almost half the students now enrolling as education majors come from nonacademic high-school programs, not even designed to prepare them for college work.

There is a crying need for more support people in the typical high school and grade school, so that teachers can spend their full time doing their jobs, rather than being burdened with administrative and clerical chores. To impart the skills needed for America's economic survival in the next century, the "master teachers" envisaged by this report must be freed to tackle the toughest educational problems in their schools, with less demanding instruction

being given by associates with somewhat lesser skills.

Tutoring—direct, person-to-person instruction—is a demonstrably successful teaching technique. It works particularly well when older students tutor kids just a few years younger. Both the tutor and their pupils come away with increased mastery of the subject.

Where can these needed classroom support people be found? Some communities have had good success in persuading retirees or parents or public-spirited professionals to volunteer a few hours of tutoring or teaching time a week. But the greatest potential source of assistance may be found right in the classroom—the college classroom—of today.

To me, the obvious implication of the Carnegie Commission report is that many of the brightest and best-educated young people now moving through our colleges—people who currently spurn education as a lifetime career—must be induced somehow to help in the high schools and grade schools from which they have come.

Is there an incentive to offer them? Indeed there is. The Department of Education says some 5.5 million people are attending college this year with the assistance of federal grants or federally subsidized loans, at a cost to the taxpayers of close to $9 billion. As readers of this column know, I have strongly defended these loans and grants against proposed budget cutbacks. Education is the best investment we can make in the nation's future.

But I also believe that turnabout is fair play. Two previous generations of students received their education subsidies as a reward for military service. Today's students face no draft. But America needs more of them in the grade-school and high-school classrooms.

For those who accept government grants to finance college degrees, a year's apprenticeship, at modest salary, as a teacher's aide does not seem an inappropriate or inordinate sacrifice to ask. For those who use government-subsidized loans to get through college, a combination of loan forgiveness and a small starting salary may be enough to induce a number of classroom volunteers. Offers of government assistance in graduate education could be conditioned on a year or two of classroom service.

Some of those recruited into temporary teaching aide or tutoring jobs would undoubtedly find that education is a rewarding field. Others would go on with their original career plans. But just think what it would mean if communities knew that today's 2.2 million teachers could be reinforced—at modest additional cost—with volunteered help from some of the 5.5 million college students the taxpayers are subsidizing.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1998) was agreed to.

AMENDMENT NO. 1999

(Purpose: To extend the authorization of the Robert A. Taft Institute Assistance Act)

Mr. D'AMATO. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself and Mr. STENNIS, proposes an amendment numbered 1999.

Mr. D'AMATO. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 413, between lines 3 and 4, insert the following:

PART L—ROBERT A. TAFT INSTITUTE

REAUTHORIZATION

SEC. 296. Section 1373 of the Education Amendments of 1980, relating to the Robert A. Taft Institute, is amended by inserting after "1985" a comma and the following: "$750,000 for the fiscal year 1986 and for each succeeding fiscal year ending prior to October 1, 1988".

On page 169, in the table of contents after item "Sec. 294." insert the following:

"PART L—ROBERT A. TAFT INSTITUTE

"Sec. 296. Reauthorization.".

Mr. D'AMATO. Madam President, this is a noncontroversial amendment dealing with the Robert A. Taft Institute, which is dedicated to the study of the two-party system. I offer this amendment on behalf of myself, Senator STENNIS, and 20 other colleagues.

This program was authorized in 1980 for 5 years, with the understanding that no additional authorization would be necessary after 5 years of funding. However, funds have only been appropriated for 3 of the 5 years. This amendment would provide authorization for 2 additional years, which was the initial intent of Congress in the legislation.

The program has been successful. Initially, we asked for an authorization of $1 million each year and cut that down to $750,000 each year, and those funds must be matched by outside funding of $750,000 each year.

I hope this amendment will be accepted. I have spoken to the manager of the bill, and I believe he will accept it.

Madam President, this amendment reauthorizes a $750,000 matching grant for one of this Nation's most outstanding programs, the Robert A. Taft Institute for Two Party Government. This institute, founded in 1961 as a memorial to the late Senator Robert A. Taft, is dedicated to a notion we all share. It is dedicated to the principle that each citizen should have an opportunity to contribute to government and politics. This program was authorized in 1980 for 5 years.

However, the Taft Institute only received an appropriation for 3 years, 1983, 1985, and 1986. Therefore this amendment does not change the original intent of authorizing this program for 5 years, but fulfills this commitment of the Congress by providing authorization for it from 1986 until 1988, so that they can receive the appropriation Congress intended.

The Robert A. Taft Institute of Two Party Government is a nonpartisan, nonprofit, tax-exempt corporation, operating under a charter granted by the board of regents of the State of New York. Its mission is to enable teachers, administrators, and others to explore the American system of government and politics. Furthermore, it works to enhance their knowledge and teaching skills and, in turn, to stimulate and encourage their students to take an interest in, and participate in, governmental, political, and related community-based activities.

Its tasks are expounded by focusing on the compelling need for responsible citizen participation in politics. The Taft Institute approaches its tasks believing that principles of American self-government are best served by a well-informed public. One of the best ways of accomplishing this goal is through teaching. Taft has excelled in its attempt to teach these principles to our citizenry. They continue to have seminars and workshops throughout the country for the benefit of us all. I would like to list just a few of their recent seminars: A Taft seminar for teachers was held at the University of Oregon, Eugene, during June 17-29, 1984; a Taft seminar for teachers was held at the Curry Memorial School of Education, the University of West Virginia, July 16-27, 1984; and a Taft seminar was held at Eastern Kentucky University during June 11-28, 1984. There were other seminars and workshops held throughout the country that are equally worthy of mention, but I will only highlight the foremention-ed.

The director of the Taft Seminar for Teachers 1984 at the University of Oregon gave an excellent report of their seminar. He noted that politics was in the air as participants met from June 17-30, only weeks before Democrats and Republicans held national conventions in San Francisco and Dallas. They made a conscious effort to design their curriculum with the election year in view, culminating in a windup banquet debate on party prospects between an incumbent Republican Oregon attorney general and a Democrat candidate for the U.S. Senate. As stated by the director, the goal of each seminar has been refreshing and reeducating the participants' understanding of the political world, and more particularly, their appreciation of the two-party system. The director of the Taft seminar for teachers at the Curry Memorial School of Education, the University of West Virginia noted that he is amazed how well each cohort of teachers melds together to make the seminar a success. The director further notes that each year the seminar reflects a different group personality, but invariably they quickly solidify into a group that stimulates

speakers with analytical and challenging questions and provokes each other to rethink political values. The Taft Institute director of the June 11-28, 1984 Eastern Kentucky seminar states that the Taft program is more than a good program. It is the dedication and enthusiastic participation of teachers who add to the sacrifices they make each day of the school year to give up part of their summers to increase their understanding and appreciation of the political process and the American two-party system. These seminars have been held throughout the country and I could easily list commendable statements from directors and participants of each seminar.

Taft seminars are sponsored by universities and colleges across the country; they provide rigorous courses in practical politics and political science. Seminars vary from 2 to 4 weeks in length, and usually take place during the summer. They also award graduate level credit. Each Taft seminar is organized according to comprehensive guidelines and is directed by a professor of political science who is a faculty member of the sponsoring institution. The Taft Institute is involved in the planning and organization of each program. The seminars include experienced politicians and political scientists who come together with high school and elementary school teachers to explore American freedom, the two-party political process, the role of political parties, and the role of each citizen in self-government.

The Taft Institute of Two-Party Government has sponsored more than 500 seminars. These seminars have included more than 100 colleges and universities with 15,000 teachers from all 50 States. In any one year 2 million students benefit from this program. Mr. President, the success of the Taft Institute cannot be denied.

Our children, families, and all communities need continued exposure to the American political system. The Taft Institute provides this opportunity. This amendment promotes a strong America, and it enhances our mission. Mr. President, American democracy takes all citizens putting forth some effort to make it work. Therefore, I urge my colleagues to join me in recognizing the importance of the Robert A. Taft Institute of Two Party Government by supporting this amendment which provides it with the 5 years of authorizations and appropriations that the Congress intended. This program benefits all Americans and enhances the growth and development of our political system. It shows our continuing commitment to a strong, involved, and well-informed citizenry.

Mr. STAFFORD. Madam President, since I was one of those involved in the initial legislation with respect to the Taft Institute and we did intend to have Federal Government support for 5 years, and, as the distinguished Senator from New York said, only 3 years of the support was initially made available, I think his proposal is appropriate that we complete the 5 years by 2 more years of authorization.

I trust that 2 years from now, the Taft Institute will be self-sustaining and that we will not have representatives coming back to the Senate asking for more money for this institution.

On the present basis, for 2 more years to fulfill the original 5-year understanding, I am prepared, for the majority, to accept this amendment.

Mr. PELL. Madam President, the Senator from Vermont has expressed my understanding, and I am glad to accept this amendment, on the understanding that it is a one-time amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. D'AMATO. Madam President, I ask unanimous consent that the name of the distinguished Senator from Mississippi [Mr. COCHRAN] be added as cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 1999) was agreed to.

AMENDMENT NO. 2000

Mr. SIMON. Madam President, I have three amendments which I believe are completely noncontroversial. The first is an amendment with my colleague Senator GRAMM.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 2000.

Mr. SIMON. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Delete the period at the end of section 485c(2) and insert ", except that the Secretary is authorized in demonstrated cases of exceptional need to waive the deductions required by this section."

Mr. SIMON. Madam President, earlier, Senator GRAMM had an amendment, and I asked the question whether we could not be protecting people who had defaulted on student loans who had great need. Senator GRAMM said that was his intent. As it turned out, the language did not do that. We have agreed on this language, and I believe there is no disagreement on this.

□ 1910

Mr. STAFFORD. Madam President, for the majority, we have discussed this amendment with the able Senator from Illinois, and we are prepared to accept it.

Mr. PELL. Madam President, this is the understanding we had and it is a fine amendment. We recommend its support.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2000) was agreed to.

AMENDMENT NO. 2001

(Purpose: To authorize a study on the establishment of a National Endowment for International Studies)

Mr. SIMON. Madam President, I offer an amendment in behalf of Senator DODD and myself.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself and Mr. DODD, proposes an amendment numbered 2001.

Mr. SIMON. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 368, after line 24, add the following:

STUDY AUTHORIZED

SEC. 250A. Title VI of the Act is amended by adding at the end thereof the following new section:

"NATIONAL ENDOWMENT FOR INTERNATIONAL STUDIES

"SEC. 622. (a) The Secretary shall, in consultation with the Director of the United States Information Agency, the Director of the Agency for International Development, the Secretary of State, and the Secretary of Defense, conduct a study on the establishment of a National Endowment for International Studies. The study shall develop a program, a plan funding, and priorities for such an Endowment.

"(b) In carrying out the study required by this section, the Secretary shall consider—

"(1) the extent of the need for international studies programs at all educational levels, not served by this title;

"(2) the programs at the Agency for International Development, the U.S. Information Agency, and the Departments of State, Defense, and Education which can be coordinated to increase the scope and number and kinds of participants in international educational programs;

"(3) the feasibility of an Endowment for International Studies, by whom it shall be administered, and procedures for receiving corporate and other private contributions for supplemental funding, similar to Treasury fund accounts at other Federal agencies; and

"(4) a comprehensive evaluation of the weaknesses and strengths in international education and foreign language training at all levels of education in our Nation and the role of the Endowment to remedy these weaknesses, and encourage expansion of these strengths.

"(c) The Secretary shall prepare and submit to the Congress, not later than 6 months after the date of enactment of this section, a report on the study required by this section, together with such recommendations, including recommendations for leg-

islation, as the Secretary deems appropriate.".

On page 168, in the table of contents, after item "SEC. 250." insert the following new item:

"Sec. 250A. Study authorized,".

Mr. SIMON. Madam President, this is an amendment that follows the suggestion made by the president of Columbia University, Michael Sovern, that we study the possibility of having a National Endowment for International Studies. It simply calls for a study.

The reality is that the international study program in the Department of Education is weak. That is being generous to call it weak. We need to somehow strengthen it. Whether this is an answer, I do not know.

It simply calls for a study. I believe it is noncontroversial.

Mr. STAFFORD. Madam President, we are prepared to accept this amendment also.

Mr. PELL. Madam President, as one of the original sponsors of the endowments of the arts and humanities and as an admirer of President Sovern of Columbia University, I am glad indeed to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 2001) was agreed to.

AMENDMENT NO. 2002

(Purpose: To encourage community service college work study programs to develop programs in literacy training)

Mr. SIMON. Madam President, I send my final amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 2002.

Mr. SIMON. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 258, between lines 15 and 16, insert the following:

(c) PRIORITY CONSIDERATION FOR LITERACY TRAINING.—Section 447 of the Act is further amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision in this section, the Secretary shall give priority consideration to applications which propose community service projects involving literacy training and education.".

Mr. SIMON. Madam President, again this is an amendment that has been worked out. What this does is to encourage the use of college work-study for literacy volunteers. This massive problem we have in this Nation of illiteracy we have to tackle.

The Senator from Vermont has been one of those who provides leadership in this area.

This is an attempt to use the students who have this ability for this very real need.

I believe that this is a noncontroversial amendment as well as a needed amendment.

Mr. STAFFORD. Madam President, we have discussed this amendment as well with the able Senator from Illinois. We find it meritorious and are prepared to accept it.

Mr. PELL. Madam President, we discussed this amendment earlier. It was a question of working out the wording, which has now been done. I believe this is an amendment that should be accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 2002) was agreed to.

AMENDMENT NO. 2003

(Purpose: To equitably adjust the farm assets)

Mr. GRASSLEY. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself and Mr. ABDNOR, proposes an amendment numbered 2003.

Mr. GRASSLEY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 180, line 21, after "$80,000" insert the following: "in the case of business assets or $120,000 in the case of farm assets".

On page 181, line 3, after "$100,000" insert the following: "in the case of business deductions or $130,000 in the case of farm deductions".

On page 181, line 4, insert after "$102,000" the following: "or $130,000, as the case may be".

On page 184, line 2, after "$80,000" insert the following: "in the case of business assets or $100,000 in the case of farm assets".

On page 184, line 8, after "$100,000" insert the following: "in the case of business deductions or $130,000 in the case of farm deductions".

On page 184, line 12, insert after "$100,000" the following: "or $130,000 as the case may be".

On page 188, line 16, after "$82,000" insert the following: "in the case of business assets or $100,000 in the case of farm assets".

On page 188, line 22, after "$100,000" insert the following: "in the case of business deductions or $130,000 in the case of farm deductions".

On page 198, line 23, insert after "$100,000" the following: "or $130,000, as the case may be".

Mr. GRASSLEY. Madam President, I would like to offer an amendment at this time which I believe has been cleared on both sides of the aisle. This amendment would provide for more equitable treatment of farm assets in the computation of Pell grants. Many of us from Midwestern farm States have seen farm income drop precipitously. Yet many of these farm families are operating farms that seem like a substantial family asset on paper but which provide very little income for its owners. Although the net worth of these farms may seem high, they are not liquid assets and do not reflect a family's capability of contributing to their children's education. These families are truly asset rich, and cash poor.

Under the Pell Grant Program, there is currently an $80,000 asset reserve that is subtracted from the value of the farm asset—the farm asset being derived from the current market value of the farm after debts against the farm are subtracted. My amendment increases the farm asset reserve to $100,000 and the overall asset cap to $130,000, which reflects current Bureau of the Census data on the net worth of the average farm. Although it is a modest indexing of the reserve, it should help provide more equitable treatment of farm assets and would more accurately reflect the ability of parents to contribute to education.

Both CBO and CRS have looked at this change and report that it would have a very minimal budgetary impact.

Mr. President, over the last few years, I have watched thousands of farmers in my State forced into bankruptcy. We know in the years to come there will be more. The future of Iowa and the agricultural belt is clearly the education of our young people and the diversification of our economy. Many of these young people that have grown up and worked on the family farm know that they will have to go to school and pursue a different career. We must make sure that they are not treated inequitably by their family farm assets in their ability to obtain Federal assistance for education.

My colleagues may ask why do we need to increase this reserve for farmers. The assets test in the Pell grant computation is an important one, in that it is supposed to help determine the financial strength of the family. The average farm size in Iowa is 303 acres with a value per acre of about $1,000—yet, the average indebtness against equity is almost 50 percent. These families are making less than $12,000 a year per farm. Although their assets exceed greatly the reserve allowed under the Pell Grant Program, these families are not being treated equitably in the grant computation. They obviously do not have the financial strength that their farm assets would indicate. There is no market for farm land that would allow them to sell their farm to put up substantial family contributions for the education of their children.

Let me also add that there are only about 2½ percent of Pell grant recipi-

ents that report farm assets. This amendment would only affect a small percentage of those 2½ percent. But this small number of farm students deserve some help in qualifying for Federal aid.

In this bill, we have already recognized the special nature of our farm family students. We have already in the bill a provision which excludes from family income the proceeds of a sale of farm assets if such a sale is the result of bankruptcy or foreclosure. The Senate passed a similar provision of mine in the reconciliation bill that excluded sales from a bankruptcy in income subject to the alternative minimum tax. Now we must recognize that we need to take into consideration the special circumstances of those farmers still in business, barely, that want their children to get an education.

Madam President, and Members of the Senate, I believe that this amendment has been cleared on both sides of the aisle.

Simply, what I do in this amendment is to increase from $80,000 to $100,000 the farm asset reserve for Pell grants so that the farm families who everyone knows are in dire straits—the Senator from South Dakota earlier spoke on another amendment similar to this, so I will not go into detail. But anyway farm families tend to be asset rich but income poor, and it is particularly bad now. This will then give these families a better opportunity to qualify for Pell grants.

If I could ask the floor manager to comment on it, if I was right. He has accepted it.

Mr. STAFFORD. Madam President, I am pleased to assure the distinguished Senator from Iowa that we have examined the amendment. We have discussed the contents with him and we are prepared to accept it.

Mr. PELL. Madam President, I first thought we should equalize the help being given in this amendment to homeowners as well; but recognizing the acute, distressful situation in the agricultural portions of our country, this is a meritorious amendment and I recommend its acceptance.

Mr. GRASSLEY. Madam President, I thank the Senator from Rhode Island for those kind remarks and for his consideration. I appreciate his point of view very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment (No. 2003) was agreed to.

Mr. GRASSLEY. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Madam President, might I ask the distinguished manager of the bill a question? I just have brief remarks regarding the bill and its relationship to the budget, and some summaries of the last 6 years of student assistance programs which I put together for the Senate.

Has the Senator from Vermont offered the Stafford-Dole-Pell amendment decreasing the special allowance to 3 percent?

Mr. STAFFORD. I say to my friend from New Mexico we have not but we will move to that as soon as the Senator from New Mexico has concluded.

Mr. DOMENICI. Since I favor the amendment, I will conclude very quickly.

First, Madam President, I have prepared a table that relates the guaranteed student loan provisions in the bill before us to the Senate-passed budget resolution and the House-passed budget resolution. Obviously, there is an amendment that I just discussed with the floor manager which will modify the tables and make the disparity less severe. Nonetheless, I believe that is easily understood and I will ask unanimous consent that the tables I have prepared be printed in the RECORD.

Madam President, in addition, I would like to take a moment and tell the Senate what else I have prepared. We hear a lot of comments in this country about what has happened to the students in our universities because of the changes Congress has made to student aid programs over the last 5 years.

I have prepared some tables and some remarks indicating what has not happened to them. Many claim that we changed our loan programs so that students who are eligible can no longer get loans.

I think my tables clearly reflect that over the last 5 years, programs for young Americans in colleges have gone up, not down; that more students are eligible, not less; and that the only reforms we made had to do with eliminating high-income Americans from these programs. At one point in time, interest rates under the GSL Program were so low that parents were taking out student loans, investing them at higher interest rates and making a profit on their investment.

I think the tables and charts will reflect that we have been adequately protecting disadvantaged young people under the Pell Grant Program, and all other students who were entitled to student loans, regardless of whether they went to low-price schools or high-price schools.

Mr. President, I would also like to make a few comments about the Guaranteed Student Loan Program in particular.

I want to commend the members of the Labor and Human Resources Committee for their admirable efforts to reform and improve the Guaranteed Student Loan [GSL] Program.

S. 1965 contains a number of provisions which lower Federal costs. They include: Lowering the special allowance to lenders by 0.5 percentage points, requiring all students to undergo a financial needs test before receiving a GSL, tightening the definition of independent student and lowering the rate of reinsurance to State guarantee agencies. The bill also contains a number of important administrative changes designed to lower the default rate on GSL's.

The Senate-passed budget resolution assumes savings in the GSL Program of $615 million over 3 years. The House-passed budget resolution contains savings of $395 million over 3 years. During the same period, S. 1965 would save only $285 million. Clearly, any compromise between the House and Senate Budget resolutions will require more savings than are currently contained in S. 1965.

I do not intend to offer an amendment to S. 1965, increasing the savings for the GSL Program, since Congress has not yet adopted a budget resolution for fiscal year 1987. Once final agreement has been reached on a budget resolution, the Labor and Human Resources Committee will receive reconciliation instructions. The budget resolution assumes these savings will be made through reform of the GSL Program. The committee can achieve these savings either by reducing GSL's or any other direct spending program in its jurisdiction. If S. 1965, as passed by the Senate, does not achieve greater savings, the committee will have to meet its obligation later, either in a separate reconciliation bill or in the conference agreement on S. 1965.

Mr. President, I ask unanimous consent that some historical information about the GSL and Pell Grant Programs be inserted into the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GUARANTEED STUDENT LOAN SAVINGS

[In millions]

	1987	1988	1989	1987–89
SBC resolution:				
Budget authority	−55	−210	−430	−695
Outlays	−35	−170	−410	−615
HBC resolution:				
Budget authority	−25	−150	−250	−425
Outlays	−25	−135	−235	−395
S. 1965, as reported:				
Budget authority	−5	−105	−250	−425
Outlays		−80	−205	−285

HIGHER EDUCATION ACT

[In billions of dollars]

	Fiscal year—								
	1980	1981	1982	1983	1984	1985	1986	1987 [1]	1987 [2]
All student aid	5.7	7.2	6.9	6.9	7.9	8.7	8.4	9.7	8.8
Pell grants	2.4	2.3	2.4	2.8	3.1	3.7	3.4	4.6	3.8
GSL's	1.6	2.8	3.1	3.1	2.3	3.3	3.3	3.2	3.2

[1] S. 1965.
[2] Senate Concurrent Resolution 120.
Department of Education and CBO estimates.

HIGHER EDUCATION ACT PARTICIPANTS

[In thousands of dollars]

	Fiscal year—								
	1980	1981	1982	1983	1984	1985	1986	1987 [1]	1987 [2]
GSL (new loans)	2.3	3.5	2.8	3.0	3.4	3.9	4.0	3.5	3.5
Pell grants	2.8	2.8	2.6	2.8	2.8	3.0	2.8	3.0	2.8

[1] S. 1965.
[2] Senate Concurrent Resolution 120.
Department of Education and CBO estimates.

GUARANTEED STUDENT LOANS

The Guaranteed Student Loan program guarantees private institutions' loans to students against default and subsidizes the interest cost of students.

1981 PROGRAM: PRE-REFORM

In 1981, the Guaranteed Student Loan program guaranteed loans to 3,529,000 students. Total loan volume that year was $7.8 billion. Eligibility criteria had steadily been expanded since 1978 and were generous; any student, regardless of family income, was allowed to borrow under the program. Between 1978 and 1981 the median income of student participants increased by 41 percent.

PROGRAM REFORMS: 1981–1986

The 1981 Omnibus Reconciliation Act reformed the Guaranteed Student Loan program in 3 ways:

1. limited borrowing to the "assessed financial need" for students with family incomes over $30,000.

2. imposed a five percent origination fee on all student borrowers.

3. increased interest on the auxiliary parental loan program from 9% to 14%.

No other major changes have been made in this program. The program must be reauthorized in 1986.

EFFECT OF PROGRAM CHANGES

New loan volume dropped $1.7 billion, from $7.8 in 1981 to $6.1 billion in 1982, but increased to $7.5 in 1985 (estimate).

The number of student borrowers decreased 800 thousand, from 3.5 in 1981 to 2.8 million in 1982, but increased to 3.2 million in 1985 (estimate).

The effect of the legislative changes has been greater than originally projected. One reason for this is that many eligible students did not realize they were still eligible after the reforms and so did not apply for loans. Other possible reasons are that more upper-income students were borrowers in 1981 than anyone had thought, consequently the needs test and $30,000 benchmark produced greater than estimated savings.

JUSTIFICATION OF PROGRAM CHANGES

Borrowing had ballooned under this program, increasing from $1.5 billion in loans in 1977 to $7.8 billion in loans in 1981.

Generous federal subsidies are not necessary for loans to high income families who have no need for them. Many families were taking advantage of the heavily subsidized interest rates on GSLS by taking our student loans and investing them at higher interest rates.

The long-term federal cost of the program was excessive—roughly 50 cents for every dollar loaned.

PROGRAM COSTS

Program costs are very sensitive to interest rate fluctuations. Costs declined in FY 1984 but increased in FY 1985. The legislative changes will affect mostly long-term federal costs, not immediate costs.

Appropriation

[In millions of dollars]

Fiscal year:	
1980	1,609
1981	2,807
1982	3,074
1983	3,080
1984	2,256
1985	3,325
1986	3,266

BACKGROUND MATERIAL: DEMOGRAPHICS, ECONOMICS, ETC.

Last year, both public and private post-secondary institutions increased their tuition cost at a rate higher than inflation. Between the 1983–1984 and the 1984–1985 academic years, public institutions increased tuition by roughly 10 percent and private institutions by 13 percent. Between October 1984 and October 1985, the CPI increased by 3.2 percent. Higher education experts predict that tuitions will continue to increase higher than inflation in the near-term.

Total post-secondary enrollments are projected to remain fairly stable, hovering around 12 million between 1980 and 1990, although the enrollment of the traditional "college-age" population (ages 18–21) will decrease from 5.3 million in 1980 to 4.4 million in 1990.

PELL GRANTS

The Pell grant program provides financial aid money to economically disadvantaged undergraduate students.

1981 PROGRAM: PRE-REFORM

In 1981 the Pell grant program provided grants for 2,709,000 students averaging $855 apiece. Since 1978 the program has steadily increased as Congress expanded eligibility for middle-income students. Between 1978 and 1981 the median income of student recipients increased by 33 percent while the median income of all students increased by 28 percent.

PROGRAM REFORMS: 1981–1986

Several program reforms were adopted between 1981–83.

1. The Omnibus Reconciliation Act of 1981 capped the program authorization at $2,650 million for FY 1982; $2,800 million for FY 1983; and $3,000 million for FY 1984.

2. In December 1981, the Continuing Resolution contained language that offset a student's Pell grant by the amount of any student social security benefits or one-third of veteran's educational benefits also received by that student.

3. This provision was modified one year later to include only a student's social security benefits; veterans' benefits no longer offset the amount of Pell grant-received.

4. The program regulations now require middle-income families to contribute a greater portion of their discretionary income toward their children's education.

5. From FY 1981 to FY 1982 the maximum award was increased from $1670 to $1800; from FY 1983 to FY 1984 the maximum award was increased from $1800 to $1900.

The program will be reauthorized in 1986.

EFFECT OF PROGRAM CHANGES

The effect of these various program changes has been to refocus the program on serving the lowest-income students. The total number of students receiving awards has decreased since FY 1980, but the size of the average award has increased.

Academic year	Number of recipients	Average award
1980	2,810,000	$850
1981	2,779,000	827
1982	2,609,000	928
1983	2,759,000	1,014
1984	2,806,000	1,085
1985	2,954,000	1,269
1986 (estimated)	2,759,000	1,295

JUSTIFICATION OF PROGRAM CHANGES

The federal government's primary responsibility is to provide student financial assistance to students from the lowest-income families. The Pell grant program had started to divert resources away from this income group towards middle-income families.

PROGRAM COSTS

Budget authority

[In millions of dollars]

Fiscal year:	
1980	2,415
1981	2,346
1982	2,419
1983	2,769
1984	3,100
1985	3,702
1986	3,434

BACKGROUND MATERIAL: DEMOGRAPHICS, ECONOMICS, ETC.

Last year, both public and private post-secondary institutions increased their tuition cost at a rate higher than inflation. Between the 1983–1984 and the 1984–1985 academic years, public institutions increased tuition by roughly 10 percent and private institutions by 8 percent. Between October 1984 and October 1985, the CPI increased by 3.2 percent. Higher education experts predict that tuitions will continue to increase higher than inflation in the near-term.

Total post-secondary enrollments are projected to remain fairly stable, hovering around 12 million between 1980 and 1990, although the enrollment of the traditional "college-age" population (ages 18–21) will decrease from 5.3 million in 1980 to 4.4 million in 1990.

From 1976 through 1980, the proportion of low-income young people who were enrolled in college had steadily declined. In 1976 nearly 22.1 percent of young people aged 18–24 with family incomes below $10,000 were enrolled in college.

Mr. DOMENICI. I thank the Chair.

AMENDMENT NO. 2004

(Purpose: To provide additional savings under student assistance programs)

Mr. STAFFORD. Madam President, I send an amendment to the desk and ask for its immediate consideration and to be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD], for himself, Mr. DOLE, and Mr. PELL, proposes an amendment numbered 2004.

Mr. STAFFORD. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 304, after line 20, add the following:

ADDITIONAL STUDENT ASSISTANCE SAVINGS PROVISIONS

SEC. 195. Notwithstanding any other provision of this Act, or the amendments made by this Act—

(1) the maximum amount for a Pell Grant under section 411(a)(2)(A)(i) of the Act shall be—

(A) $2,300 for academic year 1987-1988.

AMENDMENT NO. 2005

(Purpose: To provide additional savings under student assistance programs)

Mr. DOLE. Madam President, I send an amendment to the desk in the nature of a substitute and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 2005 to amendment numbered 2004.

Mr. DOLE. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

ADDITIONAL STUDENT ASSISTANCE SAVINGS PROVISIONS

SEC. 195. Notwithstanding any other provision of this Act, or the amendments made by this Act—

(1) the maximum amount for a Pell Grant under section 411(a)(2)(A)(i) of the Act shall be—

(A) $2,300 for academic year 1987-1988.

(B) $2,500 for academic year 1988-1989,

(C) $2,700 for academic year 1989-1990,

(D) $2,900 for academic year 1990-1991, and

(E) $3,100 for academic year 1991-1992;

(2) the per centum to be applied under clause (iii) of section 438(b)(2)(A) of the Act shall be 3 per centum; and

(3) a student shall qualify as an independent student for an award year if, in addition to the requirements otherwise applicable, the student demonstrates to the satisfaction of the institution, in accordance with guidelines prescribed by the Secretary, how, for any of the relevant years prescribed, such student was self-supporting.

Mr. DOLE. Mr. President, what we are trying to do with this amendment is make certain we are going to have the administration's support when we are finished.

I certainly commend the distinguished managers of this bill, Senator STAFFORD, Senator PELL, and all members of the committee, and all those who worked so hard on this legislation.

This is not a major amendment in the sense as you view the entire range of programs. What the amendment does is reduce the maximum levels of Pell grants to $2,300 for fiscal year 1987, $2,500 for fiscal year 1988, $2,700 for fiscal year 1989, $2,900 for fiscal year 1990, and $3,100 for fiscal year 1991.

These levels reflect the same levels that are in the House-passed bill—an increase over current law. The maximum grant under current law is $2,100. S. 1965 will increase it to $2,400. This amendment will reduce the maximum grant for 1987 to $2,300. It seems to be a very reasonable amendment. That is the first part of the amendment. It will mean additional savings.

The amendment offered by the distinguished chairman of the Education Subcommittee and myself represents changes that the administration requested. When I met with Secretary Bennett and the chairman of the subcommitee, I explained to them, I felt we ought to bring the bill up. S. 1965 should be passed. It should be dealt with. There should be some increases in student financial aid, balanced by savings. Secretary Bennett was very receptive. However he did indicate there were about six different items that they would like to see changes on. The administration intended to support the bill. Nobody up there from the administration is opposing this legislation. I think that is very significant. I think it is a very generous bill.

I want to again commend the Senator from Vermont and the Senator from Rhode Island, Senators STAFFORD and PELL.

The amendment also decreases the so-called special allowance from the 3.25-level in S. 1965 to a flat 3-percent. The House bill contains a 3.5-level. There will be plenty of room for compromise when the bill goes to conference.

Further, the Senate already voted last year in Gramm-Rudman the 3.0 level. So again we are just reaffirming what 70-some Members in this body voted for in Gramm-Rudman.

There are savings in 1987 of $226 million; $271 million in 1988; $302 million in 1989; $327 million in 1990; and $353 million in 1991. Over the 5-year period of the authorization, S. 1965 saves about $1.5 billion more than the bill reported from the committee.

There is new language to tighten the definition of independent students but actual savings from this provision as I understand it are insignificant.

So, Madam President, it seems to me that this is an opportunity, to vote for deficit reduction. All I suggest is going to the House level, as far as Pell grants are concerned and reducing the so-called special allowance from 3.5 to 3.0. It seems to me the amendment deserves serious consideration and I hope it might be accepted by the managers of the bill.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Madam President, I find it painful but I felt it was the right thing to do to cosponsor this amendment. Cosponsoring this amendment secures the support of the administration, and I felt that was important when they count noses.

The amendment simply puts the Pell Grant maximum at the $2,300 level which is what it is in the House bill. Naturally, I would like the original amount. But, this level is reasonably acceptable within the higher education community. The $2,300 is $200 above the current maximum and would increase by $200 each year. The reduction in special allowance from 3.25 to 3.0 seems correct if we are to have the maximum benefit of this legislation directed to the students and not just the banks.

Also, by doing that, it saves a quarter of $1 billion over the length of the authorization. Tightening the independent student definition would prevent abuse in the Pell Grant Program by students who are not truly indepedent. I think the important thing here is the arithmetic because the bill, which I would add, was approved unanimously by our committee, would still be $900 million over the budget resolution. The opponents of this bill have zeroed in on this point. This amendment brings that number down to $674 million over the budget, which is a more acceptable figure. For these reasons, I would recommend that we accept this amendment although, as I say, I find it a painful vote to make.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Madam President, I can understand the feelings of the most able ranking minority member of our committee, Senator PELL. I wish we had a lot more money available for education. I wish we were not having to look at a deficit target even reduced of $144 billion next year. I wish we were not having to look to a $2 trillion national debt. But we do. And as has been pointed out, a heavy majority of the Members of this body voted for Gramm-Rudman which did cut the allowance of the banks to 3.1 percent. So in the light of reality, we have had to make adjustments in this amendment

from the bill which came out of committee by a unanimous vote.

As I said, I offered this amendment today because of the concerns which have been raised by a number of Members, and by the administration regarding the cost of S. 1965. Although we cut over $2 billion from current authorization we felt it was needed to further reduce spending in the areas that have been outlined by the majority leader and the most distinguished Senator from Rhode Island.

Mr. President, of all of these items the only one which gives me any pause is the maximum Pell grant reduction of $100 for next year and succeeding years.

The independent student definition change is really to give the Secretary more authority to restrict those who abuse the student aid system. Our concern here is families with financial means not be relieved of their rightful responsibilities to help pay for their children's education.

The third part of this amendment is ironically the most controversial. Madam President, it is time we stop worrying about what is convenient for the banks in this program, and start worrying about what is good for the students and the American taxpayer.

When this amendment was first discussed the staffs of some of our colleagues even suggested that to reduce costs we cut the amount of loan students could receive rather than cut the banks' profits. This is one suggestion this Senator will fight strongly.

Once again, students are given the short end of the stick while those who make the profits from the program are given higher priority.

Let me remind my colleagues that this is the only student aid program for students from middle-income and low middle-income families. Why should the so-called needs of banks be put ahead once again of the needs of middle-income and low middle-income families? This is the first time in 17 years that the loan limits for guaranteed student loans have been increased. it is the first increase in student aid that middle-income and low middle-income families have received in that 17-year period.

I will have to oppose any efforts to take away the modest increases that these families will receive under S. 1965 just to protect the bank profits, although believe me I have nothing against banks or making profits.

Mr. President, I urge adoption of the pending amendment. It is reasonable. It will save over $220 million the first year, and the additional amounts mentioned by the majority leader, and in our judgment it will not harm the program's effect in any manner.

I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Madam President, with great reluctance I oppose the three preceding speakers. I ask for a rollcall on this amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMON. As I say, I rise with reluctance to oppose the Senator from Vermont, and the Senator from Rhode Island who are not only my seniors in terms of service in this body, but infinitely my seniors in the contribution they made in this field of higher education.

I have told on call-in radio programs and other places my high regard for the distinguished majority leader. I hope it does not ruin his political chances and his political future. But it is with reluctance that I oppose these three fine Senators.

Why? Very simple: No. 1, it was not very long ago that we had a hard time getting banks to make student loans. And so we had this 3½-percent allowance for the banks. Two years ago or 2½ years ago I introduced a reauthorization bill in the House for bringing it down to 3¼ percent. We had a lot of banks that said, "We don't know if we are going to stick with the Student Loan Program." But we have that in this bill. I think the banks have reluctantly accepted that.

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Whether they are going to be interested in making student loans with 3 percent, I do not know. But I think we are jeopardizing this student program, and I think we are fooling ourselves if we do not recognize that.

Second, when you drop that allowance down from $2,400 to $2,300 on the Pell grants, you do two things: No. 1, you discourage young people of modest means from going to college. That is a reality. How many? I cannot tell you, but it is tens of thousands.

What has been happening these last few years is that college costs have been escalating more rapidly than our student loan grant increases. So what was a trend of an increasing percentage of blacks, Hispanics, and rural poor whites, going to college has tapered off. That is not good news for the Nation.

A second thing you do when you lower that $2,400 to $2,300 is you do something that every study I have seen says does not make good economic sense. That is, you shift over to the loans rather than the grants, and in the long run it costs the Federal Government more money.

The Grace Commission said we ought to be keeping loans down and relying more on grants because the loans in the long run cost us a heck of a lot more money. And yet we are doing precisely the opposite of what the Grace Commission recommended.

We have to face the reality we are in a competitive world. John Young, chief executive officer of Hewlett-Packard, was appointed by President Reagan to head a national commission to look at our industrial competitiveness. He made a report, he and the other members of that commission, that said, "This country has to face up to it that we are not competitive as we should be in this area of education."

And they are right. We are going to have to catch up.

Why did the United States move into the position of economic dominance? Well, for a long time Great Britain was the economically dominant nation on the face of the Earth. Then Great Britain started to coast. The United States came along with our education programs and shortly after the turn of the century we started to pull ahead.

Now, I say to my friends, we are starting to coast. It is not simply in higher education; it is in elementary and secondary. We are going to pay for it someday if we continue to coast.

We talk about computers and there is the old phrase garbage in, garbage out.

I say to my friends, as a nation, if we want to move ahead, it is quality in, quality out. If we do not put the quality in, we are not going to get quality out.

One other point: The authorization for the Secretary of Education to define the independent student status. That sounds fine in theory but the reality is we have had to define because Secretaries of Education have been under the thumb of OMB. While the present Secretary of Education is an extremely able person, I have not seen him sneeze without checking with OMB. If anyone here thinks the Secretary is going to make a definition of the independent student that does not please OMB, believe me, he is living in a dream world.

And finally, the point is made that this violates the budget. Well, it violates the budget as passed by the Senate, but it does not violate the budget that we are realistically probably going to agree with with the House. The House figures on education are appreciably higher than ours. So it conforms to what is likely to ultimately happen.

I think this is pennywise and pound foolish. It is not the kind of step that we ought to be making for the future of our country.

The bottom line is, how do we build the future of our country? Does this improve the future of our country or does it not? I think you have an awfully hard time coming to any conclusion other than it does not help the future of our country.

So, Madam President, with all due respect to these three fine colleagues who have spoken in behalf of this, I hope we reject this amendment.

Mr. KENNEDY. Madam President, I oppose this attempt to reduce the maximum Pell grant award from $2,400 to $2,300.

Many Senators will argue that this is a good bill—a great bill, given the current climate—and that a 1-year cutback of $100 is an unimportant matter. Throw the administration a bone they say, so that this worthwhile legislation can pass.

But $100 in student aid for the 2 million Pell grant recipients whose family incomes are below $15,000 is a very important matter indeed. And it is adding insult to injury to throw a bone to the administration that has already cut education to the bone.

The increase in the maximum Pell grant award from the current level of $2,100 to $2,400 in the bill before us had unanimous bipartisan support from the subcommittee and the full committee.

I regret this effort instigated by the administration to wring a few more dollars out of the consensus we had reached.

Since their origin in 1972, Pell grants have brought hope to millions of low-income families seeking a better life through education for their children.

I deplore the petty and insensitive budget-cutting mentality of the administration, which insists on slashing the one education program that serves a majority of low-income students. Once again, the poor and less fortunate of our country are being called upon to bear the sacrifice of the administration's misguided priorities on the budget.

We are all aware of the soaring cost of higher education. Over the past 5 years, the increased price tag for attending college has exceeded the inflation rate in the economy by 21 percent at public colleges and 19 percent at private colleges.

And while these costs have been skyrocketing, the purchasing power of Pell grants has plummeted.

At an average 4 year college, the maximum current grant of $2,100 now pays only 39 percent of the cost of public education. When the program began in 1972, it provided over 60 percent. So we have lost substantial ground in the past decade—and today the administration is asking us to retreat by yet another step.

As a result of the continuing decline in Pell grant buying power, many young Americans who are poor do not even attempt to go to college. Thousands of other low-income students are piling up major debts, because they have turned to student loans to make their college education possible.

Inevitably, as the debt burden increases, more and more students are unable to repay their loans.

And many educators are concerned that the rising tide of debt is forcing able students to choose their careers by putting the dollar first, instead of pursuing their real interests for the future. Pell grants are our best effort to meet that problem by offering students some hope that they can afford an education which does not leave them mired hopelessly in overhanging debt.

Education is America's best hope for the future. It is essential that we do more, not less, to expand opportunities for higher education. The amendment now before us is an unfortunate step backward from that goal, and I urge the Senate to reject it.

Mr. HATCH. Madam President, I vote for this package reluctantly because I am not certain that it is the best cost-saving measure.

Because I am concerned that students have access to the private loan capital available under the Guaranteed Student Loan Program, I now vote for a 3.0 special allowance to lenders in that program only with the full expectation that after conference with the House, whose bill contains a 3.5 special allowance rate, we will compromise at 3.25. I believe that this reduction from current rates, along with reasonable, but costly procedures enacted in this year's reconciliation bill, is as far as we can go in having lenders bear the burden of savings in the GSL Program before we run a serious risk of hurting students. Let us never forget that a lender is not hurt by dropping out of the program—the lender simply goes on to a more profitable loan portfolio mix. However, if enough private lenders leave this program, there very well may not be sufficient access for students to the vital capital for meeting educational costs provided by the GSL Program. I worry particularly because some financial institutions in the West have already dropped participation in this program.

Second, I understand that the realities of our deficit and budgetary straits urge us to cut costs. Thus, I reluctantly recognize tht we may need to lower the maximum awardable Pell grant. However, I am deeply concerned that, in this package, we do not also somewhat lower the GSL loan limits we very generously raised in S. 1965. My concern is twofold. First, at second look, these higher limits may allow some students to carry a higher than advisable debt burden. Second, I believe that, if we are to cut the Pell program for our neediest students, we should also be trimming this middle-class entitlement program as well.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Madam President, I know the hour is late and Members are eager to dispose of this matter tonight. I think the managers also want to finish soon.

I would simply say that, as I mentioned earlier when the Gramm-Rudman-Hollings amendment was first voted on in the Senate, that part of that package was to reduce the administrative fee to the banks to 3 percent. I do not know how the distinguished Senator from Illinois voted on Gramm-Rudman. If he voted for it, he voted for 3 percent. I would yield for a response.

Mr. SIMON. I certainly voted for Gramm-Rudman because we need to pull things out. I did not vote for any 3. Gramm-Rudman was a sweeping kind of a thing that said we had to set certain targets and meet those targets. I am willing to work on programs to meet them, but I do not think we ought to cut the future of our country to do it.

Mr. STAFFORD. I think the distinguished Senator has responded. Gramm-Rudman did, as we understand it, reduce the GSL's fee to 3 percent. It also cut actual Pell grant funding by over 4 percent for next year's students.

I want to say, and this is all because I know we want to conclude, that whatever has been the impact of legislation recently on banks, student loans have gone from $2.9 billion in fiscal year 1979 to $9.15 billion in 1986. So at this point I do not think the Senator from Vermont is seriously concerned about the welfare of banks. I join with the able Senator, who I know has spent so much of his time in both the House and this body in his concern over the welfare of the educational assistance in this country. In the straits of the situation in which we find ourselves, we felt these are steps that we should recommend to the Senate. I hope they will be adopted.

Mr. DOLE. Will the Senator yield for a question?

Mr. STAFFORD. Certainly.

Mr. DOLE. I heard reports that some of the banks compete for these students and some even give prizes. Is that correct?

Mr. STAFFORD. It is the understanding of this Senator that a few radios and other prizes have been handed out to students who had borrowed from certain banks in this country.

Mr. DOLE. It would seem to me, since we had an overwhelming vote on this in Gramm-Rudman, and banks seem to appreciate this program and actually compete, they are very competitive in trying to reach students, I would think that a reduction from 3.5 to 3.0 is acceptable for the special allowance. I do not know how much

money this amounts to, but it makes sense to this Senator.

Mr. STAFFORD. I thank the Senator for his observation.

Mr. PELL. Madam President, I have listened with great interest to the words of the Senator from Illinois. I find myself unable to disagree with anything he has said. I recognize the merits of his arguments. But also speaking as a member of the subcommittee, I felt a sense of responsibility to get out a bill that could not possibly be vetoed, one that would have a broad consensus of support. That is what I believe we have done. This is why I mentioned earlier, that very painfully I have agreed to cosponsor this amendment and will be voting that way.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the Dole substitute amendment. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. ABDNOR], is necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota [Mr. ABDNOR], would vote "yea."

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Iowa [Mr. HARKIN], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 60, nays 34, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—60

Andrews	Grassley	Murkowski
Armstrong	Hatch	Nickles
Bentsen	Hatfield	Nunn
Boschwitz	Hawkins	Packwood
Chafee	Hecht	Pell
Chiles	Heinz	Pressler
Cochran	Helms	Proxmire
Cohen	Hollings	Quayle
D'Amato	Humphrey	Roth
Danforth	Kassebaum	Rudman
Denton	Kasten	Simpson
Dole	Laxalt	Stafford
Domenici	Leahy	Stevens
Durenberger	Levin	Symms
East	Lugar	Thurmond
Evans	Mathias	Trible
Garn	Mattingly	Wallop
Goldwater	McClure	Warner
Gorton	McConnell	Wilson
Gramm	Mitchell	Zorinsky

NAYS—34

Baucus	Ford	Metzenbaum
Bingaman	Glenn	Moynihan
Boren	Gore	Riegle
Bumpers	Hart	Rockefeller
Burdick	Heflin	Sarbanes
Byrd	Inouye	Sasser
Cranston	Johnston	Simon
DeConcini	Kerry	Specter
Dixon	Lautenberg	Stennis
Dodd	Long	Weicker
Eagleton	Matsunaga	
Exon	Melcher	

NOT VOTING—6

Abdnor	Bradley	Kennedy
Biden	Harkin	Pryor

So the amendment (No. 2005) was agreed to.

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Mr. STAFFORD. Madam President, I move to reconsider the vote by which the amendment was adopted.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the Stafford amendment, as amended.

Is there further debate? If not, the question is on agreeing to the amendment, as amended.

The Stafford amendment (No. 2004), as amended, was agreed to.

Mr. STAFFORD. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the committee amendment, as amended.

Is there further debate?

Mr. THURMOND. Madam President, as a member of the Senate Subcommittee on Education, I am pleased to be a cosponsor of S. 1965, the Higher Education Reauthorization Act. There are certain principles with which I agree that are consistently maintained in the provisions of this legislation. Specifically, it is prudent to reduce current authorizations to more reasonable levels, in view of past appropriations. Programs which have been authorized, but never funded, should be terminated. During the budgetary crisis which we are experiencing, it is logical that costly, new programs should be avoided.

The Higher Education Act is intended to be an investment in the future of the student-beneficiaries, as well as an investment in the future of America. It is reasonable to require students who benefit from Federal aid to be serious in the pursuit of their education, and to maintain certain minimal academic standards. Such standards are included in this legislation. Reforms are needed to equitably contain the huge costs of these programs. This bill endeavors to reduce costs by making administrative changes in the programs, without reducing opportunities for students to obtain Federal financial assistance. However, this legislation would require all students to demonstrate need prior to obtaining financial aid. Prior to being eligible for a Pell grant, a student would have to demonstrate financial responsibility by contributing $800 toward the cost of his or her education.

I am very proud to have been actively involved in the reauthorization process for institutional aid programs. This legislation appropriately recognizes the educational contributions which historically black colleges and universities, as well as 2-year institutions, have made to minority and economically disadvantaged students. Institutions eligible for title III assistance have unique problems. This legislation reflects our strong interest in assisting these institutions to solve these problems, and to stabilize their management and fiscal operations.

Since the Higher Education Act was enacted in 1965, millions of Americans have been able to achieve the American dream of obtaining a postsecondary education. I have often said that there is no area more important to the future of our Nation than education. However, I feel that States, which have the primary responsibility for education, should make greater efforts in this vital field. This bill provides the students of today and tomorrow with opportunities to improve their country and themselves. Accordingly, I urge its passage.

Mr. QUAYLE. Madam President, I rise in support of S. 1965, a bill to reauthorize the Higher Education Act through 1991. I am pleased to be a cosponsor of this legislation as well as to have had the opportunity to work on this important legislation as a member of the Education Subcommittee, so ably chaired by the Senator from Vermont, Mr. STAFFORD.

S. 1965 reaffirms the Senate's commitment to higher education in this Nation. Since the enactment of the Higher Education Act in 1965, millions of students have had the doors of higher education opened to them, and many of those students have been low income and disadvantged. This bill before us today continues this 20-year commitment and shores up the most essential of the programs in the Higher Education Act, the student aid programs.

Before remarking on several key aspects of the legislation, I want to commend both the chairman and the ranking Democratic member of the Education Subcommittee for their work on this bill and for their dedication and commitment to ensuring viable higher education programs. Their leadership has been key, and both Senator STAFFORD and Senator PELL should be credited for the long hours and great efforts they have put into this bill.

The Higher Education Act has provided billions of dollars over the last 20 years to millions of students to enable them to pursue a postsecondary education. Millions of dollars have been spent as well in awards to institutions of higher education for a variety of reasons—such as the improvement

of outreach activities for disadvantaged students, support of historically black colleges and universities and developing institutions, seed money to create cooperative education programs between higher education and business, and support for the construction and renovation of academic facilities. These programs as well as the student aid programs, notably the Pell Grant Program and the Guaranteed Student Loan Program, have generally been successful, and as a result, this bill does not, for the most part, alter the structure of the Higher Education Act.

However, we have been sensitive to the growing cost of higher education and the limits of our Federal budget. With those guidelines, we have fashioned a bill that places 90 percent of its resources into student financial assistance, as opposed to institutional assistance, and we have eliminated a number of programs that have lacked strong support in Congress.

The student aid proposals contained in S. 1965 reflect two growing trends of our society. The first trend is the increasing cost of higher education. To help needy students meet those costs, we have increased the size of the Pell Grant, the Basic Education Grant, as well as the Supplemental Educational Opportunity Grant Programs, and we have increased the amount of money a student or his or her parents can borrow under the National Direct Student Loan Program, the Guaranteed Student Loan Program, and the unsubsidized loan programs.

At the same time, we have chosen to refocus the Pell grant aid, guaranteed student loans, and the campus-based aid on needier students. For instance, we have placed an income eligibility cap of $30,000 family income on the Pell Grant Program to ensure that these aid dollars go to the students who need them the most. Similarly, we have changed the eligibility requirements for a guaranteed student loan [GSL] so that every student must document a need to be eligible for a loan.

Realizing that costs are increasing, and that the Federal Government can help but cannot do the whole job, we have also included an up-front self-help contribution by the student of $800 before the student can be found eligible for loans or campus-based aid.

The second trend that has influenced this legislation is the decrease in the number of "traditional" college students, and the increase in the "nontraditional" students attending colleges. Statistics show that between 1985 and 1995, the number of 18- to 24-year-olds will decrease by 18 percent. In the next 3 years, the decrease will be approximately 8 percent. And yet, college attendance is remaining fairly stable. This is because of the older student who is returning to school for further education or job-related training that many larger, urban universities and 2-year and proprietary schools are now offering. Because many of these students are heads of households, often single mothers with children, we have added several provisions to make it easier for these "nontraditional" students to get a postsecondary education.

One change that was made, for example, was based on legislation that I had introduced in earlier years to assist dislocated workers. A new provision in S. 1965 will allow workers who have been laid off to apply for student aid based on their current income, rather than the previous year's income when they were employed. This is a very small, simple change, and yet it will have a large impact on many dislocated workers who seek further education.

Another change is to treat single independent students that have children as a family unit for purposes of assessing their living expenses. Prior to this change, single independent students with children, such as single mothers, had their income assessed at a 75- to 90-percent rate for single individuals, despite the children supported on that income.

This legislation seeks a balance between the receipt of grant and loan aid to students. S. 1965 will target more grant aid to the neediest students, while allowing students with more resources to rely more heavily on the loan programs. One problem that was found during the congressional oversight hearings was that many low-income students are becoming overburdened by loan debts and not being able to carry those debts. I hope that with the changes and flexibility that are contained in S. 1965, student aid officers will design aid packages that will not overburden the lower income, disadvantaged student with too much loan debt, particularly in the early years of a college career.

In the area of institutional aid, S. 1965 strikes a balance between what is needed and what the Government can afford to provide. Most of the programs are continued at their current levels with a 5-percent inflator for each year. As S. 1965 is an authorization bill, I believe this is reasonable.

S. 1965 would eliminate several programs that have never been funded or that have not received funding recently. These include the programs under title I, Continuing Postsecondary Education, with the exception of the National Advisory Council on Continuing Education; the National Periodical System; certain teacher training programs, with the exception of the Carl Perkins Scholarship Program and the National Talented Teacher Fellowship Program, renamed in honor of Christa McAuliffe; and title XI, the Urban Grant Universities Program.

Significant changes have been made to title III, the Institutional Aid Program to assist historically black and developing colleges and universities. A new program to award grants to black colleges and universities has been created and a simplified program of assistance for other needy schools has been written.

No new major spending programs have been included in S. 1965, in an effort to keep the costs of the bill in line with our available Federal resources. While S. 1965 includes sizable increases in both the Pell grants and the GSL loan limits, I would support an amendment to reduce those increases to bring them more in line with our budgetary constraints. Because the maximum Pell grant is currently at $2,100, the increase contained in S. 1965 to $2,400 could be reduced to $2,300 without having an ill effect on any student. It is unlikely that appropriations will increase so rapidly to make up that $200 difference in the near future.

I would also support some slight reduction in the borrowing limits of the GSL Program. I have been a strong supporter of the GSL Program and feel it has worked quite well, but the problem of defaults is a serious one, and lowering loan limits, while saving dollars, would also have the potential of reducing defaults.

I have worked hard to see that many provisions are contained in S. 1965 to help reduce defaults. I was pleased that my earlier legislation, S. 491, the Student Loan Collection Improvement Amendments, was enacted as part of the reconciliation legislation for fiscal year 1985. I have continued to press for additional language in S. 1965 to help reduce defaults, improve the counseling that students receive in relation to their loans, and to improve repayment strategies. The new loan consolidation plan that is contained in this bill will assist many students to better manage their obligations to the Federal Government. Combined payment and graduated repayment plans are two other ideas that I worked to see included in the bill.

I am also pleased that the current system of lending and guarantor activity has not been restricted through unnecessary State regulation. I firmly believe that it is unwise and inconsistent with the trends in our national banking system to attempt to restrict access of students to GSL lenders. The GSL Program can only succeed and meet its mandate if there are private lenders willing to put forth their private capital to make loans to eligible students.

I would also like to mention that the changes we have made in the GSL Program will result in savings over the next 3 years. Beyond that, the increase in borrowing limits would add some cost to the program, which is why I will support a reduction in the

borrowing limits. Two significant changes, in addition to the required needs test for all students, that have been made are to increase the interest rate to the students when they enter repayment from 8 to 10 percent. With the repayment options that are contained in this bill, a 10-percent repayment should not place too great a burden on the borrower. Also, I agree with my colleagues that students should take a greater responsibility for repayment upon graduation. I fully support the provision of access to higher education for all students, which is why the GSL Program is so important. However, after graduation, the Federal subsidy is less important.

The other change we made to the program is a reduction in the special allowance payments made to lenders who participate in the program. S. 1965 would reduce the current 3.5-percent special allowance payment to 3.25 percent. This reduction of a quarter point will result in savings, and I believe that the lenders will be able to continue their participation in the program at that level.

There are many other very commendable aspects of S. 1965, which I will not discuss. However, I would like to briefly touch on several that I have had an interest in.

First, the committee amendment that will be offered includes a revision to a bill I introduced last year, S. 1501, to allow deferment to repayment of a GSL for maternity leave. S. 1501 has been revised to allow a 6-month deferment, for natural birth or adoption of a child up to 3 years of age.

Second, S. 1965 includes a stricter definition of independent student for purposes of determining eligibility for student aid programs. I will support amendments on the floor to tighten this definition even more.

Third, S. 1965 includes a provision to allow students at proprietary schools to be eligible to receive college work/study funds for certain jobs on the campus. I offered this amendment in committee consideration of the bill and feel that it is only equitable that students who are pursuing legitimate educational degrees at proprietary institutions be eligible for the same types of aid as students at other schools.

Fourth, as mentioned above, all students applying for a GSL will now have to show need in order to be eligible for a loan. I have strongly supported this move to full-needs analysis for all students for several years and am very pleased this change is in S. 1965.

At this time, I want to bring to my colleagues' attention a group in Indiana that helped me enormously as I worked on this legislation as a member of the Committee on Labor and Human Resources. The Indiana Conference of Higher Education convened a group of over 170 higher education experts in our State to review the Higher Education Act and to make recommendations to me on what changes they would like to see in the act. I am pleased to say that many of their recommendations have found their way into S. 1965. Additionally, I have received a great deal of input from individuals involved with higher education in our State throughout the process of writing this bill, and I am deeply in debt to them all for their assistance.

As we begin to consider amendments to S. 1965, I hope my colleagues will keep in mind the commitment that all members of the committee made to keep off extraneous and new spending programs. We have brought a clean bill to the floor, one not laden down with excess or new programs that probably will not get funded.

Despite our efforts to keep the bill clean and in line with budget targets, we have been approached by the Department of Education about a number of changes that can be made to achieve additional cost savings over the 5-year period. One change is to reduce the maximum Pell grant, as I mentioned earlier. This is a change I will support. However, I will also support a change to reduce GSL loan limits at the same time. I do not believe grants for the low income should be cut to spare reductions to the GSL Program, which serves a different population. I will also support a tightening of the independent student definition.

In closing, let me again voice my support for S. 1965. I look forward to working with the chairman of the subcommittee, as well as the distinguished chairman of the full committee on seeking a resolution to the proposed cost-cutting amendments, which I believe will ultimately strengthen our bill. We have had a good bipartisan working relationship on this bill, which is a clear demonstration of the desire to get this bill through the Senate and through conference with the House prior to the programs' expiration on September 30, 1986.

I urge my colleagues to vote for S. 1965 to continue the Federal support for student financial assistance to enable millions of needy Americans to obtain a college degree or further training. The future of our Nation relies on a well-educated citizenry and a well-trained work force. The Government has helped to provide access to higher education to many students over the last 20 years. This bill will continue to provide access to needy students and to ensure that every American has the opportunity to a higher education.

Mr. HELMS. Madam President, I will vote for the Stafford amendment because I support two of its provisions, but I am concerned about the provision to reduce to 3.0 percent the lenders special allowance for the Guaranteed Student Loan Program.

Under current law, the taxpayer pays 3.5 percent. S. 1965 would lower the fee to 3.25 percent. A provision in this package would reduce this contribution to 3.0 percent.

Let there be no misunderstanding: I do not favor using the taxpayers' money to line the pockets of the American banking industry. On the other hand, we must be realistic. Banks are like any other business. They are out to make a profit, and it would be foolish to ignore the fact that reducing the fee to 3.0 percent will serve to eliminate the banks' incentive to make guaranteed student loans. If we're going to save money by reducing the fee one-quarter of 1 percent, we might as well save a bundle by reducing the fee to zero. Either way, the effect would be the same—the banks won't be making the loans.

Of course, Mr. President, it can be argued that if banks are unwilling to lend the money, the students won't suffer because the states are not lenders of last resort. Section 16016 of the Omnibus Budget Reconciliation Act of 1985, now Public Law 99-272, provides that each state, the guaranty agency or an eligible lender will provide loans to students who are eligible for the guaranteed student loan but unable to obtain the funds.

But isn't it true, Madam President, that if the banks close their doors to the students, the states or their lending agencies will then be the primary providers of the guaranteed student loans? Certainly. And in that event, the States will be required to use their own capital to pay loans, forcing them to divert their funds away from more profitable investments or away from needed services.

A number of citizens of my State have expressed concern about this provision. They are convinced that the ones who will really suffer are the students, not the banks. The banks will look to other sources of investment.

The House bill does not change the special allowance, and therefore, it remains at 3.5 percent. It is my hope that, if this amendment is adopted, the conferees will agree that the special allowance should be no lower than 3.25 percent. Anything less could result in an evaporation of available moneys for this program.

Mr. PRESSLER. Madam President, I rise today in support of S. 1965, the higher education amendments. As an original cosponsor of this legislation, I want to commend Chairman STAFFORD, Senator PELL, and the Education Subcommittee staff or their hard work in carefully crafting this important legislation. Funding for education is, in my view, one of the wisest possible investments in our future. I know that my colleagues, the managers of this legis-

lation, share this view. Senators STAFFORD and PELL have brought a bill to the floor which maintains the spirit of fiscal restraint and enjoys widespread bipartisan support.

There is one particular area I would like to discuss briefly. This is the issue of university research capabilities and the dwindling numbers of graduate students in areas of national needs. As my colleagues know, I recently introduced legislation which addresses this problem. The Strategic Defense Education Act of 1986, is comprehensive legislation aimed at rebuilding our science and technology base.

The Soviet launching of Sputnik I in October 1957 promoted Congress to enact the National Defense Education Act of 1958. This massive education program was designed to encourage students to study in areas of national need—such as engineering, science, and teaching.

Analogously, today we face a dwindling student population in many of these same technological fields. University research facilities and equipment desperately need renovation and modernization. This shortfall directly affects our economic competitiveness, our productivity, and our national security. Defense modernization in the decades ahead depends on technological capabilities that we have not yet developed. Development of these new technologies depends almost entirely on a pool of highly motivated, well-educated scientists and engineers.

I wish to call my colleagues' attention to a report recently released by the White House Science Council's Panel on the Health of U.S. Colleges and Universities, entitled "A Renewed Partnership." This panel found:

> Our universities today simply cannot respond to society's expectations for them or discharge their responsibilities in research and education without substantially increased support * * * it is time to take an honest look at what the real costs of university-based research are and how they should be borne. We must return to the viewpoint that Federal support of such research is a long-term investment in the Nation's future rather than the procurement of a necessary product.

This report goes on to recommend several specific initiatives which would help to rebuild university research infrastructure.

This is one area which I feel S. 1965 does not fully address. I had intended to offer an amendment which would provide graduate level fellowships in such areas of national need. This is the companion measure to H.R. 2199, which Congressman COLEMAN introduced in the House. The House adopted Representative COLEMAN'S legislation as an amendment to its version of the higher education amendments.

However, Senator STAFFORD has assured me, and earlier Senator SIMON, that this area will be a top priority in conference with the House. Therefore, I will not offer the amendment today. I realize and appreciate the tough fiscal restraints Senator STAFFORD has worked under, and trust that in conference he will not oppose the House position on this aspect of the legislation.

In closing, I urge my colleagues to join me in sponsoring S. 2117, the Strategic Defense Education Act. This legislation has the support of over 50 universities and colleges across the Nation.

I ask unanimous consent that a list of the institutions which have written in support of S. 2117 be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS IN SUPPORT OF S. 2117

American Association of Engineering Societies.
American Chemical Society.
American Society for Engineering Education.
Arizona State University.
Association of American Universities.
Bowling Green State University.
Black Hills State College.
Clark University.
College of the Virgin Islands.
Colorado State University.
Columbia University in New York City.
Connecticut Agricultural Experiment Station.
Cornell University.
Florida Agricultural and Mechanical University.
Harvard University.
Iowa State University.
Lehigh University.
Mississippi State University.
New Mexico State University.
North Carolina State University.
Ohio State University.
Ohio University.
Pennsylvania State University.
Seattle University.
South Dakota School of Mines and Technology.
South Dakota State University.
State University of New York.
Southern Illinois University at Carbondale.
Texas A & M University System.
Texas Tech University.
University at Buffalo—State University of New York.
University of Alabama System.
University of Arkansas.
University of California, Berkeley.
University of California, Irvine.
University of Cincinnati.
University of Delaware.
University of Florida.
University of Hawaii.
University of Houston.
University of Illinois.
University of Illinois at Urbana-Champaign.
University of Kansas.
University of Kentucky.
University of Louisville.
University of Maryland.
University of Maryland, Eastern Shore Campus.
University of Minnesota.
University of Missouri.
University of Missouri-Columbia.
University of Missouri-Rolla.
University of New Hampshire.
University of North Carolina.
University of Oklahoma.
University of Pennsylvania.
University of Rhode Island.
University of Toledo.
University of Vermont.
University of Wisconsin-Milwaukee.
Virginia Commonwealth University.
Virginia State University.

Mr. WEICKER. Madam President, I rise in support of S. 1965, the Higher Education Amendments of 1986. This bill, which was unanimously ordered reported by the full Committee on Labor and Human Resources on March 19, is the product of many months of intensive work and negotiations. As a member of the Education, Arts and the Humanities Subcommittee, I commend our chairman, Senator ROBERT STAFFORD, for his leadership in crafting a bill which has wide bipartisan support. That was no easy task, and our distinguished subcommittee chairman has, in his usual gentle, intelligent, and compassionate way, crafted a bill which responds to the needs of students and the academic institutions they attend while being mindful of the pressing economic concerns we face.

The Senate bill meets a most important goal in that it preserves access to higher education by removing economic barriers. That was a primary goal of the original Higher Education Act of 1965 and remains a top priority in this legislation. Neither the present Federal deficit, nor the administration's efforts to promote less Government for the disadvantaged, shall motivate us to neglect the educational needs of our Nation's young people. These programs are essential for our economic prosperity and reductions here would only serve to reduce our hope for the Nation's future.

The bill before us today maintains the important mix of Federal grant, loan, and work opportunity programs for student financial assistance, continues a number of high priority categorical programs, and promotes educational soundness for historically black colleges.

The higher education community estimates that the administration's student aid proposals would eliminate or reduce awards in the coming year for over 3 million students whose only source of support would otherwise be unsubsidized loans. Such loans carry a high burden of debt, and there is no guarantee that these students would even qualify for such loans. Indeed, many would not.

It is no secret that this administration is no great friend of higher education. During his first days in office, Education Secretary William Bennett denigrated student aid recipients by implying that they are all buying stereos, cars, and spending three weeks at the beach.

No benefit program is problem-free and it is the job of the Department to seek out the few abusers and take them to task. But the facts on student aid recipients speak for themselves.

It is a fact that more than 75 percent of students receiving Pell grants come from families with incomes below $15,000. The remainder of the recipients are generally those with incomes not much higher or at the margins of the poverty line. It is they who would suffer the most, Madam president, by cutbacks such as those on the administration's agenda.

I am pleased, therefore, that with some improvement in programmatic operation and enhancement of authorization levels, these programs have been left largely intact. I know my good friend from Vermont, Mr. STAFFORD, agrees with me when I dictate that I wish we could do more for those students who wish to pursue a postsecondary education but lack the resources. As a result of Federal programs, many have access where they would not otherwise. Many can only attend the least expensive institution, not necessarily the most appropriate for them. However, I am gratified that this bill reaffirms our basic commitment to the education of our Nation's future generations, and I urge my colleagues to support this important legislation.

Mrs. HAWKINS. Madam President, I rise today in support of S. 1965, the Higher Education Act. The members of the Senate Labor and Human Resources Committee have worked diligently for almost half a year to craft this compromise. I understand that I am joined in my cosponsorship of this measure by 40 of my colleagues.

I would especially like to commend Senator STAFFORD and Senator PELL for their efforts to mediate controversial aspects of this legislation. This measure truly represents a viable bipartisan effort.

With the passage in 1965 of the Higher Education Act, Congress made a declaration. It said:

> Any American who seeks to better himself or herself, to rise above the expectations of his or her parent's generation * * * any American who is willing to work hard to get ahead * * * Any American who strives to gain knowledge * * * should not be denied a quality education for any reason—including his or her family's financial status.

There is no dispute within this body as to the importance of higher education and Federal financial assistance for needy students. Through the Higher Education Act, educational tools have been created which makes possible the maintenance of an educated and competitive America. Many doors have been opened for first-generation college students because of programs authorized under this legislation.

The committee carefully listened to the counsel of educators, parents, and students alike to determine what revisions were necessary. There are three important elements in this measure which I would like to bring to the attention of my colleagues.

Primarily, this legislation places great emphasis on low-income students by expanding financial assistance, primarily Pell grants, for the needy. While expanding financial assistance, however, the legislation narrows eligibility to those who would have no other avenue of financial support. For many years there has been criticism over the misuse of financial aid. Perhaps some of the stories we have heard were hyperbolic. But this bill puts the Senate on record once and for all. It says that such behavior will not be tolerated. From now on, only students with need will be eligible for assistance.

As our country faces ever-looming deficits, Congress must be assured that every Federal dollar is being stretched to capacity. In an effort to gain this assurance, S. 1965 seeks to address the growing problem of defaults in the repayment of student loans. Every default robs from a future student. The antidefault provisions in the bill encourage all program participants—banks, universities, and students—to increase their efforts toward default prevention. I understand that additional amendments will be considered today which will ensure that Federal financial recipients understand their obligation to repay their student loan upon completion of their college curriculum. I applaud such action.

Finally, I am pleased that this bill contains several provisions which ensure that women with children who seek access to education are given special consideration. This bill would allow women who demonstrate need, to defer payments on their student loans for 1 year after their child's birth or adoption. Another provision will allow mothers to consider child care costs in their acceptance of Federal financial assistance. The American marketplace is changing, as our world is changing. More and more, young mothers, especially single mothers are entering the workplace. They need all the help we can give them.

An educated society is a strong society. By virtue of its broad scope, this Higher Education Act represents the single most comprehensive legislative authority affecting American postsecondary education and the largest in terms of annual funding. S. 1965 demonstrates our commitment to excellence in higher education. I strongly urge my colleagues to lend their support to this effort.

Mr. STAFFORD. Madam President, an issue has been brought to my attention relating to guarantee agencies which is worthy of mention at this time. It is my understanding that a nonprofit private secondary market located in the State of Nebraska is encountering difficulties in their attempt to achieve the status of approved loan guarantee agency for that State. Perhaps my colleague from Nebraska would like to outline his concerns regarding this issue.

Mr. EXON. I thank my colleague from Vermont for asking me to elaborate on this matter. The situation in Nebraska is indeed worthy of mention. As background information let me explain that in 1979 the Higher Education Assistance Foundation [HEAF], a national multi-State guarantor, headquartered in Kansas, was designated as our guaranty agency by my State's Governor. Since then the loan guaranty function has been administered by HEAF. Last year the Nebraska Higher Education Loan Program, Inc. [NEBHELP], a nonprofit private agency headquartered in my State, asked our Governor to be considered for status as a State guarantor. While the Governor has indicated some support for this effort, the Department of Education has apparently not been receptive to approving the Nebraska entity as a guarantor. This concerns me greatly since I feel that a home-State agency might be in a better position to fulfill the needs of the students in my State. I would like to express this concern to the Secretary and advocate that he take affirmative steps to enable the Nebraska agency to become a guarantor in my State.

Mr. STAFFORD. I certainly agree with my colleague from Nebraska that precluding an established State-based entity from becoming an approved guarantor presents a problem, since the original intent of Congress in this area was to encourage State-based agencies. As my colleagues know, I continue to support this approach to the administration of the Guaranteed Student Loan Program. I have strong concerns about the unharnessed competition for loans spearheaded by national guarantors and feel that such competition may do irreparable harm to the programs as administrative standards are relaxed in the unceasing quest for higher loan volume. Consequently, I oppose this continued proliferation of national guarantors. However, absent any definitive prohibition against such practices, HEAF, USAF, and other multi-State agencies have taken full advantage of the current situation and some have expended their guarantee activities to cover every State in the country. I have grave concerns about this trend and it is puzzling to me that the Department of Education has taken a negative position on the petition of the Nebraska agency. Consequently I would join my colleague from Nebraska in urging the

Secretary to examine closely the benefits which might be reaped by Nebraska students if they were served by an established home-State entity.

Mr. EXON. I thank my colleague from Vermont for his helpful comments and look forward to communicating these views to the Secretary.

Mr. MATTINGLY. Madam President, I am pleased that the Senate is considering today the reauthorization of the Higher Education Act. The legislation is critically important to many of our Nation's young people and, I believe, to the well-being of the United States today and in the future. Without an educated citizenry, the United States cannot remain a leader in an increasingly competitive world.

The bipartisan bill before us focuses on the various student aid programs which provide needy and deserving young people an opportunity which they otherwise may not have to pursue a postsecondary education. The legislation also provides institutional aid which is of great importance to many of the historically black colleges in my own State of Georgia. These colleges, I am proud to note, have earned national reputations for their academic excellence and have given minority students from Georgia and other States the strong educational foundation they need to compete in a variety of professional careers. This in turn has enriched our Nation.

As I have stated, access to higher education for our Nation's young people is our insurance for the future. While I support student assistance programs, my colleagues know that in the past I have expressed concern that in some cases support has not always gone to the neediest and most deserving. The measure before us does much to improve this situation. First, it targets assistance to the neediest students and requires all students to demonstrate need. In addition, under the provisions of this legislation, a student must maintain satisfactory performance in order to remain eligible for Federal financial assistance. I believe this is a reasonable requirement which accomplishes several goals. It makes certain that funds are targeted to those who are deserving and willing to work, and it stresses to students the responsibility which accompanies the acceptance of Federal financial assistance.

I believe that the Labor and Human Resources Committee is to be commended for the skill with which it has crafted a measure which provides for needs of young people who wish to pursue an education and of developing institutions which rely on Federal assistance, while recognizing the need for reasonable fiscal restraint at a time when our Nation faces a huge Federal deficit.

In conclusion, I am pleased that the Senate is considering this important measure today. The strong bipartisan support demonstrates our commitment to providing access to education to America's young people. It is a worthwhile investment which will pay invaluable dividends to our Nation and its citizens in the future. I support this endeavor and will cast my vote in favor of S. 1965.

STAFFORD LOAN COUNSELING AMENDMENT

Mr. KENNEDY. Madam President, I join my distinguished colleague from Vermont, Senator STAFFORD, in his concern for the need to provide students with counseling regarding the responsibility that accompanies a student loan. I believe that this concern is shared by others in the Senate as demonstrated by earlier adoption of an amendment to require lenders to provide student borrowers with a total of outstanding debt and an average monthly payment based on their debt total upon application of each loan.

The majority of student loan applications are made by the student financial aid officer. Asking lenders to conduct personal interviews or make phone contact with each student who applies for a GSL in a year would require lenders to spend a substantial portion of their time on conducting thousands upon thousands of phone calls or interviews. I know that the First National Bank of Boston and the Shawmut Bank would have to make phone contact with at least 300,000 individuals per year. The Boston Five Cent Savings Bank would have to conduct over 700,000 interviews or phone calls to their GSL borrowers should this amendment be adopted.

Loan counseling is an important part of informing students of their repayment responsibilities. I believe that S. 1965 provides appropriate measures in this regard. I intend to continue to work with Senator STAFFORD, other concerned Senators and GSL lenders in the future to monitor and enhance appropriate counseling for students who participate in the Federal loan programs.

THE FAMILY CONTRIBUTION OFFSET PROVISION

● Mr. KERRY. Madam President, section 132 of the bill clarifies that any loan under the PLUS or ALAS, or any State-sponsored or private loan program can be used to offset the expected family contribution. Am I correct that in the event a student is a cosigner under one of those programs, those moneys can be used to offset the expected family contribution?

● Mr. STAFFORD. The Senator is correct.

The committee intends that only the portion of the loan that exceeds the family contribution will be included as a resource in determining eligibility for other aid under the law, regardless of whether the student is a cosigner or endorsee. The committee does not consider the manner of the student's liability to be a relevant factor. For example, a student whose cost of education is $10,000 and whose expected family contribution is $6,000 and who borrows $6,000 or less under PLUS or ALAS, or any State-sponsored or private loan program, and is a cosigner of the loan, would be eligible for $4,000 in other aid. If the same family borrows $7,000, which is $1,000 more than the expected family contribution, the extra $1,000 would be counted as a resource in determining eligibility for other aid under the law.●

● Mr. BRADLEY. Mr. President, I rise today as a cosponsor of the Higher Education Reauthorization Act of 1986. I am pleased that the Senate is reaffirming its commitment to make postsecondary education a reality for our Nation's young people.

This act reauthorizes student aid programs through 1991, providing the most direct avenue to give students access to higher education. The Higher Education Reauthorization Act comes at a time when higher education has seen a steady erosion of Federal support. Over the past 6 years, the currrent administration has relentlessly cut education funding. The President's proposed fiscal year 1987 budget continued this pattern of dramatic cuts in education, with student financial assistance particularly hard hit. Under the administration proposal, approximately 1½ million fewer American college students nationally would receive any form of student aid or loans. In my home State of New Jersey, approximately 12,600 fewer needy students would have received Pell grants.

This drop in Federal support flies in the face of study after study, most recently the Carnegie report, which have stressed the importance of education for our Nation's well-being and future. As a country, we cannot continue to treat education as an isolated program that can be cut with impunity. Education has a critical impact on the serious domestic problems confronting us as well as on the role that the United States will be able to play in world affairs.

An article on yesterday's front page of the Washington Post reported that large numbers of Americans do not understand basic scientific concepts and further believe that scientists may be dangerous. Our country cannot hope to progress with this woeful level of scientific knowledge. Education is the only solution.

Even a cursory glance through our Nation's history reminds us that education is not something that can be compromised if we, as a people and a nation, are to maintain our standard of living and our standing in the world. Access to higher education in this country has been a cherished right and privilege, not only for a chosen few, but for the population as

a whole. The experience of virtually every immigrant group has shown that education offered the path to success. Higher education is crucial if we are to compete in an increasingly technological world.

Just a few months ago, in April, we in the Senate voted 60 to 38 to add $1.2 billion to education programs, demonstrating our commitment to education.

The bill before us, the Higher Education Reauthorization Act, implements that commitment. It will let our young people become the best they can be and allows our country to reap the benefits of their success.●

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. PRYOR. Madam President, I am pleased to support S. 1965, the Higher Education Act Amendments of 1985, and offer my congratulations to Senators STAFFORD and PELL for their efforts in shaping this important bill.

As the costs of our Nation's colleges and universities continue to soar, it is fitting that S. 1965 focuses on title IV of the original act, the student aid programs. Although Federal aid to needy college students would increase under this measure, the bill tightens eligibility standards. S. 1965 requires a needs analysis test for all students applying for financial aid, sets an annual income ceiling of $30,000 for Pell grant recipients, and raises the maximum Pell grant award from $2,100 to $2,400 in fiscal year 1987, increasing to $3,200 by 1991. Awards under the Guaranteed Student Loan [GSL] Program would also increase under this measure, from an annual limit of $2,500 to $3,000 in the first 2 years of college, and $4,000 per year thereafter. The increased awards for the grant and loan programs will allow students in my State a greater freedom of choice from among the 33 higher education institutions available in Arkansas.

This measure sets academic standards for Federal-aid recipients for the first time, requiring a "C" average or academic standing consistent with graduate requirements of individual institutions, by the end of the second academic year. This provision follows the satisfactory progress language outlined in current law.

S. 1965 establishes a separate program for historically black colleges under title III—institutional aid—of the original act. Arkansas claims three historically black institutions: Philander Smith College, the University of Arkansas at Pine Bluff, and Shorter College, a 2-year private institution. The rich heritage of each of these schools is invaluable to the State, and this bill would assist each of these institutions to enhance both their academic programs and physical facilities.

My congratulations to the Labor and Human Resources Committee for presenting to the full Senate such an impressive piece of legislation. I look forward to its swift adoption.

Madam President, I ask unanimous consent that I be added as a cosponsor to S. 1965.●

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. SIMON. Madam President, title III, institutional aid is the largest discretionary grant program in the Higher Education Act, and the only one which provides direct institutional assistance to eligible colleges and universities. Title III authorizes three separate programs—the Strengthening Institutions Program (part A) and the Special Needs Program (part B) vary on the basis of statutory eligibility criteria and the duration of grants made under each part. The part C, Endowment Grants Program provides matching Federal grants to assist in building institutional endowments. Title III was completely rewritten in the Education Amendments of 1980 (Public Law 96-372).

Since enactment of the 1980 amendments, legislative direction and program administration have improved substantially. Several problems remain, however, with statutory, regulatory and nonregulatory interpretations of the statute in these key areas: First, the continuing institutional eligibility under part A (4-7 years) of eligible institutions after exhausting 5 years of part B eligibility; second, the title III eligibility status of postsecondary institutions whose participation is wholly dependent on language contained in the fiscal year 1983 Continuing Appropriations Act (Public Law 97-377); third, limitations placed on the use of title III funds; that is, "developmental" versus "nondevelopmental" activities by administrative memorandum, rather than regulation or statute; and fourth, clarification of the base-year data requirement to assure that the most recent and relevant Pell Grant and campus-based data is used in determining institutional eligibility. The most severe problem is the unnecessary duplication of program functions in parts A and B, and the confusion which results in program eligibility determinations and continuing program participation. The minimal participation of Hispanic and native American postsecondary institutions is also a problem to be addressed. Difficulties in establishing and maintaining the eligibility of Pacific Basin institutions and the eligibility of the College of Virgin Islands must also be resolved.

DESCRIPTION OF THE PROPOSED CHANGES

The title III provisions of S. 1965, the Higher Education Act Amendments of 1985 are modeled on the basic provisions of S. 1328, the Institutional Aid Act of 1985, and will improve program operations and eliminate unnecessary confusion and the overlap in certain title III program functions. The bill would:

Delete part B of current law entirely and revise the current eligibility criteria for parts A and B by requiring all title III institutions to enroll at least 50 percent title IV, need-based (except GSL recipients to be eligible;

Create a new section 358(c)—Priority consideration, which provides that title III eligible institutions with ". . . significant student populations who are minority or who are underrepresented in higher education or who are educationally disadvantaged." will receive priority in the allocation of those funds authorized above the fiscal year 1986 appropriations level in making new awards in the new part A, Strengthening Program;

Establish the Black College and University Act as a new part B, providing a $55 million authorization for the 105 historically black colleges and universities, and the College of the Virgin Islands and a series of authorized activities designed to meet their growth and development needs;

Provide a separate $5 million authorization for five black professional and graduate schools;

Clarify part A eligibility to assure, continuing eligibility for all planning grant (1 year) and 1-3 year grant recipients, while all current law 4-7 year grantees in part A and 1-5 year grantees in part B could only apply for 4-5 year grants (and then 'stopout' for the period of their last grant) apply for an Endowment/Challenge Grant, unless granted a waiver, provided for in law, by the Secretary;

Establish a mandatory waiver mechanism for institutional eligibility, and a discretionary waiver for continuing program participation when certain statutory criteria are met;

Require the Secretary to use the most recent and relevant student assistance data in making eligibility determinations; that is, advancing the base year 1 year forward following each annual grant cycle;

Maintain the current law community and junior college set-aside by providing for a floor of $51.4 million in funding, which is the sum of the current part A and part B funding for those institutions;

Mandate that all administrative provisions affecting institutional eligibility, uses of funds, program activities, et cetera, be included in regulations which comply with the Administrative Procedures Act and the Higher Education Act by providing for publication in the Federal Register, public comment and legislative review;

Modify the section governing cooperative arrangements to include an arrangement between an eligible institution and an institution not eligible for participation in the program if no title

III funds are made available to ineligible institutions; and

Extend the endowment grant provisions of the Challenge Grant Act Amendments of 1983 (Public Law 98-95), while adding a new provision for a $2 Federal to $1 institutional match for certain Challenge Grant applicants.

S. 1965 also provides "pour over" authority for the Secretary in the event that the community college set-aside in part A or the full allocation for black colleges in part B is not expended in any given fiscal year. The Secretary would have the authority to award Endowment/Challenge Grants under part C to those same institutions.

Most of these changes will improve institutional access to available funds, assure that the intent of Congress—as expressed in the 1980 amendments—is carried out, and provide for productive relationships between developed and less-well-developed institutions of higher education. The new endowment building program will be continued with several modifications.

I am especially pleased with the new part B which will establish the Black College and University Act. The new part B in the Higher Education Act would authorize the first 5 years of a 10-year program of capital infusion into each of the historically black colleges to carry out the following activities:

Purchase or lease scientific or laboratory equipment for instructional and research purposes;

Rehabilitation and improvements in classroom, library or laboratory facilities;

Faculty changes and programs which assist faculty members acquire terminal degrees;

Establishment of new academic programs where black Americans are unrepresented or underrepresented, that is, engineering and architecture, premedicine and predentistry (biolgical sciences and chemistry), foreign languages, economics, public administration and advocacy;

Purchase of library books, periodicals, microfilm, and so forth, to upgrade and maintain current library holdings; and

Paying the excess cost of remediating, tutoring, and counseling low-income students.

STATEMENT OF THE NEED FOR CONSTRUCTION AND MAINTENANCE FUNDS RATIONALE FOR THE BLACK COLLEGE AND UNIVERSITY ACT

The Black College and University Act builds on the existing rationale for the current part B set-aside in title III and the $47.5 million set-aside for HBCU's contained in the last 3 fiscal year appropriation bills. These set-asides have been recommended and supported by the Reagan administration. The current law part B set-aside was enacted as part of the 1980 amendments to the Higher Education Act in order to assure the continued participation of the HBCU's in title III. Additional changes are required in order to focus available title III resources on projects and activities that meet the needs of the colleges and that promise, over the long haul to assure the growth and development of these colleges. The continuation of their vital "life-line" function is essential for many black Americans, who for reasons of poverty and educational disadvantage at the elementary and secondary grades or simple lack of family finances and community support, are unable to enter or successfully pursue a postsecondary education at traditional institutions.

These institutions provide "access" and "choice" in postsecondary education. Forty-three private black institutions are supported, in part, by the United Negro College Fund [UNCF], in addition to Hampton Institute and Howard University, offer a high quality, low-cost higher education for thousands of black young people. In addition to the black private institutions, there are 61 public institutions—17 black land-grant institutions, plus the College of the Virgin Islands, which were created by the 1892 Morrill Act—many of which were State-supported institutions of higher education which originally trained teachers. Many of these students would not be admitted to, nor succeed in traditional institutions. Black colleges and universities admit some "high risk" students, and others who could succeed academically at any institution.

The Higher Education Act of 1965 included the "Developing Institutions" title for black colleges. The "Developing Institutions" surrogate was used because it was believed the Congress would not have enacted race specific language. Along with other nonspecific verbiage—such as "out of the mainstream" and "struggling for survival"—several vague phrases have created difficulty in establishing eligibility criteria, targeting funding and evaluating institutional progress over the years. Prior to the 1980 reauthorization of the HEA, the title III program came under attack for program mismanagement, and under pressure from small, private predominantly white colleges which sought eligibility under the title III Institutional Assistance Program. The absence of clear criteria for identifying the target schools or intended beneficiaries also made it difficult, if not impossible, to substantiate the claim that title III was originally intended for black colleges.

Mr. President, I believe this new legislation is also needed in order to assist these colleges and universities help the Federal Government carry out their access mission and to redress the historical record of discriminatory allocation of Morrill Act funds, research grants and contracts, and discretionary grants to historically black institutions of higher education.

The critical issue is the Federal Government's failure to adequately fund title III, yet to expect the grantee institutions to develop and graduate from the program. The title III program and the entire Federal effort to provide funds to black colleges is insufficient when compared with the desired objective.

In fiscal year 1980, less than 20 percent of the funding awarded under title III went to historically black colleges and universities. Lengthy deliberations during the 1980 reauthorization process and the enactment of the 1980 amendments to the Higher Education Act of 1965 indicate just how tenuous title III assistance is for black postsecondary institutions. In light of current budgetary constraints and likely future funding trends, another mechanism must be found to provide direct Federal support to these institutions. Notwithstanding the importance of title III to a wide variety of postsecondary institutions, black colleges and universities have a legitimate claim to a program of institutional assistance designed to enhance these colleges. The Supreme Court of the United States has upheld the constitutionality of race specific or race conscious remedies in school desegregation, employment, and in voting rights cases. In Fullilove versus Klutznick, a 1980 case questioning the constitutionality of section 103(f)(2) of the Public Works Employment Act of 1977, the Court affirmed the authority of the U.S. Congress to enact race conscious legislation to remedy past discrimination under the general authority of the Civil War amendments to the Constitution.

The following chart explains how much of the total title III appropriation has been provided to HBCU's over the last 7 fiscal years:

	Appropriation	Amount to black colleges	Percent
Fiscal year:			
1978	$120,000,000	$56,400,000	47
1979	120,000,000	48,347,480	40
1980	109,994,970	20,899,044	19
1981	120,000,000	47,779,000	40
1982	134,416,000	41,500,219	31
1983	134,416,000	50,803,943	38
1984	134,416,000	45,781,000	34
1985	136,100,000	46,183,000	34

Prior to the fiscal year 1982 award year, multiyear grant awards were obligated from the appropriation for the fiscal year in which the grant was made. Under the 1980 amendments, multiyear awards are not available for obligation until appropriated.

While this is not a complete picture, it does leave the accurate impression that funding under this program and gradually shifted away from black col-

leges and universities before passage of the Higher Education Act of 1965. Of the total of $1,600,760,970 appropriated for title III since 1966, about $700,126,886 has been provided to black colleges and universities through fiscal year 1984.

The unique role of black colleges and universities in redressing the current trend of declining black enrollments is critical. Predominantly white institutions have continued, since 1965, to enroll a larger number of black students, but graduate fewer students than their enrollment would suggest is appropriate or reasonable, while experiencing high black dropout rates. However, the unique role of black colleges is not likely to be fulfilled if the Federal Government maintains it presently passive approach in ensuring the maintenance and growth of black colleges and universities.

The historical record is replete with discriminatory allocations of Morrill Act funds and the disproportionately small award of Federal grant and contract funds to the 17 black land-grant institutions, when compared to their 17 white counterparts. The discriminatory system of allocating funds was aided, contributed to, and exacerbated by the States in their failure to designate black public institutions to receive matching State funds and their differential treatment of black public institutions in the allocation of State appropriated funds.

The new title III legislation would authorize the first 5 years of a 10-year program of capital infusion into each of the historically black colleges and universities based on the number of full-time equivalent Pell grant recipients in attendance at the institution during the school year immediately preceding enactment of the law. The legislation would provide incentives to institutions which retain and graduate students within 5 years and additional incentives to those institutions whose graduates are admitted to graduate and professional schools in courses of study or academic disciplines in which black Americans are underrepresented. The legislation would require the existence of an institutional development plan and monitoring and accounting for Federal grant funds. The legislation would also require maintenance of full accreditation and each FTE Pell grant recipient would be weighted according to the added cost of educating a disadvantaged student at that institution.

Mr. President, the Secretary of Education's Advisory Committee on Black Colleges and Universities and Black Higher Education, which ceased to exist on June 1982, identified 105 historically black colleges and universities that were originally created to educate the freed slaves. Each of these institutions meets the definition contained in section 322(2), however, although both Howard University and the University of the District of Columbia would be excluded under the special rule in section 324(f). Both of these institutions already receive, directly or indirectly, a Federal appropriation. In addition, the College of the Virgin Islands meets the statutory eligibility criteria, and as the principal author of this legislation, I specifically intended that the College of the Virgin Islands be considered as an historically black college. The college was established on the island of St. Thomas, VI, as an instrumentality of the government of the Virgin Islands an institution to be known as "the College of the Virgin Islands" the basic objectives of which are the stimulation and utilization of the intellectual resources of the people of the Virgin Islands and the development of a center of higher learning whereby and where from the benefits of culture and education may be extended throughout the Virgin Islands, the Caribbean, and other areas.

RATIONALE FOR THE MINORITY COLLEGE PREFERENCE

Section 358(c) will establish a priority for title III institutions with significant student populations made up of minority students, educationally disadvantaged students, or those students who come from groups underrepresented in higher education. This new authority will benefit Hispanic institutions, native American institutions and Pacific basin institutions which have been seriously under-funded in the grants competition for part A funds. All institutions must establish eligibility under part A criteria and have at least a specified percent of minority student enrollment in order to benefit from the priority consideration authorized. Each of these postsecondary institutions has a different historical mission and role than the historically black colleges and universities, however, they have similar experiences in gaining access to Federal grants—especially title III.

The minority college preference will benefit approximately 72 mainland Hispanic institutions, 37 institutions in Puerto Rico, about 25 native American institutions—including 20 tribally-controlled colleges—and 7 postsecondary institutions in the Pacific basin plus certain institutions in Hawaii. This change is necessary because of the practical experience of minority institutions in receiving title III grants. The experience of Hispanic institutions is illustrative:

	Hispanic institutions	Awards
Fiscal year:		
1980	14	$2,771,754
1981	27	8,032,287
1982	10	2,159,054
1982 supplemental	13	3,970,473
1983 (NEW)	5	538,516
1983 (NCC)	10	2,458,145
1984	27	6,002,000
1985	28	6,477,000

The educational plight of Hispanic and native American, and certain Asian American and Pacific basin students necessitates a remedy. While programs such as the Special Services for Disadvantaged Students [TRIO] Program provide some help in facilitating access to higher education and assuring academic success after admission, only about 10 percent of all eligible students are served. Most of these students attend institutions which are not always able to provide the supportive academic services and counseling that are needed to assure academic success. Improvement in the existing situation is imperative.

Consider, for example, that:

All minority groups, except Asians/Pacific Americans, continue to be underrepresented in enrollment in 4-year institutions. Notwithstanding the over-representation of Chinese and Japanese students in higher education, other Asian American subgroups, including Filipinos, Koreans, Laotians, Vietnamese, and Cambodians are grossly underrepresented.

Hispanic students continue to be seriously underrepresented in all postsecondary institutions. While Hispanics represented 6.4 percent of the total U.S. population in 1980, they comprised only 3.9 percent of the total fall enrollment in higher education.

The percentage of Hispanic high school graduates enrolling in institutions of higher education declined from 35.4 in 1975 to 29.9 in 1980.

Hispanic enrollments in higher education are highly concentrated in public 2-year institutions, 53.3 percent in 1978, compared to 34.5 percent for the total population.

Noncompletion rates for Hispanics remain high. Although enrollments of Hispanics in undergraduate studies increased by 12 percent from 1978 to 1980, the rate of degree attainment in that time increased by only 8 percent.

Hispanics have not reached parity at any level in degree attainment. In 1980, they received 2.3 percent of bachelor's, 2.1 percent of master's, and 1.4 percent of doctoral degrees, while they represented 6.4 percent of the total U.S. population. Furthermore, these have remained constant at a time when the total Hispanic population has increased dramatically.

Hispanics are highly concentrated in the social sciences and education and seriously underrepresented in the physical sciences. Seventeen percent of the bachelor's degree earned by Hispanics in 1980–81 were in the social sciences and education, while only 6 per-

cent were in the physical sciences and engineering. The concentration becomes greater at the graduate level with 42 percent of master's degrees and 40 percent of doctoral degrees earned in the social sciences and education, and only 4 percent of the master's and 9 percent of the doctoral degrees in the physical sciences and engineering.

Data for American Indians are less accessible but the available data reveal that their experience in higher education is similar to that of Hispanics; 55 percent of the enrollments in higher education were concentrated in 2-year institutions.

American Indian degree attainment has remained stable but at a seriously underrepresented rate. Although they represent 1.1 percent of the total U.S. population, they received only 0.3 percent of bachelor's, master's, and doctoral degrees in 1980–81. The 0.3 percent of bachelor's degrees represents a decrease from 0.4 percent in 1975–76.

American Indians represent the most highly concentrated group in education and the social sciences: 29 percent of bachelor's degrees were earned in education. At the master's and doctoral degrees the concentration in education is stunning—44 percent each.

The 1980 amendments authorized a study of postsecondary education in the U.S. territories, which was completed in May 1982. That study adequately documents the need for additional Federal institutional assistance for these institutions. Some of the findings include:

The postsecondary institutions are just developing. All are relatively young and most have existed for 10 years or less. They need improvement across the board: administration, instruction, facilities. Moreover, there are no alternatives a few miles away. The alternatives are far away and costly to attend. The territories need on-island postsecondary education, and the territorial colleages still need help to develop.

Almost all postsecondary education costs are higher in the territories because of their remoteness. Compared to the States, it is more costly to send students to mainland colleges and it is more costly to provide postsecondary education on the islands.

The territories have severely limited resources. Their economies are less developed. Their people are poor. Their governments are heavily dependent on Federal assistance to meet even their most basic needs.

The school-age population is rising rapidly—not declining as in the States—and is a higher proportion of the total population. Thus, the demand for postsecondary education is increasing for demographic reasons.

The general education level is much lower than in the States. Thus, basic needs are greater, and postsecondary education must begin with substantial remediation. Also, there is an increasing demand for adult basic education from those who never went to high school.

The economies are just developing. There is a wide range of unmet manpower needs, particularly vocational and technical. The territories need basic vocational skills—like carpenters, plumbers, and mechanics—that are taken for granted in the States.

The preference would greatly facilitate the development of these institutions by assisting them to offer postsecondary educational programs which meet territorial needs, and to assist them in preparing students who may need to transfer to mainland institutions to complete their training or education. Title III assistance is critical to avoiding special legislation to address these problems and to meet the critical needs of these institutions and their students.

Finally, the minority college preference would benefit native American institutions, primarily those 2- and 4-year institutions which do not participate in the Tribally-Controlled Community College Assistance Act. There are eight such colleges, including NAES, Inc., which operates colleges in Illinois, Montana, and in New Mexico; Flaming Rainbow University in Oklahoma; Haskell Indian Junior College in Kansas; and the Institute of American Indian Art in New Mexico.●

● Mr. RIEGLE. Madam President, by extending the opportunity for our young people to go to college, we give them the tools they need to meet the challenges of the future and to continue to improve the standard of living in this country. This legislation truly represents an investment in the future. The importance of the Higher Education Act for the future of this country cannot be underestimated. A strong Federal commitment to higher education, through financial assistance for students, and support for quality education programs, is essential for building a firm foundation for growth and economic prosperity for future generations.

The impact of these programs is widely felt. In Michigan alone, over 130,000 students received Pell grant awards and more than 37,000 students have received guaranteed student loans this school year. These are students that might not otherwise have the chance to attend the school of their choice, or even to attend college at all.

The members of the Labor and Human Resources Committee are to be commended for protecting these important student and institutional aid programs from further cuts. The need for these programs, particularly for student aid, is unmistakable. The cost of education has been increasing dramatically, while grants and other aid are paying a smaller fraction of the cost. As a result, young people are incurring large debts by the time they finish college. One estimate shows that in 1983, 57 percent of low-income students borrowed to finance a postsecondary education, up from 15 percent in the late seventies. This bill begins to address the problem by increasing the grant awards.

However, we should continue to be very concerned about the debt that low- and middle-income students are building up very early in life. The burden this places on recent graduates places them at a disadvantage when they enter the workplace and may influence them to make career choices based less on their interests and skills than a concern for their ability to pay back their loans.

A strong education system for all is the key to America's future. As we face the new realities of intense competition in the world economy and rapid technological change, it is essential that we provide adequate funds for education programs that have demonstrated their value and effectiveness.

● Mr. SASSER. Madam President, I support this important bill which reauthorizes and revises the Higher Education Act of 1965.

The Higher Education Amendments of 1985 reaffirm this Nation's traditional support for higher education. It is fiscally responsible, yet also responsive to the needs of students, parents, and schools that depend on the programs authorized under the Higher Education Act.

I am especially pleased that this bill extends the authorization of the various student aid programs. These programs, created by the Higher Education Act, have given millions of young Americans since 1965 the opportunity to attain significantly higher levels of education than their parents before them. In my own State of Tennessee, for example, nearly 50,000 students participated in the Pell Grant Program during the past academic year and received more than $50 million in aid. In the Guaranteed Student Loan Program, some 40,000 Tennessee students received more than $100 million in loans for the purpose of continuing their education.

Given the rapidly escalating costs of attending college, I am also glad that this bill increases the maximum annual award level for each of the student aid programs.

I now encourage my colleagues to follow up on this authorization bill with adequate appropriations for student aid programs. In the past few years, these programs have suffered due to lack of adequate funding. In Tennessee, there was approximately $1 million less available in award

money for the college work study program in the 1984-85 academic year than in the previous adademic year. It is estimated that in 1986-87, nearly 7,000 Tennessee students will lose their Pell grant award even though they qualified in 1985-86. I am continuing my efforts to ensure sufficient funding for these important programs. I urge my colleagues to join in supporting appropriate levels for these higher education programs, so that lower- and middle-income families can afford to send their sons and daughters to colleges and universities.

It is important to note that this bill extends authorization of the various title III programs that provide direct institutional aid to disadvantaged postsecondary schools. Since its authorization in 1965, title III has proven to be an important source of support for traditionally black institutions. I know this support has been especially beneficial to several schools in my State. The president of Meharry Medical College in Nashville, for instance, recently wrote me to express his support for this provision. He writes: "Our Federal Government can reinforce its commitment to assisting and advancing our historically black colleges and universities through continued and expanded title III funding." I am pleased that these schools can continue to count on this vital assistance.

Finally, I commend the chairman and the other members of the Subcommittee on Education, Arts, and the Humanities for the expert work they have done in preparing this bill.●

● Mr. BENTSEN. Madam President, in the days and weeks to come the Senate will see an attempt to override a Presidential veto. We will debate the controversial issue of tax reform. We will confront important budget questions and priorities.

Those debates will attract a great deal of attention. They will produce winners, losers, and headlines.

Today is a different, but equally important story. The Higher Education Amendments of 1986 provide clear evidence that some of the Senate's most important and productive work is achieved with a minimum of fireworks, controversy, and partisanship.

S. 1965 is the product of hard work, careful compromise, and an honest effort to place higher education within the reach of all Americans. Senators STAFFORD, PELL, and their colleagues on the Education Subcommittee deserve out thanks for their diligience and contribution to the cause of education in America.

Mr. President, this legislation has an important message for parents, students, and academic institutions all across America. It says, in effect, that even when we are cutting back, questioning every expense and testing every cliche, we continue to recognize that education is the foundation of our democracy.

S. 1965 suggests that, even as we seek to return primary responsibility for a wide range of services to the State and local level, we reaffirm that the Federal Government will continue to honor its commitments as a partner in the education of our children.

This bill is not a casual, reflex commitment. It is the product of extensive hearings and careful consideration at a time when the Federal role in education and other areas of domestic spending has been under unremitting scrutiny and challenge.

Now, Mr. President, I recognize that despite all the logic and evidence to the contrary, there are still individuals who believe the Federal Government should withdraw from its role as supporter of education. There are those who ask why we should be spending $6 billion to $8 billion each year on these programs, with more than 90 percent of those funds dedicated to various forms of student aid.

I should like to try to answer that question. In my State of Texas, students graduating from a public college today do so with an average debt of $5,000 to $6,000. If they attend a private college or university, that debt increases to $10,000 to $12,000.

You do not have to be an economist or an educator to understand that families of modest incomes cannot carry that kind of indebtedness. So their children drop out; forsaking the education that could be their ticket to a brighter future.

This country cannot afford to redline an opportunity for a college education. Every time we help someone who could not quite make it on his or her own, we are building for the future by investing in our youth.

We have heard it said that if you think education is expensive, try ignorance. The last time I checked the statistics, about 70 percent of the students attending schools affiliated with the United Negro College Fund were receiving Pell grants. For thousands of those students, the Pell grant is the difference between a future with a college degree, or an education that grinds to a halt with high school.

We have 300,000 students in Texas who receive some form of assistance under S. 1965, and it is safe to assume that this legislation helped give them an opportunity to succeed that would not otherwise exist.

S. 1965 preserves programs and ideals that are important to America, but it also proceeds from the premise that if we are going to spend up to $8 billion a year on educational assistance, we had better get our money's worth. The partnership has been refined, and many of the programs improved or made more cost-effective.

Eligibility for guaranteed student loans has been tightened and costs reduced.

We have new lender flexibility that should result in lower interest rates.

There is an active and expanded effort to bring down the default rate on student loans, including an expanded role for credit bureaus.

With changes in the College Work Study Program, students will now be able to work off campus in the private sector—or in community service activities.

Perhaps most important, to be eligible for Federal aid, a student must maintain a C average—or its equivalent.

Resources are scarce, and budgets are tight, so we are serving notice that this country can no longer afford to squander precious resources on students unwilling to make a commitment to their studies.

S. 1965 preserves what is best and most effective in Federal support of education. As a cosponsor of the bill, I would like to commend Senators STAFFORD, PELL, and members of the committee for the excellent job of pruning and improving programs of fundamental importance to America's future. They have provided a framework for a wise and productive investment that should pay rich dividends for millions of Americans far into the 21st century.●

AMENDMENT NO. 1992

● Mr. LEVIN. Madam President, I simply want to add my voice in support of this amendment. My colleague, Senator WEICKER, is to be congratulated for persisting in his efforts to force the Senate to deal with the problem of the homeless; Senator HATFIELD is to be commended for his efforts to resolve the problem of the shelter on Second and D Streets here in the Nation's Capital.

Clearly we want that problem resolved, we want that shelter made functional, we want it to be a model of the kind of care which can—and should—be provided. But like the Hands Across America experience of a few weeks ago, fixing the shelter at Second and D may be the sort of action which makes us feel good and which helps deal with a small part of the problem—but it will not solve the national problem we face.

We may be moved to correct the problems at Second and D because a person is willing to risk his life to dramatize the problem there. But there are problems in every American city—even when there aren't the people to dramatize them. I admire Mitch Snyder's commitment and courage. But our action on this matter has to be motivated by more than a desire to save Mitch's life; it has to be motivated by a desire to salvage the lives of homeless men and women who wander

our streets across America and walk through the consciousness of America—it is, in fact, for these reasons Mitch has put his life on the line.

I urge adoption of the amendment and action on the problem.●

● Mr. MOYNIHAN. Madam President, in "Meditationes Sacrae" (1957), Francis Bacon wrote, "Nam et ipsa scientia potestas est"—knowledge is power.

I have always tried to make my students understand the significance of Bacon's insight, for while I have spent much of my life in Government, I am a teacher by profession and have always returned to it. I firmly believe that Bacon's words have never been of more importance to the Nation than they are today, as we move into the postindustrial information age.

Learning, pursuing knowlege for its own sake as well as for its practical applications, continues to be one of the best means of improving the quality of our lives and those of generations to come.

That is why I am pleased to be a cosponsor of S. 1965, the higher education act amendments, which revise the Higher Education Act of 1965 and reauthorize the programs funded under the act through 1991.

Among the higher education programs that are reauthorized by the legislation are the College Work Study Program, the State Student Incentive Grant Program, the National Direct Student Loan Program, the Student Support Service Programs, the Pell Grant Program, and the Supplemental Educational Opportunity Grants Program.

Hundreds of thousands of students in the State of New York receive more than $606 million each year from these programs. I am pleased that the Senate bill continues to make these programs available for another 5 years.

In fiscal year 1985, New York State received an estimated $486 million in Pell grants for 347,000 recipients; $31 million in Supplemental Education Opportunity Grants for 51,000 students; $6.4 million for the State Student Incentive Grant Program; $14 million for the Student Support Service Program; $18 million for the National Direct Student Loan Program; and $51 million for the College Work-Study Program, which benefited 67,000 students.

I am pleased to have had a personal involvement in two of the programs reauthorized today—the Pell Grant Program and the Guaranteed Student Loan Program. In the summer of 1964, I was instrumental in negotiating the agreements that led to the plank in the 1964 Democratic platform on Federal aid to education, which led to the final, great breakthrough in legislation, the Elementary and Secondary Education Act.

It fell to me to draft the Presidential message which proposed the program we know today as Pell grants, and in this body I participated in the extension of the loan agreements beginning in the midsixties, through the enactment of the Middle Income Student Assistance Act of 1978.

I do wish to congratulate the distinguished Senators STAFFORD and PELL on their leadership on the bill that is before us, and I urge my colleagues to support this legislation.●

● Mr. LAUTENBERG. Madam President, I am pleased to rise in support of S. 1965, the Higher Education Amendments of 1986. As a cosponsor of this legislation, I believe that the reauthorization of the Higher Education Act is one of the most important measures to be considered by the Congress this year.

Education of our Nation's young people is vital to our Nation's future. The student financial assistance programs provided by this legislation open the door to a college education for millions of students who might otherwise be excluded. With the help of the grants and loans offered by this bill, a higher education becomes a viable possibility for every person in this country who wants one. Financial concerns should not be a limitation on the desire and the ability to pursue a formal education.

Our country's future strength lies in our ability to continue to develop educated and trained people. The Higher Education Act facilitates progress toward the goal of making a quality education available to all. This bill addresses the important need for student assistance through a continuation and modification of existing grant and loan programs. The maximum amounts of aid are increased, while eligibility standards are tightened to target aid more carefully on the most needy.

In addition, the bill continues programs for college research library assistance and training, institutional aid, teacher training programs, international education, construction and renovation, cooperative education, graduate and professional programs, postsecondary education improvement, and other miscellaneous provisions. While smaller in dollar value than the student aid programs, these other programs are an important component of Federal support for higher education.

The Congressional Budget Office estimate of the fiscal year 1987 authorization for S. 1965 is $6.5 billion. For the richest country in the world, this is not an excessive commitment of Federal resources, to higher education. And yet, this money goes a long way in helping to assure continuation of a strong higher education system.

Mr. President, I am proud to be associated with this bill. The Labor and Human Resources Committee is to be commended for the fine job it has done in drafting this legislation. I hope that this bill can be passed and quickly go to conference with the House of Representatives and then be sent to the President for his signature.●

Mr. HEFLIN. Mr. President, I rise to voice my complete support in favor of the bill to reauthorize the Higher Education Act of 1965.

Adoption of this legislation will insure the continuation of Federal assistance for a broad range of education programs that over the years have been beneficial to our students directly as well as to our institutions of higher education. Since its inception, the Higher Education Act has been the primary legislative vehicle for providing financial assistance from the Federal Government to college students and institutions of higher learning.

Higher education has long been a cornerstone of American history and tradition, and an integral part of this tradition has been the premise that availability of educational opportunity, regardless of family income or financial status will be promoted and encouraged for all citizens. By providing educational opportunities for a broad base of students, these programs have not only furthered the American educational dream, but have gone a long way toward helping our Nation build an outstanding tradition of research and development. With our economy placing more and more emphasis on technology training, the importance of a strong educational system is more crucial today than ever before.

Higher education is the key to the future of our Nation. This legislation provides the means for millions of our young people across the Nation to achieve their educational goals.

At this point in time, world and local events dictate that it is of the utmost importance for our Nation to have absolutely the best possible program for training and development in areas of new technology. Our national efforts in biomedical research, computer development, energy, scientific, and weapons research demand that we afford the best training available to the best people available.

We are in the midst of a very revolutionary period in American history. Our economy has shifted from a goods-producing one to a service-producing and high technology one. Along with this shift, our society has undergone a great many other changes. Mr. President, I speak specifically of the rise in the popularity of computers—in the workplace, the home, and in the school. New technology industries are flourishing. With all these changes, there is one thing that remains true—maybe even truer than

ever before. If we are to maintain our posture as a world leader, we must continue to emphasize, and excel at education.

I want to stress to the entire Congress that by supporting the Higher Education Act, we have an opportunity to ensure the continuation of the Pell Grant Program which provides a foundation of financial aid for needy undergraduate students. This legislation will maintain the College Work-Study Program which provides jobs for students to earn money for school. I do not understand why anyone would not support a program which gives students a chance to earn money to help pay their educational expenses.

In addition, the bill under consideration today by the Senate not only extends the life of the Guaranteed Student Loan Program, but it also brings a commonsense approach to providing loans for graduate and professional students.

With the escalating cost of a graduate and professional education, we need to provide every opportunity for our young people to become doctors, lawyers, college professors, and other professionals.

A few weeks ago when the Budget Resolution for Fiscal Year 1987 was under consideration, I jointly sponsored an amendment to restore full funding for our education programs. If we had accepted the administration's budgetary proposals, we would have denied many of our students the opportunity to receive an education. The history of our country is filled with stories of the contributions made by people who were able to attend college only because of Federal financial programs. If we had not fought back the proposed cuts in education, we would have shattered the dreams of many who would no longer be able to afford the expense of a college education. Those proposed budget reductions would also have done away with the traditional American guarantee of equality of opportunity in higher education.

The future of our country is at stake. It is imperative that we maintain quality education programs for all students. I ask, "how is our country going to develop the best possible research base if we allow the doorway to the Guaranteed Student Loan Program to be slammed in the face of graduate and professional students with no reasonable alternative course provided?" We cannot allow complacency to strike at the very heart of an integral part of the American dream—obtaining a college education. Low- and middle-income students would see their dreams harder to achieve, and dreams of graduate and professional schools would become virtually unreachable. These dreams, without Federal student aid programs would become beyond the financial reach of many who are now able to fulfill their dreams. I believe it is vital to our economic and cultural future that we continue to provide these educational opportunities.

The hope for tomorrow lies in the youth of today. I believe we should be proud that our young people are better educated, more committed, more passionately driven by conscience than any generation in our history. I believe we should be confident that with proper training, they will continue our Nation's search for liberty and peace, for a most just society.

Mr. President, I would like to take this opportunity to thank the members of the Committee on Labor and Human Resources for including in the committee report my suggestions with regard to title III of the Higher Education Act, which provides for direct assistance to our developing institutions. Title III of the Higher Education Act of 1965 expands the quality of educational opportunity by strengthening our colleges and universities which provide opportunities for low-income and minority students. Title III of this bill allows these schools to upgrade and strengthen their curricular, libraries, and teaching facilities.

Numerous colleges and universities in my home State receive Federal dollars under the title III program. Many of these schools are junior and community colleges. I support title III funds for our junior and technical colleges. Higher education in Alabama consists of 16 State-supported and 14 independent colleges and universities, 21 State-supported and 6 independent junior-community colleges, and 28 State technical institutions and colleges. For many of these schools, title III of the Higher Education Act is the only source of direct Federal institutional assistance. Likewise, the title III program is the only source of direct Federal assistance for our historically black colleges and universities. I am delighted that the Tuskegee University School of Veterinary Medicine in Alabama is recited in this legislation. Tuskegee's School of Veterinary Medicine is the most integrated school of veterinary medicine in our Nation. Yet it trains more than 75 percent of our Nation's black veterinary medical students today.

Again, I commend the members of the Senate Committee on Labor and Human Resources for their foresight in recognizing the need for the flexibility to provide for an enhancement provision in title III of the Higher Education Act of 1965, pertaining to future judicial consent decrees affecting many of our historically black colleges and universities. It is conceivable, if not anticipated, that our historically black colleges and universities will be required not only to upgrade their facilities but to also establish professional schools. If this is to be accomplished successfully, these colleges and universities will need financial assistance from the Federal Government to carry out their "access mission." I congratulate the committee on its decision to "review the need for such funds as may be necessary to assist these institutions in their efforts to establish new, innovative and professional programs."

I hope that the entire Senate will join me in supporting the legislation to reauthorize the Higher Education Act of 1965. This legislation will usher in a new era of educational advancement. We have the opportunity to demonstrate our commitment to maintaining our universities in their rightful position of prominence among America's greatest institutions. We must strive collectively and individually for educational excellence. The process must involve all levels of Government, Federal, State, and local, along with the private sector. However, I firmly believe that it is the responsibility of Congress to take the lead in focusing attention on the needs of education in our country. Our students can help make our dreams of conquering the far reaches of space come true. The dream of world peace, the dream of education for all, the dream of new and better technology, the dream of jobs for all who want them can become realities only through an enlightened society.

In this changing world, untold possibilities lie before our Nation. Our young people are ready to meet the challenges of tomorrow. We cannot let them down. We owe it to future generations who will dream of engineering school or medical school, or graduate school, but most importantly, we owe it to our great Nation.

Mr. BAUCUS. Mr. President, I strongly support the committee's bill reauthorizing and improving the Higher Education Act.

This bill affirms our commitment to make higher education possible for all Americans.

What is more, the bill affirms our commitment to increasing America's international competitiveness.

We face no task more important.

COMPETITIVENESS

A few weeks ago, the House of Representatives passed a comprehensive trade bill.

When we begin considering that bill, the debate will be fierce. Senators will disagree sharply about our trade laws.

At the same time, there is one basic principle that we all should be able to agree on: The need to increase America's industrial productivity.

In the end, we must produce our way out of the trade deficit.

Unfortunately, our foreign competitors are increasing their productivity faster than we are: Germany twice as

fast, France five times as fast, and Japan six times as fast.

To reverse this trend, we must improve the quality of our labor force.

Our children are the labor force of America's next century.

If we give them the best possible education and training, we will have the most productive labor force in the world, and our industries will have the highly skilled employees they need in order to compete internationally.

THE CARNEGIE REPORT

Two weeks ago the Carnegie forum on education and the economy issued a landmark report entitled "A Nation Prepared: Teachers for the 21st Century."

The report finds the U.S. educational system ill-prepared to provide workers with the skills they'll need in a high-technology workplace.

It says that "America must now provide to the many the same quality of education presently reserved for the fortunate few."

That is the direction that the committee's bill takes, and that is one of the bill's real strengths.

The bill increases the amount of grants and loans to help students pay for their college education.

At the same time, the bill targets assistance to students who need help and who are willing to work.

In this way, the bill significantly increases Federal assistance to education, while meeting the Gramm-Rudman budget guidelines.

CONCLUSION

Mr. President, last year the Carnegie Foundation issued another report, entitled "Higher Education and the American Resurgence," which notes that "new and powerful forces are reshaping American society, increasing and changing the demands placed upon higher education."

S. 1965 is one small sign that we understand those demands and that we are working to meet them.

I congratulate my distinguished colleagues on the Labor and Human Resources Committee for their fine work in drafting this bill, and I urge my colleagues to support it.

Mr. DECONCINI. Mr. President, I am pleased to be a cosponsor of S. 1965, the bill to reauthorize and revise the Higher Education Act of 1965. This bill is necessary to meet the ever changing educational needs of our country. If our Nation is to remain a leader in the free world we must guard against ignorance and ensure that each individual has an opportunity to be informed and to participate in the experience of higher learning.

Higher education or postsecondary education is an integral component of the foundation of the American education system. The colleges and universities of this system provide a quality education which benefits not only the student who earns a degree or acquires survival competence, but it results in a benefit to the Nation as well. The Nation gains an economic advantage in that a larger number of its citizens are more educated and highly skilled. The Nation benefits also from the technological advances developed in the research laboratories of our colleges and universities. And there is no doubt that higher education can enhance the earning power of individuals by increasing their potential for substantial employment.

Mr. President, this country must maintain education as one of the most valuable devices we can possess in order to continue to advance our leadership in the developed free world. We must, as a nation, remain competitive in the technological age which is upon us, and what better resource can be identified than our colleges and universities.

In addition to the Nation's general benefits of higher education, our State and communities receive several gains from the institutions and their students. A few years ago, a number of studies were conducted that described the impact of colleges, universities, and vocational schools on our local economies, on the quality of community life, and on the taxpayers who help support students and educational facilities.

For example, the 1984 report prepared by the California Postsecondary Education Commission showed that California colleges and universities contribute over $30 billion each year to the State economy—nearly 8 percent of the gross State product. And, as the report points out, these figures do not capture the benefits from the knowledge transmitted to the State's citizens and the taxes paid by California college graduates.

I, for one, believe that higher education is a definite asset of our citizens, our States, and our country. Although we are not able to measure the benefits by a finite degree, a traditional economic measure, such as the gross national product [GNP], can lend a relatively accurate analysis of the impact our investment in higher education has for our Nation. While many of us may not agree on methods to measure the value of a postsecondary education, most of us will agree that higher education is the primary key to the economic, social, and cultural future of this country and its people.

As we, the Members of Congress, address the priorities of this Nation in attempting to reduce the deficit, stimulate economic growth, and strengthen the country's position as a leader, we must keep in mind that these priorities are linked to the condition of our colleges and universities. Education is of such a priority that it should not be a problem at all to fund the education programs for the 5 million or more students who utilize them, even if it means a decrease in defense spending. Therefore, I am pleased to be a cosponsor of S. 1965, the bill to reauthorize and revise the Higher Education Act of 1965.

I commend my distinguished colleagues for their dedicated efforts in the compilation of this legislation and personally urge them to join in the passage of this important bill which will aid millions of students and thousands of educational institutions in this country.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to be a cosponsor of S. 1965, the Higher Education Act reauthorization. This legislation represents a strong statement of bipartisan congressional support for higher education, and the opportunities this means to students who go on to seek a degree beyond high school. For a State which is not characterized by the population density of some other States, my own State of Kansas has many institutions of higher education—State colleges and universities, as well as private, independent institutions, 2-year colleges and 4-year colleges.

COMMITTEE ACTION

Mr. President, S. 1965 has over 50 bipartisan cosponsors. It is a tribute to the subcommittee chairman, Mr. STAFFORD, that we have before us today a bill that is both fiscally responsible and favorable to students. The leadership of the distinguished Senators from Vermont and Rhode Island have made this one of the most popular bills to come before the Senate in recent years. The distinguished committee chairman, Mr. HATCH, and ranking minority member, Mr. KENNEDY, as well as the other members of the Labor and Human Resources Committee, are also to be commended for their leadership in this effort.

The primary emphasis of this legislation is on the student financial aid programs under title IV. The committee preferred to target scarce financial resources to the students themselves. Successful programs have been strengthened. Programs that have not been funded in recent years have been eliminated. Some of the most important programs have been continued with improvements. Both the Pell grants and guaranteed student loans have been increased. S. 1965 gives the first increase in GSL loan limits in 17 years. One need not mention how much the cost of education has increased during this same time period. A modest increase was long overdue. At the same time S. 1965 provides for some targeted expansion of benefits, the bill also saves about $2 billion in unnecessary authorizations.

PELL GRANTS

S. 1965 raises the maximum Pell grant from $2,100 to $2,400 for 1987, $2,600 for $1,988, $2,800 for 1989,

$3,000 for 1990 and $3,200 for 1991. Since this is the main source of financial aid to low-income students, this modest increase as well invested. Further, grants would be limited to families with incomes of less than $30,000 a year, after Federal and State incomes taxes are subtracted.

The bill also establishes a simplified application form for families with incomes less than $15,000, and would include child care as an allowable expense to be calculated in the cost of attendance. This change is actually made for all students aid programs, in order to assist single parents with children.

GUARANTEED STUDENT LOANS

The Guaranteed Student Loan Program benefits middle-income families with college-age children, whose cashflow situations may be limited. S. 1965 increases the loan limits to $3,000 for freshmen and sophomores, to $4,000 for juniors and seniors, and to $7,500 for graduate and professional students—this is up from $5,000.

In addition, S. 1965 increases the interest rate for new borrowers to 10 percent once the student is in repayment. The special allowance would be decreased from 3.5 percent to 3.25 percent. In the event that there is a lack of access to this type of aid, the State guarantee agencies would be required to provide a lender of last resort in every State.

Current budget authority for the Guaranteed Student Loan Program for fiscal year 1986 is $3.272 billion, but outlays were $3.363 billion. For fiscal year 1987, GSI budget authority is $3.379 billion, which is actually about $15 million lower than the current law estimates for fiscal year 1987—$3.394 billion. Outlays are expected to actually be lower than budget authority, because of the way S. 1965 tightens the program.

OTHER FINANCIAL AID PROGRAMS

The Supplemental Educational Opportunity Grants Program would now give priority to students who receive Pell grants and demonstrate exceptional need. S. 1965 increases the maximum grant level from $2,000 to $3,000.

Changes in the College Work Study Program would allow institutions to use up the 10 percent of their CWS funds for community service projects. If they opt to do this, they would have to come up with only a 10-percent match, as opposed to a 20-percent match for the regular program.

S. 1965 makes some changes in the National Direct Student Loan Program that would target loans to those students who demonstrate exceptional financial need and increase loan limits to $2,000 annually.

GENERAL IMPROVEMENTS

Mr. President, under this bill, every applicant would have to demonstrate financial need in order to obtain a loan. This is the result of an across-the-board means test for all programs. A framework for the need analysis system describing the elements to be considered is written into law.

Other changes help to improve the targeting of benefits. For example, child care expenses are included as an allowable expense. Independent students with dependent children are treated differently than independent students without dependent children.

Further, each student will be required to contribute $800 up front as self-help before being eligible for any Federal funds. In my view this strengthens the purpose of these financial aid programs, by making certain that the student has a serious intent to obtain a higher education.

Along these same lines, S. 1965 includes the previous Nickles-Pell proposal to require that a student maintain a "C" average, or its academic equivalent, upon completion of the second year of college, in order to remain eligible for Federal student aid. An academic standard consistent with the requirements of graduation of the institution of attendance may be used instead of the "C" average.

CONCLUDING REMARKS

Mr. President, it is appropriate that S. 1965 be the first legislation to be considered by the Senate on the day that this institution allows live television coverage of the proceedings. S. 1965 represents a positive measure, demonstrating the strong bipartisan support and spirit which can often characterize the Senate of the United States.

With so much criticism of the American education system, it is fitting that we have before us the reauthorization of the Higher Education Act, whose programs represent the Federal Government's commitment to its own future by providing the means to post-secondary educational opportunity for millions of young people who otherwise would not be able to continue their education. Over the years, the programs contained in this bill have assisted many students from diverse economic and academic backgrounds to obtain an education that has given them the necessary skills to compete in the job market.

These higher education programs have done much since their beginning in 1965, to increase access to college and university training for the young people of America at both the graduate and undergraduate level. Through these programs, students have been given the tools to forge their own futures and participate as productive adults in a fast-moving society, where success is still largely based on hard work and motivation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. STAFFORD. Madam President, I move to reconsider the vote by which the committee amendment, as amended, was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STAFFORD. On final passage of the bill, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. WILSON). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from South Dakota [Mr. ABDNOR] is necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota [Mr. ABDNOR] would vote "yea."

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Iowa [Mr. HARKIN], the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 1, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—93

Andrews	Goldwater	Metzenbaum
Armstrong	Gore	Mitchell
Baucus	Gorton	Moynihan
Bentsen	Gramm	Murkowski
Bingaman	Grassley	Nickles
Boren	Hart	Nunn
Boschwitz	Hatch	Packwood
Bumpers	Hatfield	Pell
Burdick	Hawkins	Pressler
Byrd	Hecht	Proxmire
Chafee	Heflin	Quayle
Chiles	Heinz	Riegle
Cochran	Hollings	Rockefeller
Cohen	Humphrey	Roth
Cranston	Inouye	Rudman
D'Amato	Johnston	Sarbanes
Danforth	Kassebaum	Sasser
DeConcini	Kasten	Simon
Denton	Kerry	Simpson
Dixon	Lautenberg	Specter
Dodd	Laxalt	Stafford
Dole	Leahy	Stennis
Domenici	Levin	Stevens
Durenberger	Long	Symms
Eagleton	Lugar	Thurmond
East	Mathias	Trible
Evans	Matsunaga	Wallop
Exon	Mattingly	Warner
Ford	McClure	Weicker
Garn	McConnell	Wilson
Glenn	Melcher	Zorinsky

NAYS—1

Helms

NOT VOTING—6

Abdnor	Bradley	Kennedy
Biden	Harkin	Pryor

So the bill (S. 1965), as amended, was passed.

(The text of the bill, S. 1965, as amended, and passed, will be printed in a later edition of the RECORD.)

□ 2010

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, we would not have reached this point with a decisive vote on one of the key amendments a few minutes ago and with the 93-to-1 vote in favor of the passage of this bill had it not been for the excellent cooperation and work of the chairman of our full committee, Senator HATCH, Senator KENNEDY, the ranking minority member of the full committee, and particularly for the work of my colleague of many years in educational matters, Senator CLAIBORNE PELL, of Rhode Island.

It was due to cooperation of all of these Members and the help of the majority leader that brought us to this point in only a little over a day of deliberations.

I know, as everybody does, that in the U.S. Senate much of the real hard work, the effort that makes it possible for us to pass legislation like this in the Senate is the result of fine staff work on both sides of the Senate.

□ 1820

I would particularly like to extend my appreciation for the members of the committee and myself to the staff on this side who handled the matters for the committee, and the subcommittee: Polly Gault, Ellin Nolan, and Susan Franson; additionally, Bobbie Dunn and Arlette Mattsson-Boze with Senator HATCH; Betsy Brandl with Senator QUAYLE; Michael Tongour with Senator THURMOND; Sarah Tommasson with Senator GRASSLEY; Gena Zimmerman with Senator HAWKINS; Laura Clay with Senator NICKLES; Lani Florian with Senator WEICKER; and Michael Hoon with Senator WALLOP.

On the other side of the aisle, I am sure Senator PELL will wish to say something himself but David Evans and Ann Young worked with him so closely and so well, and also worked so well with our side of the Senate also Debbie Curtis with Senator KENNEDY; Lisa Phillips and Buddy Blakey with Senator SIMON; Sharon Mahoe with Senator MATSUNAGA; Cheryl Birdsall with Senator METZENBAUM; John Dukakis with Senator KERRY; Rick Tarplin with Senator DODD; and Chris Bolton with the majority leader, Senator DOLE.

So for the committee, I express our deepest appreciation for all of the members of the committee staff who worked so hard to allow us to pass the bill by a 93-to-1 vote.

I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I would like to in turn express my gratitude and thanks to our chairman, Senator STAFFORD, who is a wonderful partner and with whom I have enjoyed working on these educational matters, and to Senators KENNEDY, and HATCH, the ranking member and the chairman respectively of the full committee.

I know Senator KENNEDY has had a long, long interest in education and has been an invaluable help, backup, and support to this Senator, and without Senator STAFFORD's cooperation many of his ideas would not have come to fruition.

I am very glad indeed to be a partner in this work, but as he pointed out, the real work and the hard work is very often done, usually done, by the hard-working but invisible staff members. Here I give my own thanks and credit to David Evans and Ann Young, who helped him in preparing me and preparing my subcommittee for the debate today and working out the legislation.

I would add the gratitude of all of us to the staff members of my colleagues on the minority side, to Rich Tarplin, to Buddy Blakey, and Lisa Phillips, Debbie Curtis, Sharon Mahoe, Cheryl Birdsall, and John Dukakis. All of those have helped their respective forces to a considerable degree, and I would be most remiss if I did not say how much I appreciate the partnership and help of Polly Gault and her colleagues on the majority side.

Without the working relationship between her and David Evans of our staff, this bill would not have come to fruition. So expressing this gratitude to all of them, I express a certain sense of relief that this is a 5-year bill. So it will be 1991 when we next rise on this matter.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, again let me thank both Senator STAFFORD and Senator PELL for their outstanding work. Particularly, I am pleased that the amendment offered before final passage carried. That puts us in a much stronger position with the administration. I am very hopeful now that the conference can be resolved, and we can get on with the authorization and the appropriations.

So I certainly commend both of my colleagues, the chairman of the subcommittee, Senator STAFFORD, and the distinguished ranking member, Senator PELL, as well as members of their staffs.

I indicate that we did complete action in about a day and a half—9 hours and 45 minutes, to be exact. There were four rollcall votes. There were 38 amendments considered. Thirty-four were agreed to. One was rejected, and three withdrawn. So it was a rather active 9 hours and 45 minutes. Again I extend my thanks to my colleagues on both sides of the aisle for their good work.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. Mr. President, I wish to associate myself with the remarks that have been made by the distinguished majority leader with respect to the two managers of the bill. They are certainly very deserving of the plaudits they have received from the majority leader. I share in those commendations and I am sure that our colleagues on both sides of the aisle also thank these two fine managers, and admire them for their skills, and for the performance which they have made here today.

It is an important bill. The Senate and the people of our country are in their debt. I congratulate them.

● Mr. SARBANES. Mr. President, I support S. 1965, the reauthorization of the Higher Education Act. When the Higher Education Act of 1965 was enacted, opportunities were created and doors were opened for millions of citizens who otherwise would not have had the chance to obtain a higher education. I am very pleased to be able to participate actively in the reauthorization of the Higher Education Act which provides the basic statutory authority for our Nation's commitment to educational opportunity and excellence.

The passage of this legislation is particularly significant in my view in light of the repeated attempts by the current administration to reduce the role of the Federal Government drastically in student-aid programs. The administration has consistently tried to minimize the role of the Federal Government in helping students finance their higher education, and the budget that was submitted this year was no different in this regard. The administration's approach would have increased the already large student debt burden making it much harder for middle-income families to finance a college education, made it more difficult for low-income students to obtain a higher education, and reduced the choice of colleges available to them. The Senate, of course, rejected the administration's budget proposal and passed a budget resolution that, while still falling short of what I think we

need in terms of financial aid in the area of higher education, is a significant improvement over what the administration submitted.

In the same manner, although the Higher Education Act reauthorization legislation we have passed today is not everything I would like to it to be, it does sustain our Nation's longstanding commitment to access, choice, and opportunity in higher education.

Every society places a premium on education in terms of developing a skilled and trained work force in the next generation, and the more complex economically the world becomes, the more urgent it is to address this aspect of developing our human resources. But beyond that, in this society education carries two other very important responsibilities which make this whole complex of programs we are talking about essential to the health and vitality of the society.

The first is that we are one of a handful of countries that has maintained a democracy over a sustained period of time. Obviously, education is essential to a literate citizenry capable of making democracy work. The other dimension is that education in America represents the ladder of opportunity. We take great pride in being an open society in which people can move up and forward, and the way they do that is essentially through the educational ladders provided in the legislation we are addressing today. All of the programs, we re talking about today are not solely to benefit the individual, as important as that part of it is. These programs are part of our national effort to include people in our society, rather then excluding them, an esssential concept in my view to the harmonious working of American society.

The passage of the reauthorization of the Higher Education Act is a critical step in our efforts to maintain access and choice in higher education. We must continue acknowledging the importance of education in this country, to sustain and hold onto the educated base we have created, and to commit ourselves to a quality education for all our Nation's citizens.●

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business for not to extend beyond the hour of 8:45 with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SALUTES TO THOMAS HOBBS

Mr. SARBANES. Mr. President, public service is an honorable calling, one that demands the very best, most dedicated and skilled efforts of those fortunate enough to serve their fellow citizens.

Among the thousands of dedicated people in Federal service, people of integrity, skill and competence, it gives me great pleasure to salute Thomas R. Hobbs, manager of the Baltimore field office of the U.S. Department of Housing and Urban Development, who is leaving after more than 21 years of public service, nearly 15 of which have been spent in Baltimore where he has headed the office since 1978. Through his efforts, and those of the many dedicated employees of HUD in Baltimore, there have been tremendous improvements in neighborhoods and housing conditions throughout Maryland.

The work which has come under Tom Hobbs' responsibility has created thousands of jobs, millions of dollars in investment and provided housing and economic development assistance to communities all over Maryland.

In addition, Tom Hobbs has distinguished himself as a leader in the community and among public employees. He has served as chair of the Maryland Affordable Housing Task Force, on the board of the United Way of Central Maryland, as chairperson of the Baltimore Federal Executive Board and received many awards for his distinguished service to the people of the United States and Maryland in particular. Tom Hobbs is indeed an outstanding public servant and I join in wishing him well.

Mr. President, I ask that Mr. Hobb's statement announcing his departure from HUD be printed in the RECORD.

The statement follows:

HUD MANAGER RESIGNS

Thomas R. Hobbs, Manager of the Baltimore Field Office, has announced his resignation effective June 7, 1986. Mr. Hobbs will be taking a position in the private sector with a firm located in Baltimore. Dean K. Reger, presently Deputy Manager, has been designated Acting Manager effective June 8.

Mr. Hobbs has worked with the Baltimore HUD Office since 1971. He has been Manager of the Baltimore Office since 1978 and was Deputy Manager for seven years prior to that. Mr. Hobbs began his career with HUD in the Atlanta Regional Office in 1965. Concerning his resignation, Mr. Hobbs said, "It was a very difficult decision and one about which I had mixed emotions. I have enjoyed my 21 years of public service. I particularly value, and will miss, the personal relationships developed with my coworkers. Over the years they have given me great support, and it is they who are responsible for the Baltimore Office's fine reputation, both locally and nationally. Together, we established an excellent professional relationship with builders, developers, mortgage lenders, realtors, property managers, elected officials, and local and state government officials. Through our partnerships with these groups, we made tremendous improvements in neighborhoods and housing conditions throughout the State."

As Manager of the Baltimore Office, Mr. Hobbs was responsible for the administration of all Departmental programs and activities within the state of Maryland, excluding Prince George's and Montgomery Counties. These programs and activities included HUD's single family and multifamily mortgage insurance programs; HUD's housing subsidy programs, including property management; HUD's community development programs, including the Community Development Block Grant (CDBG), Urban Development Action Grant (UDAG), and Rental Rehab programs; HUD's fair housing and equal opportunity programs; and the statutorily mandated environment, energy, and labor relations activities.

Mr. Hobbs' chief accomplishments over the last eight years include providing housing assistance to every county in his jurisdiction, including dozens of small towns; stimulating thousands of jobs and millions of dollars in private investment, particularly in Baltimore City, through HUD's economic development programs; creating a statewide Affordable Housing Task Force to deal with the affordability issues facing home owners; and establishing the Baltimore Office's reputation as one of HUD's finest Offices. In 1983 Mr. Hobbs served as Chairman of the Baltimore Federal Executive Board. He received HUD's Distinguished Service Award for outstanding management leadership in 1979.

Dean K. Reger has been Deputy Manager since 1979. Previously, he was Director of the Office's Housing Management Division and Director of the Community Planning and Development Division prior to that. He has worked for HUD since 1969.

Mr. Hobbs' new position will be Chief Operating Officer, SCA Tax Exempt Fund, and Vice President, Shelter/Can American Corporation. SCA will be operating a fund of $100 million to $400 million dollars in tax-exempt, bond-financed real estate in conjunction with a large investment firm.

ADDRESS BY SENATOR MOYNIHAN: MAINTAINING ONE'S VALUES OUTSIDE THE IVORY TOWER

Mr. MOYNIHAN. Mr. President, last October, I accepted the gracious invitation of Ms. Kathryn M. O'Neill, vice president of the class of 1986 at Cornell, to give this year's convocation address at the university.

This past Saturday in Ithaca, I was privileged to give that speech, attempting, at request of the graduates, to discuss "Maintaining One's Values Outside the Ivory Tower." Mr. President, in tribute to the Cornell class of 1986 and for the benefit of the Cornell community at large, I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MAINTAINING ONE'S VALUES OUTSIDE THE IVORY TOWER

(Remarks by Senator Daniel Patrick Moynihan)

To the Class of 1986:

When your Vice President Kathryn M. O'Neill wrote on your behalf to ask if I would speak to this convocation on the topic: "Maintaining One's Values Outside

the Ivory Tower", my first impulse was to tease just a bit, as Kathy and I are friends.

"Tell me, Kathryn, have you been reading too much Edith Wharton? What is this business of one's values?" Surely you mean "your" values, tell me then, just what are your values, and how did you come by them, and just what makes you think you will want to maintain them once you leave Cornell, which is what I assume you refer to when you speak of the Ivory Tower, although I don't understand this tendency of young people to say one thing when they mean another."

This would go on, of course, until the inevitable: "Now Kathryn, I know that you and I both agree that candor is best in matters such as these. And so I must ask: "Have you really finished Quine's essay on "Ontological Relativity?" The one where he associates himself with Dewey and first takes note of a quite decisive turn away from Wittgenstein's theory of language?

Then, reading further, in Kathy's letter, I learned you want me to speak "up to forty-five minutes," which I will surely not do, but which I will just as surely take as a measure of your seriousness. And think it all the more an honor to be asked to speak on this occasion.

It is, as Ms. O'Neill noted "a crucial crossroads: we are ending the bulk of our formal education and moving to a new kind of education, with harsher instructors." I take that to mean something other than law school or medical school. I take it to mean the world of the adult citizen and I shall speak of the differences. Rather, I will speak of the single most important one. The University, which you now leave, is beyond all things a setting in which truth is the highest value. It is the one setting in which it may with confidence be said that "above all things truth beareth away the victory." Not a truth, or the one truth, our civilization has moved beyond that concept. But that quality of statement which we associate with the term knowledge: to which we put the simple test: what do you mean, and how do you know? A simple seeming test, but not many propositions survive it. The life of the university revolves around the formulation of propositions about things in general and things in particular and then putting them to this test.

I would like to think and I do not the least doubt that of the values you have acquired here, or have had reinforced here, truth telling and truth seeking will be foremost.

And you are so right to ask: how can such be maintained?

Mind, you have done the essential first thing. You have asked the right question. You are going out into the world where truth is a problematic standard: Susceptible to distortion, and to suppression, and in any event in short supply.

Let me first set aside the subject of the totalitarian state.

The totalitarian state is an institutionalized lie. Save the physical sciences, it has no standards of truth and no interest in truth. Indeed it has a pervasive fear of truth, and a correspondingly obsessive interest in suppressing it. Just last Saturday we learned that a stage production of George Orwell's *Animal Farm* had been canceled on the program of an international theater festival—to be held, mind, in Baltimore—as a result of protests by Soviet officials.

Consider: the Soviets cannot abide the stage version of a novel written forty-one years ago satirizing the totalitarian state and its systematic perversion of truth. One day we are told "all animals are equal." The next day we learned that "all animals are equal, but some animals are more equal than others." Most importantly, we are told the new proposition is not new at all, but was always there.

I fear the totalitarian regime has become a permanent fixture of the twentieth century, and is likely to persist. It always lies save when it can mislead by telling the truth: a subtlety to be watched for. I would only ask that you never forget this, and never allow others to think you have. One must be in full agreement, for example, with the *New York Post* editorial of Thursday proposing that the only possible response to the cancellation of *Animal Farm* is for the American's to boycott the entire "Festival." If Orwell cannot be heard, let empty theaters speak.

My concern here is with our own Nation, and its various governments, most especially the National Government.

We too have a problem of truth telling. It is not pathologic. But neither is it taken for granted.

Let us see if we can sort out three subsets of this problem. There is first the problem of truth telling where the truth is really not known but not everyone knows this. There is the problem of truth telling where the truth is not recognized. And then, of quite a different order, there is the problem that presents itself when the truth is concealed.

Begin with the problem of truth telling where the truth is not known. In public life this is a frequent condition and only becomes a problem when we are not aware of it. (There's an old saying around upstate New York that it's not ignorance that hurts so much as knowin' all them things that ain't so.)

This is notably the case with respect to social problems that seem to defy our very best efforts, and to do so in the face of confident assertions by notables in public and private life that we know exactly what to do if only we had the will to do it.

I have been caught up with such matters for decades now and have seen changes in fashion, but not too much to change in the proudful innocence with which passing elites insist on first one panacea then another. Just now in Washington is the prevailing wisdom that the reason you have social problems is that you tried to do something about them. This is particularly the vogue among a cohort that has been described as "flower children turned social Darwinists." But the visionaries of earlier times were not less impatient with complexity: I was there; I attest.

In the 1968-69 report of the Social Science Research Council, there appeared a general statement of this particular problem:

"The difficulty we as a nation face in solving our problems is not will but knowledge. We want to improve education and strengthen family life but we do not know how. * * * The overwhelming complexity of the Nation's social problems and their immediacy * * * should blind us to our ignorance of ways to solve them."

This is not a counsel of despair or of passivity, but of rigor. I would speak now especially to those of you who are concerned with social issues and look to a life in public affairs. If you hold on to none other of the values you have acquired at Cornell, hold on to the value of evidence.

Young people sometimes feel, and understandably, that only a fierce conviction of revealed truth will take them through the trials of public combat. In the short run, possibly. But in the long run, no. If you don't have forty years for these things, it is probably just as well not to bother. And if you are to keep at them forty years or more, you will need to be prepared over and over again to learn that you have been wrong, for which the best possible preparation is Learned Hand's spirit of liberty that is not too certain it is right.

Let us now consider that problem of getting at the truth when we chose not to. There is a good enough term for this, called self-deception, and there is a good enough remedy called looking it up.

I have been struck by this problem in recent years, and not least in recent weeks, as it pertains to the state of the American economy. This is a dread subject to address on a commencement weekend, but it is going to be important to you in the years to come, and to those values which properly concern you.

It comes to this. The great surge in American living standards that began in the Second World War, and roared on thereafter, came to an end, or a temporary halt, just about the time the class of '86 was being born. No one seems to know quite how this happened. One aspect, surely, is that the war-devastated economies of other nations revived and an artificial and temporary American preeminence disappeared. This was evident for some while. In 1975, in a paper written for Governor Rockefeller's Commission on Critical Choices for Americans I put it so:

"A quarter-century after the American century commenced, we find ourselves in a world that might well have been extrapolated from the world of 1925; it was projections that were misleading."

Most recently Professors Hans A. Bethe and John Bardeen, those most indefatigable truth seekers have suggested that we are seeing the cost of diverting technical resources to military and other governmental enterprises that have allowed others to catch up and pass on. They write:

"Our manned space program illustrates this point. While Apollo was a great technical achievement, its cost was far greater than the dollars spent. Superior technical talent tended to gravitate to Apollo and the military programs, at the expense of civilian industries, allowing Japan to establish its dominance in consumer electronics and other markets."

The evidence of all this is plain as can be. Hourly earnings in private nonagricultural industries peaked in 1972. Then declined. As of 1985, they are in real terms no more than they were in 1968. Eighteen years without rise in industrial wages. Median family income peaked in 1973, and as of 1984 is no greater than in 1969. Fifteen years without an increase in family income.

Consider that in the postwar period, no three years ever went by without a new record in family income. This was your parent's experience, and we can't break out of the notion that it somehow continues. In February of this year, Dr. James C. Miller, III, the Director of the Office of Management and Budget came before the Senate Budget Committee to present the President's budget for the next fiscal year. The first statement in his formal testimony was that "family income is at an all-time high. * * * " I queried him. He called back a week later to say that of course he was wrong. It was all there on page 286 of the *Economic Report of the President.* Now I grant that if you want to keep something secret in Washington a good strategem is to

publish in the *Economic Report.* But the Budget Director ought to be an exception to that rule. He is surrounded by superb public servants. His Congressional testimony is a collective effort. If someone had produced a passage that declared that the trade surplus had never been greater, we could expect the typist would have caught it. But no one did. Somehow we are concealing this huge truth from ourselves.

Nowhere is this more evident than in Congress. Our trade deficit with the rest of the world is now huge and utterly without precedent. As William J. Baumol has pointed out, there is an elementary explanation. After steady growth over centuries, American productivity—output per man hour, person hour if you like—has all but flattened. Productivity grew at four percent a year in the 1950s. Last year it grew 0.1 percent, one fortieth of the rate for the 1950s.

Result? Other countries' products become cheaper and better. Response? Congress is convinced other countries are cheating. Just a week ago the Democratic House of Representatives, as the President stated, passed the most protectionist trade legislation in a half-century, determined to make tariffs and quotas a substitute for economics 101.

Let me refer back to that earlier event, the Smoot Hawley Tariff of 1930. Against the overwhelming advice of American economics, President Hoover signed this effort to overcome the depression by closing our market to foreign goods. The predictable reaction of other nations was to close their markets to ours. The British turned to imperial preference and Canada raised its tariffs to the highest in history. Unemployment soared. In 1933, the Germans elected Adolf Hiter Chancellor. The path to World War was set in no small degree owing to the inability of the American Congress—then as now—to accept the truth about economic troubles.

Ignorance and self-deception are familiar to history. Something more ominous has appeared of late in American public life. There is a term for it. The term is deficit.

The 1980s in Washington have not been the best of times.

They begin with an election campaign in which a major political party committed itself to an unconventional but defensible economic doctrine called "Supply Side Economics." In its essence the doctrine asserted that a large tax cut was needed to stimulate the economy—the subject we've just been discussing—and because of this stimulus would at least replace any lost revenue.

A young intellectual "Supply Sider" as they called themselves, got himself in line to be the next Director of the Office of Management and Budget. Well before the election, and his appointment, he realizes that supply side projections are quite wrong. A huge tax cut would produce huge deficits. Does he tell? He does not. He is determined to destroy the "blighted bloated welfare state" in his term—which he sees as an enemy of the people. He foresees a protracted budget crisis as the means by which to carry out this secret goal. The tax cuts go through. It is soon obvious that the deficits are coming. The government denies this. As Laurence I. Barrett writes in *Gambling with History,* by early July of 1981, the probabilities were clear, but officials lied. I cite Barrett: The midsession budget estimate published July 15 of that year "was both obsolete and deceptive even before it went to the printer." The substance of this charge has now been openly admitted in Mr. Stockman's memoirs. *The Ithaca Journal* writes: "The public needs this guide to governmental duplicity for future reference."

A passing matter? Hardly. As a result of that legislation and the refusal to acknowledge any need to modify it, the United States debt doubled in five years. This meant borrowing abroad, which drove up the cost of the dollar which drove down American exports which led to protectionist demands and so on and so on. We shall be living with this fiscal crisis for the rest of the century. Cornell will be living with it. You will be.

It is new for high officers of the state to be deceitful in matters of such consequence. And this is not a single event. It has become a pattern, and nowhere more ominously than with respect to nuclear strategy and nuclear weapons.

This is the central, compelling issue of our age and in no other area in public life is truth telling so important. This is doubly so because in such matters, the public is so heavily dependent on government, and government in turn on scientists and technologists, to know what the truth is. The facts about Star Wars, cannot be looked up in the *Economic Report.* It is, in fact, quite beyond the capacity of most of us to reach reasonable judgments when scientists themselves disagree.

Just now this is the most difficult issue we must deal with in Washington. One has to agree with McGeorge Bundy that a race between the United States and the Soviet Union to develop space weapons poses a prospect "more serious than any new event we have confronted since the emergence of the hydrogen bomb and the ballistic missile."

Congress faces two equally daunting questions: can it be done, and should it be done. I believe they must be faced in that order. I happen to believe, I would go so far as to say I happen to know, that the persons principally responsible for the Administration's initiative took the question in the reverse order. It should be done ergo.

This has brought about deep distrust and anxiety. In the article I mentioned earlier, Professors Bethe and Bardeen noted that when the modest research program in the area was suddenly elevated to the level of a Presidential initiative of global significance, there were few scientists who thought there was any prospect of fulfilling the President's dream of making nuclear weapons "obsolete." Three years and billions of dollars later, nothing, they think, has changed that concensus. But the Administration continues to declassify reports of quote monumental breakthroughs unquote. . . .

Last week I joined with 45 other Senators in proposing to Senator Goldwater that we cut the President's request of $5.4 billion to $3.1 for programs next year. If we were distrustful before, we are perhaps the more so now that a Pentagon official, insisting on anonymity, has even so declared that "this would be tantamount to terminating the program." I do not believe they have grasped the importance of trust here. Bundy puts it well.

"There is no iron law which required that a government should be as deeply divided against itself, or as incomplete in its honesty to the American people, as the American Government is today."

But that you see, will be your task as citizens: to ensure, to insist that your government be more complete in its honesty, and also its accuracy, and its candor.

That is *the* great ideal to take from this pleasing hilltop.

Here endeth the last lecture. I do thank you for inviting me, and wish you every fortune.

ANNUAL REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING; MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 153

Under the authority of the order of the Senate of January 3, 1986, the Secretary of the Senate, on May 30, 1986, during the adjournment of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting for Fiscal Year 1985. The report states that the Corporation will seek appropriations at the full amount authorized through 1990. This does not reflect my views. My 1987 Budget proposes $130 million, $108 million less than authorized, for the Corporation's pending appropriation. I request that the Congress appropriate no more than the level I have proposed.

RONALD REAGAN.

THE WHITE HOUSE, *May 30, 1986.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

CONSIDERATION OF DEFENSE BUDGET—MESSAGE FROM THE PRESIDENT—PM 154

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Armed Services:

To the Congress of the United States:

On May 15 I wrote to the leadership of the Congress to express my deep concern regarding the large reductions

in our defense program proposed by the House Budget Committee. In my letter I made it clear that these huge reductions would have a severe impact on our national security, and I stated my intent to work with the Congress—both Senate and House—to protect those programs most vital to our national security, including our Strategic Modernization Program.

The extraordinary events of this year's congressional review of my defense proposals and the extreme sensitivity of international events compel me to restate to the Congress, and to the American people, my intention and rationale for protecting those few high-priority programs that form the very foundation of our Nation's security in this troubled world.

Almost five years ago, in October 1981, I announced a balanced and coherent program for rebuilding America's strategic forces. That five-part modernization program was designed to redress the growing strategic imbalance between the United States and the Soviet Union, to strengthen and modernize the U.S. forces that have deterred nuclear war for almost 40 years, and to pave the way for meaningful arms control negotiations aimed at significantly reducing the existing nuclear arsenals of both the United States and the Soviet Union.

These past five years have been a cooperative effort. With a few exceptions, the Congress has supported our five-part program. Because we have worked together we have achieved results in which we can all take pride. With the stability provided by the Congress, our programs have been well managed and have cost less than we planned in almost all cases.

Our modernization program has also achieved many of the military and political results we expected. Deterrence has been strengthened, and we are stronger and more able to defend the values we hold dear. Our determined progress has been understood by the Soviets and, as predicted, they have returned to the negotiation table in Geneva.

As our negotiators in Geneva seek equitable and verifiable agreements, they are mindful that we have no more urgent task in preserving peace and freedom than the deterrence of nuclear confrontation or war. The strategic programs now before the Congress represent a vital foundation to this search for a more stable peace. They are designed to restore and strengthen our traditional approach to deterrence, while we seek new research initiatives to harness rapidly advancing technologies in order to provide for a safer world.

We must also always remember that maintaining a strong nuclear deterrent does much more than prevent nuclear war. Strong U.S. nuclear forces also contribute significantly to deterring aggression with conventional forces. In calculating what they call "the correlation of forces," the Soviet political and military leadership are ever mindful of the state of the nuclear balance between the United States and the Soviet Union. As a result, a strong U.S. strategic deterrent decreases the threat of any Soviet aggression and serves as the vital background that discourages Soviet attack—nuclear or conventional—upon us, our allies, or our interests abroad. Any weakening of our nuclear deterrent, leaving the Soviet Union with superior nuclear forces, could have the opposite effect. It could invite the Soviet Union to rely on such an advantage. Our strategic programs provide, therefore, a beneficial effect that far outweighs the less than 15 percent of the defense budget they consume. They are affordable—they are vital.

The Congress will recall that this Nation entered the 1980's after a decade of restraint in the modernization of our nuclear forces unmatched by the Soviet Union. Facing an increasingly capable Soviet force, all three legs of our own strategic Triad badly needed modernization: Our forces were becoming obsolescent and increasingly were losing both their military effectiveness and survivability in the face of steadily improving Soviet capabilities. Additionally, and perhaps most importantly, the essential command, control, and communications networks that undergird our forces had grown fragile and susceptible to Soviet disruption.

This loss in survivability of U.S. strategic forces, coupled with the magnitude of the Soviet buildup, had begun to erode seriously the stability of the strategic balance between the United States and the Soviet Union. The five-part Strategic Modernization Program I submitted to the Congress in October 1981 was designed to address all these dangerous deficiences.

Over the past five years, with the support and cooperation of the Congress, we have made substantial progress in strengthening our deterrent capabilities:

—We have made major strides in upgrading our warning sensors by modernizing the Thule Ballistic Missile Early Warning (BMEWS) radar, by improving the capabilities of the existing Pave Paws radars, and constructing two new ones to fill gaps in coverage—all in compliance with the ABM Treaty. Also by deploying a series of mobile ground terminals, we are strengthening the command and control network. We have further strengthened presidential control of our forces by a number of measures including continued deployment of the Defense Satellite Communication System (DSCS) III, and by fielding the Jam Resistant Secure Communications system.

—Through cooperation with the Congress we have improved and stabilized the Trident submarine construction program by ensuring the continued production of one of these new strategic submarines per year.

—Our two-bomber program has progressed successfully. The B-1B is being produced on schedule and within our cost estimates. Our low observables research program over these past five years has proven that stealth works far better than anyone would have believed possible five years ago. Our program has also removed much of the risk we faced when we first began what has become the most revolutionary development in military aviation since World War II. Accordingly, our Advanced Technology Bomber and Advanced Cruise Missiles will be able to penetrate improved Soviet defenses for the foreseeable future. The effectiveness of our aging B-52's has been extended by equipping them with air-launched cruise missiles.

—The Peacekeeper ICBM has had a near-flawless development cycle, and the first of these badly needed missiles will begin standing alert later this year.

—Additionally—and in my view most significantly for the long-term safety of America and stable world peace—we have launched the Strategic Defense Initiative program and are even now deeply engaged in researching how we might be able to employ our technical genius to eliminate one day the threat of nuclear ballistic missiles.

We can be justifiably proud of what we have accomplished by working together, but the task is far from finished. While recognizing the progress just listed, we must be clear that the advanced systems that have been proceeding through intensive development programs during the past five years are only now at the critical stage of deployment. Those unfamiliar with the sequence of research, development, and deployment all too often assume that our commitment to build a new system results in its immediate deployment. This error may explain the view held by some that we have now spent enough on restoring our strategic capabilities and that we can begin to cut those programs significantly. In fact, the real benefits of our strategic modernization efforts will be realized only if we complete the tasks that we have begun with the research and development phase. To stretch or disrupt these programs now would not only endanger deterrence but would be a wasteful and costly misuse of our scarce defense resources. In particular, the following steps are essential:

—Further improvements to our warning systems, and the strengthening of strategic command, control, and communications through deployment of the MILSTAR satellite communica-

tion system, the Ground Warning Emergency Network (GWEN), the E6A TACAMO aircraft for communication with strategic submarines, and improved bomber communications should be implemented as soon as possible.

—The Trident II (D-5) missile—whose enduring hard-target capability is so vital to our strategy of flexible response—begins flight-testing next January. The deployment of D-5-equipped submarines must continue as planned; continued production of one Trident submarine per year is critical to providing an effective and survivable sea-based force in the 1990's and beyond.

—The second half of our two-bomber program, the final development and deployment of the Advanced Technology Bomber, must reach fruition on schedule. I recommended the two-bomber program—and the Congress approved it—precisely because it provided a phased near-term and a longer-term solution. To pause now, before we have achieved the second part of the program—the stealthy ATB, the part designed to provide the answer for the longer-term—would be to undercut completely our capability to maintain an effective bomber force that could penetrate air defenses into the 21st century, and ignore the enormous potential that stealth adds to deterrence.

—We are in the stages of final development of—and soon will begin to deploy—the Advanced Cruise Missile. In 1983 procurement of our older Air-Launched Cruise Missiles was stopped so we could take advantage of this far more capable stealthy new missile. Having taken that step, continuation of the ACM program is essential. In fact, I have asked the Secretary of Defense to work with the Congress to accelerate this program.

—Modernization of the ICBM force remains incomplete—and, given congressional action last year, truncated. My FY 87 budget request contains funds that will allow us to move forward, with the cooperation of the Congress, to select a basing mode for the second 50 Peacekeeper missiles and to place the Small ICBM into full-scale development. This fall, the Department of Defense will recommend, in accordance with my May 27, 1986, decision on interim restraint, an appropriate best configuration, in terms of weight, number of warheads, and production schedule, for the Small ICBM. The long-range viability of our strategic Triad depends on the modernization of the land-based leg through the deployment of the Peacekeeper and Small mobile ICBMs.

The fifth part of our Strategic Modernization Program is strategic defense. The SDI program I submitted to the Congress in 1984 was a carefully structured effort that integrated realistic technical opportunities in a research effort, under prudent financial planning. By funding SDI at lower-than-requested levels, the Congress has narrowed the scope of our research, forcing us to make decisions on candidate technologies more quickly than we had originally desired. I believe it would be most unwise to delay and further restrict the program.

When I launched the SDI, I pledged to the American people a determined effort to investigate whether it is possible to build an effective defense against ballistic missiles. If advanced technology enables us to eliminate the threat of nuclear ballistic missiles—and I believe it can—we need to know this so that we can decide how we can build a safer strategic relationship that would rely increasingly on defensive systems that threaten no one. Also, it is important to have a vigorous research effort now because the Soviets have long been heavily engaged in their own strategic defense efforts, which in their case go well beyond research, and without the fiscal restrictions that have been placed on our SDI program. Our SDI program threatens no one. But if the Soviets are allowed to unilaterally continue to improve their strategic defenses, including a long-standing research effort in many of the same technologies being investigated by our SDI program, our future ability to deter Soviet aggression will be significantly and dangerously reduced.

I frequently hear two arguments—one political, one scientific—against the SDI. The first is that SDI would be "destabilizing." This argument implies that peace is best maintained by preserving in perpetuity a U.S.-Soviet relationship of mutual vulnerability to missile attack. The argument rests on the twin assumptions that the Soviet Union would agree with us in maintaining this relationship, by abstaining from building defensive systems and by halting the buildup of offensive systems.

Of course, we have since discovered that both these assumptions were wrong: Since the signing of the ABM Treaty the Soviet Union has spent roughly as much on strategic defense as it has on strategic offensive forces. And certainly the Soviet Union, in building a first-strike capability, never accepted the premise that the West should be allowed to possess secure retaliatory forces. Since the Soviet leadership does not share our views of the world—and since we must be able to deter them from acting rashly or aggressively in a crisis—we should be taking their actions seriously, and not remain wedded to disproven assumptions. Conducting our own policy on the basis of false assumptions about Soviet policies is dangerous and destabilizing. Exploring technologies that might blunt the Soviet ability to attack us, on the other hand, may well give us the means to reestablish and ensure strategic stability over the long term.

The "scientific" objection I hear to SDI is that "it won't work." Clearly the Soviet researchers who have been engaged for the past 10 to 20 years on the Soviet version of SDI do not believe the arguments often heard from Soviet negotiators that SDI won't work. How can such a judgment be made when the research necessary to decide this is incomplete? Science is based on knowledge gained through research and testing. It is exactly such knowledge that the SDI program is designed to produce. Where would we be today if Bell, or Edison, or the Wright brothers curtailed their efforts because untested judgments about their work indicated they could never succeed? To cut SDI on these grounds would run counter to the American spirit that pushed back frontiers in all realms of endeavor. I cannot accept this—and I do not believe the Congress should allow it.

I am also aware that certain members of Congress believe that we are attempting to move too quickly on the SDI program. These members would constrain the growth in the SDI program to the same level of growth as the entire Department of Defense budget. This logic is fatally flawed. The DOD budget is made up of thousands of programs and accounts that grow and decline in response to the military needs of the Department. To constrain SDI research by some fictional average of all these independent events would ignore the enormous advantage of American free enterprise to exploit technology to the limits of our knowledge. The cuts SDI has suffered to date have already limited our ability to fully exploit Western technology. Further cuts will only compound this problem.

We have also made good technical progress in closing the gap between the United States and the Soviet Union in anti-satellite systems. But progress in our laboratories does not give us military capabilities. Progress in the lab must be verified and tested before a system can be made operational. Unfortunately, our program is inhibited by congressionally imposed restrictions on testing—restrictions that have increased program costs and ultimately will cripple our efforts to create a credible deterrent in this area. Failure to provide a deterrent "in-kind" to the existing, operational Soviet system could create dangerous temptations for Soviet attacks on our satellites in time of crisis or during a conventional war. This failure to provide a capability to counter satellites that directly support hostile military actions also undercuts deterrence.

Just as our strategic force programs are designed to assure an effective and

credible deterrent for the United States and our allies, so too our efforts to reduce substantially the levels of U.S. and Soviet nuclear arms are not ends in themselves but are designed to contribute to increased U.S. and allied security and global peace and stability. Over the past several years, we have put forward a series of far-reaching arms control proposals that seek concrete steps toward such enhanced security and stability.

In the Strategic Arms Reductions Talks (START), we have continued to set a priority on the achievement of significant, equitable, and effectively verifiable reductions in the Soviet and U.S. nuclear arsenals, while strengthening strategic stability. Through agreements on such reductions we seek to achieve a safer world and to work, on a sound basis, toward our long-term objective of ultimately eliminating all nuclear weapons. Our proposals include the principle of 50-percent reductions for comparable strategic systems, as well as trade-off and "build-down" concepts designed to contribute enhanced stability at lower levels of arms.

Since the overall strategic equation can be directly affected by other nuclear forces, in particular by those of longer and intermediate range, we have applied similar security and stability principles in a related area of nuclear weapons arms control—the negotiations on Intermediate Range Nuclear Forces (INF). We are proposing a global solution of completely eliminating U.S. and Soviet long-range land-based INF missiles (LRINF) as our preference or, as an intermediate step, U.S./Soviet equality in LRINF missile warheads at any level.

Finally, as part of the Nuclear and Space talks in Geneva, we have sought in the Defense and Space negotiating group to initiate a dialog with the Soviets on the vital relationship between strategic offense and defense and on a possible cooperative transition to a more defense/reliant posture, should the research on defensive technologies prove successful. We are conducting research on strategic defense as a prudent hedge against the Soviet buildup in offense and defense so that we can establish and preserve the option for shifting the basis of deterrence to defensive systems that threaten no one.

In each of these arms control efforts, as in parallel efforts involving chemical and conventional forces, and in measures we and our allies have proposed to build confidence and reduce the risk of misunderstanding between East and West, we have focused on concrete steps that involve real reductions and constraints, that are equitable in contributing to security and stability, and that can be effectively verified. Our proposals have the strong support of our allies and provide a sound basis for significant progress in the future.

I am hopeful that the Congress therefore will join with me to protect the strategic modernization programs that make these negotiations possible. The Soviets are well-informed regarding congressional support for our modernization programs. If they detect a collapse of American resolve, we will see no movement in the negotiations because the Soviets will know they are better off by letting the Congress reduce our programs unilaterally rather than by engaging in meaningful negotiations that would result in both U.S. and Soviet systems being reduced on an equitable and verifiable basis.

On April 22, 1986, I wrote to the President of the Senate and the Speaker of the House of Representatives concerning appropriate near-term U.S. responses to the continuing pattern of Soviet noncompliance with existing arms control agreements. In my letter I reviewed the justification and rationale for our policy of interim restraint and proportionate repsonse. I also spoke of my judgment that it remained in the interest of the United States and its allies to try to establish an interim framework of truly mutual restraint on strategic offensive arms as we pursued with renewed vigor our goal of real reducitons in the size of existing nuclear arsenals through the ongoing negotiations in Geneva. My letter explained why my highest priority of all our defense needs remains the full implementation of the Strategic Modernization Program, to underwrite our deterrence today, and the pursuit of the SDI research program to provide better alternatives for the future.

The U.S. Strategic Modernization Program, including the deployment of the full 100 Peacekeeper missiles, as called for by the Scowcroft Commission, is the foundation for all future U.S. options and provides a solid basis that can and will be adjusted over time to respond most efficiently to the continued Soviet strategic buildup. It is absolutely critical that this program not be permitted to erode. That would be the wrost way to respond to the continuing pattern of Soviet activities, would increase the risk to our security and that of our allies, would undercut our ability to negotiate the reductions we all seek in existing arsenals, and thus send precisely the wrong signal to the Soviet leadership.

Our attempt to use the structure of SALT as the basis for interim restraint until a START agreement can be achieved has always been based on the assumption of Soviet reciprocity. It makes no sense for the United States to continue to support the SALT structure while the Soviet Union undermines the foundation of SALT by its continued, uncorrected noncompliance. Unfortunately, the Soviet Union has not reciprocated. Therefore, in the future, the United States will base decisions regarding its strategic forces on the nature and magnitude of the threat posed by the Soviet Union, rather than on standards contained in expired SALT agreements unilaterally observed by the United States.

On the 27th of May, after consulting with the Congress and with our allies, I announced my decision to retire two older Poseidon submarines as the eighth Trident submarine begins sea trials. This means the United States will stay in technical observance of SALT for some months, thus giving the Soviet Union still more time to correct their erosion of SALT. If they do, I will take this into account.

I believe we must now look to the future, not to the pass. The primary task we now face is to build a new structure, one based on significant, equitable, and verifiable reductions in the size of existing U.S. and Soviet nuclear arsenals. This is what we are proposing in the ongoing Geneva negotiations.

Until this is achieved, the United States will continue to exercise the utmost restraint. Assuming no significant change in the threat we face, as we implement the Strategic Modernization Program, the United States will not deploy more strategic nuclear delivery vehicles or strategic ballistic missile warheads than the Soviet Union.

Thus, we come to one of those unique crossroads of history where nations decide their fate. Our choices are clear. We can hold firm to our policies of modernizing to maintain our deterrent strength that has preserved the peace for 40 years or we can shrink from the challenge by offering a host of excuses. We can strengthen the hand of our negotiators in Geneva to achieve deep, equitable, and verifiable reductions or, by unilaterally reducing our forces, we can make a mockery of the only process that leads us toward meaningful arms control.

There is no free ride. Some people will argue that strategic forces must take cuts along with everything else when budgets are tight. Those "spread-the-pain" theories are not only false, they are dangerous. Every dollar taken from our strategic programs is a victory for potential aggressors. Every cut or delay weakens our cause in Geneva and adds materially to the ultimate cost of deterrence. It is not unreasonable for a great nation like the United States to invest the relatively modest sums we have requested to maintain a credible deterrence and preserve the peace. In fact, it is the very existence of these investments that makes us first among the nations of the free world.

In considering our proposed funding for strategic programs, I would ask each and every member of the Congress to consider the stakes involved. The Congress can proceed along the path of strategic modernization we charted five years ago, and strengthen thereby our ability to deter both conventional and nuclear coercion or aggression. It can permit us to proceed as quickly and efficiently as possible to determine how we can create a safer world and ensure peace and stability for the longer term. Alternatively, by "cutting here and trimming there," the Congress can stretch programs, thereby delaying scientific results, postponing the deployment of capabilities that we all agree are necessary, and, as a further penalty, increasing programmatic costs. I know which choice the American people would make.

This year I have begun to implement the recommendations of my Blue Ribbon Commission on Defense Management, the Packard Commission. This group of distinguished Americans once again pointed out the enormous importance of stability to our defense programs. These complex and intricate programs are difficult to manage at best because they involve new technologies and new concepts. They are impossible to manage if they become hostage to short-term budget issues that reduce and delay them at every turn.

We recognized in 1981 that we had to make strategic modernization our first priority. We have done so—and it has paid clear dividends. Our strategic programs have been models of management efficiency where we have kept them stable and on track. Internationally, our progress has paved the way to negotiations now in progress where for the first time the prospect of deep nuclear arms reductions is before us.

The essential feature and greatest strength of the 1981 Strategic Modernization Program is its integrated, phased nature. A failure to follow through with this design risks squandering the progress we have made and the effort—and money—we have invested thus far.

Having come this far, we must not falter now. If we do, the fruits of all our labor will be gone in the twinkling of an eye. I cannot allow this to happen. I cannot and will not accept a defense bill that undercuts our Strategic Modernization Program and the prospect of significant and equitable arms reductions. The security and peace of the world depend on the credibility of our strategic forces. I pledge myself and my Administration to do everything that can be done to ensure that our security is maintained and our strategic forces are sufficient to meet our needs.

RONALD REAGAN.

THE WHITE HOUSE, *June 3, 1986.*

Mr. WARNER. Mr. President, I rise to call to the attention of my colleagues the importance of the unprecedented message regarding the Strategic Modernization Program that the Congress has just received from the President.

As is well known to each of us, the deficit situation poses the most stressing budgetary challenge that the Department of Defense has ever faced. The President has made clear to my colleagues over the past few weeks the importance that he attaches to supporting the overall budget for defense that he forwarded to the Congress earlier this year.

With the message received today, the President is expressing the priority he attaches to the Strategic Modernization Program. The same priority for strategic programs was recently expressed in a letter that Secretary Weinberger forwarded to the distinguished chairman of the Armed Services Committee, Senator GOLDWATER.

Mr. President, I need not remind my colleagues of the importance of our strategic programs to the deterrence of nuclear confrontation. But we sometimes forget the critical role that these forces play in the deterrence of conventional aggression. This relationship is clearly understood by our adversaries, and it is reflected in the priority that our top military leaders attach to strategic force modernization.

Notwithstanding the importance of strategic forces to the overall cause of peace, the direct cost of acquiring and operating these forces represents less than 15 percent of the total Department of Defense budget. That percentage share has remained virtually the same since 1983, and is projected to remain so through the remainder of this decade.

Mr. President, a central objective of this administration and indeed of this Congress, is a substantial reduction in the size and power of the nuclear forces deployed by the superpowers. Today, our negotiators are in Geneva working toward this end. Nothing is more important to their success than congressional support of the Strategic Modernization Programs that have brought the Soviets to the bargaining table. As the President has noted in his message, the Soviets will watch the actions of this body very closely. If they detect a collapse of American resolve to modernize our strategic forces, we will see no movement in the negotiations because the Soviets will know they are better off by letting the Congress reduce United States strategic programs unilaterally rather than by engaging in meaningful negotiations aimed at mutual and verifiable reductions.

Mr. President, the Strategic Modernization Program does not belong to this administration alone. Programs as complex and capable as those that are included in the five-part program take many years to develop and deploy. Many have their foundations in previous administrations, and all have gotten to their current status by virtue of strong, bipartisan support in the Congress.

The President's message details the progress that has been made in each element of the five-part modernization effort that includes ICBM's, submarine based forces, bombers, strategic command, control and communications, and strategic defenses. But that progress could be stopped in its tracks, with profoundly adverse effects on the deterrence of conflict at all levels, and on the prospects for arms control, if strategic programs are to absorb some arbitrarily defined "fair share" of the overall defense reductions which are inevitable this year.

Major elements of the modernization program, which have enjoyed bipartisan support from the Congress in prior years, are at critical milestones this year. This includes the Trident II missile, the advanced technology—or Stealth—bomber, communications improvements, and the small ICBM. Our ability to support an early 1990's decision on the deployment of strategic defenses is also at stake in the outcome of funding for the Strategic Defense Initiative Program.

As the chairman of the Strategic and Theater Nuclear Forces Subcommittee, I have carefully studied the fiscal year 1987 budget request. On that basis, I can assure my colleagues that there is simply no way that the request for programs under the purview of my subcommittee, which accounts for about 14 percent of the total defense budget request, can accommodate significant funding reductions without imposing inefficiencies on those aspects of the Strategic Modernization Program that will deploy before 1990, and delaying those portions of the program that will be deployed after 1990.

Mr. President, the message from the President is clear and unambiguous. In the face of inevitable reductions in the defense budget, we must all set priorities. The President's top priority, for reasons that have enjoyed bipartisan support over the years, is that the Strategic Modernization Program remain on course. I intend to work toward that end as the Strategic Subcommittee takes up its work, I am hopeful that the Armed Services Committee will bring to the floor an authorization bill that reflects this prioritization, and I would urge the Senate to support our actions.

EXTENSION OF WAIVER OF CERTAIN SECTIONS OF THE TRADE ACT—MESSAGE FROM THE PRESIDENT—PM 155

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

I hereby transmit the documents referred to in subsection 402(d)(5) of the Trade Act of 1974 with respect to a further 12-month extension of the authority to waive subsection (a) and (b) of Section 402 of the Act. These documents constitute my decision to continue in effect this waiver authority for a further 12-month period.

I include as part of these documents my determination that further extension of the waiver authority will substantially promote the objectives of Section 402. I also include my determination that continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of Section 402. The attached documents also include my reasons for extension of the waiver authority; and for my determination that continuation of the waivers currently in effect for the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of Section 402.

RONALD REAGAN.

THE WHITE HOUSE, *June 3, 1986.*

MEASURES HELD AT THE DESK

The following concurrent resolution, received from the House of Representatives on June 2, 1986 was ordered held at the desk by unanimous consent pending further disposition:

H. Con. Res. 340. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3570.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 416. Resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3838 and of the Committee on Finance amendment thereto.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation:

The following officers of the U.S. Coast Guard for promotion to rear admiral (lower half):

Capt. George D. Passmore, Jr., USCG.
Capt. Ernest B. Acklin, Jr., USCG.

(The above nominations were reported from the Committee on Commerce, Science, and Transportation with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WALLOP:

S. 2509. A bill to suspend for a 3-year period the duty on 1-(4-(1,1-dimethylethyl) phenyl)-4-(hydroxydiphenylmethyl-1-piperidinyl)-1-butanone; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself and Mr. BYRD):

S. Res. 418. Resolution to authorize the testimony by Lynn M. Collins in the case of City of Madison versus Carol A. Arness; considered and agreed to.

By Mr. STEVENS (for himself, Mrs. HAWKINS, Mr. GORE, Mr. ZORINSKY, Mr. MURKOWSKI, Mr. ABDNOR, Mr. BINGAMAN, Mr. DOLE, Mr. LEAHY, Mr. PRYOR, Mr. BURDICK, Mr. GOLDWATER, Mr. LUGAR, Mr. FORD, Mr. COHEN, Mr. MATSUNAGA, Mr. LAUTENBERG, Mr. CHILES, Mr. SYMMS, and Mr. MATTINGLY):

S. Con. Res. 145. Concurrent resolution to encourage State and local governments and local educational agencies to require quality daily physical education programs for all children from kindergarten through grade 12; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP:

S. 2509. A bill to suspend for a 3-year period the duty on 1-(4-(1,1-dimethylethyl) phenyl)-4-(hydroxydiphenylmethyl-1-piperidinyl)-1-butanone; to the Committee on Finance.

SUSPENSION OF DUTY ON TERFENADONE

● Mr. WALLOP. Mr. President, today I introduce a bill to suspend for a 3-year period the duty on the chemical terfenadone.

Terfenadone is used in the production of terfenadine, which is the active ingredient of the prescription drug Seldane. Seldane is the first and only nonsedating antihistamine approved by the United States. While Seldane was approved for use by approximately two dozen countries between 1981 and 1985, it was not approved in the United States until early 1985. During the gap between foreign and domestic approval, Seldane could not be made in this country and exported to those countries which had approved the drug. Current drug law does not permit the export of an unapproved drug even to a country which has approved the product. Thus, for the period of 1981 through early 1985, Merrell Dow Pharmaceuticals, Inc. was forced to expand and to utilize its foreign manufacturing facilities to meet the demand for Seldane.

After United States FDA approval of Seldance, Merrell Dow decided to expand its U.S. production by importing the chemical intermediate, terfenadone, and processing it into terfenadine in this country. The suspension of the duty will reduce the cost of importing terfenadone. This in turn will allow increased utilization of existing domestic manufacturing facilities and will provide employment for a number of personnel in Midland, MI and Cincinnati, OH. Ultimately, Merrell Dow Pharmaceuticals, Inc. will process terfenadine into Seldane tablets to be exported and sold in Japan as finished products.

Over the 3-year period of 1987 through 1989, Merrell Dow intends to export approximately one-third of the terfenadine which is manufactured from the imported terfenadone. Because of the value added in processing an intermediate chemical into a prescription drug, the exported product, Seldane (terfenadine), is much more valuable than the imported chemical intermediaate, terfenadone. Consequently, the revenues generated from each kilogram of Seldane which is exported will be two to four times the price paid per kilogram of imported terfenadone.

Mr. President, this is an important piece of legislation which will bring back to the United States jobs which were lost because of certain provisions in our drug laws. The processing and export of the product subject to this bill will also generate export revenues. I urge my colleagues to support this legislation.●

ADDITIONAL COSPONSORS

S. 412

At the request of Mr. DECONCINI, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 412, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct Medicare reimburse-

ment for services performed by registered nurse anesthetists.

S. 1806

At the request of Mr. BOREN, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1806, a bill to amend the Federal Election Campaign Act of 1971 to change certain contribution limits for congressional elections and to amend the Communications Act of 1934 regarding the broadcasting of certain material regarding candidates for Federal elective office, and for other purposes.

S. 1900

At the request of Mr. ROTH, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1900, a bill to amend the Foreign Agents Registration Act of 1938 by providing for the 5-year suspension of exemptions provided to an agent of a foreign principal convicted of espionage offenses.

S. 1901

At the request of Mr. ROTH, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1901, a bill to amend the Foreign Missions Act regarding the treatment of certain Communist countries, and for other purposes.

S. 1941

At the request of Mr. DENTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1941, a bill to protect the security of the United States by providing for sanctions against any country that provides support for perpetrators of acts of international terrorism.

S. 1942

At the request of Mr. DENTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1942, a bill to amend title 10, United States Code, to improve the security of U.S. military installations.

S. 1965

At the request of Mr. STAFFORD, the names of the Senator from Mississippi [Mr. STENNIS], the Senator from West Virginia [Mr. BYRD], the Senator from Iowa [Mr. HARKIN], the Senator from New York [Mr. MOYNIHAN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Georgia [Mr. MATTINGLY], the Senator from Delaware [Mr. BIDEN], the Senator from Illinois [Mr. DIXON], the Senator from Washington [Mr. GORTON], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 1965, a bill to reauthorize and revise the Higher Education Act of 1984, and for other purposes.

S. 2063

At the request of Mr. DODD, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 2063, a bill to provide financial assistance to small businesses seeking relief under the antidumping and countervailing duty laws.

S. 2215

At the request of Mrs. HAWKINS, her name was added as a cosponsor of S. 2215, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to ensure safer pesticides and to better protect the public and the environment, and for other purposes.

S. 2288

At the request of Mr. CHILES, the names of the Senator from Ohio [Mr. GLENN], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 2288, a bill to amend title XIX of the Social Security Act to permit States the option of providing prenatal, delivery, and postpartum care to low-income pregnant women and of providing medical assistance to low-income infants under 1 year of age.

S. 2304

At the request of Mr. CRANSTON, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2304, a bill to amend title 38, United States Code, to extend the period of time during which veterans readjustment appointments may be made.

S. 2341

At the request of Mr. HEINZ, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 2341, a bill to amend part A of title XVIII of the Social Security Act to freeze the inpatient hospital deductible and to require the Secretary of Health and Human Services to propose a more equitable method of adjusting such deductible.

S. 2359

At the request of Mr. PRESSLER, the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 2359, a bill to amend title 38, United States Code, to establish a Veterans' Administration Readjustment Counseling Professional Fellowship Program.

S. 2400

At the request of Mr. DODD, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2400, a bill to amend title XVIII of the Social Security Act to provide for coverage of an annual preventive health care checkup under part B of such title, and for other purposes.

S. 2417

At the request of Mr. BYRD, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of S. 2417, a bill to establish the Aviation Safety Commission, and for other purposes.

S. 2439

At the request of Mr. BUMPERS, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 2439, a bill to amend the act of February 25, 1920, to provide for competitive leasing of oil and gas for onshore Federal lands, and for other purposes.

SENATE JOINT RESOLUTION 169

At the request of Mr. MATHIAS, the names of the Senator from North Carolina [Mr. EAST], the Senator from Alabama [Mr. HEFLIN], the Senator from Illinois [Mr. SIMON], the Senator from New York [Mr. D'AMATO], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of Senate Joint Resolution 169, a joint resolution to commemorate the bicentennial anniversary of the first patent and the first copyright laws.

SENATE JOINT RESOLUTION 244

At the request of Mr. DECONCINI, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 244, a bill to designate October 8, 1986, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 290

At the request of Mr. DECONCINI, the names of the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mr. DOLE], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. MCCLURE], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 290, a joint resolution to designate July 4, 1986, as "National Immigrants Day."

SENATE JOINT RESOLUTION 311

At the request of Mr. CRANSTON, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Oklahoma [Mr. NICKLES], the Senator from Maryland [Mr. SARBANES], the Senator from Mississippi [Mr. STENNIS], the Senator from Georgia [Mr. NUNN], the Senator from Massachusetts [Mr. KERRY], the Senator from Kansas [Mr. DOLE], and the Senator from Nevada [Mr. HECHT] were added as cosponsors of Senate Joint Resolution 311, a joint resolution designating the week beginning November 9, 1986, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the names of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE JOINT RESOLUTION 354

At the request of Mr. CHILES, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Oklahoma [Mr. NICKLES], and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of Senate Joint Resolution 354, a joint resolution to designate the week of

October 5, 1986, through October 11, 1986, as "National Drug Abuse Education and Prevention Week."

SENATE RESOLUTION 381

At the request of Mr. DECONCINI, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of Senate Resolution 381, a resolution expressing the sense of the Senate with respect to U.S. corporations doing business in Angola.

SENATE RESOLUTION 397

At the request of Mr. QUAYLE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 397, a resolution expressing the sense of the Senate regarding the lending practices fo multilateral development banks.

SENATE RESOLUTION 399

At the request of Mr. SASSER, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Resolution 399, a resolution to express the sense of the Senate that the Small Business Administration be maintained as an independent agency and to urge the President to nominate an Administrator of the Small Business Administration who is dedicated to America's small business community and the U.S. Small Business Administration.

SENATE CONCURRENT RESOLUTION 145—RELATING TO DAILY PHYSICAL EDUCATION PROGRAMS FOR ALL CHILDREN

Mr. STEVENS (for himself, Mrs. HAWKINS, Mr. GORE, Mr. ZORINSKY, Mr. MURKOWSKI, Mr. ABDNOR, Mr. BINGAMAN, Mr. DOLE, Mr. LEAHY, Mr. PRYOR, Mr. BURDICK, Mr. GOLDWATER, Mr. LUGAR, Mr. FORD, Mr. COHEN, Mr. MATSUNAGA, Mr. LAUTENBERG, Mr. CHILES, Mr. SYMMS, and Mr. MATTINGLY) submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 145

Whereas physical education is essential to the physical development of the growing child;

Whereas physical education helps improve the overall health of children by increasing cardiovascular endurance, muscular strength and power, flexibility, weight regulation, improved bone development, improved posture, skillful moving, increased mental alertness, active lifestyle habits, and constructive use of leisure time;

Whereas physical education helps improve the mental alertness, academic performance, readiness to learn, and enthusiasm for learning of children;

Whereas physical education helps improve the self-esteem, interpersonal relationships, responsible behavior and independence of children;

Whereas children who participate in quality daily physical education programs tend to be more healthy and physically fit;

Whereas physically fit adults have significantly reduced risk factors for heart attacks and strokes;

Whereas the Surgeon General, in "Objectives for the Nation," recommends increasing the number of school mandated physical education programs that focus on health-related physical fitness; and

Whereas a quality daily physical education program for all children from kindergarten through grade 12 is an essential part of a comprehensive education: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress encourages State and local governments and local educational agencies to require quality daily physical education programs for all children from kindergarten through grade 12.

● Mr. STEVENS. Mr. President, over the past 20 years, the number of adults who engage in regular physical activity has doubled, resulting in a 25-percent decline in the incidence of stroke and heart disease. Medical authorities attribute these declines to exercise, improved diet, and early detection and treatment of high blood pressure.

But the sad fact is that while more and more adults are interested in fitness than ever before, our children are no more fit today than they were 20 years ago. A survey using fitness tests developed by the American Alliance for Health, Physical Education, Recreation and Dance, and sponsored by the President's Council on Physical Fitness and Sport reported that 1985 fitness levels for America's school age population are basically the same as they were in 1975 and 1965. The survey showed that:

Forty percent of boys ages 6 through 12 cannot do more than one pullup; one out of four cannot do any; 70 percent of all girls cannot do more than one pullup, and 55 percent cannot do any.

Approximately 50 percent of girls ages 6 through 17 and 30 percent of boys ages 6 through 12 cannot run a mile in less than 10 minutes.

In a simple flexibility sit test, 40 percent of boys ages 6 through 15 cannot reach beyond their toes.

Forty-five percent of boys ages 6 through 14 and 55 percent of all girls cannot hold their chin over a raised bar for more than 10 seconds.

These test results graphically demonstrate the poor state of the average American child's physical fitness. Both boys and girls performed poorly on cardiorespiratory tests. Low levels of cardiorespiratory endurance can be related to fatigue, heart disease and shorter lifespan.

I believe that the biggest reasons the physical fitness level of American children and youth is not improving is the lack of a sufficient number of quality daily physical education programs in our schools. This is why I am introducing today a concurrent resolution to encourage State and local governments and local educational agencies to require quality daily physical education programs for our Nation's children. I hope you will join me in this effort. Physical education programs for children from kindergarten through grade 12 are not only an essential part of a comprehensive education, they are crucial to improving the health and fitness of America's youth.●

SENATE RESOLUTION 418—RESOLUTION AUTHORIZING TESTIMONY OF A SENATE EMPLOYEE

Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. RES. 418

Whereas, in the case of *City of Madison* v. *Carol A. Arness*, Court Case No. 86 FO 169, pending in the Circuit Court, Branch 2 of Dane County, Wisconsin, the City Attorney has issued a subpoena for the testimony of Lynn M. Collins, Home Secretary of the Madison, Wisconsin office of Senator Proxmire;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that the testimony of an employee of the Senate concerning information acquired in the course of his official duties and that documents, papers and records under the control or in the possession of the Senate are needful for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistent with the privileges and rights of the Senate;

Resolved, that Lynn M. Collins is authorized to testify in the case of *City of Madison* v. *Carol A. Arness,* Court Case No. 86 FO 169, and in any related proceedings, except concerning matters which are privileged.

AMENDMENTS SUBMITTED

HIGHER EDUCATION AMENDMENTS

SIMON AMENDMENTS NOS. 1974 AND 1975

Mr. SIMON proposed two amendments to the bill (S. 1965) to reauthorize and revise the Higher Education Act of 1965, and for other purposes; as follows:

AMENDMENT NO. 1974

On page 204, beginning with line 10, strike out through "1991" in line 13 and insert in lieu thereof the following: "$185,249,000 for fiscal year 1987, $194,511,000 for fiscal year 1988, $204,237,000 for fiscal year 1989, $214,449,000 for fiscal year 1990, and $225,171,000 for fiscal year 1991".

On page 204, beginning with line 26, strike out through line 25 on page 206.

On page 207, line 1, strike out "(4)" and insert in lieu thereof "(1)".

On page 207, strike out line 17 and insert in lieu thereof the following:

(c) REAUTHORIZATION OF VETERANS' COST OF INSTRUCTION PAYMENTS.—(1) Section 420A(a) of the Act is amended—

(A) by striking out "September 30, 1985" in paragraph (1) and inserting in lieu thereof "September 30, 1991"; and

(B) by striking out "September 30, 1986" in paragraph (2) and inserting in lieu thereof "September 30, 1992".

(2) Section 420A of the Act is amended by inserting at the end thereof the following new subsection:

"(h) There are authorized to be appropriated $3,150,000 for fiscal year 1987, $3,307,000 for fiscal year 1988, $3,473,000 for fiscal year 1989, $3,646,000 for fiscal year 1990, and $3,829,000 for fiscal year 1991.".

On page 204, line 16, strike out "; VETERANS".

On page 207, line 3, strike out "(f)" and insert in lieu thereof "(e)".

AMENDMENT NO. 1975

On page 170, after line 26, insert the following new section:

GRADUATE STUDENTS

SEC. 102. (a) PURPOSE.—Section 411(a)(1)(A) of the Act is amended by inserting after "undergraduate" the following: "or as a graduate pursuant to paragraph (3)(B)".

(b) RULE FOR GRADUATE STUDENTS.—Section 411(a)(3) of the Act is amended—

(1) by striking out "The" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), the"; and

(2) by adding at the end thereof the following new subparagraph:

"(B)(i) A student may receive a basic grant for the completion of the first year of graduate study, other than professional study (as defined by regulations of the Secretary) if the student has received basic grants under this subpart for at least 4 academic years.

"(ii) In the event that appropriations in any fiscal year are insufficient to the pay the full entitlement under this subpart for all eligible undergraudate students, no eligible graduate student shall receive an award under this subpart.".

Redesignate the succeeding sections in subpart 1 of part A of title I accordingly.

On page 166, in the table of contents, insert after item "Sec. 101." the following new item: "Sec. 102. Graduate students."; and redesignate the items in subpart 1 of part A of title I accordingly.

STAFFORD (AND PELL) AMENDMENT NO. 1976

Mr. STAFFORD (for himself and Mr. PELL) proposed an amendment to the bill S. 1965, supra; as follows:

On page 250, between lines 2 and 3, insert the following:

(c) REPORT REQUIRED.—Section 438 of the Act (as amended by subsection (b)) is amended by adding at the end thereof the following new paragraph:

"(6) In order to evaluate the program authorized by this part, each eligible lender shall report annually to the Secretary such data relating to the payment of special allowance under section 438 received by such lender as the Secretary determines are required. The Secretary may make information furnished under this paragraph available only in the aggregate and may not identify any individual eligible lender.".

QUAYLE (AND OTHERS) AMENDMENT NO. 1977

Mr. SIMON (for Mr. QUAYLE, for himself, Mr. SIMON, and Mr. HATCH) proposed an amendment to the bill S. 1965, supra; as follows:

On page 295, between lines 16 and 17, insert the following new section:

COUNSELING FOR BORROWERS

SEC. 189. Section 485 of the Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) Each eligible institution shall through financial aid officers or otherwise, provide counseling to borrowers of loans which are made, insured, or guaranteed under part B of this title or made under part E of this title to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

"(1) general information with respect to the average indebtedness of students who have loans under part B or part E; and

"(2) the average anticipated monthly repayments, a review of the repayment options available, together with such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness.

In the case of a borrower who leaves an institution without the prior knowledge of the institution, the institution shall attempt to provide the information to the student in writing.".

Redesignate the succeeding sections of part E of title I accordingly.

On page 167, in the table of contents, insert after item "Sec. 188." the following:

"Sec. 189. Counseling for borrowers.",

and redesignate the succeeding items in part E of title I accordingly.

STAFFORD AMENDMENT NO. 1978

Mr. STAFFORD proposed an amendment to the bill S. 1965, supra; as follows:

On page 249, between lines 5 and 6, insert the following new section:

ADDITIONAL LOAN INFORMATION REQUIREMENT

SEC. 151. Section 433A(a) of the Act is amended by adding at the end thereof the following new flush sentence: Each eligible lender shall, at or prior to the time such lender disburses a loan to a borrower which is insured or guaranteed under this part, furnish the information described in clauses (2), (4), (5), (6), (7), and (10) of the preceding sentence verbally, by phone or in person, to the borrower.

STAFFORD AMENDMENT NO. 1979

Mr. STAFFORD proposed an amendment to amendment No. 1978 proposed by him to the S. 1965, supra; as follows:

On page 1, beginning with line 3 of the amendment, strike out through line 10 and insert the following new section:

ADDITIONAL LOAN INFORMATION REQUIREMENT

SEC. 151. Section 433A(a) of the Act is amended by adding at the end thereof the following new flush sentence: Each eligible lender shall, at or prior to the time such lender disburses a loan to a borrower which is insured or guaranteed under this part, furnish the information described in clauses (2), (4), (5), (6), (7), (8), and (10) of the preceding sentence verbally, by phone or in person, to the borrower.

BYRD AMENDMENT NO. 1980

Mr. BYRD proposed an amendment to the bill S. 1965, supra; as follows:

On page 258, line 13, insert after "education" the following: "(including tutorial services)".

On page 259, line 9, insert after "education" the following: "(including tutorial services)".

BINGAMAN (AND OTHERS) AMENDMENT NO. 1981

Mr. BINGAMAN (for himself, Mr. ROCKEFELLER, Mr. HART, Mr. JOHNSTON, Mr. CHILES, Mr. MATSUNAGA, Mr. GLENN, Mr. BURDICK, Mr. MELCHER, Mr. BYRD, Mr. BOREN, and Mr. HARKIN) proposed an amendment, which was subsequently modified, to the bill S. 1965, supra; as follows:

Viz:

On page 358, between lines 11 and 12, insert the following:

SUBPART 6—Future Teacher Training Corps

PROGRAM AUTHORIZED

SEC. 237. Title V of the Higher Education Act of 1965 is amended by adding at the end thereof the following new part:

"PART G—FUTURE TEACHER TRAINING CORPS FELLOWSHIPS

"FINDINGS AND STATEMENT OF PURPOSE

"SEC. 581. (a) The Congress finds that—

"(1) excellence in and access to education is a national priority to improve human resources of the Nation, particularly to maintain economic competitiveness of the Nation;

"(2) although the States and localities bear primary responsibility for elementary and secondary education, educational achievement is a national concern;

"(3) demographic trends show a serious teacher shortage with some estimates projecting by 1990 1 million new teachers will be needed in the United States;

"(4) shortages of teachers exist in certain geographic areas of each State and in certain subject matter areas;

"(5) while there is a dramatic increase in minority student population, the proportion of minority teachers is declining, so that by 1990 minorities will constitute 30 percent of the total school population and comprise less than 5 percent of the elementary and secondary teaching force; and

"(6) it is appropriate to provide fellowship funds for outstanding students and experienced individuals to encourage them to pursue careers in teaching and to help address the serious teacher shortage.

"(b) The purpose of this part is to make available, through grants to the States, fellowships to individuals—

"(1) who are outstanding postsecondary students or experienced individuals, and

"(2) who demonstrate an interest in a teaching career and a desire to teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State, or both.

"ALLOTMENT OF FUNDS

"SEC. 582. (a) GENERAL ALLOTMENT.—From the sums available pursuant to section 590(a) to carry out this part in any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than one-half of 1 percent of such remainder.

"(b) MOST RECENT DATE.—For the purposes of this section, the population of a State and of all States shall be determined by the most recently available data from the United States Census Bureau.

"(c) REALLOTMENT.—If any State elects not to receive its allotment under this part, the Secretary shall reallot, among the remaining States, amounts from such State in accordance with subsection (a) of this section.

"(d) DEFINITION.—For the purpose of this section, the term 'school-age population' means the population 5 years of age through 17 years of age.

"SELECTION OF FELLOWSHIP RECIPIENTS

"SEC. 583. (a) SELECTIVE REVIEW PANEL.—The Governor shall appoint a Selection Review Panel for the purpose of selecting individuals who will be awarded fellowships under this part who are interested in careers in teaching and who agree to teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State, or both. "The Governor shall assure that representatives of local educational agencies, classroom teachers, personnel from institutions of higher education, and representatives of the general public are included on the Selection Review Panel.".

"(b) SELECTION PROCEDURE.—(1) The Governor shall establish selection procedures to be applied by the Selection Review Panel appointed pursuant to subsection (a), together with such application procedures as may be necessary.

"(2) The application procedures established under paragraph (1) shall include—

"(A) rank in the graduating class at an institution of higher education,

"(B) grade point average in the institution of higher education,

"(C) leadership activities in the institution of higher education,

"(D) scores on recognized admission examinations for institutions of higher education and for graduate education, if applicable,

"(E) recommendations of faculty at an institution of higher education,

"(F) submission of evidence of scholarship, including a writing sample or a completed project, and

"(G) a description of previous work experience.

"GRANT APPLICATIONS

"SEC. 584. (a) IN GENERAL.—The Secretary is authorized to make grants to States in accordance with the provisions of this part. In order to receive a grant under this part, a State shall submit an application at such time, in such manner, and containing or accompanying such information as the Secretary may prescribe. Each application shall set forth a program of activities for carrying out the purpose set forth in section 581 in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purpose.

"(b) TERMS OF APPLICATIONS.—The Secretary shall approve an application only if the application—

"(1) describes the selection criteria and procedures to be used by the State in the selection of fellowships under this part which meet the requirements of section 583 and the other provisions of this part;

"(2) provides that the Governor of the State will administer the program;

"(3)(A) describes the outreach effort the Governor intends to use to publicize the availability of the fellowships authorized by this part to postsecondary students in the State and to potential midcareer applicants in the State;

"(B) provides assurances that the State will recruit among underrepresented groups for the program authorized by this part, particularly Black Americans, Hispanics, Asian Americans, and American Indians;

"(4) provides assurances that each recipient eligible under section 586(c) who receives a fellowship shall enter into an agreement with the Governor under which the recipient shall—

"(A) within the 3-year period after completing the postsecondary education for which the fellowship was awarded—

"(i) teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State for a period of not less than 3 years for the first year for which assistance was received and 4 years if the recipient receives assistance for 2 years; and

"(ii) teach in areas of the State in which there is a shortage of elementary or secondary school teachers in a field of study in which there is a shortage of elementary or secondary school teachers in the State for a period of not less than 2 years for the first year for which assistance was received, and 3 years if the recipient receives assistance for 2 years,

in an elementary or secondary school of a local educational agency of such State, a public elementary or secondary school of such State, an Indian school funded by the Bureau of Indian Affairs, or a public educational program in such State, any of which may be determined by such State, but in no event shall any recipient be required to teach for less than 2 years or more than 4 years;

"(B) provide the Governor with evidence of compliance with section 586 as required by such agency; and

"(C) repay all or part of a fellowship received under section 585 plus interest and, if applicable, reasonable collection fees, in compliance with section 587 and regulations issued by the Secretary under section 588, in the event that the conditions of clause (A) are not complied with, except as provided for in section 589;

"(5) provides (A) that the agreement entered into with recipients shall fully disclose the terms and conditions under which assistance under this part is provided and under which repayment may be required, and (B) a description of the manner in which the Governor will collect amounts owed under the program authorized by this part;

"(6) provides assurances that fellowship recipients may only attend institutions of higher education that have a clinical internship or experience program approved by the State;

"(7) provides that the State has a continuing education requirement for practicing teachers within the State;

"(8) provides assurances that a precertification teachers examination program will be in effect not later than 2 years after the first fellowships are awarded in the State under this part;

"(9) provides assurances that fellowships authorized by this part will be awarded without regard to sex, race, handicapping condition, or creed;

"(10) provides assurances that, with respect to the awarding of fellowships under this part, equal opportunity will be given to all postsecondary students in the State; and

"(11) provides that not more than 3 per centum of the grant shall be used for the administrative cost of the State in carrying out the provisions of this part.

"(c) CONSULTATION.—In developing the selection criteria and procedures to be used by the State, the State shall solicit the views of local educational agencies and other interested parties as the State deems appropriate, including classroom teachers, representatives of institutions of higher education, and representatives of the general public.

"AMOUNT AND DURATION OF ASSISTANCE

"SEC. 585. IN GENERAL.—Each recipient shall receive a fellowship not to exceed $5,000 for each academic year of graduate education in preparation to become an elementary or secondary school teacher. No individual shall receive fellowship assistance for more than 2 years of graduate education, as determined by the Governor.

"(b) INTERNSHIP ASSISTANCE.—Each institution of higher education, at which fellows receiving assistance under this part are enrolled in a post-baccalaureate program, is encouraged to insure that each such fellow will participate in an internship program at an elementary or secondary school of a local educational agency under which the local educational agency will provide assistance to the participating fellow.

"FELLOWSHIP CONDITIONS

"SEC. 586. (a) Recipients of fellowship assistance under this part shall continue to receive such fellowship payments only during such periods that the Governor finds that the recipient is—

"(1) enrolled in a post baccalaureate program in an institution of higher education;

"(2) pursuing such a program for teacher certification, and, if necessary, together with courses in an academic field in which the student intends to teach;

"(3) participate in a clinical internship experience program approved by the State; and

"(4) maintaining satisfactory progress as determined by such institution of higher education.

"(b) At the time a recipient of a fellowship is chosen, the recipient may not meet the teacher certification standards of the State.

"FELLOWSHIP REPAYMENT PROVISIONS

"SEC. 587. Recipients found by the Governor to be in noncompliance with the agreement entered into under section 584(b)(4) shall be required to repay a pro rata amount of the fellowship awards received, plus interest, a penalty equal to 100 percent of such pro rata amount of such fellowship awards (without regard to interest thereon),

and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this part.

"EXCEPTIONS TO REPAYMENT PROVISIONS

"SEC. 588. (a) IN GENERAL.—A recipient shall not be considered in violation of the agreement entered into pursuant to section 584(b)(4)(C) if the recipient—

"(1) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(2) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(3) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

"(4) is seeking and unable to find full-time employment for a single period not to exceed 12 months; or

"(5) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this part.

"(b) TOTAL DISABILITY.—A recipient shall be excused from repayment of any fellowship assistance received under this part if the recipient becomes permanently and totally disabled as established by sworn affidavit of a qualified physician.

"AUTHORIZATION

"SEC. 589. (a) AUTHORIZATION AND NUMBER OF FELLOWSHIPS AUTHORIZED.—(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part for the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1990.

"(2) The Secretary is authorized during the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1990, to award not to exceed 5,000 fellowships under this part.

"(b) AVAILABILITY OF FUNDS.—Sums appropriated pursuant to this section for any fiscal year shall be available until the end of the second fiscal year succeeding the fiscal year for which they were appropriated.

"DEFINITIONS

"SEC. 590. As used in this part—

"(1) 'clinical internship or experience program' means a program that provides the student with a progressive series of preprofessional field experiences in a regular school classroom setting on a regular basis throughout the student's graduate education, including classroom observation, tutorial roles with students, teacher helper roles, teacher aide roles, and internships or periods of student teaching;

"(2) 'continuing education' means a program of education that takes into account developments in theories of learning and content areas, and may include locally based in-service instruction;

"(3) 'fields of study in which there is a shortage of elementary or secondary school teachers' means mathematics, the sciences, and any 3 other fields of study designated by the Governor;

"(4) 'Governor' means the chief executive of a State; and

"(5) 'State' means the several States of the Union, the District of Columbia, and the Commonwealth of Puerto Rico.".

On page 168, in the table of contents, after item "Sec. 236." insert the following:

"SUBPART 6—FUTURE TEACHER TRAINING CORPS

"Sec. 237. Program authorized.".

HATCH AMENDMENT NO. 1982

Mr. HATCH proposed an amendment to the bill S. 1965, supra; as follows:

On page 220, strike out line 1, and insert in lieu thereof:

"DEFERMENT RULES".

On page 220, between lines 1 and 2, insert the following:

"SEC. 139. (a) WORKING MOTHERS WITH PRESCHOOL AGED CHILDREN.—(1) Section 42(b)(1)(M) of the Act is amended by striking out "or" at the end of clause (ix) and by adding before the semicolon at the end thereof the following new clause: "or (x) not in excess of 12 months for mothers with preschool age children who are just entering or reentering the workforce and who are compensated at a rate not exceeding $1, in excess of the rate prescribed under section 6 of the Fair Labor Standards Act of 1938".

On page 220, line 2, strike out "SEC. 140." and insert in lieu thereof "(b)".

On page 267, beginning with line 17, strike out through line 13 on page 268 and insert in lieu thereof the following:

DEFERMENT FOR MOTHERS WITH PRESCHOOL AGED CHILDREN

SEC. 173. (a) GENERAL RULE.—Section 464(c)(2)(A) of the Act is amended—

(1) by striking out "or" at the end of clause (vii);

(2) by striking out the period at the end of clause (viii) and insert in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(ix) is a mother with preschool age children who is just entering or reentering the workforce and who is compensated at a rate not to exceed the rate prescribed by section 6 of the Fair Labor Standards Act of 1938.".

(b) CONFORMING AMENDMENT.—Section 464(c)(2)(A) of the Act is further amended by adding at the end thereof the following new sentence: "The period during which the repayment may be deferred by reason of clause (ix) shall not exceed 12 months.".

On page 167, in the table of contents, insert after "SEC. 172" the following new item:

"Sec. 173. Deferment for mothers with preschool aged children.".

On page 167, in the table of contents, redesignate the succeeding items in part B of title I accordingly.

BYRD AMENDMENT NO. 1983

Mr. BYRD proposed an amendment to the bill S. 1965, supra; as follows:

On page 431, after line 13, insert the following new title:

TITLE IV—PINPOINT DISASTER ASSISTANCE UNDER FEDERAL IMPACT AID

APPLICATION REQUIRED

SEC. 401. Notwithstanding the notice relating to applications for pinpoint disaster assistance (43 Federal Register 57194 (1978)) or any other provision of Federal law or regulation, the Secretary of Education shall accept an application from Preston County Board of Education, West Virginia, under section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) filed after the date of enactment of this Act.

On page 169, after item "SEC. 305." insert the following:

TITLE IV—PINPOINT DISASTER ASSISTANCE UNDER FEDERAL IMPACT AID

"SEC. 401. APPLICATION REQUIRED.".

DOMENICI (AND OTHERS) AMENDMENT NO. 1984

Mr. DOMENICI (for himself, Mr. MELCHER, and Mr. BINGAMAN) proposed an amendment to the bill S. 1965, supra; as follows:

At the end of the bill, add the following:

TITLE —NATIVE AMERICAN CULTURE AND ART DEVELOPMENT

SEC. . This title may be cited as the "Native American Culture and Art Development Act".

FINDINGS

SEC. . The Congress finds and declares that—

(1) Native American art and culture has contributed greatly to the artistic and cultural richness of the Nation;

(2) Native American art and culture occupies a unique position in American history as being our only native art form and cultural heritage;

(3) the enhancement and preservation of this Nation's native art and culture has a fundamental influence on the American people;

(4) although the encouragement and support of Native American arts and crafts are primarily a matter for private, local, and Native American initiative, it is also an appropriate matter of concern to the Federal Government;

(5) it is appropriate and necessary for the Federal Government to support research and scholarship in Native American art and culture and to complement programs for the advancement of Native American art and culture by tribal, private, and public agencies and organizations;

(6) current Federal initiatives in the area of Native American art and culture are fragmented and inadequate; and

(7) in order to coordinate the Federal Government's effort to preserve, support, revitalize, and disseminate Native American art and culture, it is desirable to establish a national Institute of Native American Culture and Arts Development.

DEFINITIONS

SEC. . For purposes of this title—

(1) The term "Native American art and culture" includes, but is not limited to, the traditional and contemporary expressions of Native American language, history, visual and performing arts, and crafts.

(2) The term "Institute" means the Institute of Native American Culture and Arts Development established by this title.

(3) The term "Native American" means any person who is a member of an Indian tribe or is a Native Hawaiian.

(4) The term "Indian tribe" means any tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act), which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

(5) The term "Native Hawaiian" means any descendent of a person who, prior to 1778, was a native of the Hawaiian Islands.

(6) The term "Secretary" means the Secretary of the Interior.

(7) The term "Board" means the Board of Trustees established under this title.

ESTABLISHMENT OF INSTITUTE

SEC. . (a) IN GENERAL.—There is hereby established a corporation to be known as the "Institute of Native American Culture and Arts Development", which shall be under the direction and control of the Board of Trustees established under this title.

(b) SUCCESSION AND AMENDMENT OF CHARTER.—The corporation established under subsection (a) shall have succession until dissolved by Act of Congress. Only the Congress shall have the authority to revise or amend the charter of such corporation.

BOARD OF TRUSTEES

SEC. . (a) IN GENERAL.—The Board of Trustees of the Institute shall be composed of 18 members as follows:

(1) 12 individuals appointed by the President of the United States by and with the advice and consent of the Senate from among individuals from private life who are Native Americans widely recognized in the field of Native American art and culture;

(2) 3 members of the Senate appointed by the President pro tempore of the Senate, upon the recommendation of the majority leader and the minority leader of the Senate, and

(3) 3 members of the House of Representatives appointed by the Speaker of the House of Representatives, upon the recommendation of the majority leader and the minority leader of the House of Representatives.

(b) APPOINTMENTS.—In making appointments pursuant to subsection (a)(1), the President of the United States shall—

(1) consult with the Indian tribes and the various organizations of Native Americans; and

(2) give due consideration to the appointment of individuals who will provide appropriate regional and tribal representation on the Board.

(c) TERMS OF OFFICE.—

(1) The term of office of each member of the Board appointed pursuant to subsection (a)(1) shall be 6 years, except that of such members first appointed, 4 shall serve for a term of 2 years, 4 for a term of 4 years, and 4 for a term of 6 years, as designated by the President as of the time of appointment. Any member of the Board appointed pursuant to subsection (a)(1) to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of the term. No member of the Board appointed pursuant to subsection (a)(1) shall be eligible to serve in excess of 2 consecutive terms, but may continue to serve until his successor is appointed.

(2) The term of office of each Member of Congress appointed to the Board under subsection (a) shall expire at the end of the congressional term of office which such Member holds at the time of such appointment.

(d) CHAIRMAN AND VICE CHAIRMAN.—The President of the United States shall designate the initial Chairman and Vice Chairman of the Board from among the members of the Board appointed pursuant to subsection (a)(1). Such Chairman and Vice Chairman so designated shall serve for 12 calendar months. The Chairman and Vice Chairman shall thereafter be elected by the members of the Board appointed pursuant to subsection (a)(1) and shall serve for terms of 2 years. In the case of a vacancy in the office of Chairman or Vice Chairman, such vacancy shall be filled by the members of the Board appointed pursuant to subsection (a)(1) and the member filling such vacancy shall serve for the remainder of the unexpired term.

(e) CONGRESSIONAL MEMBERS.—Members of Congress appointed to the Board under subsection (a) shall not be eligible to vote on any matter considered by the Board; but such Members of Congress shall be entitled to attend any meetings of the Board and to provide advice to the Board on any matter relating to the Institute.

(f) QUORUM.—Unless otherwise provided by the bylaws of the Institute, a majority of the members of the Board appointed under subsection (a)(1) shall constitute a quorum.

(g) POWERS.—The Board is authorized—

(1) to formulate the policy of the Institute;

(2) to direct the management of the Institute; and

(3) to make such bylaws and rules as it deems necessary for the administration of its functions under this title, including the organization and procedures of the Board.

(h) COMPENSATION.—Members of the Board appointed pursuant to subsection (a)(1) shall, for each day they are engaged in the performance of the duties under this title, receive compensation at the rate of $125 per day, including traveltime. All members of the Board, while so serving away from their homes or regular places of business, shall be allowed travel expenses (including per diem in lieu of subsistence), as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

PRESIDENT; EMPLOYEES

SEC. . (a) PRESIDENT.—The Board shall appoint a President of the Institute. The President of the Institute shall serve as the chief executive officer of the Institute. Subject to the direction of the Board and the general supervision of the Chairman, the President of the Institute shall have the responsibility for carrying out the policies and functions of the Institute, and shall have authority over all personnel and activities of the Institute.

(b) COMPENSATION.—The President of the Institute shall be compensated at an annual rate not to exceed that prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) STAFF.—The President of the Institute, with the approval of the Board, shall have the authority to appoint and fix the compensation and duties of such officers and employees as may be necessary for the efficient administration of the Institute. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

(d) The Institute shall be considered an agency for purposes of chapter 71 of title 5, United States Code.

(e) Employees of the Institute shall receive compensation for work injuries and illnesses in accordance with chapter 81 of title 5, United States Code.

GENERAL POWERS OF THE INSTITUTE

SEC. . In carrying out the provisions of this title, the Institute shall have the power, consistent with the provisions of this title—

(1) to adopt and alter a corporate seal, which shall be judicially noticed;

(2) to make agreements and contracts with persons, Indian tribes, and private or governmental entities and to make payments or advance payments under such agreements or contracts without regard to section 3324 of title 31, United States Code;

(3) to sue and be sued in its corporate name and to complain and defend in any court of competent jurisdiction;

(4) to represent itself, or to contract for representation, in all judicial, legal, and other proceedings;

(5) with the approval of the agency concerned, to make use of services, facilities, and property of any board, commission, independent establishment, or executive agency or department of the executive branch in carrying out the provisions of this title and to pay for such use (such payments to be credited to the applicable appropriation that incurred the expense);

(6) to use the United States mails on the same terms and conditions as the executive departments of the United States Government;

(7) to obtain insurance or make other provisions against losses;

(8) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and to accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(9) to solicit, accept, and dispose of gifts, bequests, devises of money, securities, and other properties of whatever character, for the benefit of the Institute;

(10) to receive grants from, and enter into contracts and other arrangements with, Federal, State, or local governments, public and private agencies, organizations, and institutions, and individuals;

(11) to acquire, hold, maintain, use, operate, and dispose of such real property, including improvements thereon, personal property, equipment, and other items, as may be necessary to enable the Institute to carry out the purposes of this title;

(12) to use any funds or property received by the Institute to carry out the purposes of this title; and

(13) to exercise all other lawful powers necessarily or reasonably related to the establishment of the Institute in order to carry out the provisions of this title and the exercise of the powers, purposes, functions, duties, and authorized activities of the Institute.

FUNCTIONS OF THE INSTITUTE

SEC. . (a) IN GENERAL.—The primary functions of the Institute shall be—

(1) to provide scholarly study of, and instruction in, the arts and culture of Native Americans, and

(2) to establish programs which culminate in the awarding of degrees in the various fields of Native American art and culture.

(b) SPECIAL CENTERS.—There shall be established within the Institute—

(1) a Center for Culture and Art Studies to be administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include, but not be limited to, Departments of Arts and Sciences, Visual Arts, Performing Arts, Language, Literature, and Museology; and

(2) a Center for Research and Culture Exchange, administered by a director (appointed by the Board), which shall include—

(A) a museum of Native American arts,

(B) a learning resources center,

(C) programs of institutional support and development,

(D) research programs,
(E) fellowship programs,
(F) seminars,
(G) publications,
(H) scholar-in-residence and artist-in-residence programs, and
(I) inter-institutional programs of cooperation at national and international levels.

(c) OTHER FUNCTIONS.—In addition to the centers and programs described in subsection (b), the Institute shall develop such programs and centers as the Board determines are necessary to—

(1) foster research and scholarship in Native American art and culture through—
(A) resident programs,
(B) cooperative programs, and
(C) grant programs;
(2) complement existing tribal programs for the advancement of Native American art and culture; and
(3) coordinate efforts to preserve, support, revitalize and develop evolving forms of Native American art and culture.

NATIVE AMERICAN PREFERENCE

SEC. . Notwithstanding any other provision of Federal or State law, the Institute is authorized to extend a perference to Native Americans in—

(1) admissions to, and enrollment in, programs conducted by the Institute,
(2) employment by the Institute, and
(3) contracts, fellowships, and grants awarded by the Institute.

NONPROFIT AND NONPOLITICAL NATURE OF THE INSTITUTE

SEC. . (a) STOCK.—The Institute shall have no power to issue any shares of stock or to declare or pay any dividends.

(b) NONPROFIT NATURE.—No part of the income or assets of the Institute shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(c) NONPOLITICAL NATURE.—The Institute may not contribute to, or otherwise support, any political party or candidate for elective public office.

TAX STATUS

SEC. . The Institute and the franchise, capital, reserves, income, and property of the Institute shall be exempt from all taxation now or hereafter impose by the United States, or by any State, county, municipality, Indian tribe, or local taxing authority.

TRANSFER OF FUNCTIONS

SEC. . (a) IN GENERAL.—There are hereby transferred to the Institute, and the Institute shall perform, the functions of the Institute of American Indian Arts established by the Secretary of the Interior in 1962.

(b) PERSONNEL, PROPERTY, AND LIABILITIES.—(1) All personnel, liabilities, contracts, personal property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of subsection (a) shall be transferred to the Institute.

(2) Personnel engaged in functions transferred by subsection (a) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions, except that such transfer shall be without reduction in classification or compensation for one year after such transfer.

(c) REFERENCES IN OTHER LAWS.—All laws and regulations relating to the Institute of American Indian Arts established by the Secretary in 1962 shall, insofar as such laws and regulations are appropriate, and not inconsistent with the provisions of this Title, remain in full force and effect and apply with respect to the Institute. All references in any other Federal law to the Institute of American Indian Arts, or any officer transferred to the Institute under subsection (b), shall be deemed to refer to the Institute or an officer of the Institute.

ANNUAL REPORT

SEC. . The President of the Institute shall submit an annual report to the Congress and to the Board concerning the status of the Institute during the 12 calendar months preceding the date of the report. Such report shall include, among other matters, a detailed statement of all private and public funds, gifts, and other items of a monetary value received by the Institute during such 12-month period and the disposition thereof as well as any recommendations for improving the Institute.

HEADQUARTERS

SEC. . The site of the Institute of American Indian Arts, at Santa Fe, New Mexico, shall be maintained as the location for the Institute of Native American Culture and Arts Development. To facilitate this action and the continuity of programs being provided at the Institute of Amercian Indian Arts, the Secretary is authorized to enter into negotiations with State and local governments for such exchanges or transfers of lands and such other assistance as may be required.

COMPLIANCE WITH OTHER ACTS

SEC. . (a) IN GENERAL.—The Institute shall comply with the provisions of—

(1) Public Law 95-341 (42 U.S.C. 1996), popularly known as the American Indian Religious Freedom Act,
(2) the Archeological Resources Protection Act of 1979 (16 U.S.C. 470aa, et seq.), and
(3) the National Historic Preservation Act (16 U.S.C. 470, et seq.).

(b) CRIMINAL LAWS.—All Federal criminal laws relating to larceny, embezzlement, or conversion of the funds or property of the United States shall apply to the funds and property of the Institute.

AUTHORIZATION

SEC. . There are authorized to be appropriated to carry out the purposes of this title—

(1) for the fiscal year beginning October 1, 1986, the sum of $4,000,000, and
(2) for each fiscal year thereafter, $4,000,000, to carry out such purposes.

GRAMM (AND OTHERS) AMENDMENT NO. 1985

Mr. GRAMM (for himself, Mr. STAFFORD, Mr. PELL, Mr. HELMS, Mr. DOLE and Mr. HATCH) proposed an amendment to the bill S. 1965, supra; as follows:

On page 249, between lines 5 and 6, insert the following new section:

AUTHORITY OF THE SECRETARY TO SELL DEFAULTED STUDENT LOANS

SEC. 151. Section 432 of the Act (as amended by section 149) is amended by adding at the end thereof the following new subsection:

"(q) The Secretary is authorized to sell defaulted student loans assigned to the United States under this part to collection agencies on such terms as the Secretary determines are in the best financial interests of the United States.".

Redesignate the succeeding sections in part B of title 1.

On page 296, between lines 9 and 10, insert the following new section:

INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT FOR FEDERAL GOVERNMENT EMPLOYEES

SEC. 190. Part F of title IV of the Act is amended by inserting after section 485A the following new section:

"INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT FOR FEDERAL GOVERNMENT EMPLOYEES

"SEC. 485B. (a)(1) Notwithstanding any other provision of law, when the head of any Federal agency receives notice under subsection (c) of this section—

"(A) that an individual is in default on any loan which is made, insured, or guaranteed under part B of this title, or is made under part E of this title, and
"(B) of the amount of the debt,

the head of such agency shall, in accordance with the provisions of this section, collect the amount of indebtedness furnished under subsection (c), monthly installments, by deduction from the pay account of the individual in that agency.

"(2) The amount deducted for any monthly installment may not exceed 15 percent of the amount otherwise payable to such individual.

"(3) In carrying out the provisions of this section, the head of each agency shall follow the procedures set forth in paragraphs (2) and (3) of section 5514(a) of title 5, United States Code.

"(b) The head of each Federal agency shall transfer to the Secretary the amounts collected by deduction pursuant to subsection (a) of this section.

"(c) The Secretary shall notify the head of each Federal agency promptly of the names and social security numbers of each borrower of a loan described in subsection (a) who is in default and of the amount of the debt owed on such loan.

"(d) The head of each Federal agency shall notify each individual subject to the provisions of this section of the amount of each deduction made by reason of this section.

"(e) Notwithstanding any other provision of law, in any case in which the indebtedness relates to loans described in this section and has been reduced to judgment in a court of the United States, the deductions from basic pay shall be 25 percent.

"(f) For the purpose of this section—

"(1) the term 'Federal agency' has the same meaning given that term by section 5514(4)(B) of title 5 of the United States Code; and
"(2) the term 'pay account' means basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an individual not entitled to basic pay, other authorized pay.".

INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT

SEC. 191. Part F of title IV of the Act is amended by inserting after section 485A the following new section:

"INSTALLMENT DEDUCTION FROM BENEFITS FOR INDEBTEDNESS DUE TO DEFAULT

"SEC. 485C. (a)(1) Notwithstanding any other provision of law, when the head of any Federal agency receives notice under subsection (c) of this section—

"(A) that an individual is in default on any loan which is made, insured, or guaranteed under part B of this title, or is made under part E of this title, and

"(B) of the amount of the debt,

the head of such agency shall, in accordance with the provisions of this section, collect the amount of indebtedness furnished under subsection (c), in monthly installments, by deduction from the amount of the benefits payable to such individual under any program for which the head of the Federal agency is responsible.

"(2) The amount deducted for any monthly installment may not exceed 25 percent of the amount otherwise payable to such individual.

"(b) The head of each Federal agency shall transfer to the Secretary the amounts collected by deduction pursuant to subsection (a) of this section.

"(c) The Secretary shall notify the head of each Federal agency promptly of the names and social security numbers of each borrower of a loan described in subsection (a) who is in default and of the amount of the debt owed on such loan.

"(d) The head of such Federal agency shall notify each individual subject to the provisions of this section of the amount of each deduction made by reason of this section.

"(e) For the purpose of this section—

"(1) the term 'Federal agency' has the same meaning given that term by section 5514(4)(B) of title 5 of the United States Code; and

"(2) the term 'benefits' means cash assistance or its equivalent which is payable under a Federal program and which is specified by regulations issued by the Secretary, after consultation with the Director of the Office of Management and Budget, except that such term does not include—

"(A) benefits paid under the Food Stamp Act of 1977,

"(B) benefits paid under a State plan approved under part A of title IV of the Social Security Act, relating to aid to families with dependent children;

"(C) compensation paid to an officer or employee of any Federal agency; and

"(D) benefits paid under a State plan approved under title XIX of the Social Security Act relating to Medicaid.".

(E) Supplemental Security Income

On page 298, between lines 10 and 11, insert the following:

INELIGIBILITY FOR FEDERAL LOANS AND DISCRETIONARY GRANTS FOR ANY LOAN BORROWER WHO IS IN DEFAULT

SEC. 194. Part F of title IV of the Act is amended by adding after section 490 the following new section:

"INELIGIBILITY FOR FEDERAL LOANS AND DISCRETIONARY GRANTS FOR ANY LOAN BORROWER WHO IS IN DEFAULT

"SEC. 491. No borrower of a loan made, insured, or guaranteed under part B of this title or made under part E of this title who is in default may be eligible for the period of default to receive any loan or discretionary grant under any provision of Federal law.".

Redesignate the section in part F of title I accordingly.

MATSUNAGA (AND OTHERS) AMENDMENT NO. 1986

Mr. MATSUNAGA (for himself, Mr. HATFIELD, Mr. STAFFORD, Mr. PELL, Mr. BYRD, Mr. ANDREWS, Mr. BAUCUS, Mr. BIDEN, Mr. BINGAMAN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. CRANSTON, Mr. DANFORTH, Mr. DECONCINI, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. EVANS, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GORE, Mr. HARKIN, Mr. HART, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. MATHIAS, Mr. MELCHER, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. PRESSLER, Mr. PRYOR, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SASSER, Mr. SIMON, Mr. SIMPSON, Mr. SPECTER, Mr. STENNIS, and Mr. DIXON) proposed an amendment to the bill S. 1965, supra; as follows:

On page 431, after line 13, insert the following:

TITLE IV—UNITED STATES INSTITUTE OF PEACE

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 401. (a) AUTHORIZATIONS OF APPROPRIATIONS.—(1) The first sentence of section 1710(a) of the United States Institute of Peace Act (22 U.S.C. 4609(a)) is amended—

(A) by striking out "fiscal year 1985" and inserting in lieu thereof "fiscal year 1987"; and

(B) by striking out "fiscal year 1986" and inserting in lieu thereof "fiscal year 1988".

(2) The amendments made by paragraph (1) shall take effect on October 1, 1986.

(b) AVAILABILITY OF FUNDS.—The second sentence of section 1710(a) of such Act (22 U.S.C. 4609(a)) is amended to read as follows: "Amounts appropriated under this section are authorized to remain available to the Institute until expended.".

On page 169, after the item relating to section 305, insert the following:

TITLE IV—UNITED STATES INSTITUTE OF PEACE

SEC. 401. Authorizations of appropriations.

EVANS (AND OTHERS) AMENDMENT NO. 1987

Mr. EVANS (for himself, Mr. ROCKEFELLER, Mr. BINGAMAN, Mr. DOLE, Mr. GOLDWATER, and Mr. ZORINSKY) proposed an amendment to the bill S. 1965, supra; as follows:

On page 256, after line 26, insert the following new section:

PRIVATE SECTOR EMPLOYMENT AGREEMENT

SEC. 164. Section 443 of the Act is amended by adding at the end thereof the following new subsection:

"(c) PRIVATE SECTOR EMPLOYMENT AGREEMENT.—In addition to the agreement described in subsection (b), an institution of higher education may, at its option, enter into an additional agreement with the Secretary which shall—

"(1) provide for the operation by the institution of a program of part-time employment of its students in work for a private for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1);

"(2) provide that the institution will use not more than 25 percent of the funds made available to such institution under this part for any fiscal year for the operation of the program described in paragraph (1);

"(3) provide that, notwithstanding subsection (b)(6), the Federal share of the compensation of students employed in such program will not exceed 60 percent for academic years 1987-1988 and 1988-1989, 55 percent for academic year 1989-1990, and 50 percent for academic year 1990-1991 and succeeding academic years, and that the non-Federal share of such compensation will be provided by the private for-profit organization by which the student is employed;

"(4) provide that jobs under the work study program will be academically relevant; and

"(5) provide that the for profit organization will not use funds made available under this part to pay any employee who would otherwise be employed by the organization.".

Redesignate the succeeding sections in part C of title I accordingly.

In the table of contents, redesignate items "SEC. 164." and "SEC. 165." as items "SEC. 165." and "SEC. 166." and insert after item "SEC. 163." the following new item:

"SEC. 164. Work sector employment agreement.".

DODD (AND OTHERS) AMENDMENT NO. 1988

Mr. DODD (for himself, Mr. SIMON, Mr. KERRY, and Mr. PRESSLER) proposed an amendment to the bill S. 1965, supra; as follows:

On page 369, line 7, strike out "$10,500,000" and insert in lieu thereof "$5,000,000".

On page 369, line 7, strike out "$11,025,000" and insert in lieu thereof "$5,525,000".

On page 369, line 8, strike out "$11,576,250" and insert in lieu thereof "$6,076,250".

On page 369, line 8, strike out "$12,155,063" and insert in lieu thereof "$6,655,063".

On page 369, line 9, strike out "$12,762,816" and insert in lieu thereof "$7,262,816".

On page 369, line 11, strike out "$10,500,000" and insert in lieu thereof "$5,000,000".

On page 369, line 11, strike out "$11,025,000" and insert in lieu thereof "$5,525,000".

On page 369, line 12, strike out "$11,576,250" and insert in lieu thereof "$6,076,250".

On page 369, line 12, strike out "$12,155,063" and insert in lieu thereof "$6,655,063".

On page 369, line 13, strike out "$12,762,816" and insert in lieu thereof "$7,262,816".

On page 386, between lines 5 and 6, insert the following new section:

ESTABLISHMENT OF THE COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

SEC. 254. Title VII of the Act is amended by adding at the end thereof the following new part:

"PART F—COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

"CONGRESSIONAL DECLARATION OF PURPOSE; DEFINITION; INCORPORATION

"SEC. 761. (a) PURPOSE.—The Congress declares that it is the purpose of this part to authorize participation of the United States Government and the Student Loan Marketing Association in a private, for profit corporation to be known as the College Construction Loan Insurance Association (hereafter in this part referred to as the 'Corporation') which will, directly or indirectly, alone or in collaboration with others—

"(1) guarantee, insure and reinsure bonds, debentures, notes, evidences of debt, loans and interests therein, the proceeds of which are to be used for an education facilities purpose;

"(2) guarantee and insure leases of personal, real or mixed property to be used for an education facilities purpose; and

"(3) issue such letters of credit and undertake such obligations and commitments as the Corporation deems necessary to carry out the purposes described in clauses (1) and (2).

"(b) STATUS AS NON-GOVERNMENTAL ENTITY.—The Corporation shall not be an agency, instrumentality or establishment of the United States Government and shall not be a 'Government corporation' nor a 'Government controlled corporation' as defined in section 103 of title 5, United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

"(c) CORPORATE POWERS AND LIMITATIONS; APPLICABILITY OF THE PROVISIONS OF THIS PART.—The Corporation shall be subject to the provisions of this part and, to the extent not inconsistent with this part, to the District of Columbia Business Corporation Act. The business activities of the Corporation shall always be limited to the purposes set forth in subsection (a) of this section. It shall have the powers conferred upon a corporation by the District of Columbia Business Corporation Act as from time to time in effect in order to conduct its corporate affairs and to carry out its purposes and activities incidental thereto.

"(d) DEFINITION OF EDUCATION FACILITIES PURPOSE.—As used in this section, an 'education facilities purpose' includes any activity relating to the construction, reconstruction, renovation, acquisition or purchase of (1) education, training or research facilities or housing for students, faculty or staff, (2) any underlying real property or any interest therein, (3) furniture, fixtures and equipment to be used in connection with any education or training facility or housing for students, faculty or staff, and (4) instructional equipment and research instrumentation including site preparation for such equipment and instrumentation.

"CRITERIA FOR GUARANTEES AND INSURANCE

"SEC. 762. (a) GENERAL RULE.—In carrying out the purposes and activities described in section 761, the Corporation shall assure that not less than 100 percent of the aggregate amount of—

"(1) the bonds, debentures, notes, evidences of debt, loans, and interest therein, the proceeds of which are to be used for an education facilities purpose, and

"(2) the lease of personal, real, or mixed property to be used for such purpose,

shall be made available for educational facilities purposes which do not qualify under usual business practice because of—

"(A) the difficulty or inability of the institution to otherwise obtain financing on reasonable terms for such purposes;

"(B) the difficulty or inability to obtain financing through the use of the proceeds of bonds or other evidence of indebtedness by the institution on reasonable terms for such purposes; or

"(C) the difficulty or inability to obtain guarantees or insurance by the institution on reasonable terms for such purposes.

"(b) CRITERIA REQUIRED.—The incorporators of the Corporation appointed pursuant to section 763 shall establish uniform criteria for the requirement imposed by subsection (a) of this section.

"PROCESS OF ORGANIZATION

"SEC. 763. The Secretary of the Treasury, the Secretary of Education and the Student Loan Marketing Association shall each appoint two persons to be incorporators of the Corporation. If either the Secretary of the Treasury or the Secretary of Education fail to appoint incorporators within 90 days after the date of enactment of the Higher Education Amendments of 1986, the Student Loan Marketing Association, after consultation with the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives, shall have the authority to name the incorporators which have not been so appointed. The incorporators so appointed shall each sign the articles of incorporation and shall serve as the initial Board of Directors until the members of the first regular Board of Directors shall have been appointed and elected. Such incorporators shall take whatever actions are necessary or appropriate to establish the Corporation, including the filing of articles of incorporation.

"OPERATION AND ELECTION OF BOARD OF DIRECTORS

"SEC. 764. (a) IN GENERAL.—The Corporation shall have a Board of Directors which shall consist of eleven members, of whom one shall be elected annually by the Board to serve as chairman. Directors shall serve for terms of one year or until their successors have been appointed and qualified, and any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the Director whom he succeeds. Two Directors shall be appointed by the Secretary of the Treasury; two Directors shall be appointed by the Secretary of Education; three Directors shall be appointed by the Student Loan Marketing Association; and the remaining four Directors shall be elected by the holders of the Corporation's voting common stock at least one of whom shall be a college or university administrator.

"(b) CUMULATIVE VOTING.—The articles of incorporation of the Corporation shall provide for cumulative voting under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-327(d)).

"INITIAL CAPITAL

"SEC. 765. (a) AUTHORITY TO ISSUE COMMON STOCK.—The Corporation shall issue shares of voting common stock of no par value at such time within six months of its incorporation as shall be designated by the initial Board of Directors, for an aggregate consideration of not more than $16,000,000. During each of the four years thereafter, the Corporation shall issue additional voting common stock at such date or dates in each year determined by the Board for an aggregate consideration of not more than $41,000,000 in each year.

"(b) SUBSCRIPTION BY SECRETARY OF EDUCATION.—The Secretary of Education is authorized and directed to subscribe to and purchase, in each of the five years referred to in subsection (a) of this section, voting common stock of the Corporation having an aggregate purchase price of not more than $11,000,000, subject to availability of appropriations.

"(c) SUBSCRIPTION BY ASSOCIATION.—The Student Loan Marketing Association is authorized to subscribe to and purchase in each of the five years referred to in subsection (a) of this section voting common stock of the Corporation having an aggregate purchase price of not more than $5,000,000.

"(d) ANNUAL ISSUANCE.—The Corporation is authorized to offer for subscription and purchase to the general public in each of the second through fifty years referred to in subsection (a) of this section voting common stock having an aggregate purchase price of not more than $25,000,000. Not less than $10,000,000 of such stock shall be set aside for purchase by institutions of higher education prior to being offered to the general public.

"ISSUE OF NONVOTING STOCK AND DEBT TO THE PUBLIC

"SEC. 766. The Corporation may issue without limitation as to amount or restriction as to ownership such nonvoting common, preferred and preference stock, debt and such other securities and obligations, in such amounts, at such times and having such terms and conditions as may be deemed necessary or appropriate by its Board of Directors.

"OBLIGATIONS NOT FEDERALLY GUARANTEED

"SEC. 767. No obligation which is insured, guaranteed or otherwise backed by the Corporation, shall be deemed to be an obligation which is guaranteed by the full faith and credit of the United States.

"AUTHORITY OF SECRETARY TO SELL COMMON STOCK; RIGHT OF FIRST REFUSAL

"SEC. 768. (a) AUTHORITY TO SELL.—The Secretary of Education may, at any time after a date which is five years after the date of incorporation of the Corporation, sell (in one or more transactions) the voting common stock of the Corporation owned by the Secretary. Prior to offering such common stock for sale to any other person, the Secretary shall offer such stock to the Student Loan Marketing Association at the price determined pursuant to subsection (b). Not later than 30 days prior to the sale of such stock, the Secretary shall advise, in writing, the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives of plans of the Secretary.

"(b) PURCHASE PRICE.—The price at which the Secretary may sell the voting common stock of the Corporation under subsection (a) of this section shall be the market value of such shares as determined by the Secretary, on the basis of an independent appraisal, but shall not be less than the value of such shares as shown on the books of account of the Corporation as of the date of closing of such purchase. In no event shall the purchase price be less than the original issuance price.

"(c) BOARD OF DIRECTORS ELECTED AFTER MAJORITY BUY-OUT.—If the Student Loan Marketing Association acquires from the

Secretary of Education sufficient voting common stock so as to own more than 50 percent of the issued and outstanding voting common stock of the Corporation, section 764 (except subsection (b)) of this Act shall be of no further force or effect and the Board of Directors of the Corporation shall thereafter be elected entirely by the voting common shareholders.

"(d) RIGHT OF FIRST REFUSAL TO ASSOCIATION.—Until such time as the Student Loan Marketing Association acquires all of the voting common stock owned by the Secretary, the Student Loan Marketing Association shall have the right to purchase all, or any lesser portion it shall select, of each of the issues of equity securities or other securities convertible into equity of the Corporation as the Corporation may issue from time to time, on the same terms and conditions as such securities are to be offered to other persons.

"(e) AUTHORITY OF ASSOCIATION WITH RESPECT TO CORPORATION.—The Student Loan Marketing Association is authorized and empowered to purchase stock and to carry out such other activities as are necessary and appropriate for carrying out the Association's obligations and responsibilities with respect to the Corporation. The Student Loan Marketing Association is also authorized to enter into such other transactions with the Corporation, including the acquisition of securities and obligations of the Corporation referred to in this section and sections 765 and 766, and arrangements for the provision of management and other services to the Corporation, as shall be approved by the Student Loan Marketing Association and the Corporation.

"RETURN OF STOCK SALE PROCEEDS

"SEC. 769. The proceeds received by the Secretary of Education upon the sale of any of its shares of the Corporation to the Student Loan Marketing Association shall be deposited in the general fund of the Treasury.

"AUDITS; REPORTS TO THE PRESIDENT AND THE CONGRESS

"SEC. 770. (a) ACCOUNTING REQUIREMENT.—The books of account of the Corporation shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by an independent public accountant.

"(b) REPORTS—.The Corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a report of its operations and activities under this part, which annual report shall include a copy of the Corporation's financial statements and the opinion with respect thereto prepared by the independent public accountant reviewing such statements and a copy of any report made on an audit conducted under subsection (a).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 771. There are authorized to be appropriated $11,000,000 to carry out the provisions of this part, to remain available until expended.".

On page 167, in the table of contents, after item "Sec. 253." add the following:

"SEC. 254. Establishment of the College Construction Loan Insurance Association.".

DODD (AND OTHERS) AMENDMENT NO. 1989

Mr. DODD (for himself, Mr. QUAYLE, Mr. KENNEDY, and Mr. KERRY) proposed an amendment to the bill S. 1965, supra; as follows:

On page 413, strike out lines 4 and 5 and insert in lieu thereof the following:

TITLE III—EDUCATION ADMINISTRATION

PART A—RESEARCH AND IMPROVEMENT

On page 431, after line 13, insert the following:

PART B—STUDY ON THE ESCALATING COST OF HIGHER EDUCATION

STUDY REQUIRED

SEC. 311. (a) STUDY REQUIRED.—The Comptroller General shall conduct a study on the escalating cost of higher education. The study required by this section shall—

(1) identify the current cost of obtaining a higher education and determine how that cost has changed in recent years.

(2) forecast the future cost of obtaining a higher education with consideration given to prospective demographic changes in student enrollments,

(3) determine the specific causes of recent changes in cost and the extent to which each of those causes has contributed to such changes,

(4) evaluate the impact of such changes in cost on institutions of higher education, their students, and lower and middle income families.

(5) make recommendations on how such changes in cost can be minimized in the future, and

(6) outline State and Federal policy options which may help to minimize such changes in cost in the future.

(b) SPECIAL CONSIDERATION.—In conducting such study, the Comptroller General shall give special consideration to the impact of escalating costs on lower and middle income students and families, the impact of escalating costs on female and minority students, the impact of escalating costs on the career choices made by students, and the relationship between escalating costs and the Federal student financial assistance program.

(c) CONSULTATION REQUIREMENTS.—During the conduct of such study, the Comptroller General shall consult frequently with the Department of Education, the Chairman of the Senate Committee on Labor and Human Resources, and the Chairman of the House Committee on Education and Labor.

(d) REPORT TO CONGRESS.—The Comptroller General shall, within one year of the date of enactment of this Act, submit to the Congress a report on the study required by this section, together with recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

On page 169, in the table of contents, strike out the item relating to title III and insert in lieu thereof the following:

"TITLE III—EDUCATION ADMINISTRATION

"PART A—RESEARCH AND IMPROVEMENT"

On page 169, in the table of contents, after item "SEC. 305." add the following:

"PART B—STUDY ON THE ESCALATING COST OF HIGHER EDUCATION

"Sec. 311. Study required.".

BOREN (AND NICKLES) AMENDMENT NO. 1990

Mr. STAFFORD (for Mr. BOREN, for himself and Mr. NICKLES) proposed an amendment to the bill S. 1965, supra; as follows:

At the appropriate place, insert:

Provided: That funds appropriate in P.L. 97-377 under the terms of H.R. 3598 (97th Congress) shall be available as a direct appropriation.

METZENBAUM AMENDMENT NO. 1991

Mr. METZENBAUM proposed an amendment to amendment No. 1988 proposed by Mr. DODD (and others) to the bill S. 1965; supra; as follows:

On page 6, between lines 8 and 9, insert the following:

"(c) Nondiscrimination Required.—(1) The Corporation may not carry out any activities with respect to any education facilities purpose of a participating institution if the institution discriminates on account of race, color, religion, national origin, sex (to the extent provided in title IX of the Education Amendments of 1972), or handicapping condition.

"(2) Each participation institution shall certify to the corporation that the institution does not discriminate as required by the provisions of paragraph (1).

WEICKER (AND OTHERS) AMENDMENT NO. 1992

Mr. WEICKER (for himself, Mr. ANDREWS, and Mr. PELL) proposed an amendment to the bill S. 1965, supra; as follows:

On page 431, after line 13, add the following new title:

TITLE—SHELTER FOR THE HOMELESS IN THE DISTRICT OF COLUMBIA

RELEASE OF FUNDS FOR HOMELESS SHELTER

SEC. . (a) The Senate finds that—

(1) the Federal Government has agreed to provide for an adequate shelter for the homeless in the District of Columbia;

(2) the Federal Government has agreed to provide $5,000,000 for the renovation and remodeling for such a shelter; and

(3) it is essential that construction begin immediately in order to be completed by the cold weather months.

(b) It is the sense of the Senate that—

(1) the Administration should immediately release a portion of the $5,000,000 the Administration has agreed to provide for the renovation and construction of the homeless shelter at 425 Second Street, Northwest, in the District of Columbia; and

(2) the remaining funds should be immediately released upon the official conveyance of title to the shelter from the Federal Government to the District of Columbia.

HELMS AMENDMENT NO. 1993

Mr. HELMS proposed an amendment to the bill S. 1965, supra; as follows:

At an appropriate place in the bill, add the following:

SEC. . (a) This section may be cited as the "Neighborhood School Act".

(b) The Congress finds that—

(1) court orders requiring transportation of students to or attendance at public schools other than the one closest to their residences for the purpose of achieving racial balance or racial desegregation have

proven an ineffective remedy and have not achieved unitary public school systems and that such orders frequently result in the exodus from public school systems of children which causes even greater racial imbalance and diminished support for public school systems;

(2) assignment and transportation of students to public schools other than the one closest to their residences is expensive and wasteful of scarce supplies of petroleum fuels;

(3) the assignment of students to public schools or busing of students to achieve racial balance or to attempt to eliminate predominantly one race schools is without social or educational justification and has proven to be educationally unsound and to cause separation of students by race to a greater degree than would have otherwise occurred;

(4) there is an absence of social science evidence to suggest that the costs of school busing outweigh the disruptiveness of business and

(5) assignment of students to public schools closest to their residence (neighborhood public schools) is the preferred method of public school attendance and should be employed to the maximum extent consistent with the U.S. Constitution.

(c) The Congress is hereby exercising its power under article III, section 1, and under section 5 of the fourteenth amendment of the U.S. Constitution.

(d) Section 1651 of title 28, United States Code, is amended by adding the following new subsection (c):

"(c)(1) No court of the United States may order or issue any writ directly or indirectly ordering any student to be assigned or to be transported to a public school other than that which is closest to the student's residence unless—

"(i) such assignment of transportation is provided incident to the voluntary attendance of a student at a public school, including a magnet, vocational, technical, or other school of specialized or individualized instruction; or

"(ii) the requirement of such transportation is reasonable.

"(2) The assignment or transportation of students shall not be reasonable if—

"(i) there are reasonable alternatives available which involve less time in travel, distance, danger, or inconvenience;

"(ii) such assignment or transportation requires a student to cross a school district having the same grade level as that of the student;

"(iii) such transportation plan or order or part thereof is likely to result in a greater degree of racial imbalance in the public school system than was in existence on the date of the order for such assignment or transportation plan or is likely to have a net harmful effect on the quality of education in the public school district;

"(iv) the total actual daily time consumed in travel by schoolbus for any student exceeds thirty minutes unless such transportation is to and from a public school closest to the student's residence with a grade level identical to that of the student; or

"(v) the total actual round trip distance traveled by schoolbus for any student exceeds 10 miles unless the actual round trip distance traveled by schoolbus is to and from the public school closest to the student's residence with a grade level identical to that of the student.".

(e) The school closest to the student's residence with a grade level identical to that of the student shall, for purpose of calculating the time and distance limitations of this Act, be deemed to be that school containing the appropriate grade level which existed immediately prior to any court order or writ resulting in the reassignment by whatever means, direct or indirect including rezoning, reassignment, pairing, clustering, school closings, magnet schools or other methods of school assignment and whether or not such court order or writ predated the effective date of this legislation.

(f) Section 407(a) of title IV of the Civil Rights Act of 1964 (Public Law 88-352, section 407(a); 78 stat. 241, section 407(a); 42 U.S.C. 2000c-6(a)), is amended by inserting after the last sentence the following:

"Whenever the Attorney General receives a complaint in writing signed by an individual, or his parent, to the effect that he has been required directly or indirectly to attend or to be transported to a public school in violation of the Neighborhood School Act and the Attorney General believes that the complaint is meritorious and certifies that the signers of such complaint are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief, the Attorney General is authorized to institute for or in the name of the United States a civil action in any appropriate district court of the United States against such parties and for such relief as may be appropriate, and such court shall have and shall exercise jurisdiction of proceedings instituted pursuant to this section. The Attorney General may implead as defendants such additional parties as are or become necessary to the grant of effective relief hereunder.".

(g) For the purpose of this Act, "transportation to a public school in violation of the Neighborhood School Act" shall be deemed to have occurred whether or not the order requiring directly or indirectly such transportation or assignment was entered prior to or subsequent to the effective date of this Act.

(h) If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

PRESSLER (AND ABDNOR) AMENDMENT NO. 1994

Mr. PRESSLER (for himself and Mr. ABDNOR) proposed an amendment to the bill S. 1965, supra; as follows:

At the appropriate place, insert:

The U.S. Secretary of Education shall commence a study under Title IV of the Higher Education Act of 1965 with respect to financial aid formulas for students in postsecondary educational institutions with special attention to devising a more equitable formula for farm families.

HATCH AMENDMENT NO. 1995

Mr. HATCH proposed an amendment to the bill S. 1965, supra; as follows:

Beginning on page 417, beginning with line 13, strike all through line 25 on page 418, and insert the following:

"(c)(1) The Council shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. In addition, there shall be such ex officio members who are officers of the United States as the President may designate, including the Assistant Secretary. A majority of the appointed members of the Council shall constitute a quorum. The chairperson of the Council shall be designated by the President from among the appointed members. Ex officio members shall not have a vote on the Council. The members of the Council shall be appointed to ensure that the Council is broadly representative of the general public; the education professions, including practitioners; policymakers and researchers; and the various fields and levels of education.

"(2)(A) Except as provided in subparagraph (B), members shall be appointed to terms of three years.

"(B) Of the members first appointed—

"(i) five shall be appointed for terms of one year;

"(ii) five shall be appointed for terms of two year; and

"(iii) five shall be appointed for terms of three year;

as designated by the President at the time of appointment.

"(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of a term until a successor has taken office.

"(D) An appointed member who has been a member of the Council for six consecutive years shall be ineligible for appointment to the Council during the two-year period following the expiration of the sixth year.

"(3) The council shall—

"(A) advise the Secretary and the Assistant Secretary on the policies and activities carried out by the Office;

"(B) review and publicly comment on the policies and activities of the Office;

"(C) conduct such activities as may be necessary to fulfill its functions under this subsection;

"(D) prepare such reports to the Secretary on the activities of the Office as are appropriate; and

"(E) submit, no later than March 31 of each year, a report to the President and the Congress on the activities of the Office, and on education, educational research, and data gathering in general.

STEVENS (AND MURKOWSKI) AMENDMENT NOS. 1996 AND 1997

Mr. STEVENS (for himself and Mr. MURKOWSKI) proposed two amendments to the bill S. 1965, supra; as follows:

AMENDMENT No. 1996

On page 317, line 4, strike out "(2)" and insert in lieu thereof "(II)".

On page 317, line 10, before the semicolon insert a comma and the following: "unless this requirement is waived under section 352(a)".

AMENDMENT No. 1997

On page 319, line 5, strike out "Alaska Native or Aleut, or combination thereof" and insert in lieu thereof "or in the case of Alaska Natives, an enrollment of at least 5 percent".

EVANS AMENDMENT NO. 1998

Mr. EVANS proposed an amendment to the bill S. 1965, supra; as follows:

On page 413, strike out lines 4 and 5 and insert in lieu thereof the following:

TITLE III—EDUCATION ADMINISTRATION

PART A—RESEARCH AND IMPROVEMENT

On page 431, after line 13, insert the following:

PART B—USE OF VOLUNTEERS IN THE CLASSROOM STUDY

STUDY REQUIRED

SEC. 311. (a)(1) STUDIES REQUIRED.—The Secretary of Education (hereafter referred to in this section as "Secretary.") shall conduct a thorough study of how volunteers can best be used in the classroom. The study required by this section shall include—

(A) the feasibility of using recipients of student loans made, assured, or guaranteed under part B of title IV of the Higher Education Act of 1965 or part E of such title as part of repayment of such loans;

(B) the use of older Americans as such volunteers;

(C) the use of business persons and other professionals as volunteers; and

(D) the place of incentives to encourage, voluntarism.

The study required by this section shall examine the methods of using volunteers designed to provide the greatest flexibility for local educational agencies.

(2) The Secretary shall also contract with the National Academy of Sciences to conduct a concurrent independent study for the purposes described in paragraph (1). For purposes of such study, the Secretary shall provide to the National Academy of Sciences any relevant data available to the Secretary at the onset of the study and on a continuing basis.

(3) REPORTS REQUIRED.—The Secretary and the National Academy of Sciences shall, not later than 1 year after the date of enactment of this Act, prepare and submit to the Congress their respective reports, together with a description of programs on the use of volunteers and with such recommendations as the Secretary deems appropriate.

(b) AVAILABILITY OF FUNDS.—Funds available for the administration of the Department of Education shall be used for the study required by this section.

On page 169, in the table of contents, strike out the item relating to title III and insert in lieu thereof the following:

"TITLE III—EDUCATION ADMINISTRATION

"PART A—RESEARCH AND IMPROVEMENT."

On page 169, in the table of contents, after item "Sec. 305," add the following:

"PART E—Use of Volunteers in the Classroom Study

"SEC. 311. Study required.".

D'AMATO (AND COCHRAN) AMENDMENT NO. 1999

Mr. D'AMATO (for himself and Mr. COCHRAN) proposed an amendment to the bill S. 1965, supra; as follows:

On page 413, between lines 3 and 4, insert the following:

PART L—ROBERT A. TAFT INSTITUTE

REAUTHORIZATION

SEC. 296. Section 1373 of the Education Amendments of 1980, relating to the Robert A. Taft Institute, is amended by inserting after "1985" a comma and the following: "$750,000 for the fiscal year 1986 and for each succeeding fiscal year ending prior to October 1, 1988".

On page 169, in the table of contents after item "SEC. 294." insert the following:

"PART L—ROBERT A. TAFT INSTITUTE

"Sec. 296. Reauthorization.".

SIMON AMENDMENT NO. 2000

Mr. SIMON proposed an amendment to the bill S. 1965, supra; as follows:

To amend section 485C(2) delete the period at the end of the section, and insert a comma.

Insert the following after the comma: "Except that the Secretary is authorized in demonstrated cases of exceptional need to waive the deductions required by this section.".

SIMON (AND DODD) AMENDMENT NO. 2001

Mr. SIMON (for himself and Mr. DODD) proposed an amendment to the bill S. 1965, supra; as follows:

On page 368, after line 24, add the following:

STUDY AUTHORIZED

SEC. 250A. Title VI of the Act is amended by adding at the end thereof the following new section:

"NATIONAL ENDOWMENT FOR INTERNATIONAL STUDIES

"SEC. 622. (a) The Secretary shall, in consultation with the Director of the United States Information Agency, the Director of the Agency for International Development, the Secretary of State, and the Secretary of Defense, conduct a study on the establishment of a National Endowment for International Studies. The study shall develop a program, a plan funding, and priorities for such an Endowment.

"(b) In carrying out the study required by this section, the Secretary shall consider—

"(1) the extent of the need for international studies programs at all educational levels, not served by this title;

"(2) the programs at the Agency for International Development, the U.S. Information Agency and the Departments of State, Defense, and Education which can be coordinated to increase the scope and number and kinds of participants in international educational programs;

"(3) the feasibility of an Endowment for International Studies, by whom it shall be administered, and procedures for receiving corporate and other private contributions for supplemental funding, similar to Treasury fund accounts at other Federal agencies; and

"(4) a comprehensive evaluation of the weaknesses and strengths in international education and foreign language training at all levels of education in our Nation and the role of the Endowment to remedy these weaknesses, and encourage expansion of these strengths.

"(c) The Secretary shall prepare and submit to the Congress, not later than 6 months after the date of enactment of this section, a report on the study required by this section, together, with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.".

On page 168, in the table of contents, after item "SEC. 250." insert the following new item:

"Sec. 250A. Study authorized.".

SIMON AMENDMENT NO. 2002

Mr. SIMON proposed an amendment to the bill S. 1965, supra; as follows:

On page 258, between lines 15 and 16, insert the following:

(c) PRIORITY CONSIDERATION FOR LITERACY TRAINING.—Section 447 of the Act is further amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision in this section, the Secretary shall give priority consideration to applications which propose community service projects involving literacy training and education.".

GRASSLEY (AND ABDNOR) AMENDMENT NO. 2003

Mr. GRASSLEY (for himself and Mr. ABDNOR) proposed an amendment to the bill S. 1965, supra; as follows:

On page 180, line 21, after "$80,000" insert the following: "in the case of business assets or $100,000 in the case of farm assets".

On page 181, line 3, after "$100,000" insert the following: "in the case of business deductions or $130,000 in the case of farm deductions".

On page 181, line 4, insert after "$100,000" the following: "or $130,000, as the case may be".

On page 184, line 2, after "$80,000" insert the following: "in the case of business assets of $100,000 in the case of farm assets".

On page 184, line 8, after "$100,000" insert the following: "in the case of business deductions on $130,000 in the case of farm deductions".

On page 184, line 10, insert after "$100,000" the following: "or $130,000, as the case may be".

On page 188, line 16, after "$80,000" insert the following: "in the case of business assets or $100,000 in the case of farm assets".

On page 188, line 22, after "$100,000 insert the following: "in the case of business deductions or $130,000 in the case of farm deductions".

On page 188, line 23, insert after "$100,000" the following: "or $130,000, as the case may be".

STAFFORD (AND OTHERS) AMENDMENT NO. 2004

Mr. STAFFORD (for himself, Mr. DOLE, and Mr. PELL) proposed an amendment to the bill S. 1965, supra; as follows:

On page 304, after line 20, add the following:

ADDITIONAL STUDENT ASSISTANCE SAVINGS PROVISIONS

SEC. 195. Notwithstanding any other provision of this Act, or the amendments made by this Act—

(1) the maximum amount for a Pell Grant under section 411(a)(2)(A)(i) of the Act shall be—

(A) $2,300 for academic year 1987-1988.

DOLE AMENDMENT NO. 2005

Mr. DOLE proposed an amendment to amendment No. 2004 proposed by Mr. STAFFORD (and others) to the bill S. 1965, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

ADDITIONAL STUDENT ASSISTANCE SAVINGS PROVISIONS

SEC. 195. Notwithstanding any other provision of this Act, or the amendments made by this Act—

(1) the maximum amount for a Pell Grant under section 411(a)(2)(A)(i) of the Act shall be—

(A) $2,300 for academic year 1987-88.

(B) $2,500 for academic year 1988-89.

(C) $2,700 for academic year 1989-90.

(D) $2,900 for academic year 1990-1991, and

(E) $3,100 for academic year 1991-1992;

(2) the per centum to be applied under clause (iii) of section 438(b)(2)(A) of the Act shall be 3 per centum; and

(3) a student shall qualify as an independent student for an award year if, in addition to the requirements otherwise applicable, the student demonstrates to the satisfaction of the institution, in accordance with guidelines prescribed by the Secretary, how, for any of the relevant years prescribed, such student was self-supporting.

FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT AMENDMENTS

HAWKINS (AND PROXMIRE) AMENDMENT NO. 2006

(Ordered referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mrs. HAWKINS (for herself and Mr. PROXMIRE) submitted an amendment intended to be proposed by them to the bill (S. 2215) to amend the Federal Insecticide, Fungicide, and Rodenticide Act to ensure safer pesticides and to better protect the public and the environment, and for other purposes; as follows:

Beginning on page 68, strike out line 15 and all that follows through line 5 on page 71 and insert in lieu thereof the following:

TITLE XIII—LIABILITY FOR PESTICIDE USE

SEC. 1301. LIABILITY FOR PESTICIDE USE.

Section 12 (7 U.S.C. 136j) is amended by adding at the end thereof the following new subsection:

"(c) LIABILITY FOR PESTICIDE USE.—

"(1) PESTICIDE USE DAMAGE.—An agricultural producer shall not be liable in any action brought after the effective date of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1986 under this Act or any other Federal law for damages caused by pesticide use unless the producer has acted negligently. Proof that an agricultural producer applied a pesticide in accordance with label instructions shall create a rebuttable presumption that the agricultural producer did not act negligently.

"(2) UNLAWFUL ACTS INVOLVING PESTICIDES.—An agricultural producer shall not be held liable in an action brought under section 14 for civil penalties for a violation of subsection (a)(2)(G) unless the producer applied the pesticide in a manner inconsistent with its labeling. Proof that a pesticide was applied in a manner consistent with its label instructions shall create a rebuttable presumption that the agricultural producer did not violate such subsection.

"(3) DEFINITION OF AGRICULTURAL PRODUCER.—As used in this subsection, the term 'agricultural producer' means a non-governmental producer of agricultural commodities who—

"(A) uses or supervises the use of any pesticide for the production of such commodities on property owned or rented by the producer or the employer of the producer; or

"(B) without compensation other than the trading of personal services, assists another agricultural producer with the application of pesticides on the land of the producer.".

TITLE XIV—CERTIFICATION, TRAINING, AND RECORDKEEPING OF PESTICIDE APPLICATORS

SEC. 1401. CERTIFICATION, TRAINING, AND RECORDKEEPING OF PESTICIDE APPLICATORS.

(a) DEFINITIONS.—Section 2 (7 U.S.C. 136) (as amended by section 1002 of this Act) is further amended—

(1) by striking out subsection (e) and inserting in lieu thereof the following new subsection:

"(e) APPLICATOR.—

"(1) COMMERCIAL APPLICATOR.—

"(A) The term 'commercial applicator' means an applicator (whether or not the applicator is a private applicator with respect to some uses) who, in the ordinary course of business or work, uses or supervises the use of any pesticide, except antimicrobial products, for any purpose or on any property other than as described in paragraph (2).

"(B) To be included in the term, a commercial applicator must either be certified pursuant to section 4(d) or be registered as a noncertified commercial applicator pursuant to section 4(e).

"(C) Institutional, industrial, and governmental employees who apply pesticides as part of the job responsibilities of the employees shall be included in the term.

"(D) Any applicator who holds or applies registered pesticides, or uses dilutions of registered pesticides consistent with subsection (ee), only to provide a service of controlling pests and who does not deliver any unapplied pesticide to any person so served shall not be considered a seller or distributor of pesticides under this Act.

"(2) PRIVATE APPLICATOR.—

"(A) The term 'private applicator' means an applicator who uses or supervises the use of any pesticide that is classified for restricted use for purposes of producing any agricultural commodity on property owned or rented by the employer of the producer or, if applied without compensation (other than trading of personal services between producers of agricultural commodities), on the property of another person.

"(B) Any private applicator who holds or applies registered pesticides, or uses dilutions of registered pesticides consistent with subsection (ee), only to provide a service of controlling pests and who does not deliver any unapplied pesticide to any other person shall not be considered a seller or distributor of pesticides under this Act.

"(3) CERTIFIED APPLICATOR.—The term 'certified applicator' means a commercial or private applicator who is certified under section 4.

"(4) NONCERTIFIED COMMERCIAL APPLICATOR.—The term 'noncertified commercial applicator' means a person who—

"(A) undergoes a training program and registers with a State agency designated under section 4(a)(2)(A), consistent with section 4(e); and

"(B) is acting under the direct supervision and instructions and control of a certified commercial applicator who is available if and when needed, even though such certified commercial applicator is not physically present at the time and place the pesticide is applied.

"(5) NONCERTIFIED PRIVATE APPLICATOR.—The term 'noncertified private applicator' means a person who—

"(A) has undergone training prescribed by section 4(f); and

"(B) is acting under the direct supervision and instructions and control of a certified private applicator who is available if and when needed, even though such certified applicator is not physically present at the time and place the pesticide is applied.

"(6) UNDER THE DIRECT SUPERVISION OF A CERTIFIED APPLICATOR.—Unless otherwise prescribed by its labeling, a pesticide shall be considered to be applied under the direct supervision of a certified applicator if the pesticide is applied by a competent person acting under the instructions and control of a certified applicator who is available if and when needed, even though such certified applicator is not physically present at the time and place the pesticide is applied."; and

(2) by adding at the end thereof the following new subsections:

"(hh) ANTIMICROBIAL.—The term 'antimicrobial' means a nonagricultural pesticide product not used on a food or feed crop, including—

"(1) disinfectants intended to destroy or irreversibly inactivate bacteria, fungi, or viruses on surfaces or inanimate objects;

"(2) sanitizers intended to reduce the number of living bacteria or viable virus particles on inanimate surfaces or in water or air;

"(3) bacteriostats intended to inhibit the growth of bacteria in the presence of moisture; or

"(4) sterilizers intended to destroy viruses and all living bacteria, fungi, and their spores on inanimate surfaces.

"(ii) PESTICIDE DEALER.—The term 'pesticide dealer' means any person who, in the ordinary course of business, sells pesticides, except that such term shall not include retail vendors who solely sell antimicrobials and household nonrestricted use pesticides.".

(b) CERTIFIED APPLICATORS.—Section 4 (7 U.S.C. 136b) is amended—

(1) in subsection (a)(2)(B), by inserting after "legal authority" the following: ", including requirements for State enforcement personnel to be certified in the restricted and nonrestricted use pesticide application categories for which they are assigned enforcement responsibility,"; and

(2) by adding at the end thereof the following new subsections:

"(d) COMMERCIAL APPLICATOR CERTIFICATION.—Notwithstanding subsection (a), in order to operate as a certified commercial applicator a person must, at a minimum—

"(1) within 12 months of the effective date of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1986, undergo training—

"(A) prescribed and administered by the State agency designated under subsection (a)(2)(A), including training that uses updated national core material approved by the Administrator on the use of appropriate application and safety procedures, clothing, and protective equipment, the detection of common symptoms of pesticide poisoning, the means of obtaining emergency medical treatment, and the requirements of appro-

priate laws, regulations, and labeling, including hazards posed by pesticides to workers, the public health, and the environment; and

"(B) conducted by trainers whose competency requirements and range of expertise shall be prescribed by such State agency;

"(2) have field, institutional, or industrial plant experience in pesticide use and application, with the specific category of use and related length of experience commensurate with potential risks and exposure to the applicator and the environment set by such State agency; and

"(3) pass (with not less than 70 percent correct) an exam prescribed by such State agency.

"(e) NONCERTIFIED COMMERCIAL APPLICATOR TRAINING AND REGISTRATION.—In order to operate as a noncertified commercial applicator a person must—

"(1) undergo basic training prescribed and administered by the State agency designated under subsection (a)(2)(A), including training in the updated national core material referred to in subsection (d)(1) and conducted by trainers whose competency requirements and range of expertise shall be prescribed by such State agency; and

"(2) register with such State agency by providing to the State agency a signed statement from the trainer and the applicator stating that the prescribed minimum training has been provided by the trainer and received by the applicator.

"(f) NONCERTIFIED PRIVATE APPLICATOR TRAINING.—In order to operate as a noncertified private applicator—

"(1) a person must undergo basic training—

"(A) based on materials developed by the State agency designated under subsection (a)(2)(A) on the use of appropriate application and safety procedures, clothing, and protective equipment, the detection of common symptoms of pesticide poisoning, the means of obtaining emergency medical treatment, and the requirements of appropriate laws, regulations, and labeling, including hazards posed by pesticides to workers, the public health, and the environment; and

"(B) given by a certified private applicator or trainer whose competency requirements and range of expertise shall be prescribed by such State agency; and

"(2) on request, the employer of a noncertified private applicator must verify by a signed statement from the trainer and the applicator to the delegate State lead pesticide regulatory agency that the training has been given and received.

"(g) CERTIFIED PRIVATE APPLICATOR TRAINING.—Notwithstanding subsection (a), in order to operate as a certified private applicator, a person must, at a minimum, undergo training prescribed and administered by the State agency designated under subsection (a)(2)(A), including training in the updated national core material referred to in subsection (d)(1) and conducted by trainers whose competency requirement and range of expertise are prescribed by such State agency and registered with such State agency as required by subsection (e)(2).

"(h) RECERTIFICATION AND REREGISTRATION.—

"(1) REFRESHER TRAINING.—At least once every 4 years, each certified applicator and noncertified commercial applicator must undergo refresher training.

"(2) CURRICULUM.—The curriculum for refresher training shall be prescribed by the State agency designated under subsection (a)(2)(A), including training in the updated national core materials referred to in subsection (d)(1) and the relevant requirements of this section.

"(3) RECERTIFICATION OR REREGISTRATION.—At the end of the training, an applicator shall be recertified or reregistered after complying with the relevant competency requirements established under this section.

"(i) UNIFORM TRAINING.—

"(1) UNIFORM COURSE.—The Administrator shall establish a uniform nationwide course of training that meets the requirements of this section for applicators whose applications will be performed in more than one State.

"(2) CERTIFICATION OR REGISTRATION.—The State agency designated under subsection (a)(2)(A) of a State, or the Administrator if a State fails to agree on such a program, shall certify or register such applicators.

"(j) MINIMUM STANDARDS FOR TRAINING PROGRAMS.—

"(1) ESTABLISHMENT.—The Administrator shall establish minimum standards for the training programs and minimum competency standards for trainers referred to in subsections (d), (e), (f), and (g).

"(2) STATE TRAINING PROGRAMS.—Training programs prescribed and administered by any State pursuant to such subsections shall comply with the minimum standards established by the Administrator and the requirements of this section within 2 years after the date of the enactment of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1986.

"(3) ADMINISTRATION BY ADMINISTRATOR.—If a State's training program fails to meet minimum standards established by the Administrator, or a State refuses to prescribe and administer such a program, the Administrator shall exercise authority to prescribe and administer the training program referred to in subsections (d), (e), (f), and (g) in such State but only pursuant to the procedures set out in section 27(b).

"(k) PRIVATE TRAINING PROGRAMS.—A State agency designated under subsection (a)(2)(A) shall approve any privately administered training program that the agency determines meets the requirements established under this section.

"(l) REFRESHER TRAINING.—A commercial or private applicator certified to use or supervise the use of a restricted use pesticide before a State training program is in effect that complies with subsection (j), shall undergo refresher training and recertification pursuant to subsection (h) not more than 4 years after the date of the enactment of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1986 or when required to be recertified by the State, whichever occurs first.".

(c) STANDARDS APPLICABLE TO PESTICIDE APPLICATORS.—Section 11 (7 U.S.C. 136i) is amended by adding at the end thereof the following new subsections:

"(c) RECORDS OF COMMERCIAL APPLICATORS.—

"(1) PESTICIDE APPLICATIONS.—The Administrator or the State agency, whichever has primary enforcement responsibility pursuant to section 26, shall require commercial applicators to maintain records of pesticide applications, including the identity and amount of the pesticides applied and the date and location of such applications.

"(2) DURATION.—A commercial applicator shall maintain the records required under this subsection for 2 years after the application.

"(d) RECORDS OF PESTICIDE DEALERS.—

"(1) PESTICIDE SALES.—The Administrator or the State agency, whichever has primary enforcement responsibility pursuant to section 26, shall require pesticide dealers to maintain records of restricted use pesticide sales and such nonrestricted pesticides as are designated by the Administrator because the pesticides may cause unreasonable adverse effects on health or the environment, except sales of antimicrobials. Such records shall include the identity of the pesticide, identity of the person to whom the pesticide was distributed or sold, the date of the distribution or sale, and the amount of distribution or sale.

"(2) DURATION.—A pesticide dealer shall maintain the records required under this subsection for 3 years.

"(e) INSPECTION OF RECORDS.—For purposes of enforcing this Act, on request of the Administrator or the State agency, whichever has primary enforcement responsibility pursuant to section 26, a commercial applicator and a pesticide dealer shall, on presentation of proper credentials and a written statement of reasons, furnish or permit the Administrator or the State agency at all reasonable times to have access to and to copy records maintained pursuant to subsections (c) and (d).

"(f) ACCESS TO RECORDS.—

"(1) IN GENERAL.—The records required to be kept under subsections (c) and (d) shall be accessible within 30 days of the request.

"(2) IMMEDIATE ACCESS.—When necessary to protect the public health and in medical emergencies, such records shall be provided immediately, but not later than 24 hours, after the request is made.

"(3) EMPLOYEE OR APPLICATOR ACCESS.—Employees of dealers or commercial applicators shall have access to the records that directly relate to the employment duties of the employees.

"(4) EMPLOYER ACCESS AND RESPONSIBILITIES.—An employer shall—

"(A) know or have access to the brand name and common or chemical name of the pesticide and safety, first aid, and antidote information listed on the label or labeling of any pesticide used; and

"(B) be responsible for promptly making such information available, on request, to an employee exposed to a pesticide and for treating medical personnel.

"(5) CUSTOMER ACCESS.—Customers shall have access to information records that directly relate to pesticides that they have purchased or pesticide applications for which they have contracted.

"(6) STATE ENFORCEMENT RESPONSIBILITIES.—State enforcement agencies shall obtain and make available, on reasonable request, records relating to any pesticide application or sale to any person who may be directly and adversely affected by any such pesticide application or sale.".

(d) UNLAWFUL ACTS.—Section 12(a)(2) (7 U.S.C. 136j(a)(2)) (as amended by section 802 of this Act) is further amended—

(1) by striking out "or" at the end of subparagraph (P);

(2) by striking out the period at the end of subparagraph (Q) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (Q) the following new subparagraphs:

"(R) to obtain and to use records acquired under section 11(f) in furtherance of a commercial purpose; or

"(S) to violate the regulations issued by the Administrator under section 25(f)(2).".

(e) WORKER HEALTH AND SAFETY PROGRAM.—Section 25 (7 U.S.C. 136w) is amend-

ed by adding at the end thereof the following new subsection:

"(f) WORKER HEALTH AND SAFETY PROGRAM.—

"(1) ESTABLISHMENT OF PROGRAM AND UNIT.—

"(A) The Administrator shall establish and maintain an occupational health program and a separate administrative unit within the Office of Pesticide Programs that shall be responsible for the protection of workers who mix, load, or apply pesticides or work in areas where pesticides are applied.

"(B) Such unit shall develop and maintain expertise on working conditions and practices of workers exposed to pesticides, participate in the development of regulations, standards, and registration data requirements relating to the health and safety of workers exposed to pesticides, and evaluate registration, reregistration, interim administrative review, and cancellation decisions with respect to effects of such actions on worker health and safety.

"(2) REGULATIONS.—The Administrator shall issue regulations that require—

"(A) the protection of employees who mix, load, or apply pesticides and employees who work in pesticide-treated areas, including the use of protective clothing and equipment, emergency medical care, hygiene, and safe reentry intervals; and

"(B) the training of each employee who mixes, loads, or applies a pesticide in worker, public health, and environmental hazards, in clothing and protective equipment, in common symptoms of pesticide poisoning, in the location of emergency medical treatment, and in applicable laws, regulations, and labeling requirements.".

(f) CERTIFICATION IN PESTICIDE USE APPLICATIONS.—Section 26 (7 U.S.C. 136w-1) is amended by adding at the end thereof the following new subsection:

"(d) Federal field personnel responsible for enforcement shall be certified in the State for the restricted and nonrestricted use pesticide application categories for which the personnel are assigned enforcement responsibility.".

TITLE XV—RESPONSE TO PESTICIDE DETECTION IN GROUND WATER

SEC. 1501. DEFINITION OF GROUND WATER.

Section 2 (7 U.S.C. 136) (as amended by section 1401(a)(2)) is further amended by adding at the end thereof the following new subsection:

"(jj) GROUND WATER.—The term 'ground water' means water below the land surface in a zone of saturation."

SEC. 1502. PROTECTION OF GROUND WATER.

The Act (as amended by section 1201 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 33. PROTECTION OF GROUND WATER.

"(a) NOTIFICATION.—

"(1) REQUIREMENT.—

"(A) When a registrant of a pesticide obtains confirmed information while conducting monitoring required by the Administrator, on the registrant's own initiative, or from another person that the pesticide has been—

"(i) detected in ground water for the first time after the effective date of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1986; or

"(ii) detected in ground water equal to or greater than a concentration at or greater than the ground water action level established under subsection (c),

the registrant shall notify the Administrator of such information within 15 working days of obtaining such information and shall make the notification required by subparagraph (B).

"(B) The registrant shall also notify the Administrator of further information on confirmed detection and nondetection of the pesticide in ground water, including resampling information, as the Administrator may require, taking into account the requirement to make the findings described in subsection (d).

"(2) CONTENT OF NOTIFICATION.—A notification made under paragraph (1) shall contain confirmed information known to the registrant on the level of pesticide detection, the frequency of detection, the location (including depth) of the detection, the date of the detection, well construction (if detected in a well), and quality assurance and control procedures employed in making the detection, including the specificity and limit of detection of the method used in making the detection.

"(b) INVESTIGATION AND MONITORING.—

"(1) INVESTIGATION.—On receiving notification under subsection (a) from any person of confirmed information on detection of a pesticide in ground water, the Administrator shall review the nature and extent of the presence of the pesticide in ground water to determine whether further action should be taken under this Act.

"(2) MONITORING.—

"(A) If the Administrator determines that additional data on the presence of a pesticide in ground water are required to maintain in effect an existing registration of the pesticide, the Administrator may, under section 3(c)(2)(B), require registrants of the pesticide to conduct ground water monitoring.

"(B) Monitoring shall be undertaken at representative geographical and hydrogeological areas associated with locations and conditions of concern as determined by the Administrator.

"(C) The Administrator shall, in consultation with the Secretary of Agriculture, consider all relevant information in determining appropriate monitoring, including the magnitude and frequency of the detection, pattern of pesticide use and soil types involved in the detection, physical and chemical properties of the pesticide, rainfall patterns, well construction, rates of degradation, reliability and analytical accuracy of the detection, and whether the ground water for which monitoring is required is a current or potential source for human consumption.

"(3) JUDICIAL REVIEW.—Monitoring requirements shall be subject to judicial review pursuant to section 16(a).

"(c) GROUND WATER ACTION LEVELS.—

"(1) REQUIREMENT.—

"(A)(i) After receiving confirmed information that a pesticide has been detected in ground water, the Administrator shall establish a ground water action level that shall guide regulatory action under this section.

"(ii) In establishing the ground water action level under clauses (ii) and (iii) of subparagraph (B), the Administrator shall consider the level of the pesticide in potable water at which no known or anticipated adverse effects on the health of persons occur, the need for an adequate margin of safety, and the validity, completeness, and adequacy of data concerning the pesticide.

"(B) Ground water action levels shall be established as follows:

"(i) If the Administrator has promulgated a maximum contaminant level for a pesticide in drinking water supplied by public water systems under section 1412(b)(3) of the Public Health Service Act (42 U.S.C. 300g-1(b)(3)), the ground water action level shall be the maximum contaminant level.

"(ii) If a maximum contaminant level has not been promulgated and the Administrator has calculated a health advisory level for a pesticide in drinking water under section 1442 of the Public Health Service Act (42 U.S.C. 300j-1), the ground water action level shall be the health advisory level until a maximum contaminant level has been promulgated.

"(iii)(I) If a maximum contaminant level or health advisory level has not been established under title XIV of the Public Health Service Act (42 U.S.C. 300f et seq.) or is not established under such title within 60 days of the Administrator receiving confirmed information that a pesticide has been detected in ground water, not later than 90 days after receiving such confirmed information of a detection, the Administrator shall promulgate an interim ground water action level by informal rulemaking.

"(II) If all required chronic, oncogenicity, reproduction, or teratogenicity data are absent for the pesticide, the interim ground water action level for the pesticide shall be established at the lowest level of detection.

"(III) If any required chronic, oncogenicity, reproduction, or teratogenicity data are absent for the pesticide, the interim ground water action level for the pesticide shall include an additional margin of safety that takes into account the absence of such data.

"(iv) The interim ground water action level shall remain effective until a maximum contaminant level or health advisory level for the pesticide is established under title XIV of the Public Health Service Act and implemented under clause (i) or (ii).

"(2) FINAL AGENCY ACTION.—The Administrator shall publish in the Federal Register all ground water action levels. Such publication, with respect to clause (ii) or (iii), shall constitute final agency action judicially reviewable pursuant to section 16.

"(d) FINDINGS.—

"(1) REQUIREMENT.—After receiving confirmed information that a pesticide has been detected in ground water, the Administrator shall promptly issue findings that state whether—

"(A) there is a reasonable likelihood that the ground water action level will be exceeded in ground water at a current or potential point of human consumption; and

"(B) the presence of the pesticide in ground water was a result of pesticide use in compliance with this Act.

"(2) PROCEDURES.—

"(A) Findings under paragraph (1) shall be published in the Federal Register.

"(B) In making a finding under paragraph (1)(A), the Administrator shall consult with the Secretary of Agriculture and appropriate Federal and State agencies in determining potential points of human consumption.

"(C) A finding under paragraph (1)(B) shall not delay or preclude registration amendments under subsection (e).

"(e) REGISTRATION AMENDMENTS.—

"(1) CURRENT POINTS OF HUMAN CONSUMPTION.—

"(A) After making findings concerning a pesticide under subsection (d)(1)(A), the Administrator shall, with respect to a current point of human consumption, promptly require amendments to the registration of the

pesticide that are necessary to ensure that use of the pesticide in accordance with the amended registration will not cause the ground water action level involved in the finding to be exceeded at a current point of human consumption.

"(B) The Administrator shall notify registrants of such amendments.

"(C) Registration amendments may include—

"(i) limitations on the purposes for which a pesticide may be used, considering factors such as environmentally sensitive areas and conditions;

"(ii) limitations on the rate at which the pesticide is applied;

"(iii) limitations on the time or frequency of pesticide use;

"(iv) limitations on the method of pesticide use;

"(v) reporting or other requirements, including label changes or changes in classification;

"(vi) requirements for the training or certification of pesticide applicators or other persons using the pesticide; or

"(vii) any other requirement to ensure that the applicable ground water action level will not be exceeded.

"(D) The registration amendments shall be directed to the same or similar uses of the pesticide, geographical and hydrogeological areas, and other conditions that led to the findings under subsection (d)(1)(A).

"(E) In requiring such amendments, the Administrator shall consider the effect of any voluntary actions by registrants or other persons to prevent the action level from being exceeded.

"(2) POTENTIAL POINTS OF HUMAN CONSUMPTION.—

"(A) After making findings concerning a pesticide under subsection (d)(1)(A) with respect to a potential point of human consumption, the Administrator shall promptly require amendments to the registration that are necessary to ensure that use of the pesticide in accordance with the amended registration will not cause the ground water action level to be exceeded at a potential point of human consumption.

"(B) The Administrator shall notify registrants of such amendments.

"(C) In establishing such amendments, the Administrator shall—

"(i) meet the requirements of paragraph (1);

"(ii) take into account when such potential points of human consumption will likely be used; and

"(iii) consider the views of the Secretary of Agriculture and other appropriate Federal and State agencies.

"(3) PROCEDURES.—Registration amendments shall be imposed in accordance with the procedures established by section 6(b).

"(f) USE PROHIBITION.—

"(1) REQUIREMENT.—

"(A) After receiving confirmed information that a pesticide, as a result of use, has been detected above the ground water action level at a current point of human consumption, the Administrator shall—

"(i) immediately notify the registrant and the Secretary of Agriculture; and

"(ii) within 30 days after providing such notice—

"(I) require registration amendments as described in subsection (e)(1) if the registrant can demonstrate during such 30 days with reasonable certainty that such amendments will bring and retain concentrations of the pesticide at or below the ground water action level at points of human consumption; or

"(II) prohibit use in the surface and subsurface area surrounding the point of human consumption through which the pesticide is reasonably likely to move toward and reach such point of human consumption and require monitoring at other similar locations under subsection (b)(2).

"(B) The Administrator shall publish notice of the action in the Federal Register and take appropriate steps to inform all registrants, potentially affected persons, and interested members of the public.

"(C) Such notice shall specify the factual findings and conclusions relied on in support of the decision.

"(D) Persons adversely affected by any use prohibition required under subparagraph (B) shall have an opportunity, in accordance with paragraph (2), for an expedited hearing.

"(2) HEARING.—

"(A) If any person adversely affected by a use prohibition requests within 5 days after publication of the notice under paragraph (1) a hearing on the use prohibition, the Administrator shall hold a hearing in accordance with the procedures established under section 6(c).

"(B) If a hearing is requested, the hearing shall be completed and the Administrator shall issue within 90 days a final order continuing or discontinuing the use prohibition.

"(C) The use prohibition shall be effective until the Administrator enters a final order after the hearing.

"(D) In the hearing, the Administrator shall have the burden of proving with reasonable certainty that—

"(i) the ground water action level has been exceeded in ground water at a current point of human consumption; and

"(ii) the use prohibition is directed to the use at the location or locations described in paragraph (1)(A)(ii)(II) where the ground water action level was exceeded.

"(E) In the hearing the registrant shall have the burden of proving with reasonable certainty that registration amendments will bring and retain concentrations of the pesticide at or below the action level at points of human consumption.

"(3) TERMINATION OF USE PROHIBITION.—On petition to the Administrator by a registrant or other interested person, a use prohibition shall be discontinued if the petitioner establishes with reasonable certainty that concentrations of the pesticide are at or below the ground water action level in ground water at points of human consumption and will remain at or below such level.

"(4) JUDICIAL REVIEW.—The Administrator's action or failure to act under this subsection shall be subject to judicial review under section 16(a).

"(g) SPECIAL REVIEW.—Immediately on receiving confirmed information that a pesticide has been detected above the ground water action level in ground water not at current or potential points of human consumption, the Administrator shall initiate an interim administrative review under section 3(c)(8) to determine whether the pesticide may cause unreasonable adverse effects on the environment from such use.

"(h) OTHER AUTHORITY.—Nothing in this section prohibits or restricts any other authority of the Administrator under this Act.".

TITLE XVI—TECHNICAL AMENDMENTS

SEC. 1601. TABLE OF CONTENTS.

The table of contents contained in section 1(b) (7 U.S.C. prec. 121) is amended—

(1) by striking out the item relating to section 2(e) and inserting in lieu thereof the following:

"(e) Applicator.
"(1) Commercial applicator.
"(2) Private applicator.
"(3) Certified applicator.
"(4) Noncertified commercial applicator.
"(5) Noncertified private applicator.
"(6) Under the direct supervision of a certified applicator.";

(2) by striking out the item relating to section 2(n) and inserting in lieu thereof the following:

"(n) Ingredient statement.
"(1) In general.
"(2) Common name.";

(3) by adding at the end of the items relating to section 2 the following:

"(ff) Outstanding data requirement.
"(1) In general.
"(2) Factors.
"(gg) Importing country.
"(hh) Antimicrobial.
"(ii) Pesticide dealer.
"(jj) Ground water.";

(4) by striking out the item relating to section 3(c)(8) and inserting in lieu thereof the following:

"(8) Interim administrative review.
"(A) Criteria.
"(B) Procedures.";

(5) by adding at the end of the items relating to section 3(c) the following:

"(9) Preregistration access to data.";

(6) by striking out the item relating to section 3(g) and inserting in lieu thereof the following:

"(g) Reregistration of pesticides.
"(1) In general.
"(2) Lists of pesticide active ingredients.
"(3) Priority.
"(4) Removal.
"(5) Judicial review.
"(6) Data requirements.
"(7) Filling data requirements.
"(8) Suspension.
"(9) Reregistration.
"(10) Fees.
"(11) Revolving fund.
"(12) Compensation of data submitter.";

(7) by adding at the end of the items relating to section 3 the following:

"(h) Priority list and data development plans for inert ingredients.
"(1) Establishment of list.
"(2) Publication of list.
"(3) Judicial review.
"(4) Removal of ingredients involving interim administrative reviews.
"(5) Removal of ingredients involving additional data.
"(6) Number of ingredients.
"(7) Data development plans.
"(i) Substitution of inert ingredients.
"(j) Labeling of inert ingredients.
"(1) Amended label.
"(2) Misbranding.
"(k) Formula statements.
"(1) Listed inert ingredients.
"(2) All inert ingredients.";

(8) by adding at the end of the items relating to section 4 the following:

"(d) Commercial applicator certification.
"(e) Noncertified commercial applicator training and registration.
"(f) Noncertified private applicator training.
"(g) Certified private applicator training.

"(h) Recertification and reregistration.
"(1) Refresher training.
"(2) Curriculum.
"(3) Recertification or reregistration.
"(i) Uniform training.
"(1) Uniform course.
"(2) Certification or registration.
"(j) Minimum standards for training programs.
"(1) Establishment.
"(2) State training programs.
"(3) Administration by Administrator.
"(k) Private training programs.
"(l) Refresher training.";

(9) by striking out the item relating to section 6(b) and inserting in lieu thereof the following:

"(b) Cancellation and change in classification.
"(1) Notice.
"(2) Hearing.
"(3) Factors.";

(10) by adding at the end of the items relating to section 6 the following:

"(g) Hearing following interim administrative review.
"(1) In general.
"(2) Request for hearing.
"(3) Judicial review.
"(4) Procedures.
"(h) Cancellation of registration based on false or invalid data.
"(1) Notice.
"(2) Invalid data.
"(3) False data.
"(4) Hearing.";

(11) by adding at the end of the items relating to section 7 the following:

"(e) Fact sheets.";

(12) by adding at the end of the items relating to section 10 the following:

"(h) Data disclosure to States.
"(1) In general.
"(2) Action for just compensation.";

(13) by adding at the end of the items relating to section 11 the following:

"(c) Records of commercial applicators.
"(1) Pesticide applications.
"(2) Duration.
"(d) Records of pesticide dealers.
"(1) Pesticide sales.
"(2) Duration.
"(e) Inspection of records.
"(f) Access to records.
"(1) In general.
"(2) Immediate access.
"(3) Employee or applicator access.
"(4) Employer access and responsibilities.
"(5) Customer access.
"(6) State enforcement responsibilities.";

(14) by adding at the end of the items relating to section 12 the following:

"(c) Liability for pesticide use.
"(1) Pesticide use damage.
"(2) Unlawful acts involving pesticides.
"(3) Definition of agricultural producer.";

(15) by striking out the items relating to subsections (a) and (b) of section 17 and inserting in lieu thereof the following:

"(a) Pesticides and devices intended for export.
"(1) Violations.
"(2) Exports.
"(3) Notification.
"(4) Labels.
"(b) Cancellation notices furnished to foreign government.
"(1) Issuance.
"(2) Contents.";

(16) by adding at the end of the items relating to section 17 the following:

"(f) Tolerances for agricultural commodities.
"(1) Registration.
"(2) Amendment of tolerance.
"(3) Lowering of tolerance.";

(17) by adding at the end of the items relating to section 25 the following:

"(f) Worker health and safety program.
"(1) Establishment of program and unit.
"(2) Regulations."; and

(18) by adding at the end thereof the following:

"Sec. 32. Employee protection.
"(a) In general.
"(b) Administration.".
"Sec. 33. Protection of ground water.
"(a) Notification.
"(1) Requirement.
"(2) Content of notification.
"(b) Investigation and monitoring.
"(1) Investigation.
"(2) Monitoring.
"(3) Judicial review.
"(c) Ground water action levels.
"(1) Requirement.
"(2) Final agency action.
"(d) Findings.
"(1) Requirement.
"(2) Procedures.
"(e) Registration amendments.
"(1) Current points of human consumption.
"(2) Potential points of human consumption.
"(3) Procedures.
"(f) Use prohibition.
"(1) Requirement.
"(2) Hearing.
"(3) Termination of use prohibition.
"(4) Judicial review.
"(g) Special review.
"(h) Other authority.".

TITLE XVII—EFFECTIVE DATE

SEC. 1701. EFFECTIVE DATE.

● Mrs. HAWKINS. Mr. President, I am pleased to present to the Senate today an amendment that marks another step forward in an historic effort. This amendment reflects an agreement between the Campaign for Pesticide Reform, the National Agricultural Chemicals Association and the American Farm Bureau Federation to work in concert to pass comprehensive amendments to the Federal Insecticide, Fungicide, and Rodenticide Act.

The language that I am introducing is offered as an amendment to S. 2215, introduced earlier in this session by the Senator from Indiana, Mr. LUGAR. My purpose for offering this amendment is to add momentum to efforts in the Committee on Agriculture, Nutrition, and Forestry to pass FIFRA legislation. Earlier this year, when Senator LUGAR introduced S. 2215, he did so on behalf of the National Agricultural Chemicals Association and the Campaign for Pesticide Reform. That bill is the result of complex negotiations among this Nation's major chemical companies, environmental, public health, labor, and consumer interest groups. S. 2215 addresses a wide range of issues that have emerged from the widespread use of pesticides by our society. These issues include registration and reregistration of pesticides, information disclosure, testing and regulation of inert ingredients, export of pesticides, and laboratory inspections.

At the time S. 2215 was introduced, negotiations on a number of other important issues were still underway. These negotiations were carried out between agricultural producers represented by the American Farm Bureau Federation and the parties to the earlier agreement embodied in S. 2215. The legislation that I am introducing today is possible because of the successful conclusion of those negotiations.

Specifically, this amendment addresses four areas covered by this second agreement. These areas are ground water protection, agricultural producer liability, applicator certification and training, and worker health and safety.

With respect to ground water, my amendment adds a new title to the Federal Insecticide, Fungicide, and Rodenticide Act. This title has a number of provisions. First, it provides for the monitoring of pesticide residue in ground water. Second, the new title provides for the mitigation of unsafe levels of pesticides in drinking water and ground water. This is accomplished by requiring the Environmental Protection Agency to amend the Federal registrations of pesticides when necessary to protect current or potential points of human consumption. In addition to the amendment of pesticide registrations, the EPA is granted new authority to prohibit the use of a pesticide when drinking water wells are threatened.

This is an extremely important provision. It is the first Federal early warning program for the detection of pesticides in ground water. Further, it provides new tools to the Environmental Protection Agency to protect ground water and drinking water when unsafe levels are detected. Notably, this is the first such authority to be included in the chief Federal statute for the regulation and control of pesticides. It is a vital step forward.

Mr. President, a new FIFRA title to protect ground water and drinking water is very important to my State of Florida. The 10.5 million people who live in Florida depend on the freshwater aquifers that begin, in most cases, only a few feet beneath the ground level to recharge the aquifers used for drinking water supplies. These aquifers are found beneath the entire State and our large and growing urban populations rely on ground water as the most important source of drinking water supply.

Moreover, large areas of land in Florida are currently being converted from agricultural uses to other purposes. Most notably among these areas are large portions of the citrus region

in central Florida that are being developed for residential and commercial use. It is in these areas, and similar areas around the country, where the early warning system to protect drinking water will be most useful.

With respect to the liability of agricultural producers, this amendment includes a safeguard long sought by farmers.

Under this proposal, agricultural producers are not liable for damages in any action brought under Federal law. This protection applies unless the producer has acted negligently. Proof that a farmer applied a pesticide in accordance with label instructions creates a rebuttable presumption that the agricultural producer did not act negligently.

In addition, the proposed amendment exempts agricultural producers from liability for certain civil penalties unless the producer applies a pesticide in a manner inconsistent with its labeling. Again, proof that a pesticide was applied in accordance with its label instructions creates a rebuttable presumption that the agricultural producer did not violate the law.

Fairness dictates that this protection be included in FIFRA. Afterall, the label reflects the Federal Government's standard for safe use of the pesticide product. Without the Government approved label the product would be unavailable for use by the farmer on his crop in the first place. It is the Government's responsibility to insure the safety of chemical products on the market. Hopefully, this is accomplished through the registration process. It is then the farmer's responsibility to carefully use that product in accordance with the label.

Mr. President, this provision to safeguard farmers is also vitally important to my home state. Agriculture continues to be the second largest industry in Florida and is vital to the health and future growth of the State's economy. The Federal Reserve Bank of Atlanta February 1986 Economic Review, pointed up the importance of agriculture as a mainstay for Florida's future growth.

Taken together, the State's citrus, sugar, vegetable, cattle, greenhouse nursery, and row crop production earn over $4.5 billion each year. Over three quarters of that amount is pumped back into the economy on labor, equipment and supplies. At the peak harvest season, over 100,000 people are directly employed with thousands more involved in the processing, packing, shipment and marketing of the State's various commodities.

The State's largest agricultural products; citrus, greenhouse nursery, tomatoes and other vegetables, are also among those most susceptible to damage from insects and fungi that thrive in Florida's lush semitropical environment. In fact, the Institute of Food and Agricultural Science at the University of Florida recently reported that Florida has over 90 species of mites, insects, and nematodes of major importance and more than 240 of minor importance. The cost—in terms of lost agricultural production, public health problems and household damages—associated with pests and plant diseases has run as high as $1.3 billion in recent years.

Unfortunately, at the current time Florida agriculture, like most agriculture, is dependent on pesticides to combat damage from pest and plant diseases.

Mr. President, unlike some, I have great faith in the growers and ranchers in my State of Florida. Wise and careful management of natural resources is key to continued success in agricultural production. In fact, farmers, growers, and ranchers stand the most to lose should the bountiful resources in Florida become fouled and unproductive through the misuse of pesticides. For this alone, it stands to reason that agriculture in Florida should be a careful user of pesticides, fungicides, and rodenticides. The steps taken by agricultural producers in Florida to reduce pesticide use point up the accuracy of this assertion.

To lessen the adverse impact of the use of these chemical pesticides, Florida's fruit and vegetable industries have undertaken the development of integrated pest management as a tool. This system allows producers to utilize lower levels of chemicals in combination with biological control techniques, improve cultural practices, and mechanical devices.

In addition to integrated pest management a vigorous research program is underway to develop effective biological control techniques for the control of pests and diseases. Although an important resource for the future, Florida researchers have introduced natural enemies for only eight target species of pests. More work in this area is ahead. In the face of overwhelming numbers of pests and diseases, the use of chemical pesticides is still necessary to the production of Florida's most important agricultural commodities.

In light of these circumstances, it is only fair that agricultural producers be exempt from liability in Federal courts when they have used federally registered and labeled pesticides in accordance with the instructions. To do otherwise places these hardworking, responsible, men and women and their productive agricultural operations in grave financial jeopardy.

Mr. President, this amendment also changes current law with regard to the certification, training, and recordkeeping requirements for applicators of pesticides.

This section of the agreement follows on the approach taken to the first two. Along with establishment of a system of ground water monitoring and protection along with the liability exemption for agricultural producers, the negotiating sides agreed to upgrade standards for the training and certification of those individuals that actually apply pesticide products.

In the same way, the negotiators agreed to improved recordkeeping requirements for certified applicators and pesticide dealers. The Environmental Protection Agency, as well as States, are granted authority to inspect these records upon presentation of a written statement of reasons. Finally, when properly requested, records must be made available within 30 days of the request. In matters of public health or medical emergencies such information shall be provided immediately but no later than 24 hours after the request is made.

Finally, Mr. President, this amendment requires the Environmental Protection Agency to establish a program for the protection of workers who mix, load, or apply, or work in areas where pesticides are applied. Under this provision, the EPA will develop and maintain expertise on working conditions and practices of workers exposed to pesticides, and develop regulations, standards, and registration data requirements relating to the health and safety of workers exposed to pesticides. Further, the EPA will issue regulation to carry out the proposes of this section of the agreement.

Mr. President, these four areas—ground water protection, agricultural producer liability, and certification and training, and worker protection—are only four of the many that should be addressed by FIFRA. They are, however, vitally important to my State and to all States. Moreover, the inclusion of this agreement in the final legislation to amend FIFRA is vital. I offer this amendment in the spirit of compromise and urge the committee to include this language in its final product. In addition, it is my hope that this new agreement among the American Farm Bureau Federation, the National Agricultural Chemicals Association, and the Coalition for Pesticide Reform will help drive the process toward a successful conclusion.

Mr. President, I would like to point out, for the record, the fact that this amendment reflects an important and historic agreement among traditionally diverse and often adversarial organizations. In short, it is a treaty. It demonstrates the willingness of those with differing priorities—agriculture, industry, environment, labor, and consumers to work together to protect and maintain the air, soil, and water. I am extremely pleased to have the privilege to putting this compromise proposal before the Senate for its consideration. I hope Senators both on and

off the Committee on Agriculture will join in supporting this effort.

In addition, I ask to be listed as a cosponsor of S. 2215 and that the text of this amendment be printed in the RECORD a list of the organizations belonging to the Campaign for Pesticide Reform be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CAMPAIGN FOR PESTICIDE REFORM

Natural Resources Defense Council.
Public Citizen's Congress Watch.
Industrial Union Department, AFL-CIO.
National Coalition Against the Misuse of Pesticides.
National Wildlife Federation.
American Public Health Association.
American Federation of State, County and Municipal Employees.
Sierra Club.
Association of Schools of Public Health.
California Rural Legal Assistance Foundation.
League of Conservation Voters.
Consumer Federation of America.
United Steelworkers of America.
Food and Allied Service Trades Department, AFL-CIO.
Texas Center for Rural Studies.
Wisconsin Public Intervenor.
Texas Chapter, United Farmworkers of America, AFL-CIO.
Rachael Carson Council.
Friends of the Earth.
Americans for Democratic Action.
Brownsville Community Health Clinic.
Environmental Action.
Northwest Coalition for Alternatives to Pesticides.
Public Voice for Food and Health Policy.
American Federation of Teachers.
Center for Science in the Public Interest.
Farmworker Justice Fund.
Su Clinica Familiar, Brownsville, Texas.
National Network to Prevent Birth Defects.
Food Research Action Center.
Community Nutrition Institute.
Rural Coalition.
Migrant Legal Action Project.
Institute for Public Representation.
Rural America.
National Council of Senior Citizens.
Rural Advancement Fund.
Religious Action Center.
Conference on Alternative State and Local Policies.
Texas Pesticide Abuse Coalition.
Clean Water Action Project.●

● Mr. PROXMIRE. Mr. President, I am pleased to join Senator HAWKINS in cosponsoring amendments to S. 2215, amending the Federal Insecticide, Fungicide and Rodenticide Act [FIFRA]. When I joined Senators LUGAR and LEAHY in introducing S. 2215 on March 20, the bill contained no provisions for pesticide contamination of ground water, liability of agricultural producers for pesticide damage and certification, training and recordkeeping by commercial pesticide applicators.

These amendments correct the earlier omissions and are endorsed by the National Agricultural Chemical Association, Campaign for Pesticide Reform, and the American Farm Bureau.

The ground water provision requires EPA to take action once pesticide residues are detected in ground water by setting action levels for regulation. If residues in ground water used for human consumption exceed this action level the use of the pesticide must be prohibited or the registration amended to reduce the residue level below the action level.

This regulatory pattern is borrowed from the Wisconsin ground water law which has worked effectively for several years and was enacted in response to wide-scale ground water contamination in the Central Sands area of our State.

Enacting a companion Federal provision in FIFRA enables Wisconsin and other States with contaminated ground water to acquire the data and regulatory muscle needed to protect their citizens.●

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding a hearing on Tuesday, June 17, 1986, in Senate Dirksen 106, at 10 a.m., on S. 902 and H.R. 1920, bills to establish Federal standards for gaming activities on Indian lands, and for other purposes. Those wishing additional information should contact Peter Taylor or Michael Mahsetky of the committee at 224-2251.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that testimony will be received on two additional measures at the hearing previously scheduled before the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources on Friday, June 20, 1986, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC 20510.

The additional measures are S. 1019 and H.R. 2182, to authorize the inclusion of certain additional lands within the Apostle Islands National Lakeshore and S. 2483, to amend the Fire Island National Seashore Act of 1964.

As previously announced, testimony also will be received on the following measures: S. 2266, to establish a ski area permit system on national forest lands established from the public domain, and for other purposes; S. 2287, to amend the Wild and Scenic Rivers Act to designate a certain portion of the Great Egg Harbor River in the State of New Jersey for potential addition to the Wild and Scenic Rivers System; S. 2320, to amend an act to add certain lands on the island of Hawaii to Hawaii Volcanoes National Park, and for other purposes; S. 2351, to revise the boundaries of Olympic National Park and Olympic National Forest in the State of Washington, and for other purposes; and S. 2466, a bill to designate a segment of the Saline Bayou in Louisiana as a component of the National Wild and Scenic Rivers System.

Those wishing to testify should contact the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510. Oral testimony may be limited to 3 minutes per witness. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing. For further information, please contact Tony Bevinetto or Patty Kennedy of the subcommittee staff at (202) 224-0613.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 3, 1986, in order to receive testimony concerning the Illinois brick issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Armed Services Committee be authorized to meet during the session of the Senate on Tuesday, June 3, 1986, at 2 p.m., to hold a hearing on the nomination of Edward C. Aldridge, to be Secretary for the Air Force, and Walter J. Shea, to be a member of the board of the Panama Canal Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Committee on Energy be authorized to meet during the session of the Senate on Tuesday, June 3, 1986, in order to conduct an oversight hearing on the Public Utility Regulatory Policies Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy, of the Committee on Governmental Affiars, be authorized to meet jointly with the Committee on Labor and Human Resources,

during the session of the Senate on Tuesday, June 3, 1986, in order to receive testimony on the statistical policy for an aging America.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, June 3, 1986, in order to consider pending product liability legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FOREIGN AGRICULTURE POLICY

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Foreign Agriculture Policy, of the Committee on Agriculture, be authorized to meet during the session of the Senate on Tuesday, June 3, 1986, until 12 noon in order to conduct a hearing on prospects for world food production.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. GRAMM. Mr. President, today I rise again as a participant in the annual Congressional Call to Conscience for Soviet Jews and Christians to speak out on a subject of great importance to all Americans and to all who have respect for fundamental human rights and civil liberties. Last year I joined several hundred of my colleagues in the House and the Senate to condemn and call attention to the lack of religious and civil liberties in the Soviet Union and, especially, the maltreatment of prisoners of conscience, refuseniks, and dissidents. And while I am encouraged by the release of Anatoly Shcharansky from his unjust imprisonment, the granting of a temporary visa for Yelena Bonner to come to the United States for surgery, and the reunification of more than a hundred divided family members, this is only a small fraction of the number persecuted, harassed and mistreated in the Soviet Union.

Today I wish to call to the attention of my colleagues a refusenik family I discussed on July 19, 1985, Roald and Galina Zelichonok, two Jewish engineers residing in Leningrad. At the time, the Zelichonoks had been waiting for permission to emigrate for over 7 years; both had lost their professional jobs; Roald had been detained by the KGB and had many of his personal items sezied, and Galina had been denied permission even to leave the country temporarily for eye surgery in the West. Finally, on June 11, 1985, Roald was arrested by security police and accused of defaming the Soviet system. I have recently learned that Roald drew a 3-year prison sentence for his activities on behalf of freedom.

While we all applaud the release of Shcharansky, and even the temporary freedom of Bonner, I am afraid that such instances of basic decency are far and away the exeption and not the norm for those struggling under the harsh oppression of communism.

Mr. President, as further evidence of this sad reality, I wish to bring to the attention of my colleagues the case of Roman and Galina Fridman and their two daughters, Irina and Yelena. The Fridmans are both professional engineers, and Roman has his Ph.D. They applied for exit visas in 1975 and were, like so many others, promptly refused; the official reason was that Galina's mother, who under Soviet law must accede to the request before officials continue the application process, had disapproved. Applying for and again being refused permission to emigrate in 1981, the Fridmans were forced to quit their professional jobs or else face difficulties in future visa requests. Roman worked first as a janitor and then as a train conductor; Galina obtained a job as a boiler fitter in a Moscow apartment complex. Today, a decade after their first request, the Fridmans are again petitioning the Soviet authorities for permission to leave. Like so many others, their future offers only a glimmer of hope.

This is why it is imperative that we in the West, and particularly in the United States, as the leaders of the free world, speak out on behalf of those who cannot be heard. We concentrate on Soviet Jews because they are the most consistently and systematically persecuted. But we also know that other religious minorities—Pentecostals, Catholics, Moslems, Baptists—suffer as well. And we know that those not identified as religious dissenters, but simply as human rights activists, are accorded equally harsh treatment. Over the past several months we in the United States have received continuing testimony to the brutal and inhumane actions of the Soviet police state from Anatoly Shcharansky and Yelena Bonner.

Shcharansky has been freed, but Bonner is on her way back to Gorki and an uncertain future; she has expressed her fears for what will be done to her and her ailing husband, Andrei Sakharov, once she has returned and press attention is no longer focused on their plight. This is a legitimate fear. Over the past several years we have heard accounts of Sakharov's brutal treatment at the hands of the KGB and Soviet doctors as he has been harassed, threatened, force fed, drugged and tortured. A genuine hero—both for this brilliant work in physics and his outspoken activism on behalf of human rights—Sakharov's life has become ignominious in the eyes of the Soviet state. But the rest of the world knows better.

Mr. President, there is a lesson we must learn about Soviet oppression: the Soviets do not maintain their present emigration policy because they resent pressure from the West, or because of state secrets, or slander against the state. They maintain their emigration policy, which is part and parcel of their police-state structure, because all power emanates from and accrues to the state. Individuals are pawns, and official policies of anti-Semitism, harassment of Christians and other religious minorities, and absolute control over dissidents are tools in the service of this totalitarianism.

Speaking on the subject of Soviet Jewry last December, I noted that General Secretary Gorbachev was perceived to be a different kind of leader, one conversant with the ways of the West and, more than that, willing to work peacefully and constructively with the West. The continuing plight of Soviet Jews, the Soviet record on human rights, disregard for the Helsinki accords, the trickle of emigration visas—all of these should remind us that no change in that system is forthcoming. We must continue to speak out forcefully and at every opportunity, to link together improvements in emigration with any continuing East-West trade, arms and cultural relations, and remind the world that failure to defend and preserve democracy leads to the antithesis of democracy, communism. Mr. President, I invite my colleagues to join me in this urgent call to conscience.●

MEXICAN-UNITED STATES RELATIONS

● Mr. SIMON. Mr. President, I would like to introduce for the RECORD an article by Jorge Castañeda, an articulate observer of the Mexican scene.

I have long felt that we do not pay adequate attention to our neighbor to the south and I urge my colleagues to consider the views Mr. Castañeda puts forward in his article.

We have to begin to realize that we need a constructive and open relationship with Mexico. The administration and Congress need to take a long hard look at what we should be doing to make that relationship better. During the Senate's debate on the immigration bill, I added two amendments which I hope will help this process. The bill now contains a provision to establish a commission to recommend to Congress and the President what steps we should be taking to improve the economies of Mexico and the United States. It also contains a provi-

sion which urges the President of the United States to talk to the President of Mexico and suggest any changes which both leaders feel would be in the interest of both countries on the issue of immigration. These are small steps on a long road to better understanding. I hope that my colleagues and the administration will consider the views of Jorge Castañeda for the benefit of both our countries.

The article follows:

ENOUGH MEXICO-BASHING

(By Jorge G. Castañeda)

WASHINGTON.—It's Mexico-bashing time in Washington again. On this occasion, though, the consequences of the United States' public browbeating of its southern neighbor could get out of hand. Recent Administration statements and actions directed against Mexico go beyond anything seen in the past, and Mexico is far more vulnerable than ever before to American swipes at its officials and institutions.

Mexico's economic crisis has worsened over the past months. The price of oil has plummeted, and the country's foreign earnings, as well as its Government income, have shrunk dramatically. The service on its $97 billion foreign debt has become an unbearable burden: it now eats up nearly 75 percent of Mexico's foreign exchange and condemns its economy to permanent stagnation. This means, among other things, that the one million new jobs that are necessary this year to keep up with population growth will not be created.

President Miguel de la Madrid Hurtado is under mounting pressure to take unilateral steps—a moratorium on interest payments or an outright default—on the debt front. On Feb. 21, he announced to the nation that things could not continue as they were and that he expected the international financial community to show some understanding of Mexico's plight. It has shown nothing of the sort; yet Mexico has not burned its bridges or resorted to drastic unilateral action.

Like all Mexicans, President de la Madrid is only too aware that a major confrontation with the United States and American bankers would have grave consequences for Mexico. In addition to the obvious economic consequences of a Mexican default, there would surely be political retaliation as well. In order to protect his country from such American reprisals, President de la Madrid has bent over backward searching for ways to lighten Mexico's debt burden, without confronting Washington or the banks.

In fact, the United States is already acting as if it were retaliating against a Mexican moratorium. For nearly a month, for example, the visa section in the United States Embassy in Mexico City has been closed because of alleged inadequate security guarantees. For many Mexicans, the effects of this restriction are devastating.

But all other problems pale in comparison to the Reagan Administration's behavior last week during a hearing on Mexico in the Senate Subcommittee on Western Hemisphere Affairs. Officials from the State Department and United States Customs Bureau blasted Mexico and its Government for everything from alleged drug trafficking to its Central American policy. Conservative Republicans, including Senator Jesse Helms, had a field day, accusing Mexico of every vice under the sun.

Granted, these were Senate hearings, and they do not necessarily reflect an initiative by the Administration. But attacks on Mexico, and on its highest officials—including its President—by Administration officials such as the customs commissioner, William von Raab, are another matter. Either they are United States policy, or they are not.

In truth, the Reagan Administration has no Mexican policy. Either it is only able to focus on one issue at a time—drugs, Central America, immigration issues. Or it is unable to unify separate Federal agencies' policies into a coherent whole. It would seem that every agency and department in Washington has its own Mexican agenda and its own Mexican axe to grind; yet no one is organizing issues, defining priorities or making the necessary hard choices.

The consequences for Mexico and for Mexican-American relations are clear. If Mexico is indeed suffering the equivalent of retaliation for what it has not done, then it might as well go ahead and do it—suspend interest payments on its debt until a new agreement is reached. President de la Madrid is under considerable pressure to do just that—angry, nationalist pressures that Senator Helms and his colleagues have only encouraged. The Administration, through the irresponsible statements of some officials and the inexplicable passivity of others, only makes things worse.

If this incoherence and irresponsibility persist in Washington, the damage to United States-Mexican relations could be serious. To avoid this, the Reagan Administration must formulate a more coherent policy toward Mexico—and it must begin by either substantiating its accusations, or publicly withdrawing them. Only then will Mexico be able to respond adequately to American concerns. In this week's bitter climate, no Mexican politician can begin to acknowledge, much less address them.

RETIREMENT OF MAJ. GEN. HAROLD J.M. WILLIAMS

● Mr. ZORINSKY. Mr. President, it is a privilege for me to pay tribute and announce to my colleagues the retirement of an outstanding American and superb Air Force officer, Maj. Gen. Harold J.M. Williams. Major General Williams will retire from the Air Force on July 1, when Congress will be in the Fourth of July recess, so I would like to comment now on his distinguished career in the service of his country.

General Williams graduated from the U.S. Military Academy, West Point, NY, in 1958 with a bachelor of science degree in military engineering and a commission as a second lieutenant in the U.S. Air Force.

Since his graduation from pilot training in September 1959, the general has held a wide variety of important command and staff positions culminating in his present assignment as director of operations, headquarters U.S. Air Force.

Other key positions and assignments held recently include manager, research and development for avionics and landing systems, headquarters U.S. Air Force; deputy commander for operations, 96th Bombardment Wing, Dyess AFB, TX; vice commander, 380th Bombardment Wing, Plattsburg AFB, NY; inspector general, headquarters Strategic Air Command Offutt AFB, NE; and the director of operational requirement, Office of the Deputy Chief of Staff, Research, Development and Acquisition, headquarters U.S. Air Force.

General Williams is a highly decorated command pilot who flew 200 combat missions in Southeast Asia. His total flying activities resulted in the accumulation of more than 5,000 hours in F-4's, T-33's, B-52's, F-86's, FB-111's and EC-135's. His military decorations and awards include the Distinguished Service Medal, the Legion of Merit with one oak leaf cluster, the Distinguished Flying Cross, the Meritorious Service Medal, and Air Medal with 10 oak leaf clusters, the Joint Service Commendation Medal, and the Air Force Commendation Medal with one oak leaf cluster.

Mr. President, I call now on all of my colleagues to join me in honoring this distinguished military officer and in wishing him and his wife Patricia, all the best as they culminate an impressive career in the U.S. Air Force. I am confident we will continue to benefit from their many contributions to this great Nation.●

NUCLEAR TESTING

● Mr. GOLDWATER. Mr. President, I recently joined with my colleagues, Senators WILSON, WALLOP, and QUAYLE, in cosponsoring Senate Concurrent Resolution 135 concerning verification improvements to the Threshold Test Ban Treaty [TTBT] and the Peaceful Nuclear Explosions Treaty [PNET], and the conditions under which a comprehensive ban on nuclear testing would be in our national security interest.

Senate Concurrent Resolution 135 specifically states that the Senate should not proceed with ratification of the TTBT and the PNET until an agreement can be reached between the United States and the Soviet Union on essential verification improvements to these treaties.

Mr. President, U.S. verification concerns must be addressed before we proceed with ratification of these treaties. The TTBT and the PNET as drafted allow too great a margin for error in estimating actual detonation yields. The United States has already charged the Soviet Union with likely violations of the TTBT. Soviet violations of other important arms control agreements make effective verification and enforcement provisions in treaties essential. Along these lines, there is an element of irony in the fact that those who do not support the Reagan administration's proposals for rigorous

verification provisions of arms control agreements, are the same individuals that demand unrealistically high standards of proof concerning Soviet violations of existing agreements.

The most effective way to address verification concerns is to continue to try to engage the Soviets in a verification dialog. The recent United States invitation to the Soviets to visit the Nevada test site and examine Corrtex, a proven technical verification method, constitutes a realistic approach to the resolution of this problem. President Reagan should be commended for his efforts to resolve the verification problem, and the Congress should stand behind him on this issue. Unfortunately, the Soviets have thus far rejected all United States overtures in this area.

Mr. President, ratification of the TTBT and PNET without agreed verification improvements would clearly not be in our national security interest. For a more detailed treatment of this subject, as well as a discussion of the national security implications of a comprehensive test ban, I commend to you a statement given by Dr. Donald M. Kerr, the former Director of the Los Alamos National Laboratory, and request that his statement be inserted in the RECORD.

The statement follows:

STATEMENT OF DONALD M. KERR, DIRECTOR, LOS ALAMOS NATIONAL LABORATORY, UNIVERSITY OF CALIFORNIA

Mr. Chairman, Members of the Committee, I am Donald M. Kerr, Director of the Los Alamos National Laboratory. It is a pleasure to have the opportunity to discuss the issues of arms control and test limitations with you; I hope that what I say will assist in understanding this difficult and important subject. Our laboratory is run by the University of California for the Department of Energy. We have a staff of 8,000 employees. The first nuclear and thermonuclear weapons were designed at Los Alamos. Over two-thirds of the nuclear weapons currently in the US stockpile were designed by our Laboratory. We know the tremendous destructive power of these weapons, and we have long hoped that the world's leaders would find ways to reach effective arms control agreements. We were the pioneers of technical means of verification, including the ground-based Vela detectors followed by the space based Vela. I also, however, bear the responsibility of personally signing certification documents that state that the weapons we design will work and that they have appropriate safety features. That responsibility weighs heavily.

For three decades, bans or limitations on testing of nuclear weapons have been one of the most frequently suggested and widely supported forms of nuclear arms control. Yet, testing restraints constitute a highly technical approach to arms control. And they have often been advocated as an alternative to political approaches and agreements when this avenue appeared to be closed by political controversy or concern over military-strategic problems.

At this moment of considerable concern about the future of arms control, many voices from within the United States and outside are encouraging the US Government to move ahead on restraining nuclear weapons testing—by ratifying the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosives Treaty (PNET), by reopening negotiations on a Comprehensive Test Ban (CTB), and perhaps even by moving boldly in advance of nuclear arms control negotiations with a unilateral moratorium on US nuclear weapon tests. H.J. Res. 3, which urges the President to submit the TTBT and PNET to the Senate for its advice and consent to ratification, and to propose to the Soviet Union the immediate resumption of negotiations on a CTB, appears to indicate congressional support for this approach. However, nuclear test bans and testing moratoria could have an adverse effect on US national security, and it is not certain that they can significantly advance the cause of nuclear arms control or be a substitute for direct reductions of nuclear weapons.

EXPERIENCE WITH TESTING LIMITATIONS

Our experience with testing restraints in the past has been mixed. From October 1958 to September 1961, the Soviet Union, the United Kingdom, and the United States observed a moratorium on nuclear testing agreed to on a voluntary basis (i.e., without a written agreement). This was the first major post-war agreement between the United States and the Soviet Union directly affecting nuclear armaments. The moratorium was entered into after the nations involved had reached an impasse on negotiations for a CTB, and involved no agreed-upon verification measures.

In December 1959, Presdent Eisenhower indicated that the United States would no longer be bound by the moratorium, although it would give advanced notice if it intended to resume testing. Then, on September 1, 1961, the Soviet Union, without previous warning, resumed nuclear tests in the atmosphere, including high-altitude, rocket-launched tests. They immediately carried out a series of 44 tests, and within two years they undertook 110 tests. This number of nuclear tests could only have been possible after lengthy, secret preparations. The United States quickly responded with an underground weapons test series, and began preparations for atmospheric tests. Upon ordering the resumption of testing, which revealed a number of stockpile problems directly attributable to the moratorium on testing, President Kennedy declared: "We know enough about broken negotiations, secret preparations and the advantages gained from a long test series never again to offer an uninspected moratorium."

A new approach to negotiated restraints on nuclear testing was taken, and in 1963 the Limited Test Ban Treaty (LTBT) was signed, banning nuclear weapon tests in the atmosphere, underwater, and in outer space. The United States hoped that the LTBT would lead to a general improvement in relations between the United States and the Soviet Union, and to other, more significant restraints on nuclear weapons. While the more ambitious consequences of the LTBT have not yet been realized, it did provide protection to populations from the effects of radioactive fallout from nuclear tests. The signatory nations have complied with the prohibition on atmospheric and underwater nuclear weapon testing since the treaty was signed (although France and the People's Republic of China, which are not signatories, continued testing above ground). But LTBT prohibitions on the release of radioactivity across national boundaries as a result of testing has become a bone of contention between the United States and the Soviet Union, as venting of radioactive material from Soviet tests has been detected on numerous occasions.

In the 1970s, the Threshold Test Ban Treaty and the Peaceful Nuclear Explosives Treaty were negotiated. The PNET included an extensive protocol on verification methods to assure compliance, negotiated with scientific input from both sides. This protocol has not entered into force since the treaty remains unratified. However, compliance with the PNET has not been questioned. On the other hand, Soviet compliance with the 150 kiloton (kt) limit on underground nuclear weapon tests specified in the TTBT has been hotly debated within the United States for some time. The United States has depended upon seismic measurements from remote stations to monitor Soviet compliance with the 150 kt limit. These measurements are sometimes ambiguous and have led to controversy about Soviet behavior under the TTBT.

It is not clear that our previous experiences with restraints on nuclear testing have been productive, if one of their goals was to build confidence between participants which might provide the basis for further agreements. If we do contemplate new restraints on neclear weapons testing that are not to jeopardize our security, they must be developed within the total context of our national security policy and negotiated with full input from both the policy and technical communities. They must be verifiable, and should include appropriate sanctions for detected non-compliance.

REASONS FOR NUCLEAR TESTING

As long as we rely on nuclear weapons, we must test them. Our nuclear weapon test program is essential in designing, engineering, manufacturing, maintaining, and certifying weapons.

Certification

Certification is a guarantee from the nuclear weapons design laboratories that weapons will perform to specifications throughout their stockpile life, in peacetime as well as in war. Equally important, it is a promise that they will be safe and resistant to unauthorized attempts to use them by terrorists or others.

Nuclear research and development

Nuclear tests are essential for determining the proper functioning of nuclear explosives. Calculations do not suffice, and there is no way experimentally to simulate the total performance of a nuclear weapon. Without testing, no new designs ought to be put into stockpile. In some cases, however, existing designs can be adapted for use in other delivery systems. We are concerned that, given real life pressures and fallible human nature, we might occasionally stockpile new designs or inadequately reasoned changes in old ones. Serious unreliability could result.

Of course, preventing the development of new generations of nuclear weapons—which are generally viewed as inherently more dangerous, destructive and destabilizing—is precisely what the proponents of testing limits have as their objective. However, testing has been and continues to be necessary for reducing the dangers and destructiveness of nuclear weapons. Indeed, testing is necessary for advancing our knowledge in desirable areas, without at the same time taking unreasonable risks. Nuclear testing allows us to make nuclear weapons safer,

and to improve controls to prevent or deny unauthorized use. It allows us to improve design efficiency and to reduce the cost and special nuclear material requirements of warheads, as well to design weapons to reduce collateral damage. And nuclear effects tests, primarily carried out by the Defense Nuclear Agency, contribute significantly to our ability to study the effects of nuclear weapons on our weapons systems, as well as on our command, communications, reconnaissance and other assets. This knowledge is essential for responding to the threat posed by Soviet offensive and defensive nuclear systems by, among other means, hardening our command, control, communications and intelligence (C^3I) capabilities. We increasingly rely on such capabilities to avoid war, to manage crises, to maintain the credibility of our deterrent and, in the event of war, to assure our defense.

Maintenance of the stockpile

Nuclear testing is essential for the maintenance of the stockpile. Nuclear weapons are affected significantly by aging and obsolescence; over an extended period the materials used in warheads deteriorate physically. Expected stockpile lifetimes for warheads are typically between 15 and 25 years, but some designs have required corrective measures much sooner. In the past, new weapons usually replaced those in the stockpile before the older weapons deteriorated. But without nuclear testing, the possible effects of physical deterioration would become increasingly important.

Maintenance of the nuclear stockpile depends on regularly scheduled random sampling, in which nuclear weapons are disassembled and inspected. Irregularities that are found—as they are, from time to time—are referred to the experts at the weapons design laboratories for their judgment as to the severity of the problem and the necessary "fix." The solution is often one that can be validated on the basis of previous research and development tests related to the system in question, or to related systems. These fixes can be made without a new nuclear test. In cases where such validation is not possible, we occasionally decide that an additional test is required if the weapon is to be retained in the active inventory. In all such cases, without the test or tests required, certification of the weapon, at least as we have known it until now, would be impossible. Under a comprehensive test ban, given real life pressures and human fallibility, we might on occasion make inadvisable changes or stockpile inadequately tested designs.

During the testing moratorium, the U.S. introduced the W52 Sergeant warhead into the stockpile. After Soviet testing brought an end to the moratorium, resumed U.S. testing revealed the warhead was inoperative. Further testing was required to make the necessary corrections. Moreover, we had the experience during the moratorium of making safety-related changes in a stockpile weapon, with full confidence in those changes. When testing was resumed, and the weapon tested, it failed.

Human judgment is critical to our confidence in nuclear weapons. Without testing, the anticipated decline of confidence could result in a decline in our willingness to rely on the nuclear stockpile for deterrence. It could also lead to an increase in numbers of weapons to make up for declining confidence, or the development of even more lethal, non-nuclear weapons.

A frequently held notion should be specifically dispelled. The fact that we rarely conduct "proof" tests—that is, specific individual tests of a weapon pulled from the stockpile—is sometimes cited as evidence that testing is not necessary to maintain confidence in the reliability of the stockpile. This is incorrect. Sometimes we do conduct classical proof tests—pulling a weapon directly from the stockpile. In addition, we use the continuing testing program to confirm the design choices made in stockpile weapons, and we reuse the tested technology of weapons in the stockpile in designing new weapon systems. If we encounter a stockpile problem, we may proof test its solution by adding an experiment to a test that is part of the continuing program. In effect, continuous proof testing is the basis of our entire testing program.

Maintenance of nuclear design capability

Not only is nuclear testing essential to the maintenance of the nuclear stockpile, but the U.S. nuclear weapons laboratories have maintained for years that testing programs are essential in maintaining the nuclear weapons capability of the nation. Without an experimental testing program, which challenges our nuclear weapon designers and tests their designs, we would lose our best designers. Those remaining would not be able to demonstrate the validity of their theories. This was our experience during the test moratorium. In effect, over a period of years, we would expect the technical base of knowledge and experience required for developing and maintaining weapons to dissipate and disappear.

RATIFICATION OF TTBT

The TTBT, signed in 1974, establishes a nuclear "threshold" by prohibiting tests with a yield exceeding 150 kt. The U.S., as I have indicated, observes the 150 kt threshold scrupulously. Within this limit, the Laboratory is able to maintain the present stockpile and our nuclear design capability. Without testing over 150 kt, we can within limits undertake risk-free modifications of nuclear weapons to enhance safety, improve efficiency (yield-to-weight ratio), reduce cost, tailor effects to reduce collateral damage, and achieve other design improvements. As well, needed nuclear effects testing can be undertaken. The Laboratory can design, produce and certify new weapons with high confidence if they are 150 kt or less, or with lessening confidence if they are not larger than the threshold by approximately a factor of two (2) and if the design has been tested in the past at higher yields. The Laboratory will not be able to design and develop high-yield weapons based on designs depart significantly from those of the past. Unless the U.S. established new, high-yield weapons requirements, we can live with such restrictions on our own program. However, we are concerned about what the Soviets can do under the TTBT.

Soviet compliance

Under the TTBT, there is a serious potential for Soviet violations. Without knowledge of the procedures employed by the Soviets to develop and certify their weapons, and with the intrinsic uncertainties of the methodology we use to verify Soviet compliance with the Treaty, they could test at levels that might allow them to execute proof tests of the weapons believed to comprise the bulk of their stockpile or test new designs with even higher yields. Even if they conducted one or two high-yield tests every few years, it might be possible for them to develop totally new high-yield weapons. Thus, potential Soviet noncompliance with the provisions of the Treaty could create a serious asymmetry with military significance.

Verification of a TTBT

In the Protocol to the TTBT, the U.S. and the U.S.S.R. agreed:

"For the purpose of ensuring verification of compliance with the obligations of the Parties under the Treaty by national technical means, the Parties shall, on the basis of reciprocity, exchange the following date:

"a. The geographic coordinates of the boundaries of each test site and the boundaries of the geophysically distinct testing areas therein.

"b. Information on the geology of the testing areas of the sites (the rock characteristics of geological formations and the basic physical properties of the rock, i.e., density, seismic velocity, water saturation, porosity and the depth of water table).

"c. The geographic coordinates of underground nuclear weapon tests, after they have been conducted.

"d. Yield, date, time, depth and coordinates for two nuclear weapon tests for calibration purposes from each geophysically distinct testing area where underground nuclear weapon tests have been and are to be conducted. In this connection the yield of such explosions for calibration purposes should be as near as possible to the limit defined in Article I of the Treaty and not less than one-tenth of that limit. In the case of testing areas where data are not available on two tests for calibration purposes, the data pertaining to one such tests shall be exchanged, if available, and the data pertaining to the second test shall be exchanged as soon as possible after the second test having a yield in the above-mentioned range. The provisions of this Protocol shall not require the Parties to conduct tests solely for calibration purposes."

The parties agreed that these data (a, b, d) would be exchanged simultaneously with the exchange of instruments of ratification, and the data exchange provisions of the TTBT have not yet come into effect. Consequently, we do not know how valuable this geophysical data would be. But it is by no means certain, as some would have us believe, that the exchange of geophysical data upon ratification of the TTBT will reduce ambiguities about the size and site of Soviet tests, or that it will increase confidence in Soviet compliance with the provision of the TTBT. If we were certain that exchange of these data would effectively result in effective ratification, it would indeed be ironic and, I believe, insupportable to hold up verification of the TTBT on the grounds of inadequate provisions for verification. However, any possible reduction of uncertainty that might result from data exchanges and calibration shots specified in the Protocol to the TTBT would depend, in part, on our confidence in the accuracy of the data provided by the Soviets and the value of the technical data themselves. The Treaty does not provide for confirmation of the data supplied. We would have to trust the Soviets on this vital matter to a far greater degree than we have in other areas.

It is not now obvious, moreover, how these Soviet data could serve significantly to reduce yield measurement uncertainties. For verification of the TTBT, we now depend upon remote teleseismic monitoring. This methodology includes random errors, as well systematic errors such as the seismic "bias" between the Nevada Test Site (NTS)

and the Shagan River test site. In light of these limitations, we simply cannot know what are the actual yields of underground tests. We are forced to infer yields from the seismic signals resulting from a nuclear weapons test, and there is uncertainty in our inferences. We can only say with a certain probability—but no certainty—that a given test did or did not exceed the 150 kt threshold. More specifically, from each seismic measurement of a test, we can infer a central yield. But because of inaccuracies in our measurement techniques, we can only say that the actual yield was probably within a fairly broad range above or below the inferred central yield. The higher the central yield above 150 kt, the lower the probability that the test was actually in compliance with the TTBT's threshold. But to have extreme confidence that a given test exceeded the threshold, the central yield must be very high indeed.

It has on occasion been suggested in public that Los Alamos believes that the Soviets have violated the 150 kt limit, while Livermore disagrees. Los Alamos has analyzed the compliance issue statistically, using models believed to be consistent with official positions and actions. We concluded that the issue of Soviet compliance is unresolved and, with the methods of verification that are presently available, unresolvable. In essence, the problem involves uncertainties in measurement (encompassing both the nature of statistical measurement and the amount and accuracy of data available) and the difficulties of translating these uncertainties into high-confidence conclusions about compliance. To resolve this problem, at Los Alamos and elsewhere there are explorations of improved and new verification methodologies that have the potential for increasing confidence in our ability to determine Soviet compliance with the TTBT.

Remote telesismic devices and analysis methods have been extensively investigated. These are now being extended to consider high-frequency portions of seismic signals which have not yet been examined, and which may offer greater possibilities for accurate monitoring of tests. Other new techniques are being investigated, including measurements of sound waves and ionospheric disturbances caused by nuclear explosions underground. A technique called CORRTEX (a hydrodynamic shock measurement) has been developed and used by Los Alamos National Laboratory for on-site measurement of nuclear test yields. Providing a direct and much more accurate estimate of yield than any remote technique, it appears especially promising. If application of this technique were allowed, it could provide much improved confidence that other states were abiding by the terms of a threshold test ban. In addition, this method could help resolve some of the major uncertainties and ambiguities in remote monitoring data, by providing a continuous flow of calibration measurements on nuclear test events. This technique could be used to respond to President Reagan's call, in his September 1984 speech to the General Assembly of the UN, for direct on-site but non-intrusive verification of compliance with the TTBT.

The United States continues to observe the TTBT but, in order to reduce concern about potential military disadvantages to the United States, we would urge improved verifiability. We would then have greater confidence that the Soviets were subject to symmetrical restrictions. Ultimately, of course, ratification of the TTBT is a political decision, in which adequacy of verification is a crucial but not the only consideration. Proponents of ratification have often argued on purely political grounds, however, occasionally asserting that ratification would be a symbol of serious U.S. commitment to arms control, and would improve the prospects for a CTB or for other arms control agreements. I am skeptical of such reasoning, and I am concerned that it could unduly influence the ratification debate to the point of eclipsing verification issues. To assess verification issues, several policy questions must be first answered. We must determine at what yield level the enforcement of Soviet compliance is considered necessary; what frequency of incorrect technical reporting of violations can be tolerated (the acceptable false-alarm rate); and what priority should be attached to avoiding false allegations of noncompliance, on one hand, and to preventing occasional violations of potentially military significance, on the other. From a technical standpoint, initial Los Alamos analyses have indicated that of all improvements studied, only hydrodynamic yield measurements could signficantly reduce the uncertainties regarding Soviet underground test yields.

CTB NEGOTIATIONS

The desirability of entering into negotiations on a CTB is a political question. I will primarily speak to the technical question of the effect of a CTB on the national security mission of the Laboratory and the DOE nuclear weapons complex. A CTB would lead to a loss of confidence in the reliability of our nuclear weapons and would in all likelihood result in substantial erosion of our capability to design, manufacture and maintain nuclear weapons. A CTB would effectively preclude responsible and desirable modernization of the nuclear stockpile, and prevent desirable modernization of the nuclear stockpile, and prevent desirable risk-free improvements to enhance the safety, efficiency, economy and extended reliability of our nuclear weapons. As long as we depend upon nuclear weapons for deterrence and, ultimately, defense, these consequences are highly undesirable.

Would a CTB equally constrain the Soviets?

We cannot be certain that a CTB would equally constrain the Soviets. Since we do not know the specifics of Soviet nuclear weapon design, we are simply unable to say whether they would be affected by a CTB in the same manner and to the same extent that we are. It is by no means certain that a CTB would prevent the Soviets from developing a new generation of nuclear weapons, although that would assuredly be the effect of a total testing ban on the United States. More important, it has been recognized, even by proponents of a CTB, that in the long-term some degree of testing would be necessary to assure the credibility of the deterrent. This is true, and it is quite possible that the Soviet military nuclear technology base and most of their nuclear stockpile could be preserved and maintained indefinitely with tests of a few tens of kilotons in violation of a total testing ban.

Verification

Equally important, or perhaps more important in this context, are verification uncertainties. I cannot share the view of those who agree that an effective, verifiable CTB is within our grasp. Even with monitors on Soviet soil and on-site inspections, verification of a CTB would involve considerable uncertainties. Verification concerns with a CTB involve a different range of yields than with a TTBT. In essence, the problem of verifying a CTB is detection of relatively small seismic events and the unequivocal identification of their source. As seismic magnitude decreases, the number of naturally occurring events during any period increase dramatically. Given this fundamental fact, under a CTB even greater verification difficulties would beset us than under a TTBT, especially if we were largely dependent upon remote teleseismic monitoring.

All experts agree that there is some lower limit below which nuclear tests in hard rock cannot be detected with remote seismic monitors; the usual figures cited are one, two, or at most a few kilotons. Proponents of a CTB argue that this is sufficient to assure compliance. But it is possible to disguise tests of relatively large nuclear weapons to make them appear (to remote monitors) relatively small or as something other than a nuclear test. By exploding a device inside a hollow underground cavity, for example, most of the energy from the explosion is not "coupled" into the earth and does not initiate seismic signals. Hiding explosions in earthquakes, or using shock-mitigating materials, may confuse the issue of decoupling even further. It is conceivable to conduct an extensive nuclear test program in this way, one that would go undetected by a network of remote teleseismic monitoring stations. Further, a CTB could require a much more extensive monitoring network than now exists, because we would have to protect against the possibility of a violator conducting tests clandestinely underwater, in the atmosphere, and in outer space, as well as underground.

Indicating that current nuclear testing verification technologies have significant limitations does not mean that nuclear testing restraints will remain unverifiable forever. On the contrary, it suggests that serious work needs to be devoted to new and improved technologies. At the moment, two directions for verification R&D seem clearly indicated: augmenting remote monitors with on-site techniques, which I believe are necessary but not sufficient, and improving remote monitoring techniques themselves. Work is proceeding in both directions at the U.S. nuclear weapons laboratories and other places. As I indicated, a promising verification method that senses the ionospheric disturbances produced by nuclear explosions is being developed by Los Alamos. And, high-frequency seismic may hold promise for increasing sensitivity to decoupled tests, although this remains to be demonstrated.

A CTB arms control, and nonproliferation

Against these costs of a CTB, its proponents offer two asserted benefits, which are primarily political in nature. First, it is frequently suggested or asserted that a CTB will break the arms control logjam, that a carefully negotiated, binding, and fully verifiable CTB could be the breakthrough that would result in genuine arms control through reductions in nuclear arsenals. However, even the staunchest proponents of a comprehensive test ban have recognized that a CTB will not by itself end the arms race; and will not result in a reduction of nuclear weapons, and their decommissioning and dismantlement. By arguing that a CTB will put a brake on nuclear weapons development, and thereby foster the objectives of arms control, these proponents are apparently committed to a CTB as a back-door approach to nuclear arms control. But we must wonder whether such an oblique approach would resolve those very real po-

litical and military-strategic differences which have been the stumbling blocks in previous strategic and theater arms control negotiations. These differences appear to be one reason why a CTB itself has not yet been possible through negotiation. Many of the same obstacles that have prevented significant nuclear arms reductions also stand in the way of agreeing to a CTB. If a way could be found to overcome those obstacles, it would probably best serve our arms control objectives to move directly to the negotiations of strategic and theater arms reduction agreements.

In the end, to focus on a CTB as the goal of arms control policy seems to me to work the wrong side of the problem. I cannot believe that a CTB can be a substitute for real nuclear arms control. Indeed, as Ambassador Stoessel suggested in testimony before this Subcommittee in February, the complete cessation of nuclear weapon testing is entirely rational only in an environment in which our dependence on nuclear weapons is reduced by agreements which successfully achieve substantial reductions of deployed nuclear weapons, and perhaps also by some level of non-nuclear defenses.

It is also questionable whether a CTB would significantly improve the non-proliferation regime. Domestic advocates of a strong non-proliferation policy, along with non-nuclear-weapon states, frequently argue that the failure of the superpowers to end testing provides a stimulus for other states to build weapons. They call for a CTB and point out that in the preamble to the 1968 Nuclear Non-Proliferation Treaty the nuclear-weapon states recalled their determination to seek the cessation of all test explosions.

From a technical point of view a comprehensive test ban has only a marginal effect on the proliferation of nuclear weapons. Testing is not essential for designing and building the simple, first generation fission devices that a would-be proliferator is likely to want at the beginning of a nuclear weapons program. He needs only the money, the special nuclear material, and the knowledge and skills to assemble the device. Most if not all of the nations which have built nuclear explosives are believed to have detonated them on the first try. By signing a comprehensive test ban a would-be proliferator would not be depriving himself of the capability to develop nuclear weapons should he see these as essential to his national security or military ambitions. He would, however, be sacrificing the "prestige" or "warning" value he might see in carrying out a public explosion.

It is also argued that a non-discriminatory comprehensive test ban, signed by nuclear and non-nuclear weapon states alike, would inhibit the spread of nuclear weapons by making tests of nuclear explosives politically more costly than they already are. In the view of CTB proponents, conclusion of a comprehensive test ban treaty would demonstrate the United States' commitment to fulfill its obligations under Article VI of the NPT, which states that, "Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control." With the NPT Review Conference approaching later this year, they argue that movement toward a CTB would prevent further erosion of support for the NPT and increase the attractiveness of the Treaty for "holdout" states.

While a CTB might—and I stress "might"—have marginal, short-term benefits for the NPT, it is unlikely to have a significant long-term effect on the problem of proliferation and the strength of the non-proliferation regime. It is unlikely that the states interested in building nuclear weapons are driven primarily by the "bad example" of the major powers. Like the nuclear powers, they are assuredly driven by their own security requirements. Thus, a comprehensive test ban is unlikely to prevent a country from deciding to develop nuclear weapons if it believes it can and should do so. Nor would it be likely to meet the goals of the non-nuclear-weapon states by bringing about general and complete disarmament or reducing the military superiority of the superpowers. A comprehensive test ban would not eliminate nuclear weapons, so it would not end the distinction between the nuclear and non-nuclear-weapon states. And it would not prevent the superpowers from developing new types of non-nuclear weapons equally out of reach of the present non-nuclear-weapon states.

The real and known technical costs of a CTB, then, appear more compelling than anticipated political benefits. It is certain that we must continue to test if we intend as a nation to rely upon nuclear forces in our defense posture, as we expect to do for the foreseeable future. From the technical point of view as a laboratory Director, who has responsibilities for developing the nuclear weapons in which the U.S. relies for deterrence and defense and is required annually to sign a document certifying the performance of many of the nuclear weapons in our stockpile, I have difficulty foreseeing conditions coming into existence that would allow me to support a comprehensive testing ban. My judgment, the principle reasons behind which I have attempted to offer you today, reflects the accumulated experience of the weapons Laboratories during and since the 1958–61 moratorium.●

IN DEFENSE OF JUSTICE BRENNAN

● Mr. KERRY. Mr. President, surely there is no more distinguished jurist in America today than Associate Justice William J. Brennan, Jr., of the U.S. Supreme Court. Justice Brennan has served with distinction on our Nation's highest court for 30 years. Since his appointment by President Eisenhower in 1956, Justice Brennan has been a voice of courage and wisdom on constitutional issues, and a champion of civil liberties and civil rights.

It was with dismay, therefore, that I noted in Monday's Washington Post that Justice Brennan's commencement address to Loyola Marymount Law School in Los Angeles this weekend was disrupted by a plane, chartered by the Fundamentalist Baptist Tabernacle of Los Angeles, carrying a banner which read "Pray for Death: Baby-killer Brennan". According to the Post's account, "the Reverend R.L. Hymers, Jr., pastor of the Fundamentalist Baptist Tabernacle, led about 400 members of his congregation in prayer asking God to take Brennan's life so President Reagan can replace him with a judge who opposes abortion".

This statement brings to mind the words of attorney Joseph Welch to Senator Joseph McCarthy in the famous Army-McCarthy hearings in 1954: "Sir, have you no sense of decency?" There is a level below which we cannot allow public discourse to sink, if we are to remain a civilized society. These recent actions and statements directed against Justice Brennan have crossed that threshold of decency.

Evidently, the statements and protests were prompted by Justice Brennan's role in the Roe versus Wade decision of 1973, which legalized abortion under certain circumstances. Ironically, Justice Brennan was not the author of the Roe decision. That distinction went to Justice Harry Blackmun, an appointee of President Nixon.

However, Justice Brennan has written major opinions in cases asserting judicial power to strike down malapportioned legislative districts, enforcing strict desegregation of schools, upholding affirmative action plans for minority groups, striking down State aid to religious schools, and many other important decisions. Justice Brennan has truly been a judicial giant in his 30 years on the Supreme Court.

Justice Brennan has always been a fighter for our Constitution, for the Bill of Rights, and for the protections which are guaranteed under law to all citizens of the United States. He has rejected recent attempts by the Attorney General to reinterpret the Constitution, under the guise of a doctrine of "original intent", as "arrogance cloaked as humility". As Justice Brennan put it in a recent interview, "Why do we have those protections for the accused in the Constitution? Obviously because we as a society appreciate that a society's decency is best reflected in how it treats those who offend against its laws. That is not merely a matter of compassion. It's a way of securing for every one of us guarantees which will protect us when we're prosecuted."

Recently, Justice Brennan celebrated his 80th birthday. In honor of that auspicious occasion, he gave an interview to the New York Times, reflecting on his 30 years on the bench, and looking ahead to the future. Justice Brennan commented in the interview that a fundamental tenet of his judicial philosophy has always been that "one of our primary responsibilities is to protect the minority against the excesses of the majority".

Mr. President, Justice William Brennan has always been a protector of "society's decency", and of the rights of the minority. He has set an example of steadfastness of principle, and tolerance of diversity, which should be an inspiration to all Americans, re-

gardless of their views. I wish to commend Justice Brennan on his 30 years of service to the American people on the Supreme Court, to extend my heartiest congratulations to him on his 80th birthday, and to wish him many more years of health and happiness. I hope that he will continue to guide us with his wisdom on the High Court for many years to come. I ask that the text of the New York Times article and interview with Justice Brennan be printed in the RECORD.

The material follows:

[From The New York Times, Apr. 16, 1986]

BRENNAN: 30 YEARS AND THE THRILL IS NOT GONE

(By Stuart Taylor Jr.)

WASHINGTON, April 15.—Associate Justice William J. Brennan Jr., hero to many liberals, target of conservative ire, laughed softly when asked if it had been a thrill to be part of the liberal majority under Chief Justice Earl Warren two decades ago that transformed constitutional law and made the Supreme Court an engine of social reform.

"It's exciting, it's thrilling to be here every day since the day I came," he said. "And it'll continue to be exciting and thrilling every day until the day I go. At the same time it's also a very—burden is not the right word—well, maybe let's say that you just always appreciate the significance of what you're called on to do and decide."

The Supreme Court's oldest and most senior member, who will be 80 years old April 25 and is serving his 30th term, made it clear in a two-hour interview Monday that he is not looking back and is not slowing down.

It was his first wide-ranging newspaper interview in many years. Members of the Court rarely grant interviews, but Justice Brennan said he had decided to relax his policy against them because he received so many requests in connection with his birthday and the approaching bicentennial of the Constitution.

Seated in a worn, padded chair at his desk, responding to questions in measured, thoughtful terms, he said that despite his strong dissents from many rulings over the past decade, the Court had made no "drastic retreat" from protection of constitutional rights.

He also said he "strongly favored televising and radio broadcast of our arguments" and considered it "inevitable" that the Court's proceedings will be opened for broadcast. No other Justice has so firmly dissented from Chief Justice Warren E. Burger's vehement rejection of all such requests.

"Ours is a public proceeding," Justice Brennan said. "And there's no reason in my judgment why only those who can gain entrance to the courtroom should be able to witness those proceedings."

Asked if he shared the Chief Justice's concern that the editing process might result in broadcasting misleading fragments of arguments, he said, "No."

Coincidentally, seven major press and broadcasting groups today sought reconsideration of Chief Justice Burger's rejection of a request to allow radio broadcasting of the April 23 arguments on the Federal budget-balancing measure sponsored by Senators Phil Gramm, Warren B. Rudman and Ernest F. Hollings.

Justice Brennan, who often finds himself outnumbered these days by more conservative colleagues, discussed his work and his strong civil libertarian approach to the Constitution, but he avoided comment on pending cases and spoke warmly of ideological adversaries, including Attorney General Edwin Meese 3d.

"That my colleagues and I differ on some of the issues under various provisions of the Constitution and of the Bill of Rights doesn't obscure the fact that we're agreed on the fundamental value that the provision protects," he said.

At the same time, he said that in a succession of decisions since 1974 the Court had gone "a long way toward eviscerating the effectiveness of the Fourth Amendment," which protects against unreasonable searchers and seizures.

As for himself, Justice Brennan said he was healthy and "will not retire, not as long as I am capable of continuing to do the job." He punctuated the point with a firm handshake, energetic manner and ready smile.

While four of the Court's other Justices are also 77 or older, Justice Brennan said, "I expect we're all working harder than we ever did." He said he would not be surprised if all nine members of the Court continued in office until beyond 1990.

Justice Brennan is widely recognized as one of the Court's strongest intellects and most persuasive coalition-builders, a man who, one former clerk recalled, would sometimes address a colleague affectionately as "pal" while conferring on some legal conundrum.

But Reagan Administration officials including Terry Eastland, the top Justice Department spokesman, identify Justice Brennan as the embodiment of the kind of liberal "judicial activism" that Mr. Meese has assailed.

A disapproving article in the conservative National Review in 1984 said of him, "There is no individual in this country, on or off the Court, who has had a more profound and sustained impact upon public policy in the United States for the past 27 years." This of a man who could probably walk unrecognized down the main street of any city in America, save perhaps this one.

In the interview, Justice Brennan dismissed such assertions with a dry chuckle. He occasionally read from a well-thumbed copy of the Constitution while discussing his judicial philosophy, a major tenet of which is that "one of our primary responsibilities is to protect the minority against the excesses of the majority."

He also gave a rare account of the process of preparing and exchanging memorandums and draft opinions by which the Court arrives at a decision.

"It's startling to me every time I read these darned things," he said, "to see how much I've had in the way of exchanges and how the exchanges have resulted in changes of view, both of my own and of colleagues. And all of a sudden at the end of the road, we come up with an agreement on an opinion of the Court."

Justice Brennan also remarked on these other issues:

"I'm rather confident," he said, "that in time, whether as expressed by me or otherwise, the death penalty will be declared a violation of the Eighth Amendment," which bars cruel and unusual punishment.

"Probably the most important development in constitutional jurisprudence today is the growing reliance by state judiciaries upon their state constitutions" to provide broader protections for civil liberties than the Supreme Court has done under similarly worded Federal provisions.

He saw no need for any new constitutional amendments other than perhaps an equal rights amendment and said he thought it would be "unfortunate" if a new constitutional convention were called to propose a balance-budget amendment and possibly others.

Justice Brennan, a former member of the New Jersey Supreme Court appointed to the Supreme Court by President Eisenhower in 1956, has written major opinions asserting judicial power to strike down malapportioned legislative districts, enforcing strict desegregation of schools, upholding affirmative action plans for minority groups, striking down state aid to religious schools and many more.

In criminal cases in the Warren Court years, he recalled, the question in case after case was "are we going to extend the Bill of Rights further against the states?" The answer was usually yes, in a line of decisions that he said "effected a revolution in the area of criminal procedure."

Now, with the more conservative Burger Court majority chipping away at some of these precedents and Mr. Meese attacking them as allowing criminals to go free, a special firmness comes into Justice Brennan's voice as he warns against further erosion.

"Why do we have those protections for the accused in the Constitution?" he said. "Obviously because we as a society have appreciated that a society's decency is best reflected in how it treats those who offend against its laws. That is not merely a matter of compassion. It's a way of securing for every one of us guarantees which will protect us when we're prosecuted."

MEESE: A "PLEASANT GENTELEMAN"

Justice Brennan declined to comment directly on the views of Mr. Meese, whom he termed "a very, very pleasant gentleman."

He stressed that a speech he gave last Oct. 12, rejecting the view widely associated with Mr. Meese that judges should precisely follow the original intentions of the Constitution's framers, "was not a response to anything the Attorney General had said."

Accounts in The New York Times and other publications had suggested that the speech appeared to be an implicit criticism of Mr. Meese. But Justice Brennan took pains Monday to say that he had prepared his speech months before Mr. Meese began a public campaign last July to restore the framers' original meaning as "the only reliable guide" for constitutional interpretation.

Motioning to a five-inch stack on the corner of his desk of briefs disputing the constitutionality of the Gramm-Rudman-Hollings Act's automatic deficit-reducing mechanism, he gave this account of how he and his four clerks prepare for oral arguments in a case:

"We've spent all morning, and we will the rest of this whole week, picking to pieces every single case, the record, the briefs, that we've going to hear argument in starting two weeks from today. Clerks get into the damndest wrangles over some of these things, which is the way they most help me, and I get in the middle of a number of pitched battles, too.

"The result of that practice is that when I go into oral argument I think I am as aware of what the issues are, and the positions of everybody and the things I've got to worry about, as I possibly could be. And then on the very day of argument, we meet that afternoon after the argument session and we go over every one of the cases and the

arguments that we have heard, and it's at that juncture that I decide which way I want to vote tentatively, and I emphasize the tentatively."

"WRITE IT THIS WAY . . ."

The exchanges with other Justices come later, he said, after a proposed opinion for the Court has been drafted: "I get an opinion, say from Justice Stevens. I've voted with him but I don't like the way he's addressed a particular problem. I write him a memo."

Sometimes, Justice Brennan continued, "I actually am bold enough to suggest, 'Write it this way rather than that way,' and send him a proposed revision of something he's written." And sometimes, "each of us will accept an expression in an opinion that, left to himself, he might either phrase differently or not use at all. Call that compromise if you will."

This process, he said, "involves an intensity and concentration that, repeated 160 times a year, can leave you a little tired at the end of it."

But 10 days away from his 80th birthday, William J. Brennan Jr. seemed anything but tired.●

DISTORTIONS IN WASHINGTON POST ARTICLE ON JTIDS PROGRAM

● Mr. GOLDWATER. Mr. President, lately we have been hearing quite a bit about the press violating Federal laws regarding dissemination of classified material. This is a serious matter and I am happy that it is receiving national attention. But what I would also like to see is greater attention paid to the fact that our press continues to violate normal standards of decency by printing material which is downright dishonest.

On Sunday, May 11th, the Washington Post printed an article entitled, "JTIDS—Diary of a Pentagon Fiasco" which contained several blatant falsehoods. I wrote a letter to the Washington Post calling their attention to the errors contained in that article. When we were then called by the editor of the Post to verify the facts, we assumed our letter would be published. But regrettably, all that appeared was a small "clarification" on page 3 the following Friday.

I wrote another letter to the editor of the Post, who happens to be a friend of mine, thinking that might result in my first letter being printed. But, again, nothing was done about it. So, to keep the record straight, and to make sure that people are not misled by that article which so misrepresents the truth, I am putting the facts of the case in the CONGRESSIONAL RECORD. Mr. President, I ask unanimous consent that the original article and three letters exposing the falsehoods in that article be inserted at this point in the RECORD.

This is not a pleasant thing for me to do, but neither is it a pleasant thing for me to read a completely distorted article which should never have appeared in the Washington Post or any other newspaper without first having been checked for accuracy.

The material follows:

[From the Washington Post, May 11, 1986]

JTIDS—DIARY OF A $600 MILLION PENTAGON FIASCO

(By Jon Englund)

The Navy and the Air Force decided in the late 1970s that they needed fancy new communications systems. So each service designed an expensive, state-of-the-art system that suited its needs. But congressional investigators eventually noticed a problem: Because the two systems were so different, Navy pilots wouldn't be able to talk to their Air Force counterparts on some combat missions.

The folly of two services having separate—and incompatible—programs for voice and data communication eventually collapsed of its own weight. But not before the Pentagon bewildered its NATO allies, the Navy and Air Force demonstrated their ability to overwhelm a toothless Office of the Secretary of Defense, and the United States squandered $600 million.

The story of this misconceived $3 billion program, known in military jargon as a Joint Tactical Information and Distribution System (JTIDS), helps explain what's wrong with the Pentagon these days. It demonstrates the interservice logrolling and parochial rivalries that afflict U.S. military performance. And it illustrates why the Senate, fed up with such mismanagement, voted unanimously last week to approve the most sweeping reform of the Pentagon since 1947.

JTIDS was the Pentagon's answer to a worrisome improvement in Soviet ability to disrupt NATO's military communications. To cope with this more sophisticated threat, the Navy, Army and Air Force needed a new generation of high-tech communications equipment. As an assistant secretary of defense emphasized to Congress last year, "I can tell you that if you do not have jam-resistant communications in the cockpit of modern tactical fighters, you might as well ground your air force."

The catch: To truly capitalize on JTIDS and other modern communications gear, our forces—the Navy, Air Force, Army, Marines and our allies—all need to use the same equipment. Otherwise, critical information is difficult to exchange.

Sen. Barry Goldwater, chairman of the Senate Armed Services Committee, puts it bluntly: "God forbid we should wait until our troops are committed to combat before we discover that Army troops can't communicate with Air Force close support pilots, or that Air Force interdiction pilots can't communicate with NATO air defenders, or Navy fighter pilots can't communicate effectively with the Air Force or with NATO." The Grenada operation was plagued by these very problems; we were fortunate that the inability of the Marines and Army to communicate on different sides of the island did not have more serious consequences.

Service bickering is at the heart of the JTIDS fiasco. From almost the beginning of the program in the late 1970s, the Air Force and Navy championed their own versions of JTIDS. Expressing frustration with the services' bull-headedness on the subject, a member of the House Armed Services Committee told them that it sounded like "you guys are going to different wars."

The fight between the Navy and Air Force had its roots in the different roles and missions of the services, and it showed the tendency of the services to guard their turf, even at the expense of national security. The Navy wanted a JTIDS that allowed them to communicate most effectively among their F-14, F-18, and E2-C aircraft, and ships in their carrier battle groups. The Air Force was more concerned with communication lines hooking up their aircraft, including the F-15, F-16 and AWACS (their airborne reconnaissance plane). In military logic, these different missions dictated two separate JTIDS programs—even if that meant the services wouldn't be able to communicate in battle.

Adm. Gordon Nagler, the Navy's former top JTIDS lobbyist, encapsulates the Navy's perspective: "Air Force pilots fly with a white scarf and talk with their wingman; the Navy does not do it that way," he explained in an interview. Adm. Nagler continues to defend the need for two separate JTIDS programs by arguing that the Navy takes a more sophisticated approach to communications and places more emphasis on data rather than voice.

Carl Bayer, a staffer on the House Armed Services Committee, describes the fight in simpler terms. It all boiled down to the fact that the Air Force version of JTIDS required that their "clocks" be "In sync" with each other, he says. The Navy's program would work without such synchronization. The technical differences between the programs he said, "didn't seem like a big deal."

The depth of military feeling on these seemingly trivial issues was explained to Congress by the assistant secretary of defense who oversees communications programs, Don Latham. "I have been through the stormiest meetings I have ever had in my life in that building on this issue. There is no more emotional issue in the Pentagon than secure, jam-resistant, interoperable communications," he told the Senate Armed Services Committee.

Latham and other senior Defense Department officials found themselves caught by 1985 between the Navy's demand for its own JTIDS program (which Latham supported on Capitol Hill) and growing Pentagon skepticism about the need for it. One skeptic was Latham's own JTIDS expert, John Cittadino, who felt that the Navy's demands demonstrated that the services "are all powerful" and "exert such strong influence that it is extremely difficult to hold their toes to the line." Citadino conceded in an interview that in the JTIDS case, OSD had abdicated responsibility to assure that military equipment can work together and that the services do not duplicate requirements. He blamed the Reagan administration's decision to pursue decentralized control at the Department of Defense, which delegated more management decisions and independence to the individual services.

The Navy was OSD's biggest headache, according to Cittadino. He complained: "The Navy insists on its own command and control center to fight its own war—it is not even in the chain of command." Traditionally the most autonomous of the services, with its own air force (aboard carriers) and army (the Marines), the Navy has been the strongest opponent of Pentagon reform efforts. Today, the Navy has set up a special office to combat any changes in the JCS status quo.

The OSD's inability to halt the Navy's separate JTIDS program presented NATO allies with an awkward choice. Which of the competing American versions of JTIDS should they support? The British opted to buy the Air Force version and spent more

than $100 million integrating Air Force JTIDS into their forces. The former British air attache in Washington, Cmdr. Michael Beck, explained that the Pentagon's "hard-pressed marketing" for Air Force JTIDS successfully convinced the British of its value. Nevertheless, there were big concerns that the U.S. might not stick with the Air Force program due to the force of the Navy lobbying blitz. The British defenders of collaborative programs feared the consequences of backing the wrong horse.

The Navy, meanwhile, stepped up its lobbying blitz and made an "end run" around OSD to its political allies on Capitol Hill. To the horror of the British, the Navy succeeded last year in convincing the Senate Armed Services Committee to "zero out"—in other words, to cancel—the Air Force JTIDS program, while funding fully the Navy's effort. Several ex-Navy pilots on the staff of the committee were said to have played a role in gutting the Air Force program. According to the British air attache, officials at the top level of the British Ministry of Defense expressed "extreme concern" at this development.

By late 1985, the stage was set for a decisive battle over JTIDS. The setting was the House-Senate conference on the fiscal 1986 defense authorization bill. The Senate had declared itself for Navy JTIDS; the House, which leaned toward the Air Force version, had told the Pentagon that it was time to pick one program or the other. The administration position, expressed by Assistant Secretary Don Latham, was that too much money had already been spent on the Navy program to abandon it now.

The logjam was broken by Tony Battista, a senior staff man on the House Armed Services Committee. Hotly disputing Latham's efforts to sell both JTIDS programs to Congress on the grounds that the two systems were "compatible," Battista retorted: "That is like saying I have got an AM radio and you have got an FM radio, and we are interoperable because we welded the receivers together. That is all they have done here."

With their patience wearing thin, the members of the House committee decided to hold back money for both programs, giving OSD an ultimatum: Choose one JTIDS program for all the services or forget about JTIDS altogether. Asked by a distressed Pentagon official, "When the hell is your committee going to stop micro-managing our programs?" Battista fired back, "Just as soon as you start."

The House-Senate conference eventually reached a delicate compromise. Rather than resolving the issue conclusively, the legislators asked for several outside studies of the JTIDS issue. In the meantime, the conferees accepted the House argument that the money should not be released. The compromise left the door open—just barely—on the future of JTIDS, but Battista, who wanted the Air Force system, had one more card to play.

Battista's ace in the hole was money. He knew from industry contacts that the Navy's contractors on the JTIDS program, Hughes and Westinghouse, were experiencing severe technical and cost problems. These problems, coupled with continued political prodding from Battista, eventually proved decisive. Secretary of the Navy John Lehman canceled the Navy JTIDS program.

Even the Defense Department conceded that it was the right outcome. "They did us a big favor," said John Cittadino. But would the result have been the same if the technical and cost problems had not surfaced at the right time? Another House staffer expressed skepticism: "If Hughes (the Navy JTIDS contractor) had done well, there would be two systems, and the legislative language would have allowed that to happen."

Have we learned any lessons from the JTIDS fiasco? Congressional micro-management is clearly not a solution, and there are worrying signs that the services, left to themselves, might do the same thing all over again. The follow-on communications system to JTIDS (called ICNIA by the Pentagon's perverse acronym-mongers) is supposed to be a joint program, primarily between the Navy and Air Force. But according to Battista, the services were brought "kicking, screaming and scratching" into the concept of a single program, and a former Navy JTIDS program manager vows that the Navy program "will ressurect itself somewhere, someplace."

A real solution to the problems illustrated by JTIDS will require basic reform of the Pentagon, including a stronger role for the chairman of the Joint Chiefs of Staff. Even Adm. Nagler, a staunch Navy man, agrees: "Until the chairman of the Joint Chiefs gets control of the budget, it will be difficult."

But the issue is broader than just the JCS. In a real war, the unified commanders (called CINCs) for the different regions of the world will direct the fighting. Each CINC has elements of all the services under his command. Can he effectively deter war—and fight if necessary—if his Navy and Air Force pilots cannot speak to each other?

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, May 13, 1986.

Mr. BENJAMIN C. BRADLEE,
Executive Editor, the Washington Post, Washington, DC.

DEAR BEN: Mr. Jon Englund's article ("JTIDS-Diary of a Pentagon Fiasco") contains a blatant attempt to rewrite the history of Congressional action on the JTIDS programs. I don't mind the staff of the House Armed Services Committee engaging in a little self-promotion, but I have grown weary of seeing it done at the expense of the truth.

Contrary to Mr. Englund's account, no member of my Committee staff ever recommended terminating the Air Force JTIDS program. the Senate position favored proceeding with both the Air Force and Navy programs. Both were fully funded in our bill.

Next, it was not the case that the two systems were incompatible. As Mr. Don Latham (Assistant Secretary of Defense for Command, Control, Communications, and Intelligence) testified before our Committee, each was capable of communicating with the other with full FTIDS jamming protection. Furthermore, we were advised that terminating one program in order to pursue a common system at that late date would ultimately cost *more* than the original two systems.

Mr. Englund claims that in the House-Senate conference, the House staff favored the Air Force program. In fact, the House staff repeatedly proposed to designate the Navy program as the one which should be saved. It was the Senate conferees who insisted the decision be made by the Secretary of Defense.

I so not disagree with Mr. Englund's assertion that the history of JTIDS supports the justification for reorganizing the Defense Department. But I take strong exception to his and anybody else's attempts to revise history—particularly where my Committee is involved—by misstating or distorting the facts.

Sincerely,

BARRY GOLDWATER,
Chairman.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, May 12, 1986.

Mr. DAVID IGNATIUS,
Editor of the Outlook Section, the Washington Post, 1150 15th Street NW., Washington, DC.

DEAR MR. IGNATIUS: As one of the "ex-Navy pilots" on staff of the Senate Armed Services Committee accused by Mr. Jon Englund ("JTIDS-Diary of a $600 million Fiasco") of "gutting the Air Force [JTIDS] program" I would appreciate the opportunity to set the record straight.

At no time did I or any other member of the Senate Armed Services Committee staff recommend cancelling the Air Force JTIDS program as Mr. Englund asserts. Instead, the staff recommended (and the Committee agreed) to fully fund both the Air Force and Navy programs. This information was readily available to Mr. Englund from several public documents. Admittedly, the article would have been less sensational had that fact been correctly reported, so the oversight is understandable.

The House Armed Services Committee "zeroed" both the Air Force and Navy programs while providing a lump sum in a separate account for a single JTIDS program. At the House-Senate conference, the Senate conferees agreed with the single JTIDS approach only if the Secretary of Defense determined such an approach would meet the operational requirements of both Services. The Senate felt it should not be left to politicians and staff members to decide which of two very complex systems would be developed for joint use.

The justification for different Air Force and Navy JTIDS was based on significant differences in operational requirements (the Air Force required only an air warfare system, the Navy required a system that would communicate simultaneously—and free of conflict—in three dimensions of warfare: air, surface, and subsurface.) In short, the Air Force JTIDS did not provide all the capabilities needed by the Navy, while the Navy's system involved more technological risks than the Air Force considered acceptable. Nothing in Mr. Englund's article suggests he understood this essential fact.

Mr. Englund's article was entertaining and sensational. But like most sensational articles it was founded more on fiction than fact.

Sincerely,

CARL M. SMITH,
Professional Staff Member, Senate Armed Services Committee.

NAVY AND AIR FORCE PILOTS CAN TALK

Jon Englund's article ["JTIDS—Diary of a $600 Million Pentagon Fiasco," Outlook, May 11] on the Joint Tactical Information Distribution System program contained numerous inaccuracies and half-truths.

The author completely distorts the picture form the outset when he states that (using JTIDS) "Navy pilots wouldn't be able to talk to their Air Force counterparts on some missions." From the inception of JTIDS as a joint program in the late '70s,

the Office of the Secretary of Defense directed that, as a very minimum, all JTIDS equipment must be interoperable. By that I mean that Air Force, Navy, Army and Marine Corps JTIDS radio terminals could directly "talk" to each other in both voice and data modes—fully secure and jam resistant. Even while there were separate Air Force/Army and Navy/Marine Corps programs, that policy was never violated.

The naivete' of the author is exposed when he states, "To truly capitalize on JTIDS and other modern communications gear our forces . . . all need to use the same equipment. Otherwise, critical information is difficult to exchange." That's like saying everyone must use a Brand-X telephone to make a call. On the contrary, the key is to have a set of interoperatability standards that all equipment must meet.

It is true that for several years the Department of Defense pursued two JTIDS developments, but each was an attempt to design terminals that would simultaneously satisfy joint interoperability and service-unique operational requirements. In striving for the "optimal" solution, the services were permitted to pursue two different implementations that were engineered to work together during joint operation but also work differently when necessary. This, admittedly, resulted in a more complicated and challenging program.

When it was determined (by an OSD-sponsored study) in the summer of 1985 that the Navy JTIDS development could not be completed within the program schedule and cost, it was properly terminated by the secretary of the Navy. The Navy and Marine Corps were then directed to utilize the Air Force/Army JTIDS terminals in order to bring on a JTIDS capability as soon as possible even though this meant some sacrifice in operational flexibility. The resulting four-service single program is now proceeding satisfactorily.

In summary, the choice is not always clear as to whether or not it is more cost-effective to compromise requirements to have one system for all services or more than one, optimized to service-piculiar requirements. We learned from the TFX program in the mid-1960s that it is counterproductive to state a firm policy that all services must always buy and use the same equipment. We will continue to work hard to make the right decision without abdicating our responsibility to ensure that our services have highly capable, cost-effective, interoperable equipment. In the meantime, JTIDS, a vitally needed capability, is on the right track, and we intend to keep it there.

DONALD C. LATHAM
Assistant Secretary of Defense,
Washington.●

ARIZONA HOUSE MEMORIAL RELATING TO RURAL SPEED LIMITS

● Mr. GOLDWATER. Mr. President, I submit for the RECORD a House Memorial of the Legislature of Arizona relating to speed limits on certain rural highways.

The memorial follows:

HOUSE CONCURRENT MEMORIAL 2001

(A concurrent memorial urging the President and the Congress of the United States to amend the Federal highway laws to allow the individual States to set the maximum speed limit on highways in certain rural areas)

To the President and the Congress of the United States of America: Your memorialist respectfully represents:

Whereas, most Americans feel that the most efficient government is one that operates in close contact with the people; and

Whereas, this state believes that it is most qualified to determine and set the most appropriate speeds to be driven on the highways; and

Whereas, the original objective of the national maximum speed limit of fifty-five miles per hour to conserve fuel is offset by the loss of other efficiencies such as the loss of productivity due to the length of travel time by business and industry; and

Whereas, engineering and design features of new motor vehicles have had a greater impact in conserving fuel than has the fifty-five mile per hour maximum speed limit; and

Whereas, traffic fatalities continue to decline even though recent studies indicate that an increasing majority of drivers is exceeding the fifty-five mile per hour maximum speed limit; and

Whereas, traffic fatalities in low population areas actually increase because of the monotony of driving on long open stretches of highway.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the President and Congress give their most earnest consideration to the prompt enactment of legislation which would retain the maximum speed limit of fifty-five miles per hour only in designated suburban and metropolitan areas and would grant the states the authority to increase the maximum speed limit, after traffic and engineering studies, in those rural areas where local population conditions, traffic volume and safety factors indicate that a speed limit greater than fifty-five miles per hour would be appropriate.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.●

LANDMARK COLLEGE

● Mr. LEAHY. Mr. President, I would like to call attention to an important institution of learning in my home State of Vermont. Landmark College, located in the town of Putney, offers a world of opportunity to students whose special needs have not always been recognized and met in their traditional schooling. It is a college for learning disabled students—the only one in the country designed specifically for dyslexics.

Dyslexia is a complex of neurological disabilities that interferes with the ability to recognize symbols and process them. It is believed to affect about 10 percent of the population, although many go undiagnosed. Being dyslexic has nothing to do with a person's intelligence. In fact, some of the world's greatest contributors—Albert Einstein, Thomas Edison, Hans Christian Andersen—were dyslexic.

Students at Landmark work long, hard hours, committing themselves to tackling the language difficulties that have impaired their learning abilities in the past. Programs are individualized to focus on the specific needs of each student. The college—designed to become a 4-year liberal arts college in the future—presently offers a 2-year associate degree which prepares students to go on to existing 4-year institutions. It also offers a pre-college program for high school graduates who have the intellectual capacity to handle college-level work, but need intensive training in language and study skills.

Landmark's philosophy is summed up to its call to applicants: "We invite bright, highly motivated dyslexics * * *. The lazy, the indolent and the good-time seeker will not find Landmark College suitable."

I am proud to have played a part in bringing Landmark College to Putney. It was my great pleasure to assist the officials of the town of Putney and the Landmark Foundation in negotiating a sale of the abandoned Windham College campus from the Department of Education so that Landmark College could become a reality.

I support Landmark College and wish them success in gaining accreditation from the New England Association of Schools and Colleges. The college is badly needed and provides an important resource for learning disabled students from all over the country. With accreditation, Landmark's students would be eligible for Federal financial aid, thereby making the college accessible to a greater number of people.

Mr. President, I request that the full content of an article from the New York Times on Landmark College be printed in the RECORD.

The article follows:

DYSLEXICS LEARN COLLEGE SKILLS

(By Matthew L. Wald)

PUTNEY, VT.—At Landmark College, all students have high school diplomas before they arrive, and many have spent a year or two in college elsewhere, often making fair grades. But most are told that before they can begin college-level work here they must spend a year, or maybe two or three, in the school's intensive "precollege" classes to master reading and writing.

Landmark opened last September as the first college in the country solely for people with dyslexia, a congenital condition that interferes with reading, writing and other language skills. Its students are all of at least average intelligence, according to college officials, and some have excellent oral ability. But many cannot retain and analyze what they have read and cannot organize their thoughts on paper. Inability to spell,

extremely poor handwriting and extreme slowness in written tasks are also common.

The students are mostly veterans of schools that allowed them to bypass their disability—by taping lectures instead of taking notes, taking examinations orally and dictating their papers instead of writing them. Such strategies have been adopted by educators who believe that learning the subject matter is more important than reading and writing.

Landmark College, which grew out of the Landmark preparatory school in Beverly, Mass., rejects that reasoning and works directly on students' weaknesses. All students are in class from 8 A.M. to 3:30 P.M. each day in classes of about five students, and get homework designed to take them another four or five hours. In the pre-college program, which accounts for most of Landmark's 80 students, each student spends one hour a day with a tutor.

A course that would meet for three hours a week at another college meets for five hours here. Much of the extra time is spent developing learning skills that non-dyslexics were taught as children, or organizational ability that came naturally and was never explicitly taught.

For example, Thomas F. Kosiba helped Eric Nelson in his daily one-hour tutorial on "micro-uniting," or breaking each task into small units. For some students, this means going back to phonics to learn how to read; for Mr. Nelson, 20 years old, who graduated from a special high school for dyslexics in 1984, it means concentrating on getting his ideas on paper in logical form.

Mr. Nelson, who is from Saginaw, Mich., wants to attend a mainstream college, but he has faced slow going in some fields. "I've taken Algebra 1 probably about three times," he said. He is now taking several college courses and pre-college algebra, in which he is doing well.

Work in the college courses is of the same difficulty as at colleges elsewhere, according to Landmark officials, but Mr. Nelson said that small class size made the atmosphere different. "You don't feel embarrassed about raising your hand and asking questions that need to be asked," he said.

In another tutorial Lise Schnurr went over a one-page essay that Cort Rinaldi, 21 years old, had written about South Africa's system of racial separation. "It is my belief that all people are created equal," Mr. Rinaldi had written. "This brings me deep sorrow when I see my people discriminated against."

Miss Schnurr discussed the concept of antecedents, and went on to note where the tense wandered. She told Mr. Rinaldi to make notes on each correction.

Mr. Rinaldi received B's and C's in business courses at Hillsboro Community College in Florida and graduated from a chef's school before coming to Landmark. He plans to study restaurant and hotel management at Florida International University but he decided that he first needed better language skills.

"These students have largely been excused from having to write," said Miss Schnurr. "They don't have the grasp of grammar that someone who has been writing throughout his school career has."

Miss Schnurr came to Landmark from Keene State College, in New Hampshire, where she helped dyslexics by reading them exam questions and writing down their answers, and helping them write term papers.

"I don't think I ever believed in that" she said. "It's a good option, perhaps, for those who can't afford a place like this." $17,500, about $2,000 more than an Ivy League college. There is no financial aid but the catalogue advises that fees may be tax deductible as a medical expense.

Officials say the reason for the price is the faculty-student ratio—one faculty member for every three students—that permits such things as micro-uniting. Dr. Richard Ramsey, a professor of anthropology who has a special interest in linguistics, describes micro-uniting as "going back to a developmental stage where something didn't happen." An example, he said, is the ability to find the main idea of a paragraph.

If necessary, Landmark students are taught to analyze each idea in the paragraph, one by one, and see which concept is broader, and which is subsidiary.

At Landmark computers play an especially important role. Students use them as word processors, because many find writing in longhand especially tedious, and it is easier for them to make corrections on a computer because the whole paper need not be retyped.

Of the 80 students, 5 take only college courses, 18 take a mixture and the others take only the pre-college courses. The college courses are intended to produce credits that can be transferred to a four-year college.

Landmark, which is now seeking accreditation from the New England Association of Schools and Colleges, plans to offer a two-year associate degree in liberal arts and would eventually like to become a four-year institution. The college and pre-college populations will eventually balance according to the dean, Robert E. Skeele, but both programs must be present, he said, because many students need to take at least some courses on a pre-college level. Requirements for admission include diagnosis of dyslexia or "specific learning disability." Applicants are interviewed and tested.

The nature of the student body gives Landmark some distinctive characteristics. Dyslexia is linked to the male sex gene, and only 14 of the students are women.

QUIET HOURS SET ASIDE

Drugs and alcohol are banned. According to college officials, the impaired abilities may be quickly reduced further by drugs and alcohol, and those substances may be a special temptation to students enrolled in an intensive remedial program that concentrates on areas that have always been frustrating to them. The structured atmosphere includes "quiet hours" in the dorms from 7 to 9:30 P.M. and 11 P.M. to 7 A.M. Sunday through Thursday.

The campus, designed by Edward Durell Stone, belonged to Windham College until that institution closed in December 1978.

The students range in age from 18 to 27. While some students complain about the restrictions, many speak glowingly of their progress. Daniel S. Cremo, for example, said he had worked hard for a 2.7 average at Courtland State College, near Syracuse, where he was a physical education major. He left after two years to become a pre-college student here because he did not think he could write well enough to make up a lesson plan or to keep class records. Eventually, he plans to return.

"They gave me a lot of help, but it wasn't helping me learn, it was helping me get through classes," he said. "Now I'm getting to the point where I can do things on my own."●

RETIREMENT OF RUTH GALEY, AIR FORCE LEGISLATIVE RESEARCH CHIEF

●Mr. GOLDWATER. Mr. President, I would like to bring to the attention of my colleagues the truly outstanding contributions of Ruth Galey, who has served this country in a dedicated and professional manner. Over the years, her service has been in the finest tradition of the professional civil servant and today she retires as Chief, Legislative Research Office, Office of Legislative Liaison, Office of the Secretary of the Air Force, after 41 years of civilian Federal service, including over 36 years with the Department of the Air Force. Miss Galey's knowledge of the legislative process is truly legendary and is based on a comprehensive understanding of Federal law, DOD and Air Force regulations and policy. By any possible standard, Ruth's personal integrity and dedication to the U.S. Air Force can only be described as worthy of the highest praise.

Miss Galey's extraordinary career began in 1945 with the War Department and included service as a legislative research specialist in the Adjuant General's Office before moving to Air Force Legislative Liaison. No individual characterizes more the concept of an institutional memory than Miss Galey. Serving under seven Directors of Legislative Liaison, Ruth has willingly shared her expertise and advice to countless individuals, not only within the Air Force, but throughout DOD, other executive branch agencies, to Members of Congress and their personal and professional staffs and private industry.

During her career, Miss Galey has received the Army Services Recognition Ribbon, one exceptional civilian service award, three sustained superior performance awards, 15 outstanding performance awards, five merit pay awards, and one meritorious civilian service award. Ruth Galey's competence, knowledge, and ability have set a standard within the Air Force that will be most difficult to match in the future. Throughout her service, Ruth has faithfully performed her civilian duties in an exceptional manner. As she retires, I am sure all Members of the Senate join with me in recognizing this thoroughly dedicated and outstanding employee.●

NAUM AND INNA MEIMAN: A PLEA TO THE WORLD

● Mr. SIMON. Mr. President, recently, I obtained a copy of a letter which Naum Maiman, a Soviet man who has been refused permission to emigrate, wrote to Secretary General Gorbachev pleading for his wife's life.

This letter explains the critical nature of Inna Meiman's situation in vivid detail.

I ask that Naum's letter appear in the RECORD.

I strongly urge the Soviets to allow the Meimans to emigrate to Israel.

The letter follows:

AN OPEN LETTER TO GENERAL SECRETARY M.S. GORBACHEV

HON. GENERAL SECRETARY GORBACHEV: On March 15 Pravda published your reply to a letter from the head of the International Life Institute, Prof. M. Marois. That letter was sent to both you and President Reagan.

You highly assessed the purpose of the Institute. To Prof. Marois' first question, "Do you consider it the primary task of our time, from the biological, philosophical, and political point of view, to assert that life, especially human life, is the highest value?" you replied, "Yes, certainly yes," and then developed your views on the question in detail.

Your eloquent response, cannot fail to create a most favorable effect among many people the world over. But only your attitude to the fate of ordinary people, not the controversial finesses and complexity of international affairs, can serve as the litmus paper for assessing your reply.

I wrote you last October that the Soviet Visa Office (OVIR) and the authorities backing it had doomed my wife, a seriously sick 53-year-old woman, to a torturous, slow death. My wife's life was being sacrificed in the name of imaginary security for the Soviet Union, which would supposedly be threatened if this piteously sick woman were allowed to take advantage of invitations to go abroad for treatment.

It is in your power to prevent such a crime against humanity. This would only confirm your reply to Prof. Marois. If not, what is all your pathos worth?

My wife, Inna Kitrosskaya, is a teacher of English. She was stricken with sarcoma on the back of her neck in the fall of 1983. After an operation that October, it was obvious that my wife could not find adequate treatment in the Soviet Union. She was invited to go for treatment to oncological clinics in Sweden, the United States, France, and Israel. Former Minister of Health of France, Mme. Simone Veil, not only sent an invitation, she came to Moscow herself to call on my wife. Regrettably OVIR categorically refused to grant an exit visa.

The only treatment given my wife was repeated surgery. In less than two years, she was subjected to four hazardous operations. In the fall of 1985, when the tumor regenerated, specialists feared risking another operation. Since then, my wife has been abandoned to her fate, with an increasing intolerable pain.

Last December, a famous physician and scientist, Prof. Douglas P. Zipes, wrote you that there had just been two remarkable breakthroughs in cancer therapy in the United States, with some hope of curing my wife. Meanwhile, U.S. Senator Charles Grassley wrote Soviet Ambassador Dobryn that my wife had been accepted for the Sloan-Kettering Experimental Program in New York. Last month Prof. Zipes again appealed to you by telex to allow my wife to go for treatment to the United States before it was too late.

For clarity's sake, I must say a bit about myself. I am a mathematician 75 years old. I had the misfortune at the dawn of the Atomic Age to do certain quite unrealistic calculations for the late Academician Land at the Institute of Physical Problems (IPP) of the Soviet Academy of Sciences. My calculations have long since lost all sensitivity and interest to everyone everywhere. Academy President Alexandrov, who was the Director of the IPP when I worked there, certified back in 1976 that I possess no secret information. How can anyone talk seriously about scientific, and in my case, merely calculatory, secrets more than 30 years old? It is absolutely absurd.

Yet that absurd fabrication was enough not only to deny me my inalienable right to emigrate, to reunite with my only daughter abroad. It denies my wife her only chance of survival.

In January 1980, I was called in to a local Prosecutor's Chief of Investigation and told officially that because of my former classified work, it had been decided never to let me emigrate. I asked who had decided, and was told that no one had the right to tell me. It had been decided by a competent body. This echoes the nightmares of Kafka and Orwell. It appears from the cruel, senseless treatment of my wife that my secret life sentence covers her too. After all, she married 26 years after I had completely ceased secret work.

Not long ago, my wife received an invitation from Mrs. Max Kampelman to visit her as a guest for three months. The invitation is endorsed by U.S. Senators Gore, Pell, Stevens, Wallop, Moynihan, Rudman, Warner, Hart, and Nunn, Ambassador Zimmerman, and Ambassador Kampelman himself.

The Soviet national Visa Chief Col. Kuznetsov refused to even read the invitation. He said my wife would be refused permission to visit abroad. He knew, he said, that the real reason for any trip would be to get medical treatment. He made that sadistic statement right after your reply to Prof. Marois appeared in the press.

My fight for the life of my wife, totally lawful and without violating a single Soviet law, has produced a certain peculiar result, our phone was cut off on March 25. How despicable to deprive such a terribly sick woman, bedridden, requiring constant care and medical assistance, of her telephone. I myself, at the age of 75, have cardiac problems and several other ailments. The two of us live alone.

Whose point of view on the value of human life is prevalent—Col. Kuznetsov's, the official who ordered our phone cut off, or yours?

Respectfully,

Prof. NAHUM MEIMAN.

APRIL 10, 1986.

TATIANA OSIPOVA AND IVAN KOVALEV

● Mr. D'AMATO. Mr. President, I rise today to focus attention on the case of Tatiana Osipova and Ivan Kovalev, both imprisoned by Soviet authorities for their human rights activities as members of the Moscow Helsinki Group. The Group, organized by 11 Soviet human rights advocates, was established on May 12, 1976. the primary purpose of the Moscow group was to promote human rights in the U.S.S.R. and monitor Soviet violations of the Helsinki Final Act.

Soviet authorities have arrested, detained, imprisoned, and exiled members of the group, including Osipova and Kovalev. These harsh reprisals underscore Soviet contempt for the concept of human rights and for those who speak out in support of human rights. In addition, they highlight Soviet disregard for their human rights commitments, especially those included in the Helsinki Final Act, which they have voluntarily accepted.

Osipova and Kovalev were married on December 15, 1979. Six months later, Soviet authorities arrested Osipova for anti-Soviet agitation and propaganda and sentenced her to 5 years in camp and five years of internal exile for her extensive collection of writings on human rights topics. Kovalev was similarly charged and sentenced. Subsequently, the Soviet authorities have placed them in camps located more than 1,000 miles apart.

Mr. President, as chairman of the Commission on Security and Cooperation in Europe, I commend the efforts of this brave couple and their colleagues who have paid dearly for their work on behalf of those denied even the most basic human rights.

Mr. President, I request that a brief biography of Osipova and Kovalev be included in the RECORD at this time.

The material follows:

TATIANA OSIPOVA

Upon graduation from high school, Osipova worked at a factory in Nakhabino. She was an active member of the Komsomol, the Communist youth organization, until 1968. She left the Komsomol after the invasion of Czechoslovakia by the Soviet Union. After several unsuccessful attempts to enroll in Moscow State University, she gained admission to the Orekhovo-Zuev Pedagogical Institute. While there, Osipova met Irina Kaplun, a Soviet human rights activist. In 1978, during her final year, she withdrew from the institute to protest the trial of Yuri Orlov, the founder of the Moscow Helsinki Group.

She married Vladimir Zverin and moved to Moscow. She worked for Tass and then as a computer operator for the Central Geophysical Expedition Organization. After Zverin died, she married Ivan Kovalev.

In October 1977, the couple joined the Moscow Helsinki Group. Tania was involved in writing over 100 group documents. In addition, Osipova and Viktor Nekipelov coauthored a series of articles called "Oprichnina" (Ivan the Terrible's brutal guards) about political reprisals.

Between 1977 and 1980, she was detained, arrested, searched, and subjected to other harassments due to her human rights activities. Osipova was arrested on May 27, 1980, and confined to Lefortovo Prison. She was later charged with anti-Soviet agitation and propaganda and sentenced to 5 years of imprisonment and 5 years of internal exile on April 2, 1981. The next year, her husband Ivan Kovalev received a similar sentence. In camp, Osipova held a series of hunger

strikes, demanding that her husband be transferred to a camp near hers. She also organized work stoppages and protesting inhumane camp conditions. She suffers from chronic hepatitis, kidney problems, and endometriosis. As a result, in 1985 Osipova received an additional 2-year camp sentence for her malicious disobedience of camp authorities.

IVAN SERGEIVICH KOVALEV

Ivan Kovalev is the son of former prisoner of conscience Sergei Kovalev, and the husband of Tatyana Osipova, an imprisoned member of the Moscow Helsinki Monitoring Group. Kovalev lost his job as an engineer after he attended his father's trial in December 1975. He graduated from the Moscow Institute for Engineers of Railroad Transport, with a degree in power engineering, in 1977. Due to his human rights activities, Kovalev was forced to take odd jobs unrelated to his qualifications. After he was dismissed from his job as a fireman in October 1980, he was unable to secure further employment.

Following his father's trial, Kovalev became an active member of the human rights movement in the U.S.S.R. He joined the Moscow Helsinki Monitoring Group on October 30, 1979. Ivan married Tatyana Osipova, a fellow member of the group, on December 15, 1979. Osipova was arrested 6 months later and sentenced to 5 years deprivation of freedom and 5 years of internal exile on charges of anti-Soviet agitation and propaganda. Kovalev was twice denied permission to visit his wife, between July and August 1981, in violation of Soviet law. During this period, Ivan wrote a large body of samizdat literature.

Kovalev was arrested on August 24, 1981, and sent to Lefortovo Prison. He was sentenced on April 2, 1982, to 5 years in labor camp and 5 years of internal exile, on charges of anti-Soviet agitation and propaganda: under article 70 RSFSR Criminal Code. Kovalev was sent to a camp in the Perm Region, some 1,000 kilometers from his wife's camp.●

PRODUCT LIABILITY SUITS THREATEN AVAILABILITY OF VACCINES

● Mr. KASTEN. Mr. President, a recent article in the Washington Post illustrates the crippling effect of current product liability laws. It presents the familiar dilemma of a pharmaceutical company which is being forced to choose between tripling prices for its vaccine, to cover its liability exposure, or dropping its product altogether. If the current system is allowed to continue unchecked, consumers will ultimately suffer by being deprived of life-saving products due to the prohibitive product liability costs imposed on the manufacturers and sellers of these products. A balance must be struck between protecting consumers from harmful products and forcing valuable products out of the market. This situation represents one of the reasons why reform is needed in the product liability area; it is crucial to reduce lawsuits to a tolerable level, insuring production of valuable products, while affording adequate protection to consumers. I ask that the text of this article be printed in the RECORD. I am hopeful that my colleagues will take note of the urgent need for reform in the product liability area.

The article follows:

[From the Washington Post, May 21, 1986]

FIRM WILL NEARLY TRIPLE PRICE OF DPT VACCINE—LEDERLE BLAMES LIABILITY PROBLEMS

(By Cristine Russell)

Lederle Laboratories, one of the two manufacturers of a vaccine for diphtheria, whooping cough and tetanus, announced yesterday that it will continue to supply DPT vaccine but will nearly triple its price to combat rising liability problems.

Robert B. Johnson, president of the Wayne, NJ., company, said the company's DPT vaccine insurance coverage runs out on June 30. He said the price hike is necessary to help "self-insure the company for future liability exposure . . . It is the only way we can remain in the market."

Dr. Martin H. Smith, a Gainesville, GA., physician who heads the American Academy of Pediatrics, said that the Lederle decision to continue making DPT vaccine "averts a supply crisis" in the immediate future but creates a "cost crisis for all of us" with serious long-term implications.

"It really is a major problem. I don't know whether people will drop out or shift to public sources for it," Smith said. He complained that the "private sector will be carrying the biggest burden.

The government estimates that about 18 million doses of DPT vaccine—short for diphtheria, pertussis (whooping cough) and tetanus—are given each year in the United States. This includes three shots in the first year for the roughly 3.5 million newborns, and two booster shots—at 18 months and just before entering school.

The shots are mandatory for almost all public school students, with about half of the immunizations given in public clinics and half in private physicians' offices, said Phil Horne of the federal Centers for Disease Control.

Horne said that the "federal program should not be affected that much" by the Lederle price jump. He said that CDC has just signed a one-year contract with the other DPT supplier, Connaught Laboratories Inc. of Swiftwater, Pa., at a rate of $3.01 per dose, but there might be a "rebound effect" if more parents go to public programs for their children's shots.

Lederle, considered the major supplier to physicians, said its price to them will increase from the current price of $4.29 to $11.40 per dose, with $8 set aside for product liability. It said that last year 100 lawsuits were filed against the company claiming damages for DPT-related injury, more than the total of the three previous years.

The price in the doctor's office will be higher than the Lederle charge, to cover additional costs of administering the vaccine, said academy president Smith. While it is too early to tell, he predicted that the current average of about $12 per DPT shot may jump to at least $20 to $25, not counting the office visit.

Smith said he expects Connaught to have a similiar price hike for private purchases of the vaccine in the near future. Connaught officials did not return phone calls yesterday afternoon.

DPT vaccine may cause side effects ranging from minor discomfort to brain damage. But government estimates suggest the chance of serious long-term harm is rare—about one in 310,000 doses—and that the potential risks are far outweighed by the benefits of preventing these deadly childhood illnesses, Smith said.

He said that the price increases are likely to increase pressure for new vaccine compensation legislation pending in Congress.●

THE HOMELESS IN AMERICA

● Mr. DECONCINI. Mr. President, I rise today to bring to your attention the grim reality of a growing problem for millions of Americans. "They" stroll the streets, band under bridges, crouch on the curbs and bundle up on the benches in the parks. "They" are the homeless. Homeless is the new name for those to whom we used to refer as "panhandlers," "derelicts," "bag ladies," "street people," and the recently "dishoused." They seek lodging in the overnight shelters, cheap hotels, and rooming houses. They seek food at Salvation Army kitchens, soup lines, and sandwich wagons.

They have made the streets of our cities their home for many different reasons. Some of the homeless population are those who have been discharged from our public mental health system and have no supportive safety net for making the transition into the mainstream. Some are on the streets because of other factors, such as unemployment, welfare cuts, personal or family crises, and shortages in affordable housing. Many of the homeless are the elderly who, for any number of reasons have little or no income on which to survive.

These are "our" homeless citizens who have reached this state in life after having missed many of the opportunities life had to offer. They have faced crisis after crisis in their lives and have lost their will and skill to beat the odds against obtaining a decent quality life for themselves and their families.

The homeless elderly, a very large group, is a rapidly growing population in this country and is made up of older persons whose main source of income is Social Security, which is not an income adequacy program.

Last year, according to an article published by the National Council on the Aging, Inc., 66 percent of our elderly citizens derived half of their income from Social Security, and for 26 percent Social Security comprised 90 percent of their income. Fifteen percent of America's older persons, or

4 million, live in poverty. About 39 percent of elderly blacks, and 19 percent of all elderly women live in poverty. Thirty-one percent of our elderly live alone and most of them are women.

Homelessness is much more than not having a place to live. It is having suffered the loss of the support of friends and relatives. Years ago, the extended family was the ever-present protection against the outside world. Today, for many, social service shelters have replaced that family support system. Many of the homeless suffer from acute medical problems that need professional attention, and substantial numbers have physical disabilities that interfere with their ability to work. Many also suffer from lack of socialization, and could be helped through counseling and emergency assistance.

Mr. President, our homeless are both young and old. Estimates of the number of homeless vary widely, from the Federal Government's 250,000-to-350,000 range to the 3 million claimed by a national advocacy group for street people. Recently a news article reported that the largest United States homeless populations were in New York City and Los Angeles with 60,000 and 50,000 respectively. We have approximately 7,000 homeless persons in Arizona, but the numbers are growing, and the problem needs to be addressed at the national as well as the local level.

Just over 2 years ago, the World Hunger Ecumenical Arizona Task Force estimated that in 1983, over 350,000 Arizonans were living below the poverty line and many of them were homeless. Our Arizona social workers stated that they had seen an ever-increasing number of underemployed or jobless workers who were literally begging for food to eat. Others were driven to steal to feed their families. These situations are not unique to Arizona; they are replicated in each of our 50 States.

I cannot believe that we, as Americans, will continue to allow the thousands or millions of our citizens to face the daily drama of trying to find food or shelter for themselves and their families. I cannot believe that we, as Americans, will continue to allow our elderly people to eat cat food to supplement their diets. I cannot believe that we, as Americans, will continue to allow mothers to give what little food they have left to their children and go hungry themselves or to allow unemployed men to steal a loaf of bread or can of soup to feed his family.

In America, the land of plenty, we should have no hunger, no homeless, and no person without hope. We have the technology, and the know-how to combat all of these problems, and I certainly hope that we will use our commonsense and compassion to convert this know-how into assistance for our less fortunate fellow Americans. Let us, in Congress, muster our courage and compassion to eradicate homelessness in this country. I urge my colleagues to join me in searching for a successful solution to the hunger and homelessness among our impoverished citizens in America. We can and we must do a better job in combating homelessness in our Nation.●

JOURNEY BACK TO EXILE

● Mr. D'AMATO. Mr. President, I rise today to voice my concern over the welfare of Dr. Andrei Sakharov and his wife, Yelena Bonner. Soviet authorities banished Sakharov, a recipient of the Nobel Peace Prize, to the closed city of Gorky in 1980, in an attempt to isolate him from contact with Western media. Dr. Sakharov has been an outspoken advocate of human rights. Bonner, a founding member of the Moscow Helsinki Group, was arrested and charged with "slandering the Soviet State" as a result of her human rights activism. She was sentenced to 5 years of internal exile.

Yesterday, Yelena Bonner returned to the Soviet Union after undergoing heart surgery and eye treatment in the West. After she was greeted by friends and diplomats at Moscow's Sheremetyevo Airport, she returned to the couple's apartment in the Soviet capital. Despite this warm welcome the future remains bleak. Victor Louis, a Soviet journalist recently remarked that Bonner's criticism of the Soviet Union had "jeopardized" an early end to Sakharov's exile. The truth of the matter is that Sakharov's illegal detention in Gorky violates Soviet law as well as international agreements, including the Helsinki Final Act. The Soviet authorities have never produced the documents which resulted in his banishment. In fact, the Soviets have made Sakharov a true prisoner of conscience, a living example of the unlimited and merciless power of the Soviet state.

Prior to her return, Bonner met with a number of Western leaders to discuss their status as political prisoners and solicit support. Regrettably, her request for a meeting with President Reagan was turned down. As chairman of the Commission on Security and Cooperation in Europe, I urge other Members of Congress to raise their voices in support of Sakharov and Bonner.

Mr. President, I ask that an article by Ambassador Jeane Kirkpatrick regarding their plight be included in the RECORD immediately following my remarks.

The article follows:

[From the Washington Post, June 2, 1986]

YELENA BONNER'S RETURN TO EXILE

(By Jeane Kirkpatrick)

"Statistics don't bleed," Arthur Koestler once commented in trying to explain why civilized people remain unmoved by reports of mass horror. Large numbers and remote places are less real for most of us than the particular experiences of particular persons.

Considering emigration policy is one thing, watching Yelena Bonner say goodbye to her grandchildren is another.

It is hard, Bonner tells us, to return to Gorki and to exile, hard to return "to life without freedom . . . to a life with hidden microphones, policemen, restrictions."

"Like my husband, I will not be allowed to leave the city limits or meet or speak with anyone," she says. But she must go. Her husband, Andrei Sakharov, is there. She must join his exile.

Bonner is saying a long goodbye to the West, departing New York (without our president having found time to meet with her), the pausing in Britain to speak with Margaret Thatcher and in Paris for a meeting with Francois Mitterrand—insisting in every capital that the world remember her husband in exile in Gorki.

By sharing her letters, her fears, her health problems, Bonner has made us feel the pain of Sakharov's isolation from his work and professional colleagues. Like Avital Shcharansky, Yelena Bonner will not let us forget her husband's sweetness and strength and suffering. He has planted flowers and washed windows in anticipation of her homecoming. He needs company. He is very tired.

From Sakharov's stepdaughter, Tatyana Yankelevich, comes new evidence of just how much Sakharov suffers from his isolation. Last July, she says, Sakharov wrote to Soviet Premier Mikhail Gorbachev an assurance that he was ready to cease all public activities and return to his scientific work—except to speak up about "exceptional cases."

Sakharov is, after all, one of the great theoretical physicists of his time—a key figure in Soviet thermonuclear science, elected to the Academy of Sciences in 1953—a very paragon of a committed Soviet scientist.

"I believe in the power of reason and in the human spirit," testified this man of science. Surely that was no offense, or was it? For Sakharov also believed in linkage. For him, reason, science, human rights, democracy and peace are closely related. So are repression, totalitarianism and war. His insistence on speaking about these relationships made him a target and a victim of the coercive power of the Soviet state. In 1968, Sakharov's manifesto, "Progress, Coexistence and Intellectual Freedom," spelled out his vision of the future.

"I am convinced that international trust, mutual understanding, disarmament, international security are inconceivable without an open society with freedom of information, freedom of conscience, the right to publish, the right to travel, the right to choose the country one wishes to live in. I am also convinced that freedom of conscience, together with other civic rights, provide both the basis for scientific progress and a guarantee against its misuse to harm mankind," he wrote.

From the moment of the document's publication, Sakharov was eliminated from the Soviet Union's scientific elite; his security clearance canceled, his work demoted and hamstrung.

Sakharov's crime was to think forbidden thoughts of a repression-free future and to harbor unacceptable concerns for dissidents, minorities and human rights advocates. Sakharov believes that tyranny is inextricably

associated with war and that the democratization of the Soviet Union is necessary for peace. His crime was arguing a clear case for human rights and peace.

Because he asks amnesty for Soviet political prisoners, protested the invasion of Afghanistan and sought visas for his wife and daughter; Sakharov has been hounded, isolated, exiled, and sometimes imprisoned. The Kremlin's goal, says Yankelevich, is to "bury the Sakharovs in Gorki—alive or dead."

Why is the Soviet Union willing to pay so high a price in terms of world esteem to keep the Sakharovs in Gorki? Abroad, Sakharov would pose no threat to the Soviet state. He is a man of reason, not violence. Everyone knows it. To use power against such a man condemns the user. It condemns the user's society to a cycle of repression and stagnation. Sakharov is right: freedom is needed for progress. Democracy and repect for human rights are needed for peace.

The spirit that keeps Sakharov in Gorki keeps the Soviet economy lagging, its standard of living lower than that of any European state. It affects Soviet agriculture, industry, public health, housing, communications, infant mortality, life expectancy, it keeps Soviet troops in Afghanistan. It threatens peace.

One hopes that Gorbachev will think it over. It is possible to break the vicious cycle of repression, corruption and stagnation.

Why not let Sakharov plant flowers and wash windows in the West? It would be good for the Sakharovs, their children and grandchildren, and good for the Soviet Union.●

NATIONAL THEATRE WEEK

● Mr. BINGAMAN. Mr. President, on May 20, 1986, Senate Joint Resolution 247, a measure to designate the week of June 1 through June 7, 1986, as "National Theatre Week," became Public Law 99-312. I would like to invite the attention of my colleagues to this law, and commend Senator McCLURE for sponsoring this resolution.

In America, there are theater groups in many of our communities which were organized for many different reasons. Theater is brought to us by high schools, colleges, and community groups, as well as professional organizations across the land. Each of these are worthy of praise and notice, but let me highlight just one of the excellent community theaters in my State.

The community theater organization in Los Alamos, NM, was founded in 1943, the same year the Los Alamos Scientific Laboratory was established. The history of the Los Alamos Little Theatre is unique. In 1943, during World War II, Los Alamos was a closed city. The residents, many of whom came from metropolitan areas, were for the most part confined to the city because of the sensitive nature of the work underway there. They had no access to the theater, and for that reason established their own.

Since it was established, the Los Alamos Little Theatre has staged more than 170 plays and musicals, averaging about 4 per season. It has enjoyed tremendous community involvement and support. There are no paid employees. All aspects of production from direction to acting to set design and construction are done by volunteer members of the association and nonmember residents. After 43 seasons, the Los Alamos Little Theatre continues to entertain the community.

Mr. President, the theater in Los Alamos is an example of what theater associations throughout the United States have brought, and continue to bring—culture, entertainment, and community involvement to millions of Americans. It is for this reason that many Americans have devoted much time and energy to local theater, and to the great benefit of the Nation.

The passage of this resolution and its signing into law commemorating National Theatre Week affords an opportunity this week to reflect on that contribution to our culture and to express our gratitude for it.●

REMOVAL OF INJUNCTION OF SECRECY

Mr. DOLE. Mr. President, as in executive session,

I ask unanimous consent that the injunction of secrecy be removed from an Encouragement and Protection of Investment Treaty with Grenada (Treaty Doc. 99-25) which was transmitted to the Senate today by the President of the United States.

I also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and Grenada concerning the Reciprocal Encouragement and Protection of Investment, signed at Washington on May 2, 1986. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

The Bilateral Investment Treaty (BIT) program, initiated in 1981, is designed to encourage and protect U.S. investment in developing countries. The treaty is an integral part of U.S. efforts to encourage Grenada and other governments to adopt macroeconomic and structural policies that will promote economic growth. It is also fully consistent with U.S. policy toward international investment. That policy holds that an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of investment disputes.

I recommend that the Senate consider this treaty as soon as possible and give its advice and consent to ratification of the treaty at an early date.

RONALD REAGAN.

THE WHITE HOUSE, *June 3, 1986.*

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I inquire of the distinguished minority leader if he is in a position to confirm any or all of the following nominations on the executive calendar: Calendar No. 825, Peter C. Myers; Calendar No. 826, David F. Goldberg.

Mr. BYRD. Mr. President, there is no objection on this side, both of these nominations having been cleared.

Mr. DOLE. I thank the distinguished minority leader.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations just identified, and that the nominations be considered and confirmed en bloc.

There being no objection, the Senate proceeded to the consideration of executive business.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF AGRICULTURE

Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture.

SECURITIES INVESTOR PROTECTION CORPORATION

David F. Goldberg, of Illinois, to be a Director of the Securities Investor Protection Corporation.

Mr. HELMS. Mr. President, on behalf of the Committee on Agriculture, Nutrition, and Forestry, I am pleased to speak to the nomination of Peter Myers, to serve as Deputy Secretary of Agriculture.

Peter Myers is well known to many Members of the Senate. He has worked within the Department of Agriculture for some time, having served admirably as Chief of the Soil Conservation Service from 1982 to 1985 and as Assistant Secretary for Natural Resources and Environment since May 1985. In these positions, he has played a major role in the development of national conservation and forestry policy. I am particularly grateful to him for his personal help and involve-

ment in the development of the sodbuster, swampbuster, and conservation reserve portions of the 1985 farm bill.

I am pleased to support this nomination and trust that my colleagues will quickly confirm him, so that he may proceed to tackle the tough problems facing the Department and the agricultural community.

I urge that my colleagues vote to confirm this nomination without delay.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTIONS IN ENROLLMENT OF H.R. 3570

Mr. DOLE. Mr. President, I ask unanimous consent that House Concurrent Resolution 340, a resolution to correct technical errors in enrollment of H.R. 3570, be held at the desk pending further disposition.

Mr. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY

RECESS UNTIL 9:30 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 9:30 a.m. on Wednesday, June 4, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, CRANSTON, GORTON, PROXMIRE, LEAHY, GORE, CHILES, KERRY, BINGAMAN, LEVIN, CHAFEE, D'AMATO, MURKOWSKI, ROTH, PRESSLER, DODD, BENTSEN, and MELCHER.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond the hour of 11:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 2030

PROGRAM

Mr. DOLE. Mr. President, I indicate to my colleagues that it will be our intention at 11:30 a.m. to begin consideration of H.R. 3838, the tax reform bill. I am not certain that there will be rollcall votes on the tax reform bill on tomorrow. I assume that it will be very helpful to Members to have a full explanation for this bill by the chairman of the committee, and other members of the Finance Committee.

I know that a number of Senators have been briefed on different parts of the bill.

If we can work out some agreement on the appropriations bill tomorrow, so that we can begin that bill by 3 o'clock in the afternoon, I would be prepared to move from the tax reform bill, after statements have been made and information is presented to the Senate, probably late tomorrow afternoon, to begin work on the supplemental tomorrow evening or Thursday after the vote on the Saudi arms sale veto. We would want to complete action on Friday.

I suggested earlier that it had been cleared earlier on this side, that following the vote on the veto message, the Senate proceed to the supplemental appropriations bill and that final passage occur not later than 2 p.m. on Friday, June 6. I just had the staff add up all the Members on this side who have amendments, and they indicated no objection to that agreement.

If we can work out some other unanimous-consent agreement where we can limit the amendments to those that have been designated, I would be pleased to expand it in that way. It would be my belief we could not do that this evening.

What this Senator does not want to start is an open-ended supplemental and go on for 3, 4, or 5 days. We will find ourselves with no tax bill by the time we recess again on June 27.

We have a number of items we hope to dispose of between now and June 27.

Just for the record, they include the tax reform bill; the supplemental appropriations. We hope to begin the budget conference report on June 16, which will require 10 hours, finishing that on the 17th. We would like to take up the DOD authorization on the 18th, 19th, and 20th of June, and begin reconciliation on Monday the 23rd, finishing that by Wednesday the 25th. Hopefully on the 26th and 27th of June we can clean up any other matters of urgency that must be dealt with.

Then we are out until July 14.

So I think we have a rather busy schedule. We may as well prepare for Friday sessions because we only have three Fridays before we are back in recess.

Mr. BYRD. Mr. President, the distinguished majority leader made reference to the supplemental appropriations bill and made what I thought was a unanimous-consent request.

Mr. DOLE. I said I woud have made that request as it had been cleared on this side.

Mr. BYRD. I thank the distinguished majority leader.

Mr. President, I hope that overnight something can be worked out particularly on the request, which, as it stands, would be worse than cloture in that it makes no provision for amendments. Any amendment could be brought into the Senate with that kind of time agreement, if it were entered into and be voted on at some point, certainly, before the deadline. The Chair could be overruled easily by a majority vote on a point of order. That the Senate would lock itself in by agreeing to a final vote without taking precautionary measures, to the regret of all perhaps, should not be.

I hope that overnight something can be worked out. It is the desire of Senators on this side to proceed with the supplemental appropriations bill and also the tax reform bill. But I think there are Senators on this side, other than I, who are prepared to state that, until the Joint Committee on Taxation supplies Senators with the information they need to figure out costs on any amendments they may feel a need to offer, it may be difficult for them to proceed to vote finally on the bill.

□ 2040

These are things that can be worked out. I appreciate the majority leader's offer to try to bring up the supplemental appropriations bill tomorrow under an agreement. I shall attempt on this side to work with the majority leader in that respect.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. We shall try to work out some agreement. If we can get some agreements, we can dispose of the bill at a time certain, maybe lock in amendments. I have just reviewed some on our side. There are far too many, but perhaps they will not all be offered.

We do plan to start on the tax reform bill tomorrow. I can understand the concern of some that they do not have the information of the Joint Tax Committee, but having managed three or four tax bills on this floor, I cannot recall that we have ever been able to satisfy every Member on information. The bill is going to be on the floor for a while. I assume there will be a continuing flow of requests to the Joint Tax Committee staff. They are outstanding men and women, but there is only so much they can crank out each day.

I hope that once we start on the bill—as I have indicated earlier, there are already 28 or 30 amendments. Members have apparently already read the text and are prepared to offer amendments to the bill. Those who are not prepared will have that additional time.

It does seem to me if we can start on it and work out some agreement on the supplemental—because there is, in at least one instance—the Commodity Credit Corporation, I think, is out of money or will be out of money by Thursday. I am advised that FEMA, not insofar as individuals but public, may be out of money by Friday.

Mr. BYRD. I thank the majority leader. I think some way can be found to accomplish all of these ends so the supplemental appropriations bill will be disposed of and Senators may begin the debate on the tax bill. I am encouraged by what the majority leader has said.

Mr. LEVIN. Will the majority leader yield for just a question or, really, a comment on his point?

Mr. DOLE. Yes, Mr. President.

Mr. LEVIN. I made a request to the Joint Taxation Committee a couple of weeks back. I know they are working on it. A number of our colleagues have made similar requests. I think, frankly, they are probably overwhelmed with requests at this point, so that any delay is not their fault.

On the other hand, I do not know of a bill that has ever come to the floor that has such massive implications and we have had such little time to read it. It has over a thousand pages. It makes dramatic changes in the tax code. We just got it late Friday afternoon. My staff worked on it all weekend—without any complaint—trying to digest it. We have not gotten through it yet.

What we would like to have are two or three things that we would like to have at least an agreement on before we proceed. One is a response to a letter we wrote about 2 weeks ago to the joint committee. Second would be a list of the so-called transition rules. Finally, I think we should have some indication from the chairman of the Finance Committee as to where he would look for alternative revenues to meet the revenue requirements of the Budget Act.

I do not see how we can proceed in a logical way without at least knowing about when we will get the information. I can understand, and I spoke to the majority leader this afternoon, that perhaps we should proceed without having it in hand. But if we were going to do that, I would want a firm understanding as to approximately when we would receive that information I have outlined. It may be the middle of next week. I could understand that. But I would not want to start down that road without some assurance as to where along the road we would have the information which is so critical to deciding where to offer amendments and so forth.

I say that for the record. I am not one who is trying to stop us from proceeding in a normal way to consider this bill.

□ 2050

Mr. DOLE. Mr. President, I thank the distinguished Senator from Michigan. I certainly understand the need for information. It is a massive piece of legislation. But I can also understand the chairman's desire to start the ball rolling. There is a lot of momentum for tax reform. We can ask for figures and numbers and all kinds of things from the Joint Tax Committee up to the point where there may not be any momentum left. I do not believe that will happen. I am certain that is not the intention of the Senator from Michigan, but I doubt we could make an agreement everybody would get all the information they ever wanted from the joint committee before we complete action on the tax bill. It would be my hope that we could start on it tomorrow. If we cannot get agreement on the supplemental, we will stay on it Thursday and Friday and during all that time give the joint committee staff time to furnish information.

I am not certain how many requests they have, but I would guess just from the committee staff alone on both sides, Republican and Democratic, they probably have a great many. They have been working literally around the clock for the past 3 weeks until last Thursday, I assume, when they filed the report. So it is not a lack of responding to our requests, just that it is almost impossible.

But I certainly will convey the concerns of the distinguished Senator to the chairman, Senator PACKWOOD. I have indicated to Senator PACKWOOD this evening that if we can reach an agreement on the supplemental, we might move from the tax bill either late tomorrow or Thursday. He had no objection to that. So we may make some progress in the next 24 hours.

Mr. LEVIN. If the majority leader will yield for just an additional brief time, what I suggested was where there has been precise requests for information from Members, there be some understanding of a timetable as to when that information would be received during the debate. I agree that all the information anybody ever might want during the debate might not be forthcoming, but my request and others' were very finite, very precise, in letters to the Joint Taxation Committee. I think we could at least get a timetable as to when we could expect answers. By the way, I agree with the Senator on how hard that staff is working. My problem is proceeding with a bill before we have the information. I have no problem with the staff of the Joint Taxation Committee. They are doing as good a job as they possibly can. But I do think we ought to have an understanding as to when precise requests that have been outstanding for a week or two would be filled during this debate so we do not start down the road and find ourselves, through no fault of anybody, without critical information we need to make intelligent decisions on amendments.

Mr. DOLE. Mr. President, I thank the Senator from Michigan. We will certainly do the best we can. Fortunately, I am no longer the manager of that bill, so I will leave it up to my distinguished colleague from Oregon, Senator PACKWOOD, and the expert on the other side, the distinguished Senator from Louisiana, Senator LONG, who has been down this road many, many times. This will be a piece of cake for him, but for the rest of us it may be very difficult.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move we stand in recess until 9:30 a.m., on Wednesday, June 4, 1986.

The motion was agreed to; and, at 8:43 p.m., the Senate recessed until Wednesday, June 4, 1986, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 3, 1986:

DEPARTMENT OF THE TREASURY

Michael R. Darby, of Texas, to be an Assistant Secretary of the Treasury, vice Manuel H. Johnson, Jr., resigned.

Lawrence B. Gibbs, of Texas, to be Commissioner of Internal Revenue, vice Roscoe L. Egger, Jr., resigned.

THE JUDICIARY

William W. Wilkins, Jr., of South Carolina, to be U.S. circuit judge for the fourth circuit vice Emory M. Sneeden, resigned.

Karen LeCraft Henderson, of South Carolina, to be U.S. district judge for the district of South Carolina vice William W. Wilkins, Jr.

FEDERAL RESERVE SYSTEM

Manuel H. Johnson, of Virginia, to be vice chairman of the Board of Governors of the Federal Reserve System for a term of 4 years, vice Preston Martin, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 3, 1986:

SECURITIES INVESTOR PROTECTION CORPORATION

David F. Goldberg, of Illinois, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1987.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF AGRICULTURE

Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture.

EXTENSIONS OF REMARKS

SOVIET JEWRY

HON. JOSEPH J. DioGUARDI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. DioGUARDI. Mr. Speaker, I rise today on behalf of the Congressional Call to Conscience Vigil for Soviet Jewry and to bring attention to an initiative being put forth in the June 1986 issue of Reader's Digest.

Mr. Speaker, democratic nations were thrilled and overjoyed by the Soviet Union's release of renowned human rights activist, Anatoly Shcharansky. In fact, many of us had the pleasure of meeting Mr. Shcharansky during Solidarity Sunday in New York City and on his visit to Washington last week. Unfortunately, as he reminded us, his fortune has been denied to hundreds of thousands of Soviet Jews who wish to escape to the West or simply to live their lives without fear of repression by the Soviet Government. He also reminded us that if we were to make progress on human rights within the Soviet Union, we must continue to apply constant pressure upon their Government. While I am in full agreement with this assessment, if our efforts are to be successful, they must come not only from the Congress, but from the American people as well.

This is where Reader's Digest is making its contribution. Their June 1986 issue will feature an article written by Lawrence Elliott entitled, "Buried Alive: The Plight of Soviet Jews." At the end of the article, an appeal is made to their 50 million readers to participate in a letter writing campaign to help end the persecution of Soviet Jews. The letters will be directed to the Soviet Ambassador to the United States. I wholeheartedly support and commend Reader's Digest for their initiative and am proud to have such a committed organization hail from my district. I ask unanimous consent that a copy of this article appear in the RECORD at the end of my statement.

Mr. Speaker, the American people have shown their dedication to the rights of free men as evidenced by our demonstrations against South Africa's policy of apartheid. It is my hope and belief that we can do the same to help end the ironfisted tyranny being perpetrated against the Jewish people living in the Soviet Union.

BURIED ALIVE: THE PLIGHT OF SOVIET JEWS
(By Lawrence Elliott)

Anatoly Shcharansky's walk across Berlin's Glienicke Bridge to freedom on a stinging cold morning last February exhilarated the non-communist world. Shcharansky had been the animating spirit of the beleaguered human-rights movement in the Soviet Union. Nervy, iron-hearted, he spoke for the thousands of Jews refused permission to emigrate, then braved the Kremlin's wrath and the KGB's inexorable retribution: a crudely fabricated charge of spying, a sentence of 13 years in prisons and a labor camp.

Now, having served nine years—including 403 days in a frigid punishment cell where he was fed only every second day—here he came walking into West Berlin, unbroken, uncompromising, mocking his tormenters to the end. At the East Berlin airport they had ordered him to march straight ahead to a car that would take him to the crossing point. Said Shcharansky, "I agree to nothing proposed by the KGB"—and strode off to freedom, zigzagging the whole way.

Millions rejoiced; some even hailed his release as proof that freedom was an irrepressible idea. If so, it was an idea whose time had not yet come for the rest of the Soviet Jews—and Shcharansky was the first to say so. He vowed not to forget "those whom I left in the camps and prisons, who are still in exile, or struggling for their right to emigrate." Their true numbers are unknown, these people who live in limbo, and for them the only changes have been for the worse.

For Jews in the U.S.S.R. today, life on the always precarious razor's edge has turned critical. Jew-hating is in full fashion, with anti-Semitism rampant in the press, and on radio and television. A Jew's prospects for an education and a decent job are bleaker than at any time since the Revolution. Every expression of Jewish faith and tradition is under attack.

Yet never has it been harder for Jews to leave. Emigration, which exceeded 51,000 in 1979, was below 1200 last year.

Still they keep trying. There is reason to believe that nearly half the Jewish population of two million would ask for visas if they thought they could get them. At least 30,000 have been turned down—some again and again. "Refuseniks" are official pariahs, defamed, routinely dismissed from their jobs, then prosecuted for "parasitism." All they can do is wait, watching helplessly as their creative years slip away in the day-in, day-out struggle to survive.

Your name is Nadezhada Fradkova, and in 1978 you live and work as a linguist in Leningrad. You have been made to feel that being a Jew conflicts with being a loyal Soviet citizen. You apply for a visa to immigrate to Israel.

They tell you your father will not give his permission. You cannot believe your ears. Your father divorced your mother before you were born. You are 31 years old, and you have never even met him. You protest. And, as often as possible, you reapply for a visa. To no avail.

You lose your job and support yourself as a cleaning woman and by giving private language lessons. Years pass. In March 1983 you start a hunger strike. The KGB drags you off to a hospital where you are drugged and force-fed.

In May the KGB releases you, but soon you are on another hunger strike, and they come for you again. This time, with a friend's help, you smuggle an appeal to the outside world. Your captors let you go—for the moment.

On May 2, 1984, you are arrested and taken to a psychiatric hospital where you are registered as mentally disturbed. In July, you are kept in total isolation. In September, you are judged fit to stand trial.

Never in the history of Soviet jurisprudence has the defendant in a political trial been acquitted. You are sentenced to two years' imprisonment. In September 1985, in a labor camp in the Arctic north, you are put in a punishment cell for starting another hunger strike. When you finally complete your sentence, you will apply again for an exit visa. They cannot take away your hope.

Anti-Semitism was banned by law after the Revolution. But under Stalin, Bolsheviks began terrorizing those who clung to a Jewish religious or community life. Unlike every one of the other 100-odd nationalities in the Soviet Union, Jews were expressly denied their own schools, as well as Hebrew newpapers and books. Synagogues were shut down and rabbis persecuted. Even the teaching of Hebrew was made a crime.

The new Israeli nation handed Stalin—and every one of his successors—a fresh pretext for anti-Semitism. When the Kremlin reviled Israel and its "Zionist warmongers," the threat to Jews in the U.S.S.R. was painfully clear.

But something remarkable happened: instead of being cowed by this abuse of Israel, many Jews found that their feelings of Jewishness intensified, and this served to rekindle Jewish thought and tradition. Israel gave them hope. Putting their fears behind them, Jews began demanding the right to emigrate. Though the Kremlin responded with intimidation by the secret police, raids and arrests, the impulse to go swelled. In 1970, after only 1000 exit visas were granted, the bravest of the thousands who had been refused defied authorities; they staged sit-ins, wrote open letters to the United Nations, even renounced their citizenship. "Each person has his quota of fear," said one. "We have used up ours."

You are Vladimir Slepak. Your father is an old Bolshevik whose faith in the Revolution remained unshaken even during Stalin's purges and anti-Semitic spasms even though he nearly lost his life. When you refuse to join the Communist Party, your father is appalled. Later, when you and your wife, Mariya, put in for visas to Israel, you hear that he goes to the KGB and demands that you be denied permission to leave.

You lose your job as head of a television-research laboratory. Your visa application is turned down repeatedly. You and Mariya make common cause with other refuseniks in Moscow. You teach yourself Hebrew and attend classes on Jewish culture and history. You are the rock of the Jewish community. Anatoly Shcharansky is in your apartment when the KGB comes to arrest him.

The KGB watches you. Your apartment is ransacked; you are endlessly questioned, fired from one job after another, twice put in "preventive detention." A KGB officer says you cannot leave the Soviet Union—you know state secrets.

"What secrets?" you ask. "In our lab we were fourteen years behind the West."

He smiles. "That's the secret."

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The years pass. Your elder son miraculously gets an exit visa. One day in 1978, you and Mariya hang a banner from your window, "Let us out to our son in Israel." For this you are arrested and sentenced to five years of internal exile. Mariya is given a suspended sentence.

They send you to a place near the Mongolian border where the winter wind cuts like a knife. Here Mariya joins you and you serve out your sentence in a one-room flat without water. When you return to Moscow, you apply again for a visa. You have no illusions. But if the visa comes you could be packed in an hour. You have already waited 16 years.

In the mid-1960's, some 4500 Jewish families who had applied to emigrate years before were suddenly given exit visas. This was unprecedented. But even more remarkable was the rising tide of Jewish emigration that followed—nearly 230,000 let go over the next ten years.

What happened? Compassion had nothing to do with it. On the contrary, Moscow, aware that the Jewish emigration movement had attracted the sympathy of the civilized world, coldly decided to make it pay. In the judgment of William Korey, director of international policy research for B'nai B'rith, the Jews became hostages: "'You want Jews allowed out?' The Soviets were saying. 'Well, we want your wheat and technology; we want credits and tariff preference.' The more hope they had for increased trade, the more exit visas became available."

The question is why, in 1980, they began closing the tap, until today it is a heartbreaking trickle. Had inherent Russian anti-Semitism reasserted itself? Were they losing too many productive professionals? Was emigration ending along with détente?

There is truth in all of this, but the truest explanation lies in a time bomb Moscow cannot defuse: the shrinking percentage of Russians in the Soviet empire (an inflated 52 percent in the most recent census), and the growing size and restiveness of other national groups. If Jews were allowed to leave, how long before disaffected Ukrainians or Lithuanians began asking to be reunited with their families in Sweden, Canada and the United States? What if Estonians, Uzbeks or Georgians began demanding more cultural rights, more autonomy? The men in the Kremlin simply quit while they were ahead.

Will the gates reopen? Listen to what Mikhail Gorbachev said in a French-television interview last October: "There is no country where Jews have as many rights as in the U.S.S.R. If there is a problem of reunions among family members, we accept that. When do we prevent the resolution of such problems? When the applicant knows state secrets. Then we give him the possibility of waiting." In other words, nothing is wrong; therefore, nothing will change.

One day in 1978 you apply for an emigration visa. You, too, are turned down. You lose your Moscow residence permit. To avoid being expelled, you must hide from the KGB and give up your job as an English teacher. You are Yuli Edelshtein, age 20, and in the days ahead you face the worst the Soviet state has to offer.

You feel you are marking time; the visa will come. Waiting, you teach Hebrew to young people, as do your friends Aleksander Kholmiansky and Dan Shapiro.

The teaching of Hebrew is no longer illegal in the U.S.S.R., but all the unofficial teachers in Moscow, perhaps 50, have been visited by the police and warned to quit. Few do. In the summer of 1984, several Hebrew teachers are beaten and jailed. Aleksander Kholmiansky is arrested, accused of stepping on flowers in a public park. He spends ten days in jail. Released, he is immediately arrested again for "hooliganism." The rest of you walk a narrow line. "Don't even cross the street against a red light," you warn your students.

It doesn't help. After your house is searched by the KGB, you are arrested on September 4 on false drug charges. Your students are interrogated; Dan Shapiro's home is searched. He is arrested for refusing to identify himself and for attacking a policeman.

At your trial in December a parade of paid witnesses stumble through false accusations until even the judge is embarrassed. Nonetheless, you are sentenced to three years' imprisonment. Six weeks later, Aleksander Kholmiansky gets a year and a half.

In the summer of 1985 your wife, Tanya, is allowed to visit. She brings news of Dan Shapiro. In June he appeared on Soviet television in a carefully rehearsed presentation, and condemned the Jewish activist movement as slanderous and anti-Soviet. In return, he was given a suspended sentence. You tell Tanya that Dan must not be blamed; the KGB has so many ways to break a man.

Tanya complains to the camp commander that you have been mistreated. He replies that they mean to beat the religion out of you one way or another. In March you suffer a bad "accident," with broken bones and subsequent infection.

Can we in the West help Yuli Edelshtein? Can we help Nadezhda Fradkova, Vladimir Slepak and all the other Soviet Jews imprisoned in the Gulag, or buried alive in a land they want to leave? Do we have the right?

The International Covenant on Civil and Political Rights assures anyone the right to leave any country; the U.S.S.R. signed it in 1973. The Helsinki accord obligates the signatory powers to provide exit visas for those seeking reunion with their families; the Soviets ratified it in 1975. So we have the right.

Do we have the means? History tells us the Soviets respond neither to threats nor out of moral or humanitarian considerations; they respond when it is in their own interest to do so. Our job is to persuade them that there can be no agreements or concessions in areas of their interest—no arms-control treaty, no expanded trade under most-favored-nation status, no computer technology—until there is a change in the Soviet policy on human rights and emigration. So we have the means.

Which brings us to the final question: Do we have the will?

INTERNATIONAL TERRORISM AND THE WESTERN ALLIANCE—LAWRENCE S. EAGLEBURGER'S COMMENCEMENT ADDRESS AT GEORGE WASHINGTON UNIVERSITY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. LANTOS. Mr. Speaker, recently Lawrence S. Eagleburger, former Undersecretary of State for Political Affairs, gave a brilliant commencement address at the George Washington University School of Public and International Affairs here in Washington, DC.

Larry, who is a dear friend, is one of the finest diplomats who has served our country. He has held numerous foreign service posts in Washington and abroad. In 1969 he began a long association with Henry Kissinger, when he was named executive assistant to the President's National Security Advisor. He subsequently was executive assistant to the Secretary of State, Ambassador to Yugoslavia from (1977–81), and Assistant Secretary of State for European Affairs (1981–82), before being named Undersecretary for Political Affairs in 1982. Since 1984 he has been President of Kissinger Associates.

Larry's outstanding address at George Washington University focused on the unfortunate decline in the common vision and in the collective action involving the United States and our allies in Europe and Asia that marked international relations in the post-war world. In recent years, the threat of international terrorism has become an important factor in the relationship between us and our allies.

Larry's careful analysis of the impact of terrorism on international relations and his thoughful suggestions about what we must do deserve our serious attention. Philip Geyelin's comment 2 years ago when Larry left the Department of State is relevant to this fine address: "Eagleburger is a pro, so you get no show-and-tell; he is tough-minded, so you get no easy answers."

Mr. Speaker, I know of no topic of greater interest or greater concern to our democracy today. Mr. Eagleburger's remarks follow. I urge my colleagues in the Congress to give them careful attention:

GEORGE WASHINGTON UNIVERSITY SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

(By Lawrence S. Eagleburger)

As we move into the last decade and one-half of the Twentieth Century it may be instructive—particularly for those of you who will be deciding the nation's fate in the Twenty First Century—to reflect a bit on what we are leaving behind. Except for a select few—we Americans among them—this century has been a difficult time for most of mankind. Barbara Tuchman, in her book "A Distant Mirror," argues convincingly that we have to go back to the Fourteenth Century, in the aftermath of the Black Death, to find a period in human history as tumultuous as contemporary times.

Yet, despite this less than spectacular record of Twentieth Century accomplishment, one trend shows such promise that it is possible to believe that we might pass on to the Twenty First Century a world moving toward greater stability, prosperity, and justice than the one we inherited. The development, after the close of the Second World War, of the concept of collective responsibility on the part of the Western democracies for their common security and economic betterment, and the structure of institutions—ranging the gamut from NATO, the OECD, and GATT, the World Bank, and the IMF—created to carry out those responsibilities, was, and is, an accomplishment unique in human history. It is the recognition that trans-Atlantic security can be assured only through a common commitment that has brought Europe the longest period of peace in this Century. It is the recogni-

tion that economic progress depends upon commonly accepted international rules of conduct and institutional structures that facilitate trade and financial cooperation that has given us an era of great, though uneven, prosperity.

In short, we in the West, including Japan, have, since 1945, steadily—if not always consistently—erected a complex edifice of interlocking and mutually supportive institutions and habits which hold out the promise—not only to ourselves but to much of the developing world—of a more peaceful and prosperous future if we but persevere in our commitment to collective solutions to our common problems.

Unfortunately, recent years have witnessed—on both sides of the Atlantic and the Pacific—a lessening of devotion to that vision of common responsibility and collective action that graced the post-war era with such promise. The passing of power to generations that do not know or understand the agonies of the first half of our Century, disputes over how best to deal with the Soviet Union, and to assure security in Europe, growing debates over market access, and threats of protectionism, to name but a few, seem more and more to characterize our era, while less time is spent on looking for compromise solutions and the creation of new institutions to deal with the new and burgeoning problems of the age of technology.

We have recently been witness to an event—the U.S. attack on Libya and its aftermath—that is both instructive and disquieting in that regard. It is worthy of examination, not because of the headlines it has garnered, but because of what it tells us—or may tell us—about the differences in perception between ourselves and our European allies over the nature of terrorism, and the growing discontinuity between our own view of our interests and responsibilities and the European perspective.

TERRORISM

Let us begin by looking at the nature of the terrorist threat that faces all of us in the West. Whether we know it or not, we are engaged in nothing less than a new form of warfare—a war that will surely get worse before it improves. Indeed, unless we in the West recognize the nature of this new form of conflict, and act in concert to win it, the impact on Western societies—which are particularly vulnerable to terrorist attack—could, over time, be destructive of our democratic institutions and our highly developed, and therefore fragile, means of political, cultural, and economic intercourse.

The enemy is no longer—if it ever was—simply dispossessed Palestinians who strike out in frustration because they have no homeland. Rather, it is made up of:

Fanatics whose detestation of the West in general, and the United States in particular, arises from their hatred of our materialism and other satanic qualities;

Nihilists of the Abu Nidal variety who have long since lost sight of what they are fighting for and have embraced terror for terror's sake;

Those who hate Jews and Israel, and America because of its support for Israel;

Common criminals who know a good thing when they see it;

And finally, those poor creatures who have been condemned to live out their lives in the hopelessness of refugee camps because Palestine no longer exists, they will not or cannot live in Israel, and few, if any, Arab states will accept them as anything more than displaced persons who must survive in squalor apart from the indigenous population.

And behind this congeries of angry and frustrated assassins who feel no commitment to any of the standards of conduct that the civilized world takes for granted, stand countries such as Syria, Iran, South Yemen, Libya, and, yes, the Soviet Union, all of whom—to greater or lesser degree—provide arms, money, and training to terrorists. Some also engage in command and control of terrorist groups, telling them whom to strike, how, and when. Some also grant the use of their terrority as sanctuary until the terrorist goes abroad again to commit another atrocity.

Admittedly, "atrocity" is a strong term, but what else can we call the shooting of two British and one American hostage in Lebanon two weeks ago? Is there any other name for the hanging of another American hostage shortly thereafter? What else can we call the vicious beating and murder of an American sailor who was a passenger on a highjacked TWA flight last year, or the death of an old and crippled man on the Achille Lauro last October, or the slaughter of innocents at the Rome and Vienna airports, or the death of four people on a TWA flight last month when a bomb went off in mid-air, or the death of an American soldier in Berlin the next day?

The list goes on and on. And a year from now it will be longer still. And yet we are told by some in the United States and many in Europe that if we respond violently, we will only contribute to the cycle of violence". The logic of that argument is that the current level of terrorist violence—whatever it may be—is acceptable; therefore, we should not respond, because to do so might increase the level of terror, which would not be acceptable. That, I would submit, is the logic that led Chamberlain to Munich. Mrs. Thatcher—who is certainly no Chamberlain—had it right a few days ago when she said: "If one always refused to take any risks. . . . then the terrorist governments will win and one can only cringe before them."

TERRORISM AND THE EUROPEANS

With the notable exception of Mrs. Thatcher and her Government, the United States has been subjected over the past two weeks to enough pseudo-sophisticated lecturing and sanctimonious criticism from Europe to last a lifetime. We have been the object of street demonstrations from London to Rome to, of all places, Berlin—a city that owes its freedom to our presence there. Even our closest allies have seen fit, in the course of their official condemnations of our actions, to give us but the most grudging of sympathy.

And yet, what every European critic fails to recall is that for the better part of the 1980's the United States has sought to persuade our European allies to join with us in economic and political sanctions against Qaddafi—sanctions which, if they had been in place, might have convinced the Libyan leader that the costs of his support for terrorism were too high. In other words, while they all decry our use of force, not one West European Government was willing to cooperate with us in measures which, taken collectively, might have made the use of force unnecessary.

Another criticism heard too often over the past several weeks in Europe, is that terrorism will not be ended until its cause—the absence of a Palestinian homeland—is rectified.

That claim has, at best, only marginal validity. But for the sake of argument, let us grant the point for a moment. Should we, then, deal with terrorists passively while we seek to bring peace to the Middle East? If poverty is a proximate cause of robbery does that mean that robbers should be permitted free rein until poverty is eradicated? To ask the question is to answer it. Further, since it is these same terrorist groups and their Syrian, Iranian, and Libyan masters who have time and again sought to derail the Middle East peace process by assassination of Arab moderates who show any inclination to negotiate with Israel, how can we ever hope to reach a peaceful settlement until terrorism is brought in check?

And finally, since the avowed objective of many of the terrorists and several of their supporting states, is the destruction of Israel, can the United States do less than make it clear that, while it seeks a peace in the Middle East that provides a home for Palestinians and assures that Israel is safe behind secure and recognized boundaries, it will, under all circumstances, provide the Israeli democracy with the means to prevent its annihilation?

Many Europeans claim to be upset because we failed to "consult" enough, or because we consulted, were told that we should not attack Libya, and then did so anyway. We have talked about Libya with Western Europe for years. We sent Deputy Secretary of State Whitehead to Europe earlier this year to explain our Libyan concerns; UN Ambassador Walters went there in early April for the same purpose. But the best we could get was a meeting of Common Market Foreign Ministers who talked a lot but produced little. If, under these circumstances, it can be argued that we failed to consult, or that "consultation" is not adequate unless we withhold action until we achieve agreement, then "consultation" has been redefined into a concept that no one, including our Western European allies, will ever accept. What is remarkable in this particular case is not that we failed to consult, but rather that we consulted so much and so often before we took matters into our own hands.

Former United Kingdom Prime Minister Edward Heath has argued that the use in the raid on Libya of F-111's raises questions about the wisdom of permitting U.S. aircraft to be based in Britain. What, he asked, if the President should again request British acquiescence in the use of those aircraft, and Prime Minister Thatcher should say no? And what if the President should use them anyway?

Aside from the gratuitous insult to the President, there is a substantial issue here. On the one hand, no reasonable person could argue against the proposition that the authorities of a basing country must have a substantial say in how we use the forces based there. It is true, after all, that agreement on the use of those forces involves the basing country in the hostilities that ensue.

But equally, Americans have a right to ask that our allies give us sympathetic consideration when we judge the use of those forces to be important in pursuit of our national security interests. To accord us less is to strengthen the hand of those who believe we should reduce the number of troops in Europe, and will now argue that if we cannot use our forces when we feel it imperative to do so, then we should remove those forces to locations from whence they can be used. As it is, Americans should not be blamed too much if they begin to worry a

bit about the nature and importance of their future relationship with a nation which may one day be governed by leaders who espouse the removal of nuclear weapons from their terrority and trumpet their opposition to the use of U.S. aircraft against a terrorist state.

It has been argued, both here and abroad, that our attack on Libya has strengthened Arab support for Qaddafi. That may, unfortunately, be true. But it is grudging support for a man generally disliked and distrusted, and not likely to be of any substantial long-term significance. What is far more disturbing is that so much of the European left has rallied to him, and yet was singularly silent in the face of a series of terrorist acts committed against Americans and Europeans.

Let me close out this catalogue of European complaints by referring to an argument I find least relevant and therefore most irritating. Throughout much of the commentary from across the Atlantic there has often been a hint—sometimes more than a hint—that Europeans are far more adept at the conduct of foreign policy than we. It is hard to avoid remarking, in the face of this self-congratulation, that much of the travail of this Century had its origins in European diplomacy and policy, which is not particularly good advertising for a claim of prescience. And, yet, their argument is not without merit. Our European allies have, over the past four decades, had a profound influence on America's foreign policy—an influence that has, on the whole, proved beneficial to both sides of the Atlantic. We bring to the table a sense of drive and purpose; our European allies often have a better sense of nuance and sophistication. And the result has been, on many occasions, a synthesis that has married the best of both worlds. But to achieve this result has required respect on all sides, as well as a compassionate understanding of the vital interests and emotional concerns of each of the parties. With the obvious exception of Mrs. Thatcher, Europe has singularly failed this time to understand the horror Americans have felt as they saw their fellow citizens brutally murdered and realized—let us admit it, with frustration—that it was our very strength and super power status that stood in the way of quick and effective action.

THE USE OF FORCE

No one with any sense will contend that one attack on Libya will bring an end to terrorism. It will not. But neither should we be mesmerized by the claim that to respond to force with force will lead to escalation. It well may, at least for a time. But, as one observer recently wrote in the Los Angeles Times "our very restraint has been a form of provocation. It has resulted only in more and more attacks against Americans".

Colonel Qaddafi has made no secret of his satisfaction with terrorists acts against American targets. Nor has he been particularly successful in obscuring his own complicity in many of those attacks. Indeed, he has made himself an easy target. By moving against him as we have, we can, at a minimum, expect that the next time he contemplates support for a terrorist strike against Americans he will have to consider the possibility that we will hit at him again. In the end, he may decide to go ahead, but he will do so in much greater doubt about his future on this planet than would have been the case a month ago. We have, then, introduced a degree of uncertainty into the equation that was not there before. Hopefully, others—the Assads, Khomenis, and Arafats of this world—will also be a bit more cautious next time, knowing, as they now do, that America crossed the Rubicon once and may do so again.

WHAT IS TO BE DONE

The democracies must face up to the unpleasant reality that we are engaged in a new and vicious form of warfare that poses potentially very serious threats to our institutions and to world stability. A wise transit from the Twentieth to the Twenty First Century will be difficult enough under the best of circumstances; it will be virtually impossible if the Western democracies are torn by the growing internal disorder and external tension that will surely develop if current terrorist trends are not reversed. As I see it, there is only one way to assure that they are reversed: those governments that now support and employ terror must be brought to a recognition that they have far more to lose than to gain by continuing present policies. It is true that individual terrorists may be willing to die for their cause, but governments seldom seek martyrdom. Thus, if they know that they will have to pay the price of political and economic isolation, and, in extremis, a price in lives as well, their enthusiasm for the use of terror may begin to wane. In the absence of that knowledge there will be no incentive to curb the fanatics, and the use of terror as an instrument of state policy will surely escalate.

President Reagan has shown the world that we will act alone if necessary. But I suspect he would be the first to admit that unilateral action is a palliative at best. What is needed is concerted action by all nations of the West—action to isolate through economic and political sanctions those states that support and sponsor terror as an instrument of policy. And, there must be, as well, a clear perception that force will be met with force if necessary.

I began my remarks today by referring to the anguish the Twentieth Century has brought to much of mankind. But I also referred to the hope that lies in the lesson the Western democracies learned out of the tragedy of World War: that collective action by nations committed to similar ideals of democracy and human worth could turn the tide of history in new and productive directions. The essence of modern terrorism is that it recognizes no external standards of conduct; any act, no matter how debased, is acceptable in pursuit of its perverted goals. Nothing is more antithetical to our Western values; nothing, therefore, is more deserving of the collective condemnation of the civilized world. If the world's democracies fail to act against the disease of terrorism now before it becomes an epidemic, we will have demonstrated that we have learned nothing from the earlier tragedies of our Century. But if we act together to meet this evil, we will be on the way to accomplishing that greatest of goals; to pass on to successor generations a world better than the one we inherited.

SOVIET OFFICIALS LISTEN TO VOICE OF AMERICA

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. COURTER. Mr. Speaker, there is remarkable irony in the news that Leonid Zamyatin, until recently the chief of the International Information Section of the Central Committee of the U.S.S.R., is among those listening to the Voice of America. Whether he does so to get news otherwise unavailable or merely to keep up with what Americans are thinking and saying is a question which we can ignore for the moment. The point is that the Voice of America's broadcasts are extremely important to those charged with controlling the information available to the people within Soviet borders.

In an excellent article in the Washington Times recently, United States Information Agency Director Charles Z. Wick detailed the enormous efforts made by many thousands of Soviet technicians every day to block the news and features which the VOA broadcasts over the Iron Curtain into the Soviet Union. It contains important information which is worthy of the widest possible congressional audience.

[From the Washington Times, May 8, 1986]

WHAT DO SOVIETS FEAR?

Why do the Soviets continue to jam the Voice of America (VOA) and other broadcasts—broadcasts which are a right supposedly guaranteed by international convention to which the Soviets are signatories? What is Moscow afraid of?

Why not permit our Russian language broadcasts to reach the people of the Soviet Union? After all, jamming violates international law and costs the U.S.S.R. valuable resources, including money and some 15,000 technicians at 2,000 jamming stations. The Soviets spend more on jamming our broadcasts than we spend to transmit them. Last fall, a senior engineer at the BBC estimated the jamming cost to the Soviet economy each year at no less than $750 million and perhaps as high as $1.2 billion.

Does the Soviet regime fear subversion? We don't use disinformation to tell the American story. We are not trying to subvert the Soviet government to overthrow it by force or other means. We go to great lengths to avoid the taint of partisan reporting, if for no other reason than this would violate the congressionally endorsed Charter of the Voice of America and would be unacceptable to Americans as contrary to our principles and values.

Why, then, do the Soviets spend and spend to block out information available to the rest of the world? Surely not just to break international law! I asked these questions when I met recently with Leonid Zamyatin in Moscow Mr. Zamyatin was then chief of the International Information Section of the Central Committee of the Soviet Communist Party, as well as a member of the powerful Central Committee.

His response: the Soviet government does not want its citizens wasting valuable time deciding what broadcasts are worthy of their attention. Mr. Zamyatin was saying, in essence: why should our citizens listen to VOA telling the Afghanistan story when they can learn all we want them to know in the Soviet media; why hear bad news about the Soviet ruling class? Apparently, Mr. Zamyatin desires censorship on the theory that what people don't know won't hurt them—or the Soviet government.

Mr. Zamyatin's view is that the Soviet government is not interested in allowing its citizens to sit by their receivers and make their own decisions.

On the other hand, this well-placed and powerful member of the party elite admit-

ted to me that he listened to (unjammed) VOA broadcasts in English. What he did not say—what he could not say—was that VOA is a principal source of honest, objective news to him and most other Soviet officials. It provides some of the same news and information denied by jamming to the majority of the Soviet Union's ordinary citizens who do not understand English.

Anyone who finds this sort of no-information policy and disinformation difficult to believe should look at the historical record.

On November 10, 1917, the Soviets officially limited freedom of the press. It was to be a "temporary" measure, but is still in effect with even more riged controls almost 70 years later.

At the fourth Communist Party Congress in March 1918, a man cried out, complaining that "our newspapers have been closed." Lenin responded by saying: "Of course. But, unfortunately, not all of them. Soon they will all be closed . . . [and we] will wipe out the shameful purveying of bourgeois opium." Much more communication control followed.

In 1950, the Soviets jammed the BBC on the grounds it was filled with "lies." At the time, Soviet Ambassador Andrei Vyshinski responded to the criticism of the blackout by saying that it was necessary because the Russian people were becoming "upset" by the broadcasts.

Then came "detente" with some relaxation of jamming which allowed more information to flow.

But with the Soviet invasion and occupation of Afghanistan, Soviet jamming came back with renewed power. Today, their static bars the ordinary Soviet citizen from listening to the news of death and destruction in Afghanistan—on not only VOA, but Radio Liberty and the BBC. And there is only selectively released news of Afghanistan in the Soviet media. It is the electronic Bear which takes a terrible bite from the truth.

Soviet jamming is the most onerous evidence of the larger effort by the U.S.S.R. to control communication. Television is a powerful medium in American society. And it is not lost on the Soviet party leaders that television has potentially the same kind of impact and influence in the Soviet Union as it does in the United States. But in the Soviet Union, the Communist Party is the only sponsor and the only network, and the programs only carry the party line. It is essentially a closed circuit with limited access, by invitation only. What a contrast with the access the Soviets and others have to the diverse media outlets in the United States!

Since Geneva, some communication exchanges have occurred. President Reagan and General Secretary Gorbachev talked directly to each other's citizens on television, with resulting radio and print commentary, the first time since 1972. For our part, we continue to offer the Soviet audiences—through the U.S. Information Agency's international print, broadcast, and television services—people who can discuss and debate issues concerning American policy, our society and institutions and our fundamental beliefs and values. All that is needed is a positive response from the Soviet leadership to create meaningful dialogue.

Certainly, exchanges in the fields of culture, education, science, and technology, as outlined in our agreement signed last November 21 in Geneva, are important. These exchanges along with our exhibits program and presentations by performing artists, are essential to fulfillment of the agreement. They help to further a dialogue between numerous people in both nations.

Since November, a great deal has been written and commented on what some have termed the "Spirit of Geneva," implying a lessening of tensions, of more friendly relations between the United States and the Soviet Union. Of course, that appeals to millions of Americans who desire arms, reductions, a more constructive relationship, and a more peaceful world.

But "spirits" are elusive and ephemeral. Ultimately, they drift away and dissipate unless we give them form or create substance from them.

The Soviet government prevents its citizens from having access to divergent opinion and uncensored news because it fears the effect of an informed public opinion on its ability to maintain power.

These Soviet bureaucrats know that information produces knowledge; that knowledge produces ideas; and that ideas often have consequences regimes cannot control. Therefore, they are afraid.

At the summit meeting between President Reagan and General Secretary Gorbachev, it was evident that both countries could advance the cause of world peace by better understanding of the issues on the part of the people of both countries. The Soviets' turning off the jammers and allowing the people to have the news and views from elsewhere would go a long way toward removing the doubt and mistrust that now exist. In addition, the Soviets would save an estimated $750 million per year, or more.

Until they face up to their fears, and force themselves to allow their citizens a basic right guaranteed by international law, we can only remain hopeful—not optimistic—about meaningful exchange and better understanding.

FOUNDATION FOR INTERNATIONAL COMMUNITY ASSISTANCE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. BEREUTER. Mr. Speaker, about a year ago I was introduced to Mr. John Hatch, founder the president of the Foundation for International Community Assistance [Finca]. I listened carefully to the innovative private sector project of Finca in the Bolivian highlands. Mr. Hatch described to me the great success of his development project among the Bolivian peasants.

Finca's innovative characteristic lies in Mr. Hatch's model of combining a development project—no traditional technical assistance for increased output of local products—with a marketing capability for those products. This type of innovation, of course, drew opposition from some people at AID. But, Finca's success in making small shares of credit available for large amounts of progress could not be discounted.

Finca has support from the Inter-American Foundation and some support from AID. This Member has previously brought Finca to the attention of interested private sector groups.

Now, Finca is drawing on support from groups all over our Nation who have heard of its success. I would like to draw my colleagues' attention to a letter I received from a Minnesotan Presbyterian church on their involvement with Finca. It is an inspiring example of the great American volunteer spirit. I am going to share this letter, and the attached report from Pastor Lundy, with some of the congregations in my State. I would hope other Members would do the same. My office would be glad to provide any of my colleagues with more details.

ST. LUKE PRESBYTERIAN CHURCH,
Wayzata, MN, May 1, 1986.

Hon. DOUG BEREUTER,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN BEREUTER: I am writing to you because I understand that you share my interest in FINCA, the Foundation for International Community Assistance. As you may know, FINCA has assisted over 25,000 poor rural families in nearly 500 villages in Central and South America since its inception in 1984 with its innovative, small-scale lending program that is indexed to commodities.

Since learning about FINCA through its founder and President John Hatch, in early 1985, members of St. Luke Presbyterian Church have taken an active interest in its work. Our congregation of only 250 active members has contributed over $44,000 to FINCA, and thirteen of us recently returned from a visit, at our own expense, to seven Bolivian villages that have been assisted by FINCA loans. The enclosed trip report summarizes our observations.

We were deeply impressed with the impact that the FINCA program has had on the rural villages. Nearly all of the peasant families the program reaches have never had access to any kind of credit before. With FINCA loans as capital, entire villages are motivated to devote existing materials and considerable labor to rapidly increase their productivity and income. Additionally, the nature of community participation in the FINCA program strongly promotes creditworthiness of borrowers.

We at St. Luke feel strongly that FINCA enables the people of rural Latin America to significantly improve their local economy and their lives. As a consequence, we see a real possibility for widespread, long-term economic and social stability for Latin American countries, *if the FINCA program can reach enough communities.*

Thousands of peasant villages in Bolivia and other countries can benefit through FINCA assistance. Consequently, FINCA is seeking support from a variety of public and private funding sources in the United States, including USAID, the InterAmerican Foundation, and private corporations and foundations. (USAID staff we met with in Bolivia regard FINCA as the best Bolivian project for getting credit to the very small farmers at a reasonable cost.)

It is encouraging to know that you consider FINCA to be a valuable program for foreign assistance. I hope that you will be able to assist FINCA representatives by putting them in touch with appropriate public and private sources of support. With your help, we believe that the positive effects of the FINCA program that we saw in Bolivia can be extended throughout most of Latin America.

Sincerely,

RICHARD A. LUNDY,
Pastor.

TRIP REPORT: FINCA/BOLIVIA TRIP, MARCH 7-16, 1986

In mid-March, thirteen individuals from St. Luke traveled to Bolivia to review Foundation for International Community Assistance (FINCA) projects. This group represents a diversity of interests and experience as represented by their impressive credentials: family counselor and author; Vice President/General Mills; Vice President/international equipment manufacturer; CPA and small business consultant; journalist; Treasure-bank; minister; President and owner of a small service firm; general manager of a health services firm; marketing manager with Honeywell; Vice President/national contractor; social activist; and an accountant.

The purpose of this trip report is to summarize some of our observations, to offer our thanks for USAID support of the FINCA program, and to outline further intended action.

ST. LUKE PARTICIPATION WITH FINCA

St. Luke is a small, but active, church located in Minneapolis. In January 1985, John Hatch, President and Founder of FINCA and a brother of one of our members, generated considerable enthusiasm among our congregation with his presentation of the FINCA program. This interest resulted in forty contributions totaling $44,405 in support of FINCA efforts prior to our trip.

Thirteen of the contributing individuals indicated a desire to visit a sampling of projects, at their own expense, and in mid-March we joined John, Ronoldo Mercado of the USAID Mission in Bolivia, Richard Ameral, a Cornell University anthropologist living in one of the villages we visited, and two FINCA field supervisors. We spent three days traveling about 750 kilometers plus 2½ hours by water to visit seven villages representing 533 families.

SOME OBSERVATIONS FROM OUR TRIP

Although our visit was short, our congregation is accustomed to third-world involvement. From our perspective, it is impossible to briefly summarize our many observations, let alone the most important ones. Nevertheless, we would like to devote the following paragraphs to some of the most significant impressions left with us about the effectiveness of the FINCA program in Bolivia.

Observation 1: FINCA catalyzes intra- and inter-community action and cooperation far beyond the requirements of any specific FINCA project.

As a result of a gift from the St. Luke FINCA supporters, Huacuyo is going to share its initial trout fingerling production with two adjacent communities to start trout projects.

An initial FINCA loan to Belen was distributed among individual families for purchases of food, tools, seed, etc. In part to FINCA involvement, Belen has also worked on the following community projects: a 1500 tree farm; a potable water system; latrines; a greenhouse and a horticulture project.

Observation 2: The FINCA loan amount frequently is the smallest component of total project "capitalization" when considering campesino (peasant) labor and utilization of existing, available materials.

In addition to about $1,000 in support from FINCA, the trout farm in Huacuyo was constructed largely with available, native materials and 22,000 manhours of local labor.

Observation 3: The nature of community participation and the available evidence to date suggests that the communities are creditworthy.

Five out of the seven communities visited had made partial or full early payment.

A total of thirteen out of the 533 families in the seven communities visited are delinquent. None would be considered a bad debt at this time.

Credit Committee control of loans within the community creates strong pressure to perform and probably is more effective than most "traditional" credit management systems.

Paria fully prepaid their initial loan in anticipation of qualifying for a larger loan. While 40% of the families participated in the initial loan, 100% want to participate in a second loan and will be required to "pay up" to the level of the others in order to participate.

Observation 4: The FINCA model is more than an efficient credit delivery system.

It facilitates solutions to problems that the community members are not accustomed to handling.

Example: Group purchasing and shipping among several close villages coordinated by the FINCA "promoter".

It catalyzes intra- and inter-community participation and cooperation as noted above.

Observation 5: "A little goes a long way", and greatly facilitates attainment of "the maximum good for the maximum number of people at minimum cost". The program is "self-publicizing".

As a result of seeing the initial successes of the Huacuyo trout pond, the adjacent village of Villa Ajanani duplicated the pond, including a three kilometer aqueduct fully enclosed by stone.

Following the construction of a community center with a store, Yampupata's second community project was a greenhouse constructed entirely with available materials and community labor. A $20 contribution by the St. Luke FINCA group for seed was accepted by the community with enthusiasm and was all that was needed to put the greenhouse into production.

As a result of acceptance of the FINCA program in Paria and certain surrounding communities, at least ten other nearby communities have inquired as to the availability of FINCA funds. These communities found out about the program through word of mouth inasmuch as there is no media communication between villages of any nature.

Observation 6: Although there are some rough spots, the FINCA program works and has very positive acceptance among "users" who have never had a chance to participate in any credit program. We must not let the opportunity of this positive momentum elude us through delays in follow-on support or substantial change in the nature of the FINCA program.

The trout pond in Huacuyo has resulted in trout fingerlings growing twice as fast as at other projects. It is anticipated that the project will double the village income in its first year of full operation.

Soracachi dug six wells with available labor and materials in anticipation of a $5,000 FINCA loan for pumps that has not yet been forthcoming.

After only a week in operation, lettuce plants inside the Belen greenhouse were up to twice as large as those growing on the outside.

Observation 7: Because of tremendous demand among literally thousands of peasant villages, FINCA is dependent on public sector support from agencies such as USAID if sufficient credit is to be provided quickly to villages where it was never before available.

It is essential that PL 480, Title 3 and other forms of support be made available as quickly as possible.

MEETING WITH USAID MISSION IN BOLIVIA

At the conclusion of our visits to the various compesino communities, we met with the following individuals at the USAID office in La Paz: David Cohen, Director; David Johnston, Assistant Director; and Ronoldo Mercado, Project Monitor.

While there have been differences in how to best administer FINCA as a credit program for rural families, we observed a healthy interchange of ideas between FINCA management and USAID and feel that there is full agreement on the objective of improving the quality of life for the campesinos. We all had very positive feelings about the sincere, personal, internalized commitment on the part of the AID people with whom we met.

As significant, individual financial supporters of the FINCA program, we were pleased to learn the following in our meeting with the Bolivian Mission:

FINCA was regarded as the best of the Bolivian projects for getting credit to the very small farmers at a reasonable cost. In fact, 87% of the farmers that FINCA reached did not previously have access to any credit.

One AID objective is to use funds as "seed money" not as a subsidy; the FINCA program accomplishes this objective well.

The estimated cost of $10 per family assisted per year is far lower than any other approach to getting credit to the small farmer.

Because of its format and speed of delivery, the FINCA program lessens the impact of Bolivian inflation.

FURTHER ACTION

Our trip was enjoyable and highly informative, and we anticipated that one outcome would be to energize us to further action in support of FINCA. It has. We have committed to new fund-raising and public relations support through implementation of the following action steps:

Provide feedback to our public officials and agencies such as USAID and The Interamerican Foundation conveying our observations on the effectiveness of the program.

Write articles and speak on the FINCA program in support of fund-raising efforts. At least three members of our group have published in regional or national publications.

As a result of our very positive feelings about the effectiveness of the FINCA program in Bolivia, the thirteen of us contributed an additional $2000 to FINCA Bolivia prior to our departure. We specified that this amount was to be used to assist a specific village project, and to partially defray delinquent FINCA salaries within the FINCA/Bolivia office.

In conclusion, the FINCA program offers opportunities to families operating within a Federal system that currently provides little opportunity. The campesinos realize this and are very appreciative—FINCA provides them a chance. The benefits of the system appear to us to be far greater than simply advancing and recovering a loan investment. We intend to continue supporting FINCA in essentially its present form and appreciate the support offered by USAID.

RICHARD A. LUNDY,
Pastor.

For 1986 St. Luke FINCA/Bolivia Tour: Lonnie Bell, Orie Beucler, Dick Clarke, Jean Clarke, Jim Crabb, Don Davies, Cecy Faster, Wally Faster, John Goodwyne, Lucille Goodwyne, Dick Lundy, Lyle Meyer, Jeanne Meyer.

NONPROLIFERATION: THE EUROPEAN COURSE

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mrs. LLOYD. Mr. Speaker, recently United States and European panels conducted nuclear nonproliferation studies and the main conclusions from those studies have been published in "Blocking the Spread of Nuclear Weapons: American and European Perspectives" by the Council on Foreign Relations. The following conclusions, which I have annotated, are from the European report and they indicate in general a steady middle course by the European panel chaired by Johan Jorgen Holst:

IX. CONCLUSIONS

96. In the past fifteen years, a consensus on non-proliferation policy in Western Europe has been developing. This consensus is far from being perfect; many political difficulties remain. Nuclear policies vary widely among West European countries and non-proliferation policy is still the prerogative of the individual nations.

However, a joint European approach would considerably strengthen the existing non-proliferation regime. Increasing coordination among West European countries is therefore needed. Developments so far, and particularly the Working Group on Non-Proliferation within European Political Cooperation, justify hope for further progress.

97. Small incremental improvements of the existing regime hold better promises for success than attempts to achieve dramatic changes. One such step could be a joint declaration on non-proliferation by the EC heads of government. This declaration should stress the interest of West European countries in non-proliferation and their opposition to testing by non-nuclear weapon states. Progress on arms control—particularly a Test Ban Treaty coupled with "build downs" of strategic and theatre nuclear weapon systems[1]—would make a unique contribution to the preservation of the legitimacy of the regime. Policies seeking less reliance on nuclear weapons for national and alliance security are also important. Another major task for the future is the integration of new suppliers into the regime.

98. Prudent export policy remains an integral part of non-proliferation policy. It must find a middle ground between strict denial and export promotion. The London Guidelines provide a solid base. The next step should be the development of a pragmatic code of conduct—within the framework of the Guidelines—for dealing with export problems on a case-by-case basis. This code should give proper attention to the sensitivity of the items to be exported as well as to recipients' records.

99. In the foreseeable future, proliferation concerns will focus on a small number of countries.[2] Most of those threshold countries have made great progress in indigenous nuclear technological capabilities. Whether they will use these capabilities for military applications will depend on their assessments of their national interests. Working through the balance of incentives and disincentives as perceived by the threshold countries will in most instances offer the best prospects for success. Preserving the status quo of no further testing through careful diplomatic efforts if the most promising approach toward these countries.

100. In shaping non-proliferation policy, two important aspects should be borne in mind: the inevitable limits of this policy and the relation of nuclear proliferation to broader issues of international politics. The limits derive from our international system of sovereign nation-states and apply to both the general non-proliferation regime and the possible influence on individual states.

In the absence of world government, any non-proliferation regime is bound to be imperfect. To consolidate, build on, and seek wider acceptance of the gains made so far is the wisest course today.

The decisions of governments in the field of security follow their assessments of national interest. This restricts the opportunity for shaping these decisions from outside.

It is essential to temper expectations in both respects. Expectations that are too high may lead to frustration and over-reactions. Non-proliferation policy needs continuity and predictability.

101. Nuclear proliferation is related to, and partly dependent on, broader issues of international relations. Further development of the North-South dialogue will have a strong impact on the general climate for preserving and improving the non-proliferation regime. The evolution of the East-West conflict influences the security of some key threshold states and determines the chances for meaningful arms control, which again has consequences for the non-proliferation regime. This evolution also affects the standards of international behaviour and the means chosen to influence security relations. Many actions in the arena of foreign policy therefore have intentional or unintentional effects on nuclear proliferation.

102. Finally, non-proliferation would benefit from further progress in the difficult process of West European political integration. A very important aspect of this process is the coordination of security policies, including arms control. A joint approach toward non-proliferation would necessarily be a relevant ingredient of such a unified security policy.

Taken together, our considerations suggest that West Europeans can make a significant contribution to non-proliferation policy. They should not miss the opportunity.

I strongly recommend the conclusions of the European panel to all Members of the House.

[1] Such progress could be made without a Test Ban Treaty and through "build downs" of nuclear weapons from negotiations regarding the deployment of Strategic Defense Initiative [SDI] systems as suggested by Weinberg and Barkenbuss.

[2] This is a great improvement over the unfortunate implementation of the Nuclear Non-Proliferation Act (NNPA) during the Carter years when the United States did not distinguish "threshold countries" from those with unquestionable non-proliferation credentials.

AMENDMENT TO H.R. 1

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. LUNDINE. Mr. Speaker, today I am submitting an amendment to H.R. 4757, an amendment in the nature of a substitute that will be offered by Mr. WYLIE during this week's floor consideration of housing legislation.

My amendment, which is revenue neutral, deals with a very special problem which a town in my district is experiencing. The town, Salamanca, NY, sits on land that is owned by the Seneca Nation of Indians. The 99-year master lease for the land on which the town is located is due to expire in 1991. Although negotiations on a new lease are ongoing, the real estate market in Salamanca has deteriorated because of the current uncertainties of the situation. This has caused a great deal of hardship for families who wish to sell their homes.

The amendment which I am submitting today would allow the Secretary of HUD to insure residential mortgages that are secured by property located on land that is within the Seneca Nation's reservation and subject to the 99-year lease.

This measure is designed to provide temporary relief to the residential mortgage market in Salamanca. It has the approval of members of the Housing Subcommittee on both sides of the aisle, and is contained in the Gonzalez-McKinney legislation that will be considered this week.

AMENDMENT OFFERED BY MR. LUNDINE OF NEW YORK TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WYLIE OF OHIO (TEXT OF H.R. 4757)

Page 10, after line 22, insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 123. ELIGIBILITY FOR SINGLE FAMILY MORTGAGE INSURANCE.

Section 203 of the National Housing Act is amended by adding at the end the following new subsection:

"(q)(1) Notwithstanding any other provision of this section or any other section of this title, the Secretary may insure and commit to insure, under subsection (b) as modified by this subsection, any mortgage secured by property located on land that—

"(A) is within the Allegany Reservation of the Seneca Nation of New York Indians; and

"(B) is subject to a lease entered into for a term of 99 years pursuant to the Act of February 19, 1875 (Chapter 90; 18 Stat. 330) and the Act of September 30, 1890 (Chapter 1132; 26 Stat. 558).

"(2) A mortgage shall be eligible for insurance under subsection (b) as modified by this subsection without regard to limitations in this title relating to marketability of title or any other statutory restriction that the Secretary determines is contrary to the purpose of this subsection.

"(3) The Secretary, in connection with any mortgage insured under subsection (b) as modified by this subsection, shall have all statutory powers, authority, and responsibilities that the Secretary has with respect to other mortgages insured under subsection

(b), except that the Secretary may modify such powers, authority, or responsibilities if the Secretary determines such action to be necessary because of the special nature of the mortgage involved.

"(4) Notwithstanding section 202, the insurance of a mortgage under subsection (b) as modified by this subsection shall be the obligation of the Special Risk Insurance Fund created in section 238.".

FINANCIAL DISCLOSURE STATEMENT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. KASTENMEIER. Mr. Speaker, this is the 23d consecutive year that I am placing in the CONGRESSIONAL RECORD a report on my personal financial condition. While the Ethics in Government Act of 1978 and the House rules require public financial disclosure, this reporting statement is more precise than what is required by law and by the House rules.

This report covers the calendar year 1985 and also includes the amount of Federal and State of Wisconsin taxes as well as local real estate taxes paid in 1985.

Mr. Speaker, the report follows:

Financial disclosure statement—statement of financial condition, December 31, 1985

Checking account, with the Sergeant at Arms, House of Representatives (includes pay for December)	$3,038.09
Cash	35.01
Securities (stocks, bonds, etc.):	
WPCF Credit Union (1 share)	5.85
700 shares Air Wisconsin @ 11¾	8,225.00
Residential real estate:	
Arlington house and lot (1985 assessment)	216,600,00
Less mortgage	914.67
Equity	215,685.33
Sun Prairie house and lot	29,000.00
Improvements (dep'd)	1,073.00
Back lot	1,200.00
Sewer and water improvements (dep'd)	3,613.00
Total	34,886.99
Less mortgage	10,788.00
Equity	24,098.00
Household goods and miscellaneous personalty	9,000.00
Miscellaneous assets, deposits, with U.S. Civil Service retirement fund through December 31, 1985, available only in accordance with applicable laws and regulations	81,852.78
Additional retirement fund deposit	1,130.00
Cash value	None
Cash surrender value of life insurance:	
On the life of Robert. W. Kastenmeier	None
On the life of Dorothy C. Kastenmeier	544.00
Deposit, Donaldsun Run	400.00
Automobiles:	
1976 Oldsmobile	300.00
1978 Mercury	1,300.00
Net worth	262,631.28
Taxes paid in 1985:	
Federal income tax	15,626.36
Wisconsin income tax	6,091.00
Federal employers tax	146.89
Arlington County real estate tax	2,057.70
Sun Prairie real estate taxes, excluding assessments ($265.68)	1,157.48
State sales tax	506.00
Total	25,585.43
1985 income congressional salary	74,891.63
Gross rent, Sun Prairie house	3,400.00
Honoraria (4)	3,250.00
Tax refund State	663.74
Tax refund U.S.	752.57
Total	82,957.94
1985 separate income of my wife, Dorothy C. Kastenmeier:	
Net rents and leases	1,466.14
Education fund, interest	2,323.73
Total	3,789.87

Note: Separate property of spouse not listed.

CONGRESSIONAL ACHIEVEMENT AWARD RECIPIENTS

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. MRAZEK. Mr. Speaker, much has been said and written in recent months of a rebirth of conscience in American society.

The proof given for this theory comes in the form of such "megaevents" as Live Aid, Farm Aid and Hands Across America. These demonstrations of concern and compassion certainly signify a new awakening of the qualities in Americans that have always been our greatest strength.

But while these outpourings of resources and conscience should not be downplayed, it is also important to stress that caring never went out of style for thousands of American citizens. For these people, for whom giving of themselves has always been second nature, a rebirth is unnecessary.

Mr. Speaker, 2 years ago I initiated a program in the Third Congressional District of New York to bring recognition to some of our most special citizens. Through the Congressional Achievement Awards, I was determined to make the balance of my district aware of the thankless and compassionate deeds that are performed by a handful of my constituents. I also did this with the hope that these examples would encourage more people to get involved in improving and enhancing the quality of life of all Long Islanders. Selections of the recipients of this year's Congressional Achievement Awards were made by a panel of past winners and other business, private foundation, service agency and community organization representatives.

The individuals whose profiles are listed below are this year's recipients of the Congressional Achievement Awards. I call the attention of my colleagues and of all Americans to their examples of tireless service, volunteerism and good works for their fellow citizens:

Margaret Grossman of New Hyde Park—An active and long-time volunteer, Margaret Grossman has made a distinctive difference in the adjustment to institutional life for countless patients at the Jewish Institute for Geriatric Care. At age 83, Mrs. Grossman is older than some of the patients she helps. But this has never deterred her from walking the daily five mile trip from her home to the center (and back). Mrs. Grossman's personal dedication, warmth and sensitivity to the individual needs of the patients at the center have endeared her to patients and staff alike.

Susan Geraldine Allen of Huntington—Known to hundreds of pre-school children as "Miss Gerri", Geraldine Allen has been a volunteer Teacher's Aide in the Suffolk County Family Service League's Gateway Gardens Pre-school Learning Center for the past eleven years. Mrs. Allen's love and dedication has helped many children of low-income families prepare for success in the public school system. Mrs. Allen is also very active in a number of other community organizations including the Children's Committee of Huntington, Church Women United, the NAACP, and the Bethel AME Church, where she continues to teach Sunday School.

Sandy Chapin of Huntington—Sandy first became active in the fight against world hunger in 1974 by working with her late husband, Harry, on a benefit concert for Bangladesh in cooperation with UNICEF. She has continued this life-long endeavor to end hunger and human suffering through her personal and financial support of countless agencies and organizations. She is currently Chairperson of Long Island Cares, serves as an active board member of WHY (World Hunger Year), and was recently appointed by Gov. Cuomo to serve on the Martin Luther King Committee as a commission member. The founder of the Harry Chapin Foundation, Sandy has used this organization to support efforts throughout Long Island to promote peace, education and the arts.

Walter H. Cobb of Roslyn Heights—Deacon of the Friendship Baptist Church in Roslyn for the past 26 years and Chairman of the Roslyn Citizens' Advisory Committee, Walter Cobb was a major force in the effort to redevelop a once blighted community within Roslyn Heights. Today, this section of town boasts many new apartments, single family homes, new office buildings, and renovated residences. Long active in a wide variety of community issues and organizations, Deacon Cobb's most recent accomplishment is his realization of the start of construction on the Greater Roslyn Community Center.

Orrin L. Dayton of Cold Springs Harbor—Starting out as a Big Brother ten years ago, Orrin Dayton became instrumental in the establishment of Big Brothers/Big Sisters of Suffolk County. Under Mr. Dayton's leadership, the program soon spun off from under the auspices of Catholic Charities to become an independent non-profit organization that over the past five years has matched more than 600 single-parent children with responsible caring volunteers. His colleagues at Big Brothers/Big Sisters of Suffolk put it best when they refer to Orrin Dayton as the "Father of the Agency."

Martha F. Gerry of Mill Neck—Currently president of the Family Service Association, Mrs. Gerry has been a mainstay of the agency since its inception. As an active board member for the past 27 years, she has been an important influence in its growth from a small counseling agency to Nassau County's only non-profit, non-sectarian family service agency. Mrs. Gerry's energy and leadership have spurred the development of numerous innovative programs designed to fill the gap in existing community services.

Sylvia M. Lester of Great Neck—As a highly active volunteer at North Shore University Hospital for the past 32 years, Sylvia Lester has had an important impact of many different areas of hospital life. A highly effective organizer, Sylvia has served as Vice President of Community Relations, Auxiliary President, Special Events Chairman and Chairman of the Reception Desk. Perhaps her most important achievement, however, was the founding of the Patient Relations Committee, which acts as a communication link between patients, staff and administration.

Bernetta L. Genor of Northport—For many years a dental hygiene teacher in the Northport public school system, Mrs. Genor became a one-woman welfare agency upon retiring. She has had an impact on countless lives as a coordinator of food, shelter and clothing for people in dire need of help. Working discreetly, and shunning any publicity for herself, Mrs. Genor becomes very personally involved in the lives of those she helps, offering support and encouragement to families who have lost the joy of living.

James M. Shuart of Garden City—Having assumed the presidency of Hofstra University during a difficult period of falling enrollment and escalating deficits, Dr. Shuart has successfully led Hofstra to national prominence among universities. His volunteer spirit and dedication to making Long Island a better place to live are reflected in his past service as Chairman of the Long Island Regional Planning Board, Chairman of the Nassau County Board of Social Services and Vice President of the Health and Welfare Council of Nassau County.

Helen Magnuson of Northport—As regional coordinator of Parents Anonymous, Helen Magnuson has played an important role in combatting the problems of child abuse and neglect on Long Island. Helen has worked for years to set up new chapters of Parents Anonymous across Long Island, giving hope that the vicious cycle of child abuse can be broken in many families. Convincing professionals that such "self help" programs can be successful was an early stumbling block, but Helen's efforts have made believers out of us all.

TORT ACTION PROCEDURE REFORM ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. PETRI. Mr. Speaker, today I introduced the Tort Action Procedure Reform Act. As the ranking Republican member of the Labor Standards Subcommittee, I have been concerned with the mounting problem of compensating workers suffering asbestos-related diseases. Despite notable efforts by the asbestos industry through the Wellington Group in forming the Asbestos Claims Facility, and significant legislative proposals before my subcommittee, tort litigation remains the primary engine of compensation. This has overtaxed our Federal court system and contributed to the explosion of tort claims. During the past decade, the number of products liability complaints filed in Federal district courts has increased 370 percent, with a third of those complaints during the past 2 years related to asbestos. Concurrently, the dollar amount of individual awards and settlements has risen steadily. This increasing risk of legal liability has sharply raised the cost and reduced the availability of liability insurance for asbestos-related activities. For example, the premiums for one asbestos-removal company recently increased almost 5,000 percent, from $9,361 to over $450,000 even though the company had never been sued.

The dramatic recent increases in the number and severity of tort claims, and the resultant increase in liability insurance premiums, have not been limited to asbestos-related activities. However, but reach into a wide variety of activities. Since the late 1960's, for example, both the number of medical malpractice claims and the size of resulting awards, have risen at an annual rate of 10 percent or greater, generating average malpractice insurance premium increases of about 15 percent per year. In some specialties and in some regions these increases have been much higher, so that obstetricians and neurosurgeons in some areas now face average annual premiums of over $100,000. Similar accounts of sharply increasing risks of legal liability and insurance premiums can be related for such diverse activities as local government and public schools, private day care centers, manufacturing, transportation, construction, and even churches and charitable service organizations. In some of these activities, so many entities cannot even obtain insurance that the cover of Time magazine recently declared, "Sorry, America, Your Insurance has Been Canceled."

The impact of these trends has been costly to all of us. According to one physicians' association, one-third of all medical tests are done because of fear of litigation, wasting many billions of dollars per year in governmental medicare costs alone. The American College of Obstetricians and Gynecologists reports that liability expenses increased the average price of having a healthy baby by $70 during the past 2 years, and caused one-eighth of its members to stop delivering babies altogether. The Sporting Goods Manufacturers Association calculates that $25 of the $100 retail price of football helmets goes to pay for liability insurance. Overall, $66.5 billion dollars—1.76 percent of our gross national product—goes to pay tort claims and related legal fees, up 61 percent since 1980.

The broad sweep of the tort litigation explosion and the resulting liability insurance crisis led me to seek a comprehensive solution that reached beyond the single issue of asbestos-related claims. In doing so, I have been impressed by the wide variety of meritorious tort reform legislation now before Congress, especially in the area of products liability, most notably that introduced by the Senators from Wisconsin and Missouri [Messrs. KASTEN and DANFORTH] and on behalf of the Reagan administration by the gentleman from New York [Mr. FISH], and in the area of medical malpractice, most notably that introduced by the Gentlemen from Louisiana and Missouri [Messrs. MOORE and GEPHARDT]. Nearly all this legislation proposes needed substantive changes in what gives rise to tort liability and how much is paid in damages and legal fees. However, as the head of our Federal court system, Chief Justice Warren Burger, so often reminds us, procedural changes are also needed.

Experience gained from State tort reforms enacted in response to the medical malpractice crisis of the mid-1970's shows that mandatory alternative dispute resolution procedures offer the single most promising answer to the current liability crisis. Indeed, a 1985 statistical study by Prof. Frank A. Sloan, chairman of Vanderbilt University's Economics Department, found that of all the State tort reforms, only the mandatory use of pretrial screening panels had a statistically significant association with lower malpractice insurance premiums.

A 1986 General Accounting Office survey asking interested organizations about the various State medical malpractice tort reforms underscores the value of mandatory pretrial arbitration. The American College of Obstetricians and Gynecologists responded, "States that have enacted some form of binding arbitration system appear to have had a fair degree of success with it." The Consumer Federation of America stated, "Arbitration can add predictability and speed to the tort system." The St. Paul Companies, Inc., the largest private supplier of malpractice insurance, commented, "Arbitration can be an effective method of reducing costs, but only if binding on both parties as to both liability and damages." The American Medical Association added, "Voluntary binding arbitration has proved effective in some States where it has been implemented." The Physician Insurers Association of America noted, "Arbitration on small damage value [cases] would benefit all parties." Finally, the American Association of Retired Persons observed, "Some form of arbitration for some malpractice cases may be desirable. . . . The key is to design a system that meets constitutional challenges, swiftly and fairly resolves claims, and allows access to the traditional tort system for particularly egregious cases." I have tried to design just such a system.

Recognizing the value of pretrial screening and arbitration panels for improving the process of handling medical malpractice claims, the Senator from Hawaii [Mr. INOUYE] has regularly introduced legislation to help fund such State court reform. The gentleman from New York [Mr. MRAZEK] has more recently introduced similar legislation in this House. Several innovative Federal district courts have also begun successfully experimenting with mandatory pretrial arbitration for disputes outside the medical malpractice arena, as have some State courts. Building on this experience, my proposal would mandate pretrial arbitration for all personal injury tort actions filed in Federal courts unless the constitutional right to a jury trial was immediately invoked. States would be encouraged to establish similar programs.

In each case, early settlement would be encouraged. These procedures are outlined in a section-by-section analysis of my bill. I ask that the analysis be appended to this statement.

Pretrial arbitration works because it helps all parties to a legal dispute. Injured persons obtain swifter, surer justice through speedy settlement or arbitration awards rather than having to wait years for uncertain compensation. Defendants also gain due to reduced transaction costs and increased consistency in awards. These benefits should lead to lower liability insurance premiums. Finally, recent experience with mandatory arbitration in Federal courts indicates a savings in public funds due to the reduced court costs associated with arbitration proceedings as opposed to trials. In the interest of justice for all, the time is ripe for mandatory arbitration of all personal injury tort actions.

SECTION-BY-SECTION ANALYSIS OF H.R. — TORT ACTION PROCEDURE REFORM ACT

SECTION 1—The title of the bill is the "Tort Action Procedure Reform Act."

Title I—Establishment of Federal Arbitration Panels

SECTION 101—GENERAL RULE—Each U.S. District Court is required to establish an arbitration panel for initial consideration of product liability, governmental liability, medical malpractice and other civil actions for personal injury damages.

SECTION 102—MEMBERSHIP—The members of the panel are to be appointed by and serve at the pleasure of the court. In addition, the court shall select a chairperson who is a retired Federal or state judge, who will assign panel members to each claim. Each sitting panel must have at least three members, which include an expert in the activity giving rise to the claim, a lawyer, and a layperson.

SECTION 103—FILING CLAIMS AND ANSWERS WITH A PANEL—The court shall require that any claims for personal injuries be filed with the panel. The court may require a class action to be so filed upon its own motion or that of any party. Defendants are required to answer claims in a timely fashion.

SECTION 104—POWERS—The panel may hold such hearings, sit and act at such times, take such testimony and receive such evidence as it considers appropriate. It must keep a full record of its proceedings. The panel may subpoena witnesses within a 100 mile radius. Additional parties may be brought in by the panel if necessary for the just resolution of the claim.

The chairperson of the panel must transfer any claim to the court for a trial by jury upon the motion of any party in its first responsive pleading. In addition, the chairperson may at any time transfer the claim for trial de novo except that such transfer may be reviewed by the court.

SECTION 105—EVIDENTIARY RULES—Special rules are established in two areas:

(a) Information on collateral sources of payment may be introduced as evidence only after liability has been determined and solely for purposes of determining the amount of the award.

(b) Claimants asserting claims for toxic harm under federal law are presumed to have established that a product could have caused the harm if the exposure occurred at a relevant time and based upon peer-reviewed epidemiological studies, the exposure was in sufficient concentration and duration to create a risk of incurring the harm that was at least twice as great for someone not similarly exposed.

SECTION 106—DECISIONS AND AWARDS—Wherever practicable, the panel must decide claims within 180 days after filing, with one continuance (also up to 180 days) granted upon motion of any party showing extraordinary circumstances beyond its control. The panel has the authority to dismiss frivolous claims and impose up to $10,000 administrative costs upon those filing them.

Within 15 days after the panel decides a claim, the panel must issue to each party a written decision regarding liability, a statement of the findings of fact and law, and a statement of the amount of damages. Damages are due upon entry of the award with the court and, in any proceeding to enforce an order, the only issue is whether payment has been made according to the terms of the order.

SECTION 107—SPECIAL RULES WITH RESPECT TO WORK RELATED INJURIES—In cases where the claimant is entitled to receive State or Federal workers compensation, the amount of the award is to be reduced by the amount of workers compensation already paid. In addition, the panel's actions may be stayed until after workers compensation actions have been completed. If no stay is provided, the panel may order a portion of the claimant's award to be paid into escrow until workers compensation benefits have been determined.

Unless the defendant has expressly agreed otherwise, neither the employer nor the workers compensation insurer shall have a right of subrogation, contribution, or implied indemnity against the defendant or a lien against the claimant's recovery.

SECTION 108—JUDICIAL REVIEW—An appeal to the court may be filed within 45 days of the panel's decision. If the panel committed procedural errors, the court shall remand the case to the panel with appropriate instructions. Otherwise, the court shall uphold the panel's decision unless it is clearly erroneous as a matter of the fact or law. If it is clearly erroneous, the court may remand the claim to the panel or grant a trial de novo, at which neither the record of the panel's proceedings nor its written decision would be admissible. If the panel's decision is upheld, the appellee's are to be awarded attorneys' fees. In the case of a trial de novo, the court may award attorneys' fees to the prevailing party.

SECTION 109—SETTLEMENT—The parties may settle at any time prior to a decision by the panel. Within 45 days after receiving service of a claim, the defendant may file a lump-sum settlement offer with the panel. The claimant must accept, reject or counteroffer within 45 days of the offer. In the case of a counteroffer, the defendant must accept or reject within 10 days. Any party rejecting an offer or counteroffer will be liable for panel and court costs and attorneys' fees if that party does not "substantially prevail" in the action. In order to "substantially prevail," a claimant must be awarded at least 85 percent of defendant's offer, and a defendant must be held liable for less than 115% of claimant's counteroffer.

SECTION 110—REIMBURSEMENT OF DEFENDANT—This section permits a defendant who has paid a settlement or award to seek contribution, reimbursement or indemnity against others from whom the claimant may have sought recovery.

SECTION 111—MISCELLANEOUS—Claims are generally to be decided according to the laws applicable in the court which established the panel. Members and employees of the panel are immune from civil liability to the same extent as members of the district court and their employees.

Title II—State Arbitration Panels

The United States Attorney General is authorized to make grants to the States to establish and implement panels similar to those established in the Federal courts. Those panels are to refer claims to courts for jury trials only to the extent required by the State constitution.

MAJORITY IN HOUSE SUPPORT CONTINUED ADHERENCE TO SALT II

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. FASCELL. Mr. Speaker, over 220 of my colleagues in the House of Representatives, as well as a majority of the Senate, recently encouraged the President to not undercut the SALT II Treaty.

In issuing his "Interim Restraint Policy" last week and announcing his decision to dismantle two Poseidon submarines when the eighth Trident submarine begins sea trials, the President has wisely continued U.S. adherence to SALT II Treaty limits. Anything less than dismantling the two Poseidon—both are near retirement anyway—would be a clear violation of SALT.

The President's "Interim Restraint Policy," at first glance, appears to signal an end to U.S. adherence to the SALT II Treaty. According to this new policy, instead of basing decisions regarding U.S. strategic forces on the standards contained in the SALT II agreement, the United States will base its strategic decisions "on the nature and magnitude of the threat posed by the Soviet Union." Moreover, "the United States will not deploy more strategic nuclear delivery vehicles or strategic ballistic missile warheads than the Soviet Union." If one is not careful, these statements could be interpreted as an administration policy in support of a "freeze." Knowing, however, of this administration's longstanding opposition to a freeze concept, the administration's policy statement will more than likely up the ante for an accelerated arms race. Rather than abandoning our adherence to SALT II in favor of nothing else, it would be wiser to maintain our adherence to that important agreement as we pursue future agreements with the Soviet Union. If we abandon the treaty, how is security for either superpower preserved or enhanced in a world in which there are no restraints? How would 8,000 more Soviet nuclear weapons targeted against the United States enhance our security?

If the administration is signaling such an end to U.S. adherence to the SALT II Treaty, this would, in effect, initiate the unraveling of the arms control regime of the last 15 years. Such an outcome would unnecessarily jeopardize the arms talks in Geneva, make prospects of a second summit later this year unlikely, and require the United States to unncessarily spend billions of dollars.

What is behind the administration's reassessment is the serious issue of Soviet compliance. We should all, of course, closely watch Soviet compliance activities. According to the administration's own assessment, however, Soviet noncompliance has not had any serious military significance.

But just look at the serious military significance of a Soviet Union free to no longer adhere to SALT. The Soviets could: Deploy any quantity of mobile missiles versus the current limit of one; quickly add 8,000 new nuclear weapons; and replace over 500 single warhead missiles with multiple warheads.

Abandoning the SALT regime would heat up the arms race and give unprecedented opportunities to the Soviets to substantially increase their nuclear threat against the United States. U.S. abandonment of SALT would amount to granting the Soviets a free hunting license to deploy thousands of new and dangerous weapons against the United States.

We would be in the ironical position of abandoning an arms control regime that has militarily limited the Soviets and replacing it with thousands of new Soviet weapons that would be militarily significant and detrimental to U.S. security. The theoretical window of vulnerability would be replaced by the cold wide open winds of Siberia.

To better understand the implications of abandoning SALT, the Subcommittee on Arms Control has received a number of independent analyses which demonstrate that:

Drydocking U.S. submarines would constitute a clear violation of the Treaty;

Abandonment of SALT would allow the Soviets the freedom to substantially increase the number of warheads on existing missiles and allow them to accelerate their deployment of thousands of additional nuclear weapons; and

Support for a continuation of the no-undercut policy is widespread among our NATO allies.

The implications of abandoning the SALT arms control regime are real and serious. Every effort should be made by both superpowers to avoid such a development now and in the future. U.S. concerns over Soviet compliance with arms control agreements can and must be pursued in the Standing Consultative Commission. That procedure worked in the 1970's and should be emulated in the 1980's.

Abandoning the SALT II Treaty is not, in any way, shape, or form, the answer to our problems with the Soviets. We should bear this in mind, now and later this year, as the next direct impact on the treaty occurs: when the number of U.S. bombers equipped with cruise missiles bumps up against the number allowed in the treaty.

The letter, signed by 222 House members urging the President to continue U.S. adherence to the SALT II Treaty, follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 19, 1986.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We urge you to continue your five-year policy of not undercutting existing SALT offensive arms limitations as long as the Soviet Union similarly refrains.

Last year you wisely concluded that continuation of that arms control policy served and enhanced U.S. security interests. Developments since then, including your Summit meeting with the Soviets last November, underscore that United States security is best served by requiring both the United States and the Soviet Union to observe limits on offensive forces.

With both countries abiding by SALT limits since 1973, the Soviet Union has been forced to dismantle over 500 operational launchers, including 14 Yankee-class missile submarines, compared to only one operational submarine dismantled by the United States. In the next two years, the Soviet Union will be required to dismantle three times as many as the United States.

Moreover, the Soviet Union has higher capacity hot production lines for their strategic forces than we and can add over 8,000 ICBM warheads to existing missiles. In the short term they can spurt out ahead of us in strategic power absent SALT. Over the next decade, they can use existing production capability to more than double their strategic weaponry, forcing the United States into an expensive and drawn-out buildup to catch up. In an era where we need to pursue a vigorous deficit reduction program and improve our conventional strength, such an expensive buildup is certainly something we want to avoid.

As for future negotiations, hope of coming to a new arms control agreement in the Geneva arms talks will be greatly diminished if the SALT limits are discarded. The deep cuts in strategic arsenals that all Americans want and that are integral to your policy for the future of U.S. security will become even more difficult to achieve.

Finally, press reports say that you are considering a half-way measure with respect to SALT by taking older submarines out of service—but not dismantling them—when the Nevada Trident submarine goes to sea in May. We encourage you to resist this option. It is bad for American security. It encourages the Soviets to take the same approach by keeping old systems around when new ones come in their force. This would give them a large nuclear reserve force they could activate quickly and would play havoc with SALT's verification regime.

With these facts in mind, we seek your reaffirmation of the no-undercut policy and pledge our support for you on this important issue.

Gary L. Ackerman of New York.
Michael A. Andrews of Texas.
Frank Annunzio of Illinois.
Chester G. Atkins of Massachusetts.
Michael D. Barnes of Maryland.
Berkley Bedell of Iowa.
Charles E. Bennett of Florida.
Mario Biaggi of New York.
Lindy (Mrs. Hale) Boggs of Louisiana.
David E. Bonior of Michigan.
Robert A. Borski of Pennsylvania.
Frederick C. Boucher of Virginia.
Daniel K. Akaka of Hawaii.
Bill Alexander of Arkansas.
Les Aspin of Wisconsin.
Les AuCoin of Oregon.
Jim Bates of California.
Anthony C. Beilenson of California.
Howard L. Berman of California.
Sherwood L. Boehlert of New York.
Edward Boland of Massachusetts.
Don Bonker of Washington.
Douglas H. Bosco of California.
Barbara Boxer of California.
George E. Brown, Jr. of California.
John Bryant of Texas.
Albert G. Bustamante of Texas.
Thomas R. Carper of Delaware.
Rod Chandler of Washington.
Tony Coelho of California.
Cardiss Collins of Illinois.
Silvio O. Conte of Massachusetts.
Lawrence Coughlin of Pennsylvania.
George W. Crockett, Jr. of Michigan.
Ronald V. Dellums of California.
Norman D. Dicks of Washington.
Brian J. Donnelly of Massachusetts.
Wayne Dowdy of Mississippi.
Richard J. Durbin of Illinois.
Mervyn M. Dymally of California.
Dennis E. Eckart of Ohio.
Don Edwards of California.
Lane Evans of Illinois.
Walter E. Fauntroy of the District of Columbia.
Vic Fazio of California.
Hamilton Fish, Jr. of New York.
Thomas M. Foglietta of Pennsylvania.
Harold E. Ford of Tennessee.
Wyche Fowler, Jr. of Georgia.
Terry L. Bruce of Illinois.
Sala Burton of California.
Beverly B. Byron of Maryland.
Bob Carr of Michigan.
William (Bill) Clay of Missouri.
Ronald D. Coleman of Texas.
John Conyers, Jr. of Michigan.
Jim Cooper of Tennessee.
William J. Coyne of Pennsylvania.
Thomas A. Daschle of South Dakota.
Joseph J. DioGuardi of New York.
Julian C. Dixon of California.
Byron L. Dorgan of North Dakota.
Thomas J. Downey of New York.
Bernard J. Dwyer of New Jersey.
Joseph D. Early of Massachusetts.
Bob Edgar of Pennsylvania.
Ben Erdreich of Alabama.
Dante B. Fascell of Florida.
Harris W. Fawell of Illinois.
Edward F. Feighan of Ohio.
James J. Florio of New Jersey.
Thomas S. Foley of Washington.
William D. Ford of Michigan.
Barney Frank of Massachusetts.
Bill Frenzel of Minnesota.
Robert Garcia of New York.
Richard A. Gephardt of Missouri.
Dan Glickman of Kansas.
William F. Goodling of Pennsylvania.
Kenneth J. Gray of Illinois.
Bill Green of New York.
Steven Gunderson of Wisconsin.
Lee H. Hamilton of Indiana.
Cecil Heftel of Hawaii.
Dennis M. Hertel of Michigan.
James J. Howard of New Jersey.
William J. Hughes of New Jersey.
James M. Jeffords of Vermont.
James R. Jones of Oklahoma.
Paul E. Kanjorski of Pennsylvania.
Robert W. Kastenmeier of Wisconsin.
Dale E. Kildee of Michigan.
Joe Kolter of Pennsylvania.
John J. LaFalce of New York.
Jim Leach of Iowa.
William Lehman of Florida.
Sander M. Levin of Michigan.
Cathy Long of Louisiana.
Thomas A. Luken of Ohio.
Martin Frost of Texas.
Sam Gejdenson of Connecticut.
Sam Gibbons of Florida.
Bejamin A. Gilman of New York.
Henry B. Gonzalez of Texas.
Bart Gordon of Tennessee.
William H. Gray III of Pennsylvania.
Frank J. Guarini of New Jersey.
Tony Hall of Ohio.
Augustus F. Hawkins of California.
Charles A. Hayes of Illinois.
Frank Horton of New York.
Steny H. Hoyer of Maryland.

Andrew Jacobs, Jr. of Indiana.
Nancy L. Johnson of Connecticut.
Walter Jones of North Carolina.
Marcy Kaptur of Ohio.
Barbara B. Kennelly of Connecticut.
Gerald D. Kleczka of Wisconsin.
Peter H. Kostmayer of Pennsylvania.
Tom Lantos of California.
Richard H. Lehman of California.
Mickey Leland of Texas.
Mel Levine of California.
Mike Lowry of Washington.
Stan Lundine of New York.
Frank McCloskey of Indiana.
Joseph M. McDade of Pennsylvania.
Matthew F. McHugh of New York.
Buddy MacKay of Florida.
Edward J. Markey of Massachusetts.
Robert T. Matsui of California.
Dan Mica of Florida.
George Miller of California.
Norman Y. Mineta of California.
Joe Moakley of Massachusetts.
Jim Moody of Wisconsin.
Robert J. Mrazek of New York.
Stephen L. Neal of North Carolina.
Mary Rose Oakar of Ohio.
David R. Obey of Wisconsin.
Solomon P. Ortiz of Texas.
Leon E. Panetta of California.
Timothy J. Penny of Minnesota.
Carl C. Perkins of Kentucky.
John Edward Porter of Illinois.
Charles B. Rangel of New York.
Bill Richardson of New Mexico.
Peter W. Rodino, Jr. of New Jersey.
Charles Rose of North Carolina.
Marge Roukema of New Jersey.
Dave McCurdy of Oklahoma.
John R. McKernan, Jr. of Maine.
Stewart B. McKinney of Connecticut.
Thomas J. Manton of New York.
Matthew G. Martinez of California.
Nicholas Mavroules of Massachusetts.
Barbara A. Mikulski of Maryland.
John R. Miller of Washington.
Parren J. Mitchell of Maryland.
Alan B. Mollohan of West Virginia.
Bruce A. Morrison of Connecticut.
Austin J. Murphy of Pennsylvania.
Henry J. Nowak of New York.
James L. Oberstar of Minnesota.
Jim Olin of Virginia.
Major R. Owens of New York.
Donald J. Pease of Ohio.
Claude Pepper of Florida.
J.J. Pickle of Texas.
Nick Joe Rahall II of West Virginia.
Harry Reid of Nevada.
Thomas J. Ridge of Pennsylvania.
Robert A. Rose of New Jersey.
Dan Rostenkowski of Illinois.
Edward R. Roybal of California.
Marty Russo of Illinois.
Fernand J. St Germain of Rhode Island.
James H. Scheuer of New York.
Patricia Schroeder of Colorado.
John F. Seiberling of Ohio.
Gerry Sikorski of Minnesota.
Lawrence J. Smith of Florida.
Olympia J. Snowe of Maine.
John M. Spratt, Jr. of South Carolina.
Fortney (Pete) Stark of California.
Gerry E. Studds of Massachusetts.
Mike Synar of Oklahoma.
Esteban Edward Torres of California.
Edolphus Towns of New York.
Bob Traxler of Michigan.
Tim Valentine of North Carolina.
Peter J. Visclosky of Indiana.
Henry A. Waxman of California.
Ted Weiss of New York.
Charles Whitley of North Carolina.
Timothy E. Wirth of Colorado.
Howard Wolpe of Michigan.
Ron Wyden of Oregon.
Gus Yatron of Pennsylvania.
Martin Olva Sabo of Minnesota.
Gus Savage of Illinois.
Claudine Schneider of Rhode Island.
Charles E. Schumer of New York.
Phil Sharp of Indiana.
Jim Slattery of Kansas.
Neal Smith of Iowa.
Stephen J. Solarz of New York.
Harley O. Staggers, Jr. of West Virginia.
Louis Stokes of Ohio.
Al Swift of Washington.
Robin Tallon of South Carolina.
Robert G. Torricelli of New Jersey.
James A. Traficant, Jr. of Ohio.
Morris K. Udall of Arizona.
Bruce F. Vento of Minnesota.
Doug Walgren of Pennsylvania.
James Weaver of Oregon.
Alan Wheat of Missouri.
Pat Williams of Montana.
Robert E. Wise, Jr. of West Virginia.
Jim Wright of Texas.
Sidney R. Yates of Illinois.

REFLECTION ON TERRORISM

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. BEREUTER. Mr. Speaker, these days new ideas to battle terrorism may not seem as radical as they might have a few years ago. Let me, therefore, suggest to this House that we urge the administration to convene an international meeting to discuss a renegotiation of the Vienna Convention and the tenents of diplomatic immunity.

Much has changed since Metternich's days. Nations such as Libya have no interest in following the niceties of diplomatic agreements. Their Embassies are armories and their diplomatic pouches carry more guns than correspondence of state.

I attach for my colleagues' review an article by James Reston in the New York Times. Mr. Reston is correct. Maybe we need to reappraise the diplomatic rules of the Congress of Vienna.

REFLECTIONS ON TERROR

(By James Reston)

WASHINGTON.—Something useful may come out of the recent acts of terror in the world after all. For they are forcing officials to recognize that many of the rules and customs, privileges and immunities of old-time diplomacy are now seriously out of date.

How United States embassies abroad are built and staffed, for example, illustrates the point. Most of them were built for show and not for security. Many of them are overstaffed and headed by overstuffed political appointees who know little about the history, culture, or languages of the nations they are supposed to understand.

Secretary of State Shultz is trying to appoint professional instead of political ambassadors and to get a few billions out of the Congress to secure the embassies, but even if he makes it, he'll still have some other problems.

For in the terror zones of world affairs, even if embassies and ambassadors are made more secure, the foreign service officers and their families who live and work there are at risk.

Things have calmed down a bit in recent days, but for minor embassy officials, living in insecure houses and getting their children safely to school and back again is a constant worry.

It's a special problem for the wives of foreign service officers living in these diplomatic war zones. They rebelled long ago against being the unpaid servants of their Government and their husbands.

But this generation of United States diplomatic wives is better educated and less subservient than any before. They have professions of their own, and wonder why they have to give them up, and follow their guys, even if they love them, into capitals where they can't practice their professions, or even be sure about the education and security of their kids.

No doubt George Shultz has thought about this, and if he hasn't you can be sure his wife will remind him.

In all embassies, including foreign embassies in the United States, many of the rules go back to the Congress of Vienna in 1815 and before. Then, as now, embassies were regarded as part of national soil a private preserve for communication between ambassadors and their governments at home, protected by "diplomatic immunity" for the conduct of the legitimate and necessary business of composing the inevitable differences between nations.

But that's not the way it has been working lately. The principle of "diplomatic immunity," for example, has been used by some outlaw nations to protect people who commit crimes of violence—as when the London police were fired upon from the Libyan Embassy, and the culprits were given safe passage home.

Day by day, official messengers travel from one capital to another, with their diplomatic pouches at their feet, guaranteed freedom from inspection by customs officers when they arrive. But these days the pouches from some countries may contain, not proposals for peace but plans and even instruments of terror.

Under the old rules, still in existence, the Soviet Union, for example, or Libya, or Syria, could send as many "diplomats" as they liked to foreign capitals or to the United Nations, calling them "journalists" or "students" or cultural professors, though many of them were nothing more than cops, checking on one another, or spies.

In fairness, it has to be said that the United States and the other Western nations have been playing the same game, though not to the same extent, but still corrupting the diplomatic process through the C.I.A. with fake "newspaper reporters" and wandering "professors."

Some things are being done about all this but not to great effect. Ths U.S. is trying to kick out some of the Soviet cops from the United Nations, and every day or so the British or French or Spaniards expel some Libyan or Syrian diplomatic thugs, but that doesn't really deal with the problem.

It was a British Ambassador, Sir Henry Wotton, who expressed as a scribbled joke that "an ambassador is an honest man who is sent abroad to lie for his country." His sovereign, James I fired him for his indiscretion.

But in some parts of the world, an ambassador is sent abroad to murder for his country, and when he is found out, is merely expelled and then honored as a hero when he gets home.

What can be done about all this is hard to tell. There has to be privacy and some kind

of immunity for civilized embassies and their servants, but not immunity for murder or parking their cars in the middle of the streets.

Maybe we need to reappraise the diplomatic rules of the Congress of Vienna: 1815 was a long time ago. And the world is full of experienced and retired diplomats who might like to go back to Vienna and try to bring them up to date.

WASHINGTON TIMES DEBUNKS "KILLER BEE" THEORY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. COURTER. Mr. Speaker, it is truly mind-boggling to witness the lengths to which the arms controllers will go in order to exonerate the Soviet Union of chemical weapons use charges. As the following editorial from the Washington Times illustrates so clearly, administration charges of yellow rain use, already painstakingly documented, continue to be subjected to withering attacks from the scientific community.

There appears to be no appreciation of the credibility of existing open source evidence, let alone of the likelihood that classified data just might be available to buttress the administration's charges. At the very least, it should be understood that the yellow rain charges passed through a veritable gauntlet of State Department, ACDA, and CIA lawyers and scientists before their public release.

The Soviets have been caught yellow handed, which would not be the first time. We would be well advised to appreciate the implications of this Soviet activity, and take the appropriate action. My colleagues are urged to pay careful attention to the following editorial:

NONE OF YOUR BEESWAX

Let's see. We've got testimony of the victims, who ought to know the difference between the effects of bee excrement and a modern version of mustard gas. We've got the testimony of Communist defectors who say that, sure enough, "yellow rain" has been employed against tribesmen in Southeast Asia and Afghanistan. And we've got the leading European expert on chemical warfare, who has examined the evidence for "yellow rain" and found it convincing.

What we also have, if the latest "scientific" discoveries of *The Washington Post* are any guide, is what William James called "the will to disbelieve"—the tendency of some to reject any charge, such as the one made repeatedly by the Reagan administration, that the Soviets would stoop to such heinous practices. What? Destroy the hope that civilized people can get along with the Evil Empire?

According to The Post, which coaxed the information out of the British and Canadian governments, the Canadians "carried out the only large-scale sampling of blood of a variety of people near the war zone in Laos and Kampuchea, and found that about 2 percent of the people tested had the toxins—called tricothecenes—in their blood. But they were not believed to be victims of any chemical attacks. Rather, they were probably poisoned by fungus-infested food."

The British, in studies published in the prestigious journal Nature, "revealed that hundreds of samples taken from 35 separate alleged attack sites showed that there was none of the supposed 'yellow rain' chemical agent present." The Post says the administration's case is thereby "rebutted."

In fact, rebuttal is scarcely the term. The Canadians may have conducted "the only large-scale sampling," but here is a case where the size of the sample is irrelevant. The Canadian study, done in 1984, simply neglected the work done since 1981 by Aubin Heyndrickx, head of the toxicology department at Belgium's University of Ghent.

Professor Heyndrickx examined more than 30 samples brought to him by Thai students and gathered on his own visits to attack sites in Southeast Asia. "There is no question," he concluded, "that people have been attacked by a poison that is very toxic and can come only from human, and not natural, sources."

Nowhere does The Post, great scientific journal that it is, mention the Heyndrickx findings—an omission that opens the way for one of the most interesting pathological studies yet to be done of our confused era: why some journalists will disbelieve any evidence about "yellow rain," while swallowing the flimsiest assertions about "acid rain."

SALUTE TO RALPH B. PENNYPACKER

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. YATRON. Mr. Speaker, on Friday, June 6, 1986, Reading, PA, City Fire Marshal Ralph B. Pennypacker will be honored with a retirement dinner by the Reading City Fire Department. Fire Marshal Pennypacker, affectionately known to all as "Penny," will be honored for his 42 years of firefighting—20 of those years spent as Reading City fire marshal.

Penny has had a long and distinguished career in fire fighting and he is a widely respected figure in the field. Penny wanted to be a fireman since his boyhood, fulfilling his lifelong dream in 1944 when he joined the Reading Volunteer Fire Department as a member of Reading Hose No. 1. In recognition of his leadership potential, Penny was appointed foreman of Reading Hose in 1947 and held that position until transferring to the Junior Fire Company in 1953.

He remained at the Junior Fire Co. for a number of years. At that time, like now, firefighting was characterized by a spirit of camaraderie. Full of this spirit, Penny was well-known and popular in fire companies throughout the area. He was also respected for his bravery, nearly losing his life at one point during a fire in 1955. In 1962, Penny entered into service with the city of Reading where his leadership skills were soon noticed. His many years of dedicated service were recognized when he was appointed acting fire marshal in December 1966. On February 7, 1967, Penny was formally appointed fire marshal, a position he held until this year.

Fire Marshal Pennypacker's tenure was a productive one and he has seen a number of changes in the fire marshal's duties since he assumed the post. The biggest change has been the fire marshal's assumption of an important role in arson investigations. This practice was begun in 1981, and since assuming these duties, Fire Marshal Pennypacker's arson team has been phenomenally successful, investigating over 350 fires with a clearance rate of 20 percent. The team's greatest triumph was the successful investigation and conviction of an arsonist in the Central YMCA fire case in 1985.

In addition to his service to the city of Reading, Penny has been prominent in a number of fireman's organizations. He is a past director of the Keystone Fire Chief's Association, has served as secretary of the Berks County Fire Chief's Association for 25 years, and has also served as vice president of the Berks County Fireman's Association and as president of the fireman's union. He is also a proud member of the "Over-the-Hill Club" of the Pennsylvania Fireman's Association. His other affiliations include membership in the International Association of Arson Investigations, the Pennsylvania Arson Investigators Association, the Fire Marshals Association of North America as well as numerous fire companies in our surrounding area. In short, Penny's life has been dedicated to fire prevention and protection of his fellow citizens from this threat.

Like many citizens in the Reading area, I am sorry that we are losing the services of a dedicated public servant such as Penny. In his many years of firefighting, Penny's work has been characterized by effectiveness and professionalism. He will be sorely missed. I know that my colleagues will want to join me in honoring Fire Marshal Ralph B. Pennypacker for his 42 years of service and commitment to firefighting. I commend him and I wish Penny and his family continued success and good fortune in the years to come.

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. MURTHA. Mr. Speaker, I had hoped to be present on the floor on May 21 to take part in the discussion on the National Committee to Preserve Social Security and Medicare headed by Mr. James Roosevelt. Unfortunately, a meeting prevented me from being present but I would like to insert these remarks concerning this debate.

First, I want to note it has been an honor and a pleasure for me to know Mr. Roosevelt for several years. By every measure of his life and his ideals, he qualifies as a great American. I have the utmost respect for him.

Second, like many of the individuals who spoke on May 21, many of my constituents also mention the National Committee to Preserve Social Security and Medicare. They tell me how appreciative they are of the work the committee is doing. They tell me how good they feel about being informed and being able to express informed opinions to me as their Representative. They tell me they are proud and honored to be part of this effort.

Third, in reviewing some of the mailings and publications of the National Committee to Preserve Social Security and Medicare, I have found their articles to be informative and understanding. Older citizens in my area are very worried about these programs, they depend on them, and it is vital to their health and life style that they continue. As much as I and other Members of Congress strive to keep our constituents informed, publications such as these are extremely helpful in letting people know the situation, and communicating with their Congress.

We face a significant continuing debate with Social Security and Medicare. While both systems are presently sound, the need for review and improvements is constant. I believe Mr. Roosevelt's organization has done an excellent job of highlighting these issues.

I insert these remarks in praise of Mr. Roosevelt and the job he has done. As the eldest son of President Franklin Roosevelt, I am sure he feels a special concern for programs that help the elderly and for Social Security, because of his father's role in opening these opportunities to a better life for millions of Americans. James Roosevelt is following in his father's tradition, and I believe this organization should be commended for its high degree of expertise and professionalism which it has brought to the senior citizens debate.

THE COSTA MESA CHAMBER OF COMMERCE MAN AND WOMAN OF THE YEAR

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. BADHAM. Mr. Speaker, I rise today to recognize two very special people in my district, Pat and Lou Dinger of Costa Mesa, CA, who are being honored June 10, 1986, as the Costa Mesa Chamber of Commerce Man and Woman of the Year. These are truly outstanding citizens in every respect and it is my privilege to count them among my longtime friends in the community.

Between them, Pat and Lou have done as much or more to benefit their community and those around them than perhaps any other couple in the area.

Elderly Costa Mesans confined to the area's convalescent homes and young people with emotional problems have one very good friend in common—Pat Dinger. She is perhaps the best-known and best-loved Costa Mesan to the residents of six convalescent homes because of her warm and caring visitations 40 or more times each year as head of a special program of the Woman's Fellowship of St. Andrew's Presbyterian Church. These are not simple visits, but are full-scale birthday parties and holiday celebrations requiring many hours of preparation and planning.

Young people represent another segment of the community who benefit from Pat's love and attention. For nearly two decades, she has been active in support of the Child Guidance Center of Orange County, serving for the past 3 years as director of a thrift shop operation producing funds to support the center.

Lou Dinger, coowner of Mesa Center Automotive, has been a businessman in the city for more than 36 years. I have known him since my sons were involved in Cub Scouts some years ago and Scouts in Orange County have known him for 40 years as a scoutmaster and district and council leader.

Lou is past president of the Rotary Club of Costa Mesa and has been a member for 22 years, involved in service projects to benefit youth, older adults, schools and hospitals. For the last 10 years, he has been active in projects to provide food, clothing and hospital supplies for the Casa de Todas Children's Clinic in Tijuana, Mexico. He has given his time to Share Our Selves (SOS), the YMCA, the United Fund, the Child Guidance Center of Orange County and the Mesa Verde Figure Skating Club. He also has been an adviser to our local college, active in his church and is past president and director of the Automotive Service Council of California.

This is the first time the Costa Mesa Chamber has chosen a husband and wife in the same year to receive this most prestigious honor for distinguished volunteer service. In selecting Pat and Lou Dinger, the chamber could not have chosen a better team of leading citizens and community benefactors.

TRIBUTE TO THE NATIONAL MULTIPLE SCLEROSIS SOCIETY ON ITS 40TH ANNIVERSARY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. CONTE. Mr. Speaker, I ask the House to pause in its deliberations today to pay tribute to the National Multiple Sclerosis Society in recognition of its 40th anniversary.

In 1946, this Nation was in transition between a wartime and peacetime economy. Abroad, the Nuremberg War Crime Trials were well underway, and Emperor Hirohito signed Japan's new constitution. At home, Jackie Robinson began his first year with the Brooklyn Dodgers. "Oklahoma" was the hit of the season on Broadway.

It was also this year, 40 years ago, that the National Multiple Sclerosis Society became officially chartered. It had been nearly a year since Sylvia Lawry, the society's founder, had placed her May 1 ad in the New York Times classified section, asking: "Multiple Sclerosis: Will anyone recovered from it, please communicate with patient." Her brother, Bernard, had just been diagnosed and was suffering more each day.

About 50 people responded. But not one knew of anyone who had recovered. Each wanted to be among the first to know when a cure was found. They met and agreed to raise funds for research to find a cure. To do this, they would need an organization. They decided to name it the Association for the Advancement of Research in Multiple Sclerosis. In 1 year's time, however, they came to realize that the needs of people who have multiple sclerosis must also be served, and they broadened the purposes of the fledgling organization accordingly.

In 1947, this ambitious organization was renamed the National Multiple Sclerosis Society. By the end of 1947, it had awarded its first research grant, enrolled 750 members, reached its first $100,000 funding goal, and chartered two chapters.

In 1948, the American Medical Association gave its official sanction to the society and the first two multiple sclerosis clinics were opened in Albany, NY, and Boston, MA. Chapters were chartered in Michigan, New Jersey, and Ohio, and the national society was on its way.

At that time, Federal funding for multiple sclerosis research was almost nonexistent; the Government had spent only about $14,000. Through the efforts of its founder, Sylvia Lawry, and Senator Charles Tobey of New Hampshire, whose daughter had multiple sclerosis, the society was able to prevail upon Congress to adopt legislation establishing what is now the National Institute of Neurological and Communicative Disorders and Stroke. It was signed into law by President Truman on August 15, 1950. The first appropriation to NINCDS in fiscal year 1951 was $302,400. Today, because of the effects launched 40 years ago by dedicated men and women to bring attention to the growing needs for biomedical research, we annually appropriate millions of dollars for multiple sclerosis and other neurological research.

Meanwhile, the National Multiple Sclerosis Society's own expenditures on research have grown to more than $5.4 million in 1985, bringing its accumulated expenditures for multiple sclerosis research since 1946 to more than $95.7 million. The number of chapters and branches has grown to 140, and the number of multiple sclerosis clinics in the United States which they now help to support stands at 82. Membership in the society has grown to 485,000.

The National Multiple Sclerosis Society has come a long way since that day in 1945 when Sylvia Lawry placed her ad in the New York Times. And while a cure for this disease remains elusive, today's researchers now know more about the pathology of multiple sclerosis than ever before.

Biomedical research will give us the knowledge needed to prevent, treat, and cure this disabling disease which affects the brain, spinal cord, and optic nerves and compromises the quality of life of young adults who are diagnosed with multiple sclerosis.

Approximately 75.3 percent of the moneys collected by the society are spent directly on biomedical research, patient services, and public education programs. This is one of the best accountability records of any major charity, according to a recent analysis undertaken by the Council of Better Business Bureaus and the National Charities Information Bureau. It is a record of which the society should be proud, and a record on which its members deserve our congratulations.

The National Multiple Sclerosis Society at 40 is "Incurably Optimistic" that it will succeed in its mission of finding the cause and cure for the disease known as the real crippler of young adults. Based upon its history of accomplishment, and our annual research commitments, we in Congress, are, too.

HUNGER AMONG PLENTY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. VENTO. Mr. Speaker, recently President Reagan stated that hunger in the United States is caused by lack of knowledge about where to obtain help. He added "I don't believe there is anyone going hungry in America simply by reason of denial or lack of ability to feed them." Apparently what prompted the President to respond in this manner was a new report issued by the Physicians Task Force on Hunger which reported that participation in the Food Stamp Program has declined while hunger and poverty have intensified.

I find myself in partial agreement with the President in his assertion. Yes, hunger exists in the United States, and we do not have hunger because we lack the ability to feed these people. Farmers in the United States are among the most efficient in the world—and we have the capability to produce enough food to feed hungry people. In fact, we have a tremendous backlog of surplus commodities today. As of April 1, 1986, the Federal Government had on hand in uncommitted inventories 134 million pounds of soybeans, over 200 million pounds of butter, almost 1 billion pounds of nonfat dry milk, and over 600 million pounds of cheese.

There is a report that was done by individuals at the Department of Political Science at the Massachusetts Institute of Technology looking into the commodity distribution programs in the United States. The title of the article "Food in the Warehouses, Hunger in the Streets," so aptly points out the tremendous irony. Farm support programs require that the Commodity Credit Corporation buy commodities from farmers if the market price falls below a certain level. We then spend substantial sums of money to store these commodities, while at the same time we have hungry people in the streets throughout America.

The good news in the President's recent comments is that he is finally agreeing that there indeed is hunger in America. In the past, he has flat out denied the existence of hunger and claimed that the incidences of hunger were merely anecdotal. The President has come full circle on this issue. At least now, he admits that there is a problem.

But the answer is not to stand up and proclaim that there is hunger and then blame the victim. The fact of the matter is that when the Federal Government reduces its commitment to deal with hunger as a national problem, people go hungry. According to the report released by the Physicians Task Force, the decline in food stamps coverage occurred because of eligibility restrictions imposed by the administration and Congress in 1981 and 1982, because many do not know that they are eligible, and because of a lack of coordinated Government efforts to inform the poor about benefits.

Mr. Speaker, the answer lies in increasing the Food Stamp Outreach Program, the answer is in releasing the surplus cheese that we have in overflowing Kansas caves, the answer is in funding the WIN Program and other Job Training Programs so that these individuals have more to look forward to than a lifetime of dependency on public assistance and running out of benefits before the end of the month.

Mr. Speaker, we do have hungry people in America and we do have the capability to feed these hungry people. It is a national disgrace that here in the richest nation in the world we have some 20 million Americans going hungry at least 2 days a month.

LATIN AMERICANS AGAIN CALL FOR END TO CONTRA AID

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. BARNES. Mr. Speaker, I wish to share with my colleagues the text of a communique that was issued in San Jose, Costa Rica, by the eight countries that comprise the Contadora Group and the Support Group. The communique was issued on May 8 on the occasion of the inauguration of Costa Rica's new President, Oscar Arias Sanchez.

I would call my colleagues' attention in particular to point 4, which refers very clearly—albeit in diplomatic language—to the United States and to the necessity of terminating Contra aid. This paragraph reads as follows:

At the same time, the countries with ties and interests in the region must provide adequate guarantees that the coming into effect and implementation of Contadora's Act will not be frustrated. In this regard, the Contadora Group and Group of Support urge the cessation of the aid being provided to the irregular forces operating in the region, and make an appeal to one of these countries with ties and interest in the region to go beyond the encouraging signs it has given in this regard on the present occasion, by converting them into actions.

Mr. Speaker, the administration constantly talks as if the only obstacle to implementation of a Contadora treaty were compliance by Nicaragua. But from this communique, it could not be more clear that the eight countries that are trying to make an agreement happen think that the most serious obstacle to "the coming into effect and implementation" of a treaty is continued support for the Contras.

I again urge my colleagues to listen to our friends in the region as we consider what U.S. actions would be most constructive. They tell us that the contras are an obstacle to peace, not an instrument of peace. I hope we will act accordingly when we next have the opportunity to vote on this issue.

The text of the communique follows:

EMBASSY OF MEXICO

Washington, DC, May 16, 1986.

Text of the Communiqué issued in San José, Costa Rica, on May 8, 1986, by the Heads of State and Heads of Diplomatic Missions of the member countries of the Contadora Group and the Group of Support.

[Unofficial Translation]

The Presidents and Heads of Special Missions of the member countries of the Contadora Group and the Group of Support, meeting on May 8, 1986, in the city of San José, on the occasion of the transition of presidential power in Costa Rica, expressed their congratulations to the Costa Rican people for this new act of civic reaffirmation which strengthens the process of democratization in Latin America. They also expressed their best wishes for the successful mandate of President Oscar Arias Sánchez.

The Presidents and the Heads of Special Missions referred to the current endeavors for peace in Central America, and made the following statements in this regard.

1. It is indispensable to show that Latin America is able to solve its own problems. Latin America's hope for unity resides on its proving this ability.

2. It is a must to conclude the signing of Contadora's Act for Peace and Cooperation as soon as possible, and for this Act to contain all the elements that would ensure the peaceful solution of the Central American conflict.

3. It is essential to count on the political will of the five Central American States to conclude the negotiation and formalize the Act, to have the Act signed and ratified, and to ensure strict compliance with the terms of this document. To this end, it is essential that the principle of non-intervention in the internal affairs of the countries in the region be fully observed.

4. At the same time, the countries with ties and interests in the region must provide adequate guarantees that the coming into effect and implementation of Contadora's Act will not be frustrated. In this regard, the Contadora Group and Group of Support urge the cessation of the aid being provided to the irregular forces operating in the region, and make an appeal to one of these countries with ties and interest in the region to go beyond the encouraging signs it has given in this regard on the present occasion, by converting them into actions.

5. The Contadora Group and the Group of Support reiterated their call of a meeting of plenipotentiaries previously summoned by the Contadora Group for May 16 to 18, in the city of Panama, in order to conclude by June 6, 1986, the negotiation of the last two pending issues in the Act, and to formalize the document.

6. They agree to adopt and promote specific measures of social and economic cooperation that will contribute to lessen and off-set the effects of the crisis, and to strengthen the democratic self-determination of the countries in the region.

7. They reiterate their hope that the meeting of the five Central American leaders, to be held this current month of May in Esquipulas, Nicaragua, will contribute to peace and to overcome the crisis in the region through the use of dialogue as the effective instrument for attaining understanding and reaching an agreement.

To conclude, the Presidents and Heads of Special Missions of Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay and Venezuela express their determination to continue their active endeavors in order to contribute to the achievement of peace in the region, to create the necessary climate of trust, and to participate in all efforts which may ensure the observance of the commitments to be made by the five Central American countries.

EVO ANTON DeCONCINI

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. UDALL. Mr. Speaker, only a few people in each generation leave their mark and really make a difference. We lost such a man in Arizona recently—Evo Anton DeConcini. There have been few like him.

Evo DeConcini was never satisfied doing just one thing. As a young man, he became a skilled real estate developer. He earned a law degree at the University of Arizona and went on to serve as attorney general, as a superior court judge and a State supreme court justice.

Beyond that, he was a devoted father who loved his family, his church and the law. He was a man who was not only a model to his children, but an inspiration to countless others.

He was a man for all seasons, proud of his heritage, caring for his community, compassionate to those less fortunate, a man who believed that doing good meant doing your best.

Evo DeConcini was among that handful of devoted men and women who helped guide Tucson and Arizona from the fringes of an old west to the new, thriving and more cosmopolitan—and more complex—era.

I was proud to call Evo DeConcini my friend.

My sympathy goes to his wife, Ora, who is a remarkable person in her own right, and to all the DeConcini children and grandchildren, in this time of loss.

Carla McClain, a staff writer for the Tucson Citizen, summed up Evo DeConcini's career in a front page obituary, published May 20, 1986. I am asking that it be reprinted here in tribute to this good man.

(By Carla McClain)

Evo Anton DeConcini, the partiarch of one of Arizona's most influential families and a mover and shaker of Tucson throughout much of this century, died early this morning of heart failure at age 85.

Mr. DeConcini died in St. Joseph's Hospital. He had been ill for about a month and was admitted to the hospital about two weeks ago after suffering a mild heart attack, family and hospital spokesmen said.

"My father will be missed by many," one of his four children, U.S. Sen. Dennis DeConcini, D-Ariz., said just hours after his father's death. "He had a close, loving relationship with his children and was a wonderful role model for all of us. He encouraged us to reach out, to stretch ourselves when pursuing our goals.

"His inspiration will remain with me always."

It was 65 years ago that young Evo moved to tiny Tucson from the even smaller rural village of Iron Mountain, Mich.

He was 20 when he came here with his parents to help them run what was then known as the American Hotel downtown in this dusty outpost of the Southwest.

Mr. DeConcini earned a law degree 10 years later at the small land grant school known as the University of Arizona. That launched him into the spotlight of power and influence in southern Arizona for the next half-century—as attorney, real estate developer, leading politician, county judge, state Supreme Court justice, state attorney general, civic activist and family patriarch.

Mr. DeConcini was always called "the judge" by his friends and family, and despite his age kept an active eye on his real estate holdings and an active hand in his charitable work through most of this past year.

He was fond of saying how surprised he was at Tucson's growth from what he called "a one-street-car town" to a "big city" of more than a half-million people—even though Mr. DeConcini himself played one of the major roles in that boom.

"His death marks the passing of one of the old-time community supporters who had an important and lasting influence on all of us," commented Tucson Mayor Lewis C. Murphy this morning.

Saying he was shocked at the news of Mr. DeConcini's death, Murphy said no one realized how ill he had been recently, and that he had remained active almost to the end.

Murphy's friendship with Mr. DeConcini lasted for more than 30 years, even though they represented opposing political parties. He said Tucson lawyers, including himself, always admired "the judge" because "he had one of the finest legal minds in the community. He was an inspiration to all of us."

Armed with his UA law degree, Mr. DeConcini started out in the 1920s as an attorney and real estate developer.

Watching the city grow, he commented two years ago, "The growth of Tucson has meant so much to Arizona and it means so much to the people who come here because it's a nice place to live. They want to stay here.

"You make room for people and there is nothing wrong with that."

Mr. DeConcini's public service career began in the 1930s, when he served as a regent for the state's universities.

That began a string of high political and public positions in the state, including judge of the Pima County Superior Court during the 1940s and justice of the Arizona Supreme Court in the early 1950s.

A leader in Democratic politics, Mr. DeConcini was elected state attorney general in 1948 after serving as assistant attorney general several years earlier. He later chaired both the county and state Democratic committees.

Mr. DeConcini married the daughter of one of Arizona's pioneer families, Ora L. Webster, who also became active in Democratic politics, in 1932. They had four children—Dennis of Tucson and Washington, Dino, who practices law in Phoenix, David, the only son who did not enter politics but became a prominent Tucson developer and Danielle of South Dakota. All survive Mr. DeConcini, as do 12 grandchildren.

In addition to his political and law careers, Mr. DeConcini was well known for his civic and charitable work in Tucson. His longtime service included the presidencies of the Tucson Community Chest, United Appeal and United Fund, and fund-raiser and board member for St. Mary's and St. Joseph's hospitals.

Mr. DeConcini was honored by the Italian government with its Star of Solidarity. The UA honored him with its medallion of merit, as did the UA Alumni Association.

Funeral services are pending.

CONGRESSMAN ROSTENKOWSKI REPORTS ON QUESTIONNAIRE RESULTS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. ROSTENKOWSKI. Mr. Speaker, I would like to share with my colleagues the results of a survey which I conducted recently among the residents of the Eighth Congressional District of Illinois.The questionnaire covered both domestic and foreign policy issues. I have summarized and commented on the results below.

CONGRESSIONAL PRIORITIES

Please assign a numerical ranking to the following issues in terms of the urgency with which Congress should act:

Unemployment	1
Poverty	3
High interest rates	6
Federal budget deficit	2
International terrorism	5
Arms control	7
U.S. involvement in Central America	9
U.S. trade deficit	4
Immigration	8

It is interesting to note that of the four top concerns, all are domestic and three, strictly speaking, are economic. I hope that my constituents will see that the recent actions in the House on the budget and trade reform are timely and effective responses to their concerns.

FEDERAL BUDGET DEFICIT

The Federal Budget deficit, now totaling over $2 trillion, is the largest in history. On December 12, 1985, President Reagan signed into law the "Gramm-Rudman-Hollings Deficit Reduction Act", which requires that the deficit be eliminated by 1991, and provides for automatic deep spending cuts in all programs except Social Security and certain benefits for the poor. How would you reduce the Federal deficit? (Please check a combination.)

	Percent
(a) Cut spending across the board	35
(b) Cut spending for domestic programs	18
(c) Cut spending for Social Security	3
(d) Cut spending for national defense	50
(e) Cut spending for foreign aid	78
(f) Raise taxes	23

As noted above, the people of the Eighth Congressional District are very much concerned with the Federal deficit. The results of the poll show a clear preference for cutting spending before raising taxes. In particular, cuts in defense spending and foreign assistance are heavily favored. I support a balanced approach to budget cuts with both defense and domestic spending bearing equal shares of the burden along with provisions for modest revenue increases—as in the House-passed budget resolution.

SOCIAL SECURITY AND MEDICARE

Congress will consider proposals to remove the Social Security and Medicare trust funds from the "unified budget." That is Congress will forbid the loan of excess trust funds to other Government programs. Supporters of

this proposal believe it will ensure that benefits to senior citizens are not reduced as Congress works to eliminate the Federal deficit. Opponents believe that Social Security and Medicare should not be treated differently than other social programs. Do you believe that Congress should remove from the "unified budget:"

[In percent]

	Yes	No
(a) Social Security	71	29
(b) Medicare	69	31

There is a strong sentiment in the District that Social Security and Medicare should be protected from budget reductions by removing the trust funds from the unified budget. I agree that we must preserve the benefits which Social Security provides to the elderly and disabled of our Nation. Further, we cannot allow Medicare to fall victim to the heavy budget cuts proposed by the administration.

DEFENSE SPENDING

Since announcing the Strategic Defense Initiative, known as "Star Wars," in 1983. President Reagan has argued that the United States must move toward a space-based defensive system to prevent nuclear war. Critics contend that the program will intensify the arms race, is too expensive, and is unworkable. In fiscal year 1985, $1.4 billion was spent on the development of the SDI. Do you think the United States should: (Please check one.)

	Percent
(a) Increase funding to accelerate SDI development?	18
(b) Decrease funding, but go ahead with SDI?	52
(c) Eliminate funding for SDI	30

The Strategic Defense Initiative is one of the single largest defense spending programs holding the least promise. Although there was substantial support for SDI research, there was a rejection of the unprecedented levels of funding for a system with unproven and dubious capabilities. I, too, believe that funding for SDI should be reduced to the lowest practicable level.

TRADE DEFICIT

The U.S. trade deficit for 1985 is estimated at $150 billion, that is, the United States imported 150 billion dollars worth of goods more than it exported. The trade deficit has been blamed for the loss of thousands of jobs within the past 5 years. Which of the following do you believe would most effectively resolve the trade deficit problem? (Please check any combination.)

	Percent
(a) Protective measures such as increased tariffs and quotas on the products of those countries which pursue unfair trade practices against the United States	68
(b) Federal assistance to industries which are particularly hurt by foreign competition, such as the auto and steel industries	17
(c) Expanding Federal programs to retrain unemployed workers laid off due to foreign competition	45
(d) A national campaign to educate Americans about the extent of the trade imbalance and the need to support American producers	50
(e) No action by Congress	8

The response to the questionnaire emphasizes the growing disenchantment of the American people with current U.S. trade policy. An overwhelming number of respondents favored the imposition of quotas against those countries which pursue unfair trade practices against the United States. Most of the concerns expressed have been addressed in H.R. 4800, the Trade and International Economic Policy Reform Act, just passed by the House.

AID TO EL SALVADOR

Congress will again consider U.S. policy with respect to military and economic aid to El Salvador. The elected government of President Duarte reports that it is attempting to curb the human rights abuses of the Salvadoran Army while also fighting the leftist revolutionaries in the countryside. Incidents of terrorism are increasing, and both sides accuse the other of such acts. What type of assistance should the United States provide the Duarte government? (Please check any combination.)

	Percent
(a) Economic aid to rebuild the infrastructure (that is, roads, schools, hospitals, etc.) of El Salvador?	30
(b) Unrestricted military aid	2
(c) Military aid tied to the improvement of human rights conditions	34
(d) Aid to civilian police forces for counter-terrorism training and equipment	25
(e) None	40

There was no clear consensus among my constituents on aid to El Salvador. Although 40 percent opposed all aid, the remaining 60 percent favored some sort of assistance. I support nonmilitary assistance to El Salvador designed to help that country rebuild its economic infrastructure and stabilize the political situation. I have long opposed military assistance to El Salvador, as we have substantial reason to believe that it has been misused. For example, organizations to which a number of my constituents belong have provided me with evidence that U.S. funds have been used for the bombing of civilians which, if true, could not be more disturbing. However, recognizing the will of the House to provide President Duarte with some military aid, I have insisted that such aid be conditioned on demonstrable progress in the improvement of human rights in El Salvador. I have also insisted that the Congress maintain close scrutiny of how all our aid, military and economic, is being used in El Salvador. I will continue to work with those members who have authorization and appropriation authority over this important issue, to see to it that our restrictions are being honored.

IMMIGRATION LAW

[In percent]

	Yes	No
Please answer these questions "yes" or "no":		
(a) Do you favor granting legal status to many aliens already in the country?	34	66
(b) Do you favor penalties for employers who knowingly hire undocumented aliens	91	9
(c) Do you believe penalties would result in discrimination against citizens who have foreign accents or surnames?	22	78

Illegal immigration is among the most pressing problems currently facing the Nation. It is evident from the responses that there is substantial support in the Eighth Congressional District for many of the provisions of the immigration reform bill currently before the House Committee on the Judiciary. There is little doubt that Congress must now take the lead in revamping immigration law to make it responsive to current needs.

COMPUTER SOFTWARE RENTAL ACT OF 1986

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mrs. SCHROEDER. Mr. Speaker, I am today introducing the "Computer Software Rental Act of 1986" to provide important protection against the commercial exploitation of one of our most important and growing industries—the personal computer software industry.

I am privileged to serve on the House Judiciary Committee's Subcommittee on Courts, Civil Liberties and the Administration of Justice, the subcommittee charged with oversight of our copyright laws. In hearing after hearing, this subcommittee has struggled to apply copyright laws written in a less sophisticated era to the flood of new technologies and new types of intellectual property that have emerged in recent years.

One of the areas that has been of particular concern to the subcommittee has been the issue of the impact that the erosion of copyright protection through new technology has had on the creators of intellectual property. This erosion is seen in the software industry, one of our newest and most creative industries. With the rapid proliferation of personal computers, all segments of American life are now enjoying the enormous benefits of the wide range of available software applications. The creators of this new intellectual property, software developers and publishers, constitute one of the Nation's most rapidly growing industries. Some have estimated that there are more than 10,000 companies creating software for personal computers. The industry's trade association, the Software Publishers Association, estimates that most of these firms are small, with less than 30 employees, and frequently less than 10 employees. This is still very much of an entrepreneurial industry, with hundreds of small businessmen struggling to develop new and useful applications in an effort to gain a niche in the growing computer software market.

Just as the proliferation of personal computers in recent years has brought the advantages of computer technology to millions of users, that technology has also brought us a major copyright problem—the ability of each computer user to make perfect copies of the software necessary to make the computer function. The copyright laws provide in section 117 of the United States Code that the user is entitled to an archival of back-up copy of the computer software. However, the law does not authorize additional copies that allow persons to obtain computer software products for free. The industry thus has faced a dilemma: how to allow the customer to have the convenience of a back-up copy, without setting in motion a proliferation of illegal copying that threatens the industry's ability to recover and benefit from its enormous development efforts.

In the past, microcomputer software manufacturers have used encoding techniques, called "copy protection," to attempt to thwart copying. This, however, has created undesirable marketing problems and has spawned a sub-industry in code breakers, or products designed to strip the copy protection from the software. This arms race between those seeking to protect their software and those seeking to remove software protection now appears to be abating as more firms abandon copy protection. The removal of impediments to copying, or going naked, is becoming more common in the software industry. Thus the risk of illegal duplication of software is now greater than ever. Accordingly, the software industry must, to a much greater degree, rely upon the protection afforded by the copyright laws.

The bill I am introducing today does not attempt to deal with the broad question of computer software copying, which entails complicated copyright issues deserving further study. However, I think that we all accept the principle that commercial business interests should not be allowed to reap profits from loopholes in the copyright laws, or to conduct trade in copyrighted works at the expense of copyright owners. One such business is the rental of personal computer software. Proprietors of these businesses rent popular programs such as Lotus 1-2-3, D-base III, and a host of personal productivity and educational programs under the guise of allowing the renter to preview the software. The Software Publishers Association notes that the true purpose of such rental transactions is obvious—to permit the renter to make a permanent copy of the program for future use—with no compensation to the author.

The illegal nature of the business is illustrated by the pricing generally used by these rental operations. The rental price of the software, generally 25 percent of the suggested retail price, is to high to be a true rental. Instead, it is a thinly disguised method of permitting individuals to obtain a wide range of software for 25 percent of the retail price, with none of the revenue going to the copyright holder. One hardly wishes to learn a word processing or financial management program, only to return it to a rental store a few days later. By the same token, productivity, creativity, and educational software is used over a longer period of time than would be practical when one is renting the product.

The Software Publishers Association has noted that the number of software rental operations, both in storefront locations and mail order, have grown very rapidly during the past year. I believe that only congressional action can ensure that this growing practice of computer software rental does not deal a damaging blow to the copyright protection of computer software. For that reason, I am today introducing the "Software Rental Act of 1986" to require authorization from the copyright owner before one may engage in the rental, lease, or lending of computer programs for commercial purposes.

This provision modifies the first sale doctrine of our copyright laws that allows someone who has purchased a copyrighted work to dispose of it in any way he likes, by selling it, renting it, or giving it away. This rule has worked fairly well, and prevents individuals from worrying about copyright liability when they lend a book to a friend or sell an old record.

In 1984, however, Congress unanimously passed similar legislation to modify this first sale doctrine with respect to audio records—the Record Rental Amendment of 1984—October 4, 1984, Public Law 98-450, 98 stat. 1727. That act, provides a commonsense reform that requires a person who wishes to rent out records on a commercial basis to get permission of the copyright owner before doing so.

My bill, the "Computer Software Rental Act of 1986" is patterned exactly after the record rental legislation, and addresses the same problems. In fact, software rental weakens the effectiveness of copyright protection even more seriously than the rental of records or tapes. A single program may reflect years of arduous work and may sell for several hundred dollars—as opposed to $6 to $12 for a record. Therefore, the revenue loss from each act of illegal duplication is quite substantial. Moreover, copying a software diskette is usually quicker and easier than duplicating a sound recording, and, unlike duplicated sound recordings, each software copy is precisely equal to that of the original. Illegal copying of rented software is thus more tempting and easier to accomplish than the copying of rented musical recordings.

The computer software industry is an important industry. In domestic and international arenas, we all recognize the importance of intellectual property, and the intellectual property industries to the American economy. I urge my colleagues to seriously consider these issues and join me in pushing for this small step to curb the commercial exploiters who threaten to stifle the kind of entrepreneurial development of computer software products that will contribute to our Nation's economic growth.

THE 11TH DISTRICT HIGH SCHOOL ESSAY WINNERS: "HUMAN RIGHTS—THE MORAL FOUNDATION OF AMERICAN FOREIGN POLICY"

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. LANTOS. Mr. Speaker, I would like to call the attention of my colleagues to the five winners of the first Congressional Human Rights Foundation essay contest conducted in my district for high school seniors. The subject of the essay was: "Human Rights—The Moral Foundation of American Foreign Policy."

The genesis of the idea for the essay contest was simple, yet important: that human rights have become an important element of American foreign policy, and therefore our Nation's students should take the time to analyze and examine just what it is we mean by "human rights." I am pleased to report that the students of San Mateo County were equal to this task, and several fine essays were submitted to the districtwide competition.

First prize was shared by two students: Kristine Ann Loftus from Notre Dame High School in Belmont, and Tina Huie from Jefferson High School in Daly City. I would like to share the thoughts of these outstanding prize-winning students with my colleagues.

Tina Huie wrote of the need for Americans to care for individuals who suffer human rights abuses in other countries:

Some people feel that we should not become involved in the internal affairs of other countries. "It's none of our business," they argue. It is our business though. "No man is an island entire of itself." We cannot be indifferent to the sufferings of other people. If we were walking down a street and happened to see someone being beaten, I am sure many of us wouldn't hesitate to do something about it. Why, then, should we hesitate to try and help thousands who are being beaten and tortured behind bars? "We don't see them," someone could point out. That is all the more reason that we should help. Repressive governments shut dissidents away in prisons so that they can forget about them, so that we can forget about them. They are still there. We must not forget about them.

Kristine Ann Loftus focused on the need for America to take the leadership in alleviating the terrible human suffering which is occurring in parts of our world:

What is the future of human rights in American foreign policy? Hopefully there will be a heightened awareness of the problems facing the Third World and an effort will be made to bring their suffering to an end. We cannot call ourselves a humane people if we allow the situations in places like Ethiopia and South Africa to continue. People are dying from things they should never have to worry about like starvation, disease, and oppression. It is the moral mandate of the United States to take the lead and mobilize all of its resources, political and economic, to end these tragic conditions once and for all. We can only call them human rights if all humans have the chance to enjoy them.

Second prize went to Matt Berto of Carlmont High School in Belmont. Antonia Hannon of Notre Dame High School and Shombe Randall of the Highlands Christian Schools won honorable mention for their essays.

These students should be commended for the time and effort they put into preparing their essays. They have contributed to our understanding—and to their own understanding—of the importance of human rights in U.S. foreign policy. A foreign policy without the moral underpinings of human rights is devoid of morality and vision, and it lacks the greatest contribution our Nation can make to future generations. All five students deserve credit for their intelligent contributions on this critical subject.

CHURCH VIEWS ON NUCLEAR WEAPONS

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. BEREUTER. Mr. Speaker, not long ago, as reported in the following Omaha World Herald editorial of May 6, 1986, which I commend to my colleagues, the bishops of the United Methodist Church issued a statement of their position on nuclear weapons. Among other things, the bishops called for a nuclear test ban; a freeze on production and deployment of nuclear weapons; a no first-strike agreement; and rapid reduction of nuclear arsenals. Going beyond what Catholic and Episcopal bishops earlier had advocated, the Methodist bishops criticized the maintenance of nuclear stockpiles meant to deter aggression. "The moral case for deterrence," they said, "has been undermined by unrelenting arms escalation."

No one, least of all this Member, would question the well-intentioned sincerity of these groups. Nor would anyone in his right mind argue with their goal, which is to keep the world from nuclear destruction. This Member does, however, think it is revealing and productive to contrast these statements by groups of American clergy with statements by European Catholic bishops—especially bishops from France and West Germany. For starters, the European bishops recognize that peace movements invariably put more pressure on Western governments than on Warsaw Pact nations. More fundamentally, the European bishops characterize the obligation of government to defend justice, freedom and independence as, and here I am quoting:

At least as great and probably greater than the obligation to prevent war. Government's duty is to protect the innocent, by persuasion preferably, but by force if necessary.

Thus, it has been concluded, the Europeans rule out the massive or indiscriminate use of nuclear weapons, but have not ruled out the controlled or tactical use of nuclear weapons.

Beyond this, the European Catholic bishops express concern that unilateral abandonment of nuclear arms might increase the likelihood of their use instead of preventing it. They also ask whether the unconditional refusal to defend oneself might not provide an opportunity for blackmail. They ask further, and I believe this is the central issue, if absolute condemnation of all war does not place peace-loving people at the mercy of those motivated by an ideology of domination.

In essence, the European bishops see the stockpiling and threatened use of nuclear weapons as the lesser of two evils. In constrast to at least some of the U.S. groups, the Europeans do not view as immoral the willingness to threaten the use of nuclear weapons. They say:

Weapons only provide an effective deterrent if their use can be threatened in a credible manner. If an enemy knows that it is only bluff, it is no threat.

In defense of nuclear deterrence, which they note has staved off direct suicidal confrontation between the superpowers, French bishops write that its whole rationale is to make clear to an adversary that the costs of launching an attack or a related attempt at coercion are out of proportion to the benefit to be derived from such an action and are therefore not advisable.

Mr. Speaker, the position taken by the European bishops is admittedly controversial and certainly politically difficult to enunciate without great cost, but I submit that the concepts they advocate are worthy of careful examination by leaders of the American clergy and by public policy leaders of this Nation.

[From the Omaha (NE) World Herald, May 6, 1986]

KEEPING SOVIETS IN CHECK A MORALLY DEFENSIBLE ACT

Few rational humans can seriously oppose the goal of a world in which nuclear weapons are but a memory and nations live together in peace and harmony. Bishops of the United Methodist Church, in their statement on nuclear weapons, indicated that they want much the same thing as leaders of the Roman Catholic and Episcopal Churches, the nuclear freeze movement, the U.S. government and millions of ordinary people around the world.

Unfortunately, no one, including the Methodist bishops, has come up with a clear way of achieving the goal.

The Methodist bishops called for a comprehensive nuclear test ban and a mutual, verifiable freeze on production and deployment of nuclear weapons; bans on all offensive and defensive space weapons; a "no first use" agreement accompanied by withdrawal of all battlefield nuclear weapons from forward areas; and phased, rapid reduction of nuclear arsenals.

The statement calls on the United States and the Soviet Union to work together to eliminate nuclear weapons, but it also calls for unilateral action. While Catholic and Episcopalian leaders earlier expressed conditional acceptance of nuclear deterrence, the U.S. practice of maintaining a stockpile of nuclear weapons to discourage aggression by the Soviet Union, the Methodists criticized the practice.

"The moral case of deterrence, even as an interim ethic, has been undermined by unrelenting arms escalation," the Methodist bishops said.

The moral case for deterrence? Unrelenting arms escalation? The Soviets have spent the last 40 years vigorously arming themselves. Even in the years immediately after the war in Vietnam, when the United States was cutting back on its military forces, the Soviets carried on—and even accelerated—their arms buildup. Finally, in the 1980s, the White House and Congress began following a policy that, in effect, refuses to let the Soviets develop a permanent military advantage.

The U.S. refusal to accept a permanent also-ran status in strategic military hardware has reduced the danger of Soviet aggression and helped persuade Moscow to negotiate on arms reductions. These are not immoral results.

Deterrence might not necessarily be the best way of managing the disagreements between the United States and the Soviet Union. Arms control is worth pursuing. So is the study of space-based defensive weapons.

But the search for a better way must be realistic. The Soviet record is clear. Any attempt to declare deterrence immoral and replace it with something else could increase the danger to the West unless it took into account the fundamental hostility of the Soviet Union toward Western democracy.

One assumption in the concept of deterrence is that the nuclear arsenal of the North Atlantic Treaty Organization has kept the Red Army from rolling over Western Europe in the manner of the Soviet invasion of Afghanistan.

No one, of course, knows what the Red Army would actually do if NATO gave up its ability to retaliate with nuclear weapons against a massive conventional attack against Western Europe. Nor does anyone know precisely how the Soviet Union would behave if the United States, through disarmament, put itself in a position of being vulnerable to aggression or nuclear blackmail.

But what a terrible—and immoral—risk would be required just to find out.

THE SANCTUARY TRIAL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. UDALL. Mr. Speaker, on May 1, 1986, a Federal jury found Rev. John M. File III, a Presbyterian minister, and seven other sanctuary movement activists guilty of conspiracy and other charges. The defendants, including two priests and a nun, could be sentenced for up to 5 years in prison and fined up to $10,000 for their activities.

During the course of the trial, the jury was not allowed to hear evidence or defense arguments relating to the humanitarian motives of the defendants. The court also rejected arguments relating to the Refugees Act of 1980 and the granting of political asylum.

The trial of the sanctuary activists has raised important moral and legal questions. Once again, a group of conscientious Americans have decided to follow their conscience and engage in acts of civil disobedience. Writing for the Washington Post, Colman McCarthy has taken a look at some of the moral and legal questions raised by the trial. At this point, I insert his column of Sunday, May 25, 1986, into the RECORD and urge my colleagues to read it.

The article follows:

[From the Washington Post, May 25, 1986]

REFUGEES, LAWS AND CONSCIENCE

(By Colman McCarthy)

A 2,000-year-old question asks: If you were arrested for being a Christian, would they have enough evidence for a conviction?

In Tucson, eight religious leaders are the latest believers to answer yes. A federal jury, responding to felony charges brought by the Reagan Justice Department, convicted two priests, a nun, a minister and four lay workers of smuggling or harboring illegal immigrants from Central America.

Christianity, a religion begun by a Hebrew rebel executed in his mid-thirties by the government, is behind the crime wave uncovered in Tucson and spreading elsewhere. More than 300 congregations in about 20 cities are caring for Central Americans in ways the government says are criminal. People are choosing to be good Christians rather than good Americans. One of the convicted smugglers, Sister Darlene Nicgorski, put it well: "If I am guilty of anything, I am guilty of the Gospel."

The sister, uncomplainingly, will take her punishment, if it comes. The appeal may take two years. She will also be punished with the scorn of ridiculers who see her and the entire Sanctuary Movement as a band of the self-righteous putting themselves above the law and then griping when the law socks them.

That isn't the impression created by the statements made by the defendants after the trial. "When one has faith," said one of the priests, and "when one believes in God, you don't have reason to turn back or falter or to feel fear . . . The only consequence this trial will bring is the multiplication of the number of us who will continue working for the same ideals." Jim Corbett, a Quaker and retired rancher, said, "Whenever the federal government engineers a show trial of this kind, I think that we have to expect to go back to court as many times as is needed to inform the public enough so that no jury will convict."

A group of Salvadoran refugees—the illegals who led the eight into their lives of crime—also offered some thoughts at the end of the trial. "For us Central American refugees, it is significant that these brothers and sisters opted to remain faithful to their understanding of the Bible and have taken risks so that we could find safe haven in this country . . . [They] tried to find immediate solutions for refugees who are suffering the consequences of [a] 6-year-old war. And as long as the root cause of that war continues to exist, so then the exodus will continue."

These comments need to be recounted because, by order of an irascible judge, they weren't allowed in the court. Motives in other felony trials are allowed airings, but this one stayed roped to the technicalities of immigration law: Did the group smuggle aliens or didn't it? Of course it did, and of course the law was broken. But are all laws sacred? Martin Luther King Jr. didn't think so, even in constitutional democracies. He was jailed for lawbreaking. Henry Thoreau wrote that "unjust laws exist," and he was also jailed. The leaders of the abolitionist Underground Railroad broke the law, as did the organizers of the Boston Tea Party.

The argument against the Sanctuary Movement is the standard one always thrown at civil disobedience: If you don't like the law, change it through democratic channels. Otherwise, you invite anarchy.

The anarchy argument is overdrawn, especially in this case. Anarchy already prevails in El Salvador, from where refugees are fleeing death threats and violence that has seen 50,000 people killed in the past eight years. By one reliable count, more than 1,000 air and artillery attacks were waged against civilians in 1985.

The civil disobedience of the Sanctuary Movement is based on the rational view that unless the law is challenged by direct defiance, the delay in changing it through legislatures will mean more death and suffering. Would America's segregation laws have been changed as quickly if King had not broken them? Would the draft laws have been abandoned in the early 1970s if Vietnam war protesters had not defied the Selective Service?

The Sanctuary Movement, which is both religious and political, respects the law but not to the point of blindness. Nor is its eye closed to the other moral issue—that the 50,000 killings occurred when Congress and the Reagan State Department were stating every six months, in a bludgeoning of truth, that human rights had been improving in El Salvador.

The Justice Department's zeal for prosecuting the Tucson group is impressive. With violent crime up 5 percent last year, here is the government in a massive case singling out the nonviolent, whose crime is to comfort the most frightened of the hemisphere's tormented. Something else: If only part of the zeal for prosecution were transferable to the governments of El Salvador and Guatemala, where most state murders have gone unprosecuted, perhaps the refugees would not have been fleeing all these years.

LESSONS LEARNED FROM CHERNOBYL: "WHAT YOU READ IS NOT WHAT YOU GET"

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mrs. LLOYD. Mr. Speaker, in the aftermath of the Chernobyl accident, a lot of confusing and misleading information has been propagated regarding two very common chemical elements, hydrogen and carbon (in the form of graphite.) Indeed, it is easy to make hydrogen explode, but just try to burn graphite. Some of us remember the German airship, the *Hindenberg*. It was the pride of the fleet before it exploded in Lakehurst, NJ. In January we again witnesses the explosive power of hydrogen with the *Challenger* accident. Then in April, the Chernobyl Unit No. 4 was damaged by an explosion. We suspect hydrogen was formed after the reactor lost its cooling water. This loss of cooling water resulted in a corresponding loss of pressure. As you know, water boils and turns to steam more rapidly the lower the pressure.

The Soviet reactor was built of many materials, but we know one of the materials used extensively was zirconium metal. When steam and zirconium react together they form hydrogen. The Chernobyl unit has a great capacity to become a hydrogen generator since it not only contained zirconium-clad fuel but also included many large zirconium cooling tubes.

Unfortunately, the media, and even members of the international technical community, jumped to erroneous conclusions. The *Challenger* accident and the bombing of Libya had just gotten off the front pages, and Chernobyl came just in time to re-stir public emotions, and this time the bad actor was "graphite." One trade newspaper carried the headline, "Graphite Fire Fuels Russia's Nuclear Nightmare." The problem with that statement is that graphite is a very poor fuel. It simply doesn't want to burn. It is almost twice as dense as coal. In fact, it takes a fantastic quantity of air and a very high temperature to force graphite to burn. If one had taken just a minute to read page 545 of Webster's II University Dictionary, he would have read:

Graphite—a hexagonally crystallized allotrope of carbon used in lead pencils, lubricants, paint and coating and various fabricated forms including molds, bricks, electrodes, crucibles and rocket nozzles.

If you still think graphite burns easily, you try it by extending the lead from your pencil and holding a match under it. What happened? Nothing, right? So it appears that what happened at Chernobyl was that there was catastrophic loss of coolant, failure of limited emergency systems combined with an inherent design flaw which finally resulted in the extreme conditions of heat and large oxygen supply required for graphite to ignite.

It happens that the Department of Energy has a civilian reactor development program directed toward vastly improved levels of nuclear reactor safety; using what? A graphite-moderated reactor, or course.

Sometimes we shoot before we understand what is the target. On May 14, 1986, I chaired a hearing of the Subcommittee on Energy Research and Production which brought some of the world's best nuclear engineers together for the purpose of collecting the preliminary technical "lessons learned" from the Chernobyl accident. One of the witnesses was Valentina Shkolnik, senior nuclear engineer employed by Combustion Engineering of Windsor, CT. Ms. Shkolnik was educated at the Kiev Polytechnic Institute, and is an expert on the Chernobyl type machine having participated in the design of those so-called RBMK reactors.

With the information furnished by these experts, permit me to set the record straight and present some of the differences between the Soviet reactor and United States commercial reactors, which are signficantly safer.

The reactor at the Chernobyl nuclear generating station did not have a containment building like those built over the top of U.S. nuclear reactors. U.S. containment buildings include features which fulfill four separate safety functions:

First, isolation of the reactor and nuclear fuel from the surrounding environment.

Second, built-in capacity to reduce pressures and temperatures within the containment building—for example, by venting—to preserve the integrity of the building.

Third, elimination of hydrogen should it be emitted from the reactor by converting it to harmless water vapor.

Fourth, built-in equipment to capture radioactive materials and store them inside the building should they escape from the reactor.

The containment building at Three Mile Island Unit 2 performed these functions nearly perfectly.

The Soviet reactor was more difficult to operate than United States nuclear reactors for two very good reasons:

First, the Soviet reactor of the type used at the Chernobyl generating station was designed and built in a way—that is the previously cited "design flaw"—that caused the nuclear chain reaction to speed up and "run wild" during an accident if the cooling water was lost—that's called positive coefficient of reactivity. The nuclear chain reaction would "slow down" in a U.S. reactor if the cooling water was lost.

Second, the Chernobyl-type Soviet reactor is refueled while running at full power. When the Soviet operators pull the old burnt fuel from the reactor it introduces an instability or fluctuation in the nuclear reactor. The operators then have the scary task of performing a nuclear balancing act with a 1.3 million horsepower engine (1,000 megawatts) ready to race out of control. The Chernobyl Unit No. 4 apparently did.

As a last resort, the people who live in the vicinity of U.S. nuclear reactors are protected by prepared evacuation plans to temporarily get them to safe distances should radioactive materials escape.

Mr. Speaker, the full story of lessons learned from Chernobyl must await the U.S.S.R.'s detailed accident scenario, but the record should be set straight as to why this accident turned into a disaster. Carbon and hydrogen are not the "villains." Present U.S. commercial design reactors with defense-in-depth preclude this type of disaster as do the advanced passively safe reactor designs such as the modular high temperature gas-cooled reactor [HTGR] which employ graphite with confidence.

SALUTE TO STAN KOPPEL, A GREAT UNION MAN

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mrs. BURTON of California. Mr. Speaker, next week one of San Francisco's outstanding union members will be honored on his 75th birthday. Stan Koppel has been a member of the Brotherhood of Painters nearly 50 years. I am pleased to present to my colleagues a statement about Mr. Koppel that reflects the high esteem his fellow union members have for him.

The statement follows:

A SALUTE TO STAN KOPPEL ON JUNE 8, 1986

Stan Koppel first joined the Brotherhood of Painters back in 1937 just in time to be on strike. That's the kind of a guy he is. Stan was an active member of the Union in three areas of our country. Los Angeles, New York City and San Francisco. In the history of the Brotherhood of Painters there are three outstanding progressive-radical leaders during the period from the 30's through the 60's. It is no coincidence that our Stan happened to be right at the place and time when each of these Rank & File leaders were active. It's Union members like Stan who made such leaders. They are the ones who build the support of the Rank & File that make possible big gains in what Unions are all about-better working conditions and improvments in workers way of life.

Back in 1937, Koppel joined Local #1348 a Jewish Local in the Los Angeles area called Laurel Heights, well-known for the movie stars cemetery. He went to work as a setpainter for the movie studios. Shortly they were on strike and it was there that Stan met and became a close friend of Herb Sorrell, the Rank & File leader who later became the head of the Painters Union for the whole of southern California. In the 1937 strike they lost the battle but set the stage to win the war against the Labor racketeers in the movie industry. Koppel was one of the casualties. He was black-balled and forced to seek employment elsewhere.

Stan was never one to sit back and watch things happen. When our country was attacked in 1942, he got right in the middle of the action by joining the Submarine service.

In April of 1947 Koppel found himself back in the Painters Union but this time on the East Coast. While a member of Local #892 he joined with the Leader of the progressive forces, Louis Weinstock in the fight against the early Joe McCarthys of the New York Painter District Council.

Since he had left his heart in San Francisco or at least California, in 1949 he moved to (as they say in the Navy) Frisco and transferred his membership to Local #19. By this time at the age of 38 he had married Virginia and was ready to produce a family. Virginia with the assistance of Stan did a good job on that score—witness the two sons, Mike and Tom. The driving urge for a full life included his art work so I'm sure his idea was to put his Union activity on the back burner. However he didn't plan to meet Dow Wilson, the third of his radical Rank & File associates who drew Stan into the middle of the Painters struggle here in San Francisco.

Somewhere along the line between his Navy duty and Union activity, Koppel became a famous or infamous cartoonist depending upon which side of the battleline you stood. He was so good one of his former Union Leader targets confided in him years after the battle, "I still have those cartoons you drew of me."

When the smoke settled down in 1963 the San Francisco Painters were united into one Local, a pension plan won and the stage was set for winning the best working agreement in the country. Stan was one of the charter members of Local #4, the new Local and Chairman of the Executive Board. He could have been the Financial Secretary, a full-time Union Official, but his drive was to have more time for his art work.

Stan made it very clear to his close friends that he was to be a one term Chairman but as the events unfolded—the assassination of Dow Wilson, the attack by the International—he ended up serving until 1971, two and a half terms (8 years). Stan's plan was to retire from the Painting trade in 1972 at the age of 61.

But fate, or should I say the forces of evil, moved in. Ronald Reagan was the Governor of California and the University of California was under his domain. The U.C. Workers were faced with a drastic cut in wages and working conditions so they went on strike. The strike was a long 3 months and was lost. Some of the militants quit in disgust. Did you guess right. Stan Koppel worked at the U.C. Medical Center. He was one of the militant Rank and File Leaders. He didn't retire as planned. He didn't quit. He stuck around for another year and helped the Union put the pieces back together. His first years—On Strike! to his last years—On Strike! When it came to the Painters Pension that he fought so hard for, he was one of those who fell in the crack, he didn't qualify.

That's our Stan, the Rank & File Union Man. Happy 75th Birthday, may he always enjoy Good Health.—Morris Evenson, a fellow worker.

ORWIGSBURG'S BLOCK PARENT PROGRAM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. YATRON. Mr. Speaker, I want to commend to my colleagues' attention the fine work of a number of citizens in Orwigsburg, PA. The Orwigsburg Elementary PTA, local police, and borough businesses have banded together to form a block parent program. The goal of the program is to ensure that the sidewalks, streets, and lanes in the area remain safe for children. The program will go beyond simply placing signs in windows—its goal is to truly provide a "safe haven" for Orwigsburg's children. I commend all of those involved and I wish them continued success with this admirable project.

Following is an indepth account of this important program:

PTA, POLICE AND BUSINESSES JOIN HANDS FOR CHILD SAFETY

(By Michael Orlofsky)

ORWIGSBURG.—In a pledge of solidarity, the Parent Teacher Association (PTA), police and borough businesses have joined forces in a block-parent program to make sure the sidewalks, streets and lanes in this area remain safe for children.

The local organizers of the program want to go beyond just putting block parent signs in windows—they're working with police to make sure that everyone who displays the sign truly offers children a "safe haven."

There will be a block-parent meeting at 7 p.m. today in the Orwigsburg Elementary School cafeteria to explain the program to interested parents. The meeting is being sponsored by the elementary PTA and the borough police department.

Child care will be provided during the meeting by Orwigsburg Girl Scout Cadette Troop 34 at the school.

Office John Karb will discuss with parents their responsibilities as a block-parent home.

APPLICATIONS SCREENED

The PTA requires that residents wishing to be block parents agree to a police screening of their application.

The stringent criterion was adopted to assure children and their parents of the safety of the block-parent homes throughout the Orwigsburg area.

Not only will lonely stretches of road in the area have safe havens, but through the cooperation of Orwigsburg businesses even the busy borough square will be a safer place for youngsters while they come and go to school.

PTA president Sue Ebling said that program got started when parents of Orwigsburg Elementary pupils voiced their concern

that there were no local block-parent homes.

"There was no place for them (the elementary pupils) to go," Ebling said in the library of the elementary school on Mifflin Street.

"And there are little, little kids," said Shirley O'Hara, PTA first vice president. "They don't have any older ones walking home with them to look out for them."

The "little, little kids" she referred to are the 215 kindergarten through second-grade pupils at the school. The pupils come from Orwigsburg, Auburn, North Manheim Township and Deer Lake—and the PTA would like to see block parents spread throughout each of those areas.

Ebling said the main purpose of the program was to discourage troublemakers from entering the area.

She said it has been proven in other places using a similar program that it significantly reduces and in many cases eliminates child molesting from an area.

PUPILS TO GET PRESENTATION

After applications are screened, Karb will give a presentation to the elementary pupils in early April on how they should use the block parent homes.

The children will be told that they may use a block-parent home in any area, regardless of which school they attend or which school the block-parent home is affiliated with.

"These homes are not to be used if a child falls down and scratches his knee," O'Hara said.

Children will be instructed that the block-parent homes are to be used in emergencies only.

"We want the children to think of home first in an emergency," said Debbie Schnerring, PTA treasurer.

"But if he needs immediate help and there is no one close that he knows, we can give him the assurance that a block-parent home represents safety and somebody to help him," she said.

Schnerring said some applications already had been received and approved by police.

"For a first up to bat, we're pleased with the turnout," she said. "But we're hoping for more."

Ebling said the vast majority of block-parents will never be called upon to give protection or aid.

"The success of the program will be determined by its inactivity," she said.

NEW JERSEY'S STAR-LEDGER ON FREEDOM'S RING

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. COURTER. Mr. Speaker, I want to salute Newark's Star-Ledger for its consistent efforts at helping to keep the tragedy of Soviet Jewry in the forefront of American political interests. My own recent trip to the Soviet Union convinced me of the necessity to keep pressing hard and publicly for the right of Soviet citizens to emigrate, and so I have returned to America with an even greater appreciation than before of the kind of editorial the Star-Ledger ran in its May 19 issue. I am entering "Freedom's Ring" into the RECORD for your perusal:

FREEDOM'S RING

When he came to power, Soviet leader Mikhail Gorbachev made much of the fact that his would be a regime of openness and candor, a new era of compassion and understanding. Disappointment and disbelief, therefore, were the immediate reactions of many to an impenetrable wall of silence invoked after the Chernobyl nuclear accident.

Perceptive Soviet observers, however, knew long before the nuclear disaster that not much had changed with the ascendancy of Mr. Gorbachev. The Communist state was still being ruled with an iron fist and human rights were still being denied.

Criticizing the trampling of individual freedom has been a matter of conscience and concern to Soviet Jews, who have been caught in the middle of an unenlightened policy. They have found it impossible to practice their religion and have been prevented from emigrating to Israel or other nations.

The Soviet policy of denying human rights to its Jewish population is the more despicable because it flouts the Helsinki Accords, which the Communists signed with great fanfare.

Anatoly Shcharansky, a Soviet Jew, has been an activist for individual rights for years—persistent, unrelenting and unapologetic in his struggle to maintain focus on the issue, regardless of the embarrassment it was causing the Soviet dictatorship.

Mr. Shcharansky's tenacity finally brought him his freedom from prison and from the Soviet Union. He was reluctantly released by the Soviets in an exchange for certain spies the Communists were anxious to bring home.

He has met with President Reagan and been honored by Congress, and his voice continues to ring out freedom's message. He urges Jews in the free world not to rely on quiet diplomacy to ease the plight of Jews who are trapped and persecuted inside the Soviet Union.

Mr. Shcharansky advises public demonstrations to keep pressure on the Soviets to relax their anti-Jewish policy and respect human rights for all. "They will never open the doors for 400,000 Soviet Jews until the losses for them, the dangers if they don't open the gates, are more than if they allow the Jews to emigrate," he said.

Keeping the pressure on the Soviets is sound advice that should be followed by all people who recognize the worth of the individual and abhor the denial of human rights anywhere in the world.

IRVING L. SPRATT, M.D., TO BE HONORED JUNE 18, 1986

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. LEWIS of California. Mr. Speaker, it is with great pride and feeling that I ask my colleagues to join me today along with family and friends in honoring Irving L. Spratt, M.D. On the 18th of June of this year, this outstanding individual will be recognized by the Inland Empire Chapter of the American Diabetes Association for his years of service to the association and his community.

Dr. Spratt's life is a history of his acts of giving. His contributions have included involvement in both civic and medical organizations. He is a member of the San Bernardino County Medical Society, California Medical Society: American Medical Association, Fellow American College of Physicians, and American Diabetes Association.

He has been a dynamic and unselfish leader in his community for many years. Dr. Spratt served as a member of the board of directors for the San Bernardino-Riverside Goodwill Industries from 1959–66, and was duly recognized by Goodwill Industries with the "Man of the Year" award in 1964 for his service to the handicapped. From 1964–65, he acted as president of the San Bernardino County Heart Association. In 1967, he organized the San Bernardino Unit of the American Diabetes Association of Southern California and continued to serve that organization as chairman of the diabetes detection committee from 1970–75, president in 1976 and chairman of both the nominating committee and the goals committee from 1977–79.

Even with his busy medical practice, he has always found time to be directly involved in the American Diabetes Association. Dr. Spratt served as president of the association from 1982–83, and in 1983 was awarded the Banting Medal, which is the association's highest award for service to the medical profession and patients.

He maintains his fine Diabetes Medical Clinic in San Bernardino, and in the tradition of his years of public service, currently is a member of the advisory board of NIH Diabetes Data Group, project director of the San Bernardino Community Diabetes Control Program and active in the American Diabetes Association.

Mr. Speaker, I'd like to take this opportunity to ask my colleagues here in the House of Representatives to join me in paying tribute to this truly remarkable man, Dr. Irving L. Spratt. A devoted husband and father of five children, his service and dedication to the field of medicine and his community are certainly a source of pride and inspiration for us all.

ROUKEMA CALLS ATTENTION TO CHEMICAL WEAPONS DISARMAMENT IN EUROPE

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mrs. ROUKEMA. Mr. Speaker, as Congress begins consideration of the defense authorization and appropriations bills for fiscal year 1987, the issue of the renewed production of chemical weapons by the United States is sure to be a controversial one.

One point upon which all sides agree is that, until negotiations with the Soviets to ban chemical weapons from Europe are complete, the Western alliance must maintain a chemcial munitions stockpile in Europe to act as a deterrent. However, recent actions taken by the Pentagon and the NATO Defense Planning Committee throw into jeopardy NATO's deterrent capabilities by removing, without replacement, our current stockpile from West Germany. I urge you to consider the weakened position of the United States as a result

of these actions, and I commend to your reading the attached New York Times editorial.

BAD BARGAIN FOR CHEMICAL WEAPONS

Unilateral disarmament is not usually a policy President Reagan favors, but he has chosen just such a course on chemical weapons. Apparently he has privately agreed to withdraw America's chemical weapons from West Germany by 1992, an astonishingly inopportune decision that seems to undercut recently promising negotiations with the Soviet Union to ban these dreadful weapons altogether.

"Warfare employing lethal toxic chemicals is a subject abhorrent even to contemplate," a Presidential commission led by Ambassador Walter Stoessel reported last year. Therefore, as it notes, American policy has been to seek a ban on chemical weapons, and meanwhile to deter possible Soviet use by maintaining a large stockpile of chemical-laden artillery shells in West Germany.

According to Chairman Dante Fascell of the House Foreign Affairs Committee, Mr. Reagan agreed with Chancellor Kohl at the recent Tokyo summit conference to withdraw existing chemical weapons from West Germany in return for German approval in NATO of the plan to build new ones. But the new weapons will be stored in the United States, not Germany, and even in crisis would be sent there only with West German approval. That would leave no chemical weapons in Europe to deter Soviet first use.

What induced this strange approach? The desire of the Army to build new chemical weapons for which there is no proven need. The proposed weapons are called binary shells because they contain two ingredients that mix in flight to make nerve gas. It's the same nerve gas that is carried by existing weapons, but the binary shells would be arguably safer to transport.

Congress reluctantly approved binary shell production last year on condition that NATO went along. That gave the West Germans an opportunity to get rid of the stockpiled nerve gas shells without having to accept the new ones. The deal's effect is to abandon America's chemical deterrent in Europe. Even if a German government agreed in an alert to accept chemical weapons, that would intensify the crisis and burden the transport of critical military supplies to Europe.

This illogical policy illustrates how the interests of the uniformed services can conflict with those of military commanders in the field. A commander's worst nightmare is that his ammunition won't be at hand when he needs it. But the procurement bureaucracies pursue their own agenda. To get binary shells into production, the Army is willing to deprive commanders of effective weapons at hand and to substitute a distant stockpile of more complex, perhaps inferior weapons that have never been realistically tested. It has fostered the canard that existing shells are leaking. But the Stoessel commission reported that "rumors of the stored munitions being dangerous or leaking appear to be exaggerated and inaccurate" and that "all the weapons in Europe are serviceable."

Only nuclear weapons are more abhorrent and destructive than chemicals. Chemical weapons could devastate Europe, and they are proliferating to other countries, like Iraq. Recent concessions by the Soviet Union on means to verify a ban suggest a treaty could be within reach. But how can Mr. Gorbachev persuade his generals to give up weapons that Mr. Reagan has already traded away?

The Administration had better buy back its storage rights from Mr. Kohl as fast as possible and drop its unnecssary plan to build binaries. It might assuage Mr. Kohl by noting that a treaty banning Soviet as well as American chemical weapons in Europe would serve him even better.

SHELTER ANIMALS

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. MRAZEK. Mr. Speaker, I recently introduced legislation (H.R. 4871) which would protect animals in shelters from becoming the subject of scientifically questionable research. I would like to request that this bill be reprinted at the conclusion of my remarks.

As you may be aware, shelter animals are not suitable for use in research because nothing is known about their genetic, environmental, or medical background. Despite this fact, some federally funded researchers continue to purchase dogs and cats from local shelters, both directly and through intermediaries. These researchers unfailingly select those animals which appear to be the healthiest, most obedient, and most adoptable.

Because it is widely recognized that data obtained through research on shelter animals may not be scientifically valid, these animals now constitute less than 1 percent of the total number of animals used in biomedical research. The continued use of these animals is a tradition, not a necessity, and suitable, purpose-bred alternatives are readily available.

Researchers who use shelter animals argue that they are less expensive to acquire than purpose-bred animals. This is a false economy. Because of their diverse and unknown backgrounds, shelter animals must undergo expensive conditioning before they are suitable for laboratory use. They are more likely than purpose-bred animals to become sick or die prematurely, and more are required to complete identical research.

Eleven States and four foreign countries have already prohibited the research use of shelter animals. Although the National Institutes of Health [NIH] bans the in-house use of these dogs and cats, the Institute continues to fund outside experiments regardless of where the experimenters obtain their research animals.

H.R. 4871 would end this inappropriate use of Federal funds by prohibiting NIH from issuing new grants to researchers using shelter animals. This bill is urgently needed to restore a measure of consistency and logic to the use of Federal research money.

H.R. 4871

A bill to prevent Federal funds received under any grant from the National Institutes of Health from being used to obtain animals from animal shelters for research purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pet Protection Act of 1986".

SEC. 2. RESTRICTION ON USE OF FEDERAL FUNDS.

(a) IN GENERAL.—Federal funds received under any grant or research protocol of the National Institutes of Health may not be used to obtain or use any animal acquired directly or indirectly from any animal shelter for any research purpose.

(b) ANIMAL SHELTER DEFINED.—As used in subsection (a), the term "animal shelter" means any organization or government agency which—

(1) cares for lost, stray, unwanted, abandoned, or homeless animals; or

(2) is given custody of animals seized under State or local law.

SEC. 3. REGULATIONS.

The Secretary of Health and Human Services shall prescribe such regulations as may be necessary to carry out this Act.

SEC. 4. PENALTY.

The violation of this Act or any regulation prescribed under this Act in connection with any research project or protocol shall result in the immediate termination of funds for the project or research protocol.

SEC. 5. EFFECTIVE DATE.

This Act shall apply with respect to funds appropriated in any Act or joint resolution enacted after 6 months after the date of the enactment of this Act.

IMMEDIATE NEED FOR ACID RAIN CONTROL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. FLORIO. Mr. Speaker, an acid rain bill, H.R. 4567, has been reported out of the Subcommittee on Health and the Environment, and I am hoping that the full Committee on Energy and Commerce will give immediate attention to it so that we can enact it into law this session of the Congress.

H.R. 4567, introduced by Mr. SIKORSKI, has the bipartisan endorsement of more than 150 Members of the House, and, in my view, is the most sensible approach yet offered in protecting the environment from further damage from acid deposition. The bill encompasses two important and valid principles: First, let the polluter pay; and second, don't impose specific technological solutions. The bill deserves the support of every Member of this House.

Much controversy has surrounded the issue of acid deposition, but the preponderance of evidence shows that sulfur dioxides and nitrous oxides emitted from fossil fuel fired utility and industrial facilities are in fact damaging our lakes, streams, forests, crops, buildings, and even our monuments including the Statue of Liberty. The evidence further shows that acid rain is an interstate problem, and that clean air legislation already enacted is inadequate to deal with it.

The Health and the Environment Subcommittee, on which I serve, has recently concluded extensive hearings on H.R. 4567. Chairman WAXMAN has very ably compiled a record showing beyond reasonable doubt that more stringent emission standards and controls are

needed immediately. H.R. 4567 provides the needed standards and controls, and does so while leaving to the affected States the freedom to comply in ways that make the best technological, economic, and political sense to each State.

I am very encouraged by the progress to date on this critical environmental issue, and am optimistic that a bill will be offered to the House for its consideration in the very near future.

THE PLIGHT OF OFFICER IAN PAGE

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today to bring to the attention of my colleagues the plight of Officer Ian Page, a highly respected member of the Santa Monica Police Force.

Mr. Page entered the United States legally on an FI visa in 1980 and since that time has applied for an adjustment of status based on a labor certification secured for him by the Santa Monica Police Department. Regrettably, though Mr. Page has done everything within his power to follow not only the letter, but the spirit of the law in regards to application for adjustment of status, circumstances have prevented the issuance of this immigrant visa. As a result, Mr. Page is now facing an order to depart on or before June 6, 1986.

Mr. Page is an experienced and valued police officer in Santa Monica and I have worked closely with the department to assist Mr. Page in the past. I have also received dozens of constituent requests to support Mr. Page in this action.

This deportation would not only constitute severe hardship upon Mr. Page and his family, but on the ongoing operations of the Santa Monica Police Department. Mr. Page is involved in numerous ongoing criminal cases requiring investigative action and court appearances. Without Mr. Page's testimony a number of these cases will simply have to be dropped.

I have requested that Commissioner Alan Nelson of INS use his discretionary authority as commissioner to block the pending deportation of Mr. Page and to allow him to remain in this country until such time as his immigrant visa can be issued.

I believe that due to the distinguished and valorous service of Mr. Page to his community, his contribution to the Immigration and Naturalization Service, and the unique circumstances of his case, that special consideration is warranted. Let me add that while I clearly understand and support the fair and equitable treatment of all INS beneficiaries, I also strongly feel that Mr. Page's case is one that merits the use of discretionary authority—which was created to add flexibility and fairness to INS regulations.

I appreciate the opportunity to bring Ian's plight to the attention of the leadership and Members of the U.S. House of Representatives. I urge that my colleagues join me in offering additional support to Ian so that he and his family can remain in the United States.

AIR FORCE HAS MORE PERSONNEL IN PUBLIC AFFAIRS THAN IN COUNTERINTELLIGENCE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. STARK. Mr. Speaker, according to Air Force magazine's 1986 almanac, the Air Force had 1,862 people in their public affairs division and 1,423 in counterintelligence. In addition, it had 1,101 enlisted men in its musical bands and only 866 in counterintelligence. I think these statistics are significant for a couple of reasons.

First, we are struggling through a difficult period in terms of protecting some important national security material. The disclosures from the Ronald Pelton trial and the Jonathan Jay Pollard investigation about the type of secrets we have lost and the seemingly extensive nature of some of these spy organizations should cause us to worry.

Second, the Defense Department, along with the rest of the Government, has to tighten its belt several notches to accommodate the fiscal imperatives we are now working under. In these times we must allocate resources efficiently to do our jobs with the scarce funds available.

The Air Force has not had problems with security leaks—yet. However, I do think that the numbers I quoted deserve some review. It seems to me that either we can save a lot of money by cutting back on public affairs and bands or we can get better intelligence protection by reallocating personnel toward counterintelligence and away from other, less vital, divisions. I would hope that the Joint Chiefs and the civilian leadership in the Pentagon could look at these numbers and see if there could be some worthwhile changes.

THANK YOU, AL ARBOUR

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. McGRATH. Mr. Speaker, May 28, 1986 was a black day in view of all hockey fans in general and Long Island fans in particular. Al Arbour, the coach who brought exciting hockey and four consecutive Stanley Cups to Long Island, resigned after 13 seasons at the helm of the New York Islanders. It wasn't really surprising, yet it will take the entire summer to wear off the feeling that this giant of a man, both on and off the ice, will not be back this October.

Considered by some to be the greatest team in the history of the National Hockey League, Arbour's Islanders played with such determination and tenacity, opposing teams cringed whenever Islander blue and orange took to the ice. Arbour came to Long Island in 1973, to take over an expansion team filled with unproven rookies and aging veterans. However, in just his second year behind the Islander bench, Arbour guided the Isles to the Stanley Cup playoffs.

It was in 1975 that hockey fever swept Long Island. In April 1975, Arbour's troops beat the rival New York Rangers in the preliminary round of the playoffs. They then went on to defeat the Pittsburgh Penguins in seven games, even though they had lost the first three. New York lost their next round series, but their victories over the Rangers and Penguins were the first indication of great things to come.

The Stanley Cup first made its appearance at the Nassau County Coliseum on May 24, 1980. Bob Nystrom's overtime goal against the Philadelphia Flyers sent the entire Island into a frenzy. This was a feeling that Islander fans refused to relinquish as New York went on to three more cup wins—in 1981 against Minnesota, 1982 against Vancouver, and 1983 against Edmonton. It was a feisty Oiler team that finally dethroned the Islanders in 1984.

It could be argued that the greatest names in Islander annals belong to Bossy, Trottier, and Potvin. However, the name that belongs on the top of that list is Al Arbour. Al will stay on with the Islanders as a vice president, but the ever tall, wire-rimmed glasses bearing figure who stood behind the New York bench during their most memorable moments, will be sorely missed.

Good luck in your new position, Al, we'll miss you. Thanks for the memories.

CHURCH AND PRIEST MARK 50TH ANNIVERSARIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. GAYDOS. Mr. Speaker, on Sunday, June 22, at the No. 1 Fire Hall in West Mifflin, PA, an unusual dual celebration will be held by 600 parishoners and friends of Resurrection Catholic Church.

They will gather to mark the 50th anniversary of their church—and the 50th anniversary of the ordination of its pastor—Rev. Thomas Regis Patrick Murphy.

According to a history of the church, the formation of the parish is due to a great extent to the persistence of a group of women known as "The Catholic Ladies." For 2 years they petitioned for their cause and, finally, won consent. The first Mass in the "Homeville Mission" was celebrated on Easter Sunday, April 12, 1936.

Two months later, June 14, and not too far away, at St. Vincent's College, a young priest, Father Murphy, took his final vows for the priesthood.

Meanwhile, under the leadership of Father Lavelle, the parishoners of Homeville Mission worked toward getting their own church. They bought ground and on November 11, 1938, Resurrection Church formally was dedicated by Bishop Hugh C. Boyle.

A quarter of a century later, in 1961, the parish was preparing to observe its 25th anniversary while in the middle of building a school. The idea long had been the dream of

Father Lavelle but, unfortunately, he died several months before his hope became a reality.

On September 4, 1962, the doors of "Lavelle Memorial School" were opened to 98 students of Resurrection's parish by Father Lavelle's successor—Father Murphy. The parish and the school continued to grow under the new pastor.

Today, the church, which began with 250 families, now serves 1,200 and includes a convent. The school, originally built to contain six grades, now serves kindergarten through eighth grade with a student body of 260.

The progress of Resurrection Church is merely the latest accomplishment for Father Murphy, a priest who is a musician, a poet, a published author and a former athlete. He entered the priesthood after graduating from Duquesne University and during his career has served St. Canice Church in Pittsburgh, St. Pius in McKeesport and St. Ann's in Waynesburg.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I am pleased to offer Resurrection Church and Father Murphy our congratulations on their 50th anniversary of service to God and our sincere best wishes for the years to come.

TRIBUTE TO REV. MSGR. THOMAS J. GILLHOOLY

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. TORRICELLI. Mr. Speaker, I rise today to honor the Reverend Monsignor Thomas J. Gillhooly, pastor of St. Mary's Church, Dumont, NJ. Monsignor Gillhooly retired on April 18, after 49 years of service to several parishes. As a teacher, scholar, and community leader, Monsignor Gillhooly has been an inspiration to his parish.

As pastor of St. Mary's parish in Dumont, Monsignor Gillhooly has devoted unlimited hours to the spiritual renewal of his people. His untiring efforts resulted in the parish becoming a vital center for religious and social activity.

As an educator, Monsignor Gillhooly has applied his many talents to a wide range of responsibilities at Seton Hall University. He has served as dean of men and as chairman of the department of communication arts, and was appointed executive dean of the university. Monsignor Gillhooly also has a keen understanding of the Judeo-Christian values which are the foundation of our society. For thousands of students who have passed before him, Monsignor Gillhooly has personified the principles of honesty and integrity. He brings a natural dignity to every project he undertakes.

Monsignor Gillhooly has committed himself to service of his community and service to his fellow man. Possessed with a natural ability to bring comfort to those in distress and words of support to those who need it, Monsignor Gillhooly has always been available when needed.

I am happy to have this opportunity to congratulate Monsignor Gillhooly on a lifetime devoted to the ideals of brotherhood, faith and humanity. I applaud his many achievements and wish him a retirement filled with good health and prosperity.

A TRIBUTE TO SHEILAH GARCIA

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. RICHARDSON. Mr. Speaker, I would like to take this opportunity to salute an outstanding businesswoman from New Mexico, Sheilah Garcia.

Sheilah has been appointed to be a delegate to the national 1986 White House Conference on Small Business to be held in Washington this August. She was chosen to represent New Mexico because of her proven capabilities as a leader in the business communities in Albuquerque and Santa Fe. Additionally, Sheilah is always ready to lend a helping hand to other business owners by listening to their concerns and working together with them to strengthen the small business community.

Because of her dedication, Sheilah was named the top Hispanic woman executive of the year by the national Hispanic Review of Business magazine. She is the president of Julian Garcia's Toyota City of Albuquerque, a business ranked 37th among the top 100 Hispanic-owned business for 1984 sales leadership. Sheilah became president of the firm when her husband died last year. Under her leadership, the company ended the year with an estimated total of $35 million in sales, an increase of nearly $4 million from the previous year.

I am proud of my friend Sheilah Garcia. Her selection to the White House Conference of Small Business verifies what so many New Mexicans have always known: Sheilah Garcia is a woman who has learned that you don't lead by pointing to a place and telling people to go there, you lead by going to that place and making a case.

I ask my colleagues to join me in honoring this outstanding citizen and businesswoman.

CONGRATULATIONS BONNIE BAKER

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. COELHO. Mr. Speaker, I would like to extend my congratulations to Bonnie Baker, a teacher at the Thomas Downey High School in Modesto, CA, for having been awarded the Excellence in Teaching Award in recognition of dedicated service to the students of Downey High School

Bonnie Baker received her bachelor of arts degree from Western Washington State and furthered her education at California State University, Stanislaus. Bonnie began as an English instructor at La Loma Junior High School in 1972. Then in 1981 she moved to Downey High School where she taught English and journalism. For 3 years she also taught night school at the high school.

She has developed and presented a 10-hour SAT prep course and written four of Modesto City School's competency tests. She has served as a mentor teacher and been approved for a 1-year sabbatical to study American literature tradition in New England and California. In 1984, Bonnie Baker was recognized as the most significant contributor to a Presidential scholar.

Bonnie Baker's high degree of involvement in Downey High School's regular and extracurricular programs attest to her dedication to the field of education and to the youth of Modesto. I would like to congratulate Bonnie Baker upon receiving the Excellence in Teaching Award, and thank her for her dedicated service to our community.

DR. VARNER J. JOHNS RETIRES JUNE 30, 1986

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. LEWIS of California. Mr. Speaker, it is with great pride and feeling that I ask my colleagues to join me today along with family and friends in honoring Dr. Varner J. Johns, Jr. On June 30, 1986, this truly remarkable man will retire from the chairmanship of the Department of Medicine and as associate dean of continuing education at Loma Linda University School of Medicine in Loma Linda, CA.

He received his M.D. degree in 1944, and after training in internal medicine, pathology, and cardiology, he contributed to medicine in many areas. His contributions have included involvement in civic and medical organizations and he has been recognized by Who's Who in the World; Who's Who in America; Who's Who in the West; Who's Who in American Education; American Men and Women of Science, The Medical Sciences; Directory of Medical Specialists; Men of Achievement; and Notable Americans.

He is a superb clinician and has been the premier diagnostitian in his medical practice and teaching career. He has always been an outstanding role model to his colleagues and students.

Dr. Johns has devoted his entire working life to Loma Linda University School of Medicine. His connection with the school extends over more than half of its history. His service in an administrative capacity has extended over a period of one-third of the school's existence and his service as chairman of the department of medicine has totaled almost one-fourth of the history of the school. He holds the rank of professor of medicine, a position which he has held since 1957.

He served his country as Chief, Professional Training Branch, Education and Training Division, Office of the Surgeon General, Department of the Army, from 1954–56, and as a consultant to the Surgeon General, U.S. Army, from 1956–57.

Mr. Speaker, I take great pride in commending to my colleagues Dr. Varner J. Johns, Jr. He could truly be called "a man for all sea-

sons." He is a gifted teacher, a beloved and admired physicians, skillful administrator and medical diplomat as well as a devoted husband, father, and grandfather. He is a remarkable man who has through his dedication and selfless years made an outstanding contribution to his profession, State, and country.

NO NEED FOR NEW CHEMICAL WEAPONS

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. KASTENMEIER. Mr. Speaker, the administration wants to resume production of a new generation of chemical weapons. These deadly nerve gases are among the most heinous weapons that civilization has ever devised.

I would like to call to the attention of my colleagues the May 15, 1986, editorial from Baraboo, WI, New Reporter which states the reasons why the United States should not move forward with the development of these chemical weapons. Instead, the Baraboo News Reporter argues that we should work for a ban on chemical weapons.

MODERNIZATION OF WAR CHEMICALS IS NOT NEEDED

The horrors of modern warfare are not restricted to nuclear weapons.

Chemical weapons are seldom mentioned in talk of defense, but they were not abandoned after their horrible use in World War I. Stocks of chemicals for use in war are maintained by the NATO alliance.

This month, representatives of the alliance—foreign ministers and defense ministers—will discuss modernization of chemical stocks.

We would rather see those talks center on destruction of current stocks and negotiations for a worldwide ban on chemical weapons.

The U.S. and NATO maintain their chemical weapons, presumably, in response to the Soviet Union's reliance on chemicals as an integral part of its military system. The Soviets have reportedly used chemicals in their war against rebel forces in Afghanistan.

Soviet troops are heavily trained in the use of chemical weapons. That training in itself is deadly. Reports indicate a significant number of casualties from such training, resulting from the Soviet's view of warfare and their military's lower value on human life.

The use of chemicals by the Soviets is, however, no reason for NATO forces to maintain such weapons as an active part of the western defense.

The use of conventional forces, tactical nuclear weapons, and negotiations should be enough of a deterent to the Eastern Bloc.

Yet this month NATO ministers will consider a proposal by the United States to fund, produce, and store new chemicals for weapons. If NATO countries ever decided to use chemicals in a conflict, the stocks could be flown to Western Europe. West Germany is now the only Western European nation to maintain the old chemical inventories.

The U.S. proposal may be politically acceptable to Europeans, but it should not be acceptable to Americans.

The United States should, instead, press for a ban on chemical weapons and destroy its current stock. Wouldn't that be a fine foreign policy-public relations move? It would also give up nothing, since the West's other deterrents are more than enough to convince the Russians that waging war is useless.

NATHAN L. "NATE" READE

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. BADHAM. Mr. Speaker, it is a pleasure for me to pay tribute today to an outstanding citizen of my district, Nathan L. "Nate" Reade, who is retiring this month after 10 years as executive manager of the Costa Mesa Chamber of Commerce. For more than 30 years, Nate Reade has given of himself to his community through participation in more than 20 different community organizations.

On June 29, Nate's family and many friends will honor him at a special function to recount his many contributions.

The Costa Mesa Chamber is deeply involved in the varied facets of life in the city. As executive manager and as a chamber staff member since 1968, Nate Reade has personified this spirit of volunteerism and community involvement through his generous gift of personal time for the benefit of those around him.

He served for 16 years as a member of the Costa Mesa Planning Commission and also served as a director of the Costa Mesa Consolidated Water District. He is the former director of the local chapter of the City of Hope, past chairman of the United Fund drive, past president of the Youth Restitution Program and past president of the Costa Mesa-Newport Harbor Lions Club.

A founder of the Orange Coast YMCA, Nate also is a former director of that organization. He also was a member of the board of the Boys Club, has been active in the Boy Scouts of America, and is a former field worker and director of the Salvation Army.

Among the honors already paid to him is the Soroptomist Club's "Man of the Year," Orange Coast College's "Outstanding Citizen" and Child Guidance 1986 "Angel of the Year."

Nate and wife, Thelma, have four children, all of whom attended our local community college, Orange Coast.

Costa Mesa and the surrounding communities are better for Nate Reade's many, many contributions and I am pleased to pay him this tribute before the House of Representatives.

TRIBUTE TO GEORGE CONRADS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. COURTER. Mr. Speaker, I rise today in tribute to George Conrads, chief of police, township of Chatham. Mr. Conrads will retire on June 30, 1986, after 27 years of devoted service.

George was appointed as a patrolman on March 30, 1959, he was promoted to sergeant in 1965, to lieutenant in 1971, and chief of police in 1978. While a member of the police force in Chatham Township he reorganized the police department in 1978 and introduced new records system including the introduction of computers. He is a member of the Chatham Township Drug Abuse Council, Morris County Safety Officers Association, P.B.A. Local 139, and Local 170 and board of directors of the Chatham Township P.A.L.

Mr. Conrads graduated third in his class after completing 6 weeks basic police training at the State Police Academy in Sea Girt, NJ. He is married to Hilda Conrads and they have three children. The people of Chatham Township are indeed lucky to have such a capable and respected individual as chief of police. I take great pride in noting his accomplishments before my colleagues.

DONALD TRAUTLEIN ASSESSES STATE OF AMERICAN STEEL INDUSTRY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1986

Mr. MURTHA. Mr. Speaker, it has been my pleasure over the last few years to work closely with Don Trautlein, both in his capacity as head of Bethlehem Steel Corp. and as chairman of the American Iron and Steel Institute.

At the recent AISI annual meeting, Mr. Trautlein gave an excellent outline of the steps taken by the steel industry and how he sees the industry's future prospects.

It represents an especially significant outlook since Mr. Trautlein is retiring this year after a decade of dedicated, progressive, far-reaching service to the American steel industry.

Those 10 years have probably spanned the most difficult times faced by the American steel industry. As Mr. Trautlein noted in his comments, in 1976, about 101 million tons of steel were consumed in the United States with the domestic industry shipping 89 million of those tons. In 1976, the United States provided 26 percent of the free world's steel production. In 1986, the U.S. market will consume about 93 million tons—off 8 percent in a decade—but the domestic industry will ship only 72 million tons—a decline of 20 percent. Our portion of free world production will be only 17 percent.

But both personally and professionally, Mr. Trautlein saw good points. Personally, he commented that "I have enjoyed the challenges and the associations of my time in the steel industry. I admire and respect the men and women with whom I have worked in addressing the problems. And, while it appears that there are even more problems today than there were when I first arrived, I feel sure that you are heading in the right direction."

I also am inserting a portion of an article from the Pittsburgh Press which outlined Mr. Trautlein's assessment of the industry's position.

[From the Pittsburgh Press, May 22, 1986]

STEEL INDUSTRY OVERCOMING BAD TIMES, AISI CHIEF SAYS

(By Cynthia Piechowiak)

NEW YORK.—The nation's steelmakers are not "out of the woods yet," but they have laid the groundwork for better times, a top industry executive says.

"It hasn't been a picnic for anyone producing international commodities in the United States in recent years," Donald H. Trautlein, chairman of Bethlehem Steel Corp. and the American Iron and Steel Institute, said yesterday at the AISI's annual meeting.

"The industry has been in a devastating spiral of self-liquidation and financial brinksmanship in recent years and we have not had time to regroup between crises," he said in a keynote address to several hundred steel company officials.

In the last 10 years, Trautlein said, industry employment has plunged by 60 percent and imported steel has leaped from 14 percent to 24 percent of the domestic market.

"Terrible things have happened to the steel family. Our traditionally generous and paternalistic industry—and I don't say those are bad characteristics in and of themselves—has had to turn itself inside out to survive in recent years," he said.

"That's not a very happy portrait of an industry and the people who work in it, nor are we out of the woods yet," said Trautlein, who is to retire from Bethlehem this year and will be followed as AISI chairman by newly elected Thomas Graham, vice chairman of U.S. Steel Corp.

"As far as foreign competition goes, I do not think we'll see any relief," Trautlein predicted. "I see more joint ventures and increased ownership by foreign interests."

But Trautlein held out hope on a number of fronts, claiming the industry has improved quality and service, is making deliveries on time and has learned to view itself from a global perspective.

"Major customers are acknowledging that the quality of domestic steel is now unsurpassed," Trautlein said. "In other words, we are on the right track."

"Another plus is that the industry has become far more aggressive in managing its assets," he said. "Those restructured and modernized operations of ours are managing with smaller inventories than were ever dreamed possible."

In addition, steel executives and steelworkers finally are beginning to alter decades of adversarial relations, he said.

"Gradually the hostilities and lack of communication that have characterized labor relations for many, many years are changing, and that is as it has to be," Trautlein said. "We are headed in the right direction and there is progress."

HOUSE OF REPRESENTATIVES—*Wednesday, June 4, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember in this, our prayer, gracious God, all those who are in need of Your healing and strength. We particularly recall the names of those people near and dear to us who are ill or have suffered tragedy or who have anxiety for the future. May Your love and grace and protection that exceeds anything we might ask or think be with those we remember this day and during all the days to come. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

EMERGENCY AID TO HOMELESS FAMILIES ACT

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, today I am introducing the Emergency Aid to Homeless Families Act. This bill will amend the Social Security Act to allow emergency assistance funds provided under the AFDC Program to be used for the purchase, construction, renovation, or rental of emergency shelter for homeless families.

Today, homeless families are being placed in rat- and roach-infested welfare hotels where a single room for each family costs as much as $3,000 a month. In New York City these welfare hotels are often the sites of prostitution and illegal drug dealing. Here, in the Nation's Capital, homeless families are sent to decrepit welfare hotels and placed in single rooms that cost more per month than the Watergate Apartments; one of the plushest buildings in the country.

The drastic shortage of emergency shelters for families forces localities across the country to place destitute families with small children in costly, unsafe buildings because the Social Security Act does not allow emergency assistance to be used for the creation of proper facilities.

My bill seeks to correct this wasteful, harmful, and illogical situation.

THE POT CALLS THE KETTLE BLACK

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, Cervantes, to whom we owe the term "quixotic" and the expression "tilting at the windmill," describes the installation of Sancho Panza, Don Quixote's half-witted squire, to become the Governor of Thousand Islands. Sancho had to answer some skill-testing questions as part of the ceremony. Among others, he had to decipher the meaning of the Biblical quotation: "Why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?" (Matthew, 7:3.)

"Even a blind man can see that," burst into laughter Sancho, "A fool knows more in his own house than a wise man in another's."

"Wrong," retorted Don Quixote, "The fool knows nothing, whether in his own house or in anybody else's, for no wise structure of any sort can stand on a foundation of folly."

"How about this, then," fired back Sancho, "The dead woman fainted at the sight of another with her throat cut."

Mr. Speaker, according to press reports, Treasury Secretary Baker, in a testimony before the Senate Foreign Relations Committee, upbraided Canada for beating her dollar down to artificially low levels, and keeping it there. Just as Sancho would say: The United States dollar, having been murdered, fainted at the sight of the Canadian dollar, whose throat had been cut.

Or, as Don Quixote would say: The fool knows nothing, whether in his own country or in anyone else's, for no wise monetary order can stand on a foundation of folly.

INHABITANTS OF THE MOUNTAIN STATE GIVE HEARTFELT THANKS TO C&P TELEPHONE OF WEST VIRGINIA

(Mr. WISE asked and was given permission to address the House for 1 minute.)

Mr. WISE. Mr. Speaker, the highest Presidential honor bestowed for corporate voluntarism, the Volunteer Action Award, has been presented to C&P Telephone Co. of West Virginia. Thomas C. Burns, vice president of the company, accepted the award at the White House on Monday.

C&P of West Virginia is but one of three corporate winners in the entire country to receive this award. Every bit as significant, though, is the contribution that C&P has made to the economic development in our State. Its Partnership in Education Program, and economic surveys in many West Virginia communities have been an important undertaking by nearly all of the company's 3,300 employees.

As if this was not enough, C&P of West Virginia announced plans this week for a multimillion-dollar advanced-technology cable route extending from Parkersburg to Charleston. The award presented by President Reagan Monday is a testimony to Tom Burns and all the men and women at the C&P Telephone Co. You see them everywhere in volunteer service to their community.

Mr. Speaker, the commitment of one company has raised the prospect of more jobs and more opportunity for West Virginia. President Reagan awarded a Presidential tribute Monday. We from the Mountain State give our heartfelt appreciation to C&P's efforts.

A DOUBLE STANDARD CONCERNING MISCONDUCT IN OFFICE?

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, is the House of Representatives adopting a double standard over misconduct in public office? In 1980, this House expelled Pennsylvania Congressman Michael Myers from its membership after he was convicted by a jury of his peers of violating the public trust in the Abscam scandal.

Mr. Myers was expelled before his appeals were heard or decided by the Appeals Court. However, Federal Judge Harry Claiborne, who was convicted by a jury of his peers of income tax law violations, and has lost all of his appeals and is sentenced to prison, is still drawing his Federal salary because the Congress has not moved to impeach him.

I hope that we will not adopt a double standard, and that we will move to impeach Judge Claiborne before this House recesses for the Fourth of July district work period.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

THE ADMINISTRATION DROPS THE BALL ON NATIONAL SECURITY

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY of New York. Mr. Speaker, it is astonishing to see how the administration is dropping the ball on national security. And it is even more astonishing to see how the administration's pretense of interest in arms control is evaporating like the morning dew.

For years, the administration has been telling us it wants deep reductions in nuclear weapons. And it has been telling us how star wars is great bargaining leverage. So now the other side says it wants to give us deep reductions in return for controls on star wars.

But the administration says "nyet." So much for the pretense of deep reductions.

It has been telling us it wants to move away from a world dominated by nuclear weapons. So now the other side gives in to the policies of the past five Presidents and offers a comprehensive test ban treaty on nuclear warheads. The other side even stops all testing for a year, unilaterally.

But the administration says "nyet." So much for the pretense of not liking nuclear weapons.

Now comes the end to all pretense. Mr. Reagan says he wants to scrap SALT II. According to published intelligence estimates, this hands the Soviets another 5,000 nuclear warheads in the next decade alone.

So much for the pretense of wanting to control nuclear weapons.

To anyone who thinks this administration is going to protect national security by controlling nuclear weapons, the President's message is clear: Forget it!

Well, I don't want to forget arms control, and neither do the American people. Congress has already done arms control on its own, last year on ASAT. When the defense bill comes to the floor next month, we're going to have to do it again, on ASAT, SALT II, and CTB.

I don't like congressional arms control. It would be better if the administration did it. But the administration is dropping the ball in a big way. For the sake of national security, we are going to have to pick it up.

□ 1210

INTERNAL OPPOSITION TO SANDINISTAS INCREASING

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, the level of internal opposition to the Sandinista regime in Nicaragua is increasing. It is not always easy to know how great that opposition is considering the internal repression and censorship exerted by the Sandinistas against their own people. But brave people like Cardinal Obando Y Bravo, other church leaders, and private citizens show their courage by speaking out.

One more recent example of this is Mrs. Maria Azucena Ferrey, vice president of the Social Christian Party of Nicaragua. She wrote a letter to Nicaraguan leader Daniel Ortega on April 24 in which she urged Ortega to "experience first hand the level of discontent which exists" in Nicaragua.

Mrs. Ferrey further said:

> Do not blame just external factors for what is going on here * * *. If what you preach about equal opportunity, pluralism, respect for the rights of others, individual and collective security were actually put into practice in daily life, * * * the external causes would not exist.

I am submitting Mrs. Ferrey's letter for the RECORD in today's Extensions of Remarks.

JUSTICE DEPARTMENT GRANT TO STUDY DOMESTIC VIOLENCE IS ILLEGAL

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the manner in which Attorney General Meese continues to run the Justice Department amazes me. Today the Justice Department announced that it had given a grant of over half a million dollars to study domestic violence to a group that is a spinoff group of Phyllis Schlafly's. Phyllis Schlafly does not even believe that domestic violence occurs and that we should have shelters for this.

This grant, as far as I can ascertain, is totally illegal. The money allocated by the Congress, first of all, was less than the amount of the grant given to this group. Second, the money could only be spent for shelters, not studies. This money is totally for studies. Third, it was to go to groups who had experience in the area. This group has no experience whatsoever in the area of domestic violence. And finally the group itself had withdrawn its grant proposal last April, saying that it should not take money from the Justice Department at a time that the Government is making so many debts and has such a growing debt. So what happens? Even though they withdrew the grant, the Justice Department gave them the grant anyway.

I think that this is highly illegal, and as a member of the Committee on the Judiciary, I know that we will be looking into this and trying to find out what in the world Attorney General Meese has done now.

IMPOSITION OF DEATH PENALTY FOR TREASON OR ESPIONAGE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, early last year I introduced H.R. 704, a bill to establish sound constitutional guidelines for the imposition of the death penalty for persons convicted of treason or espionage.

Stories of arrests and spy trials are appearing almost daily in our newspapers. The high number of arrests for espionage makes it all too clear that the current penalties against the crime are not strong enough. Lax penalties plus greed make ripe conditions for individuals—like those of the notorious Walker spy clan—to sell out freedom and their fellow citizens.

They have proven all too willing to sell out the security of the United States and the free world for as little as a few thousand dollars. Indeed, the Soviets are getting top United States defense secrets, worth billions of dollars to the American taxpayers, for bargain-basement rates.

The Subcommittee on Criminal Justice has held a series of hearings on death penalty legislation, and will continue hearings this Thursday. While I am encouraged by this action and thank the chairman of the subcommittee, Congressman CONYERS, for his attention to this matter, I urge an early markup of legislation so that it may be considered by the full House.

I also invite my colleagues to join me in cosponsoring H.R. 704 and pressing for early action to combat these despicable crimes.

PRESIDENT SHOULD RECONSIDER DECISION ON SALT II TREATY

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I rise today to express my serious concern over President Reagan's apparent decision to forgo continued United States compliance with the provisions of the SALT II agreement with the Soviet Union. In evaluating this treaty today, the sole criterion that we should use is whether SALT II remains in the best national security interests of the United States. In my view, it does.

SALT II does not represent a perfect treaty. Nevertheless, SALT II does serve to brake Soviet momentum in strategic weapons systems and limit their efforts to improve those capabili-

ties. SALT II was and continues to be a step forward in the arms control process as it establishes equal aggregate ceilings on strategic delivery systems. The Soviet Union already has in place production lines capable of increasing their strategic inventories several fold. Killing SALT II would enable them to move forward, while we in Congress would debate prudent U.S. responses to such developments in the context of Gramm-Rudman budget restrictions.

I would urge the President to reconsider this decision and to take into account a letter signed by more than 220 Members of the House urging continued U.S. compliance with SALT II. I would also urge the President to redouble his efforts in Geneva to achieve an arms control agreement that implements the deep reductions he speaks of and avoid the advent of a new and unrestrained round of the nuclear arms race.

SAY "NO" TO UNILATERAL WITHDRAWAL OF U.S. CHEMICAL WEAPONS FROM EUROPE

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, a chemical weapons agreement was recently reached between President Reagan and Prime Minister Helmut Kohl at the Tokyo summit. Under its terms, the entire United States stockpile of chemical weapons will be withdrawn from Europe in return for West German support for new binary chemical weapons to be produced and stored here in the United States. None of the new U.S. binary chemical weapons proposed for production could be to replace our prepositioned deterrent stockpile in Europe. Instead, the United States could only get a commitment from the West Germans to possibly deploy these new weapons in the midst of a European crisis.

It is ironic that the United States and West Germany are fulfilling a long-term Soviet foreign policy objective: The creation of a "chemical weapons free zone" in which the West withdraws its chemical deterrent while the Soviets and their cronies keep their stockpile of deadly chemical weapons in Eastern Europe, only miles from NATO troops.

Mr. Speaker, I opposed new chemical weapons, but I'm sure those who supported them never intended that their votes would lead to the unilateral abandonment of our chemical deterrent prepositioned in Western Europe.

STAR WARS WOULD FURTHER PROPAGATE NUCLEAR WEAPONS

(Mr. MRAZEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MRAZEK. Mr. Speaker, the bloom is inevitably coming off the rose on the President's star wars space-based missile defense. Earlier this week, the Washington Post carried a story in which the idea of making nuclear weapons impotent and obsolete through star wars is becoming increasingly questionable. According to Robert F. Perret, the director of the systems analysis section at Lawrence Livermore National Laboratory, we will have to build heavier and more powerful nuclear warheads to compensate for a Soviet space-based weapons system if they were to follow the same approach we are. He said, "If you face a wholly new threat, you must beef up your warheads to defeat that threat." He also said, "You also have to assume degradation in accuracy * * *. You therefore increase the yield."

Well, we would have to assume that the Soviets are planning to do exactly the same thing, should we deploy a star wars system ourselves. Instead of eradicating nuclear weapons, star wars would only serve to propagate them further.

It is becoming increasingly clear that star wars has only one useful purpose, and that is as a bargaining chip to induce a new round of strategic arms reductions on both sides. Yet we refuse to play that chip, and we may well be simply energizing one more catalyst for an arms race to end all arms races.

CONSTRUCTION CONTRACT FOR ADAM BENJAMIN, JR., VA OUTPATIENT CLINIC

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, it is my pleasure to announce today that the Veterans' Administration has awarded a construction contract for the long-awaited Adam Benjamin, Jr., VA Outpatient Clinic. I had the honor of publicly announcing this award at a press conference in my office on May 22.

When this facility opens at the end of next year, expert and readily accessible VA medical care finally will be available to the 120,000 military veterans of northwest Indiana.

Many good people have worked very hard to ensure this clinic would be built. I'd like to mention two in particular because, all too often, the hardest workers get the least recognition.

Amelia McLellan, from the VA's Office of Construction, spent nearly 3 years on this project which, from the outset, has been both technically and politically difficult. I have been very impressed with her professionalism and straightforwardness in balancing the competing interests who were bidding for the clinic's construction contract.

Gregory Siracusa, from the General Services Administration, also deserves special tribute. Because the bids officially expired on May 31, it was important the GSA move quickly to approve the construction contract and lease agreement submitted by the VA. Aware of the deadline, Mr. Siracusa was able to complete his work in just 2 days.

Mr. Speaker, your good friend and mine, the late Adam Benjamin, Jr., first recognized the need for this clinic and relentlessly pursued it with all the energy for which he was famous.

While he did not live long enough to see his dream realized, I have faith that somehow he knows his work has borne fruit. And he would be particularly proud to know that his successor, Representative PETER VISCLOSKY, played such an important role in this project.

Many problems have delayed this project and several questions still remain to be answered before actual construction begins. I would hope that, for the sake of all our northwest Indiana veterans who are counting on this clinic, we will now pull together and work for a safe and speedy completion of this needed medical facility.

We can honor our veterans no better nor pay a more sincere tribute to the memory of Adam Benjamin, Jr., than to see that this clinic is built with care, on time, and staffed with the best medical personnel available.

□ 1220

KURT WALDHEIM

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, the Austrian election approaches and the Justice Department still has not rendered a final decision on Kurt Waldheim and whether he should be allowed into this country.

The Office of Special Investigation, the unit within the Justice Department responsible for investigating the sordid pasts of many alleged Nazis, has already recommended that Kurt Waldheim be put on the watch list.

Never in the history of this country in the dozens and dozens of recommendations that OSI has made has it ever been overruled by the Justice Department.

We are urging that the exact same procedures that have been used in the past be used against Kurt Waldheim. What Mr. Waldheim did after 1945 is not relevant. The fact that he committed atrocities enough to make the OSI recommend putting him on the watch list is sufficient enough.

Attorney General Meese, let us not dilly-dally. Let us act and prohibit Waldheim from entering this country.

PROHIBIT IMPORTATION OF GOODS MADE BY SOVIET SLAVE LABOR

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, Anatoly Shcharansky said the following statement. He said simply "It is very difficult to find in the Soviet Union anything which does not include forced labor."

Shcharansky made the above comment during an interview with an American individual in Israel shortly after his release from the Soviet gulag.

In a May 19 interview in the U.S. News and World Report, Shcharansky estimated there may be millions of people in Soviet forced labor camps. Yet, Mr. Speaker, we allow in this country the importation of goods into the United States that were made by slave labor and for some reason this administration does not enforce the prohibition on these laws.

I would ask the Members of the House to sign a letter to President Reagan asking him once and for all to prohibit the importation of tea and goods and wood products and chess sets into the United States that are made by slave labor. We must uphold that law and send a message to the Soviets that we will not allow these goods into the United States.

CORRECTING TECHNICAL ERRORS IN ENROLLMENT OF S. 124, SAFE DRINKING WATER AMENDMENTS OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 346) to correct technical errors in the enrollment of the bill S. 124.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. MRAZEK). Is there objection to the request of the gentleman from California?

Mr. LENT. Reserving the right to object, Mr. Speaker, and I will not object, I just want to confirm from the gentleman from California that the concurrent resolution merely corrects three technical errors in the Senate bill, S. 124, the Safe Drinking Water Act Amendments of 1986, which recently passed this body.

I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, the gentleman is correct.

Mr. LENT. And these errors that are being corrected have to do with section references entirely, am I correct?

Mr. WAXMAN. That is correct.

Mr. LENT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

That, in the enrollment of the bill (S. 124), the Clerk of the Senate shall make the following corrections:

(1) In section 101(b), in the amendment adding a new section 1412(b)(8), strike "1451" and insert "1415".

(2) In section 101(c)(4), strike "1420(e)" and insert "1416(e)".

(3) In section 301(h), strike "section 6" and insert "section 106".

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
June 3, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 4:10 p.m. on Tuesday, June 3, 1986 and said to contain a message from the President whereby he transmits documents extending the waiver authority under section 402 of the Trade Act of 1974 for the Socialist Republic of Rumania, the Hungarian People's Republic, and the People's Republic of China.

With kind regards I am,
Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

EXTENDING WAIVER OF CERTAIN SECTIONS OF THE TRADE ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-231)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

(For message, see proceedings of the Senate of Tuesday, June 3, 1986, at Page 12240.)

HOUSING ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 450 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1.

□ 1230

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee on the Whole House on the State of the Union for the further consideration of the bill (H.R. 1) to amend and extend certain laws relating to housing, and for other purposes, with Mr. AUCOIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, May 13, 1986, all time for general debate had expired.

Pursuant to the rule, the text of H.R. 4746 is considered by titles as an original bill for the purpose of amendment under the 5-minute rule in lieu of the amendment in the nature of a substitute recommended by the Committee on Banking, Finance, and Urban Affairs, and each title is considered as having been read.

It shall be in order to consider an amendment to the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of May 7, 1986, by, and if offered by, Representative KOLBE of Arizona, which shall be considered en bloc despite the fact that it amends a title of the bill not yet considered for amendment and shall not be subject to a demand for a division of the question; and it shall be in order to consider an amendment in the nature of a substitute, if offered by Representative WYLIE, consisting of the text of H.R. 4757, which shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Housing Act of 1986".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. Budget compliance.
TITLE I—PROGRAM EXTENSIONS AND AMENDMENTS
Subtitle A—General Extension of Programs
Sec. 101. Extension of Federal Housing Administration mortgage insurance programs.
Sec. 102. Extension of rehabilitation loan authority.
Sec. 103. Extension of rural housing authorities.
Sec. 104. Extension of flood and crime insurance programs.
Sec. 105. Miscellaneous extensions.

Subtitle B—Mortgage Insurance and Secondary Mortgage Market Programs
Sec. 121. Limitation on Federal Housing Administration insurance premiums.
Sec. 122. Eligibility for single family mortgage insurance.
Sec. 123. Increase in authority to insure adjustable rate single family mortgages.
Sec. 124. Limitation on amount to be insured under National Housing Act.
Sec. 125. Limitations on certain secondary mortgage market fees.
Subtitle C—Community and Neighborhood Development and Conservation Programs
Sec. 141. City and county classifications.
Sec. 142. Community development authorizations.
Sec. 143. Community development block grant public service activities.
Sec. 144. Urban development action grant selection criteria.
Sec. 145. Prohibition on use of urban development action grants for business relocations.
Sec. 146. Use of urban renewal land disposition proceeds.
Sec. 147. Urban homesteading.
Sec. 148. Rehabilitation loan fees.
Sec. 149. Neighborhood Reinvestment Corporation.
Sec. 150. Neighborhood development demonstration program.
Sec. 151. Park Central New Community Project.
Subtitle D—Miscellaneous Program Amendments
Sec. 161. Studies under national flood insurance program.
Sec. 162. Fair housing initiatives program.
Sec. 163. Collection of certain data.
Sec. 164. Timely payment of subcontractors.
Sec. 165. Solar Energy and Energy Conservation Bank.
Sec. 166. Research authorization.
TITLE II—HOUSING ASSISTANCE
Subtitle A—Programs Under United States Housing Act of 1937
Sec. 201. Lower income housing authorization.
Sec. 202. Tenant rental contributions.
Sec. 203. Grants for public housing development.
Sec. 204. Section 8 assistance.
Sec. 205. Voucher demonstration program administrative fees.
Sec. 206. Payments for operation of lower income housing projects.
Sec. 207. Grants for comprehensive improvement assistance.
Sec. 208. Income eligibility for assisted housing.
Sec. 209. Rental rehabilitation and development grants.
Sec. 210. Public housing demolition and disposition.
Sec. 211. Treatment of certain public housing development funds.
Sec. 212. Public housing comprehensive grants.
Subtitle B—Multifamily Housing Management and Preservation
Sec. 221. Management and preservation of HUD-owned multifamily housing projects.
Sec. 222. Acquisition of insured multifamily housing projects.
Sec. 223. Tenant participation in multifamily housing projects.
Subtitle C—Other Housing Assistance Programs
Sec. 241. Housing for the elderly and handicapped.
Sec. 242. Housing for the handicapped.
Sec. 243. Section 235 homeownership program.
Sec. 244. Congregate services.
TITLE III—RURAL HOUSING
Sec. 301. Program authorizations.
Sec. 302. Income levels for family eligibility.
Sec. 303. Rural area classification.
Sec. 304. Rural housing escrow accounts.
TITLE IV—SHELTER ASSISTANCE FOR THE HOMELESS AND DISPLACED
Sec. 401. National Emergency Food and Shelter Board.
Sec. 402. Continuation of National Board of Charities program.
Sec. 403. Second stage housing for the homeless and displaced.
Sec. 404. Emergency shelter grants.
Sec. 405. Reports to Congress.
Sec. 406. Definitions.
TITLE V—NEHEMIAH HOUSING OPPORTUNITY GRANTS
Sec. 501. Statement of purpose.
Sec. 502. Definitions.
Sec. 503. Assistance to nonprofit organizations.
Sec. 504. Use of assistance.
Sec. 505. Program requirements.
Sec. 506. Terms and conditions of assistance.
Sec. 507. Program selection criteria.
Sec. 508. Distribution of assistance to nonprofit organizations.
Sec. 509. Nehemiah Housing Opportunity Fund.
Sec. 510. Annual report.
Sec. 511. Regulations.
Sec. 512. Authorization of appropriations.

The CHAIRMAN. Are there amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. BUDGET COMPLIANCE.

(a) IN GENERAL.—This Act and the amendments made by this Act may not be construed to provide for new budget authority, budget outlays, or new entitlement authority, for fiscal year 1986 or 1987 in excess of the appropriate aggregate levels established by the concurrent resolution on the budget for such fiscal year for the programs authorazed by this Act and the amendments made by this Act.

(b) DEFINITIONS.—For purposes of this section, the terms "budget authority", "budget outlays'(, "concurrent resolution on the budget", and "entitlement authority" have the meanings given such terms in section 3 of the Congressional Budget Act of 1974 (2 U.S.C. 622).

The CHAIRMAN. Are there amendments to section 2 of the bill?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—PROGRAM EXTENSIONS AND AMENDMENTS

Subtitle A—General Extension of Programs

SEC. 101. EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS.

(a) TITLE I INSURANCE.—Section 2(a) of the National Housing Act is amended by striking "April 30, 1986" in the first sentence and inserting "September 30, 1987".

(b) GENERAL INSURANCE.—Section 217 of the National Housing Act is amended by striking "April 30, 1986" and inserting "September 30, 1987".

(c) LOW AND MODERATE INCOME HOUSING INSURANCE.—Section 221(f) of the National Housing Act is amended by striking "April 30, 1986" in the fifth sentence and inserting "September 30, 1987".

(d) SECTION 235 HOMEOWNERSHIP.—

(1) ASSISTANCE PAYMENTS AUTHORITY.—Section 235(h)(1) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

(2) INSURANCE AUTHORITY.—Section 235(m) of the National Housing Act is amended by striking "April 30, 1986" and inserting "September 30, 1987".

(3) HOUSING STIMULUS AUTHORITY.—Section 235(q)(1) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

(e) CO-INSURANCE.—

(1) GENERAL AUTHORITY.—Section 244(d) of the National Housing Act is amended by striking "April 30, 1986" and inserting "September 30, 1987".

(2) RENTAL REHABILITATION AND DEVELOPMENT PROJECTS.—Section 244(h) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

(f) GRADUATED PAYMENT AND INDEXED MORTGAGE INSURANCE.—Section 245(a) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

(g) REINSURANCE CONTRACTS.—Section 249(a) of the National Housing Act is amended by striking "April 30, 1986" in the second sentence and inserting "September 30, 1987".

(h) ARMED SERVICES HOUSING INSURANCE.—

(1) CIVILIAN EMPLOYEES OF ARMED FORCES.—Section 809(f) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

(2) DEFENSE HOUSING FOR IMPACTED AREAS.—Section 810(k) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

(i) LAND DEVELOPMENT INSURANCE.—Section 1002(a) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

(j) GROUP PRACTICE FACILITIES INSURANCE.—Section 1101(a) of the National Housing Act is amended by striking "April 30, 1986" in the last sentence and inserting "September 30, 1987".

SEC. 102. EXTENSION OF REHABILITATION LOAN AUTHORITY.

Section 312(h) of the Housing Act of 1964 is amended by striking "April 30, 1986" and inserting "September 30, 1987".

SEC. 103. EXTENSION OF RURAL HOUSING AUTHORITIES.

(a) RENTAL HOUSING LOAN AUTHORITY.—Section 515(b)(4) of the Housing Act of 1949 is amended by striking "April 30, 1986" and inserting "September 30, 1987".

(b) MUTUAL AND SELF-HELP HOUSING GRANT AND LOAN AUTHORITY.—Section 523(f) of the Housing Act of 1949 is amended by striking "April 30, 1986" and inserting "September 30, 1987".

SEC. 104. EXTENSION OF FLOOD AND CRIME INSURANCE PROGRAMS.

(a) FLOOD INSURANCE.—

(1) GENERAL AUTHORITY.—Section 1319 of the National Flood Insurance Act of 1968 is amended by striking "April 30, 1986" and inserting "September 30, 1987".

(2) EMERGENCY IMPLEMENTATION.—Section 1336(a) of the National Flood Insurance Act of 1968 is amended by striking "April 30, 1986" and inserting "September 30, 1987".

(3) ESTABLISHMENT OF FLOOD-RISK ZONES.—Section 1360(a)(2) of the National Flood Insurance Act of 1968 is amended by striking "April 30, 1986" and inserting "September 30, 1987".

(4) LIMITATION ON PREMIUMS.—The premium rates charged for flood insurance under any program established pursuant to the National Flood Insurance Act of 1968 may not be increased during the period beginning on the date of the enactment of this Act and ending on September 30, 1987, by more than a prorated annual rate of 10 percent.

(b) CRIME INSURANCE.—

(1) GENERAL AUTHORITY.—Section 1201(b)(1) of the National Housing Act is amended by striking "April 30, 1986" in the matter preceding subparagraph (A) and inserting "September 30, 1987".

(2) CONTINUATION OF EXISTING CONTRACTS.—Section 1201(b)(1)(A) of the National Housing Act is amended by striking "September 30, 1986" and inserting "September 30, 1988".

(3) LIMITATION ON PREMIUMS.—The premium rates charged for crime insurance under any program established pursuant to part C of title XII of the National Housing Act may not be increased during the period beginning on the date of the enactment of this Act and ending on September 30, 1987, by more than a prorated annual rate of 10 percent.

SEC. 105. MISCELLANEOUS EXTENSIONS.

(a) SECTION 202 INTEREST RATE LIMITATION.—Section 223(a) of the Housing and Urban-Rural Recovery Act of 1983 is amended by striking paragraph (2).

(b) HOME MORTGAGE DISCLOSURE ACT OF 1975.—Section 312 of the Home Mortgage Disclosure Act of 1975 is amended by striking "April 30, 1986" and inserting "September 30, 1988".

Subtitle B—Mortgage Insurance and Secondary Mortgage Market Programs

SEC. 121. LIMITATION ON FEDERAL HOUSING ADMINISTRATION INSURANCE PREMIUMS.

(a) IN GENERAL.—Section 203(c) of the National Housing Act is amended by striking the subsection designation and the first sentence and inserting the following:

"(c)(1)(A) The Secretary may fix premium charges for the insurance of mortgages or loans under the separate sections of this title, subject to the provisions of this paragraph.

"(B) The premium charge shall not be more than an amount equal to 3.8 percent of the principal obligation of the mortgage or loan, nor more than an amount equal to 0.25 percent per annum of the principal obligation of the mortgage or loan outstanding at any time without taking into account delinquent payments or prepayments, in the case of any mortgage or loan—

"(i) insured under this title and secured by a 1- to 4-family dwelling; or

"(ii) otherwise insured under any of the following provisions: subsection (b), subsection (h), subsection (i), subsection (n), subsection (k), section 220, section 220(h), section 221(d)(2), section 222, section 223(e), section 234, section 235, section 237, section 238(c), or section 240.

"(C) In the case of any mortgage or loan insured under this title that is not subject to subparagraph (B) or (D), the premium charge shall not be more than an amount equivalent to 1 percent per annum of the principal obligation of the mortgage or loan outstanding at any time, without taking into account delinquent payments or prepayments.

"(D) In the case of insurance under section 245, 247, 251, 252, or 253, or any other financing mechanism providing alternative methods for repayment of a mortgage or loan that is determined by the Secretary to involve additional risk—

"(i) the premium charges may be different from the premium charges for mortgages insured under other provisions of this section;

"(ii) the premium charges shall be fixed by the Secretary at a level not more than necessary to create reserves sufficient to meet anticipated claims based upon actuarial analysis and to compensate for actual administrative expenses, but for no other purpose; and

"(iii) the Secretary shall submit to the Congress not less than 90 days before any increase in any such premium charge a certification that the increase is solely for the purpose specified in clause (ii).

"(E)(i) Except as provided in clause (ii), any reduced premium charge so fixed and computed may, in the discretion of the Secretary, also be made applicable in such manner as the Secretary shall prescribe to each insured mortgage or loan outstanding under the section or sections involved at the time the reduced premium charge is fixed.

"(ii) The amendments made to this paragraph by the Housing Act of 1986 shall not be applicable to the insurance of any mortgage or loan under this title pursuant to a commitment to insure entered into before the date of the enactment of such Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 203(c) of the National Housing Act is amended—

(A) by inserting "(2)" before the second sentence and redesignating such sentence as a paragraph (2);

(B) by inserting "(3)" before the third sentence and redesignating such sentence as a paragraph (3);

(C) by inserting "(4)" before the fourth sentence and redesignating such sentence as a paragraph (4); and

(D) in the last proviso, by redesignating clauses (1) and (2) as clauses (A) and (B), respectively.

(2) The first sentence of section 220(h)(5) of the National Housing Act is amended to read as follows: "The Secretary may fix premium charges for the insurance of home improvement loans under this subsection, subject to section 203(c)(1)(B).".

SEC. 122. ELIGIBILITY FOR SINGLE FAMILY MORTGAGE INSURANCE.

Section 203 of the National Housing Act is amended by adding at the end the following new subsection:

"(q)(1) Notwithstanding any other provision of this section or any other section of this title, the Secretary may insure and commit to insure, under subsection (b) as modified by this subsection, any mortgage secured by property located on land that—

"(A) is within the Allegany Reservation of the Seneca Nation of New York Indians; and

"(B) is subject to a lease entered into for a term of 99 years pursuant to the Act of February 19, 1875 (Chapter 90; 18 Stat. 330) and the Act of September 30, 1890 (Chapter 1132; 26 Stat. 558).

"(2) A mortgage shall be eligible for insurance under subsection (b) as modified by this subsection without regard to limitations in this title relating to marketability of title or any other statutory restriction that the Secretary determines is contrary to the purpose of this subsection.

"(3) The Secretary, in connection with any mortgage insured under subsection (b) as modified by this subsection, shall have all statutory powers, authority, and responsibilities that the Secretary has with respect to other mortgages insured under subsection (b), except that the Secretary may modify such powers, authority, or responsibilities if the Secretary determines such action to be necessary because of the special nature of the mortgage involved.

"(4) Notwithstanding section 202, the insurance of a mortgage under subsection (b) as modified by this subsection shall be the obligation of the Special Risk Insurance Fund created in section 238.".

SEC. 123. INCREASE IN AUTHORITY TO INSURE ADJUSTABLE RATE SINGLE FAMILY MORTGAGES.

(a) IN GENERAL.—Section 251(c) of the National Housing Act is amended to read as follows:

"(c) The aggregate number of mortgages and loans insured under this section in any fiscal year may not exceed 20 percent of the aggregate number of mortgages and loans insured by the Secretary under this title during the preceding fiscal year.".

(b) CONFORMING AMENDMENTS.—

(1) Section 245(c) of the National Housing Act is amended in the last sentence by striking ", section 251,".

(2) Section 252(g) of the National Housing Act is amended—

(A) by striking the first comma and inserting "and"; and

(B) by striking ", and section 251".

SEC. 124. LIMITATION ON AMOUNT TO BE INSURED UNDER NATIONAL HOUSING ACT.

Section 531 of the National Housing Act is amended to read as follows:

"LIMITATION ON COMMITMENTS TO INSURE LOANS AND MORTGAGES

"SEC. 531. (a) The authority of the Secretary to enter into commitments to insure loans and mortgages under this Act shall be effective for any fiscal year only to such extent or in such amounts as are or have been provided in appropriation Acts for such fiscal year.

"(b) Notwithstanding any other provision of law and subject only to the absence of qualified requests for insurance, to the authority provided in this Act, and the limitation in subsection (a), the Secretary shall enter into commitments during each fiscal year to insure mortgages under this Act with an aggregate principal amount equal to the amount provided in appropriation Acts for such fiscal year.".

SEC. 125. LIMITATIONS ON CERTAIN SECONDARY MORTGAGE MARKET FEES.

(a) FEDERAL NATIONAL MORTGAGE ASSOCIATION.—Section 304 of the Federal National Mortgage Association Charter Act is amended by adding at the end the following new subsection:

"(f) Except for fees paid pursuant to section 309(g), no fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to the purchase, acquisition, sale, pledge, issuance, guarantee, or redemption of any mortgage, asset, obligation, trust certificate of beneficial in-

terest, or other security by the corporation. No provision of this subsection shall affect the purchase of any obligation by the Secretary of the Treasury pursuant to subsection (c).".

(b) GOVERNMENT NATIONAL MORTGAGE ASSOCIATION.—Section 306(g) of Federal National Mortgage Association Charter Act is amended by adding at the end the following new paragraph:

"(3)(A) No fee or charge in excess of 6 basis points may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to any guaranty of the timely payment of principal or interest on securities or notes based on or backed by mortgages that are secured by 1- to 4-family dwellings and (i) insured by the Federal Housing Administration under title II of the National Housing Act; or (ii) insured or guaranteed under the Serviceman's Readjustment Act of 1944, chapter 37 of title 38, United States Code, or title V of the Housing Act of 1949.

"(B) The fees charged for the guaranty of securities or on notes based on or backed by mortgages not referred to in subparagraph (A), as authorized by other provisions of law, shall be set by the Association at a level not more than necessary to create reserves sufficient to meet anticipated claims based upon actuarial analysis, and for no other purpose.

"(C) Fees or charges for the issuance of commitments or miscellaneous administrative fees of the Association shall remain at the level set for such fees or charges as of September 1, 1985, except that such fees or charges may be increased if reasonably related to the cost of administering the program, and for no other purpose.

"(D) Not less than 90 days before increasing any fee or charge under subparagraph (B) or (C), the Secretary shall submit to the Congress a certification that such increase is solely for the purpose specified in such subparagraph.".

(c) FEDERAL HOME LOAN MORTGAGE CORPORATION.—Section 306 of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end the following new subsection:

"(i) Except for fees paid pursuant to section 303(c) or 306(c), no fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to the purchase, acquisition, sale, pledge, issuance, guarantee, or redemption of any mortgage, asset, obligation, or other security by the Corporation. No provision of this subsection shall affect the purchase of any obligation by any Federal home loan bank pursuant to section 303(a).".

Subtitle C—Community and Neighborhood Development and Conservation Programs

SEC. 141. CITY AND COUNTY CLASSIFICATIONS.

(a) METROPOLITAN CITY.—Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended—

(1) in the second sentence, by striking "April 30, 1986" and inserting "September 30, 1986"; and

(2) by adding at the end the following new sentence: "Any city classified as a metropolitan city pursuant to the first or second sentence of this paragraph, and that no longer qualifies as a metropolitan city under such first or second sentence in a fiscal year beginning after fiscal year 1986, shall retain its classification as a metropolitan city for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal year (A) the amount of the grant to such city shall be 50 percent of the amount calculated under section 106(b); and (B) the remaining 50 percent shall be added to the amount allocated under section 106(d) to the State in which the city is located and the city shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 106(d) as increased by this sentence.".

(b) URBAN COUNTY.—Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting before the period at the end of the first sentence the following: ", or (D) has a current population in excess of 177,000, with more than 50 percent of the housing units of the area unsewered and with the unsewered housing units contributing to the degradation of an aquifer that has been declared a sole source aquifer by the Environmental Protection Agency";

(2) in the second sentence, by striking "April 30, 1986" and inserting "September 30, 1986"; and

(3) by adding at the end the following new sentence: "Any county classified as an urban county pursuant to the first or second sentence of this paragraph, and that no longer qualifies as an urban county under such first or second sentence in a fiscal year beginning after fiscal year 1986, shall retain its classification as an urban county for such fiscal year and the succeeding fiscal year, except that in such succeeding fiscal year (A) the amount of the grant to such an urban county shall be 50 percent of the amount calculated under section 106(b); and (B) the remaining 50 percent shall be added to the amount allocated under section 106(d) to the State in which the urban county is located and the urban county shall be eligible in such succeeding fiscal year to receive a distribution from the State allocation under section 106(d) as increased by this sentence.".

(c) CONSIDERATION OF CERTAIN COUNTIES AS CITIES UNDER URBAN DEVELOPMENT ACTION GRANT PROGRAM.—Section 119(n)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end the following new sentence: "Such term also includes the counties of Kauai, Maui, and Hawaii in the State of Hawaii.".

SEC. 142. COMMUNITY DEVELOPMENT AUTHORIZATIONS.

(a) COMMUNITY DEVELOPMENT BLOCK GRANTS.—Section 103 of the Housing and Community Development Act of 1974 is amended by inserting before the period at the end of the second sentence the following: "and such sums as may be provided in appropriation Acts for fiscal year 1987".

(b) DISCRETIONARY FUND.—

(1) Section 107(a) of the Housing and Community Development Act of 1974 is amended by inserting after the first sentence the following new sentence: "Of the total amount provided in appropriation Acts under section 103 for fiscal year 1987, such amounts as are provided in such Acts for this section may be set aside in a special discretionary fund for grants under subsection (b).".

(2) Section 107 of the Housing and Community Development Act of 1974 is amended—

(A) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(B) by inserting after subsection (b) the following new subsection:

"(c) Of the amount set aside for use under subsection (b) in any fiscal year, the Secretary shall, to the extent approved in appropriation Acts, make available not less than $2,500,000 in the form of grants to institutions of higher education, either directly or through areawide planning organizations or States, for the purpose of continuing programs in effect during fiscal year 1984 for providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate or undergraduate programs in community and economic development, community planning, or community management. Such grants may be made only to institutions of higher education receiving grants for such purpose under subsection (b) for fiscal year 1984, and may only be provided to such institutions in the same manner as such grants are provided during such fiscal year.".

(c) URBAN DEVELOPMENT ACTION GRANTS.—Section 119(a) of the Housing and Community Development Act of 1974 is amended in the last sentence by inserting after "1986," the following: "and such sums as may be provided in appropriation Acts for fiscal year 1987,".

SEC. 143. COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC SERVICE ACTIVITIES.

Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(A)" after "paragraph unless"; and

(2) by inserting before the semicolon at the end the following: "; or (B) the Secretary authorizes such unit of general local government to use more than 15 percent (but not more than the highest amount permitted to be used under subparagraph (A) by another unit of general local government located in the same metropolitan area) of the assistance received under this title for such activities following (i) a determination by such unit of general local government that the activities carried out using the amounts authorized under this subparagraph are appropriate to support proposed community development activities; and (ii) submission to the Secretary of a request for such authorization by such unit of general local government".

SEC. 144. URBAN DEVELOPMENT ACTION GRANT SELECTION CRITERIA.

(a) PROJECT QUALITY CRITERIA.—Section 119(d)(1) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting a dash before "(A)";

(2) by indenting subparagraphs (A) and (B) in the same manner as subparagraphs (C) and (D), as inserted by this subsection;

(3) in subparagraph (A), by striking "as the primary criterion,";

(4) by striking "and" at the end of subparagraph (B); and

(5) by striking subparagraph (C) and inserting the following new subparagraphs:

"(C) the following other criteria:

"(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

"(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

"(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

"(iv) the extent to which the project will retain jobs that will be lost without the provision of a grant under this section;

"(v) the extent to which the project will relieve the most pressing employment or residential needs of the applicant by—

"(I) reemploying workers in a skill that has recently suffered a sharp increase in unemployment locally;

"(II) retraining recently unemployed residents in new skills;

"(III) providing training to increase the local pool of skilled labor; or

"(IV) producing decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the area of the applicant;

"(vi) the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested;

"(vii) the extent to which State or local Government funding or special economic incentives have been committed; and

"(viii) the extent to which the project will have a substantial impact on physical and economic development of the city or urban county, the proposed activities are likely to be accomplished in a timely fashion with the grant amount available, and the city or urban county has demonstrated performance in housing and community development programs; and

"(D) the failure of the city or urban county to receive a preliminary grant approval under this section—

"(i) on or after December 21, 1983; or

"(ii) during the 12-month period preceding the date on which applications are required to be submitted for the grant competition involved.

An application shall be considered to produce housing for low- and moderate-income persons under subparagraph (C)(v)(IV) only if such application proposes that—

"(i) not less than 51 percent of all funds available for the project shall be used for dwelling units and related facilities; and

"(ii) not less than 30 percent of all funds used for dwelling units and related facilities shall be used for dwelling units to be occupied by persons of low and moderate income, or not less than 20 percent of all dwelling units made available to occupancy using such funds shall be occupied by persons of low and moderate income, whichever results in the occupancy of more dwelling units by persons of low and moderate income.".

(b) SELECTION LIMITATIONS AND CRITERIA WEIGHT.—Section 119(d) of the Housing and Community Development Act of 1974 is amended by adding at the end the following new paragraphs:

"(3) The Secretary shall award points to each application as follows:

"(A) not more than 35 points on the basis of the factors referred to in paragraph (1)(A);

"(B) not more than 35 points on the basis of the factors referred to in paragraph (1)(B);

"(C) not more than 33 points on the basis of the factors referred to in paragraph (1)(C); and

"(D)(i) 2 additional points on the basis of the factor referred to in paragraph (1)(D)(i); or

"(ii) 1 additional point on the basis of the factor referred to in paragraph (1)(D)(ii).

"(4) The Secretary shall distribute grant funds under this section so that to the extent practicable during each funding cycle—

"(A) 65 percent of the funds is first made available utilizing all of the criteria set forth in paragraph (1); and

"(B) 35 percent of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C) and (D) of paragraph (1).

"(5)(A) For each fiscal year, the Secretary shall hold—

"(i) 3 competitions for grants under paragraph (1) for cities not described in the first sentence of subsection (i) (relating to small cities) and urban counties; and

"(ii) 3 competitions for cities described in the first sentence of subsection (i) (relating to small cities).

"(B) Each competition for grants described in any clause of subparagraph (A) shall be for an amount equal to the sum of—

"(i) approximately 1/3 of the funds available for such grants for the fiscal year;

"(ii) any funds available for such grants in any previous competition that are not awarded; and

"(iii) any funds available for such grants in any previous competition that are recaptured.".

(c) ADDITIONAL CONSIDERATION.—Notwithstanding any provision of section 119 of the Housing and Community Development Act of 1974, for purposes of funding decisions made before October 15, 1986, the Secretary of Housing and Urban Development shall give additional consideration, equal to the points otherwise awarded under section 119(d)(1)(C) of the Housing and Community Development Act of 1974, as amended by this section, in the case of a project to be located in a city or urban county to which no grant under section 119 of such Act was made during the preceding 24-month period if such project has met the criteria for preliminary approval in the 3 consecutive funding cycles immediately preceding the date of the enactment of this Act.

(d) USE OF REPAID GRANT FUNDS.—Section 119(f) of the Housing and Community Development Act of 1974 is amended by adding at the end the following: "In any case in which the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for economic development activities that are or would be eligible activities under this section or section 104. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with a report acceptable to the Secretary on the use of such funds during the most recent preceding full fiscal year of the applicant.".

(e) NONDISCRIMINATION.—Section 119(r) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(r) In utilizing the discretion of the Secretary when providing assistance and applying selection criteria under this section, the Secretary may not discriminate against applications on the basis of (1) the type of activity involved, whether such activity is primarily housing, industrial, or commercial; or (2) the type of applicant, whether such applicant is a city or urban county.".

(f) REPORTS OF COMPTROLLER GENERAL.—

(1)(A) Not later than the expiration of the 6-month period following the date of the enactment of this Act and every 3 years thereafter, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report evaluating the eligibility standards and selection criteria applicable under section 119 of the Housing and Community Development Act of 1974.

(B) Such report shall evaluate in detail the standards and criteria specified in such section that measure the level or comparative degree of economic distress of cities and urban counties and the effect of the grants awarded on the basis of such standards and criteria on stimulating the maximum economic development activity.

(C) Such report shall also evaluate in detail the extent to which the economic and social data utilized by the Secretary in awarding grants under such section is current and accurate, and shall compare the data used by the Secretary with other available data. The Comptroller General shall make recommendations to the Congress on whether or not other data should be collected by the Federal Government in order to fairly and accurately distribute grants under such section based on the level or comparative degree of economic distress. The Comptroller General shall also make recommendations on whether or not existing data should be collected more frequently in order to ensure that timely data is used to evaluate grant applications under such section.

(2) Not later than the expiration of the 3-month period following the date of the final competition for grants for fiscal year 1986 under section 119 of the Housing and Community Development Act of 1974, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report describing the effect of the amendments made by this section on—

(A) the targeting of grant funds to cities and urban counties having the highest level or degree of economic distress;

(B) the distribution of grant funds among regions of the United States;

(C) the number and types of projects receiving grants;

(D) the per capita funding levels for each city, urban county, or identifiable community described in subsection (p) of such section 119, receiving assistance under such section 119; and

(E) the stimulation of the maximum economic development activity.

(g) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 60 days after the date of the enactment of this Act. The provisions of subsection (c), and of section 119(d)(4) of the Housing and Community Development Act of 1974, shall take effect on the date of the enactment of this Act.

(h) APPLICABILITY.—The amendments made by this section shall be applicable to the making of urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date on which final regulations issued by the Secretary under subsection (g) become effective. For the fiscal year in which the amendments made by this section become applicable, such amendments shall only apply with respect to the aggregate amount awarded for such grants on or after such effective date.

SEC. 145. PROHIBITION ON USE OF URBAN DEVELOPMENT ACTION GRANTS FOR BUSINESS RELOCATIONS.

(a) IN GENERAL.—Section 119(h) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting after the subsection designation the following: "(1) SPECULATIVE PROJECTS.—";

(2) by adding at the end of paragraph (1), as so redesignated, the following new sentence: "The provisions of this paragraph shall apply only to projects that do not have identified intended occupants."; and

(3) by adding at the end the following new paragraphs:

"(2) PROJECTS WITH IDENTIFIED INTENDED OCCUPANTS.—No assistance may be provided or utilized under this section for any project with identified intended occupants that is likely to facilitate—

"(A) a relocation of any operation of an industrial or commercial plant or facility or other business establishment—

"(i) from any city, urban county, or identifiable community described in subsection (p), that is eligible for assistance under this section; and

"(ii) to the city, urban county, or identifiable community described in subsection (p), in which the project is located; or

"(B) an expansion of any such operation that results in a reduction of any such operation in any city, county, or community described in subparagraph (A)(i).

"(3) SIGNIFICANT AND ADVERSE EFFECT.—The restrictions established in paragraph (2) shall not apply if the Secretary determines that the relocation or expansion does not significantly and adversely affect the employment or economic base of the city, county, or community from which the relocation or expansion occurs.

"(4) DEFINITION.—For purposes of this subsection, the term 'operation' includes any plant, equipment, facility, position, employment opportunity, production capacity, or product line.

"(5) REGULATIONS.—Not later than 60 days after the date of the enactment of the Housing Act of 1986, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this subsection. Such regulations shall include specific criteria to be used by the Secretary in determining whether there is a significant and adverse effect under paragraph (3).".

(b) APPLICABILITY.—The amendments made by this section shall be applicable to urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date of the enactment of this Act.

SEC. 146. USE OF URBAN RENEWAL LAND DISPOSITION PROCEEDS.

Notwithstanding any other provision of law or other requirement, the City of Boston in the State of Massachusetts is authorized to retain any land disposition proceeds from the financially closed-out Government Center Urban Renewal Project (NO. MASS. R-35) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Boston shall retain such proceeds in a lump sum and shall be entitled to retain and use all past and future earnings from such proceeds, including any interest.

SEC. 147. URBAN HOMESTEADING.

The first sentence of section 810(k) of the Housing and Community Development Act of 1974 is amended by inserting before the period at the end the following: "and fiscal years 1986 and 1987".

SEC. 148. REHABILITATION LOAN FEES.

Section 312(g) of the Housing Act of 1964 is amended by adding at the end the following new sentences: "No risk premium or loan fee may be assessed or collected by or for the Secretary or any other Federal agency on or with respect to a loan made under this section. Any person who pays any such premium or fee before the date of the enactment of the Housing Act of 1986 shall be reimbursed for the amount paid.".

SEC. 149. NEIGHBORHOOD REINVESTMENT CORPORATION.

Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended by inserting before the period at the end the following: "and fiscal years 1986 and 1987".

SEC. 150. NEIGHBORHOOD DEVELOPMENT DEMONSTRATION PROGRAM.

Section 123(g) of the Housing and Urban-Rural Recovery Act of 1983 is amended by inserting before the period at the end the following: ", and such sums as may be provided in appropriation Acts for fiscal years 1986 and 1987".

SEC. 151. PARK CENTRAL NEW COMMUNITY PROJECT.

(a) HOUSING ASSISTANCE.—Section 213 of the Housing and Community Development Act of 1974 is amended by adding at the end the following new subsection:

"(e) The Secretary shall enter into an annual contributions contract for a term of 180 months to obligate sufficient funds to provide assistance payments pursuant to section 8(b)(1) of the United States Housing Act of 1937 on behalf of 250 lower income families from budget authority made available in fiscal year 1986, and again on behalf of an additional 250 lower income families from budget authority made available for fiscal year 1987, so long as such families occupy properties in the Park Central New Community Project or in adjacent areas that are recognized by the unit of general local government in which such Project is located as being included within the Park Central New Town In Town Project. If a lower income family receiving assistance payments pursuant to this subsection ceases to qualify for assistance payments pursuant to the provisions of section 8 of such Act or of this subsection during the 180-month term of the annual contributions contract, assistance payments shall be made on behalf of another lower income family who occupies a unit identified in the previous sentence.".

(b) COMMUNITY DEVELOPMENT ASSISTANCE.—Section 107(a) of the Housing and Community Development Act of 1974 is amended by adding at the end the following new sentence: "Of the amount set aside for grants under subsection (b) for fiscal year 1986 (or fiscal year 1987 if there are insufficient funds for fiscal year 1986), $5,000,000 shall be made available by the Secretary for purposes of grants under subsection (b)(1) for the Park Central New Community Project.".

Subtitle D—Miscellaneous Program Amendments

SEC. 161. STUDIES UNDER NATIONAL FLOOD INSURANCE PROGRAM.

Section 1376(c) of the National Flood Insurance Act of 1968 is amended by inserting before the period at the end the following: "and fiscal years 1986 and 1987".

SEC. 162. FAIR HOUSING INITIATIVES PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development (in this section referred to as the "Secretary") may make grants to, or (to the extent of amounts provided in appropriation Acts) enter into contracts or cooperative agreements with, State or local governments or their agencies, public or private nonprofit organizations or institutions, or other public or private entities that are formulating or carrying out programs to prevent or eliminate discriminatory housing practices, to develop, implement, carry out, or coordinate—

(1) programs or activities designed to obtain enforcement of the rights granted by title VIII of the Act of April 11, 1968 (commonly referred to as the Civil Rights Act of 1968), or by State or local laws that provide rights and remedies for alleged discriminatory housing practices that are substantially equivalent to the rights and remedies provided in such title VIII, through such appropriate judicial or administrative proceedings (including informal methods of conference, conciliation, and persuasion) as are available therefor; and

(2) education and outreach programs designed to inform the public concerning rights and obligations under the laws referred to in paragraph (1).

(b) PROGRAM ADMINISTRATION.—

(1) Not less than 30 days before providing a grant or entering into any contract or cooperative agreement to carry out activities authorized by this section, the Secretary shall submit notification of such proposed grant, contract, or cooperative agreement (including a description of the geographical distribution of such contracts) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(2) The Secretary shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a quarterly report that summarizes the activities funded under this section and describes the geographical distribution of grants, contracts, or cooperative agreements funded under this section.

(c) REGULATIONS.—

(1) The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

(2) Such regulations shall include provisions governing applications for assistance under this section, and shall require each such application to contain—

(A) a description of the assisted activities proposed to be undertaken by the applicant, together with the estimated costs and schedule for completion of such activities;

(B) a description of the experience of the applicant in formulating or carrying out programs to prevent or eliminate discriminatory housing practices;

(C) available information, including studies made by or available to the applicant, indicating the nature and extent of discriminatory housing practices occurring in the general location where the applicant proposes to conduct its assisted activities, and the relationship of such activities to such practices;

(D) an estimate of such other public or private resources as may be available to assist the proposed activities;

(E) a description of proposed procedures to be used by the applicant for monitoring conduct and evaluating results of the proposed activities; and

(F) any additional information required by the Secretary.

(3) Regulations issued under this subsection shall not become effective prior to the expiration of 90 days after the Secretary transmits such regulations, in the form such

regulations are intended to be published, to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

(4) The Secretary shall not obligate or expend any amount under this section before the effective date of the regulations required under this subsection.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section, including any program evaluations, such sums as may be provided in appropriation Acts for fiscal years 1986 and 1987. Any amounts appropriated under this section shall remain available until expended.

SEC. 163. COLLECTION OF CERTAIN DATA.

The Secretary of Housing and Urban Development and the Secretary of Agriculture shall each collect, not less than annually, data on the racial and ethnic characteristics of persons eligible for, assisted, or otherwise benefiting under each community development, housing assistance, and mortgage and loan insurance and guarantee program administered by such Secretary. Such data may be collected on a building by building basis if the Secretary involved determines such collection to be appropriate.

SEC. 164. TIMELY PAYMENT OF SUBCONTRACTORS.

It is the policy of the United States that each prime contractor of the Department of Housing and Urban Development should establish procedures to ensure the timely payment of amounts due pursuant to the terms of the subcontracts of such prime contractor.

SEC. 165. SOLAR ENERGY AND ENERGY CONSERVATION BANK.

Section 522(a) of the Solar Energy and Energy Conservation Bank Act is amended by striking "fiscal year 1985" and inserting "fiscal years 1986 and 1987".

SEC. 166. RESEARCH AUTHORIZATION.

The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended by inserting before the period at the end the following: "and fiscal years 1986 and 1987".

AMENDMENT OFFERED BY MR. ANNUNZIO

Mr. ANNUNZIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANNUNZIO:

Page 15, after line 4, insert the following new section (and redesignate the subsequent section, and conform the table of contents, accordingly):

SEC. 125. APPLICABILITY OF CERTAIN LOAN INSURANCE REGULATIONS.

(a) IN GENERAL.—Until December 31, 1986, an applicant for a loan insured under title I of the National Housing Act may (at the option of the applicant) have such application considered under—

(1) the regulations of the Department of Housing and Urban Development in effect on January 14, 1986; or

(2) the regulations published by the Department of Housing and Urban Development on October 25, 1985 (50 Fed. Reg. 43516 et seq.; relating to insurance of title I property improvement and manufactured home loans).

(b) REVIEW OF REGULATIONS.—Before December 31, 1986, the Secretary of Housing and Urban Development shall reopen the regulations referred to in subsection (a)(2) for public comment and take into consideration any comments received.

Mr. ANNUNZIO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Chairman, I have an amendment at the desk. My amendment is very simple and has been discussed with the chairman of the Housing Subcommittee, the gentleman from Texas [Mr. GONZALEZ].

This amendment would correct a problem with regulations issued by HUD dealing with title I property improvement and manufactured home loans. These regulations substantially revised the way in which FHA title I loans were handled. As far as the manufactured home loans were concerned, the regulations were a step forward and corrected many problems previously faced by that industry. However, just the opposite is true with property improvement loans. That industry has had severe problems meeting the new regulations and many in the industry feel that the regulations were put into effect without adequate time for comment or without taking into consideration the problems the new regulations would pose for property improvement lenders.

My amendment would solve both problems. It would allow manufactured home lenders to use the new regulations while allowing the home improvement lenders to comply with the old regulations. This is an important consumer amendment because many banks and other financial institutions involved in the title I property improvement loans has stopped making these loans because of the way the new regulations were put into effect. I want to get as many lenders as possible involved in this program so that there will be more competition for the consumer's business.

My amendment would apply the dual regulation standard only until December 31 of this year. Prior to that date, the Secretary of Housing must review the regulations and provide time for additional comments. After December 31, there would be only one regulation for all title I home improvement and manfactured home lending. There is no requirement that the Secretary change the new regulations but the amendment at least provides time for home improvement lenders to meet the requirements of the new regs and, hopefully, it will mean that more lenders will enter the program.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ANNUNZIO. I am happy to yield to the gentleman from Texas, the distinguished chairman of the committee.

Mr. GONZALEZ. Mr. Chairman, I wish to say that we, on the majority side, have had a chance to look at this amendment and certainly it perfects the legislation. It perfects a grievous injustice taking place in these areas that the gentleman represents and we wholeheartedly accept the amendment.

□ 1235

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has discussed his amendment with us and we see no objection to it at all.

I believe the gentleman from Indiana [Mr. HILER] would like to ask some questions.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Indiana.

Mr. HILER. I thank the gentleman for yielding.

Mr. Chairman, I would ask the gentleman, under the FHA title I, regulations pertaining to manufactured housing are included there. The manufactured housing industry undertook to conform with these regulations as of the designated date of last January.

I am wondering if it was the gentleman's intent and if it is, in fact, part of the amendment now, that the manufactured housing industry would not fall under the gentleman's amendment and they would continue to comply with the new regulations as of last January?

Mr. ANNUNZIO. The gentleman from Indiana is absolutely correct.

Mr. HILER. I thank the gentleman for that clarification and would support his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ANNUNZIO].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. AKAKA

Mr. AKAKA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AKAKA:

Page 13, after line 19, insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 123. MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS AND INDIAN RESERVATIONS.

(a) APPLICABILITY OF MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS.—Section 247(c)(1) of the National Housing Act is amended by inserting before the period at the end the following: "(or, in the case of an individual who succeeds a spouse or parent in an interest in a lease of Hawaiian home lands, such lower percentage as may be established for such succession under section

209 of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (73 Stat. 5))".

(b) MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS AS OBLIGATIONS OF GENERAL INSURANCE FUND.—Section 247 of the National Housing Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund established in section 519. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 with respect to mortgages insured pursuant to this section, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund; and (2) all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured.".

(c) MORTGAGE INSURANCE ON INDIAN RESERVATIONS AS OBLIGATIONS OF GENERAL INSURANCE FUND.—Section 248 of the National Housing Act is amended—

(1) in paragraphs (3) and (4) of subsection (f), by striking "insurance fund" each place it appears and inserting "General Insurance Fund";

(2) by redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively; and

(3) by inserting after subsection (e) the following new subsection:

"(f) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund established in section 519. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 with respect to mortgages insured pursuant to this section, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund; and (2) all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured.".

Mr. AKAKA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. AKAKA. Mr. Chairman, 2 years ago, I stood before you seeking support for an amendment to the National Housing Act to extend FHA-insured mortgage privileges to native Hawaiians who wish to obtain mortgages on property located on Hawaiian home lands. With your help, that amendment was adopted.

Today, I stand before you with an amendment necessary to complete the effort made those 2 years ago.

My amendment, Mr. Chairman, would improve sections 247 and 248 of the National Housing Act to provide that mortgages insured pursuant to either section would be obligations of the general insurance fund.

Sections 247 and 248 concern mortgages on Hawaiian home lands and Indian lands, respectively.

Currently, any mortgage insured pursuant to either section would be an obligation of the fund applicable to the section of the act under which the mortgage is insured.

Most mortgages of this nature are expected to be insured under section 203(b) of the National Housing Act, thereby making them an obligation of the mutual mortgage insurance fund [MMIF].

Mr. Chairman, as indicated, my amendment would instead provide that they be made obligations of the general insurance fund [GIF].

HAWAIIAN HOMELANDS

The need for this action is quite clear. The program relating to Hawaiian home lands, for example, is rather unique. Unlike other MMIF programs, the Department of Hawaiian Home Lands [DHHL], rather than the Department of Housing and Urban Development [HUD], shall receive most of the mortgage insurance premium [MIP]. Only a small amount of the MIP shall be retained by HUD to cover various processing costs. In addition, the Department of Hawaiian Home Lands shall assume total risk of loss.

Pursuant to section 205 (c) and (d) of the National Housing Act, where the national claim experience for a particular class of mortgages insured under the MMIF is better than expected, the Secretary is authorized to make distributions to the mortgagor upon termination of the insurance obligation. However, since the Department of Hawaiian Home Lands, in this case, retains virtually all of the MIP and assumes all of the risk, such distributions should not be required to be made. Clearly unique in its design, the Hawaiian Home Lands Program should not be subjected to the national criteria elements provided in sections 205 (c) and (d) of the act.

It is certainly prudent, therefore, to make mortgage insurance obligations on Hawaiian home lands obligations of the general insurance fund.

As the Department of Hawaiian Home Lands guarantees to reimburse HUD almost immediately for any losses, potential appropriations requests would not be increased as a result of making these mortgages obligations of the general insurance fund.

INDIAN RESERVATIONS

With respect to Indian reservations, it is quite clear that mortgages for homes are likely to involve greater risks than other mortgages under the MMIF, in light of the unique nature of the ownership of those lands and the restrictions which are imposed on their sale or lease.

Congress recognized the extent of these risks when it provided a maximum 3-percent mortgage insurance premium under the Indian program. Likewise, reimbursement and security features of the program illustrate this concern.

Indeed, these provisions are intended to prevent losses to the MMIF. That these provisions are sufficient, however, is arguable. Thus, in order to avoid any possibility of jeopardizing the solvency of the MMIF, mortgages of this nature should be made obligations of the general insurance fund.

I would like to inform my colleagues that such an amendment is included in the bill, H.R. 1.

I have discussed my amendment with the chairman of the Housing Subcommittee and with the ranking member of the subcommittee, the gentleman from Connecticut [Mr. MCKINNEY], and I am offering it with their support.

Likewise, I am also advised that the minority has been consulted and is in agreement.

I would like to inform my colleagues, in addition, that the substance of this provision is identical to that included in the original housing legislation, H.R. 1870, submitted to Congress by the administration.

Mr. Chairman, I am aware of no opposition to this amendment, and I would certainly urge my colleagues to accept this amendment as an improvement in the bill.

Mr. GONZALEZ. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Hawaii [Mr. AKAKA].

Mr. Chairman, the gentleman from Hawaii has very succinctly and quite accurately stated the situation. I consider it to be a technical amendment to correct an injustice in the mutual insurance fund, practices where the rules have exempted certain native Americans including Hawaiians. This merely places them in an equal category with every other native American.

We have no objection to the amendment. In fact, we consider it an improvement to the legislation.

Mr. MCKINNEY. Mr. Chairman, I move to strike the requisite number of words and would state that the minority has no objection to the amendment offered by the gentleman from Hawaii [Mr. AKAKA].

Mr. Chairman, I would like to speak in favor of the amendment. We think it is a good idea. It has HUD's approval, as I understand it, and I congratulate the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Hawaii [Mr. AKAKA].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MRS. BOGGS

Mrs. BOGGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BOGGS: Page 21, after line 19, insert the following new section (and conform the table of contents accordingly):

SEC. 151. TREATMENT OF CERTAIN MODEL CITIES PROGRAM FUNDS.

Notwithstanding any other provision of law or other requirement, the Secretary of Housing and Urban Development may not require the City of New Orleans in the State of Louisiana to pay any amount relating to ineligible costs incurred with respect to the model cities grant numbered ME-17-001 under title I of the Demonstration Cities and Metropolitan Development Act of 1966.

Mrs. BOGGS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Louisiana?

There was no objection.

Mrs. BOGGS. Mr. Chairman, this amendment to the bill is to forgive the city of New Orleans from repayment of an eligible cost in the model cities program, Grant No. ME-17-001.

The problem is that HUD finds the city of New Orleans indebted to the Federal Government for the amount of $1,583,300 as a result of ineligible use of funds allocated to the city for use in the Model Cities Demonstration Program. The city finds itself unable to repay this debt, and it is hoped that the city's financial status now and an understanding of the prevailing circumstances at the time that the indebtedness occurred will allow for legislative forgiveness of the obligation.

The circumstances that existed at the time, Mr. Chairman, included that due to policy difficulties at the State level, Louisiana had not participated in any urban renewal initiatives and had not permitted any of its political subdivisions to engage in what was then termed "urban renewal." The policy was revised, but as a result, New Orleans became the last major city to enter the model cities program and sought to act quickly.

A key feature of the Model Cities Demonstration Program was the idea of utilizing the local neighborhood and citizen actions to implement program objectives and to receive and administer funds. The effectiveness of this methodology was one of the aspects of the program being studied, since this was a demonstration project operated by HUD's Office of Policy Development and Research.

As it developed in New Orleans, proper management and accounting procedures were not always followed, due largely to the lack of expertise of these community groups being utilized and the necessity of using the money quickly due to the late entry into the program. Presumably, since this was a demonstration project, HUD was able to learn something from studying the New Orleans experience.

New Orleans currently has a terrible problem in its economy. It is undergoing a severe strain because of the oil price slump and the Federal program cutbacks. The city is currently experiencing an $18 million shortfall in revenues for 1986. This shortfall is due to retroactive cutbacks implemented by the State and reductions in the city's Federal revenue sharing allocation. Additionally, the city faces an $11 million shortfall in local taxes due to a recession in the retail market sales, closing of various stores, and an overall slowdown of the economy at the local and State levels, which has also resulted in a reduction in revenue yields in occupational licenses, building permits, and other local revenues such as sales tax.

Mr. Chairman, the city is in a very difficult time, but we have worked with the HUD officials to try to arrive at some agreement. The amount of the debt that has been arrived at has been a situation that has been mutually agreed upon.

What my amendment does is ask that, with the City Council of New Orleans and its president, Mr. Giarusso, the debt be forgiven in recognition of the special circumstances when the debt was incurred and the present financial stress affecting the city of New Orleans.

Mr. Chairman, I urge the adoption of my amendment.

Mr. HUCKABY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOGGS. I would be happy to yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentlewoman for yielding.

Mr. Chairman, I would just like to take a moment to make my colleagues aware of my strong support for the amendment offered by the gentlewoman from Louisiana.

I think, as she so correctly pointed out, this is a situation not only within the State of Louisiana but the city of New Orleans is certainly distressful and unique today. I would urge the adoption of this amendment.

Mrs. BOGGS. I thank the gentleman for his support.

□ 1245

Mr. GONZALEZ. Mr. Chairman, I rise in support of the amendment and to point out that we are grateful to the gentlewoman from Louisiana [Mrs. BOGGS]. What she is doing is really correcting a gross injustice. We consider it a perfecting, technical amendment with respect to a program that succeeded in New Orleans for the first time under State law.

We accept the amendment. We think it is a favorable addition.

Mr. MCKINNEY. Mr. Chairman, I move to strike the requisite number of words.

It is not often in my 16 years in this body that I have been somewhat opposed to the gentlewoman from New Orleans [Mrs. BOGGS] because I love her city and I am very respectful of her abilities.

The amendment copy that I have in front of me states an amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. WYLIE]. It is an amendment to the amendment of the gentleman from Ohio, which we are not discussing yet.

I was wondering if the gentlewoman, if her rights and privileges were retained, would, in fact, put this amendment aside for a moment so that somehow or other, I can try to arrive at some kind of solution, because we do not really know what her problem is.

I understand the New Orleans, LA, financial constraints, and as one who comes from the city of Bridgeport, where most of our public housing is 50 years old and older, I am aware of those problems. I would like to see if we could not meet in the back of the Chamber for a while and protect the gentlewoman's right to put this amendment in at any time in the process because I really do not want to bring about disagreement.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I am very sorry that an improper statement was given to you, the copy of the amendment was given to you because when I offered the amendment, I offered it under title I as it came up on the floor in this bill.

I am sorry that that was prepared earlier and I was unaware that I would have the opportunity of doing this at this time.

Mr. MCKINNEY. If the gentlewoman would yield back to me for a moment, as I understand it, there is an ongoing discussion between Housing and Urban Development and the city of New Orleans, which is very hard-pressed for money because of the oil problem and the economy and the farmers problems.

Is the gentlewoman sort of assured that these conversations are not going anywhere? I could accept this amendment and hope that by the time we came to conference on this bill, since it has only taken us a year to get this bill to the floor, that we could perhaps solve this problem because I think the gentlewoman has a point. I have been, in fact, a visitor to New Orleans public housing and I am aware of your problems.

We are all having trouble. I have had that wonderful organization on Seventh Street just tell me that I have 1,200 units that they are going to condemn. They do not tell me what they are going to do to house the people. I am concerned about this bill just becoming absolutely buried in the exceptions that a nonforthcoming administration has many times placed upon our public housing authorities around the country, regardless of where they are.

I am not going to protest or fight or holler about this amendment. I just hope that I can have the gentlewoman's assurance that before we get to a conference period on this, that perhaps we can come up with some resolution to the problem without loading down national legislation with all of these exemptions.

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield to me?

Mr. McKINNEY. I will be delighted to yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Chairman, I want to compliment the gentleman from Connecticut [Mr. McKINNEY] on his position. I want to join with the gentleman in his concern that the bill not be loaded down.

I want to compliment the gentlewoman from Louisiana [Mrs. BOGGS] for bringing this to the attention of the floor. This is an issue that has dragged on, as I understand it, for some 15 years. It is the residual of a program, frankly, that was misdirected from the beginning. It was a program that was misbegotten and it had an unfortunate history, but frankly, it was a demonstration program that should have been accepted, always accepted as exactly that, a demonstration of an attempt to help people who truly needed help.

The demonstration did not work so well, but frankly, it seems to me that we should close that chapter in our history, that we should put it behind us, and that we should recognize the realities of a situation confronting a city.

The CHAIRMAN. The time of the Gentleman from Connecticut [Mr. McKINNEY] has expired.

(On request of Mr. LIVINGSTON and by unanimous consent, Mr. McKINNEY was allowed to proceed for 2 additional minutes.)

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield further to me?

Mr. McKINNEY. I am delighted to yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Chairman, I think it is important that that chapter be closed because, in fact, the city of New Orleans is facing economic circumstances that exceed the stressful circumstances facing any other city in this country. With the oil situation and the farming situation, inland marine, the outland marine, there is really no industry upon which Louisiana has depended over these years which is doing well. In fact, most of them are leading people into massive bankruptcies.

Of course, that leaves only those people who are least able to help themselves to shift for themselves, and to add this burden on a city with those kinds of circumstances seems to me to be unfair.

I think that if the gentleman could work with us and we could close this chapter, it would be in the best interest and in the best equity of all folks in this country.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, the gentleman knows that together he and I worked on the model cities program and on the dissolution of it and on the hold-harmless features of it for 3 years for cities that had been involved in it for a long time. The city of New Orleans got into it late because of circumstances at the State level. They employed into a demonstration project the ongoing civic and citizens' organizations, neighborhood organizations. They were not able to immediately apply the management and auditing skills required for this type of a program. There was no malfeasance. There was nothing of that sort. It was simply the incorrect handling of several small programs that were folded into the Model Cities Program, and I do hope that the gentleman who has always cooperated with me in every way will cooperate further.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. McKINNEY] has again expired.

(By unanimous consent, Mr. McKINNEY was allowed to proceed for 1 additional minute.)

Mr. McKINNEY. Mr. Chairman, as I said to my good friend, the gentlewoman from New Orleans [Mrs. BOGGS], I will not vote against this, nor call for a vote. I would hope that by the time we get to conference, where the ground is not always as fertile as it is over here, that we will have solved some of the problems that we have with this.

Perhaps we should very clearly put on notification that if, in fact, this has been dragging on for 15 years, there must be somebody being paid enough with enough smarts to straighten it out downtown. I, frankly, as a Member, am getting very tired of having to have these exceptions to every housing bill because someone is not doing their work.

Mrs. BOGGS. I thank the gentleman for accepting the amendment.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I rise to point out that we intend to work with the gentleman, if and when we get the conference on the gentleman's desired objective. However, I also rise to point out that the model cities program did work, and it worked specifically in New Orleans. It was successful. It was successful in my district and the notion that it was a misbegotten program must be corrected because the record will show that it did succeed, as Congress intended the program to work.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Louisiana [Mrs. BOGGS].

The amendment was agreed to.

□ 1255

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN: Page 38, after line 17, insert the following new paragraph (and redesignate the subsequent paragraphs accordingly):

(2) The Secretary shall issue regulations governing the use of funds under this section for testing conducted by private organizations. Such regulations shall contain measures determined by the Secretary to be necessary to ensure that all such testing is objective, reliable, and controlled. Such regulations shall guarantee the credibility and probative value of testing evidence and preclude, to the extent possible without infringing on rights and remedies provided by Federal fair housing laws, the misuse of the funds provided under this section. No such testing shall be funded under this section unless preceded by an allegation of a discriminatory housing practice made by a person not employed or affiliated with the organization conducting the test. No provision of this section or regulation issued under this section (A) shall have any application to testing other than testing conducted with funds provided under this section; or (B) may be construed to limit or otherwise restrict the use of facts secured through testing not funded under this section in any legal proceeding under Federal fair housing laws.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, I rise today in support of my amendment to the Fair Housing Initiatives Program [FHIP]. This amendment establishes the principles the Secretary of HUD will follow in developing regulations for testing activities undertaken by private fair housing organizations and funded by HUD under FHIP.

Testing is an investigative procedure involving paired individuals who are

matched as to housing need and demographic profile except for race, sex, or other attribute which is the basis of an alleged discrimination. These trained testers individually visit lenders, rental agents or owners who may have discriminated against a prospective home purchaser or renter and record the way they are treated. The principles specified in my amendment require the testing to be objective, reliable, and controlled, and are intended to assure the credibility and probative value of evidence collected as a result of the tests. In addition no test may be funded under this program unless preceded by an allegation of a discriminatory housing practice made by a person who is not employed by, or affiliated—as an active volunteer would be—with the organization conducting the test. An allegation may be made by a person actually suffering the discrimination or by someone who is aware of discriminatory activity but not by someone responsible for conducting or administering the test.

The amendment also makes clear that these principles, which were developed by HUD as a compromise with the National Association of Realtors, apply only to testing activity funded by HUD under this particular program. They do not apply to testing undertaken by private organizations and funded from other sources.

One of the most valuable investigative techniques developed by fair housing organizations to collect objective and probative evidence of housing discrimination is systemic testing. While systemic testing involves pairs of testers matched similarly to the testers funded under this program, systemic testing is not limited to investigating allegations of specific discriminatory acts. Instead systemic testing is initiated based on a demographic analysis or an understanding of community patterns indicating discriminatory housing conditions. It is also used to measure the availability of housing in a market based on race, sex, or other characteristics covered by the fair housing acts. Evidence collected as a result of systemic testing and used in legal proceedings is subject to the same scrutiny as to objectivity and probative value as evidence offered in any legal proceeding. It is not the intent of this amendment to establish guidelines or standards to be applied to facts secured through systemic testing or other testing activities not funded by HUD under this amendment.

I am pleased to offer this amendment. The compromise represented by this agreement between the Secretary of HUD and the National Association of Realtors assures the Federal Government will provide assistance to trained fair housing testers. This amendment embodies the major principles of that agreement and is supported by the major national fair housing organizations. I urge all of my colleagues to join me and vote for the amendment.

Mr. Chairman, the amendment before us is an amendment to that which is contained in the substitute. It has been worked out after a great deal of effort between HUD, Secretary Pierce, and the National Association of Realtors. It does not in any way preclude private organizations from doing their own testing as long as it is not funded under this program.

With that, I would hope that we could gain acceptance of the amendment.

Mr. WYLIE. Will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman.

Mr. WYLIE. Mr. Chairman, I would recommend approval of the amendment of the gentleman from Rhode Island [Mr. ST GERMAIN].

This amendment has been worked out now with various parties, and it is agreeable as far as I am concerned, to all parties concerned.

This is far preferable to the provision which is in the bill at the present time with reference to testing; and as a matter of fact, this language which the chairman of the full committee has offered right now is identical to language which I will have in my substitute.

I think that the gentleman from Rhode Island does us a good service, and I recommend that his amendment be adopted.

Mr. ST GERMAIN. I thank the gentleman.

Mr. FEIGHAN. Will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman.

Mr. FEIGHAN. Mr. Chairman, I rise to commend the truly Herculean efforts of the distinguished chairman of the committee [Mr. ST GERMAIN] in bringing the housing bill before us today. I also want to commend the efforts of the distinguished chairman of the Housing Subcommittee, Mr. GONZALEZ, in contributing to the crafting of this important piece of legislation.

In addition to extending the authorization for most of the Federal Government's housing assistance programs, H.R. 1 would establish a new program for combating discrimination in our Nation's housing markets. The Fair Housing Initiatives Program [FHIP], originally proposed by the Secretary of Housing and Urban Development, would provide an important new source of support for fair housing testing organizations around the country.

In my own home area of Greater Cleveland, I have worked for many years both with fair housing groups and with real estate professionals to eliminate discrimination from the housing selection process. From my own experience, I know how constructive the results of cooperation between these groups can be. I am thus glad to be able to rise today to praise the agreement that has been reached among HUD, fair housing groups and the National Association of Realtors concerning the guidelines for the FHIP Program ensuring virtual unanimous support for this new initiative.

A strong enforcement program is essential to the achievement of the goals of our Nation's fair housing laws. That enforcement, however, must be based on effective and reliable methods of gathering information. HUD and NAR, after weeks of frank and principled negotiation, have worked out guidelines for the administration of the FHIP Program that represent a responsible solution to the problem of properly identifying discriminatory housing practices. These guidelines strike a fair balance between the interests of fair housing organizations in pursuing vigorous testing activities and the legitimate needs of realty professionals to be judged by fair and open standards.

A number of housing discrimination cases, developed through the use of tester evidence, have been dismissed by the courts because they lacked the proper legal foundation to go forward. The guidelines worked out by HUD and NAR would assure that testers supported by the FHIP Program would obtain objective and credible evidence to form the proper basis for allegations of discrimination.

Once again, I would like to commend HUD, NAR and the distinguished for their efforts to heighten the vigilance with which our Nation's fair housing laws are enforced and urge my colleagues to support the passage of H.R. 1.

Mr. ST GERMAIN. I thank the gentleman for his remarks.

Mr. McKINNEY. Will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman.

Mr. McKINNEY. I would like to congratulate the chairman of the full committee [Mr. ST GERMAIN]. This has been an issue for a very long time, and the chairman has been very responsible for getting people to sit down, negotiate their problems, and come up with a solution that makes common sense. He has once more proved that men of good will, meeting around the table, can solve their differences——

Mr. ST GERMAIN. Men and women.

Mr. McKINNEY. Men and women, excuse me, can solve their differences, and I congratulate the chairman of the full committee.

Mr. ST GERMAIN. I thank the gentleman.

Mr. GONZALEZ. Mr. Chairman, I rise in support of the St Germain

amendment, and we on the majority side certainly accept it. The distinguished chairman of the full committee is also the ranking member of the subcommittee, so he has been invaluable and knowledgeable, and this amendment is a tremendous addition to our success in having a fair housing section in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. ST GERMAIN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: Page 12, after line 11, insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 122. PROHIBITION OF USE OF SINGLE FAMILY MORTAGE INSURANCE BY INVESTORS.

(a) IN GENERAL.—Section 203 of the National Housing Act is amended by inserting the following new subsection before subsection (h):

"(g)(1) The Secretary may insure a mortgage under this title that is secured by a 1- to 4-family dwelling, or approve a substitute mortgagor with respect to any such mortgage, only if the mortgagor is to occupy the dwelling as his or her principal residence or as secondary residence, as determined by the Secretary.

"(2) The occupancy requirement established in paragraph (1) shall not apply to any mortgagor (or co-mortgagor, as appropriate) that is—

"(A) a public entity, as provided in section 214 or 247;

"(B) a private nonprofit or public entity, as provided in section 221(h) or 235(j);

"(C) an Indian tribe, as provided in section 248; or

"(D) a serviceperson who is unable to meet such requirement because of his or her duty assignment, as provided in section 216 or subsection (b)(4) or (f) of section 222.

"(3) For purposes of this subsection, the term 'substitute mortgagor' means a person who, upon the release by a mortgagee of a previous mortgagor from personal liability on the mortgage note, assumes such liability and agrees to pay the mortgage debt.".

(b) CONFORMING AMENDMENTS.—

(1) Section 203(b)(2) of the National Housing Act is amended—

(A) in the first sentence, by striking the following: "(whether" and all tha follows through "purposes)"; and

(B) in the second sentence, by striking the following: "to be occupied as a principal residence of the owner".

(2) Section 203(b) of the National Housing Act is amended by striking paragraph (8).

(3) Section 203(h) of the National Housing Act is amended by striking "is the owner and occupant and".

(4) Section 203(i) of the National Housing Act is amended—

(A) by striking the first proviso; and

(B) by striking *"further"* the first place it appears.

(5) The first sentence of section 203(o)(2) of the National Housing Act is amended by striking "occupant".

(6) The first sentence of section 203(p)(2) of the National Housing Act is amended by striking "owner-occupant" and inserting "owner".

(7) The fourth sentence of section 214 of the National Housing Act is amended by striking the following: "shall be the owner and occupant of the property or".

(8) Section 216 of the National Housing Act is amended—

(A) by striking "that the mortgagor be the occupant" and inserting "with respect to the occupancy of the mortgagor"; and

(B) by striking "occupy the property" each place it appears and inserting "meet such requirement".

(9) Section 220(d)(3)(A) of the National Housing Act is amended—

(A) by inserting "and" at the end of clause (i);

(B) by striking clauses (ii) and (iii);

(C) in clause (iv), by striking the following: "(except as provided in clause (iii))"; and

(D) by redesignating clause (iv) as clause (ii).

(10) Section 221(d)(2) of the National Housing Act is amended—

(A) by striking the colon at the end of subparagraph (A)(iv) and all that follows through *"Provided further,* That" the first place it appears, and inserting ", except that";

(B) by striking *"Provided,* That (i)" and all that follows through "(1) in" and inserting the following: *"Provided,* That (i)(1) in";

(C) by striking the penultimate proviso; and

(D) in the last proviso, by striking the following: ", if the mortgagor is the owner and occupant of the property such" and inserting "the".

(11) Section 221(d)(6)(ii) of the National Housing Act is amended by striking the following: "is an owner-occupant of the property and".

(12) The first sentence of section 221(h)(6) of the National Housing Act is amended by striking "and occupied".

(13) Section 221(h)(8) of the National Housing Act is amended by striking the following: "if one of the units is to be occupied by the owner".

(14) Subsections (b)(4) and (f) of section 222 of the National Housing Act are amended by inserting "as a principal residence" after "occupies the property" each place it appears.

(15) Section 223(a) of the National Housing Act is amended by inserting after "this Act," the first place it appears the following: "other than the limitation in section 203(g),".

(16) The first sentence of section 223(e) of the National Housing Act is amended by inserting after "title XI," the following: "other than the limitation in section 203(g),".

(17) Section 234(c) of the National Housing Act is amended by striking the fourth sentence.

(18) Section 235(i)(3)(A) of the National Housing Act is amended by striking the following: "one of the units of which is to be occupied by the owner and".

(19) Section 235(j)(6) of the National Housing Act is amended by striking the following: "if one of the units is to be occupied by the owner".

(c) REPEAL OF VACATION AND SEASONAL HOME INSURANCE PROGRAM.—Section 203 of the National Housing Act is amended by striking subsection (m).

(d) APPLICABILITY.—The amendments made by this section shall apply only with respect to—

(1) mortgages insured—

(A) pursuant to a conditional commitment issued on or after the date of the enactment of this Act; or

(B) in accordance with the direct endorsement program (24 CFR 200.163), if the approved underwriter of the mortgage signs the appraisal report for the property on or after the date of the enactment of this Act; and

(2) the approval of substitute mortgagors, referred to in the amendment made by subsection (a), if the original mortgagor was subject to such amendment.

(e) TRANSITION PROVISIONS.—Any mortgage insurance provided under title II of the National Housing Act, as it existed immediately before the date of the enactment of this Act, shall continue to be governed (to the extent applicable) by the provisions specified in subsections (a) through (c), as such provisions existed immediately before such date.

Mr. WYLIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WYLIE. Mr. Chairman, this is an amendment which would exclude investors on the so-called FHA single family programs.

The administration has suggested various legislative proposals to the FHA primary mortgage market programs and the secondary mortgage market programs. These include everything from selling the FHA to establishing user fees. I have opposed these changes because, generally speaking, I believe they would be detrimental to the housing industry and specifically because I believe FHA has an important role to play in providing housing opportunities for the American people.

However, there is a proposal that was recently recommended by the administration that I believe makes sense. It would prohibit FHA insurance on investment properties. This recommendation grew out of findings by a special task force that had been established by HUD to look into abuses in FHA single-family housing programs. The task force found that insured investor loans pose a greater actuarial risk than other mortgages made to owner occupants. Despite higher equity requirements, data for loans originated since 1981 reveal an investor claim rate approximately twice that of a typical 203(b) loan. Recent data on 1985 originations reveal that, while investors represented 12 percent of the business, they accounted for 30 percent of the defaults and claims.

The task force also found that problems with investor mortgages were not isolated nor is the magnitude diminishing. The study revealed that investor claim rates in 18 offices ranged from 15 to 30 percent. It also revealed

investor-related problems in almost every office in 6 of the 10 regions surveyed. Finally, Mr. Chairman, because investor loans have been involved in substantially more fraudulent activities than owner-occupied properties, the Department is spending an inordinate amount of time trying to correct these abuses. The HUD inspector general currently has 44 separate investigations underway in 30 localities across the country involving more than 500 investor loans.

Mr. Chairman, I have been a consistent supporter of the Federal Housing Administration. I have been so because I believe FHA has played a major role in providing homes for American families. It should continue to play that role especially for first time home buyers and for home owners in certain hard to insure areas such as the inner city. I don't want to see that role diminished or compromised by the actions of real estate speculators and fast buck artists. FHA is designed to provide modest homes for families—not to provide profits to a few individuals who don't even live in the homes they invest in. In short, I want to help save FHA by eliminating a source of fraud and abuse that could damage the program and provide ammunition to those who would do away with FHA insurance all together.

My amendment would amend the National Housing Act to require that, except in special circumstances, FHA mortgage insurance covering one to four family dwellings be made available only for mortgagors who are to occupy the property as their principal residence or as a secondary residence. This amendment would also make necessary changes to current law to eliminate HUD's authority to insure single family investor mortgages. Although my amendment would allow FHA mortgage insurance to be continued to be used on secondary homes, my amendment would repeal the section 203(m) seasonal home insurance program. HUD program activity data indicates that the program is little used and unneeded. The program's $18,000 mortgage limit testifies to its obsolescence and the fact that the private market is already responding to the demand for the financing of seasonal homes.

The amendment does nothing else, it does not prohibit FHA from providing mortgage insurance to families above a certain income, and it does not prohibit FHA insurance for vacation homes. It strikes only at investor-owned homes.

Mr. Chairman, adoption of the amendment would improve the actuarial performance of the FHA single-family insurance program and reduce insurance claims. In addition, it will strengthen the FHA progam and remove a source of fraud and abuse.

If you are interested in accomplishing those goals and if you are interested in a strong, healthy FHA insurance program, you should vote for my amendment.

Mr. MCKINNEY. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Connecticut.

Mr. MCKINNEY. Mr. Chairman, I would like to say that I think that it is a very good amendment; it tracks right along with what the Senate is doing in their tax package, which is that first homes and second homes are fine; but FHA insurance was never designed to become a speculator's tool, and I congratulate the gentleman.

Mr. WYLIE. I thank the gentleman for his support and appreciate it very much.

Mr. GONZALEZ. Mr. Chairman, I rise in support of the Wylie amendment and wish to say that he has stated correctly that we have had a chance to discuss it thoroughly. It is an improvement; it will, I believe, put a stop to some malpractices.

I want to compliment the gentleman for improving our legislation, and we on the majority side certainly accept his amendment.

Mr. WYLIE. Will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. WYLIE. Mr. Chairman, I want to personally thank the gentleman from Texas [Mr. GONZALEZ] for his support of my amendment and say to him that I appreciate the work that he and his staff have done in helping me perfect this amendment so that it would be acceptable today.

Mr. GONZALEZ. I thank the gentleman from Ohio because he works in the tradition of all of the basic housing policies and programs that this country has had for 44 years, where it has essentially been a bipartisan effort.

I reminded him previously that it was a fellow Ohioan, Senator Taft, who saved the day in 1949 for public housing.

Mr. WYLIE. I appreciate it being suggested that I am following in the fine tradition of the Senator from Ohio.

Ms. OAKAR. Will the gentleman yield?

Mr. GONZALEZ. I yield to the gentlewoman.

Ms. OAKAR. Mr. Chairman, I want to support the Wylie amendment, and I wanted my friend from Ohio to know, since I do not always support some of his amendments, say on this one that I think the gentleman is right on target, and we know we have three times more losses when developers get involved in FHA than homeowners. I think it is a good amendment, and I wanted the gentleman to especially know my support of his amendment because of some amendments he will offer that I will probably be opposing.

Mr. WYLIE. Well, you win a few and you lose a few, and I accept the accolades on this one. I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. WYLIE].

The amendment was agreed to.

□ 1305

Mr. LUNDINE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have been unable to speak on this legislation until this time.

Mr. Chairman, I rise today in support of H.R. 4746, an amendment in the nature of a substitute to H.R. 1, legislation which would renew and expand certain essential housing programs and establish a small number of new programs.

This legislation is long overdue and badly needed. Last June, almost a year ago, the House Banking Committee marked up and reported out H.R. 1, comprehensive legislation that reauthorized for fiscal year 1986 a number of vitally important housing and community development programs. Authorization levels for these programs were reduced when the House approved the provisions of H.R. 1 as part of the Omnibus Budget Reconciliation Act on October 24, 1985. After a great deal of debate with the Senate, both at the staff level and during the conference committee, the housing provisions of the budget reconciliation measure were deleted in conference. Consequently, throughout fiscal year 1986, housing programs have operated under a series of temporary extensions, the latest of which extended through June 6, 1986, the FHA's authority to ensure loans and the GNMA's ability to issue mortgage-backed securities.

Now, through the diligent efforts of Chairman GONZALEZ and Representative MCKINNEY, the Housing Subcommittee has produced a substitute to H.R. 1 that is a reasonable and workable compromise. This bill, H.R. 4746, follows Budget Committee recommendations and authorizes "such sums as may be necessary" in fiscal year 1987 for most housing assistance programs administered by HUD and the FmHA. The extension of FHA mortgage insurance programs and the renewal, with some changes, in CDBG and UDAG programs are among this bill's most important provisions. The bill also authorizes such sums as may be necessary through fiscal year 1987 for a number of essential rural housing programs, including contract authority for rental housing assistance payments, low-income repair loans, hous-

ing technical assistance grants, and rural housing preservation grants.

This legislation also institutes a small number of worthwhile new programs, such as a program of Federal aid to supplement State and local efforts to provide shelter and other assistance to the homeless.

These programs and the other programs contained in H.R. 4746 mean the difference between living in substandard, dilapidated housing and living in decent, affordable housing for literally thousands of Americans. It is high time that these programs are modified where necessary and reauthorized. This legislation is fiscally responsible for accepting the recommendations of the House Budget Committee for funding levels. I urge my colleagues to support it.

Mr. Chairman, there is one provision in H.R. 4746 that is of particular importance to me. Title I of this legislation contains language that will enable the Federal Housing Administration to ensure, under the provisions of the National Housing Act, mortgages secured by property located on land that is within the Allegany Reservation of the Seneca Indian Nation. This revenue-neutral provision is of paramount importance to Salamanca, NY, a small community located in upstate New York.

The city of Salamanca is in an absolutely unique situation. Approximately 85 percent of the land upon which the city is located lies within the Allegany Reservation of the Seneca Nation of Indians. The Indian lands are occupied under 99-year leases which are due to expire in 1991. The leases were ratified by Congress in February 1892 under authority of two special acts of Congress.

The impending expiration of these leases and the uncertainties surrounding the method of renewal or renegotiation of the leases have been causing extreme economic hardships for the citizens of Salamanca. While the lease situation has resulted in a gradual erosion of the city's economic base for nearly 10 years, the situation is becoming increasingly urgent due to the complete lack of mortgage financing in the community. As of January 1, 1985, the city's lending institutions have refused to make any loans in Salamanca beyond a 5-year term.

The lack of available financing for industrial, commercial, and even residential transactions has brought all economic activity to a standstill. Failure to address this problem will continue to have serious implications for the city's ability to attract new businesses, create jobs, and stimulate economic growth. The lack of money for residential mortgages has been a tremendous hardship for families wishing or needing to relocate, as well as those families desirous of purchasing a home in Salamanca.

If there is any community in the country that needs or deserves FHA assistance, it is certainly Salamanca. This city desperately needs the rejuvenation that FHA insurance of residential mortgages will make possible.

Since coming to Congress, I have always taken the position that agreement between the city and the Seneca Nation was the first step in any long-term solution to the community's problems. I have encouraged the parties to negotiate in good faith and have endorsed suggestions that a solution be imposed by outside parties such as the State of New York or the Federal Government.

While the ultimate resolution of this problem must be achieved by the city and the Seneca Nation, the situation in Salamanca is now so serious that I feel that outside intervention is essential. Time is running out for Salamanca. Adoption of the provision contained in H.R. 4746 will give the city the boost it desperately needs and deserves.

Finally, this measure does not represent an unreasonable risk for FHA. The law under which these leases were ratified in 1892 clearly allows for renewal of the leases; the only unresolved question is the terms of the renewal. All parties involved have a common interest in assuring that these terms are reasonable and foster residential and commercial growth for Salamanca's future. Therefore, there is not appreciable risk to FHA.

Mr. Chairman, I know of no community in this Nation more in need of assistance to overcome circumstances which are beyond its control. I would appreciate the support of my colleagues for my Salamanca provision, regardless of the committee's disposition of other issues which may arise during consideration of this important legislation.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. LUNDINE. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from New York has come to me and, as I understand it, he does have a unique problem that is at least partially alleviated by a provision contained in H.R. 4746.

Am I correct in assuming that the intent of this provision is merely to provide the security of FHA insurance in order to enable local lenders or other lenders to recommense mortgage lending in a city called Salamanca?

Mr. LUNDINE. The gentleman is correct.

Mr. WYLIE. The gentleman has asked if I would be willing to accept this amendment to my substitute when it was offered at the proper time. May I suggest that it is my intention to accept the gentleman's amendment or will include it as a part of my substitute if that seems more favorable.

Mr. LUNDINE. I appreciate the courtesy of the gentleman and his cooperation.

Mr. Chairman, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words and rise for the purpose of saying that the amendment that the gentleman from New York refers to is included in the legislation that is before us. It was included in H.R. 1, and it is included in the amendment in the nature of a substitute that we are marking up now.

Mr. Chairman, I also want to say in addition that the gentleman from New York, possibly not being able to be with us tomorrow, is discussing this in anticipation and, of course, we wholeheartedly support it. It is already in the legislation. He has made his case. I think the record ought to show that the gentleman from New York is one of the most valued members of the subcommittee. He has contributed greatly to the corpus of housing law, particularly with reference to rural legislation.

Mr. Chairman, it is with mixed feelings of some congratulations and some regret that we know that he is going to be the next Lieutenant Governor for the great State of New York, and we hate to lose him from our subcommittee because he has been a tremendous asset to our subcommittee, to the committee, and to the Congress.

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I gladly yield to the gentleman from New York.

Mr. LUNDINE. I thank the gentleman for yielding, and I thank my friend very much for his comments. I do not want to take excessive time of the Committee. Just let me assure the Committee that it is with mixed feeling that this gentleman participates in probably the last housing bill that I will on the floor of this House. I thank the Committee.

AMENDMENT OFFERED BY MR. HILER

Mr. HILER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILER: After section 166, insert the following new section (and conform the table of contents accordingly):

SEC. 167. MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS.

Not later than the expiration of the 6-month period following the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a detailed report describing the fees collected by the Secretary during the 4-year period preceding the date of the enactment of this Act in connection with inspection of manufactured homes under section 614 of the National Manufactured

Housing Construction and Safety Standards Act of 1974. Such report shall include—

(1) the amount of such fees collected, the allocation of expenses, the costs of the program, and any available reserves;

(2) a detailed accounting of fees collected in accordance with section 620 of such Act;

(3) a detailed accounting of expenses authorized under section 620 of such Act and incurred in fiscal years 1983 through 1986, including descriptions of the use of inspection fees for—

(A) activities authorized under section 614 of such Act, including a breakdown of funds allocated for contractors of the Secretary to conduct monitoring, State administrative agencies, and other contracts issued in accordance with subsection (c) of such section;

(B) research, testing, development, and training activities under section 608(a) of such Act; and

(C) direct administration of such Act, including staff and travel;

(4) a detailed explanation of the expenditures described in paragraph (3) that are planned for fiscal years 1987 through 1989; and

(5) a detailed breakdown of expenditures of amounts appropriated under section 627 of such Act.

Mr. HILER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HILER. Mr. Chairman, this amendment, which my colleagues on the other side of the aisle have been kind enough to agree to, merely seeks a detailed accounting from HUD of the collection and use of manufactured housing inspection fees.

For the benefit of those who may not be familiar with the program, let me very briefly note that manufactured homes are built in accordance to a Federal preemptive code and HUD is responsible for administering the code and ensuring that builders are meeting the requirements of it.

The manufactured housing industry is among the few enterprises subject to what is basically a user fee; for by law, HUD can charge the industry for its inspection services, to include the costs of subcontracting some of the work.

The industry has been willing to carry its fair share—it asks little of the Federal Government—but recent events have raised some concerns. Back in 1984, HUD proposed regulations to raise the fee schedule by charging $16 per home section—that would be $16 for a single-section home and $32 for a double-section home—rather than a simple $19 per home. The industry objected to the rule because HUD had failed to provide adequate justification for the change and because HUD was running around $2 million surplus on the program. However, the increased fees became effective in September 1985.

In 1985, HUD proposed changes to expand its authority to use fees collected from the industry. In response, the industry requested budget justifications, but HUD offered only a summary accounting of the collection and use of the fees. The accounting showed, however, an excess of $3 million for the program.

As I've said, the industry does not mind paying its fair share, but it seems reasonable to me that we in Congress and members of the manufactured housing industry have a right to know how much money, exactly, is being collected, and just where the money, exactly, is going, before HUD seeks any further increases or other changes in how the money can be used.

If Congress accepts this amendment, our intent would be to receive from HUD a detailed accounting of funds collected in accordance with section 620 of the act and of expenses for fiscal years 1983, 1984, 1985, and 1986, authorized under section 620, including, but not limited to: First, the use of inspection fees in connection with activities authorized under section 614 of the act, including a breakdown of funds allocated for HUD monitoring contractors, State administrative agencies, and other contracts issued in accordance with section 614(c) of the National Manufactured Housing Construction and Safety Act; Second, the use of inspection fees in connection with section 608 of the act which includes research testing, development, and training; and third, use of inspection fees collected under section 620 that have been spent for direct administeration of the program, including staffing and travel, et cetera.

We would also intend to receive a detailed explanation of planned expenditures of the above for fiscal years 1987, 1988, and 1989, as well as a detailed breakdown of expenditures of funds appropriated under section 627 or the act.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman on this amendment because, as he says, it is a form of users fees that is put on the housing which is probably the only thing that the lower middle income and lower income people can afford to live in. Manufactured housing is slowly but surely catching up with other nations so that it is almost becoming an assembly line proposition. That massive construction ability, in many States, has made it possible for retired citizens to have a home and for young couples to have a home. Many people think this is the type of housing for the future. We have to remember that every single dime that HUD collects on every single manufactured house is paid for by the American taxpayer. I think it is only right that we know what this money is doing, why it is doing it, and that we remember that every single instruction that we throw in front of manufactured housing is in fact going to eventually affect what some American has to pay to have a roof over their head.

I congratulate the gentleman.

Mr. HILER. I thank the gentleman for his support.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment of the gentleman and commend the gentleman from Indiana for offering it. I have been aware of this problem for some time and have worked with the gentleman from Indiana and the manufactured housing industry in an attempt to get an accounting of these funds. It baffles me as to why HUD, through both Democrat and Republican administrations, have refused to fully account for these funds. We have here an industry that is and has, from the beginning of their program, paid the major cost of the program which affects them.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HILER] has expired.

(On request of Mr. WYLIE and by unanimous consent Mr. HILER was allowed to proceed for 1 additional minute.)

Mr. WYLIE. Mr. Chairman, will the gentleman yield further?

Mr. HILER. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding further.

Mr. Chairman, it seems only reasonable to me that funds paid by the manufacturers to support their own program be fully accounted for. I think it is sad that we have to issue a legislative mandate to HUD to account for it, but apparently that is the only way we are going to get the accounting.

Mr. Chairman, I support the amendment of the gentleman from Indiana and congratulate him for it.

Mr. HILER. I thank the gentleman for his support.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment of the gentleman from Indiana.

It was an amendment incorporated into H.R. 1. We had it in there to begin with, so naturally we are in favor of it. It is, I think, a desirable amendment and we certainly accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HILER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MITCHELL

Mr. MITCHELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL: Page 25, after line 3, insert the following:

"(E) whether the project will utilize 1 or more small business concerns owned and controlled by socially and economically disadvantaged individuals (as such term is defined in section 8(d) of the Small Business Act (15 U.S.C. 637(d)).

Page 26, after line 10, insert the following:

"(E) not less than 1 additional point on the basis of the factor referred to in paragraph (1)(E).

Page 22, line 22, strike "and (D)" and insert ", (D), and (E)".

Page 24, line 20, strike "and".

Page 25, line 3, strike the period and insert "; and".

Page 26, line 6, strike "and".

Page 26, line 10, strike the period and insert "; and".

Page 26, line 19, strike "and (D)" and insert ", (D), and (E)".

Mr. MITCHELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL. Mr. Chairman, I shall certainly not take the entire 5 minutes. The purpose of the amendment is to create a new selection criterion to the Urban Development Action Grant Program. The criterion would be based on the extent to which the UDAG project utilized one or more small business concerns owned and controlled by socially and economically disadvantaged individuals as defined in the Small Business Act. The amendment would simply provide that not less than one additional point be awarded on the basis of that aforementioned factor. That is all it does.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I would be delighted to yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, this is a perfecting amendment. It is something that is already in practice, administratively, and this would bring it up to par statutorily.

Mr. Chairman, we thank the gentleman for improving the legislation. It is certainly acceptable to us on this side.

Mr. MITCHELL. I thank the distinguished gentleman for his comment.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I would be pleased to yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman from Baltimore and say that this is very important. I have some of the smallest UDAG's, I think, in the United States of America and, in fact, one which has just been used to subsidize the rent for 5 years in an upcoming area. It is of little value to fix the housing and fix everything else and not have anyone rent because they are unsure of a neighborhood.

So, minority businesses are able to come in, take advantage of the 5 year very reduced rents, get established and then start to pay what is the going market.

□ 1320

I congratulate the gentleman, because I remember way back 15 years ago I went to Seattle, WA, and we had these beautiful redone houses, and then we got to the corner and we had a small business that could not take advantage of the UDAG, there was no Federal program, and it was a slum just waiting to take everything else that had been reestablished down to being a slum again. I congratulate the gentleman.

Mr. MITCHELL. Mr. Chairman, I thank the distinguished gentleman.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield to the distinguished gentleman.

Mr. GONZALEZ. Mr. Chairman, I cannot help but note, as I did in the case of the gentleman from New York [Mr. LUNDINE], that the gentleman, in all probability, will be the next Lieutenant Governor for the great State of Maryland. So, we will have the gentleman closer to us, but it will still be a loss to the committee, for he is a ranking member of the subcommittee as well as the full committee. I just thought the record ought to reflect that.

Mr. Chairman, I thank the gentleman for his continuing efforts to improve legislation on behalf of the poor and the disadvantaged.

Mr. MITCHELL. Mr. Chairman, I thank the gentleman for his kind words.

I learned a lot, and it was an honor to serve on this committee. Maybe it will now become known as the Committee for the Production of Lieutenant Governors for the various States.

Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. MITCHELL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER: Page 22, strike line 15 and all that follows through page 31, line 15, and insert the following:

SEC. 144. URBAN DEVELOPMENT ACTION GRANT SELECTION CRITERIA.

(a) CONSIDERATION OF PRIOR FAILURE TO RECEIVE GRANT.—Section 119(d)(1)(C) of the Housing and Community Development Act of 1974 is amended by inserting after the last semicolon the following: "the failure of the city or urban county to receive a preliminary grant approval under this section on or after December 21, 1983;".

(b) PORTION OF SELECTIONS BASED SOLELY ON PROJECT QUALITY.—Section 119(d) of the Housing and Community Development Act of 1974 is amended by adding at the end the following new paragraph:

"(3) After making grants with respect to areas described in subsection (b)(2) during any funding round under this section, the Secretary shall distribute the remaining grant funds under this section so that to the extent practicable during such funding round—

"(A) 50 percent of the funds is first made available utilizing all of the criteria established under paragraph (1); and

"(B) 50 percent of the funds is then made available solely on the basis of the criteria established under paragraph (1)(C).".

Mr. BEREUTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Chairman, the purpose of this amendment is to change the current selection criteria for UDAG grant applications to a 50-50-percent formula based, first, 50 percent on the quality of the project or merit of the project, and 50 percent on impaction and distress. This is a change from the formula currently employed, and a change from the 65-35-percent selection formula proposed in the bill.

In addition, my amendment would give further consideration to grant applications in cities and counties, urban counties, that have failed to receive a grant under the selection since establishment of the December 21, 1983, selection criteria system. I point out that is consideration and it is not in any way assurance.

Mr. Chairman, I think it is important for the survival of the UDAG Grant Program that Federal moneys under the selection criteria be given more on the basis of project quality than has been done to the present.

Furthermore, under the current emphasis given to distress and impaction in making selections, many areas, particularly those west of the Mississippi River but also in parts of the South, have received far less than a fair share of the program moneys.

Why is that the case? First of all, if you take a look at the factors considered in the impaction criterion, you find that there are three: the pre-1940 housing, poverty, and population lag.

Obviously, pre-1940 housing has nothing to do per se with the quality of the housing. And in many parts of the country, those parts that are more newly established or where population growth has taken place much more recently, for example, in the Sunbelt, we find that only a very low percentage of the housing is pre-1940 housing. So vast areas of the country are automatically penalized by the fact that they have very little or even no pre-1940 housing.

If you take a look at the project merits, that is the third of the criteria, you find that they are the following: leveraging ratio, jobs, taxes, performance, low and moderate benefits, and a variety of other factors. I think the best chance for deflecting criticism of the UDAG Program would be to distribute grants on a more equitable basis to find on project merit rather than on potential impaction and distress, particularly, as I pointed out, why the matter of impaction penalizes parts of the country have more recent population growth, and the pre-1940 factor is not per se a measure of housing quality.

Let me read you from the OMB-HUD critique of the current criteria, and also those proposed changes in the criteria, the 65-35 percent contained in the bill. They say, not only does the current selection criteria favor a particular part of the country, but the amendments that I am offering are obviously aimed at gathering political support and sustaining the UDAG Program.

So, I am suggesting that one way to ensure that the program is not ended, that the whole UDAG Program is not stricken, and one way to ensure that there is a reasonable amount of appropriation, if in fact it is not stricken, is to provide a more equitable distribution of the funds so major parts of the country are not shut out per se from the UDAG Program.

This is the basis for my amendments.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to be crystal clear as to what the gentleman is proposing.

The gentleman says that 50 percent of the funds would be spent based on project merit. What the gentleman means and what the gentleman has said in his statement, but I want to bring it back out, is the project merit we are discussing is whether it helps low-income people, is whether it provides jobs, is whether it provides permanent jobs. The gentleman read a list a minute ago, but it includes leverage ratio, which means how many jobs it creates for the dollar expended; UDAG dollar per job; total permanent jobs; percent of low- and moderate-income jobs.

So, when the gentleman is asking this House to vote that at least 50 percent of the funds be spent based on project merit, what that translates to is more jobs for low-income persons who are unemployed. And for those who advocate UDAG as a program, it seems to me the gentleman is trying to strengthen UDAG so that it will at least provide jobs for people who are out of work. Is that the gentleman's intent?

Mr. BEREUTER. Mr. Chairman, that is exactly right. I appreciate the gentleman's question for emphasis. Low and moderate income is a factor, as well as jobs, as is the leveraging ratio. So, those are factors that I think are important, that should be in the selection process for merit.

I urge the leadership of the committee to accept this amendment and save the UDAG Program.

Mr. GONZALEZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, recognizing what the gentleman from Nebraska just announced as his intentions, I think the gentleman's intentions are fine. I think those have been the intentions all along.

However, I believe the gentleman errs in thinking that the thrust of his amendment, if adopted, would correct what the gentleman feels is a current ongoing injustice.

What the gentleman will strike, though, what the gentleman will do with this amendment, is to strike the provisions we have now, which are the result of 3 years of reconciling the various divergent groups and sections in this country, and also with the other side, with the Senate, in therefore perfecting a very delicate consensus that is the thing that the gentleman would strike.

We worked closely with the Members who had the most serious concerns, such as the gentleman did. The compromise that the consensus works out takes care of all of the parties and organizations that have brought forth their various concerns.

It has the approval, for instance, of the National Association of Housing and Redevelopment officials, the Midwest-Northeast Coalition, as well as the National League of Cities.

□ 1330

It is also language that was worked out with the staff of the Banking Committee of the Senate, and we were working very closely with that staff all last year. Thirty-five percent of the funds are awarded solely on the basis of project quality, after awarding 65 percent of the funds on the basis of all three criteria. In this way, the distribution is expected to be most approximate to the pre-December 1983 formulas and distribution practices.

So I believe that what the gentleman desires is fine and dandy, but his amendment, if adopted, will in no way bring about his intended objectives and, rather, will destroy the very delicate consensus and the compromise that has been worked out after 3 years of effort which shows a complexity. It is not going to be solved by a simplistic 50-percent distribution based on one criteria alone. That is what I am trying to say.

I urge my colleagues not to support this amendment.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have a terrible problem. This is a very big nation. Formulas are always a little bit out of skew from one place to the other. Or you could say what works in New York City may not work in Billings, MT. I am perfectly willing to agree and have agreed with the gentleman from Nebraska that far too large a percentage of the UDAG funding was going to what you could either call the Midwest or the Northeast or the older parts of the country. We are an old part of the country. It is a very important factor that our public housing units in my part of Connecticut are well over 50 years of age. Fifty years.

We have a UDAG, for instance, in the city of Bridgeport, the biggest city in the State of Connecticut, the fourth biggest city in New England, and it is the first shovel that has been put in the ground of Main Street in Bridgeport, CT, to build something in 14 years.

So UDAG has to take into consideration the older parts of our country. But we have tried in our bill and I congratulate the chairman of the Housing Subcommittee for stating it: We negotiated and negotiated and negotiated to make it fairer. But to arbitrarily sit here en masse and change the formula to simply say, "Well, let's do it 50 here and 50 there," is wrong. HUD, the Housing Committee staff, the minority and the majority, have all worked on this problem and tried to make it fair. But we seem to forget—we forgot it with economic development assistance, we have forgotten it with a lot of things—that a program such as UDAG is started and brought forth to solve the problems of those parts of the country that need help. I would suggest to you that nobody has needed help more than those cities that have gotten the UDAG funding, those cities that have lost their industries, lost their jobs, taken the minority population, taken the welfare, had the heartbreak and needed the help.

We as a group, this whole entire body, will help the gentleman from

Nebraska with his bank problems and his agribank problems eventually; in fact, probably very soon. So I would hope that he would realize that we have gone out of our way to try to make the formula more fair across the enormous land mass called the United States of America, when originally it was a program that was designed to help those cities in deep distress, which I would suggest to you are cities like Hartford, New Haven, Bridgeport, Philadelphia, et cetera. Now we have broadened it, we hope it will be fairer. But to change the formula at the last minute is just plain wrong.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Bereuter amendment.

Mr. Chairman, over the last few years, many worthy UDAG applications have lost out in competition simply because the community that submitted the application did not have high impaction and high distress ratings.

This amendment submitted by the gentleman from Nebraska would provide that 50 percent of the funds in each UDAG competition be awarded solely on the basis of merit, and I want to emphasize that again, as the gentleman from Texas did a little while ago—solely on the basis of merit.

The Gonzalez-McKinney bill provides that only 35 percent of the funds be awarded according to project merit.

At first glance, this may not seem to be of significant difference. However, HUD data shows that over a sample 6-month period the percentage of UDAG funds awarded to communities with lower impaction and distress would be increased from 26 percent to 42 percent under the Bereuter amendment. Under the Gonzalez-McKinney version, only 34 percent of the funds would have been awarded to these communities.

Now, the gentleman from Connecticut made the point validly a little earlier that far too much money goes to the big cities and the older cities under a program which is supposed to stimulate economic activity across the country.

Mr. Chairman, the House budget resolution provides for less than $300 million in UDAG funds that would be divided into six competitions each year. The Gonzalez-McKinney bill only allows a little over one-third of the funds in each competition to be awarded by project merit. Frankly, this is not enough.

We should at least increase this amount to one-half of the funds in each competition and allow worthy UDAG projects from all communities a chance to compete. And I speak with a provincial interest when I say that it would help most cities in the State of Ohio if this formula of 50-50 were allowed and the Bereuter amendment was adopted.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding and for the helpful comments and the statistical base he has presented. It is hard for me to understand how one can argue, as some have done just a minute ago, against the quality of the project, against something that is based upon the merit of the project, but that is what is being suggested.

As the gentleman has pointed out, the formula change really helps those communities that have difficulties of impaction and difficulties of distress. I appreciate the statistical base that the gentleman has offered to my argument.

Mr. WYLIE. I thank the gentleman. I would say that if it is a good program, then other communities ought to be allowed to compete for the money. That is the point I want to make.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, being from Ohio, I just want to say that, according to the information I have, Ohio would lose under this amendment, being reduced from 7.2 percent to 6.5 percent. I do not want to see my State or any State lose.

But let us set the record straight as to what the compromise was and what the formula was before the compromise.

We used to base the awarding of UDAG grants on three areas of criteria: impaction, distress, and project merit.

One hundred percent of all the grants were based on those three items.

In the compromise, which is a big concession, I think, a tremendously large concession—and some of us were not quite convinced we should concede that much—in the compromise, 65 percent of the grants would be awarded on all three of those criteria, and more than one-third of the grants would not even take into consideration distress and impaction. It would only be based on the merit of the project. A whole third would not even consider how distressed the community was, and so forth. That is a major concession.

And when some of us, led by the chairman, agreed to concede to the Senate version, we thought that was it. This formula would say 50 percent based only on merit, whether the project is needed or not, whether the community needs it or not, whether it will indeed assist the impaction problem of that community. Now, that is really going a little too far. Thirty-five percent, in my judgment, is really a major concession. I do not know why, frankly, the author would like to upset the compromise. Once in a while it would be nice to be able to compromise something and agree on something in a bipartisan way, and I just think this is going too far. Otherwise, maybe what we ought to do is, in conference, go back to the old formula, let's go back to the old formula.

Mr. VENTO. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Minnesota.

Mr. VENTO. I want to commend the gentlewoman, and of course I rise in opposition to this amendment as well. I want to point out that not only does the amendment split this 50-50, 50 percent on merit and 50 percent on other types of low-income factors, but it also is a kind of winner-take-all system. Either you are in one category or in the other, as opposed to the well-drafted compromise that has been devised by Chairman GONZALEZ and Mr. MCKINNEY, in which, in fact, you have an opportunity to score on the basis of the low-income factors, 65 percent of the dollars that flow in that direction, and then if you fail on that basis, you still can be considered on the merit of the project.

Ms. OAKAR. I am glad of the gentleman's support for our position. I think it is important to note that whatever inequity certain regions of the country felt in the past—of course, I think it is too simplistic to say that this helped the Midwest or Northeast areas. There are a lot of other areas in the country that have needs for UDAG grants. It seems to me some of my colleagues who are from areas in Tennessee and Alabama, where there are factories that have closed down, and with the lumber problems we have had in the States in the West, and the copper problems we have had in areas like Arizona and some of the Western States, let us not write if off as a Northeast-Midwest gravy train. That could not be further from the truth. The truth of it is, there is a compromise reached whereby a good portion of these grants do not have anything to do with distress and impaction which, in my judgment, goes a little too far, but that is the compromise my chairman, along with the minority leader, had with the Senate, and finally we were in agreement and now, all of a sudden, that compromise, which was a major concession for many of us on the committee, is now going to be upset.

Mr. BEREUTER. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I would just point out to the gentlewoman—and I appreciate her arguments—the compromise

that everybody is referring to, I do not know between whom that compromise took place, but it certainly did not take place with people like myself, people who have been complaining about this situation.

There was a period of time when only five of the total UDAG grants went west of the Mississippi River. We have some extremely impacted areas in that part of the country, as well.

So this gentleman may be trying to disturb a compromise that was made, but it was not a compromise that involved this gentleman.

Ms. OAKAR. I thank the gentleman. I think the gentleman will have to take that up with his side of the aisle. But I know in our case, we were able to be aware of this.

The CHAIRMAN. The time of the gentlewoman from Ohio [Ms. OAKAR] has expired.

(On request of Mr. GONZALEZ and by unanimous consent, Ms. OAKAR was allowed to proceed for 2 additional minutes.)

Mr. GONZALEZ. If the gentlewoman will yield, I want to point out, for the record, that my understanding is that our staff spent considerable hours discussing with the staff of the gentleman from Nebraska the possibility of a compromise. We spent considerable hours with the gentlewoman from Nebraska [Mrs. SMITH], and the gentleman could not compromise with her. If the gentleman thinks that the section I represent, the Southwest, was not part of the area that was being left out under that formula, and I certainly would be including his area in the compromise because certainly mine, for the first time, is recognized, as well as the great Northwest, which was totally absent in the distribution, so that I repeat that this is a compromise. If the gentleman from Nebraska feels that he was not part of the compromise, it was not because the effort was not made on our part. It was just simply that there was no input.

Mr. BEREUTER. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentlewoman for yielding, and I would say to my chairman, whom I respect and with whom I try to serve as a member of that committee, the discussion with my staff and with the staff of the gentlewoman from Nebraska was with the Farmers Home Administration Housing Program, it did not relate to this program.

Mr. GONZALEZ. If the gentlewoman will yield further, I stand corrected in that respect. But I also was under the impression that we had discussion with respect to this proposal as well. If I am in error, well, then I stand corrected. But I want to say that the compromise involved every single voice that had been raised from every single sector, from the State of Washington, and Mr. LOWRY, our capable associate who used to be an active member of the subcommittee, to the Representatives from the Midwest and the East. So it is a compromise.

Mr. HILER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in reluctant support of the amendment of the gentleman from Nebraska.

Last year, when this bill was first being considered in the Banking Committee and in the Housing Subcommittee, I offered an amendment to change the formula from the existing 70 percent of the points being awarded based on impaction and distress and 30 percent on project merit to 15 percent of the points being awarded on impaction, 15 percent on distress and 70 percent on merit. I do not remember the talk at that time in the committee of a grand compromise having been struck. When I offered my amendment there were quite a few votes for it, but we fell short.

□ 1345

As I investigated the UDAG program further, I actually came to the conclusion that this program no longer serves the national interest. The reason I came to that conclusion was I think some of the reasons why the gentleman from Nebraska feels constrained to offer his amendment today.

We talk about a national program and all the areas that are somehow feeling the benefits of UDAG's, but in fact, if we took the 8 top UDAG recipient districts in the country, those 8 UDAG recipient districts you would see have received more UDAG funding than 226 congressional districts.

Four States have not gotten any funding at all. One congressional district in Michigan has gotten more UDAG funds than 141 congressional districts. The top six States have gotten more UDAG funds or have gotten approximately the same amount of UDAG funds as the rest of the country combined. The fact is, this program is not a national program. There are distressed areas in other parts of the country that should have been able to qualify, but because of the formula have not been able to.

The formula change that is in the bill will not do the trick; it will not substantially change that distribution. Even if it could, I think there is a serious question whether this program ought to be continued.

My amendment will rise and fall on its own, but I would encourage my colleagues to support the Bereuter amendment. Those Members of the House who are concerned that their areas have been deprived of the opportunity to receive a UDAG ought to support the Bereuter amendment because what it says is we are going to give half the awards based on whether the project is good or not.

How many districts, how many Representatives have talked with HUD and encouraged HUD to support a particular project in their area. A project that scores well in merit in terms of the number of jobs it is going to produce and the leverage of private dollars to public dollars. The number of low-income people it is going to put to work, and yet been denied when the awards take place because the awards, once again, go to one of these eight districts or one of these six States that seem to qualify for almost all of the awards.

So if you are one of those Representatives who have felt that frustration, I urge you to support the Bereuter amendment. I will support it; I will subsequently offer an amendment to strike UDAG's altogether, however.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentlewoman.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, I just wanted to point out, and I thank the gentleman for pointing it out himself, but maybe it deserves repetition. The gentleman is for gutting all UDAG programs. Is that not correct?

Mr. HILER. That is correct.

I started from the proposition of changing the formula from the 70-percent impaction and distress—30 percent merit to 15-percent impaction—15-percent distress and 70-percent merit. I offered that amendment, if the gentlewoman will remember she was there in subcommittee, nearly a year ago.

As I studied the program more and more and more I became convinced that almost no matter how you change the formula you are not going to be able to make this a national program that would have good impact. In the absence of being able to do that, I do not know whether I will be successful or not, I think we ought to support the Bereuter amendment as an improvement over the amendment in the existing bill.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentlewoman.

Ms. OAKAR. I thank the gentleman for yielding.

I would ask the gentleman: If his amendment would succeed, would you withdraw your amendment?

Mr. HILER. I doubt that I would.

Ms. OAKAR. Well, then there is the whole point, is it not? You really are not for UDAG; you want to do whatever you can to water it down.

Mr. HILER. I think the gentlewoman is mistaken.

What I want to do is if we are going to have a UDAG program, that it should be the best program possible. The Bereuter amendment makes it a better program than existing law, much better than existing law, and makes it a better program than the provisions that are in the bill.

I still do not think that UDAG, no matter how you dress it up and how you doctor it up, will be a good program. In the absence of that, his amendment would be better.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the reason that we are here debating this, I think we can all agree, is that the existing formula for UDAG is one that we find in need of repair.

I think it is important for us to recognize when we start to modify this formula that it does have dramatic effect. The first reason, the reason that we are here dealing with the formula then is that the way that the administration or the way that the formula was modified in the past few years has not resulted, we think, in the best types of awards under this important and workable program, generally, the Urban Development Action Grant Program.

The fact is that the other reason that we are getting involved from the standpoint of any type of formula is because we want to set a policy path in terms of how and when these UDAG grants will be awarded.

The gentleman, I think, in terms of increasing the amount of UDAG grants that would be awarded on the basis of merit really causes greater administrative discretion and in fact moves away from the type of tight, well-defined formula that has been developed on a compromise basis or at least attempted to be developed on a compromise basis. I can say that while the Gonzalez-McKinney language with regards to UDAG at least is an attempt at a compromise, but clearly has not attained that, at least with all of the Members on the floor. The fact is that I think there has not been that type of effort from the author of the amendment in terms of trying to come along with a compromise. At least there is not as broad a base as I do not believe in the language that he offers.

The fact is that in this language that has been offered under the Gonzalez-McKinney bill, we have 65 percent of the funds going to distressed areas based in income, unemployment, older housing, poverty, growth lag, and the project merit in terms of creating jobs; that is the distress factor.

Then 35 percent of the funds, after you had awarded the 65 percent on that basis, you could reward the remaining 35 based on project merit alone. Jobs retained or created and leverage ratios.

I would point out further, Mr. Chairman, that in fact the Gonzalez-McKinney language retains the distribution on a one-third/one-third basis. In other words, there is not one lump sum once a year. Either you are a winner or a loser in terms of UDAG as is proposed under the Bereuter amendment. The fact is that it is a more orderly process in terms of staff going over these particular applications for UDAG. It gives an opportunity, for instance, if you fail in one instance with an application, to redo that application and to make good on the work that you are providing. I think therefore, does not lend itself as much to manipulation.

The fact is when we are dealing with the merit issue, it is the one area that you cannot measure. As you increase that, you increase the subjectivity on the part of those that are providing and making the grant decisions. I think it is a step in the wrong direction. I think it points out in terms of the amendment being offered by my colleague from Nebraska, that when we start modifying the formulas, you start doing all sorts of things that you might not otherwise intend to do, but nevertheless, that is the effect when we start to modify a formula on the House floor without getting the type of broad support that has been attained under the Gonzalez-McKinney amendment.

I would urge my colleagues to reject this and to maintain the language we have in the bill.

Mr. ERDREICH. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman.

Mr. ERDREICH. I thank the gentleman for yielding.

Mr. Chairman, I just want to make one point. I have heard some of the comment in this debate that the north and east coast are getting the bulk of UDAG grants, and I want to tell you that Alabama and Birmingham, in particular, has been very successful in the UDAG competition. I would hate to see the gentleman's proposed amendment pass. I think it would be injurious to what we have established. I would like to keep the language as it is.

Mr. VENTO. I thank the gentleman from Alabama for his opposition to this amendment.

Moreover, according to the information that I have from the HUD distribution analysis, the State of Nebraska, the author of the amendment of course hails from the State of Nebraska, would receive the identical percentage under either the 65-35 approach as it would under the approach offered by our colleagues. So I think that in this instance we can vote against this and not do great injury to our colleague from Nebraska.

I urge the Members of this body to do so.

Mr. KOLBE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Nebraska. I think it has been pointed out here already in the debate that we have heard that there is a significant bias that exists now in the UDAG criteria for selection that works against projects that are in fast-growing areas; those areas west of the Mississippi in particular.

□ 1355

Certainly, that has been evident in my own State and in my own district as UDAG applications have not been approved.

I have some real questions as to whether the whole program makes much sense at all, as the gentleman from Indiana suggested here earlier. But certainly we ought to have selection criteria that are based more on the merit and less on the noneconomic criteria currently in the law.

I realize that the Gonzalez substitute does make some changes in that, and would set aside a large number of projects based on merit. But in my opinion it simply does not go far enough in doing that.

The UDAG Program, if we are going to have such a program, ought to put certainly much more of the emphasis, the greater part of the emphasis, in the selection process for these projects on the merit of the program rather than on the other considerations which currently dominate the decision as to what areas of the country will get UDAG grants.

I think that the amendment offered by the gentleman from Nebraska is a step in that direction, and I would hope that it would receive support from this body this afternoon.

There was a good deal of discussion of this particular provision both in the subcommittee and in the full committee when we considered it, it seems, nearly a year ago. Acutally it was over a year ago that we considered this legislation. At that time there was a good deal of support for making these kinds of changes that would allow for greater emphasis to be placed on the merit of the projects.

The areas of the country which are rapidly growing and have the fastest growth certainly have a need for these kinds of projects just as much as other parts of the country, and I think that it ill behooves this body to continue a program that is so clearly designed to maintain a certain bias for a certain geographic section of the country. For that reason I hope that there would be support for this.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Indiana.

Mr. HILER. I thank the gentleman for yielding.

Mr. Chairman, I think that it needs to be pointed out where some of the frustration comes from. The State of Nebraska in the history of the UDAG Program—the history of the UDAG Program—has received just over $3.9 million. That is about one medium- to lower-sized project that has been funded in some districts of some States of the Northeast or Midwest—$3,900,000.

The gentleman makes the point that in the absence of changing the formula that gives the Omahas a little better chance to get some funding, that there are going to be a good number of Representatives who are going to say, "Let's can the whole program." So I urge those Members who are in favor of supporting the program to vote for the Bereuter amendment, because in the absence of that, I will urge you to vote for my amendment, which would eliminate the program.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, the fact is that there seems to be a certain technique in terms of some of the categorical programs that we have. One is to make it applicable to everyone and spread it all over, and then to suggest that the program has no focus, and I think that this is the opposite of where we want to go. This is a program that has and had rather tightly defined criteria, and hopefully it is done in a way that is proper in terms of the formula. I think it is worthy of pointing that out.

Mr. KOLBE. I appreciate the comments of the gentleman from Minnesota [Mr. VENTO], and I agree that it has had a rather tight focus in it, but I would say that the focus of it has not been what the initial objectives of the UDAG Program were designed for.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, the purpose of the Bereuter amendment for those on this House floor who support UDAG is to focus UDAG so that it would help provide employment opportunities for people who are unemployed. The Bereuter amendment would say that at least 50 percent of the money would have to be used to provide jobs, and that has been the difficulty with UDAG all along, that it has been unfocused and so broad that it does everything but that.

Mr. WOLPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to rise at this point to speak in very strong opposition to the amendment of my very good friend, the gentleman from Nebraska [Mr. BEREUTER].

Mr. Chairman, we must understand that the legislation before us includes a very significant compromise that will provide a broader geographical distribution of UDAG funds across this country to communities that have meritorious projects. To go beyond the compromise that has already been crafted, which would give 65-percent weight to need and 35-percent weight to project merit, would essentially eliminate any effective targeting of the UDAG Program.

When we are pressed with the situation of very scarce resources, we ought to be targeting those resources to areas of greatest need, and that is what in my judgment the current program, as modified in the legislation before us, would accomplish.

I want to make a broader point. It seems to me that these attacks upon the UDAG Program, both Mr. BEREUTER's amendment to change the program's formula and also that in the amendment of the gentleman from Indiana [Mr. HILER] to eliminate the program in its entirety, are really ill-conceived.

This year the House and Senate Budget Committees were charged with the very difficult task of crafting budget resolutions that would meet the $144 billion deficit target for fiscal year 1987 as mandated by Gramm-Rudman. Although there has been extreme pressure to substantially reduce and even terminate a wide range of programs, I think that it is significant that the UDAG Program sustained only a small reduction in budget authority in both the House and Senate budget resolutions.

This clearly indicates continued bipartisan support for the UDAG Program, and for good reason. Since its inception in 1978, roughly $4 billion in action grants have leveraged over $24.2 billion in private funds. That is one UDAG dollar for every $6 in other funds. These numbers far surpass Congress' initial expectations about the program's ability to attract local capital.

From the standpoint of jobs, there have been over 528,000 private-sector jobs created nationwide, and over 125,000 jobs that have been retained.

In my own district, the Third District of Michigan, UDAG funds have done the following:

In Lansing, UDAG grants totaling $11,007,359 have created 407 permanent jobs and have leveraged $50,061,128 in other funds.

In Kalamazoo, a UDAG grant totaling $650,000 has created 125 permanent jobs and has leveraged $2,500,000 in other funds.

In Battle Creek, UDAG grants totaling $22,500,000 have created 1300 permanent jobs and have leveraged $160 million in other funds.

In addition, it is also important to note the critical secondary impact of UDAG-assisted activities. Forty-eight percent of all projects stimulate further spinoff private development that goes forward without any UDAG funds.

With all due respect, opponents of the program criticize the use of UDAG funds, for example, for the development of hotels. But it is not uncommon to see a medium-sized hotel such as a 250-room complex stimulating unassisted new economic growth in the form of retail operations, entertainment facilities, and, because of the renewed interest in the distressed area, renovation of existing structures.

In closing, Mr. Chairman, I would like to stress that the UDAG Program has proven effective in meeting the challenge to help distressed cities revitalize, attract private investment, create jobs, and improve their tax bases. The UDAG Program has been an innovative partnership between the Federal Government, local governments, and the private sector that has been a flexible and effective tool for reversing the vicious cycle of job loss, shrinking tax base, and increasing tax burden that has devastated distressed cities throughout the Nation.

Every UDAG dollar produces $2 in increased Federal revenues and reduced Federal expenditures for programs targeted for the poor and the unemployed. Before casting a vote to terminate this program or even to modify its targeting as contemplated in the amendment before the body at this point, I think these facts should be kept in mind. I would argue that this is a valid program for a valid national purpose and should continue to be a high national priority.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Chairman, is the gentleman aware that Michigan is the third largest recipient and receives nine times as much as the State of Florida?

Mr. WOLPE. If I may respond to the gentleman from Nebraska, it is also a State that has had and continues to have very high levels of unemployment well in excess of the national average, and it is also a State that has made very effective, very creative use of those UDAG funds that have widened the tax base by putting many people back on the tax rolls. It has been a net gain for the country, as for our cities.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to my good friend, the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment offered by my good friend and colleague from Nebraska, Mr. BEREUTER, which would change the bill's present language awarding only 35 percent of UDAG funds on a merit basis, to a formula that would dedicate 50 percent of those funds to merit awards.

The amendment recognizes the attempts to correct a distorting bias in the UDAG selection criteria. Our colleague from Indiana, Mr. HILER, has done a superb job of highlighting the Northeastern bias built into the UDAG formulation.

The bill's authors are aware of the problem, and have attempted, I stress "attempted," to address it by designating 35 percent of the UDAG moneys for allocation based on project merit. When we first saw this housing reauthorization on the floor of the House that figure was 40 percent. Does anyone in this Chamber think that UDAG has become any more accessible to western districts since last fall? I do not, and I doubt that my colleagues do.

Why the retreat? It is not in the best interests of a majority of the districts represented here, and it is not in the interest of Nebraska's Third District.

Why the objection to awarding funds on project merit? Hasn't our experience with our tax laws shown us the danger of encouraging noneconomic rationale for development decisions?

I cannot give a strong enough voice to my objection to statements that have been made here that compare the operation of UDAG's to Federal farm programs. With the farm economy in its current state, public, and private development projects in my district are facing as tough a time as any in the Nation. This program may well be ill-conceived, but you can be sure that while it operates I will fight for Nebraska's fair share of its funds.

By including the 65-35 formula in the bill before us we are acknowledging a problem exists. Why stop halfway? The bill previously included more favorable language. I wish it had not been removed. I strongly support my colleagues effort to allocate 50 percent of UDAG funds to merit based awards. I urge you to join me.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLPE] has expired.

(By unanimous consent, Mr. WOLPE was allowed to proceed for 2 additional minutes.)

Mr. WOLPE. Mr. Chairman, if I may reclaim my time, I would like to just simply observe that I have sympathy for those States that have not received a high allocation of UDAG funds, and also have really legitimate needs.

□ 1405

I would point out, however, that the compromise formula embraced in the legislation before us will begin the process of expanding the distribution of those funds to other States that have legitimate needs and have meritorious projects.

To move even beyond that compromise formula to the 50-50 kind of split as contemplated would, I believe, really jeopardize any notion of targeting and would be a wasteful rather than an effective use of Federal dollars.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I am glad to yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding.

I am proud of Michigan's success. They must know how to write proposals very well, which is a factor that goes into it.

I think what we have to do is take a look at what this amendment strikes. Now, if the Members want to strike this as criteria, then I think we are really going far afield here. It strikes the extent of following other criteria which this amendment would strike, the extent to which the grant will stimulate economic recovery by leveraging private investment, the number of permanent jobs to be created in relation to the amount of grant funds requested, the proportion of permanent jobs that is assessible to those who are unemployed, the extent to which the project will retain jobs that will be lost without the provision of the grant under this section, the extent to which the project will relieve the most pressing employment or residential needs of the applicant, et cetera, et cetera; so this is not some little simple 50-50 amendment. This does an awful lot to gut the UDAG Program. I do not think we really want to do that.

Mr. WOLPE. Mr. Chairman, I think the gentlewoman makes a good point and I thank her for that observation.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. If my time permits, I will yield.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding.

I think I need to correct that statement, because the criteria which relate to merit are still a part of the existing law, not changed by this amendment. I think it would be inadvertent error to suggest that those criteria are being changed.

Mr. WOLPE. The key thrust of the gentleman's amendment is, however, to dilute the emphasis given upon need and to elevate the concept of project merit. It does dilute the effective targeting of those funds to areas of greatest need and that would be my principal objection to the amendment.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. Surely, I yield.

Mr. HILER. Mr. Chairman, I can understand the gentleman being opposed to this amendment, but I really question whether a program with existing formula, and I do not think it would change under the new formula, that funds large multinational corporations that are in the gentleman's district, for instance, to build a new world headquarters, that somehow we are helping the low income and the needy.

Mr. LEVIN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Let me address myself if I might to points raised by the gentleman from Nebraska and the gentleman from Texas and other areas.

First of all, in terms of changing the formula, this is not a Public Works bill. If certain areas receive more than other areas, that is because of the targeting provisions. We are not here to divide a pool of moneys by population. We are here to divide moneys by need.

When farm bills are presented, I do not arise because there is only one farm in the 17th District and say that I want more equal access for my district to a farm program. There is not a farm crisis in the 17th District. There is in the sense that there is a farm crisis throughout the Nation and throughout Michigan that affects the 17th District, but I am not asking for changes in formulas because the 17th District cannot come forth and receive "an equal share" of moneys aimed at rural problems; so I suggest that we remember the purpose of this.

I find it strange that people from the minority are attacking programs that are targeted to needs. I know what will happen, not from the gentleman from Nebraska, but others if you succeed in diluting the formula, then you are going to come forth like you did with EDA and say, "Well, it applies to everybody and it doesn't serve any specific purpose, so abolish it." That is what is going to come next, not from the gentleman from Nebraska, but I can just hear it coming from some other people, and that is not fair.

Everybody here should be defending programs targeted according to needs and if they do not meet needs, do not have the programs, but do not build support on the basis of trying to just spread the money thinly across the Nation.

There may be some abuses with UDAG, there may be. Change, tighten the formula, target it further. Do not

use a few abuses to go at the whole program.

Next, let me say something about those who point to Michigan and how much it has received through this program. Let us look at all the Federal formulae put together. Michigan receives for every dollar it sends to Washington about 63 or 64 cents back from the Federal Government. We remain toward the bottom or at the bottom of the States in terms of the return on the tax dollars.

It is not fair to take simply one program and say, well, Michigan or Wisconsin or New York or whatever it is received greater than its share. I will not do that to Nebraska when we talk about farm programs. Do not do it to Michigan when we talk about crying urban need programs.

One last point, something about you change it to 50 percent from 35 and it has something to do with jobs. That is just nonsense.

The question is whether 65, and that is already a compromise, or a reduced amount, 50 percent, should be targeted rigorously. I think 65 percent in and of itself was far enough, if not too far. Let us not carry it any further than that.

Mr. Chairman, I urge defeat of this amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. LEVIN of Michigan. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, on the 65 percent in the bill, that is not only on the basis of distress or impact. That is also is based on merit. In other words, merit is not excluded from that 65 percent.

Mr. LEVIN of Michigan. Of course.

Mr. VENTO. The presentation that we have had here today is that 50 percent is going to be on merit and 50 percent and the amendment would be on low-income criteria, but the fact is in the bill the way it is, 35 percent exclusively are solely on merit alone in the formula and the other 65 percent on merit, on distress, on impact; so I think the formula that we have developed retains some objective criteria and still puts us in a position where we focus the program tightly enough so that it does not fall on the shoulders of the people that the gentleman has raised.

Mr. LEVIN of Michigan. Mr. Chairman, I commend the gentleman. I very much agree.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. LEVIN of Michigan. I am glad to yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding, particularly since the gentleman is a member with whom I can engage in rational conversation, which we do frequently in the course of our committee activities.

I suggest that in all probability Michigan would not do too much more badly perhaps as well under a change in formula, because you do not have an inordinate amount of housing that is pre-1940, not more than most or the country. You are relatively midrange in the development process in the settlement of this country.

But is it reasonable to argue against——

The CHAIRMAN. The time of the gentleman from Michigan [Mr. LEVIN] has expired.

(By unanimous consent, Mr. LEVIN of Michigan was allowed to proceed for 2 additional minutes.)

Mr. BEREUTER. Mr. Chairman, will the gentleman yield further for a brief comment?

Mr. LEVIN of Michigan. Yes.

Mr. BEREUTER. Two points. I find it very interesting for people to argue against using project merit, which includes items like leveraging ratio, and benefits to low- and moderate-income people.

I also find it extraordinarily wrong to use 1940 housing as a factor in this formula, which is what would be done continuously under a 50-percent ratio.

You can go to Lincoln, MA, one of the wealthier cities or towns in Massachusetts, and find a great share of that housing was built in pre-1940. In Lincoln, NE, you will find a far different situation.

Pre-1940 housing means nothing. It should be out of this discussion altogether.

Mr. LEVIN of Michigan. Let me answer the gentleman.

First of all, as the gentleman from Minnesota mentioned, merit remains in the two portions of the formula regardless, so it is not fair to say merit is in one and out of the other.

Second, look, if 1940 housing is wrong, have an amendment that relates to that specific criteria, but do not try to totally kill this.

Maybe Michigan will do just about as well. But I have learned one thing, support an irrational formula for your own State and you are going to end up being hoisted on your own petard sometime later.

I want a formula that is good for Michigan, but I also want a formula that fits the needs addressed by the bill, because I know if you do not do that, 2 years from now somebody is going to get up and say, "The formula doesn't fit the need, so abolish the whole program."

I want a bill with a formula that is relevent to the bill. Thirty-five percent already goes far enough. Fifty begins to tilt the whole program against itself.

I urge that we maintain the bill and not the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BEREUTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes 238, not voting 53, as follows:

[Roll No. 142]

AYES—142

Archer	Hiler	Porter
Armey	Hillis	Quillen
Bartlett	Hopkins	Ritter
Barton	Huckaby	Roberts
Bateman	Hunter	Robinson
Bedell	Hyde	Roemer
Beilenson	Ireland	Rogers
Bereuter	Jacobs	Roth
Berman	Jeffords	Rowland (GA)
Bilirakis	Jones (OK)	Rudd
Bliley	Kasich	Schaefer
Boulter	Kolbe	Schulze
Brown (CO)	Lagomarsino	Sensenbrenner
Burton (IN)	Latta	Shaw
Callahan	Leach (IA)	Shumway
Cheney	Leath (TX)	Shuster
Coats	Lewis (FL)	Skeen
Coleman (MO)	Lightfoot	Slaughter
Combest	Livingston	Smith (NE)
Craig	Lloyd	Smith, Denny (OR)
Crane	Loeffler	Smith, Robert (NH)
Dannemeyer	Lott	Smith, Robert (OR)
Daub	Lowry (WA)	Snyder
DeLay	Lujan	Spence
Dickinson	Lungren	Stallings
Dornan (CA)	MacKay	Stangeland
Dreier	Madigan	Strang
Duncan	Marlenee	Stump
Durbin	McCain	Sundquist
Eckert (NY)	McCandless	Sweeney
Edwards (OK)	McCollum	Swindall
Emerson	McMillan	Synar
English	Meyers	Tauke
Evans (IA)	Mica	Tauzin
Fawell	Michel	Taylor
Fazio	Miller (OH)	Thomas (CA)
Fields	Miller (WA)	Vucanovich
Franklin	Monson	Walker
Frenzel	Montgomery	Watkins
Gingrich	Moore	Weber
Goodling	Moorhead	Whittaker
Gradison	Morrison (WA)	Wolf
Gregg	Myers	Wylie
Gunderson	Nielson	Young (AK)
Hall, Ralph	Packard	
Hammerschmidt	Panetta	
Hansen	Parris	
Hatcher	Pashayan	
Hendon	Petri	

NOES—238

Ackerman	Bruce	Downey
Akaka	Bryant	Dwyer
Alexander	Burton (CA)	Dyson
Anderson	Carper	Early
Annunzio	Carr	Eckart (OH)
Applegate	Chappell	Edgar
Aspin	Clay	Edwards (CA)
Atkins	Clinger	Erdreich
AuCoin	Coelho	Evans (IL)
Barnard	Collins	Fascell
Barnes	Conte	Feighan
Bates	Conyers	Fish
Bennett	Coughlin	Flippo
Bentley	Courter	Florio
Bevill	Coyne	Foglietta
Biaggi	Crockett	Foley
Boehlert	Daniel	Ford (MI)
Boggs	Darden	Ford (TN)
Boland	Daschle	Fowler
Boner (TN)	de la Garza	Frank
Bonior (MI)	Derrick	Frost
Bonker	DeWine	Fuqua
Borski	Dicks	Gallo
Bosco	Dingell	Garcia
Boxer	DioGuardi	Gaydos
Brooks	Donnelly	Gejdenson
Broomfield	Dorgan (ND)	Gekas
Brown (CA)	Dowdy	Gephardt

Gibbons	Mavroules	Schneider
Gilman	Mazzoli	Schroeder
Glickman	McCloskey	Schuette
Gonzalez	McEwen	Schumer
Gordon	McGrath	Seiberling
Gray (IL)	McHugh	Sharp
Gray (PA)	McKernan	Sikorski
Green	McKinney	Siljander
Guarini	Mikulski	Sisisky
Hall (OH)	Mineta	Skelton
Hamilton	Mitchell	Slattery
Hayes	Moakley	Smith (FL)
Hefner	Molinari	Smith (IA)
Henry	Moody	Smith (NJ)
Hertel	Morrison (CT)	Solarz
Horton	Mrazek	Solomon
Howard	Murphy	St Germain
Hoyer	Murtha	Staggers
Hubbard	Natcher	Stark
Hughes	Nichols	Stokes
Hutto	Nowak	Stratton
Jenkins	Oakar	Studds
Johnson	Oberstar	Swift
Jones (NC)	Obey	Thomas (GA)
Jones (TN)	Olin	Torres
Kanjorski	Ortiz	Torricelli
Kaptur	Owens	Towns
Kastenmeier	Oxley	Traficant
Kemp	Pease	Traxler
Kennelly	Penny	Udall
Kildee	Perkins	Valentine
Kindness	Pickle	Vander Jagt
Kleczka	Price	Vento
Kolter	Pursell	Visclosky
Kostmayer	Rahall	Volkmer
LaFalce	Rangel	Waxman
Lantos	Regula	Weaver
Lehman (FL)	Reid	Weiss
Leland	Richardson	Wheat
Lent	Ridge	Whitehurst
Levin (MI)	Rinaldo	Whitley
Levine (CA)	Roe	Wirth
Lipinski	Rose	Wise
Long	Rostenkowski	Wolpe
Luken	Roukema	Wortley
Lundine	Rowland (CT)	Wright
Manton	Roybal	Wyden
Markey	Russo	Yates
Martin (IL)	Sabo	Yatron
Martin (NY)	Savage	Young (MO)
Martinez	Saxton	
Matsui	Scheuer	

NOT VOTING—53

Andrews	Dellums	Neal
Anthony	Dixon	Nelson
Badham	Dymally	O'Brien
Boucher	Fiedler	Pepper
Breaux	Grotberg	Ray
Broyhill	Hartnett	Rodino
Bustamante	Hawkins	Shelby
Byron	Heftel	Snowe
Campbell	Holt	Spratt
Carney	Kramer	Stenholm
Chandler	Lehman (CA)	Tallon
Chapman	Lewis (CA)	Walgren
Chappie	Lowery (CA)	Whitten
Cobey	Mack	Williams
Coble	McCurdy	Wilson
Coleman (TX)	McDade	Young (FL)
Cooper	Miller (CA)	Zschau
Davis	Mollohan	

□ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Campbell for, with Mr. Davis against.

Mr. Nelson for, with Mr. Coleman of Texas against.

Mr. Badham for, with Mr. Hawkins against.

Messrs. GEJDENSON, HAYES, SILJANDER, KINDNESS, CLINGER, and SOLOMON changed their votes from "aye" to "no."

Messrs. ROBINSON, BEILENSON, PANETTA, WATKINS, JONES of Oklahoma, and TAUZIN changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

MODIFICATION OF AMENDMENT OFFERED BY MR. MITCHELL

Mr. MITCHELL. Mr. Chairman, I ask unanimous consent to modify the amendment which I offered and which was adopted, to change the designation "line 3" on the first line of the amendment to "line 19."

The CHAIRMAN pro tempore (Mr. CARR). Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA:

Page 13, after line 19, insert the following new sections (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 123. REFINANCING MORTGAGE INSURANCE FOR HOSPITALS, NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) STATE CERTIFICATION REQUIREMENT.—Section 223(f)(4)(D) of the National Housing Act is amended to read as follows:

"(D) such existing hospital has received such certification from the State in which the hospital is located as is comparable to the certification required for hospitals under section 242.".

(b) REFINANCING INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.—Section 223(f) of the National Housing Act (as amended by subsection (a) of this section) is further amended—

(1) in paragraph (1), by inserting after "existing hospital" the following: ", existing nursing home, existing intermediate care facility, or existing board and care home"; and

(2) in paragraph (4)—

(A) by inserting after "existing hospital" each place it appears the following: ", existing nursing home, existing intermediate care facility, or existing board and care home";

(B) by inserting after "the hospital" the following: ", nursing home, intermediate care facility, or board and care home"; and

(C) by inserting after "section 242" the following: "or for nursing homes, intermediate care facilities, or board and care homes insured under section 232, as the case may be".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 124. MORTGAGE INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) INSURANCE FOR PUBLIC NURSING HOMES.—Section 232(b)(1) of the National Housing Act is amended by inserting "public facility," before "proprietary".

(b) REQUIREMENT OF STATE APPROVAL.—Section 232(d)(4)(A) of the National Housing Act is amended by adding at the end the following new sentence: "If the State agency is not empowered to provide a certification that there is a need for the home or facility or combined home and facility, the Secretary shall accept in lieu of such certification a feasibility study that (i) is prepared for the home or facility or combined home and facility in accordance with the principles established for feasibility studies by the American Institute of Certified Public Accountants; (ii) assesses on a marketwide basis the impact of the home or facility or combined home and facility on (and its relationship to) other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the home or facility or combined home and facility; (iii) demonstrates the need for and financial feasibility of the home or facility or combined home and facility; and (iv) includes a sensitivity analysis.".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 125. REQUIREMENT OF STATE APPROVAL FOR MORTGATE INSURANCE FOR HOSPITALS.

(a) IN GENERAL.—Section 242(d)(4) of the National Housing Act is amended by adding at the end the following new sentence: "If the State agency is not empowered to provide a certification that there is a need for the hospital, the Secretary shall accept in lieu of such certification a feasibility study that (A) is prepared for the hospital in accordance with the principles established for feasibility studies by the American Institute of Certified Public Accountants; (B) assesses on a marketwide basis the impact of the hospital on (and its relationship to) other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the hospital; (C) demonstrates the need for financial feasibility of the hospital; and (D) includes a sensitivity analysis.".

(b) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendment made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

□ 1440

Mr. GARCIA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GARCIA. Mr. Chairman, this is a fairness amendment. What it simply does is broaden the base of participation in the mortgage insurance programs without removing any of the mechanisms that have so far protected the mortgage insurance fund.

First, existing nursing homes, intermediate care facilities and board and care homes are included in the Refinancing Mortgage Insurance Program, which currently only applies to existing hospitals.

Because nursing homes are already included in the mortgage program, it does not make sense to bar existing facilities from refinance insurance.

This program also has an "appropriateness review" provision, for which regulations have never been issued. Because of this, the program has not been used, so that language is being struck, and a feasibility study requirement is being triggered.

Next, the amendment adds "public" facilities to the section on mortgage insurance for nursing homes. That section now only covers proprietary and private nonprofit facilities. And last, where the law requires a certificate of need to be issued by a State agency before a facility can apply for mortgage insurance, this amendment adds a provision enabling facilities in States with no certificate of need to apply by requiring a feasibility study to serve the function of a con in those States.

The feasibility study will require an assessment of the need for and financial feasibility of the product, including assessments of the impact of the facility on other facilities, demographic projections—population loss or gain—alternative health care systems and reimbursement structure of the facility—Medicare, and so forth.

These amendments are important because they make the mortgage insurance programs more accessible to facilities that need them.

Typically, projects that apply for the mortgage insurance programs are those that cannot obtain affordable credit on their own. Most often these are facilities in inner cities and rural areas that serve low-income and elderly populations. The mortgage insurance programs do not require appropriations, and do not supply Federal subsidies. What they do is allow healthcare facilities to borrow money at lower rates than they would be able to without the mortgage insurance. This allows them to lower their debt service payments—interest payments—and helps restrain the growing cost of health care in this country.

These programs do not result in an increase in hospital bed capacity, because for the most part the loans are used to rehabilitate, renovate, and assist the facility in complying with health codes.

The inclusion of public nursing homes as eligible for applying is to, not only make the program fairer—because public hospitals are eligible—but to allow nursing home facilities to meet the growing demand for their services. Census figures show that America's elderly population will double in the near future, and the majority of our population will be elderly by the year 2000.

By broadening the base of participation in these programs we are not expanding the program just making it accessible to those facilities that prove they are needed and financially feasible.

We are not threatening the existence of the fund, because no facility will be granted the mortgage insurance requested unless they meet the need requirements and other criteria set up by HHS and HUD.

The mortgage insurance program has been a moneymaker since its inception in 1969. The outstanding loans generate at least $10 million a year in premium payments.

Mr. GONZALEZ. Mr. Chairman, we rise in support, and I say we because I am speaking for the majority on the committee, and accept this amendment. It is a just, a fair change in the law that will provide, in those States that have had an inability to provide a program, the redress of grievance that they are entitled to.

We accept this as a perfecting amendment, Mr. Chairman.

Mr. WYLIE. Will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. WYLIE. Mr. Chairman, I rise in qualified support of this amendment, and I say qualified support because in 1983 we extended the FHA Insurance Program to cover public hospitals, and now in this amendment we would extend the FHA Insurance Program to public nursing homes.

HUD has been troubled by the extension of the FHA Insurance Programs and opening up the FHA Insurance Programs to what are called public risks, which would be the possibility with reference to insuring public bodies.

I might say that I am troubled by that, too, but I do feel the gentleman's amendment is for a good purpose and it does satisfy a need that does exist in this country, from this gentleman's viewpoint, and I hope that when we get to conference, though, that we can more clearly define the risk factor. I do not think that has been clearly enough set out.

Mr. GONZALEZ. I would like to explain, in answer, that the thrust of the gentleman from New York's [Mr. GARCIA] amendment is to provide in that case where a State has been unable to advance a feasibility study, this provides for a feasibility study that will be based on the certified public accountant organization basis; and to that extent, I think it does not open-end the FHA insurance in this case. It is restricted to that extent, and accountable.

That is the reason that we accepted it, Mr. Chairman.

Mr. WYLIE. I think that is a valid explanation, and I thank the gentleman.

Mr. PEPPER. Mr. Chairman, I am pleased to support the amendment of my distinguished colleague, Hon. ROBERT GARCIA. This amendment provides a broader base of participation in the FHA mortgage insurance and Mortgage Refinancing Insurance Programs for hospitals and nursing homes.

Public facilities that meet the requirements of section 232 of the FHA Mortgage Insurance Programs may apply for mortgage insurance. A feasibility study supplants the present "Appropriateness Review" requirement. This study requires an assessment of the need and financial feasibility of the project and permits facilities to have more access to mortgage insurance programs. Such programs do not require appropriations nor do they supply Federal subsidies. They allow health care facilities to borrow money at lower rates and pay lower interest, implicitly restraining the burgeoning cost of health care.

The amendment fairly includes public nursing homes in its eligibility requirements. Census projections indicate that America's elderly population will double and become the majority age group by the year 2000, a group that may well require public nursing homes.

This amendment extends the Mortgage Insurance Program that has been profitable since its beginning in 1969, yielding $10 million annually in premium payments. This is sound legislation and I support its enactment.

Mrs. ROUKEMA. Mr. Chairman, I rise in support of the Garcia amendments. This amendment is needed because it will provide a broader base of participation in the FHA Mortgage Insurance and Mortgage Refinancing Insurance Programs for hospitals and nursing homes.

I think we are all quite familiar by now with how FHA home mortgage insurance works. We have had something like five or six FHA extension bills pass before this body in the past 6 months. Just like the FHA Home Mortgage Program, the mortgage insurance programs we are talking about here do not require any funding. Rather, these programs will allow credit-poor health facilities to borrow money at lower rates than they would be able to without the mortgage insurance. This will allow them to lower their interest payments, which in turn, will help to restrain the growing cost of health care in this country.

Just think of what this help will do for those health facilities in your district that serve low income and elderly populations. Many of these facilities cannot obtain affordable credit on their own. With this amendment, we will be helping our nursing homes, board and care homes, and intermediate care facilities to rehabilitate, renovate and insure compliance with health codes.

The section 232 hospital insurance is now restricted to proprietary and nonprofit institutions. The Garcia amendments would open up the program to allow nursing facilities to meet the growing demand for their services.

I urge adoption of the Garcia amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GARCIA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HILER

Mr. HILER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILER: Page 19, strike line 21 and all that follows through page 20, line 2.

Page 21, strike lines 15 through 19.

Page 22, strike line 15 and all that follows through page 33, line 16, and insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 144. TERMINATION OF URBAN DEVELOPMENT ACTION GRANT PROGRAM.

(a) REPEAL.—The Housing and Community Development Act of 1974 is amended by striking section 119.

(b) TRANSITION PROVISIONS.—

(1) On or after the effective date of this section, no grant may be made under section 119 of the Housing and Community Development Act of 1974, as it existed immediately before such date, except pursuant to a preliminary grant reservation made before such date.

(2) Any grant made under section 119 of the Housing and Community Development Act of 1974, as it existed immediately before the effective date of this section, shall continue to be governed by the provision of such section 119.

(c) EFFECTIVE DATE.—The provisions of, and amendment made by, this section shall take effect on October 1, 1986, or the date of the enactment of this Act, whichever occurs later.

Mr. HILER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HILER. Mr. Chairman, my amendment is a relatively simple amendment, but I imagine a relatively controversial amendment. My amendment would strike the UDAG Program; eliminate the UDAG Program.

I have come to offer this amendment by a relatively long, drawn-out process: I became somewhat frustrated several years ago when my district was having a great deal of difficulty in qualifying for a UDAG grant. We had several very, very good projects that ranked very, very high on project merit, and yet they were denied funding.

As we investigated the reasons why these projects were denied funding, it was because of the way the formula worked; with 70 percent of the points being awarded based on impaction and distress in the project area, and 30 percent of the points being awarded based on merit.

We looked at some of the projects that were being funded and some that were not being funded, and we found that projects were being funded in areas that did not seem to us to be highly distressed; or in areas where the project merit was not as good as the project in our area.

So as we looked further into the way the funds were distributed and the history of the funds, we found that an area like northern Indiana probably would be precluded from ever getting a UDAG again.

When the program first started, there was far more money available than qualified projects that applied; and so in the first 3, 4, or 5 years of the program, basically the selection criteria did not play an important role; but beginning in 1983, there were more dollars worth of applications being filed than there were dollars available.

As the formula kicked in, areas like northern Indiana, which might have qualified for a program in the late seventies, early eighties, would no longer be qualified. So at that time, about 1 year ago, I offered an amendment in the Housing Subcommittee to change the way the formula worked. It would have changed, at that time, the amount of points that were awarded based on impaction and distress; to reduce the amount of points awarded there, and increase the amount of points that were awarded based on project merit.

I was unsuccessful in the Housing Subcommittee and it has led to, today, the gentleman from Nebraska [Mr. BEREUTER] offering an amendment to the committee bill that would try to draw a middle line between my original amendment last year and the committee print; and that amendment was unsuccessful as well.

□ 1450

But as I evolved from that process of first looking to change the formula, I really came to the opinion that the UDAG Program is no longer, if it ever was, a program in the national interest. There are a variety of facts and figures I can look to. Let me point out a couple to maybe pique your interest.

I have here a chart which shows distribution of money that went to different congressional districts. This congressional district, Michigan 13—and I have nothing against Michigan 13—but this one congressional district has received more UDAG dollars in the history of the program than these 145 districts combined. Now when you have 1 congressional district receiving more UDAG dollars than 145 combined, you have to ask yourself, is this program in the national interest?

Looking further, we decided to investigate how many UDAG dollars the top 8 congressional districts received. When we looked at the top 8 congressional districts, we found that they had received more UDAG dollars than the 227 congressional districts here. Eight districts, more money combined than 227 congressional districts.

When we looked at the distribution of States, we found that each of 6 States, Massachusetts, Michigan, New Jersey, New York, Ohio, and Pennsylvania, each of those 6 States received more UDAG dollars than these 21 States and the District of Columbia combined.

Now I do not begrudge these States that have done well, or those congressional districts that have done well, but I think we have to ask, is this program truly in the national interest?

Now the point could be made, someone could say, "You know, we are having such impact on the amount of jobs being created. We are doing such good and these areas are truly distressed." But when you look at the breakdown of where the dollars have gone and what the dollars have been used for, I think you too would be led to the conclusion that this program is not in the national interest.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HILER] has expired.

(By unanimous consent Mr. HILER was allowed to proceed for 5 additional minutes.)

Mr. HILER. One of the criteria that is used is the number of permanent jobs that are created. One of the arguments that the advocates for UDAG's make is that we are leveraging private dollars against public dollars so we can create new jobs. When an application is made, you have to designate on the application how many temporary jobs, construction jobs, for example, are going to be created and how many permanent jobs will be created. Well, in 1985 HUD did a study of the permanent jobs that were to be created under all of the projects that had been funded up until that time period.

What the study found was very interesting: Only 35 percent of the jobs that were supposed to be created by these UDAG's were in fact created, only 35 percent, which means that for every 100 jobs that these applications said would be created, only about 35 were in fact created.

Now if the basis for the UDAG Program is that we are leveraging private against public dollars for economic development to help create jobs, we have not been successful or not nearly as successful as what the advocates of the UDAG Program would try to lead us to believe.

I also decided to look into the statistics about the amount of private dollars leveraged against public dollars because that is one of the criteria as well.

If we can have the better leveraging, we are going to get more private dollars and somehow our seed money is helping to create economic development. But what is interesting is that, since the history of the program, the amount of subsidized private capital has increased dramatically. When the program first started in 1978, there was about 6 percent of the private dollars that were leveraged against public dollars, only about 6 percent were through what is called subsidized pri-

vate capital, principally industrial revenue bonds.

Yet by 1984, nearly 31 percent of the private dollars were, in fact, tax-exempt revenue bonds. So the Federal Government was subsidizing it on both ends; we were subsidizing, of course, the public dollars, and then we were turning around through the IRB's and tax-exempt bonds, subsidizing the private capital.

I looked at where the money was going. Does it make sense in a time of $200 billion deficits that we are funding dockuminiums? Does it make sense we are funding world headquarters for multinational companies? Does it make sense we are providing subsidies for major auto companies in the United States and major Japanese auto companies that locate in the United States? I do not think it does. I do not think that is the purpose of the program.

Four States, four States have not seen the first dollar of a UDAG, Alaska, Hawaii, Nevada, and Wyoming. They are not large States, but they are important States. They have not seen the first dollar of UDAG's.

Two hundred and twenty-six congressional districts have received less than the 8 top congressional districts. The top congressional district in UDAG awards has received more UDAG's than 141 districts combined.

The top 6 States have each received more in UDAG's than the 21 bottom States and the District of Columbia.

I think it is time to cast the politically courageous vote and that is to terminate this program.

Now almost everyone can point to a project that has been put up in their district. I can; my district has had several. But I think that this program no longer meets the national need. You know, about 5 or 6 years ago we were putting over $600 million into the UDAG Program.

The gentleman from Michigan spoke earlier and said that the fact that the Budget Committee had only voted a 10-percent cut in the UDAG Program for this year signified the great support for this program. In 1987, if my amendment is not supported, we will put $284 million into UDAG's. We were putting $660 million in several years back.

So time has gone on. We have gradually brought this program down and down and down. The reason we have drawn it down is because it has not been effective. The time is now to terminate this program. The time is now to save the taxpayers $280 million to stop funding dockuminiums, world headquarters for multinational companies, to be funding fictitious jobs, providing a windfall for some States in the country.

I urge adoption of my amendment. I recognize it is not an easy vote, but I think it is the correct vote.

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word, and I rise in strong opposition to the amendment.

The gentleman from Indiana very aptly described it at the very outset of his presentation of his amendment that this amendment would eliminate the UDAG Program, indeed that is the thrust of it. His logic and reasoning, at best, is very contradictory and in his case, as a very active and very valuable member of our subcommittee, quite ironic that the compromise that we were just discussing earlier in the case of the amendment offered by the gentleman from Nebraska, was reached mostly because of the gentleman from Indiana's amendment which he just described, which had a 75–70 percent rather than 65 percent formula, and which is the one that is in our version of the bill and resulted from give and take after his presentation.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. Yes; I yield to the gentleman from Indiana.

Mr. HILER. I thank the gentleman for yielding.

Just so the record is correct, my amendment, which I offered a year ago, would have awarded, or allocated 70 percent of the points based on project merit, 30 percent of the points based on impaction and distress. It is nowhere near the amendment that is in the bill.

Mr. GONZALEZ. I know. But what I am saying is that, when the gentleman offered that, he was offering it from the standpoint of one range of action that was desired by several other Representatives, and we finally reached this compromise on the 35 percent merit and the rest put on the other two criteria.

What I am saying is that the gentleman's followup conclusion as to why he is totally against the program on the basis that it is not operating on a national meritorious functioning basis, is that his district and his area have received no funds whatsoever.

Well, the fact of the matter is that no HUD or Federal agency can thrust on a locality any kind of a Federal program. It has to be applied for.

Our record shows that there was a minimum number of applications from the entire State of Indiana, not just his district.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Indiana.

Mr. HILER. I thank the gentleman for yielding.

Once again, just so the record is correct, No. 1, what I have said was that, as I studied further after my amendment that I offered last year, I came to the conclusion that this bill, No. 1, no longer met the national need and, No. 2, did not accomplish what its purpose had been. Second of all, I was very careful in saying that my district has received several UDAG's but it has become apparent through the applications process that we would probably never receive another one. That led to the original amendment that I offered last year and has evolved over the past year.

I think it is important that the record is correct, that we are talking about apples and apples, not apples and oranges.

Mr. GONZALEZ. But in all fairness to the process, even as deficient as it is, which we would hope to correct through our compromise—very delicately crafted compromise—it would not result in better balancing the opportunities for the presentation of the applications from the various geographical areas that have been quite absent from receiving the main thrust of the allocations. However, in also arguing, I think the gentleman has extrapolated the wrong conclusions from incomplete reports on the functioning and viability of the UDAG. For instance, he was saying about 6 percent of private input. What we have, dollar amount of UDAG awards, and these are estimates that are from the inception of the program through February 6, 1986, the awards amounted to a dollar total of $4.054 billion. The private investment contribution is calculated at $24.209 billion. Other funding, State, Federal, and local, which the gentleman was attempting to argue, was disproportionately high.

The CHAIRMAN. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

(By unanimous consent, Mr. GONZALEZ was allowed to proceed for 5 additional minutes.)

Mr. GONZALEZ. Mr. Chairman, I asked for those 5 minutes because I think whether or not this is a difficult amendment, it is a very important one, and it brings the opportunity to discuss a very important program which, incidentally, I was very reluctant in the very beginning, in the subcommittee for the reasons that they are advancing now, for the reasons of proof of actual benefit. The other funding, as I was saying, State and local, is $2.37 billion; total number of projects is 2,678; commercial, 1,088; industrial, 905; neighborhood, 685.

A dollar breakdown on these projects: Commercial, $2.158 billion; industrial, $1.017 billion; neighborhoods, $870 million. Total number of cities is 1,122. So that, currently, there are 447 out of the 824 large cities and urban counties that are UDAG eligible. There are 11,222 of 18,475 small cities that meet the UDAG criteria. That is a tremendous improvement in the criteria and the enlargement of the ambit of area of activity for UDAG since 1981.

□ 1505

I think that even the present HUD administration, their own analysis shows that the distressed cities that are eligible for urban development action grants are experiencing much slower job growth than the Nation as a whole, and that their unemployment rate is dropping at a slower pace. Urban development action grant projects and funds are concentrated in sectors of the economy that yield the most productive results from a small amount of Federal funds.

The HUD reports that in 1984, the UDAG Program generated far more revenues in the form of increased taxes and reduced transfer payments than the cost of the program.

Mr. Chairman, I just wish to say that it would be a terrible, tragic thing to eliminate a program with a floor amendment where every single comprehensive hearing that we have had since 1981 has argued on behalf of the program. Every single organization, whether it is municipal or a mayors organization or a State or county organization, is urging us to preserve the program.

Mr. Chairman, I urge my colleagues to vote no on the Hiler amemdnent.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think this is a good place to save $280 million. I was one of those who voted against the program when it first got started, feeling as I did that it might be a boondoggle, and my fears in that regard have been well founded.

I think that if the earlier Bereuter amendment had passed, it would be a lot better program, as I said at that time, where 50 percent of the grants would go on the basis of merit. But 75 percent of the grants go on the basis of oldness of the buildings, of the oldness of the city, and of the distress of the city.

Mr. Chairman, I have to say that my interest today is more in housing legislation than it is for $280 million to go to Mr. John Hechinger to build a mall, who admits that he probably would build the mall anyhow without the UDAG.

I must tell you a few more examples of where a lot of this money has gone, and you tell me if this is in the public interest as far as housing is concerned.

South Haven, MI: A $3.3 million UDAG grant went to South Haven to help finance the construction of a marina, a boatyard, a restaurant, 16 condominiums, and 200 dockominiums.

Wilmington, DE: $9.3 million goes to assist in the building of a new office tower to house the Chase Manhattan Bank.

Stowe, VT: $600 million went to Stowe and $5.3 million to Newport to build more hotel facilities for these two noted upper class resort cities.

Scranton, PA: A nonprofit organization, Montage, Inc., benefits from $2.25 million in Federal UDAG funds to build a new ski resort.

Norristown, PA: Norristown uses the action grant to help the Armen Cadillac-Oldsmobile dealership expand.

Niagara Falls, NY: Lehr's Greenhouse Restaurant serves as the general partner in developing both a hotel and restaurant facility next to the Winterhaven complex and a 20-acre theme park and "water play" park. That is hardly a good use of UDAG funds.

General Motors has been a direct beneficiary of at least five UDAG grants, totaling $50.3 million.

Wang has received at least four UDAG's, totaling $10.1 million in Lowell, MA, Boston, Holyoke, and Haverhill.

Hilton and Hyatt Hotels have benefited on 12 and 6 different cccasions respectively from UDAG grants. They really need it.

UDAG has subsidized the rents for at least nine J.C. Penney's stores.

Huge developers, like Trammell-Crow and the Rouse Co., are among the large number of developers that have packaged and received multiple major UDAG's.

Baltimore, New York, and Chicago have received a total of 176 UDAG's, and 20 large cities have gobbled up 44 percent of all the UDAG funds which have been dispensed to date.

I say this is a good place to save $280 million, and I compliment the gentleman from Indiana for offering the amendment. It should be supported.

Mr. GREGG. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. GREGG. Mr. Chairman, I want to compliment the ranking member of the committee, and also the gentleman from Indiana, for bringing this amendment forward.

Mr. Chairman, I think the fact that the gentleman has outlined those specific instances of abuse of these dollars should point out to everyone in this Chamber and certainly the American people that the concept of spending this type of money at a time when we are supposed to be ordering our priorities here in the House and making reductions in those programs that we can no longer afford makes absolutely no sense.

This is clearly, if we are going to assert the Gramm-Rudman process at all and avoid sequester, a program that should be eliminated. It is clearly a program which is not a priority. It is an opportunity to save a significant amount of money.

Mr. Chairman, I cannot understand why anyone on the other side would want to defend this boondoggle for basically corporate America, as the gentleman has outlined it, by continuing to support this program.

Mr. WYLIE. Mr. Chairman, the gentleman has said it right and has said it very well.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I certainly oppose the gutting of the UDAG program, which is really one of the most successful programs and one of the small programs related to community development that we have in the country.

We are always talking about trying to stimulate reinvestment and growth and prosperity in our country, and we do talk about attempting to get the private sector to work in conjunction with Government for the betterment of the people in our communities.

The truth of it is this is a wonderful program. One of the reasons it is a great program is because it takes all segments, all the players, and says if each of you will make a commitment, whether it is the local government, the private sector and, yes a private business—we are not antibusiness in this Congress. We are probusiness. We want our businesses to expand so that they can create jobs. So if we get the private sector and the local government to do its share, then indeed the Federal Government will make a small contribution in the form most often of a loan. That is really what we are talking about.

I have heard this program called a boondoggle. It reminds me of other demeaning language that is used very often related to good programs. But you call it a boondoggle. Yet more than 2,550 projects have been funded to over 1,100 cities and smaller areas of this country in $3.8 billion in action grants. The program has generated $23 billion, $23 billion, about nine times more in private investment at an average rate of $6 for every dollar of public moneys pledged. And these projects have generated 503,000 new permanent jobs. They have created more than 415,000 construction jobs. They have retained more than 200,000 existing jobs.

Yes, I want to say for those areas of our country that are distressed, sometimes the way that you get the private sector interested in the area is to offer an incentive so that they can see that their investment is going to be worthwhile.

□ 1515

So this has been a very, very successful program. It has been cut every year, and I just hope that we not only retain the program, but I personally think that, for all the good that it does, it is too small an amount that we have in this money that, by the way, is

recycling money. It recycles itself because people in the private sector have to pay back the loan. So, regardless of all the kinds of demeaning language used, in my State of Ohio it has generated thousands and thousands of jobs and sustained hundreds and hundreds of jobs that otherwise would have been lost. This is true not only in my own State but many of the States throughout the country.

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield on that point?

Ms. OAKAR. I yield to the gentleman from Rhode Island.

(On request of Mr. ST GERMAIN and by unanimous consent, Ms. OAKAR was allowed to proceed for 2 additional minutes.)

Mr. ST GERMAIN. Since the gentlewoman brought up the fact of the other States, I thought this was an opportune time to ask her to yield, because this little State of Rhode Island has been assisted as well as a few communities in the State of Rhode Island that I represent. Our genial ranking minority member named Newport, RH, and the fact that there was a UDAG grant for Newport, RH, for a hotel. Indeed, it did. It was applied for by the Republican mayor and the Republican council of the city of Newport, supported by the Congressman who represents Newport, who is this chap right here.

The hotel we refer to is built on land that was totally deteriorated. There were commercial buildings that were unusable, unrehabilitatable. It is within view of public housing projects that we put up.

Do you know who work in hotels? Not millionaires. No, certainly not. Little people, working people. They are the maids, they are the janitors, they are the waiters, the waitresses. Those are the jobs that have been created.

Now, in Pawtucket, RH, another UDAG grant. We took over a racetrack. Thank goodness we got rid of that thing. We were not too proud of what was happening on that racetrack. So we put up businesses. We are employing people. We have a cabinetmaking shop in Pawtucket, RH, what used to be Narragansett racetrack. And who is it owned by? A fine black gentleman who is one of the finest cabinetmakers in the Northeast. He employs a great number of blacks and minorities other than blacks, and we have created jobs and we have got a tax revenue from that. That is what UDAG is all about.

Now, if there are any complaints about certain projects like the one in Vermont—I think Vermont is primarily a Republican area, and I would venture to say that that application was supported by the Republican delegation from Vermont. I do not criticize that one. It probably has generated a lot of jobs and a lot of tax income for Stowe, VT.

If there are complaints about any of these grants, remember that HUD has been under the jurisdiction of the Republican administration now for a number of years, and most of those projects that were cited and are being cited were approved by the present administration's people at heart, Under Secretary Pierce. I am not criticizing. I will bet you that in most instances there were probably very good reasons for approving these UDAG grants. UDAG is a program whose time is still here. The cost-benefit ratio is fantastic. The jobs are being created. The tax dollars that are being brought in are also inuring to the benefit of the cities and towns where these projects have been put in.

For that reason, I strongly oppose the amendment offered by the gentleman from Indiana, and I thank the gentlewoman for yielding.

Mr. GREEN. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from New York.

(On request of Mr. GREEN and by unanimous consent, Ms. OAKAR was allowed to proceed for 5 additional minutes.)

Mr. GREEN. I thank the gentlewoman for yielding, and I rise simply to correct a misimpression that may have been left by the previous debate.

There has been some suggestion here that somehow this program has been a bonanza for places like New York City. I have to assure you that that is not the case.

Just let me give you the numbers. We have two urban aid or municipal aid programs where there are specific measures of municipal need. They are the Community Development Block Grant Program and the General Revenue Sharing Program. Under each of those programs, New York City qualifies for approximately 6 percent of all the aid that is distributed.

In contrast, New York City has gotten only 2.1 percent of the money that has been distributed under the UDAG Program, less than it would get just on a measure of population. So for whatever the reasons, this program has not been a bonanza for New York City, and I would hope that Members would not cast their votes on this amendment on the assumption that New York City is getting an unfair amount on this program. If anything, it is getting unfairly little, not unfairly too much.

I thank the gentlewoman for permitting me to make that correction.

Mrs. JOHNSON. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentlewoman from Connecticut.

Mrs. JOHNSON. To follow on that very point, only last week I visited a potential UDAG site in a very small urban area that I represent back in the hills of Connecticut. UDAG represents just the kind of partnership that we need in America between Federal, State, and local interests to deal with the serious problems of structural adjustment that so many of our cities are faced with. This community used to be big in bearings. Now it is moderate in bearings. It used to be big in machine tools. Now it is small in machine tools. In fact, this site that we looked at used to have an enormous machine factory on it, and the problem now is that the building burned down and we still have an acre's worth of those very heavy cement floors that you need to support the old type of manufacturing building. The sheer cost of breaking up that floor and hauling it away makes it absolutely undevelopable by the private sector without some support from an outside source such as UDAG offers in cooperation with the local government.

So this is a very important program that brings jobs into difficult areas that helps us as a nation deal with the issue of structural readjustment that we like to talk about but I think we also like to act upon. This is money available to small communities, available to New York City, and I want to rise in opposition to the amendment and in support of the remarks of the gentlewoman from Ohio, in support of the UDAG program.

Ms. OAKAR. I thank my friend for her remarks.

Mr. Chairman, there is one other statistic I would like to give, and that is the fact that since the program, $600 million in new tax revenues have been created. So if you want to gut a program that fosters harmony among the public and the private sector, the local government and the Federal Government, you will, of course, support this amendment. But if you want to support a program that fosters that kind of harmony, you will vote against this amendment, and you will say that you want to be for programs that help create and sustain American jobs in this country. That is what the name of the game is.

Mr. HAYES. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to my friend, the gentleman from Illinois.

Mr. HAYES. I thank the gentlewoman for yielding.

Mr. Chairman, I want to rise and voice my opposition to this amendment. I first was not going to say anything, until I heard Chicago being included as one among the 20 cities which is gobbling up the money.

I do not know it we understand clearly the critical need for low- and middle-income housing in a city like Chicago. To destroy this kind of a program with this kind of an amendment means that we will continue to be in a

deteriorating state so far as housing is concerned.

We have a critical need for jobs there now. I represent a district that has, roughly, 18-percent unemployment. This is one of the means by which we can create some jobs, to build some housing which is critically needed. I just cannot understand why people who are Members of this House of Representatives cannot understand the value of human beings and their needs and begin to support programs that are going to help them, people who are looking for work, who want to work, who need a job, who need housing, a decent place to live. We still have people who are sleeping in cars, and that kind of thing. I think this is what society and government is all about. I know the city of Chicago needs every quarter and dime they can get.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I yield to my friend, the gentleman from Pennsylvania.

Mr. COUGHLIN. I thank the gentleman for yielding.

Mr. Chairman, in an age of questioning about the value of many Federal programs we would be shirking our responsibility were we not to look for the most bang for our buck. Programs riddled with abuse should be eliminated and current budgetary pressures force us to search for cost sharing ideas in others.

While many programs in the housing area are candidates for elimination, UDAG should not be one of them. The concept of the public/private partnership has served us well. But for the UDAG Program many blighted areas would never see the infusion of private capital.

In my own district I have witnessed the success of the program. Decaying areas have begun putting themselves back on the road to prosperity. Economies long abandoned by manufacturing are showing renewed vigor thanks to the establishment of new service industries. The municipal tax base is being restored. And jobs—in the five UDAG grants my district has received more than 1,100 new jobs have been created.

With slightly more than 3 million Federal dollars, close to $18 million in development has been completed. These numbers indicate a success, not a failure.

This administration has long advocated voluntarism and privatization of programs. The President has advocated public/private partnerships.

We have found a program that works. Let us not once again act in haste and take away the tools which serve us so well.

Mr. McKINNEY. Mr. Chairman, it is funny, once in a while in this place we put on the robes of the righteous to point out the sins and the moles of the pernicious to say, "Therefore, the body is no good because there is a mole on its left knee." We do not kill the child that steals candy bars at the grocery store. I am quite convinced that in the UDAG Program there have been some big candy bars stolen. But what are we doing with UDAG? Let us take a look at it.

I was fascinated with a city that has nothing to do with me, I happen to like its past Congressman and its past Senator, whose name is Mr. Tsongas, and I happened to help him. I went to Lowell, MA. Lowell, MA, now has the absolute national acclaim of being an industrial revolution park. What that means, Mr. Chairman, is it is old. And there it was, right next to Route 495, a major superhighway. Was there anybody there? No. Did the streetlights work? No. Were the stores all boarded over? Yes. Did Wang get help? You're darn right, because who wants a four-story quaking building, built 100-and-something-odd-years ago, to manufacture high-tech equipment.

There is a UDAG. What happens? All of a sudden there are a few people working there. All of a sudden there are some more people. Then maybe the city decides there is hope. In the case of Lowell, you have brick sidewalks go down, gaslights go up, store fronts are freed of their plywood, and the outflow of one UDAG grant is not the Wang grant, it is the fact that now, on a day like today, which is one of God's most beautiful, if you were to go to that part of the city, you would see hundreds and hundreds of office workers, factory workers, sitting out by the old canals that were built to supply power, eating lunch—all because there was a UDAG.

Why was the program started? There are a lot of us here when it was started. It was not started because Johnson & Johnson had to have a new headquarters and could not afford it; it was not started because Pillsbury had to have a new headquarters and could not afford it. It certainly was not started to build a Hyatt or Marriott or anything else. It was started so that a city could get a leg up, an area, a city, a town, to say, "There is hope here."

Would you, as a private investor, walk into downtown Bridgeport, CT, which I represent, 10 years ago and build a new building? No. You tore down what you had so it was not a liability. We have had 14 years of magnificent tearing down. So there is a UDAG hotel going up. Do I really care if there are some comfortable double beds in Bridgeport? No. But what has happened? In 1 year, the biggest bank there has agreed to build a 400,000-square-foot building right across the street from the new hotel, two new construction projects are now decided upon. So the UDAG is not what you are individually doing at the moment. It is an expression that things can move ahead, that things can get better.

I think one of the most beautiful cities in the world—it is not a city. I call it a big town.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. McKINNEY] has expired.

(By unanimous consent, Mr. McKINNEY was allowed to proceed for 2 additional minutes.)

Mr. McKINNEY. Annapolis, MD. I do not even know if there is a UDAG in Annapolis, but there is a State government in Annapolis that has faith in the city, and that is really all it takes, and that is all we are talking about. So let us get rid of our robes and our judgments that say, "Oh, this program is bad because it has a pimple on its left knee." Sure, there are a lot of them. I could take you to too many to count.

But what has it done to the town? What has it done to the people? In other words, if there is hope, it is because there is construction. If there is construction, finally, in a city or a town that has not had it for years and years and years like some of the areas that I could mention in Chicago, Philadelphia, et cetera, that UDAG project, that movement ahead is the first sign of hope, and that is the sign that will bring in the private dollars and it will bring in the private person that will restore the city so that it does not further deteriorate and we pay a bill for which there is no end.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take that 5 minutes; we have had a lot of discussion on this today. I think it is pretty clear that there are many Members of the House, including myself, who strongly oppose this amendment. The reason being that the Urban Development Action Grant Program has become a key, a keystone really in the urban development of city after city across this country as we look at the outstanding projects and the growth that has occurred, the job creation that has occurred in our communities.

Invariably, in many of those urban settings that have been fortunate, and I say fortunate to receive an Urban Development Action Grant, they have made the difference in terms of projects and job creation in those communities.

My community has received some, and others have also. I know that there are those that wish they had received more of the type of grant, but you are not going to remedy that particular issue by eliminating a program that works. Indeed, the Urban Devel-

opment Action Grant Program is a program that works.

I would not argue that the program is perfect; that the objective and subjective criteria that provide for the selection and award of these grants has always worked perfectly. I have major objection with regards to a specific project that caused some difficulty. I think that the misadministration of the program should not be the basis for defeat of it. By and large, it has worked and it has worked very well.

If we look at some of the information that has been provided, and some of it has been alluded to, through 1985, and I think you are hearing some different numbers from Members here because they are quoting various years. But through 1985, the total investment that has been spent on UDAG Programs has been about $3.8 billion; $3.9 billion.

The amount of private investment that has occurred on account of that spending is almost $23 billion through 1985. So, indeed, it has leveraged on a basis of 6-to-1 which is exactly the leverage that it is supposed to do. That means that naturally private investors are going to be putting some money into the program. That means some large developers. If there is anything wrong with being a large developer, most small developers are not going to be able to match some of this in the billions of dollars, in the type of investment that needs to occur in our communities.

It has created over a half-million permanent jobs. It has provided over 400,000 construction jobs and, of course, maintained hundreds of thousands of other jobs in these communities. That is the name of the game.

More importantly, as we look at the focus that has occurred, and there seems to be some criticism of that focus today, pointing out that some congressional districts have received no UDAG grants and others have received multiple grants. I do not believe that is necessarily a weakness of the program if, indeed, we are meeting the needs of individuals that need jobs.

Two-thirds of the UDAG dollars have gone to the top one-third of the neediest, eligible, distressed cities. The program has become even more targeted over the past year with more than 50 percent of the funds going to the top one-fifth of the Nation's neediest cities. More than 60 percent of the large-city UDAG funds have gone to commercial development activities, thus aiding distressed cities in adjusting to the loss of their manufacturing base.

A substantial percentage of the UDAG commercial projects in distressed cities involve sectors which have experienced high rates of employment growth relative to other areas of the economy. UDAG industrial projects tend to be in high-productivity sectors. For this reason and the others that have been stated by my colleagues, Mr. Chairman, I think we ought to reject this amendment.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman a question. Does the gentleman have a military base in his district in Minnesota?

Mr. VENTO. No, sir.

Mr. GONZALEZ. Well, if we follow the logical sequence of logic, that the author of this amendment has brought forth, and his explanation on the floor, then I would presume that you have voted against the defense appropriations?

Mr. VENTO. I voted against the defense appropriations on occasion, but not for that particular reason, Mr. Chairman.

Mr. GONZALEZ. But I mean more often than not, how has the gentleman voted in support of a strong defense?

Mr. VENTO. I have always voted in support of a strong defense, Mr. Chairman.

I thank the chairman for his point. I think it has been noted that, indeed, the selection criteria have been revised and addressed. We hope that they will be made, that selections for these grants will be made on an objective and a fair basis in the future.

I think to defeat the program on the basis of the really minor faults, as the gentleman from Pennsylvania [Mr. COUGHLIN] has pointed out, many of us had doubts about this program in 1977 when we wrote it. But the fact of the matter is in the past 10 years have demonstrated the overwhelming success of this program, and therefore, I think it is necessary to defeat the amendment of the gentleman from Indiana.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment, and I want to express my appreciation to Mr. HILER for offering the amendment.

I have listened to the debate with a considerable amount of interest. The previous speaker just made the point that if you review the history of the last 10 years, you can see that something has been done with UDAG funds and UDAG grants. I will not dispute that.

I would like to refocus a little on the debate as it has proceeded. We know something has been done. Millions of dollars have been spent. Several thousand projects have been undertaken. They have had their impact in the area, and we have seen now that there has been a bit of controversy about that.

Have they been good projects or bad projects? Have they been in the right areas or the wrong areas? The distinguished chairman of the committee even suggests that politics is a matter of consideration in making the decisions where they should go. That is exactly the kind of unnecessary controversy, doubt, uncertainty, and concern that we have to have when we fund the investment of capital resources in America through Government decisionmaking.

What we have seen for 10 years is the visible hand of the Government, and we do not know whether to trust it or not. We also believe that someplace along the process there have been other projects passed over. Other projects not undertaken. Taxpayers who have been getting the invisible foot of the Government in the process. We do not trust this kind of a process.

What I would suggest is every dollar ever spent on a UDAG grant was a dollar first borrowed by the Federal Government and therefore not able to be borrowed in the private sector.

The Federal Government and then through its processes made a decision to direct that capital investment into this area, this industry, this project, this community, as opposed to others for criteria reasons we do not understand and we will debate here on the floor.

What we have done by that borrowing is deny the accessibility of those revenues to the private sector where there would be no doubt that the merit of the project, the desirability of the location would be the governing factor in terms of the allocation of the scarce and precious resource.

□ 1540

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Indiana.

Mr. HILER. I think the gentleman makes an excellent point about where the resources are coming from. A very big point has been made by opponents of my amendment that the leverage ratio between private capital and public capital is such a good ratio, and yet if you look, an increasingly large percentage of the private capital that is leveraged against the public capital is in fact subsidized private capital, because that private capital is tax-exempt bonds. So they are getting it at both ends; we subsidize the front end, and we subsidize the rear end. So I think that not only are we taking the money—the Federal Government goes out and borrows the money to begin with, and then we turn around and through the tax-exempt status raise that project on a little plateau once again.

Mr. ARMEY. Mr. Chairman, I appreciate the point, and I was very interested in listening to the gentleman explain that point. What I thought as I listened to this was this: Did you hear the number of our most enterprising firms in American business that have been involved in UDAG grants? And do you see how enterprising and ingenious the American private sector can be in getting to that capital?

First they are crowded out from the private capital markets because of the Government borrowing. Then the Government sets up the programs, and then they find, What are the criteria that are necessary to get our project undertaken with Government funding? They meet that, and then they back it up with this kind of special backdoor additional funding.

What I am suggesting, Mr. Chairman, is we can see this kind of enterprising spirit in the private sector of America. Let us not just gut a program. I agree with the gentlewoman from Ohio, we should not come in here and just gut things. Let us look for a better, more creative alternative. We can have a better, more creative alternative, and we can have it today.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(On request of Mr. KANJORSKI, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. ARMEY. Mr. Chairman, if we can show that we are enterprising today, we can reject with this amendment a program that has been fraught with controversy, may or may not have been the best alternative, and then substitute with a later amendment enterprise zones that encourage that enterprising spirit that we have seen already today.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I understand that Texas does not have an unemployment problem.

Mr. ARMEY. Certainly, we do.

Mr. KANJORSKI. I have sat in the Congress now for 17 months, and I understand that we are now arguing over a program that involves $280 million, roughly. That is almost $2 million less than the price of one MX missile. I have listened to my friends on the other side, and I am happy to say today that not all my friends see this country's economic problems the way the gentleman does.

I have listened to my friends on the other side talk about why should we provide welfare, and I agree, we ought to have workfare. We have devised programs like UDAG's, incentives for private industry and Government and people to get together to put people to work, and to add that little incentive to those economic areas of the country that are not in the top 50 percentile but are in the low 50 percentile of the country.

Now the gentleman comes here today and argues to the national media to gut this program without a substitute. Does he have a substitute today to introduce in place that we can employ the same numbers of people and the millions and millions of dollars that would flow into these cities?

Mr. ARMEY. Mr. Chairman, if I may reclaim my time, yes, we have unemployment in Texas, and yes, I believe that permanent jobs with futures will be provided in the private sector; dead-end jobs will be temporarily provided by the Government.

Do we have an alternative? Yes, we do—enterprise zones.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has again expired.

(By unanimous consent, the gentleman from Texas [Mr. ARMEY] was allowed to proceed for 2 additional minutes.)

Mr. MAVROULES. Will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, let me take myself out of the view as a Congressman and put myself back into my old job as a former mayor of a community which I served for 11 years.

You have to take an overall and straightforward look as to what is going on here. No. 1, there is legislation to eliminate the IRB's and IDB's. We are going to eliminate revenue sharing. Now there is a move on with this amendment to eliminate UDAG grants.

When you talk about a UDAG grant, let me say this unequivocally to both my dear friends. You are not losing one nickel. You may think you are when you are trying to assist an industry or something to be developed. The public/private ratio in itself is a good deal. But when you start talking long term—I am talking long term—when we talk about economic recovery—and I agree with the gentleman on economic recovery, we will want it—that is going to be the basis of the future of this country.

You cannot imagine the great good the UDAG's are doing for many parts of the country if only they know how to take advantage of them. The law is there. They have got to learn to take advantage of those laws, develop their communities, and in the long run the country is going to be better off and they will not lose one nickel. I am talking long term. That is my personal view.

Mr. ARMEY. Mr. Chairman, I appreciate the gentleman's point of view. I would only say that I, of course, would never have run for mayor, because I would not have wanted that difficult a job. However, I would far rather see the community have the advantage of the enterprise zone where the creative people in the private sector can find the avenues to take advantage of, rather than to leave it to elected officials.

Mr. MAVROULES. If the gentleman will yield, I will vote for enterprise zones, because I think that they are necessary, but do not cut out the heart of the UDAG grant, because that in itself helps all the people.

Mr. ARMEY. I thank the gentleman.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, first of all, I think that I also am going to be one who does not confuse the two issues, and I agree about enterprise zones.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(On request of Ms. OAKAR, and by unanimous consent, Mr. ARMEY was allowed to proceed for 1 additional minute.)

Ms. OAKAR. Mr. Chairman, I just wanted to correct a misimpression. They are not the same program; obviously the gentleman knows that. But when he calls this "Government-sponsored jobs," I do not know that the gentleman realizes how this is constructed. I know he was not here when the program began, and I wanted to be a little instructive, if I could, because the fact of it is that private investment on the whole is six times more, and they create new revenues for our Treasury by these, beyond the jobs, the hundreds of thousands of jobs that have been created.

They are not temporary jobs. That is a myth. The jobs that we have in my city of Cleveland are permanent jobs. These kinds of programs have spiraled other programs, other jobs, from the private sector to see the optimism that exists. This program brings hope to areas, and not only areas of great distress, but areas across the country. It really serves as a catalyst for more jobs, but they are not just Government jobs and it is not just Government money.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has again expired.

(On request of Ms. OAKAR, and by unanimous consent, Mr. ARMEY was allowed to proceed for 30 additional seconds.)

Ms. OAKAR. The private sector has to show that they will invest substantially in the program before they are awarded this low-interest loan. Otherwise, they cannot get the UDAG

grant. So there is a tremendous commitment by the private sector before they are ever given the incentive to go on.

Let us not rival enterprise zones with this. This is not the same program. I personally support both, and I for one am one of the Democrats who thinks that we ought to have enterprise zones.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has again expired.

(By unanimous consent, Mr. ARMEY was allowed to proceed for 1 additional minute.)

Mr. ARMEY. Mr. Chairman, I do not mean to drag out the debate, but I guess that I do want to have the final word on my time to the gentlewoman from Ohio.

I do appreciate the point that she made. But I think that the point which she made was very clear. The private sector has to show, and the question is, to whom? To Government agencies, Government bureaus, and Government officials. They have to show that they meet the criteria first set by the public criteriamaker. This is where I am suggesting that what we do here is that we set political or public criteria instead of private criteria, and we misdirect and misallocate resources.

Again, my concern is, What opportunities have we lost? Because we first crowded out private investment and then brought the money back with this kind of a program that amounts in effect to a borrowing discount rate for the borrowing.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has again expired.

(On request of Mr. HILER, and by unanimous consent, Mr. ARMEY was allowed to proceed for 1 additional minute.)

Mr. HILER. Mr. Chairman, if the gentleman will yield, I think that two points need to be made. The gentleman has made some very good points already.

No. 1, we keep hearing about these 500,000 jobs that have been created. HUD went back and did a survey of the actual permanent jobs that were created compared to the number that were projected to be created in the application. Only about one-third of the jobs have actually been created up to this point. So when we use these very high numbers, they are somewhat misleading. That is what project sponsors say is going to happen, but in fact we have only had about one-third.

No. 2, does anybody really question whether Kellogg's would have still built a world headquarters? Does anyone really question whether GM for lack of $50 million would not have built whatever it is—GM, a $100 billion sales company?

□ 1550

I mean, what the question is, is UDAG creating development that would not have otherwise taken place? I think you have to question that.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield what remaining time I have.

Mr. KANJORSKI. I want to respond to that question. There is no doubt that Kellogg will build a national headquarters. There is no question that Chase Manhattan will build banks. The question is where.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment. I do not intend to take the 5 minutes. I am hoping that the debate now probably will come to an end. Everybody knows what the issue here is.

Very frankly, I think all the Members of the House on the floor and off the floor if they are going to vote on this have made their decisions as to the importance of the UDAG Program; but let us look to practicalities alike. As chairman of the full committee I have to deal with practicalities.

The practicalities, like this, are that a Member of the other distinguished body has made it very clear that he wants this section of this bill, if nothing else were in the bill, and if he does not get it there will be no further FHA or VA extender according to that gentleman and there will be no tax bill, because he is going to filibuster the tax bill until they get a housing bill. They are coming out with a housing bill in the other body. It will have this exact section in it.

So we have had a nice erudite discussion, but everybody knows how they are going to vote. I say let us get to the vote. Let us defeat this amendment so that we can go over with the other body in a conference on the housing bill and do something for the economy of the Nation and housing in this Nation, because all of this is an exercise in futility.

You know, Don Quixote said it, tilting at the windmill. Boy, we have seen that right here and now.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, before the tilting at the windmill ends on this amendment, my dear friend, the gentleman from Indiana, happened to have some relevant statistics. I hear that Detroit is a large recipient of UDAG grants.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. No, not yet.

Mr. HILER. Well, I can answer the gentleman's question.

Mr. CONYERS. Not yet. I just wanted to assure the gentleman that I hope his statistics are correct. The majority tells me that they could not get these statistics, so they say it is ball park and that they were not released nor found elsewhere. I am going to ask the gentleman for them after the debate, not during.

Now I hope the gentleman is right that we have got a lot of UDAG money, because we got it from the Reagan administration and through all of the administration programs. I presume we got it appropriately, complying with all the laws requirements.

Now, the reason I am proud of that is that the mayor of the sixth largest city in the United States, Coleman A. Young, has been trying to inspire private sector and public sector cooperation for most of the time he has been in office, which is over a dozen years.

If what the gentleman says is correct, and I hope it is, then we are very, very pleased, because we have the same problem that most downtowns have in the cities of America. They are falling apart and the only way we can bring any businesses in is with some kind of enterprising scheme like this in which we try to bring a cooperation between the city and the private sector; so we are very pleased to hear this.

I am delighted that the Federal Government cooperated with Mayor Coleman Young to the extent that he could bring in this huge amount of money that I heard the gentleman refer to.

Now, before I yield to the gentleman, let me just review the criteria that the public sector has to put up with the private sector to qualify for UDAG grants.

Criteria No. 1: It has got to be assured that the program will stimulate economic recovery by leveraging private investment.

Now, if each Member has not given a 1,000 speeches on the way that we ought to be doing that, then they haven't been around here too long.

Criteria No. 2: The number of permanent jobs to be created and their relation to the amount of the grant funds requested must be commensurate. Well, we have the highest unemployment rate outside of almost any city in America.

What I am saying to my friend is that we adhere to criteria determined by Congress, and funds appropriated reflect only that criteria.

Now, if anything, I would be asking for an increase in Federal UDAG funds so that we could get more money to other cities who probably need it just as bad as Detroit does.

So, I must rise with something more than reluctance to oppose the amendment on the floor and I hope that the gentleman will let me see those figures where we are getting so much money.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Minnesota.

Mr. VENTO. Well, Mr. Chairman, I just think that Detroit has some serious problems. I think they would much rather trade the problems and not have the grants; but since nobody, I do not think, is willing to take the problems, they would just as soon have some help in terms of solving them.

I think Mayor Coleman Young has done a good job and I commend the gentleman for his statement.

Mr. CONYERS. Mr. Chairman, I yield with pleasure to my friend, the gentleman fron Indiana.

Mr. HILER. Mr. Chairman, I thank the gentleman.

Is Michigan 13, is that Detroit? I do not know all the Michigan districts, but is Michigan 13 Detroit?

Mr. CONYERS. Do not worry about it. The districts have nothing to do with it. It is just the city.

Mr. HILER. Well, I thought the gentleman asked me a question early on if Detroit was getting all this money.

Mr. CONYERS. Well, the gentleman has the facts. I am asking the gentleman what the figures are.

Mr. HILER. Well, the figure I gave was that Michigan 13 had received more money than 141 other congressional districts. Now, if the gentleman tells me that is Detroit, then the gentleman's statement is correct.

Mr. CONYERS. Was the gentleman critical of that or was he proud of it, or what?

Mr. HILER. I was commenting on it. I was saying that the program no longer had a national emphasis, if it ever did have a national emphasis.

Mr. CONYERS. Has the gentleman ever visited these UDAG projects in Detroit?

Mr. HILER. No, I have not.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

I would just like to join in here when I hear this type of debate. We are talking about a program of $280 million that has created over 1 million jobs, 529,000 permanent, 102,000 housing units with 39,000 of them involved with low income housing.

I do not think there is one district in America that would accept the problems of some of the inner cities that individuals like I represent, there is no question.

I think there has to be some way that we in fact insure an opportunity for some economic development and growth. I think the litany of my area is well known. It has probably been hit harder than any other area in the Nation, with Ohio being No. 1 of the populous States in unemployment in my district since 1977, No. 1 for unemployment in the State.

UDAG grants taken away, revenue sharing money taken away, and we come down to the point there is absolutely no opportunity and no potential for growth or development of jobs. We continue to have the eroding population and the problems that go with them.

To chime in on the statement made earlier, I do not think that anybody would accept the problems of these districts in return for UDAG and these other moneys, so I think we have belabored this quite long here.

We have talked about $4 billion in UDAG money that has spurred private investment of over $24 billion, with almost $2½ billion from State and local governments and a number of projects, almost 2,700; so I think even though there are problems within every program, it is a program that should be continued and does not merit perhaps this type of controversial debate.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have heard a lot of talk and a lot of debate about jobs. I think that that is the bottom line of the issue here. How do you go about in this society creating jobs? In a sense what we have is a division of opinion here. We have an opinion coming mostly from that side; that Government is, in fact, the creater of jobs, that the way to build jobs in this country is to get Government involved, and the bigger and the better the Government the programs are the more jobs you will ultimately get.

You have our side of the argument that suggests that what you need to have is the kind of private sector activity that allows a growing economy and you create jobs within a growing economy.

So it is really the idea of Government and all the bureaucracy that goes with Government and so on and jobs and whether or not we ought to inspire the kinds of programs that get away from big Government as a solution.

I think it is important to take a look at this. I happen to come from the Northeast. We are of the places that have experienced unemployment problems; however, I have been fortunate in my district. Of all the districts in Pennsylvania, I have the lowest unemployment in my district.

I will tell you that if you go back and take a look at why we have low unemployment, it is not because we have participated a lot in Government programs. In fact, you will find that when we had a deteriorating main city in my district, it was getting the Government out of the problem that created the ability to have that city rebuilt and I think most of you will find, if you go back and check, that downtown Lancaster is one of the real success stories in the country in terms of rebuilding a downtown pattern, that what we did was we ended up with two big holes in the ground in downtown Lancaster of a result of Federal programs. We eventually told the Government to get lost, that we would do it ourselves and we encouraged a couple main businesses in the country and in the community to come downtown and build and again to build off that particular aspect of it.

Now, that it seems to me is the way that we have to be successful. At least the unemployment rate certainly shows that. At least the district has been somewhat successful in a State that has had its hard times in recent years.

I would submit from my own personal experience that maybe we ought to take a look at some of these Government programs and decide that Government is not the way to go, that Government does not necessarily have all the answers to all the problems, that Government bureaucrats are not necessarily the best determiners of how we get something done, that playing politics with these programs is not necessarily the best way to allocate resources.

In fact, we just had the chairman of the committee come out here a few minutes ago and explain that the reason why we should pass this is because there is politics to be played, that the other body has somebody that is going to hold it up and so therefore we have got to do this. We have got to keep this program because we are playing politics here. That is the problem with this program.

Mr. CHAIRMAN. Will the gentleman suspend. The Chair wants to state that a few moments ago there was a statement made about possible action by Members of the other body in the other body and that statement has been repeated now.

Such statements are not allowed under the House rules. The Chair appreciates the gentleman raising that point. The Chair was remiss in not mentioning that earlier.

Mr. WALKER. I thank the Chair, because at that point would have been the time to raise it. I thank the Chair for the correction; but nevertheless, we have the problem that this is a political program where we are playing politics on it now in the House and we are talking about allocating resources based upon bureaucratic and politic ends. It seems to me that that in itself calls this whole thing into question.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Yes; I will be glad to yield to the gentleman.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. WALKER].

Let us go back in history a little bit. One of the best pieces of legislation ever passed by the Nixon administra-

tion, coming from a Democrat, was the Revenue Sharing Plan. At that time we had a recession. We had to help out the States and the cities and the towns. They did a magnificent job.

But remember this, there was no payback on revenue sharing, no payback at all. The communities could do whatever they wanted with the money just about at will.

Then we had the IDB and IRB Programs. We decided as a Congress and signed by the President to put a cap on that and it is working, because we have been able to take part of that off.

The UDAG grant, when you talk about the public-private ratio of roughly 6 to 1, you are talking about an enormous amount of money in the private sector.

We should not look only at today. I think we ought to be looking 15 years down the road. You are not going to lose one nickel, not one nickel by the UDAG grant, because it is a payback many times over. That is my argument with the gentleman.

Mr. WALKER. Well, Mr. Chairman, I thank the gentleman. I happen to favor the revenue-sharing program. I think that was a useful program, too. I have been a supporter of the revenue-sharing program, supported it before the Government Operations Committee; but I will say to the gentleman that I am simply talking from my own experience.

I know of a community where we have the lowest unemployment rate in the entire State of Pennsylvania and we have done it by utilizing Government programs. We have done it by utilizing the private sector and utilizing community support. It seems to me that is the way to go.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. ST GERMAIN, and by unanimous consent, Mr. WALKER was allowed to proceed for 1 additional minute.)

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield.

Mr. ST GERMAIN. Mr. Chairman, I would ask the gentleman to help my memory a little bit. It seems to me the gentleman came to me a year or two ago, was it on the Community Development Block Grant to his district?

Mr. WALKER. Sure.

Mr. ST GERMAIN. Tell us about that. Was that Federal funds?

Mr. WALKER. Sure.

Mr. ST GERMAIN. Government assistance?

Mr. WALKER. Sure; we in fact participate, as all other communities do, in the Community Development Block Grant Program.

Mr. ST GERMAIN. Right, so that was Government funding to help a community out, right?

Mr. WALKER. Sure.

Mr. ST GERMAIN. So when it was for the benefit of the gentleman's district, he reluctantly lets it go.

□ 1605

Mr. WALKER. The gentleman will remember I was not coming for additional funds Mr. Chairman. I was coming because you had, through your processes, created an inequity in the program that was denying our area a chance to participate on the same basis as all other communities and you had created an inequity that I was trying to get resolved, so that seemed to me to be a good deal different.

But let me suggest to you, Mr. Chairman, that this still goes back to the fact that when we——

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. ST GERMAIN. Mr. Chairman, reserving the right to object, I would like to know if the gentleman would allow me to participate a little in this debate with him if we give him more time.

Mr. WALKER. I had yielded to the gentleman. I was just trying to answer his question.

Mr. ST GERMAIN. You yielded for half a second, and then you went off like gangbusters.

Mr. WALKER. No; I yielded to the gentleman.

All right. If the gentleman is going to object, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HILER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HILER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 93, noes 289, not voting 51, as follows:

[Roll No. 143]

AYES—93

Archer	Dorgan (ND)	Kolbe
Armey	Dornan (CA)	Lagomarsino
Bartlett	Dreier	Latta
Barton	Dyson	Leach (IA)
Bilirakis	Eckert (NY)	Leath (TX)
Boulter	Fawell	Loeffler
Brown (CO)	Fields	Lott
Burton (IN)	Frenzel	Lujan
Callahan	Gibbons	Lungren
Cheney	Gingrich	MacKay
Coats	Gradison	Marlenee
Combest	Gregg	Martin (IL)
Craig	Hall, Ralph	McCandless
Crane	Hiler	McCollum
Daniel	Hillis	McMillan
Dannemeyer	Hopkins	Miller (OH)
Darden	Hunter	Miller (WA)
Daub	Hyde	Monson
DeLay	Kasich	Moorhead
DeWine	Kemp	Myers
Dickinson	Kindness	Nielson
Oxley	Siljander	Swindall
Packard	Skeen	Tauke
Pashayan	Slaughter	Taylor
Penny	Smith (NE)	Thomas (CA)
Petri	Smith, Denny (OR)	Vucanovich
Quillen	Smith, Robert (NH)	Walker
Roberts	Stenholm	Weber
Rudd	Strang	Whittaker
Schaefer	Stump	Wolf
Sensenbrenner		Wylie
Shumway		

NOES—289

Ackerman	Fowler	McGrath
Akaka	Frank	McHugh
Alexander	Franklin	McKernan
Anderson	Frost	McKinney
Annunzio	Fuqua	Meyers
Anthony	Gallo	Mica
Applegate	Garcia	Michel
Aspin	Gaydos	Mikulski
Atkins	Gejdenson	Mineta
AuCoin	Gekas	Mitchell
Barnard	Gephardt	Moakley
Bateman	Gilman	Molinari
Bates	Glickman	Montgomery
Bedell	Gonzalez	Moody
Beilenson	Goodling	Moore
Bennett	Gordon	Morrison (CT)
Bentley	Gray (IL)	Morrison (WA)
Bereuter	Gray (PA)	Mrazek
Berman	Green	Murphy
Bevill	Guarini	Murtha
Biaggi	Gunderson	Natcher
Bliley	Hall (OH)	Neal
Boehlert	Hamilton	Nelson
Boggs	Hammerschmidt	Nichols
Boland	Hansen	Nowak
Boner (TN)	Hatcher	Oakar
Bonior (MI)	Hayes	Oberstar
Bonker	Hefner	Obey
Borski	Hendon	Olin
Bosco	Henry	Ortiz
Boxer	Hertel	Owens
Brooks	Horton	Panetta
Broomfield	Howard	Pease
Bruce	Hoyer	Pepper
Bryant	Hubbard	Perkins
Burton (CA)	Huckaby	Pickle
Byron	Hughes	Porter
Carper	Hutto	Price
Carr	Ireland	Pursell
Chappell	Jacobs	Rahall
Clay	Jeffords	Rangel
Clinger	Jenkins	Regula
Coelho	Johnson	Reid
Coleman (MO)	Jones (NC)	Richardson
Collins	Jones (OK)	Ridge
Conte	Jones (TN)	Rinaldo
Conyers	Kanjorski	Ritter
Coughlin	Kaptur	Robinson
Courter	Kastenmeier	Roe
Coyne	Kennelly	Roemer
Crockett	Kildee	Rogers
Daschle	Kleczka	Rose
de la Garza	Kolter	Rostenkowski
Derrick	Kostmayer	Roth
Dicks	LaFalce	Roukema
DioGuardi	Lantos	Rowland (CT)
Donnelly	Lehman (FL)	Rowland (GA)
Dowdy	Leland	Roybal
Downey	Lent	Russo
Duncan	Levin (MI)	Sabo
Durbin	Levine (CA)	Savage
Dwyer	Lewis (FL)	Saxton
Early	Lightfoot	Scheuer
Eckart (OH)	Lipinski	Schneider
Edgar	Livingston	Schroeder
Edwards (CA)	Lloyd	Schuette
Edwards (OK)	Long	Schulze
Emerson	Lowry (WA)	Schumer
English	Luken	Seiberling
Erdreich	Lundine	Sharp
Evans (IA)	Madigan	Shaw
Evans (IL)	Manton	Shuster
Fascell	Markey	Sikorski
Fazio	Martin (NY)	Sisisky
Feighan	Martinez	Skelton
Fish	Matsui	Slattery
Flippo	Mavroules	Smith (FL)
Florio	Mazzoli	Smith (IA)
Foglietta	McCain	Smith (NJ)
Foley	McCloskey	Smith, Robert (OR)
Ford (MI)	McDade	Snyder
Ford (TN)	McEwen	

Solarz	Tauzin	Weaver
Solomon	Thomas (GA)	Weiss
Spence	Torres	Wheat
St Germain	Torricelli	Whitehurst
Staggers	Towns	Whitley
Stallings	Traficant	Wirth
Stangeland	Traxler	Wise
Stark	Udall	Wolpe
Stokes	Valentine	Wortley
Stratton	Vander Jagt	Wyden
Studds	Vento	Yates
Sundquist	Visclosky	Yatron
Sweeney	Volkmer	Young (AK)
Swift	Watkins	Young (MO)
Synar	Waxman	

NOT VOTING—51

Andrews	Davis	Miller (CA)
Badham	Dellums	Mollohan
Barnes	Dingell	O'Brien
Boucher	Dixon	Parris
Breaux	Dymally	Ray
Brown (CA)	Fiedler	Rodino
Broyhill	Grotberg	Shelby
Bustamante	Hartnett	Snowe
Campbell	Hawkins	Spratt
Carney	Heftel	Tallon
Chandler	Holt	Walgren
Chapman	Kramer	Whitten
Chappie	Lehman (CA)	Williams
Cobey	Lewis (CA)	Wilson
Coble	Lowery (CA)	Wright
Coleman (TX)	Mack	Young (FL)
Cooper	McCurdy	Zschau

□ 1615

The clerk announced the following pair:

On this vote:

Mr. Badham for, with Mr. Davis against.

Messrs. BROOMFIELD, McEWEN, REID, and BERMAN changed their votes from "aye" to "no."

Messrs. McCANDLESS, SKEEN, TAUKE, and RALPH M. HALL changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1625

AMENDMENT OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KANJORSKI: Page 27, after line 9, insert the following:

"(6) In determining the score to be awarded each of the criteria under subparagraphs (A) through (D) of paragraph (1) for applications for grants for urban counties, the Secretary shall compare such applications only with other applications for grants for urban counties.".

Page 27, line 9, strike the quotation mark and final period.

Mr. KANJORSKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KANJORSKI. Mr. Chairman, the amendment I offer today perhaps goes along with the last debate insofar as it complements the UDAG program, and I would like to compliment my colleagues for that overwhelming support of the UDAG concept.

In knowing the UDAG concept exists in this country, we have to know that some times a formula is not always equitable; and for those purposes, I introduce this amendment.

The amendment would, for all intents and purposes, allow urban counties in the United States to compete equally with cities. It is right now a flaw in the formula insofar as when an urban county makes an application to HUD for UDAG funding, that urban county is denied the statistical benefit of the core city contained in that urban county; thereby making it virtually impossible to succeed to the second phase of funding.

In all of the last rounds of urban development grants, the urban counties that would have been affected by this program were only 20; but they were 20 of the most distressed urban counties in the United States and were denied eligibility for their application by virtue of the fact that their core cities were removed from the counties.

What we basically want to do is make sure that urban counties only compete with other urban counties. By comparing only apples to apples and oranges to oranges urban counties would be able to compete against all other applications for UDAG funds.

Very clearly, this would not be adverse or disadvantageous to any area in the country, nor would it cost any additional money. It is only an attempt to provide a level playing field so that all areas including urban counties can compete.

The major advantage would be that in industrial development opportunity areas, urban counties are the areas that have the land available for UDAG development as opposed to core cities. In some examples that we have recently run, we have determined that the cities had no place to put the manufacturing installations that were requested to put UDAG grants; but the urban county that would have employed the unemployed in the core city did have the area, but were denied the grants because the statistics of the core city were removed from the urban county calculations as they went in on the application, and therefore the applications were denied.

So that basically we are trying to address the problems of 20 counties in the United States in the last round; it affects very few but it gives them an equal playing field to be considered for eligibility purposes, to make the second round to be determined on merit, distress, and impaction.

I would recommend to my colleagues and particularly those colleagues who questioned the availability and the advisability of UDAG's to consider the merits of this amendment to create greater equity in the system.

I yield to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, I rise in support of this amendment. The majority accepts this amendment. It is an equitable one, and one that obtains justice for these urban counties, and we urge our colleagues to vote for this amendment.

Mr. McKINNEY. Mr. Chairman, I move to strike the last word.

As far as this member of the minority is concerned, I have no objection to the amendment at all. We do not have counties in Connecticut, so I really should not even be talking about it; but we accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KANJORSKI].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KLECZKA

Mr. KLECZKA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLECZKA: Page 14, after line 12, insert the following new sections (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 124. ACTIONS TO REDUCE LOSSES UNDER SINGLE FAMILY MORTGAGE INSURANCE PROGRAM.

Section 203 of the National Housing Act (as amended by section 122 of this Act) is further amended by adding at the end the following new subsections:

"(r) The Secretary shall take appropriate actions to reduce losses under the mortgage insurance program carried out under this section. Such actions shall include—

"(1) independent verification by the Secretary after loan approval of the ability of borrowers to pay, to be carried out by the least expensive method of verification—

"(A) with respect to not less than 10 percent of the mortgage applications submitted by each lender in both the direct endorsement and prior approval programs; and

"(B) with respect to not less than 20 percent of the mortgage applications involving properties located in units of general local government (as defined in section 102 of the Housing and Community Development Act of 1974) where the default rate on mortgages insured this section exceeds 120 percent of the national default rate on such mortgages during the most recent 12-month period for which data are available;

"(2) an annual review by the Secretary of the rate of early serious defaults and claims, in accordance with subsection (t);

"(3) independent verification by the Secretary of all credit reports indicating no prior credit history;

"(4) independent verification by the Secretary of all appraisals involving investor-owned property that is acquired by the investor less than 12 months prior to the date of the mortgage application;

"(5) requiring reviews of the credit standing of each person seeking to assume a mortgage insured under this section during the 24-month period following (A) the date on which the mortgage is endorsed for insurance; or (B) the date of a previous assumption of the mortgage.

"(s) In conducting field reviews of appraisals, the Secretary may not use the services of fee appraisers who are employed by the

Secretary to appraise single-family dwellings that are subject to mortgages insured under this title.

"(t)(1) To reduce losses in connection with mortgage insurance programs under this section, the Secretary shall review, not less than annually, the rate of early serious defaults and claims involving mortgagees approved under this section. On the basis of the review, the Secretary shall notify each mortgagee that, as determined by the Secretary, has an above normal rate of early serious defaults and claims during the preceding year. In the notification, the Secretary shall require each mortgagee to submit a report, by a date determined by the Secretary, that contains (A) an explanation for the above-normal rate of early serious defaults and claims; (B) a plan for corrective action, both with respect to mortgages in default and the general mortgage-processing system of mortgagee; and (C) the date by which the corrective action will be begun and completed. If the Secretary does not agree with the plan or schedule for implementation, a mutually agreeable plan and scheduled shall be determined.

"(2) Failure of a mortgagee to submit a report acceptable to the Secretary by the date determined by the Secretary or to commence or complete the plan for corrective action by the date agreed upon by the Secretary may be cause for suspension of the mortgagee from participation in programs under this Act.".

SEC. 125. PENALTIES FOR EQUITY SKIMMING.

(a) PUCHASE OF DWELLING SUBJECT TO LOAN IN DEFAULT.—Section 912 of the Housing and Urban Development Act of 1970 is amended—

(1) in paragraph (1), by inserting "(including condominiums and cooperatives)" after "dwellings";

(2) in paragraph (2), by inserting after "due" the following: ", regardless of whether the purchaser is obligated on the loan"; and

(3) in the matter following paragraph (3)—

(A) by striking "$5,000" and inserting "$250,000"; and

(B) by striking "three" and inserting "5".

(b) USE OF FUNDS DERIVED FROM PROPERTY SUBJECT TO LOAN IN DEFAULT.—Title II of the National Housing Act is amended by adding at the end the following new section:

"EQUITY SKIMMING PENALTY

"SEC. 254. Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a mortgage note that is insured, acquired, or held by the Secretary pursuant to section 203, 207, 213, 220, 221(d)(3), 221(d)(4), 223(f), 231, 232, 234, 236, 238(c), 241, 242, 244, 608, or 810, or title XI, or is made pursuant to section 202 of the Housing Act of 1959, willfully uses or authorizes the use of any part of the rents, assets, proceeds, income or other funds derived from property covered by such mortgage note during a period when the mortgage note is in default or the project is in a nonsurplus cash position as defined by the regulatory agreement covering such property, for any purpose other than to meet actual or necessary expenses that include expenses approved by the Secretary if such approval is required under the terms of the regulatory agreement, shall be fined not more than $250,000 or imprisoned not more than 5 years, or both.".

(c) CONFORMING AMENDMENTS.—Section 239 of the National Housing Act is amended—

(1) by striking "INSURED" in the section heading;

(2) by striking "(a)" after "SEC. 239."; and

(3) by striking subsection (b).

SEC. 126. AUTHORITY FOR SECRETARY TO IMPOSE CIVIL MONEY PENALTIES ON MORTGAGEES.

(a) IN GENERAL.—Title II of the National Housing Act (as amended by section 125 of this Act) is further amended by adding at the end the following new section:

"AUTHORITY FOR SECRETARY TO IMPOSE CIVIL MONEY PENALTIES ON MORTGAGEES

"SEC. 255. (a) IN GENERAL.—

"(1) Whenever a mortgagee approved under section 203 violates any of the requirements of this Act, as set forth in subsection (b), the Secretary may impose a civil money penalty on the mortgagee in accordance with the provisions of this section. This penalty shall be in addition to any available civil remedy or any other available civil or criminal penalty, and may be imposed whether or not the Secretary imposes other administrative sections.

"(2) The amount of the penalty may not exceed $1,000 for each violation, as determined by the Secretary, except that the maximum penalty for all violations by a particular mortgagee during any 1-year period shall not exceed $1,000,000. In the case of a continuing violation, as determined by the Secretary, each day shall constitute a separate violation.

"(b) VIOLATIONS FOR WHICH PENALTY MAY BE IMPOSED.—The Secretary may impose a civil money penalty under subsection (a) for any of the following violations by a mortgagee:

"(1) Unless expressly permitted by statute or regulation, transfer of a mortgage insured under section 203 to a mortgagee not approved by the Secretary.

"(2) Failure of a nonsupervised mortgagee, as defined by the Secretary—

"(A) to segregate all escrow funds received from a mortgagor for ground rents, taxes, assessments, and insurance premiums; or

"(B) to deposit such funds in a special account with a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration.

"(3) Use of escrow funds for any purpose other than the purpose for which such funds are received.

"(4) Submission to the Secretary of information that the mortgagee knew, or should have known, was false, in connection with any mortgage insured under section 203.

"(5) Hiring or retaining in employment an officer, director, principal, or employee with knowledge that, at the time of hire or while in employment (as appropriate), the person was under suspension or debarment by the Secretary.

"(6) Submission of a false certification to the Secretary.

"(7) Failure to comply with an agreement, certification, or condition of approval set forth—

"(A) on the application of a mortgagee for approval by the Secretary; or

"(B) on the notification by a mortgagee to the Secretary concerning establishment of a branch office.

"(8) Violation of any contract with the Secretary under section 203, any statute or implementing regulation that applies to the programs administered by the Secretary under section 203, or any other written instruction or communication that is issued under this Act and mailed, sent, or delivered to a mortgagee under section 203.

"(c) AGENCY PROCEDURES.—

"(1) The Secretary shall establish standards and procedures governing the imposition of civil money penalties under subsection (a). The standards and procedures—

"(A) shall provide for the imposition of a penalty only after the mortgagee has been given an opportunity for a hearing on the record by a hearing officer authorized by the Secretary to conduct hearings; and

"(B) may provide for—

"(i) use of an administrative entity to make the determination to impose a penalty, subject to a hearing if requested; and

"(ii) review of any determination or order, or interlocutory ruling, arising from a hearing.

"(2) In determining the amount of a penalty under subsection (a), the Secretary shall take into account the gravity of the offense, degree of culpability, any history of prior offenses, ability to pay, size of the business entity, effect upon ability to continue in business, and such other factors as the Secretary may determine in regulations to be appropriate.

"(3) The determination of the Secretary or order of the Secretary imposing a penalty under subsection (a) shall not be subject to review, except as provided in subsection (d).

"(d) JUDICIAL REVIEW OF AGENCY DETERMINATION.—After exhausing all administrative remedies established by the Secretary under subsection (c)(1), a mortgagee against whom the Secretary has imposed a civil money penalty under subsection (a) may obtain judicial review of the determination or order of the Secretary in the appropriate United States district court, as provided in chapter 7 of title 5, United States Code.

"(e) ACTION BY SECRETARY TO COLLECT PENALTY.—If any mortgagee fails to comply with the determination or order of the Secretary imposing a civil money penalty under subsection (a), after the determination or order is no longer subject to review as provided by subsections (c)(1) and (d), the Secretary may, acting through the General Counsel of the Department of Housing and Urban Development, bring an action in an appropriate United States district court to obtain a monetary judgment against the mortgagee and such other relief as may be available. The monetary judgment may, in the discretion of the court, include the attorneys fees and other expenses incurred by the Secretary in connection with the action. In an action under this subsection, the validity and appropriateness of the determination or order of the Secretary imposing the penalty shall not be subject to review.

"(f) SETTLEMENT BY SECRETARY.—The Secretary may compromise, modify, or remit any civil money penalty that may be, or has been, imposed under this section.

"(g) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to carry out this section.

"(h) DEPOSIT OF PENALTIES IN INSURANCE FUNDS.—All civil money penalties collected under this section shall be deposited in the appropriate insurance fund or funds established in this Act, and shall be available for use to the extent approved in appropriation Acts.".

"(b) APPLICABILITY.—The amendment made by subsection (a) of this section shall apply only with respect to—

(1) violations that occur on or after the effective date of the regulations issued to carry out such amendment; or

(2) in the case of a continuing violation (as determined by the Secretary of Housing and Urban Development), any portion of the violation that occurs on or after such effective date.

Mr. KLECZKA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KLECZKA. Mr. Chairman, before I proceed, I did not notice the gentleman from New York, a member of the committee, on his feet. So at this time I think it is proper to yield to the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. I have no objection, Mr. Chairman.

Mr. KLECZKA. Mr. Chairman, it has been 3 years since this House seriously debated a housing bill, and basically the programs we are talking about today is a first step for probably millions of Americans to buy their first home.

However, a problem with the program is that there is a growing number of unscrupulous speculators which now find the FHA programs as a ticket to big bucks.

Mr. Chairman, this amendment would strengthen Federal Housing Administration antifraud procedures in eight areas.

First, it would require independent verification by HUD of a potential homebuyer's ability to pay in 10 percent of all loan originations.

In localities in which the default rate is 120 percent or more than the national average, 20 percent of all loan originations would have to be verified.

Independent verification of a random sample of data submitted by lenders could prevent a recurrence of problems encountered in the Milwaukee and the Camden, NJ, FHA scandals.

Such a requirement will be especially useful in limiting losses in the FHA direct endorsement program. In this program, the lender commits HUD to insure a mortgage loan without prior HUD review or approval.

While HUD verifies independently 10 percent of all property appraisals in this program, it does not verify lender data concerning a borrower's ability to pay.

Failure to check on a borrower's repayment ability can be costly to the FHA, especially when fraud is involved. But HUD's existing system of fraud detection in this area is inadequate. As the General Accounting Office noted of the current system in its recommendation that a sampling of lender data be instituted:

The system lacks a tie between default monitoring and the data obtained for the insurance commitment. Without such a tie, HUD cannot adequately identify which risk factors have caused mortgage defaults and failures and whether the insurance commitment process should be changed or modified.

While HUD contends that the cost of such a random sampling is too high, GAO points out, quite correctly, that had verification of lender data prevented only nine bad loans from being written off in fiscal 1984, every dollar spent on verfication would have been recovered through reduced foreclosure losses.

Second, the amendment requires a yearly review of the rate of early serious defaults and claims involving mortgagees. A corrective plan of action would be required for mortgagees with an above average rate of early serious defaults and claims. If such plan is not forthcoming, or if the mortgagee fails to carry out corrective actions, HUD could suspend the mortgagee from FHA participation.

Such a mortgage default tracking system will help HUD pinpoint patterns or FHA abuse. If a particular mortgagee abuses FHA, that mortgagee should not be allowed to do business with the Government. This amendment would enable HUD to monitor defaults and claims not simply by geographic area but mortgagee by mortgagee.

Third, HUD would be required to verify independently all credit reports which indicate no prior credit history. The GAO notes that "A no credit history should act as an early warning sign of the potential for fraud." Typically, home purchasers have some credit history. While having no credit history at all should not disqualify a potential home purchaser, it should be treated as something out of the ordinary. A GAO review of 29 insured loan files in the Camden, NJ investigation found 25 with no credit history. An independent check of applications which reflect no prior credit history would limit FHA fund losses.

Fourth, HUD would be required to verify appraisals of investor-owned property acquired by the investor less than 12 months prior to the date of mortgage application.

Faulty appraisals can be the FHA achilles heel when investor/speculators are involved. In Milwaukee, the FHA merry-go-round worked like this:

Between June 1982 and June 1984, the HUD Milwaukee field office sold 569 properties acquired through foreclosure, 60 percent of which were sold to investors. Of the investor-acquired properties, six investors, who were also real estate brokers, bought 148 properties. These properties accounted for about one quarter of total properties sold and 43 percent of investor properties.

Here is where the merry-go-round ride becomes interesting. Within an average of 5 months, 68 percent of the investor properties were flipped to owner-occupants. Three-quarters of the purchasers received a new round of FHA insurance, usually for an amount much higher than the investor had secured a few months before on the same property. Poor HUD appraisal practices helped the six Milwaukee investors to earn a profit, minus modest amounts put in for repairs, of $19,500 a unit. Reaping such a profit would have been difficult without sharply varying appraisals on the same property within a very short period.

There are good reasons why investor properties rate a second look in the appraisal process. In 1985, investors accounted for 12 percent of all FHA loan originations but represented an astounding 30 percent of all defaults and claims. These startling numbers should be a warning signal. Independent verification of investor property appraisals is clearly in order.

Fifth, the amendment would require creditworthiness reviews of all those seeking to assume an FHA-insured mortgage within 24 months of endorsement, or of a previous assumption.

This simple, straightforward law change is overdue. Under current law, just about anyone can assume an FHA loan. The HUD single family task force report pointed out that the assumption feature is often used by investors to sell FHA-insured properties to noncreditworthy individuals, particularly in soft markets, who subsequently default. Far too often, FHA is left holding the bag. According to HUD, required credit checks on mortgage assumptions for the 2-year period after origination or assumption will limit FHA fund losses while preserving FHA loan assumability.

Sixth, the amendment would revise review procedures of FHA appraisals to ensure that the fox does not guard the chicken coop.

As I mentioned earlier, HUD now requires field offices to review 10 percent of all FHA appraisals. In many instances, however, these reviews, which could serve as an early warning system for fraud, are not conducted by HUD employees. Instead, the very people facing assessment conduct the reviews.

The HUD inspector general's audit report on the Milwaukee single-family program took note of the obvious conflict of interest. The inspector general observed:

Most of the field reviews were performed by fee appraisers on a peer-review basis. In other words, fee appraisers review each others work. The chief of valuation pointed out that some of the appraisers may be reluctant to be too critical curing field reviews because the appraisers they are evaluating may be evacuating them next. The chief stated he did not recall even changing a rating given on a field review.

This amendment would prohibit HUD from using fee-appraisers employed to appraise single-family dwellings from conducting field reviews of appraisals. HUD could employ fee-paid appraisers to work solely as field reviewers, an option recommended by the inspector general.

Seventh, equity skimming, a practice on the upswing among FHA scam artists, would be the subject of new penalties.

Equity skimmers target both the Government and homeowners in financial difficulty. Here is how the process plays itself out: A homeowner in financial distress and unable to sell a property allows a buyer to assume payments on the property. That buyer rents the property to a tenant but does not make the mortgage payments. The property then goes into foreclosure and HUD pays the insurance claim—a common occurrence in soft housing markets. Earlier this year, HUD and the Veterans' Administration identified as equity skimmers 30 individuals or firms in the Houston area alone. There are now 44 separate equity skimming investigations underway in 30 localities involving more than 500 loans. This amendment would allow for a fine of up to $250,000, a jail term of up to 5 years, or both, for individuals engaged in this ripoff.

Finally, the amendment would allow HUD to impose civil money penalties on HUD-approved mortgagees which violate certain program requirements. Such penalties would be in addition to other available civil remedies or civil and criminal penalties and could be levied whether or not other administrative sanctions are imposed. Penalties of up to $1,000 per violation would be allowed if: First, a HUD-approved mortgagee transfers a HUD-insured mortgage to a mortgagee that is not approved by HUD; second, a mortgagee fails to segregate all escrow funds received from a mortgagor; third, a mortgagee uses escrow funds for purposes other than that for which they were received; fourth, a mortgagee knew, or should have known, that information submitted to HUD was false; fifth, a mortgagee hires a person suspended or debarred by HUD; sixth, a mortgagee submits a false certification; seventh, a mortgagee fails to comply with an agreement, certification or condition of approval set forth on the application to HUD by the mortgagee; and eighth, HUD determines that there has been a violation of any contract, statute, implementing regulation, or written instruction. Assessment of penalties would be subject to judicial review.

Adding this weapon to the HUD antifraud and abuse arsenal would help expedite successful execution of settlement agreements. The ability to levey civil money penalties would strengthen the Department's existing sanction process. This section of the amendment generally follows the sample statute on civil money penalties recommended by the administrative conference of the United States.

Mr. McKINNEY. Will the gentleman yield?

Mr. KLECZKA. I yield to the gentleman.

Mr. McKINNEY. Mr. Chairman, I would like to congratulate the gentleman on this amendment. We have hearings, particularly on equity skimming and other aspects that are covered by this amendment. I think it is a very good amendment; it strengthens the program and it was designed to help all Americans; and every bit of fraud and abuse we can stop in this program I think is an aid to every American that is trying to get a roof to have over their head.

I highly congratulate the gentleman from Wisconsin [Mr. KLECZKA], and I fully approve of this amendment.

Mr. KLECZKA. I thank the gentleman for his remarks, and also for the fine work he has done on the substitute bill that we are debating today.

Mr. GONZALEZ. Will the gentleman yield?

Mr. KLECZKA. I yield to the chairman of the subcommittee.

□ 1635

Mr. GONZALEZ. I also wish to announce that the majority accepts this amendment. It is a fine amendment. Mr. Chairman, I compliment the gentleman for the work he did in digging out the scandals in HUD in his district. This is legislation that follows a lot of effort on the part of this member of our subcommittee. I congratulate him. We accept the amendment.

Mr. KLECZKA. Mr. Chairman, let me thank the chairman for his comments and also for his alertness in not only the bill itself but also some of the abuses in the program. Shortly after arriving in the Congress, I presented the chairman with some of the abuses which were occurring in Milwaukee. Chairman GONZALEZ immediately took the subcommittee to Milwaukee. We had extensive hearings. Basically this amendment is a spinoff of the types of hearings that we have had, not only in Milwaukee but in Camden, NJ, San Antonio, the District here, and many other major urban areas across the country.

Basically the amendment does not provide any new program, does not provide any new funding, but it does provide some tools for HUD in which hopefully some of the losses of the FHA program will be reduced. Let me at this time acknowledge my good friend from Illinois, Mr. RUSSO, who brought to me a very serious problem which is addressed in the amendment, that is the entire question of assuming FHA loans and whether or not a credit report is done. Under the current practice on an assumption there is no credit check whatsoever. Through his office and through his hard work, this amendment does put a stop to that.

Mr. Chairman, I halt my comments at this point and yield to Mr. RUSSO, who will address that particular point of the amendment.

Mr. RUSSO. I thank the gentleman for yielding.

Mr. Chairman, I rise today to speak in favor of the amendment introduced by my dear friend from Wisconsin. I think it is important we do a little house cleaning before we reauthorize the FHA mortgage insurance program. As the gentleman has indicated, in my district I found some very appalling things happening in the FHA assumption program.

I have seen a lot of problems arise in Chicago as a result of some low-income housing programs, as I am sure a good number of my colleagues have experienced in their own districts. In Chicago, we have seen investors acquire homes with FHA backing and then resell them to noncreditworthy individuals to make a quick and easy profit.

Let me just read to you an advertisement that was issued in my district. The headline is:

Assumptions: Do You Have Bad Credit? Have you had a foreclosure? Do you have unstable employment? Have you filed straight bankruptcy or chapter 13? If any of the above are true for you, it is OK. There is no need for credit or employment verifications when purchasing on an assumption basis.

You can assume someone's mortgage in cash and take over their payments. That is the kind of thing we are getting out of FHA. So, if you have bad credit, if you have a foreclosure, if you have unstable employment, if you file for bankruptcy, that is a great deal; FHA will come by and bail you out and give you a mortgage. Now, is that the kind of program we want in America today? I think it is ruining middle-class America. It is ruining our neighborhoods, and we finally have to have reform in FHA.

These investors frequently utilize advertising campaigns offering individuals with bad credit ratings, unstable employment histories, or who have had a foreclosure or who have filed for bankruptcy, the opportunity to assume home mortgages. Clearly, such individuals stand a much higher risk of defaulting on their mortgage payments. By assuming mortgages, they face much less rigorous scrutiny than individuals who apply for FHA mortgages directly.

The investors involved in these practices care little for what becomes of once-flourishing neighborhoods when large numbers of new homeowners can't make their mortgage payments. All too often, these neighborhoods have become ghost towns, blighted with boarded-up houses, as the result of foreclosures.

Several months ago, I asked the Department of Housing and Urban Development to investigate the impact of such practices. In response to the concerns expressed by Members of Congress and other concerned parties, HUD set up an FHA task force to look at the charges of fraud within the FHA system. This task force recommended several changes in current FHA practices which I believe will go far toward remedying these problems of abuse, and which form the basis for Mr. KLECZKA's amendment. These changes are intended to ensure that individuals who assume mortgages are creditworthy, and are reasonably capable of supporting the burden of home ownership costs. They include such provisions as requiring a credit check for individuals who seek to assume FHA-insured mortgages within 2 years of endorsement or of a previous assumption, and independent verification by HUD of all credit reports in which borrowers appeared to have no credit history. In addition, this amendment provides for a yearly review of the rate of defaults and claims involving particular mortgagees, in an effort to track down mortgagees who systematically abuse the FHA program.

These provisions are not unreasonable; they're just common sense, and sound business practice. What's more, we have an obligation to our constituents to institute these reforms. All Americans share the dream of owning

their own home. FHA mortgage programs have provided individuals of modest means with the opportunity to own their own homes. However, FHA programs have often had unforeseen and undesirable side effects. These unforeseen results have threatened, and sometimes destroyed, once-thriving neighborhoods and, with those neighborhoods, the dreams and savings of countless middle-class homeowners. I ask my colleagues to protect this vital segment of the American dream, by voting in support of this amendment.

Mr. Chairman, I compliment the gentleman from Wisconsin, and the gentleman from Texas for finally doing something about the improprieties in FHA.

Mr. KLECZKA. Mr. Chairman, basically the amendment would put a stop to that type of abuse which might not be a problem today but surely will grow, especially after these types of ads are published more in the newspapers.

Again let me thank both the chairman and the minority member and hope the abuses that we have seen in the past will be curtailed under this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KLECZKA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WORTLEY

Mr. WORTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WORTLEY: Page 14, after line 12, insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 124. HOME EQUITY CONVERSION MORTGAGE INSURANCE DEMONSTRATION.

Title II of the National Housing Act is amended by adding at the end the following new section:

"DEMONSTRATION PROGRAM OF INSURANCE OF HOME EQUITY CONVERSION MORTGAGES FOR ELDERLY HOMEOWNERS

"SEC. 254. (a)— PURPOSE.—The purpose of this section is to authorize the Secretary to carry out a demonstration program of mortgage insurance designed—

"(1) to meet the special needs of elderly homeowners by reducing the effect of the economic hardship caused by the increasing costs of meeting health, housing and subsistence needs at a time of reduced income, through the insurance of home equity conversion mortgages to permit the conversion of a portion of accumulated home equity into liquid assets;

"(2) to encourage and increase the involvement of mortgagees and participants in the secondary mortgage market in the making and servicing of home equity conversion mortgages for ederly homeowners; and

"(3) to require the evaluation of data to determine—

"(A) the extent of the need and demand among elderly homeowners for insured and uninsured home equity conversion mortgages;

"(B) the types of home equity conversion mortgages that best serve the needs and interests of elderly homeowners, the Federal Government, and lenders; and

"(C) the appropriate scope and nature of participation by the Secretary in connection with home equity conversion mortgages for elderly homeowners.

"(b) DEFINITIONS.—For purposes of this section:

"(1) The terms 'elderly homeowner' and 'homeowner' mean any homeowner who is, or whose spouse is, at least 65 years of age or such higher age as the Secretary may prescribe.

"(2) The term 'first mortgage', 'mortgage', 'mortgagee', 'mortgagor', and 'State' have the meanings given such terms in section 201.

"(3) The term 'home equity conversion mortgage' means a loan secured by a first lien on a property upon which there is located a dwelling designed principally for a 1-family residence that—

"(A) provides for monthly payments to the homeowner based upon accumulated equity;

"(B) may provide for a fixed or variable term or for future sharing, between the lender and the homeowner, of the equity or appreciation in the value of the dwelling;

"(C) provides that the loan shall become due on a specified date after disbursement of the full principal amount, or when a specified event (such as the sale of the dwelling or the death of the homeowner) occurs;

"(D) provides that the monthly payments required in the mortgage instrument shall be made directly by the lender to the homeowner;

"(E) provides that prepayment in whole or in part may be made without penalty at any time during the term of the loan; and

"(F) provides that the interest rate shall be fixed, as agreed upon by the mortgagor and the mortgagee at the origination of the mortgage.

"(c) INSURANCE AUTHORITY.—The Secretary may, upon application by a mortgagee, insure any home equity conversion mortgage eligible for insurance under this section and, upon such terms and conditions as the Secretary may prescribe, make commitments for the insurance of such mortgages prior to the date of their execution or disbursement to the extent that the Secretary determines such mortgages—

"(1) have promise for improving the financial situation or otherwise meeting the special needs of elderly homeowners;

"(2) will include appropriate safeguards for mortgagors to offset the special risks of such mortgages;

"(3) have a potential for acceptance in the private mortgage market; and

"(4) have a potential for purchase by a secondary market institution.

"(d) ELIGIBILITY REQUIREMENTS.—To be eligible for insurance under this section, a mortgage shall—

"(1) have been made to, and be held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

"(2) have been executed by a mortgagor who—

"(A) qualifies as an elderly homeowner;

"(B) has received adequate counseling by a third party (other than the lender) as provided in subsection (g); and

"(C) meets any additional requirements prescribed by the Secretary;

"(3) be secured by a dwelling that is designed principally for a 1-family residence and is occupied by the mortgagor;

"(4) involve a principal obligation (including such initial service charges, appraisal, inspections, and other fees as the Secretary shall approve, and all interest to be deferred and added to the principal) that does not, on the date the mortgage is accepted for insurance, exceed whichever of the following is less:

"(A) 125 percent of the maximum dollar amount established by the Secretary under section 203(b)(2) for a 1-family residence; or

"(B) 90 percent of the appraised value of the property;

"(5) provide for a fixed interest rate, as agreed upon the mortgagor and the mortgagee;

"(6) contain provisions for full satisfaction of the obligation satisfactory to the Secretary;

"(7) provide that, in the event of any foreclosure on the mortgage, the homeowner shall not be liable for any difference between the net amount of the remaining indebtedness of the homeowner under the mortgage and the amount recovered by the mortgagee from—

"(A) the foreclosure sale; or

"(B) the insurance benefits paid pursuant to subsection (e); and

"(8) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserve, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may prescribe.

"(e) APPLICABILITY OF SECTION 204.—

"(1) Each mortgagee of a mortgage insured under this section shall be eligible to receive the benefits of insurance as provided in section 204(a) with respect to such mortgage, except that in the case of a mortgage providing for shared appreciation—

"(A) the insurance benefits shall not include the share of the mortgagee of the net appreciated value; and

"(B) the term 'original principal obligation of the mortgage' as used in section 204 shall not include the share of the mortgagee of the net appreciated value.

"(2) The provisions of subsections (b) through (k) of section 204 shall be applicable to mortgages insured under this section, except that—

"(A) all references in such subsections to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund; and

"(B) all references in such subsections to section 203 shall be construed to refer to this section.

"(f) DISCLOSURES BY MORTGAGEE.—The secretary shall require each mortgagee of a mortgage insured under this section to make available to the homeowner—

"(1) at the time of the loan application, a written list of the names and addresses of third-party counselors who are approved by the Secretary as responsible and able to provide the counseling required in subsection (g); and

"(2) on an annual basis (but not later than January 31 of each year), a statement summarizing the total principal amount paid made to the homeowner under the loan secured by the mortgage, the total amount of deferred interest added to the principal, and the outstanding loan balance at the end of the preceding year.

"(g) COUNSELING SERVICES FOR MORTGAGORS.—The Secretary shall require the third-party counseling required in subsection (d)(2)(B)—

"(1) to be provided by counselors (other than the lender) who are approved by the Secretary as responsible and able to provide counseling to elderly homeowners; and

"(2) to include—

"(A) informing the elderly homeowners of options other than a home equity conversion mortgage that are available to the homeowner, including other housing, social service, health, and financial options;

"(B) informing the elderly homeowner of other home equity conversion options that are or may become available to the homeowner, such as sale-leaseback financing, deferred payment loans, and property tax deferral;

"(C) informing the elderly homeowner of all financial implications of entering into a home equity conversion mortgage, including any tax consequences, any effect on the eligibility of the homeowner for assistance under Federal and State programs, and any effect on the amount of such assistance;

"(C) informing the elderly homeowner of all the effects that entering into a home equity conversion mortgage will have on the estate and heirs of the homeowner;

"(E) providing any other information that the Secretary may require; and

"(F) providing the elderly homeowner with a written summary, acknowledged in writing by the mortgagor, of all of the information required in subparagraphs (A) through (E).

"(h) LIMITATION ON INSURANCE AUTHORITY.—No mortgage may be insured under this section after September 30, 1988, except pursuant to a commitment to insure issued on or before such date. The total number of mortgages insured under this section may not exceed 1,000.

"(i) ADMINISTRATIVE AUTHORITY.—The Secretary may—

"(1) enter into such contracts and agreements with Federal, State, and local agencies, public and private entities, and such other persons as the Secretary determines to be necessary or desirable to carry out the purposes of this section; and

"(2) make such investigations and studies of data, and publish and distribute such reports, as the Secretary determines to be appropriate.

"(j) PREEMPTION OF STATE LAW.—Mortgages insured and authorized under this section, and applicable regulations that contain or set forth provisions pertaining to sharing appreciation, increases in the outstanding balance after execution of the mortgage (including adding deferred interest to principal), disbursement of mortgage proceeds over an extended term, or setting of a due date in relation to the earliest of a specified event, shall not be subject to any constitution, statute, court decree, common law, rule, or public policy of a State that—

"(1) limits or prohibits sharing appreciation, increases in the outstanding balance after execution of the mortgage, or disbursement of mortgage proceeds over an extended time; or

"(2) requires that the term of the mortgage be fixed.

"(k) PROTECTION OF HOMEOWNER IN EVENT OF DEFAULT BY LENDER.—

"(1) Notwithstanding any other provision of law, and in order to further the purposes of the demonstration program authorized in this section, the Secretary shall take any action necessary—

"(A) to provide any mortgagor under this section with funds to which the mortgagor is entitled under the insured mortgage or ancillary contracts but that the mortgagor has not received because of the default of the party responsible for payment; and

"(B) to obtain repayment of disbursements provided under subparagraph (A) from any source.

"(2) Actions under paragraph (1) may include—

"(A) disbursing funds to the mortgagor from the General Insurance Fund;

"(B) accepting an assignment of the insured mortgage notwithstanding that the mortgagor is not in default under its terms, and calculating the amount and making the payment of the insurance claim on such assigned mortgage;

"(C) requiring a subordinate mortgage from the mortgagor at any time in order to secure repayments of any funds advanced or to be advanced to the mortgagor;

"(D) requiring a subrogation to the Secretary of the rights of any parties to the transaction against any defaulting parties;

"(E) imposing premium charges; and

"(F) preempting any State or local law that may prohibit or limit any of the actions described in subparagraphs (A) through (E).

"(l) SAFEGUARD TO PREVENT DISPLACEMENT OF HOMEOWNER AT END OF MORTGAGE TERM.—The Secretary may not insure a home equity conversion mortgage under this section unless such mortgage provides that, if the homeowner chooses to remain in the dwelling beyond the term of the mortgage, title to the dwelling shall be conveyed to the Secretary. At the option of the former homeowner, the Secretary shall allow the dwelling to be exclusively occupied by the former homeowner until the former homeowner voluntary chooses to move. The Secretary may require the former homeowner to pay rent to the Secretary in an amount computed in accordance with section 3(a) of the United States Housing Act of 1937. For purposes of this subsection, the term 'homeowner' includes the spouse of a homeowner.

"(m) REPORT TO CONGRESS.—The Secretary shall evaluate the program authorized in this section and, not later than April 1, 1980, submit to the Congress a report setting forth the results of such evaluation. Such report shall—

"(1) describe the types of mortgages appropriate for inclusion in such program;

"(2) describe any restrictions in State or local law that require preemption under subsection (j) or (k) in order to continue such program;

"(3) describe any changes in the insurance programs under this title, or in other Federal regulatory provisions, determined to be appropriate;

"(4) describe any risk created by such program to mortgagors or the insurance programs under this title, and whether the risk is adequately covered by the premiums under the insurance programs;

"(5) evaluate whether such program has improved the financial situation or otherwise met the special needs of participating elderly homeowners;

"(6) evaluate whether such program has included appropriate safeguards for mortgagors to offset the special risks of such mortgages;

"(7) evaluate whether home equity conversion mortgages have a potential for acceptance in the private market; and

"(8) evaluate whether such program has increased secondary mortgage market activity with respect to home equity conversion mortgages.".

Mr. WORTLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WORTLEY. Mr. Chairman, my amendment would authorize a limited 2-year demonstration program under which the Federal Housing Administration would insure home equity conversion mortgages for the elderly.

Home equity conversion mortgages, or reverse mortgages as they are sometimes called, offer older people who own their homes a means to obtain additional disposable income while remaining in their residences. Almost 70 percent of the nearly 17 million Americans over the age of 65 own their homes. But in spite of this, 65 percent of elderly homeowners can be classified as low income or very low income. There elderly are "house rich but cash poor."

But home equity conversion mortgages remain a relatively untried concept. It's estimated that less than 1,000 have currently been written, mostly in New Jersey and California. It is very clear to those of us who have followed this issue that financial institutions and the secondary market will not begin large-scale marketing of home equity conversion mortgages unless the FHA signals its support and involvement. A demonstration program conducted by HUD and backed by FHA insurance makes sense if we are to determine the usefulness of home equity conversion mortgages in meeting the future housing needs of the elderly. My amendment would not only facilitate such mortgages, it would also provide consumer safeguards and standards which will be emulated by the mortgage industry.

I have included strict counseling standards in the amendment so that the potential borrower would be well advised of his or her options. Some would be better off converting their equity into cash, others would not. That is why counseling by a third party is so important.

Some have criticized the idea of converting home equity into cash as a plan that would benefit only the more affluent elderly. I disagree. The more affluent elderly homeowners do not need or necessarily want to increase their liquidity. Moreover, under my amendment, mortgages would be insured only up to 125 percent of the FHA statutory guidelines which set a mortgage limit of $67,500—$90,000 in high-cost areas. The average amount of equity in a home owned by a senior citizen, largely female, is $50,000.

The FHA has always been an innovator in the field of housing credit for those who cannot use conventional channels for financing a home pur-

chase. It was created during the Great Depression to demonstrate to local lending institutions that they could safely supply the money necessary to make down payment, long-term mortgage loans. No one can argue the fact that the FHA has played a valuable role in providing safe and decent housing to the millions of people who have obtained loans guaranteed by the FHA. It is logical that the FHA authority be used in a way that could allow a senior citizen to remain in his or her cherised home.

Federal credit programs reflect the determination by Congress that the credit markets in their normal functioning do not channel sufficient volumes of credit to borrowers who have legitimate and pressing needs. My amendment is no exception. And the amendment is designed to protect both borrowers and lenders. I cannot stress this enough.

Congress could never appropriate enough money to build special housing for all needy senior citizens. Accessory apartments, I believe, are an important way of meeting certain senior's housing needs. The same is true with so-called granny flats, the prefabricated houses placed on the lot of a relative. But many localities forbid the construction of these types of alternative housing through zoning regulations.

Mr. Chairman, home equity conversions have been debated and researched extensively. The Select Aging Committee in the other body has held hearings which culminated in a report titled, "Turning Home Equity into Income for Older Homeowners"—literally millions of interested parties have requested this report. In 1982 I held my own hearings on this issue in Mattydale, NY. The American Association of Retired Persons has also been active in the past on home equity conversion mortgages, and I'm pleased to report their endorsement of my amendment. In addition, the 1983 housing bill passed by the other body included a provision similar to my amendment. Furthermore, a home equity conference was sponsored by HUD and HHS in 1985 to examine the issue. Alan Greenwald, the Deputy Under Secretary for Intergovernmental Relations, was involved with the conference and he stated, "A promising option is home equity conversion." The proceedings of that conference were published under the title, "The Future Is Now."

There is no one kind of housing that is appropriate for all elderly Americans. That is why providing choices is so important. A limited demonstration program is the logical way to begin. I urge adoption of my amendment to open a window of opportunity for the elderly homeowner.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. WORTLEY. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, I would like to congratulate the gentleman from New York on this amendment. You know, it is amazing, what most of our elderly have as security and as capital value is the home that they live in. Due to the economy that we have been in, that home becomes worth more and more and more.

Connecticut has had this program through the Connecticut Housing Finance Authority. All their loans are written at 8 percent with a 10-year term. The amount of the loan is determined after appraising the value of the home.

The CHAIRMAN. The time of the gentleman from New York [Mr. WORTLEY] has expired.

On request of Mr. McKINNEY and by unanimous consent, Mr. WORTLEY was allowed to proceed for 5 additional minutes.)

Mr. McKINNEY. Mr. Chairman, will the gentleman yield further?

Mr. WORTLEY. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding further.

Mr. Chairman, if a home is valued at $72,000, the maximum loan is 80 percent of $72,000, or $58,000. Things have changed so that the maximum amount of any loan can be $80,000 and there is no maximum amount on the house.

You know, let us stop and think about it: It does not take much in this day and age when the average house in America is selling over $70,000-odd per house; to have a house is a great deal. You have worked all your life, you have a small retirement plan, you have Social Security and you have your house. I am so interested when I hear people say, "We should be supplying alternate housing for these nice old people." These old people do not want alternate housing; they want their own house, that is, the house where they brought up their children, where they paid the mortgage, where they have their equity, it is their future. So the kids do not get quite as much when they pass away because someone has to take up that mortgage, but who cares, it is not the kids' house; it is the parents' house.

I just think the gentleman has come forth with a wonderful idea. I would like to see it a national program. I think everybody that is a senior in this country who has paid for their home, who owns their own home, ought to have a right to enjoy some of the equity. It does not make any difference whether it is a farmhouse in Nebraska, a row house in Baltimore, or wherever, it is their home, it is their equity and their money and more than likely it is paid for. A reverse mortgage is a wonderful way to be able to enjoy an extra $200 or so per month which will make a great difference in just paying the real estate taxes, their heating bills, and maybe a little pleasure in life.

I congratulate the gentleman and thank him for the time.

Mr. WORTLEY. This program does make a difference, Mr. Chairman.

I appreciate the kind remarks of the gentleman from Connecticut.

Mr. Chairman, I urge the adoption of my amendment to open the window of opportunity for the elderly homeowner.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my colleague, Mr. WORTLEY, offered this amendment during the markup of H.R. 1 and agreed to withdraw this amendment pending hearings which I had offered to hold. I spoke with my staff late last year as to scheduling such a hearing and at that time felt it was prudent to wait until the HUD study is available which was mandated by the 1983 bill as well as to ask the State of Connecticut Housing Finance Authority, which had launched a reverse annuity program in September of 1985, to testify after they had some time to evaluate their program. Unfortunately, time has passed and because of the efforts to get a housing bill passed a hearing had not been scheduled.

While I still plan to hold a hearing on this issue because I believe that we could develop better legislation if we have firsthand knowledge of a program designed to help elderly homeowners and would have preferred to wait until after the hearings to develop a proposal.

However, since Mr. WORTLEY has worked on this issue for some time and is only proposing a demonstration program, I plan to support his amendment. But there are several areas of concern to me. One is that the elderly homeowner receive a decent share of the equity. I hesitate to place an actual percentage on an elderly tenant's monthly payment from a reverse annuity mortgage but would only feel that such a venture is worthwhile to the extent that it provides him or her with a substantial monthly payment. My other concern is that if an elderly person enters into a reverse annuity mortgage he or she should be allowed to live in the home for life and not be forced to move because of terms in the mortgage.

What I believe we do not want to appear to be sanctioning in any way is a program that places the Federal Government in a position of making it easier for investors to tap into the equity of elderly homeowners without substantial safeguards to ensure that the elderly truly benefit from a finan-

cial undertaking that amounts to selling their homes. I believe Mr. WORTLEY shares my concern and I support his amendment for a demonstration program.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the home equity conversion mortgage insurance demonstration amendment offered by my colleague from New York [Mr. WORTLEY].

As the ranking minority member of the Housing and Consumer Interests Subcommittee of the Select Committee on Aging, I have been studying this issue for some time. I am not convinced that home equity conversion is in the best interest of the elderly homeowner, nor would I suggest at this time any comprehensive Federal legislation. I do believe, however, that this demonstration project can provide us with the type of information necessary to make better legislative policies in the future.

Questions have been raised about the need for the Federal Government to become involved if home equity conversion programs are being undertaken by the private sector. I feel that there is a need to minimize the financial risks to the elderly homeowners who choose to participate in this type of program. For many older persons the equity in their home is their major asset. For some, it is their only asset. Currently in the marketplace, there are profit motivated investors negotiating home equity conversion contracts with some unsophisticated homeowners. If their equity were to be depleted, these older homeowners would have fewer resources available to them. The Federal Government, under the consumer clause of the Constitution, has regulated industries to protect persons from failure and fraud in the marketplace. For similar reasons, we may wish to protect the rights and interests of the elderly homeowner.

As I understand it, some of my colleagues have questioned whether or not there is enough consumer demand to warrant any Federal effort. It is extremely difficult to estimate the potential market for home equity conversion plans. Studies show that home equity accounts for 70 percent of the wealth held by elderly homeowners. And, there does appear to be a growing awareness that the equity in one's home is a legitimate asset which the owner should consider as a means of continuing financial independence. The director of housing programs for the 14.5-million-member American Association of Retired Persons stated at a forum sponsored by the Federal Council on Aging entitled "Home Equity Conversion, Options for Older Homeowners,"—September 14, 1983—that it is apparent from meetings and his volume of mail that equity conversion plans are of interest to a substantial number of older homeowners.

Concern has also been expressed that home equity conversion programs are only beneficial to upper income older persons. This point has been brought to the attention of a number of academicians who have taken a special interest in this issue. They have assured me that a viable home equity conversion program can be structured to assist elderly families within specified income and asset limits. Moreover, under Mr. WORTLEY's home equity conversion plan, mortgages would be insured at 125 percent of the FHA statutory guidelines which set a mortgage limit of $67,500—$90,000 in high cost areas. In the home equity conversion program run by the San Francisco Development Fund, 46 percent of the elderly single women who are participating in the program have incomes under $6,000, and 87 percent have incomes under $9,600 per year. Of the single male participants, 58 percent have incomes under $9,600 per year.

The Department of Housing and Urban Development, at a conference which they sponsored in January 1985, stated that home equity conversion may be desirable from a public policy standpoint because it can enable elderly homeowners to better maintain their homes and protect against neighborhood deterioration. Furthermore, the income provided by home equity conversion could be utilized by an older person to purchase services and care which could delay institutionalization or hospitalization.

Mr. Chairman, I understand that there is no clear evidence that this type of mortgage is in the best interest of the elderly homeowner, and that it would be premature for the Federal Government to endorse or support such a mortgage at this time. I do believe, however, that older persons must be given every opportunity to live out their later years in dignity. Home equity conversion may be one means toward that end, and from that perspective, this amendment deserves our support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WORTLEY].

The amendment was agreed to.

AMENDMENT OFFERED BY MS. KAPTUR

Ms. KAPTUR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. KAPTUR: Page 9, strike lines 1 through 4 and insert the following:

(b) HOME MORTGAGE DISCLOSURE ACT OF 1975.—The Home Mortgage Disclosure Act of 1975 is amended by striking section 312.

Ms. KAPTUR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. KAPTUR. Mr. Chairman, this is a simple amendment to reconfirm what was passed out of both the subcommittee and the full committee to make permanent the Home Mortgage Disclosure Act. As you may recall, the original Home Mortgage Disclosure Act was passed back in 1975, and it sought to address a very real problem in our country which had to do with neighborhoods and individuals and consumers in those neighborhoods who had deposits in financial institutions, and then when they went to those very financial institutions in their communities to obtain loan moneys, let us say for refinancing their home or for an original home purchase, they were being denied financial assistance through those institutions.

□ 1650

So this act was originally passed back then and provides a very simple procedure that, in fact, requires federally chartered or insured depository institutions with assets of over $10 million or more to disclose publicly the geographic distribution of their home mortgage and home improvement loans.

Thus, this particular act provides data and a data base to accurately assess the lending patterns for various categories of census tracts, grouped according to location, the age of housing stock, the income level and racial characteristics.

Now how is the data obtained through this act used?

Primarily the act was intended to curb redlining and other discriminatory mortgage lending practices by depository institutions through public disclosure of the geographic distribution of their loans. And indeed, the act in its provisions is credited with helping to reduce many of the overt forms of lending discrimination which has contributed to the deterioration of the Nation's older urban and minority neighborhoods. In this sense, the Home Mortgage Disclosure Act is regarded by many as an important part of a bundle of civil rights laws designed to protect borrowers from illegal and discriminatory credit practices.

There have been many organizations, including business organizations, community groups and civil rights groups, that have reviewed the information that is available through this act to make judgments about the lending performance of particular institutions and they use the information to assess overall mortgage flows to a neighborhood. In fact, at the Federal level, the five financial regulatory agencies with responsibility for supervising depository institutions covered by this act use it to gauge lender compliance with the Community Reinvestment Act and other nondiscrimination laws.

In addition, the Home Mortgage Disclosure Act has proven itself to be an indispensable tool for promoting neighborhood reinvestment. We heard a lot of conversation this afternoon about the important role of the private sector. The Home Mortgage Disclosure Act ensures that the private sector will in fact be reinvesting.

Recent examples of the act's use include Chicago, where millions of dollars have been reinvested in the city, the very dollars that people living in those neighborhoods put into these institutions; in Hartford, CT; in Richmond, VA, where neighborhood groups concluded reinvestment part-

nership agreements with local lenders to provide hundreds of millions of private sector dollars in new housing-related loans to older urban neighborhoods. We know that the sharp reductions in Federal support for neighborhood improvement and community development programs make the Home Mortgage Disclosure Act even more valuable in order to promote private investment to replace the dwindling public funds.

How costly is the Home Mortgage Disclosure Act data to produce?

Under a study that was done by the Federal Home Loan Bank Board back just a couple years ago, the average cost per loan per institution was about $1.42. Of course, since the study was done, so many of our institutions have become more automated and, over the years, the cost has gone down on an annual basis and will continue to do so with increasing automation.

So I would ask the support of our colleagues for a permanent extension of the Home Mortgage Disclosure Act for several reasons. First of all, it is cost effective and it is private sector oriented. There is no cost to the taxpayer. It merely ensures that our taxpayers' dollars that are put into private institutions flow back to those neighborhoods.

In addition, the Home Mortgage Disclosure Act is a valuable data base for assessing compliance with many of our laws, including the Fair Housing Act, the Equal Credit Opportunity Act, the Community Reinvestment Act, only to name a few.

Third, it is a safeguard for consumers. With the accelerated pace of banking deregulation, combined with isolated banking problems caused by changes in the agricultural and energy sectors of our economy, as well as uncollectable foreign debts, we should be very concerned that disinvestment may be occurring in many of America's communities.

The CHAIRMAN. The time of the gentlewoman has expired.

(By unanimous consent, Ms. KAPTUR was allowed to proceed for 1 additional minute.)

Ms. KAPTUR. Citizens will need more, not less, information about the performance of banks in serving local needs, and the Home Mortgage Disclosure Act if a low cost and effective means of providing this information.

Fourth, this is a tested act. In fact, it has been operating for over 10 years now and is a proven regulatory mechanism that has had sufficient experimentation.

It also has broad support. Supporters of permanent extension include the U.S. Conference of Mayors, the National League of Cities, the National Urban League, the National Association of Housing and Redevelopment Officials, the National Trust for Historic Preservation, the Consumer Federation of America, the Consumers Union, National Peoples Action and the Leadership Conference on Civil Rights.

Finally, this act ensures civil rights compliance. This act is primarily useful as a tool for the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Comptroller of the Currency and the Federal Reserve Board to access civil rights compliance of member institutions.

So I would urge my colleagues to support the permanent extension of the Home Mortgage Disclosure Act.

Mr. GONZALEZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe the gentlewoman, as well as our distinguished colleague, the gentleman from Maryland [Mr. MITCHELL], are aware of the fact that the original version of H.R. 1 did have a permanent extension provision.

However, in the markup in the subcommittee we lost that. However, in the full committee it was restored. But in achieving and attempting to achieve a bipartisan acceptance of a basic housing reauthorization act, and particularly with reference to this section, despite the fact that I personally was responsible for the permanent clause in the original H.R. 1, yielded to the consensus, and also after discussion all last year with the Senate, the Senate apparently is willing to consider a 10-year extension. We provide a compromise of 3 years.

So I regretfully am constrained to oppose the amendment. I cannot accept it. I am at this point not in the position to be able to say that I can accept the amendment because of the consensus agreement which binds us in this particular situation.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. McKINNEY. Mr. Chairman, I really feel as ranking member of the committee that I must add to the gentleman's words by saying how right the gentleman is.

This is I think called eating crow, or sometimes it is stale corn or whatever it is. There were a lot of things in H.R. 1 that had to go if we were to receive the type of bipartisan consensus that the chairman managed to wrestle forth in this rather complicated issue.

I think that there are many people who would like a permanent extension. There are also many people who feel that that particular part of our housing program is dangerous, that it should go away, that it causes paper and does all kinds of things.

We arrived at a consensus of 3 years. It was about how long it would take us to get a new housing bill. In those 3 years there would be a change of administration so that we would have a policy from the new administration.

Mr. Chairman, I would have to suggest that the gentlewoman has good thoughts and a very good mind, and I am very eager to support the gentlewoman on almost everything. But on this one, I must unfortunately not support the gentlewoman because of the fact that we have arrived at consensus, the chairman and I, and I intend to stick with it.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I regret having to rise in opposition to this amendment offered by my colleague, the distinguished gentlewoman from Ohio [Ms. KAPTUR), but this subject was debated extensively in both the subcommittee and the full committee and, as has been stated, an agreement was reached to extend this program for 3 more years.

□ 1700

Both the Gonzalez bill and my substitute have a 3-year extension of HMDA. Now, some of the information that is gained form HMDA I would say is valuable information, but I also suggest it is a duplication of information which is gained through the Community Reinvestment Act, which was also passed in 1977, 2 years after HMDA, actually, and the Equal Credit Opportunity Act.

HMDA has never been a permanently authorized program. As has been suggested, it was passed in 1975 as a 5-year program, and it was extended again as a 5-year program in 1985.

Now, there have been legitimate questions raised, I think, as to whether there has been any perceived benefit from the tax worth the additional paperwork and the burden of the cost that must be assumed by the covered institution which must do the administrative detail of providing the answers to all these questions which are provided in HMDA. I think these are still valid questions.

In a relatively recent study, examining the data of collection cost in connection with all fair housing lending statutes, it was disclosed that the average institutional cost per application ran as high as $5.29. Another portion of the study, however, showed that there were almost no substantive violations of the statute.

In 1981, for example, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Home Loan Bank Board conducted compliance examinations in approximately 13,500 depository institutions and found that 94 institutions were in violation, or seven-tenths of 1 percent. In view of all this, it seems to me only prudent that we extend HMDA for a 3-year period and then ask for an examination.

I had said in committee—and I was the person who offered the amendment in committee—that we ought to extend it or sunset it after 3 years, require a study of the Federal Financial Institutions Examination Council, which is in the bill, and if changes are then required to streamline the process and lessen the cost of obtaining this information, it can be done at that time. But I think at this point a statement by Chairman Volcker is valid. He says:

The Board believes that a survey by the Federal Financial Institutions Examination Council of usage of HMDA data at the central repositories and at the covered institutions would provide meaningful information if the Act is again to be considered for renewal at a later date.

They suggest in their letter to me that it be extended for 4 years, 3 years or 4 years, but the point is that it certainly should be sunset, and to extend this permanently it seems to me just adds to the cost of doing business for these lending institutions.

So I urge the defeat of the Kaptur amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio [Ms. KAPTUR].

The question was taken; and on a division (demanded by Mr. WYLIE) there were—ayes 6, noes 7.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MITCHELL

Mr. MITCHELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL: Page 9, strike lines 1 through 4 and insert the following:

(b) HOME MORTGAGE DISCLOSURE ACT OF 1975.—Section 312 of the Home Mortgage Disclosure Act of 1975 is amended by striking "June 6, 1986" and inserting "September 30, 1995".

Mr. MITCHELL. Mr. Chairman, that was an awfully close vote on the Kaptur amendment and, therefore, it emboldened me to offer another amendment on this subject. It is very clear that a number of us recognize the merit and the worthwhileness of the Home Mortgage Disclosure Act.

I think my distinguished chairman, the gentleman from Texas [Mr. GONZALEZ], indicated that the other body is including a 10-year extension.

I understand the dynamics of moving to where we were in this compromise bill and why in committee some of us settled for a 3-year extension.

What my amendment will do will be to bring us in sync with the other body, a 10-year extension. What my amendment will do, I think, is a moderate position, based upon the reality of the situation.

I listened very carefully to my dear and good friend, the gentleman from Ohio [Mr. WYLIE], and this Home Mortgage Disclosure Act has real significance for all of us. We just voted earlier today on legislation to ensure fair housing, to ensure that the fair housing legislation is going to be complied with.

Mr. Chairman, I tell you that it cannot be complied with absent the Home Mortgage Disclosure Act. Any piece of legislation like that needs some backup. Surely, the Home Mortgage Disclosure Act is not the only backup, but it is an integral part of the effective enforcement of our fair housing legislation, which you just reemphasized your support for earlier on during the discussion on this bill.

I would ask the Members, with all due respect to my distinguished friend from Ohio [Mr. WYLIE]—and he is my friend—and with all due respect to the distinguished chairman, the gentleman from Texas [Mr. GONZALEZ], who is my friend and with whom I have worked over a long period of time, I would urge the Members to support a 10-year extension. That gives a degree of permanency and it also enables you to accomplish the other things that you want to do, to do an evaluation at any time during that 10-year extension.

Mr. McKINNEY. Mr. Chairman, will my good friend, the gentleman from Maryland, yield?

Mr. MITCHELL. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I would have to state that the Senate, in its youth and beauty, has come forth from a committee with 10 years.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair reminds the Members that references to votes in the other body are not permitted under the House rules.

Mr. MITCHELL. Mr. Chairman, I am most contriteful for having broken the rules.

Mr. McKINNEY. I accept the Chair's policy.

There are other politicians in this town—it will be unmentioned as to where they serve—who probably will not allow any extension of this and will probably vote against any extension.

We have an agreement. It is very difficult, because I usually agree with my friend, the gentleman from Baltimore, the aspiring Lieutenant Governor of the great State of Maryland, but I am just going to stick with the 3 years. It hurts me to have to say that, but 3 years will get us through an administration. If there is a new administration that wants to be more for it or against it, or something else, then we certainly have a chance to renew it, but let us not rock an agreement that has been very hard made.

Mr. MITCHELL. If I could reclaim my time, I would certainly take the gentleman's best wishes for my future political aspirations with more ardor if the gentleman would change his position and support the 10-year extension.

We cannot talk about that other institution that floats around someplace on Capitol Hill, but if out of that committee indeed there is a 10-year extension recommended, why should we do less than that except in terms of fashioning a compromise to get the bill to this point?

I believe in compromise, but I also believe in the legislative give and take. Now we have reached one compromise. Let us go for another one. I would urge support for my amendment which would give a 10-year extension.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from New York.

Mr. SCHUMER. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of his amendment.

When HMDA was first passed, it was regarded as an experiment, as it probably should have been. To my colleagues who are not familiar with HMDA, it is simply data collection. It gives us, all of us, mortgagors, mortgagees, the Government, private builders and everyone else, information—how many mortgages are being originated, who is getting the mortgages, et cetera. And one was not sure that the cost of collecting that information—which, incidentally, does not cost the Government a nickel. It is paid for. It costs about a dollar a mortgage, and we all know, with points and other fees, how little that is.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. MITCHELL] has expired.

(On request of Mr. SCHUMER and by unanimous consent, Mr. MITCHELL was allowed to proceed for 2 additional minutes.)

Mr. SCHUMER. It does not cost the Government anything. The question was: Was that dollar worth it?

And now, after HMDA has been in effect for a while, it seems pretty clear that it is worth it. Just about everybody, with the exception of people who do have to collect the information, think the information is worthwhile, it is not terribly onerous, and everything else. And what do we do with most legislation that we have put on the books for an experimental period after that experiment time has expired? We then enact it permanently.

I have been on the floor, of course, and I understand the considerations of the gentleman from Connecticut and the gentleman from Texas, and I respect them to the utmost. Their guidance and leadership on this bill has been extremely important. But we do then make the law permanent. We have not heard major objections with the HMDA Program. If certain things

are to be changed, let us amend them, but let us not just leave this proposal in limbo for another couple of years.

So I would urge my colleagues to support the amendment offered by the gentleman from Maryland [Mr. MITCHELL]. Those of us concerned with where money is going—is it going to rural areas, is it going to inner-city areas—need the information. It is almost Luddite to be against information at all, to not want to see this law gain a permanence to it.

So I thank the gentleman for introducing his amendment.

Mr. MITCHELL. Mr. Chairman, I yield back the balance of my time, with the plea that the Members support this 10-year extension. It simply makes good sense.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the arguments which I made against the permanent extension a little while ago are still valid, as far as I am concerned, for the 10-year extension, and I regret that I must oppose the amendment offered by the gentleman from Maryland [Mr. MITCHELL], my good friend. Whereas the gentleman from New York suggested that this only costs an additional $1 per application, studies show that the costs run as high as $5.29 per application.

I would also like to correct another statement, and that is that the other body has a 10-year extension provision in it. The provision which is in the bill which they are considering now is for 5 years.

But be that as it may, there was an agreement which was worked out here to provide for a 3-year sunset, which was along the lines of the amendment which I had offered earlier and would require a study by the Federal Financial Institutions Council to see if this is indeed an effective provision in the law. Now, I do not see anything wrong with that.

I admire the gentleman from Texas. I know he is under heavy pressure to extend this time from 3 years to 5 years to 10 years to permanent, and all that sort of thing, but he is keeping his word, he did work out this compromise extending it for 3 years and adopt this additional study provision. I think in view of those arguments and the arguments which I have previously made that I would urge that the amendment offered by the gentleman from Maryland be defeated.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, again, as in the case of the amendment of the gentlewoman from Ohio [Ms. KAPTUR], I must say that the 3-year provision is the compromise, is the consensus. The issue here is not how we individually feel, because, as I said before, I am the author of the permanent clause in the original version of H.R. 1. It is a question of whether we are going to survive with a program and extend the life of a program even for a meager 3 years, or having no life at all. That is the issue. That is why we have the consensus. On the basis of the consensus, I can safely say that we can count votes that will support the life of the program.

I must reluctantly oppose the amendment offered by the gentleman from Maryland.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the recent decline in mortgage interest rates has come as welcome news to individuals seeking to buy new homes or to refinance existing homes. But the dramatic drop in interest rates has also had unforeseen consequences, as the sheer volume of mortgage loans has created significant delays in processing. Typically, it is the consumer who pays the price for the delay.

Mortgage interest rates and points, that is, loan discount points charged by the lender to the borrower, fluctuate from day to day. Most lenders offer a loan commitment which locks in the interest rate and points charged to the borrower for a specified time period, usually 60 days. If the home sale or refinance does not go to settlement within the commitment period, the commitment expires, and the borrower must obtain a new commitment, often for higher interest or for more points, given today's volatile lending market.

Lenders have until recently been offering interest rates of as low as 9.5 percent with as few as 1 and one-half points. Unfortunately, although borrowers are fully qualified for the loans, extraordinary delays in the home appraisals, credit reports, and the like are all too frequently preventing borrowers from going to settlement within the low-interest, low-point loan commitment period. The result? Once the commitment expires, lenders are raising points dramatically, at a cost of thousands of dollars to the borrower, even though the delays in settlement are clearly not the fault of the borrower. Since lenders invariably require borrowers to pay a substantial nonrefundable fee in advance, to be credited at settlement, borrowers have only a few, unpalatable choices—pay several thousand dollars more in points; take a higher interest rate to reduce the points; allow the loan rate to float in the hope that points will come down; or walk away from the loan and sacrifice hundreds of dollars in nonrecoverable costs. This is grossly unfair.

FHA-insured loans appear to be a frequent part of the problem, usually with refinances. Although HUD does not require reappraisal of homes under certain circumstances, chiefly where the borrower does not take any cash back from the new loan, many would be refinancers cannot afford to refinance without including in this new mortgage some part of the closing costs, usually some portion of the points and the FHA mortgage insurance premium [MIP]. When such homeowners have little equity in their homes, the inclusion of points or the MIP in their new mortgage loan may cause the new loan mortgage to be for a larger amount than the original loan, this means that their home must be reappraised. HUD acknowledges that it is swamped with appraisals, and has only a limited number of qualified appraisers to do the work. As a consequence, appraisals are not being completed in time, and borrowers are losing their commitments and are then being forced to pay the extra price. In FHA refinances, the homeowner, already insured by FHA, is losing his loan commitment because HUD is unable to get the appraisal and paperwork completed on time.

Unless the borrower's loan officer is unusually diligent in riding herd on the appraiser, the borrower has no one to represent his interests. Indeed, why should a lender make any effort to expedite an appraisal on a low-point loan when the lender stands to make thousands of dollars up front if he simply allows the backlog in the system to delay such a loan until the commitment period expires? The situation is ripe for misrepresentation and misunderstanding, leaving the bewildered homeowner feeling like he's been a victim of bait and switch— promised a low-interest, low-point loan, and then forced to settle on a high-point loan at an additional cost of thousands of dollars.

There has to be a better way of doing business, particularly with respect to HUD-insured loans. I had originally planned to offer an amendment to this bill to direct the Secretary to take steps to alleviate the current delays in HUD-required appraisals on refinances. However, after discussing the situation with the Housing Subcommittee and with HUD officials, I was persuaded that such an amendment would be premature. Even though I am not going to offer an amendment, I hope that the Banking Committee will pay close attention to this outrageously unfair situation, and would be prepared to take corrective action if the problems do not clear up in the very near future. Otherwise, the consumer will, as usual, be left holding the bag.

In order that Members may better understand the scope of the problem, I an including an article from the May

24, 1986, Washington Post at this point:

[From the Washington Post, May 24, 1986]

RATES INCREASE AS HIGH VOLUME DELAYS LOANS

(By Tom Precious)

Numerous Washington-area lenders have started raising the interest rates and points charged on new and refinanced home mortgages whose loan commitments have expired, saying that they are under no obligation to extend the lower rates they had promised borrowers for 60-day periods.

Angry home buyers and homeowners seeking to refinance their high-interest mortgages complained to lenders this week that they were being charged more for their loans even though the delays in settling on their mortgages were not caused by them, but rather by the glut of loans that lenders, home appraisers and credit agencies are processing.

In one case, Falls Church real estate agent Wanda Greene said her lender, Cardinal Mortgage Corp. of Annandale, raised the points on her $135,000 refinanced loan from one to four as her 60-day loan commitment expired. With a point equal to 1 percent of the loan, the change would have cost her an additional $4,050. But she balked and refused to settle on the loan.

"I'm in a big heap of trouble," Greene said. "My plan is to hold on and hope that the rates come down."

In another instance, an Arlington couple was told that the interest rate on their $180,000 mortgage would be increased from 9⅞ percent to 10⅜ percent and the promised 2½ points increased to four. The couple, disgusted, switched lenders, but even the new lender is going to charge them the higher rates, resulting in a bigger monthly mortgage payment and $2,700 more in closing costs.

Paul Rapchak, president of First Washington Mortgage, echoing the views of other lenders, said, "We're certainly not going to accommodate a three- or four-point loss just to be nice guys."

He said the delays do not rest with the lenders but, rather, with appraisal and credit-reporting firms and borrowers who, in search of the lowest rates, made loan requests with more than one lender.

Ronald Floyd, a loan officer with Cardinal Morgage who is processing Greene's refinance application, said, "It's really hard to put the blame on anybody in the industry. It's not like we're trying to rip people off . . . it's safe in this business." Moreover, he said that, even with slightly higher rates, borrowers will generally be ". . . better off than what they had."

With interest rates at their lowest levels in nearly a decade, thousands of homeowners here and elsewhere rushed to refinance their high-interest mortgages. Still others saw the opportunity to buy a house with a low-interest mortgage. Most lenders were caught off guard in the resulting frenzy, which had created an enormous backlog of mortgage applications. Loan-processing time at area lending companies had doubled and sometimes tripled to more than the normal 30-day period.

Up until recently, most home buyers and refinancers weren't bothered by the delays because mortgage rates generally were falling. But in the last two weeks, mortgage rates began slowly creeping upward, mostly because of the increase in oil prices, industry officials said. That turnabout has led to a storm of protest by angry consumers who have watched the low rates slip away at the same time their loan commitments were expiring, thereby costing them more money.

In Greene's case, her home's appraisal, a required step for refinancing, wasn't conducted until last weekend—11 weeks after her original closing date, which has since been postponed.

The Arlington woman, who with her husband watched as the interest rate and points escalated on their $180,000 loan, said, "They dangled a very attractive rate in front of us. It just seemed a little funny that this is all happening when interest rates are going back up."

The couple also was forced to postpone the closing on their current home until this week. They said they hope to move into their new home, but only as renters—a move they admitted is risky because additional interest rate increases could put the home out of their price range.

Several home buyers and refinancers contended that, although lenders legally may raise a borrower's rate after the 60-day lock-in period has expired, mortgage firms should have a moral or ethical responsibility to maintain the rates for a reasonable period of time. They reasoned that the delays lie with the mortgage industry, not with the borrowers.

"Maybe they ought to be a little bit more flexible with their clients. It's really an ethical issue of how responsive they are to us," the Arlington woman said.

But for the mortgage lenders, who have begun to feel the borrowers' wrath over the last 10 days, being more flexible is not an issue. Several lenders interviewed said they would lose money with the recent market swing if they didn't pass on the costs to the borrower. In addition, most agreed that, if borrowers' rates are raised, they are still better off than a year ago, a concept that doesn't sit well with most consumers.

Michael Massella, regional vice president for Investors Home Mortgage, denied charges made by many home buyers that lenders are delaying the mortgage process because they would rather write a loan at 10½ percent than at 9½ percent.

"I think that's ridiculous . . . a lot of people are furious and, quite frankly, so are we," Massella said.

Some lenders, such as Investors, have begun instituting new programs so that borrowers can secure a low rate for a longer period of time, but not without costing consumers more money.

At Investors this week, for example, a conventional loan with a locked-in rate for 60 days was set at 10¼ percent. For a 75-day lock-in, the rate was 10⅜ and, for 90 days, it was 10½ percent.

William Middleton, manager of the Montgomery County and District offices of Weaver Brothers, said that about 25 percent of the mortgages at his branches are being affected by the rate increase, "and that number's changing daily."

But for home buyers who risk losing out, the increase in rates is frustrating.

Cynthia Gorostiaga, an Arlington resident, said the processing delays have postponed her scheduled move to her new Annandale condominium, as well as cost her additional money in monthly payments.

Although Gorostiaga's loan was approved well within the 60-day lock-in period, the buyer's loan for her current condo wasn't. Gorostiaga said she was forced to postpone the closing on her new home because she could not afford to maintain both residences. As a result, her new loan has not gone beyond its 60-day lock-in schedule, which will cost her more unless rates go down before her rescheduled June 14 closing. Her lock-in rate on the $68,000, 30-year loan was at 9½ percent and 1¾ points.

As of Thursday, B. F. Saul Mortgage Co., Gorostiaga's lender, was offering rates at 10 percent and 3¼ points. If such increased rates remain stable until her closing, Gorostiaga will pay an additional $1,020 in closing costs and $25 extra each month over the life of the loan.

But Stephen Cox, B. F. Saul's senior vice president, said, "Obviously we're running a business, too. . . . I don't think lenders are acting immoral or unethical."

□ 1715

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has really brought up a subject that is of great concern to us. We are in the process of formulating hearings on this matter and overseeing HUD.

The gentleman is correct about the propriety of bringing up an amendment at this time. It would be premature inasmuch as it is something that does call for some hearings and some input from HUD in the administration of the FHA Program. Then perhaps we can come to a better understanding as to the legislative needs.

We will be calling on the gentleman to come before us when we do have the hearings.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. MITCHELL].

The question was taken; and on a division (demanded by Mr. MITCHELL) there were—ayes 10, noes 14.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CARPER

Mr. CARPER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARPER: Page 15, after line 4, insert the following new section (and redesignate the subsequent section, and conform the table of contents, accordingly):

SEC. 125. ASSURANCE OF ADEQUATE PROCESSING OF APPLICATIONS FOR LOAN AND MORTGAGE INSURANCE.

Title V of the National Housing Act is amended by adding at the end the following new section:

"ASSURANCE OF ADEQUATE PROCESSING OF APPLICATIONS FOR LOAN AND MORTGAGE INSURANCE

"SEC. 533. In order to ensure the adequate processing of applications for insurance of loans and mortgages under this Act, the Secretary shall maintain not less than 1 office in each State to carry out the provisions of this Act.".

Mr. CARPER. Mr. Chairman, I rise to offer an amendment to the housing authorization bill that would require the Secretary of Housing and Urban Development to maintain at least one

FHA office in each State in order to assure the adequate processing of applications for loan and mortgage insurance.

In an alleged cost-saving measure, HUD is proceeding with its intention to regionalize FHA offices. As a result, HUD is planning to close several offices in the near future, one being the sole FHA office in the State of Delaware.

FHA offices provide processing and information services for lenders, realtors, and buyers—everyone involved in the process of purchasing homes. In Delaware, the highly efficient, localized Wilmington FHA office has insured approximately 6,000 loans, created millions of dollars in revenues for the Federal Government and has done so on a shoestring operating budget, since 1976. In the first 4 months of this fiscal year, it has created revenues of over $300,000, already two times greater than its operating costs will be for the entire year. Our efficient Wilmington office has cut processing times for insured loan approval to a low 4 to 6 weeks. Using the Philadelphia FHA office will increase the processing time by up to 4 weeks. Mortgage companies serviced by both Wilmington and Philadelphia often contact the Wilmington FHA office first, because they can receive information more quickly.

By eliminating the Wilmington office, HUD will force all Delawareans to look to neighboring States in order to use FHA services or seek HUD information. It is the opinion of hundreds of Delaware realtors, lenders, and buyers, that closing the Wilmington FHA office would decrease the use of Federal Housing Administration Services by residents of the State. The result would be a loss of FHA business, local housing services and growth—a net loss to the Federal Treasury, instead of a gain.

Delaware is not alone in its predicament. The proposed closing of the Burlington, VT, office leaves that State without an office. Maine will be left with just one FHA office with the proposed closing of the Bangor office. If regionalization is continued in the Southwest, New Mexico would have to go to Texas for FHA services, if its only FHA office were closed.

We in Delaware feel very strongly that another State's FHA office is not going to be as responsive to the needs of Delawareans as the Wilmington office has been. Certainly, southern counties have different needs and concerns than those of the citizens of Wilmington and its surrounding areas. I am sure that many of my colleagues, whose States may also be left without FHA services in their States in the not too distant future, share my concerns. I urge my colleagues to support my amendment to ensure that all States have availability of FHA services within their borders—an effort that can add to the Federal Treasury, not deplete it.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank our most active and supportive and brilliant member of this subcommittee, Mr. Chairman, and I rise to support his amendment. It is a good one; it perfects our legislation and the administration of the HUD programs, and we accept his amendment.

Mr. CARPER. Mr. Chairman, I thank the gentleman for his comments.

Mr. McKERNAN. Mr. Chairman, I welcome the opportunity to support an amendment offered by my colleague, the gentleman from Delaware, to require the Department of Housing and Urban Development tro maintain at least one Federal Housing Administration office in each State.

In my own State of Maine, the HUD office in Bangor has been scheduled to close on July 15 of this year. Our second HUD office, in Portland, has been under review by the Department for possible closing in the future. Many of my constituents have contacted me to express their concern over the loss of services which would result.

In conjunction with closing the Bangor office, HUD has announced plans to transfer its workload to the Manchester, NH, office, which is already shortstaffed and overworked.

The Bangor office has been commended for handling 30 percent of all the insured loan applications in New England. The workload of this office has increased greatly in the past 2 years, with 1,376 cases in 1984, and 2,115 cases in the first half of 1986.

While all of us agree on the urgent need to reduce Federal spending, the efficiency—in terms of both cost and service—of maintaining in-State offices cannot be overlooked. The costs of relocating employees and closing offices, and the additional travel expenses incurred could well outweigh any projected cost savings.

The importance of maintaining a HUD presence in each State cannot be overstated. Transferring the workload out-of-State could hinder the rapid completion of work and restrict contact with the people HUD serves.

In a predominantly rural State like Maine, where family incomes are comparatively low, the need of HUD assistance is particularly great. In addition, in-State HUD staffs have gained the experience necessary to handle a variety of needs in a particular region. The HUD trend toward regionalization, which could result in the closing of several offices in the near future, could have a significant impact in many States.

I commend the gentleman for his effort, and I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware [Mr. CARPER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TAUKE

Mr. TAUKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAUKE: Page 32, after line 24, insert the following new paragraph:

"(4) PROJECTS INCREASING MARKET SHARE OF NONDOMESTIC CORPORATION.—No assistance may be provided or utilized under this section for any project that the Secretary determines will be used to expand the market share of a nondomestic business entity in a manner that decreases the market share or operations of a domestic business entity.

Page 33, line 1, strike "(4) DEFINITION.—" and insert "(5) DEFINITIONS.—(a)".

Page 33, after line 4, insert the following new subparagraphs:

"(B) For purposes of this subsection, the term 'domestic business entity' means any business entity not described in subparagraph (C).

"(C) For purposes of this subsection, the term 'nondomestic business entity' means any business entity—

"(i) more than 50 percent of the ownership of which is held by persons who are not citizens of permanent residents of the United States;

"(ii) that is controlled by persons who are not citizens or permanent residents of the United States; or

"(iii) that is a subsidiary of, or is controlled by, another business entity described in clause (i) or (ii).

Page 33, line 5, strike "(5)" and insert "(6)".

□ 1725

Mr. TAUKE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TAUKE. Mr. Chairman, this amendment, I believe, is noncontroversial. It has been checked with both sides of the aisle.

Let me just briefly describe the situation that caused me to offer this amendment. In 1985 there was an application made for a UDAG grant that would have been designed to assist Komatsu, a firm that is located in Japan, in its purchase of buildings and equipment to be used for assembling construction equipment components that were manufactured abroad. They would have assembled those components here in the United States, but nevertheless they would have been manufactured abroad.

Had this UDAG been approved, Komatsu would have received the funds at a federally subsidized loan rate which was almost half the commercial lending rate. At the same time, the construction equipment industry in our own country was already suffering an unemployment rate in regions such as Iowa, where housing construction and equipment plants exist, that was among the worst in the Nation. Conse-

quently, we faced the possibility that we would have been assisting a Japanese firm that would have been competing with our own domestic firms.

This particular UDAG was turned down, but it was turned down not because of this anomaly but because of other considerations.

Consequently, I offer this amendment to change the law to ensure that this problem is addressed by prohibiting the use of UDAG funds for any project that the Secretary determines will be used to expand the market share of a nondomestic business entity in a manner that decreases the market share or operation of a domestic business entity.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I am happy to yield to the distinguished gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, we accept the gentleman's amendment. It is a good one. Even though we have no record of a foreign concern applying for UDAG, there has been some discussion about that over the past 2 years that has been brought to my attention, and I think that an ounce of prevention is worth a pound of cure. I salute the gentleman for thinking up this amendment and presenting it to us, and we certainly accept it on this side.

Mr. TAUKE. Mr. Chairman, I thank the gentleman for his support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TAUKE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DURBIN: Page 15, after line 4, insert the following new section (and redesignate the subsequent section, and conform the table of contents, accordingly):

SEC. 125. CLOSING OF ANY OFFICE PROHIBITED BEFORE COMPLETION OF CERTAIN STUDIES.

Title V of the National Housing Act is amended by adding at the end the following new section:

"CLOSING OF ANY OFFICE PROHIBITED BEFORE COMPLETION OF CERTAIN STUDIES

"SEC. 533. The Secretary may not implement any proposal or determination to close any office maintained by the Secretary in any State (on or after October 1, 1985) to carry out the provisions of this Act until at least 30 days after the completion of any investigation, study, or review by any other Federal agency or department or any committee of either House of the Congress of the Secretary's proposal or determination to close the office.".

Mr. DURBIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DURBIN. Mr. Chairman, the Department of Housing and Urban Development is considering a proposal to close five FHA district offices across the Nation. We in Illinois, who stand to lose one of these offices, in Springfield, have now asked the General Accounting Office to serve as arbiter on the equity of this closing proposal.

This amendment would simply require the Department to suspend their efforts while the GAO considers this issue and require the Department to wait 30 days until such report is completed.

I believe that this amendment provides a fair and orderly approach to a situation which is likely to arise many times in the months ahead. I have submitted copies of the amendment to the majority and the minority.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I am happy to yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, we have examined this amendment. It is a good one. We accept it on this side; the majority favors it. We think it is very desirable, and we should accept it.

Mr. WYLIE. Mr. Chairman, if the gentleman will yield, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The amendment was agreed to.

Mr. FAZIO. Mr. Chairman, I rise today in support of H.R. 1, the Housing Act of 1985. This important bill demonstrates our commitment to housing development as well as the individuals who utilize housing programs. Homeownership should not be for the priviledged few. The programs contained in H.R. 1 will enable us to continue the public-private partnership which thus far has put homeownership within the reach of most Americans.

As we all know, housing and community development programs have been targeted for some of the deepest cuts over the past few years. The administration has consistently cut these important programs and, consequently, has substantially weakened our commitment to provide affordable housing for all Americans. For example, since 1981, Federal assistance for HUD's housing programs have been slashed by over 60 percent. In fact, the President's fiscal 1987 budget, the latest acknowledgment by the administration that housing programs are not a priority, calls for the elimination of most housing and community development programs by rescinding or deferring fiscal 1986 appropriations and maintaining low program levels for fiscal 1987. The courts have already rejected the deferral request and we have soundly rejected the budget proposal and now have before us, an opportunity to stop this decline and demonstrate our support to both the homebuilding industry and the homebuying public.

H.R. 1 will allow Congress to reassert its role in housing policy and development through a number of different provisions. H.R. 1 will provide continuity to our housing programs through the extension of the Federal Housing Administration's [FHA] authority to provide mortgage insurance to low-income and moderate-income home buyers to fiscal 1987. H.R. 1 will also reauthorize, through fiscal 1986, FHA's authority to subsidize interest rates on mortgage loans for low-income home buyers.

In another effort to assist home buyers and homebuilders, H.R. 1 limits to 3.8 percent the mortgage insurance premiums which are paid by most FHA-insured mortgage holders and used to cover program losses. However, it does not cap premiums under less common FHA mortgage insurance programs, but instead requires congressional notification and justification for premium increases in these programs.

Furthermore, recognizing the importance of assisting the Nation's disadvantaged and providing them with the most basic need of housing, H.R. 1 reauthorizes assisted housing programs such as section 8 low-income assistance, housing vouchers, elderly and handicapped housing, congregate services, grants for public housing comprehensive improvement assistance programs, and rental rehabilitation and development grants. H.R. 1 also establishes a new grant program to improve the physical condition of existing public housing and upgrade its management and operation and requires that housing authorities participating in the program develop comprehensive 5-year plans for modernization.

Another important group of provisions contained in H.R. 1 will address the needs of the Nation's rural population. The rural housing programs of the Farmer's Home Administration [FmHA] have been cut by 40 percent in the last year alone. In fact, the administration's fiscal 1987 budget would have eliminated rural housing funds entirely. These vital programs include contract authority for rental housing assistance payments, low-income repair loans, housing technical assistance grants, rural housing preservation grants, and grants for farmworkers rental housing. H.R. 1 seeks to reaffirm our commitment to those individuals who depend on this important program by calling for the authorization of these programs through fiscal year 1987.

I also applaud the Banking, Finance, and Urban Affairs Committee's rejection of user fees and their inclusion of a provision in H.R. 1 which prohibits any user fee or charge to be assessed or collected by the Federal Government on debt or mortgage-backed securities of the Federal National Mortgage Association and the Federal Home Loan Mortgage Association. The provision also places a ceiling of 6 basis points on the fee that the Government National Mortgage Association can charge under its single family mortgage-backed securities. This provision is essential since I firmly believe that any type of user fee would be a backdoor tax on homeownership and would unravel the public-private partnership in support of housing.

Although the administration is turning its back on homebuilders and home buyers, we

must not forget our responsibility but rather renew our dedication to these individuals. We cannot allow the decimation of our Federal housing programs. Therefore, I urge my colleagues to support H.R. 1, which will reaffirm the continued role and commitment of the Federal Government in supporting homeownership opportunities. We must continue this commitment, especially to the disadvantaged, middle-income and first-time home buyers. A vote in favor of H.R. 1 will demonstrate that the housing is an important priority, one which deserves our attention and support.

AMENDMENT OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOLBE: Page 33, strike line 17 and all that follows through page 34, line 5 (and redesignate the subsequent sections, and conform the table of contents, accordingly).

Page 35, strike line 7 and all that follows through page 36, line 12 (and conform the table of contents accordingly).

Page 55, strike lines 5 through 13 (and redesignate the subsequent section, and conform the table of contents, accordingly).

Mr. KOLBE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. KOLBE. Mr. Chairman, the amendment that I offer would strike three sections of special legislation from this housing bill—special legislation which in each case costs the Federal Government money, and which in each case directly contravenes the normal policies of the agencies that are involved in this.

Let me briefly walk the Members through the three projects that are specifically outlined in this bill for special treatment and which I believe would set a dangerous precedent, and therefore I am offering the legislation which would strike this.

The first regards the city of Boston. The housing authority there was given $1.33 million to close out an outstanding loan on downtown property under the Urban Renewal Program. The money was advanced to the city to allow it to get out from under the burden of high interest rates that they were paying on the private loan portions of the project.

There are now six parcels of land in this project, totaling 2.6 acres, which were not developed according to the original renewal plan.

The statutory requirements of that law that we have say that as a quid pro quo for advancing the money and carrying the interest on the advance, the Federal Government would receive the proceeds from the sale of the land, and that is normally how it is done when the redevelopment is completed.

Since the city did not undertake the development, this property has remained under the control of the city's housing authority. The city now contemplates the sale of some of those properties, and the special legislation that is included in this bill would allow the city not only to keep the amount of the grant plus the interest, but would also allow retention of the sales proceeds.

The interest on the original $1.3 million at Treasury rates amounts to approximately $2.7 million, making the Federal investment approach $4 million.

There have been at least two precedents in previous years for doing this, but I think, given the considerations of the fiscal difficulties that we find ourselves in now, that it would be most inappropriate for us to do this.

There are currently 60 cities with 71 projects which have contracts with HUD requiring repayment. Those contracts total $34 million for repayment. I think, as I suggested a moment earlier, given the acute financial straits that we find ourselves in, it would be unfair and unwise for us to continue this precedent any further.

The second case that we are talking about is that in Park Central, TX, which lies in the city of Port Arthur, TX, near Houston. The project was begun under the old "new communities" program. The project did not technically qualify under the terms of the program. Special legislation was introduced at that time to allow it to qualify.

The project encompasses about 750 acres, and the land itself is the result of $55 million spent by the Corps of Engineers for a diking project to make it stable enough to support buildings.

That is not all that this project has had through the years in terms of support: the initial $10 million grant; $31 million of mortgage insurance; $50 million in section 8 and UDAG grants; and if this legislation is granted, another $45 million in mortgage insurance and grant money will go into it; plus $5 million would be directed from the Secretary's discretionary fund.

The total number of residents in the Park Central project today is 3,674, of which the moderate- or low-income comprise 901. That means, if you divide that, the number of dollars spent total on this project between housing and Corps of Engineers per low-income resident in Park Central amounts to $100,998.

Striking this special legislation will draw an end to the seemingly endless flow of dollars to this single project. I think that we also need to note that this figure represents approximately half of the total allotment for the entire State of Texas for the period in question, and it is hundreds of times the fair allotment under the HUD Program.

The third project is one in Pittsburgh, and this portion of my amendment would strike language in the bill which would forgive $375,000 in interest that is owed to the Federal Government by the city of Pittsburgh. This interest accrued during a dispute in which the city refused to return excess funding forwarded to it by the Federal agency in 1975 for the purchase of housing units.

Despite repeated requests and negotiations which took place between Pittsburgh and HUD, the city repeatedly withheld the return of the money in question until March 27 of this year—a period of 11 years—during which time the interest in question accumulated.

There is no doubt that this matter has now been properly settled by the housing authorities in question. No lawsuit has been filed. However, by this small legislative section buried deep within this massive omnibus reauthorization, the city of Pittsburgh seeks to avoid its obligations.

They paid under protest. If this legislation would pass, HUD would have no alternative but to refund the dollars to them.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. KOLBE] has expired.

(By unanimous consent, Mr. KOLBE was allowed to proceed for 1 additional minute.)

Mr. KOLBE. Mr. Chairman, I think that these three projects taken together, the three that are in this bill, which have a special monetary consideration to the budget, also set a precedent that will be bad for this legislation and for the housing and urban development programs.

I believe that this amendment should pass, so that the credibility of the housing program that we reauthorize with this omnibus legislation will be retained, and I urge support for my amendment.

Mr. GONZALEZ. Mr. Chairman, under the consideration that the gentleman's amendment would be the first thing in order when we resume debate, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. MONTGOMERY] having assumed the chair, Mr. AUCOIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1) to amend and extend certain laws relating to housing, and for other purposes, had come to no resolution thereon.

□ 1735

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4116, DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1986

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 99-620) on the resolution (H. Res. 463) providing for the consideration of the bill (H.R. 4116) to extend the Volunteers in Service to America [VISTA] Program under the Domestic Volunteer Service Act of 1973, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4784, TRANSFERRING JURISDICTION TO DISTRICT OF COLUMBIA OVER CERTAIN PROPERTY TO BE USED AS A SHELTER FOR THE HOMELESS

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 99-621) on the resolution (H. Res. 464) providing for the consideration of the bill (H.R. 4784) to require the transfer of jurisdiction to the District of Columbia over certain property to permit such property to be used as a shelter for the homeless, which was referred to the House Calendar and ordered to be printed.

INTRODUCTION OF H.R. 4919, TO KEEP UNITED STATES WITHIN CRITICAL NUMERICAL CEILINGS ON NUCLEAR ARMS

(Mr. DICKS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. DICKS. Mr. Speaker, yesterday I introduced legislation, H.R. 4919, which would keep the United States within the critical numerical ceilings on nuclear arms included in the existing strategic arms agreements.

I would like to take this opportunity to review the actions taken by the Soviet Union to deactivate their forces as a result of these agreements. The following is a list prepared by the highly respected Arms Control Association detailing such Soviet actions between 1972 and 1985. Since this list was prepared, they have also removed an additional Yankee-class nuclear missile-carrying submarine.

Mr. Speaker, it is very obvious that from a military perspective if the numerical ceilings are breached that the Soviet Union can add warheads much more rapidly than can the United States. Therefore, from a military perspective, it is not to our advantage to remove these important ceilings.

In the coming days I will be providing information on the implications that elimination of these ceilings could have in the future. I hope Members will review this information carefully and join me in sponsoring legislation to maintain our only existing controls on the nuclear arms race.

Mr. Speaker, I include the following on the case for preserving SALT II:

SOVIET SALT DEACTIVATIONS

The SALT I and SALT II accords have required the Soviet Union to remove 1,007 ICBM's, 233 SLBM's, and 13 Yankee-class nuclear missile-carrying submarines:

In order to comply with the SALT I and II "freeze" on "heavy" ICBMs, between 1973-80 the Soviet Union withdrew 288 SS-9 ICBM's as SS-18 ICBM's entered the force. SALT II also prohibited the Soviet Union from testing and deploying a "new" heavy ICBM and limited the extent to which existing heavy ICBM's could be modernized.

Between 1974-84, the Soviet Union removed 510 SS-11 ICBM's as newer SS-17, SS-18 and SS-19 ICBM's were deployed.

Between 1979-85, the Soviet Union dismantled the missile-carrying portion of 13 Yankee-class submarines as new Delta- and Typhoon-class subs were added.

Between 1975-78, the Soviet Union dismantled 209 SS-7 and SS-8 ICBM launchers to allow for permitted increases in SLBM's.

Between 1977-85, the Soviet Union removed 212 SS-N-6 SLBM's as SS-N-18 and SS-N-20 SLBM's were introduced.

Between 1980-85, the Soviet Union removed 15 SS-N-5 SLBM's as it increased the number of SS-N-18 SLBM's.

Between 1983-85, the Soviet Union removed six SS-N-8 SLBM's as it increased the number of SS-N-20 SLBM's.

Had SALT II been ratified, the Soviet Union would have been obligated to reduce its aggregate number of ICBM's SLBM's, and heavy bombers to 2,400 and then to 2,250 by January 1, 1981. Under those limits, the Soviet Union would have been obligated to dismantle approximately 250 additional launchers, probably ICBM's.

Between 1985-90, SALT II will require the Soviet Union to remove older ICBM's and SLBM's as new ones are deployed. Although the precise number of retirements will depend on the number and character of the new systems the Soviets deploy, they will have to deactivate approximately 500 to 600 missiles and launchers.

Between 1985-90, the Soviet Union is expected to deploy 250 SS-25 single-warhead ICBM's. For every SS-25 deployed in a silo, an SS-11 or SS-13 ICBM will have to be removed. For every SS-25 deployed in a mobile mode, an SS-11 or SS-13 silo will have to be destroyed. (Recent reports indicate that the Soviet Union has begun dismantling SS-11 silos.)

Between 1986-90, the Soviet Union is expected to deploy 135 new SS-24 ten-MIRV ICBM's. For every SS-24 deployed in a silo, a MIRVed SS-17, SS-18 or SS-19 will have to be removed. For every SS-24 deployed in a mobile mode, an SS-17, SS-18, or SS-19 silo will have to be destroyed.

Between 1985 and 1988, the Soviet Union is expected to continue deployments of its MIRVed SS-NX-23 and SS-N-20 SLBM's. Prior to reaching the 1,200 ceiling on MIRVed launchers, the Soviets will have to remove an existing single-warhead SLBM for each SS-NX-23 or SS-N-20 deployed in order to stay within the overall aggregate of 2,504 launchers. In all, 80 SS-N-6's and SS-N-8's will probably be deactivated.

Once the 1,200 ceiling on MIRVed launchers is reached, the Soviet Union will be obliged to retire the MIRVed SS-N-18 SLBM or a MIRVed ICBM for every SS-N-20 and SS-NX-23 SLBM deployed. In all, 64 such systems will probably be removed.

Between 1985-90, the Soviet Union is expected to continue deployment of one Delta- and one Typhoon-class sub per year. For every sub deployed, the Soviet Union will have to dismantle the missile-launch section of a Yankee- or older Delta-class submarine.

THE LEVIN-MOYNIHAN WORK OPPORTUNITIES AND RETRAINING COMPACT

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous material.)

Mr. LEVIN of Michigan. Mr. Speaker, today I am introducing in the House, and Senator MOYNIHAN is introducing in the Senate, a bill called the Work Opportunities and Retraining Compact.

What does it do? First of all, it merges two streams that are today apart, income maintenance and job training for people on AFDC.

It requires States to have a plan for job training and preparation, making it a top priority.

Recipients would have to do more than just sign up and States would have to do more than just sign up people, there being a requirement for assessment, counseling and a job training opportunity.

In a word, for people receiving AFDC, those who are adults, it would be not only a check, but a chance.

Support services would be required, for example, day care and transportation. Costs would be shared between the Federal Government and the States.

There also would be strict performance standards. We would manage and measure by outcomes, not by head counts.

This bill uses State experiences, like those in Michigan. The program in Michigan for AFDC recipients has not been cheap, $40 million a year, $18 million of it from WIN; but as of August 1985 there had already been saved $36 million in reduced welfare payments.

I urge others to join Representatives KENNELLY, RANGEL, GEPHARDT, MILLER of California, MOAKLEY, FRANK, and myself, in sponsoring this in the House.

There follows a fuller explanation of the bill:

When AFDC was established 51 years ago, it was seen as solely an income assistance program. Despite piecemeal and often inconsistent attempts over the last twenty years, we've failed to link AFDC recipients to work and training programs aimed at helping them gain economic independence. Now, with increasing need, new understandings, and national attention focused on the

challenge of bringing new opportunities to the disadvantaged, the time has come to make job training and preparation a top priority for the AFDC system. We must not continue to reduce the resources or threaten the program authorizations that make training and job preparation possible for AFDC recipients. Instead, we must weld AFDC to proven programs that enable recipients to leave the welfare rolls and join payrolls.

We now know enough to create a successful program. We can build off the proven records of the 26 states that operate WIN Demonstration programs; we can build off of the authoritative evaluations prepared by the Manpower Development Research Corporation; and we can build from the recommendations proffered by the National Governors' Association, the American Public Welfare Association, the Children's Defense Fund, and many other groups whose hands-on experience has shown what works and what doesn't.

The time for reform is now. Right now the average monthly AFDC caseload is close to eleven million people, mostly women and children. Since 1979, child poverty has increased 31%, the sharpest increase since poverty statistics have been collected. We need to do something now to give greater opportunity to the millions of poor families receiving welfare payments and a brighter future to the one out of five American children who live in poverty. We need welfare reform now, not because we wish to blame those in poverty or force them to exchange their welfare benefits for make work that leads them neither out of poverty nor towards new skills that can guide them out of a dead end road. We need to act now because we know some of the answers that can help families now.

We know the difficulties those receiving welfare, and I mean the adults and not the two thirds of all recipients who are children, face. We know that one half of all AFDC recipients are high school drop outs. Many are functionally illiterate and for them, finding a job is not as simple as skimming the want ads or perusing the yellow pages for suitable employers—they can't read or understand either one. They often need remedial education and the opportunity to finish school if they are to succeed at any level in the job market.

Even more important, we know that female heads of households, aged 25 to 34, can earn enough to keep a family of three out of poverty in 80 percent of all traditionally male occupations but in only 45 percent of all traditionally female occupations. For a single woman raising her children this fact mandates that she finds not simply a job paying the minimum wage that guarantees that she and her family will remain mired in poverty; she needs a job that can bring her an adequate income and at least some health benefits for her family. We should not expect mothers of young children to give up their Medicaid benefits for a job that does nothing about health coverage. In addition, child care and transportation assistance must be available for those in training.

Poor women need more than simple job hunting skills; they need the training that will let them enter the job market primed to find and keep a good job in an expanding field. To give them less is to only hold out false hope and, for many, a return to the AFDC rolls.

We have all heard much about the success of the Massachusetts ET Choices program. Massachusetts is one of many States that has had success in helping thousands of AFDC recipients leave welfare for work.

In 1984, my home state began the Michigan Opportunity and Skills Training Program [MOST], relying in large part on WIN funds and WIN Demonstration authority. When the program began, Michigan's AFDC caseload stood at 245,924. In less than two years, better than 55,000 people found work after going through some type of education and skill training. Approximately one half found jobs that offered health benefits.

To prepare people for jobs, the MOST program offers welfare recipients a variety of training opportunities. Since 47 percent of all MOST participants begin the program without a high school diploma, general education is a necessity. Many participants also take advantage of job specific vocational education programs and community college courses. Participants are trained for clerical positions, word processing, food service occupations, auto mechanics and a variety of other growing occupations. For those already job ready there are three separate forms of job search—job clout, job seeking and job development—each tailored to the specific needs of specific participants. And for those in need of job experience, in order to develop improved work habits and attitudes or to maintain or upgrade existing skills, the Community Work Experience Program offers a valuable opportunity.

To insure that all recipients can maintain their participation, MOST allocates substantial funds for child care and transportation particularly important for rural participants. The program is not cheap, approximately $40 million a year—$18 million from WIN and the balance from state revenues. But it serves a monthly average of 41,000 welfare recipients and, as of August 1985, had already saved $36 million in reduced welfare payments. As the long term effects of those initial savings accumulate, that dollar total will rise.

Based on the results of Michigan's project and the many other successful AFDC work, training, and education programs I was fortunate enough to review as Chair of the Democratic Caucus Task Force on Job Training, we put together a proposal that builds on the proven record. We combine the best parts of several programs while maintaining each state's right and need to tailor their program to meet their particular situation. The result is WORC—the Work Opportunities and Retraining Compact of 1986.

WORC contains six key elements.

1. *A comprehensive plan to link Welfare and Training.*—All states would be required to develop a comprehensive employment and training plan for welfare recipients. The effect would be to consolidate the many separate funding and program authorities that now exist under Title IV. The bill would also require that this training program be developed in partnership with other state and local agencies responsible for job training and education including programs administered under the Job Training Partnership Act, Employment Service, vocational education, local education agencies and community colleges.

2. *Mandatory registration, counseling, and assessment for all non-exempt AFDC recipients.*—Out of the assessment and counseling process will come a job preparation plan for every individual. States would be encouraged to promote the voluntary participation of persons exempted from work-related requirements.

3. *Education and training options must be provided.*—States would be required to offer education and training options to those who need such opportunities to become job ready. All the employment activities currently permitted under WIN/WIN Demonstrations, JTPA, and under all other AFDC work program authorities would be funded, as would any other program leading to employment.

4. *Child care and transportation assistance available to those participants who need it all points during the program.*

5. *Adequate resources to fund a comprehensive program.*—Funding would be provided on a 70 percent federal and 30 percent state matching rate for all training and education costs and in the outyears would be raised to 75/25 where states exceeded performance standards. Administrative and support service costs such as child care and transportation would be funded at a 50 percent federal and 50 percent state matching rate.

6. *Performance measured not by simple participation but by measured outcomes.*—Building on the JTPA experience, both national and state performance standards would be set. States that met or exceeded performance standards would have a lower match rate. Standards would be developed by the Office of Technology Assessment in consultation with the Secretary of Health and Human Resources, the Secretary of Labor and with the advice of state officials and other experts. These standards will include such measures as job placement rates, job retention, reduction of welfare costs and caseloads, education improvements and percent of jobs that provide employer financed health care benefits. Performance standards will give credit to programs that help those with the greatest barriers to employment and take into account the unemployment rate in each state. These performance standards should be coordinated with JTPA standards.

Over the last few years we have learned a painful lesson; a rising tide does not lift all boats. And some people, we have also discovered and rediscovered, don't even have a boat to get into. But with WORC we can build a national program that offers those in poverty new opportunity. We can help those who are stuck on the bottom to find their own way up and out.

I believe WORC gives states the tools and resources they need to reform our welfare system. The time to act is now.

QUESTIONNAIRE RESULTS: VIEWS OF THE PEOPLE OF OKLAHOMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. JONES] is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, recently I wrote my constituents in the First District of Oklahoma to solicit their views on issues facing our Nation.

The response was overwhelming, and the results have been very instructive. I commend these results to my colleagues from around the country, and hope this dose of old-fashioned Oklahoma common sense will guide us as we face the difficult decisions which lie ahead.

QUESTIONNAIRE RESULTS

1. Do you think things in the nation are generally headed in the right direction or are things seriously off on the wrong track?

	Percent
Right direction	49
Wrong direction	45
Don't know	6

How about in Oklahoma?

	Percent
Right direction	20
Wrong direction	72
Don't know	8

2. As you know, the federal budget is facing a $200 billion deficit. Would you rather reduce the deficit, even if it meant higher taxes, or would you pay lower taxes, even if it meant a higher deficit?

	Percent
Reduce the deficit even if it means higher taxes	68
Pay less taxes, even if it means a higher deficit	20
Don't know	12

3. Recently, there has been a great deal of discussion about the role of the federal government in solving problems facing America. Some people say it would be better if government did less; some people say it would be better if government did more. Do you think it would be better if the government:

	Percent
Did more	20
Did less	70
Did same	10

4. In light of the $200 billion federal deficit, do you think the federal government should spend more, the same amount, or less for:

	Percent
Education:	
More	32
Same amount	31
Less	37
Farm aid:	
More	33
Same amount	23
Less	44
Veterans benefits:	
More	15
Same amount	54
Less	31
Defense spending:	
More	16
Same amount	35
Less	49

5. Since agriculture is vital to Oklahoma's economy, how do you feel about the Reagan Administration's farm policies?

	Percent
Strongly favor	19
Somewhat favor	23
Somewhat oppose	17
Strongly oppose	24
Unsure	17

6. Do you feel the federal government should:

	Percent
Give financial aid to farmers even if it means a higher federal deficit	41
Let the natural forces of the economy take over even if it means farmers going out of business	59

INTRODUCTION OF LEGISLATION CLARIFYING TAX TREATMENT OF ASSET BACKED AND MORTGAGE BACKED SECURITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MATSUI] is recognized for 5 minutes.

Mr. MATSUI. Mr. Speaker, I am today introducing legislation to simplify and clarify the tax treatment of asset backed and mortgage backed securities. While not identifying with the specific provisions of any separate piece of legislation, my legislation is similar in scope and purpose to the so-called real estate mortgage investment company "REMIC" provisions of the tax reform bill recently adopted in the Senate Finance Committee.

Simply stated, my legislation would amend the Internal Revenue Code to create a debt holding company [DHC] which would permit the issuance of multiple-class mortgage backed and asset backed securities without necessity of creating debt on the balance sheets. These securities would be subject to a single level tax.

As the Members are probably aware, the issue of passthrough entities in general, and mortgage backed and asset backed securities specifically, will be comprehensively addressed during extensive, 2 day hearings in the Ways and Means Subcommittee on select revenue measures next week. Rather than reiterate the numerous benefits of my legislation to the Treasury, issuers of securities, investors, borrowers, and the public at large, I would like to state general principles that will guide my actions during these hearings, and hopefully, the action of House conferees during the upcoming conference:

First, the uncertainty currently governing the taxation of these securities should be eliminated;

Second, rules adopted should be as comprehensive as possible for the taxation of all transactions relating to the use of these securities;

Third, these securities must be subject to a single level of tax;

Fourth, income must be measured fairly and accurately;

Fifth, all public and private entities must be able to utilize the new rules; and

Sixth, all types of receivables, including auto loans, equipment leases, and mortgage loans, should be qualifying assets under the legislation.

In summary, I congratulate the efforts of my colleagues thus far in bringing this issue to the attention of Congress. Legislation is clearly needed. I intend to work with my colleagues, the joint committee staff, the Treasury, and private enterprise to develop comprehensive, understandable, and workable tax rules to facilitate the securitization of mortgages and other assets.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. DERRICK] is recognized for 5 minutes.

Mr. DERRICK. Mr. Speaker, on behalf of Chairman WILLIAM H. GRAY III, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting the official letter to the Speaker advising him of the current level of spending and revenues for fiscal year 1986. The current level was last filed on May 7, 1986. Since my last report, Congress has completed action on and sent to the President the Federal Employees Retirement System Act of 1986 (H.R. 2672). This report reflects congressional action on the fiscal year 1986 budget through May 22, 1986.

The current level is used to compare enacted spending after the start of a fiscal year with the aggregate ceiling on budget authority, outlays, and revenues established in a budget resolution and enforced by point of order pursuant to section 311(a) of the act. The term current level refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

The procedural situation with regard to the spending ceiling is affected by section 311(b) of the Congressional Budget Act of 1974, as amended by Public Law 99-177. Enforcement against possible breaches of the spending ceiling under section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered.

The intent of the section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by section 311(b) of the Budget Act, as amended, is to protect a committee that has stayed within its own spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on Senate Concurrent Resolution 32 were printed in the CONGRESSIONAL RECORD, September 5, 1985, 22976.

As chairman of the Budget Process Task Force, and on behalf of Chairman GRAY, I intend to keep the House informed regularly on the status of current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC., June 4, 1986.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 on the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report under S. Con. Res. 32, the First Concurrent Resolution on the Budget for Fiscal Year 1986. This report incorporates the reductions in budgetary resources and outlays re-

quired by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) which took effect on March 1, 1986, pursuant to the Presidential sequestration order of February 1.

In the House of Representatives, the procedural situation with regard to the spending ceiling is affected by Section 311(b) of the Congressional Budget Act of 1974, as amended by Public Law 99-177. Enforcement against possible breaches of the spending ceiling under Section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to Section 302(a) of the Budget Act. The appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlays allocation is considered.

The intent of the Section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by Section 311(b) of the Budget Act, as amended, is to protect a committee that has stayed within its spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on S. Con. Res. 32 were printed in the CONGRESSIONAL RECORD, September 5, 1985, H.7290.

The enclosed tables compare enacted legislation to each committee's 302(a) allocation of discretionary budget authority and of new entitlement authority.

Sincerely,

WILLIAM H. GRAY III,
Chairman.

Enclosures.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1986 CONGRESSIONAL BUDGET ADOPTED IN SENATE CONCURRENT RESOLUTION 32—REFLECTING COMPLETED ACTION AS OF MAY 22, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	1,069,700	967,600	795,700
Current level	1,057,108	980,302	778,469
Amount over ceilings		12,702	
Amount under ceilings	12,592		
Amount under floor			17,231

BUDGET AUTHORITY

Any measure providing budget or entitlement authority that is not included in the current level and exceeds $12,592 million, for fiscal year 1986, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 32 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority that is not included in the current level and would increase outlays for fiscal year 1986, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 32 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1986, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 32.

Fiscal Year 1986 budget authority—comparison of current level and budget resolution allocation by committee

[In millions of dollars]	*Authority*
Total current level	−12,592
Appropriations Committee: Discretionary	−1,351
Authorizing Committee—Discretionary action:	
Agriculture	(+1,608)
Armed Services	(+280)
Banking, Finance, and Urban Affairs	(+816)
District of Columbia	(...)
Education and Labor	(...)
Energy and Commerce	(+28)
Foreign Affairs	(+75)
Government Operations	(...)
House Administration	(...)
Interior and Insular Affairs	(−1,032)
Judiciary	(...)
Merchant Marine and Fisheries	(+78)
Post Office and Civil Service	(...)
Public Works and Transportation	(−71)
Science and Technology	(...)
Small Business	(+108)
Veterans' Affairs	(−48)
Ways and Means	(+801)
Sequester order	(−19,382)

[1] Committees are over (+) or under (−) their 302(a) allocation.

ALLOCATION OF NEW ENTITLEMENT AUTHORITY [NEA]—PURSUANT TO SECTION 302(A)

[In millions of dollars]

Committee	NEA target	House reported	House passed	Enacted
Agriculture:				
H.R. 2100	−1,250	−954	−819	+3,250
H.R. 3128				−5
S. 1851			−20	−20
Subtotal		−954	−839	+3,225
Armed Services: H.R. 1872	−100	+1,336	+1,336	+1,780
Education and Labor:				
H.R. 3500	−339	−375	−375	
H.R. 2811		−174		
H.R. 2812		−174		
H.R. 7		+61	+61	
H.R. 3128		−174	−174	−455
Subtotal		−836	−488	−455
Energy and Commerce: H.R. 3128	−80	+23	+23	+37
Interior and Insular Affairs: H.J.Res. 187	+307	+285	+352	+175
House Judiciary: H.R. 484		+2	+2	
Post Office and Civil Service:				
H.R. 2851	−145	+2		
H.R. 3128		−145	−145	−72
H.R. 4061			+4	+4
Subtotal		−143	−141	−68
Veterans Affairs:				
H.R. 1538	+45	+311	+311	+286
H.R. 752		+2	+2	
H.R. 3500		+311	+311	
H.R. 2343		+1	+1	
H.R. 3128				+2
Subtotal		+625	+625	+288
Ways and Means:				
H.R. 3452	−2,454	−229	−229	−229
H.R. 3721		−155	−155	−155
H.R. 3918		−20	−20	−20
H.R. 3981		−6	−6	−6
H.R. 4006		−465	−465	−465
H.R. 3128		−2,366	−2,366	−382
H.R. 3838		+40	+40	
H.R. 2817		+2	+2	
Subtotal		−3,199	−3,199	1,257

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS
Washington, DC, June 3, 1986.

HON. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1986 budget (S. Con. Res. 32). This report for fiscal year 1986 is tabulated as of close of business May 22, 1986. A summary of this tabulation is as follows:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level	1,057,108	980,302	778,469
1985 Budget Resolution, S. Con. Res. 32	1,069,700	967,600	795,700
Current level is:			
Over resolution by		12,702	
Under resolution by	12,592		17,231

Since my last report Congress has completed action on and sent to the President H.R. 2672, the Federal Employees Retirement System Act of 1986. As a result of this action, revenue estimates have changed.

With best wishes,

Sincerely,

RUDOLPH G. PENNER, *Director.*

PARLIAMENTARIAN STATUS REPORT HOUSE SUPPORTING DETAIL, FISCAL YEAR 1986 AS OF CLOSE OF BUSINESS MAY 22, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds	710,401	629,772	
Other appropriations	538,839	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation Urgent Supplemental Appropriations, 1986 (Public Law 99-243)			
Federal Employees Benefits Improvement Act of 1986 (Public Law 99-251)		4	
VA Home Loan Guarantee Amendments (Public Law 99-255)		−51	
Department of Agriculture Urgent Supplemental, 1986 (Public Law 99-263)			
Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272)	−4,259	−6,001	765
Advance to the Hazardous Substance Response Trust Fund (Public Law 99-270)			
FHA and GNMA Credit Commitment Assistance Act (Public Law 99-289)		−380	
Total	−4,259	−6,428	765
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses: Federal Employees Retirement Act of 1986 (H.R. 2672)			−90

PARLIAMENTARIAN STATUS REPORT HOUSE SUPPORTING DETAIL, FISCAL YEAR 1986 AS OF CLOSE OF BUSINESS MAY 22, 1986—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation	272	185	
Veterans readjustment benefits	91	91	
Compact of free association	205	205	
Special benefits (federal employees)	14	14	
Family social services	100	75	
Guaranteed student loans	6		
Payment to civil service retirement [1]	(37)	(37)	
Total entitlements	688	570	
Total current level as of May 22, 1986	1,057,108	980,302	778,469
1986 budget resolution (S. Con. Res. 32)	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		12,702	
Under budget resolution	12,592		17,231

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DAVIS (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KOLBE) to revise and extend their remarks and include extraneous material:)

Mr. LUNGREN, for 5 minutes, on June 5.

Mr. LUNGREN, for 60 minutes, on June 6.

Mr. LUNGREN, for 5 minutes, on June 9.

Mr. LUNGREN, for 5 minutes, on June 10.

Mr. GALLO, for 60 minutes, on June 5.

Mr. ROTH, for 30 minutes, on June 5.

Mr. BILIRAKIS, for 5 minutes, on June 5.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MATSUI, for 5 minutes, today.

Mr. DERRICK, for 5 minutes, today.

Mr. FRANK, for 30 minutes, on June 5.

Mr. UDALL, for 10 minutes, on June 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mrs. ROUKEMA, following the remarks of Mr. WYLIE on the Garcia amendment to H.R. 1, in the Committee of the Whole, today.

Mr. SEIBERLING, and to add extraneous material during consideration of H.R. 1, in the Committee of the Whole, today.

(The following Members (at the request of Mr. KOLBE) and to include extraneous matter:)

Mr. GALLO.
Mr. MORRISON of Washington.
Mr. WEBER.
Mr. TAUKE.
Mr. PORTER.
Mr. ARCHER.
Mr. LAGOMARSINO in three instances.
Mr. HILER.
Mr. PETRI.
Mr. FISH.
Mr. MCGRATH.
Mr. KINDNESS.
Mr. SAXTON.
Mr. MADIGAN.
Mr. FIELDS in two instances.
Mr. GEKAS in three instances.
Mr. MCCOLLUM.
Mr. PURSELL.
Mr. SPENCE.
Mr. RINALDO.
Mr. HUNTER.
Mr. LENT.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. STOKES.
Mr. WEISS.
Mr. BARNES.
Mr. LIPINSKI in three instances.
Mr. WALGREN.
Mr. MINETA.
Mr. GARCIA in two instances.
Mr. BERMAN.
Mr. DARDEN in two instances.
Mr. TORRICELLI.
Mr. BOXER.
Mr. WHEAT.
Mr. GAYDOS.
Mr. SCHUMER.
Mr. APPLEGATE.
Mr. RAHALL.
Mr. STARK in two instances.
Mr. SOLARZ.
Mr. KAPTUR.
Mr. WISE.
Mr. COELHO.
Mr. FRANK.
Mr. ACKERMAN.
Mr. DYMALLY.
Mr. TOWNS.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Thursday, June 5, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3632. A letter from the Architect of the Capitol, transmitting a report on all expenditures during the period October 1, 1985 through March 31, 1986, pursuant to 40 U.S.C. 162b; to the Committee on Appropriations.

3633. A letter from the Deputy Assistant Secretary of Defense, transmitting the Department of the Navy's determination and findings to exclude the clause entitled Examination of Records by the Comptroller General from a proposed contract with the Government of Portugal, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

3634. A letter from the Deputy Assistant Secretary of Defense, transmitting the Department of the Navy's determination and findings to exclude the clause entitled Examination of Records by the Comptroller General from a proposed contract with the United Kingdom, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

3635. A letter from the Secretary of Education, transmitting a copy of the final regulations for the Guaranteed Student Loan Program and Pell Grant Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3636. A letter from the Secretary, Department of Transportation, transmitting the semiannual report of the activities of the inspector general for the period ended March 31, 1986, pursuant to 5 U.S.C. app. (Inspector General Act of 1978) 5(b); to the Committee on Government Operations.

3637. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the semiannual report of the activities of the inspector general for the period ending March 31, 1986, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

3638. A letter from the Acting General Counsel, Federal Home Loan Bank Board, transmitting the Board's annual report of its activities under the Government in the Sunshine Act for the calendar year 1985, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3639. A letter from the Administrator, General Services Administration, transmitting the semiannual report of the inspector general for the period October 1, 1985 through March 1, 1986, pursuant to Public Law 95-452, section 5(b); to the Committee on Government Operations.

3640. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting reports of grants of Suspension of Deportation, pursuant to 8 U.S.C. 1254(c); to the Committee on the Judiciary.

3641. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to repeal certain marine fisheries grants programs; to the Committee on Merchant Marine and Fisheries.

3642. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to repeal the National Sea Grant College Program Act, as amended; to the Committee on Merchant Marine and Fisheries.

3643. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to restructure the Federal Employees Health Benefits Program to strengthen financial control over the program and enhance competition among participating health plans, and for other purposes; to the Committee on Post Office and Civil Service.

3644. A letter from the Secretary of Health and Human Services, transmitting the 1986 Social Security Annual Report, pursuant to 42 U.S.C. 904; to the Committee on Ways and Means.

3645. A letter from the Acting Secretary of State, transmitting the determination that the Government of Peru has been sufficiently responsive to United States concerns on drug control and additional aid is in the national interest of the United States; further that the Government of Peru has demonstrated substantial progress in developing a plan that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production, pursuant to Public Law 99-190, section 537 (99 Stat. 1308); jointly, to the Committees on Foreign Affairs and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. H.R. 4354. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1987, and for other purposes; with an amendment (Rept. 99-617). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. S. 1073. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 for the purpose of improving the availability of Japanese science and engineering literature in the United States, and for other purposes; with amendments (Rept. 99-618). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 4184. A bill to authorize appropriations to the National Science Foundation for the fiscal years 1987 and 1988, and for other purposes; with amendments (Rept. 99-619). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALL of Ohio: Committee on Rules. House Resolution 463. Resolution providing for the consideration of H.R. 4116, to extend the Volunteers in Service to America [VISTA] program under the Domestic Volunteer Service Act of 1973 (Rept. 99-620). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 464. Resolution providing for the consideration of H.R. 4784, to require the transfer of jurisdiction to the District of Columbia over certain property to permit such property to be used as a shelter for the homeless (Rept. 99-621). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:

H.R. 4924. A bill to amend the Federal Aviation Act of 1958 to prohibit smoking on board passenger carrying aircraft on flights of 2 hours or less and on flights where seating is not assigned; to the Committee on Public Works and Transportation.

By Mr. FUQUA:

H.R. 4925. A bill to authorize appropriations to the Department of Energy for civilian research and development programs for fiscal year 1987; to the Committee on Science and Technology.

H.R. 4926. A bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1987; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. KOSTMAYER:

H.R. 4927. A bill to authorize appropriations to the Secretary of the Interior for grants for educational programs at the Benjamin Franklin National Memorial; to the Committee on Interior and Insular Affairs.

By Mr. KOSTMAYER (for himself, Mr. UDALL, and Mr. SEIBERLING):

H.R. 4928. A bill to require the Secretary of the Interior to submit a report to the Congress before carrying out any plan for the renovation, development, or use of any building ancillary to the Statue of Liberty National Monument; to the Committee on Interior and Insular Affairs.

By Mr. LEVIN of Michigan (for himself, Mrs. KENNELLY, Mr. RANGEL, Mr. GEPHARDT, Mr. MILLER of California, Mr. MOAKLEY, and Mr. FRANK):

H.R. 4929. A bill to amend title IV of the Social Security Act to improve the AFDC Program by requiring each State to establish a single comprehensive work program with a centralized intake and registration process, and providing for the participation of each AFDC applicant or recipient (through such comprehensive program) in an employment or training program which has been selected by the State on a basis of its appropriateness for that particular applicant or recipient; to the Committee on Ways and Means.

By Mr. MATSUI:

H.R. 4930. A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of interests in entities holding financial instruments; to the Committee on Ways and Means.

By Mr. MURPHY:

H.R. 4931 A bill to require certain payments from the Consolidated Rail Corporation to the United States; to the Committee on Energy and Commerce.

By Mr. NELSON of Florida:

H.R. 4932. A bill to amend the Land-Remote Sensing Commercialization Act of 1984; to the Committee on Science and Technology.

By Mr. RIDGE (for himself and Mr. CLINGER):

H.R. 4933. A bill to amend the Disaster Relief Act of 1974 to provide more effective assistance to disaster and emergency victims; to the Committee on Public Works and Transportation.

H.R. 4934. A bill to establish cost sharing formulas for certain forms of assistance under the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. SOLARZ (for himself, Mr. RANGEL, Mr. HOYER, Mr. FAUNTROY, Mr. MRAZEK, Mr. MITCHELL, Mr. WEISS, Mr. LEVIN of Michigan, Mrs. BOXER, Mr. HAYES, Mr. TORRICELLI, Mr. ANDERSON, Mr. WEAVER, Mr. SMITH of Florida, and Mr. ACKERMAN):

H.R. 4935. A bill to require the Secretary of Health and Human Services to enforce certain food labeling requirements of the Federal Food, Drug, and Cosmetic Act for packaged foods sold by certain restaurants; to the Committee on Energy and Commerce.

By Mr. TAUKE:

H.R. 4936. A bill to amend title II of the Social Security Act to codify in the statute certain current regulatory standards and procedures governing disability determinations and to provide for effective congressional consultation in the promulgation of regulations governing disability determinations; to the Committee on Ways and Means.

By Mr. WEAVER (for himself, Mr. AUCOIN, Mr. BONKER, Mr. DICKS, Mr. FOLEY, Mr. LOWRY of Washington, Mr. ROBERT F. SMITH, Mr. SWIFT, and Mr. WYDEN):

H.R. 4937. A bill to remove the Hanford Reservation in the State of Washington from consideration as a respository for high-level radioactive waste produced by commercial nuclear power plants; jointly, to the Committee on Energy and Commerce, and Interior and Insular Affairs.

By Mr. WEISS:

H.R. 4938. A bill to amend part A of title IV of the Social Security Act to permit States, with Federal matching funds under the program of emergency assistance to needy families with children, to purchase, construct, renovate, or rent facilities to provide emergency shelter for such families; to the Committee on Ways and Means.

By Mr. FUQUA:

H.J. Res. 646. A joint resolution to designate July 20, 1986, as "Space Exploration Day"; to the Committee on Post Office and Civil Service.

By Mr. GIBBONS:

H.J. Res. 647. A joint resolution to recognize and support the efforts of the United States Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy; to the Committee on Foreign Affairs.

By Mr. WAXMAN:

H. Con. Res. 346. Concurrent resolution to correct technical errors in the enrollment of the bill S. 124; considered and agreed to.

By Mr. SOLOMON:

H. Con. Res. 347. Concurrent resolution expressing the sense of the Congress concerning the human rights situation in North Korea and the reduction of tensions on the Korean peninsula; to the Committee on Foreign Affairs.

By Mr. DIXON (for himself, Mr. FAUNTROY, Mr. TOWNS, Mr. WOLPE, and Mr. GRAY of Pennsylvania):

H. Res. 462. Resolution expressing the sense of the House of Representatives with respect to the continuing acts of oppression of the South African Government, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DORNAN of California:

H. Res. 465. Resolution amending the Rules of the House of Representatives to provide certain qualifications pertaining to service as a Member; and for other purposes; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 442: Mr. DWYER of New Jersey.

H.R. 524: Mr. MORRISON of Washington, Mr. SAXTON, Mr. BLAZ, Mr. EDWARDS of Oklahoma, Mr. HORTON, Mr. ANDERSON, Mrs. HOLT, Mr. MCGRATH, Mr. SMITH of New Hampshire, Mr. RALPH M. HALL, Mr. SHUMWAY, Mrs. SCHROEDER, Mr. COBEY, Mr. FOWLER, Mr. PURSELL, and Mr. HUGHES.

H.R. 585: Mr. COURTER and Mr. LEVINE of California.

H.R. 620: Mr. BOULTER and Mr. DORNAN of California.

H.R. 704: Mr. RALPH M. HALL and Mr. LENT.

H.R. 864: Mr. COBEY.

H.R. 1089: Mr. WEAVER, Ms. OAKAR, and Mr. SCHEUER.

H.R. 1213: Mr. ACKERMAN, Mr. APPLEGATE, Mr. ATKINS, Mr. BARTON of Texas, Mr. BIAGGI, Mr. BONIOR of Michigan, Mr. BORSKI, Mrs. BOXER, Mr. BRYANT, Mrs. BURTON of California, Mr. CLAY, Mr. CLINGER, Mr. COELHO, Mr. COOPER, Mr. COYNE, Mr. DELLUMS, Mr. DIXON, Mr. DOWNEY of New York, Mr. DWYER of New Jersey, Mr. ECKART of Ohio, Mr. EDGAR, Mr. EMERSON, Mr. FAZIO, Mr. FOGLIETTA, Mr. GARCIA, Mr. GAYDOS, Mr. GEKAS, Mr. GONZALEZ, Mr. GORDON, Mr. GRAY of Illinois, Mr. JONES of Tennessee, Ms. KAPTUR, Mr. KLECZKA, Mr. KOSTMAYER, Mr. LEVIN of Michigan, Mr. LIPINSKI, Mrs. LLOYD, Mr. LUNDINE, Mr. MANTON, Mr. MOLLOHAN, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. MURTHA, Mr. NOWAK, Mr. OWENS, Mr. PEASE, Mr. RAHALL, Mr. RICHARDSON, Mr. RITTER, Mr. ROYBAL, Mr. RUSSO, Mr. SCHUMER, Mr. SIKORSKI, Mr. STALLINGS, Mr. STOKES, Mr. STAGGERS, Mr. TRAFICANT, Mr. TOWNS, Mr. WALKER, and Mr. WIRTH.

H.R. 1309: Mr. BOUCHER, Mr. DE LUGO, Mr. SABO, and Mr. HEFTEL of Hawaii.

H.R. 1398: Mrs. LONG.

H.R. 1536: Mrs. BURTON of California.

H.R. 1567: Mr. EVANS of Illinois.

H.R. 1946: Mr. ACKERMAN, Mr. DREIER of California, Mr. HUTTO, Ms. KAPTUR, and Mr. STRANG.

H.R. 2504: Mr. BILIRAKIS, Mr. LOWRY of Washington, and Mr. DYMALLY.

H.R. 2568: Mr. WHITEHURST, Mr. LATTA, and Mr. JONES of North Carolina.

H.R. 2593: Mr. AUCOIN and Mr. BATES.

H.R. 2902: Mr. BARNES, Mr. HENRY, Mr. LUKEN, Mr. MCCLOSKEY, Mr. MCEWEN, Mr. RODINO, and Mrs. SCHNEIDER.

H.R. 3006: Mr. FOGLIETTA and Mrs. BOXER.

H.R. 3024: Mr. HAYES, Mr. COBEY, Mr. HENRY, Mr. DICKINSON, and Mr. MCEWEN.

H.R. 3042: Mr. ROYBAL and Mr. BLAZ.

H.R. 3099: Mr. OBERSTAR, Mr. SWIFT, Mr. GORDON, and Mr. DASCHLE.

H.R. 3167: Mr. VALENTINE.

H.R. 3429: Mr. FROST, Mr. ACKERMAN, and Mr. WIRTH.

H.R. 3465: Mr. GREGG.

H.R. 3599: Mr. BILIRAKIS, Mr. BOULTER, Mr. CRAIG, Mr. MCEWEN, Mr. MOORHEAD, Mr. SYNAR, and Mr. WEAVER.

H.R. 3661: Mr. MCKERNAN, Mr. HOWARD, and Mr. LIPINSKI.

H.R. 3980: Mr. GIBBONS.

H.R. 4029: Mr. FORD of Michigan, Mrs. BURTON of California, Mr. CONYERS, Mr. ATKINS, Mrs. SCHROEDER, Mr. CLAY, and Mr. ORTIZ.

H.R. 4041: Mr. CAMPBELL, Mr. PACKARD, Mr. SENSENBRENNER, and Mrs. SMITH of Nebraska.

H.R. 4077: Mr. SMITH of Florida.

H.R. 4140: Mr. PARRIS and Mr. AUCOIN.

H.R. 4145: Mr. LIGHTFOOT, Mr. LEWIS of Florida, Mr. CHAPPIE, Mr. DAUB, Mr. PARRIS, and Mr. FIELDS.

H.R. 4154: Mr. WYLIE, Mr. LAFALCE, Mr. LUNGREN, and Mr. MORRISON of Connecticut.

H.R. 4213: Mr. NIELSON of Utah, Mr. SMITH of New Hampshire, Mr. CROCKETT, Mr. BORSKI, Mr. BLAZ, Mr. BARNES, and Mr. GRADISON.

H.R. 4278: Mr. PACKARD.

H.R. 4287: Ms. OAKAR, Mrs. COLLINS, Mr. GRAY of Illinois, and Mr. BORSKI.

H.R. 4301: Mr. AKAKA, Mr. EDWARDS of Oklahoma, Mr. BROWN of Colorado, and Mr. BIAGGI.

H.R. 4333: Mr. MCEWEN, Mr. RAHALL, and Mr. BILIRAKIS.

H.R. 4370: Mr. PACKARD, Mr. FOWLER, and Mr. WIRTH.

H.R. 4388: Mr. WIRTH.

H.R. 4393: Mrs. BOXER, Mrs. BURTON of California, Mr. COBEY, Mr. DASCHLE, Mr. EDWARDS of Oklahoma, Mr. HENDON, Mrs. HOLT, Mr. HOWARD, Mr. LANTOS, Mr. MATSUI, Mr. MCMILLAN, Mr. MONTGOMERY, Mr. NIELSON of Utah, Mr. OXLEY, Mr. RAHALL, Mr. SHAW, Mr. ROBERT F. SMITH, Mr. SOLOMON, Mr. STENHOLM, Mr. THOMAS of Georgia, Mr. WALGREN, Mr. YATRON, and Mr. YOUNG of Florida.

H.R. 4402: Mr. PACKARD.

H.R. 4408: Mr. HUGHES.

H.R. 4425: Mr. HUNTER, Mr. MONSON, Mr. BEREUTER, Mr. BURTON of Indiana, and Mr. SENSENBRENNER.

H.R. 4439: Mr. RUDD, Mrs. SMITH of Nebraska, Mr. SUNIA, Mr. LAGOMARSINO, Mr. SCHUETTE, Mrs. HOLT, Mr. STENHOLM, and Mr. BEREUTER.

H.R. 4469: Mr. WEAVER and Mr. WALGREN.

H.R. 4485: Mr. LAFALCE, Mr. MORRISON of Connecticut, Mr. CROCKETT, Mr. EVANS of Illinois, Mr. MARKEY, Mr. ROYBAL, Mr. HERTEL of Michigan, Mr. HAWKINS, and Mr. STARK.

H.R. 4524: Mr. LIPINSKI, Mr. HYDE, Mr. PACKARD, Ms. FIEDLER, Mr. HILER, Mr. SAVAGE, Mr. EDWARDS of Oklahoma, Mr. WEBER, and Mr. BOEHLERT.

H.R. 4543: Mr. COURTER.

H.R. 4544: Mr. COURTER.

H.R. 4545: Mr. CARNEY, Mr. DE LA GARZA, Mr. BERMAN, and Mr. FROST.

H.R. 4546: Mr. WYDEN, Mr. ANDERSON, Mr. SIKORSKI, and Mr. OXLEY.

H.R. 4611: Mr. STUMP, Mr. STANGELAND, and Mr. CAMPBELL.

H.R. 4625: Mr. THOMAS of Georgia, Mr. HATCHER, and Mr. DARDEN.

H.R. 4646: Mr. ROYBAL.

H.R. 4650: Mr. BERMAN, Mr. DE LUGO, Mr. ST GERMAIN, and Mr. LIPINSKI.

H.R. 4655: Mr. SPRATT, Mr. WEAVER, and Mr. WOLPE.

H.R. 4679: Mr. HAWKINS, Ms. MIKULSKI, Mr. WEAVER, Mr. NIELSON of Utah, Mr. GARCIA, Mr. DE LUGO, and Mrs. BOXER.

H.R. 4682: Mr. WIRTH, Mr. RUSSO, Mr. SHAW, and Mr. EDWARDS of Oklahoma.

H.R. 4690: Mr. TAUZIN.

H.R. 4696: Mr. MCCAIN, Mr. ROE, Mr. MILLER of California, and Mr. VISCLOSKY.

H.R. 4714: Mr. LIGHTFOOT.

H.R. 4723: Mr. RICHARDSON, Mr. HORTON, Mr. MURPHY, Mr. FISH, Mr. HAMILTON, Mr. MRAZEK, Mrs. COLLINS, and Mr. FLORIO.

H.R. 4744: Mr. KOLBE, Mr. STUMP, Mr. MCCAIN, and Mr. RUDD.

H.R. 4763: Mr. SAXTON, Mr. COURTER, Mrs. SMITH of Nebraska, Mr. LAGOMARSINO, and Mr. BOEHLERT.

H.R. 4766: Mr. WEBER.

H.R. 4796: Mr. GARCIA, Mr. WEBER, and Mr. HORTON.

H.R. 4809: Mr. BOEHLERT, Mr. BUSTAMANTE, Mr. LIGHTFOOT, Mr. KINDNESS, Mr. WEAVER, Mr. EVANS of Illinois, Mr. HENRY, Mr. MITCHELL, Mrs. BENTLEY, Mr. OWENS, Mrs. BOXER, Mr. ROBINSON, and Mrs. MARTIN of Illinois.

H.R. 4825: Ms. KAPTUR, Mr. MRAZEK, Mr. FAZIO, and Mr. ROYBAL.

H.R. 4847: Mr. YATRON, Mr. GILMAN, Mr. SCHEUER, and Mr. MARTINEZ.

H.R. 4849: Mr. GEKAS, Mr. DORNAN of California, Mrs. SMITH of Nebraska, Mr. MCHUGH, Mr. MCEWEN, Mr. DAUB, Mr. MOLINARI, Mrs. JOHNSON, Mr. STALLINGS, Mr. ROWLAND of Georgia, Mr. NOWAK, Mr. MORRISON of Connecticut, Mr. DE LUGO, Mr. ANDERSON, Mr. WORTLEY, Mr. SAVAGE, Mr. SMITH of Florida, Mr. FRANK, Mr. ROE, Mr. MONSON, Mr. LAGOMARSINO, Mr. MARTINEZ, Mr. HORTON, Mr. WEBER, Mr. BROWN of Colorado, and Mr. FRENZEL.

H.R. 4853: Mr. LIGHTFOOT.

H.R. 4854: Mr. SCHUETTE, Mr. FOWLER, and Mr. HORTON.

H.R. 4876: Mr. CHAPPELL, Mr. MACK, Mr. PARRIS, Mr. DANIEL, Mr. REGULA, Ms. KAPTUR, and Mr. SISISKY.

H.R. 4882: Mr. MITCHELL, Mr. FROST, Mr. RODINO, Mr. ROWLAND of Georgia, Mr. SMITH of Florida, and Ms. KAPTUR.

H.R. 4892: Mr. SYNAR.

H.R. 4900: Mr. KOLBE and Mr. UDALL.

H.R. 4907: Mr. BARNARD.

H.R. 4919: Mr. AKAKA, Mr. ATKINS, Mr. AUCOIN, Mr. BEILENSON, Mr. BONIOR of Michigan, Mr. BROOKS, Mrs. BURTON of California, Mr. CARPER, Mr. CLAY, Mr. COELHO, Mr. COYNE, Mr. DORGAN of North Dakota, Mr. DOWNEY of New York, Mr. DURBIN, Mr. EDWARDS of California, Mr. FAZIO, Mr. FEIGHAN, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORD of Michigan, Mr. GARCIA, Mr. GORDON, Mr. GRAY of Pennsylvania, Mr. GREEN, Mr. HERTEL of Michigan, Mr. HOYER, Mr. HUCKABY, Mr. JACOBS, Ms. KAPTUR, Mr. KANJORSKI, Mrs. KENNELLY, Mr. KILDEE, Mr. KLECZKA, Mr. LEACH of Iowa, Mr. LELAND, Mr. LEVIN of Michigan, Mr. LOWRY of Washington, Mr. LUKEN, Mr. MARKEY, Mr. MAVROULES, Mr. MINETA, Mr. MITCHELL, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Ms. OAKAR, Mr. PANETTA, Mr. RICHARDSON, Mr. ROSE, Mr. ROYBAL, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SOLARZ, Mr. STARK, Mr. STUDDS, Mr. SWIFT, Mr. TRAXLER, Mr. TORRES, Mr. VENTO, Mr. WEAVER, Mr. WEISS, Mr. WIRTH, Mr. WOLPE, Mr. WYDEN, and Mr. BONKER.

H.J. Res. 7: Mr. PACKARD.

H.J. Res. 131: Mr. FAWELL, Mr. PASHAYAN, Mr. HUBBARD, Mr. MANTON, Mr. DORNAN of California, Mr. DAVIS, Mr. BATEMAN, Mr. LIGHTFOOT, Mr. DANNEMEYER, Mr. MACKAY, Mr. OWENS, Mr. PICKLE, and Mr. TRAFICANT.

H.J. Res. 435: Mr. DANIEL, Mr. BIAGGI, Mr. DE LA GARZA, and Mr. BONIOR of Michigan.

H.J. Res. 451: Mr. GARCIA, Mr. FUSTER, Mr. BARNES, Mr. PEPPER, Mr. LIPINSKI, Mr. FIELDS, and Mr. DE LA GARZA.

H.J. Res. 529: Mr. GONZALEZ, Mr. BARNES, Mr. FAUNTROY, Mr. DYMALLY, Mr. KLECZKA, Mr. TAUZIN, and Mr. WALGREN.

H.J. Res. 541: Mr. DAUB.

H.J. Res. 552: Mr. COATS, Mr. LOWRY of Washington, Mr. BIAGGI, Mr. ROBERTS, Mr. HUNTER, Mr. MATSUI, Mr. SMITH of Florida,

Mr. GARCIA, Mr. BARNES, Mr. SAXTON, Mr. HEFNER, Mr. DORGAN of North Dakota, Mrs. COLLINS, Mr. VANDER JAGT, Mr. YOUNG of Missouri, Mr. NEAL, Mr. COLEMAN of Missouri, Mr. WIRTH, and Mr. ROWLAND of Connecticut.

H.J. Res. 572: Mr. JONES of North Carolina, Mr. ROTH, Mr. EVANS of Illinois, Mr. MCDADE, Mr. THOMAS of Georgia, Mr. STALLINGS, Mr. WEISS, Mr. O'BRIEN, Mr. TRAXLER, Mr. TALLON, Mr. LEACH of Iowa, Mr. STENHOLM, Mr. HORTON, Mr. HAMILTON, Mr. PURSELL, Mr. MOORE, Mr. MCHUGH, Mr. BRUCE, Mr. ZSCHAU, Mr. MATSUI, Mrs. SMITH of Nebraska, Mr. MONSON, Mr. WORTLEY, Mr. GUNDERSON, Mr. ROWLAND of Georgia, Mr. CHANDLER, Mr. COELHO, Mr. AUCOIN, Mr. SWEENEY, Mr. FRANKLIN, Mr. DANNEMEYER, Mr. MORRISON of Washington, Mr. EVANS of Iowa, Mr. MARTIN of New York, Mr. SKELTON, Mr. VALENTINE, Mr. HUCKABY, Mr. MARTINEZ, Mr. VOLKMER, Mr. DORNAN of California, Mr. SCHUETTE, Mr. DARDEN, Mr. COLEMAN of Missouri, Mr. QUILLEN, Mr. WHITTAKER, Mr. LAGOMARSINO, Mr. LAFALCE, Mr. BEVILL, Mr. SHUMWAY, Mr. NIELSON of Utah, Mr. WILSON, Mr. ENGLISH, Mr. BROWN of Colorado, Mr. BROWN of California, Mr. TOWNS, Mr. FOLEY, Mr. ROSE, Mr. HATCHER, Mr. JONES of Tennessee, Mr. DASCHLE, Mr. BEDELL, Mr. WHITLEY, Mr. ROE, Mr. PANETTA, Mr. RANGEL, Mr. EMERSON, Mr. HOPKINS, Mr. JEFFORDS, Mr. MARLENEE, Mr. ROBERTS, Mr. STANGELAND, Mr. WYLIE, Mr. LEVIN of Michigan, Mr. TAUKE, Mr. LIGHTFOOT, Mr. BREAUX, Mr. OLIN, Mr. LUNDINE, Mr. WEBER, Mr. AKAKA, Mr. LEWIS of Florida, Mr. BEREUTER, Mr. BORSKI, Mr. BIAGGI, Mr. BOUCHER, Mr. BROYHILL, Mr. WHEAT, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mr. BONIOR of Michigan, Mr. CLINGER, Mr. CONTE, Mr. RALPH M. HALL, Mr. ORTIZ, Mr. CONYERS, Mr. DAUB, Mr. DERRICK, Mr. COURTER, Mr. DICKS, Mr. LEHMAN of California, Mr. BRYANT, Mr. COLEMAN of Texas, Mr. TORRICELLI, Mr. YOUNG of Missouri, Mr. BLAZ, Mr. NATCHER, Mr. HENRY, Mr. HOYER, Mr. YOUNG of Alaska, Mr. WOLPE, Mr. TRAFICANT, Mr. WATKINS, Mr. DOWDY of Mississippi, Mr. WALGREN, Mr. FAZIO, Mr. FEIGHAN, Mr. FLIPPO, Mr. FIELDS, Mr. FOWLER, Mr. GILMAN, Mr. GRAY of Illinois, Mr. HAMMERSCHMIDT, Mr. WHITTEN, Mr. DICKINSON, Mr. BOSCO, Mr. HOWARD, Mr. UDALL, Mr. HUBBARD, Mr. HENDON, Mr. GORDON, Mr. FLORIO, Mr. FISH, Mrs. BOXER, Mr. FRENZEL, Mr. HUGHES, Mr. COOPER, Mr. FUQUA, Mr. COBEY, Mr. GONZALEZ, Mr. KANJORSKI, Mr. KASICH, Mr. KASTENMEIER, Mr. LATTA, Mrs. LLOYD, Mr. KOLTER, Mr. MCCLOSKEY, Mr. BARTON of Texas, Mr. MACKAY, Mr. MCEWEN, Mr. FOGLIETTA, Mr. FRANK, Mr. KINDNESS, Mr. MOAKLEY, Mr. MURTHA, Mr. MURPHY, Mr. NEAL, Mr. DYSON, Mr. NICHOLS, Mr. PASHAYAN, Mr. PRICE, Mr. ROEMER, Mr. SAVAGE, Mr. SISISKY, Mr. ROBERT F. SMITH, Mr. SHELBY, Mr. PETRI, Mr. CHAPPIE, Mr. PERKINS, Mr. BONER of Tennessee, Mr. OBERSTAR, Mr. DORGAN of North Dakota, Mr. ATKINS, Mr. OWENS, Mr. MORRISON of Connecticut, Mr. STAGGERS, Mr. RINALDO, Mr. RICHARDSON, Mr. CALLAHAN, Mr. ERDREICH, Mr. DYMALLY, Mr. ALEXANDER, Ms. OAKAR, Mr. ANDREWS, Mr. OXLEY, Mr. DIXON, Mr. SKEEN, Mr. GRAY of Pennsylvania, Mr. SILJANDER, Mr. STARK, Mr. HARTNETT, Mr. HAYES, Mrs. HOLT, Mr. HUNTER, Mr. HYDE, Mr. IRELAND, Mr. LELAND, Mr. LEWIS of California, Mr. TAUZIN, Mr. BROOKS, Mr. SWINDALL, Mr. HUTTO, Mr. DANIEL, Mr. SUNDQUIST, Mr. SYNAR, Mr. MILLER of Washington, Mr. MILLER of Ohio, Mr. STOKES, Mr. SOLOMON, Mr. BOULTER, Mr. SPRATT, Mr. SPENCE, Mr. DURBIN, Mr. VANDER JAGT, Mr. CAMPBELL, Mrs. BOGGS, Mr. LIVINGSTON, Mr. STRANG, Mr. COMBEST, Ms. KAPTUR, Mrs. LONG, Mr. YATRON, Mr. PEASE, Mr. ANTHONY, Mr. SMITH of Iowa, Mr. EDWARDS of Oklahoma, and Mr. DENNY SMITH.

H.J. Res. 579: Mr. DWYER of New Jersey, Mr. HERTEL of Michigan, Mr. DANNEMEYER, Mr. HOWARD, Mr. DORNAN of California, Mr. HORTON, Mr. RAHALL, Mr. MILLER of Washington, Mr. COYNE, and Mr. FOGLIETTA.

H.J. Res. 587: Mr. MOORHEAD, Mr. MARTINEZ, Mr. HENRY, Mr. LEVINE of California, and Mr. LIPINSKI.

H.J. Res. 591: Mr. SOLARZ.

H.J. Res. 615: Mr. MRAZEK, Mr. WORTLEY, Mr. PURSELL, Mr. FAUNTROY, Mr. MARTINEZ, Mr. HORTON, Mr. LEVIN of Michigan, Mr. ROE, Mr. FRANK, Mr. HUGHES, Mr. YATES, Mr. FISH, Mr. BEDELL, Mr. HOYER, Mr. HEFTEL of Hawaii, Mr. LIVINGSTON, Mr. WAXMAN, Mr. DASCHLE, Mr. SILJANDER, Mr. DORNAN of California, Mr. BARNES, Mr. TOWNS, Mrs. BOGGS, Mr. LEVINE of California, Mr. WEISS, Mr. FAZIO, Mr. KASICH, Mr. BONIOR of Michigan, and Mr. WALGREN.

H.J. Res. 617: Mr. RALPH M. HALL, Mr. ROE, Mr. PANETTA, Mr. SHAW, Mr. LEVIN of Michigan, Mr. HORTON, Mr. WORTLEY, Mr. DAUB, Mr. KASICH, Mr. FAUNTROY, Mrs. COLLINS, Mr. MARTINEZ, Mr. LAFALCE, Mr. BORSKI, Mr. SMITH of New Jersey, Mr. HAYES, Mr. YOUNG of Florida, Mr. RANGEL, and Mr. HUGHES.

H.J. Res. 621: Mr. JEFFORDS.

H.J. Res. 623: Mr. JONES of North Carolina, Mr. BIAGGI, and Mr. COYNE.

H.J. Res. 624: Mr. RITTER.

H.J. Res. 642: Mr. STANGELAND and Mr. DE LUGO.

H. Con. Res. 233: Mr. PEASE.

H. Con. Res. 308: Mr. WEAVER, Mr. LUNDINE, Mr. PRICE, Mr. ORTIZ, Mr. STALLINGS, Mr. HAMMERSCHMIDT, Mr. JONES of Tennessee, Mr. ANTHONY, Mr. HUCKABY, Mr. LATTA, Mr. WHITTAKER, Mr. SABO, Mr. EVANS of Illinois, Mr. SKEEN, Mr. O'BRIEN, Mr. GILMAN, Mr. ROEMER, Mr. SWEENEY, Mr. BEREUTER, and Mr. TAYLOR.

H. Con. Res. 321: Mr. GARCIA, Mr. SCHEUER, Mr. BILIRAKIS, and Mr. WAXMAN.

H. Con. Res. 330: Mr. DYMALLY, Mr. ROE, Mr. RITTER, Mr. DE LUGO, Mr. HOWARD, Ms. KAPTUR, Mrs. BENTLEY, Mr. TRAFICANT, Mr. FOGLIETTA, Mr. WALGREN, Mr. MARTINEZ, and Mr. DORNAN of California.

H. Con. Res. 336: Mr. FOLEY, Mr. SWIFT, Mr. LOWRY of Washington, Mr. GARCIA, Mr. GLICKMAN, Mr. DIXON, Mr. LEVINE of California, Mr. WISE, Mr. WIRTH, Mr. COOPER, Mr. WALGREN, Mr. MARTINEZ, Mr. SYNAR, Mr. PENNY, Mr. DYMALLY, Mr. ACKERMAN, Mr. MCHUGH, Mr. MARKEY, and Ms. MIKULSKI.

H. Res. 412: Mr. REID, Mr. PRICE, Mr. NICHOLS, Mr. RIDGE, and Mr. BEREUTER.

H. Res. 413: Mr. PURSELL, Mr. KINDNESS, Mr. SLATTERY, Mr. PRICE, Mr. SWEENEY, and Mr. BEREUTER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clark's desk and referred as follows:

372. By the Speaker: Petition of Jeffrey L. Turner, Washington, DC, relative to the export of Alaskan North Slope crude oil; to the Committee on Foreign Affairs.

373. Also, petition of the president, Olympic Records, Inc., Idyllwild, CA, relative to the Amateur Sports Act of 1978; to the Committee on the Judiciary.

374. Also, petition of David L. Clark, Monca, PA, relative to an official theme song for the American people; to the Committee on Post Office and Civil Service.

375. Also, petition of the Council, city of New York, NY, relative to H.R. 1105 and the adoption of local legislation concerning the transportation of radioactive material; to the Committee on Public Works and Transportation.

376. Also, petition of the Council, city of New York, NY, relative to policy and procedures for the transportation of hazardous and radioactive material; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

377. Also, petition of the Council, city of New York, NY, relative to funds for the operation of special emergency response units to the city of New York; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. GREEN:

(To the amendment in the nature of a substitute to H.R. 1 (text of H.R. 4746)).

—Page 53, after line 19, insert the following new paragraph (and redesignate the subsequent paragraphs accordingly):

(1) in subparagraph (G), by striking "24 months" and inserting "36 months";

Page 54, after line 3, insert the following new subsection:

(c) APPLICABILITY.—The amendment made by subsection (b)(1) shall be applicable to all grantees, including grantees receiving notice of project selection before the date of the enactment of this Act.

SENATE—*Wednesday, June 4, 1986*

(Legislative day of Monday, June 2, 1986)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable SLADE GORTON, a Senator from the State of Washington.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, guide, direct, and bless this trial marriage between two potentially incompatible partners—legislation and entertainment. Give to the Senators and their leadership wisdom and insight to do whatever is necessary to use television constructively and in ways edifying to the people. Grant those responsible for broadcasting the grace to restrain natural compulsion to control.

Gracious God, may this incredible technology, with its profound educational potential, be servant to the Senate and the people. Forbid that the Senate should become the servant of traditional television programming which requires that every segment be filled with excitement or drama and every problem be solved in 30 minutes.

Protect this venerable body, with its 200 years of tradition, from changes dictated by ratings or conventional television technique. Mindful, Heavenly Father, of our political legacy—a democratic legislative system, tedious at best, requiring deliberation and delay—prevent this marriage from being hostage to the insatiable appetite of television for public acceptance, at the expense of the sober, serious, deliberative process dedicated to truth, justice, the interest and rights of all people.

In His name Who is incarnate truth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 4, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SLADE GORTON, a Senator from the State of Washington, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. GORTON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. DOLE. I thank the distinguished Presiding Officer, Senator GORTON.

PRIMARY ELECTION RESULTS

Mr. DOLE. Mr. President, first, I wish to congratulate the winners in yesterday's primaries on both sides—on this side, in particular, Representative ED ZSCHAU, of California; the incumbent, Senator JEREMIAH DENTON, in Alabama; and the incumbent, Senator JAMES ABDNOR, in South Dakota. I know that other incumbents on the other side were also renominated, and I extend my congratulations to them.

Yesterday was a busy primary day in about nine States, and I know that it was a matter of some concern to those who were involved in those primaries.

To the winners, I extend my congratulations. To the losers, I hope this will not diminish their interest in politics, whether they be Republicans or Democrats.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each.

Then we will have 18 special orders. I hope this will be an unusual request and that there will not be 18 each day. Otherwise, we may find ourselves coming in earlier in the morning or, if it could be arranged, doing special orders at the end of the day.

Following the special orders, we will have routine morning business, not to extend beyond 11:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

At 11:30, it will be the intention of the majority leader to begin consideration of H.R. 3838, the tax reform bill.

I am not certain about rollcall votes today. That will be up to the chairman of the Senate Finance Committee and the distinguished ranking minority member, Senator LONG.

There is still hope that we can work out some unanimous-consent agreement on the supplemental appropriations bill. We were prevented from taking that up prior to the recess. It would have been behind us. We are now prepared on this side to give unanimous consent that we take up the bill tomorrow, after the Saudi vote, and that we stay on it tomorrow and conclude action no later than 2 o'clock on Friday.

We are also prepared to limit the number of amendments to those that have been called to our attention. There are 33 amendments, if no others have been added since last night.

So it is my hope that we can reach some agreement on the supplemental. If not, we will stay on the tax bill.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. BYRD. Is the distinguished majority leader ruling out proceeding to the supplemental appropriations bill today?

Mr. DOLE. If we can reach an agreement, we will start it today.

Mr. BYRD. I thank the distinguished majority leader.

Mr. DOLE. I think it would be very helpful if we could start on the tax bill. Senator PACKWOOD, the chairman of the committee, has a lot of information which would be in the RECORD for Members and would be helpful, from the look of the 10-pound package we have here.

I also indicate to all Members, based on my discussion last night with Senator LEVIN, that I did have a telephone conversation last night with Dave Brockway, the director of the staff of the Joint Committee on Taxation. He indicated to me that the answers would start coming today to Members on each side in response to their requests, and he believes that he will have most of those requests satisfied within the next 2 or 3 days. On some requests, there will have to be personal discussions with Members.

I believe we are making progress in that area. That was a just concern of the distinguished minority leader and Senator LEVIN and some on this side. So I hope that matter can be taken care of.

Mr. BYRD. Mr. President, I thank the majority leader for helping to expedite this matter.

Mr. DOLE. Dave Brockway and others, as the minority leader knows, are very hard working experts in this

area, and I believe they will be able to accommodate nearly every request from Senators. Obviously, there are some they will not be able to do.

In that regard, I believe we are going to start a historic debate today. I commend Senators on both sides. This is a bipartisan bill. It would not be on the floor if it were not a bipartisan bill. The vote in the committee was 20 to 0.

We have had a lot of tax reform over the years. We have had some in this administration and we have had some in prior administrations, but I really believe that this is a historic step in the right direction.

I just ask my colleagues on both sides to keep one thing in mind. The strength of the Senate bill is the rates—the corporate rate, 33 percent, from 46 percent; two individual rates of 15 percent for 80 percent of the taxpayers and 27 percent for others. Six and a half million people will be going off the tax rolls, and the personal exemption will be going up to $2,000.

There are other features, and we understand that there is some concern.

However once we start adopting amendments that cost $25 billion—this would be the IRA amendment—then how are we going to pay for this, how are we going to make up for that lost revenue?

I believe the glue that holds this Senate package together, this bipartisan package together, is the rates. Once we start chipping away at the rates and adding to the personal rate or the corporate rate, then I believe our tax bill is not a reform bill; it is just another tax bill.

I know a lot of people feel strongly about IRA's. It is not a bad program. It is one that we all supported in 1981 when I think the administration was not too crazy about it. But now we are looking at lowering rates dramatically, and I think probably in the debate we will be able to show that the IRA is not quite as attractive as some led us to believe.

□ 0940

BRITISH PRIME MINISTER THATCHER REPLIES TO LETTER OF 28 SENATORS

Mr. DOLE. Mr. President, on April 22, in the aftermath of our bombing of Libya, I joined 27 other Senators from both sides of the aisle in sending a letter to British Prime Minister Thatcher, commending her and her Government for their forthright and critical support in that crisis.

The Senators signing the letter were: Senators ROTH, MCCONNELL, HAWKINS, EXON, QUAYLE, PRYOR, HOLLINGS, KASTEN, LEVIN, COCHRAN, MURKOWSKI, BOREN, ZORINSKY, BIDEN, HEINZ, ANDREWS, JOHNSTON, GARN, DOMENICI, D'AMATO, PRESSLER, HATCH, COHEN, GORE, MATTINGLY, ABDNOR and DENTON.

The Prime Minister has graciously replied to our letter, and I should like to share her response with the Senate. I ask unanimous consent that both our letter and Prime Minister Thatcher's reply be printed in the RECORD at the conclusion of this statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

FRIENDS WHEN THE CHIPS ARE DOWN

Mr. DOLE. I would also like to quote briefly from her letter. She writes:

I have no doubt that the administration was right to take firm action against terrorism, and I have no reservations about the part which the United Kingdom was able to play. . . . . If terrorism is not resisted, it will only mount and undermine everything we stand for.

When the chips are down, you find out who your real friends are. That goes for people, and it goes for countries. When the chips were down, Prime Minister Thatcher was there, and Great Britain was there. We won't forget that.

Mr. President, in conclusion, I would like to take special note of the role that the distinguished Senator from Delaware, Senator ROTH, played in this matter. It was his idea to send the letter to Prime Minister Thatcher and his staff did most of the leg work on it. He is to be commended for this worthwhile initiative.

U.S. SENATE,
Washington, DC, April 22, 1986.

Right Honorable MARGARET THATCHER,
Prime Minister,
10 Downing Street,
London SW 1.

DEAR PRIME MINISTER: We, the undersigned Members of the United States Senate, wish to thank you, formally, for your support for recent U.S. military action against terrorist training centers in Libya. Your firmness, foresight and commitment to the continued integrity of the North Atlantic Treaty Organization is to be commended.

As you pointed out to the House of Commons, the U.S. maintains over 330,000 troops in Europe. European commitment to the safety and security of those personnel is vital for the health of the alliance.

Neither we nor the President take any joy in U.S. military action against any nation. Unfortunately, diplomatic attemps to dissuade Colonel Qaddafi from underwriting terrorist groups bore no success, despite many years of effort. The European members of the alliance did not support concerted economic action against Libya. Under the circumstances, the U.S. Government had no choice but to resort to force, as allowed under the U.N. Charter, to deter further terrorist acts against its civilian population and military personnel.

Thank you for your support.

Sincerely,

Bob Dole, William V. Roth, Jr., Mitch McConnell, Paula Hawkins, J. James Exon, Dan Quayle, David Pryor, Ernest F. Hollings, Bob Kasten, Carl Levin, Thad Cochran, Frank H. Murkowski,

David L. Boren, Edward Zorinsky, Joseph R. Biden, Jr., John Heinz, Mark Andrews, J. Bennett Johnston, Jake Garn, Pete V. Domenici, Alfonse M. D'Amato, Larry Pressler, Orrin G. Hatch, William S. Cohen, Albert Gore, Mack Mattingly, James Abdnor, Jeremiah Denton.

THE PRIME MINISTER,
May 20, 1986.

DEAR SENATOR: I was most grateful to receive your letter of 22 April about the United Kingdom's support for the recent United States military action against Libya.

I have no doubt that the Administration was right to take firm action against terrorism, and I have no reservations about the part which the United Kingdom was able to play. None of us likes to take military action. Democratic nations are slow to use it—but if terrorism is not resisted, it will only mount and undermine everything we stand for.

I and my family are very proud to have your letter—we shall keep it as a part of history and as a testament of friendship. Would you please thank all those Senators who signed it.

Yours sincerely,

MARGARET THATCHER.

SHULTZ REPLIES TO LETTER ON ARAFAT VISA

Mr. DOLE. Mr. President, on two recent occasions, I have spoken on the floor of my concern about the possibility that the PLO's Yasser Arafat might seek a visa to come to the United States to attend a scheduled United Nations Security Council Meeting on the Middle East.

On May 21 I wrote to Secretary Shultz, urging that he issue instructions to all relevant State Department officials that any Arafat visa request be denied.

I have just received a reply from the Secretary, dated May 29, which I would like to share with the Senate. In that reply, Secretary Shultz indicates that there has been no Arafat visa application so far, nor is there any firm indication that one will be forthcoming. While noting that he cannot make any final, legal decision on an application until one actually is presented, the Secretary does say:

I have no desire to see Arafat in the United States. Should he apply for a visa, his application will receive my most severe scrutiny. We share a common desire that Arafat should not come to the United States.

SECRETARY'S WORDS WELCOME

Mr. President, I am very heartened by the Secretary's words. I think they demonstrate an intention to do everything possible under our laws to insure that Arafat not be given a forum in our country to spread his poison.

I know that a number of other Senators have written to the Secretary along the same lines as my letter, and I know that they will join me in welcoming the Secretary's positive response.

Mr. President, I ask unanimous consent that the text of my letter to Sec-

retary Shultz and his reply be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, DC, May 21, 1986.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: I am deeply disturbed by reports that the leader of the Palestine Liberation Organization (PLO), Yasser Arafat, intends to attend a United Nations Security Council session in New York in June.

Arafat and the PLO have long espoused terrorism as a method of achieving their political goals and have practiced terrorism against innocent Americans and others around the globe. Arafat's presence in New York would be an insult to the hundreds of Americans who have suffered and died as a result of PLO-sponsored terror. His appearance at the UN would be a mockery of that organization's stated purpose, to encourage peaceful, civilized relations among nations.

I do not want Arafat in the United States spreading his poison. The American people do not want him here. I am sure you don't either.

We have the right to deny him a visa, under the Immigration and Naturalization Act and other laws and in accord with our headquarters agreement with the UN. I urge you to instruct all US consular personnel around the globe to reject any visa application made by or on behalf of Yasser Arafat.

Sincerely yours,

BOB DOLE,
United States Senate.

THE SECRETARY OF STATE,
Washington, May 29, 1986.

Hon. ROBERT DOLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: I am responding to your letter of May 21 concerning the possible application for a visa by Yasser Arafat to attend a United Nations Security Council debate that may be held beginning on June 23.

Like you, I have no desire to see Arafat in the United States. Should he apply for a visa, his application will receive my most severe scrutiny, including a thorough review of all the legal and other factors and circumstances pertinent to his application.

As you know, an individual must submit an application before I could act on it. So far, we have received no application from Arafat, nor do we have any firm indication that he actually intends to seek a visa to attend the UN debate. You should know that we oppose holding the debate itself, since we believe firmly that the Security Council is not a forum conducive to achieving a solution to the Arab-Israeli dispute. Arafat's participation would deepen even further our view that such a debate would be futile at best.

I thank you again for informing me of your views. We share a common desire that Arafat should not come to the United States.

Sincerely,

GEORGE P. SHULTZ.

Mr. DOLE. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Democratic leader is recognized.

THE TAX BILL

Mr. BYRD. Mr. President, the tax bill is another step forward in tax reform. Beginning with President Woodrow Wilson and carrying through Franklin Roosevelt and President John F. Kennedy, and then through the Democratic House of Representatives' action last December, and pioneered, as well, by the Bradley-Gephardt bill, Democrats have led the cause for tax reform from the very beginning. Even last December when the House passed the tax reform bill, many of the Republicans opposed the bill in spite of the President's urging that they support it.

Today, we will begin discussion of this tax reform bill. It is true tax reform. I intend to support it. There may be amendments needed to improve it, but we will have to make those judgments as we take up amendments.

Mr. President, this bill closes many tax loopholes. It brings down tax shelters that have protected those with very high incomes, and they will be made to pay their fair and just burden of taxes.

The key question here is whether or not the middle class, which has borne the heavy burden of paying the taxes over the years, is going to receive a significant reduction in that tax burden, whether or not the millions of middle-income taxpayers who have deserved fairness are going to receive tax relief and the fairness they deserve under this bill.

I believe that they will. There may be some improvements needed, but overall I think the bill is a good bill.

I have been disturbed by reports that individuals who receive incomes over $200,000 a year are not going to pay their just burden under this bill in the same proportion with the burden that will still have to be carried by the middle-class income people. By middle class I mean $20,000, $30,000, $40,000, $50,000, $60,000, $70,000, and so on. I am talking about lower-middle class, middle-middle class, and higher-middle class income taxpayers.

This measure also, Mr. President, provides at last that those major profitable corporations which in the past have, at times, avoided paying any Federal income taxes at all and those very high-income individual taxpayers who have avoided their just share are going now to have to pay an increased minimum tax so that, indeed, there will be fairness spread across the entire tax-paying spectrum.

I congratulate Mr. BRADLEY and Mr. GEPHARDT for the fight that they have waged now for several years to bring about fairness and to bring about a broader tax base and lower tax rates for individual Americans. I think every individual income tax group receives some benefits under this bill.

Mr. President, I will be prepared to support this bill, but I will also be prepared to at least take a look at any amendments that are brought forward. I think that any amendments that are called up are entitled to careful consideration and the Senate should, in the final analysis, be able to work its will on those amendments.

I commend Mr. PACKWOOD and Mr. LONG, the chairman and the ranking minority member of the Finance Committee, and I commend all of the other members of the Senate Finance Committee for reporting out a bill which comes to the floor by a supporting vote of 20 to nothing within the committee.

There may be those who feel that the bill should be rushed through this Chamber as quickly as possible, that it should not be amended at all, and that it should be simply left to the conference which will take place between the conferees of the two Houses.

Mr. President, I believe that the Senate has a responsibility to take a careful look at this bill and a careful look at any amendments that are offered to it from both sides of the aisle. I do not presently plan to offer an amendment, but I do not rule out that prospect. I must say again, however, that I do not believe that the Senate will be carrying out its responsibility under the Constitution and to the American people if we simply give the tax bill a slight look and say "Let's not have any amendments here; let's let the conferees of both bodies settle everything in conference; leave it up to the conference committee to develop the final product for the two Houses." That is not the way I see the responsibility of the Senate.

I want to see a tax bill. I want it to be a reform bill. I want it to be a fair bill. I believe it is a tax reform bill and a fair bill. But that does not say that it might not be improved or that we ought not, at least in this body, live up to our responsibilities to take a good look at it, scrutinize it carefully; if there are amendments, debate them and act on them and, of course, act with reasonable dispatch and without undue delay.

SUPPLEMENTAL APPROPRIATIONS BILL

I am also glad to hear the majority leader say that he is willing to take up the supplemental appropriations bill if an agreement can be entered into.

I will certainly do whatever I can to expedite that agreement. There are moneys in that bill that are important to States that have been ravaged by floods. West Virginia had a very devastating flood last November and several

Western States, including the State of California, have moneys in this supplemental appropriations bill, and the State of Mississippi is also included. And when I say moneys are in the supplemental appropriations bill to clean up after the floods, I am talking about the Soil Conservation Service and the Federal Emergency Management Agency, better known as FEMA. FEMA is out of money. There are $250 million in the supplemental appropriations bill for use by FEMA. There are $37½ million in the supplemental appropriations bill for the Soil Conservation Service. These moneys are needed and needed now.

I hope that the Senate will be allowed to take up the supplemental appropriations bill today and possibly act on a two-track system by having both the supplemental appropriations bill and the tax bill before the Senate.

Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Democratic leader has 2 minutes remaining.

□ 0950

CONGRATULATIONS TO PRIMARY WINNERS

Mr. BYRD. Mr. President, I, too, want to congratulate the winners in both parties in yesterday's primary elections. The distinguished majority leader has rightly expressed congratulations to them.

I congratulate Representative TOM DASCHLE of South Dakota. I congratulate our distinguished minority whip, Mr. ALAN CRANSTON of California, and also Representative RICHARD SHELBY of Alabama. I understand there will not be any runoff in Alabama. I also congratulate Mr. John Roehrich of Iowa.

Mr. President, if I have any time remaining, I ask unanimous consent that I may reserve it throughout the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR HAWKINS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Florida [Mrs. HAWKINS], is recognized for not to exceed 5 minutes.

DRUG TRAFFICKING COOPERATION: A TALE OF TWO COUNTRIES

Mrs. HAWKINS. Mr. President, I am pleased today to present to the Senate my 209th statement for the CONGRESSIONAL RECORD on illegal drugs. The subject today could be called A Tale of Two Countries.

I would like to focus on the contrast in these two countries' cooperation in the war on drugs, in that they cooperate in very different ways. These two countries are Colombia and Mexico.

Colombia, well documented as one of the world's major drug-producing countries, has shown leadership that I recommend to all countries in the world.

President Betancur's former Minister of Justice, Sr. Bonilla Lara, was murdered. Others have been threatened and have received protection around the clock and live in terror. But the cooperation that the Colombian Government has demonstrated by working with United States drug enforcement officials in the past 2 years is unmatched in Latin America and is an example that all countries in the Western Hemisphere should emulate.

My recommendation would be for Mexico to be the first country to pay attention and copy what Colombia has done.

Mr. President, unlike Colombia, Mexico has shown little interest in working with its neighbors to control international trafficking or bringing drug producers and smugglers to heel at home. Furthermore, no major drug trafficker has been convicted in Mexico the last 10 years—an astounding statement and indictment. Mexican drug kingpins live like royalty, hobnobbing with Mexican Government officials and being received as guests at the ranches of State Governors. Finally, an American drug agent, Enrique Camarena, was kidnaped, tortured, and brutally beaten to death in February of last year. John Gavin, who served as U.S. Ambassador to Mexico, says "at least 50 people" involved in the murder in one way or another are still at large. He is convinced that the 50 are not being hunted seriously by the Mexican authorities.

Corruption of Mexican Government officials and law enforcement personnel is rampant. U.S. Customs Commissioner William von Raab describes the corruption as "massive and ingrained" and says it exists "all up and down the ladder." Our Assistant Secretary of State for Inter-American Affairs, Elliott Abrams, fears the corrosive influence of drug traffickers. Their influence may become so strong in the Mexican Government, says Secretary Abrams, "it is impossible to weed it out." What are we to think of the power of drug traffickers when they gun down 17 policemen in one locality in southern Mexico, or massacre 80 peasants as they tried to bury the bodies of 4 compatriots killed the previous day because they spoke out against drugs. You know, and I know, the drug traffickers would not apparently believe they have the Mexican Government in their hip pocket. There is adequate reason for us to believe that also.

Mexico is the largest supplier of marijuana to the United States. One-third of all heroin consumed here originates in Mexico. And Mexico is the transit country for another one-third. The Mexican pipeline is funneling record high shipments of cocaine toward our borders.

Mr. President, the Mexicans can shout to the rooftops about their national honor being insulted and the integrity of their Government officials being impugned when responsible officials of our Government try to tell the truth about what is going on in Mexico. What they really need to do is clean up their act, put the drug smugglers, the murderers, and the corruptors behind bars and help put an end to this dastardly narcotics traffic that is eating away at the fabric of both of our societies.

RECOGNITION OF SENATOR CRANSTON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for not to exceed 5 minutes.

UNFAIR COMPETITION

Mr. CRANSTON. Mr. President, Americans are almost by nature competitors. We love to compete—in sports and in business. The American love of competition has developed some of the world's finest athletes and the world's most productive economy.

Our concept of competition is based on fair play. We have rules in athletics and laws in business against "unfair competition." By and large, they work. But there is one area in which they are not working—the international market place—where we allow foreign competitors to unload their products here at prices far below their fair market value.

We are all aware of the havoc which "dumping" has wrought in the high-tech and semiconductor industries—the hundreds of millions of dollars lost in sales, and the threat that unfair competition poses to our future economic growth. We have antidumping statutes on the books. But how much good have they done?

Last year alone, semiconductor firms—most of them in California—were the victims in 21 proven cases of foreign chip dumping.

But the only penalty the guilty firms will likely get is an economic slap on the wrist. Our current antidumping statutes do not deter dumping because it is more economical for foreign firms to pay countervailing duty and continue to dump than to start to play fair.

It is like a salesman who continually has trouble finding a place to park near one of his customers. So he keeps pulling into a space reserved for

"handicapped only." He is perfectly willing to pay the minimal parking ticket, because he will make that many times over from his customer.

Well, we should raise the price of the import ticket for that illegally parked international salesman.

The Senator from Montana [Mr. BAUCUS] and I have introduced a bill to do just that—toughen the laws against dumping. I call it the dumpers deterrence bill.

It would fine a foreign dumper at least 50 percent of the full fair market value for a second offense—and impose a fine of 100 percent of the full fair market value for each additional offense—a kind of mandatory sentence for repeat offenders. These penalties would double, even triple, the fines that dumpers are currently paying, at a cost of hundreds of millions of dollars if they persist in their pernicious practice.

Our bill would also—for the first time—provide financial compensation to American firms victimized by dumping. It would enable a U.S. company to sue a foreign dumper for compensation after the Commerce Department and the International Trade Commission have affirmed that dumping actually took place.

I realize that this legislation is not is not the answer to all of our trade problems, but it is a start. I know that Government cannot—and should not try—to solve all of our economic ills. But I also know that there are times when Government must act to defend the interests of American industry in the International marketplace.

We are at one of those critical points in our history, where the future of our economy will be determined by the decisions we make now to stay technologically ahead of the world of competition.

Unfortunately, our Government has been paralyzed by its own rhetoric on free trade, unable to see that trade is not free if it is not fair, and unable to act to make trade fairer so that competition can flourish. Our Government has in effect done nothing. We must give American business a chance to compete fairly with our international trading partners. If we give them that chance, we will outthink and outproduce the whole world.

THE SALT TREATY

Mr. CRANSTON. Mr. President, other Senators will speak shortly on the subject of SALT, and the very unwise move by the President suggesting that we will break out of the SALT treaty shortly.

I believe that is a very unwise and foreboding move that can lead to an arms race that is totally out of hand, incredibly costly, and I hope that we can find a way to prevent that.

IRA'S

Mr. CRANSTON. Mr. President, other Senators will also speak this morning on the subject of IRA's, the individual retirement accounts which might also be called independent retirement accounts. I am a strong advocate of retaining IRA's, and I trust that is one amendment to the tax bill that will prevail when we get to that measure. I know that debate starts today.

Mr. President, I yield the floor,

Mr. CHAFEE addressed the Chair.

RECOGNITION OF SENATOR CHAFEE

The PRESIDING OFFICER (Mr. GRASSLEY). Under the previous order, the Senator from Rhode Island is recognized for a period not to exceed 5 minutes.

Mr. CHAFEE. Thank you, Mr. President.

SALT II

Mr. CHAFEE. Mr. President, in his recent announcement of the administration policy on SALT II arms limitation, President Reagan gave us some good news and he gave us some bad news. I welcome the good news, which is that the President will order the Navy to dismantle two aged Poseidon submarines, thereby keeping the United States within SALT II limitations for multiple warhead ICBM's. The bad news, however, was the message that the administration believes that the so-called "interim restraint" policy has ceased to serve its purpose and should be abandoned by the United States.

If our President stands by this new policy, it will amount to nothing less than an end to United States-Soviet arms control, and a renewed arms race stretching out into the future. Although I agree with the President that the SALT II framework is not perfect—we acknowledge that it is a flawed agreement in some respects—I am strongly opposed to abandoning it.

SALT has in fact, despite its flaws, accomplished a tremendously important task. It has held a lid on the arms race and kept alive the prospects for a new and more effective arms reduction agreement. The policy announced last week is certain to have a chilling effect on arms control.

What will be the implications for U.S. security and for arms control if the administration proceeds with disregarding SALT II? In terms of U.S. security, let us remember that the United States thus far has derived far more benefits from adhering to the SALT II ceilings than the Soviets have. Both of us—both nations, the United States and the U.S.S.R.—have scrupulously observed the core of the agreement, the numerical limits on MIRV'ed ICBM's, on submarine-launched ballistic missiles, and on long-range bombers carrying cruise missiles. By staying within these limits, the Soviets have since 1972 removed more than 1,000 missiles from their arsenal while we, the United States, have had to remove less than 100 missiles. Clearly, the arrangement has worked to our benefit.

In examining whether or not to stick with SALT, the key question, it seems to me, is whether it will continue to work to our benefit in the future. In my opinion, it is difficult to imagine how maintenance of our SALT II understandings with the Soviets could not continue to enhance U.S. security. Since the Soviets have a so-called "hot" production line, which we do not have, they can speed up production of new missiles immediately. And the fact that they have the huge SS-18 missile, capable of carrying many more warheads than are currently allowed under SALT, means that the Soviets have the capability to immediately race ahead of us and gain a substantial strategic advantage.

I believe it is important to recognize that if we abandon the SALT regime and open up the arms race, the Soviets will have a much easier time politically justifying a renewed arms buildup. In fact, under their totalitarian system, they do not have to justify it at all. They will be free of the constraints of the democracy and dissent which, of course, we work within. Operating as we are under a huge budget deficit, which has begun to put a brake on defense spending, we cannot guarantee any national consensus uniting behind an American defense buildup. Thus, scrapping SALT removes not only the predictability of where the Soviet threat is heading, but also significantly reduces our ability to keep pace with the Soviets.

A key aspect of our security that also figures into this equation is our relationship with our allies. At their recent meeting in Halifax, the NATO foreign ministers, reacting to the President's decision, sent one message loud and clear to all of us: That interim restraint has meant improved security not just for the United States but also for out closest friends. Their argument, with which I concur, was that, in the big picture, we are far better off sticking with a flawed SALT agreement than we are thrusting NATO into a future without arms restraints of any kind.

If the President's new policy on SALT gains us nothing in terms of security, what does it do for the future of arms control? The Geneva talks have been very slow, but they represent earnest efforts to find a common ground to agree on these crucial issues of arms control. It seems to me that if we eliminate the SALT framework,

the chances of continuing the arms negotiations in a meaningful way will be lost.

So, therefore, I think the administration's decision, as they have indicated to date, is a very shortsighted one. I certainly hope that the President and the administration will reconsider the position they have announced. It is not too late to change course and keep within the SALT ceilings. And for now, that is not just the best, but the only way for the President to meet the goal that he stated just last week, which is: "To help foster the necessary atmosphere for significant reductions in the strategic arsenal of both sides."

Thank you very much, Mr. President.

RECOGNITION OF SENATOR GORTON

The PRESIDING OFFICER. Under a previous order, the Senator from Washington [Mr. GORTON] is recognized for a period not to exceed 5 minutes.

TAX-EXEMPT STATUS OF BLUE CROSS-BLUE SHIELD

Mr. GORTON. Mr. President, my distinguished colleague from Alabama, Senator HEFLIN, and I are introducing a resolution today designed to protect a very important part of this Nation's health care system from losing its tax-exempt status. Our resolution, which has 40 original cosponsors, is specifically aimed at protecting the Blue Cross and Blue Shield health plans.

Blue Cross and Blue Shield have served thousands of communities across the Nation by providing health care, and by helping to keep such costs manageable for millions of Americans. For 50 years, because of the vital services they render, Blue Cross and Blue Shield have rightfully been tax-exempt.

That tax-exempt status is now endangered by section 1012 in the version of H.R. 3838 which was passed by the House late last night. This provision would result in a revocation of the plans' tax-exemption, and in so doing would undoubtedly inhibit the plans' abilities to provide their invaluable services at affordable prices.

Revoking tax-exempt status of Blue Cross and Blue Shield would increase health care costs for individual and small group subscribers across the country, almost certainly reducing the access of many of them to health care protection. The impact would be most severe for the nearly 8.5 million older Americans who rely heavily on Blue Cross and Blue Shield for Medicare supplementary coverage. Finally, the costs of providing health care may increase the Federal and State governments as more people are forced to turn to public health programs.

While this unwise provision to revoke the tax-exempt status of Blue Cross and Blue Shield plans is not included in the promising Senate tax reform bill, consideration of which is about to begin in this body, we believe it to be critical to underscore to the House that it is the sense of the Senate that this provision is neither good tax policy nor good health policy.

Our bipartisan resolution, and the widespread support it has received in the Senate, sends a strong signal to the potential conferees of the importance of protecting the tax-exempt status of Blue Cross and Blue Shield. This is an issue of vital significance to our Nation's health care, and I would urge the rest of my colleagues to join us in sending this message to the other body.

COSPONSORING THE GORTON-HEFLIN RESOLUTION ON TAX EXEMPTION OF BLUE CROSS AND BLUE SHIELD PLANS

Mr. D'AMATO. Mr. President, I rise today to lend my name as an original cosponsor of this important resolution being introduced by my colleagues from Washington State and Alabama. This resolution makes it clear that the U.S. Senate supports retaining current law with respect to the tax status of Blue Cross and Blue Shield health insurance plans.

Millions of New Yorkers are insured by Blue Cross/Blue Shield and their rates are kept down because of this tax exemption. To change the rules of the game on them now, as the House-passed version of tax reform would do, would create undue hardship and would make adequate health insurance unaffordable to millions of Americans.

Simply put, Congress should not do this. We should retain the law that has been on the books for the past 50 years. It has served our constituents well and, given the valuable service performed by Blue Cross and Blue Shield plans, it is both fair and equitable.

Mr. President, I urge the adoption of this resolution to send an important message to our constituents: We will not raise your health insurance rates through an obscure provision in this year's tax reform legislation.

Thank you, Mr. President.

Mr. GORTON. Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 419

Whereas the need of the people for access to affordable and adequate health care coverage is an issue of major concern on the national agenda;

Whereas continued budgetary pressures on health care reimbursement programs render Federal and State governments less able to help meet such need;

Whereas it is good public policy to encourage the private sector, where possible, to respond to public needs;

Whereas the 84 non-profit, community-based Blue Cross and Blue Shield Plans across the Nation have, for more than 50 years, provided comprehensive, affordable health care coverage to the most vulnerable in society—the sick, the elderly, members of small groups and families of such members, and individuals without employer-sponsored protection;

Whereas the Federal tax-exempt status that Blue Cross and Blue Shield Plans have held since the founding of such Plans has helped such Plans to offer affordable health coverage to 11,000,000 individuals and millions of small group members who, together, account for a major portion of the 80,000,000 Americans covered by the Plans;

Whereas any Federal taxation of Blue Cross and Blue Shield Plans would inevitably result in premium increases for those least able to afford such increases—people who, in many cases, would be unable to obtain unaffordable coverage elsewhere; and

Whereas government health care costs would inevitably increase substantially—possibly by more than revenue generated by removing the Plans' tax exemption—as consumers unable to obtain affordable coverage are forced to seek government assistance: Now, therefore, be it

Resolved, That it is the sense of the Senate that the 50-year-old tax exemption of the 84 non-profit, community-based Blue Cross and Blue Shield Plans be retained without modification.

□ 1010

Mr. GORTON. Mr. President, I ask unanimous consent that other statements on this resolution which are presented to the Senate throughout the day be included in the RECORD with this statement of mine.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent to proceed for not to exceed 5 minutes as if in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I thank my colleagues.

THE PRESIDENT'S SALT ANNOUNCEMENT

Mr. HEINZ. Mr. President, there is absolutely no more important subject that this chamber could debate than nuclear arms control. And we have arrived at a vital crossroads in our national arms control policy. I say that because last week President Reagan announced that the United States would no longer regard the SALT numerical limits on offensive weapons as a guideline for our deployments of strategic arms. At the same time, he announced that we would retire and dismantle two Poseidon submarines this summer, which has the effect of keeping the United States under SALT limits until at least this fall.

I applaud the President's decision to retire two submarines as a new Trident missile submarine takes to the seas for important sea trials. Although the President explained his decision as based on practical considerations of cost and military utility, its effect nonetheless is to keep our forces under the SALT II ceilings for several more months.

But I also join my Senate colleagues and many others outside the Senate and the Congress, in expressing my dismay, indeed my alarm, at the prospect the United States will discard the SALT II framework of keeping numerical limits on launch vehicles and the MIRV limitations on the number of warheads, and that we might discard that framework in its entirety this fall, as the President has suggested he might do.

By way of brief background, my support for the policy of no-undercut, of observing certain key elements of the SALT framework as long as the Soviets do, has always been based on one principle: that principle is simply what is best for American security? U.S. security has been served by our observance of SALT limits. In the absence of any new agreements limiting offensive nuclear weapons, the SALT ceilings have provided a stable benchmark against which U.S. force planning has taken place. The size of the Soviet threat is constrained. The Soviets indeed were allowed to add to their forces under SALT, as were we. And they did add to their forces, as did we. But there are now ceilings on Soviet forces, indeed on both the superpower arms competition, that we cannot afford to throw away.

What would happen if we did throw away the SALT framework? None of us can say for sure. What we do know is that the Soviets are far better positioned to start another round in the arms competition than the United States. That is because they have more missile production lines open. They have more missile development programs under way.

They have greater throw-weight on missiles that they have deployed, allowing them to add more in the way of MIRV warheads to each existing missile.

There are many different estimates of what the Soviets could do without SALT. The administration's own publication, "Soviet Military Power," says that the Soviets could add 5,000 more strategic warheads to their arsenal by the mid-1990's without SALT limits than with SALT. The Congressional Research Service estimates that they could add as many as 17,000 warheads to their forces by 1994 with a vigorous effort.

By either estimate, this kind of unconstrained arms race would be the worst possible outcome for U.S. security. Who would feel safer in the face of a burgeoning Soviet strategic arsenal that could be unleased by our abandonment of the SALT limits? I have no doubt that our security would be diminished, directly, militarily, materially, by our discarding the numerical ceilings that both sides have always observed.

The President emphasizes that the Soviets have in fact not complied with all aspects of the existing SALT framework. The principal violations which the United States has charged against the Soviet Union involve the SS-25 missile and the encoding of missile test telemetry.

Classification of the information surrounding these two issues leaves the public in no position to judge the validity of United States allegations that the Soviets have violated in these two areas. But even if we grant as a matter of argument that these two charges have a solid foundation, what kind of response should the United States take?

Again, I believe our response should be guided by what is best for U.S. security. The most appropriate response to the SS-25, which would represent a SALT II forbidden second new land-based missile, would be to build a second new missile ourselves. And we are. It is called the Midgetman. The Midgetman addresses military needs that were identified outside of the SALT context, but its development just happens to be a directly proportionate response to what the administration charges is the most serious Soviet violation, the SS-25.

As for encryption of telemetry, perhaps our intelligence capabilities can be upgraded to compensate for data the Soviets are trying to deny us. Or maybe we should begin denying similar data to Soviet intelligence collection services. That is a judgment to be made by our intelligence community and the President.

But let us not lose track of our central principle: our response should directly address the threat posed to United States security by the Soviet misbehavior. Breaching the numerical limits on launchers under SALT, as the President's statement implies the United States is ready to do, does not, in my judgment, serve our security. It gives the Soviets the green light to start an arms competition which we cannot win. It poisons the atmosphere for real arms control in the near term, and makes more remote than ever the deep reductions in arms that we all seek and the President says he desires. Even the most optimistic American must be skeptical that inviting an escalation in the arms race on both sides can achieve the deep arms reductions both sides say they want.

A United States decision to jettison SALT also weakens the NATO alliance. At the NATO ministers' meeting in Halifax last week, our allies made it crystal clear that our abandonment of the SALT framework at this point would be a serious blow to alliance cohesion, and especially to European support for American arms control policy. Some of those who are most upset at the prospect of an American breach of SALT are those who have put the most on the line at home to support United States nuclear modernization efforts in Europe. The Governments in West Germany and the United Kingdom have taken the heat from their own people for deploying American intermediate range nuclear weapons. They cannot afford to be undercut by the United States now. The same goes for Belgium and the Netherlands, which deployed United States weapons in the face of intense domestic oppostion, all on the understanding the United States intended to seek arms control agreements to reduce the number of nuclear weapons on both sides.

I join my colleagues in calling on the President to reconsider this arms control policy. The administration has pursued a policy of no-undercut for 4 years. It is the right policy. It serves U.S. security, and it gives us a benchmark, a starting point in pursuing the deep reductions in nuclear arms that we all support. Changing course now opens up an entirely new window of vulnerability for the United States the real possibility that the Soviets could race ahead in their nuclear forces. Changing course now is a blow to the already difficult search for an arms agreement in Geneva. It undercuts our closest allies.

Mr. President, I call on my colleagues, and their constituents, to speak up and be heard before we approach a decision point. I urge the President to stick with the only arms control limits we have until our efforts toward a new agreement have met with success.

Mr. President, the bottom line is this: I am concerned that our junking the SALT II Treaty limits is going to be a setback for arms control. I believe that it will invite both sides to escalate the arms race. I am afraid that with the escalation of the arms race, the ending of the observance of SALT II limits being brought about, it will make it impossible, virtually inconceivable, that we will be able, in that kind of an atmosphere to negotiate strategic arms reductions, deep reductions that both sides up to now say they want.

I do not see how you can have arms control in the midst of an arms race.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Chair recog-

nizes the Senator from Wisconsin for a period of time not to exceed 5 minutes.

TAX REFORM

Mr. PROXMIRE. Mr. President, this is a good day for the U.S. Senate. This is a day when we begin consideration of the most significant tax reform bill the Senate has considered probably in this century, or at least since we adopted the income tax system.

How we need it. Talk about tax justice. Today, we require a family of four with an income of $9,400 to begin paying income taxes at that level. That is 14 percent below the poverty line.

Mr. President, in 1984, 3,000 persons with incomes over $1 million each paid no income taxes whatsoever. Five thousand people with incomes over $1 million each paid less than 10 percent in income taxes. Sixty-five corporations in this country between 1981 and 1984 enjoyed net profits—get this figure—of $49 billion, hundreds of millions of dollars each, each year. How much did they pay in aggregate income taxes? Nothing. Not one single one of those corporations paid any income taxes to the Federal Government at all.

What does the committee bill do about this? In the first place, it lifts the income that is subject to the Federal income tax from $9,400 to $14,800. In other words, it lifts people with incomes 14 percent below the poverty line up to incomes 18 percent above the poverty line before you start paying income taxes.

That lifts 6 million people off the tax rolls. In my State, it means 120,000 families now paying income taxes will not have to pay them.

There is another interesting aspect of this. Because there are only two tax brackets, the first bracket being 15 percent, you do not get into the second bracket until with a family of four you have an income of $42,300. It means that 80 percent of the taxpayers in this country will pay one rate—15 percent.

Furthermore, there is a further progressivity in this tax bill. It does not seem very progressive with a 27-percent tax compared to now, but as income exceeds $43,500 you lose your initial exemptions and deductions.

When your income is over $145,000—that is a lot of money, but income over $145,000 with a family of four, you pay 27 percent on all of your income.

Furthermore, the corporations are the ones who are going to have to pay substantially more, although this overall tax is revenue neutral. The top corporation tax is reduced to 33 percent but there is a stiff minimum tax and many loopholes and deductions are knocked out. This is not a perfect tax bill by any means. There are advantages left in it for oil companies, timber companies, banks, and so forth. Maybe that can be remedied in the conference. But it is an enormous improvement, a shocking, surprising improvement that nobody thought was possible. So we have a simpler, fairer bill. Equal income is much more likely now to pay equal taxes. It is hard to believe the Senate could do it. The President of the United States in all fairness deserves some credit. So does the Finance Committee led by Senators PACKWOOD and DOLE and BENTSEN and LONG.

But, Mr. President, the man who deserves more credit than anybody else is Senator BILL BRADLEY of New Jersey, who surfaced with this idea in 1982 and plugged away hard at it when he was laughed at by many people. He lobbied hard in the House for them to have a similar bill. It is really BILL BRADLEY's day and it is such an astonishing accomplishment that I think we should acknowledge it.

ARMS CONTROL OR STAR WARS—WHICH DO WE CHOOSE?

Mr. PROXMIRE. Mr. President, is there any Member of the U.S. Senate who opposes arms control? Has any presently serving U.S. Senator stood up on the floor of this body or anywhere else and spoken on the record in opposition to negotiating any and all arms control treaties with the Soviet Union even under any circumstances? Maybe some Senator has been this forthright. If so, this Senator would like to know. I have never heard such a statement or even heard about such a statement from a Senator. It appears that all of us, every Member of this body, support arms control at least in some form and to some extent. It is unanimous. But wait a minute. At the same time we all favor arms control, Mr. President, a majority of Senators have voted billions of dollars for the so-called strategic defense initiative [SDI] or star wars. Here is an absolute, irreconcilable contradiction. A number of highly respected military and foreign policy experts tell us: "We can have SDI; or we can have arms control. We cannot have both."

Why can't we have both? Here is why: First, what would be the response to the deployment of a star wars or SDI system by either superpower? What would we in the United States do if the Soviet Union began to put into place an antimissile defense system that we thought might prevent the present United States nuclear arsenal from reaching Soviet targets? What would be our reaction if we believed the Soviet defense would destroy the credibility of our deterrent? Would we just knuckle under? Would we cry uncle? Would we trust the Soviets with a monopoly on the power to strike with their nuclear arsenal with impunity? Or would we take the steps we could take to increase the size of our nuclear arsenal and its effectiveness? Would we give up? Or would we rise to the challenge with a deterrent that would penetrate Soviet defenses? Can anyone doubt the answer?

Of course, it is true we might respond to a Soviet star wars by building our own star wars as well as building up our nuclear offense to preserve the heart of our defense—our nuclear deterrent. That would mean a double-barreled, offense-defense nuclear arms race. It would be all arms race not only on land, sea and air but in outer space too. Certainly, as sure as day follows night, our American response to a Soviet SDI would be to reject any proposal that would limit, let alone reduce, our nuclear arsenal. Arms control would immediately become a sure and total casualty.

It gets worse. Any efforts by the United States to develop and test SDI will begin to erode arms control agreements that the United States has already signed. In the words of Gerard Smith, our principal negotiator of the ABM Treaty, it would make that vital arms control treaty "a dead letter." This U.S. Senate ratified that treaty by a smashing 89-to-2 vote in 1972.

Mr. President, consider the position of our most competent, independent military experts: First, Harold Brown, former head of the Livermore Nuclear Weapons Laboratory, who is also a former Secretary of Defense, has said this:

> To the extent that the U.S. is committed to SDI, I think arms control is not going to be feasible. Indeed, I think existing agreement will either erode or be abandoned.

Who shares this view of the irreconcilable clash between star wars and arms control? It is shared by Soviet expert George Kennan. It is shared by former Secretary of Defense Robert MacNamara. It is shared by former Defense Secretary James Schlesinger. It is shared by many other experts.

Finally, there are some Senators who favor arms control but view the star wars missile defense as a kind of second security blanket. They reason if arms control does not work, may be star wars will. Arms control relies on our ability to negotiate treaties that we can verify, that we can enforce, that achieve compliance by the Soviet Union. Star wars relies on the superb American technology that can do anything, however miraculous, if only we give it enough money. So why not star wars?

Mr. President, the trouble with that kind of analysis is that it overlooks the one fact that makes arms control the best option. It is that arms control is in the clear and overwhelming interest of both the United States and the Soviet Union. The U.S.S.R. will comply with arms control treaties not because the Soviets are trustworthy.

They will comply because it certainly will be in their interest to comply. Arms control slows the arms race. It lifts an immense economic burden from both sides. With thorough verification procedures, with aggressive use of the Standing Consultative Commission, it can build a safer and more secure world. From now on, mankind will have to live in a world of nuclear weapons. We can choose to try to prevent a nuclear war by winning a never-ending arms race. Or we can rely on arms control. We cannot have both. Which do we choose? This Senator believes the answer is easy.

THE MYTH OF THE DAY—HONORARIA

Mr. PROXMIRE. Mr. President, the myth of the day is that honoraria—speaking fees, in plain English—are paid by disinterested groups. The myth goes that these groups are willing to pay up to $2,000 solely to hear a Senator discuss a vital issue of the day.

Oh, what a tangled web we have woven. Listen to a list of some of those paying the most honoraria: the Tobacco Institute, the Securities Industry Association, the American Bankers Association, the National Cable Television Association, the Chicago Board of Trade.

What do those paying these speaking fees to Members of Congress have in common? The answer is simple: They are all vitally interested in legislation. In fact, most could not exist without some type of legislative charter. And if you look at the list of those invited to speak, one fact stands out: They often serve on the committee with jurisdiction over that legislative charter.

Mr. President, this fact is not an indictment of those who accept honoraria. Members of Congress can have an interest in a subject, and not march in lockstep with that special interest. The tax bill demonstrates this assertion.

But it does mean that we have an obligation to be both careful and open when dealing with the rules governing the acceptance of honoraria. We have not met this standard. Last December, we increased the amount of honoraria Senators could retain from 30 to 40 percent of our pay, an increase of about $7,500. We did so by burying this change in a conference report, where it could not be voted on directly. Therefore, the Senate did not have a chance to debate or vote on this change.

On an issue this sensitive, we should discuss the good and bad points and vote on it. That is why I will offer an amendment to repeal this increase.

The House recently passed legislation to increase the amount of honoraria Representatives could keep from 30 to 40 percent, bringing them in line with the Senate. But upon reflection, the House reversed itself and repealed the increase. I hope the Senate will see fit to follow this good example.

I yield the floor.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. GORE] is recognized for a period not to exceed 5 minutes.

Mr. GORE. Thank you, Mr. President.

SALT II ABANDONMENT

Mr. GORE. Mr. President, later today I will continue with the eighth in a series of speeches I have been making each day on the strategic defense initiative. This morning, however, I wish to join a large number of my colleagues in a discussion of the President's decision to abandon the SALT II Treaty.

No one can predict what the consequences of this decision will be. We can, however, measure with reasonable accuracy the size of the risk the President has imposed upon this country.

The most obvious fact is that, as we stand here, legally nothing remains of either the first or second SALT agreements. By announcing his abandonment of the policy of respecting these agreements, and by declaring his intention to violate SALT II next fall, unless the Soviets make radical changes in their current behavior, the President has removed any constraints or commitments which previously applied to the Soviet Union.

The Soviet Union is, at this moment, free to do whatever it wishes in terms of expanding the size of its nuclear forces. Moreover, if it decides to do this, we and not they will receive most of the blame because the President has said the treaty no longer applies. The more so, because the Soviets have already made it clear that they will not react until after the United States has actually exceeded a SALT II limit. At that point, obviously, the Soviet Union will be able to point not only to a declared United States intent to violate but an actual violation.

Now, let us be clear, in turn, about what this new freedom we have just given the Soviets enables them to do.

First of all, they may cease, at will, to dismantle existing strategic nuclear launchers and new systems enter service, and may therefore allow their launcher totals to grow, rather than be obliged to hold them constant.

And they have, after all, rather scrupulously abided by these central numerical limits contained in the SALT II Treaty. We have, for example, seen complaints about the new SS-25, complaints which I believe are justified, on grounds that it is a second new type, but we do not often see reference to the fact that each and every deployment of an SS-25 has been accompanied by a dismantlement of an existing SS-11. So that the numerical limits have been respected, and those form the core of the treaty.

Second, the Soviets may commence, at will, to increase the number of warheads aboard their heavy ICBM's and take full advantage of their advantages in throw-weight. How ironic that is. Critics of SALT II complained that it did not force the Soviets to cut their throw-weight totals down to ours, but ignored the fact that SALT II barred the Soviets from exploiting their advantage. Now these same critics have opened the door to the very outcome they always feared the most.

Third, the Soviets may commence, at will, to accelerate the production of new strategic weapons to the limits of their production capabilities and finances. There is little question that the capability to produce and deploy more weapons exists in the Soviet Union. Nor is there any question that this capability is very robust and that, should it be exercised, the United States would either have to accept unambiguous strategic inferiority to the Soviet Union or pay dearly to compete.

It is another great irony that the fiscal and spending policies of the Reagan administration, having doubled the national deficit, ruined the Nation's trading position, converted us to the biggest global debtor in world history, and debased the currency, leave us in the worst possible situation to face any such competition.

Just last year, we in the Congress were forced to pull the emergency brake by passing the Gramm-Rudman-Hollings bill: a measure whose provisions are so drastic that if they are invoked the consequences for national defense will be hair raising; a true desperation measure. And now comes the President, fresh from having killed off SALT II, telling us in a letter delivered here yesterday that our duty is to ignore Gramm-Rudman-Hollings in order to give him every penny he wants for strategic weapons, the better, one supposes, to deal with the potential consequences of his own actions.

Of course, those who campaigned for an end to SALT II have assured us that the Soviets already have so many nuclear weapons that they will not be inspired to produce more. They have also assured us that Soviet finances are so strained that the next 5-year plan is a far more effective barrier to an arms race than any political agreement with us. But these are the same people who tirelessly emphasized various CIA estimates about Soviet military spending to demonstrate how re-

lentless is the Soviet will to arm and to dominate. We shall see. And, if events are for the worst, we must remember whose counsel was followed.

Next, the Soviets may also begin, at will, to do everything within their power to defeat United States intelligence collection efforts directed against their strategic forces. It is true, of course, that Soviet encryption of telemetry has already impeded our ability to monitor their compliance, in violation of the clear purpose of the specific SALT language on this point.

But we must be candid in recognizing that the SALT provision in question contains an imprecise and circular definition which the Soviets have exploited to their advantage. The Soviets must change their behavior in this area and they should do so.

But we should point out that no such imprecision exists in the matter of concealment and deception; practices which are absolutely ruled out by the language of both SALT agreements, as the Soviets themselves acknowledge. And it is here where the record of compliance has been reasonably trouble free, that we have now freed the Soviets to do their best, not merely to defeat our efforts to monitor what they do relative to SALT II, but to neutralize our efforts to gather vital information about the number, characteristics, and even the location of their weapons systems.

Whether the Soviets choose to do this is something we will have to wait to find out. But they now have complete liberty to do so, by virtue of the President's choice.

Now, the great skeptics and critics of arms control may say that the Soviets have always had the freedom to take all of these steps, and that we merely deluded ourselves to imagine that treaties or political understandings really offered any protection. What folly that is.

Our ability to deal with the Soviets depends in the last analysis on the consent of free people: Our own electorate, and the electorates of our allies. And it depends upon the existence of a consensus among them that certain actions are essential to the maintenance of security, of peace, and of freedom. By his decision, the President divides, rather than builds, that all-important consensus, without which our advanced technologies and our wealth cannot be brought to bear. This loss and the risk which attaches to it, is part of what we must recognize today as the fruit of the President's decision, and the contribution of those who never tired of urging him to make it.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mr. CHILES] is recognized for a period not to exceed 5 minutes.

PROMPT PAYMENT OF MEDICARE CLAIMS

Mr. CHILES. Mr. President, today, I am introducing a resolution expressing the sense of the Senate that the Health Care Financing Administration should reverse a policy it has recently adopted to deliberately delay Medicare payments to beneficiaries and providers submitting claims for covered medical services. My colleagues, Senators BENTSEN, BAUCUS, BRADLEY, KASSEBAUM, METZENBAUM, NUNN, BOREN, HOLLINGS, RIEGLE, GLENN, MOYNIHAN, MELCHER, PRYOR, HEINZ, BUMPERS, CRANSTON, COHEN, and JOHNSTON, are joining me in sponsoring this resolution.

Mr. President, the long waits for claims payment are causing great hardship for Medicare beneficiaries and many health care providers. It works a special hardship on smaller providers such as home health agencies and medical equipment suppliers who have to depend on timely medicare claims payments to ensure a healthy cash-flow for their agencies.

□ 1030

Last week, I held a hearing to explore the impact of this situation in Jacksonville, FL. I held the hearing because the volume of complaints to my office from Medicare beneficiaries about delays in claims payment had jumped by almost 900 percent. Let me describe some of the testimony I received at our hearing in Jacksonville.

Mrs. Susan H. Keller, a resident of Daytona Beach, described how she had tried in vain to get reimbursed for the medical expenses incurred by her husband, a Medicare beneficiary, before his death in November. Medicare claims for his care were filed with Florida Blue Cross/Blue Shield, the Medicare contractor for the State, late last year, over November and December 1985. But no payments for information or contact of any sort had been received at the time of our hearing. Six months had passed since the first Medicare claim was filed.

Mrs. Keller tried to call Blue Cross/Blue Shield on the special toll-free information line provided for Medicare beneficiaries—a beneficiary service Congress mandated be provided by all Medicare contractors. She could not get through for several days because funding for the phone operation and other beneficiary services had also been severely cut by Health Care Financing Administration directive. Calls from beneficiaries wondering what happened to their claim were building up.

When Mrs. Keller finally did get through, the service people could not tell her anything about her claims, probably because they were still sitting in one of the boxes and boxes of claims still waiting even to be processed.

Another witness, also of Daytona Beach, had a similar experience. Her husband underwent two surgical procedures. She paid for the first procedure, and filed a Medicare claim. Then he had to have a second operation, but there was no money to pay for it until Medicare reimbursement was received from the first claim. After the second surgery was performed, with a large medical bill outstanding, they tried to mortgage their home to pay for it. They still have not heard anything on claims filed in February, 4 months ago.

Mr. Clyde Herzog of Jacksonville has waited over 3 months without any word on his Medicare claim. Mr. Herzog's physician now routinely submits claims for Medicare services he provides on an assigned basis by certified mail, since so many of his claims have been "lost."

This treatment of physicians who agree to accept Medicare's allowed amount as payment in full, is particularly distressing. At a time when Congress is struggling with ways to encourage more and more physicians to become Medicare "participating physicians" in this way, deliberate payment delays by the Health Care Financing Administration are pushing them out.

Testimony at our hearing in Jacksonville indicates that many physicians now are deciding to withdraw from the participating physician program because of the inordinate delays in processing their claims. Further, many other nonparticipating physicians who nevertheless routinely accepted assignment for many of their Medicare patients are now refusing to take assignment on anything except claims they fear could not be paid in any other way. That is certainly not a policy that Congress wants to see.

How did we get into this mess? Mr. President, I think it is clear that part of the problem is the very tight squeeze that has been put on the overall Medicare contractor budget in recent years because of our overall budget situation. We have consistently appropriated more than the Office of Management and Budget has asked for in their annual budget submissions to Congress, but there certainly has been no extra money in the last 2 years. Then we had a 4.3 percent sequester cut this year which severely impacted the administrative money available to meet Medicare contractor responsibilities. That is a problem which we shall have to address in the Appropriations Committee this year to make sure that adequate funds are devoted to basic claims processing and beneficiary and provider service activities.

But, Mr. President, what most disturbs me is that I fear the policy of a deliberate slowdown in claims processing will continue no matter how much we appropriate for these activities. There has been money available this year, in a special Medicare contractor contingency fund, which could have been released to help meet the claims processing crisis. But that money was not released. Only after a congressional hearing highlighted the awful situation in Florida was a small portion, $750,000, of that contingency fund released for claims processing. By then, the Florida contractor reported that they expected to have over 2 million Florida medicare claims pending at the end of this fiscal year, that they would have to stop processing claims altogether a month before the fiscal year ended, and that the backlog would mean a minimum claims turnaround time of 50 days.

Mr. President, a representative of the Health Care Financing Administration testified before the Ways and Means Committee in the House of Representatives on April 22, 1986. He then made it clear that it would be the intended policy of the administration to require all medicare contractors to increase the average time a claim is held before processing from the current 18 days to 30 days. By then, the average time for claims held before processing had already doubled from 9 days to 18 days.

Why is this happening, Mr. President? It is a slight-of-hand budget saving maneuver. Claims not paid until the next fiscal year will not show up in the budget now, but later. And if you keep gradually increasing the length of time claims are held before they are processed over several fiscal years, as is now being done, you can show false budget savings—in this case about a billion dollars a year—until the piper must be paid and you cannot slow down anymore. That is where I am afraid we are now, Mr. President. The piper must be paid.

Mr. President, the administration tells us that the longer a Medicare claim is held before it is processed, the longer the money stays in the Medicare trust fund. It earns interest. The administration says this deliberate slow-down policy will earn about $130 million in interest this year.

That is big money. And there's just no way that money is worth the hardship it causes thousands of Medicare beneficiaries.

If the Government is earning $130 million off of holding these claims, you know that these beneficiaries have to be paying at least $130 million to borrow the money to be able to process the claims to keep themselves financially sound. It is not worth undermining the faith that people have in the reliability of health care.

Medicare beneficiaries want health care, and they rely on the promise the bills will be paid. There's no delay when Medicare deductions come out of the Social Security check or out of the paycheck. There should be no delays when it is time to pay the claims.

Mr. President, I have talked about the situation I found in my own State of Florida. But this is not an isolated example. This policy is in place in every State, causing the same disruptions.

Every congressional office is hearing from home. Nationally, according to Blue Cross/Blue Shield testimony in April, Medicare contractors now expect to have over 3.7 million Medicare claims on hand already pending over 30 days by the end of this fiscal year. That's a 530-percent increase in Medicare part A—hospital—claims pending for 30 days or more in 1 year—and a 160-percent increase in the pile of long delayed part B—physician services—claims. At the end of fiscal year 1984, the national average processing time for all claims was 12.5 days. During the first quarter of fiscal year 1986, it was 15.3 days, and it will be much higher by the end of the year.

Claims submitted by beneficiaries for unassigned physician services and from small providers face the longest delays. The national average bill processing time for unassigned beneficiary claims was 18 days in the first quarter of fiscal year 1986. The time for inpatient hospital bills jumped from 7.3 days at the end of fiscal year 1984 to 9 days in the first quarter of fiscal year 1986. For outpatient bills, the jump was from 8.5 days to 15.9 days. Nursing home bills were up, on average, from 12.1 to 21.7 days, and home health bill average processing time went up from 12.1 to 22.5 days.

Anywhere from 4 to 9 days must be added to these average bill processing times to account for additional time needed to process and mail reimbursement checks.

And, bad as they are, these national averages are very misleading. It is clear that many beneficiaries and providers are waiting many months for word on their Medicare claims. Beneficiaries are mortgaging their houses to pay their Medicare bills, and doctors and small home health agencies are going to banks to borrow money to meet their cash-flow problems.

Mr. President, this is clearly an intolerable situation affecting all Medicare beneficiaries and providers. I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 420

Whereas Medicare provides invaluable health care protection to 31 million aged and disabled beneficiaries each year;

Whereas Medicare has, since its inception, met its responsibilities to beneficiaries through efficient and prompt payment of claims and now processes over 300 million claims per year;

Whereas the Health Care Financing Administration has now reversed that timely payment policy through inappropriate and insufficient allocation of funds for claims processing and by directing all Medicare contractors to deliberately delay processing claims and build large backlogs;

Whereas this policy is resulting in an increase in the backlog of unpaid Medicare claims of 88 percent in one year, with over 3.7 million claims pending for over thirty days, and increased the actual payment cycle in many cases to forty-five days and more; and

Whereas these policies have caused undue hardship to thousands of Medicare beneficiaries through lengthy waits for payment of claims and have discouraged many physicians from participating in the Medicare program, thereby reducing the quality of service to all Medicare beneficiaries and providers: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Health Care Financing Administration shall—

(A) allocate sufficient funds for basic claims processing and beneficiary and provider services within the overall Medicare contractor budget, and

(B) ensure timely and prompt payment of claims to prevent further deterioration of services to Medicare beneficiaries and, in particular, to small health care providers serving a high proportion of Medicare beneficiaries; and

(2) in the absence of appropriate action by the Health Care Financing Administration to pay claims promptly—

(A) the Senate shall adopt legislation, at the earliest opportunity, to ensure that claims are paid promptly, and

(B) the Senate shall allocate sufficient fiscal year 1987 funds for claims processing and beneficiary and provider services.

Mr. CHILES. Mr. President, I ask unanimous consent to leave the RECORD open so that Senators may be recorded as additional sponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. I urge my colleagues to join us to ensure that this unfortunate policy is immediately reversed.

● Mrs. KASSEBAUM. Mr. President, I am pleased to join Senator CHILES in cosponsoring this resolution, which urges prompt action in assuring that Medicare claims are paid in a timely manner.

The Health Care Financing Administration has instructed Medicare carriers and intermediaries to delay payment of claims and to accumulate claims backlogs. It is my understanding, for example, that the intermediary serving the Kansas City area will be in the position of allowing their pending claims level to increase from the current 70,000 to about 170,000.

Countless Medicare beneficiaries, physicians, and other health care providers have been in contact with me to relate the difficulties they have faced as a result of claims payment delays. Delays in excess of 45 days have created serious cash-flow problems, particularly among those providers who accept assignment and who see a relatively large number of older patients.

I understand that some adjustments must be made during a period of tight budgets. However, I believe the Health Care Financing Administration has gone well beyond the bounds of reasonable budget restraint in ordering extensive claims processing slowdowns. I commend Senator CHILES for his efforts to draw attention to this serious problem and hope that the Senate will act quickly in approving this resolution.●

● Mr. BENTSEN. Mr. President, I am pleased to join with my colleagues Senators CHILES, BAUCUS, BRADLEY, and KASSEBAUM in support of Senate Resolution 420, expressing the sense of the Senate that providers of health services under the Medicare Program be promptly paid.

As many of our colleagues know, officials of the Health Care Financing Administration have instructed intermediaries under contract to the Government to process Medicare claims more slowly as a budget savings device. Specifically, HCFA has directed the insurance carriers to allow claim backlogs to grow and to move more slowly on assignment rates, participation, provider cash-flow and beneficiary liability.

Mr. President, administrative costs associated with the Medicare Program have always been modest, and today account for only 1.3 percent of expenditures. That statistic is especially significant because the contractors who administer this program deal with over 33 million beneficiaries, more than 400,000 physicians, 7,000 hospitals, 6,000 skilled nursing facilities, 5,600 home health agencies, 3,500 laboratories and other providers. In 1986, the intermediaries will process over 343 million claims and respond to thousands of inquiries from providers and beneficiaries alike.

It is abundantly clear that the insurance carrier is a critical link between the beneficiary, his or her health care provider, and the Medicare Program.

Late last fall, it became apparent that contractor funding for 1986 would not be sufficient to ensure prompt payment to the thousands of physicians, hospitals, and support services that minister to the health needs of the Nation's elderly and disabled. While the Congress increased funding to help address the problem, the supplemental support was eroded somewhat by the mandatory sequester order of earlier this year. Specifically, the $978.5 million appropriation for fiscal year 1986 has been adjusted downward to $920 million. This amount is $12 million less than the funding allocated for fiscal year 1985, while the volume of claims has grown by 31 million and cost of living has risen by nearly 4 percent.

In an effort to adjust to reduced appropriations levels, HCFA has directed contracts to process claims more slowly and to increase backlogs. For the first half of fiscal year 1986, the part B claims backlog increased by nearly 40 percent over the same time period last year. Part A has experienced an increase of about 20 percent in its bill inventory.

Why, one might ask, is an increased backlog of claims a problem? Mr. President, rising inventories of claims means that more than 3.5 million bills will be held for more than 30 days. Contrasted with the fourth quarter of 1984, hospitalization bill inventories pending more than 30 days will have increased by 530 percent, while physician and other direct provider inventories will have increased by 163 percent.

Rising inventories affect average processing time. In fiscal year 1984, the average part B bill was paid in 12.5 days. In the first quarter of fiscal year 1986, that time had slowed to 15.3 days, and further increases are expected by year's end. Average processing time, however, only counts days from receipt of the claim to when it is approved for payment or denied. After a claim is approved, it then spends several days in the checkwriting process—which may be weekly or biweekly. Depending on the contractor's processing system and on the U.S. mail, this second step can take as long as 9 days. The net result is that for many types of services, Medicare is already paying claims close to 30 days after receipt.

The effects of slower payment vary significantly among types of providers and according to geographic area. However, there is general agreement that claims filed directly by beneficiaries will bear a disproportionate share of the delay. Physicians, home health providers, and suppliers of medical services and equipment will also be impacted by the delay. Reduced cash-flow will make it difficult to meet payrolls and to pay bills in a timely manner.

Moreover, the more complex claims are the most difficult to process and therefore will be subjected to the longest delays. Providers without sophisticated electronic billing capability, those who do not qualify for periodic interim payments [PIP] in short, those who are already experiencing relatively slow payments will be further disadvantaged. The reduced cash-flow for skilled nursing facilities, home health agencies, and small rural hospitals will exacerbate an already serious problem.

Mr. President, this resolution is nothing more than an attempt to ensure that the Federal Government, as purchaser, is fair in its dealings with providers of health services. As a former businessman, I have a hard time justifying anything other than prompt payment for services rendered. Failure to dispatch reimbursement amounts to taking an unauthorized loan—without interest—from these beneficiaries, physicians, hospitals, home health agencies, equipment dealers, and others. The Government should not, as a matter of principle, engage in a policy that uses Federal authority to deprive the elderly, the disabled, and the providers of care of the reimbursement to which they are entitled. We would never sanction such activity on the part of a business, and we should not stand by and allow Federal agencies to meet their targets for deficit reduction by withholding payments for longer periods than is necessary for the processing of claims.

I encourage my colleagues to join with us in support of this important resolution. Failure to correct this problem will ultimately undermine much of the effective reform that has been achieved in the health care system over the last several years.●

Mr. BAUCUS. Mr. President, I ask unanimous consent to proceed under the special order granted to Senator LEAHY.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized for a period not to exceed 5 minutes.

PROMPT PAYMENT OF MEDICARE CLAIMS

Mr. BAUCUS. Mr. President, I am pleased to support the resolution submitted today by my friend, the distinguished Senator from Florida [Mr. CHILES] which calls for the prompt payment of Medicare claims.

This resolution puts the Health Care Financing Administration on notice that Congress wants Medicare bills paid faster. It's time to stop shortchanging Medicare beneficiaries and health care providers.

I, and many other Senators, have already heard about the problems that HCFA's deliberate claims slowdown have caused. The Senator from Florida has mentioned them and we have all heard about them.

PROMPT PAYMENT TO MEDICARE BENEFICIARIES

Beneficiaries are having to wait for weeks and weeks just to find out how much Medicare will pay. In the meantime, seniors have paid their health care bills and they are waiting for Medicare to pay up.

And while seniors wait, other bills have to be paid. Gas bills, telephone bills, electric bills, repair bills all have to be paid on time while Medicare drags its heels and takes its own time to pay its health bills.

The administration tells us that payment slowdowns are needed to save money. But I think that is a callous way to do business. It is a callous attitude toward our seniors.

If we need to find savings in the Medicare Program, let's find them, but find them in other ways. Let us be open and honest about them. Let us not put the burden on the backs of our seniors by intentionally slowing down payment.

Let's not try to sneak budget savings through the back door. Let's not increase the already high costs of health care for the elderly while the Federal Government "plays the float" with their money.

PROMPT PAYMENTS TO SMALL PROVIDERS

I am also pleased that this resolution calls for prompt payment to small Medicare providers who serve a high proportion of Medicare beneficiaries. That is, rural hospitals.

I think that it is only fair that those who provide health care services also be paid on time. HHS wants to delay payments to providers across the board, without regard to the ability of providers of different sizes and circumstances to adjust to the delays.

I am most concerned about payment delays to small rural hospitals. They have fewer revenue sources on which to rely. Medicare is usually their largest payor, because the elderly disproportionately live in rural communities.

Last month, I introduced the Rural Health Care Improvement Act of 1986 which contains a provision that would require Medicare to pay its claims to small rural hospitals within 30 days—or faster if non-Medicare claims are paid sooner.

When Medicare slows down its payments to small hospitals, it is not merely a minor cash-flow problem. It may be a question of survival.

Small health care providers operate on very slim margins of financial safety. They rely on a stable and predictable payment cycle to meet their payroll obligations and to pay their suppliers.

Late payments by Medicare can have devastating effects on these vulnerable insitutions. And if they are forced to close their doors due, in part, to Medicare's payment policy, there may be nothing else to take their place.

Without these hospitals, Medicare beneficiaries will suffer. Small towns will suffer from lost employment. And the Medicare Program will suffer, too, if beneficiaries are forced to travel to more distant and more costly urban areas to receive their care.

I think that it is high time that national health care policy take into account the unique concerns of rural America. But, all too often, we see just the reverse.

What we see over at HHS is "one size fits all" health policy. Policy that is based on averages. Policy that ignores the smallest institutions who are least able to adjust to sweeping changes in national programs. Policy that threatens the survival of the institutions that serve rural Americans.

Mr. President, this resolution sends a strong message to HCFA to pay beneficiaries and small health care providers on time. And, if HCFA does not correct this situation, the resolution calls on the Senate to take the needed action.

I look forward to working with the sponsors of this initiative to ensure that Medicare is fair to America's senior citizens as well as those who serve their health care needs.

Again, I thank the Senator from Florida for bringing this important matter to the attention of the Senate and the country.

□ 1040

RECOGNITION OF SENATOR LEVIN

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan [Mr. LEVIN] is recognized for not to exceed 5 minutes.

Mr. LEVIN. I thank the Chair.

THE DECISION TO ABROGATE

Mr. LEVIN. Mr. President, last week, the administration made one of those arms control decisions which simply cannot be explained by any of the laws of logic which I understand.

As we know, the administration formally announced that it would dismantle two Poseidon submarines—thus technically remaining within the limits of SALT—while, at the same time, saying it intends to violate SALT by the end of the year.

It is bad enough that this President has not added any agreement to the arms control process; but it is even worse when he decides to destroy the progress that others have made.

Let there be no mistake about it: SALT II was a sign of progress. Over the years that it has been observed, it has contributed to world stability and it has made our Nation more secure. With the decision to abandon that agreement, the world will enter a new period of uncertainty. Look at just one measure of where we have been—and where we are going: the total number of nuclear launchers and warheads.

As a direct result of the SALT II Treaty, the Soviet Union has been forced to dismantle 539 operational launchers and retire another 818 missiles. As a direct result of the President's decision to abrogate the agreement, the Soviets could—repeat, could—increase their total number of warheads by over 10,000—without modifying their existing plans in any significant way. Right now, the Soviets could, for example, increase the number of warheads on the SS-18's from the 10 that SALT limits them to up to the 20 to 30 warheads the missile can carry. In the same way, they could decide not to dismantle—as SALT requires them to—any of their 50 single-warhead missiles when their SS-24 MIRV'd missiles come on line this year.

And while the Soviets could expand their arsenal quickly, we cannot. The President is restricted by production realities to calling—once again—for his repeatedly rejected 100 MX missiles, for a star wars program which could not even theoretically do anything for us for a decade, and for a new smaller missile—the Midgetman—which his own Defense Department has been less than enthusiastic about.

I do not see how the decision to abrogate the SALT Treaty makes us any stronger. Nor do I see how it improves the prospect for arms control in the future. Of course, reasonable people can disagree about arms control strategy. Some say, "We will get better agreements if the Soviets think we are stronger so let's build now and talk later." I can understand that argument. What I cannot understand is anyone thinking that the arms control process is strengthened by destroying the structure which has been created to talk about arms control. The SALT product may have been flawed—but the SALT process was extremely important. If this administration succeeds in tearing up the SALT agreement, we will be left with no framework within which we can even talk about the process of reducing nuclear weapons.

We have an administration which says it wants to eliminate nuclear weapons from the face of the Earth, and then it advocates policies which will allow for and surely result in more weapons than we have now.

We have an administration which says that SALT is fatally flawed, yet observes it for 6 years—and during those 6 years, despite this fatally flawed treaty, it claims we have closed the window of vulnerability, rebuilt America's strength and created an environment in which we are standing tall and acting proud again.

We have an administration which complains that SALT has been unfair because it allowed the Soviets to maintain larger nuclear forces—yet which promises that it "does not anticipate any appreciable numerical growth in U.S. strategic forces."

We have an administration which thinks that the United States was placed at a disadvantage when we negotiated with the Soviets about nuclear restraint—yet it seems to think we will do just fine although we will allow the Soviets to dictate our nuclear strategy. And that is precisely what will happen, since, as the White House indicates, Soviet behavior will deter-

mine our program when they say, as they have, that "The United States will not deploy more strategic nuclear delivery vehicles or more strategic ballistic missile warheads than does the Soviet Union."

We have an administration which eliminates two nuclear submarines primarily on the grounds of cost effectiveness shortly after it has insisted that cost effectiveness is totally irrelevant when it comes to star wars.

The Senate of the United States has gone on record time and time again as favoring a "no undercut" policy toward the SALT II arms control agreement. The President did not "undercut it"; he just says he is going to cut it from top to bottom. It makes no sense.

SALT II forced us to retire 3 subs, but it forced the Soviets to eliminate 539 launchers.

Was SALT II perfect? Not at all. Have the Soviets violated it? I think it is likely but not certain that they have. But the response should have been to improve the treaty, not abandon it; we should respond proportionately to any alleged cheating, not provocatively and illogically.

The President has made his decision. Now I wish he would explain his reasons—and I wish he would tell the American people how those reasons, contribute to his goals of a nuclear free world and a reduced threat of war. I wish he would—but I do not think he can.

Between now and the end of the year—when the President's decision goes into effect—the people of the United States can make it clear that they do not approve, they do not support, they will not accept repudiation of SALT II limits on nuclear weapons.

RECOGNITION OF SENATOR D'AMATO

The PRESIDING OFFICER. Under the previous order, the Senator from New York [Mr. D'AMATO] is recognized for not to exceed 5 minutes.

INDIVIDUAL RETIREMENT ACCOUNTS

Mr. D'AMATO. Mr. President, I am deeply troubled by the numerous false and misleading statements made concerning IRA's since passage of the Finance Committee tax bill just a few short weeks ago. I take the Senate floor today to refute these erroneous charges and set the record straight.

First, it is important to go back in time just 5 short years. In 1981, this Senator and Congress voted to cut taxes 25 percent over 3 years and give middle-income people an opportunity to save for their retirement through the expanded use of IRA's. The tax cuts have done their job as the economy is in the midst of the greatest recovery since World War II.

The expansion of IRA's in 1981 has also done the job. Since that time over $250 billion has been contributed to IRA's. This occurred because the 1981 Tax Act allowed all working people a deduction up to $2,000 for a contribution to an IRA. The income earned on this investment is tax free until retirement. Prior to 1981, IRA's were little used. Thanks to Congress' work, IRA's have been available to all working Americans.

As an aside, I would say that the 1981 tax legislation had one critical flaw: The IRA limit for homemakers was only $250 instead of the $2,000 allowed for a working person. Homemakers work every bit as hard as individual's earning a salary. Homemakers should not be punished just because they do not earn a wage.

The tax reform bill is landmark legislation that I support. So let it be clearly understood that this Senator does not oppose this tax bill. Indeed, I believe it is a good bill, it is a good start, and I will seek to make it a better bill—not to kill it, as some have intimated. The committee repealed the deduction on IRA contributions for any person covered by an employer pension plan. In other words, the bill turns the clock back to pre-1981 and denies most working people the benefits of IRA's.

Some detractors of IRA's have claimed that the primary beneficiaries of IRA's are the wealthy. This accusation is completely false. It is demagoguery to say that the IRA is a program that benefits the wealthy. The facts are that 62 percent of the 28 million people who contribute to IRA's earn less than $40,000.

□ 1050

Families that earn under $40,000 are not those abusing the Tax Code. These are the people who should benefit most from tax reform. These are working middle-class Americans who need this help. They need to supplement their retirement savings. We should not be pushing the clock back on working middle-income families by ending the deduction on IRA contributions.

Others have said that IRA's do nothing for the economy and do not encourage new savings. This accusation is also completely false. In an article recently published in the New York Times, Professor Summers of Harvard University writes that half of all IRA contributions represent new savings, savings that otherwise would not have taken place.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. D'AMATO. Mr. President, without the deduction for IRA contributions, savings would be greatly diminished in our country and this is money that has helped fuel our recent economic growth. IRA's have played a critical role in our Nation's resurgence.

Still others have said that people who receive a pension plus Social Security do not need an IRA. Again, this is rather ludicrous. Let us look at the facts. The facts are that the annual median pension benefit is only $3,250. In New York, the median annual Social Security benefit is only $5,707.44. These two figures combined would give the typical person receiving a pension and Social Security only $8,957.44 of income per year. That is in New York. The national median income is $8,555.44.

There is no conceivable way that this amount of money is enough to guarantee economic security in retirement. It is a cruel joke to tell retirees that their Social Security and pension benefits is all that is needed. No Member of this body would want to retire on that kind of annual income.

Middle income families desperately need to supplement their retirement savings. This can be done privately through IRA's, or publicly through more Government spending. I suggest it is better to encourage people to do it privately, one of the great benefits of IRA's. Working families want to save for their retirement and do not want to rely on the Government. IRA's are the perfect means to privately help people feel secure when they retire.

Other critics of my effort to save IRA's have said that all amendments to the tax bill must be opposed no matter what problems exist in the bill. Forget the facts and common sense; just oppose all amendments.

Imagine, Mr. President, if we had the rule apply to the foreign aid bill, to the budget bill, to the defense bill. How dare they suggest we are going to oppose all amendments regardless of the merits—do not look at the merits—we are just going to oppose them. Let us let the taxwriting committees undertake this all, that the conference knows better.

I do not think that is what the people of the United States meant when they elected their Congressmen and Senators to represent them.

They certainly did not say that every bill that comes out of a committee is a perfect bill and there should be no amendments.

This Senator did not come to Washington to be a rubber stamp. The people of New York, and indeed of all States, need their representatives to actively work to make the tax reform bill as close to perfect as possible. This is my goal.

I have proposed, along with Senators DODD, MURKOWSKI, PRESSLER, HAWKINS, and WEICKER, an amendment to restore IRA's. Some in the Senate have said my amendment will damage the integrity of the tax reform bill. Not true.

That is absolutely incorrect. That is demagoguery. We understand there are certain critical areas that must be sacrosanct, not raising the rates for individuals or corporations, and our amendment does that within the basis of the bill.

Saving IRA's is completely consistent with tax reform. The President's tax plan not only saved IRA's, but increased the amount a homemaker can contribute to $2,000. The House tax bill preserves IRA's. IRA's and tax reform go hand in hand.

The amendment we are crafting would pay for IRA's without increasing rates or cutting the personal exemption. Our amendment would delay income tax rate indexing to pay for permanently saving IRA's. Indexing was needed during high inflation. However, inflation now is almost nonexistent.

Indexing also helped protect people from bracket creep. Bracket creep is a fancy term that describes how working people have been pushed into higher tax brackets because of cost-of-living raises. but the tax bill reduces the number of tax brackets from 15 for individuals to only 2.

In short, our amendment would save IRA's, would not increase rates, and would not lower the personal exemption. All of this can be accomplished and still pass comprehensive tax reform legislation.

Mr. President, the weight of the evidence falls squarely in favor of saving IRA's. Working people need IRA's and they can be saved while still passing a tax reform bill.

EXHIBIT I

[From the New York Times, May 25, 1986]

I.R.A.'s REALLY DO SPARK NEW SAVINGS

(By Lawrence H. Summers)

Senator Bob Packwood and the Senate Finance Committee have produced a tax bill that would gut many of the tax shelters that waste resources and challenge common conceptions of fairness. In going after real estate interests, raising capital gains taxes and imposing a corporate minimum tax, the Packwood bill does both the hard thing and the right thing.

But the hard thing is not always the right thing, even in the admirable Packwood bill. Ending the deductibility of Individual Retirement Account contributions for most taxpayers was the hard thing for the Senate Finance Committee. It has generated more criticism than the rest of the bill put together. Yet it was the wrong thing. Limitation of the I.R.A. provisions would raise relatively little revenue but would significantly reduce personal savings and impair future growth. The Senate could make a good bill better by restoring I.R.A.'s.

Altering I.R.A.'s as proposed in the Finance Committee bill has been estimated to raise about $26 billion over the next five years. The sum could be made up relatively painlessly in any number of ways—raising the top personal rate to 28 percent rather than the proposed ceiling of 27 percent, or setting the top corporate rate at 35 percent, rather than 33 percent. Phasing the personal exemption down from $2,000 to $1,600 for taxpayers with incomes over $40,000 would yield an equal revenue gain. So also would a 6-cent-a-gallon tax on gasoline, a 17-cents-a-pack tax on cigarettes or a tax on beer and wine equivalent to the current tax on distilled spirits.

Perhaps the best way to cover the cost of keeping I.R.A.'s intact would be to tax the oil, timber and financial industries in the serious way proposed initially by the Treasury, and to reform the rules governing accounting by military contractors.

Why have I.R.A.'s come under attack at this late date? It is argued that I.R.A.'s primary benefit the rich, and that they are an ineffective device for spurring savings, because taxpayers simply transfer other savings into I.R.A.'s to avoid taxation, Neither of these allegations is supported by the available evidence.

It is true that I.R.A. contributors have higher incomes than average taxpayers. In part this reflects the fact that neither the very young nor the elderly contribute much to I.R.A.'s. But most contributors are not rich. More than half of I.R.A. contributions in 1984 came from families earning less than $40,000 a year, according to Internal Revenue Service statistics. According to the Federal Reserve's Survey of Consumer Finances, the typical I.R.A. contributor in 1982 was about 50 years old and had less than $10,000 in liquid assets.

While the officially measured personal savings rate has declined since 1981, this does not mean that I.R.A.'s have no substantial impact on savings decisions. Reduced corporate pension contributions, increased consumer borrowing and renewed consumer confidence are all possible explanations for the low savings rate. Without the enactment of I.R.A.'s, the savings rate might well have fallen even further.

An additional issue arises in interpreting the experience of recent years. Official statistics fail to treat capital gains as a form of income. Thus, they entirely ignore the substantial increase in household wealth generated by the booming stock market. If savings is measured as a change in wealth, including capital gains, the savings rate was a whopping 18 percent last year and has averaged more than 11 percent over the last five years. Of course, increases in the value of existing assets are not productive investments. In fact, they may lower the official savings rate by reducing households' incentives to put money into savings vehicles like certificates of deposit.

Perhaps the most direct evidence that I.R.A.'s stimulate savings comes from surveys of savers. After carefully analyzing responses to the Federal Reserve's Survey of Consumer Finance, David Wise of Harvard's Kennedy School of Government and Steven Venti of Dartmouth College concluded that about half of the money flowing into I.R.A.'s represents new savings, about 30 percent comes from money that would have gone to taxes (without the I.R.A. deduction) and only about 20 percent comes from savings that would have taken place without I.R.A.'s.

The behavior of contributors provides further evidence of the effectiveness of I.R.A.'s. An individual can maximize his tax advantage by contributing to an I.R.A. as early as possible, in January of each tax year. Presumably, taxpayers who were simply shifting assets would make contributions as soon as they could. But I.R.S. statistics reveal that some $15 billion, or 45 percent, of 1984 I.R.A. contributions were actually made in 1985, suggesting that a significant amount of new savings was generated by I.R.A. contributions. Those who contribute late are likely to be contributing new savings, either because it took time to generate them or because they are responding to the advertising blitz that financial institutions put on every March and April.

Tax policies can work indirectly by changing public attitudes and providing incentives for firms to engage in persuasive advertising of a kind they would not otherwise undertake. I.R.A.'s may cause people to focus more on the need to save for their retirement, and they certainly give banks and other financial institutions a strong incentive to remind people of the need to save for retirement.

Some evidence on the long-term importance of these effects—along with the incentive effects of tax provisions—comes from Canada, which began using a retirement savings program like our I.R.A.'s in 1972 and significantly liberalized it in 1976. The savings rate in Canada was less than ours every year prior to 1974 but has exceeded ours every year since.

I.R.A.'s are likely to become even more efficient as savings incentives in the future. when they were introduced, it was easy for taxpayers to draw contributions from existing assets. With each passing year, contributions will come increasingly from new savings. Why cut back I.R.A.'s just when their effectiveness as a savings-stimulus is increasing?

Raising our personal savings rate is important if we are again to enjoy rapid productivity growth and success in international competition. It's no accident that Germany and France, with national savings rates twice that of the United States, have had twice as rapid productivity growth, while the Japanese, with a savings rate three times ours, have enjoyed three times as great a productivity growth rate over the last 15 years. Of the major developed nations, only the British have had a savings rate as low as ours, and only they have had as bad a record of productivity growth.

The Senate is now in the rare position of being able to bow to political pressure while adopting the right long-term policy. It should maintain current I.R.A. provisions and another way to keep their tax bill revenue neutral. For once, the popular and easy course is the wise one.

RECOGNITION OF SENATOR MURKOWSKI

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska [Mr. MURKOWSKI] is recognized for a period not to exceed 5 minutes.

Mr. MURKOWSKI. I thank the Chair.

IRA SUPPORT

Mr. MURKOWSKI. Mr. President, I rise in support of Senator D'AMATO and a number of my colleagues suggesting that it is indeed in our nation-

al interest to maintain the IRA tax deduction.

I would like to make it clear, however, that I do support the current tax legislation. It is responsible in the sense that it relates to the issue of fairness and equity.

I would join with Senator D'AMATO and others, however—in the specific reference to maintaining the IRA deduction.

Mr. President, we need in this country to encourage savings in every possible way. Now what the maintenance of the IRA does is it encourages people to save for their own retirement security. IRA's have proven to be one of the best sources of savings, and to preserve this incentive I support basically the concept of Senator D'AMATO's amendment to maintain the current tax treatment of IRA's.

As we reflect on the requirements of Gramm-Rudman-Hollings, the amendment to restore the IRA deductibility will be revenue neutral and it will be revenue neutral by keeping in tact the current laws that additional revenues totaling some $23 million must be found.

The amendment as proposed by Senator D'AMATO and myself and others would temporarily delay the individual income tax indexing of the 27-percent rate. The need for indexing is greatly diminished with the disinflation as has been suggested and reducing the number of tax brackets from 15 on individuals to the 27 percent as well as the 15 percent.

I think it is important to note the significance and acceptance of the IRA's, Mr. President. More than half of the IRA contributions in 1984 came from families earning less than $40,000 a year. So to make the suggestion that this IRA deduction appeals only to a certain class of taxpayer is incorrect. It is wide in its scope. We have nearly 28 million families who have IRA's, including an estimated 20 million who are also covered by employer-paid pension plans.

Mr. President, over $250 billion has been deposited in IRA accounts since 1981. These accounts not only provide retirement savings for families, they also significantly contribute to an overall increase in savings.

Mr. President, this savings base provides the capital that helps to hold down interest rates in this country, and we have seen interest rates decline—some of you will remember that in December of 1980 the prime rate in the country was 20½ percent; today it is less than 10. It is not enough but it is certainly going in the right direction.

I contend, Mr. President, one reason for that is the IRA encouragement offered by savings.

We have seen many of our allies throughout the world finance their expansion not from debt as we have done in the United States but from savings. We have seen in the case of Japan, France, and Germany, countries that encourage savings using the revenues for economic development. Japan is an outstanding example with savings rates three times our own. It has enjoyed three times the productivity of this country over the last 15 years, because, Mr. President, there was a positive encouragement by the Government to encourage savings.

In our tax bill, Mr. President, we contemplate losing the incentive of the IRA's, the major incentive to encourage people to save.

Mr. President, as we reflect on the alternatives to the IRA, I think the main thing we must keep in mind is the necessity of maintaining an incentive.

I would also like to address, Mr. President, the question that will be raised by some of my colleagues that if we indeed seriously consider the IRA inclusion that we will somehow jeopardize this tax legislation. Mr. President, I do not think that is correct by any means. I think the way this proposal is structured we can have both the IRA and the tax bill that this country needs, and we can have it simply by addressing the mechanics in the way that the amendment is structured where the indexing is put off for a period of time necessary to pick up that revenue base.

Mr. President, the other thing that I think is most important is no one has yet put together the significant contribution of what this will mean in an increase proportional growth of IRA's and the significant revenue to the Federal Government over a period of time when the IRA's are drawn down. That will be a tremendous increase of revenues for the Federal Government and one that should certainly be taken into consideration when contemplating the merits of maintaining the IRA's.

Mr. President, my time is up. I yield the floor.

□ 1100

RECOGNITION OF SENATOR PRESSLER

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from South Dakota [Mr. PRESSLER], for a period not to exceed 5 minutes.

INDIVIDUAL RETIREMENT ACCOUNTS

Mr. PRESSLER. Mr. President, I rise in strong support of IRA's and preserving them in the tax package. Let me say that I strongly support the tax reform bill, but I feel that this is one area where the middle-income people of the United States have spoken. During the recess, in visits to my home State and elsewhere, I found that the proposal to limit the use of IRA's struck a raw nerve to those with incomes under $40,000.

Some have said that the IRA's are used mainly by the wealthy. Indeed, I have statistics that nearly 62 percent of all IRA contributions are made by families with income of less than $40,000.

In the proposed tax bill, employees of companies which have a pension plan cannot deduct contributions to IRA's. In my State, there are many small companies with 15 or 18 employees, and the employees are not entirely confident in company pension plans. Indeed, these pension plans or the entire company may fail leaving employees without a retirement program. People have a great deal of confidence in buying their own IRA's. These are individual plans. Unlike pension plans which are available only to some workers at their employers' discretion, IRA's are available to everyone. They span any number of jobs.

Now if some of my colleagues feel IRA's are something for the very rich, we might consider limiting them to people with incomes below a certain level, perhaps $50,000 or $60,000. However, we should not limit the debate to which income group benefits most from IRA's. We must remember that this is a savings program which puts long-term savings into our financial institutions. The New York Times had a major article pointing out IRA's do contribute to the long-term savings which form the underpinning of our financial institutions and, indeed, our entire economy.

Mr. President, I do not think we should apologize for trying to restore a savings program for middle-income people. This tax bill retains all kinds of loopholes and opportunities for the very rich, and by the time it gets through conference I suppose it will have more. But this is a middle-income program, offering an opportunity for a family or an individual to build substantial savings for retirement.

Let me point out that, in the long run, this program is revenue neutral. Taxes are paid when the money is drawn out. IRA's simply defer taxes, they do not eliminate them. I will be joining with my colleagues in offering revenue neutral proposals to fully restore the deduction for contributions to IRA's.

There are a number of studies which support my position. One by Michael Boskin, of Stanford, puts the debate in proper focus when he writes:

> The question is not why is the officially measured saving rate so low. The appropriate question is, what would the saying rate have been in the absence of IRA?

Many economists have pointed out that consumer debt is now down and

overall savings will take off. When this happens, interest rates and inflation remains in check. Certainly IRA's play an important part in making this possible.

So, we are talking about a program for middle-income people, a program that contributes to the soundness of our money system and a program that encourages savings. And it is a program that we will save on this Senate floor.

Let me say that I disagree with some of the leadership saying that this bill should be considered and passed without amendment; that we should settle all the problems in conference. Why are we elected to the U.S. Senate? Indeed, the voters of South Dakota sent me here for the very purpose of offering amendments, and I am not going to yield my responsibility to a conference committee on which I will not sit.

Therefore, I think that those of us who have banded together to save the IRA's are doing exactly what we should be doing and in a very appropriate fashion. There is almost no other bill that comes to this Senate floor on which we are told, "Well, let's not have any amendments. Let's just pass it through, keep it together, and we will work out the problems in the conference committee."

If we look into this bill—and it is a huge bill—we find numerous transition rules for many projects in certain States. It is not a truly clean bill. I think we need to look at it very carefully as Members of the Senate, even if it takes some all-night sessions.

I am deeply concerned about the attitude floating around this Chamber that we are not supposed to change this tax bill. I think that would be very improper. Certainly one of the changes that we need is to restore the deduction for IRA's. If we need to tailor it in such a fashion that it is limited to people below $60,000, fine. Sixty-two percent of them are now purchased by people with incomes under $40,000. It is one of the few middle-income programs in this country that encourages savings, and I shall fight very hard on this Senate floor to preserve it.

RECOGNITION OF SENATOR ROTH

The PRESIDING OFFICER (Mr. MATTINGLY). Under the previous order, the Senator from Delaware, Mr. ROTH, is recognized for not to exceed 5 minutes.

□ 1110

SAVE IRA

Mr. ROTH. Mr. President, I am very happy to join the group of Senators who are dedicated to saving the IRA.

But before discussing that matter, I want to pay my compliments to the Chairman of the Finance Committee, BOB PACKWOOD, for the outstanding job he has done in reporting a bill, a true bill of tax reform. I am happy to generally support this legislation because, No. 1, I think it achieves a tax reform goal of simplicity. It is going to be far easier for the majority of taxpayers to report their income under the new legislation at present.

I want to say that I think this tax reform represents fairness. I think the fact that we are seeing the marginal rates of taxation dropping from a high of 70 percent to 27 is an indication of fairness of this legislation. It means that the more affluent will pay more taxes because under current law there are too many loopholes.

But the one area, Mr. President, that does concern me is in the area of savings. It seems to me that if this country is going to succeed in being competitive in world markets, we have to increasingly move from a consumer nation to savings. Unfortunately, the rate of individual savings in this country is extremely low. And anyone who has watched Japan knows that a key to her success has been the very, very high rate of savings of the individual Japanese. They save something like 15 to 24 percent. And it is those savings that are used to buy the best technology in the world—in many cases American—and put it in their plants so they can produce better products at a better price.

What that means to this country is a loss of jobs. So I think it is critically important that we move this country in the direction of savings. One of the most important initiatives in this area taken by the Congress has been the IRA's. Five years ago the Finance Committee, the Senate, the Congress, adopted a proposal that enabled an individual to save as much as $2,000 a year tax free for his or her retirement. I regret that the Senate Finance Committee has backed off of that, that you would no longer be able to make a tax deductible contribution to an IRA. I think that is a serious mistake. I think it gives the wrong signal to the American people who we have urged to begin contribution to an IRA. The success of the program I think is demonstrated by the fact that something like 25 million to 28 million American households have established IRA's.

There has been some talk about this is a benefit primarily for the wealthy. Mr. President, this is just not true. Approximately 65 percent, or 18.1 percent of all IRA-owning households have incomes of $40,000 or less; 80 percent have incomes of $50,000 or less. So instead of an IRA being just for fat cats, I think the fact is it is a means of saving for middle America. It is the kind of savings that should be continued.

I would like to read, Mr. President, what Martin Feldstein, the former chairman of the President's Economic Council, has to say. He pointed out in a recent editorial that—

> IRA's have become immensely popular. Some 30 million individuals now contribute about $45 billion a year, an amount equal to about one-fourth of all personal savings. Although some IRA contributions have been merely transfers from previously accumulated assets, careful studies indicate that a substantial part of IRA contributions are a net addition to the total savings.

Mr. President, the people back home, the individual Americans agree with him. I would like to read a couple of letters that I have gotten from constituents in Delaware. One is from a man who said:

> I have just read where the U.S. Senate is considering a proposal to eliminate the current tax deduction for establishing an IRA. This is positively ludicrous, incomprehensible, and I desire that you positively vote "No" to that legislation.

Another person, another constitutent, a woman says:

> I am happy to hear that you support the retention of individual retirement accounts. I am a woman who returned to the job market after many years of raising a family. I do not have much time left to accumulate a vested interest in a pension. In addition, my husband is frequently transferred. I might work for a few years in a job covered by a pension plan and then have to move and start over agan at another plant. Although I am married, one cannot foresee the future. I want to be independent and provide for my own retirement. I have been counting on IRA's to help do that.

Mr. President, I think for this reason, to help the typical working American prepare for their retirement, it is important that the Senate restore IRA's as they now exist.

I yield back the floor.

RECOGNITION OF SENATOR KERRY

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts [Mr. KERRY] is recognized for not to extend beyond 5 minutes.

SALT II

Mr. KERRY. Mr. President, I rise to state my concern shared by a number of my colleagues this morning over the President's decision to move away from SALT II agreements.

In addition to my concern about the simple fact of the turning away from one of the few arms control agreements which we still have in place, have had up until this point, and a stated willingness to keep in place, there is the simple fact that by pulling away from it we are literally going to disadvantage ourselves with respect to the Soviet Union.

At his annual defense budget report to the Congress this February, Secretary of Defense Weinberger warned us that without significant increases in defense spending, the United States could not stop "the Soviet attempt to achieve a position of global military superiority." Yet in deciding days ago to abandon SALT II the administration has done the one thing that would permit the Soviets to most quickly achieve that position of superiority, at least numerical superiority, which they could achieve within the span of some 5 years. That would happen no matter how much money the Congress of the United States were to decide to spend to the contrary effort. And I think every Member of this institution understands how difficult it would be to get that money.

Every military expert who has testified before Congress over the past year or more has said that the Soviets can flood their country with new nuclear weapons, once and if the United States abandons the treaty. That is because their production lines are prepared to move, and ours are not. And they have more of them. They could literally double their nuclear stockpile by the early 1990's.

Gen. Bennie Davis, Commander in Chief of the Strategic Air Command, told the Senate in March 1985 that:

The Soviet Union, due to its production base, has an enormous capability to field systems. If they were to break out of the treaty limits of SALT II, the disparity between the number of warheads held by the Soviet Union and the United States would be significant.

In addition, Mr. President, the administration's position ignores that while indeed there are some issues of compliance—and we all acknowledge those issues of compliance—there has been no question at all that the Soviet Union has scrupulously kept to the numerical limits of that treaty. To comply with those limits the Soviet Union from 1972-85 removed more than 1,000 land-based missiles and 233 submarine-based ballistic missiles as new weapons entered into the force. Without those limits it is clear to all that the Soviets would not have had to dismantle those weapons. In the same period the United States has dismantled some 320 land-based missiles and 544 submarine-based missiles. I believe that we should not so quickly turn our backs on the one single protocol that we currently have existing by which we have restrained growth in the number of missiles and armaments.

Left in place SALT II limits become even more important because over the next 5 years the Soviet Union clearly outdistances us. If SALT II remains in effect the Soviet Union must remove 500 to 600 ballistic missiles by 1990, and must destroy missile silos equivalent to the number of mobile missiles that they deploy.

In the absence of this treaty, if we went ahead and did what the President has suggested, the Soviet Union can go ahead and deploy the SS-24 and the SS-25 without retiring any of the SS-17's, 18's, 19's, and the 11's.

So I think it is vital that the United States not abandon this treaty which stands as the one protocol which has fixed limits on the numbers, and which both sides have adhered to in that respect. Of more concern is the fact that to replace this protocol the administration suggests a formula that is as dangerous as it is simple. They say that for every new weapon the Soviets build we will build one, and for every new warhead that they deploy we will deploy one. Instead of limiting the total numbers, instead of living by the limits of those numbers, we are now going to literally legitimize the process by which we both enter into an absolutely unrestrained arms race, each of us putting weapons out in response to the other without any sense of any restraint or any protocol whatsoever.

Mr. President, I suggest that the step of the administration to move away from this treaty will place us ultimately in a more dangerous environment and set arms control back immeasurably.

RECOGNITION OF SENATOR MELCHER

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized for a period not to exceed 5 minutes.

□ 1120

THE TAX PACKAGE

Mr. MELCHER. Mr. President, the only way to evaluate a tax bill is whether or not it raises your taxes. If the tax bill that the Senate is going to take up decreases your taxes, it is a very good bill; if the tax bill the Senate is going to take up increases your taxes, then it is a bad bill.

Nobody looks at it any differently than that. All of the taxpayers of the United States look at it just that way—in a very pragmatic way.

Mr. President, I want to say something about this tax bill, as far as we can determine at present. The tax bill does increase taxes for the basic industries of the United States.

What are those industries? Surely, agriculture is the leading one, the leading basic industry in this country. This tax bill does raise taxes for agricultural producers.

Mining is a basic industry. Forest products is a basic industry.

In each case, the taxes are raised for mining industry and the forest products industry of the size and nature that we have in our State of Montana.

So the tax bill has some direct effect on the basic industries of our State.

One of the stars in the flag of the United States signifies the State of Montana. The Great Seal of the United States is above us here in the Chamber. It has surrounding it stars. One of those stars is for the State of Montana.

So when we get to the tax bill, we will have to make note of the adverse effect on the basic industries of Montana that this bill imposes. That is, more taxes.

Each of us here in the Senate are here to represent our State, to speak up for them and to fight for them. Nothing is more basic than taxes.

I do not want to impede the progress of the Senate in passsing the tax bill that has some very good features in it. But I must warn everybody, all my colleagues, that there is a need for corrections in this bill, and that does mean amendments. It is how we make those corrections that is important to me. That takes some discussion. That takes some understanding from the entire Chamber, and particularly from the managers of this bill.

The Reagan administration has said, "Let us pass this bill intact. Let us have no amendment." Indeed, all Senators have been invited to the White House for breakfast tomorrow morning to visit with the President.

It is our understanding that the President will tell us that it is best to go ahead and pass this bill as it is, without amendments.

Mr. President, that puts Montana in quite a quandary.

If the taxes for these basic industries are going to be raised, it will mean that economic recovery for these basic industries might be impeded. We cannot be so hasty, we cannot just accept a bill at face value, accept merely the description of the managers of the bill that, after all, in the long run it is good for everybody.

Well, after all, if it should set back a generation of agricultural producers, of people working in mines, of people working in the forest products industry, there are some vital questions to be raised and to be discussed.

Due to the limitations of time, I cannot describe any amendment at this particular moment. The reason for that is clearly understandable: Because we cannot get the cost figures yet out of the Joint Committee on Taxation, who have been busily interpreting this bill since it was finalized only a few days ago.

RECOGNITION OF SENATOR DODD

The PRESIDING OFFICER. Under the previous order, the Senator from

Connecticut [Mr. DODD] is recognized for not to exceed 5 minutes.

Mr. DODD. I thank the Chair.

TAX REFORM

Mr. DODD. Mr. President, I want to join this morning with others who have risen to address the issue of the matter that we will commence this afternoon, I believe, the historic Tax Reform Act of 1986. I presume we will be on this measure at least for the next several days, if not longer than that.

I want to join my voice with the voices of others who have indicated that they believe that what has been produced by the Finance Committee appears to be that which is in the best interest of the majority of the taxpayers of this country. It is historic, it is a radical change in what has been the tax policy of this country for the past 40 years or more. Obviously, it is a little difficult for us as Members of this body, the Senate, to speak in any great detail, as my colleague from Montana has just indicated, with some 2,000-plus pages of a tax bill and a 1,100-page report that we only received last Friday evening.

But over the next several days, as we have an opportunity to pore over this document, I suspect that those feelings that we have, that word we have that this is a good bill, will be confirmed by what is in those pages. Obviously, we would be derelict in our responsibility as Members of this body if we did not examine this particular product with a great deal of scrutiny to make sure that the reports we have received in fact are accurate.

One particular issue that we do know a great deal about that is in this bill and which a number of us hope to address is the question dealing with the individual retirement accounts.

Historically, Mr. President, we, as a Congress, have looked to the revenue side of the fiscal equation to encourage people to provide for their own security in this country. This is something we have done historically. We do it in housing, one of the features retained in the House bill being to allow the continuance of the interest deduction on mortgages. Why do we do that? We realize if we were to eliminate that deduction, we could gain a lot of revenue in this tax bill. But a decision has been made, a wise decision, I believe, to retain that interest deduction because we understand for the overwhelming majority of people in this country owning a home, providing shelter, adds significantly to the security of the American people.

We have done the same with health care and we have retained many of those deductions because we believe it makes more sense for individuals to provide on their own for their own security than to go directly to the Treasury of the United States and to try to subsidize and finance that security.

The last area, the third area, is retirement security. Once again, over the years, Government has tried to encourage people to provide for their own security, to encourage them to put aside savings so that they would not have to depend entirely on Social Security or pension programs. In fact, in 1981, of course, with the adoption of this new individual retirement account, we encouraged people by way of deduction to take money from their earnings and put it away in order to add additional security for their retirement years.

That has been a wise decision. Almost 30 percent, almost one out of every three households in the United States, 5 years after the enactment of that legislation, has an individual living in that household that has an IRA.

But interestingly, when surveys have been done about individual retirement accounts, the people who seem most supportive of this particular program, in addition to those who already have the IRA's, are those working people, particularly in the middle- and lower-middle-income categories, who are looking forward, if not this year, or not next year after, when they will be able to invest in an IRA to add to their own retirement security.

So in addition to the 30 percent, or almost one out of every three households that has an individual retirement account, millions more Americans, some 28 million Americans, out of 120 million Americans, already have these individual retirement accounts and many more would like to participate.

I will not discuss this morning exactly what that amendment should look like. By and large, we should try to restore at least in part these individual retirement accounts and let that individual taxpayer add to their own individual retirement security.

I thank the Chair.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 11:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I ask unanimous consent that the distinguished Senator from Maryland [Mr. MATHIAS] may have 5 minutes of that time, the Senator from Florida 4 minutes, and the Senator from Pennsylvania 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I thank the majority leader.

SALT II ABANDONMENT

Mr. MATHIAS. Mr. President, 5 weeks ago, the President took the comprehensive, long-range view on SALT compliance despite public and private counsel to the contrary. It is important to support and defend actions that we think are right, and at that time I did both.

It is equally important that we speak out when we think a decision is contemplated that is not in the long-term interest of the United States. That may be true, unfortunately, of the pending decision on the fate of SALT II. In the last 5 weeks, those who oppose continuing constraints on the arms race seem to be gaining. Let us hope it is temporary.

There is no sound rationale for exceeding the numerical limits on multiple warhead systems later this year. That decision would be replete with internal contradictions. Those inconsistencies reflect the paradoxical nature of the decision itself.

The administration argues that it may violate the numerical limits on multiple warhead launchers as a proportionate and appropriate response to alleged Soviet violations. The two key violations of SALT II cited in the White House statement are the SS-25, which the administration asserts is a violation of the limit on new ICBM's, and the excessive encryption of telemetry. There has been much debate over whether or not the SS-25 is a technical violation of SALT II. But assuming for the moment that it is, let us take a look at that section of the White House statement entitled "Proportionate U.S. Responses." That section reads, "Our small ICBM Program makes a significant contribution * * * as an appropriate and proportionate United States response to the irreversible Soviet violation associated with their SS-25 mobile ICBM." Therefore, if the SS-25 is indeed a violation of SALT II, the U.S. small ICBM Program is the appropriate response. It is also a program which has received strong support in both Houses of Congress.

The other alleged Soviet violation of SALT II is the deliberate denial of information that we need to confirm compliance. There is no doubt that the Soviets have been heavily encrypting their telemetric data. But, because of the ambiguity of that part of the treaty, it is not clear to me that they are in technical violation. Mr. Warnke, the chief negotiator of the agreement, has said that part of the treaty is too subjective and should be revisited in

negotiations. It is not necessary to respond to this ambiguous situation by abandoning the numerical constraints which are the keystone of the agreement. To call it "overkill" would be a graceless metaphor.

If the small ICBM is the appropriate response to the alleged SS-25 violation, and renegotiation of an ambiguous provision is in order in the case of the second alleged violation, what demands response as grave as abandoning the numerical limits on multiple warhead launchers? Such an action would not be an appropriate response to anything. It would be seen throughout the world as the unilateral American abandonment of one of the key provisions of arms control. The Soviet Union has complied with this key provision. It has already destroyed more than 548 operational launchers in order to meet the SALT restraints. The United States has had to destroy fewer than 48 operational launchers.

Furthermore, the Soviet Union may be better poised to abandon SALT and engage in a freewheeling arms race than the United States. In the absence of SALT both the Defense Department and the CIA estimate that the Soviets could deploy more than 5,000 additional warheads by 1990 and more than double the size of their existing arsenal to more than 20,000 warheads by 1995. The United States does not have the capacity for such rapid expansion. That is why General Scowcroft has said, "We should comply with SALT II. There are restraints in the treaty on the Soviets which, however modest, are better than having no restraints at all."

The President has wisely refrained from taking the last step in abandoning SALT. Absence of the SALT II constraints could provoke a new escalation of the arms race and would certainly undermine our efforts to achieve deep reductions in the nuclear arsenals. It would be difficult for the United States to claim an interest in reducing the number of nuclear weapons when we conveniently junk existing constraints to facilitate growth in our arsenals. One year ago—June 10, 1985—President Reagan said, "It remains in our interest to establish an interim framework of truly mutual restraint as we pursue the ongoing negotiations in Geneva." Nothing has changed over the last year that alters that assessment. President Reagan was right when he said it and he will be right if he holds to that position.

There appears to be a span of several months before the date of finality. During that time, the President's advisers ought to discuss with him the fact that it is not only arms limitation that is at stake, but also the process of arms control.

S. 2334 AND THE PROBLEM OF INFLUENCE PEDDLING

Mr. MATHIAS. Mr. President, whatever the weather in Washington, talk of influence peddling is always in season. Ever since the establishment of the Federal Government, concern has ebbed and flowed about the use of improper means to influence the decisions of Federal officers. Congress has responded to this concern frequently, but not always constructively. Today, as the tide of controversy over unethical lobbying swells once again, I am concerned that we know just what abuse it is that needs our attention, and what response would be most constructive.

In introducing S. 2334, the Integrity in Post-Employing Act of 1986, the senior Senator from South Carolina has expressed a strong concern that I share—a concern about former Federal officials engaged in improper and unethical lobbying. I agree with Mr. THURMOND, the chairman of the Judiciary Committee, that we can neither condone nor tolerate the practice of using Federal employment to gain privileged information to be later used for profit in the private sector as a lobbyist. Neither can we tolerate the practice of selling access and influence, to the possible detriment of our country.

Having agreed on these principles, the question arises whether current law and the enforcement of that law are sufficient to restrain such practices. The senior Senator from South Carolina thinks not, and thus proposes that it is necessary for us to disqualify all persons who have held Government office from subsequently undertaking representation of any foreign nation in the 2 years following Federal employment. In addition, Senator THURMOND would disqualify certain high-ranking executive branch employees from ever representing any foreign entity. Finally, S. 2334 would prohibit any former Federal employee from representing any client before any agency of Government for 1 year.

While I agree with the distinguished chairman of the Judiciary Committee that improper lobbying must be curbed, I am afraid that this bill would create problems as bad as those it seeks to solve. While I agree with the intent of the bill, I cannot agree with the means.

No Member of Congress, no executive branch employee, no Presidential assistant is threatened by persons who merely seek to inform them, to give them the facts. Without all the facts, our Government cannot and will not function as it should. A problem arises only when a person is employed, not for his ability to gain knowledge and impart it to decisionmakers, but for his ability to gain improper access and to exert personal influence on those decisionmaking. I believe that S. 2334 goes far beyond restraining influence peddlers and will penalize the public by making public service so restrictive that it will discourage intelligent people from serving the Government.

In addition, much of the conduct that S. 2334 seeks to restrain is already unlawful. It is already unlawful for any former Federal employee to lobby any Government official on any matter in which the former employee participated personally and substantially while a Federal employee. It is already unlawful for any former employee, during the first 2 years after leaving Federal service, to lobby on any matter which was actually pending within the former employee's "official responsibility" during his or her last year of Government service. Former senior employees are already subject to even more stringent restrictions, including a 1-year ban against representing anyone in an attempt to influence their former agency on any matter.

Just as important are our laws to restrict the flow of confidential information through current and former Federal employees. Any employee of the Federal Government who improperly discloses confidential information "coming to him in the course of his employment" is subject to Federal prosecution. So is any person who improperly divulges classified or secret information.

Mr. President, these laws are broad and encompassing. I am, therefore, not convinced that it is necessary to write a new law, especially one that attempts to restrict future employment as a means to prevent improper lobbying or to control the flow of confidential information. What is necessary is for existing law to be vigorously enforced.

If instead we impose a sweeping disqualification from an important area of professional activity, we could do major damage to the competence of Government without doing much more to deal with the influence peddling problem than is already being done. The Thurmond bill would prohibit, for example, a former Secretary of Agriculture from assisting a Third World nation to establish a rural electrification system. It would prohibit a former Attorney General from lending his expertise to a foreign government wishing to eliminate corruption in its national police force. It would prohibit a physician in the Uniformed Health Services from offering his services to an improverished country fighting an epidemic, during the 2 years after he leaves the Federal service. It would prohibit an attorney employed by the State Department from entering a private law practice in which, during the first year after leaving the Government, he represents a client seeking benefits in an administrative proceed-

ing before the Social Security Administration.

In fact, it would expose the former Secretary of Agriculture or former Attorney General or former Government physician or attorney in these examples to criminal prosecution.

I ask my colleagues to consider what kind of message we would send if this legislation is enacted. We all want to send the message that influence peddling and harmful leaking will not be tolerated. But we shall also send the message to foreign governments that the U.S. Congress suspects all high officials of our own Government of being venal and in need of severe legal restraint. We will send the message that the Congress thinks this kind of corrupt motive is so rampant that a sweeping ban on the future activity of certain Federal employees—a lifetime ban, in some cases—is necessary. Mr. President, such a message is unjustified, and counterproductive.

I join with the chairman of the Judiciary Committee in his desire to proscribe unethical conduct by former Federal officials. But I am not convinced that S. 2334 is the way to achieve the chairman's objective. Current law must be enforced and can be amended if it is less effective than it should be. But at this time the most constructive response to the problem should come from the Department of Justice and the courts.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Florida is recognized for 4 minutes.

Mrs. HAWKINS. I thank the Chair.

IRA SPOUSAL

Mrs. HAWKINS. Mr. President, the tax reform bill to be debated later today is truly a revolutionary piece of legislation. However, while I support tax simplicity and fairness, a major provision in the bill eliminates the tax deduction for individual retirement accounts. While it is simple to take away a very good supplemental retirement savings program, it most certainly is not fair to 20 million American households who are saving for retirement.

Every Member of this body should remember that a promise was made to the American people who, in good faith, began investing in IRA's. They were told that Social Security may not be enough as the baby boomers enter into their retirement years. They were told the country needs to induce greater savings, and that Americans could directly plan for their own retirement nest egg by investing up to $2,000 tax free annually. Now the Senate Finance Committee has taken it upon themselves to end this program barely 4 years old. I and my colleagues here today feel the outrage of millions of Americans and are here to do something about it.

According to the Cato Institute, under current law, a contribution of $1,000 from a worker in the 50-percent tax bracket during his working years and in the 38-percent tax bracket in retirement would be worth $21,637 after 30 years. But with the nondeductible IRA under the Senate tax bill, a contribution of $1,000 at the effective rate of 32 percent during working years and the 27-percent rate in retirement would be worth only $13,008. In this example, the IRA under current law, is 66-percent greater in value than it would be under the Senate Finance Committee proposal.

More importantly, it should be clearly understood that the same policy justifications for the full IRA deduction are still applicable and compelling even under the sweeping Packwood proposal. Senators have been inundated with mail and phone calls asking that current IRA law be retained. With such a large outcry of public opinion, including the fully deductible IRA would only strengthen the appeal of tax reform.

It is clear that IRA's are a good thing, the President publicly lobbied for them. True tax reform should be equitable and by expanding the IRA to nonworking spouses, it is. By doing so, millions of nonworking spouses who today rely virtually on Social Security alone in retirement will be able to look forward to greater security, especially in the event of the death of the working spouse.

The argument has been made over and over to those of us who are making statements for the continuation of IRA that by passing an amendment to restore the deduction of IRA's, the tax reform bill will unravel. Mr. President, if this bill is so weakly constructed that its passage hinges on taking away a good program in which millions of Americans have invested, so be it. I do not believe that that will happen. Restoring the IRA's will restore confidence in a program that this body and this administration sold to the public.

In 1981 I voted for a tax bill that cut income tax rates 25 percent over 3 years and promised the little guy a chance to save for his retirement. Encouraging retirement savings is important to me as Florida has the largest senior citizen population in the Nation. We should be doing everthing we can to help people supplement their retirement income.

The Senate Finance Committee bill is, on the whole, a good one. However, the bill breaks a promise we made in 1981 to help middle-income people save for their retirement. I feel strongly that we must keep this promise by preserving IRA's.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 4 minutes.

Mr. SPECTER. I thank the Chair.

SALT II ABANDONMENT

Mr. SPECTER. Mr. President, I join my colleagues today in urging that SALT II not be abrogated. Last year, this body considered this issue in some detail and by an overwhelming vote resolved that SALT II should continue to be complied with, with appropriate and proportionate responses. It seems to me that that is the approach which ought to be taken for the future.

I commend the President for the initiatives which are currently being undertaken in Geneva and I am optimistic and hopeful that the President's efforts to have a summit with Soviet leader Gorbachev in 1986 will reach fruition.

There is a strong sense in America today, Mr. President—certainly, I can personally attest to the strong sense in Pennsylvania today—that we retain SALT II. SALT II is not perfect but, rather than scrap this arms limitation treaty, it is my suggestion that we handle it as we have in the past, with appropriate and proportionate responses if, as, and when the evidence is compelling that there are Soviet violations.

During the course of the past recess, I traveled through Boyertown, PA, and Allentown and Lock Haven, held open house town meetings in those cities. I visited as well Johnstown, Altoona, Greenville, and Pittsburgh, and in almost every one of those locales and certainly in the town meetings, when the news of SALT II was on the front pages and it was apparent that the President was considering changing the U.S. commitment to SALT II, there were many statements of concern by Pennsylvanians about this issue.

Mr. President, in 1982, I sponsored a sense-of-the-Senate resolution urging our President to have a summit meeting with the Soviet leader. In 1982 and in 1983, those summit proposals passed by overwhelming majorities—82 to 6, 82 to 7. In 1985, by a voice vote, last year, this body resolved, 84 to 10, encouraging the President to move forward with a summit meeting with the Soviet leader.

Arms control is a matter of utmost importance in the world today. Mr. President, I think that the responses of our allies encouraging the retention of SALT II is something which ought to be carefully considered by this body and by the President of the United States. Until we have a better mechanism, a better vehicle for dealing with arms control, it is the view of this Senator that SALT II ought to be retained.

The President's announced policy of appropriate and proportionate responses gives sufficient flexibility for deviation from the confines of SALT II where the Soviets are violating the treaty, but this treaty is better than having none at all. It has provided the substantial limitation on Soviet expansion of nuclear power. It is the hope of this Senator, backed by a very solid constituency in Pennsylvania, that we will continue the compliance with SALT II but, as I say, with those appropriate and proportionate responses.

I thank the majority leader. I thank the Chair, and I yield the floor.

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SPACE EXPLORATION BENEFITS MANY ON EARTH

Mr. PRESSLER. Mr. President, the U.S. Space Program is at a crossroads. With the loss of the space shuttle *Challenger* in January and the recent destruction of the Delta rocket, Congress, NASA, and the public are conducting an intensive evaluation of the methods and goals of our Space Program. Such an inquiry is necessary to determine and correct the causes of those mishaps. I am confident that NASA can correct these problems, particularly under the leadership of its new Administrator, Dr. James Fletcher. I have no doubt that after this review is completed the Space Program will be stronger than ever, and we will be ready to continue our exploration of outer space. The benefits our country receives from the Space Program make it especially important that we continue to move forward in this area.

Those benefits are threefold: the expansion of our knowledge about space and the worlds around us; the contribution of space science and technology to our national defense; and the application of space technology to products and processes here on Earth. The first two topics have been covered in great detail many times before and do not need to be repeated now. I would rather discuss the civilian and commercial applications—or spinoffs—of space technology that have been developed during the long journey from the launch of Explorer 1 to the launch of the space shuttle.

The technology NASA has developed to meet its research goals and program needs represents an important national resource. It is a store of technical knowledge and innovation that can be applied to develop new products and processes for the benefit of our health and welfare, industrial productivity, and overall economic strength. At present, NASA has patented almost 4,000 aerospace inventions which are available for licensing for commercial development. In addition, an estimated 30,000 secondary applications of space science technology have emerged in the past 28 years.

These inventions and innovations cut across a variety of disciplines and economic sectors. A sampling of that list indicates the breadth of this technology transfer and includes the following fields: industrial productivity; environment; construction; public safety; energy; medical instrumentation; management systems; consumer products; and computer applications. For a more comprehensive overview of these various technologies I recommend to my colleagues, "Highlights of NASA Spinoffs," published by NASA's Technology Utilization Division. Unfortunately, this document is too lengthy to be inserted in the RECORD.

Many of the innovative products now being used in the construction industry are direct spinoffs of materials NASA developed in order to reduce costs and protect its equipment. For example, in order to reduce maintenance costs for gantries and other structures at the Kennedy Space Center, a new coating was developed that would resist salt corrosion and protect the launch structures from the extremely high temperatures of rocket exhausts. This compound is now being used to protect bridges and commercial structures from the wear and tear associated with prolonged exposure to the elements.

In a similar vein, NASA needed to develop a new fabric for astronaut space suits which had to be durable and inflammable, yet thin, light, and flexible. In conjunction with a major manufacturing company, NASA developed a material, woven from glass fiber yarn, which was coated with Teflon and tailored into space suits. A heavier adaptation of that fabric is now being used as a canopy covering shopping centers and sports stadiums—including the University of South Dakota's DakotaDome at Vermillion. The material's unique qualities reduce the need for artificial lighting and help lower cooling costs.

Consumers will also recognize a number of everyday products which apply space science developments generated by the Space Program, including scratch resistant sunglasses and lightweight sports equipment. I ask unanimous consent that a description of several of these consumer spinoffs be printed in the RECORD immediately following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRESSLER. Mr. President, NASA innovations have also been applied to public safety. Application of the technology used to develop high capacity rocket engine pumps, lightweight material, and compact packaging, has resulted in a high-capacity firefighting pump the city of Miami uses for shipboard and harbor fires.

During the Apollo Program, NASA found a need to develop special high intensity lights to simulate the effect of sunlight on the spacecraft and its occupants. This technology was the foundation for a line of products now used by law enforcement agencies for search and surveillance activities. Other space science safety developments include cockpit voice synthesizers which warn airline pilots of impending danger, and fire resistant materials used in a variety of products.

Perhaps the most spectacular advances resulting from the U.S. Space Program have occurred in the field of health and medicine. Technologies adapted from both the manned and unmanned programs have been converted into lifesaving mechanisms that are used by people in all stages of life. A process that monitors astronauts' vital functions from the ground has been adapted to help diagnose and treat patients who experience difficulty walking due to birth defects, disease, or injury. Spinoffs from the miniturization required in space flight include the heart pacemaker—which prevent thousands of deaths annually—and tiny pumps that continuously release medication inside the body. Finally, the space imagery techniques developed and refined for Earth observation satellites such as Landsat—which has played such an important part in the EROS Data Center in South Dakota—are being applied to enhance sophisticated diagnostic x rays that would otherwise be difficult, if not impossible, to decipher.

Mr. President, I have taken the time to describe just a few of the many benefits our society has realized from the Space Program to make the point that we derive much more from space exploration than merely increased knowledge of the stars above. Not only do we increase our basic knowledge of the world around us and the worlds beyond, we also develop new products and processes that can be applied in all aspects of our life here on Earth. I hope that all of us in Congress and the public at large will keep this in mind as we continue to discuss the future direction of our Space Program. I am fully confident that the National Aeronautics and Space Administration, under the able direction of Dr. Fletcher, will continue its exemplary work in the development and application of technological innovations.

EXHIBIT 1

EVERYDAY CONSUMER SPINOFF PRODUCTS

Heated ski goggles.—A derivative product from Apollo astronauts' helmet visors . . . heated by means of electrically conductive metallic film (Smith Goggle Company, Sun Valley, Idaho).

Sound guard.—A commercial spray-on lubricant to protect phonograph records from friction and wear . . . developed for spacecraft use, the antistatic quality of the lubricant also retards particle accumulation on

the phonograph stylus (Consumer Products Division of Ball Corporation, Muncie, Indiana).

Decorative, aluminized wall-coverings.—A metallic "wall paper" based on aluminized plastic developed for the Echo I balloon satellite . . . the highly decorative wall covering, marketed under the trade name "Mirror Magic", reflects light and provides extra thermal insulation in the home or office (King-Seely Thermos Company, Winchester, Massachusetts).

Aluminized food packaging.—Metallized plastic material, developed for spacecraft insulation, now being used to package foods and other perishable products . . . the material, known as "Alure" effectively blocks out light, moisture and oxygen thus providing long shelf life and freshness (St. Regis Paper Company, Dallas, Texas).

Flat conductor cable.—Designed for very limited confines of spacecraft, flat conductor cable is now available for under-carpet installation . . . the product offers high flexibility and low cost alterations for the distribution of electrical and telephone lines in "open office" layout designs.

Scratch-resistant lenses.—A highly abrasion-resistant coating developed by NASA for protecting plastic now marketed by a major producer of sunglasses under the tradename Space Tech lenses . . . product surpasses glass in scratch resistant properties and has five times better scratch resistance than standard plastic lenses (Foster Grant).

Ingestible toothpaste.—An ingestible oral dentifrice, developed for astronaut use, is now marketed as "NASAdent" . . . the product is especially suitable for hospitalized patients, elderly in nursing homes, the handicapped, or others who are confined or immobile (Scherer Laboratories, Inc., Dallas, Texas).

Cordless electric tools.—An entire line of cordless electrical tools, from vacuum cleaners to portable drills, is now available to the consumer market . . . these rechargeable products are based on technologies developed for a lunar drill used on the moon surface (Black and Decker Corporation, Towson, Maryland).

Hang gliders.—The popular hang glider used by sporting enthusiasts world-wide was based on the Rogallo wing concept designed by NASA as a means for spacecraft reentry during the early days of the U.S. space program.

Temper foam.—A foam material with unusual "memory" properties is used as seat cushioning for transportation vehicles, principally aircraft), padding for furniture, and a variety of athletic equipment such as helmet liners, body pads and chest protectors (Temper Foam, Inc., Cincinnati, Ohio, and Boston, Massachusetts).

Firefighters' breathing systems.—Improved firefighters' breathing systems now commercially available are a direct outgrowth of NASA technologies developed for the Apollo astronaut Portable Life Support System (PLSS) backpack used on the moon . . . the New York Fire Department (NYFD) is now 100% equipped with such units . . . the most popular type is Scott Air Pak 4.5 manufactured by Scott Aviation, Inc.

Fabric-covered roofs.—A teflon-coated beta fiberglas material, developed for astronaut spacesuits, is now being used extensively as roofing fabric . . . sports arenas staduims, shopping malls and other architechural structures worldwide employ this new fabric known as Structo-Fab (Owens-Corning Fiberglas Corporation, Toledo, Ohio).

Lightweight sports equipment.—A wide range of lightweight sporting equipment, including skis, tennis rackets and golf clubs, are now manufactured using graphite composite materials . . . research on such materials advanced by NASA in its search for lightweight structural materials for aircraft and spacecraft use (Various manufacturers).

SALT II ABANDONMENT

Mr. PELL. Mr. President, I join my colleagues today in taking strong exception to the President's decision to abandon future restraint based on SALT. Unfortunately, in one stroke, the President has raised the specter of a renewed and reinvigorated arms race outside the bounds of SALT. This decision is puzzling to me in the extreme, since it poses many clear risks to our national security and offers no apparent benefits at all.

I regret that the debate within the administration has been won by a coterie of senior officials who cannot recognize the benefits of past arms control agreements and apparently cannot comprehend that carefully forged arms control agreements can complement prudent defense programs and can be of critical value in preserving our national security. These people have sought to trash the arms control achievements of the dedicated public servants who went before them, while offering no arms control contribution of their own. No one can dispute the fact that, more than 5 years into this administration, these arms control foes have blocked all potential arms control accomplishments. Even worse, prospects that good judgment will ever prevail are bleak, at best. Thus, we have foolishly yielded the high ground to a formidable adversary, the Soviet Union, when we should be putting them to the test on arms control.

It is indeed a sad record when we look back at these past 5 years, half a decade, and realize that in arms control, in the advance toward peace, not one single inch, not one single centimeter of progress, has been made. I do not think anyone can say that we are more secure today than we were 5 years ago. We can merely say that things continue downhill, not uphill.

While the latest decision on SALT is serious enough, it is even graver when viewed in the context of other decisions. Of gravest import are the decisions to jeopardize the 1972 Anti-Ballistic Missile Treaty through a dangerous and insupportable reinterpretation and a decision that the administration is not legally to adhere to the traditional interpretation. Add to that the decision to impose new obstacles to ratification of the 1974 Threshold Test Ban Treaty and the 1976 Peaceful Nuclear Explosions Treaty and to back away from the goal of every administration starting with President Eisenhower's to achieve a comprehensive ban on nuclear explosions. Instead of contriving earlier efforts to achieve a ban on chemical weapons, this administration has put its emphasis on the resumption of chemical weapons production after a 16-year halt. So far, the only major nuclear arms agreement which has escaped violence is the Limited Test Ban Treaty of 1963, which bans nuclear tests in the atmosphere, in outer space, and under water. If past is prolog, the supporters of an all-out Strategic Defense Initiative will be gunning for the Limited Test Ban Treaty before long.

Mr. President, treaty obligations cut both ways. If we release ourselves from obligations, we will release the Soviets. Frankly, I would rather argue with the Soviets about their living up to their treaty obligations than relieve them of those obligations. It is better, obviously, to argue with them than relieve them. I would far rather have the Soviets constrained than running free in this dangerous nuclear weapons age. I would rather have the burden of blame fall squarely on the Soviets than on both sides when arms control efforts fail.

Some see a glimmer of hope in the President's decision to dismantle two Poseidon submarines as the eighth Trident submarine begins sea trials, thus staying in technical observance of SALT. Some also were encouraged that the President left open the possibility that he may decide later this year to act to stay within the allowed ceilings. Other Senators and I have often given the President the benefit of the doubt in taking his professed commitment to major arms control agreements at face value. I pray that, in the end, we will not be disappointed in that faith.

Mr. President, to ensure that arms control does not become an unredeemable shambles, the Senate must take a stand for the retention of SALT. I intend to join with others in that effort. I hope that the President will appreciate our concerns and decide to join in the preservation of existing arms restraints, pending the achievement of further controls. If the President will do his part, the Senate will do the same. In any event, we cannot shirk our duty to press for continued arms restraint. Simply put, our national well-being and our Nation's future are at stake.

Simply put, Mr. President, if we look at the record of the last 5 years of this administration in this most important field of our life—a field which concerns every one of us, the lives of ourselves, of our children and our grandchildren, the lives of humanity—we see, to my mind, literally no progress; rather, we see increased danger. I hope

very much indeed that this process can be reversed.

HIGHER EDUCATION AMENDMENTS OF 1986

The text of the Higher Education Amendments of 1986 (S. 1965), as amended and passed by the Senate on June 3, 1986, at page S. 6596 of the RECORD, is as follows:

S. 1965

An Act To reauthorize and revise the Higher Education Act of 1965, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Higher Education Amendments of 1986".

(b) REFERENCES.—References in this Act to "the Act" are to the Higher Education Act of 1965.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; references; table of contents.
Sec. 2. Effective date.
Sec. 3. Contracting authority subject to appropriations.

TITLE I—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

SUBPART 1—PELL GRANTS

Sec. 101. Extension of program; eligibility.
Sec. 102. Maximum grant.
Sec. 103. Cost of attendance rules.
Sec. 104. Family contribution schedule for Pell Grants.
Sec. 105. Procedure with respect to award errors and overpayments.

SUBPART 2—SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

Sec. 107. Authorization of appropriations.
Sec. 108. Maximum amount of grant.
Sec. 109. Priority for needy students.
Sec. 110. Apportionment.

SUBPART 3—STATE STUDENT INCENTIVE GRANTS

Sec. 112. Authorization of appropriations.
Sec. 113. Authorization of community service work learning study grants.
Sec. 114. Participation of institutions.
Sec. 115. Federal share limitation.

SUBPART 4—STUDENT SUPPORT SERVICE PROGRAMS

Sec. 117. Reauthorization; prior experience provision.
Sec. 118. Student support services.
Sec. 119. Outreach and staff development.

SUBPART 5—SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK

Sec. 121. Authorization of appropriations.

SUBPART 6—HONORS SCHOLARSHIP PROGRAM

Sec. 123. Authorization of appropriations.

PART B—GUARANTEED LOANS

Sec. 131. Extension of programs.
Sec. 132. Needs basis for the guaranteed student loan program.
Sec. 133. Increasing loan limits.
Sec. 134. Interest rate for new borrowers.
Sec. 135. Prohibiting the practice of forcing students to use certain lenders.
Sec. 136. Administrative fee.
Sec. 137. Repayment scheduled; rounding of payments.
Sec. 138. Premiums, inducements, and unsolicited mailings prohibited.
Sec. 139. Deferment rules.
Sec. 140. Transfer of loans authorized.
Sec. 141. Information on default.
Sec. 142. Reporting requirement for multistate guarantors.
Sec. 143. Rule for reinsurance based on default rates.
Sec. 144. Multiple disbursements of loans.
Sec. 145. State guaranty agencies as lender of last resort.
Sec. 146. Auxiliary loan limits.
Sec. 147. Student loan consolidation.
Sec. 148. Authority of the Secretary to impose and enforce limitations, suspensions, and terminations.
Sec. 149. Additional student loan information and contact required.
Sec. 150. Authority of the Secretary to sell defaulted student loans.
Sec. 151. Definition of eligible lender; prohibition of certain inducements by eligible lenders.
Sec. 152. Special eligible institution rule for certain medical schools.
Sec. 153. Special allowance.
Sec. 154. Repeal of duplicative provision.
Sec. 155. Student loan marketing association.
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PART C—WORK STUDY PROGRAMS

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EFFECTIVE DATE

SEC. 2. Except as otherwise provided in this Act, the amendments made by this Act shall take effect on October 1, 1986.

CONTRACTING AUTHORITY SUBJECT TO APPROPRIATIONS

SEC. 3. The authority to enter into contracts or other obligations under this Act (other than amendments made to part B of title IV of the Act) shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

TITLE I—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

SUBPART 1—PELL GRANTS

EXTENSION OF PROGRAM; ELIGIBILITY

SEC. 101. (a) EXTENSION.—Section 411(a)(1)(A) of the Act is amended by striking out "1985" and inserting in lieu thereof "1991".

(b) ELIGIBILITY.—Section 411(a)(2)(B) of the Act is amended—

(1) by redesignating division (iii) as division (iv), and

(2) by inserting after division (ii) the following new division:

"(iii) No basic grant shall be awarded to a student under this subpart if the income of the family of such student is equal to or is greater than $30,000 after subtracting Federal and State income taxes.".

(c) DURATION.—The first sentence of section 411(a)(3) of the Act is amended by adding before the period at the end thereof a comma and the following: "except that such period may not exceed 5 years".

MAXIMUM GRANT

SEC. 102. (a) MAXIMUM AMOUNT.—Section 411(a)(2)(A)(i) of the Act is amended to read as follows:

"(i) The amount of the basic grant for a student eligible under this part shall be—

"(I) $2,400 for academic year 1987-1988,

"(II) $2,600 for academic year 1988-1989,

"(III) $2,800 for academic year 1989-1990,

"(IV) $3,000 for academic year 1990-1991, and

"(V) $3,200 for academic year 1991-1992,

less an amount equal to the amount determined under section 411A to be the expected family contribution with respect to that student for that year.".

(b) COST OF ATTENDANCE.—Section 411(a)(2)(B)(i) of the Act is amended to read as follows:

"(B)(i) The amount of a basic grant to which a student is entitled under this subpart for any academic year shall not exceed 60 per centum of the cost of attendance (in accordance with subsection (c) and section 411A) at the institution at which the student is in attendance for that year.".

(c) TECHNICAL AMENDMENT.—Section 411(a)(1)(B) of the Act is amended—

(1) by striking out "in academic year 1985-1986, 70 per centum" and inserting in lieu thereof "60 per centum"; and

(2) by striking out "not in excess of $3,700".

(d) PAYMENTS.—Section 411(b)(3)(A) of the Act is amended to read as follows:

"(3)(A) Payments under this section shall be made in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purposes of this section. Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account.".

(e) REPEAL.—Paragraph (5) of section 411(b) of the Act is repealed.

COST OF ATTENDANCE RULES

SEC. 103. Section 411 of the Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) For the purpose of this subpart, the term 'cost of attendance' means—

"(1) the student's tuition and uniform compulsory fees at the institution at which the student is in attendance for any award year, plus

"(2)(A) an allowance for room and board costs, books, supplies, transportation, and miscellaneous expenses incurred by the student which shall not be greater than $1,800 for a student without dependents residing at home with parents; and

"(B) an allowance for room and board costs, books, supplies, transportation, child care, and miscellaneous expenses incurred by the student which shall not be greater than $2,400 for all other students;

except that, if the maximum award under such subpart is less than or greater than $2,400, then the dollar amounts specified in subclauses (A) and (B) of clause (2) of this subsection shall be increased or decreased by an amount equal to the amount by which such maximum award is greater than or less than $2,400, respectively.".

FAMILY CONTRIBUTION SCHEDULE FOR PELL GRANTS

SEC. 104. Subpart 1 of part A of title IV of the Act is amended by inserting after section 411 the following new section:

"FAMILY CONTRIBUTION SCHEDULE FOR PELL GRANTS

"SEC. 411A. (a) GENERAL RULE FOR DETERMINATION OF EXPECTED FAMILY CONTRIBUTION.—(1) The expected family contribution for a dependent student and for independent students with dependents (other than a spouse) shall be determined in accordance with subsection (b), and the expected family contribution for each other independent student shall be determined in accordance with subsection (c).

"(2) The following data elements are considered in determining the expected family contribution:

"(A) the effective income of (i) the student and the student's spouse; and (ii) the student's parents, in the case of a dependent student;

"(B) the number of family members in the household;

"(C) the number of family members in the household who are enrolled in, on at least a half-time basis a program of postsecondary education;

"(D) the assets of (i) the student and the student's spouse, and (ii) the student's parents, in the case of a dependent student;

"(E) the marital status of the student;

"(F) the unusual medical expenses of (i) the student's parents, in the case of a dependent student, or (ii) the student and the student's spouse, in the case of an independent student;

"(G) the additional expenses incurred (i) in the case of a dependent student, when both parents of the student are employed or when the family is headed by a single parent who is employed, or (ii) in the case of an independent student, when both the student and the student's spouse are employed or when the employed student qualifies as a surviving spouse or as a head of a household under section 2 of the Internal Revenue Code of 1954; and

"(H) the tuition paid (i) in the case of a dependent student, by the student's parents for dependent children, other than the student, who are enrolled in an elementary or secondary school, (ii) in the case of an independent student, by the student or the student's spouse for dependent children who are so enrolled.

"(b) RULES FOR DEPENDENT STUDENTS AND INDEPENDENT STUDENTS WITH DEPENDENTS (OTHER THAN A SPOUSE).—(1) For each dependent student, and independent student with dependents, the expected family contribution is equal to—

"(A) the sum of (i) the family income contribution amount determined under paragraph (2), (ii) the family asset contribution amount determined under paragraph (3), (iii) the student income contribution amount determined under paragraph (4), and (iv) the student asset contribution amount determined under paragraphs (5) and (6); adjusted for—

"(B) the number of family members who will be attending, on at least a half-time basis, a program of postsecondary education during the award year for which Pell Grant assistance is requested in the following manner:

"Number of family members enrolled in programs of postsecondary education	Expected contribution per student from combined contributions
1	100 percent of the contribution determined in subparagraph (A).
2	70 percent of the contribution determined in subparagraph (A).
3	50 percent of the contribution determined in subparagraph (A).
4 or more	40 percent of the contribution determined in subparagraph (A).

"(2)(A) The family income contribution amount is determined by deducting from effective family income (i) a family size offset determined in accordance with subparagraph (B), (ii) an unusual expense offset determined in accordance with subparagraph (C), (iii) an employment expense offset determined in accordance with subparagraph (D), and (iv) an educational expense offset determined in accordance with subparagraph (E). If such discretionary income is a negative amount, the family income contribution amount is zero. If such discretionary income is a positive amount the family income contribution amount is determined in accordance with the following chart:

"Discretionary income	Expected contribution
$0 to $5,000	11% of discretionary income
$5,001 to $10,000	$550, plus 13% of amount over $5,000.
$10,001 to $15,000	$1,200, plus 18% of amount over $10,000.
$15,001 and above	$2,100, plus 25% of amount over $15,000.

"(B)(i) The family size offset is equal to the amount specified in the following table:

"Family Size Offsets

"Family members	Amount
2	$6,700
3	8,100
4	10,400
5	12,300
6	13,800
7 or more	13,800 plus $1,800 for each member over 6.

"(ii) In determining family size—

"(I) if the parents are not divorced or separated, family members include the student's parents, and the dependents of the student's parents;

"(II) if the parents are divorced or separated, family members include the parent whose income is included in computing the effective family income and that parent's dependents; and

"(III) if the parents are divorced and the parent whose income is so included is remarried, or if the parent was a widow or widower who has remarried, family members also include, in addition to those individuals referred to in subdivision (II) of this division, the new spouse and any dependents of the new spouse if that spouse's income is included in determining effective family income.

"(iii) In determining family size in the case of an independent student with dependents—

"(I) family members include the student, the student's spouse, and the student's dependents; and

"(II) if the student is divorced or separated, family members do not include the spouse (or ex-spouse) but include the student's dependents.

"(C)(i) The unusual expense offset is equal to the amount by which the sum of unreimbursed medical and dental expenses exceeds 20 percent of the effective income of the parents. The expenses of both parents are included only if the income of both parents are included in determining effective family income. A stepparent's expenses are included only if the parent's income is included in determining effective family income.

"(ii) The unusual expense offset in the case of an independent student with dependents is equal to the amount by which the sum of unreimbursed medical and dental expenses exceeds 20 percent of the effective family income of the independent student with dependents. The expenses of both the student and the student's spouse are included only if the incomes of both are included in determining effective family income.

"(D)(i) The employment expense offset is determined as follows:

"(I) If both parents were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, such offset is equal to the lesser of $1,500 or 50 percent of the earned income (income earned by work) of the parent with the lesser earned income.

"(II) If a parent qualifies as a head of household as defined in section 2 of the Internal Revenue Code of 1954, such offset is equal to the lesser of $1,500 or 50 percent of the parent's earned income.

"(ii) The employment expense offset in the case of the independent student with dependents is determined as follows:

"(I) If both the student and the student's spouse were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, such offset is equal to the lesser of $1,500 or 50 percent of the earned income (income earned by work) of the spouse with the lesser earned income.

"(II) If a student qualifies as a head of household as defined in section 2 of the Internal Revenue Code of 1954, such offset is equal to the lesser of $1,500 or 50 percent of the student's earned income.

"(E)(i) The educational expense offset is equal to the tuition paid by the student's parents for dependent children, other than the student, enrolled in elementary or secondary school.

"(ii) The educational expense offset in the case of an independent student with dependents is equal to the tuition paid by the student and the student's spouse for dependent children enrolled in elementary or secondary school.

"(3)(A) The expected family contribution from parental assets is determined in the manner described in subparagraphs (B) through (H).

"(B) If the parental assets include a principal place of residence, deduct $25,000 from the net value of the principal place of residence. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(C) If the parental assets include assets other than a principal place of residence and other than farm and business assets, deduct $25,000 from the net value of those other assets. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(D) If the parental assets include farm or business assets, or both, deduct $80,000 in the case of business assets or $100,000 in the case of farm assets from the net value of the farm or business assets, or both. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(E) If the sum of the farm and business deduction and the deductions in subparagraphs (B) and (C) of this section exceeds $100,000 in the case of business deductions the farm and business deduction shall be reduced by the amount that that sum exceeds $100,000 or $130,000 as the case may be.

"(F)(i) The expected contribution from parental assets equals 5 percent of the total of the results obtained in subparagraphs (B), (C), and (D) of this paragraph.

"(ii) If the calculation of discretionary income required by this subsection produces a negative number, the expected contribu-

tion from parental assets, calculated under this subparagraph, shall be reduced by the amount of that negative discretionary income. If the subtraction required by the preceding sentence of this division produces a negative number, the amount determined under this division shall be zero.

"(G)(i) If the student's parents are separated, or divorced and not remarried, only the assets of the parent whose income is included in computing annual adjusted family income shall be considered.

"(ii) If that parent has remarried, or if the parent was a widow or widower who has remarried, and the parent's spouse's income also is included in computing effective family income, the assets of that parent's spouse shall also be included.

"(H) In the computation of family contributions from effective family income and parental assets for any academic year beginning on or after July 1, 1986, the proceeds of a sale of farm or business assets of the family shall be excluded from family income if such sale results from a voluntary or involuntary foreclosure, forfeiture, liquidation, or bankruptcy.

"(4)(A) The student income contribution amount is equal to—

"(i) 75 percent of the student's discretionary income in the case of a single dependent student;

"(ii) 25 percent of the student's discretionary income in the case of a married dependent student; or

"(iii) zero if the student's discretionary income is a negative amount.

"(B) A student's discretionary income is equal to the effective student income of such student minus—

"(i) $3,500 in the case of a single student or $5,300 in the case of a married student, if the amount determined under paragraph (2)(A) for parental discretionary income is a positive amount; or

"(ii) if such parental discretionary income is a negative amount, the sum of (I) the amount allowed as an offset under clause (i), plus (II) the amount, if any, by which the result of the subtraction performed under paragraph (3)(A) is less than zero.

"(5) The student asset contribution amount is equal to—

"(A) 33 percent of net value of the student's assets, in the case of a single dependent student; or

"(B) in the case of a married dependent student and spouse, 5 percent of (i) the net asset value, minus (ii) $25,000.

If such value minus such amount (as computed under clause (B) (i) and (ii)) is a negative amount, the student asset contribution amount is zero.

"(6)(A) For an independent student with dependents, the expected family asset contribution from the student and the spouse of the student is determined in the manner described in subparagraphs (B) through (G).

"(B) If the assets include a principal place of residence, deduct $25,000 from the net value of the principal place of residence. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(C) If the assets include assets other than a principal place of residence and other than farm and business assets, deduct $25,000 from the net value of those other assets. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(D)(i) If the assets include farm or business assets, or both, deduct $80,000 in the case of business assets or $100,000 in the case of farm assets from the net value of the farm or business assets, or both. If the subtraction required by the preceding sentence of this division produces a negative number, the amount determined under this division shall be zero.

"(ii) If the sum of the farm and business deduction and the deductions in subparagraphs (B) and (C) of this paragraph exceeds $100,000 in the case of business deductions or $130,000 in the case of farm deduction, the farm and business deduction shall be reduced by the amount that that sum exceeds $100,000 or $130,000, as the case may be.

"(E)(i) The expected contribution from the assets of the independent student with dependents equals 5 percent of the total of the results obtained in subparagraphs (B), (C), and (D) of this paragraph.

"(ii) If the calculation of discretionary income required by this subsection produces a negative number, the expected contribution from the student's (and spouse's) assets, calculated under this subparagraph, shall be reduced by the amount of that negative discretionary income. If the subtraction required by the preceding sentence of this division produces a negative number, the amount determined under this division shall be zero.

"(F) If the married independent student with dependents is separated, only assets of the independent student shall be considered.

"(G) In the computation of family contributions from effective family income and parental assets for any academic year beginning on or after July 1, 1986, the proceeds of a sale of farm or business assets of the family shall be excluded from family income if such sale results from a voluntary or involuntary foreclosure, forfeiture, liquidation, or bankruptcy.

"(7) The provisions of this subsection apply to dependent students and independent students with dependents (other than a spouse).

"(c) RULES FOR OTHER INDEPENDENT STUDENTS.—(1) For each independent student, other than an independent student with dependents subject to subsection (b), the expected family contribution is equal to—

"(A) the sum of (i) the family income contribution amount determined under paragraph (2), and (ii) the family asset contribution amount determined under paragraph (3), adjusted for—

"(B) the number of family members who will be attending, on at least a half-time basis, a program of postsecondary education during the award year for which Pell Grant assistance is requested in the following manner:

"Number of family members enrolled in programs of postsecondary education	Expected contribution per student from combined contributions
1	100 percent of the contribution determined in subparagraph (A).
2	70 percent of the contribution determined in subparagraph (A).

"(2)(A) The family income contribution amount is determined by deducting from effective family income (i) a family size offset determined in accordance with subparagraph (B), (ii) an unusual expense offset determined in accordance with subparagraph (C), (iii) an employment expense offset determined in accordance with subparagraph (D), and (iv) an educational expense offset determined in accordance with subparagraph (E). If such discretionary income is a negative amount, the family income contribution amount is zero. If such discretionary income is a positive amount the family income contribution amount is equal to 75 percent of such discretionary income in the case of a single independent student with no dependents or a married independent student without children.

"(B)(i) The family size offset is equal to the amount specified in the following table:

"Family Size Offsets

"Family members	Amount
1	$5,300
2	$6,700

"(ii) In determining family size—

"(I) family members include the student and the student's spouse; and

"(II) if the student is divorced or separated, family members do not include the spouse (or ex-spouse).

"(C) The unusual expense offset is equal to the amount by which the sum of unreimbursed medical and dental expenses exceeds 20 percent of the effective family income. The expenses of both the student and the student's spouse are included only if the incomes of both are included in determining effective family income.

"(D) The employment expense offset is determined as follows:

"(i) If both the student and the student's spouse were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, such offset is equal to the lesser of $1,500 or 50 percent of the earned income (income earned by work) of the spouse with the lesser earned income.

"(ii) If a student qualifies as a head of household as defined in section 2 of the Internal Revenue Code of 1954, such offset is equal to the lesser of $1,500 or 50 percent of the student's earned income.

"(3)(A) The family asset contribution amount of an independent student and the student's spouse is equal to 5 percent of (i) the sum of the amounts computed under subparagraphs (C) and (D), reduced by (ii) the amount, if any, by which discretionary income as computed under paragraph (2)(A), is less than zero. If the result of such subtraction is a negative amount, the family asset contribution amount is zero.

"(B) The family asset contribution amount of an independent student is equal to 33 percent of such student's net asset value, reduced by the amount, if any, by which discretionary income as computed under paragraph (2)(A) is less than zero. If such value minus such amount is a negative amount, the family asset contribution amount is zero.

"(C) If the assets of an independent student with a spouse include a principal place of residence, deduct $25,000 from the net value of the principal place of residence. If the subtraction required by the preceding sentence of this subparagraph produces a negative number, the amount determined under this subparagraph shall be zero.

"(D)(i) If the assets include assets other than a principal place of residence and other than farm and business assets, deduct

$25,000 from the net value of those other assets. If the subtraction required by the preceding sentence of this division produces a negative number, the amount determined under this division shall be zero.

"(ii)(I) If the assets include farm or business assets, deduct $80,000 in the case of business assets or $100,000 in the case of farm assets from the net value of the farm or business assets. If the subtraction required by the preceding sentence of this division produces a negative number, the amount determined under this division shall be zero.

"(II) If the sum of the farm and business deduction and the deductions in paragraphs (C) and (D)(i) exceeds $100,000 in the case of business deductions or $130,000 in the farm and business deduction shall be reduced by the amount that that sum exceeds $100,000 or $130,000, as the case may be.

"(E) In the computation of family contributions from effective family income and parental assets for any academic year beginning on or after July 1, 1986, the proceeds of a sale of farm or business assets of the family shall be excluded from family income if such sale results from a voluntary or involuntary foreclosure, forfeiture, liquidation, or bankruptcy.

"(d) REGULATION AUTHORITY LIMITATIONS.—The Secretary shall promulgate only such regulations as may be necessary to require the use of the most recent and relevant data in determining the expected family contribution under this section. Such regulations shall also include procedures for computing family contributions when the student's family or an independent student have encountered extraordinary circumstances.

"(e) SPECIAL RULE FOR DISLOCATED WORKERS.—(1) For the purpose of this section, the income of a dislocated worker shall be the income for the year for which the determination is made.

"(2) For the purpose of this subsection, a dislocated worker is a worker identified pursuant to title III of the Job Training Partnership Act.

"(f) DEFINITIONS.—For the purpose of this section, the terms—

"(1) 'Annual adjusted family income' means the sum received in the year immediately preceding the award year, by the student's parents (in the case of a dependent student), or by the student and the student's spouse (in the case of an independent student), except excludable income under clause (6) of this subsection, from the following sources subject to the following rules:

"(A) Adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1954.

"(B) Investment income upon which no Federal income tax is required to be paid, such as the interest on municipal bonds.

"(C) Other income, such as child support payments and welfare benefits, upon which no Federal income tax is paid except for—

"(i) veterans' benefits paid under chapters 34 and 35 of title 38 of the United States Code;

"(ii) Social Security educational benefits received by or on account of the student; and

"(iii) Social Security educational benefits paid to the student's parents for the student's siblings that would not be paid if those siblings were not students.

"(D) Income from one-half of any veteran's benefits to be paid to the student for the previous year under chapters 34 and 35 of title 38 of the United States Code.

"(E) Income from Social Security educational benefits to be paid to the student, or to the student's parents for the student for the previous award year.

"(F) Income for a student whose parents are divorced or separated is determined under the following procedures:

"(i) Include only the income described in subsection (b) of this section, of the parent with whom the student resided for the greater portion of the 12-month period preceding the date of the application.

"(ii) If the preceding criterion does not apply, include only the income of the parent who provided the greater portion of the student's support for the 12-month period preceding the date of application.

"(iii) If neither of the preceding criteria apply, include only the income of the parent who provided the greater support during the most recent calendar year for which parental support was provided.

"(G) Income in the case of the death of any parent as follows:

"(i) If either of the parents have died, the student shall include only the income of the surviving parent.

"(ii) If both parents have died, the student shall not report any parental income.

"(H) Income in the case of a parent whose income is taken into account under clause (F) of this section, or a parent who is a widow or widower and whose income is taken into account under clause (E) of this section, has remarried, under the following rule: The income of that parent's spouse shall be included in determining the student's annual adjusted family income if, in the 2 previous award years, the student on July 1 of the award year concerned was not 23 years of age or older and—

"(i) has received or will receive financial assistance of more than $750 in either of such award years from that spouse;

"(ii) has lived or will live for more than 6 weeks in either of those years in the home of the parent and that spouse; and

"(iii) was claimed as a dependent by the parent or legal guardian of the student on the appropriate individual Federal income tax return.

"(2) 'Assets' means cash on hand, including amount in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, real estate, income producing property, as well as business assets and farm assets.

"(3) 'Award year' is the period of time between July 1 of 1 year and June 30 of the following year.

"(4) 'Business assets' means property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery, and other equipment, patents, franchise rights, and copyrights.

"(5) Except as otherwise provided, 'dependent of the student' means the parents of the student, the student's spouse, any of the student's dependent children, dependent children of the student's parents, including those children who are deemed to be dependent students when applying for title IV aid; and other persons who live with and receive more than one-half of their support from the parents and will continue to receive more than half of their support from the parents during the award year.

"(6)(A) The term 'excludible income' means the income described in subclauses (B), (C), and (D) of this clause which is excluded for the purpose of determining 'annual adjusted family income' under clause (1).

"(B) For a Native American student, the annual adjusted family income does not include the income received by the student, the student's spouse, or the student's parents under the Distribution of Judgment Funds Act (25 U.S.C. 1401, et seq.), the Alaska Native Claims Settlement Act (43 U.S.C. 1601, et seq.), or the Maine Indians Claims Settlement Act (25 U.S.C. 1721, et seq.).

"(C) In the case of a student who is divorced or separated, or whose spouse has died, the spouse's income shall not be considered in determining the effective family income.

"(D) The annual adjusted family income does not include any student financial assistance except veterans' or Social Security benefits set forth in clause (1) of this subsection.

"(7) 'Farm assets' means any property owned and used in the operation of a farm for profit, including real estate, livestock, livestock products, crops, farm machinery, and other equipment inventories. A farm is not considered to be operated for profit if crops or livestock are raised mainly for the use of the family, even if some income is derived from incidental sales.

"(8) 'Medical expenses' means unreimbursed medical and dental expenses that may be deducted under section 213 of the Internal Revenue Code of 1954 and that were paid in the taxable year immediately preceding the award year, unless the student files an application with the Secretary under the provisions of regulations promulgated by the Secretary. In that case, the expenses reported are expenses paid in the award year.

"(9) 'Net assets' means the current market value at the time of application of the assets included in the definition of 'assets' minus the outstanding liabilities (indebtedness) against the assets.

"(10) 'State income tax' means the tax on income paid to one or more of the 50 States of the United States or the District of Columbia.

"(11) 'Effective family income' is the annual adjusted family income minus the Federal taxes and State income taxes paid or payable for the year that adjusted gross income is used in the calculation of the student's Pell Grant.".

PROCEDURE WITH RESPECT TO AWARD ERRORS AND OVERPAYMENTS

SEC. 105. Section 411 of the Act (as amended by section 103(1)) is amended by adding at the end thereof the following new subsection:

"(e)(1) Each contractor processing applications for awards under this subpart shall, in a timely manner, furnish to the student financial aid administrator at each institution of higher education which a student awarded a basic grant under this subpart is attending an estimate of the eligibility index for each such student. Each such student financial aid administrator shall—

"(A) examine and assess the data used to calculate the eligibility index of the student furnished pursuant to this subsection;

"(B) recalculate the eligibility index of the student if there has been a change in circumstances of the student or in the data submitted;

"(C) make the award to the student in the correct amount; and

"(D) report the corrected data, if necessary, to such contractor for a confirmation of the correct computation of amount of the eligibility index for each such student.

"(2) Whenever a student receives an award under this subpart, due to recalculation errors by the institution of higher education, that is in excess of the amount which the student is entitled to receive under this subpart, the institution of higher education which such student is attending shall pay to the Secretary the amount of such excess.

"(3) Each contractor processing applications for awards under this subpart shall for each academic year after academic year 1986-1987 prepare and submit a report to the Secretary on the correctness of the computations of amount of the eligibility index, and on the accuracy of the questions on the application form under this subpart for the previous academic year for which the contractor is responsible. The Secretary shall transmit the report, together with the comments and recommendations of the Secretary, to the Committee on Appropriations and the Committee on Labor and Human Resources of the Senate and the Committee on Appropriations and the Committee on Education and Labor of the House of Representatives.".

SUBPART 2—SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

AUTHORIZATION OF APPROPRIATIONS

SEC. 107. Section 413A(b) of the Act is amended to read as follows:

"(b)(1) For the purpose of enabling the Secretary to make payments to institutions of higher education which have made agreements with the Secretary in accordance with section 487, for use by such institutions for payments to undergraduate students of a supplemental grant awarded to them under this subpart, there are authorized to be appropriated $433,125,000 for fiscal year 1987, $454,781,000 for fiscal year 1988, $477,520,000 for fiscal year 1989, $501,396,000 for fiscal year 1990, and $526,466,000 for fiscal year 1991.

"(2) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions of higher education until the end of the second fiscal year succeeding the fiscal year for which they were appropriated.".

MAXIMUM AMOUNT OF GRANT

SEC. 108. Section 413B(a)(2)(A) of the Act is amended by striking out "$2,000" and inserting in lieu thereof "$3,000".

PRIORITY FOR NEEDY STUDENTS

SEC. 109. Section 413C(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) In carrying out paragraph (1) of this subsection, each institution of higher education shall, in the agreement made under section 487, assure that the selection procedures—

"(i) will be designed to award supplemental grants under this subpart, first, to students with exceptional need, and

"(ii) will give a priority for supplemental grants under this subpart to students who receive Pell Grants and meet the requirements of section 484.

"(B) In determining exceptional need under this paragraph, expected family contribution of a student may not exceed 50 percent of the cost of attendance at the institution of higher education.".

APPORTIONMENT

SEC. 110. (a) GENERAL RULE.—Section 413D of the Act is amended—

(1) by redesignating paragraph (3) of subsection (b) as subsection (c);

(2) by redesignating paragraph (4) of subsection (b) as subsection (d); and

(3) by amending subsection (a) and paragraphs (1) and (2) of subsection (b) to read as follows:

"(a)(1)(A) From the sums appropriated pursuant to section 413A(b)(1) for any fiscal year which are equal to or less than the amount appropriated for this subpart for fiscal year 1985, the Secretary shall apportion to each institution of higher education participating in the grant program under this subpart an amount equal to the amount so appropriated multiplied by the eligible institution's apportionment percentage.

"(B) For the purpose of subparagraph (A) of this paragraph, an eligible institution's apportionment percentage is the percentage which the amount the institution of higher education was eligible to receive from appropriations made in fiscal year 1985 under this subpart bears to the total amount available under this subpart for that year.

"(2)(A) In any fiscal year in which the amount appropriated for this subpart exceeds the amount appropriated for this subpart in fiscal year 1985, the Secretary shall apportion to each institution of higher education participating in the grant program under this subpart an amount which bears the same ratio to such excess as the number of eligible undergraduates who are enrolled full time and the full-time equivalent of the number of eligible undergraduates enrolled part time in the institution of higher education, bears to the total number of such undergraduates in all institutions of higher education.

"(B) For the purpose of subparagraph (A) of this paragraph, the term 'eligible undergraduates' means undergraduates who were eligible to receive a supplemental grant under this subpart for the fiscal year preceding the fiscal year for which the determination is made.

"(b) If the Secretary determines that the sums apportioned to any institution of higher education under paragraph (2) for any fiscal year exceed the aggregate of the amounts that the Secretary determines to be required by that institution for that fiscal year, the Secretary shall reapportion such excess, from time to time, on such date or dates as the Secretary shall fix, to other institutions of higher education in such manner as the Secretary determines will best assist in achieving the purposes of this subpart.".

(b) CONFORMING AMENDMENT.—Subsection (c) of section 413D of the Act (as redesignated by subsection (a) of this section) is amended by striking out "from apportionments made to the State under subsection (a)(1) and under subsection (a)(2)".

SUBPART 3—STATE STUDENT INCENTIVE GRANTS

AUTHORIZATION OF APPROPRIATIONS

SEC. 112. Section 415A(b)(1) of the Act is amended to read as follows:

"(b)(1) There are authorized to be appropriated $76,000,000 for fiscal year 1987, and for each succeeding fiscal year ending prior to October 1, 1991, for payments to the States for grants to eligible students under this subpart.".

AUTHORIZATION OF COMMUNITY SERVICE WORK LEARNING STUDY GRANTS

SEC. 113. (a) PROGRAM AUTHORIZED.—(1) Section 415A(a) of the Act is amended by inserting before the period at the end thereof a comma and the following: "and grants to eligible students for campus-based community service work learning study".

(2)(A) Section 415C(b) of the Act is amended by striking out "50 per centum" and inserting in lieu thereof "the Federal share".

(B) Section 415C(b)(2) of the Act is amended—

(i) by inserting "(A)" after "for"; and

(ii) by inserting before the semicolon a comma and the following: "and (B) for campus-based community service work learning study jobs".

(C) Section 415C of the Act is amended—

(i) by redesignating subsection (c) as subsection (d); and

(ii) by adding after subsection (b) the following new subsection:

"(c) The Federal share for grants described in subsection (b)(2)(A) shall be 50 percent for each fiscal year. The Federal share for grants described in subsection (b)(2)(B) shall be 60 percent for each fiscal year.".

(b) DEFINITION.—Subpart 3 of part A of title 4 of the Act is amended by adding at the end thereof the following new section:

"DEFINITION

"SEC. 415E. For the purposes of this subpart, the term 'community service' means services, including direct service, planning, and applied research which are identified by an institution of higher education, through formal or informal consultation with local non-profit, governmental, and community-based organizations, and which—

"(1) are designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to the needs of such residents, including but not limited to, such fields as health care, child care, education, literary training, welfare, social services, public safety, crime prevention and control, transportation, recreation, housing and neighborhood improvement, rural development, and community improvement; and

"(2) provide participating students with work-learning opportunities related to their educational or vocational programs or goals.".

PARTICIPATION OF INSTITUTIONS

SEC. 114. (a) PROPRIETARY INSTITUTIONS.—Section 415C of the Act is amended by striking out "nonprofit" in clause (4) each time it appears.

(b) TECHNICAL AMENDMENT.—Section 481(a) of the Act is amended by striking out "part 6" and inserting in lieu thereof "part 7".

FEDERAL SHARE LIMITATION

SEC. 115. Section 415C of the Act is amended by adding at the end thereof the following new subsection:

"(e) Each State shall pay the non-Federal share of the cost of the State student incentive grant program authorized by this subpart from State or other public sources.

SUBPART 4—STUDENT SUPPORT SERVICE PROGRAMS

REAUTHORIZATION; PRIOR EXPERIENCE PROVISION

SEC. 117. (a) REAUTHORIZATION.—Section 417A(c) of the Act is amended to read as follows:

"(c)(1) For the purpose of making grants and contracts under this subpart there are authorized to be appropriated $185,249,000 for fiscal year 1987, $194,511,000 for fiscal year 1988, $204,237,000 for fiscal year 1989,

$214,449,000 for fiscal year 1990, and $225,171,000 for fiscal year 1991.

"(2) In each fiscal year, $1,000,000 may be available for carrying out programs authorized by section 417D(f).".

(b) PRIOR EXPERIENCE CONSIDERATION.—Section 417A(b)(2) of the Act is amended by adding at the end thereof the following new sentence: "For fiscal years after 1985, the level of consideration given to prior experience shall not vary from the level of consideration given this factor for fiscal year 1985.".

STUDENT SUPPORT SERVICES

SEC. 118. (a) GENERAL RULE.—(1)(A) Section 417D(a) of the Act is amended by striking out "special services for disadvantaged students (hereinafter referred to as 'special services')" and insert in lieu thereof "student support services".

(B) Section 417D of the Act is amended by striking out "special services" each place it appears in subsections (b), (c), and (d) and inserting in lieu thereof "student support services" each such time.

(2) Section 417D of the Act is further amended by adding at the end thereof the following new subsection:

"(e) The Secretary may provide financial assistance to Student Support Service programs which include an outreach and counseling provision for low income and first generation college and university students in their junior and senior years to encourage application and enrollment in graduate programs excluding professional schools. Such a program may include consortium contracts with graduate centers or programs on campus which provide research assistantships in the summer months for such students in their fields of study. Each student receiving service assistantships under this subsection may be paid a stipend not to exceed $2,400.".

(b) TECHNICAL AMENDMENT.—The heading of section 417D of the Act is amended to read as follows:

"STUDENT SUPPORT SERVICES".

(c) REAUTHORIZATION OF VETERANS' COST OF INSTRUCTION PAYMENTS.—(1) Section 420A(a) of the Act is amended—

(A) by striking out "September 30, 1985" in paragraph (1) and inserting in lieu thereof "September 30, 1991"; and

(B) by striking out "September 30, 1986" in paragraph (2) and inserting in lieu thereof "September 30, 1992".

(2) Section 420A of the Act is amended by inserting at the end thereof the following new subsection:

"(h) There are authorized to be appropriated $3,150,000 for fiscal year 1987, $3,307,000 for fiscal year 1988, $3,473,000 for fiscal year 1989, $3,646,002 for fiscal year 1990, and $3,829,000 for fiscal year 1991.".

OUTREACH AND STAFF DEVELOPMENT

SEC. 119. Section 417F of the Act is amended to read as follows:

"OUTREACH AND STAFF DEVELOPMENT ACTIVITIES

"SEC. 417F. For the purposes of improving the operation of the special services programs and projects authorized by this subpart, and to expand the outreach of related activities which extend postsecondary educational opportunities to students from disadvantaged backgrounds, the Secretary is authorized to make grants to institutions of higher education and other public and private nonprofit institutions and organizations to provide training for staff and leadership personnel (including junior and high school counselors) employed in, or preparing for employment in, such programs and projects. Such training shall include—

"(1) conferences, internships, seminars, workshops, and training manuals designed to improve the operation of programs and projects assisted under this subpart; and

"(2) training institutes to enable junior and senior high schools' counselors and teachers, personnel involved in programs and projects assisted under this subpart, college admissions personnel, and community agency staffs to counsel more effectively students and adults regarding postsecondary opportunity and financial aid eligibility. Training under this section shall be carried out in the various regions of the Nation in order to ensure that the training opportunities are appropriate to meet the needs in the local areas being served by such programs and projects. Grants made under this section shall be made only after consultation with regional and State professional associations of persons having special knowledge with respect to the needs and problems of such programs and projects.".

SUBPART 5—SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK

AUTHORIZATION OF APPROPRIATIONS

SEC. 121. Section 418A(b) of the Act is amended to read as follows:

"(b) There are authorized to be appropriated $7,875,000 for fiscal year 1987, $8,269,000 for fiscal year 1988, $8,682,000 for fiscal year 1989, $9,116,000 for fiscal year 1990, and $9,572,000 for fiscal year 1991, to carry out the provisions of this subpart.".

SUBPART 6—HONORS SCHOLARSHIP PROGRAM

AUTHORIZATION OF APPROPRIATIONS

SEC. 123. Section 419 of the Act is amended by striking out ", 1987, and 1988" and inserting in lieu thereof "through 1991".

PART B—GUARANTEED LOANS

EXTENSION OF PROGRAMS

SEC. 131. (a) Section 424(a) of the Act is amended—

(1) by striking out "1988" and inserting in lieu thereof "1992"; and

(2) by striking out "1992" and inserting in lieu thereof "1996".

(b) Section 428(a)(5) of the Act is amended—

(1) by striking out "1988" and inserting in lieu thereof "1992"; and

(2) by striking out "1992" and inserting in lieu thereof "1996".

NEEDS BASIS FOR THE GUARANTEED STUDENT LOAN PROGRAM

SEC. 132. (a) NEEDS BASIS REQUIRED.—(1) Section 428(a)(2)(B) of the Act is amended to read as follows:

"(B) For the purpose of clause (ii) of subparagraph (A) a student shall qualify for a portion of an interest payment under paragraph (1) if the eligible institution has provided the lender with a statement evidencing a determination of need for a loan and the amount of such need.".

(2)(A) Section 428(a)(2)(B) of the Act is amended to read as follows:

"(D) The schedule of expected family contributions required by section 482 shall apply to the determination required by this paragraph.".

(B) Section 428(a)(2)(E) of the Act is repealed.

(b) INSTITUTIONAL RESPONSIBILITY FOR DETERMINATION OF NEED.—Section 428(a)(2)(F) of the Act is amended to read as follows:

"(E)(i) For the purpose of subparagraph (B), the amount of the loan which is qualified for a payment under paragraph (1) is the amount of the need of such student as determined by the eligible institution.

"(ii) An eligible institution may not, in carrying out the provisions of subparagraphs (A) and (B) of this paragraph, provide a statement which permits the student to receive any loan under this part in excess of the maximum amount applicable to such loan.".

(c) EXPECTED FAMILY CONTRIBUTION OFFSET.—Section 428(a)(2) of the Act is amended by adding at the end thereof the following new subparagraph:

"(F) For the purpose of subparagraphs (B) and (C) of this paragraph, any loan obtained by a student or a parent under section 428B of this Act or under any State-sponsored or private loan program for an academic year for which the determination is made may be used to offset the expected family contribution of the student for that year.".

INCREASING LOAN LIMITS

SEC. 133. (a) FEDERALLY INSURED LOANS.—(1) Section 425(a)(1) of the Act is amended by striking out "$2,500 in the case of a student who has not successfully completed a program of undergraduate education, or $5,000" and inserting in lieu thereof "$3,000 in the case of a student who has not successfully completed 2 years or its equivalent of a program of undergraduate education, $4,000 in the case of a student who has completed 2 years or its equivalent of a program of undergraduate education, but who has not completed such program, or $7,500".

(2)(A) Section 425(a)(1)(A) of the Act is amended by striking out "$2,500" and inserting in lieu thereof "$3,000".

(B) Section 425(b)(1)(B) of the Act is amended by striking out "$1,500" and inserting in lieu thereof "$2,000".

(3) Section 425(a)(2) of the Act is amended—

(A) by striking out "$12,500" and inserting in lieu thereof "$18,000"; and

(B) by striking out "$25,000" and inserting in lieu thereof "$55,500".

(b) GUARANTEED LOANS.—(1) Section 428(b)(1)(A) of the Act is amended by striking out "$2,500 in the case of a student who has not successfully completed a program of undergraduate education, or $5,000" and inserting in lieu thereof "$3,000 in the case of a student who has not successfully completed 2 years or its equivalent of a program of undergraduate education, $4,000 in the case of a student who has completed 2 years or its equivalent of a program of undergraduate education, but who has not completed such program, or $7,500".

(2)(A) Section 428(b)(1)(A)(i) of the Act is amended by striking out "$2,500" and inserting in lieu thereof "$3,000".

(B) Section 428(b)(1)(A)(ii) of the Act is amended by striking out "$1,500" and inserting in lieu thereof "$2,000".

(3) Section 428(b)(1)(B) of the Act is amended—

(A) by striking out "$12,500" and inserting in lieu thereof "$18,000"; and

(B) by striking out "$25,000" and inserting in lieu thereof "$55,500".

(c) LOANS UNDER SUPPLEMENTAL GUARANTY AGREEMENT.—(1)(A) Section 428A(a)(1)(A) of the Act is amended by striking out "$2,500 (in the case of a student who has not successfully completed a program of undergraduate education), or $5,000" and inserting in lieu thereof "$3,000 (in the case of a student who has not successfully completed 2 years or its equivalent of a program of un-

dergraduate education), $4,000 (in the case of a student who has completed 2 years or its equivalent of a program of undergraduate education, but who has not completed such program), or $7,500".

(B) Section 428A(a)(1)(A) of the Act is further amended—

(i) by striking out "$12,500" and inserting in lieu thereof "$18,000"; and

(ii) by striking out "$25,000" and inserting in lieu thereof "$55,500".

(2) Section 428A(a)(2)(A) of the Act is amended by striking out "$2,500 (in the case of a student who has not successfully completed a program of undergraduate education), or $5,000" and inserting in lieu thereof "$3,000 (in the case of a student who has not successfully completed 2 years or its equivalent of a program of undergraduate education), $4,000 (in the case of a student who has completed 2 years or its equivalent of a program of undergraduate education, but who has not completed such program, or $7,500".

(3) Section 428A(a)(2)(A) of the Act is further amended—

(A) by striking out "$12,500" and inserting in lieu thereof "$18,000"; and

(B) by striking out "$25,000" and inserting in lieu thereof "$55,500".

INTEREST RATE FOR NEW BORROWERS

SEC. 134. (a) NEW BORROWERS.—Section 427A of the Act is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by adding after subsection (c) the following new subsection:

"(d) INTEREST RATES FOR NEW BORROWERS AFTER JUNE 30, 1986.—Notwithstanding subsections (a) and (b) of this section, with respect to any loan (other than a loan made pursuant to section 428B and section 428C) to cover the cost of instruction for any period of enrollment beginning on or after July 1, 1986, to any borrower who, on the date of entering into the note or other written evidence of the loan, has no outstanding balance of principal or interest on any loan made, insured, or guaranteed under this part, the applicable rate of interest shall be—

"(1) 8 percent per year on the unpaid principal balance of the loan during the period beginning on the date of the disbursement of the loan and ending with the commencement of the repayment period; and

"(2) 10 percent per year on the unpaid principal balance of the loan during the repayment period.".

(b) CONFORMING AMENDMENTS.—Section 427A is amended—

(1) by inserting after the subsection designation (a) the following: "RATES TO BE CONSISTENT WITH BORROWER'S ENTIRE DEBT.—";

(2) by inserting after the subsection designation (b) the following: "REDUCTION FOR CERTAIN BORROWERS AFTER DECLINE IN CERTAIN RATES.—";

(3) by inserting after the subsection designation (c) the following: "RATES FOR SUPPLEMENTAL AND PARENTAL LOANS.—";

(4) by inserting after the subsection designation (e) (as redesignated by subsection (a)) the following: "LESSER LOAN RATES PERMITTED.—"; and

(5) by inserting after the subsection designation (f) (as redesignated by subsection (a)) the following: "DEFINITIONS.—".

PROHIBITING THE PRACTICE OF FORCING STUDENTS TO USE CERTAIN LENDERS

SEC. 135. Section 428(a)(2) of the Act (as amended by section 132(c)), is further amended by adding at the end thereof the following new subparagraph:

"(H) Except as provided in subparagraph (F), an eligible institution may not, in carrying out the provisions of subparagraphs (A) and (B) of this paragraph, refuse to provide to any eligible lender which has an agreement under subsection (b) of this section with any State or nonprofit private institution or organization, a statement which permits a student to receive any loan under this part.".

ADMINISTRATIVE FEE

SEC. 136. Section 428(b)(1)(H) of the Act is amended to read as follows:

"(H) provides for collection of an insurance premium equal to not more than 3 percent per loan for the first year of the loan, by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and insures that the proceeds of the premium will not be used for incentive payments to lenders;".

REPAYMENT SCHEDULE; ROUNDING OF PAYMENTS

SEC. 137. (a) FEDERALLY INSURED LOANS.—Section 427(a)(2)(B) of the Act is amended—

(1) by striking out "and" at the end of subclause (ii);

(2) by inserting "and" at the end of clause (iii); and

(3) by adding at the end thereof the following new clause:

"(iv) upon the request of the borrower, the lender shall provide a revised repayment schedule which is based upon graduated repayments,".

(b) GUARANTEED LOANS.—Section 428(b)(1)(L) of the Act is amended—

(1) by inserting "(i)" after the clause designation; and

(2) by adding at the end thereof the following new divisions:

"(ii) upon request of the borrower, the lender shall provide a revised repayment schedule which is based upon graduated repayments; and

"(iii) provides that the total payments by a borrower for a monthly or other similar payment period with respect to the aggregate of all loans held by the lender may, when the amount of a monthly or other similar payment is not a multiple of $5, be rounded to the next highest whole dollar amount that is a multiple of $5;".

PREMIUMS, INDUCEMENTS, AND UNSOLICITED MAILINGS PROHIBITED

SEC. 138. Section 428(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(3) Each State and nonprofit private institution or organization shall not—

"(A) offer, directly or indirectly, premiums, payments, or other inducements to any educational institution or its employees in order to secure applicants for loans under this part,

"(B) conduct unsolicited mailings to students enrolled in secondary school of student loan application forms, or

"(C) conduct fraudulent or misleading advertising concerning loan availability.".

DEFERMENT RULES

SEC. 139. (a) DISABILITY RULE.—(1) Section 428(b)(1)(M)(vii) is amended by striking out "spouse" and inserting in lieu thereof "dependent".

(2) Section 427(a)(2)(C)(vii) of the Act is amended by striking out "spouse" and inserting in lieu thereof "dependent".

(b) MATERNAL LEAVE.—(1)(A) Section 428(b)(1)(M) of the Act is amended by striking out "or" at the end of clause (vii) and by adding before the semicolon at the end thereof the following new clause: "or (ix) not in excess of 6 months of maternal leave".

(B) Section 427(a)(2)(C) of the Act is amended by striking out "or" at the end of clause (vii) and by adding before the semicolon at the end thereof the following new clause "or (ix) not in excess of 6 months of maternal leave".

(2) Section 435 of the Act is amended by adding at the end thereof the following new subsection:

"(k) The term 'maternal leave' means a period of time during which the borrower is pregnant, is caring for her newborn child, is caring for her child immediately following the placement of the child through adoption, if the child has not attained 3 years of age, if the borrower meets the criteria for needs applicable to loans under this part.".

(c) WORKING MOTHERS WITH PRESCHOOL AGED CHILDREN.—(1) Section 428(b)(1)(M) of the Act is amended by striking out "or" at the end of clause (ix) and by adding before the semicolon at the end thereof the following new clause: "or (x) not in excess of 12 months for mothers with preschool age children who are just entering or reentering the workforce and who are compensated at a rate not exceeding $1 in excess of the rate prescribed under section 6 of the Fair Labor Standards Act of 1938".

(d) Section 428(b) of the Act (as amended by section 139) is further amended by adding at the end thereof the following new paragraph:

"(4) For the purpose of paragraph (1)(M) of this subsection, the Secretary shall approve any course of study at a foreign university that is accepted for the completion of a recognized international fellowship program by the administrator of such a program.".

TRANSFER OF LOANS AUTHORIZED

SEC. 140. Section 428(b)(2) of the Act is amended—

(1) by striking out "and" at the end of clause (C);

(2) by striking out the period at the end of clause (D) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause:

"(E) provide that any State or nonprofit private institution or organization that has entered into such an agreement with the Secretary can transfer loans which are insured under this part to any State, nonprofit private institution, or organization that also has such an agreement with the Secretary with the approval of the recipient, State, institution, or organization.".

INFORMATION ON DEFAULT

SEC. 141. Section 428 of the Act is amended by adding at the end thereof the following new subsection:

"(j)(1) In order to notify eligible institutions of former students who are in default of their continuing obligation to repay student loans, each guarantee agency may, upon the request of an eligible institution, furnish information with respect to students who were enrolled at the eligible institution and who are in default on the repayment of any loan made, insured, or guaranteed under this part. The information authorized to be furnished under this subsection may include the names and addresses of such students.

"(2) Nothing in paragraph (1) of this subsection shall be construed to authorize

public dissemination of the information described in paragraph (1).".

REPORTING REQUIREMENT FOR MULTISTATE GUARANTORS

SEC. 142. (a) GENERAL RULE.—Section 428(b) of the Act (as amended by section 140) is further amended by adding at the end thereof the following new paragraph:

"(5)(A) Each multistate guarantor guaranteeing loans under this part shall, with respect to loans insured by the multistate guarantor for students who are residents of a State for which the multistate guarantor is not the State designated guaranty agency for the purpose of this part, report such loans to the appropriate State-designated guaranty agency.

"(B) The information required by subparagraph (A) shall include——

"(i) the name, the social security number, and the address of the borrower;

"(ii) the amount borrowed, the cumulative amount borrowed, the income reported for application, the purposes and cost of attendance of the borrower.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to loans made after October 1, 1986, and shall be reported not later than six months after the date of enactment of this Act and at each six-month interval thereafter.

RULE FOR REINSURANCE BASED ON DEFAULT RATES

SEC. 143. Section 428(c)(1)(B) of the Act is amended—

(1) by striking out "90 per centum" in clause (i) and inserting in lieu thereof "80 per centum"; and

(2) by striking out "80 per centum" in clause (ii) and inserting in lieu thereof "70 per centum".

MULTIPLE DISBURSEMENTS OF LOANS

SEC. 144. Section 428(i) of the Act is amended to read as follows:

"(i)(1) Any guaranty agency or eligible lender (hereafter in this subsection referred to as the 'escrow agent') may enter into an agreement with any other eligible lender that is not an eligible institution or an agency or instrumentality of the State (hereafter in this subsection referred to as the 'lender') for the purpose of authorizing multiple disbursements of the proceeds of a loan to a student. Such agreement shall provide that the lender will pay the proceeds of such loans into an escrow account to be administered by the escrow agent in accordance with the provisions of paragraph (2) of this subsection. Such agreement may allow the lender to make payments into the escrow account in amounts that do not exceed the sum of the amounts required for disbursement of initial or subsequent installments to borrowers and to make such payments not more than 45 days prior to the date of the disbursement of such installment to such borrowers. Such agreement shall require the lender to notify promptly the eligible institution when funds are escrowed under this subsection for a student at such institution.

"(2) Each escrow agent entering into an agreement under paragraph (1) of this subsection is authorized to—

"(A) make the disbursements in accordance with the note evidencing the loan;

"(B) commingle the proceeds of all loans paid to the escrow agent pursuant to the escrow agreement entered into under such paragraph (1);

"(C) invest the proceeds of such loans in obligations of the Federal Government or obligations which are insured or guaranteed by the Federal Government;

"(D) retain interest or other earnings on such investment; and

"(E) return to the lender undisbursed funds when the student ceases to carry at an eligible institution at least one-half of the normal full-time academic workload as determined by the institution.".

STATE GUARANTY AGENCIES AS LENDER OF LAST RESORT

SEC. 145. Section 428 of the Act is amended by adding at the end thereof the following new subsection:

"(k) LENDERS OF LAST RESORT.—In each State, the guaranty agency or an eligible lender in the State described in section 435(g)(1)(D) of this Act shall make loans directly, or through an agreement with an eligible lender or lenders, to students eligible to receive interest benefits paid on their behalf under subsection (a) of this section who are otherwise unable to obtain loans under this part. Loans made under this subsection shall not exceed the amount of the need of the borrower, as determined under subsection (a)(2)(B) nor be less than $200.".

AUXILIARY LOAN LIMITS INCREASED

SEC. 146. Section 428B of the Act is amended—

(1) by striking out "$3,000" in subsection (b)(1) and inserting in lieu thereof "$4,000";

(2) by striking out "$15,000" in subsection (b)(2) and inserting in lieu thereof "$20,000";

(3) by striking out "$2,500" in subsection (c)(4)(A) and inserting in lieu thereof "$4,500"; and

(4) by striking out "$12,500" in subsection (c)(4)(B) and inserting in lieu thereof "$22,500".

STUDENT LOAN CONSOLIDATION

SEC. 147. (a) LOAN CONSOLIDATION AUTHORIZED.—Part B of title IV of the Act is amended by inserting after section 428B the following new section:

"CONSOLIDATION LOANS

"SEC. 428C. (a)(1) For the purpose of providing loans to eligible borrowers for consolidation of their obligations with respect to student loans—

"(A) made, insured, or guaranteed under this part,

"(B) made under part E of this title, or

"(C) made under subpart II of part C of title VII of the Public Health Service Act,

the Secretary or a guaranty agency shall enter into agreements in accordance with subsection (b) with—

"(i) the Student Loan Marketing Association;

"(ii) agencies described in subparagraphs (D) and (F) of section 435(g)(1); and

"(iii) eligible lenders described in subparagraphs (A), (B), (C), and (E) of such section.

"(2) Except as provided in section 429(e), no contract of insurance under this part shall apply to a consolidation loan unless such loan is made under an agreement pursuant to this section and is covered by a certificate issued in accordance with subsection (b)(2). Loans covered by such a certificate that is issued by a guaranty agency shall be considered to be insured loans for the purpose of reimbursements under section 428(c), but no payment shall be made with respect to such loans under section 428(f) to any such guaranty agency.

"(3) For the purpose of this section, the term 'eligible borrower' means a borrower who—

"(A) has an outstanding indebtedness, at the time of application for a consolidation loan, to one or more lenders or programs described in paragraph (1) of not less than $5,000;

"(B) has not during the previous 4 months carried at an eligible institution at least one-half the normal full-time academic workload;

"(C) if in repayment status, is not delinquent with respect to any required payment on such indebtedness by more than 90 days; and

"(D) is not a parent borrower under section 428B(a)(1).

"(4) An individual's status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section except with respect to loans received under this title after the date of receipt of the consolidation loan. For the purpose of computing the outstanding indebtedness of such an individual, only loans received after such date shall be taken into account.

"(b)(1) Any lender described in clause (i), (ii), or (iii) of subsection (a)(1) who wishes to make consolidation loans under this section shall enter into an agreement with the Secretary or a guaranty agency which provides—

"(A)(i) that, in the case of lenders described in subsection (a)(1), the lender will make a consolidation loan to an eligible borrower (on request of that borrower) only if (I) the lender holds an outstanding loan of that borrower which is selected by the borrower for consolidation under this section, or (II) the borrower certifies that the borrower has sought and has been unable to obtain a consolidation loan from the holders of the outstanding loans of that borrower (which are so selected for consolidation);

"(B) that each consolidation loan made by the lender will bear interest, and be subject to repayment, in accordance with subsection (c);

"(C) that each consolidation loan will be made, notwithstanding any other provision of this part limiting the maximum principal amount for all insured loans made to a borrower, in an amount (i) which is not less than the minimum amount required for eligibility of the borrower under subsection (a)(3)(A)(i), and (ii) which is equal to the sum of the unpaid principal, accrued unpaid interest and late charges of all loans received by the eligible borrower under programs described in subsection (a)(1) which are selected by the borrower for consolidation;

"(D) that the proceeds of each consolidation loan will be paid by the lender to the holder or holders of the loans so selected to discharge the liability on such loans; and

"(E) such other terms and conditions as the Secretary or a guaranty agency (whichever is party to the agreement) may specifically require of the lender to carry out this section.

"(2) The Secretary shall issue a certificate of comprehensive insurance coverage under section 429(b) to a lender which has entered into an agreement with the Secretary under paragraph (1) of this subsection. A guaranty agency may issue a certificate of comprehensive insurance coverage to a lender if the lender has entered into an agreement under paragraph (1) of this subsection. The Secretary shall not issue such a certificate under this paragraph to a lender described in clause (ii) or (iii) of subsection (a)(1) if the Secretary determines that such lender has reasonable access in its State, for the pur-

pose of obtaining such a certificate, to a State or guaranty agency. In either case, such certificate shall, at a minimum, provide—

"(A) that all consolidation loans made by such lender in conformity with the requirements of this section will be insured against loss of principal and interest by the issuer of such certificate;

"(B) that a consolidation loan will not be insured unless the lender has determined to its satisfaction, in accordance with reasonable and prudent business practices, for each loan being consolidated (i) that the loan is a legal, valid, and binding obligation of the borrower; (ii) that each such loan was made and serviced in compliance with applicable laws and regulations; and (iii) in the case of loans under this part, that the insurance on such loan is in full force and effect;

"(C) the effective date and expiration date of the certificate;

"(D) the aggregate amount to which the certificate applies;

"(E) that, if the lender prior to the expiration of the certificate no longer proposes to make consolidation loans, the lender will so notify the issuer of such certificate in order that the certificate may be terminated (without affecting the insurance on any consolidation loan made prior to such termination); and

"(F) the terms upon which the issuer of the certificate may limit, suspend, or terminate the lender's authority to make consolidation loans under the certificate (without affecting the insurance on any consolidation loan made prior to such limitation, suspension, or termination).

"(3) A consolidation loan made pursuant to this section shall be insurable under a certificate issued pursuant to paragraph (2) only if the loan is made to an eligible borrower who has agreed to notify the holder of the loan promptly concerning any change of address and the loan is evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under applicable law, create a binding obligation, endorsement may be required;

"(B) provides for the payment of interest and the repayment of principal in accordance with subsection (c) of this section and contains notice of the possibility of a revised repayment schedule under paragraph (2) of such subsection;

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

"(i) during which the borrower is pursuing a full-time course of study at an eligible institution, is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary;

"(ii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition;

"(iii) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled; or

"(iv) which is a single period, not in excess of 12 months, at the request of the borrower, during which the borrower is seeking and unable to find full-time employment; and

that any such period shall not be included in determining the repayment period provided pursuant to subsection (c)(2) of this section;

"(D) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan; and

"(E)(i) contains a notice of the system of disclosure concerning such loan to credit bureau organizations under section 430(b)(2), and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations.

"(c)(1)(A) Subject to subparagraphs (B), (C), and (D), each consolidation loan made under this section shall bear interest at the rate of 10 per centum per annum on the unpaid principal balance of the loan, except that, if the consolidation loan is used for the purpose of discharging liability on a loan made pursuant to section 428B, the consolidation loan shall bear interest at a rate per annum on such unpaid balance which is equal to the highest applicable interest rate under section 427A on any loan which is selected for consolidation by the borrower. For the purpose of payment of special allowances under section 438(b)(2), the interest rate required by this subsection is the applicable interest rate with respect to a consolidation loan.

"(B) The rate of interest applicable to any consolidated loan shall be adjusted by the holder of the loan in the first month of the tenth year of the repayment period of the loan to a market rate equal to the rate established by the Secretary of the Treasury pursuant to subparagraph (C).

"(C) The Secretary of the Treasury shall, for each calendar year beginning in the first calendar year beginning 10 years after the date of enactment of this section, establish the interest rate to be applicable under subparagraph (B) of this paragraph—

"(i) by determining the average of the bond equivalent rates of 91-day Treasury bills auctioned for the 4 quarters preceding the period for which the determination is made; and

"(ii) by adding 3.25 per centum to the per centum determined in clause (i).

The Secretary, after consultation with the Secretary of the Treasury, shall publish for each calendar year beginning with the first calendar year beginning 10 years after the date of enactment of this section the interest rate determined by the Secretary of the Treasury under this subparagraph for each calendar year.

"(D) No interest rate adjustment shall be made under subparagraph (B) of this paragraph for any eligible borrower who, at the time the determination is made—

"(i) is a low-income individual, and

"(ii) who has a high ratio of outstanding loans under programs described under subsection (a)(1) of this section (whether or not such loans are consolidated), to income,

as determined pursuant to regulations prescribed by the Secretary.

"(2)(A) Notwithstanding any other provision of this part, to the extent authorized by its certificate of insurance under subsection (b)(2)(F) and approved by the issuer of such certificate, the lender of a consolidation loan, with the agreement of the borrower, may establish such repayment terms as will promote the objectives of this section, including the establishment of graduated repayment schedules, except that the minimum payment must equal the accrued unpaid interest for the payment period.

"(B)(i) Except as provided in division (ii) a consolidation loan shall be repaid in not more than 15 years.

"(ii) In any case in which the original amount of the consolidated loan exceeds $25,000, and the borrower has loans under subpart I of part C of title VII of the Public Health Service Act, which together with the original amount of the consolidated loan exceed $30,000, the consolidated loan shall be repaid in not more than 20 years.

"(C) The lender of a consolidation loan may, with respect to repayment on the loan, when the amount of a monthly or other similar payment on the loan is not a multiple of $5, round the payment to the next highest whole dollar amount that is a multiple of $5.

"(3) Repayment of a consolidation loan shall commence within 60 days after all holders have, pursuant to subsection (b)(1)(D), discharged the liability of the borrower on the loans selected for consolidation.

"(4) No origination fee or insurance premium shall be charged to the borrower on any consolidation loan, and no insurance premium shall be payable by the lender to the issuer of the certificate of insurance with respect to any such loan.

"(d) The authority to make loans under this section expires at the close of September 30, 1991. Nothing in this section shall be construed to authorize the Secretary to promulgate rules or regulations governing the terms or conditions of the agreements and certificates under subsection (b). Loans made under this section shall not be considered to be new loans made to students for purposes of section 424(a).".

(b) CONFORMING AMENDMENTS.—(1) Section 427(a) of the Act is amended by striking out "A loan" and inserting in lieu thereof "Except as provided in section 428C, a loan".

(2) Section 435(g)(1) of the Act is amended—

(A) by striking out "section 439 (o) and (q)" in subparagraph (G) and inserting in lieu thereof "sections 428C and 439(q)"; and

(B) by striking out "section 428(j)" in subparagraph (H) and inserting in lieu thereof "sections 428(h) and 428C".

(3) Section 435 of the Act is amended by adding at the end thereof the following new subsection:

"(l) The term 'guaranty agency' means a State or nonprofit private institution or organization with which the Secretary has an agreement pursuant to section 428(b).".

(4) Section 438 of the Act is amended—

(A) in subsection (b)(5)(A)(ii), by inserting ", 428C," after "428B"; and

(B) in subsection (c)(2), by striking out "section 428B and section 439(o)" and inserting in lieu thereof "sections 428B and 428C".

(5) Section 439(d)(1)(C) of the Act is amended by striking out "428(A), and except with respect to loans under section 439(o)," and inserting in lieu thereof "428A, and except with respect to loans under section 428C,".

(c) COST EVALUATION REPORT.—The Secretary of Education shall evaluate the cost, efficiency, and impact of the consolidation loan program established by the amendments made by this section and shall report to the Congress not later than June 30, 1988, on the findings and recommendations required by this subsection.

AUTHORITY OF THE SECRETARY TO IMPOSE AND ENFORCE LIMITATIONS, SUSPENSIONS, AND TERMINATIONS

SEC. 148. (a) GENERAL RULE.—Section 432 of the Act is amended by adding at the end thereof the following new subsection:

"(f)(1) If the Secretary, after a reasonable notice and opportunity for hearing to an eligible lender, finds that the eligible lender—

"(A) has substantially failed—

"(i) to exercise reasonable care and diligence in the making and collecting of loans under the provisions of this part,

"(ii) to make the reports or statements under section 428(a)(4),

"(iii) to pay the required loan insurance premiums to any guaranty agency, or

"(B) has engaged in—

"(i) fraudulent or misleading advertising or in solicitations that have resulted in the making of loans insured or guaranteed under this part to borrowers who are ineligible; or

"(ii) the practice of making loans that violate the certification for eligibility provided in section 428,

the Secretary shall limit, suspend, or terminate that lender from participation in the insurance programs operated by guaranty agencies under this part. The Secretary shall not lift any such limitation, suspension, or termination until the Secretary is satisfied that the lender's failure under clause (A) of this paragraph or practice under clause (B) of this paragraph has ceased and finds that there are reasonable assurances that the lender will—

"(I) exercise the necessary care and diligence,

"(II) comply with the requirements described in clause (A), or

"(III) cease to engage in the practices described in clause (B),

as the case may be.

"(2)(A) The Secretary shall, in accordance with sections 556 and 557 of title 5, United States Code, review each limitation, suspension, or termination imposed by any guaranty agency pursuant to section 428A(a)(1)(F) within 60 days after receipt by the Secretary of a notice from the guaranty agency of the imposition of such limitation, suspension, or termination, unless the right to such review is waived in writing by the lender. The Secretary shall disqualify such lender from participation in the student loan insurance program of each guaranty agency under this part, and notify each such guaranty agency of such disqualification—

"(i) if such review is waived; or

"(ii) if such review is not waived, unless the Secretary determines that the limitation, suspension, or termination was not imposed in accordance with the requirements of such section.

"(B) The Secretary shall not lift any such disqualification until the Secretary is satisfied that the lender has corrected the failures or practices which led to the limitation, suspension, or termination, and finds that there are reasonable assurances that the lender will comply with the requirements of this part. The Secretary shall notify each guaranty agency of the lifting of any such disqualification.

"(3)(A) The Secretary shall, in accordance with sections 556 and 557 of title 5, United States Code, review each limitation, suspension, or termination imposed by any guaranty agency pursuant to section 428A(a)(1)(E) within 60 days after receipt by the Secretary of a notice from the guaranty agency of the imposition of such limitation, suspension, or termination, unless the right to such review is waived in writing by the institution. The Secretary shall disqualify such institution from participation in the student loan insurance program of each guaranty agency under this part, and notify each such guaranty agency of such disqualification—

"(i) if such review is waived; or

"(ii) if such review is not waived, unless the Secretary determines that the limitation, suspension, or termination was not imposed in accordance with the requirements of such section.

"(B) The Secretary shall not lift any such disqualification until the Secretary is satisfied that the institution has corrected the failures or practices which led to the limitation, suspension, or termination, and finds that there are reasonable assurances that the institution will comply with the requirements of this part. The Secretary shall notify each guaranty agency of the lifting of any such disqualification.".

(b) CONFORMING AMENDMENT.—(1) Section 428A(a)(1)(F) of the Act is amended to read as follows:

"(F) provides (i) for the eligibility of all lenders described in section 435(g)(1) under reasonable criteria, unless (I) that lender is eliminated as a lender under regulations for the limitation, suspension, or termination of lender under the Federal student loan insurance program or is eliminated as a lender pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility as a lender issued under the Federal student loan insurance program, or (II) there is a State constitutional prohibition affecting the eligibility of a lender, and (ii) assurances that the guaranty agency will report to the Secretary annually concerning such criteria, including any procedures in effect under such program to limit, suspend, or terminate lenders.".

(2) Section 428A(a)(2)(F) of the Act is amended to read as follows:

"(F) provides (i) for the eligibility of all lenders described in section 435(g)(1) under reasonable criteria, unless (I) that lender is eliminated as a lender under regulations for the limitation, suspension, or termination of lender under the Federal student loan insurance program or is eliminated as a lender pursuant to criteria issued under the student loan insurance program which are substantially the same as regulations with respect to such eligibility as a lender issued under the Federal student loan insurance program, or (II) there is a State constitutional prohibition affecting the eligibility of a lender, and (ii) assurances that the guaranty agency will report to the Secretary annually concerning such criteria, including any procedures in effect under such program to limit, suspend, or terminate lenders.".

ADDITIONAL STUDENT LOAN INFORMATION AND CONTACT REQUIRED

SEC. 149. (a) LOAN INFORMATION.—Section 433A of the Act is amended—

(1) by redesignating clauses (8), (9), (10), (11), and (12), as clauses (9), (10), (11), (12), and (13), respectively, and

(2) by adding after clauses (7) the following new clause:

"(a) a statement of the total cumulative balance, including the loan applied for, owed by the student, the projected level of indebtedness of the student based on a four-year college career, and an estimate of the projected monthly repayment given the level of indebtedness over a four- or five-year college career;".

(b) SEPARATE STATEMENT.—Section 433A of the Act be amended by adding at the end thereof the following new subsection:

"(d) Each eligible lender shall, at the time such lender disperses a loan with respect to a borrower which is insured or guaranteed under this part, provide the borrower with a separate paper which summarizes the rights and responsibilities of the borrower with respect to the loan, including a statement of the consequences of defaulting on the loan and a statement that each borrower who defaults will be reported to a credit bureau. The requirement of this paragraph shall be in addition to the information required by subsection (a) of this section.".

AUTHORITY OF THE SECRETARY TO SELL DEFAULTED STUDENT LOANS

SEC. 150. Section 432 of the Act (as amended by section 149) is amended by adding at the end thereof the following new subsection:

"(q) The Secretary is authorized to sell defaulted student loans assigned to the United States under this part to collection agencies on such terms as the Secretary determines are in the best financial interests of the United States.".

DEFINITION OF ELIGIBLE LENDER; PROHIBITION OF CERTAIN INDUCEMENTS BY ELIGIBLE LENDERS

SEC. 151. (a) DEFINITION.—(1) Section 435(g)(1)(A) of the Act is amended by inserting after "Association" a comma and the following: "stock savings bank, trust companies".

(2) Section 435(g)(1)(A)(ii) of the Act is amended by inserting before the semicolon a comma and the following: "and unless it is a trust company which makes student loans as a trustee pursuant to an express trust.

(b) PROHIBITION OF CERTAIN INDUCEMENTS.—Section 435(g) of the Act is amended—

(1) by striking out "Except" in paragraph (1) and inserting in lieu thereof "Subject to paragraph (5), except"; and

(2) by adding at the end thereof the following new paragraph:

"(5) An eligible lender under this part may not—

"(A) offer, directly or indirectly, points, premiums, payments, or other inducements to any educational institution or individual in order to secure applicants for loans under this part;

"(B) offer, directly or indirectly, loans under this part as an inducement to a prospective borrower to purchase a policy of insurance or other product; or

"(C) engage in fraudulent or misleading advertising.".

(c) REPORT REQUIRED.—Section 438 of the Act (as amended by subsection (b)) is amended by adding at the end thereof the following new paragraph:

"(6) In order to evaluate the program authorized by this part, each eligible lender shall report annually to the Secretary such data relating to the payment of special allowance under section 438 received by such lender as the Secretary determines are required. The Secretary may make information furnished under this paragraph available only in the aggregate and may not identify any individual eligible lender.".

SPECIAL ELIGIBLE INSTITUTION RULE FOR CERTAIN MEDICAL SCHOOLS

SEC. 152. Section 435(a) of the Act is amended—

(1) by inserting "(1)" after "(a)",

(2) by redesignating clauses (1), (2), and (3), as clauses (A), (B), and (C), respectively, and

(3) by adding at the end thereof the following:

"(2) For the purpose of qualifying an institution under clause (C) of this subsection, the Secretary shall establish criteria by regulation. In the case of a medical school outside the United States, such criteria shall include a requirement, with respect to the eligibility of students attending such medical schools for loans made, insured, or guaranteed under part B, that a student is ineligible for such loans unless the student is attending such a medical school in which at least 75 percent of the students enrolled are nationals of the country in which such medical school is located.".

SPECIAL ALLOWANCE

SEC. 153. (a) GENERAL RULE.—Section 438(b)(2)(A) of the Act is amended by striking out "3.5 per centum" and inserting in lieu thereof "3.25 per centum".

(b) SPECIAL RULE FOR HOLDERS OBTAINING LOANS FROM TAX EXEMPT OBLIGATIONS.—The first sentence of section 438(b)(2)(B)(i) of the Act is amended by inserting before the period at the end thereof a comma and the following: "except that in setting the rate under this division the per centum prescribed in clause (iii) of subparagraph (A) shall be 3.5 per centum.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) of this section shall take effect with respect to loans made on or after July 1, 1986.

REPEAL OF DUPLICATIVE PROVISION

SEC. 154. Section 438 of the Act is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

STUDENT LOAN MARKETING ASSOCIATION

SEC. 155. (a) GENERAL AUTHORITY.—Section 439(d)(1)(D) of the Act is amended by striking out the period at the end of such section and inserting in lieu thereof a comma and the following: "except that—

"(i) in carrying out all such activities the purpose shall always be to provide secondary market and other support for lending programs offered by other organizations and not to replace or compete with such other programs;

"(ii) nothing in this clause (D) shall be deemed to authorize the Association to acquire, own, operate, or control any bank, savings and loan association, savings bank or credit union; and

"(iii) not later than 30 days prior to the initial implementation of a program undertaken pursuant to this clause (D), the Association shall advise the Chairman and the Ranking Member on the Committee on Human Resources of the Senate and the Chairman and the Ranking Member of the Committee on Education and Labor of the House of Representatives in writing of its plans to offer such program and shall provide information relating to the general terms and conditions of such program.".

(b) REINSURANCE AUTHORITY.—(1) Section 439(d)(1) of the Act, as amended by subsection (a), is amended—

(A) by striking out "and" at the end of clause (c);

(B) by striking out the period at the end of clause (D) and inserting in lieu thereof a semicolon and "and"; and

(C) by adding after clause (D) the following new clause:

"(E) to buy, sell, hold, insure, underwrite, and otherwise deal in obligations issued for the purpose of financing or refinancing the construction, reconstruction, renovation, or purchase of educational and training facilities and housing for students and faculties (including the underlying real property), and related equipment, instrumentation, and furnishings, subject to paragraph (6); and".

(2) Section 439(d) of the Act is amended by adding at the end thereof the following new paragraph:

"(5) The authority contained in clause (E) of paragraph (1) of this subsection shall be available only for educational facilities purposes described in each clause which do not qualify under usual business practice because of—

"(A) the difficulty or inability of the institution to otherwise obtain financing on reasonable terms for such purposes;

"(B) the difficulty or inability to obtain financing through the use of the proceeds of bonds or other evidence of indebtedness by the institution or reasonable terms for such purposes; or

"(C) the difficulty or inability to obtain guarantees or insurance by the institution on reasonable terms for such purposes.".

STUDY OF PRACTICES OF STATE GUARANTY AGENCIES AND MULTISTATE GUARANTORS UNDER THE GUARANTEED STUDENT LOAN PROGRAM

SEC. 156. (a) STUDY REQUIRED.—The Comptroller General shall conduct a complete study of the practices of State guaranty agencies and multistate guarantors under the guaranteed student loan program authorized by part B of title IV of the Higher Education Act of 1965. The study shall investigate, on a comparative basis—

(1) due diligence practice of lenders;

(2) default rates and recovery rates on student loans;

(3) changes in loan volume;

(4) methods of soliciting student borrowers;

(5) potential for fraudulent double borrowing by students;

(6) participation agreements between the types of guarantor and lenders;

(7) eligible institution participation agreements;

(8) adequacy of reserved funds in relation to guaranty commitments made by the agency;

(9) types of services provided to lenders, eligible institutions, and borrowers;

(10) use of funds generated through participation in the guaranteed student loan program by amount and nature of expenses for administrative support for programs other than the guaranteed student loan program;

(11) to what extent the guarantors meet the requirements of truth-in-lending provisions;

(12) profile of defaulters and other characteristics;

(13) coordination of the loan guaranty program with grant programs; and

(14) general student access to loan assistance.

(b) REPORT.—The Comptroller General of the United States shall prepare and submit a report, not later than June 30, 1987, to the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives on the findings of the study required by subsection (a) of this section, together with such recommendations as the Comptroller General deems appropriate.

TREATMENT OF CERTAIN EDUCATION LOANS IN BANKRUPTCY PROCEEDINGS

SEC. 157. (a) GENERAL RULE.—Section 1328(a)(2) of title 11, United States Code, is amended by striking out "section 523(a)(5)" and inserting in lieu thereof "paragraph (5) or (5) of service 523(a)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply to any case under title 11, United States Code, commenced before the date of the enactment of this Act.

PART C—WORK STUDY PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

SEC. 161. Section 441(b) of the Act is amended to read as follows:

"(b) There are authorized to be appropriated for carrying out this part $622,125,000 for fiscal year 1987, $653,231,000 for fiscal year 1988, $685,893,000 for fiscal year 1989, $720,187,000 for fiscal year 1990, and $756,197,000 for fiscal year 1991.".

APPORTIONMENT

SEC. 162. (a) GENERAL RULE.—Section 442 of the Act is amended to read as follows:

"APPORTIONMENT

"SEC. 442. (a)(1)(A) From the sums appropriated pursuant to section 441(b) for any fiscal year which are equal to or less than the amount appropriated for this part for fiscal year 1985, the Secretary shall apportion to each institution of higher education participating in the grant program under this part an amount equal to the amount so appropriated multiplied by the eligible institution's apportionment percentage.

"(B) For the purpose of subparagraph (A) of this paragraph, an eligible institution's apportionment percentage is the percentage which the amount the institution of higher education was eligible to receive from appropriations made in fiscal year 1985 under this part bears to the total amount available under this part for that year.

"(2)(A) In any fiscal year in which the amount appropriated for this part exceeds the amount appropriated for this part in fiscal year 1985, the Secretary shall apportion to each institution of higher education participating in the grant program under this part an amount which bears the same ratio to such excess as the number of eligible students who are enrolled full time and the full-time equivalent of the number of eligible students enrolled part time in the institution of higher education, bears to the total number of such students in all institutions of higher education.

"(B) For the purpose of subparagraph (A) of this paragraph, the term 'eligible students' means students who were eligible for the work study program under this part for the fiscal year preceding the fiscal year for which the determination is made.

"(b) If the Secretary determines that the sums apportioned to any institution of higher education under subsection (a) for any fiscal year exceed the aggregate of the amounts that the Secretary determines to be required by that institution for that fiscal year, the Secretary shall reapportion such excess, from time to time, on such date or dates as the Secretary shall fix, to other institutions of higher education in such manner as the Secretary determines will best assist in achieving the purposes of this part.".

(b) CONFORMING AMENDMENTS.—(1) Section 446(a) of the Act is repealed.

(2) Section 446 of the Act is amended—

(A) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(B) by striking out "in the same State" in subsection (a) (as redesignated by this clause).

(3) The heading of section 446 of the Act is amended to read as follows:

"AVAILABILITY OF ASSISTANCE".

COLLEGE WORK STUDY AND PROPRIETARY INSTITUTION RULES

SEC. 163. Section 443(b) of the Act is amended—

(1) by striking out "(except in the case of a proprietary institution of higher education) in clause (1);

(2) by striking out "and" at the end of clause (8); and

(3) by redesignating clause (9) as clause (10) and by inserting after clause (8) the following new clause:

"(9) provide assurances, in the case of each proprietary institution, that students attending the proprietary institution receiving assistance under this part may be employed by the institution in jobs—

"(A) on campus only;

"(B) solely related to the students' educational objectives; and

"(C) furnishing student services, as determined by the Secretary pursuant to regulations, except that no student shall be employed in any position that would involve the solicitation of other potential students to enroll in the school; and".

PRIVATE SECTOR EMPLOYMENT AGREEMENT

SEC. 164. Section 443 of the Act is amended by adding at the end thereof the following new subsection:

"(c) PRIVATE SECTOR EMPLOYMENT AGREEMENT.—In addition to the agreement described in subsection (b), an institution of higher education may, at its option, enter into an additional agreement with the Secretary which shall—

"(1) provide for the operation by the institution of a program of part-time employment of its students in work for a private for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1);

"(2) provide that the institution will use not more than 25 percent of the funds made available to such institution under this part for any fiscal year for the operation of the program described in paragraph (1);

"(3) provide that, notwithstanding subsection (b)(6), the Federal share of the compensation of students employed in such program will not exceed 60 percent for academic years 1987-1988 and 1988-1989, 55 percent for academic year 1989-1990, and 50 percent for academic year 1990-1991 and succeeding academic years, and that the non-Federal share of such compensation will be provided by the private for-profit organization by which the student is employed;

"(4) provide that jobs under the work study program will be academically relevant; and

"(5) provide that the for profit organization will not use funds made available under this part to pay any employee who would otherwise be employed by the organization.".

COMMUNITY SERVICES JOB LOCATION AND DEVELOPMENT PROGRAMS

SEC. 165. (a) PROGRAM AUTHORIZED.—Section 447(a) of the Act is amended to read as follows:

"SEC. 447. (a) The Secretary is authorized to enter into agreements with eligible institutions under which such institution may use not more than 10 percent or $20,000 of its allotment under section 446, whichever is less, to establish or expand a program under which such institution, separately or in combination with other eligible institutions and through formal or informal consultation with local nonprofit, governmental, educational, and community-based organizations, locates and develops community services jobs for students eligible under this part which are suitable to the scheduling needs, and to the maximum extent practicable, complement and reinforce the educational programs or vocational goals of such students.".

(b) CONFORMING AMENDMENTS.—(1) Section 447(b)(2) of the Act is amended by inserting before the semicolon at the end thereof a comma and the following: "unless such jobs directly relate to the objectives described in subsection (a) of this section".

(2) Section 447 of the Act is amended by adding at the end thereof the following new subsections:

"(c) An eligible institution may use funds, reserved under subsection (a) of this Act but not used, to pay wages to students who are engaged in community services work learning jobs pursuant to section 448.

"(d) For the purpose of this section, the term 'community services' means services which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs including, but not limited to, such fields as health care, child care, literacy training, education (including tutorial services), housing and neighborhood improvement, rural development, and community improvement.".

(c) PRIORITY CONSIDERATION FOR LITERACY TRAINING.—Section 447 of the Act is further amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision in this section, the Secretary shall give priority consideration to applications which propose community service projects involving literacy training and education.".

WORK STUDY FOR COMMUNITY SERVICE-LEARNING ON BEHALF OF LOW-INCOME INDIVIDUALS AND FAMILIES

SEC. 166. (a) GENERAL RULE.—(1) Section 448(b)(1)(B) of the Act is amended to read as follows:

"(B) to the maximum extent practicable, provides participating students with work-learning opportunities which complement and reinforce their educational programs or vocational goals; and".

(2) Section 448(b)(2) of the Act is amended to read as follows:

"(2) 'community services' means services which are identified by an institution of higher education, through formal or informal consultation with local nonprofit, governmental, and community-based organizations, as designed to improve the quality of life for community residents, particularly low-income individuals, or to solve particular problems related to their needs including, but not limited to, such fields as health care, child care, literacy training, education (including tutorial services), housing and neighborhood improvement, rural development, and community improvement.".

(3) Section 448(c)(3) of the Act is amended by inserting after "planning" a comma and the following: "development,".

(b) FEDERAL SHARE.—(1) Section 443(b)(2) of the Act is amended by inserting after "except that" the following: "(A) an institution may use not to exceed 10 per centum of the funds granted to the institution in any fiscal year to carry out the work study program described in section 448 at the increased Federal share specified in clause (6)(B) of this subsection, and (B)".

(2) Section 443(b)(6) of the Act is amended—

(A) by inserting "(A)" after "except that"; and

(B) by adding before the semicolon at the end thereof a comma and the following: "and (B) the Federal share of the compensation of the students employed in the work study for community service-learning programs described in section 448 from funds available under clause (2)(A) in accordance with the agreement will not exceed 90 per centum of such compensation".

(c) REALLOTMENT CONFORMING AMENDMENTS.—(1) Section 442(d)(1) of the Act is amended—

(A) by inserting "(A)" after "except that"; and

(B) by adding before the period at the end thereof the following: "(B) the Secretary shall give preference for not less than one-half of the remainder of such reallotments to eligible institutions for use in initiating, improving, and expanding programs of community service-learning conducted in accordance with section 448 of this part".

(2) Section 442(d)(2) of the Act is amended by—

(A) inserting "(A)" after the paragraph designation; and

(B) adding at the end thereof the following new subparagraph:

"(B) The requirement for preference for reallotment contained in subparagraph (B) of paragraph (1) of this subsection shall be made upon application by the eligible institution to the Secretary in such manner and such form as the Secretary may require. The Secretary shall in determining the distribution of funds under such preference, give consideration to the ratio of the number of students participating in community service-learning work-study programs at the eligible institution to the number of all students participating in the work-study program at such institution. No eligible institution may receive amounts that exceed 5 per centum of the amount available for preference under paragraph (1)(B) of this subsection.".

PART D—DIRECT LOANS

AUTHORIZATION OF APPROPRIATIONS

SEC. 167. (a) GENERAL.—Section 461(b)(1) of the Act is amended to read as follows:

"(b)(1) For the purpose of enabling the Secretary to make contributions to student loan funds established under this part, there are authorized to be appropriated $228,356,000 for fiscal year 1987, $239,774,000 for fiscal year 1988, $251,763,000 for fiscal year 1989, $264,351,000 for fiscal year 1990, and $277,568,000 for fiscal year 1991, except that no funds are authorized to be appropriated for any fiscal year which begins after there has been a capital distribution under section 466(a).".

(b) CONTINUING.—Section 461(b)(2) of the Act is amended by striking out "1985" each time it appears and inserting in lieu thereof "1991".

APPORTIONMENT

SEC. 168. (a) GENERAL RULE.—Section 462(a) of the Act is amended to read as follows:

"(a)(1)(A) From the sums appropriated pursuant to section 461(b)(1) for any fiscal year which are equal to or less than the amount appropriated for this part for fiscal year 1985, the Secretary shall apportion to each institution of higher education participating in the loan program under this part an amount equal to the amount so appropriated multiplied by the eligible institution's apportionment percentage.

"(B) For the purpose of subparagraph (A) of this paragraph, an eligible institution's apportionment percentage is the percentage which the amount the institution of higher education was eligible to receive from appropriations made in fiscal year 1985 under this part bears to the total amount available under this part for that year.

"(2)(A) In any fiscal year in which the amount appropriated for this part exceeds the amount appropriated for this part in fiscal year 1985, the Secretary shall apportion to each institution of higher education participating in the loan program under this part an amount which bears the same ratio to such excess as the number of eligible students who are enrolled full time and the full-time equivalent of the number of eligible students enrolled part time in the institution of higher education, bears to the total number of such students in all institutions of higher education.

"(B) For the purpose of subparagraph (A) of this paragraph, the term 'eligible students' means students who were eligible to receive a loan under this part for the fiscal year preceding the fiscal year for which the determination is made.

"(3) If the Secretary determines that the sums apportioned to any institution of higher education under paragraphs (1) and (2) for any fiscal year exceed the aggregate of the amounts that the Secretary determines to be required by that institution for that fiscal year, the Secretary shall reapportion such excess, from time to time, on such date or dates as the Secretary shall fix, to other institutions of higher education in such manner as the Secretary determines will best assist in achieving the purposes of this part.".

(b) CONFORMING AMENDMENTS.—(1)(A) Section 462(b)(1) of the Act is amended by striking out "from the apportionment of the State in which it is located".

(B) Section 462(b)(2) of the Act is amended by striking out ", from the amount apportioned to the State in which it is located,".

(2)(A) Section 462(c)(1)(A) of the Act is amended by striking out "from a State" and "to that State".

(B) Section 462(c)(1)(B) of the Act is amended by striking out "in a State in" and inserting in lieu thereof "for".

(C) Section 462(c) of the Act is amended—

(i) by striking out "(A)" in paragraph (1);

(ii) by striking out paragraph (2);

(iii) by redesignating subparagraph (B) as paragraph (2); and

(iv) by striking out "subparagraph (A)" in paragraph (2) as redesignated and inserting in lieu thereof "paragraph (1)".

(c) DEFAULT PENALTY.—Section 462 of the Act is amended by adding at the end thereof the following new subsection:

"(d)(1) For award year 1987-88, no new Federal capital contribution shall be made to an institution which has a default rate in excess of 20 percent; and for any institution which has a default rate which exceeds 7.5 percent, such institution's new Federal capital allocation shall be reduced in accordance with regulations of the Secretary.

"(2) For award year 1988-89 and subsequent award years, no new Federal capital contribution shall be made to an institution which has a default rate in excess of 15 percent; and for any institution which has a default rate which exceeds 5 percent, such institution's new Federal capital allocation shall be reduced in accordance with regulations of the Secretary.".

PRIORITY FOR NEEDY STUDENTS

SEC. 169. Section 463(a) of the Act is amended—

(1) by redesignating clause (9) as clause (10); and

(2) by inserting after clause (8) the following new clause:

"(9) provide that the institution of higher education will make loans first to students with exceptional need; and".

INCREASING LOAN LIMITS

SEC. 170. Section 464(a)(2) of the Act is amended—

(1) by striking out "$12,000" in clause (A) and inserting in lieu thereof "$16,000";

(2) by striking out "$6,000" in clause (B) and inserting in lieu thereof "$8,000"; and

(3) by striking out $3,000" in clause (C) and inserting in lieu thereof "$4,000".

ROUNDING OF PAYMENTS

SEC. 171. Section 464(c)(1)(C) of the Act is amended—

(1) by inserting "(i)" after the clause designation; and

(2) by adding at the end thereof the following new subclause:

"(ii) may provide that the total payments by a borrower for a monthly or similar payment period with respect to the aggregate of all loans held by the institution may, when the amount of a monthly or other similar payment is not a multiple of $5, be rounded to the next highest whole dollar amount that is a multiple of $5;".

STUDENT LOAN INFORMATION

SEC. 172. Section 463A of the Act is amended—

(1) by redesignating clauses (8), (9), (10), (11), and (12), as clauses (9), (10), (11), (12), and (13), respectively, and

(2) by adding after clause (7) the following new clause:

"(8) a statement of the total cumulative balance owed by the student, the projected level of indebtedness of the student based on a two- or four-year college career, and an estimate the projected monthly repayment given the level of indebtedness over a two-, four-, or five-year college career;".

DEFERMENT FOR MATERNAL LEAVE

SEC. 173. (a) GENERAL RULE.—Section 464(c)(2)(A) of the Act is amended—

(1) by striking out "or" at the end of clause (vi);

(2) by striking out the period at the end of clause (vii) and inserting in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(viii) is on maternal leave, as defined in section 435(h).".

(b) CONFORMING AMENDMENT.—Section 464(c)(2)(A) of the Act is further amended by adding at the end thereof the following new sentence: "The period during which the repayment may be deferred by reason of clause (viii) shall not exceed six months.".

DEFERMENT FOR MOTHERS WITH PRESCHOOL AGED CHILDREN

SEC. 174. (a) GENERAL RULE.—Section 464(c)(2)(A) of the Act is amended—

(1) by striking out "or" at the end of clause (vii);

(2) by striking out the period at the end of clause (viii) and insert in lieu thereof a semicolon and the word "or"; and

(3) by adding at the end thereof the following new clause:

"(ix) is a mother with preschool age children who is just entering or reentering the workforce and who is compensated at a rate not to exceed the rate prescribed by section 6 of the Fair Labor Standards Act of 1938.".

(b) CONFORMING AMENDMENT.—Section 464(c)(2)(A) of the Act is further amended by adding at the end thereof the following new sentence: "The period during which the repayment may be deferred by reason of clause (ix) shall not exceed 12 months.".

PEACE CORPS AND VISTA FORGIVENESS PROVISIONS

SEC. 175. (a) GENERAL RULE.—Section 465(a)(2) of the Act is amended—

(1) by striking out the comma and the word "or" at the end of clause (B) and inserting in lieu thereof a semicolon;

(2) by striking out "or" at the end of clause (C);

(3) by striking out the period at the end of clause (D) and inserting in lieu thereof a semicolon and the word "or"; and

(4) by adding at the end thereof the following new clause:

"(E) as a volunteer under the Peace Corps Act or a volunteer under the Domestic Volunteer Service Act of 1973.".

(b) CONFORMING AMENDMENTS.—Section 465(a)(3)(A) of the Act is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the word "and"; and

(2) by adding at the end thereof the following new clause:

"(iv) in the case of service described in clause (E) of paragraph (2) at the rate of 15 per centum for the first or second year of such service and 20 per centum for the third or fourth year of such service.".

(c) APPLICABILITY.—The amendments made by subsections (a) and (b) of this section shall take effect with respect to borrowers to cover the cost of instruction for any period of enrollment beginning on or after July 1, 1986.

PART E—GENERAL STUDENT AID PROVISIONS

NEED ANALYSIS

SEC. 181. Section 482 of the Act is amended to read as follows:

"NEED ANALYSIS

"SEC. 482. (a) GENERAL AUTHORITY.—(1) The Secretary, in cooperation with the Advisory Committee on Student Financial Assistance established under section 491 of this title, shall prepare and publish a schedule of expected family contributions for programs under subpart 2 of part A, part B for loans for which an interest subsidy is paid pursuant to section 428, part C, and part E of this title in accordance with the master schedule established under section 482B.

"(2) In preparing the schedule of expected family contributions under this section, the Secretary shall, in evaluating the ability of the family to pay and the eligibility of the student for assistance under the program subject to the schedule, apply the following policies:

"(A) Parents of dependent students have a responsibility to finance their children's

education to the extent that they are able to do so.

"(B) The ability of parents to pay derives from an evaluation of their financial resources at the time their dependent son or daughter applies for assistance.

"(C) Both income and assets of the parents and student are considered in arriving at an estimate of a family's ability to contribute to educational costs. Both income and assets of the parent, in the case of a divorced or separated parent, who is responsible for the dependent student are considered in such estimate.

"(D) Basic and nondiscretionary expenses for food, shelter, and clothing and obligatory expenditures, such as taxes, are assumed not to be available to the family to pay for the children's educational costs. A portion of the remaining discretionary income is assumed to be available for postsecondary educational expenses.

"(E) Students who are dependent on their parents also are expected to contribute to their own educational expenses through their earnings, savings, or other resources (including an $800 minimum contribution) that may be available directly to them, such as veterans' benefits.

"(F) Students are expected to contribute a greater proportion of their income and assets for education than their parents.

"(G) To qualify as self-supporting, students must meet age or other criteria established in this title.

"(H) Students determined to be self-supporting who have not accumulated sufficient personal resources should be able to receive financial assistance to pay for direct educational costs and minimum living costs for themselves and their dependents.

"(I) Through a combination of financial aid and personal resources, all self-supporting students and their families should be able to maintain a minimum living standard.

"(J) Students with no minor dependent children and their spouses who earn income should be expected to contribute most of that income toward direct and indirect educational expenses and be allowed to retain a portion of that income in order to improve their standard of living.

"(K) Self-supporting students with minor dependent children should be expected to contribute the same proportion of income and assets toward direct and indirect educational expenses as families of dependent students.

"(L) All self-supporting students and their spouses should be expected to contribute a minimum amount of resources toward their education.

"(b) BASIC CRITERIA.—The basic criteria to be followed in promulgating the expected family contribution are as follows:

"(1) The total income, including Adjusted Gross Income and other untaxed income, of the student and the student's spouse; or the student and the student's parents, in the case of a dependent student.

"(2) Allowances against income shall include:

"(A) United States income tax, Social Security taxes paid under sections 1401 and 3101 of the Internal Revenue Code of 1954, and a standard allowance for State income taxes.

"(B) A standard living allowance, based on consumption and other living costs for a family at a low standard of living as estimated by the Bureau of Labor Statistics, or a comparable standard as recommended by the Advisory Committee on Student Financial Assistance.

"(C) Any unusual medical and dental expenses, and expenses which may arise from a catastrophe such as a natural disaster, of the student and the student's spouse; or the student and the student's parents, in the case of a dependent student.

"(D) An allowance for unreimbursed tuition paid for dependent children other than the student enrolled in private elementary or secondary institutions not to exceed for each such child the national average per pupil instructional cost as published by the National Center for Educational Statistics, using the most recent available data.

"(E) An allowance for employment-related expenses in the case of a dependent student, when both parents of the student are employed or when the family is headed by a single parent who is employed.

"(3) The net assets of the student and the student's spouse in the case of an independent student; and the student and the student's parents, in the case of a dependent student, including—

"(A) the current balance of checking and savings accounts and cash on hand;

"(B) the equity in a principal place of residence;

"(C) the net value of investments and other real estate; and

"(D) the net worth of a business or farm.

"(4) An asset protection allowance based on the age of the older parent or the age of the student, in the case of the independent student.

"(5) An $800 mandatory expected minimum contribution for dependent students and for independent students with dependents from savings, summer earnings, or academic year employment. For independent students without dependents the mandatory expected contribution shall be $1,200 for the student and $4,200 for the student's spouse.

"(6) The number of dependents in the family of the student, including the student's spouse in the case of an independent student, and the number of dependents in the family of the student, in the case of a dependent student.

"(7) The number of dependents in the family of the student who are enrolled in, on at least a half-time basis, a program of postsecondary education.

"(8) In the case of an independent student, the marital status of the student and the number of minor dependents in the student's family.

"(9) In determining the expected family contribution under this section, a schedule of marginal taxation rates shall be applied to the amount of Adjusted Available Income. Separate taxation rates shall be developed for the parents of dependent undergraduate students, independent students with minor dependents, parents of dependent graduate students, and for independent students without minor dependents.

"(c) SEPARATE SCHEDULES.—Separate schedules of expected family contributions shall be developed for independent students and independent students with dependent minor children. Such separate schedules shall be consistent with the basic criteria set forth in subsection (b), except that such schedules shall—

"(1) provide that the portion of assets which shall be exempt from assessment for contribution for an independent student who has one or more dependent minor children shall be the same as the portion so exempt for the family of a dependent student;

"(2) provide that the rate of assessment for contribution on that portion of assets of such an independent student with minor dependents which is not exempt under subsection (b)(3) shall be the same as the rate applied to the comparable portion of assets of the family of a dependent student; and

"(3) in determining the family contribution for an independent student who has one or more dependent minor children, provide that the assessment rate which is to be applied to the student's available income shall be the same as the assessment rate applied to the available income of the family of a dependent student.

"(d) ASSESSMENT FROM ADJUSTED AVAILABLE INCOME.—(1) The Adjusted Available Income for the parents of dependent students and for independent students with dependents is assessed according to the following table:

"Assessment From Adjusted Available Income (AAI)

If AAI is—	The Assessment is—
Less than −$3,409	−$750
−$3,409–$7,600	22% of AAI
$7,601–$9,500	$1,672 + 25% of AAI over $7,600
$9,501–$11,400	$2,147 + 29% of AAI over $9,500
$11,401–$13,300	$2,698 + 34% of AAI over $11,400
$13,301–$15,200	$3,344 + 40% of AAI over $13,300
$15,201 or more	$4,104 + 47% of AAI over $15,200.

"(2) The Available Taxable Income of an independent student (and that student's spouse) with no dependent children is assessed according to the following table:

"Family Size	If ATI is—	Assessment and contribution is—
1	0 to $8,900	70% of ATI
	$8,901 or more	$6,230 + 90% of ATI over $8,900
2	0 to $11,970	70% of ATI
	$11,971 or more	$8,380 + 90% of ATI over $11,970.

"(3) The Secretary shall, for each subsequent academic year, revise the assessment tables in paragraphs (1) and (2) of this subsection by increasing each dollar amount that refers to Adjusted Available Income or Available Taxable Income, as the case may be, by a percentage equal to the percentage increase in the Consumer Price Index, rounded to the nearest $100.

"(e) COST OF ATTENDANCE.—For purposes of this title, the term 'cost of attendance' means—

"(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution of higher education, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study;

"(2) an allowance for books, supplies, transportation, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution;

"(3) an allowance (as determined by the institution) for room and board costs incurred by the student which—

"(A) shall be an allowance of not less than $1,500 for a student without dependents residing at home with parents;

"(B) for students without dependents residing in institutionally owned or operated housing, shall be a standard allowance determined by the institution based on the amount assessed its residents for room and board; and

"(C) for all other students shall be an allowance based on the expenses reasonably incurred by such students for room and board, except that the amount may not be less than $2,500;

"(4) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, travel, and room and board costs incurred specifically in fulfilling a required period of residential training;

"(5) for a student enrolled in an academic program which normally includes a formal program of study abroad, reasonable costs associated with such study;

"(6) an allowance based on actual expenses for child care for minor dependent children who require care, during the hours the student is in class or engaged in academic-related activities or in transit; and

"(7) for a handicapped student, an allowance for those expenses related to his handicap, including special services, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies.

"(f) INDEPENDENT STUDENT.—(1) For the purpose of this title, the term 'independent student' means a student who is determined, pursuant to regulations of the Secretary, to be independent of the parents or legal guardians of the students.

"(2) In carrying out paragraph (1) of this subsection, the Secretary shall apply the criteria specified in paragraph (3) for the relevant years described in paragraph (4).

"(3) A student qualifies as an independent student for an award year if the student—

"(A) does not, during any of the relevant years described in paragraph (4), live for more than 6 weeks in the home of the student's parent for whom income must be reported;

"(B) is not, for any of the relevant years described in paragraph (4), claimed as a dependent for Federal income tax purposes by such parent; and

"(C) does not, during any of the relevant years described in paragraph (4), receive financial assistance of more than $750 from such parent.

"(4) Except as provided in paragraph (5), to qualify as an independent student for any award year—

"(A) an unmarried student who has not attained 23 years of age by January 1 of the first calendar year of the award year must satisfy the criteria set forth in paragraph (3) for the first calendar year of an award year and the 2 preceding calendar years;

"(B) an unmarried student who has attained 23 years of age by January 1 of the first calendar year of the award year must satisfy the criteria set forth in paragraph (3) for the first calendar year of an award year and the preceding calendar year;

"(C) a married student must satisfy the criteria set forth in paragraph (3) for the first calendar year of the award year and the preceding year; and

"(D) an unmarried student with minor dependents (excluding a minor spouse) must satisfy the criteria set forth in paragraph (3) for the first calendar year of the award year and the preceding year.

"(5) Any student will qualify to be an independent student if, before the end of the award year—

"(A) the student is an orphan;

"(B) the student is declared a ward of a court; or

"(C) the student is a veteran.

"(g) ADDITIONAL TERMS.—For the purpose of this title, the term—

"(1) 'available income' is the difference between the parent's income and allowances against income;

"(2) 'Adjusted Available Income' is the sum of available income and a supplement from assets;

"(3) 'Available Taxable Income' means the total estimated annual taxable income of the student (and the spouse of the student if applicable) minus the estimated United States income taxes and the standard allowance for State income taxes; and

"(4) 'family contribution' is the amount which the student and the family of the student may be reasonably expected to contribute toward the student's postsecondary education for the academic year for which the determination is made, as determined in accordance with the family contribution schedule required by this section.

"(h) SPECIAL RULE FOR FORECLOSURE, FORFEITURE, LIQUIDATION, OR BANKRUPTCY.—(1) In the computation of family contributions for the programs under this title for any academic year beginning on or after July 1, 1986, the proceeds of a sale of farm or business assets of the family shall be excluded from family income if such sale results from a voluntary or involuntary foreclosure, forfeiture, liquidation, or bankruptcy.

"(2) SPECIAL RULE FOR DISLOCATED WORKERS.—(A) For the purpose of this section, the income of a dislocated worker shall be the income for the year for which the determination is made.

"(B) For the purpose of this subsection, a dislocated worker is a worker identified pursuant to title III of the Job Training Partnership Act.

"(i) FINANCIAL AID ADMINISTRATOR DISCRETION PERMITTED.—Nothing in this part shall be interpreted as limiting the ability of the student financial aid administrator to make necessary adjustments to the cost of attendance and expected family contribution computations to allow for treatment of individual students with special circumstances. For the purpose of the preceding sentence, each student financial aid administrator must maintain adequate documentation of adjustments. In addition, nothing in this part shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants in selecting recipients and determining the amount of awards under subparts 1 and 2 of part A and parts C and E of this title.".

SUBMISSION OF FAMILY CONTRIBUTION SCHEDULES

SEC. 182. Title IV of the Act is amended by inserting after section 482 the following new section:

"SUBMISSION OF EXPECTED FAMILY CONTRIBUTION SCHEDULES

"SEC. 482A. (a) SUBMISSION; JOINT RESOLUTION.—Each schedule of expected family contribution required under section 482 shall be submitted to the President of the Senate and to the Speaker of the House of Representatives not later than March 1 of the year preceding the year for which the schedule is applicable. Before each such schedule shall become effective, both the Senate and the House of Representatives must adopt a joint resolution approving or modifying, in whole or in part, the proposed schedule.

"(b) DISAPPROVAL.—If, not later than September 1, any such schedule has not been approved by both the Senate and the House of Representatives pursuant to subsection (a) of this section, and has been signed by the President, the Secretary shall, not later than September 15 in any year in which the schedule was submitted—

"(1) publish the family contribution schedule for the previous academic year for Pell Grants under subpart 1 of part A modified to reflect the most recent and relevant data; and

"(2) publish the family contribution schedules for the previous academic year for the programs under subpart 2 of part A, part B for loans for which an interest subsidy is paid pursuant to section 428, part C, and part E modified to reflect the most recent and relevant data.".

SIMPLIFIED NEEDS TEST

SEC. 183. Section 482 of the Act (as amended by section 181 of this Act) is amended by adding at the end thereof the following new subsection:

"(j)(1) The Secretary may use a simplified needs analysis based upon the elements set forth in paragraph (2) for the calculation of the expected family contribution for families which have adjusted gross incomes which are equal to or less than $15,000 per year and which are eligible to file a form 1040A pursuant to the Internal Revenue Code of 1954.

"(2) The five elements to be used for the simplified needs analysis are—

"(A) adjusted gross income,

"(B) Federal and State taxes paid,

"(C) untaxed income and benefits,

"(D) the number of family members, and

"(E) the number of family members in postsecondary education.".

CALENDAR FOR AWARDING FINANCIAL AID PRESCRIBED

SEC. 184. Title IV of the Act is amended by adding after section 482A (as added by section 182 of this Act) the following new section:

"MASTER CALENDAR

"SEC. 482B. (a) SECRETARY REQUIRED TO COMPLY WITH SCHEDULE.—To assure adequate notification and timely delivery of student aid funds under this title, the Secretary shall adhere to the following calendar dates in the year preceding the award year:

"(1) Development and distribution of Federal and multiple data entry forms—

"(A) by February 1: first meeting of the Education Department's technical committee on forms design;

"(B) by March 1: Proposed family contribution schedule published in the Federal Register;

"(C) by June 1: final family contribution schedule;

"(D) by August 15: application for Federal student assistance and multiple data entry data elements and instructions approved;

"(E) by August 30: final approved forms delivered to servicers and printers;

"(F) by October 1: Federal and multiple data entry forms and instructions printed; and

"(G) by November 1: Federal and multiple data entry forms, instructions, and training materials distributed.

"(2) Allocations of campus-based and Pell Grant funds—

"(A) by August 1: distribution of institutional application for campus-based funds (FISAP) to institutions;

"(B) by October 1: final date for submission of FISAP by institutions to Department of Education;

"(C) by November 15: edited FISAP and computer printout received by institutions;

"(D) by December 1: appeals procedures received by institutions;

"(E) by December 15: edits returned by institutions to Department of Education;

"(F) by February 1: tentative award levels received by institutions and final Pell Grant payment schedule;

"(G) by February 15: closing date for receipt of institutional appeals by the Department of Education;

"(H) by March 1: appeals process completed;

"(I) by April 1: final award notifications sent to institutions; and

"(J) by June 1: Pell Grant authorization levels sent to institutions.

"(b) TIMING FOR REALLOCATIONS.—With respect to any funds reallocated under section 413D or section 442, the Secretary shall reallocate such funds at any time during the course of the year that will best meet the purposes of the programs under subpart 2 of part A and part C, respectively. Such reallocation shall occur at least once each year, not later than September 30 of that year.

"(c) DELAY OF EFFECTIVE DATE OF LATE PUBLICATIONS.—Any additional regulatory changes initiated by the Secretary affecting the general administration of the programs pursuant to this title that have not been published in final form by December prior to the start of the award year shall not become effective until the beginning of the second award year after the December 1 date.

"(d) NOTICE TO CONGRESS.—The Secretary shall notify the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives when the items specified in the calendar have been completed and provide all relevant forms, rules and instructions with such notice. When a deadline included in the calendar is not met, the Secretary, within 7 days, shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives a written report, including proper documentation, as to why the deadline was not adhered to and a detailed plan for ensuring that subsequent dates are met. Nothing in this section shall be interpreted to penalize institutions or deny them the specified times allotted to enable them to return information to the Secretary based on the failure of the Secretary to adhere to the dates specified in this section.".

LESS THAN ONE-HALF TIME COURSE OF STUDY RULE

SEC. 185. (a) GENERAL RULE.—Section 484 of the Act is amended—

(1) by redesignating subsection (b) as subsection (c), and

(2) by inserting after subsection (a) the following new subsection:

"(b)(1) A student may be eligible for student assistance described in paragraph (2) if—

"(A) the student carries less than one-half the normal full-time workload for the course of study the student is pursuing, as determined by the institution of higher education, and

"(B) the institution of higher education has met the need for assistance under each such program described in paragraph (2) for students enrolled at the institution described in clause (2) of subsection (a).

"(2) The student assistance to which paragraph (1) of this subsection applies are—

"(A) supplemental education opportunity grants under subpart 2 of part A of this title;

"(B) work-study programs under part C of this title; and

"(C) direct student loans under part E of this title.".

(b) REPEALS.—(1) Section 413C(c) of the Act is repealed.

(2) Section 443(b)(3) of the Act is amended by striking out "except that each eligible institution may reserve and award not more than 10 per centum of the funds made available under this part for each fiscal year for less-than-half-time students who are determined by the institution to be in need of such grants and who meet the requirements of section 484, other than the requirement of clause (2) of section 484(a)".

SATISFACTORY PROGRESS

SEC. 186. (a) GENERAL RULE.—(1) Section 484(a)(3) of the Act is amended—

(A) by inserting after "progress" the following: "toward a degree or certificate"; and

(B) by striking out "according to the standards and practices of the institution at which the student is in attendance" and inserting in lieu thereof the following: "in accordance with the provisions of subsection (c) of this section".

(2) Section 484 of the Act is amended by adding at the end thereof the following new subsection:

"(d)(1) For the purpose of clause (3) of subsection (a) of this section, a student is maintaining satisfactory progress if—

"(A) the institution at which the student is in attendance, reviews the progress of the student at the end of each academic year, or its equivalent, as determined by the institution, and

"(B) the student has a cumulative C average, or its equivalent or academic standing consistent with the requirements for graduation, as determined by the institution, at the end of the second such academic year.

"(2) Whenever a student fails to meet the eligibility requirements of clause (3) of subsection (a) as a result of the application of this subsection and subsequent to that failure the student has a cumulative C average for any grading period, the student may, subject to this subsection, again be eligible under such clause (3) for a grant, loan, or work assistance under this title.

"(3) Any institution of higher education at which the student is in attendance may, for the purpose of clause (3), waive the provisions of paragraph (1) or paragraph (2) of this subsection for undue hardship based on—

"(A) the death of a relative of the student,

"(B) the personal injury or illness of the student, or

"(C) special circumstances as determined by the institution.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect for the first academic year, or its equivalent, as determined by the Secretary of Education, beginning after the date of enactment of this Act.

(c) SURVEY AUTHORIZED.—The Secretary of Education, through the Office of Educational Research and Improvement, shall conduct a survey on the impact, if any, on grades of students of the amendments made by subsection (a) of this section. The study required by this subsection shall be conducted over the 5-year period ending September 30, 1991. The Secretary, after the end of each year of the study, shall submit to the Congress a report of the survey required by this subsection, together with such recommendations as the Secretary of Education deems appropriate.

CERTIFICATION OF STUDENT ELIGIBILITY; ADDITIONAL REQUIREMENTS

SEC. 187. (a) CERTIFICATION RULES.—Section 484 of the Act is amended by inserting at the end thereof the following new subsection:

"(c) Each eligible institution may certify student eligibility for a loan by an eligible lender under part B of this title prior to completing the review for accuracy of the information submitted by the applicant required by regulations issued under this title, if—

"(1) checks for the loans are mailed to the eligible institution prior to disbursements;

"(2) the disbursement is not made until the review is complete; and

"(3) the eligible institution has no evidence or documentation on which the institution may base a determination that the information submitted by the applicant is incorrect.".

(b) REQUIREMENTS.—(1) Section 464 of the Act (as amended by subsection (a)) is amended by adding at the end thereof the following:

"(d) No student shall be eligible to receive any grant, loan, or work assistance under this title if the eligible institution determines that the student borrowed in violation of the annual loan limits under part B or part E of this title in the same academic year, or if the student borrowed in excess of the cumulative maximum loan limits under such part B or part E.".

(2) Section 484 of the Act (as amended by subsection (b)) is amended by adding at the end thereof the following new subsection:

"(e) A student who is admitted on the basis of the ability to benefit from training shall in order to remain eligible for any grant, loan, or work assistance under this title, receive the general education diploma or complete by the end of the first year of the course of study an institutionally prescribed course of remedial or developmental education. In the case of such a student who is attending an institution for less than 1 year the student shall complete an institutionally prescribed course of remedial or developmental education, or receive a general education diploma prior to certification or graduation.".

COUNSELING FOR BORROWERS

SEC. 188. Section 485 of the Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (d) the following new subsection:

"(c) Each eligible institution shall through financial aid officers or otherwise, provide counseling to borowers of loans which are made, insured, or guaranteed under part B of this title or made under part E of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

"(1) general information with respect to the average indebtedness of students who have loans under part B or part E; and

"(2) the average anticipated monthly repayments, a review of the repayment options available, together with such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness.

In the case of a borrower who leaves an institution without the prior knowledge of the institution, the institution shall attempt to provide the information to the student in writing.".

"COMBINED PAYMENT PLAN

"SEC. 189. Part F of title IV of the Act is amended by inserting after section 485 the following new section:

"COMBINED PAYMENT PLAN

"SEC. 485A. (a)(1) Upon the request of the borrower, a lender described in clause (i), (ii), or (iii) of section 428C(a)(1) of this Act, or defined in subpart I of part C of title VII of the Public Health Service Act may, with respect to all loans eligible for consolidation under section 428C of this Act and loans guaranteed under subpart I of part C of title VII of the Public Health Service Act, offer a combined payment plan under which the lender shall submit one bill to the borrower for the repayment of all such loans for the monthly or other similar period of repayment.

"(2) A lender offering a combined payment plan must comply with all provisions of section 428C applicable to loans to be consolidated under this section and must comply with all provisions of subpart I of part C of title VII of the Public Health Service Act applicable to loans under that subpart which are made part of the combined payment plan.

"(3) Such lender may offer a combined payment plan only if—

"(A) the lender holds an outstanding loan of that borrower which is selected by the borrower for incorporation into a combined payment plan pursuant to this section (including loans which are selected by the borrower for consolidation under this section); or

"(B) the borrower certifies that the borrower has sought and has been unable to obtain a combined payment plan from the holders of the outstanding loans of that borrower.

"(4) In the case of multiple offers by lenders to administer a combined payment plan for a borrower, the borrower shall select from among them the lender to administer the combined payment plan including its loan consolidation component, if any.

"(5) Upon selection of a lender to administer the combined payment plan, the proceeds of such loan selected by the borrower for incorporation in the combined payment plan will be paid by the lender to the holder or holders of the loans so selected to discharge the liability on such loans, except that—

"(A) the lender selected to administer the combined payment plan has determined to its satisfaction, in accordance with reasonable and prudent business practices, for each loan made part of the combined payment plan (i) that the loan is a legal, valid, and binding obligation of the borrower; (ii) that each such loan was made and serviced in compliance with applicable laws and regulations; and (iii) that in the case of loans under this part or under subpart I of part C of title VII of the Public Health Service Act, the insurance on such loan is in full force and effect.

"(6) Lenders offering combined payment plans that include loans eligible for and selected by the borrower for consolidation must comply with all provisions of section 428C of this Act in order to consolidate such loans.

"(7) The status of an individual as an eligible combined payment plan borrower terminates upon receipt of a combined payment plan or upon receipt of a consolidation loan under this section except with respect to loans received under this title or pursuant to subpart I of part C of title VII of the Public Health Service Act after the date of receipt of the combined payment plan or the consolidation loan.

"(8) No origination or insurance premium shall be charged to the borrower on any combined payment plan.

"(9) Repayment of a combined payment plan shall commence within 60 days after all holders have, pursuant to paragraph (5), discharged the liability of the borrower on the loans selected for consolidation.

"(b) Upon the request of the borrower, each lender, with respect to all loans of a borrower made, insured, or guaranteed under part B of this title which are held by the lender, shall provide a combined payment plan under which the lender will submit one bill to the borrower for the repayment of all such loans for the monthly or other similar period of repayment.".

NATIONAL STUDENT LOAN DATA BANK

SEC. 190. Part F of title IV of the Act is amended by inserting after section 485A (as added by section 188) the following:

"NATIONAL STUDENT LOAN DATA BANK

"SEC. 485B. (a) In order to assure improved and accurate information on student loan indebtedness and institutional lending practices, and to insure improved compliance with the repayment and loan limitation provisions of this title, the Secretary is authorized to establish and carry out a nationwide computerized student loan data bank containing information regarding loans made, insured, or guaranteed under part B and loans made under part E. The information in the data bank shall include—

"(1) the exact amount of such loans made,

"(2) the names, social security numbers, and addresses of the student borrowers (and in the case of dependent students the names and addresses of the parents of such students), and

"(3) the guarantee agency responsible for the guarantee of the loan in the case of loans made, insured, or guaranteed under part B.

The information to be stored in the student loan data bank established by this subsection shall be furnished by guaranty agencies.

"(b)(1) Subject to the provisions of paragraph (2) and (3), and notwithstanding the provisions of section 552(a) of title 5, United States Code, relating to freedom of information, access to information in the data bank established and maintained pursuant to subsection (a) of this section shall be restricted to individuals and Federal agencies, specifically authorized by the Secretary to have such access.

"(2) In carrying out this subsection, the Secretary shall approve access to information for—

"(A) research on student loan practices, student and parental indebtedness, repayment and debt collection trends, Federal costs associated with the guaranteed student loan program under part B of this title, including the cost of interest subsidies and special allowance payments;

"(B) the improvement of Federal debt collection practices and Federal criminal prosecutions under this title, relating to loans made, insured, or guaranteed under part B or loans under part E of this title; and

"(C) furnishing information in response to an official request made by any committee of the Congress.

"(3) No name, address, or social security number of any individual borrower may be made available to any requesting individual, Federal agency, or organization, unless the Secretary determines that the request is connected with the enforcement or debt collection responsibilities imposed by Federal law on such individual, agency, or organization;

"(c) The Secretary shall prepare and submit to the Congress twice in each fiscal year a report describing the results obtained by the establishment and operation of the student loan data bank authorized by this section.".

INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT FOR FEDERAL GOVERNMENT EMPLOYEES

SEC. 191. Part F of title IV of the Act is amended by inserting after section 485B the following new section:

"INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT FOR FEDERAL GOVERNMENT EMPLOYEES

"SEC. 485C. (a)(1) Notwithstanding any other provision of law, when the head of any Federal agency receives notice under subsection (c) of this section—

"(A) that an individual is in default on any loan which is made, insured, or guaranteed under part B of this title, or is made under part E of this title, and

"(B) of the amount of the debt,

the head of such agency shall, in accordance with the provisions of this section, collect the amount of indebtedness furnished under subsection (c), in monthly installments, by deduction from the pay account of the individual employed in that agency.

"(2) The amount deducted for any monthly installment may not exceed 15 percent of the amount otherwise payable to such individual.

"(3) In carrying out the provisions of this section, the head of each agency shall follow the procedures set forth in paragraphs (2) and (3) of section 5514(a) of title 5, United States Code.

"(b) The head of each Federal agency shall transfer to the Secretary the amounts collected by deduction pursuant to subsection (a) of this section.

"(c) The Secretary shall notify the head of each Federal agency promptly of the names and social security numbers of each borrower of a loan described in subsection (a) who is in default and of the amount of the debt owed on such loan.

"(d) The head of each Federal agency shall notify each individual subject to the provisions of this section of the amount of each deduction made by reason of this section.

"(e) Notwithstanding any other provision of law, in any case in which the indebtedness relates to loans described in this section and has been reduced to judgment in a court of the United States, the deductions from basic pay shall be 25 percent.

"(f) For the purpose of this section—

"(1) the term 'Federal agency' has the same meaning given that term by section 5514(4)(B) of title 5 of the United States Code; and

"(2) the term 'pay account' means basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an individual not entitled to basic pay, other authorized pay.".

INSTALLMENT DEDUCTION FOR INDEBTEDNESS DUE TO DEFAULT

SEC. 192. Part F of title IV of the Act is amended by inserting after section 485B the following new section:

"INSTALLMENT DEDUCTION FROM BENEFITS FOR INDEBTEDNESS DUE TO DEFAULT

"SEC. 485D. (a)(1) Notwithstanding any other provision of law, when the head of any Federal agency receives notice under subsection (c) of this section—

"(A) that an individual is in default on any loan which is made, insured, or guaranteed under part B of this title, or is made under part E of this title, and

"(B) of the amount of the debt,

the head of such agency shall, in accordance with the provisions of this section, collect the amount of indebtedness furnished under subsection (c), in monthly installments, by deduction from the amount of the benefits payable to such individual under any program for which the head of the Federal agency is responsible.

"(2) The amount deducted for any monthly installment may not exceed 25 percent of the amount otherwise payable to such individual, except that the Secretary is authorized in demonstrated cases of exceptional need to waive the deductions required by this section.

"(b) The head of each Federal agency shall transfer to the Secretary the amounts collected by deduction pursuant to subsection (a) of this section.

"(c) The Secretary shall notify the head of each Federal agency promptly of the names and social security numbers of each borrower of a loan described in subsection (a) who is in default and of the amount of the debt owed on such loan.

"(d) The head of such Federal agency shall notify each individual subject to the provisions of this section of the amount of each deduction made by reason of this section.

"(e) For the purpose of this section—

"(1) the term 'Federal agency' has the same meaning given that term by section 5514(4)(B) of title 5 of the United States Code; and

"(2) the term 'benefits' means cash assistance or its equivalent which is payable under a Federal program and which is specified by regulations issued by the Secretary, after consultation with the Director of the Office of Management and Budget, except that such term does not include—

"(A) benefits paid under the Food Stamp Act of 1977,

"(B) benefits paid under a State plan approved under part A of title IV of the Social Security Act, relating to aid to families with dependent children;

"(C) compensation paid to an officer or employee of any Federal agency;

"(D) benefits paid under a State plan approved under title XIX of the Social Security Act relating to Medicaid; and

"(E) Supplemental Security Income.".

TRUTH IN ADVERTISING

SEC. 193. Section 487(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(7) In the case of an institution that advertises job placement rates as a means of attracting students to enroll in the institution, the institution will publish in the catalog of the institution actual employment statistics, graduation statistics, and any other information necessary to substantiate the truthfulness of the advertisements.".

AVAILABILITY OF STATE GRANT ASSISTANCE

SEC. 194. Section 487(a) of the Act (as amended by section 190 of this Act) is amended by adding at the end thereof the following new paragraph:

"(8) In the case of an institution participating in a program under part B, the institution will inform all eligible borrowers enrolled in the institution about the availability and eligibility of such borrowers for State grant assistance.".

FINANCIAL AND STUDENT SUPPORT SERVICES TRAINING

SEC. 195. Section 486(c) of the Act is amended by striking out "1985" and inserting in lieu thereof "1986".

INELIGIBILITY FOR FEDERAL LOANS AND DISCRETIONARY GRANTS FOR ANY LOAN BORROWER WHO IS IN DEFAULT

SEC. 196. Part F of title IV of the Act is amended by adding after section 490 the following new section:

"INELIGIBILITY FOR FEDERAL LOANS AND DISCRETIONARY GRANTS FOR ANY LOAN BORROWER WHO IS IN DEFAULT

"SEC. 10A. No borrower of a loan made, insured, or guaranteed under part B of this title or made under part B of this title who is in default may be eligible for the period of default to receive any loan or discretionary grant under any provision of Federal law.".

ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE

SEC. 197. (a) ADVISORY COMMITTEE AUTHORIZED.—Section 491 of the Act is amended to read as follows:

"ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE

"SEC. 491. (a) ESTABLISHMENT AND PURPOSE.—(1) There is established in the Department an independent Advisory Committee on Student Financial Assistance (hereafter in this section referred to as the 'Advisory Committee') which shall provide advice and counsel to the Congress and to the Secretary on student financial aid matters.

"(2) The purpose of the Advisory Committee is—

"(A) to provide extensive knowledge and understanding of the Federal, State, and institutional programs of postsecondary student assistance;

"(B) to provide technical expertise with regard to systems of needs analysis and application forms; and

"(C) to make recommendations that will result in the maintenance of access to postsecondary education for low- and middle-income students.

"(b) INDEPENDENCE OF ADVISORY COMMITTEE.—In the exercise of its functions, powers, and duties, the Advisory Committee shall be independent of the Secretary and the other offices and officers of the Department.

"(c) MEMBERSHIP.—(1) The Advisory Committee shall have 11 members of which—

"(A) 3 members shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader and the Minority Leader,

"(B) 3 members shall be appointed by the Speaker of the House of Representatives upon the recommendation of the Majority Leader and the Minority Leader, and

"(C) 5 members shall be appointed by the Secretary including, but not limited to representatives of States, institutions of higher education, secondary schools, credit institutions, students, and parents.

"(2) Not less than 7 members of the Advisory Committee shall be individuals who have been appointed on the basis of technical qualifications, professional standing and demonstrated knowledge in the fields of higher education and student aid administration, need analysis, financing postsecondary education, student aid delivery, and the operations and financing of student loan guarantee agencies.

"(d) FUNCTIONS OF THE COMMITTEE.—The Advisory Committee shall—

"(1) develop, review, and comment upon the system of needs analysis established under section 482 of this title;

"(2) monitor, apprise, and evaluate the effectiveness of student aid delivery and recommend improvements;

"(3) recommend data collection needs and student information requirements which would improve access and choice for eligible students under this title and assist the Department of Education in improving the delivery of student aid and in assessing the impact of legislative and administrative policy proposals;

"(4) review and comment upon, prior to promulgation, all regulations affecting programs under this title, including proposed regulations;

"(5) recommend to the Congress and to the Secretary such studies, surveys, and analyses of student financial assistance programs, policies, and practices, including the special needs of low-income, disadvantaged, and nontraditional students, and the means by which the needs may be met;

"(6) review and comment upon standards by which financial need is measured in determining eligibility for Federal student assistance programs; and

"(7) appraise the adequacies and deficiencies of current student financial aid information resources and services and evaluate the effectiveness of current student aid information programs.

"(e) OPERATIONS OF THE COMMITTEE.—(1) Each member of the Advisory Committee shall be appointed for a term of 3 years, except that, of the members first appointed—

"(A) 4 shall be appointed for a term of 1 year;

"(B) 4 shall be appointed for a term of 2 years; and

"(C) 3 shall be appointed for a term of 3 years,

as designated at the time of appointment by the Secretary.

"(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term of a predecessor shall be appointed only for the remainder of such term. A member of the Advisory Committee shall, upon request, continue to serve after the expiration of a term until a successor has been appointed. A member of the Advisory Committee may be reappointed to successive terms on the Advisory Committee.

"(3) The Advisory Committee shall elect a Chairman and a Vice Chairman from among its members.

"(4) Six members of the Advisory Committee shall constitute a quorum.

"(5) The Advisory Committee shall meet at the call of the Chairman or a majority of its members.

"(f) SUBMISSION TO DEPARTMENT FOR COMMENT.—The Advisory Committee shall submit any of its proposed studies or recommendations to the Department of Education for comment for a period not to exceed 30 days in each instance.

"(g) COMPENSATION AND EXPENSES.—(1) Members of the Advisory Committee who are officers or full-time employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States; but they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(2) Members of the Advisory Committee who are not officers or full-time employees of the United States may each receive reimbursement for travel expenses incident to attending Advisory Committee meetings, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(h) PERSONNEL AND RESOURCES.—(1) The Advisory Committee may appoint such personnel as may be necessary by the Chairman without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subtitle III of chapter 53 of such title relating to classification and General Schedule pay rates, but no individual so appointed shall be paid in excess of the rate authorized for GS-18 of the General Schedule.

"(2) In carrying out its duties under the Act, the Advisory Committee shall consult with other Federal agencies, representatives of State and local governments, and private organizations to the extent feasible.

"(3) The Advisory Committee is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this section and each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality is authorized and directed to the extent permitted by law, to furnish such information, suggestions, estimates, and statistics directly to the Advisory Committee, upon request made by the Chairman.

"(4) The Advisory Committee is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(5) The head of each Federal agency shall, to the extent not prohibited by law, cooperate with the Advisory Committee in carrying out this section.

"(6) The Advisory Committee is authorized to utilize, with their consent, the services, personnel, information, and facilities of other Federal, State, local, and private agencies with or without reimbursement.

"(i) AVAILABILITY OF FUNDS.—An amount, not to exceed $1,000,000 in any fiscal year, shall be available from the amount appropriated for each such fiscal year from salaries and expenses of the Department for the costs of carrying out the provisions of this section.".

(b) TERMINATION.—(1) The Advisory Committee shall cease to exist 1 year after the first meeting of the Advisory Committee.

(2) Effective 1 year after the first meeting of the Advisory Committee, section 491 of the Act is repealed.

CLARIFYING THE STATUTE OF LIMITATIONS FOR ADMINISTRATIVE OFFSET

SEC. 198. Section 2415(i) of title 28 of the United States Code is amended to read as follows:

"(i) The provisions of this section shall not prevent the United States or an officer or agency thereof from collecting by means of administrative offset at any time, any claim of the United States or an officer or agency thereof from money payable to or held on behalf of an individual. Whenever the head of an agency or the designee attempts to collect a claim of the United States by administrative offset pursuant to an applicable statute or the common law, the head of an agency or the designee shall prescribe regulations and establish standards for the exercise of such administrative offset which are consistent with the standards promulgated under section 3711(e) of title 31, and are based on the best interest of the United States, the likelihood of collecting by offset, and the cost effectiveness of carrying an open claim beyond 6 years.".

PART F—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

DEMONSTRATION PROJECT AUTHORIZED

SEC. 199. The Act is amended by adding after part C the following:

"PART D—INCOME CONTINGENT DIRECT LOAN DEMONSTRATION PROJECT

"STATEMENT OF PURPOSE

"SEC. 451. It is the purpose of this part to examine the feasibility of a direct loan program which uses the income contingent repayment method in order to increase the economic and full use of direct student loan funds.

"DEMONSTRATION PROJECT AUTHORIZED

"SEC. 452. (a) The Secretary shall from the amounts appropriated each year carry out demonstration projects in accordance with the provisions of this part.

"(b) For the purpose of making contributions to student loan funds established pursuant to this part there are authorized to be appropriated $5,000,000 for the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1991.

"(c)(1) The Secretary shall allot the amounts appropriated in each fiscal year pursuant to subsection (b) among institutions of higher education which desire to participate in the pilot project authorized by this part and which have agreements with the Secretary under section 453.

"(2) The Secretary may not enter into agreements with more than 10 institutions of higher education under this part.

"AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION

"SEC. 453. An agreement with an institution of higher education under this part shall—

"(1) provide for the establishment and maintenance of a student loan fund for the purpose of this part;

"(2) provide for the deposit in such fund of Federal capital contributions from funds appropriated pursuant to section 452;

"(3) provide for the deposit in such fund of a capital contribution by such institution equal to not less than one-ninth of the amount of the Federal capital contribution described in clause (2);

"(4) provide for the deposit in such fund of collections of principal and interest on student loans made from deposited funds and any other earnings of such funds;

"(5) provide that such student loan fund shall be used only for—

"(A) loans to students, in accordance with the provisions of this part,

"(B) administrative expenses; and

"(C) costs of litigation, and other collection costs agreed to by the Secretary in connection with the collection of a loan from the fund (and interest thereon) or a charge assessed pursuant to regulations;

"(6) provide that repayment of the loans made from such student loan funds will be made in accordance with a repayment schedule, which will be adjusted annually on the basis of the total amount borrowed by the student and the adjusted gross income of the student borrower for the most recent calendar year preceding the year in which the payment determination is made, together with such adjustments in the schedule as the Secretary and the institution determine will best carry out the purpose of this part, except that for the first two years of the repayment period the schedule shall require a fixed payment plan;

"(7) provide for the distribution of assets from student loan funds under this part in accordance with criteria prescribed by the Secretary, based upon the provisions of section 466; and

"(8) provide for such other assurances and limitations as the Secretary may reasonably require.

"TERMS OF LOAN UNDER THE PILOT PROGRAM

"SEC. 454. (a)(1) Loans from any student loan fund established pursuant to an agreement under section 453, to any student by any institution shall, subject to such conditions, limitation, and requirements as the Secretary shall prescribe by regulation, be made on such terms and conditions as the institution may determine.

"(2) The aggregate amount of all loans made by institutions of higher education from loan funds established pursuant to agreements under this part to any student may not exceed $17,500.

"(3) The total amount of loans made by institutions of higher education from loan funds established pursuant to such agreement for any academic year may not exceed—

"(A) $2,500 in the case of a student who is in the first or second academic year of a program of education leading to a bachelor's degree;

"(B) $3,500 in the case of a student who is in the third such year; and

"(C) $4,500 in the case of a student who is in the fourth and fifth such year.

"(4) The interest rate on all such loans shall be the rate equal to the rate obtained for each calendar year (A) by computing the average of the bond equivalent rates of ninety-one day Treasury bills auctioned for such three-month period preceding such year, and (B) by adding 3 per centum to the resulting per centum.

"(5) Loans made from loan funds established pursuant to such agreements shall contain such agreements for deferments, interest accrual during deferments, and loan cancellation, as are consistent with the provisions of part E of this title, subject to such modifications as the Secretary may, by regulation, prescribe.

"(b) The Secretary may by regulation prescribe such other terms for loans made from loan funds established pursuant to such agreements as the Secretary determines will contribute to carrying out the provisions of this part.

"FEASIBILITY STUDY

"SEC. 455. (a) The Secretary shall, based upon the projects assisted under this part, conduct a study of the feasibility of extending the pilot project to a direct student loan fund program of general applicability beginning after September 30, 1990.

"(b) The Secretary shall prepare and submit to the Congress a report on the feasibility study begun pursuant to subsection (a) not later than October 1, 1991 and October 1, 1995, together with such recommendations as the Secretary deems appropriate.".

PART G—ADDITIONAL STUDENT ASSISTANCE SAVINGS PROVISIONS

ADDITIONAL STUDENT ASSISTANCE SAVINGS PROVISIONS

SEC. 199A. Notwithstanding any other provision of this Act, or the amendments made by this Act—

(1) the maximum amount for a Pell Grant under section 411(a)(2)(A)(i) of the Act shall be—

(A) $2,300 for academic year 1987-1988.

(B) $2,500 for academic year 1988-1989,

(C) $2,700 for academic year 1989-1990,

(D) $2,900 for academic year 1990-1991, and

(E) $3,100 for academic year 1991-1992;

(2) the per centum to be applied under clause (iii) of section 438(b)(2)(A) of the Act shall be 3 per centum; and

(3) a student shall qualify as an independent student for an award year if, in addition to the requirements otherwise applicable, the student demonstrates to the satisfaction of the institution, in accordance with guidelines prescribed by the Secretary, how, for any of the relevant years prescribed, such student was self-supporting.

TITLE II—INSTITUTIONAL AND PROGRAM ASSISTANCE

PART A—CONTINUING POSTSECONDARY EDUCATION PROGRAM AND PLANNING

REPEAL OF TITLE I

SEC. 201. Title I of the Act is repealed.

NATIONAL ADVISORY COUNCIL ON CONTINUING EDUCATION

SEC. 202. (a) COUNCIL ESTABLISHED.—Title II of the Department of Education Organization Act is amended by adding at the end thereof the following:

"NATIONAL ADVISORY COUNCIL ON CONTINUING EDUCATION

"SEC. 215. (a) The President shall appoint a National Advisory Council on Continuing Education consisting of eight representatives of Federal agencies having postsecondary continuing education and training responsibilities, including, but not limited to—

"(1) one representative each from—

"(A) the Department of Education,

"(B) the Department of Agriculture,

"(C) the Department of Defense,

"(D) the Department of Labor, and

"(E) the Veterans' Administration; and

"(2) twelve members, not full-time employees of the Federal Government, who are knowledgeable and experienced in the field of continuing education, including State and local government officials, representatives of business, labor, and community groups, and adults whose educational needs have been inadequately served.

The Advisory Council shall meet at the call of the Chairman but not less than twice a year.

"(b) The Advisory Council shall advise the Secretary in the preparation of general regulations and with respect to policies and procedures arising in the administration of the Higher Education Act of 1965 with respect to continuing education.

"(c) The Advisory Council shall examine all federally supported continuing education and training programs and make recommendations with regard to policies to eliminate duplication and to effectuate the coordination of programs under the Higher Education Act of 1965 with respect to continuing education and other federally funded continuing education and training programs and services.

"(d) The Advisory Council shall make annual reports to the President, the Congress, and the Secretary of its findings and recommendations, including recommendations for changes in the provisions of the Higher Education Act of 1965 with respect to continuing education and other Federal laws relating to continuing education and training activities. The President shall transmit each such report to the Congress with his comments and recommendations. The Advisory Council shall make such other reports or recommendations to the President, the Congress, the Secretary, or the head of any other Federal department or agency as may be appropriate.

"(e) The Advisory Council may utilize the services and facilities of any agency of the Federal Government as may be necessary. The Advisory Council may accept, employ, and dispose of gifts or bequests to carry out its responsibilities under this section.".

(b) CONFORMING AMENDMENT.—The table of contents of such Act is amended by adding after item "Sec. 214." the following new item:

"Sec. 215. National Advisory Council on Continuing Education.".

PART B—LIBRARIES

REAUTHORIZATION

SEC. 211. Section 201(b) of the Act is amended to read as follows:

"(b)(1) There are authorized to be appropriated to carry out part A $5,000,000 for fiscal year 1987, $5,250,000 for fiscal year 1988, $5,512,500 for fiscal year 1989, $5,788,125 for fiscal year 1990, and $6,077,530 for fiscal year 1991.

"(2) There are authorized to be appropriated to carry out part B $1,050,000 for fiscal year 1987, $1,103,000 for fiscal year 1988, $1,158,000 for fiscal year 1989, $1,216,000 for fiscal year 1990, and $1,277,000 for fiscal year 1991.

"(3) There are authorized to be appropriated to carry out part C $6,300,000 for fiscal year 1987, $6,615,000 for fiscal year 1988, $6,940,000 for fiscal year 1989, $7,280,000 for fiscal year 1990, and $7,650,000 for fiscal year 1991.".

COLLEGE LIBRARY RESOURCES

SEC. 212. (a) GRANT AMOUNT; NEED CRITERIA.—Section 211 of the Act is amended to read as follows:

"COLLEGE LIBRARY RESOURCES

"SEC. 211. (a) From the amount appropriated for this part, the Secretary shall make grants to eligible institutions of higher education or combinations thereof (and to branches of institutions which are located in different communities from that in which its parent institution is located). The amount of a grant under this part shall not be less than $2,000 nor more than $10,000 and shall reflect the number of full-time equivalent students enrolled at the recipient institution. If the funds are not sufficient to provide grants to all eligible institutions, grants shall be made to those institutions demonstrating the greatest need, based on the eligibility criteria in section 211(c).

"(b) A grant under this part may be made only if the application provides—

"(1) information about the institution and its library resources as prescribed by the Secretary in regulations;

"(2) satisfactory assurance that the applicant has expended for all library materials (exclusive of construction) during the institutional fiscal year preceding the year of application for which the grant is sought (hereafter in this section called the 'base year'), from funds other than funds received under this part, an amount not less than the average annual aggregate amount or the average amount per full-time equivalent student it expended for such purposes during the 2 years preceding the base year;

"(3) for such fiscal control and fund accounting procedures as are necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part;

"(4) for making such reports as the Secretary may require, including a report on how such funds received under a grant were expended, and for keeping such records and for affording such access thereto as the Secretary deems necessary to assure the correctness and verification of such reports; and

"(5) a statement setting forth how the funds received under this part will be used to improve the quality of the institution's library services.

"(c) In order to be considered an eligible institution, an institution must provide the Secretary assurance that—

"(1) the expenditures of the institution per full-time equivalent student for library materials is less than the average of the expenditures for library materials per full-time equivalent student by other institutions of comparable size and program, as determined by the Secretary in accordance with definitions established by the National Center for Education; and

"(2) the number of volumes per full-time equivalent student is less than the average of such number of volumes held by institutions of comparable size and program, as determined by the Secretary in accordance with definitions established by the National Center for Education Statistics.

"(d) If the Secretary determines, in accordance with regulations, that there are very unusual circumstances which prevent the applicant from making the assurance required by subsection (b)(2), the requirement for such assurance may be waived. For purposes of this subsection, the term 'very unusual circumstances' means theft, vandalism, fire, flood, earthquake, or other occurrence which may temporarily reduce the level of expenditures for library materials, or which resulted in unusually high expenditures for library materials.

"(e) If the Secretary determines, in accordance with regulations, that there are very unusual circumstances which prevent an otherwise eligible institution from qualifying under subsection (c), the requirements of subsection (c) may be waived. The Secretary may not grant such waivers to more than 5 percent of the eligible institutions receiving grants under this part.

"(f) Grants under this part may be used only for books, periodicals, documents, magnetic tapes, phonographic records, audiovisual materials, and other related library materials (including necessary binding) and for the establishment and maintenance of networks for sharing library resources with other institutions of higher education.".

STUDY OF THE EFFECTIVENESS OF THE NEEDS CRITERIA FOR THE COLLEGE LIBRARY RESOURCE PROGRAM AUTHORIZED

SEC. 213. Title II of the Act is amended by inserting after section 211 the following new section:

"STUDY OF THE EFFECTIVENESS OF THE NEEDS CRITERIA FOR THE COLLEGE LIBRARY RESOURCE PROGRAM AUTHORIZED

"SEC. 212. (a) The National Commission on Libraries and Information Sciences shall conduct a study on the effectiveness in directing assistance to libraries with the greatest need of the needs criteria specified in section 211 under this part.

"(b) The National Commission on Libraries and Information Sciences shall prepare and submit a report to the Congress not later than 3 years after the conclusion of the first fiscal year in which appropriations are made for the College Library Resource Program authorized by section 211, as amended by section 212 of the Higher Education Amendments of 1985, together with such recommendations as the Commission on Libraries and Information Sciences deems appropriate.".

STRENGTHENING RESEARCH LIBRARY RESOURCES

SEC. 214. Section 231 of the Act is further amended by inserting at the end thereof the following new subsection:

"(c) In determining eligibility for assistance under this part, the Secretary shall permit institutions that do not otherwise qualify to provide additional information or documents to demonstrate the national or international significance for scholarly research of the particular collection described in the grant proposal.".

REPEAL OF PART D

SEC. 215. Part D of title II of the Act is repealed.

PART C—INSTITUTIONAL AID

INSTITUTIONAL AID REAUTHORIZED

SEC. 221. Title III of the Act is amended to read as follows:

"TITLE III—INSTITUTIONAL AID

"FINDINGS AND PURPOSES

"SEC. 301. (a) FINDINGS.—The Congress finds that—

"(1) many institutions of higher education in this era of declining enrollments and scarce resources face problems which threaten their ability to survive;

"(2) the problems relate to the management and fiscal operations of certain institutions of higher education, as well as to an inability to engage in long-range planning, recruitment activities, and development activities, including endowment building;

"(3) the title III program prior to 1985 did not always meet the specific development needs of historically black colleges and universities and other institutions with large concentrations of minority, low-income students;

"(4) the solution of the problems of these institutions would enable them to become viable, fiscally stable and independent, thriving institutions of higher education;

"(5) providing a minimum level of assistance to all categories of eligible institutions will assure the continued participation of the institutions in the program established in title III and enhance their role in providing access and quality education to low-income and minority students; and

"(6) these institutions play an important role in the American system of higher education, and there is a strong national interest in assisting them in solving their problems and in stabilizing their management and fiscal operations, and in becoming financially independent.

"(b) PURPOSE.—It is the purpose of this title to assist such institutions through a program of Federal assistance.

"PART A—STRENGTHENING INSTITUTIONS

"PROGRAM PURPOSE

"SEC. 311. (a) GENERAL AUTHORIZATION.—The Secretary shall carry out a program, in accordance with this part, to improve the academic quality, institutional management, and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.

"(b) GRANTS AWARDED; SPECIAL CONSIDERATION.—(1) From the sums available for this part under section 358(a)(1), the Secretary may award grants to any eligible institution with an application approved under section 351 in order to assist such an institution to plan, develop, or implement activities that promise to strengthen the institution.

"(2) Special consideration shall be given to any eligible institution—

"(A) which has endowment funds (other than any endowment fund built under section 332 of this Act as in effect on September 30, 1986, and under part B) the market value of which, per full-time equivalent student, is less than the average current market value of the endowment funds, per full-time equivalent student (other than any endowment fund built under section 332 of this Act as in effect on September 30, 1986, and under part B) at similar institutions; or

"(B) which has expenditures per full-time equivalent student for library materials which is less than the average of the expenditures for library materials per full-time equivalent student by other similarly situated institutions.

"(3) Special consideration shall be given to applications which propose, pursuant to the institution's plan, to engage in—

"(A) faculty development;

"(B) funds and administrative management;

"(C) development and improvement of academic programs;

"(D) acquisition of equipment for use in strengthening funds management and academic programs;

"(E) joint use of facilities such as libraries and laboratories; and

"(F) student services.

"DEFINITIONS

"SEC. 312. For purposes of this part:

"(1) The term 'educational and general expenditures' means the total amount expended by an institution of higher education for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation and maintenance expenditures for the physical plant, and any mandatory transfers which the institution is required to pay by law.

"(2) The term 'eligible institution' means—

"(A) an institution of higher education—

"(i)(I) which, in the case of an institution which awards a bachelor's degree, has an enrollment which includes at least 50 percent of the students so enrolled who are receiving need-based assistance under title IV of this Act (other than loans for which an interest subsidy is paid pursuant to section 428), unless this requirement is waived under section 352(a), and (II) which, in the case of junior or community colleges, has an enrollment which includes at least 50 percent of the students so enrolled who are receiving need-based assistance under title IV of this Act (other than loans for which an interest subsidy is paid pursuant to section 428) unless this requirement is waived under section 352(a);

"(ii) except as provided in section 352(b), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

"(iii)(I) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or (II) is a junior or community college;

"(iv) is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

"(v) except as provided in section 352(b) has, during the 5 academic years preceding the academic year for which it seeks assistance under this part—

"(I) met the requirement of either subclause (iii)(I) or (iii)(II), or of both such subclauses (simultaneously or consecutively); and

"(II) met the requirement of subclause (iv); and

"(vi) meets such other requirements as the Secretary may prescribe;

"(B) any branch of any institution of higher education described under clause (A) which by itself satisfies the requirements contained in subclauses (i) and (ii) of such clause;

"(C) any institution of higher education which has an enrollment of which at least 20 percent are Mexican American, Puerto Rican, Cuban, or other Hispanic students, or combination thereof, and which also satisfies the requirements of subclauses (i) and (ii) of such clause;

"(D) any institution of higher education which has an enrollment of at least 60 percent American Indian, or in the case of Alaska Natives, an enrollment of at least 5 percent, and which also satisfies the requirements of subclauses (i), (ii), (iii), and (iv) of such clause; and

"(E) any institution of higher education which has an enrollment of which at least 5 percent are Native Hawaiian, Asian American, American Samoan, Micronesian, Guamian (Chamorro), and Northern Marianian, or any combination thereof, and which also satisfies the requirements of subclauses (i) and (ii) of such clause.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under clause (A)(i) shall be given twice the weight of the factor described under clause (A)(ii).

"(3) The term 'full-time equivalent students' means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by 12) at such institution.

"(4) The term 'junior or community college' means an institution of higher education—

"(A) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(B) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(C) that—

"(i) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree, or

"(ii) offers a 2-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"DURATION OF GRANT

"SEC. 313. (a) GENERAL RULE.—The Secretary may award a grant to an eligible institution under this part for—

"(1) not to exceed 3 years,

"(2) not to exceed 4 years if the eligible institution provides assurances that the eligible institution will not reapply for a grant under this part for 4 years; and

"(3) not to exceed 5 years if the eligible institution provides assurances that the eligible institution will not reapply for a grant under this part for 5 years.

"(b) PLANNING GRANTS.—Notwithstanding subsection (a), the Secretary may award a grant to an eligible institution under this part for a period of 1 year for the purpose of preparation of plans and applications for a grant under this part.

"PART B—STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

"FINDINGS AND PURPOSES

"SEC. 321. The Congress finds that—

"(1) the historically black colleges and universities have contributed significantly to the effort to attain equal opportunity through postsecondary education for black, low-income, and educationally disadvantaged Americans;

"(2) States and the Federal Government have discriminated in the allocation of land and financial resources to support black public institutions under the Morrill Act of 1862 and its progeny, and against public and private black colleges and universities in the award of Federal grants and contracts, and the distribution of Federal resources under this Act and other Federal programs which benefit institutions of higher education;

"(3) the current state of black colleges and universities is partly attributable to the discriminatory action of the States and the Federal Government and this discriminatory action requires the remedy of enhancement of black postsecondary institutions to ensure their continuation and participation in fulfilling the Federal mission of equality of educational opportunity; and

"(4) financial assistance to establish or strengthen the physical plants, financial management, academic resources, and endowments of the historically black colleges and universities are appropriate methods to enhance these institutions and facilitate a decrease in reliance on governmental financial support and to encourage reliance on endowments and private sources.

"DEFINITIONS

"SEC. 322. For the purposes of this part:

"(1) The term 'graduate' means an individual who has attended an institution for at least three semesters and fulfilled academic requirements for undergraduate studies in not more than 5 consecutive school years.

"(2) The term 'part B institution' means any historically black college or university that was established prior to 1964 and whose principal mission was, and is, the education of black Americans.

"(3) The term 'Pell Grant recipient' means a recipient of financial aid under title IV, part A, subpart 1 of this Act.

"(4) The term 'professional and academic areas in which blacks are underrepresented' shall be determined by the Assistant Secretary for Educational Research and Improvement and the Commissioner of the Bureau of Labor Statistics, on the basis of the most recent available satisfactory data, as professional and academic areas in which the percentage of black Americans who have been educated, trained, and employed is less than the percentage of blacks in the general population.

"(5) The term 'school year' means the period of 12 months beginning July 1 of any calendar year and ending June 30 of the following calendar year.

"GRANTS TO INSTITUTIONS

"SEC. 323. (a) GENERAL AUTHORIZATION; USES OF FUNDS.—From amounts available under section 358(a)(2) in any fiscal year the Secretary shall make grants (under section 324) to institutions which have applications approved by the Secretary (under section 325) for any of the following uses:

"(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

"(2) Renovation and improvement in classroom, library, laboratory, and other instructional facilities.

"(3) Support of faculty exchanges and faculty fellowships to assist in attaining advanced degrees in their field of instruction.

"(4) Academic instruction in disciplines in which black Americans are underrepresented.

"(5) Purchase of library books, periodicals, microfilm, and other educational materials.

"(6) Tutoring, counseling, and student service programs designed to improve academic success.

"(b) LIMITATION.—No grant may be made under this Act for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this subsection, the term 'school or department of divinity' means an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

"ALLOTMENTS TO INSTITUTIONS

"SEC. 324. (a) ALLOTMENT; PELL GRANT BASIS.—From the amounts appropriated to carry out this part for any fiscal year, the Secretary shall allot to each part B institution a sum which bears the same ratio to one-half that amount as the number of Pell Grant recipients in attendance and in good standing at such institution at the end of the school year preceding the beginning of that fiscal year bears to the total number of Pell Grant recipients at all part B institutions.

"(b) ALLOTMENT; GRADUATES BASIS.—From the amounts appropriated to carry out this part for any fiscal year, the Secretary shall allot to each part B institution a sum which bears the same ratio to one-fourth that amount as the number of graduates for such school year at such institution bears to the total number of graduates for such school year at all part B institutions.

"(c) ALLOTMENT; GRADUATE AND PROFESSIONAL STUDENT BASIS.—From the amounts appropriated to carry out this part for any fiscal year, the Secretary shall allot to each part B institution a sum which bears the same ratio to one-fourth that amount as the number of graduates, who are admitted to and in attendance at a graduate or professional school in a degree program in disciplines in which blacks are underrepresented, bears to the number of such graduates for all part B institutions.

"(d) REALLOTMENT.—The amount of any part B institution's allotment under subsection (a), (b), or (c) for any fiscal year which the Secretary determines will not be required for such institution for the period such allotment is available shall be available for reallotment from time to time on such date during such period as the Secretary may determine to other part B institutions in proportion to the original allotment to such other institutions under this section for such fiscal year.

"(e) SPECIAL MERGER RULE.—(1) The Secretary shall permit any eligible institution for a grant under part B in any fiscal year prior to the fiscal year 1986 to apply for a grant under this part if the eligible institution has merged with another institution of higher education which is not so eligible or has merged with an eligible institution.

"(2) The Secretary may establish such regulations as may be necessary to carry out the requirement of paragraph (1) of this subsection.

"(f) SPECIAL RULE FOR CERTAIN DISTRICT OF COLUMBIA ELIGIBLE INSTITUTIONS.—In any fiscal year that the Secretary determines that Howard University or the University of the District of Columbia will receive an allotment under subsections (b) and (c) of this section which is not in excess of amounts received by Howard University under the Act of March 2, 1867 (14 Stat. 438; 20 U.S.C. 123), relating to annual authorization of appropriations for Howard University, or by the University of the District of Columbia under the District of Columbia Self-Government and Governmental Reorganization Act (87 Stat. 774) for such fiscal year, then Howard University and the University of the District of Columbia, as the case may be, shall be ineligible to receive an allotment under this section.

"APPLICATIONS

"SEC. 325. (a) CONTENTS.—No part B institution shall be entitled to its allotment of Federal funds for any grant under section 324 for any period unless that institution meets the requirements of section 312(2)(A) (iii), (iv), and (v) and submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall—

"(1) provide that the payments under this Act will be used for the purposes set forth in section 322; and

"(2) provide for making an annual report to the Secretary and provide for—

"(A) conducting, except as provided in clause (B), a financial and compliance audit

of an eligible institution, with regard to any funds obtained by it under this title at least once every two years and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted to the Secretary; or

"(B) with regard to an eligible institution which is audited under chapter 75 of title 31, United States Code, deeming such audit to satisfy the requirements of clause (A) for the period covered by such audit.

"(b) APPROVAL.—The Secretary shall approve any application which meets the requirements of subsection (a) and shall not disapprove any application submitted under this part, or any modification thereof, without first affording such institution reasonable notice and opportunity for a hearing.

"PROFESSIONAL OR GRADUATE INSTITUTIONS

"SEC. 326. (a) GENERAL AUTHORIZATION.—(1) Subject to the availability of funds appropriated to carry out this section, the Secretary shall award program grants to each of the postgraduate institutions listed in subsection (e) that is determined by the Secretary to be making a substantial contribution to the legal, medical, dental, veterinary, or other graduate education opportunities for black Americans.

"(2) No grant in excess of $500,000 may be made under this section unless the postgraduate institution provides assurances that 50 per centum of the cost of the purposes for which the grant is made will be paid from non-Federal sources.

"(b) DURATION.—Grants shall be made for a period not to exceed 5 years. No more than two 5-year grants (for a period of not more than 10 years) may be made to any one undergraduate or postgraduate institution.

"(c) USES OF FUNDS.—A grant under this section may be used for—

"(1) any of the purposes enumerated under section 323;

"(2) to establish or improve a development office to strengthen and increase contributions from alumni and the private sector; and

"(3) to assist in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 333 of this title.

"(d) APPLICATION.—Any institution eligible for a grant under this section shall submit an application which—

"(1) demonstrates how the grant funds will be used to improve graduate educational opportunities for black and low-income students, and lead to greater financial independence; and

"(2) provides, in the case of applications for grants in excess of $500,000, the assurances required by subsection (a)(2) and specifies the manner in which the eligible institution is going to pay the non-Federal share of the cost of the application.

"(e) ELIGIBLE PROFESSIONAL OR GRADUATE INSTITUTIONS.—Independent professional or graduate institutions eligible for grants under subsection (a) include—

"(1) Morehouse School of Medicine;

"(2) Meharry Medical School;

"(3) Charles R. Drew Postgraduate Medical School;

"(4) Atlanta University; and

"(5) Tuskegee Institute School of Veterinary Medicine.

"REPORTING AND AUDIT REQUIREMENTS

"SEC. 327. (a) RECORDKEEPING.—Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose—

"(1) the amount and disposition by such recipient of the proceeds of such assistance;

"(2) the cost of the project or undertaking in connection with which such assistance is given or used;

"(3) the amount of that portion of the cost of the project or undertaking supplied by other sources; and

"(4) such other records as will facilitate an effective audit.

"(b) REPAYMENT OF UNEXPENDED FUNDS.—Any funds paid to an institution and not expended or used for the purposes for which the funds were paid within 10 years following the date of the initial grant awarded to an institution under part B of this title shall be repaid to the Treasury of the United States.

"PART C—CHALLENGE GRANTS FOR INSTITUTIONS ELIGIBLE FOR ASSISTANCE UNDER PART A OR PART B

"ESTABLISHMENT OF CHALLENGE GRANT PROGRAM

"SEC. 331. (a) GENERAL AUTHORIZATION; ELIGIBILITY.—(1) From the sums available under section 360(a)(3) for each fiscal year, the Secretary may award a challenge grant to each institution—

"(A) which is an eligible institution under part A or would be considered to be such an institution if section 312(2)(A)(iii) referred to a postgraduate degree rather than a bachelor's degree; or

"(B) which is an institution under part B or would be considered to be such an institution if section 324 referred to a postgraduate degree rather than a baccalaureate degree.

"(2) The Secretary may waive the requirements set forth in subparagraphs (A) and (B) of paragraph (1) with respect to a postgraduate degree in the case of any institution otherwise eligible under such paragraph for a challenge grant upon determining that the institution makes a substantial contribution to medical education opportunities for minorities and the economically disadvantaged.

"(b) USES OF FUNDS.—A grant under this section may be used by an institution eligible for a grant under this section to assist the institution to achieve financial independence.

"(c) CONTENTS OF APPLICATIONS.—Any institution eligible for a challenge grant under this section may apply for such a grant under section 351, except that the application for the purpose of this part shall—

"(1) provide assurances that funds will be available to the applicant within 1 year to match funds that the Secretary is requested to make available to the institution as a challenge grant;

"(2) in the case of an application by a public institution, contain the recommendations of an appropriate State agency responsible for higher education in the State, or provide evidence that the institution requested the State agency to comment but the State agency failed to comment; and

"(3) demonstrate how challenge grant funds will be used to achieve financial independence.

"(d) NOTICE OF APPROVAL.—Not later than April 1 of the fiscal year preceding the fiscal year in which any grant is to be made under this section, the Secretary shall determine which institutions will receive challenge grants under such section and notify the institutions of the amount of the grant.

"(e) PREFERENCE.—In approving applications for such grants, preference shall be given to institutions which are receiving, or have received, grants under part A or part B of this title.

"ENDOWMENT CHALLENGE GRANTS

"SEC. 332. (a) PURPOSE; DEFINITIONS.—(1) The purpose of this section is to establish a program to provide matching grants to eligible institutions of higher education in order to establish or increase endowment funds at such institutions, to provide additional incentives to promote fund raising activities by such institutions, and to foster increased independence and self-sufficiency at such institutions.

"(2) For purposes of this section:

"(A) The term 'endowment fund' means a fund established by State law, by an institution of higher education, or by a foundation which is exempt from taxation and is maintained for the purpose of generating income for the support of the institution, but which shall not include real estate.

"(B) The term 'endowment fund corpus' means an amount equal to the grant or grants awarded under this section plus an amount equal to such grant or grants provided by the institution.

"(C) The term 'endowment fund income' means an amount equal to the total value of the endowment fund established under this section minus the endowment fund corpus.

"(b) GRANTS AUTHORIZED.—(1) From sums available for this section under section 360, the Secretary is authorized to award challenge grants to eligible institutions of higher education to establish or increase an endowment fund at such institution. Such grants shall be made only to eligible institutions described in paragraph (4) whose applications have been approved pursuant to subsection (g).

"(2)(A) Except as provided in subparagraph (B), no institution shall receive a grant under this section, unless such institution has deposited in its endowment fund established under this section an amount equal to the amount of such grant. The source of funds for this institutional match shall not include Federal funds or funds from an existing endowment fund.

"(B) In any fiscal year in which the appropriations for this part exceeds $10,000,000, the Secretary may make a grant under this part to an eligible institution of higher education if such institution—

"(i) has deposited in its endowment fund established under this section an amount which is equal to one-half of the amount of such grant;

"(ii) applies for a grant in an amount exceeding $1,000,000; and

"(iii) provides assurances that the institution will not make an application for a grant under this section for a period of 10 years after the approval of its application pursuant to this subparagraph.

"(3) The period of a grant under this section shall be not more than 20 years. During the grant period, an institution may not withdraw or expend any of the endowment fund corpus. After the termination of the grant period, an institution may use the endowment fund corpus plus any endowment fund income for any educational purpose.

"(4)(A) An institution of higher education is eligible to receive a grant under this section if it is an eligible institution as described in section 331(a)(1).

"(B) No institution shall be ineligible for a challenge grant under this section for a fiscal year by reason of the previous receipt of such a grant but no institution shall be eligible to receive such a grant for more than 2 fiscal years out of any period of 5 consecutive fiscal years.

"(5) Except as provided in paragraph (2)(B), a challenge grant under this section to an eligible institution year shall—

"(A) not be less than $50,000 for any fiscal year; and

"(B) not be more than (i) $250,000 for fiscal year 1987; or (ii) $500,000 for fiscal year 1988 or any succeeding fiscal year.

"(6)(A) An eligible institution may designate a foundation, which was established for the purpose of raising money for the institution, as the recipient of the grant awarded under this section.

"(B) The Secretary shall not award a grant to a foundation on behalf of an institution unless—

"(i) the institution assures the Secretary that the foundation is legally authorized to receive the endowment fund corpus and is legally authorized to administer the fund in accordance with this section and any implementing regulation;

"(ii) the foundation agrees to administer the fund in accordance with the requirements of this section and any implementing regulation; and

"(iii) the institution agrees to be liable for any violation by the foundation of the provisions of this section and any implementing regulation, including any monetary liability that may arise as a result of such violation.

"(c) GRANT AGREEMENT; ENDOWMENT FUND PROVISIONS.—(1) An institution awarded a grant under this section shall enter into an agreement with the Secretary containing satisfactory assurances that it will (A) immediately comply with the matching requirements of subsection (b)(2), (B) establish an endowment fund independent of any other such fund of the institution, (C) invest the endowment fund corpus, and (D) meet the other requirements of this section.

"(2)(A) An institution shall invest the endowment fund corpus and endowment fund income in low-risk securities in which a regulated insurance company may invest under the law of the State in which the institution is located such as a federally insured bank savings account or comparable interest-bearing account, certificate of deposit, money market fund, mutual fund, or obligations of the United States.

"(B) The institution, in investing the endowment fund established under this section, shall exercise the judgment and care, under the circumstances then prevailing, which a person of prudence, discretion, and intelligence would exercise in the management of such person's own affairs.

"(3)(A) An institution may withdraw and expend the endowment fund income to defray any expenses necessary to the operation of such college, including expenses of operations and maintenance, administration, academic and support personnel, construction and renovation, community and student services programs, and technical assistance.

"(B)(i) Except as provided in clause (ii), an institution may not spend more than 50 percent of the total aggregate endowment fund income earned prior to the time of expenditure.

"(ii) The Secretary may permit an institution to spend more than 50 percent of the endowment fund income notwithstanding clause (i) if the institution demonstrates such an expenditure is necessary because of (I) a financial emergency, such as a pending insolvency or temporary liquidity problem; (II) a life-threatening situation occasioned by a natural disaster or arson; or (III) any other unusual occurrence or exigent circumstance.

"(d) REPAYMENT PROVISIONS.—(1) If at any time an institution withdraws part of the endowment fund corpus, the institution shall repay to the Secretary an amount equal to 50 percent of the withdrawn amount, which represents the Federal share, plus income earned thereon. The Secretary may use such repaid funds to make additional challenge grants, or to increase existing endowment grants, to other eligible institutions.

"(2) If an institution expends more of the endowment fund income than is permitted under subsection (c), the institution shall repay the Secretary an amount equal to 50 percent of the amount improperly expended (representing the Federal share thereof). The Secretary may use such repaid fund to make additional challenge grants, or to increase existing challenge grants, to other eligible institutions.

"(e) AUDIT INFORMATION.—An institution receiving a grant under this section shall provide to the Secretary (or a designee thereof) such information (or access thereto) as may be necessary to audit or examine expenditures made from the endowment fund corpus or income in order to determine compliance with this section.

"(f) SELECTION CRITERIA.—In selecting eligible institutions for grants under this section for any fiscal year, the Secretary shall—

"(1) give priority to an applicant which is a recipient of a grant made under part A or part B of this title during the academic year in which the applicant is applying for a grant under this section; and

"(2) give priority to an applicant with a greater need for such a grant, based on the current market value of the applicant's existing endowment in relation to the number of full-time equivalent students enrolled at such institution;

"(3) consider—

"(A) the effort made by the applicant to build or maintain its existing endowment fund; and

"(B) the degree to which an applicant proposes to match the grant with nongovernmental funds.

"(g) APPLICATION.—Any institution which is eligible for assistance under this section may submit to the Secretary a grant application at such time, in such form, and containing such information as the Secretary may prescribe. Subject to the availability of appropriations to carry out this section and consistent with the requirement of subsection (f), the Secretary may approve an application for a grant if an institution, in its application, provides adequate assurances that it will comply with the requirements of this section.

"(h) TERMINATION AND RECOVERY PROVISIONS.—(1) After notice and an opportunity for a hearing, the Secretary may terminate and recover a grant awarded under this section if the grantee institution—

"(A) expends portions of the endowment fund corpus or expends more than the permissible amount of the endowment funds income as prescribed in subsection (c)(3);

"(B) fails to invest the endowment fund in accordance with the investment standards set forth in subsection (c)(2); or

"(C) fails to properly account to the Secretary concerning the investment and expenditures of the endowment funds.

"(2) If the Secretary terminates a grant under paragraph (1), the grantee shall return to the Secretary an amount equal to the sum of each original grant under this section plus income earned thereon. The Secretary may use such repaid funds to make additional endowment grants, or to increase existing challenge grants, to other eligible institutions under this part.

"PART D—GENERAL PROVISIONS

"APPLICATIONS FOR ASSISTANCE

"SEC. 351. (a) APPLICATION REQUIRED; APPROVAL.—Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate its need for assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for a grant under this title if the application meets the requirements of subsection (b) and shows that the applicant is eligible for assistance in accordance with the part of this title under which the assistance is sought.

"(b) CONTENTS.—An institution, in its application for a grant, shall—

"(1) set forth, or describe how the institution, (other than an institution applying under part C) it will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

"(2) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 311(b) or 323, and in no case supplant those funds;

"(3) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

"(4) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the applicant under this title;

"(5) provide (A) for making such reports, in such form and containing such information, as the Secretary may require to carry out the functions under this title, including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded, and (B) for keeping such records and affording such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports;

"(6) provide that the institution will comply with the limitations set forth in section 356;

"(7) describe in a comprehensive manner any proposed project for which funds are sought under the application and include—

"(A) a description of the various components of the proposed project, including the estimated time required to complete each such component;

"(B) in the case of any development project which consists of several components (as described by the applicant pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the applicant);

"(C) an evaluation by the applicant of the priority given any proposed project for which funds are sought in relation to any other projects for which funds are sought by the applicant under this title, and a similar evaluation regarding priorities among the components of any single proposed project (as described by the applicant pursuant to subparagraph (A));

"(D) in the case of a request for an award for a period of more than 1 year, a statement of reasons explaining why funds are necessary for each year of such period and why a single year award would be inadequate;

"(E) information explaining the manner in which the proposed project will assist the applicant to prepare for the critical financial problems that all institutions of higher education will face during the subsequent decade as a result of declining enrollment, and other problems;

"(F) a detailed budget showing the manner in which funds for any proposed project would be spent by the applicant; and

"(G) a detailed description of any activity which involves the expenditure of more than $25,000, as identified in the budget referred to in subparagraph (F); and

"(8) include such other information as the Secretary may prescribe.

"(c) PRIORITY CRITERIA PUBLICATION REQUIRED.—The Secretary shall publish in the Federal Register, pursuant to chapter 5 of title 5, United States Code, all policies and procedures required to exercise the authority set forth in subsection (a). No other criteria, policies, or procedures shall apply.

"(d) ELIGIBILITY DATA.—The Secretary shall use the most recent and relevant data concerning the number and percentage of students receiving need-based assistance under title IV of this Act in making eligibility determinations under section 312 and shall advance the base-year forward following each annual grant cycle.

"WAIVER AUTHORITY AND REPORTING REQUIREMENT

"SEC. 352. (a) WAIVER REQUIREMENTS; NEED-BASED ASSISTANCE STUDENTS.—The Secretary shall waive the requirements set forth in section 312(2)(A)(i)(I) in the case of an institution (1) which is extensively subsidized by the State in which it is located and charges low or no tuition; (2) which serves a substantial number of low- and middle-income students as a percentage of its total student population; (3) which is contributing substantially to increasing higher education opportunities for educationally disadvantaged, underrepresented, or minority students, who are low-income individuals; or (4) which is substantially increasing higher educational opportunities for individuals in rural or other isolated areas which are unserved by postsecondary institutions.

"(b) WAIVER DETERMINATIONS; EXPENDITURES.—(1) The Secretary may waive the requirements set forth in section 312(2)(A)(ii) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet that criterion is due to factors which, when used in the determination of compliance with such criterion, distort such determination, and that the institution's designation as an eligible institution under part A is otherwise consistent with the purposes of such parts.

"(2) The Secretary shall submit to the Congress every other year a report concerning the institutions which, although not satisfying the criterion contained in section 312(2)(A)(ii), have been determined to be eligible institutions under part A and institutions which enroll significant numbers of Hispanic, Native American, Asian American, or Native Hawaiian students as the case may be. Such report shall—

"(A) identify the factors referred to in paragraph (1) which were considered by the Secretary as factors that distorted the determination of compliance with section 312(2)(A) (i) and (ii); and

"(B) contain a list of each institution determined to be an eligible institution under part A including a statement of the reasons for each such determination.

"(c) WAIVER DETERMINATIONS; AUTHORITY AND ACCREDITATION.—The Secretary may waive the requirement set forth in section 312(2)(v) in the case of an institution—

"(1) located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians;

"(2) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Hispanic Americans, Native Americans, Asian Americans, or Pacific Islanders, including Native Hawaiians;

"(3) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of individuals living in rural areas, whose needs are for the most part unserved by other postsecondary education institutions;

"(4) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of low-income individuals; or

"(5) wherever located, if the Secretary determines that the institution has traditionally served substantial numbers of black students.

"APPLICATION REVIEW PROCESS

"SEC. 353. (a) REVIEW PANEL.—(1) All applications submitted under this title by institutions of higher education shall be read by a panel of readers composed of individuals selected by the Secretary. The Secretary shall assure that no individual assigned under this section to review any application has any conflict of interest with regard to the application which might impair the impartiality with which the individual conducts the review under this section.

"(2) The Secretary shall take care to assure that representatives of historically black colleges, Hispanic institutions, Native American institutions, and Asian Americans and Native American Pacific Islanders, including Native Hawaiians are included as readers.

"(3) All readers selected by the Secretary shall receive thorough instruction from the Secretary regarding the evaluation process for applications submitted under this title and consistent with the provisions of this title, including—

"(A) explanations and examples of the types of activities referred to in section 311(b) that should receive special consideration for grants awarded under part A and of the types of activities referred to in section 323 that should receive special consideration for grants awarded under part B;

"(B) an enumeration of the factors to be used to determine the quality of applications submitted under this title; and

"(C) an enumeration of the factors to be used to determine whether a grant should be awarded for a project under this title, the amount of any such grant, and the duration of any such grant.

"(b) RECOMMENDATIONS OF PANEL.—In awarding grants under this title, the Secretary shall take into consideration the recommendations of the panel made under subsection (a).

"(c) NOTIFICATION.—Not later than June 30 of each year, the Secretary shall notify each institution of higher education making an application under this title of—

"(1) the scores given the applicant by the panel pursuant to this section;

"(2) the recommendations of the panel with respect to such application; and

"(3) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this title, and any modifications, if any, in the recommendations of the panel made by the Secretary.

"COOPERATIVE ARRANGEMENTS

"SEC. 354. (a) GENERAL AUTHORITY.—The Secretary may make grants to encourage cooperative arrangements—

"(1) with funds available to carry out part A, between institutions eligible for assistance under part A and between such institutions and institutions not receiving assistance under this title; or

"(2) with funds available to carry out part B, between institutions eligible for assistance under part B and institutions not receiving assistance under this title;

for the activities described in section 311(b) or section 323, as the case may be, so that the resources of the cooperating institutions might be combined and shared to achieve the purposes of such parts and avoid costly duplicative efforts and to enhance the development of part A and part B eligible institutions.

"(b) PRIORITY.—The Secretary shall give priority to grants for the purposes described under subsection (a) whenever the Secretary determines that the cooperative arrangement is geographically and economically sound or will benefit the applicant institution.

"(c) DURATION.—Grants to institutions having a cooperative arrangement may be made under this section for a period as determined under section 313.

"SPECIAL PAYMENTS RULES

"SEC. 355. (a) HISTORICALLY BLACK COLLEGE PAYMENTS RULE.—Any historically black college or university which, prior to September 30, 1986, received a grant under part A of this title in effect prior to such date and continues to receive a grant under such part A for any fiscal year beginning after September 30, 1986, and ending prior to October 1, 1991, shall be paid from amounts appropriated to carry out part B of this title.

"(b) OTHER INSTITUTIONS SPECIAL PAYMENT RULE.—Each eligible institution other than an historically black college or university which received a grant under part B of this title in effect prior to such date and contin-

ues to receive a grant under such part B for any fiscal year beginning after September 30, 1986, and ending prior to October 1, 1991, shall be paid out of appropriations made pursuant to part A.

"(c) SPECIAL RULE FOR UNOBLIGATED PART A AND PART B FUNDS.—In any fiscal year in which amounts appropriated pursuant to part A or part B for this title are available for obligation in the year succeeding the year in which the funds were appropriated, the Secretary shall make such funds available for grants under section 332, relating to the Endowment Challenge Program, for the same type of institution for which the grants would have been made had the funds been paid pursuant to such part A or part B.

"ASSISTANCE TO INSTITUTIONS UNDER OTHER PROGRAMS

"SEC. 356. (a) ASSISTANCE ELIGIBILITY.—Each institution which the Secretary determines to be an institution eligible under part A or an institution eligible under part B shall be eligible for waivers in accordance with subsection (b).

"(b) WAIVER APPLICABILITY.—(1) Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by an institution referred to in subsection (a) for assistance under any programs specified in paragraph (2), the Secretary is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from other institutions.

"(2) The provisions of this section shall apply to any program authorized by title II, IV, VII, or VIII of this Act.

"(c) LIMITATION.—The Secretary shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 percent of the appropriations for the program for any fiscal year.

"LIMITATIONS

"SEC. 357. The funds appropriated under section 360 may not be used—

"(1) for a school or department of divinity or any religious worship or sectarian activity;

"(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to such institution;

"(3) for an activity that is inconsistent with a State plan of higher education applicable to such institution; or

"(4) for purposes other than the purposes set forth in the approved application under which the funds were made available to the institution.

"PENALTIES

"SEC. 358. Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any recipient of Federal financial assistance or grant pursuant to this title embezzles, willfully misapplies, steals, or obtains by fraud any of the funds which are the subject of such grant or assistance, shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"CHALLENGE GRANT APPLICATION REQUIRED

"SEC. 359. The Secretary shall not make a Challenge Grant to any grantee institution under section 313(a)(2) or under part B which has not applied for funds under part C and compiled with section 332(a)(1) of part C after September 30, 1989.

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 360. (a) AUTHORIZATIONS.—(1) There are authorized to be appropriated to carry out part A $85,000,000 for fiscal year 1987, $89,250,000 for fiscal year 1988, $93,710,000 for fiscal year 1989, $98,398,000 for fiscal year 1990, and $103,318,000 for fiscal year 1991.

"(2)(A) There are authorized to be appropriated to carry out part B (other than section 326) $55,000,000 for fiscal year 1987, $57,750,000 for fiscal year 1988, $60,637,000 for fiscal year 1989, $63,669,000 for fiscal year 1990, and $66,850,000 for fiscal year 1991.

"(B) There are authorized to be appropriated to carry out section 326 $5,000,000 for fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1991.

"(3) There are authorized to be appropriated to carry out part C $20,000,000 for fiscal year 1987, $21,250,000 for fiscal year 1988, $22,560,000 for fiscal year 1989, $23,940,000 for fiscal year 1990, and $25,387,000 for fiscal year 1991.

"(4) Funds appropriated for part C shall remain available until expended.

"(b) USE OF MULTIPLE YEAR AWARDS.—In the event of a multiple year award to any institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the recipient.

"(c) PRIORITY; SPECIAL CONSIDERATION.—(1) Of the sums appropriated under subsection (a)(1) for any fiscal year for part A, the Secretary shall make available for use for the purposes of parts A and C to institutions that are junior or community colleges not less than $51,400,000 for the fiscal year 1987 and each fiscal year ending prior to October 1, 1991, if the appropriations for part A for each such fiscal year are equal to or exceed the amount appropriated for part A for fiscal year 1986.

"(2) Of the sums appropriated under subsection (a)(1) for any fiscal year which exceed the amount appropriated in fiscal year 1986 for part A, the Secretary shall give priority to applications from eligible institutions with significant groups of students who are minority, or who are underrepresented in higher education, or who are educationally disadvantaged.

"(d) RATABLE REDUCTION IN FISCAL YEARS IN WHICH AMOUNTS APPROPRIATED ARE INSUFFICIENT.—In any fiscal year in which the sums appropriated for part A are insufficient to make the reservations required by subsection (c) of this section, the Secretary shall ratably reduce the amount of the reservation.".

PART D—TEACHER TRAINING AND DEVELOPMENT

SUBPART 1—TEACHER TRAINING PROGRAMS FOR HIGHER EDUCATION PERSONNEL

REPEAL OF PART B

SEC. 231. Part B of title V of the Act is repealed.

SUBPART 2—TRAINING FOR SCHOOL TEACHERS TO TEACH HANDICAPPED CHILDREN

REPEAL OF PART C

SEC. 232. Part C of title V of the Act is repealed.

SUBPART 3—COORDINATION

REPEAL OF PART D

SEC. 233. Part D of title V of the Act is repealed.

SUBPART 4—CARL D. PERKINS SCHOLARSHIP PROGRAM

EXTENSION OF AUTHORIZATION

SEC. 234. Section 561(b) of the Act is amended to read as follows:

"(b) There are authorized to be appropriated to carry out the provisions of this part $10,500,000 for fiscal year 1987, $11,050,000 for fiscal year 1988, $11,570,000 for fiscal year 1989, $12,150,000 for fiscal year 1990, and $12,760,000 for fiscal year 1991.".

SUBPART 5—THE CHRISTA MCAULIFFE TALENTED TEACHER FELLOWSHIP PROGRAM

FELLOWSHIP DESIGNATION

SEC. 235. (a) Section 571 of the Act is amended by inserting before the period a comma and the following: "to honor Christa McAuliffe".

(b) Section 571 of the Act is further amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b) Individuals awarded fellowships under this part shall be known as the 'Christa McAuliffe Fellows'.".

EXTENSION OF AUTHORIZATION

SEC. 236. (a) AUTHORIZATION.—The first sentence of section 572 of the Act is amended to read as follows: "There are authorized to be appropriated to carry out the provisions of this part $5,250,000 for fiscal year 1987, $5,513,000 for fiscal year 1988, $5,788,000 for fiscal year 1989, $6,080,000 for fiscal year 1990, and $6,380,000 for fiscal year 1991.".

(b) TECHNICAL AMENDMENT.—The heading of section 572 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS".

PART E—INTERNATIONAL EDUCATION

FINDINGS AND PURPOSE; INTERNATIONAL EDUCATION

SEC. 241. Section 601 of the Act is amended to read as follows:

"FINDINGS AND PURPOSE

"SEC. 601. (a) The Congress finds that—

"(1) the well-being of the United States, its economy and long-range security, is dependent on the education and training of Americans in international and foreign language studies and on a strong research base in these areas;

"(2) knowledge of other countries and the ability to communicate in other languages is essential to the promotion of mutual understanding and cooperation among nations; and

"(3) present and future generations of Americans must be afforded the opportunity to develop to the fullest extent possible their intellectual capacities in all areas of knowledge.

"(b) It is the purpose of this part to assist in the development of knowledge, international study, resources, and trained personnel, to stimulate the attainment of foreign language acquisition and fluency, and to coordinate the programs of the Federal Government in the areas of foreign language and international studies and research.".

LANGUAGE AND AREA CENTERS

SEC. 242. (a) COMPREHENSIVE CENTERS.—(1) Section 602(a)(1) of the Act is amended—

(A) by striking out ", and enter into contracts with,";

(B) by striking out "graduate and undergraduate";

(C) by inserting before "aspects" the following: "and foreign language"; and

(D) by inserting before the period at the end thereof a comma and the following: "or

for instruction and research on issues in world affairs which concern one or more countries.".

(2) Section 602(a)(2) of the Act is amended by striking out "or contract".

(3) Section 602(a) of the Act is amended by adding at the end thereof the following new paragraphs:

"(4)(A) The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying stipends to individuals undergoing advanced training under this subsection in any center or program approved by the Secretary under this part.

"(B) Stipend recipients must be individuals who are engaged in a program of competency-based language training in combination with area studies, international studies, or the international aspects of a professional studies program.

"(C) Stipends awarded to graduate level recipients may include allowances for dependents and for travel for research and study in the United States and abroad.

"(5)(A) The Secretary is also authorized to award, on the basis of a national competition, stipends to students beginning their third year of graduate training under this subsection.

"(B) Stipend recipients will be selected by a nationally recognized panel of scholars on the basis of exceptional performance (on a nationally referenced test, if available) in the specialty language and evidence of substantial multidisciplinary area training.

"(C) Stipends may be held for up to a maximum 4 years contingent on periodic demonstration of a high level of language proficiency.

"(D) Stipends are tenable for continuation of studies at the institution where the recipient is currently enrolled and for the conduct of research and advanced language study abroad.".

(b) UNDERGRADUATE CENTERS.—Section 602(b) of the Act is amended to read as follows:

"(b)(1) The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, for the purpose of establishing, strengthening, and operating undergraduate centers and programs which will be national resources for the teaching of any modern foreign language, for instruction in fields needed to provide a full understanding of the areas, regions, or countries in which such language is commonly used, or for research and training in international studies and the international and foreign language aspects of professional and other fields of study, or for instruction and research on issues in world affairs which concern one or more countries.

"(2) Any such grant may be used to pay all or part of the cost of establishing or operating a center or program—

"(A) the cost of faculty and staff travel in foreign areas, regions, or countries,

"(B) the cost of teaching and research materials, the cost of curriculum planning and development,

"(C) the cost of bringing visiting scholars and faculty to the center to teach or to conduct research,

"(D) the cost of acquiring periodicals published outside the United States which are not commonly held by an American academic library and which are of scholarly and research importance, together with the cost of maintaining and preserving such periodicals and making them available to researchers and scholars, and

"(E) the cost of training and improvement of the staff, for the purpose of, and subject to such conditions as the Secretary finds necessary for carrying out the objectives of this section.

"(3) The Secretary may make grants to centers described in paragraph (1) having important library collections for the maintenance of such collections.".

FOREIGN LANGUAGE RESOURCE CENTERS

SEC. 243. Section 603 of the Act is amended to read as follows:

"LANGUAGE RESOURCE CENTERS

"SEC. 603. (a) The Secretary is authorized to make grants to and enter into contracts with institutions of higher education, or combinations of such institutions, for the purpose of establishing, strengthening, and operating language training centers, which shall serve as resources to improve the capacity to teach and learn foreign languages effectively. Activities carried out by such centers may include—

"(1) the conduct of research on new and improved teaching methods, including the use of advanced educational technology;

"(2) the development of new teaching materials reflecting the use of such research in effective teaching strategies;

"(3) the development and application of proficiency testing appropriate to an educational setting for use as a standard and comparable measurement of skill levels in all languages;

"(4) the training of teachers in the administration and interpretation of proficiency tests, the use of effective teaching strategies, and the use of new technologies;

"(5) the publication of instructional materials in the less commonly taught languages; and

"(6) the widespread dissemination of research results, teaching materials, and improved pedagogical strategies to others within the postsecondary education community.

"(b) Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the provisions of this section.".

INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS

SEC. 244. (a) CLARIFYING PROVISION.—The matter preceding clause (1) of section 604 of the Act is amended by striking out "comprehensive" each time it appears.

(b) TYPE OF TRAINING.—Section 604(a)(7) of the Act is amended by inserting before "teacher" the following: "pre-service and in-service".

SUMMER INSTITUTES FOR FOREIGN LANGUAGES

SEC. 245. The Act is amended—

(1) by redesignating sections 605, 606, and 607 as sections 606, 607, and 608, respectively; and

(2) by inserting after section 604 the following new section:

"INTENSIVE SUMMER LANGUAGE INSTITUTES

"SEC. 605. (a)(1) The Secretary is authorized to make grants to institutions of higher education, or combinations of such institutions, for the purpose of establishing and conducting intensive summer language institutes.

"(2) Training authorized by this section shall be provided through—

"(A) institutes designed to meet the needs for intensive language training by advanced students; or

"(B) institutes designed to provide professional development and improve instruction through pre-service and in-service training for language teachers.

"(3) Grants made under this section may be used for—

"(A) intensive training in languages critical to the national economic and political future;

"(B) training in neglected languages; and

"(C) stipends for students and faculty attending the institutes authorized by this section.

"(4) Institutes supported under this section may provide instruction on a full-time or part-time basis to supplement instruction not fully available in centers supported under sections 602.

"(b) Grants made under this section shall be awarded on the basis of recommendations made by peer review panels composed of broadly representative professionals.".

RESEARCH

SEC. 246. Section 606(a) of the Act (as redesignated by section 245 of this Act) is amended—

(1) by striking out "and part N of title III of the Elementary and Secondary Education Act of 1965";

(2) by striking out "and" at the end of clause (2);

(3) by redesignating clause (3) as clause (4);

(4) by inserting after clause (2) the following new clause:

"(3) the application of proficiency tests and standards across all areas of instruction and classroom use; and"; and

(5) by inserting "and publication" after "development" in clause (4) (as redesignated by this section).

DISTRIBUTION OF FUNDS

SEC. 247. Section 607 of the Act (as redesignated by section 245) is amended to read as follows:

"EQUITABLE DISTRIBUTION OF FUNDS

"SEC. 607. (a) The Secretary shall establish criteria based on excellence for the selection of grants awarded under section 602, employing separate but no less rigorous criteria for undergraduate and comprehensive programs.

"(b) The Secretary shall, to the extent practicable, award grants under this part (other than section 602(a)) in such manner as to achieve an equitable distribution of assistance throughout the Nation, based on the merit of a proposal with peer review by broadly representative professionals.".

REAUTHORIZATION OF PART A

SEC. 248. Section 608 of the Act (as redesignated by section 245) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 608. There are authorized to be appropriated to carry out the provisions of this part $35,000,000 for fiscal year 1987, $36,750,000 for fiscal year 1988, $38,587,500 for fiscal year 1989, $40,576,875 for fiscal year 1990, and $42,775,312 for fiscal year 1991.".

REAUTHORIZATION OF PART B

SEC. 249. Section 613 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 613. There are authorized to be appropriated to carry out the provisions of this part $2,200,000 for the fiscal year 1987, $2,310,100 for fiscal year 1988, $2,425,600 for fiscal year 1989, $2,546,900 for fiscal year 1990, and $2,674,250 for fiscal year 1991.".

ADVISORY BOARD RESTRUCTURED

SEC. 250. Section 621 of the Act is amended to read as follows:

"ADVISORY BOARD

"SEC. 621. (a) Not less than two times each year, the Secretary shall convene an advisory board on the conduct of programs under this title. The Advisory Board shall consist of—

"(1) five members selected by the Secretary from among members of the postsecondary educational community, at least two of whom shall be considered by their peers to be specialists in one or more fields of language, area or international studies;

"(2) two members selected by the Secretary from among members of the public; and

"(3) two members selected by the Secretary from among representatives of the business community.

"(b) The Secretary may consult with or include as ad hoc ex officio participants in Advisory Board meetings a representative from any appropriate executive agency.

"(c) The Advisory Board shall advise the Secretary on—

"(1) any geographic areas of special concern to the United States;

"(2) innovative approaches which may help to fulfill the purposes of this title;

"(3) changes which should be made in the operation of programs under this part to ensure that the attention of scholars is attracted to problems of critical concern to United States international relations;

"(4) emerging trends within various segments—pre-college, undergraduate, graduate, and postgraduate—of the international education community;

"(5) administrative and staffing requirements of international education programs in the Department; and

"(6) special needs with regard to the programs operated under part B.

"(d) The Advisory Board shall advise the Secretary and the Congress on adequate budget levels for part A and part B of this title.".

STUDY AUTHORIZED

SEC. 250A. Title VI of the Act is amended by adding at the end thereof the following new section:

"NATIONAL ENDOWMENT FOR INTERNATIONAL STUDIES

"SEC. 622. (a) The Secretary shall, in consultation with the Director of the United States Information Agency, the Director of the Agency for International Development, the Secretary of State, and the Secretary of Defense, conduct a study on the establishment of a National Endowment for International Studies. The study shall develop a program, a plan funding, and priorities for such an Endowment.

"(b) In carrying out the study required by this section, the Secretary shall consider—

"(1) the extent of the need for international studies programs at all educational levels, not served by this title;

"(2) the programs at the Agency for International development, the United States Information Agency and the Departments of State, Defense, and Education which can be coordinated to increase the scope and number and kinds of participants in international educational programs;

"(3) the feasibility of an Endowment for International Studies, by whom it shall be administered, and procedures for receiving corporate and other private contributions for supplemental funding, similar to Treasury fund accounts at other Federal agencies; and

"(4) a comprehensive evaluation of the weaknesses and strengths in international education and foreign language training at all levels of education in our Nation and the role of the Endowment to remedy these weaknesses, and encourage expansion of these strengths.

"(c) The Secretary shall prepare and submit to the Congress, not later than 6 months after the date of enactment of this section, a report on the study required by this section, together with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.".

PART F—CONSTRUCTION AND RENOVATION REAUTHORIZATION

SEC. 251. Section 702 of the Act is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 702. There are authorized to be appropriated $5,000,000 for fiscal year 1987, $5,525,000 for fiscal year 1988, $6,076,250 for fiscal year 1989, $6,655,063 for fiscal year 1990, and $7,262,816 for fiscal year 1991 for part A. There are authorized to be appropriated $5,000,000 for fiscal year 1987, $5,525,000 for fiscal year 1988, $6,076,250 for fiscal year 1989, $6,655,063 for fiscal year 1990, and $7,262,816 for fiscal year 1991 for part B. There are authorized to be appropriated $18,795,000 for fiscal year 1987, $19,734,750 for fiscal year 1988, $20,721,488 for fiscal year 1989, $21,757,562 for fiscal year 1990, and $22,845,440 for fiscal year 1991 for part C. There are authorized to be appropriated $24,675,000 for fiscal year 1987, $25,908,750 for fiscal year 1988, $27,204,188 for fiscal year 1989, $28,564,397 for fiscal year 1990, and $29,992,617 for fiscal year 1991 for section 734.".

GENERAL PROVISIONS FOR LOAN PROGRAM

SEC. 252. (a) GENERAL RULE.—Section 732(b)(5)(B) of the Act is amended to read as follows:

"(B) granting to a borrower of a loan made before October 1, 1986, the option of repaying the loan at a discount computed in accordance with subsection (c) if the repayment is (i) made from non-Federal sources, (ii) not derived from proceeds of obligations the income of which is exempt from taxation under the Internal Revenue Code of 1954, and (iii) made on a loan that has been outstanding for at least five years; and".

(b) COMPUTATION OF ALLOWABLE DEDUCTIONS.—Section 732 of the Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall compute the discount which may be offered to a borrower as an inducement to early repayment under subsection (b)(5) in an amount determined by the Secretary to be in the best financial interests of the Government, taking into account the yield on outstanding marketable obligations of the United States having maturities comparable to the remaining term of such loan, if (A) the repayment is made from non-Federal sources, (B) the Secretary has received satisfactory assurances that the housing or other educational facilities financed with the loan will continue to be used for purposes related to the educational institution for the original term of the loan, and (C) the repayment is made prior to October 1, 1991.".

HOUSING AND OTHER EDUCATIONAL FACILITIES LOANS REAUTHORIZED

SEC. 253. Title VII of the Act is amended—

(1) by redesignating part D as part E;

(2) by redesignating section 741 and section 742 as section 751 and section 752, respectively; and

(3) by adding after part C the following new part:

"PART D—HOUSING AND OTHER EDUCATIONAL FACILITIES LOANS

"FEDERAL ASSISTANCE IN THE FORM OF LOANS

"SEC. 741. (a) AUTHORITY AND CONDITIONS FOR LOANS.—To assist undergraduate postsecondary educational institutions in the construction, reconstruction, or renovation of housing, undergraduate academic facilities, and other educational facilities for students and faculties, the Secretary may make loans of funds to such institutions for the construction, reconstruction, or renovation of such facilities. No such assistance shall be provided unless—

"(1) the educational institution involved is unable to secure the necessary funds for the construction or purchase from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title; and

"(2) the Secretary finds that any such construction will be undertaken in an economical manner, and that any such facilities are not or will not be of elaborate or extravagant design or materials.

"(b) USE OF LOANS FOR PREVIOUSLY MADE CONTRACTS.—Any undergraduate postsecondary educational institution which, prior to the date of enactment of this section, has contracted for housing or other educational facilities may, in connection therewith, receive loans authorized under this title, as the Secretary may determine. No such loan shall be made for any housing or other educational facilities, the construction of which was begun prior to the effective date of this section, or completed prior to the filing of an application under this title.

"(c) AMOUNT AND CONDITIONS OF LOANS.—A loan to an undergraduate postsecondary educational institution—

"(1) may be in an amount not exceeding the total development cost of the facility, as determined by the Secretary;

"(2) shall be secured in such manner and be repaid within such period, not exceeding forty years, as may be determined by the Secretary; and

"(3) shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the average currrent yield on outstanding obligations of the United states of comparable maturities in the month preceding the month in which the contract for such loan is made.

"(d) USE OF FUNDS FROM TITLE IV OF THE HOUSING ACT OF 1950.—Funds obtained pursuant to section 401(d) of the Housing Act of 1950 shall be available for the purposes of carrying out this part. For such purposes, the total amount of notes and obligations which the Secretary may continue to issue and have outstanding for purchase by the Secretary of the Treasury shall not exceed the amount issued and outstanding under such section 401(d) as of September 30, 1985. Such notes and other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary, with the approval of the Secretary of the Treasury. Such notes or other obligations issued to obtain funds for loan contracts entered into after the effective date of the Higher Education Act Amendments of 1985 shall bear interest at a rate determined by the Secretary of the

Treasury which shall not be more than the average current yield on outstanding obligations of the United States of comparable maturities in the month preceding the month in which the contract for such loan is made. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued under this part and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under such chapter are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired under this part. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(e) USE OF FUNDS.—Not less than 10 percent of the funds held by the Secretary under subsection (d) of this section shall be made available for loans under this part for each fiscal year.

"(f) APPROPRIATION TO COVER NOTES AND OBLIGATIONS NOT COVERED BY LOAN REPAYMENT.—There are authorized to be appropriated to the Secretary such sums as may be necessary, together with principal and interest payments made by postsecondary educational institutions assisted with loans made under this part (or under title IV of the Housing Act of 1950), for payment on notes and obligations issued by the Secretary under this part or such title.

"GENERAL PROVISIONS

"SEC. 742. (a) BUDGET AND ACCOUNTING.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary notwithstanding the provisions of any other law, shall—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by chapter 91 of title 31, United States Code; and

"(2) maintain a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of chapter 35 of title 31, United States Code, but such financial transactions of the Secretary, as the making of loans and vouchers approved by the Secretary, in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

"(b) USE OF FUNDS.—Funds made available to the Secretary pursuant to the provisions of this part shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Secretary in connection with the performance of functions under this part, and all funds available for carrying out the functions of the Secretary under this part (including appropriations therefore, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Secretary in connection with the performance of such functions.

"(c) LEGAL POWERS.—In the performance of, and with respect to, the functions, powers, and duties under this part, the Secretary, notwithstanding the provisions of any other law, may—

"(1) prescribe such rules and regulations as may be necessary to carry out the purposes for this part;

"(2) sue and be sued;

"(3) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which the Secretary has made a loan pursuant to this part;

"(4) in the event of any such acquisition, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease and otherwise deal with, such property, but any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as the Secretary may fix;

"(6) obtain insurance against loss in connection with property and other assets held;

"(7) subject to the specific limitations in this part, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which the Secretary is a party or which has been transferred to the Secretary pursuant to this part granting to a borrower of a loan made before October 1, 1986, the option of repaying the loan at a discount computed in accordance with subsection (d) if the repayment is (A) made from non-Federal sources, (B) not derived from proceeds of obligations the income of which is exempt from taxation under the Internal Revenue Code of 1954, and (C) made on a loan that has been outstanding for at least five years; and

"(8) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as may be necessary to assure that the purposes of this part will be achieved.

"(d) COMPUTATION OF ALLOWABLE DISCOUNTS.—The Secretary shall, in consultation with the Secretary of the Treasury and to the extent consistent with the best financial interests of the Federal Government, compute the discount which may be offered to a borrower as an inducement to early repayment under subsection (b)(5). The price which may be offered shall be the present value of the scheduled future payments on the loan discounted by using, as an imputed interest rate, the current market yields on outstanding marketable obligations of the United States having comparable maturities.

"(e) CONTRACTS FOR SUPPLIES OR SERVICES.—Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this part if the amount of such contract does not exceed $1,000.

"(f) APPLICABILITY OF GOVERNMENT CORPORATION CONTROL ACT.—The provisions of section 9107(a) of title 31, United States Code, which are applicable to corporations or agencies subject to chapter 91 of such title, shall also be applicable to the activities of the Secretary under this part.

"(g) WAGE RATES.—The Secretary shall take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors or any project assisted under this part, the construction or rehabilitation of which was commenced after the date of enactment of the Housing Act of 1950—

"(1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act), as amended; and

"(2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed;

but the Secretary may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.

"APPORTIONMENT; PRIORITIES; LIMITATION

"SEC. 743. (a) APPORTIONMENT.—Not more than 12.5 percent of the amount of the funds provided for in this part in the form of loans shall be made available to educational institutions within any one State.

"(b) PRIORITIES.—In awarding loans under this part, the Secretary shall give priority—

"(A) to loans for renovation or reconstruction of undergraduate academic facilities;

"(B) to loans for renovation or reconstruction of older undergraduate academic facilities and undergraduate academic facilities that have gone without major renovation or reconstruction for an extended period.

"(c) LIMITATION.—No loan application may be made under this part until 10 years after the date on which an undergraduate postsecondary educational institution received a loan under this part.

"DEFINITIONS

"SEC. 744. For the purposes of this part—

"(1) HOUSING.—The term 'housing' means—

"(A) new or existing structures suitable for dwelling use, including single-room dormitories and apartments; and

"(B) dwelling facilities provided for rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for the proposed dwelling use.

"(2) EDUCATIONAL INSTITUTION.—The term 'undergraduate postsecondary educational institution' means—

"(A)(i) any educational institution which offers, or provides satisfactory assurance to the Secretary that it will offer within a reasonable time after completion of a facility for which assistance is requested under this part, at least a two-year program acceptable for full credit toward a baccalaureate degree (including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual); or

"(ii) any public educational institution which—

"(I) is administered by a college or university which is accredited by a nationally recognized accrediting agency or association;

"(II) offers technical or vocational instruction; and

"(III) provides residential facilities for some or all of the students receiving such instruction;

"(B) any hospital operating a school of nursing beyond the level of high school approved by the appropriate State authority, or any hospital approved for internships, by recognized authority, if such hospital is either a public hospital or a private hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

"(C) any corporation (no part of the net earnings of which inures to the benefit of any private shareholder or individual)—

"(i) established for the sole purpose of providing housing or other educational facilities for students or students and faculty of one or more institutions included in clause (A) of this paragraph without regard to their membership in or affiliation with any social, fraternal, or honorary society or organization; and

"(ii) upon dissolution of which all title to any property purchased or built from the proceeds of any loan which is made under section 741, will pass to such institution (or to anyone or more of such institutions) unless it is shown to the satisfaction of the Secretary that such property or the proceeds from its sale will be used for some other nonprofit educational purpose;

"(D) any agency, public authority, or other instrumentality of any State, established for the purpose of providing or financing housing or other educational facilities for students or faculty of any educational institution included in clause (A) of this paragraph, but nothing in this paragraph shall require an institution included in clause (A) of this paragraph to obtain loans or grants through any instrumentality included in this clause; and

"(E) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (A) of this paragraph.

In the case of any loan made under section 741 to a corporation described in clause (C) of this paragraph which was not established by the institution or institutions for whose students or students and faculty it would provide housing, or to a student housing cooperative corporation described in clause (E) of this paragraph, and in the case of any loan which is obtained from other sources by such a corporation, the Secretary shall require that the note securing such loan be cosigned by such institution (or by any one or more of such institutions). Where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents the institution or institutions, for whose students or students and faculty housing is to be provided, from cosigning the note, the Secretary shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning.

"(3) UNDERGRADUATE ACADEMIC FACILITIES.—(A) Except as provided in subparagraph (B) of this paragraph, the term 'undergraduate academic facilities' means structures suitable for use as classrooms, laboratories, libraries, and related facilities, the primary purpose of which is the instruction of students pursuing a baccalaureate degree, or for administration of the educational programs serving such students, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities, as well as infirmaries or other facilities designed to provide primarily for outpatient care of student and instructional personnel. Plans for such facilities shall be in compliance with such standards as the Secretary may prescribe or approve in order to insure that projects assisted with the use of Federal funds under this title shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons.

"(B) The term 'undergraduate academic facilities' shall not include—

"(i) any facility intended primarily for events for which admission is to be charged to the general public,

"(ii) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Secretary finds that the physical integration of such facilities with other undergraduate academic facilities included under this part is required to carry out the objectives of this part,

"(iii) any facility used or to be used for sectarian instruction or as a place for religious worship, or

"(iv) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity.

"(4) DEVELOPMENT COST.—The term 'development cost' means costs of the construction of the housing or other educational facilities and the land on which it is located, including necessary site improvements to permit its use for housing or other educational facilities; except that in the case of the purchase of facilities such term means the cost as approved by the Secretary.

"(5) FACULTIES.—The term 'faculties' means member of the faculty and their families.

"(6) OTHER EDUCATIONAL FACILITIES.—The term 'other educational facilities' means (A) new or existing structures suitable for use as cafeterias or dining halls, student centers or student unions, infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.".

ESTABLISHMENT OF THE COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

SEC. 254. Title VII of the Act is amended by adding at the end thereof the following new part:

"PART F—COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

"CONGRESSIONAL DECLARATION OF PURPOSE; DEFINITION; INCORPORATION

"SEC. 761. (a) PURPOSE.—The Congress declares that it is the purpose of this part to authorize participation of the United States Government and the Student Loan Marketing Association in a private, for profit corporation to be known as the College Construction Loan Insurance Association (hereafter in this part referred to as the 'Corporation') which will, directly or indirectly, alone or in collaboration with others—

"(1) guarantee, insure and reinsure bonds, debentures, notes, evidences of debt, loans and interests therein, the proceeds of which are to be used for an education facilities purpose;

"(2) guarantee and insure leases of personal, real or mixed property to be used for an education facilities purpose; and

"(3) issue such letters of credit and undertake such obligations and commitments as the Corporation deems necessary to carry out the purposes described in clauses (1) and (2).

"(b) STATUS AS NON-GOVERNMENTAL ENTITY.—The Corporation shall not be an agency, instrumentality or establishment of the United States Government and shall not be a 'Government corporation' nor a 'Government controlled corporation' as defined in section 103 of title 5, United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

"(c) CORPORATE POWERS AND LIMITATIONS; APPLICABILITY OF THE PROVISIONS OF THIS PART.—The Corporation shall be subject to the provisions of this part and, to the extent not inconsistent with this part, to the District of Columbia Business Corporation Act. The business activities of the Corporation shall always be limited to the purposes set forth in subsection (a) of this section. It shall have the powers conferred upon a corporation by the District of Columbia Business Corporation Act as from time to time in effect in order to conduct its corporate affairs and to carry out its purposes and activities incidental thereto.

"(d) DEFINITION OF EDUCATION FACILITIES PURPOSE.—As used in this section, an 'education facilities purpose' includes any activity relating to the construction, reconstruction, renovation, acquisition or purchase of (1) education, training or research facilities or housing for students, faculty or staff, (2) any underlying real property or any interest therein, (3) furniture, fixtures and equipment to be used in connection with any education or training facility or housing for students, faculty or staff, and (4) instructional equipment and research instrumentation including site preparation for such equipment and instrumentation.

"CRITERIA FOR GUARANTEES AND INSURANCE

"SEC. 762. (a) GENERAL RULE.—In carrying out the purposes and activities described in section 761, the Corporation shall assure that not less than 100 percent of the aggregate amount of—

"(1) the bonds, debentures, notes, evidences of debt, loans, and interest therein, the proceeds of which are to be used for an education facilities purpose, and

"(2) the lease of personal, real, or mixed property to be used for such purpose,

shall be made available for educational facilities purposes which do not qualify under usual business practice because of—

"(A) the difficulty or inability of the institution to otherwise obtain financing on reasonable terms for such purposes;

"(B) the difficulty or inability to obtain financing through the use of the proceeds of bonds or other evidence of indebtedness by the institution on reasonable terms for such purposes; or

"(C) the difficulty or inability to obtain guarantees or insurance by the institution on reasonable terms for such purposes.

"(b) CRITERIA REQUIRED.—The incorporators of the Corporation appointed pursuant to section 763 shall establish uniform criteria for the requirement imposed by subsection (a) of this section.

"(c) NONDISCRIMINATION REQUIRED.—(1) The Corporation may not carry out any activities with respect to any education facilities purpose of a participating institution if the institution discriminates on account of

race, color, religion, national origin, sex (to the extent provided in title IX of the Education Amendments of 1972), or handicapping condition.

"(2) Each participating institution shall certify to the corporation that the institution does not discriminate as required by the provisions of paragraph (1).

"PROCESS OF ORGANIZATION

"SEC. 763. The Secretary of the Treasury, the Secretary of Education and the Student Loan Marketing Association shall each appoint two persons to be incorporators of the Corporation. If either the Secretary of the Treasury or the Secretary of Education fail to appoint incorporators within 90 days after the date of enactment of the Higher Education Amendments of 1986, the Student Loan Marketing Association, after consultation with the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives, shall have the authority to name the incorporators which have not been so appointed. The incorporators so appointed shall each sign the articles of incorporation and shall serve as the initial Board of Directors until the members of the first regular Board of Directors shall have been appointed and elected. Such incorporators shall take whatever actions are necessary or appropriate to establish the Corporation, including the filing of articles of incorporation.

"OPERATION AND ELECTION OF BOARD OF DIRECTORS

"SEC. 764. (a) IN GENERAL.—The Corporation shall have a Board of Directors which shall consist of eleven members, of whom one shall be elected annually by the Board to serve as chairman. Directors shall serve for terms of one year or until their successors have been appointed and qualified, and any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the Director whom he succeeds. Two Directors shall be appointed by the Secretary of the Treasury; two Directors shall be appointed by the Secretary of Education; three Directors shall be appointed by the Student Loan Marketing Association; and the remaining four Directors shall be elected by the holders of the Corporation's voting common stock at least one of whom shall be a college or university administrator.

"(b) CUMULATIVE VOTING.—The articles of incorporation of the Corporation shall provide for cumulative voting under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-327(d)).

"INITIAL CAPITAL

"SEC. 765. (a) AUTHORITY TO ISSUE COMMON STOCK.—The Corporation shall issue shares of voting common stock of no par value at such time within six months of its incorporation as shall be designated by the initial Board of Directors, for an aggregate consideration of not more than $16,000,000. During each of the four years thereafter, the Corporation shall issue additional voting common stock at such date or dates in each year determined by the Board for an aggregate consideration of not more than $41,000,000 in each year.

"(b) SUBSCRIPTION BY SECRETARY OF EDUCATION.—The Secretary of Education is authorized and directed to subscribe to and purchase, in each of the five years referred to in subsection (a) of this section, voting common stock of the Corporation having an aggregate purchase price of not more than $11,000,000, subject to availability of appropriations.

"(c) SUBSCRIPTION BY ASSOCIATION.—The Student Loan Marketing Association is authorized to subscribe to and purchase in each of the five years referred to in subsection (a) of this section voting common stock of the Corporation having an aggregate purchase price of not more than $5,000,000.

"(d) ANNUAL ISSUANCE.—The Corporation is authorized to offer for subscription and purchase to the general public in each of the second through fifth years referred to in subsection (a) of this section voting common stock having an aggregate purchase price of not more than $25,000,000. Not less than $10,000,000 of such stock shall be set aside for purchase by institutions of higher education prior to being offered to the general public.

"ISSUE OF NONVOTING STOCK AND DEBT TO THE PUBLIC

"SEC. 766. The Corporation may issue without limitation as to amount or restriction as to ownership such nonvoting common, preferred and preference stock, debt and such other securities and obligations, in such amounts, at such times and having such terms and conditions as may be deemed necessary or appropriate by its Board of Directors.

"OBLIGATIONS NOT FEDERALLY GUARANTEED

"SEC. 767. No obligation which is insured, guaranteed or otherwise backed by the Corporation, shall be deemed to be an obligation which is guaranteed by the full faith and credit of the United States.

"AUTHORITY OF SECRETARY TO SELL COMMON STOCK; RIGHT OF FIRST REFUSAL

"SEC. 768. (a) AUTHORITY TO SELL.—The Secretary of Education may, at any time after a date which is five years after the date of incorporation of the Corporation, sell (in one or more transactions) the voting common stock of the Corporation owned by the Secretary. Prior to offering such common stock for sale to any other person, the Secretary shall offer such stock to the Student Loan Marketing Association at the price determined pursuant to subsection (b). Not later than 30 days prior to the sale of such stock, the Secretary shall advise, in writing, the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives of plans of the Secretary.

"(b) PURCHASE PRICE.—The price at which the Secretary may sell the voting common stock of the Corporation under subsection (a) of this section shall be the market value of such shares as determined by the Secretary, on the basis of an independent appraisal, but shall not be less than the value of such shares as shown on the books of account of the Corporation as of the date of closing of such purchase. In no event shall the purchase price be less than the original issuance price.

"(c) BOARD OF DIRECTORS ELECTED AFTER MAJORITY BUY-OUT.—If the Student Loan Marketing Association acquires from the Secretary of Education sufficient voting common stock so as to own more than 50 percent of the issued and outstanding voting common stock of the Corporation, section 764 (except subsection (b)) of this Act shall be of no further force or effect and the Board of Directors of the Corporation shall thereafter be elected entirely by the voting common shareholders.

"(d) RIGHT OF FIRST REFUSAL TO ASSOCIATION.—Until such time as the Student Loan Marketing Association acquires all of the voting common stock owned by the Secretary, the Student Loan Marketing Association shall have the right to purchase all, or any lesser portion it shall select, of each of the issues of equity securities or other securities convertible into equity of the Corporation as the Corporation may issue from time to time, on the same terms and conditions as such securities are to be offered to other persons.

"(e) AUTHORITY OF ASSOCIATION WITH RESPECT TO CORPORATION.—The Student Loan Marketing Association is authorized and empowered to purchase stock and to carry out such other activities as are necessary and appropriate for carrying out the Association's obligations and responsibilities with respect to the Corporation. The Student Loan Marketing Association is also authorized to enter into such other transactions with the Corporation, including the acquisition of securities and obligations of the Corporation referred to in this section and sections 765 and 766, and arrangements for the provision of management and other services to the Corporation, as shall be approved by the Student Loan Marketing Association and the Corporation.

"RETURN OF STOCK SALE PROCEEDS

"SEC. 769. The proceeds received by the Secretary of Education upon the sale of any of its shares of the Corporation to the Student Loan Marketing Association shall be deposited in the general fund of the Treasury.

"AUDITS; REPORTS TO THE PRESIDENT AND THE CONGRESS

"SEC. 770. (a) ACCOUNTING REQUIREMENT.—The books of account of the Corporation shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by an independent public accountant.

"(b) REPORTS.—The Corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a report of its operations and activities under this part, which annual report shall include a copy of the Corporation's financial statements and the opinion with respect thereto prepared by the independent public accountant reviewing such statements and a copy of any report made on an audit conducted under subsection (a).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 771. There are authorized to be appropriated $11,000,000 to carry out the provisions of this part, to remain available until expended.".

PART G—COOPERATIVE EDUCATION

COOPERATIVE EDUCATION REAUTHORIZED

SEC. 261. Title VIII of the Act is amended to read as follows:

"TITLE VIII—COOPERATIVE EDUCATION

"APPROPRIATIONS AUTHORIZED; RESERVATIONS

"SEC. 801. (a) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated $15,120,000 for fiscal year 1987, $15,876,000 for fiscal year 1988, $16,670,000 for fiscal year 1989, $17,500,000 for fiscal year 1990, and $18,380,000 for fiscal year 1991 to carry out the cooperative education program authorized by this title.

"(b) RESERVATIONS.—Of the amounts appropriated in each fiscal year—

"(1) not less than 75 percent shall be available for carrying out grants to institutions of higher education and combinations

of such institutions for cooperative education under section 802;

"(2) not to exceed 12½ percent shall be available for demonstration projects under clause (1) of section 803(a);

"(3) not to exceed 10 percent shall be available for training and resource centers under clause (2) of section 803(a); and

"(4) not to exceed 2½ percent shall be available for research under clause (3) of section 803(a).

"(c) AVAILABILITY OF APPROPRIATIONS.—Appropriations under this title shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this title.

"GRANTS FOR COOPERATIVE EDUCATION PROGRAMS

"SEC. 802. (a) GRANTS AUTHORIZED; MAXIMUM AMOUNT OF GRANT.—(1) The Secretary is authorized, from the amount available under section 801(b)(1) in each fiscal year and in accordance with the provisions of this title, to make grants to institutions of higher education, or to combinations of such institutions, to pay the Federal share of the cost of planning, establishing, expanding, or carrying out programs of cooperative education by such institutions or combinations of institutions.

"(2)(A) Cooperative education programs assisted under this section shall provide alternating or parallel periods of academic study and of public or private employment, giving work experience related to their academic or occupational objectives and the opportunity to earn the funds necessary for continuing and completing their education.

"(B) The amount of each grant shall not exceed $500,000 to any one institution of higher education in any fiscal year, and shall not exceed an amount equal to the product of $345,000 times the number of institutions participating in such combination, for any fiscal year.

"(b) APPLICATIONS.—Each institution of higher education, or combination of institutions desiring to receive a grant under this title shall submit an application to the Secretary at such time and in such manner as the Secretary shall prescribe. Each such application shall—

"(1) set forth the program or activities for which a grant is authorized under this section;

"(2) specify each portion of such program or activities which will be performed by a nonprofit organization or institution other than the applicant and the compensation to be paid for such performance;

"(3) provide that the applicant will expend during such fiscal year for the purpose of such program or activities not less than the amount expended for such purpose during the previous fiscal year;

"(4) describe the plans which the applicant will carry out to assure that the applicant will continue the cooperative education program beyond the 5-year period of Federal assistance described in subsection (c)(1);

"(5) provide that, in the case of an institution of higher education that provides a 2-year program which is acceptable for full credit toward a bachelor's degree, the cooperative education program will be available to students who are certificate candidates and who carry at least one-half the normal full time academic workload;

"(6) provide that the applicant will—

"(A) make such reports as may be essential to insure that the applicant is complying with the provisions of this section, including in the reports for the second and each succeeding fiscal year for which the applicant receives a grant data with respect to the impact of the cooperative education program in the previous fiscal year, including—

"(i) the number of students enrolled in the cooperative education program,

"(ii) the number of employers involved in the program,

"(iii) the income of the students enrolled, and

"(iv) the increase or decrease of enrollment in the program in the second previous year compared to such previous fiscal year; and

"(B) keep such records as are essential to insure that the applicant is complying with the provisions of this title;

"(7) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this title; and

"(8) include such other information as is essential to carry out the provisions of this title.

"(c) DURATION OF GRANTS; FEDERAL SHARE.—(1)(A) Except as provided in paragraph (3), no individual institution of higher education, and no individual participant in a combination of such institutions may receive grants under this section for more than 5 fiscal years.

"(B) The limitation contained in subparagraph (A) shall apply to each institution of higher education or participant in a combination of such institutions whether the grant was received before or after the date of enactment of the Cooperative Education Act of 1985.

"(2) The Federal share of a grant under this section may not exceed—

"(A) 90 percent of the cost of carrying out the application in the first year the applicant receives a grant under this section;

"(B) 80 percent of such cost in the second such year;

"(C) 70 percent of such cost in the third such year;

"(D) 60 percent of such cost in the fourth such year; and

"(E) 30 percent of such cost in the fifth such year.

"(3) Any institution of higher education, or participant in a combination of such institutions which—

"(A) has received a grant for 5 fiscal years under this section;

"(B) has conducted without Federal assistance a cooperative education program for at least 2 academic years subsequent to the end of the fifth such fiscal year;

"(C) has expended for the cooperative education program for each such subsequent academic year an amount at least equal to the total cost of the program in the fifth fiscal year in which the institution, or participant, received assistance under this section; and

"(D) provides statistics in the application required under subsection (b) on the number of students enrolled in the cooperative education program, the number of institutional personnel, including faculty advisers and cooperative education coordinators, and the income of the students enrolled, for each such year;

may apply under subsection (b) as an institution, or participant, to which clause (A) of paragraph (2) applies.

"(4) Any provision of law to the contrary notwithstanding, the Secretary shall not waive the provisions of this subsection.

"(d) FACTORS FOR SPECIAL CONSIDERATION OF APPLICATIONS.—In approving applications under this section, the Secretary shall give special consideration to applications from institutions of higher education for programs which show the greatest promise of success because of—

"(1) the extent to which programs in the academic discipline with respect to which the application is made have had a favorable reception by public and private sector employers,

"(2) the commitment of the institution of higher education to cooperative education has demonstrated by the plans which such institution has made to continue the program after the termination of Federal financial assistance,

"(3) the extent to which the institution is committed to extending cooperative education on an institution-wide basis for all students who can benefit, and

"(4) such other factors as are consistent with the purposes of this section.

"DEMONSTRATION AND INNOVATION PROJECTS; TRAINING AND RESOURCE CENTERS; AND RESEARCH

"SEC. 803. (a) AUTHORIZATION.—The Secretary is authorized, in accordance with the provisions of this section, to make grants and enter into contracts for—

"(1) the conduct of demonstration projects designed to demonstrate or determine the feasibility or value of innovative methods of cooperative education from the amounts available in each fiscal year under section 801(b)(2);

"(2) the conduct of training and resource centers designed to—

"(A) train personnel in the field of cooperative education;

"(B) improve materials used in cooperative education programs;

"(C) furnish technical assistance to institutions of higher education to increase the potential of the institution to continue to conduct a cooperative education program without Federal assistance;

"(D) encourage model cooperative education programs which furnish education and training in occupations in which there is a national need; and

"(E) partnerships under which an institution carrying out a comprehensive cooperative education program joins with another institution of higher education in order to (i) assist the institution other than the comprehensive cooperative education institution to develop and expand an existing program of cooperative education, or (ii) establish and improve or expand comprehensive cooperative education programs,

from the amounts available in each fiscal year under section 801(b)(3); and

"(3) the conduct of research relating to cooperative education, from the amounts available in each fiscal year under section 801(b)(4).

"(b) ADMINISTRATIVE PROVISION.—To carry out this section, the Secretary may—

"(1) make grants to or contracts with institutions of higher education, or combinations of such institutions, and

"(2) make grants to or contracts with other public or private nonprofit agencies or organizations, whenever such grants or contracts will make an especially significant contribution to attaining the objectives of this section.

"(c) SUPPLEMENT NOT SUPPLANT.—A recipient of a grant or contract under this section may use the funds provided only so as to supplement and, to the extent possible, increase the level of funds that would, in the absence of such funds, be made available

from non-Federal sources to carry out the activities supported by such grant or contract, and in no case to supplant such funds from non-Federal sources.".

PART H—GRADUATE AND PROFESSIONAL PROGRAMS

SUBPART 1—GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

REPEAL OF PART A

SEC. 271. Part A of title IX of the Act is repealed.

SUBPART 2—FELLOWSHIPS FOR GRADUATE AND PROFESSIONAL STUDY

INSTITUTIONAL AND INDIVIDUAL GRANT AMOUNTS

SEC. 272. (a) INSTITUTIONAL AMOUNT REPEALED.—Section 922(b) of the Act is amended—

(1) by striking out paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

(b) MINIMUM INSTITUTIONAL PAYMENT.—Section 922(f) of the Act is amended by inserting at the end thereof the following new sentence: "The amount paid to an institution of higher education under this subsection for any such person may not be less than $4,200".

(c) MAXIMUM INDIVIDUAL AWARD.—Section 923(a) of the Act is amended by striking out "$4,500" and inserting in lieu thereof "$7,000".

APPLICATION PROCEDURES

SEC. 273. Section 922(c) of the Act is amended by adding at the end thereof the following: "Each such application may be made on behalf of any professional school, academic department or similar organizational unit, or interdisciplinary or interdepartmental program within the institution of higher education meeting the requirements of this sub- section.".

REAUTHORIZATION

SEC. 274. Section 924 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 924. There are authorized to be appropriated to carry out the provisions of this part $18,480,000 for fiscal year 1987, $19,404,000 for fiscal year 1988, $20,374,000 for fiscal year 1989, $21,393,000 for fiscal year 1990, and $22,463,000 for fiscal year 1991.".

SUBPART 3—NATIONAL GRADUATE FELLOWS PROGRAM

REAUTHORIZATION; DESIGNATION OF AWARDEES

SEC. 275. (a) EXTENSION OF PROGRAM.—Section 931(a) of the Act is amended by striking out "1985" and inserting in lieu thereof "1991".

(b) DESIGNATION OF FELLOWS.—Section 931(a) of the Act is further amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) Students receiving awards under this part shall be known as 'Jacob J. Javits Fellows'.".

(c) LIMITATION ON APPROPRIATIONS.—Section 932(c) of the Act is amended by adding at the end thereof the following new sentence: "No sums are authorized to be appropriated to carry out the provisions of this part in excess of $2,625,000 for fiscal year 1987, $2,756,000 for fiscal year 1988, $2,894,000 for fiscal year 1989, $3,039,000 for fiscal year 1990, and $3,191,000 for fiscal year 1991.".

RECONSTITUTING NATIONAL GRADUATE FELLOWS PROGRAM FELLOWSHIP BOARD

SEC. 276. (a) APPOINTING AUTHORITY; COMPOSITION.—Section 932(a)(1) of the Act is amended—

(1) by striking out "President" and inserting in lieu thereof "Secretary"; and

(2) by striking out "15 individuals" and inserting in lieu thereof the following: "13 individuals after July 31, 1987, and prior to August 1, 1989, 11 individuals after July 31, 1989, and prior to August 1, 1991, and 9 individuals after July 31, 1991"; and

(3) by adding at the end thereof the following new sentence: "The Secretary shall assure that individuals appointed to the Board are broadly knowledgeable about and have experience in doctoral education in the arts, humanities, and social sciences.".

(b) DUTIES.—Section 932(a)(2) of the Act is amended to read as follows:

"(2) The Board shall—

"(A) establish general policies for the program established by this part and oversee its operations;

"(B) establish general criteria for the distribution of fellowships among eligible academic fields identified by the Board;

"(C) appoint panels of academic scholars with distinguished backgrounds in the arts, humanities, and social sciences for the purpose of directing fellows; and

"(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.".

(c) TERMS OF OFFICE.—Section 932(a)(4) of the Act is amended to read as follows:

"(4) The term of office of each member of the Board shall be four years; except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of six years.".

(d) MEETINGS REQUIRED.—Section 932(a)(6)(B) of the Act is amended to read as follows:

"(B) The Board shall meet at least once a year, or more frequently, as may be necessary to carry out its responsibilities.".

(e) SELECTION CRITERIA.—Section 932(b) of the Act is amended to read as follows:

"(b) The recipients of fellowships shall be selected from among all applicants nationwide by distinguished panels appointed by the Fellowship Board to make selections under criteria of academic excellence established by the Board.".

(f) EFFECTIVE DATE.—The amendments made by subsections (a) and (c) of this section shall take effect with respect to individuals appointed to the Fellowship Board to fill vacancies occurring after the date of enactment of this Act on the Fellowship Board as constituted prior to the amendments made by this section. The Secretary shall make initial appointments under this subsection so that the terms of three members expire at the end of two years, three members expire at the end of three years, and three members expire at the end of four years.

SUBPART 4—TRAINING IN THE LEGAL PROFESSION

REAUTHORIZATION

SEC. 277. Section 942 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 942. There are authorized to be appropriated to carry out the provisions of this part $1,575,000 for fiscal year 1987, $1,653,750 for fiscal year 1988, $1,736,437 for fiscal year 1989, $1,823,259 for fiscal year 1990, and $1,874,421 for fiscal year 1991.".

SUBPART 5—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

REAUTHORIZATION

SEC. 278. Section 953 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 953. There are authorized to be appropriated to carry out the provisions of this part $1,575,000 for fiscal year 1987, $1,653,750 for fiscal year 1988, $1,736,437 for fiscal year 1989, $1,823,259 for fiscal year 1990, and $1,874,421 for fiscal year 1991.".

PART I—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

REAUTHORIZATION

SEC. 281. Section 1005 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1005. There are authorized to be appropriated to carry out this title $13,350,000 for fiscal year 1987, $14,010,000 for fiscal year 1988, $14,710,000 for fiscal year 1989, $15,450,000 for fiscal year 1990, and $16,220,000 for fiscal year 1991.".

INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENT FINANCIAL INDEPENDENCE

SEC. 282. (a) INNOVATIVE PROJECTS AUTHORIZED.—Part B of title X of the Act is amended to read as follows:

"PART B—INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENT FINANCIAL INDEPENDENCE

"STATEMENT OF PURPOSE

"SEC. 1021. It is the purpose of this part to support innovative projects in order to determine the feasibility of encouraging student participation in community service projects in exchange for educational services or financial assistance and thereby reduce the debt acquired by students in the course of completing postsecondary educational programs.

"INNOVATIVE PROJECTS FOR COMMUNITY SERVICES AND STUDENT FINANCIAL INDEPENDENCE

"SEC. 1022. (a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this part, to make grants to and contracts with institutions of higher education (including combinations of such institutions) and with such other public agencies and nonprofit private organizations as the Secretary deems necessary for innovative projects designed to carry out the purpose of this part.

"(b) APPLICATIONS.—No grant may be made and no contract may be entered into under this section unless an application is made at such time, in such manner, and contained or accompanied by such information as the Director may require.

"(c) APPLICABLE PROCEDURES.—(1) No application may be approved under subsection (b) unless the National Board Fund for Improvement of Postsecondary Education, under procedures established by the Director, approves the application.

"(2) The provisions of section 1004(b) shall apply to grants made under this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1023. (a) There are authorized to be appropriated to carry out this part, $3,800,000 for fiscal year 1987, $4,000,000 for fiscal year 1988, $4,200,000 for fiscal year 1989, $4,400,000 for fiscal year 1990, and $4,600,000 for fiscal year 1991.

"(b) No funds may be appropriated pursuant to subsection (a) of this section for any

fiscal year unless funds are appropriated for part A of this title for such fiscal year.".

(b) CONFORMING AMENDMENT.—Section 205 of the Department of Education Organization Act is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) There is established, in the Office of Postsecondary Education, a Community College Unit (hereafter in this section referred to as the 'Unit') which shall have the responsibility for coordinating all programs administered by the Secretary which affect, or can benefit, community colleges, including such programs assisted under this Act, and the Carl D. Perkins Vocational Educational Act.

"(2) The Unit shall be headed by a Director who shall be placed in grade 17 of the General Schedule under section 5332 of title 5, United States Code.".

MINORITY INSTITUTIONS SCIENCE IMPROVEMENT PROGRAM REAUTHORIZATION

SEC. 283. Title X of the Act is amended by adding at the end thereof the following new part:

"PART C—MINORITY INSTITUTIONS SCIENCE IMPROVEMENT PROGRAM

"PROGRAM AUTHORIZED

"SEC. 1031. There are authorized to be appropriated for the purpose of carrying out the Minority Institutions Science Improvement Program transferred to the Secretary from the National Science Foundation by section 304 of the Department of Education Organization Act, $5,250,000 for fiscal year 1987, $5,512,500 for fiscal year 1988, $5,789,125 for fiscal year 1989, $6,078,580 for fiscal year 1990, and $6,382,500 for fiscal year 1991.".

PART J—URBAN UNIVERSITY PROGRAM

REPEAL OF TITLE XI

SEC. 286. Title XI of the Act is repealed.

PART K—MISCELLANEOUS HIGHER EDUCATION PROGRAMS

REAUTHORIZATION OF TREATMENT OF TERRITORIAL STUDENT ASSISTANCE

SEC. 291. Section 1204(c) of the Act is amended by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1991".

REAUTHORIZATION OF THE NATIONAL ADVISORY COMMITTEE ON ACCREDITATION AND INSTITUTIONAL ELIGIBILITY

SEC. 292. Section 1205(f) of the Act is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1991".

COMMISSION TO STUDY POSTSECONDARY INSTITUTIONAL AND PROGRAMMATIC RECOGNITION PROCESS

SEC. 293. Title XII of the Act is amended by adding at the end thereof the following new section:

"COMMISSION TO STUDY POSTSECONDARY INSTITUTIONAL AND PROGRAMMATIC RECOGNITION PROCESS

"SEC. 1206. (a) There is established in the legislative branch a Joint Study Commission on Postsecondary Institutional Recognition (hereafter in this section referred to as the 'Commission').

"(b) The Commission shall be composed of 5 members appointed jointly by the President pro tempore of the Senate, upon the recommendation of the Majority Leader and the Minority Leader, and by the Speaker of the House of Representatives, upon the recommendation of the Majority Leader and the Minority Leader.

"(c)(1) Members of the Commission shall be appointed, on the basis of their integrity, impartiality, and good judgment, from among individuals who, as a result of their training, experience, and attainment, are widely recognized by professionals in the fields of education and governmental administration as experts in those fields.

"(2) Members of the Commission and staff of the Commission may not, at the time of their appointment, be serving as either employees or officers of any accrediting agency or an organization of accrediting agencies, currently serving as administrators of accredited institutions, or be current or past members of the Advisory Committee on Accreditation and Institutional Eligibility of the Department.

"(3) Vacancies in the membership of the Commission shall not affect the power of the remaining members to perform the duties of the Commission and shall be filled in the same manner in which the original appointment was made.

"(4) Each member of the Commission not otherwise employed by the United States Government shall receive the daily equivalent of the annual basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day during which such member is actually engaged in the performance of the duties of the Commission. Each member of the Commission shall be allowed travel expenses in the same manner as any individual employed intermittently by the Federal Government is allowed travel expenses under section 5703 of title 5, United States Code.

"(d)(1) The Commission shall conduct a thorough study of the institutional and programmatic recognition process used by the Department of Education in determining institutional or programmatic eligibility for student participation in Federal student assistance programs under this Act with attention being given to the various types of public and private postsecondary institutions and programs.

"(2) The study shall address, analyze, and report specifically on—

"(A) the comprehensiveness of the standards and criteria used by existing accreditation agencies;

"(B) the reliability and validity of the institutional and programmatic review processes used by the existing accreditation agencies;

"(C) the adequacy of the current accreditation methodology and system;

"(D) alternative structures, standards, criteria, and processes that might be used in accrediting institutions and programs;

"(E) the indicators of educational quality that might be incorporated into the accreditation process;

"(F) the educational outcome measurements that might be used in the accreditation process;

"(G) the indicators of institutional and programmatic quality that should be provided to applicants and students; and

"(H) alternative approaches that might be used by the Secretary for institutional and programmatic recognition to permit student participation in Federal student assistance programs,

as each factor bears on eligibility for participation in Federal student assistance programs.

"(e) The Commission shall adopt procedures allowing any interested party to submit information with respect to the recognition process, including critiques of current accrediting agency recognition procedures, accreditation procedures, possible alternative procedures, and proposed changes in criteria for recognition of individual accrediting agencies.

"(f) The Commission shall prepare a narrative and statistical report consisting of—

"(1) an overview description of the voluntary accrediting process used for postsecondary education in the United States; and

"(2) a brief description of each accrediting agency recognized by the Department.

The report shall include at least a statement of the agency's purpose and a description of the organizational and governance structure of the agency, the agency's accreditation and visitation procedures, employers of members of the accrediting agency's governing body, the agency's sources of financial support, and a ten-year record of the number of members, number of candidates for accreditation, number of members voluntarily withdrawn after membership, number of applications withdrawn before membership, number of members dropped, and number of applicants denied accreditation. The report shall include the types of information shared among the various accrediting agencies, the degree of duplication among accrediting agencies in the current system, and an analysis of reported complaints by the agency and its member institutions and programs.

"(g)(1)(A) By agreement between the President pro tempore of the Senate and the Speaker of the House of Representatives, the Commission is authorized to secure on a reimbursable basis, office space, clerical personnel, travel expenses, and such supplies and equipment as may be necessary for the Commission to carry out the study.

"(B) Subject to such limitations as the President pro tempore of the Senate and the Speaker of the House of Representatives may jointly prescribe, the Commission may appoint such personnel as the Commission deems necessary and fix the compensation at an annual rate that does not exceed the rate of basic pay then payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code, and may procure by contract the temporary and intermittent services of clerical personnel and experts or consultants, or organizations thereof.

"(2) In conducting the study authorized by this section, the Commission is authorized to—

"(A) seek such assistance and support as may be required to conduct the study from appropriate Federal agencies;

"(B) arrange for the detail of staff personnel from other Federal agencies;

"(C) enter into contracts and make other arrangements, as may be necessary for the conduct of the study;

"(D) convene such technical groups as deemed necessary to secure information about the existing recognition process; and

"(E) provide transportation and subsistence for persons serving without compensation.

"(3) Upon request by the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in the conduct of the study.

"(h) The Commission shall submit a report of the findings and recommendations of the study required by this section to the Postsecondary Education Subcommittee of the Education and Labor Committee of the

House of Representatives and the Subcommittee on Education, Arts, and Humanities of the Labor and Human Resources Committee of the Senate not later than nine months after funds are appropriated and made available for this study.

"(i) There are authorized to be appropriated $1,000,000 to carry out the study authorized by this section.".

DISCLOSURES OF FOREIGN GIFTS

SEC. 294. (a) GENERAL RULE.—Title XII of the Act is further amended by adding at the end thereof the following new section:

"DISCLOSURES OF FOREIGN GIFTS

"SEC. 1207. (a) Whenever any institution receives a gift from or enters into a contract with a foreign source, the value of which is $250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.

"(b) Each report to the Secretary required by this Act shall contain:

"(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the aggregate amount of such gifts and contracts received from each foreign government.

"(c) Notwithstanding the provisions of subsection (b), whenever any institution receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose:

"(1) For such gifts received from or contracts entered into with a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source which is a natural person, and the country of incorporation, or if unknown, the principal place of business for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the amount, the date, a description of such conditions or restrictions; and the name of the foreign government.

"(d)(1) If an institution described under subsection (a) is within a State which has enacted requirements for public disclosure of gifts from or contracts with a foreign source that are substantially similar to the requirements of this section, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under subsection (a). The State in which the institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under State law if the State report is filed.

"(2) If an institution receives a gift from, or enters into a contract with, a foreign source, where any other department, agency, or bureau of the executive branch requires a report containing requirements substantially similar to those required under this Act, a copy of this report may be filed with the Secretary in lieu of a report required under subsection (a).

"(e) All disclosure reports required by this Act shall be public records open to inspection and copying during business hours.

"(f)(1) Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated thereunder, a civil action may be brought in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of the Act.

"(2) For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

"(g) The Secretary may promulgate regulations to carry out the ministerial duties imposed on the Secretary by this section.

"(h) For purposes of this section—

"(1) the term 'contract' means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties;

"(2) the term 'foreign source' means—

"(A) a foreign government, including an agency of a foreign government;

"(B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

"(C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

"(D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;

"(3) the term 'gift' means any gift of money or property;

"(4) the term 'institution' means any institution, public or private, or, if a multicampus institution, any single campus of such institution, in any State which—

"(A) is legally authorized within such State to provide a program of education beyond high school;

"(B) provides a program for which it awards a bachelor's degree (or provides not less than a two-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and

"(C) is accredited by a nationally recognized accrediting agency or association and to which institution Federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of Federal financial assistance to any of its subunits; and

"(5) the term 'restricted or conditional gift or contract' means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding (A) the employment, assignment, or termination of faculty; (B) the establishment of departments, centers, research or lecture programs, or new faculty positions; (C) the selection or admission of students; or (D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.".

(b) REPEALER.—Section 1207 of the Act, as added by subsection (a) of this section is repealed on August 1, 1989.

PART L—ROBERT A. TAFT INSTITUTE

REAUTHORIZATION

SEC. 296. Section 1373 of the Education Amendments of 1980, relating to the Robert A. Taft Institute, is amended by inserting after "1985" a comma and the following: "$750,000 for the fiscal year 1986 and for each succeeding fiscal year ending prior to October 1, 1988".

TITLE III—EDUCATION ADMINISTRATION

PART A—RESEARCH AND IMPROVEMENT

PROGRAM AUTHORIZED

SEC. 301. Section 405 of the General Education Provisions Act (hereafter in this title referred to as "the Act") is amended to read as follows:

"OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

"SEC. 405. (a)(1) The Congress declares it to be the policy of the United States to provide to every individual an equal opportunity to receive an education of high quality regardless of race, color, religion, sex, age, handicap, national origin, or social class. Although the American educational system has pursued this objective, it has not attained the objective. To achieve the goal of quality education requires the continued pursuit of knowledge about education through research, improvement activities, data collection, and information dissemination. While the direction of American education remains primarily the responsibility of State and local governments, the Federal Government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process.

"(2) The Congress further declares it to be the policy of the United States to—

"(A) promote the quality and equity of American education;

"(B) advance the practice of education as an art, science, and profession;

"(C) support educational research of the highest quality;

"(D) strengthen the educational research and development system;

"(E) improve educational techniques and training;

"(F) assess the national progress of this Nation's schools and educational institutions, particularly special populations; and

"(G) collect, analyze, and disseminate statistics and other data related to education in the United States and other nations.

"(3) For purposes of this section—

"(A) the term 'Assistant Secretary' means the Assistant Secretary for Educational Research and Improvement established by section 202 of the Department of Education Organization Act;

"(B) the term 'Council' means the National Advisory Council on Educational Research and Improvement established by subsection (c);

"(C) the term 'educational research' includes basic and applied research, development, planning, surveys, assessments, evaluations, investigations, experiments, and demonstrations in the field of education and other fields relating to education;

"(D) the term 'Office' means the Office of Educational Research and Improvement established by section 209 of the Department of Education Organization Act; and

"(E) the terms 'United States' and 'State' include the District of Columbia and the Commonwealth of Puerto Rico.

"(b)(1) It shall be the purpose of the Office to carry out the policies set forth in subsection (a) of this section. The Office shall be administered by the Assistant Secretary and shall include—

"(A) the National Advisory Council on Educational Research and Improvement established in subsection (c);

"(B) the Center for Education Statistics established by section 406; and

"(C) such other units as the Secretary deems appropriate to carry out the purposes of the Office.

"(2) The Office shall, in accordance with the provisions of this section, seek to improve education in the United States through concentrating the resources of the Office on the priority research and development needs described in paragraph (3).

"(3) The needs to which paragraph (2) apply are—

"(A) improving student achievement;

"(B) improving the ability of schools to meet their responsibilities to provide equal educational opportunities for all students, including those with limited English-speaking ability, women, older students, part-time students, minority students, gifted and talented students, handicapped students, and students who are socially, economically, or educationally disadvantaged;

"(C) collecting, analyzing, and disseminating statistics and other data related to education in the United States and other nations;

"(D) improving the dissemination and application of knowledge gained from educational research and data gathering;

"(E) encouraging the study of the sciences, the arts, and the humanities, including foreign languages and cultures;

"(F) improving the data base of information on special populations and their educational status;

"(G) conducting research on adult educational achievement, particularly literacy and illiteracy as it affects employment, crime, health, and human welfare;

"(H) conducting research on postsecondary opportunities, especially access for minorities and women; and

"(I) conducting research on education professionals, especially at the elementary and secondary levels including issues of recruitment, training, retention, and compensation.

"(c)(1)(A) The Council shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. In addition, there shall be such ex officio members who are officers of the United States as the President may designate, including the Assistant Secretary. A majority of the appointed members of the Council shall constitute a quorum. The chairperson of the Council shall be designated by the President from among the appointed members. Ex officio members shall not have a vote on the council. The members of the Council shall be appointed to ensure that the Council is broadly representative of the general public; the education professions, including practitioners; policymakers and researchers; and the various fields and levels of education.

"(2)(A) Except as provided in subparagraph (B), members shall be appointed to terms of three years.

"(B) Of the members first appointed—

"(i) five shall be appointed for terms of one year;

"(ii) five shall be appointed for terms of two years; and

"(iii) five shall be appointed for terms of three years;

as designated by the President at the time of appointment.

"(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of a term until a successor has taken office.

"(D) An appointed member who has been a member of the Council for six consecutive years shall be ineligible for appointment to the Council during the two-year period following the expiration of the sixth year.

"(3) The Council shall—

"(A) advise the Secretary and the Assistant Secretary on the policies and activities carried out by the office;

"(B) review and publicly comment on the policies and activities of the Office;

"(C) conduct such activities as may be necessary to fulfill its functions under this subsection;

"(D) prepare such reports to the Secretary on the activities of the Office as it deems appropriate; and

"(E) submit, no later than March 31 of each year, a report to the President and the Congress on the activities of the Office, and on education, educational research, and data gathering in general.

"(d)(1) In order to carry out the objectives of the Office under this section, the Secretary within the limits of available resources shall—

"(A) conduct educational research;

"(B) collect, analyze, and disseminate the findings of education research;

"(C) train individuals in educational research;

"(D) assist and foster such research, collection, dissemination, and training through grants, cooperative arrangements, and technical assistance;

"(E) promote the coordination of educational research and research support within the Federal Government and otherwise assist and foster such research; and

"(F) collect, analyze, and disseminate statistics and other data related to education in the United States and other nations.

"(2) The Secretary may carry out the activities in paragraph (1) directly, or through grants, contracts, and cooperative agreements with institutions of higher education, public agencies, private organizations and institutions, and individuals. When making awards under this subsection, the Secretary shall, to the fullest extent possible—

"(A) solicit recommendations and advice regarding research priorities, opportunities, and strategies from qualified experts, such as education professionals and policymakers, personnel of the regional education laboratories and of the research and development centers supported under paragraph (3), and the Council, as well as parents and other members of the general public;

"(B) employ suitable selection procedures utilizing the principles of peer review; and

"(C) determine that the activities to be supported by the award will be conducted efficiently, are of high quality, and are consistent with the purposes and priorities of the Office.

"(3)(A) In carrying out the functions of the Office, the Secretary shall, in accordance with the provisions of this subsection, support—

"(i) regional educational laboratories established by public agencies or private nonprofit organizations to serve the needs of a specific region of the Nation under the guidance of a regionally representative governing board, the regional agendas of which shall, consistent with the priority research and development needs established by subsection (b) (2) and (3), be determined by the governing boards of such labs;

"(ii) research and development centers that are established by institutions of higher education, public agencies, private nonprofit organizations, or by interstate agencies established by compact which operate subsidiary bodies established to conduct postsecondary educational research and development;

"(iii) meritorious unsolicited proposals for educational research and related activities that are authorized by this subsection; and

"(iv) proposals that are specifically invited or requested by the Secretary, on a competitive basis, which meet objectives authorized by this subsection.

"(B) Each application for assistance under clause (i) or (ii) of subparagraph (A) as a regional educational laboratory or a research and development center shall contain such information as the Secretary may reasonably require, including assurances that the applicant will—

"(i) be responsible for the conduct of the research and development activities;

"(ii) prepare a long-range plan relating to the conduct of such research and development activities;

"(iii) ensure that information developed as a result of such research and development activities, including new educational methods, practices, techniques, and products, will be appropriately disseminated;

"(iv) provide technical assistance to appropriate educational agencies and institutions; and

"(v) to the extent practicable, provide training for individuals, emphasizing training opportunities for women and members of minority groups, in the use of new educational methods, practices, techniques, and products developed in connection with such activities.

"(C) No regional educational laboratory or research and development center receiving assistance under this subsection shall, by reason of the receipt of that assistance, be ineligible to receive any other assistance from the Office authorized by law.

"(4) The Secretary may, from funds appropriated under this section, establish and maintain research fellowships in the Office, for scholars, researchers, and statisticians engaged in the collection and dissemination of information about education and educational research. Subject to regulations prescribed by the Secretary, the fellowships may include such stipends and allowance, including travel and subsistence expenses provided for under title 5, United States Code, as the Secretary deems appropriate.

"(e)(1) In addition to the other responsibilities of the Office under this section, the Secretary, through the Office, shall carry out, by grant to or cooperative agreement with a nonprofit educational organization, a National Assessment of Educational Progress which shall have as a primary purpose the assessment of the performance of children and young adults in the basic skills of reading, mathematics, communication, and other subjects and skills. Such a National Assessment shall—

"(A) collect and report at least once every five years data assessing the performance of

students at various age or grade levels in each of the areas of reading, writing, and mathematics;

"(B) report periodically data on changes in knowledge and skills of such students over a period of time;

"(C) conduct special assessments of other educational areas, as the need for additional national information arises;

"(D) include in assessment activities information on special groups of individuals;

"(E) provide technical assistance to State educational agencies and to local educational agencies on the use of National Assessment objectives, primarily pertaining to—

"(i) the basic skills of reading, mathematics, and communication, and

"(ii) on making comparisons of such assessments with the national profile (including special population profiles) and change data developed by the National Assessment; and

"(F) with respect to each State which voluntarily participates in accordance with paragraph (5), provide a statement of information collected by the National Assessment for each such State.

"(2)(A) The educational organization through which the Office carries out the National Assessment shall be responsible for overall management of the National Assessment. Such organization shall delegate authority to design and supervise the conduct of the National Assessment to an Assessment Policy Committee, established with the advice of the Secretary. The Assessment Policy Committee shall be composed of—

"(i) five members appointed by the educational organization of whom two members shall be representative of business and industry and three members shall be representative of the general public, and

"(ii) fourteen members appointed by the educational organization from the categories of membership specified in subparagraph (B).

"(B) Members of the Assessment Policy Committee appointed in accordance with clause (ii) of subparagraph (A) shall be—

"(i) one chief State school officer;

"(ii) two State legislators;

"(iii) two school district superintendents;

"(iv) one member of a State board of education;

"(v) one member of a local school board;

"(vi) one Governor of a State;

"(vii) four classroom teachers;

"(viii) one elementary school principal; and

"(ix) one secondary school principal.

"(C) The Assistant Secretary shall serve as an ex officio member of the Assessment Policy Committee. The Assistant Secretary shall also appoint a member of the Council to serve as a nonvoting member of the Assessment Policy Committee.

"(D) Members appointed in accordance with clauses (i) and (ii) of subparagraph (A) shall be appointed for terms of three years on a staggered basis.

"(3) The Assessment Policy Committee shall be responsible for the design of the National Assessment, including the selection of the learning areas to be assessed, the development and selection of goal statements and assessment items, the assessment methodology, the form and content of the reporting and dissemination of assessment results, and studies to evaluate and improve the form and utilization of the National Assessment. The appropriateness of all cognitive, background, and attitude items developed as part of the National Assessment shall be the responsibility of the Assessment Policy Committee. Such items shall be subject to review by the Department of Education and the Office of Management and Budget for a single period of not more than sixty days.

"(4) Each learning area assessment shall have goal statements devised through a national consensus approach, providing for active participation of teachers, curriculum specialists, subject matter specialists, local school administrators, parents, and members of the general public. All items selected for use in the assessment shall be reviewed to exclude items which might reflect racial, sex, cultural, or regional bias.

"(5) Participation in the National Assessment by State and local educational agencies selected as part of a sample of such agencies shall be voluntary.

"(6) The Secretary shall provide for a periodic review of the National Assessment. The review shall provide an opportunity for public comment on the conduct and usefulness of the National Assessment and shall result in a report to the Congress and to the Nation on the findings and recommendations of the review, if any. The Secretary shall consider the findings and recommendations in designing the competition to select the educational organization through which the Office carries out the National Assessment.

"(f)(1)(A) There are authorized to be appropriated to carry out the provisions of this section (other than subsection (d)(3)(A)(i)) and section 406 $53,231,000 for fiscal year 1987 and such sums as may be necessary for each of the succeeding fiscal years ending prior to October 1, 1991.

"(B) There are authorized to be appropriated to carry out the provisions of subsection (d)(3)(A)(i) $19,000,000 for the fiscal year 1987 and such sums as may be necessary for each of the succeeding fiscal years ending prior to October 1, 1991.

"(C) The Secretary may not enter into a contract for the purpose of regional educational laboratories under subsection (d)(3)(A)(i) for a period in excess of five years.

"(2) Not less than 90 per centum of the funds appropriated pursuant to this subsection for any fiscal year shall be expended to carry out this section through grants, cooperative agreements, or contracts.

"(3) When more than one Federal agency uses funds to support a single project under this section, the Office may act for all such agencies in administering such funds.

"(g) In each fiscal year in which appropriated funds equal or exceed the amount of funds appropriated in fiscal year 1986 to carry out sections 405 and 406, the Secretary shall at least maintain the level of funding provided for the operations during fiscal year 1986 of the Center for Educational Statistics, the National Assessment of Educational Progress, and the Educational Resources Information Center for such fiscal year.".

CENTER FOR EDUCATION STATISTICS

SEC. 302. (a) GENERAL AUTHORITY.—(1) Section 406 of the Act is amended—

(A) in the heading to read as follows: "CENTER FOR EDUCATION STATISTICS";

(B) by striking out subsections (e) and (g); and

(C) by redesignating subsections (f), (h), and (i) as subsections (e), (f), and (g), respectively.

(2) The first sentence of section 406(a) of the Act is amended by striking out "Office" and everything that follows through the end thereof, and inserting in lieu thereof "Office of Educational Research and Improvement, a Center for Education Statistics (hereafter in this section referred to as the 'Center').". The second sentence of such section 406(a) is amended by striking out "an Administrator" and inserting in lieu thereof "a Director".

(3) The first sentence of section 406(b) of the Act is amended by inserting a comma and "analyze," immediately after "collect".

(b) ADVISORY COUNCIL.—Section 406(c) of the Act is amended—

(1) in paragraph (2)—

(A) by striking out subparagraph (A);

(B) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively; and

(C) by striking out in subparagraph (A) (as redesignated in subparagraph (A)) "Director of the National Institute of Education," and inserting in lieu thereof "Assistant Secretary,";

(2) by striking out paragraphs (3) and (5); and

(3) by redesignating paragraphs (4), (6), and (7) as paragraphs (3), (4), and (5), respectively.

(c) ANNUAL REPORT.—Section 406(d)(1) of the Act is amended to read as follows:

"(d)(1) The Secretary shall not later than June 1 of each year submit to the Congress an annual report which—

"(A) includes a statistical report on the condition of education in the United States during the two preceding fiscal years and a projection, for the three succeeding fiscal years, of estimated statistics related to education in the United States; and

"(B) clearly sets forth areas of critical need for additional qualified education personnel in local educational agencies and, after discussion and review by the Advisory Council on Education Statistics, identifies priorities within the areas of need and includes recommendations of the Council with respect to the most effective manner in which the Nation and the Federal Government may address such needs.".

(d) STATISTICAL RECORDS.—Section 406(e) of the Act (as redesignated by subsection (a)(3)) is amended—

(1) in paragraph (1)—

(A) by striking out the subparagraph designation "(A)";

(B) in the fourth sentence therein by striking out "Assistant Secretary" each place it appears and inserting in lieu thereof "Secretary"; and

(C) by striking out subparagraph (B); and

(2) by striking out paragraph (3).

(e) UNIFORM FINANCING DATA.—Section 406(f) (as redesignated by subsection (a)(3)) is amended to read as follows:

"(f) In addition to its other responsibilities, the Center shall collect uniform data from the States on the financing of elementary and secondary education. Each State receiving funds under the Education Consolidation and Improvement Act of 1981 shall cooperate with the Center in carrying out this subsection.".

PERSONNEL

SEC. 303. Section 401(c) of the Department of Education Organization Act is amended in the last sentence therein by striking out "be equal to" and everything that follows through the end thereof and inserting in lieu thereof "exceed the maximum rate of pay for grade GS-15 in section 5332 of title 5, United States Code, except that the pay of any employee originally appointed under section 405(e)(5) of the General Education Provisions Act (effective prior to the amend-

ments of section 301 of the Higher Education Amendments of 1986) shall not be reduced by reason of such maximum rate.".

USE OF COUNCIL STAFF AND FACILITIES

SEC. 304. Neither the National Advisory Council on Educational Research and Improvement nor the Advisory Council on Education Statistics, nor any of their respective members, may use Council staff, facilities, equipment, supplies, or franking privileges for activities unrelated to the purposes of the respective Councils.

REPEAL

SEC. 305. Section 400A of the Act is repealed.

PART B—STUDY ON THE ESCALATING COST OF HIGHER EDUCATION

STUDY REQUIRED

SEC. 311. (a) STUDY REQUIRED.—The Comptroller General shall conduct a study on the escalating cost of higher education. The study required by this section shall—

(1) identify the current cost of obtaining a higher education and determine how that cost has changed in recent years.

(2) forecast the future cost of obtaining a higher education with consideration given to prospective demographic changes in student enrollments.

(3) determine the specific causes of recent changes in cost and the extent to which each of these causes has contributed to such changes,

(4) evaluate the impact of such changes in cost on institutions of higher education, their students, and lower and middle income families.

(5) make recommendations on how such changes in cost can be minimized in the future, and

(6) outline State and Federal policy options which may help to minimize such changes in cost in the future.

(b) SPECIAL CONSIDERATION.—In conducting such study, the Comptroller General shall give special consideration to the impact of escalating costs on lower and middle income students and families, the impact of escalating costs on female and minority students, the impact of escalating costs on the career choices made by students, and the relationship between escalating costs and the Federal student financial assistance programs.

(c) CONSULTATION REQUIREMENTS.—During the conduct of such study, the Comptroller General shall consult frequently with the Department of Education, the Chairman of the Senate Committee on Labor and Human Resources, and the Chairman of the House Committee on Education and labor.

(d) REPORT TO CONGRESS.—The Comptroller General shall, within one year of the date of enactment of this Act, submit to the Congress a report on the study required by this section, today with recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

PART C—STUDY ON EQUITABLE FUNDING ON FINANCIAL AID FOR FARM FAMILIES

STUDY REQUIRED

SEC. 321. The United States Secretary of Education shall commence a study under title IV of the Higher Education Act of 1965 with respect to financial aid formulas for students in postsecondary educational institutions with special attention to devising a more equitable formula for farm families.

PART D—USE OF VOLUNTEERS IN THE CLASSROOM STUDY

STUDY REQUIRED

SEC. 331. (a)(1) STUDIES REQUIRED.—The Secretary of Education (hereafter referred to in this section as "Secretary.") shall conduct a thorough study of how volunteers can best be used in the classroom. The study required by this section shall include—

(A) the feasibility of using recipients of student loans made, assured, or guaranteed under part B of title IV of the Higher Education Act of 1965 or part E of such title as part of repayment of such loans;

(B) the use of older Americans as such volunteers;

(C) the use of business persons and other professionals as volunteers; and

(D) the place of incentives to encourage voluntarism

The study required by this section shall examine the methods of using volunteers designed to provide the greatest flexibility for local educational agencies.

(2) The Secretary shall also contract with the National Academy of Sciences to conduct a concurrent independent study for the purposes described in paragraph (1). For purposes of such study, the Secretary shall provide to the National Academy of Sciences any relevant data available to the Secretary at the onset of the study and on a continuing basis.

(3) REPORTS REQUIRED.—The Secretary and the National Academy of Sciences shall, not later than 1 year after the date of enactment of this Act, prepare and submit to the Congress their respective reports, together with a description of programs on the use of volunteers and with such recommendations as the Secretary deems appropriate.

(b) AVAILABILITY OF FUNDS.—Funds available for the administration of the Department of Education shall be used for the study required by this section.

TITLE IV—PINPOINT DISASTER ASSISTANCE UNDER FEDERAL IMPACT AID

APPLICATION REQUIRED

SEC. 401. Notwithstanding the notice relating to applications for pinpoint disaster assistance (43 Federal Register 57194 (1978)) or any other provision of Federal law or regulation, the Secretary of Education shall accept an application from Preston County Board of Education, West Virginia, under section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) filed after the date of enactment of this Act.

TITLE V—NATIVE AMERICAN CULTURE AND ART DEVELOPMENT

SHORT TITLE

SEC. 501. This title may be cited as the "Native American Culture and Art Development Act".

FINDINGS

SEC. 502. The Congress finds and declares that—

(1) Native American art and culture has contributed greatly to the artistic and cultural richness of the Nation;

(2) Native American art and culture occupies a unique position in American history as being our only native art form and cultural heritage;

(3) the enhancement and preservation of this Nation's native art and culture has a fundamental influence on the American people;

(4) although the encouragement and support of Native American arts and crafts are primarily a matter for private, local, and Native American initiative, it is also an appropriate matter of concern to the Federal Government;

(5) it is appropriate and necessary for the Federal Government to support research and scholarship in Native American art and culture and to complement programs for the advancement of Native American art and culture by tribal, private, and public agencies and organizations;

(6) current Federal initiatives in the area of Native American art and culture are fragmented and inadequate; and

(7) in order to coordinate the Federal Government's effort to preserve, support, revitalize, and disseminate Native American art and culture, it is desirable to establish a national Institute of Native American Culture and Arts Development.

DEFINITIONS

SEC. 503. For purposes of this title—

(1) The term "Native American art and culture" includes, but is not limited to, the traditional and contemporary expressions of Native American language, history, visual and performing arts, and crafts.

(2) The term "Institute" means the Institute of Native American Culture and Arts Development established by this title.

(3) The term "Native American" means any person who is a member of an Indian tribe or is a Native Hawaiian.

(4) The term "Indian tribe" means any tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act), which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

(5) The term "Native Hawaiian" means any descendent of a person who, prior to 1778, was a native of the Hawaiian Islands.

(6) The term "Secretary" means the Secretary of the Interior.

(7) The term "Board" means the Board of Trustees established under this title.

ESTABLISHMENT OF INSTITUTE

SEC. 504. (a) IN GENERAL.—There is hereby established a corporation to be known as the "Institute of Native American Culture and Arts Development", which shall be under the direction and control of the Board of Trustees established under this title.

(b) SUCCESSION AND AMENDMENT OF CHARTER.—The corporation established under subsection (a) shall have succession until dissolved by Act of Congress. Only the Congress shall have the authority to revise or amend the charter of such corporation.

BOARD OF TRUSTEES

SEC. 505. (a) IN GENERAL.—The Board of Trustees of the Institute shall be composed of 18 members as follows:

(1) 12 individuals appointed by the President of the United States by and with the advice and consent of the Senate from among individuals from private life who are Native Americans widely recognized in the field of Native American art and culture;

(2) 3 members of the Senate appointed by the President pro tempore of the Senate, upon the recommendation of the majority leader and the minority leader of the Senate, and

(3) 3 members of the House of Representatives appointed by the Speaker of the House of Representatives, upon the recommendation of the majority leader and the

minority leader of the House of Representatives.

(b) APPOINTMENTS.—In making appointments pursuant to subsection (a)(1), the President of the United States shall—

(1) consult with the Indian tribes and the various organizations of Native Americans; and

(2) give due consideration to the appointment of individuals who will provide appropriate regional and tribal representation on the Board.

(c) TERMS OF OFFICE.—

(1) The term of office of each member of the Board appointed pursuant to subsection (a)(1) shall be 6 years, except that of such members first appointed, 4 shall serve for a term of 2 years, 4 for a term of 4 years, and 4 for a term of 6 years, as designated by the President as of the time of appointment. Any member of the Board appointed pursuant to subsection (a)(1) to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of the term. No member of the Board appointed pursuant to subsection (a)(1) shall be eligible to serve in excess of 2 consecutive terms, but may continue to serve until his successor is appointed.

(2) The term of office of each Member of Congress appointed to the Board under subsection (a) shall expire at the end of the congressional term of office which such Member holds at the time of such appointment.

(d) CHAIRMAN AND VICE CHAIRMAN.—The President of the United States shall designate the initial Chairman and Vice Chairman of the Board from among the members of the Board appointed pursuant to subsection (a)(1). Such Chairman and Vice Chairman so designated shall serve for 12 calendar months. The Chairman and Vice Chairman shall thereafter be elected by the members of the Board appointed pursuant to subsection (a)(1) and shall serve for terms of 2 years. In the case of a vacancy in the office of Chairman or Vice Chairman, such vacancy shall be filled by the members of the Board appointed pursuant to subsection (a)(1) and the member filling such vacancy shall serve for the remainder of the unexpired term.

(e) CONGRESSIONAL MEMBERS.—Members of Congress appointed to the Board under subsection (a) shall not be eligible to vote on any matter considered by the Board; but such Members of Congress shall be entitled to attend any meetings of the Board and to provide advice to the Board on any matter relating to the Institute.

(f) QUORUM.—Unless otherwise provided by the bylaws of the Institute, a majority of the members of the Board appointed under subsection (a)(1) shall constitute a quorum.

(g) POWERS.—The Board is authorized—

(1) to formulate the policy of the Institute;

(2) to direct the management of the Institute; and

(3) to make such bylaws and rules as it deems necessary for the administration of its functions under this title, including the organization and procedures of the Board.

(h) COMPENSATION.—Members of the Board appointed pursuant to subsection (a)(1) shall, for each day they are engaged in the performance of the duties under this title, receive compensation at the rate of $125 per day, including traveltime. All members of the Board, while so serving away from their homes or regular places of business, shall be allowed travel expenses (including per diem in lieu of subsistence), as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

PRESIDENT; EMPLOYEES

SEC. 506. (a) PRESIDENT.—The Board shall appoint a President of the Institute. The President of the Institute shall serve as the chief executive officer of the Institute. Subject to the direction of the Board and the general supervision of the Chairman, the President of the Institute shall have the responsibility for carrying out the policies and functions of the Institute, and shall have authority over all personnel and activities of the Institute.

(b) COMPENSATION.—The President of the Institute shall be compensated at an annual rate not to exceed that prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) STAFF.—The President of the Institute, with the approval of the Board, shall have the authority to appoint and fix the compensation and duties of such officers and employees as may be necessary for the efficient administration of the Institute. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

(d) The Institute shall be considered an agency for purposes of chapter 71 of title 5, United States Code.

(e) Employees of the Institute shall receive compensation for work injuries and illnesses in accordance with chapter 81 of title 5, United States Code.

GENERAL POWERS OF THE INSTITUTE

SEC. 507. In carrying out the provisions of this title, the Institute shall have the power, consistent with the provisions of this title—

(1) to adopt and alter a corporate seal, which shall be judicially noticed;

(2) to make agreements and contracts with persons, Indian tribes, and private or governmental entities and to make payments or advance payments under such agreements or contracts without regard to section 3324 of title 31, United States Code;

(3) to sue and be sued in its corporate name and to complain and defend in any court of competent jurisdiction;

(4) to represent itself, or to contract for representation, in all judicial, legal, and other proceedings;

(5) with the approval of the agency concerned, to make use of services, facilities, and property of any board, commission, independent establishment, or executive agency or department of the executive branch in carrying out the provisions of this title and to pay for such use (such payments to be credited to the applicable appropriation that incurred the expense);

(6) to use the United States mails on the same terms and conditions as the executive departments of the United States Government;

(7) to obtain insurance or make other provisions against losses;

(8) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and to accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(9) to solicit, accept, and dispose of gifts, bequests, devises of money, securities, and other properties of whatever character, for the benefit of the Institute;

(10) to receive grants from, and enter into contracts and other arrangements with, Federal, State, or local governments, public and private agencies, organizations, and institutions, and individuals;

(11) to acquire, hold, maintain, use, operate, and dispose of such real property, including improvements thereon, personal property, equipment, and other items, as may be necessary to enable the Institute to carry out the purposes of this title;

(12) to use any funds or property received by the Institute to carry out the purposes of this title; and

(13) to exercise all other lawful powers necessarily or reasonably related to the establishment of the Institute in order to carry out the provisions of this title and the exercise of the powers, purposes, functions, duties, and authorized activities of the Institute.

FUNCTIONS OF THE INSTITUTE

SEC. 508. (a) IN GENERAL.—The primary functions of the Institute shall be—

(1) to provide scholarly study of, and instruction in, the arts and culture of Native Americans, and

(2) to establish programs which culminate in the awarding of degrees in the various fields of Native American art and culture.

(b) SPECIAL CENTERS.—There shall be established within the Institute—

(1) a Center for Culture and Art Studies to be administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include, but not be limited to, Departments of Arts and Sciences, Visual Arts, Performing Arts, Language, Literature, and Museology; and

(2) a Center for Research and Cultural Exchange, administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include—

(A) a museum of Native American arts,

(B) a learning resources center,

(C) programs of institutional support and development,

(D) research programs,

(E) fellowship programs,

(F) seminars,

(G) publications,

(H) scholar-in-residence and artist-in-residence programs, and

(I) inter-institutional programs of cooperation at national and international levels.

(c) OTHER FUNCTIONS.—In addition to the centers and programs described in subsection (b), the Institute shall develop such programs and centers as the Board determines are necessary to—

(1) foster research and scholarship in Native American art and culture through—

(A) resident programs,

(B) cooperative programs, and

(C) grant programs;

(2) complement existing tribal programs for the advancement of Native American art and culture; and

(3) coordinate efforts to preserve, support, revitalize and develop evolving forms of Native American art and culture.

NATIVE AMERICAN PREFERENCE

SEC. 509. Notwithstanding any other provision of Federal or State law, the Institute is authorized to extend a preference to Native Americans in—

(1) admissions to, and enrollment in, programs conducted by the Institute,

(2) employment by the Institute, and

(3) contracts, fellowships, and grants awarded by the Institute.

NONPROFIT AND NONPOLITICAL NATURE OF THE INSTITUTE

SEC. 510. (a) STOCK.—The Institute shall have no power to issue any shares of stock or to declare or pay any dividends.

(b) NONPROFIT NATURE.—No part of the income or assets of the Institute shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(c) NONPOLITICAL NATURE.—The Institute may not contribute to, or otherwise support, any political party or candidate for elective public office.

TAX STATUS

SEC. 511. The Institute and the franchise, capital, reserves, income, and property of the Institute shall be exempt from all taxation now or hereafter imposed by the United States, or by any State, county, municipality, Indian tribe, or local taxing authority.

TRANSFER OF FUNCTIONS

SEC. 512. (a) IN GENERAL.—There are hereby transferred to the Institute, and the Institute shall perform, the functions of the Institute of American Indian Arts established by the Secretary of the Interior in 1962.

(b) PERSONNEL, PROPERTY, AND LIABILITIES.—

(1) All personnel, liabilities, contracts, personal property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of subsection (a) shall be transferred to the Institute.

(2) Personnel engaged in functions transferred by subsection (a) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions, except that such transfer shall be without reduction in classification or compensation for one year after such transfer.

(c) REFERENCES IN OTHER LAWS.—All laws and regulations relating to the Institute of American Indian Arts established by the Secretary in 1962 shall, insofar as such laws and regulations are appropriate, and not inconsistent with the provisions of this title, remain in full force and effect and apply with respect to the Institute. All references in any other Federal law to the Institute of American Indian Arts, or any officer transferred to the Institute under subsection (b), shall be deemed to refer to the Institute or an officer of the Institute.

ANNUAL REPORT

SEC. 513. The President of the Institute shall submit an annual report to the Congress and to the Board concerning the status of the Institute during the 12 calendar months preceding the date of the report. Such report shall include, among other matters, a detailed statement of all private and public funds, gifts, and other items of a monetary value received by the Institute during such 12-month period and the disposition thereof as well as any recommendations for improving the Institute.

HEADQUARTERS

SEC. 514. The site of the Institute of American Indian Arts, at Santa Fe, New Mexico, shall be maintained as the location for the Institute of Native American Culture and Arts Development. To facilitate this action and the continuity of programs being provided at the Institute of American Indian Arts, the Secretary is authorized to enter into negotiations with State and local governments for such exchanges or transfers of lands and such other assistance as may be required.

COMPLIANCE WITH OTHER ACTS

SEC. 515. (a) IN GENERAL.—The Institute shall comply with the provisions of—

(1) Public Law 95-341 (42 U.S.C. 1996), popularly known as the American Indian Religious Freedom Act,

(2) the Archeological Resources Protection Act of 1979 (16 U.S.C. 470aa, et seq.), and

(3) the National Historic Preservation Act (16 U.S.C. 470, et seq.).

(b) CRIMINAL LAWS.—All Federal criminal laws relating to larceny, embezzlement, or conversion of the funds or property of the United States shall apply to the funds and property of the Institute.

AUTHORIZATION

SEC. 516. There are authorized to be appropriated to carry out the purposes of this title—

(1) for the fiscal year beginning October 1, 1986, the sum of $4,000,000, and

(2) for each fiscal year thereafter, such sum as may be necessary to carry out such purposes.

TITLE VI—UNITED STATES INSTITUTE OF PEACE AUTHORIZATIONS OF APPROPRIATIONS

SEC. 601. (a) AUTHORIZATIONS OF APPROPRIATIONS.—(1) The first sentence of section 1710(a) of the United States Institute of Peace Act (22 U.S.C. 4609(a)) is amended—

(A) by striking out "fiscal year 1985" and inserting in lieu thereof "fiscal year 1987"; and

(B) by striking out "fiscal year 1986" and inserting in lieu thereof "fiscal year 1988".

(2) The amendments made by paragraph (1) shall take effect on October 1, 1986.

(b) AVAILABILITY OF FUNDS.—The second sentence of section 1710(a) of such Act (22 U.S.C. 4609(a)) is amended to read as follows: "Amounts appropriated under this section are authorized to remain available to the Institute until expended.".

TITLE VII—APPROPRIATION PROVISION

APPROPRIATION PROVISION

SEC. 701. Funds appropriated in Public Law 97-377 under the terms of H.R. 3598 (97th Congress) shall be available as a direct appropriation.

TITLE VIII—SHELTER FOR THE HOMELESS IN THE DISTRICT OF COLUMBIA

RELEASE OF FUNDS FOR HOMELESS SHELTER

SEC. 801. (a) The Senate finds that—

(1) the Federal Government has agreed to provide for an adequate shelter for the homeless in the District of Columbia;

(2) the Federal Government has agreed to provide $5,000,000 for the renovation and remodeling for such a shelter; and

(3) it is essential that construction begin immediately in order to be completed by the cold weather months.

(b) It is the sense of the Senate that—

(1) the Administration should immediately release a portion of the $5,000,000 the Administration has agreed to provide for the renovation and construction of the homeless shelter at 425 Second Street, Northwest, in the District of Columbia; and

(2) the remaining funds should be immediately released upon the official conveyance of title to the shelter from the Federal Government to the District of Columbia.

REAGAN WANTS TO GET RID OF OLD GAS—AGAIN

Mr. EAGLETON. Mr. President, a battle is about to be needlessly replayed in this body. Each time it has been fought it has left large pools of bad blood left on the Senate floor.

This time the battle will occur because one of President Reagan's administrative commissions has taken it upon itself to perform the functions of the U.S. Congress. The Commission is the Federal Energy Regulatory Commission [FERC] and the function is making major changes in the prices of natural gas and the operation of an important public law.

Last Friday FERC voted "in principle" to raise the price ceiling for so-called old natural gas—low priced gas under contract before 1978—to $2.57 per million Btu. Some of this gas is still sold for 30 or 40 cents per million Btu and is the last vestige of the protection that consumers have had against high natural gas prices.

Three years ago the Senate and the House had heated debates on the merits of decontrolling the price of old gas. It pitted those from States with the gas producers who would profit from decontrol against those from States with the gas consumers who would pay for those profits. The most popular Senate bill to decontrol old gas was clobbered on a 28-to-67 up or down floor vote.

Mr. President, FERC must be thinking that this is a great time to kick up the price of old gas—memory of the "great gas wars" has faded and oil prices and their slave, natural gas prices, have tumbled.

The FERC commissioners must be winking at each other and saying, "While Congress is worried about Gramm-Rudman and tax reform, let's sneak old gas decontrol through the back door."

Mr. President, that is not going to happen.

FERC's little back-door decontrol scheme could cost gas users $85 a year or more; $85 a year, Mr. President. That may not sound like a lot to the Reagan appointees at FERC who are making over $70,000, but it is a heavy burden to others not quite so fortunate.

My $85 estimate is based on the low prices prevailing in the gas marketplace today. It does not take into account the very real possibility that in 1 month, or in 6 months, oil and gas prices could soar due to any number of supply twists.

Mr. President, the commissioners at FERC are expected to finalize their decision to raise old gas prices later this week. If they do, they will open

up a Pandora's Box of unpleasantries for everyone.

Mr. President, I ask unanimous consent that a recently published open letter from the largest gas distributor in western Missouri to gas consumers be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KPL GAS SERVICE,
May 27, 1986.

DEAR CUSTOMER. A Federal agency is trying to raise your natural gas bill at least $85 a year without the approval of Congress.

For years, the U.S. Congress has refused to allow rapid decontrol of "old" natural gas, which makes up much of the gas you buy from us. But now, the Federal Energy Regulatory Commission (FERC) is on the verge of bypassing Congress and doing just that by approving a new gas pricing rule proposed by the Department of Energy (DOE).

If adopted, the FERC rule would greatly raise the price of "old" gas (discovered and under contract before 1977). Because KPL Gas Service and its pipeline suppliers have access to so much of this old gas—gas which up until now has had stringent price controls—KPL Gas Service customers have some of the lowest rates in the country. Federal officials concede this proposal will cause substantial price increases for certain companies' customers. You are among those customers.

Such action by FERC represents the wrong branch of the government working on the wrong end of the problem. We believe only Congress has the authority to raise "old" natural gas prices. And, the DOE-FERC proposal doesn't address the real problem: artifically high-priced gas now being sold on a take-or-pay basis far above realistic market levels.

KPL Gas Service supports a more balanced approach. If old gas must come up in price—and we don't think it should—then at least the government should balance that cost increase by requiring high priced gas to come down to reasonable market levels. There is a need to eliminate the disastrous effects of take-or-pay clauses and automatic price esclators that artifically inflate the price of gas we buy from producers and pipelines and resell to you.

KPL Gas Service has always fought anything that unnecessarily raises the price of natural gas to our customers. We have opposed this proposal before FERC and sought help from members of our Congressional delegation to stop FERC from adopting it.

Now, before it is too late, we urge you to help us by making your voice heard, too.

We hope you will contact your U.S Senators and Representatives and urge them to stop this hurry-up, back-door attempt to raise natural gas prices and increase your gas bill. Thank you for your interest and help.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to Senate Resolution 416, the budget waiver to accompany H.R. 3838, the tax reform bill.

The PRESIDING OFFICER. Is there objection? Without objection, the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 416) waiving section 303(a) of the Congressional Budget Act of 1974, with respect to the consideration of H.R. 3838, and of the Committee on Finance amendment thereto.

The Senate proceeded to consider the resolution.

□ 1150

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. GOLDWATER). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Is the pending budget waiver debatable?

The PRESIDING OFFICER. For 1 hour, equally divided.

Mr. DOMENICI. I thank the Chair.

Mr. President, on behalf of the Committee on the Budget, I urge the Senate to adopt Senate Resolution 416, a resolution that waives section 303 of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3838 and of the Committee on Finance amendment to it.

So that there is no misunderstanding, let me state up front that I support tax reform. Its time has come. I believe the American public, and particularly the American taxpayer, strongly support tax reform. I support it, and at the appropriate point in this debate I will explain my thoughts in some detail on the provisions of this bill.

I am here speaking as chairman of the Budget Committee with reference to the waiver, and I will briefly explain the procedural issue that requires we waive the Budget Act before proceeding to consider this bill. Yesterday afternoon, the Budget Committee unanimously recommended that we report Senate Resolution 416, the budget waive, favorably. Let me explain briefly what this means.

H.R. 3838 and the Finance Committee amendment to it, requires a budget waiver because the bill increases revenues and creates new spending authority in a year for which we have not yet completed a budget. As the Senators know, we are at this moment engaged in a conference meeting with the House Budget Committee attempting to complete that budget for fiscal year 1987.

I believe my colleagues are all familiar by now with the fact that this tax bill substantially increases revenues in fiscal year 1987. What my colleagues may not be quite so familiar with is the fact that the bill also increases spending in fiscal year 1987 and beyond through the expansion of the Earned Income Tax Credit Program and the creation of a new trust fund to finance all the operations of the IRS.

As a consequence of these two outcomes—the revenue changes and the outlay increases—and the fact that they take place before we have completed our budget blueprint, the bill is subject to a point-of-order under the Budget Act. The approval of this budget waiver will eliminate the point-of-order that could be raised by proceeding to consider this bill.

I must note, however, that approval of the waiver does not apply to any floor amendments that might be offered to the bill. If an amendment to the bill changes revenues or increases spending, any Member is still protected to raise the point-of-order. It is my understanding that each amendment to this bill have a cost estimate provided by the Joint Tax Committee and CBO to help the full Senate determine its budget implications.

As I indicated, the Budget Committee agreed by a voice vote to report this waiver favorably. Nonetheless, the committee members also expressed substantial reservations about the budget implications of this bill.

What concerns me, and other members of the Budget Committee, is that this bill, as reported, dramatically lowers the deficit next year—but just as dramatically raises it in 1988 and 1989. Let me explain. According to the Congressional Budget Office and the Joint Committee on Taxation, the Finance Committee bill would lower the deficit by $7.4 billion in the current year, then lower it again in fiscal year 1987—this time by $22.6 billion. But then in fiscal year 1988 and again in fiscal year 1989, the tax bill would increase the deficit by $21 billion yearly. Let me repeat. In fiscal years 1988 and 1989, the tax bill will aggravate the deficit by a total of $42 billion.

This problem is built into the very structure of the bill. I am not here, as chairman of the Budget Committee or in behalf of the Budget Committee, to attempt to suggest how the Finance Committee or the U.S. Senate should change the structural nature of the tax law. I have informed Senator PACKWOOD and the distinguished majority leader of this, and I think I

speak for the entire Budget Committee in this regard. We do not want to involve ourselves in the structural substance of this bill. The bill removes some preferences retroactively but mandates substantial personal rate cuts and at the same time provides transition rules for other preferences. All those have been balanced, in the opinion of the Finance Committee, with rather substantial support. However, it raises revenues in the early years and then reduces revenue later. New spending in the bill further aggravates the problem.

Again, I am not here to argue about the validity of the increase in expenditures that comes from modifying the earned income tax credit, because obviously that has to occur since you change the rates. As I understand it, that is an automatic thing we had to change or there would be no validity to the earned income credit.

The deficit increases implied in this bill in fiscal years 1988 and 1989 represent a serious clash with the deficit goals as laid out in Gramm-Rudman-Hollings. The budget resolution passed overwhelmingly last month included higher revenues because it was clear to 70 Senators that our expected revenue path under current law was insufficient to meet our defense and nondefense needs.

In the Finance Committee bill, we are faced with the prospect that revenues will be $7.4 billion higher in fiscal year 1986 and $23.3 billion higher in fiscal year 1987, but $18.6 billion lower in fiscal year 1988 and $16.9 billion lower in fiscal year 1989. In addition, this bill adds $0.1 billion in new outlays in fiscal year 1987, $2.4 billion in fiscal year 1988, and $4.5 billion in fiscal year 1989—for a total in new spending of $7.6 billion over the 3 budget years.

I ask unanimous consent to have printed in the RECORD, a table from the Congressional Budget Office showing the budgetary effects of the Finance Committee bill, if we move to it, as planned by the leadership, in the near future.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

THE BUDGETARY EFFECTS OF H.R. 3838 RELATIVE TO THE CBO BASELINE AS REPORTED FROM THE SENATE COMMITTEE ON FINANCE

[In billions of dollars, by fiscal year]

	1986	1987	1988	1989	1990	1991
Revenues	7.4	23.3	−18.6	−16.9	4.2	16.0
Outlays [1]		0.7	2.4	4.5	4.9	5.2
Net deficit effect	−7.4	−22.6	21.0	21.4	0.7	−10.8

[1] In addition, there would be an estimated $0.4 billion in 1987 outlays from previous appropriations.

Mr. DOMENICI. Mr. President, these budget implications are serious. Just a little over 1 month ago, the Senate spent over 2 weeks debating and ultimately agreeing to a budget plan to cut both defense and nondefense spending for the next 3 years and to raise revenues. If the final House-Senate conference on the tax reform bill parallels the Finance Committee bill, we will lose through tax reform all of the revenues that we attempted to raise through the budget. As it now stands, that means we would be back here next year making more cuts in programs that touch the interest and concern of every Member in order to offset some or all of the revenue that will be drained if we are unable to resolve this problem.

The prospects, as we now face them in conference with the House, stand to make matters worse. The House budget resolution assumes the same amount of new revenues as the Senate and the same overall level of revenues in each of the next 3 years. The issue—and a key issue—that stands between the two Houses is enforcement. The Senate assumes $11.3 billion in new revenues in fiscal year 1987 and $48.2 billion over the 3 years and reconciles the Finance Committee for the full amount. The House resolution assumes the same overall level of revenues, but reconciles only $3.5 billion in fiscal year 1987 and $8.5 billion over the 3 years.

Every Member of this body knows that if we do not reconcile new revenues in the budget, we can just as well assume they will never come to pass. If we fail to reconcile even that small amount of revenues in the House bill, we will lose $18 billion in revenues each in fiscal years 1988 and 1989, in addition to the $18 billion or so we would lose in the Senate Finance Committee bill. If nothing else were to go wrong—which it often does—this would put us $36 billion away from our Gramm-Rudman-Hollings goal of $108 billion in fiscal year 1988 instead of the $2 billion or so in the budget resolution that passed in the Senate with 70 votes.

□ 1200

It is for this reason that the Budget Committee members approved a resolution instructing Senator CHILES, the distinguished senior Senator from Florida and ranking minority member, and myself, to work with Chairman PACKWOOD and Senator LONG to find an acceptable solution to the overall budget impact of the tax reform bill.

The resolution is simple and it reads as follows:

Whereas the Congress has bound itself to meet the deficit targets as laid out in the Gramm-Rudman-Hollings Deficit Reduction Law of $144 billion in fiscal year 1987; $108 billion in fiscal year 1988; $72 billion in fiscal year 1989;

Whereas H.R. 3838, as amended by the Finance Committee, lowers the deficit by $7 billion in fiscal year 1986 and $23 billion in fiscal year 1987 but raises the deficit by $21 billion in fiscal year 1988 and 1989;

Therefore, the Budget Committee is concerned that deep cuts would be required in both defense and nondefense programs in fiscal year 1988 and fiscal year 1989 if these deficit increases are ultimately enacted into law;

Therefore, the Budget Committee instructs the chairman and ranking minority member to work out an amendment to the tax reform bill with the chairman and the ranking member of the Finance Committee to deal with these budget fluctuations in an acceptable manner.

I again repeat to the distinguished chairman of the committee and the ranking minority member, the clear intent was not that we attempt to do this by substantive structural amendments to the bill, but rather that we find some way to alleviate the major ups and downs in a manner that is acceptable to the Senate and that complies with Gramm-Rudman-Hollings, or modifies it so as to permit the bill to comply, and nonetheless takes into account the fact that this bill is the work of the committee charged with doing tax reform. However, we have the responsibility of trying to make sure that Congress does not take advantage of the almost $25 billion increase in the first year, and thus have no reason to restrain or curtail spending in 1987, only to find themselves the next year in the very deplorable muddle that I have explained here to the Senators on the floor. So we are going to try to do that.

I talked with the distinguished chairman of the Finance Committee, Senator PACKWOOD. His staff and ours, and the staff of Senator CHILES and Senator LONG are already working on this. I say to the distinguished chairman of the Finance Committee, I am very hopeful we will be able to resolve it.

Mr. President, let me indicate that, as I said heretofore, we intend to find a solution to these fluctuations in this bill. No legislation that is as far-reaching as this legislation can be considered in a vacuum. While the legislation would clearly benefit vast numbers of American families and taxpayers, let me remind my colleagues that those benefits can be short-lived if the loss of revenue in 1988 results in significant across-the-board cuts, triggered arbitrarily and without discrimination, to the major domestic programs and the defense and Pentagon needs of our country.

I want a tax bill sent to the President as I indicated heretofore. I hope we will be able to work this out and in no way impede the rapid progress of this total overhaul of our tax laws, but at the same time continue on a rational and reasonable path in terms of deficit reduction.

Mr. President, I again urge the Senate adopt Senate Resolution 416 waiving section 303 of the Budget Act

as it pertains to the bill before us as amended by the Finance Committee.

Mr. President, I yield the floor.

Mr. CHILES. Mr. President, we are here today to approve a waiver of one part of the Budget Act so we can consider the tax bill.

The technical reason is section 303 A. Since the tax bill raises revenues and changes outlays in 1987, and since we have not yet adopted the first concurrent budget resolution, we have to have this waiver before we can debate the tax bill.

Yesterday, the Senate Budget Committee approved the waiver on a voice vote and sent it to the full Senate. Today, the Senate must decide whether to grant the waiver. I hope it will do that.

A great deal of hard work on both sides of Capitol Hill has gone into the tax reform effort. We have overcome great obstacles. We have invested a great deal of time. And after so many years of promise, genuine tax reform is finally possible. There is no reason to delay it.

But there are some strong reasons to look clearly at how tax reform and our efforts to cut the Federal deficit fit together. And, as things stand now, the fit is much too loose.

Last year, Congress approved the Gramm-Rudman-Hollings deficit reduction law. It says—year by year—through 1991, we will reduce the deficit by specified amounts until we eliminate the deficit altogether.

It means that we have to discipline ourselves each year, 1 year at a time, to reach that goal. This year, both the House and Senate have taken the first step.

The Senate version of the budget cuts the deficit $39 billion over the coming year to reach the target of $144 billion set by Gramm-Rudman-Hollings.

We restrain the growth of military spending. We cut $22 billion out of spending for domestic programs. And we add in some fair share, deficit reduction revenues.

The job has been just as hard as it was to create a tax reform bill. Today, we are on the threshold of doing both. But we have not yet walked through the door. And right here, at the door, is where the temptations and risk are potentially the greatest.

Let me explain the problem. It occurs at the meeting point between deficit reduction and tax reform.

The tax bill is called "revenue neutral." The tax burden is rearranged, but the net effect of that is to neither add to nor subtract from the deficit. And over the long-range path of the tax bill, it looks as if that is the way it works.

The Finance Committee did its job very well. They did their work in income distribution and tax equity. The bottom line over 5 years is revenue neutrality. But when it comes to the job the Budget Committee has to do, the Finance Committee overlooked the fact that we have a deficit to fight on an annual basis.

We cannot look at that over 5 years. We have to do it under Gramm-Rudman-Hollings, the law passed by this body, each and every year. Unfortunately, the revenue neutral feature of the tax bill walks a revenue-erratic path.

In 1986 and in 1987, the tax bill actually produces an increase in revenues of nearly $31 billion. Right here, let me pause to highlight what that means to the deficit reduction effort.

We look at the tax bill and see we are getting more revenues. And some might wonder if we are getting revenues from the tax bill, why should we have to put additional revenues in the budget? Couldn't we make things a little easier on Members of Congress? Couldn't we make things a little easier for everyone if we forgot about taxes in the budget resolution and just used the money we get from tax reform?

The answer to that is an emphatic "No." And here is why.

I said the tax bill is a little revenue-erratic. And it is. While it is true the tax bill gives a revenue windfall in 1986 and 1987, the picture for 1988 and 1989 changes drastically. In those 2 years, we actually lose a total of at least $42 billion.

There is the rub. And it is a very abrasive rub.

If we use the tax windfall this year and next year, and rely on it for deficit reduction, it would give us what amounts to deficit reduction written in disappearing ink. And it will disappear in 1988 and 1989. We would have to wake up in 1988 and 1989 to what we gave away and to make that up for what we gave away in 1986 and 1987.

To make it just a little more clear, I asked Dr. Penner, the Director of the Congressional Budget Office, about the situation yesterday. Here is what he said.

If we give away the money early and have to make it up and still meet the Gramm-Rudman-Hollings targets, we would have to do the following things in fiscal 1988, and remember that is the next year that we will work on in the Budget Act when we come back and begin to work on that next year.

Even with the revenues now in the Senate's budget, military spending would have to be restrained $15 billion in budget authority. Domestic spending would have to be cut by nearly $16 billion. That gives you some idea of the steps we have to take under Gramm-Rudman-Hollings. That would be very difficult.

But listen to this: If we do not take the revenues that we had in the deficit reduction, if we say because we have a surplus in the tax bill and the tax reform bill in 1986 and 1987 we do not need the deficit reduction, then we have instead of cutting military spending by $15 billion it would have to be cut by $32 billion just in 1988.

Instead of cutting domestic spending by $16 billion, it would have to be cut by more than $34 billion just in 1988.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. CHILES. I am happy to yield.

Mr. DOMENICI. These last examples that the Senator is giving to the Senate are examples of what the automatic across-the-board sequester would demand of the two institutions, the House and Senate, and of the budget of the United States in the event the Senator has described; is that not correct?

Mr. CHILES. That is correct.

Mr. DOMENICI. I thank the Senator.

Mr. CHILES. Because of the law that we have already passed that says we are going to reduce our deficit over 5 years approximately 20 percent a year to get down to zero, and that that is triggered every year to determine whether we have made that cut or not, these figures, if we do not take our budget plan as we have it now, and take the spending cuts, and the additional revenue and pass that plan, if we rely on the fact that the tax reform bill has this bulge, this surplus, which is temporary because it smoothes out over the 5 years, if we rely on that for 1986 and 1987, then we find ourselves, in 1988 in fiscal 1988, in this trap and in which we are going to have to make these massive cuts, $34 billion in domestic spending and $32 billion in defense spending to just meet the targets that we would have to meet for that year.

The point I want to make is this. Let us not trick ourselves into thinking we can put deficit-reduction and tax reform together in a way where one drains the other one dry. It just cannot be done.

How can we avoid the problem? Actually, there are two ways, and we have to make sure we do both of them. The first one, I have already described, and that is to implement the fair share, deficit reduction revenues in the budget resolution. They are crucial to winning the fight against the deficit.

Mr. President, I point out that is part of the Deficit Reduction Act, the resolution that we passed with a majority vote of the Republicans and the Democrats, that we overwhelmingly passed in the Senate, a bipartisan plan and one of the first times in many years that we put together such a plan.

□ 1210

The second step is part of the waiver we approved yesterday in the Budget Committee. The Senate Budget Com-

mittee believes a way must be found to even out the fluctuations in the tax bill, so that we will not have windfalls 1 year, and dry wells the next.

We approved language in the committee instructing the chairman and myself as the ranking minority member of the Budget Committee to work with the chairman and ranking member of the Finance Committee—the committee responsible for the tax bill—to work together to find an acceptable way of removing these fluctuations.

Now I want to make it clear beyond doubt that I have absolutely no intention whatever of changing the major features of the tax bill. We are not talking about undermining tax reform or undoing the hard work of the Finance Committee. But in our hearing yesterday on this waiver, we heard testimony from a representative of the Joint Committee on Taxation that certain things could be done to reduce the fluctuations without altering the tax bill's components.

So, Mr. President, this is a case where not only can we have it both ways, we must have it both ways. We need tax reform. And we need to keep our pledge—our commitment that we passed into law—to reduce the deficit.

I hope the Senate will approve this waiver so we can get on with our work on tax reform. But—just as strongly—I urge the Senate not to abandon the fight to cut the deficit.

If we keep the revenues now in the budget, if we even out the fluctuations in the tax bill, we can get the job done in a responsible way.

Mr. President, this is an election year. Economic questions are never easy to discuss in the shadow of election day. But this year, I genuinely believe Congress has shown both courage and enormous good will in tackling head on the most serious issues in our economic picture.

We are almost there. We can see the goal line. I would urge everyone to keep their eyes and minds open. Let us not go back on our promise to reform the Tax Code. Let us not backtrack on our pledge to cut the deficit. Let us do both. Let's do it right. And let's do it now.

Mr. President, I ask unanimous consent to have printed in the RECORD additional information detailing the estimates CBO provided yesterday.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 1.—EFFECTS OF FAILURE TO REACH GRAMM-RUDMAN TARGETS IN FISCAL YEAR 1988 BECAUSE OF TAX REFORM

[CBO estimates]

	With Senate-passed resolution revenue increases		Without Senate-passed resolution revenue increases	
	Budget authority [1]	Outlays	Budget authority	Outlays
Spending cuts needed:				
Total	30.8	18.6	66.7	38.6
Defense	14.9	8.5	32.5	18.5
Domestic	15.9	10.1	34.2	20.1

[1] For nondefense, this column reflects spending authority reductions, which includes reductions in entitlements and other spending as well as cuts in budget authority for discretionary programs.

(Prepared by: Senate Budget Committee Minority Staff, June 3, 1986).

TABLE. 2.—THE BUDGETARY EFFECTS OF H.R. 3838 RELATIVE TO THE CBO BASELINE AS REPORTED FROM THE SENATE COMMITTEE ON FINANCE

[In billions of dollars, by fiscal year]

	1986	1987	1988	1989	1990	1991
Revenues	7.4	23.3	−18.6	−16.9	4.2	16.0
Outlays [1]		0.7	2.4	4.5	4.9	5.2
Net deficit effect	−7.4	−22.6	21.0	21.4	0.7	−10.8

[1] In addition, there would be an estimated $0.4 billion in 1987 outlays from previous appropriations.

Source: Congressional Budget Office.

THE EFFECT OF THE TAX CUTS SINCE 1981 ON THE DEFICIT

Mr. CHILES. Mr. President, the Congressional Budget Office has published updated figures which show the effects on the 1986 deficit of legislative changes enacted since 1981. The figures show that changes in the Tax Code since that year have increased the deficit by $133 billion. On the spending side of the budget, cuts enacted since 1981 in domestic programs exceeded increases in defense spending by $54 billion in 1986. This $54 billion in net spending reductions is far from sufficient to pay for the generous tax cuts made since 1981. As a result, the deficit is about $80 billion higher in fiscal year 1986 than it otherwise would have been. If the added debt service costs are also figured in, the deficit is really $110 billion higher. Put differently, if these tax cut excesses had been avoided, the deficit in 1986, the current year, would be $72 billion instead of $202 billion.

The publication of the CBO figures comes at a most opportune time. We see that the 1981 tax cut has resulted in a deficit problem that still plagues us in 1986. Now, just as we are about to turn the corner on solving the deficit problem through the 1987 budget resolution, a new tax bill again threatens to leave us with unmanageable deficits in 1988 and beyond. The new bill, by losing revenue in 1988 and 1989, and by undermining the passage of new revenues for the 3-year period 1987–89, would undo all the good work which could be achieved through this year's budget resolution. We would be wise to learn the lesson of 1981 and to take steps to ensure that the tax reform legislation which is enacted does not undercut our deficit reduction efforts.

I ask unanimous consent that the following tables from the Congressional Budget Office be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—EFFECT ON DEFICITS OF POLICY CHANGES SINCE 1981

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985	1986
Deficit under policies in effect January 1, 1981	−125	−171	−115	−94	−92
Legislative changes:					
Tax reductions	−43	−75	−100	−117	−133
Defense spending increases	−3	−16	−23	−35	−31
Nondefense spending cuts	43	56	60	52	84
Effect of legislative actions on interest costs	([1])	−2	−8	−18	−30
Total changes	−3	−37	−70	−118	−110
Deficit under policies in effect May 1, 1986	−128	−208	−185	−212	−202
Memoranda: January 1981 baseline deficit (−) or surplus [2]	−50	−2	56	118	189
Technical and economic differences between current estimate of deficit under 1981 policies and 1981 baseline	−75	−169	−171	−212	−281

[1] Less than $500 million.

[2] For 1981 baseline, see Congressional Budget Office, "Baseline Budget Projections: Fiscal Years 1982–1986" (July 1981). The published figures have been adjusted to include spending that was off-budget in 1981.

Source: Congressional Budget Office.

TABLE 2.—EFFECT ON REVENUES OF POLICY CHANGES SINCE 1981

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985	1986
Revenues under policies in effect January 1, 1981	661	675	767	851	912
Legislative changes:					
Economic Recovery Tax Act of 1981	−44	−94	−143	−175	−212
Tax Equity and Fiscal Responsibility Act of 1982	([1])	17	34	37	48
Surface Transportation Act of 1982 (net)	0	2	4	4	5
Social Security amendments of 1983	0	0	5	9	8
Repeal of withholding of tax from interest and dividend income	0	a	−3	−2	−2
Tax Reform Act of 1984	0	0	1	10	17
Consolidated Omnibus Budget Reconciliation Act of 1985	0	0	0	0	1
Other	1	1	1	1	3
Total changes	−43	−75	−100	−117	−133
Revenues under policies in effect May 1, 1986	618	601	666	734	779
Memoranda: January 1981 baseline revenue [2]	709	810	920	1,033	1,159
Technical and economic differences between current estimate of revenues under 1981 policies and 1981 baseline	−48	−135	−153	−182	−247

[1] Less than $500 million.

[2] For 1981 baseline, see Congressional Budget Office, "Baseline Budget Projections: Fiscal Years 1982–1986" (July 1981).

Source: Congressional Budget Office.

TABLE 3.—EFFECT ON OUTLAYS OF POLICY CHANGES SINCE 1981

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985	1986
Outlays under policies in effect January 1, 1981	785	847	882	945	1,003

TABLE 3.—EFFECT ON OUTLAYS OF POLICY CHANGES SINCE 1981—Continued

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985	1986
Legislative changes:					
National defense	3	16	23	35	31
Nondefense discretionary spending	−32	−36	−33	−30	−39
Entitlements and other mandatory spending [1]	−11	−18	−24	−18	−41
Net interest		−1	−2	−2	−1
Offsetting receipts		−1	−2	−2	−2
Effect of legislative actions on interest costs	(2)	2	8	18	30
Total changes	−40	−38	−30	1	−23
Outlays Under Policies in Effect May 1, 1986	746	808	852	946	981
Memoranda: January 1981 Baseline Outlays [3]	759	812	863	915	970
Technical and economic differences between current estimate of deficit under 1981 policies and 1981 baseline	26	35	19	30	33

[1] Includes one-time purchase of low-income housing notes in 1984 and 1985.

[2] Less than $500 million.

[3] For 1981 baseline, see Congressional Budget Office, "Baseline Budget Projections: Fiscal Years 1982–1986" (July 1981). The published figures have been adjusted to include spending that was off-budget in 1981.

Source: Congressional Budget Office.

Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, I heartily concur with what my good friends from New Mexico and Florida have said. The Finance Committee has tried to create a genuine, not a phony, tax reform bill. I want to make sure that we achieve a genuine, not phony, deficit reduction. I realize that there are fluctuations in these figures and I will stand side by side with the Senator from Florida and the Senator from New Mexico in making sure that revenue surpluses in the first 1 or 2 years of this bill are not used to ease our problem in meeting the Gramm-Rudman deficit targets in the next fiscal year, but aggravating our problem in the outyears.

I very much appreciate the Budget Committee's willingness to grant this waiver so that we can go on with what I think is a genuine tax reform bill. You have my assurances that I will be with you every step of the way in making sure that the revenues are not used in such a way that we end up with a phony deficit reduction.

Mr. CHILES. Mr. President, I just want to say that I am delighted to hear the statement of the chairman of the Finance Committee. It is the most responsible statement, I think, that could be made. It helps the Senator from Florida greatly in the fact that we are agreeing to waive the budget resolution.

I trust that this is an area where we ought to be able to work it out together in good will and harmony. We seek exactly the same goals—the Finance Committee coming at it from the tax reform standpoint and the Budget Committee coming at it from the deficit reduction standpoint. They are goals that ought to be able to go side by side and not have one handicapped or prevent the other.

And, with his good will and assurances, I am confident that we can work this out.

Mr. PACKWOOD. Let us start forward together.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. I am ready to vote.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. CHILES. Mr. President, I yield such time to the Senator from Michigan as he may need.

Mr. LEVIN. Mr. President, I thank my friend from Florida.

Mr. President, first let me commend the Budget Committee for the action that they have taken, and my friend from Oregon for his very forthright statement as to what he will do to make sure that none of the so-called windfall in fact produces a shortfall in the outyears. I think that statement of our friend from Oregon does help a great deal on that issue, and all of us who have been worried about the deficit reduction are grateful for that statement.

There is another problem I am wondering if he could comment on, and then I would have a question, and that is the problem of what potential revenue sources does he believe the Finance Committee will look at in the next month or so to produce the $45 billiion that must be produced under the budget resolution if, in fact, we go to reconciliation on that as the Senate budget resolution requires? I am wondering if he would be willing to give us just some idea as to the various sources. I am not asking what he personally either predicts or prefers, but just what would the Finance Committee be looking at to raise the $45 billion in the event that none of the so-called windfall is used for that purpose?

□ 1220

Mr. PACKWOOD. I will answer the question of my good friend from Michigan in the following manner. I discovered that every time I say, well, there are the following possible options, there appears, if not on the front pages, at least very close to the front pages of the business sections, "Packwood advocates." They will list the options that I have given. That is a game I prefer not to get into.

Second, I am hoping we are going to pass this tax reform bill in the Senate within 2 weeks. I am hoping. Again, I hope the stories do not say, "Packwood says the tax reform bill will pass in 2 weeks." It is just a hope. I hope that, if we must have revenue increases under the budget resolution, that the House will fulfill its constitutional obligation to initiate revenues and that they will pass whatever tax increases must be had. The Senate will consider them. But I am not, at this stage, going to get into a guessing game as to what kinds of revenues we might look at if we had to have new revenues to meet a budget resolution.

Mr. LEVIN. I think it is important during this debate on this tax reform bill that we understand within a month or so we may very well have to raise $45 billion in revenues or at least say how we will raise them if in fact the reconciliation feature remains in the budget resolution of the Senate which it has put in its own resolution.

So when my friend from Oregon says if we have to raise revenues that, hopefully, the House will start and tell us how they would do it; I take it my friend would agree that under the Senate budget resolution and under the House budget resolution, we do have to raise revenues—indeed $45 billion in revenues—and that the Senate provision requires that we would say how we would raise them this year. Would the Senator agree with that?

Mr. PACKWOOD. I would not quite agree. I know what the Senate budget resolution says. Neither the Senate nor the House is bound until Congress adopts a budget resolution, I will be curious to see what Congress does in terms of specific revenues recommendations.

The President says, as he has continued to say, "I will veto any tax increase." We have heard him say it. "I have got my pen ready" he will say, and "I am going to veto that." That is just a bridge I am not going to cross until we get this tax reform bill out of the way.

I do not want to mix up this tax reform bill with any tax increase required for deficit reduction. I do not want to talk about a tax increase while we are on the tax reform bill, and I am not going to approach that subject right now.

Mr. LEVIN. I have simply two questions. My friend from Kansas was helpful last night on the floor, and I understand this morning also he made a comment on the floor regarding it. But the Senator from Oregon perhaps—I and a number of others of our colleagues have asked the Joint Taxation Committee for information. This taxation committee and its staff have been working extremely hard. There is no criticism at all intended about their efforts. The letter that I wrote is about 2 weeks old now, and I know the staff is attempting to get that information. I believe prior to proceeding to the tax bill that those of us who have made specific requests for information should have an assurance that information will be forthcoming by a date, and a general idea as to when that information will be forthcoming. It is critical information for us for our amendments.

For instance, every tax bill that I know of that has ever come to the

Senate contains within it a statement as to how many winners and losers there are in each category. For instance, under the President's bill we were told that there were about 20 million more Americans, mainly working people, middle-income Americans, who would pay more in taxes. We do know that many millions would, but we do not know how many in each income category. We do not know who those people are. We do not know whether these are the people who now have heavy medical deductions who would lose some of that deduction. We do not know how many of those millions are people who now, for instance, are paying interest on consumer loans, including education loans which they have taken out to finance their kids' education. That is the type of information which I have requested in my letter of May 14.

I cannot speak for other of our colleagues who have made similar requests. Again, my hard-working friend and my straightforward friend from Oregon I know is willing to provide that information that if it can be obtained for us. The question is: Can the Senator from Oregon give us assurance, or at least give me assurance—I will ask for myself and not for others—that the information which is sought in my letter of May 14 to the Joint Taxation Commmittee will be forthcoming, not just in part, but that it will all be forthcoming within a reasonable period of time, and that it will be forthcoming to the debate terminating so that we can prepare amendments on this bill if indeed they are indicated?

Mr. PACKWOOD. What I can assure the Senator of is that the Joint Committee on Taxation will have revenue estimates for the Senator on his amendment. I honestly cannot guarantee that they can have everything that every Member requests. The Joint Committee's costs on the computer—they use the Treasury computer but we do the input—went from $30,000 a month to about $100,000 a month while we were doing this bill. There was no more computer time. The staff was working night and day. On one particular occasion when I was calling somebody up on the committee staff, I asked where was Karen at 9:30 in the morning. They said she was not here yet. It turns out she had gone home at 4 o'clock in the morning. They said Lindy was there. Lindy had not gone home at all. There is a personal limit of how much we can produce.

If every Member wants not just revenue estimates on his or her amendment, but also wants to know how much every amendment may change the distribution of taxes among income classes, we cannot do it. We cannot digest and produce that much information. But on amendments we can guarantee that we will be able to give the Senate the best revenue estimate that can be given.

Mr. LEVIN. Many of us need information or analyses to know whether or not to prepare amendments. This is an unusual bill of 1,500 pages. I do not know of any time a tax bill has come this quickly to the Senate floor after it was produced without an analysis of how many, numerically, winners and losers we have to each income category.

My specific question is this: I will make my point again. The questions I have asked in my letter of May 14 I believe are fair questions. I know that the Senator from Oregon is a fair-minded person. I know him well. He is a good friend of mine. Will my letter of May 14 be answered in time so that I can know whether to prepare amendments? The Senator's staff has had my letter for about 2 weeks. I know they are working on part of it. I know they are overworked by the way. In fact, I would like to get them a few more days to work on some of these. I am not trying to make them work 24 hours a day. They are already working 20. I want to give them the time to answer these kinds of questions. So I am not trying to pressure them. I am simply trying to get information which will allow us to know whether or not we want to offer amendments.

My specific question is: Will the information that I have sought in this letter over 2 weeks ago now be furnished to me in time so that I can understand whether I want to prepare amendments?

Mr. PACKWOOD. All I can say to my good friend is I will do the best I can. We have requests from dozens of Senators, the Library of Congress has requests, and the Joint Committee has requests. We have a limited number of hours on the computer and a limited number of people. But I will honestly do the best I can to make sure that my good friend has the information he wants.

Mr. LEVIN. I am wondering between now and the time the majority leader moves to proceed whether or not the Senator's staff can give me an estimate as to whether or not that will be forthcoming?

Mr. PACKWOOD. I think he is about to move to proceed.

Mr. LEVIN. There will be some debate, as I understand it, on the motion to proceed. I am wondering, whether or not that debate is resolved in the next half-hour or hour, whether your staff can work with my staff to get us an idea as to whether or not and when this information will be forthcoming.

Mr. PACKWOOD. I think that is a fair request so long as we say whether and when. Do not ask for an answer within the next half-hour or hour.

Mr. LEVIN. I have never sought this information prior to seeing the bill. Let me be very clear on that. I understand this information cannot be furnished right away. It is 2 weeks or so now that I have requested it. I understand it cannot be furnished in 2 weeks. I am not critical at all, either, of the Senator's staff. Quite the opposite. I want to know prior to proceeding to this bill whether or not we are going to get this information, approximately when we are going to get it, and our staffs can get together.

One other question, if I may, to the Senator from Oregon. There has been a lot of discussion about the transition rule. I am one that happens to feel that there are many situations where we should not be retroactive in our changes. So I am not one that opposes all transition rules. I think the fundamental fairness at times requires that we have some transition rules.

□ 1230

We would like, a number of us, a list of the transitions so that we can see what are the standards which have been used, so that we can see what situations in our States might fit those standards.

There was a list at one time, but now those rules have been scattered throughout this bill and it is impossible, in a practical way, to pull out all the rules. We understand it is about $5 billion in transition rules. Again, there may be situations in many States which at least we may want to offer an amendment on that might fit similar circumstances. I think the Senator would want people who are similarly situated to at least have a chance to argue that they should be treated the same way since specific people are protected.

My question is, Will that list of transition rules be made available to us so we can consider whether or not we will want to offer amendments?

Mr. PACKWOOD. The list will be made available. What happened was that I asked all Members to give me their requests for transition rules. Unfortunately, many gave me requests after the bill was filed. Once the bill was filed, we could not make changes. We tried for the transition rules to be reasonably consistent. Sometimes we turned down a request because it would be an exception concerning that transition.

But, yes, I will make the transition list available to the Senator.

Mr. LEVIN. That will be helpful. I think there may be many of us who have situations that fit the general philosophy and we may want to have them considered. We know there are some people who have been given special treatment in the Tax Code which is not available to other people who are similarly situated. We would like to find the common denominator, across the board.

Let me thank the Budget Committee for pressing forward on deficit reduction. Senators DOMENICI and CHILES played a critical role on the question that we raise revenue. It is important that we know now before we finish this tax reform bill so that we are not in the absurd position of telling a number of folks that we are going to give them a tax cut in June and then on reconciliation in July pass a tax increase that would be obvious. That is an absurd position. We ought to know in June what the situation is so that we can treat these as related matters, which, in fact, they are.

The PRESIDING OFFICER. All time of the minority has expired.

Mr. DOMENICI. Mr. President, how much time does the Senator from New Mexico have on the resolution?

The PRESIDING OFFICER. The Senator has 16 minutes.

Mr. DOMENICI. I yield myself 2 minutes.

On revenues, Mr. President, I would like to make a couple of points. Frankly, I would like my good friend from Michigan to know that, first, the House does not have any mandatory tax increases other than the very small level that the President recommended. For those such as the Senator from Michigan and others who are terribly concerned, and I am, I hope he will help us with the House in that regard because we will not solve the problem without them, as my good friend from Oregon indicated.

Second, we cannot solve all the problems. All we can do is tell you what is going to happen. I think we are pretty close to right. I think we ought to make it very, very clear that unless there are new revenues added to the tax base for the next 3 years over what we expected to come in to the National Treasury, assuming good economic times, as we have stated in the budget resolution, very good economic times, we will not be able to pay for the defense that our country needs.

I believe we ought to also say the President has to be involved in this. He has urged us to keep the defense number as high as possible. We compromised and for some it is not high enough. But it is a lot better than what the House did, and preserves the continuity of buildup that many of us are absolutely committed to.

We will not be able to get that out of the House, nor will we be able to pass it as an appropriations measure, without assurance that there is additional revenue to pay for it.

I do not like that, but we have made some decisions. We have said that we are not going to touch entitlements. This Senate tried to do some reform on that and save some money. There is a policy evolving, and we are not going to touch that. The President joins in that policy. The House joins in that policy. I can say for myself after three efforts to fix it, I join in that policy. I tried three times to get this balance a little better. Many people voted with me. I am not going to ask them to do it again.

The reality is, with entitlements in place, and with the domestic spending for the rest of the American Government—that is, EPA, National Institutes of Health, those kinds of things we pay for every year——

The PRESIDING OFFICER. The Senator's 2 minutes are up.

Mr. DOMENICI. I yield myself 1 additional minute.

We have said loud and clear with 70 votes that we will not change that very much. It is where it ought to be for the next decade. If that is the case, it should come as no shock that in order for us to provide for the defense we need, and there is an overwhelming support in this institution to keep that defense buildup going, you cannot meet the Gramm-Rudman totals without cutting defense further unless you decide to meet the goals with some additional revenue.

I am delighted to have people say, which comes first, who acts first, but I urge the President to get into this, too. There is no way to get the defense numbers we have committed to without living up to all the commitments in that budget resolution. One of them is $11.3 billion in revenues in 1987, $18 billion in each of the 2 outyears, and even at that it is going to be a close call. I yield the floor.

Mr. DOLE. Mr. President, I yield back the remainder of our time.

Mr. CHILES. How much time has the minority remaining?

The PRESIDING OFFICER. The minority zero time, and the majority 12 minutes.

Is the Senator yielding back their time?

Mr. DOMENICI. I yield back the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 416) was agreed to, as follows:

S. RES. 416

Resolved, That, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of H.R. 3838, entitled "An Act to reform the internal revenue laws of the United States" and of the Committee on Finance amendment thereto. Such waiver is necessary to permit the timely consideration of H.R. 3838 and of such amendment.

Mr. DOLE. I move to reconsider the vote by which the resolution was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, in a moment or two I will ask unanimous consent that the Senate turn to the tax reform bill. I understand before that request is made they would like to have a quorum call.

Let me indicate before doing that, I know Senator PACKWOOD is here, Senator LONG is available and ready to go, the big moment has arrived. I would hope there would not be any undue debate on the request to proceed. There will be adequate time on the bill itself. Of course, that is up to the Members. Senator PACKWOOD is not blocking efforts to go to the tax bill. He does not mind legitimate debate.

I would say, as we are prepared to go into this, I certainly extend my congratulations again to Senator PACKWOOD for his remarkable effort; to Senator LONG, Senator BRADLEY, and others for their remarkable assist, Members on both sides. I do not want to start naming names as we can get into real trouble. I can think of Senator CHAFEE, Senator DANFORTH, Senator WALLOP, and a host on each side; the entire committee deserves a great deal of credit.

As far as what we are going to do with the surplus in any one year, my view is unless the House stops playing games with revenue numbers, we ought to keep our powder dry on the Senate side. There is a constitutional provision that says the House shall initiate revenue bills. They are saying publicly they will not touch revenues unless the President signs one.

In fact, as indicated by the distinguished chairman of the committee, they do not have hard numbers in their resolution, except the numbers of the President. But whatever happens, there is a matter that will be discussed with the key players, Senators PACKWOOD, LONG, CHILES, and DOMENICI. We hope we can resolve that.

Mr. President, I am going to suggest the absence of a quorum and then ask unanimous consent to go to the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1250

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REFORM ACT OF 1986

Mr. DOLE. Mr. President, I was going to ask unanimous consent that the Senate now turn to Calendar No. 665, H.R. 3838, the tax reform bill, but I understand that would be objected to, at least that is a possibility, so rather than ask that consent, I am going to move that the Senate proceed to the consideration of H.R. 3838, the

tax reform bill, and I would like, if I can, also at this time to yield to the distinguished Senator from Oregon to speak on that motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, there is no need to delay any further on turning to this bill. And let us understand what it is the majority leader is asking. He is not asking for any kind of limitation on debate. He is not asking to shut anybody off. All he is asking is that we turn to consideration of the bill, and once we are on the bill Senators can talk for as long as they want, offer any amendments they want, demand any votes that they want. It is normally a prerogative of the majority leader to move to the consideration of a bill, although a Member can object to unanimous consent and the majority leader is forced to ask for a vote.

So it would be my intention, if necessary, to file a cloture petition this afternoon so that we can get on to the substance of the bill. This bill says to Americans we are going to lower your tax rates to 27 percent top rate, 15 percent low, and a 33 percent top rate for business. We are going to take 6 million of you low-income workers off the tax rolls. If we cannot move to this bill very shortly, it will be my intention—I have it here with sufficient signatures—to file a cloture petition so that we can start on a debate that is really a historic debate in terms of changing the concept of how we ask people to react in this country in relation to the Tax Code.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PACKWOOD. I will be happy to yield.

Mr. LONG. Mr. President, let me say to the Senator from Oregon, the distinguished chairman of the committee, that the overwhelming majority of us on this side of the aisle would be happy to give consent to move to the bill. While we respect the right of any Senator to debate a motion which is debatable under the Senate rules, which a motion to proceed happens to be in this parliamentary context, we would also support the Senator on his cloture motion. I suspect that that support would be overwhelming, almost unanimous on this side of the aisle. However, I think I speak for many Senators who are interested in the right of a Senator to address himself to a motion and to be heard, even on a motion to proceed. I have spoken on such motions myself on occasion; I cannot criticize others for doing the same thing. I would, however, join with the Senator in hoping that there will not be any prolonged debate over the motion to proceed. I hope that we would have the motion agreed to before the day is out today.

Mr. PACKWOOD. One of the things, of course, we are always up against, even if a cloture petition is filed, is that you have got to let it lay over a couple days before you are able to vote on it. I do not know how long those who may oppose the bill, or parts of it, intend to talk on the motion to take the bill up. I hope there would be no need to file this petition. I would like to get to the bill this afternoon. I assume we are going to be on this bill for some number of days or weeks or who knows how long.

□ 1300

There is not going to be a single Senator who will be denied his or her opportunity to speak. I do not want to waste 2 or 3 days, however, before I file a cloture motion and find that we are faced with a filibuster on the motion to take up the bill.

Mr. LONG. I hope the Senator will not conclude at this point that there is going to be a filibuster on the motion to proceed. I am sure the Senator knows there is a lot of difference between a filibuster, which delays the matter over an interminable period of time, and a Senator simply making a speech to explain his attitude about the matter.

Mr. BYRD. Mr. President, will the distinguished Senator from Oregon yield?

Mr. PACKWOOD. I am happy to yield.

Mr. BYRD. Mr. President, I join the distinguished Senator from Louisiana [Mr. LONG], who is the ranking minority member of the Finance Committee, in saying that I know of no disposition on this side of the aisle or on the other side of the aisle to filibuster this bill. I am opposed to a filibuster on this bill.

I hope the distinguished Senator from Oregon will not feel that at this point he must pull out that threatening gun of a cloture motion to stave off a filibuster. I think the old Biblical passage, "The wicked fleeth when no man pursueth," is a good one to invoke here.

I say in all sincerity to the distinguished Senator from Oregon that I do not know of anyone on this side of the aisle who wants to filibuster this bill. I would not support a filibuster against it. I would support a cloture vote on it, provided Senators have been able to get the information they need from the Joint Committee on Taxation. I understand that matter is now being expedited—securing information they need from that committee in order that they may be able to cost out the amendments and to know what they are voting on.

I give the distinguished Senator my assurance that I support the bill. It is a tax reform bill. It is a good bill. It is a fair bill. If we had to vote at this minute, I would vote for it. But, at the same time, I think we have to scrutinize it; and if it can be made a better bill, then I would like to see it made a better bill.

Again, I hope the Senator will believe and understand that this Senator certainly sees no prospects of a filibuster on the motion to take up the measure. I think what Senators need here is a little time in order to get the information they seek. Certainly, that time can be well used by Senators who wish to speak on the floor and enlighten other Senators, like myself, who are not on the Finance Committee, as to what the bill does.

So I assure the Senator again that, so far as I am concerned, there is nobody on this side seeking to filibuster the motion to proceed to the bill or the bill itself.

Mr. PACKWOOD. Let me respond in two ways.

First, I know of no one who better reads the Senate, majority or minority, than the distinguished Senator from West Virginia, and I am inclined to accept what he says.

Second, in the 18 years he and I have served together, I have found his word to be absolutely solid. I know that if there is a filibuster and he and the distinguished Senator from Louisiana are prepared to shut it off, we will have no difficulty shutting it off.

Mr. BYRD. The Senator has that assurance from me, and a Senator's word is really all he has around here. Once he breaks his word, a strong commitment to other Senators, then they will not believe him ever again.

I say once again that I know there are Senators who are seeking information they do not have at this point. I think the time in the next day or so can be valuably used to educate those of us who are not on the Finance Committee as to what precisely is in the measure. Also, if there are times when we need to have a little discussion off the floor, I think the majority leader would like to be able to bring up the supplemental appropriations bill, so that the Senate will continue to be doing its business.

Mr. LONG. If I may address myself to the same subject, the Senator knows that there are nine Senators on this side of the aisle, members of the Finance Committee, who voted to report the bill. We are strongly in favor of it. He can be assured that the nine Members on this side of the aisle who serve on this committee will support the Senator in moving his bill to final passage. It may take some time. I have stood here, in the same situation that he is in, sometimes for 6 weeks, with a bill such as this. I think his bill is going to be passed.

Mr. PACKWOOD. I thank the Senator from Louisiana. He has assured me that he is going to help me in every aspect of this bill, and I thank him.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER (Mr. DENTON). The Senator from Montana.

Mr. MELCHER. Mr. President, on the motion to proceed, I want to make some points as it affects some basic industries in this country and how it affects my State of Montana.

I believe that the entire economy of this country is not built on some shifting sand. I believe the economy is built on the solid substance of basic industries. So when we come to the biggest tax bill in 30 years, it is extremely important that we are able to understand what the effect of the bill would be on these basic industries.

In Montana, the three basic industries that come to mind are agriculture, mining, and forest products. We found in our perusal of the bill, and in trying to analyze the bill as to how it affects these industries, that, yes, the bill will extract more taxes from agriculture, from forest products, and from mining.

So we are speaking about fairness; and, more than that, we are addressing ourselves to whether or not, as tax policy of the United States, there will be more difficulties by passing a new bill, more taxes imposed on these basic industries, and therefore it will be harder for them to recover. Let me review this very quickly.

Agriculture is suffering. As an industry, it has been losing money. Individual farmers have been going broke.

In the case of mining, they are suffering. Individual companies are either being consolidated, conglomerated, or going out of business.

In the case of the forest products industry, we have seen some recovery this year due to the big boom in housing, and I am glad to be able to note that.

We indeed do endeavor to create the kind of climate in this country where the basic industries are part and parcel of economic recovery. If we are just to look at the stock market and say it has been soaring and therefore every industry must either be doing well or about to do well, that really is not the case. The basic industries are not climbing out of the doldrums as we would like to see happen.

I want to refer to agriculture in particular. Rural America depends upon sound economic activity and economic viability from agricultural producers. We all lament the fact that farmers are losing money. We all know that because farmers are losing money, rural communities are sliding downhill, because businesses are closing, sometimes even jeopardizing the social fabric of those rural communities.

How does a school operate, for example, when they find fewer people living in the community and less tax money coming into the community to support the school? Are the rural hospitals, with a shift in population away from the communities, going to be able to operate efficiently?

The question is now, on the tax bill itself, will it actually cause more taxes to be paid by agricultural producers?

Let me turn to a chart I have here, and I want to identify three changes in the Senate tax bill—that is, from current law—that will increase taxes for farmers.

Capital gains would be repealed, income averaging would not be allowed, and investment tax credit would be repealed.

□ 1310

All of those three items have a bearing on an individual farm operator's tax liability.

Why capital gains? Capital gains for a family farm that is producing livestock, let us use that as an example. For a family farm operation that has a $35,000 taxable income under present law because capital gains is figured at 40 percent of the taxable rate, for that amount of money that individual farmer would be looking at a capital gain rate of 11.2 percent. If that is repealed, as it is in the Senate bill, it will be changed to 27 percent, a significant increase.

On the question of investment tax credit, a typical example can be drawn on any particular farmer's operation for any particular year. But if there is, for instance, a $40,000 equipment purchase during a current year, that tax credit would amount to $4,000. That is under current law. That is to assist and encourage investment in newer equipment and in some cases it could be used equipment. Some used equipment is subject to tax credit advantages. The Senate bill repeals it.

Third, income averaging, which the Senate bill repeals. Let us take a typical example of a number of farm and ranch operators in Montana drawn from the records of an accountant in one of the cities out there.

In 1985—not a very good year—it was a $1,000 income; in 1986, a $1,000 loss. These are averages. Neither year is any good.

A farm operator if he thought that is all he had in front of him for the next generation would be trying to bail out as quickly as possible. But they find themselves in the situation of having to survive no matter what the year is. 1985 and 1986 have been bad years. But let us hope that for 1987 it is a better year and that the income approaches $40,000.

For the family of four, income averaging would allow a steady tax obligation. With income averaging, utilizing 1985 and 1986 and having a good year in 1987, the tax obligation would be $6,000. Without income averaging, the tax obligation would be $7,284.

Mr. President, that is a $1,200 swing. For some people that may not seem like very much. But let me explain that it is a great deal because the fact is that these people are in debt and they have to pay off that debt. They have to earn enough money during the good years to reduce the debt in order to show cash flow, in order to show improvement in their economic situation, in order to secure for the coming years the continuation of credit. So that type of a swing is bad news for agriculture.

It is on that basis that I say to the managers of this bill let us talk about no amendments. I have been advised and have accepted the invitation of the President that all Senators have received to meet with him tomorrow morning. The President, I understand, will say to us, "This is a good tax bill, just pass it as it is. Do not go into amendments. Let it go."

That is a harsh situation for most people in agriculture. It is a harsh situation for people in other basic industries.

I say to you in all candor, the managers of the bill and all of my colleagues, that unless adjustments can be made to even this out to make it fair, it will be difficult for me to support the bill.

On this point of how good the bill is, I am sure all of the membership of this body are favorably impressed with some of the features in the bill and look upon it as great progress in trying to have a better Tax Code for all of the people of this country.

Having said that, I must again return to the plight of people in the basic industries. We cannot just extract out of their hides greater taxes.

How much would it cost to correct this, income averaging for farmers, investment tax credit that is targeted to people such as farmers or small business?

How much would that cost to make those corrections? How much would it cost to make corrections for capital gains targeted? We cannot get those answers yet.

I understand why we cannot get the answer. It is because the tax bill has just been completed in the last few days and the Joint Tax Committee with their big, huge computer layout simply has not been able to supply all of the information. I wrote to them a couple weeks ago asking them some of the basic questions such as this and have not had the response yet. But I understand why.

But that does not take away the necessity to do something about making these corrections before this bill leaves this Chamber. If it takes a week, that would be marvelous. If it takes 2 weeks, we could certainly expect that. Or if it took all summer to rectify some inequities in the bill, it would be time well spent.

I would hope that the managers of the bill are receptive to corrections. I

would hope that they would have some concept of why we must fight hard for our individual States.

My State has some great similarities with the State of the very able and diligent chairman of the Senate Finance Committee. Montana and Oregon have great similarities. Perhaps he will say, "Well, these problems are going to wash out; let the bill be in effect, be law for the next several years, and these problems will not be significant."

Mr. President, that may be true in some instances. But it is not true for individual operators in agriculture or in mining or in forest products if their situation is one of large debt, and that I am afraid is the typical case not just in Montana but throughout most of the country.

□ 1320

So the significance of making tax policy in this new bill cannot be just shoved aside on the basis: Well, here we have got a package that has some reform in it and, over the long run, 4 and 5 years down the road, everybody will benefit from it. It is a question of surviving for many of these people for 4 or 5 years.

I believe it would be unconscionable to pass a tax bill that has some good reforms in it but does serious damage to a number, a great number, of individual operators in these basic industries that cannot survive the next 4 or 5 years by paying more taxes at this time. The hard fact of the economy is that for them they must quickly show a decent profit that they can use to reduce their debt, to pay off the principal, in order to show improvement in their loan situation and improvement in their own economic status. Without that, I am afraid many more will go under.

It is for them that I fight. It is for them that I make this effort and it is for them that I will continue, during the discourse and discussion of this bill, to argue that to ignore their plight would be not only a disservice for them but a disservice to the entire economy of the United States and, particularly, I must again return to rural America.

So goes agriculture, so goes rural America and all of its communities. In some areas of the West, so goes the mining industry, so goes their communities. And in some areas of the West, as the able chairman of the committee can vouch, so goes the forest products industry, so goes their communities.

I have a high regard for both of the managers of the bill. I have a strong feeling that the good in the bill is nearly as good as they describe it. And I say that not out of any effort to denigrate their effort. I say that as a compliment. I say that any tax bill that could be brought out on this floor at any time is always evaluated on whether or not it is a tax decrease or a tax increase for the average American. And the average American looks at that bill in a very personal manner, as they should. If they see advantage in the Tax Code with the new tax bill by decreasing their taxes, it is a fine bill. For most of the country, this bill undoubtedly will bring some tax relief. For those to whom it does not bring tax relief, it should be looked at.

Who are they? Well, for one item, there is the question of a minimum tax on corporations that are profitable that escape paying tax at all or very little tax and that has needed to be corrected for the past at least 6 or 7 years that I have known of the disparity in our Tax Code that allows a very profitable corporation to go without paying any Federal taxes or a very small amount. So that is a great plus for the bill, even though it is going to extract more taxes from those corporations.

The same could be said for the minimum tax on individuals. As it is contained in the Senate bill, there is a vast improvement over the present tax bill and it will indeed gather more taxes from them.

But, Mr. President, we cannot forget that agriculture, mining, and forest products are part of the entire economy of the United States. To the extent that they are hampered in economic recovery by having to pay more taxes, we are doing harm to the entire country.

I would like to see some adjustments made in the bill, when we can get the proper figure from the Joint Committee on Taxation on what is involved in the cost, which may be rather minimal in this instance, these three categories I have described for agriculture. Maybe we could look favorably on an amendment.

I realize when an amendment is offered that would straighten out some features in the bill for a particular group that would cause the bill not to raise quite as much revenue that we would have to find areas where that revenue can be made up. But there is no use in me attempting to describe what type of amendment is needed because we cannot get the figures yet. However, when we can get those figures, I shall of course consult with the managers of the bill and see whether or not they would find favor with such an amendment and offer it. I hope they would find favor with it and I hope they would be very considerate of our concerns in these matters as we proceed through the bill.

Now, on the motion to proceed, I wanted to make clear what my intentions are in terms of the bill itself. I have no desire to take more time of the Senate itself on this particular motion. I am not speaking for anyone else in the Chamber. There may be others that would like to discuss this. But I want to make it clear to the chairman of the committee and the ranking member of the committee that this is all the time that I desire in discussion of the bill on this particular motion.

Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, my good friend from Montana places in perspective exactly the problem we face in this bill. Are we going to have high tax rates and then offset against those high tax rates certain exceptions, deductions, and privileges in order to reduce the effect of the high tax rates so that we can have effective economic activity in the farm sector, in the mining sector, in the timber sector?

Now my good friend from Montana mentioned three items he would like to have changed—the investment tax credit, income averaging, and the treatment of capital gains. If we put those back in the bill as they are now in the current law, that costs $166 billion, or roughly $800 per person for every man, woman and child in the country.

Sure, we can put them back in, and then we can raise the rates so that those who want to farm or timber or mine can take these special deductions against the high rates. Or we can try something we have not tried for 50 years in this country. We can try to lower the rates. But in lowering the rates, we have to eliminate many of the loopholes, deductions, privileges, and exceptions so that we can produce the revenue to lower the rates.

My good friend from Montana also talked about big business and those who pay no taxes. This Senate bill hits those companies hard. Under current law, the corporate minimum tax—a tax that is a guarantee, allegedly, that corporations will pay taxes if they have profits—produces about $2½ billion over 5 years—$2½ billion. In the Senate bill that is now before us, the minimum tax will produce $33 billion over 5 years. There will be no more stories of General Electric paying no taxes or General Dynamics paying no taxes, because if they make profits they cannot avoid the minimum tax that is in this bill.

My good friend from Montana has indeed posed the fundamental problem that we faced in the Finance Committee. Do we eliminate deductions that are dear to everybody—capital gains, investment tax credits, income averaging, IRA's—and lower the rates?

□ 1330

Or do we keep all of the deductions, exemptions, privileges, and then attempt to raise the rates to get the money that we have lost by allowing the deductions? And then we raise the rates so high that we again increase the deductions, exemptions, and privi-

leges. We chase ourselves around the tree in an ever-increasing spiral.

When we get to the debate on this bill, I will make the argument that what this bill is about is genuinely radical if we mean it as something we have not tried in half a century. And we have not. Can we move the economic engine of this country, including farming, mining, and timber, with low rates so that people will be motivated to farm, mine, timber, manufacture, insure, or bank because they think they are a good farmer, miner, lumberjack, insurer, or banker, and not because the Tax Code has pushed them into one endeavor or another because one endeavor may have a higher tax preference than another?

That is a debate for when we get on the bill. I appreciate my friend from Montana calling to our attention the issue of three specific deductions—the investment tax credit, income averaging, and capital gains—that are important to many. If we are going to have very high tax rates, they are important to me. On balance, however, after having gone through 36 days of hearings and over 300 witnesses, I have come to the conclusion that it is time to try a different tactic. I hope after we have had our debate, that my good friend from Montana will be one of those who will vote "aye" for the bill.

Mr. MELCHER. Mr. President, will the able chairman yield for two questions?

Mr. PACKWOOD. I will.

Mr. MELCHER. My first question is this: Is it not conceivable as tax policy that targeting for capital gains and for income averaging is good policy for some of the basic industries that I have outlined? In other words, the small operators.

Mr. PACKWOOD. It is possible. That is, frankly, what we have tried to do in the code for the last 50 years. We have tried to target small businesses as opposed to big business. In this bill we keep that distinction. We try to target certain charities and not other charities. We try to target everything that is conceivable in this country. We have a Tax Code so complex and convoluted that finally it is falling of its own weight because of its attempt to target not 1, 2, or 3 things, not 100, 200, or 300 things, but 100,000, 200,000 or 300,000 different things in the law.

Mr. MELCHER. I thank the chairman for his answer. My second question is this: since it is obvious to all under the last 3 years of operation—in agriculture, and I think in all cases in mining, and in many cases in forest products—that the operators simply have not been making any money, and therefore not subject to high rates, that even the rate of 27 and 15 percent will be higher than what they had or higher than what we were subject to because their incomes were reduced or they had actual losses? Is it possible that the able chairman would consider a phase-in of changing of these principal factors that I have outlined; that is, income averaging and capital gains?

Mr. PACKWOOD. As a matter of fact, some provisions of the bill are phased in, especially the passive loss provisions, where we have changed the rules in the area of tax shelters, where some people of immense wealth have been paying no taxes. If we make any change in phasing things in, those changes will lose money. Who do you tax to pick up the money to pay for the phase-in?

Mr. MELCHER. Mr. President, I thank the able chairman for that response.

I, leads me to say the following, if he will continue to yield, that it is my belief either through a phase-in or some type of device of targeting that allowing these situations to continue for a period of time would not be costly at all to the Treasury, but in fact would be able to allow more operators to survive, stay in business and therefore be more productive and in 5 or 6 years be getting a better return?

I have a little bit of encouragement from the chairman's last response because when the figures are available, I do not believe we are talking about a great deal of revenue loss by either phase-in or some type of targeting device.

Mr. PACKWOOD. I have discovered that revenue losses are normally bigger than anyone thinks they are when they start to target. I do not want to mislead my good friend. I would be opposed to attempts to target, and I would be opposed to such a phase-in. If I can call his attention to at least the farm sector, the American Farm Bureau Federation, the National Grange, and the National Cattleman's Association all support this bill the way it is, and are asking for no amendments. They are not asking for any phase-in or any other preferences, whether limited to farmers or otherwise. They say they are willing to accept this bill the way it is, and they think they can live with it.

Mr. MELCHER. I appreciate the statement by the able chairman. I want to remind the chairman of the great similarity between Montana and Oregon, and therefore that is a very important part of the United States. I do want to assure him that I will have to fight as hard as possible to protect our producers in Montana, and whatever any national organization might say about a bill, which is always rather fuzzy, the facts are the facts. And increasing taxes is a fact and cannot be ignored. The question is: Can they afford it? I am afraid at this particular time increasing tax on agricultural producers is a situation that is unconscionable.

Mr. PACKWOOD. Again, let us be very clear. You want to be careful of averages because no one is average. If you speak to any audience and say, "Will the average man or woman raise their hand," no one is going to raise their hand because they do not regard themselves as average. Having said that, on average, all income groups get tax cuts. And the poor get greater tax cuts proportionately than do the rich. We have succeeded in doing that in two ways. One is the shift of about $105 billion of taxes off of individuals and onto business. And the other is in the closing of about $50 billion in loopholes principally used by individuals, normally individuals of significant wealth, to invest and lower their taxes to zero. So we took that $150 billion, and we applied it to the reduction, by and large, of individual rates. On average, people will get a tax cut.

There are at least two groups that are going to get increases. One group consists of those who are heavily sheltered, using passive losses, or artificial losses, to offset against their regular income and who are currently paying no tax. They are going to have their taxes increased. Second, corporations who have immense profits and have been paying no taxes, are going to have their taxes increased. But the average American Jane or Joe that is working on the farm, in the grocery chain, or in the mine is going to have his or her taxes lowered.

Mr. DIXON. Mr. President, I wonder if the Senator will yield on that point on something he just said.

Mr. PACKWOOD. I will.

Mr. DIXON. Mr. President, may I ask my friend from Oregon, in connection with the discussion you were having on individuals, how some might pay more taxes because they were heavily sheltered. I do not know that I am quite clear as to what the Finance Committee did with the wealthy multimillionaires who buys everything in municipals. What would be the circumstance of that individual?

Mr. PACKWOOD. Very valid question. We did nothing.

Mr. DIXON. You left that as it is?

Mr. PACKWOOD. We did nothing. We left that as it is. We have not attempted to tax the interest on municipal bonds either retroactively or prospectively whether it is what we would call general purpose bonds for schools, roads and streetlights, or industrial development bonds. Under this bill and under current law, they are tax exempt.

Mr. DIXON. But as a separate question altogether from taxation of the municipals, you have done nothing about an individual who would invest entirely in municipals; that is, he would pay no minimum tax of any kind? Was it the determination of the committee, may I ask my friend, that any way you do that you would still

adversely affect municipals? Is that how you came down on that question?

Mr. PACKWOOD. It is an interesting question on the way we came down. We invited debate on it.

Mr. DIXON. I had noticed for a while you were in that. You had suggested initially something along those lines. It was not clear how it was ultimately resolved.

Mr. PACKWOOD. As a matter of fact, at the request of the Treasury Department I did make the suggestion to consider the possibility of taxation of municipal bonds, and immediately ran into a buzz saw.

In any event, we do nothing in this bill. The subject was approached, I will be very frank with my good friend from Illinois. As soon as the subject was introduced, even if you were talking about prospectively taxing them—forget the bonds already issued—the committee got opposition from every Governor, every county commissioner, every mayor, and every sewer district chairman. The committee decided that we would not approach that subject and they are not taxed.

□ 1340

Mr. DIXON. If I may ask one more question, I have no argument about not taxing municipals. I understand all of the arguments involved in that question. But it still occurred to me that a modest minimum tax on individuals who wholly invest in municipals has some appeal. Is there some kind of revenue consequence of any significance there, or was it the determination of the committee that it was simply not a revenue matter of sufficient significance to examine it?

Mr. PACKWOOD. Let me separate my answer on corporate versus individual. In the corporate minimum tax, what we call book income is the standard by which we determine whether a corporation has profit and pays a tax. There the interest on municipal bonds paid to corporations goes into the pot and will be taxed.

As for individuals, for reasons that I indicated earlier, the committee chose not to do it. There is a great deal of revenue to be gained, however, if you wanted to tax those bonds held by individuals.

I would also add that of all the different types of assets that I can think of, and I do not have the classifications right before me now, my hunch is that you would find that it is the very wealthiest income classes, $200,000 and up, that are the heavier holders of municipal bonds.

Mr. DIXON. If I may just conclude with one more question, the thought occurs to me without taxing municipals at some low level, there might be some way of looking at that from the standpoint of the individual, when one talks about the shortfalls that may occur in different categories and actions being taken on IRA's and other things.

How would the distinguished chairman view that?

Mr. PACKWOOD. I think my friend ought to offer an amendment in that area and see what the Senate will do.

Mr. DIXON. Does the chairman have revenue information available through the staff which would not be readily available to an ordinary Member of the Senate?

Mr. PACKWOOD. We can get you revenue estimates very quickly on how much revenue can be raised and upon which income classes it would fall, depending on the level of the taxes.

Mr. DIXON. I thank my distinguished friend from Oregon.

Mr. LONG. Will the Senator yield at that point?

Mr. PACKWOOD. Yes.

Mr. LONG. Mr. President, all of us are very much concerned about this problem of taxing State and local governments. May I point out to our able chairman that a tax on State and municipal bonds is not going to result in a heavier tax burden on a wealthy person. The tax burden is going to fall on the State and local governments.

I was discussing this matter with the chief executive officer of one of our largest banks and he explained it very simply. These bonds have to sell in competition with all the other bonds, including taxable bonds. The banks are looking at the bottom line.

If we are going to tax State and municipal bonds, the banks and other investors are going to insist that the bonds pay a higher interest rate. The interest rate will have to be sufficiently high so the investors can pay the tax and have the same return they are getting right now.

Mr. PACKWOOD. I admit that many of these municipal bonds are supported by real property taxes. It means you would have to raise the real property taxes of everybody in the particular district that issued the bonds to pay the higher interest rate.

Mr. LONG. The point is that to tax the State and municipal bonds is in the last analysis to tax the State governments, to tax the city governments, the county governments, the parish governments, all over the United States, and they in turn can only get that money back by taxing their own people. So when you vote to tax those municipal bonds you are voting to put a tax on homeowners, on working people, and on the rank and file of all America, at the State and local level.

Many years ago, in the case of McCulloch versus Maryland, Chief Justice Marshall made the point that the power to tax was the power to destroy.

In 1895, it was ruled by the Supreme Court that it was unconstitutional for the Federal Government to tax the instruments by which the State governments finance themselves. The Federal Government has carefully recognized that the power to tax is the power to destroy, because the Congress has passed laws saying that the State cannot tax Federal bonds.

I would hope that when we examine this issue carefully, we will realize that in the last analysis a tax imposed on State bonds—I am not talking about an industrial development bond, but a full faith and credit bond of the State government—is a tax on a State, and that a tax on a city bond is a tax on a city.

Mr. PACKWOOD, My friend from Illinois is hearing many reasons why the committee decided not to move into this area.

Mr. LONG. If I am not here and an amendment is offered on this subject, I hope the chairman will send for me.

Mr. MELCHER. Will the able chairman yield for another question?

Mr. PACKWOOD. I am happy to.

Mr. MELCHER. In talking about the effect of a new bill on those agricultural industries and forestry industries, my question about either targeting or phasing in applies only to those who are active, to those who are actually out there sweating and toiling, trying to make a living.

I wonder if the able chairman and the ranking member of the committee, Senator LONG, understood that that was the effect of my question on either targeting or phasing in these changes for agriculture and these basic industries.

Mr. PACKWOOD. I was not aware as to how specific my friend from Montana was being, but I would suggest that it would be relatively simple to cost these out. If the Senator wants to prepare an amendment, we can find out what it will cost.

Mr. MELCHER. I thank the able chairman for that suggestion. I will certainly prepare an amendment along that line and will ask for expedited cost analyses so we can have some understanding of whether or not such an amendment would be accepted. It is on that basis that I believe the survival of many of these producers depends. With added taxes I am afraid that many of them would continue to go the way they are going right now, even though they have occasional good years. They find they cannot keep up with reducing their debt sufficiently. I thank the chairman.

Mr. HEFLIN. Will the distinguished chairman of the committee yield for a question or two?

Mr. PACKWOOD. I am happy to.

Mr. HEFLIN. I am concerned with what the Senator from Montana has expressed concern about, certain actions concerning the farmers from the very beginning of this tax movement, starting with the Gephardt bill and other bills which were offered, and

then the administration proposal, and then the House proposal, and the committee proposals relative to farmers, and in particular to the plight that they are in at the present time.

Added to that, in my opinion, there as been a terrible drought, which we all know about.

During the recess at home in my State, our crops did look pretty good, however, after some rain. But they are anywhere from 3 to 6 weeks behind their normal growing season. Whether this growing of the crops will take place will depend on whether or not we have an early freeze.

In the past, whenever we have had disasters, they have been caused by droughts occurring in the Southeast much more frequently than a great number of people realize.

□ 1350

We have had droughts on the average of about once every 4 years. In the Midwest, there have been droughts and other disasters. We have a county, for example, Baldwin County, in Alabama which has suffered as a result of hurricanes as well as drought and other disasters. So there are real problems that come up.

Those farmers that may have a good year have benefited because of income averaging. I am hoping that somehow or other, farmers could take advantage of an income averaging which might be triggered under certain circumstances and limited to farmers alone.

I mention this at this stage with the idea that we might have some discussion of this and that amendments might be drafted which would not, in effect, cause any great revenue loss but could result in something that could occur under unusual and certain circumstances, you would trigger a mechanism by which income averaging would take place. It also could be that during this present crisis we are in the farm sector, we could have some phase-in pertaining to this, limiting it to that.

I wish to call this to the Senate's attention. I hope that we can have some discussions and that we can look at figures and see what revenue losses, what offsets might be available. But it seems to me that farming is in a crisis. We have, No. 1, to admit that.

No. 2, this bill, in effect, does not give any special treatment to farmers. Farmers have had special treatment before and it is not here in this bill. It was not in Treasury 1, in Treasury 2, in Rostenkowski 1 or in Rostenkowski 2, in Packwood 1 or Packwood 2. These are all, in my judgment, some things that we need to look at.

With that in mind, I hope that the chairman will look at this favorably, because I think it is something unique and different from any other sector that we have in the country today.

Mr. PACKWOOD. As always, my good friend from Alabama is quite cogent. Once we get on the bill, I hope we can have something on that point and 100 others that Senators will come up with, and I shall do the best I can to answer the questions.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, while the distinguished chairman of the Finance Committee [Mr. PACKWOOD] is here, I just want to say some things lauding the effort of him and of his staff and his committee in putting this tax reform bill together and I realize the importance of the Senator from Oregon to get this started and before us as soon as we can.

Mr. President, this tax bill is monumental. There is no question about it. It is monumental just in the size of it. The size of this legislation before me, in my hand, is some 1,489 pages. That is the bill itself. The simple writing of this had to be quite a chore and the Senate Finance Committee has worked diligently on it. I have been over there a couple of times trying to get information which they have helped me put together. Indeed, I have seen how hard and how late they have been working, including the chairman of that committee. I believe they have done a darn good job.

That is not to say that I am prepared to say that this bill cannot stand some corrections. I think it can. I am not interested in either being a party to delay for anything other than good reasons or to make any alterations that would gut the thrust of this bill. This bill lowers the rate substantially and that really is elementary to what I think is important in tax reform. It simplifies the code substantially and that is long overdue. I would have preferred an even far more simple version, one that Professors Hall and Rabushka have proposed and that I have introduced in the Senate, and it has only one rate. But I understand the realities and I know the Senator from Oregon, the chairman of the committee, has looked at these over all these years and has struggled to put something together. I want to say once again I think he has done an admirable job of getting something out. This is something that is going to move and move in the direction of simplification.

But I do believe, Mr. President, that the magnitude of this bill is so immense that we do not need to go to this bill today. I am not interested in participating in any tactics that will delay consideration of this bill, but my office only got its copy of this bill on Monday, June 2. Our staff received the 1,489-page bill on Monday, June 2. Today is the 4th of June. So we have had 2 whole days to go through this and try to analyze what is good, what is bad, and what should be changed, if anything.

Quite frankly, we have not gotten through it. I took some of the summary home for the report last night and looked at some of it. I have some questions about it that I would like to get answered. Many Senators have asked the Joint Committee on Taxation for responses on revenues estimates if certain items were shifted, if something were changed slightly—and I am talking about minor changes. They are inundated with requests and they have not been able to get that information to Senators.

Mr. President, I hope we will have a day or two to get that information from the Joint Committee on Taxation and not have to proceed with considering amendments today when we do not even know what is in the bill.

All of my colleagues will recall that following passage of the two most recent tax bills that this body has taken up, Congress had to make some changes the next year. In one instance in regard to the withholding tax on interest, my colleagues will remember that battle. Many of us, quite frankly, did not know that was in the bill when we passed it the first time. Maybe somebody watching these proceedings will say, "What are you doing back there? Why don't you know what is in these bills?"

The reason we do not know what is in these bills is that just 2 days ago, we got it. Even though I can read pretty fast and so can my staff, we just cannot digest this whole thing in 48 hours.

Another area where we ran into real problems after we passed a tax bill was on imputed interest. We had to come back and make explanations and change it to what was reasonable in the area of imputed interest.

So, let me say that I admire the Senator from Oregon [Mr. PACKWOOD] for the long hours he has put in and the Senator from Louisiana, the ranking member [Mr. LONG]. He has been the stalwart of tax reform here. In the 10 short years I have been here, he has had one major tax bill after another on this floor. He has conducted himself with the greatest dignity in this body and put through some very innovative approaches.

The chairman of the committee, I know, is interested in moving swiftly, but so am I. I hope that Senators will have a few days to get the information from the Joint Committee on Taxation. Maybe the Senator from Oregon can assist in that effort. I am not singling them out. They are hardworking people and they are inundated, I am convinced, with requests. But Senators would like to have answers before we start talking about amendments and also voting on the bill.

I also want to point out and recognize someone who, I think, deserves a great deal of credit. That is Senator BRADLEY of New Jersey. He has really been the leader in the Senate for this type of tax reform. There have been bills for tax reform before us and many of them have had merit. Senator BRADLEY brought this proposal before this body over 4 years ago. I think it is important that he be recognized as the leading factor.

The members of the Finance Committee in general, I think, deserve credit for what they went through. I do not serve on that committee but I imagine it is a little bit like making sausage. You have to mix the ingredients as you have to struggle on how you are going to get votes. The members of that committee did struggle.

□ 1400

They came out with a bill that really has some promise, and I am hopeful that we can have a little bit of time, and I am talking about hours, not days or weeks, a little bit of time to get some information in relation to where these revenues are. To be rolled over, I think would be a mistake because I believe the makings are here for a very, very bipartisan popular approach to tax reform.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). The Senator from Illinois.

Mr. DIXON. I wonder if my distinguished friend, the Senator from Oregon, will yield for another question.

Mr. PACKWOOD. I would yield, although I am anxious to start. I will listen to this question, but if my good friend will bear with me, I may decline to answer it until we get onto the bill.

Mr. DIXON. Well, if it is appropriate at this time, I would like to ask my friend from Oregon, in the work product of the Finance Committee, the bill permits deduction of real estate taxes, income taxes, and personal property taxes if you itemize, but it does not permit deduction of sales tax. My State gets the majority of its general revenue from the sales tax. Forty-six States have a sales tax. As a matter of fact, in the most recent constitution we adopted some years ago—and I was involved in that process, may I say, as the legislative leader and later a State official in my State—we abolished the personal property tax because most people were not paying it. So we have the unusual situation in this bill for which I see no rationale where the committee permits itemization and deduction of certain types of taxes while saying that for the major tax source of revenue for many States of the Union you cannot make an itemized deduction. What is the rationale behind that?

Mr. PACKWOOD. That is a question I can answer now, but if my good friend will understand I am not going to do so now. I do not want to spend today, tomorrow, and the next day answering questions on the substance of the bill when, at the moment, we cannot even get the bill up for consideration. It is a valid question. I will answer it, but I would prefer to do it then.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first let me commend our friend from Oregon for his effort and the staff's effort to cooperate with us on a very critical process question which is telling us when we will be able to get certain information and to give us certain assurances that we will be able to get information at least during this debate so we will know whether or not we want to offer amendments. That has been helpful over the last hour or so.

There is a very key bit of information that I would like to comment on for a moment with my friend from Oregon, and then I would ask him a question at the end of it.

When the President's tax proposal came here we were given an analysis by the Treasury as to what percentage of taxpayers in each income group would be paying more in taxes, less in taxes, or about the same in taxes. It was called chart 14. The Treasury prepared it. It is an extremely important type of analysis. About 20 million more Americans, including lots of average Americans, would be paying more in taxes under that particular proposal. And again this includes millions and millions and millions of average Janes and Johns. These are in many cases average taxpayers who would pay more under that proposal.

Now, that proposal is not the one before us. It is a different proposal that is in front of us. One of the questions which we have asked is will we be given that kind of estimate as to how people in each income category will be paying more in taxes, less in taxes, and the same in taxes.

It is obviously a key question. I happen to agree with my friend there are lots of folks in every income category who have been sheltering their income who should pay more in taxes. On the other hand, there are many average Americans in these categories—for instance, $10,000 or $15,000 in income, $20,000 to $30,000 in income. These are average Americans who may be paying more because the interest deduction is no longer available. They may have borrowed money to get their kids through college or perhaps they have higher medical expenses, and so forth. So it is information which I believe most of us in this body would like to have.

I would like to proceed because the staff, as I understand it, is working on this to see whether or not they will be able to even make this estimate for us. And I want to get into that in just one moment.

Now, the staff has been able to assure us that they will get us other information as the debate proceeds, and we are grateful for it. We know, indeed, the Senator's staff is overworked, have worked indeed following his model and the other members of the Finance Committee. We are apparently not going to know until later this afternoon whether or not this estimate will be available to us at all from the Joint Taxation Committee during the debate. I want to be fair to the Senator's staff. As I understand it, they are trying to determine now whether or not this estimate will be available at any time.

My question is, if the Joint Tax Committee staff cannot make this estimate, cannot tell us whether the chances are 1 in 3, 1 in 4, 1 in 5, that if you earn $20,000 your taxes will go up, if we cannot get that type of estimate that we got from the Treasury on the President's tax proposal, if that is what they tell us later this afternoon, would the chairman of the Finance Committee at that point initiate a request to the Treasury Department to make an analysis on this tax bill similar to the one that they made on the President's tax bill? I can understand why the chairman might not want to bind himself to the Treasury's estimates and he would not be binding himself in advance obviously, but if the Joint Tax Committee is not going to do for us on this tax bill what the Treasury did on the President's tax bill, to tell us how many millions of Americans in each income category will be paying more, how many less, and how many the same, would the Senator then send that request to the Treasury so that we could have the best information that they can give us?

Mr. PACKWOOD. Let me be very fair with the Senator. I would be happy to make the request.

Mr. LEVIN. Pardon?

Mr. PACKWOOD. I would be happy to make the request of Treasury, and I know that is what my good friend wants. The Joint Committee—and this is the committee that the Ways and Means Committee in the House and the Finance Committee in the Senate relies upon—does not think they have valid and sufficient data to tell you within an income class, $10,000 to $20,000, $20,000 to $30,000, even on average, how many people will have their taxes go up or go down. Rather than give what they would regard as false or misleading information, they are reluctant to do it. Treasury did it and, very frankly, there are many who regard those particular figures as suspect, not that they are wrong or right but that they are simply unprovable.

Now, with that caveat, I would be happy to make the request of Treasury to do it so long as we understand that many, many people think the conclusions are unprovable.

Mr. LEVIN. We understand that there are some who do not think the Treasury's estimates are reliable. The President thought they were reliable enough to print them, to publish them and rely on them. We understand that there are some who think they are not worth relying on at all. But because my friend will make that request, it gives us the assurance that at least we will have a Treasury estimate as to how many millions in each income category will be paying more, less, and the same. And I emphasize again that there will be a whole lot of average folks who will be paying more. We do not know how many, and the chairman of the committee has been very forthright in saying he does not know how many, in each category.

Mr. PACKWOOD. Let me conclude with this—I can almost tell the Senator but, again, this is based on averages. For anyone who does not itemize—and that is currently about 60 percent of the taxpayers and if this bill passes the estimates are that it will be about 80 percent—you would have to have a very extraordinary situation for a nonitemizer to have their taxes go up. The loopholes closed in this bill are deductions that itemizers take. If you are not an itemizer, you are not concerned whether or not you can deduct the sales tax. You are not concerned about capital gains. You are not concerned about a whole variety of things. For those average Janes and Johns making $18,000, $19,000, or $20,000, most of whom do not itemize there are few in that category whose taxes would somehow go up. It would be almost impossible for there to be very many.

□ 1410

Mr. LEVIN. Those estimates would be valuable for people who make charitable contributions and can deduct them on the short form. So there will be people who made charitable contributions who might be losing under this proposal.

The assurance from the chairman that, if the staff of the Joint Committee on Taxation tells us later this afternoon that they cannot estimate how many winners and losers and how many will end up the same in each income category—I do not mean before a certain date—he would initiate the request to the Treasury Department, is the kind of assurance I need. So I am happy to proceed at this time to debate this bill.

We have other assurances on information which will be forthcoming, and all we need are those assurances.

By the way, I pesume that the staff will continue to try to make the estimates that I seek; and the fact that we will accept the fallback to the Treasury does not mean that the staff will not continue to try to make the estimates.

Mr. PACKWOOD. I will join the Senator in that. I will have a conference call with the Secretary of the Treasury, himself, and say, "Secretary Baker, Carl Levin means this."

Mr. LEVIN. More important, the country needs it.

I assume that if it is a satisfactory fallback, the Senator's staff will see if it is possible to make these estimates and will not give up trying to make the estimates because there is a satisfactory fallback.

Mr. PACKWOOD. The Senator is right.

Mr. LEVIN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed.

Mr. LONG. Mr. President, the majority leader wants to be here when the motion is agreed to, so I suggest the absence of a quorum, until the majority leader makes his way to the Chamber.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1420

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to proceed.

The motion was agreed to.

TAX REFORM ACT OF 1986

The PRESIDING OFFICER. The clerk will now report the bill.

The assistant legislative clerk read as follows:

A bill (H.R. 3838) to reform the Internal Revenue laws of the United States.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment in the nature of a substitute.

Mr. PACKWOOD. Mr. President, the moment has now arrived. We are on the tax bill. It is—and I will use the word "radical"—the most radical tax bill that this Congress has seen in half a century. We are making an effort for the first time to attempt to reverse what has been a historic tendency in this country to raise the tax rates and then raise the deductions or exemptions or special tax privileges so that people who would be adversely affected by the high tax rates are not adversely affected by the high tax rates.

So in looking at this bill today, I think it is important to look at it in a context of where this country has moved since we adopted the Internal Revenue Code in the early part of this century.

All during the hearings on the tax reform bill, Senator CHAFEE, the junior Senator from Rhode Island, would ask the witnesses how they ever accomplished, whatever it was they wanted to accomplish, before we had a Tax Code and they had an exemption from it? Where did they ever find venture capital before they had capital gains and capital gains treatment and before they had any income tax?

How did we ever get Andrew Carnegie to build the U.S. Steel Co.? How did we ever get Hill and Harriman to dash across the country competing with each other to build the great railroads to connect the East and West? That was a risky venture. That is what we would call today a venture capital operation. Somehow, they found the money for it.

How did we ever build our great and outstanding universities before there were deductions for charitable contributions, or provide great symphony orchestras and ballet companies and the Metropolitan Opera in New York. In order to get people to give to it, they had to give because they believed in it. There was no deduction because there was no tax.

How did we ever get people to move across the country from Missouri along the Oregon Trail to Oregon and California to farm, because when they got there, there was no investment tax credit, and there was no capital gains, and there was no income averaging because there was no income tax.

When we first put in the income tax in this country in 1913, the corporate rate was 1 percent—I repeat, 1 percent. The individual rate for most Americans was 1 percent. If you had income above $500,000 and, even today, I think that $500,000 is a lot of money—in 1913, $500,000 was an extraordinary amount of money—the rate was 7 percent. It is no wonder that nobody worried about deductions when we started the Code. If the most tax you were ever going to have to pay was 7 percent, you would probably still give to charity, or invest in Mr. Hill's railroad or put some money into Mr. Carnegie's U.S. Steel without worrying whether you got a capital gains exemption for it or a charitable deduction. People were motivated to invest in business because they thought it was a good economic investment. People were motivated to give to charity because they believed in the charity.

Then something happened in 1917. We got into World War I and, in order to finance it, we raised the income tax rates dramatically. Bear in mind that until we put that corporate and individual income tax into effect in 1913, the Federal Government, by and large,

financed itself with revenues from tariffs and excise taxes.

With World War I and the need to finance the war effort, the top individual rate went up to 67 percent. That is a world of difference from 7 percent. At 67 percent, different industries and groups began to worry that the high tax rate might adversely affect them.

So in 1917, when we went to a 67-percent tax rate, we, for the first time, put in the charitable deduction. It is easy to understand why. Let us assume you had $100,000 of income and the tax rate was 7 percent, so you pay $7,000 in tax and you have $93,000 left over. Out of that $93,000, you might, in your generosity, give $10,000 to the charity that you like and you still have $83,000 left over.

But if you raise the tax rate to 67 percent and your income is $100,000, and you pay $67,000 in taxes to the Federal Government, you might not be so inclined, out of the remaining $33,000, to give $10,000 to charity.

So Congress changed the law and said that before you figure your tax rate, you can deduct your $10,000 from your $100,000 income and pay taxes only on the $90,000, and that was done because we wanted to encourage the continued giving to charities.

We all, on occasion, toss around the term "special interest group." We give it an emphasis, as if the special interest group is evil or greedy. Indeed, charities are a special interest group. They happen to be a good special interest group, and we all want to help them, so they got the deduction.

Then we got to 1921—this is after World War I—but Congress did not lower the tax rates very much. In 1921, for the first time, Congress put in the capital gains tax, the differential, as we call it, because Congress was afraid with the rates—and they were still quite high—that people would not invest in risky ventures. There was a fear that people were not going to build the railroads with Mr. Hill and Mr. Harriman or the steel company with Mr. Carnegie or oil companies with Mr. Rockefeller because the risks—and those were risky ventures at the time they started—were too great. As the income tax by that time had climbed to 73 percent, Congress passed the capital gains tax and said, on capital gains, you can have a 12½-percent tax.

□ 1430

So now Congress had encouraged the charities by allowing the deduction and it had encouraged risky ventures—venture capital, as we call it today—by creating a lower capital gains rate. And from that time to this, we have been adding and adding and adding deductions and exemptions and privileges and exceptions to the Tax Code in order to encourage things that we thought were worthy. And very seldom, when we put them in, did we do it because we were malevolent or because Congress was bought or because some greedy people someplace overwhelmed us. We did it because we thought we were doing something for the Nation.

The oil depletion allowance is a good example. We wanted to encourage the exploration for oil and the production of oil. And we wanted to do it at a pace which was more rapid than we feared the marketplace would cause it to develop. We just hit the big oil field in Texas. We were becoming a motorized country. I might say that Henry Ford somehow got his company going without a lower capital gains tax. We needed oil, we needed gasoline, and so we gave a depreciation allowance to encourage people to do it.

Medical care is another example. We think it a good idea that people in this country have decent medical care. Rich or poor, you should have adequate medical care. Especially if you are poor or, if you are employed, an average middle-income person, you should not be denied adequate medical health care. So we put in a provision in the Tax Code that says if your employer provides health coverage for you, if they contract with Aetna or Blue Cross or Metropolitan to provide health coverage for you and they pay to the insurance company $100, or $300 a month for your health coverage, that is not counted as income to you, the worker, for purposes of taxation.

We did that because we wanted people covered by health insurance. We did it, frankly, because we did not want to move into the British-style health insurance. We thought if we encouraged the employers to do it and did not tax the employees, the employers would do it. And, as a matter of fact, it worked. Today there is no significant demand for national health insurance in this country because it has been taken care of by a tax.

The problem is this: Once the incentive gets in the Code, it becomes a verity. It is almost impossible to shake it out of the Code regardless of what it is, whether it is the oil depletion allowance or charitable contributions or health insurance or capital gains. It is staunchy defended, that particular deduction or exemption or privilege, by what we call the special interests. We picture them vested, with a gold chain and a dollar sign hanging over the gold chain and cash hanging out of their pockets which, if they simply walk by, they allow us to take out of their pockets. That is the cartoon version of the special interests that you see.

But, indeed, everybody in this country belongs to some special interest, whether it is the National Education Association and teachers, or the American Farm Bureau Federation and farmers, or the AFL–CIO and laborers in this country. And, of course, each person, as far as the group that represents them is concerned, does not think of that as a greedy and evil special interest. That is a legitimate association gathered together to put forth the interest of the member, and the member thinks that is perfectly all right because their interests, in their mind, are decent.

So once the incentive is in the Code, two things happen: first, the group that has it gets so dependent upon it that it becomes a narcotic and they honestly think they cannot get along without it. The longer it is in the Code, the worse it gets. If the way that you have raised money for charity for years is to tell somebody, "Look, why don't you give us $100,000, because the Federal tax rate is 90 percent and you will get to deduct 90 percent of that and it will only cost you $10,000 and the Government pays the other $90,000," and you got to raising money for your ballet society, or your symphony orchestra, or your university that way, you suddenly are frightened when the tax rates are lowered from 94 percent—and they reached that level in World War II—to 70 percent and then 50 percent and then 35 percent. And the lower the tax rates go, the reasons this person who is asking for money, the less incentive there is to give to the university or to the symphony or the YMCA, or to the parish church. As if that was the principal reason that people give.

Less and less thought was given to the fact that alumni might give to the university because they enjoyed their undergraduate days there. Less and less thought that maybe people would give to the "Y" because they enjoyed working out and playing basketball. Less and less thought they would give to the parish church because they were a good Catholic and believed in the church.

So, as these rates were coming down a bit, groups that were dependent upon the deduction began to worry more. And so what will these groups do? First, they will fight tenaciously to keep their exemption, their privilege, their deduction. Again, these are not mean, evil-spirited people. They believe in their cause and they believe it is right and correct that the Federal Government encourages their cause by allowing whatever this special tax exemption may be in the Code.

So the first thing that happens, if anyone in the Congress thinks of changing it, let alone eliminating it, it is that out go the mailgrams from the Washington office, of whatever the association is, to the local office. "Do you know that Senator X is about to vote to eliminate your exemption?" And in come the phone calls and the telegrams from the State, and Senator

X thinks, "Gosh, no one is for what I am trying to do. I am trying to help the general public and they never call me. All I am getting is the flack from the group whose exemption I am trying to take away. I'm not going to do it." That is the first thing that happens.

The second thing that happens is that all of these groups hire lobbyists, very high-priced lobbyists, to help them and advise them on how to lobby the Congress to keep these exemptions. Then they all form political action committees to give money to the Members of the House and the Members of the Senate, to those incumbents that the particular group thinks is sympathetic to the goals of the group because, based upon past voting records, they assume the Member will continue to be sympathetic.

And these groups get very, very agitated and aggravated if Senator X says:

You know, I think the circumstances have changed. I think it was one thing that you got this exemption when the tax rate was 90 percent or 70 percent or 50 percent, but you may not need it if we can get it down low enough so that the issue of whether somebody makes a contribution to you or the issue of whether or not you get a tax credit is not as significant as if the tax rates were higher.

With that, you will find that the groups who are having their exemptions diminished are frightened, honestly frightened, and are wondering if they can survive.

They have a second fear, and that involves the competitive situation. You have industries in this country that are competitive. Oil is competitive with natural gas and they are both competitive with hydroelectric power. Each of them is afraid that if they lose their particular business deduction, but their competitor does not lose his business deduction, then they are at a competitive disadvantage. And what most of them really want, deep in their hearts what they want and will not admit it, is a legislative, fair advantage over their opponent.

□ 1440

They would like the Tax Code to tilt slightly toward them and slightly away from their opponent. So not only are they afraid in and of itself of losing their deduction, but they are afraid of losing their competitive position vis-a-vis somebody else in the industry.

A good point to remember is this: somehow this country was founded, settled, explored, mined, timbered, farmed, and finally moved West without any Tax Code. Babies were born even when there was no personal exemption. Companies were founded when there was no special capital gains treatment. This country prospered. We can look back upon those days and listen to what our grandparents said, and it may not seem as prosperous to them in those days as it now seems to us in these days. In comparison to anyplace else in the world, including many of what I would call status countries that had high levels of taxation and government-directed activity, often by monarchs, this country thrived, flourished and did sensationally with no help from a Tax Code.

When the rates got higher—and I will emphasize again they started to go up—we then began to put in the exemptions and deductions so that the high rates would not adversely affect those activities that we thought were good activities.

When we put the exemption in, that caused the code to lose money, we had to raise the rates higher to get the money to make up for the money we lost because we put the exemption in and then we had to raise the exemption higher to make up for the higher rates.

We chased and chased and chased ourselves around the tree spiraling upward always. We finally arrived at the place where people no longer invest in a business because they thought it was a good business, and it might make money. They invested to get tax losses. A tax loss is just a refined term for something that you get whether it be accelerated depreciation or other forms of paper losses that you could offset against your other income and try to get your taxable income down to zero and pay no taxes.

All you have to do is read any of the numerous trade association papers, the Wall Street Journal, and you will see ad after ad after ad of how to invest your money. Here is one:

Feeding cattle could help reduce your tax bite. Alta Verde Industries, a long-time South Texas custom feedlot, is now placing cattle on feed for sale in early 1987. The ratio of 1986 expense to equity required is approximately 3 to 1.

That particular ad is designed for people who have probably never been on a ranch. They probably are unaware of whether or not cattle eat. [Laughter.]

But they will get to offset their income with tremendous paper losses.

I have another one: "Own a racing greyhound." That's right, your greyhound. "Low investment with tax advantages. If you're ready to step into the winner's circle. * * *"

Again, the person that invests in a racing greyhound may have slightly more familiarity with his greyhound than the person investing in the cattle feeding lot. But in any event, my hunch is those industries would make it whether or not these kind of tax advantageous investments were available. So instead of getting people to invest in things that they thought they were good at, and where they might be able to turn a profit, we have got them investing in things they know nothing about, and they do not care if it turns a profit. What they hope it produces is a tax loss that will allow them eventually to pay no taxes.

Then we get to the situation of corporations that pay no taxes. General Dynamics, in 1984, made a profit of $648 million. Not only did it pay no taxes, it got a $33 million refund.

In 1983, General Electric had profits of $2 billion. It paid no taxes; it got a $35 million refund.

And on and on and on.

For any of us that have ever gone, in Oregon, to the coffee shack at the lumber company—in the South it may be the coffee shack at the textile mill because we all have our indigenous industries—the one question we get over and over is why are they not paying? They, of course, are the big corporations and the millionaires who pay no taxes. The reason they are not paying any taxes is that we have so skewed the Tax Code that they legally—I emphasize again legal—take advantage of everything that the Congress has put in the code to attempt to reduce their taxes to zero, and they succeed. It is causing the public in this country to have less and less and less faith in the Tax Code.

This process went on for well nigh 50 years. From the time in World War I when the rates shot up to finance the war until now, the rates have been sufficiently high that we thought we had to have all kinds of deductions and privilege exemptions to encourage conduct that we thought was good.

Then came Treasury I. Let me back up. Then came Bradley-Gephardt. It is a fair tribute to Senator BRADLEY from New Jersey who, for 5 years, has been on the trail of attempting to teach us that we could indeed have a different and radical concept. That was to lower the tax rates dramatically by eliminating all of the special exemptions; in essence, to unwind the corkscrew. To say, instead of raising the rate and raising therefore the privilege of deduction, let us lower the rate and get rid of the deduction. Then maybe we can lower the rate and get rid of the deduction until, possibly, we could get back to where we were 60 years ago with extremely low rates.

After Bradley-Gephardt came Treasury I, the proposal that came shortly after the 1984 election, drafted mainly by tax reformers—and I use that term in the best sense of the word—that, indeed, followed the theory of Bradley-Gephardt. They said, "Let us get rid of many of the exemptions and deductions."

Treasury I got shot at immediately by everyone who had a special exemption or deduction with, fortunately, one exception. A few individuals in this country and a number of business-

es looked at Treasury I and said, "You know, if they are willing to lower the corporate rates, we are willing to lower the individual rates. For the tradeoff we have to get rid of some of the deductions we like. But if that will drive us more toward marketplace economics rather than tax-driven investments, let us give it a whirl." That group was called the Tax Reform Action Coalition [TRAC]. They were the initial group that grabbed on to this and attempted to move it.

Unfortunately, the opposition to Treasury I was so intense that the plan was significantly modified by the time it became Treasury II or the so-called President's bill. It was introduced in the House of Representatives. By the time the House bill passed, it was even somewhat significantly diminished from Treasury II.

The bill never would have passed the House at all but for the last minute intervention of the President who said "I don't like this bill, although I think there are some good things in the House bill." I hasten to say that when this tax bill gets to conference, there are some things we should look at in the House bill. But the bill never would have passed the House at all had the President not involved himself and said to the House Republicans, who did not like the bill, "I don't like the bill either, but please vote for it send it to the Senate, let the Senate work its will on it, and see if they can come up with something rational." Then the President said, "And I promise you, if they don't come up with anything better than the House bill, I will veto it." And with that promise the bill passed, and it came to the Senate.

On tax reform, the Finance Committee held 36 days of hearings. From 2 to 6 hours a day, day after day, on and on and on with witness after witness after witness.

Again, I want to come back to the term "special interest" because often pictured and portrayed in the press is the "greedy special interests" who are attempting to undo the tax bill.

□ 1450

Let me read a list of just some of the witnesses that appeared and what they were interested in.

Blue Cross-Blue Shield, a nonprofit medical insurance group that exists in all of the States. They are, at the moment, not taxed. They very frankly said, "If we are taxed, we are going to have to raise the premiums for all of our subscribers.

Is that greed? Is that evil? Were they malevolently motivated because they did not want to have to increase the premiums that they charged to all of their subscribers? Are they a special interest?

Another witness: Bread for the World. This is a low-income, poverty group interested in feeding the poor throughout the world.

The Children's Defense Fund. An extraordinary organization that has done extraordinary things in this country in the last 10 years. A greedy, special interest?

The Coalition on Smoking and Health. They are trying to alert this country to the continued dangers of smoking.

Common Cause. Of all the groups that, I think, to themselves might deny being a special interest, it would be Common Cause although they often allege that others are guilty of that. They testified.

Environmental Action.

Hale House. That wonderful, wonderful organization in New York that Dr. Lorraine Hale founded that takes care of narcotic-addicted newborn babies that have become addicted and abandoned because their mothers were addicted. She had a problem with the tax bill. Greedy, special interest?

Next is the umbrella group that represents almost all charities in this country. They were worried about charitable contributions.

The National Association of Collegiate Directors of Athletics, the athletic directors of all of our great universities. Do you know what their concern was? Most of the great land grant colleges, Oregon and Oregon State, Michigan and Michigan State, the University of Georgia and all the others, are not located in the major metropolitan areas of their States. They are normally located in smaller towns, of 50,000 or 60,000 and the university is the principal business of the town. The town is very enthusiastic about supporting the university's athletics. Much of the athletic revenue is dependent upon the sale of tickets to local businesses which businesses take as a business deduction. Under the House bill and in the Senate bill, we have said that henceforth you can only take 80 percent of the cost of that because we think it has been abused. Do you know what the directors were worried about? They were not complaining about 80 versus 100 percent, but they said: "You have to understand, Senator, the principal sports that make money at our college are football and basketball. From the excess of those, we fund all of the women's sports and the minor sports. If you put this provision in, it will damage us in our support of the women's sports, the swimming, tennis, and others."

That is a greedy motive? I do not think so.

The National Association of Independent Colleges, the National Association of Counties, the National Conference of Catholic Charities, the National Education Association, the National School Board Association.

They were concerned that we might put some kind of a limitation on the deduction of real property taxes, which is the backbone of every school district in the country.

The solar lobby. A wonderful group of people who are trying to encourage the use of solar energy. We have solar tax credits in the law now and they were afraid those might disappear.

How about the United Way?

On and on. These are the kinds of groups that appeared.

As they would appear, in many cases I would ask, "How low would the rates have to get, the maximum rate, before you would cease to worry about whether or not the particular deduction or exemption you are concerned with stayed or disappeared?"

The answer I would get in most cases would be, "Twenty percent, 30 percent, 25 percent." It was normally in the twenties.

I would ask that question as I would tour around my State to those who would lobby me on the issues of deductions, how low would the rate have to get before you would not be particularly motivated by a tax deduction? The same answer—25, 30 percent, 20 percent. Consistent, all the time.

In the back of my mind as we were going through the process, I kept thinking to myself, 25 percent, 25 percent, 25 percent. When we finished the hearings, I met one at a time with all of the members of the Finance Committee. I spent about 70 hours with them, either individually or on the phone. I asked them, "What would you like in the tax bill?"

I misjudged their answer because they started out with something like this: "Well, would it not be nice if we could have real tax reform, I mean real reform we could be proud of?" They often mentioned Bradley-Gephardt. "Would it not be nice if we could get the rates down? I guess that is not realistic. I would like to have the following things in the tax bill." They would usually mention things about their States. There is nothing wrong with that. We are all U.S. Senators but U.S. Senators from a State. I am from Oregon and I am not at all embarrassed to attempt to protect my State. No one else will watch out for it if Senator HATFIELD and I do not. Every one of the Senators wants to make certain their States are taken care of. They would give me what they wanted in a tax bill.

I attempted to draft a tax bill that accommodated those interests, that nibbled around the edges of reform. It was not a bad bill, not a good bill, it was not much of a variance from what we had.

The bill went no place.

Finally, one day, as is the prerogative of the Chair, when it was clear we were going to have a whole series of

votes and the bill was going to get worse and worse if we voted, I simply rapped the gavel and adjourned the meeting. I went to lunch with Bill Diefenderfer, my chief of staff on the committee, and we looked at each other and I said, "Why not give it a try? They have all said they want tax reform."

So we came back to the office, a Friday afternoon, called up the Joint Tax Committee, and talked to their director, Mr. Brockway, and I said, "Dave, draw us a series of tax plans that sets the rate at 25 percent."

He showed me three or four varieties. I do not know how many he went through and discarded himself. But with all of the 25 percent variations, in order to get them, we had to put some limitation on the deduction of real property taxes and State and local income taxes.

That was very unacceptable to the committee.

So I sent Mr. Brockway back to the board to draw and draw some more. He finally came up with a couple of plans at 26 and 27 percent. Those were presented to the committee on a Thursday. At the end of the presentation, six Senators came up to me and said, "I like it." We only have 20 members on the committee and when 6 will come up at the end and say, "I like it, let us give it a try," I thought maybe there was a chance. Those Senators deserve eternal credit—Senators MOYNIHAN, BRADLEY, and MITCHELL on the Democratic side, and Senators DANFORTH, CHAFEE, and WALLOP on the Republican side.

We began work and talk to the other members about real tax reform.

Twelve days later we passed it, 12 days from the time the concept was introduced in the committee. I say the concept because it was a concept. We did not do anything new that they had not heard about before. They have been hearing from Senator BRADLEY about Bradley-Gephardt for years. All of the witnesses at one time or another would talk about tax reform. We finally decided to take a chance.

What did we get? We got a tax bill that I think this Senate can be proud of when it passes it and it passes the Congress, and I think it will pass basically unscathed, that this Congress can be proud of and this country can be proud of.

What does it do?

First, it takes about 6 million working poor off the tax rolls, and I mean the working poor. I do not mean welfare. I mean people who are making $12,000, or $12,500 or $13,000 a year. They are mostly women, often doing household chores. They are not making much money. They are often heads of households. They have children. They are at or below the Federal poverty line and they are paying income tax. That is outrageous. They are taken off the tax rolls.

Second, we have an effective corporate minimum tax that guarantees that any profitable corporation in this country is going to pay taxes. Let me give you an idea of the comparison.

The current corporate minimum tax, over 5 years, if we are lucky, will produce about $2.5 billion. Under this bill, the corporate minimum tax will produce about $33 billion over 5 years.

You will have seen, once this bill is in effect, the last of the stories about General Electric or General Dynamics paying no taxes.

□ 1500

Third, we closed about $50 billion in individual tax shelters. By that, I mean shelters in the exact sense of the term. People made investments in things whether they were 60-story office buildings in Houston or greyhounds or cattle-feeding operations, not because they were a good investment, but because they produced unfront artificial tax losses which were then subtracted from the investor's regular income and what he or she paid in taxes; $50 billion gone. We have closed almost all of the tax shelters.

The investment tax credit cherished by business—gone. But with that single stroke, the elimination of the investment tax credit, we were able to lower the maximum corporate rate—with that one item—from 46 to 33 percent. And with that, an awful lot of corporations in this country said, "We will accept the tradeoff because too often, we have been investing in equipment because we got the investment tax credit, even though we did not need the equipment this year, but that is the way the Tax Code directed us to go. You lower that rate to 33 percent and give us a little flexibility as to what we think is the best way to use our money, and we will accept the loss of the investment tax credit."

Then the individual tax rates. There are two rates. We have 12 or 15 rates with the present Tax Code. In this bill, we have two rates, 15 and 27 percent. About 80 percent of the Americans in this country will be at the 15-percent rate. I will put it in terms of family income, because that is what most people think in terms of, family income. You ask somebody what they make and they don't tell you what their taxable income is or what their adjusted gross income is. They say, I make $15,000 a year or $20,000 a year. For a family income, you will have to be above $42,300 with a family of four before you go above the 15-percent rate. It makes the Tax Code infinitely simpler.

What it means is that instead of about 60 percent of the people who do not itemize today, we expect that about 80 percent of the people will not itemize, because in the 15-percent bracket, going clear up to the $42,300, it will not be worth the trouble to itemize.

It also means that on average—again, I emphasize average—every American, is going to get a tax cut. Every income group from $0 to $10,000, $10,000 to $20,000, $20,000 to $30,000 is going to get a tax cut. That is on average. Some are not. Those who are highly leveraged in shelters, who are not paying any taxes, are going to pay. Those corporations that make profits and pay no taxes are going to pay. And they should. It is only decent and respectable that they do so.

For the remainder, the public in this country, on average, will get a tax cut.

So what do we have, in conclusion, in this bill? What we have is that we have gone backward almost 60 years—wisely. What we have because of the leadership of some others who saw this concept more clearly than I did and earlier on, is a return to a place where people may make investments or may give to charity because they are motivated by the charity or because they think the investment is a good investment.

Henceforth, if they invest in a grocery store or a duplex, they are going to do it because they are good grocers or property managers, not because the tax code says that the grocery store is a better investment than the duplex or vice versa.

Will it work? I think so. If, henceforth, you are going to invest only because you think your investment is going to turn a profit—and I mean an economic profit, not a tax profit—you are probably going to invest in something you know a little bit about or, if you do not know a little bit about it, you know the managers and you have some trust in their judgment and ability to manage it if you are not managing it yourself. That is what economists would call the efficient use of capital.

For the average Americans who are now in the 25- or 30- or 33-Percent-tax bracket, their taxes are going to be in the 15-percent-tax bracket and they are going to make decisions for themselves as to how they invest their money or give it to the parish church or the YMCA, not because somebody says give it to the higher tax bracket that is worth the deduction.

They are going to decide whether or not they want to buy a car not based upon the fact that they can deduct the interest on the car loan, because that is gone under this bill. They do not any longer go down and buy a $10,000 or $12,000 or $14,000 car and think Uncle Sam is going to pick up part of the cost of this because they can deduct the interest. What they are likely to do now is save the money and

pay cash for the car. That should improve the savings rate in this country, which is something that seems to bother economists tremendously.

So I hope that the Senate is going to seize an opportunity that probably will not come again in a generation because it is not very often that this brass ring is going to swing by. Fortunately, this bill, as it now stands before the Senate, is supported by the broadest coalition of business groups, labor groups, charitable groups, and low-income groups that I have ever seen. They are saying, "Stand firm against any amendments," because they know what the amendments have to mean.

They will want to put back in the IRA's, will want to put back in the deduction for consumer interest, the special treatment for capital gains, they will want to put back in the investment tax credit. We have to raise the rates to do it. Then we are again going to round the tree on that over-increasing cycle of raise the rates and raise the deductions and raise the rates and raise the deductions.

I say to my colleagues, this opportunity will not come again—not in this Congress, not in this decade, probably not in this generation. So I hope we do not fail to grasp, debate fully, and pass what I think is the most extraordinary opportunity for the American people that we are likely to see in our careers in the U.S. Senate.

Mr. President, I yield the floor.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, first, let me congratulate the distinguished chairman of the committee, Mr. PACKWOOD, for an eloquent statement.

This bill was reported out of the Finance Committee by a unanimous vote of 20–0. That is a tribute to the fine work and excellent leadership of the Senator from Oregon.

It is also a tribute to the wisdom of the basic ideas behind this legislation.

Everyone on the committee was able to agree that the income tax should not be a burden on poor people trying to work their way our of poverty.

All the members of the committee could agree that it was important to provide measures in the minimum tax elsewhere that assured that profitable corporations and wealthy individuals paid at least some reasonable amount of taxes.

The committee members also agreed that lower tax rates would be a good thing for the tax system and a good thing for the country.

In fact, there was enough agreement on this point that the members were willing to support a number of potentially controversial changes in the tax law in order to achieve the rate reductions provided in this bill.

□ 1510

Mr. President, I have been a supporter of lower income tax rates for more than 30 years. I am pleased that the political consensus now agrees with that point of view.

However, I have been a U.S. Senator for 37 years. For most of that time, the general view was that it would not necessarily be a good thing to reduce tax rates.

When a time came to consider a tax cut, I or some other Member of Congress would ask, "Why don't we just cut the rates?"

The answer would be, "Oh, no, you don't understand. That would look like a giveaway to the rich. Besides, we can do so much more good increasing the personal exemption or by creating some new deductions." And that was the view that tended to prevail.

Let me inform my colleagues that, for much of the time I am talking about, the maximum marginal tax rate on individuals was either 90 percent or in excess of 90 percent.

The top rate was as high as 94 percent in the closing years of World War II.

From the time of the Korean war until 1964, the top rate was always between 90 and 92 percent. For very high-income individuals, there was a special rule that limited the overall, average rate of tax on all of a person's income to a maximum of 87 percent.

When President Kennedy came to the office, he recommended cutting the top rate to 65 percent and scaling down all the other rates accordingly. I was pleased to support that effort and to manage the bill before the Senate. In the end, we were able to get a 70-percent top rate as part of the Revenue Act of 1964.

Later in the decade, an initiative was begun for former President Nixon, starting in the House of Representatives, to reduce the top rate of the income tax to 50 percent. I was pleased to support that effort in the Senate.

That particular initiative led to a partial success in the Tax Reform Act of 1969. The final version of that bill provided a maximum 50-percent rate on salaries and other so-called earned income. Income from investments, however, continued to be taxed at rates up to 70 percent.

In the 1970's, we got ourselves in some serious problems on capital gains. Under the maximum tax on earned income, capital gains could reduce the amount of income eligible for the special 50-percent top rate. In addition, the capital gains exclusion was a taxable preference under the add-on minimum tax we enacted in the Tax Reform Act of 1976.

As a result, the marginal rate on individual long-term capital gains could go as high as 49 percent, when you combined the effect of the regular tax, the maximum tax on earned income and the minimum tax.

I was pleased to support the efforts to reduce the capital gains tax rate as part of the Revenue Act of 1978.

Both the House and Senate versions of that bill addressed the capital gains problems created by the maximum tax on earned income and the minimum tax. However, the House bill would have left the regular tax on individual capital gains at a top rate of 35 percent, as in prior law. The Senate bill provided a 21-percent top rate. We were able to persuade the conferees to accept a top rate of 28 percent, which was midway between the Senate Finance Committee position of 21 percent and the House figure of 35 percent.

Of course, in 1981, we cut rates again. In the Economic Recovery Tax Act of 1981, we provided a top rate of 50 percent for all income. I am pleased to say this was a result of a democratic initiative to improve on President Reagan's recommended tax cut. In addition, the top rate on long-term capital gains also dropped, from 28 percent to 20 percent.

Now we have before us a bill with a top rate for individuals of 27 percent. In order to achieve this goal, the Finance Committee had to weigh the importance of low rates against the value of many of the widely used deductions and incentives in the Tax Code.

On the whole, I think that the committee has done a good job in considering the relative importance of special tax provisions, in comparison to the importance of lower tax rates.

Much of the debate will focus on special provisions that the committee proposes to limit or repeal. However, I think that the committee deserves credit for acknowledging that certain special tax provisions deserve the continuing support of the Congress, even when we are trying to broaden the tax base.

For example, the committee amendment retains the itemized deduction for charitable contributions, in recognition of the valuable public services performed by our charities, our churches, our universities, and other organizations eligible for not deduction.

The committee retains the tax exemption for interest on bonds issued by our State and local governments, in recognition of the special relationships among the sovereign governments in our federal system, recognizing that a tax on the borrowing power of State and local governments is in effect a tax on the governments themselves.

The committee retains and enhances the provisions of our tax law that help employees to own a piece of the company for which they work.

The committee retains the features of the law that help make it possible

for American families to own their own homes.

Mr. President, I believe the bill strikes a good balance between the need to have a broad-based, low-rate tax system and the need for the tax system to reflect the broader values of our Nation.

As a result of the large scope of the task undertaken by the committee, the bill touches on many different areas of the tax law. The chairman has described the general effect and the broad scope of the bill, and I will not go further into the details of the bill at this time. I do expect to have some more to say on particular issues as they come into the debate.

I conclude by urging my colleagues to support the efforts of the committee. Speaking as a Senator who has served at a time when the top tax rate was 92 percent, I am very pleased that the Senate now has the opportunity to approve a bill with a top rate for individuals of 27 percent.

On the whole, this bill is a good revenue measure. It removes 6 million low-income taxpayers from the tax rolls. The new system will have only two tax rates—15 and 27 percent. Over 80 percent of all taxpayers will pay at a rate no greater than 15 percent. The top-income rate on corporations will be cut from 46 percent to 33 percent.

The Finance Committee bill closes opportunities for tax avoidance or, to say it more simply, it eliminates loopholes. This bill strikes at the heart of tax shelters and goes to great pains to ensure that every taxpayer who has not paid his fair share of taxes will do so, or at least will pay a substantial amount.

The bill is not perfection. Indeed, I know of nothing on this side of Heaven that is. A mere glance at the bulk of it is enough to indicate that this bill will be more, rather than less, complex in many areas of the tax law. But the temptation to engage in tax shelters will be reduced because the bill strikes at them in many ways.

Taxpayers will pay on a more uniform basis. Decisions will be guided by the economics of the investment rather than by the tax advantages.

On the whole, it is a long stride toward fair and equal justice for all taxpayers and it should be enacted.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER (Mr. WALLOP). The Senator from Texas.

Mr. BENTSEN. Mr. President, I understand that the distinguished chairman of our committee has asked that I temporarily yield the floor for a comment he wants to make, and I am delighted to do so.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, this is probably the last major tax reform bill on which the senior Senator from Louisiana will work and for one, having now served on the Finance Committee with him for 14 years, I simply want to say that I have never served with a greater legislator. Nor do I ever expect to serve with a greater legislator, or one from whom I could learn more. Having not just his cooperation but his help and leadership on this tax bill, means more to me than he will ever realize and I thank him.

□ 1520

Mr. LONG. Mr. President, I thank the Senator for those kind words. Let me say to him that if he can follow through on the start he has made with this bill, he will eclipse the merits of any Senator who served on this committee—and some, the Senator knows, have gone on to be President of the United States.

Mr. BENTSEN. Mr. President, I echo the sentiments of the Senator from Louisiana.

The Senator from Louisiana has had over three decades in the U.S. Senate. I know of no other Member of the Senate who is a greater master of the details, principles, and substance of the tax laws of this country.

The chairman of our committee deserves the strongest commendation for what he has been able to accomplish in this very broad and massive tax reform bill. I do not think it would have been possible without the wisdom, the counsel, and the understanding of this legislation that was provided by the distinguished Senator from Louisiana. I join my committee chairman in expressing the appreciation for all he has been able to accomplish in that regard and what he has been able to do in a great and distinguished career in the U.S. Senate.

He is tough, he is able, and he has a broad streak of compassion through him, and that is shown in the legislation he has worked on—ESOPS and the rest of it.

I am honored to have served with you, sir.

Mr. President, 18 months ago, the administration issued its call for tax reform, speaking of simplification, talking about economic progress, talking about simplicity; and ever since that time, tax reform has become a major issue in the U.S. Senate.

In May 1985, the White House presented their idea of tax reform. It took almost 7 months for the House of Representatives to come to their final judgment in that regard. Today, right on schedule, we have a streamlined, simplified, widely acclaimed bill for tax reform finally making its debut on the floor of the U.S. Senate.

For the past year and a half, one of the most telling criticisms of tax reform was that the public was not behind it, that nobody was very excited. There was certainly no groundswell of popular support for it, and there was not any serious support for the bill which passed the House.

The prevailing wisdom was that tax reform lacked a constituency, but had developed a kind of life of itself. Until 6 weeks ago, I think that criticism was absolutely valid. Most people viewed tax reform as some kind of juggling of rates, preferences, exemptions, loopholes that really did not involve them. What they did was to look at what was proposed and see how it affected them and say: "It saves me $82. Big deal. Besides that, I don't really trust them and don't believe I would get it."

All that has changed. Tax reform now has broad, popular support, and the business community has come onboard. I believe that is eloquent testimony to the power of a good idea whose time has come. I say that to the Senator from New Jersey [Mr. BRADLEY].

I commend Senator PACKWOOD for carrying out a most difficult task in a very commendable manner. But I think we also should recognize that there is another Senator who has made a major contribution in this regard, and that is the Senator from New Jersey [Mr. BRADLEY]. He was one of the earliest and most effective advocates of the dramatic changes we see in this bill from the Finance Committee.

By any measure or any standard, this is historic legislation. There is nothing cosmetic or superficial about this tax bill. Unanimously—and that is highly unusual in the Senate, particularly in the Finance Committee—both sides of the aisle, Republicans and Democrats, all 20 of them, supported this kind of major tax reform. What it says to me is that the Finance Committee has gone to the root cause of the dissatisfaction with our tax system which we have had for generations.

Mr. President, at a time when tax rates were lower and tax returns were less complicated than they are now, Will Rogers said that the income tax law has made more liars out of American people than golf has. [Laughter].

Will Rogers said: "Even when you fill out a tax form on the level, when you finally get through with it, you're not sure whether you have been a crook or a martyr."

All those things have become a lot worse since Will Rogers' day.

As Senators, we spend a lot of time listening to constituents telling us what is wrong with the tax system: Taxes are too high. Tax laws are too complicated. The rich do not pay enough. The middle-income folks pay too much. Some of our most successful corporations do not pay anything at all. Tax laws are riddled with loopholes and shelters and exemptions.

This bill, passed unanimously by the Finance Committee, addresses each of those criticisms.

Eighty percent of all Americans will pay taxes at the rate of 15 percent. If anybody told you that a year ago, would you have believed it? An interesting thing is that you are not going to need one of the eight big accounting firms to fill out your tax return.

A middle-income family that today is paying 35 percent or 28 percent or 25 percent is going to be paying 15 percent. Six million Americans will be dropped from the income tax rolls because their income is too low. We have cut the top rate from 50 percent to 27 percent.

We are looking at the lowest tax rates in half a century. And we have stripped away some unjustified exemptions and preferences. I think we have restored credibility to the tax system. That is what is important.

The American people do not want their money wasted. They surely do not want to pay their taxes and have somebody else get by on the cheap and find some loopholes and beat the system. They are willing to pay their fair share because they understand that there is a price we pay for freedom and opportunity and some Government services that we think are absolutely essential.

Last year, I tried to deal with part of that problem with a very stiff alternative tax for corporations. I would much rather see American business investing its money in things that increase productivity and create jobs, rather than trying to justify the decision to a board of directors as to how it is going to affect the company's taxes.

However, we also have to ask ourselves an important question. There are millions of Americans who make $25,000 a year and pay $2,000 or $3,000 in taxes. When they read about some big corporations making hundreds of millions of dollars, year after year, and paying no taxes, they say, "That's not right and that's not fair, and there's something wrong with the tax system." They are absolutely right.

That is what the Finance Committee has set about to correct. It takes care of that problem in spades, and it provides no escape route; it is fail-safe. It also increases the strength of the individual minimum tax, so that wealthy individuals will not be able to shelter income and zero out their taxes.

□ 1530

These new minimum tax provisions are controversial, and I can understand that. Any time you raise an additional $25 billion in 5 years, most of it from people who in the past have been able to hide from the tax collector, the changes are controversial, but here I think they are also fair and essential. We could not have accomplished what we have done without that.

They ensure that all wealthy corporations making money and wealthy individuals making money are going to pay a tax. They serve notice that there is no longer going to be a free ride on Uncle Sam.

The Finance Committee has produced a bill that slashes rates, demolishes tax shelters, simplifies the system, and makes it more difficult to avoid paying taxes, but at the same time, as the Senator from Louisiana was saying and the chairman of the committee was saying, we preserve some deductions that we think are important to the American way of life. We retain the deduction for interest on home mortgages. Medical expenses and charitable contributions will also continue to be deductible. State and local income taxes, real and personal property taxes are not affected.

We have kept some incentives in the law for restoring old buildings, and all you have to do is drive down Pennsylvania Avenue and see what has happened to Washington, DC, with that incentive, what it has done to preserve some of the heritage of our country. We also kept provisions in the law for encouraging research and development because we know this country of ours just has to be competitive with foreign companies and do something about that trade balance. The child care credit is also retained.

Mr. President, when the Treasury fired the first shot in the battle of tax reform in November 1984, the original premise seemed to be that we should have a neutral code that should not do anything in the way of incentives for economic or social objectives. Frankly, I disagree with that premise. I believe we ought to use the Tax Code to encourage worthwhile social and economic objectives, but the problem that you run into is that you keep adding them on and you rarely take one off. Many times, the reason and the justification for them are gone. We have not purged the system in 40 years until now, but this time we are testing it.

I thought we should keep the interest deduction on mortgages for homes and so did the committee, because I do not think you ought to set up a bureaucracy and agency and start handing out subsidies to encourage people to own homes.

What we have done in this tax bill is take each one of those incentives and test it in the crucible of lower rates.

We asked the simple question: Should we trade this deduction or this exemption for lower rates? In some instances we decided to preserve the incentive. In others we opted for the lower rates and, that is an incentive of its own.

When we finished the testing and that balancing, we think we kept most of what was important and still managed to have a very dramatic reduction in the rates.

In the process of testing and weighing, we had some close calls. Some liked interest on home mortgages. No problem with this. But then you get to some of the provisions where there is almost a balance, and there we had some problems and some reservations.

I guess the most controversial one is on the IRA. I am a fellow who supported the IRA, worked for it. I think we need incentives in the law to save. I believed that was important in our country; we have the lowest rate of savers in the entire world. Judging from my mail, the people feel the same way.

But what you run into is this: folks say, "Yes, I want my IRA," and, "Yes, I want those low rates."

But there are tradeoffs there, about $27 billion worth of tradeoffs. Ideally, I would like to find some kind of a compromise to preserve the IRA deduction for all taxpayers. But that shows us the dilemma of tax reform. If we put back the IRA like it was, we raise the rates, we hit business harder, or we take away someone else's incentive that we believe in.

We will continue to look and see if we can find a way to work that out, but it is not going to be easy.

The choice is certainly not free of risk, especially when you look to the long term.

Most of the revenue gained on the corporate side comes from repeal of the investment tax credit on January 1, 1986, and let us not kid ourselves, Mr. President, there is some concern there. The concern is whether you get more investment in those things needed to modernize the productive capacity of our country by having the ITC or whether you will get more by cutting the rate by 30 percent, which allows that corporation to have a great deal more money and make the decision not just based on taxes.

The unanswered question and still a very important question is the extent to which lower rates will compensate for the loss of investment tax credit. I personally think it would.

When rates are dramatically lower, individuals and corporations will be more prone to make decisions based on solid economic reasons. Lower rates are going to free up capital and they are going to help route it to the areas where it will be more productive. The committee finally concluded that going to a 27-percent individual rate, a 33-percent rate for corporations—those kinds of dramatic reductions—made the repeal of the investment tax credit a risk well worth taking, and the same thing goes for capital gains preference which I have fought for years.

We have another problem in the bill that has to be corrected, and that is the one where we say we are going to

take away many of your deductions starting January 1, 1987, but we are not going to give you a tax cut until July 1, 1987. That means you are going to have a sizeable number of people who are going to end up paying more taxes in 1987 and all of a sudden they are going to wonder "Where is this tax cut I have been hearing about?"

I am working on an amendment, a proposal, to move that tax cut up to January 1, 1987. The problem, obviously, is how to pay for it.

You have another situation. We pick up about 23 billion dollar's worth of additional revenue in 1987, and we lose $20 billion and $21 billion in revenue in 1988 and 1989. The members of the Budget Committee express a deep and serious concern here, and it is a justified concern, and one we must address.

For those who say that we should not consider any amendment on this floor, I do not agree with that. I think that we would not be discharging our responsibility as U.S. Senators and that this body would not be discharging its responsibility if we said we are going to be against any major amendment, regardless of what it may be, without even having seen it.

I must tell you in all candor I do not have any particular amendment other than the one that I am trying to work out on moving that date forward for the cut for individuals. But I do not think that the Finance Committee is omnipotent nor omniscient, and we have not necessarily brought out a perfect bill, and I am not vain enough to think it cannot be improved upon. I do think we have to consider amendments on the floor and pass them or reject them as we may decide by the majority of this body.

I am not willing to just turn it over to conference with the House. I have been through those conferences many times and I know many times we make decisions at 2 o'clock in the morning after 18 or 20 hours of continuous meetings and behind closed doors. So we ought to address them as we go along, and then such differences as we still have with the House should be resolved in the conference.

One of the things that has concerned me is what you do about true losses. We use the term "passive losses" related to tax shelters, and that is well and good. We have tried to bring an end to tax shelters and to simplify this tax code. But when someone has had a true loss, has put $1,000 into the deal and gotten $400 back, apart from any phony losses because of tax shelters, then there should be a way to address that, and hopefully we will be able to do so.

But one of the things that I proposed in the committee, and the committee accepted, was to say to people, where we have done something that affects investments they have already made, that we are going to give them time to adjust and time to phase-in. And the committee agreed with my amendment and that provides 4 years for that purpose, a phase-in for a dramatic change in our tax laws.

I think that is a step forward, and I think that will help.

Mr. President, for a long time people told us that real tax reform just would not happen, that the vested interests were too strong, that they would not permit it. But the Finance Committee has brought us real tax reform. It is lower rates for the vast majority of our people and for corporations that are struggling to meet competition from foreign companies that have favorable tax rates.

□ 1540

It is tax reform for 6 million low-income Americans below the poverty line who will no longer have to pay a tax. It is a new sense of credibility and fairness in the Tax Code. It is evidence that we have the courage to change what should be changed and the wisdom to know what important incentives are still necessary for progress and prosperity in this country.

Mr. President, again I commend our distinguished chairman of the Finance Committee, Senator LONG, Senator BRADLEY, and the other members of that committee that worked so long. The Senator who is presiding in the chair right now, a long-time member of the Finance Committee, Senator WALLOP, made a major contribution to the tax reform that we have seen presented here on the floor.

This is the kind of tax reform that makes sense for America and it deserves the full support of the Senate of the United States. I urge its early passage.

Mr. BRADLEY. Mr. President, let me begin by complimenting Chairman PACKWOOD for his tenacity and for his leadership against all odds in shaping this bill and getting it out of the committee. Let me salute Senator LONG, who has forgotten more about tax policy and certainly moving tax bills through the U.S. Senate than most of us will learn. And let me also applaud Senator BENTSEN for his wisdom and knowledge, and for his conscience in the role he has played as being a major member of the Finance Committee and guiding that committee's deliberations.

Mr. President, this is an historic day for America. Not since 1913, when the Congress passed our first income tax of the 20th century, has there been a bill of such sweep and significance.

One hundred million American households file tax returns each year. More people in America in America filed their tax return last year than voted in the Presidential election of 1984.

Taxes influence some of our most important personal choices: where to live; whether to buy a house; how much to save; how hard to work; what form to take our pay.

Taxes influence the companies that Americans work for: the mix of goods and services these companies produce; where the new jobs are created; what kinds of investments get made; which firms flourish and which industries falter.

Taxes also shape the way Americans feel about their society: whether they believe its laws are just; whether Government is sensitive to their needs and aspirations; whether the men and women who represent them care about the general interest, or whether they serve the narrow, special interests that too often seem to have wrested control of our political life.

As we debate tax reform, there will be a lot of talk about dollars—billions and billions of dollars. We will be tempted to shuffle these impersonal numbers from one column to another, like a bunch of accountants concerned only with the bottom line.

But remember: tax reform is not just about money. It is about personal dignity and individual security. It is about being in control of our lives while having a Government that is responsive to our needs. Most important, tax reform is about hope: hope for low-income people, striving to give their families the chance of a better life; hope for the elderly, struggling to get by on fixed incomes; hope for young couples priced out of the American dream of homeownership; hope for the worker who has lost his job and whose future depends on a growing economy.

Mr. President, I am proud to be a part of our efforts to give the American people what they deserve—lower rates of tax and a fairer income tax system in which people with equal incomes pay about equal tax.

My interest in tax reform goes back 20 years. When I first started playing professional basketball, my tax attorney told me that I had to make a decision about how much I wanted to pay in taxes.

At the age of 23, that seemed hard to believe. What did he mean?, I thought. How could I decide how much to pay in taxes?

He proceeded to say I could take my pay as salary, or defer all or part of it, or take it as property, or take it as a long-term consulting contract, or take it as employer paid life insurance and pension plans, or take it as payment to my own corporation, or take it, or take it.

"I just want to play basketball and be paid well," I said.

"It's not so simple," he said.

But it ought to be. And it can be.

Paying taxes should not be something people do on an optional basis. "Taxes are the price we pay for a civilized society," said the great Supreme Court Justice Oliver Wendell Holmes. And everyone should pay his or her fair share. That is the premise of this tax reform bill. Fairness. No more opting out of your responsibility as a citizen of America just because you have got a high-priced lawyer to milk the loopholes.

Loopholes for the few mean high rates for the majority of middle income Americans, who, with their taxes, pay the freight for Government. Just 20 years ago, loopholes cost the Treasury about $37 billion a year. In 1986, loopholes are costing about $400 billion a year. Think of it—$400 billion. Why that is about the same amount actually collected last year in personal and corporate income taxes combined.

Closing many of those loopholes, as this legislation does allows tax rate cuts for everybody. Under the committee bill, 4 out of 5 Americans pay no more than 15 percent in taxes. No one's rate will exceed 27 percent. Everyone will be better off because they will get to keep more of what they earn—keep it to save or to spend as they please on what they want—not on what the Tax Code dictates.

Now, make no mistake the special interests do not like or want lower rates. The special interests flourish in a world where tax rates are 70 or 80 or 90 percent, with full deductibility of their thing—whether it is oil wells, office buildings, race horses, or avacado groves. With their army of tax advisers, the special interests exploit the loopholes to shelter their big incomes and end up paying zero taxes, while Mr. and Mrs. Middle-Income American are stuck with the high rates.

How can we expect only some Americans to pay for our national security, our schools, our health care for the elderly, our programs for the poor, and our roads, subways and our ports? How can we expect them to pay when they know so many others are getting a free ride? The answer is clear. We cannot. It is time for us to look at the special interests and say get on board, be part of the community, be a part of America, pay some tax. It is time to remove the web of suspicion and inequity that covers our tax system.

□ 1550

And, Mr. President, as we debate this bill, I hope we will take off our green eyeshades and see tax reform in its human context. Who are the people who pay for our "civilized society?" What do they do? What do they earn? What do they hope for?

First, we sometimes have a notion around here that the average American makes $75,000 a year. That notion has led our tax policy seriously astray. The fact is only one half of one percent of all taxpayers make over $200,000. Only 12 percent of all taxpayers make between $40,000 and $75,000. Nearly 85 percent of all American taxpayers make $40,000 a year or less.

Next, we should know that over the last 10 years, the taxes Americans pay have increased faster than the wages they earn. This means that in 1986, the real after-tax income is lower than it was in 1975.

Next, we should know that the number of people living in poverty has risen from 9 percent in the 1970's to 14 percent today, and many of these low income people pay more in tax than some millionaires.

Who are the 85 percent of the taxpayers with incomes of $40,000 or less?

As you can see, nearly 32 percent of the taxpayers make less than $10,000 a year. And as you can see, they are deep in a hole. About 21 percent of the taxpayers make between $10,000 and $20,000. They are climbing out of the hole. And about 32 percent of the taxpayers make between $20,000 and $40,000 a year, and they are out of the hole but they are hanging right on the edge. Remember, as we talk about this tax bill, 85 percent of the taxpayers have incomes less than $40,000 which means they are either in the hole or on the edge as opposed to the five-tenths of 1 percent of the taxpayers who are on the mountain top.

Mr. President, how does this 85 percent live? Who are they? And what do they do? Well, most of them are married couples. Indeed, about three-fourths of the nondependent adult population in America are married persons living in the same household. But the number of single heads of households is increasing. So providing relief for both groups is important, and this bill provides relief for both married and unmarried Americans.

Let us take a family making $20,000. Where do they live? Probably in rental housing without air-conditioning. What do they do for entertainment? Not the three martini lunch, and that is for sure. They rely on free public recreational facilities—the park, the playground, the public beach. They eat more potatoes and less meat. They drink beer not wine. They ride the bus or subway to work. They have a strong sense of self-respect, they hope for their children, and they are proud of being American. And, they do not claim any itemized deductions. So they will be glad that this bill doubles the personal exemption and gives a more generous standard deduction.

How about a family making $35,000? They may own their home, but they probably have 15 years on the mortgage. Their family budget allows for the following: a new suit for dad every 3 to 4 years; mom gets two or three new dresses every couple years; a new TV every 10 years; a new fridge every 17 years, and a new toaster every 33 years. They will not be too concerned about the loss of the consumer interest deduction because they are not buying all that much. They get to the movies about nine times a year but, of course, they do not benefit from the entertainment expense deduction. They have no savings—no financial assets—so they do not fuss over the loss of the IRA deduction. They simply cannot afford to save. And if there is anything left over, they will buy a used car. This family will be glad that the bill's lower rates and continued deductibility of mortgage interest and property taxes allow them to keep more of the money they earn as they continue to receive health benefits tax free.

Now let us look at a family that is relatively well off, making $75,000 a year. More likely than not, they will be a two-earner couple. At income levels between $40,000-$85,000, a majority of wives work—interestingly, this pattern changes at the highest income levels where most wives are not in the paid labor force. Well this two-earner family will be pleased with the low-tax rates and the reduction in the marriage penalty the bill provides, because as they advance in their respective careers they will not have to bother with tax shelters to achieve financial security. They can concentrate on what they do best—their profession.

Mr. President, I want to emphasize just how important this kind of data is to the present tax policy debate. We are not making up rules to benefit a privileged few. This tax bill affects all Americans. And if we are going to ensure that the general interest is well served, we had better know who these 100 million taxpayers are, and we had better make sure that most will benefit in some way.

Let me just say it again: Eighty-five percent of all taxpayers make $40,000 or less. The median income in America is $23,450—that means that half the people in America earn more than $23,450 and half earn less. These are the real middle class, the backbone of America. But what is especially worrisome is that their numbers are shrinking. In 1978, 52 percent of Americans were part of the middle class. In 1986, only 44 percent of them are. Two-thirds of those bumped from the middle class saw their income status decline—not rise.

Frankly we have an obligation to reverse this trend. America has always been the land of opportunity. Our commitment to equality of opportunity is the bedrock of our democracy. The optimistic faith of the American is that if you work hard, you will get ahead. Opportunity, optimism, democ-

racy. That is what tax reform is all about. That is what this bill embodies.

This bill takes 6 million low-income people off the tax rolls. How can a compassionate society not want to lift this unconscionable burden off those least able to bear it? For these taxpayers, reform means work instead of welfare, dignity instead of despair.

As I have said, this bill lowers middle-income families' tax rates and it protects those deductions such as mortgage and property taxes that most of them utilize. The result is that it also cuts their taxes. And it says to these families: You keep more of the money you earn. And if you get a better job, make more money, you will still only pay 15 percent in taxes. Not only that, but you will decide how to spend that money.

□ 1600

There will be those who will say we could have given middle-income Americans even more. Well, make no mistake. This bill is the best thing middle-income Americans have seen in a generation. It is infinitely better than current law.

The reason we fought to give the backbone of America, the middle class, a break is simply because they deserve it.

In other words, tax reform means that everyone, not just the privileged few, deserves a tax break and a better chance to prosper. It means that by doing a balanced bill that benefits all classes of taxpayers, you get the kind of support embodied in the 20-to-0 Finance Committee vote, and it is that kind of overwhelming support that is needed to change the tax system, for it is the whole system which is unfair and inefficient.

In another important sense, tax reform is about opportunity, optimism. Tax reform promotes economic growth and efficiency as well as fairness. Opportunity and optimism thrive on growth, on recognizing that embracing change is the key to America's future. This means we need a tax system that facilitates change and rewards inovation, not one that enshrines the status quo, subsidizes the politically powerful, and shortchanges America's potential for growth.

We cannot compete internationally unless our capital and labor are allocated efficiently. But under our present tax system, it is the politicans who are telling people what kind of investments to make. We celebrate markets and entrepreneurship. Yet we centrally plan our economy through the Tax Code and we do so with no oversight.

It is time that we realize we cannot solve the problems plaguing our farms without repealing the loopholes that depress farm prices, encourage overproduction, inflate the value of farmland, concentrate ownership and toll the death knell of the family farm.

It is time to realize that we cannot modernize our industrial base without eliminating the loopholes that glut us with shopping malls, hotels, and office buildings while starving our factories and industrial plants.

It is time to realize that we cannot boost savings and investment while the tax laws are telling us to borrow and consume. And we cannot make the dollar more competitive and create jobs for American workers while the tax system is keeping interest rates artificially high.

When I talk to business people, I ask them, "Who does the best job of running the economy, Congress or the market?" What do you think they answer? "The market," of course.

I agree, the market is a more efficient allocator of capital than is the Congress.

The promise of tax reform, then, is about fairness and growth, opportunity and optimism, economic security and a better life, dignity and hope.

Finally, the underlying issues of tax reform have been with us since the beginning of this Republic. Some people say that our Founding Fathers sought the general interest as a composite of special interests shaped by the institutions of our democracy to limit excess and ensure stability.

In fact, though, from the very beginning our Founding Fathers reserved their highest praise for those who acted in the general interest. They believed that public virtue meant service to the community, going beyond the narrow interest of faction to the general interest of community. So tax reform is the call to return to the values of our first leaders, and that is why it cannot be dismissed without simultaneously diminishing our heritage.

It is the right policy bridge, I believe, between a past we are proud of and a future we are unsure about. It is ultimately a choice about ourselves, and I hope we are going to make it. I yield the floor.

Mr. HART. Will the Senator yield?

Mr. BRADLEY. I yield.

(Mr. EVANS assumed the chair.)

Mr. HART. Mr. President, I want to join the ranks of those who have expressed admiration and respect for the Senator from New Jersey for the monumental role he has played in bringing this important issue forward and to join in congratulations to him not only for the work he has done over a half-decade or more, but for his excellent statement here today.

The Senator from Colorado and the Senator from New Jersey have much in common, two items of which are our pledge to a simple tax system and we both played basketball. Unfortunately, the Senator from Colorado never played basketball well enough to be paid for it. But he came to learn early in life how unfair the tax system is to the working people in this country. It is not simply the way the tax rates are structured, the number of tax brackets. It is, in fact, that the relatively few on the righthand side or the high end of the income chart are the ones who can afford specialized treatment, as the Senator from New Jersey said, that enables that very small fraction of American wage earners to take advantage of a tax law that we both know looks today like Swiss cheese. The biggest game in Washington, if it is not getting defense contracts, is how to avoid paying taxes.

The Senator from New Jersey has put his finger on the central issue.

The central issue is not whether this is a Ronald Reagan idea or a Bill Bradley idea. The central issue is not whether this tax proposal is liberal or conservative. The central issue is not whether each party gets credit or which House has the better bill, though I agree with him that the Senate version is preferable.

The central issue is that there are very few obligations of being an American citizen and one, under the laws of the land, is to pay a share of one's income to contribute to the revenues that this country needs to run the legitimate functions of the Government, including not only our common defense, but also our common welfare.

The Senator, I think, has rightly stated that what is needed is a system that is as simple and as fair as the human minds in this Chamber and in our sister Chamber can devise for the collection of those revenues and the liberation of the energies of the people of this Nation to make their own choice as to how they wish to spend what they have above those revenues.

I have now heard for almost 12 years, and indeed longer, I guess, as the Senator from New Jersey has, that Congress cannot do anything. I am sure that Senator from New Jersey will agree that when we go back to our respective States, quite often we hear people in the public arena saying, why does not Congress do this or that?

Well, Congress, at least the Senate Finance Committee, and I say this with several of the members on the floor, has done a monumental thing, at least in the area of taxation. No citizen of this country can any longer say the Congress cannot act. The Finance Committee acted. It did so in ways that, if I may say so, still have the city of Washington, DC, stunned in disbelief, and perhaps ultimately the people of this country when they come to realize that something they believed was way beyond the grasp and capability of a conglomerate such as the U.S. Congress could ever be achieved.

That is taking a major step toward simplification and obtaining equity in the taxing system of this country.

The Senator from New Jersey rightfully deserves a tremendous amount of credit, and the chairman of the committee as well, the Senator from Oregon, with the other members.

Let me say when I sought this Senate seat in 1973 and 1974, one of the major cases I attempted to make before the people of Colorado was the need for a fairer and simpler tax system, that I would do my best as one Member of the Senate if elected to achieve that objective throughout the 1970's with the Senator from Massachusetts and other Members of this Chamber, both present and retired.

□ 1610

We argued over the years, throughout the decade of the seventies, to close loopholes, to broaden the tax base, and to lower rates, to bring that about. When the Senator from Colorado sought reelection in 1980, he put forward what he thought was about as bold a tax reform proposal to achieve those objectives as seen up to that time. I think to the degree that the outcome of election says anything, it was at least in part well received by the voters of my own State. It was not until the Senator from New Jersey and others came along, got the bit in their teeth, and worked with and through the Finance Committee, which is the appropriate arena, that this effort, a decade-and-a-half-long effort, really began to move and have fruition.

Many of us argue at great length for major reforms and changes in our society; in the case of the Senator from Colorado, in our defenses and other areas. But unfortunately, in the brief span of time we have in Congress, we rarely see those things come about. I think we are about to see the persistence and the doggedness of the Senator from New Jersey pay off—not for himself or his own, I think, illustrious political career, but for the benefit of the taxpayers of this country.

I want to go on public record, as I have privately with him, to say I want to be identified with this effort and to help him and others in this cause in any way I can—not to shut off debate, not to have legitimate amendments offered or debated and seriously considered by the entire body of the Senate or, indeed, the conference committee itself but rather, to make every effort we can to keep this bill as simple, direct, straightforward and equitable as we can make it.

The Senator from New Jersey does not argue that this is a perfect bill. Indeed, I suspect not even if all 100 Senators were to sit in committee and operate out of good will would we have a perfect tax bill. But I must say, as one Member of this body, this distinguished historic body, I think this bill comes about as close as this 100-Member body is ever going to get. As we debate individual amendments with serious intent and serious import, I hope we keep in mind that this is not built as a house of cards but, on the other hand, it cannot stand much wholesale revision without losing its basic thrust and the basic achievement it represents.

Once again, let me say I congratulate the Senator from New Jersey. I think he and others have done the monumental job on behalf, as he says, of the common good and the national interest, which is what, after all, we were all elected here to achieve.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, today we begin consideration of legislation which, we have heard from the speakers before me and will hear from those who follow me, is legislation which will fundamentally alter the Nation's income tax laws and reshape the Nation's economy for decades. Tomorrow, we will all be at breakfast with the President of the United States where he will share with us his vision for income tax reform. I think it probably goes without saying that if it had not been for his State of the Union Message in January 1984 setting us on a course to broaden the base and the Tax Code by reducing the rates, we probably would not be here today.

Some of us on the Committee on Finance got a sort of early preview of what our colleagues will probably get at breakfast tomorrow morning because, coincidentally, I presume, with BOB PACKWOOD's primary election in Oregon, all the rest of us got invited down to the White House to meet with the President, where he could congratulate us and thank us for what we had done.

He made the observation that he had made many times before, that what got him interested in income tax reform was when he first started making money, he resented the idea that on a movie actor's salary, he had to pay 94 percent of it to Uncle Sam. Upon which our colleague, BILL BRADLEY from New Jersey, sitting down at the end of this famous Cabinet Room table, said, "Mr. President, if you think that is bad, how would you like to be a depreciable asset?" I think our colleague has already spoken to the frustrations of being a depreciable asset who just wants to be nothing other than an entertainer, a great athlete, and now a combination of that, as a U.S. Senator.

Mr. President, the bill before us today is more than just another tax "reform" bill. I do not think there is anybody in the Chamber who would deny the fact that this piece of legislation marks a basic shift in the philosophy of the role the Government plays in directing the resources and the priorities of the economy of this country and even actually the economy of this world. It challenges the principle of progressivity which has long been the basis of our income tax system as well. This can best be regarded as a great experiment, but in that regard, it is in the tradition of a still-young Nation's will to maximize the strengths and desires of its people.

If this legislation achieves its goal, and I believe it will, it will provide a stronger competitive base for the Nation's economic growth well into the 21st century. But, as usual, if we reach back, even in our young history, for some advice, we always get caution. One I reach back to is Andrew Jackson, who never served in this body but came down periodically from the White House. He is somewhat famous for a quotation regarding tax law in which he said as follows, 175 years ago:

> The wisdom of man never yet contrived a system of taxation that would operate with perfect equality.

So, obviously, I do not have to suggest to my distinguished colleagues that we need to approach this bill with some caution. There should be no illusion that those of us on the Senate Finance Committee have produced a perfect bill. After all, we are the same gang of 20 that brought you ERDA in 1981. That was the tax reform bill to end all tax reform bills. And we are same gang of 20 that brought you TEFRA, which was the tax reform bill of 1982. We are the same gang of 20 that brought you DEFRA, which was the tax reform bill to end all tax reform bills in 1984. So we are the same folks.

You may wonder the degree to which we have changed. I do not know that we have changed at all.

I remember clearly that up until the last week or so in April, at the invitation of anyone who would listen, I would make speeches on tax reform as I saw the tax reform that was being presented to me as a member of the Committee on Finance. What I usually did, as a matter of fact, was carry around with me H.R. 3838; that is, the original version of H.R. 3838 as passed by the House of Representatives in this Congress on December 3, 1985. I would say to my audience, which was hungry for information about tax reform:

> It is very simple. Here is tax reform. It weighs 4½ pounds, has about 3,980 pages, and it will take the thoughtful person about 46 hours to understand what is in this bill. But I can give it to you very quickly with an illustration.
>
> The Vice President of the United States, George Bush, in 1984, paid income tax to the Federal Government at an effective rate

of 12.5 percent. Dave Durenberger, the senior Senator from the State of Minnesota, living on the edge of poverty on his Senate salary, paid in a marginal rate of 46 percent. He had substantially less income than the Vice President of the United States.

So, I said:

If you want to know what this tax reform bill is, this is simply an effort by the President to get George from 12½ up to 25 by promising Dave that he can come down to 35.

While it did not satisfy my curious audience, at least I think it illustrated the point of the course that we had been on up to that particular point in time.

ERDA, the big tax reform of the year in 1981, was the first phase of income tax reform.

□ 1620

We took the tops off the mountains of the Federal income tax. We went through America and we saw its hundred million plus taxpayers like a range of mountains, just like that. Here is the guy at 46 and here is the person who does not pay taxes at zero, and so forth, like this, up and down. And so we went though it in 1981 and we cut off the top 25 percent of those mountains. We gave it back to the folks who owned the mountain. In fact, we said, "You are only going to have to climb up 75 percent as high next year when Uncle Sam comes along to take your taxes." But we knew we really had not finished the job because we had only diminished the difference between the folks in the valleys without any tax liability or very little tax liability and the lots of middle-income folks like us at the top of these mountains with their still very high tax liability at 50-percent marginal rate.

So the next logical step in income tax reform had to be what the President told us to do, what the House gave us to do in the form of H.R. 3838, an effort to cut the tops of the mountains off some more by filling in the valleys. That is exactly what this bill does. It reduces the rates, it tops off the mountains by filling in the valleys with a variety of base broadening tax policy changes. And so we are bringing all Americans somewhat closer together.

There will be a lot of discussion on the floor between our colleagues and the chairman of this committee about what the difference is between the top of the mountains and the bottom, how much do we bring the mountains down, whether it is 6.4 percent or 9.3 percent or whatever. But the point is there is a philosophy, if you will, to this bill.

So why was I running around then flaunting this thing and creating laughter when I am ending up now with supporting what I think is good tax philosophy? Very simply, Mr. President, taking the income tax down from 50 percent to 35 percent without broadening much of the base in the process was not really what would tell the American public that tax reform, genuine tax reform was here to stay. In fact, there was not enough pain, if you will, in the base-broadening part of the House approach. So while the genius of this bill that we bring before you now—this is H.R. 3838, some might say relabeled. Its similarity is only in size because the difference here is twofold: One, the top rate in this bill is 27 percent, not 38 percent, as it is here. And there are only two brackets in this bill, not four as there were here, or 15 as there are in the other one. And on the corporate rate it is 33 percent, not 35 percent.

Now, maybe some people will think that it is just a matter of percentages. The reality is it makes a big difference. Why does it make a big difference? In large part because of the sacrifice in effect that we called on a lot of Americans to make to get the 27 percent. When I got home everybody said, "What did you do with my IRA?" And now it is the capital gains and it is real estate, and so forth and so on. But I would say, Mr. President and my colleagues, all of that is strictly a sign that we must have done something well or we would not be hearing people say, "I have to give up something in order to have something." And it is really the first time, Mr. President, in recent political history in this country where we in this body have said to the American people, "If you want to have, you are going to have to give up something." Usually, this body operates quite in reverse. You can have, have, have and you pretend it does not cost anything to have. Look at the national debt as evidence of that kind of philosophy.

So I would suggest, Mr. President and my colleagues, that part of what our chairman has given us the opportunity to do is to bite down on some very difficult bullets, make some very difficult political sacrifices and ask our constituents in effect to give up something in order to have the guarantee that their income tax is in two brackets, the maximum rate of 27 percent; that they get to keep that first bracket all the way, if they are a family of four, to $42,300, they get to keep it 15 percent. You do not automatically convert all of your income to something else.

So, Mr. President, as I say, I am pleased to have been one of those who voted for this bill. I cannot say that I was one of the people who in effect thought it up in the beginning or was one of the original core group that came up with it. No, I was one of the doubting Thomases. I was one of the people who said BILL BRADLEY has been going around this country for 4 years making speeches on a flat tax and putting people to sleep. I was one who said his counterpart, DICK GEPHARDT, was going around the country running for President of the United States and he never mentioned their tax reform, at least he did not until recently. He talked about let us make sure we tax the corporations and all of that sort of thing.

So somehow or other there was the genius of timing and maybe the opportunity that was presented by politics with a large or a small fee, if you will, in the Finance Committee that brought us to this moment today—a moment when, Mr. President, we can give the American public the opportunity to pay for what they get and to get what they pay for, an opportunity, Mr. President, to make decisions on the basis of the consequences of those decisions, not on the basis of the tax motivation involved in the decisions.

Mr. President, I believe that the bill we have crafted in the Finance Committee is a long overdue step in the direction of promoting greater fairness and equity in our Nation's income tax.

Nearly 6 million of the working poor will be removed from the tax rolls. With the personal exemption nearly doubled, and a higher standard deduction, middle-class families will find that they shoulder a smaller tax burden. And, more than 13 million taxpayers will find that filling out a tax return is a lot simpler because they will no longer have to itemize their deductions.

Mr. President, this legislation significantly improves the retirement security prospects for many of today's younger working Americans. We have broadened the employee coverage rules for retirement plans and cut in half the retirement plan vesting rules.

At a time when our Nation's rural farm communities are enduring a prolonged depression, we have made several important tax changes that will help preserve the tradition of the family farm. Under this bill, financially troubled farmers will be able to renegotiate their bank loans and not have to pay taxes on the loan write-down. And for those troubled farmers who lost their land through foreclosure, there's some good news. We have extended tax-exempt bond financing for the repurchase of farmland and for the purchase of used equipment.

Farmers will also be able to share in some of the tax-free fringe benefits that up until now have only been available to corporate employees. For the first time, self-employed farmers and other businessmen will be able to take a tax deduction for a portion of their health insurance costs. Although I would have preferred that the committee would have adopted my proposal to allow all Americans to deduct an equal portion of their health insurance costs, I believe the committee's action sends a signal that in the area

of fringe benefits, the time will soon come when all citizens are treated equally.

Its also important to note that the committee's decision to disallow the deduction of so-called passive losses will sound the death knell to tax-shelter farming. The serious overproduction in many sectors of agriculture has depressed prices and driven many farmers out of business. Much of this overproduction in recent years has been fueled by big city dentists, doctors, and lawyers who sought out tax shelters in farming and ranching. I applaud their rapid exit from the rural economy.

Although I could identify several other features of this 1,500 page bill that provide greater fairness and equity to the American taxpayer, I believe the most important components of this bill—the engine that drives the tax reform process—are the substantially lower tax rates.

A top individual rate of 27 percent for individuals and a top corporate rate of 33 percent are truly revolutionary concepts. In no other major industrialized nation are income tax rates so low! Finance Committee Chairman BOB PACKWOOD is to be congratulated for bringing the tax reform process back from the brink by developing this innovative tax plan.

If we can sustain the rate structure incorporated in the bill, I think the future shape of the American economy will become more dynamic, flexible, and competitive. By cutting rates so drastically, we have markedly diminished the role that taxes play in investment decisions. And, implicitly, we have reduced the role of Washington in shaping the future course of the economy and shifted that responsibility to our Nation's citizens and businesses.

The transition from an economy driven by legislatively granted tax subsidies to an economy predicated on the uncertainties of the market will not be easy. Many sectors of the American economy have stayed afloat because we in Washington made political choices to favor one type of investment over another. For many years, we have required the service sector to pay higher taxes because we believed it necessary to provide special tax incentives to manufacturers.

We have provided an extraordinary array of incentives to encourage the construction of all types of structures—rental units, single family homes and commercial office buildings. For just about every area of the economy—mining, timber, oil and gas, agriculture, high technology—there's always been a special tax break. This bill does not clean up every tax break approved in Washington for the past 70 years. But this bill does take a major step in that direction.

Although the Tax Code has proven to be the most effective method for encouraging all types of behavior, there are perverse and unintended side effects that derive from our decisions. Despite our best efforts to encourage modernization of heavy industry, we have lost a great deal of our competitive edge in the global marketplace.

The special subsidies we provide for office construction has not only resulted in overbuilt downtown commercial buildings, but also allowed the wealthy investors in these buildings to avoid paying any taxes.

Subsidies and special tax breaks for owner-occupied housing have caused an extraordinary inflation in home prices which today threatens the ability of our children to find affordable housing. And a Tax Code that penalizes savings and rewards spending has produced an instant gratification generation where "Buy now and Pay Later," is the rule rather than the exception.

The Finance Committee bill is not a panacea for all the economic ailments of our society. But it is an important step. It tests the very foundations of our economic credo by leveling the playing field among investment choices and channeling investment into those industries most likely to provide the highest economic return.

Too often today the first question an investment adviser is asked is, "How much will this investment reduce my taxes?" instead of "How much return will this investment provide me over the long term?" Ironically, the growth of uneconomic tax-sheltered investments has mushroomed simply because the concept of a progressive income tax has been turned on its head. For 80 percent of America, this bill means the Federal income tax will take no more than 15 cents of every dollar earned in this country. And for most of the remaining 20 percent, the income tax bite will be no more than 27 cents on every dollar earned. With rates this low, the tax consequences of investment decisions become secondary and investment capital should flow into the most productive sectors in the economy. Over the long term, I believe the effect of these changes will be a society more competitive, a society with increased wealth for all of its citizens.

Mr. President, earlier I suggested that we approach this bill with some caution and I have always been concerned, for example, about our society's penchant to spend instead of save. Although the lower marginal rates contained in the bill will stimulate savings, the restrictions on deducting contributions to individual retirement accounts may in the short term diminish our already paltry savings rate. And that concerns me a great deal.

But, Mr. President, having been part of an effort to start a process of reform, I am convinced that we will finish the job in the years to come. This bill, as I say, is not perfect because it is in a sense a creature of compromise, yet it is also a creature of vision by visionaries like BOB PACKWOOD and BILL BRADLEY. I believe that we have made with their help a revolutionary step in the direction of improving the fairness and the equity of our tax laws. But the income tax is not the least fair tax on income in America. If we believe in tax reform and if we believe in fairness in the reach of public policy into our earnings, then the next step in tax reform is to reform the payroll tax. That is the tax at work in America at the first dollar without any exemptions, any exlusions, or anything else and it stops at $42,000. And it taxes today $6,000 of everyone's income and in 2 years it is going to tax $8,000 and it is taxing it for a Social Security system that will not be available for people under 30 years of age today.

That, Mr. President, is our next task. That will not be any easier than this but like this it is possible to effect a change in our tax system if there is a will to do so. I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I will just take a minute and make my statement later.

□ 1630

I did want to indicate to my colleagues that it was my hope earlier today to obtain a unanimous-consent agreement that we might be able to move back and forth from the tax bill to the supplemental. There are a number of things in the supplemental we need to address. The distinguished minority leader had a problem, and we are trying to accommodate Senators, but I understand that Senator MELCHER may have an objection. I do not know what the objection is, but it seems to me that if we are going to move to the supplemental, we have to have some flexibility so that we can move back and forth.

It could take several days just to bring the supplemental to the floor without any protection at all. I do not believe Senator HATFIELD has any interest in that.

I am not certain what the problem is, but he is objecting to the tax bill now, objecting to the supplemental. He objected to taking it up before the recess.

I suggest that there are some critical areas in the supplemental. We were prepared yesterday to move to it with a consent agreement to have final passage by 2 o'clock on Friday. We were advised that we could not obtain that agreement.

We have now incorporated suggestions, with the minority leader, in a proposed agreement which I would hope to make before too long because I need to advise both Senators involved in the supplemental to be prepared tomorrow, or maybe even later today, or not to be prepared. Also, we need to advise the chairman and the ranking minority member of the Finance Committee. If we do not proceed to the supplemental, we will proceed on the tax bill, and amendments will be in order.

I hope to propound this unanimous-consent request at 5 or 5:15, and that will still give Members time to prepare for whatever may happen tomorrow.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I see the chairman of our committee on the floor, and I would not want to begin remarks on the tax bill without first acknowledging what an extraordinary event the evolution of this legislation was, in the majority leader's phrase, from the immovable to the unstoppable in 72 hours.

The capacity to do such things is part of the collective myth of mankind—those individuals who, from time to time, have snatched victory from the jaws of defeat; who, in the very moment of reversal, have chosen the bold and decisive act that brought fortune not simply to themselves but to those who were with them in the enterprise.

If I recall the first Wednesday morning meeting in the chairman's rooms to see if we could rescue tax reform, there were six of us; and I know the Chairman would not mind me pointing out that there were three members of the majority and three members of the minority.

This began very much as an enterprise led by the Senator from Oregon, inspired in large measure by the efforts of the Senator from New Jersey, but a collaborative effort of the committee and of the staffs of both sides, and indispensably of the staff of the Joint Committee on Taxation.

Let me turn to a particular provision of the tax reform bill before us—title XIV "Tax Shelter Limitations; Real Estate and Interest Limitations." This title is an essential feature of the legislation, and perhaps one of the most distinctive and new features that we propose to add to the Internal Revenue Code. I am speaking of the antitax shelter provisions, which boil down to establishing a distinction between "positive income" and "passive losses."

In that distinction resides our capacity to close the extraordinary problem of tax shelters—tax loopholes, as they are sometimes known; tax shelters, as they are referred to in the Internal Revenue Service and in the world of tax sheltering. It is in this distinction that we build not only the present tax rates but also insure their durability into the reasonably foreseeable future.

To give a measure of the magnitude of the consequences of distinguishing between "positive income" and "passive losses" we estimate that by using this distinction to close down tax shelters, the Treasury can collect an additional $50 billion in 5 years. That $50 billion is the measure of the amount of tax avoidance by upper-income taxpayers, or nontaxpayers, under the existing tax system. (The gradual phasing in of the provision—to mitigate its effect on investments made in reliance on current law—will reduce the revenue pickup by about $10 billion.)

The approval of this measure by the Finance Committee was a large event and, as I have suggested, arguably the most important new principle that our bill introduces into the revenue laws of the Nation.

"Positive income" is what it sounds like. It is what you earn as a salary or collect as interest on savings or dividends and earnings on stock and similar investments.

"Passive losses" are something different. They are losses from business activities in which an individual puts up some money but does not participate in or manage in any material way. The great mass of taxpayers do not have any passive losses. They certainly do not set out to get any. No person, in the normal circumstances of life, has any occasion to look for ways to lose money.

It is precisely the fact that our Tax Code has led to a near industry of passive investment enterprises designed to lose money that illustrates the near perversity of the arrangements that we come to. The object becomes to lose money—that is, to show a loss from a passive business investment. But why would anyone try to have a loss?

With respect to these passive losses, the answer is that they are not real in any economic sense. They are paper losses, mere accounting entries.

□ 1640

But under the present system they can be used to reduce positive income and thereby the taxes on that income.

Under the present system, it is both highly profitable and increasingly common for high-income taxpayers—and more recently even moderate income taxpayers, to use passive losses as a deduction against positive income and so to avoid tax.

The legislation we begin to consider today introduces the distinction between positive income and passive losses into the Internal Revenue Code and with this one principle drives a stake into the heart of tax sheltering activities in this country.

The principle was first proposed in the Tax Shelter Reform Act of 1984, which I introduced as S. 2319 on February 22, 1984.

By 1984 it was obvious that tax shelters through limited partnerships were going hog-wild in the Nation.

A Treasury study went back to 1965 and pointed out that in that year individuals reported almost nine times as much income from partnerships as they did losses. But by 1982 the losses reported by partnerships, which was the favored investment vehicle for generating passive losses, were greater than the gains reported, and 20 times their level in the earlier year.

This had become a fixed tendency in the tax system and posed the gravest threat to the integrity of the system itself.

In six words: "The rich were not paying taxes."

This is a formula for civic decadence and national decay, a formula as old as recorded history. And a dead serious matter.

I first came upon the problem with respect to commodity tax straddles, a technique of tax avoidance which involved purchasing commodity futures in one year and selling them selectively the following year.

Some Senators will recall the story in the Wall Street Journal in 1981 describing the rather exotic "Butterfly Straddle" which was then much the rage of Wall Street. But the matter went well beyond the precincts of the brokerage houses. Bucket shops were opening up in cities across the Nation, peddling commodity straddles to persons with medium to high incomes.

A friend, a responsible member of the financial community in New York, solemnly warned that commodity straddles had the power—and I quote him—to "zero out the revenue system."

And so we introduced legislation to end commodity straddles. Not without a measure of anguish and recrimination, it became law in 1981 as part of the Economic Recovery Act of that year.

Whereupon, another form of tax shelter scheme began to boom, helped in no small part by the generous tax provisions for real estate and other business activities which were included in that 1981 legislation. Total investment in tax shelter partnerships more than doubled from 1980 to 1983 and was expected to go higher. Hence, my 1984 proposal on passive losses was introduced. This time anguish, and indeed recrimination, was at least as pronounced and considerably more widespread. The proposal was elemental. Everybody should pay some tax. No matter how wealthy, or well-advised in the ways of the Tax Code, every person earning income above a minimum threshold owed something.

To bring about this modest result, we proposed that for purposes of cal-

culating a minimum tax of 20 percent—20 percent, mind you, when the top rate was 50 percent—passive losses could not be deducted from positive income.

Now, at one point this proposal had the support of a majority of the Finance Committee. When this was learned, the lobbyists set to work and in the end, in a closed door vote, the measure lost 10 to 9.

Senator DOLE, who was then chairman of the committee, thereupon moved to increase the depreciation period for real estate to 20 years. (This was settled at 18 in the conference.) And thus while some retribution against the real estate lobby may have been had, even so, the principle of passive losses was rejected.

In the next Congress, my friend and Finance Committee colleague, JOHN CHAFEE, of Rhode Island, who happens to be on the floor, joined me in introducing S. 956, the Minimum Tax Reform Act of 1985, on April 18, 1985. This legislation again sought to prevent the deduction of passive losses against positive income—for purposes of the minimum tax calculations.

What we were trying to pursue was the problem that tax shelters acquire forms of their own, as long as the elemental principle persists that you can deduct passive losses from positive income. As long as that is possible under the Tax Code, you can close the commodity tax straddles, close real estate syndicates, close Texas cattle feeding enterprises, close movie or research and development shelters—there is no end to the arrangements that will be thought up—but to no avail. As soon as you close them, another will take its place and, as we saw in the sequence from commodity tax straddles to general tax shelters, the tendency was for them to get larger and more extensive.

It was our purpose to incorporate our minimum tax, with its positive income/passive loss distinction, in whatever large tax reform bill emerged in this Congress.

After the committee's public markup procedure broke down on Friday, April 18, 1985, a well-recorded event, Senator CHAFEE and I joined with Senator PACKWOOD and others to form what came to be known as the core group to see if a new and radical approach could be devised. At the first of the following week, our attention was diverted to the United States-Canada Free Trade Agreement, but by the latter half of the week, we were meeting in earnest.

At this point, the staff of the Joint Committee on Taxation came forward with the suggestion that the positive income/passive loss distinction could be elevated as you might say, from a device to ensure the collection of some minimum tax to a principle of the Tax Code itself.

Mr. President, I cannot give too great praise to Mr. David Brockway and his associates on the Joint Tax Committee staff, who had the inspiration to take this principle that had been devised as a means of protecting the Tax Code against the most grevious abuses into a general principle which would pervade the whole of the revenue system. In this form, the provision would discourage, if not eliminate, tax sheltering at the outset—not just at the end.

If there was a flaw in the legislation that Senator CHAFEE and I proposed, it was that we sought to impose the passive loss prohibition only where tax shelters had been too successful in reducing taxes—only after the shelter had been devised, entered into and the resources channeled in those unproductive directions. Our provision applied only after a taxpayer had succeeded in avoiding even a minimum tax. It did not prevent the investment in the tax shelter in the first place.

□ 1650

This was the key to the notion of elevating the distinction between positive income and passive losses into a fixed, integral principle of the Code. It seems to me that once this feature is in place and the regulations are written, we will see a wholly new pattern of behavior by higher income taxpayers across the Nation.

And that, my fellow Senators, is the origin of title 14 of this legislation.

I would restate my judgment that we have here a tax principle of epic importance. In the end, all tax shelters turn on the ability to deduct passive losses from positive income. Once the Tax Code incorporates this distinction and forbids the practice, the Internal Revenue Service will have the ultimate weapon it needs to insure the integrity and the justice of the tax system. And the American public will have grounds for believing this to be the case.

Mr. President, as a matter for the record, I ask unanimous consent that the statements with which the two previous bills on minimum tax were introduced be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TAX SHELTER REFORM ACT OF 1984

Mr. MOYNIHAN. Mr. President, I rise today on a matter of large import for the fairness and efficiency of the tax system. This is the proliferation of tax shelters, the near epidemic of investments designed to enable taxpayers to reduce their taxable incomes by more than the amounts they invest. Shelters take the form of investment—and who among us does not want to encourage investment? But these are not economic investments in a true sense. Here, investment occurs, not with the expectation of economic profit, but rather with the assurance of tax deductions, credits, and losses. The goal is not to produce a profit, but to reduce the tax liability on one's income from other sources. According to Joseph A. Pechman, Senior Fellow at the Brooking Institution, in Federal Tax Policy (1983):

Tax shelters permit individuals to reduce drastically or even to wipe out tax liabilities on large incomes by taking advantage of preferential provisions in the tax law.

I have no argument here with tax incentives designed to promote economically and socially desirable activities. I must and will oppose tax avoidance schemes designed solely for tax loopholes which merely allow the most wealthy among us to avoid bearing their fair share of the tax burden, thereby increasing the burden on the middle and lower income Americans.

I rise then, Mr. President, to introduce legislation, the Tax Shelter Reform Act of 1984, to address this problem.

This is not a minor, nor idle, matter. Tax-sheltering schemes are increasing greatly, both in number and volume. According to a report in U.S. News & World Report of June 13, 1983, Robert A Stranger & Co., an investment adviser firm, has estimated that total investments in tax-shelter partnerships, the primary vehicles for these transactions, increased more than 100 percent from 1980 to 1983, from $5.7 billion to $12 billion, and will reach $14 billion this year. The Stranger firm also estimated that 750,000 individuals invested in tax shelters in 1982, and the numbers are rising. These shelters generally are investments designed to take advantage of a loophole, in which the investor's return mainly is based, not on economic profit, but on tax savings with respect to income from other sources.

The total cost to the Treasury, to ordinary taxpayers, are large, but hard to estimate with precision. Last year, the Internal Revenue Service examined 95,000 tax-shelter returns, involving more than $1.7 billion in disputed tax deductions and credits. At this rate, the current IRS backlog of 350,000 questionable returns with tax shelters represents more than $6.5 billion in foregone or potential revenues. As these represent only the most questionable tax shelters—about 10 percent of all sheltering activities, according to estimates by Stranger & Co.—total costs to the Treasury could reach $65 billion.

Mr. President, permit me to explain how these schemes provide a wealthy taxpayer with overly generous tax benefits. Most arrangements are quite a bit more complex, but a basic understanding of tax shelters is necessary in order to combat them.

A classic tax shelter could involve, for example, a machine leased to a farmer. The investor contributes, say, $10,000 in cash, and the tax shelter promoter arranges a $105,000 loan. Of the $115,000, the promoter takes $15,000 and $100,000 is used to buy the machine. The machine investment qualifies for the investment tax credit (ITC) of 10 percent of the entire $100,000 cost, so the investor can subtract $10,000 from his tax liability for that credit. At this point our investor has invested $10,000 and received a $10,000 tax credit from the U.S Treasury. But the investor is also entitled to additional tax breaks, in the form of depreciation deductions, because the machine can be written off or depreciated over 5 years. The accelerated cost recovery system (ACRS) provides for a 15-percent tax deduction, based on the machine's total cost, in the first year. In addition to the $10,000 tax credit, therefore, the investor would claim a

deduction of almost $15,000 in the first year. For an investor in the 50-percent tax bracket, this deduction is worth nearly $7,500 in tax avoidance. Finally, the taxpayer can deduct any payments for interest on the $100,000 loan. This last deduction usually off-sets the tax liability on any income derived by the investor from leasing the machine to the farmers. Thus, the investor who puts up $10,000 has gained immediately tax benefits of $17,500.

Our investor, moreover, continues to collect tax savings in succeeding years without any additional investment. In year 2, the interest deduction continues to offset that tax liability for the leasing income, while the depreciation deduction rises to 22 percent. This means the tax shelter investor can claim a new deduction of almost $22,000, equivalent to a tax credit of almost $11,000 if he, like the typical tax shelter investor, is in the 50-percent bracket. This return of almost $2 in tax reductions for every dollar invested, just in the first year, and about $28,000 in tax savings over 2 years for a $10,000 investment, is not unusual. Under more complex arrangements, the investor can generate even greater tax savings. The investor's depreciation deductions continue for 3 more years, moreover, and if he ever sells the property any gain will be taxed at preferential long-term capital gains rates.

For the promoter and purchaser of a tax shelter, the object of investment matters little—real estate, equipment leasing, oil and gas exploration, industrial research and development projects. These are the foci of tax shelters, because these are the kinds of investments for which Congress has provided the greatest number and breadth of tax incentives.

Tax shelter schemes have proliferated despite passage of the Tax Equity and Fiscal Responsibility Act of 1982 and its provisions curtailing shelters. According to a Washington Post report of November 6, 1983:

Congress and the Internal Revenue Service have taken a series of steps to tighten up regulation of tax shelters, but to no avail. The market in tax-based limited partnerships continues to come up with new ways to skirt the edge of the law.

Other analysts agree. For example, a Wall Street Journal article of February 15, 1984, reported that many legitimate partnership syndicators feel that many partnerships being sold today make little or no economic sense, apart from their tax deductions.

Efforts by the IRS and the U.S. Tax Court to stem abusive tax-sheltering activities have been hindered by the sheer volume of cases. At the close of 1982, 300,000 tax returns with tax-shelter arrangements were in the examination process at the IRS; 1 year later, the Service had completed examinations of 95,000 returns with tax shelters, but the backlog had reached 350,000 returns. According to the Joint Committee on Taxation, 20,000 cases involving tax shelters, representing asserted tax deficiencies of $1.4 billion, are pending now before the Tax Court.

The proliferation of tax-sheltering activity not only costs the Treasury great sums and strains the capacity of the IRS and the U.S. Tax Court, it also threatens our essentially voluntary system of tax collection. The IRS audits roughly 1.5 percent of all returns filed. As 98.5 percent of all returns are not audited, we must rely on most taxpayers to report correctly their income tax liabilities. So far this has worked because Americans are honest and because Americans believe that the Tax Code is essentially fair. The proliferation of tax shelters, designed almost exclusively to reduce the tax liability for wealthy investors, undermines these vital beliefs. A recent study by the Joint Tax Committee emphasized this point, stating:

A major concern is that the highly visible marketing of tax shelters, and the accompanying belief that the Internal Revenue Service cannot deal with them, may erode taxpayer's confidence in the fairness and effectiveness of the tax system. Sociological research supports the proposition that taxpayers are more likely to comply with the tax laws when they perceive the system to be fair or when the costs of noncompliance are perceived as relatively high and relatively certain. The widespread use of tax shelter deprives the system of its claim to fairness and retards the administrative and judicial processes to the point that penalties seem neither certain nor costly.

In the present era of immense budget deficits, we can no longer tolerate tax expenditures with little or no economic justification, nor can we tolerate a tax system which permits the most wealthy among us to escape their fair tax liabilities. This bill would represent an important advance against abusive tax-sheltering activities.

A section-by-section analysis of my proposal and the bill follows, and I urge my colleagues to support this effort.

There being no objections the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Contents of the Bill

Sec. 101. Disallowance of certain expenses where the taxpayer uses property similar to property owned by the taxpayer.
Sec. 102. Additional tax where court determines property is significantly overvalued or undervalued.
Sec. 103. Expansion of the minimum tax.
Sec. 104. Reform tax treatment of luxury automobiles.
Sec. 105. Disallowance of interest deduction on certain short-term obligations.
Sec. 106. Tax shelters must file Securities and Exchange Commission reports with Secretary of the Treasury.
Sec. 107. Study of Tax Shelters.

Section 101. Disallowance of certain expenses where the taxpayer uses property similar to property owned by the taxpayer.

Under current law, the investment tax credit and depreciation deductions are available only for the business use of property, not for the personal use of property. Thus, if a business purchases a yacht for the business purpose of leasing it out to customers on a daily or weekly basis, the business can claim the investment tax credit and depreciate the cost of the yacht over its ACRS life. On the other hand, if a person buys a yacht for his own personal use, he is not entitled to an investment tax credit or depreciation deductions with respect to the yacht.

Recently, some taxpayers have set up partnerships or other pooling arrangement to enable them to enjoy personal use of yachts or other property, while claiming the investment tax credits and depreciation deductions intended only for business uses. This abuse of the investment tax credit and depreciation deductions can be accomplished very simply under current law: person A buys a yacht and leases it to person B, and person B buys a similar or comparable yacht and leases it to person A. Person A has the personal use of the yacht owned by person B, while still being able to claim the tax credit and depreciation deductions for the yacht he owns and leases to person B. Similarly, person B uses one yacht and claims the investment tax credit and depreciation deduction for the other. The net effect: the Treasury subsidizes the yachts used by both A and B.

This abuse of the tax code could be based not only on the purchase of yachts, but of any depreciable property. If person A buys a house and leases it to person B, and B buys a comparable house and leases it to person A, then A and B can each enjoy the use of one house while depreciating the other.

Nor is the abuse limited to simple arrangements between two individuals. The swapping of yachts or other property can be accomplished with partnerships, corporations, and other pooling arrangements involving dozens of people.

However accomplished, these transactions are not the type of legitimate business investments that the Congress intended the Treasury to subsidize. They are abuses that must be stopped.

Section 101 of this legislation would deny the investment tax credit and depreciation deductions in those situations in which a taxpayer who claims them is renting similar property from a second taxpayer. Taxpayers improperly claiming such tax credits and deductions would be subject to the penalties for fraud or negligence now provided in Section 6653 of the Internal Revenue Code of 1954. The provision would be effective with respect to property rented or leased after the date of introduction of this legislation.

Section 102. Additional tax where court determines property is significantly overvalued or undervalued.

Under current law, a taxpayer who vastly overvalues or undervalues property, in order to increase his tax deductions and credits is subject to only a small penalty. He remains entitled to the tax credit and depreciation deduction based on the actual value of the asset. Given the small rate of audits, just 1.5 percent of all returns, these arrangements offer no discentives to discourage taxpayers from playing "audit roulette" by tremendously overvaluing (or undervaluing) their property.

Section 102 of this legislation would impose a larger penalty for abusive over- and undervaluations. If the value claimed by the taxpayer on his tax return is more than twice (or less than half) of the property's value as determined by a federal court in a tax proceeding, then the taxpayer's valuation will be deemed to have been abusive, and he would forfeit all deductions and credits taken with respect to the overvalued (or undervalued) property. He also would be denied a deduction for any interest required to be paid to the government for the use of the disallowed depreciation deduction and tax credits.

This provision would not apply if the taxpayer could prove that he innocently and mistakenly relied upon an incorrect appraisal by a qualified appraiser, following generally accepted appraisal practices.

The purpose of this provision is simple: discourage the abusive practice of overvaluing and undervaluing property, in order to gain greater tax deductions and credits. The provision would apply to all returns filed after the date of introduction of this legislation. The change also could reduce dramatically future backlogs of cases in the Federal District Courts, Claims Court, and the Tax

Court, many of which relate to valuation questions.

Section 103. Expansion of the Minimum Tax.

The key provision would strengthen the current 20 percent minimum tax. Under current law, a taxpayer who uses tax shelter deductions and credits to drastically reduce his regular tax liability still can be liable for an alternative minimum tax of 20 percent on any income exceeding $30,000 ($40,000 for couples filing joint returns). Current law, however, enables some taxpayers to avoid this minimum tax as well as the regular tax, by claiming tax shelter losses to offset earned and investment income.

As it is, couples filing joint returns are subject to a 20 percent marginal tax rate on any taxable income over $15,000. Section 103 of this legislation would ensure that all taxpayers with high earned and investment incomes (from salaries, wages, commissions, interest, dividends, and similar sources) would pay at least this minimum rate. Under this section, a taxpayer could still claim personal itemized deductions such as medical expenses and mortgage interest, to reduce his income subject to the minimum tax. But he could not further reduce his tax base by claiming losses generated from sources other than his earned and investment income, i.e., from many tax shelters.

This provision would ensure that high income individuals, like everyone else, will be subject to some federal tax. It would also discourage tax sheltering, since any income over $40,000 ($30,000 for a single taxpayer), after personal deductions, would be subject to a minimum 20 percent tax regardless of the ingenuity of any tax shelter.

Section 104. Limit Tax Credits and Deductions for Luxury Cars.

Under current law, Section 168(d) of the Internal Revenue Code of 1954, businesses can claim an investment tax credit and depreciation deductions for automobiles used in the course of business. This is proper; transportation is a legitimate business expense. Some businesses, however, use these provisions to provide luxury and prestige to their top executives, as well as transportation, by purchasing limousines and claiming the tax credits and depreciation deductions on the entire cost of the limousine—not just on the component which represents the cost of transportation.

Section 104 of this legislation would limit the tax benefits generated by the purchase or lease of automobiles for business purposes. Under this provision a business could claim a tax credit and depreciation deductions on the value of an automobile purchased or leased for business purposes, but the base for this value would be limited to $15,000 in the year of enactment. Every year thereafter, this base would be adjusted according to the automobile component of the Consumer Price Index.

This proposal would not prevent businesses from providing their executives with luxury cars; but it would limit the subsidy for so doing to a level consonant with the costs of transportation. Quality automobiles can be purchased for $15,000 or less, yet many businesses now spend tens of thousands of dollars more for luxury automobiles. There is no justification for asking ordinary taxpayers to pay more taxes, so that some businesses can deduct the costs of providing their executives with additional luxury and prestige. I introduced this proposal previously, as S. 2232.

Section 105. Disallow interest deductions on certain short-term obligations under certain circumstances.

Under current law, taxpayers do not pay tax on interest earned on many short term securities until they sell or case in those short-term securities. If the same taxpayer borrows the funds to purchase these securities, he can deduct his interest payments. Together, these transactions create a "straddle"—the taxpayer defers tax on his gains, while taking deductions of his cost.

Section 105 of this legislation would provide that a taxpayer could deduct the interest paid to borrow funds to purchase short-term securities only in the year in which he declares the interest income from these short-term securities.

Section 106. Reporting Requirements.

Section 106 of this legislation would require any corporation or partnership organized for tax shelter purposes to file with the Internal Revenue Service duplicates of materials that they are now required to file with Federal and State agencies authorized to regulate offerings of securities for sale.

This provision would help the Internal Revenue Service identify abusive tax shelters, and distinguish them from legitimate investment combinations.

Section 107. Study of Tax Shelters.

Section 107 of this legislation would direct the Treasury Department to study the entire area of tax shelters and report to Congress, no later than December 1, 1984, with specific recommendations addressing the problem of stemming abusive tax sheltering activities. The Treasury would be specifically directed to examine further extensions or expansions of minimum tax requirements, the extension and revision of the "at-risk" and "recapture" rules, the impact of full basis adjustment for the investment tax credit, and proposals to limit the deductibility of artificial accounting losses.

S. 2319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE: AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Tax Shelter Reform Act of 1984".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 101. DISALLOWANCE OF CERTAIN EXPENSES WHERE TAXPAYER USES PROPERTY SIMILAR TO PROPERTY OWNED BY THE TAXPAYER.

(a) Section 262 (relating to personal, living, and family expenses) is amended by redesignating the first sentence thereof as subsection (a) and by inserting after such new subsection (a) the following new subsection:

"(b) DISALLOWANCE OF CERTAIN EXPENSES WHERE TAXPAYER USES PROPERTY SIMILAR TO THE PROPERTY OWNED BY THE TAXPAYER.—In any case in which—

"(1) a taxpayer uses property of another person for personal purposes and such other person uses similar property of the taxpayer for personal purposes, or

"(2) under regulations prescribed by the Secretary, the taxpayer is a member of a partnership, joint venture, or other entity one of the principal purposes of which is to allow members to acquire similar property and to use his property or such other person's or members' property for personal purposes, then the taxpayer shall, for the purpose of this subsection be treated as using the taxpayer's property for personal purposes during the period he is using his property or such other person's or members' property for personal purposes to the extent of the expenses attributable to such property used by the taxpayer for personal purposes. Section 6653 of the Internal Revenue Code of 1954 shall apply to taxpayer misallocations under this subsection."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to the use of property after February 22, 1984, in years ending after such date.

SEC. 102. ADDITIONAL TAX WHERE COURT DETERMINES PROPERTY IS SIGNIFICANTLY OVERVALUED OR UNDERVALUED.

(a) IN GENERAL.—Section 6659 (relating to addition to tax in case of valuation overstatement for purposes of the income tax) is amended by adding at the end thereof the following new subsection:

"(g) *Alternative Addition to Income Tax or Estate or Gift Tax Where Court Determines Valuation Overstatement or Understatement.*—

"(1) IN GENERAL.—In the case of an individual of a closely held corporation or a personal service corporation, if a court of the United States (including the United States Claims Court and the Tax Court) makes a final determination that—

"(A) such individual has an underpayment of the tax imposed by chapter 1, chapter 11, or chapter 12 for any taxable year, and

"(B) such underpayment is attributable to—

"(i) in the case of the tax imposed by chapter 1, a valuation overstatement which is more than 200 percent of the correct valuation, or

"(ii) in the case of the tax imposed by chapter 11 or chapter 12, a valuation understatement which is less than 50 percent of the correct valuation.

there shall be added to the tax, for that year, in addition to any amount under subsection (a), the valuation overstatement amount, and no deduction shall be allowed for any interest paid or accrued with respect to these additions to taxes.

"(2) VALUATION OVERSTATEMENT AMOUNTS.—For purposes of this subsection, the term 'valuation overstatement amount' means—

"(A) in the case of the tax imposed by chapter 1, the excess of—

"(i) the amount of tax imposed under chapter 1 if no deduction or credit were allowed with respect to the property for which there was a valuation overstatement, over

"(ii) the amount of tax imposed under chapter 1 if the correct valuation of such property is used; and

"(B) in the case of the tax imposed by chapter 11 or chapter 12, an amount equal to 100 percent of the underpayment of tax attributable to the valuation understatement.

"(3) FINAL DETERMINATION.—For purposes of this subsection, a determination by a court of the United States shall be treated as final when such determination is treated as final for purposes of this title (determined without regard to this subsection).

"(4) VALUATION UNDERSTATEMENT.—For purposes of this subsection, a valuation understatement shall be determined in the same manner as a valuation overstatement under subsection (c), except that 'less than 50 percent' shall be substituted for '150 percent or more' in subsection (c)(1).

"(5) This subsection shall not apply in any situation in which the taxpayer can prove that he innocently and mistakenly relied upon an incorrect appraisal of a qualified appraiser following generally accepted appraisal practices."

"(6) EFFECTIVE DATE.—The amendment made by this section shall apply to any determination of a court of the United States with respect to any return or other document filed by the taxpayer after February 23, 1984.

SEC. 103. EXPANSION OF THE MINIMUM TAX

(a) Section 55(b) of the Internal Revenue Code of 1954 (relating to the alternative minimum for taxpayers other than corporations) is amended by adding at the end thereto the following new subsection:

"(3) Notwithstanding the above, the alternative minimum taxable income shall never be less than the alternative minimum taxable income floor as defined in subsection (f) below."

(b) Section 55(f) of the Internal Revenue Code of 1954 (relating to the alternative minimum tax for taxpayers other than corporations) is amended by adding at the end thereto the following new subsection:

"(3) ALTERNATIVE MINIMUM TAXABLE INCOME FLOOR.—The alternative minimum taxable income floor for the taxable year means the taxpayer's adjusted gross income with the following three adjustments:

"(1) deductions attributable to property held for the production of rents or royalties or to a trade or business (other than a trade or business consisting of the performance of services) shall not be taken into account to the extent that the deductions from such activities exceed the gross income attributable to such activities;

"(2) adjusted gross income shall be increased by the amount in Section 57(a)(9); and

"(3) adjusted gross income shall be reduced by the taxpayer's alternative tax itemized deductions."

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after February 22, 1984.

SEC. 104. REFORM TAX TREATMENT OF LUXURY AUTOMOBILES.

(a) Subsection (d) of section 168 of the Internal Revenue Code of 1954 (relating to unadjusted basis; adjustments) is amended, by adding at the end thereof the following new paragraph:

"(3) LIMITATION IN CASE OF LUXURY AUTOMOBILES.—

"(A) IN GENERAL.—In the case of a passenger automobile the basis of such automobile, taken into account—

"(i) for purposes of determining the amount of the deduction allowable under this section (and any other deduction allowable for depreciation or amortization).

"(ii) for purposes of determining the amount of the credit allowable under section 38, and

"(iii) for purposes of section 179, shall not exceed $15,000, increased by the automobile price inflation adjustment (if any) for the calendar year in which the automobile is placed in service by the taxpayer.

"(B) PASSENGER AUTOMOBILE.—For purposes of this paragraph—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'passenger automobile' means any 4-wheeled vehicle—

"(I) which is manufactured primarily for use on public streets, roads, and highways, and

"(II) which is rated at 6,000 pounds gross vehicle weight or less.

"(ii) EXCEPTION FOR CERTAIN VEHICLES.—The term 'passenger automobile' shall not include—

"(I) any ambulance, hearse, or combination ambulance-hearse used by the taxpayer directly in a trade or business, and

"(II) any vehicle used by the taxpayer directly in the trade or business of transporting persons or property for compensation or hire.

"(C) AUTOMOBILE PRICE INFLATION ADJUSTMENT.—For purposes of this paragraph—

"(i) IN GENERAL.—The automobile price inflation adjustment for any calender year is the percentage (if any) by which—

"(I) the CPI automobile component for December of the preceding calender year, exceeds

"(II) the CPI automobile component for December of 1983.

"In the case of calendar year 1984, the automobile price inflation adjustment shall be zero.

"(i) CPI AUTOMOBILE COMPONENT.—The term 'CPI automobile component' means the automobile component of the Consumer Price Index for All Urban Consumers published by the Department of Labor.

"(D) COORDINATION WITH SECTION 1031.—In case of an exchange described in section 1031 where the property received in the exchange is a passenger automobile, the excess of the fair market value of such property over the limitation of subparagraph (A) shall not be treated as an amount received in cash for purposes of section 1031.

"(E) COORDINATION WITH SECTION 162.—For purposes of determining the amount of the deduction allowed under section 162 for rentals or other payments relating to the rental for longer than one month of a passenger automobile, the amount of the deduction allowed under section 162 shall not exceed the fair market value of a rental or other payment for an automobile costing $15,000, increased by the automobile price inflation adjustment (if any) for the calendar year in which the automobile is placed in the service by the taxpayer."

(b) The amendment made by subsection (a) shall apply to property placed in service after January 30, 1984, in taxable years ending after such date.

SEC. 105. DISALLOWANCE OF INTEREST DEDUCTION ON CERTAIN SHORT-TERM OBLIGATIONS.

(a) IN GENERAL.—Section 163 (relating to deduction for interest) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) DENIAL OF DEDUCTION FOR INTEREST PAID OR INCURRED TO PURCHASE OR CARRY CERTAIN SHORT-TERM OBLIGATIONS.—

"(1) GENERAL RULE.—Except as otherwise provided in this subsection, the net direct interest expense with respect to any short-term obligation shall be allowed as a deduction for the taxable year only to the extent that such expense exceeds the sum of the daily portions of the acquisition discount for each day during the taxable year on which the taxpayer held such obligation.

"(2) SUBSECTION NOT TO APPLY IF TAXPAYER ELECTS TO INCLUDE ACQUISITION DISCOUNT IN INCOME.—Paragraph (I) shall not apply to any taxpayer with respect to any obligation who elects, with respect to all such obligations held during the taxable year, to include in gross income an amount equal to the sum of the daily portions of the acquisition discount for each day during the taxable year for which such taxpayer held such obligation.

"(3) SHORT-TERM OBLIGATION.—For purposes of this subsection—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'short-term obligation' means any bond, debenture, note, certificate, or other evidence of indebtedness which has a fixed maturity date not exceeding 1 year from the date of issue.

"(B) EXCEPTIONS.—The term 'short-term obligation' shall not include—

"(i) NATURAL PERSONS.—Any obligation issued by a natural person.

"(ii) TAX-EXEMPT OBLIGATIONS.—Any obligation if—

"(I) the interest on such obligation is not includible in gross income under section 103, or

"(II) the interest on such obligation is exempt from tax (without regard to the identity of the holder) under any other provision of law.

"(4) ACQUISITION DISCOUNT.—For purposes of this subsection, the term 'acquisition discount' means the excess of—

"(A) the stated redemption price at maturity, over

"(B) the taxpayer's basis for the obligation.

"(5) DAILY PORTION.—For purposes of this subsection the daily portion of the acquisition discount is an amount equal to—

"(A) the amount of such discount, divided by

"(B) the number of days after the day on which the taxpayer acquired the obligation and up to (and including) the day of its maturity."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after February 22, 1984.

SEC. 106. TAX SHELTERS MUST FILE SECURITIES AND EXCHANGE COMMISSION REPORTS WITH SECRETARY OF THE TREASURY.

(a) IN GENERAL.—Each tax shelter which is required to file a statement with the Securities and Exchange Commission after December 31, 1984, shall also file such statement with the Secretary of the Treasury or his delegate as regulations prescribed by the Secretary so provide.

(b) TAX SHELTER DEFINED.—For purposes of this section, the term "tax shelter" means—

(1) any enterprise (other than a C corporation, within the meaning of section 136(a)(2) of the Internal Revenue Code of 1954) if at any time interests in such enterprise have been offered for sale in any offering required to be registered with any Federal or State agency having the authority to regulate the offerings of securities for sale.

(2) any syndicate (within the meaning of section 1356(e)(3)(B) of such Code), or

(3) any partnership, entity, plan, or arrangement which is a tax shelter within the meaning of section 6661(b) of such Code.

SEC. 107. STUDY OF TAX SHELTERS.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate shall conduct a study of tax shelters, including an analysis of—

(1) the revenue loss from tax shelters,

(2) the impact of tax shelters on a self-assessment revenue collection system,

(3) the economic impact of tax-shelters,

(4) the feasibility of implementing a system of limitations against losses with respect to tax shelter activities,

(5) the impact of the "at-risk" and "recapture" rules,

(6) the impact of non-recourse financing,

(7) the deductibility of interest incurred by limited partners,

(8) the impact of the investment tax credit and the appropriateness of full basis adjustment, and

(9) such other matters as the Secretary of the Treasury or his delegate may precribe.

(b) SUBMISSION OF REPORT.—Not later than December 1, 1984, the Secretary of the Treasury or his delegate shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report of the results of the study and analysis conducted under subsection (a).

S. 956

By Mr. MOYNIHAN (for himself and Mr. CHAFEE):

S. 956. A bill to amend the Internal Revenue Code of 1954 to modify the provisions relating to minimum taxes for tax preferences of individuals and corporations, and for other purposes; to the Committee on Finance.

MINIMUM TAX REFORM ACT OF 1985

Mr. MOYNIHAN Mr. President, I rise today to introduce legislation to revise the Tax Code to provide that all persons who earn substantial income and all corporations that earn substantial profits pay a minimum amount to Federal Government.

I am pleased to be joined in this effort by my distinguished friend and fellow member of the Senate Finance Committee, Senator CHAFEE.

We do not propose to raise taxes. We propose to begin to collect taxes. Those who wrote the tax laws we now propose to change cannot have thought that rich individuals and profitable corporations would not owe taxes and, in due course, pay them. Did anyone really intend to write tax law that would permit corporations earning millions or hundreds of millions of dollars in profits—even, the truth be known, billions of dollars—to pay no income tax to the Federal Government? Or individuals in not dissimilar situations?

There were 67 major corporations in America with combined profits exceeding $14 billion that paid no Federal income tax in 1983. There were 128 major corporations with combined profits of more than $57 billion that managed to pay no Federal income tax in at least one of the last 3 years for which we have data—1981, 1982 and 1983. There were some 25,000 individuals who earned at least $50,000 who paid no Federal income tax in 1982, the last year for which we have data on individuals. May I say, this is a disgrace—not to the human race, but to our ability in this body to write laws that will produce the results we intend.

The reason is fairly simple. The present Tax Code includes a remarkably elaborate catalog of deductions, exemptions and credits, all designed to encourage some kind of economic or social activity. In the main, these encourage investment for various purposes. Others recognize that there are certain expenses that must be incurred by certain kinds of businesses—life insurance companies, for example—to take account of liabilities and assets far into the future. These purposes are proper, or at least plausible, and in some instances the incentives actually work. That is not the matter before us today.

When Congress enacted these tax provisions, no one intended thereby to enable prosperous individuals or profitable corporations to avoid paying any taxes. No one intended to suspend in the Tax Code the basic principle of fairness, the basic democratic ethos of sharing the burdens as well as the bounties of the American polity.

And so Congress enacted minimum taxes. But we did not exclude many of the deductions, exemptions, and credits allowed under the regular tax. Hence, individuals and corporations could arrange their financial affairs so as to avoid paying even the minimum tax, much less the regular tax.

I have come to the conclusion that under the present arrangements, there is no way to prevent industrious and ingenious tax lawyers and accountants from figuring out how to combine just the right provisions of the Tax Code, to ensure that their clients pay no tax at all—unless we adopt a new rule. This is what we propose today.

Individuals must pay 15 percent tax on combined salary, interest and dividend income exceeding $50,000. A tax payer can still claim the major personal deductions—charitable contributions, medical expenses, above 10 percent of income, home mortgage interest, casualty losses, and moneys paid for State and local taxes. What cannot be claimed, for purposes of the minimum tax, are losses generated by other business activities. A taxpayer could no longer invest in a tax shelter and protect his salary, interest and dividend income from a minimum 15 percent tax—which, I would note, is the lowest tax rate under the Treasury's recent tax proposal, for Americans of modest income.

Corporations must pay 15 percent tax on real profits exceeding $100,000. Corporations would be permitted some deductions in full for purposes of the minimum tax—those that reflect genuine economic costs. But those deductions and other adjustments which reduce a corporation's taxable income to encourage investment—the so-called tax preference items—would be disallowed in whole, or in part, for determining a profitable corporation's minimum tax. If a profitable corporation claimed an accelerated depreciation deduction of $20,000 for some asset, allowed under ACRS in the regular tax, and the actual economic depreciation came to $8,000, based on the useful economic life of the asset, the $12,000 difference would be disallowed for purposes of the minimum tax.

How much revenue has been foregone by the current arrangements for the minimum tax? Our estimates are preliminary, but our revision of the corporate minimum tax will likely collect some $13 billion in revenues over the first 3 years, while our reform of the individual minimum tax will likely collect at least $3 billion over the same period.

May I repeat, this is a minimum tax; we hope to ensure that everyone pays but a fair share. Consider an individual who earned $250,000 in salary, interest and dividend income. Under the current minimum tax, he could claim deductions—his accountant would call them losses—for real estate investments, oil and gas partnerships, and so forth. Under our proposal he could take his major personal deductions—let us assume they come to $20,000 for his home mortgage interest payments, his State and local taxes, and his charitable contributions. That would leave him with income of $230,000—from which he could exempt $50,000. That leaves $180,000, on which he would owe 15 percent, or $27,000. About 10 percent effective tax on an income of $250,000; that does not seem unfair to this Senator; indeed, it seems to be what we call it—a minimum.

Last year, I proposed a major reform of the individual minimum tax in the Senate Finance Committee. It was well enough received. It was initially accepted by the committee, with some revisions. Then, in a closed caucus of committee members, it was defeated by a vote of 10 to 9.

I hope for a better outcome this time. I ask my colleagues to join me.

I ask unanimous consent that the specifications of our legislation and a copy of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 956

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as "Minimum Tax Reform Act of 1985".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. MODIFICATION OF INDIVIDUAL ALTERNATIVE MINIMUM TAX.

(a) REDUCTION IN ALTERNATIVE MINIMUM TAX RATE, ETC.—

(1) REDUCTION IN RATE.—Subsection (a) of section 55 (relating to an alternative minimum tax for taxpayers other than corporations) is amended by striking out "20 percent" and inserting in lieu thereof "15 percent".

(2) INCREASE IN EXEMPTION AMOUNTS.—Paragraph (1) of section 55(f) (relating to other definitions) is amended—

(A) by striking out "$40,000" in subparagraph (A) and inserting in lieu thereof "$50,000",

(B) by striking out "$30,000" in subparagraph (B) and inserting in lieu thereof "$40,000", and

(C) by striking out "$20,000" in subparagraph (C) and inserting in lieu thereof "$25,000".

(3) ALTERNATIVE TAX ITEMIZED DEDUCTIONS TO INCLUDE TAXES.—Paragraph (1) of section 55(e) (relating to alternative tax itemized deductions) is amended—

(A) by striking out "or" at the end of subparagraph (D),

(B) by striking out the period of the end of subparagraph (E) and inserting in lieu thereof ", or", and

(C) by adding at the end thereof the following new subparagraph:

"(F) section 164 (relating to deductions for taxes).".

(b) ALTERNATIVE MINIMUM TAXABLE INCOME NOT TO BE LESS THAN ALTERNATIVE MINIMUM TAXABLE INCOME FLOOR.—

(1) IN GENERAL.—Section 55(b) (defining alternative minimum taxable income) is amended by adding at the end thereof the following new flush sentence:

"In no event shall the alternative minimum taxable income of the taxpayer for any taxable year be less than the alternative minimum taxable income floor.".

(2) ALTERNATIVE MINIMUM TAXABLE INCOME FLOOR DEFINED.—Section 55 (relating to alternative minimum tax for taxpayers other than corporations) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) ALTERNATIVE MINIMUM TAXABLE INCOME FLOOR DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'alternative minimum taxable income floor' means the sum of—

"(A) the alternative tax investment income of the taxpayer for the taxable year, plus

"(B) the greater of—

"(i) the earned income of the taxpayer for the taxable year, or

"(ii) the controlled business income of the taxpayer for the taxable year,

reduced by the alternative tax itemized deductions for the taxable year.

"(2) ALTERNATIVE TAX INVESTMENT INCOME.—

"(A) IN GENERAL.—The term 'alternative tax investment income' means the sum of the following amounts which are includable in the gross income of the taxpayer for the taxable year:

"(i) Any interest, dividends, or payments with respect to the loan of any stock or security.

"(ii) Any net capital gain from the sale or other disposition of—

"(I) any intangible personal property, or

"(II) any tangible personal property of a type which is actively traded on an established securities market.

"(B) REDUCTION FOR CERTAIN EXPENSES.—The alternative tax investment income of any taxpayer for any taxable year shall be reduced (but not below zero) by the amount of any deduction under section 163, 164(a)(1), 164(a)(2), 166, 171, 212, or 1202 which is properly allocable to such alternative tax investment income.

"(C) AMOUNTS FROM ACTIVE TRADE OR BUSINESS NOT TAKEN INTO ACCOUNT.—The term 'alternative tax investment income' shall not include any amount to the extent it is derived from the active conduct of any trade or business.

"(3) EARNED INCOME.—

"(A) IN GENERAL.—The term 'earned income' means any income which is earned income within the meaning of section 401(c)(2)(C) or 911(d)(2)(A), except that such term does not include any distribution to which section 72(m)(5), 402(a)(2), 402(e), or 403(a)(2)(A) applies.

"(B) SPECIAL RULE FOR EARNED INCOME OF 5-PERCENT OWNERS.—For purposes of this paragraph, if a 5-percent owner of any trade or business (other than a C corporation) derives earned income (determined without regard to this subparagraph) from such trade or business, then such owner's earned income from such trade or business shall—

"(i) include such owner's allocable share of the adjusted gross income (taxable income in the case of a partnership or S corporation) of such trade or business, and

"(ii) be reduced by such owner's allocable share of loss of such trade or business.

"(4) CONTROLLED BUSINESS INCOME.—For purposes of this subsection, the term 'controlled business income' means the taxpayer's allocable share of the adjusted gross income (or taxable income in the case of a partnership or S corporation) of any trade or business (other than a C corporation) which the taxpayer controls. Such term shall not include any amount treated as earned income under paragraph (3)(B).

"(5) DEFINITION RELATING TO OWNERSHIP.—For purposes of this subsection—

"(A) 5-PERCENT OWNER.—The term '5-percent owner' means any person owning interests (other than debt) in a trade or business which are 5 percent or more (by value) of the total value of all interests (other than debt) in such trade or business.

"(B) CONTROL.—The term 'control' means ownership of interests (other than debt) in a trade or business which (by value) are greater than 50 percent of the total value of all interests (other than debt) in such trade or business.

"(C) ATTRIBUTION.—For purposes of this paragraph, a person shall be treated as owning any interest in any trade or business which is owned by another person who is related (within the meaning of section 267(b)) to such person.".

"(6) CARRYOVER OF DISALLOWED LOSSES.—Under regulations, any net loss of the taxpayer from activities not taken into account in computing the alternative minimum taxable income floor which cannot be used solely because of the operation of the alternative minimum taxable income floor may be carried forward for purposes of the regular tax.

(c) MODIFICATION OF ITEMS OF TAX PREFERENCE OF INDIVIDUALS.—

(1) REPEAL OF PREFERENCE FOR EXCLUSION OF DIVIDENDS AS PREFERENCE ITEM.—Section 57(a) (relating to items of tax preference) is amended by striking out paragraph (1).

(2) CIRCULATION AND RESEARCH AND EXPERIMENTAL EXPENDITURES.—Subparagraph (B)(ii) of section 57(a)(6) (relating to circulation and research and experimental expenditures) is amended by striking out "10-year period" and inserting in lieu thereof "5-year period".

(3) RESERVES FOR LOSSES ON BAD DEBTS.—Section 57(a) is amended by striking out paragraph (7) and inserting in lieu thereof the following new paragraph:

"(7) RESERVES FOR BAD DEBTS.—The amount by which the deduction allowable for the taxable year under this chapter for a reasonable addition to a reserve for bad debts exceeds the amount allowable under this chapter for bad debts incurred during such taxable year.".

(4) INTANGIBLE DRILLING COSTS.—Section 57(a) is amended by striking out paragraph (11) and inserting in lieu thereof the following new paragraph:

"(11) INTANGIBLE DRILLING COST.—The excess of—

"(A) the amount allowable as a deduction under section 263(c) in determining taxable income (other than costs incurred in connection with a nonproductive well), over

"(B) the amount which would be allowable as a deduction if costs were capitalized and allowed as a deduction ratably over the 120-month period beginning with the month in which the production from the well begins.".

(5) ACCELERATED COST RECOVERY DEDUCTION.—Section 57(a) is amended by striking out paragraph (12) and inserting in lieu thereof the following new paragraph:

"(12) ACCELERATED COST RECOVERY DEDUCTION.—

"(A) IN GENERAL.—With respect to each recovery property, the amount (if any) by which the deduction allowed under section 168(a) for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using the straight-line method (without regard to salvage value) and a recovery period determined in accordance with the following table:

"In the case of:	The recovery period is:
3-year property	5 years
5-year property	12 years
10-year property	25 years
15-year public utility property	35 years
18-year real property and low-income housing	40 years.

"(B) SUBPARAGRAPH (A) INAPPLICABLE WHERE LONGER RECOVERY PERIODS APPLY.—If, pursuant to section 168(b)(3) or 168(f)(2), the recovery period for any property is longer than the recovery period for such property set forth in subparagraph (A), subparagraph (A) shall not apply to such property.

"(C) CONVENTIONS.—

"(i) IN GENERAL.—In the case of property other than 18-year real property and low-income housing, subparagraph (A) shall be applied by using a half-year convention.

"(ii) 18-YEAR REAL PROPERTY AND LOW-INCOME HOUSING.—In the case of 18-year real property and low-income housing, the conventions under sections 168(b)(2)(B) and 168(b)(4)(B) shall be used.

"(D) DEFINITIONS.—For purposes of this paragraph, the terms '3-year property', '5-year property', '10-year property', '15-year public utility property', '18-year property', 'low-income housing', and 'recovery property', have the same meanings given such terms by section 168.".

(6) ADDITIONAL PREFERENCE ITEMS.—Section 57(a) is amended by adding at the end thereof the following new paragraphs:

"(13) CERTAIN INTEREST WHERE TAXPAYER HAS TAX-EXEMPT INCOME.—The amount of the interest (other than qualified housing interest within the meaning of section 55(e)(4)) paid or accrued by the taxpayer during the taxable year but only to the extent of an amount equal to the interest which is excludable from the taxpayer's gross income under this subtitle, reduced by the amount of any interest paid or accrued by the taxpayer during the taxable year with respect to which a deduction is not allowable by reason of section 265.

"(14) TERTIARY INJECTANT EXPENSES.—The excess of—

"(A) the amount allowable as a deduction under section 193 for the taxable year, over

"(B) the amount which would be allowable as a deduction if tertiary injectant expenses were capitalized and amortized over the 24-month period beginning with the month in which the injectant is injected.

"(15) CONSTRUCTION PERIOD CARRYING CHARGES.—The amount of the deduction allowable for the taxable year for construction period carrying charges (as defined in section 312(n)(1)(B)).

"(16) TRADEMARK AND TRADE NAME EXPENDITURES.—The amount allowable as a deduction for the taxable year under section 177.

"(17) COMPLETED CONTRACT METHOD OF ACCOUNTING.—In the case of a taxpayer who uses the completed contract method of accounting, the excess (if any) of—

"(i) the amount of taxable income for the taxable year which would be reported if such taxpayer used the percentage of completion method of accounting, over

"(ii) such taxpayer's taxable income for such taxable year.

"(18) REFORESTATION AND LAND CLEARING EXPENSES.—Any amount allowable as a deduction for the taxable year under section 182 or 194.

"(19) CERTAIN SHIPPING INCOME.—With respect to any construction reserve fund or capital construction fund established by the taxpayer under sections 511 and 607 of the Merchant Marine Act (46 U.S.C. 1161, 1177),

the net increase for such taxable year in the income and capital gain accounts under such funds.".

(d) ELECTION TO MAKE ADJUSTMENTS FOR REGULAR TAX PURPOSES.—Section 58(i) (relating to optional 10-year writeoff of certain tax preferences) is amended to read as follows:

"(i) ELECTION TO MAKE ADJUSTMENTS FOR REGULAR TAX PURPOSES.—

"(1) IN GENERAL.—The taxpayer may elect for any taxable year to have any adjustment required by subsection (b)(2) of section 55 or section 56 with respect to any item of tax preference or any corporate alternative minimum tax preference item arising in such year apply also to such item for regular tax purposes. The treatment of any item with respect to which an election has been made under the preceding sentence shall (for all later years and for purposes of both the regular tax and this section) be consistent with its treatment for the year in which it arises.

"(2) TIME FOR MAKING ELECTION.—Any election under paragraph (1) with respect to any item shall be made not later than the due date (with extensions) for filing the return under this chapter for the taxable year in which such item arose.

"(3) REVOCATION ONLY WITH CONSENT.—Any election under paragraph (1) may be made only in the manner provided by regulations, and may be revoked only with the consent of the Secretary.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 3. IMPOSITION OF CORPORATE MINIMUM TAX.

(a) IN GENERAL.—Section 56 (relating to corporate minimum tax) is amended to read as follows:

"SEC. 56. ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

"(a) TAX IMPOSED.—

"(1) IN GENERAL.—A tax is hereby imposed (in addition to any other tax imposed by this subtitle) on each corporation in an amount equal to the excess (if any) of—

"(A) 15 percent of so much of the corporate alternative minimum taxable income of the taxpayer for the taxable year as exceeds $100,000 over

"(B) the regular tax for the taxable year.

"(b) CORPORATE ALTERNATIVE MINIMUM TAXABLE INCOME.—For purposes of this title, the term 'corporate alternative minimum taxable income' means the taxable income (determined without regard to the deduction allowed by section 172) of the taxpayer for the taxable year—

"(1) reduced by the corporate alternative minimum tax net operating loss deduction provided by subsection (d), and

"(2) increased by an amount equal to the corporate alternative minimum tax preference items.

"(c) CORPORATE ALTERNATIVE MINIMUM TAX PREFERENCE ITEMS.—For purposes of this section, the corporate alternative minimum tax preferences items are:

"(1) CERTAIN ITEMS OF TAX PREFERENCE.—The sum of the amounts determined under the following provisions of section 57(a):

"(A) Paragraph (2) (relating to accelerated depreciation of real property).

"(B) Paragraph (3) (relating to accelerated depreciation of leased personal property).

"(C) Paragraph (4) (relating to amortization of certified pollution controlled facilities).

"(D) Paragraph (5) (relating to mining and exploration and development costs).

"(E) Paragraph (6) (relating to circulation and research and experimental expenditures).

"(F) Paragraph (7) (relating to reserves for losses on bad debts).

"(G) Paragraph (8) (relating to depletion).

"(H) Paragraph (11) (relating to intangible drilling costs).

"(I) Paragraph (12) (relating to accelerated cost recovery deductions).

"(J) Paragraph (13) (relating to certain interest where taxpayer has tax-exempt income).

"(K) Paragraph (14) (relating to tertiary injectant expenses).

"(L) Paragraph (15) (relating to construction period carrying charges).

"(M) Paragraph (16) (relating to trademark and trade name expenditures).

"(N) Paragraph (17) (relating to completed contract method of accounting).

"(O) Paragraph (18) (relating to reforestation and land clearing expenses).

"(P) Paragraph (19) (relating to certain shipping income).

"(2) EXEMPT FOREIGN TRADE INCOME.—The amount by which taxable income would be increased if section 923(a) (after application of section 291(a)(4)) were applied with respect to any FSC by substituting—

"(A) 'no portion' for '30 percent' in paragraph (2), and

"(B) 'no portion' for '15/23' in paragraph (3).

"(3) INTEREST ON AMOUNTS USED TO ACQUIRE ESOP.—Any amount excluded from gross income under section 133 for the taxable year.

"(4) CERTAIN LIFE INSURANCE COMPANY DEDUCTIONS.—The amount of any deduction allowable for the taxable year under subsection (a) or (b) of section 806.

In determining the amount allowable as a deduction for any taxable year, section 291 shall be applied first.

"(d) CORPORATE ALTERNATIVE MINIMUM TAX NET OPERATING LOSS DEDUCTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'corporate alternative minimum tax net operating loss deduction' means the net operating loss deduction under section 172 for the taxable year for purposes of the regular tax, except that in determining the amount of such deduction—

"(A) in the case of taxable years beginning after December 31, 1985, section 172(b)(2) shall be applied by substituting 'corporate alternative minimum taxable income' for 'taxable income' each place it appears, and

"(B) the net operating loss (within the meaning of section 172(c) for any loss year shall be adjusted as provided in paragraph (2).

"(2) ADJUSTMENTS TO NET OPERATING LOSS COMPUTATION.—

"(A) POST-1985 LOSS YEARS.—In the case of a loss year beginning after December 31, 1985, the net operating loss for such year under section 172(c) shall be reduced by the amount of corporate alternative minimum tax preference items arising in such year.

"(B) PRE-1986 YEARS.—In the case of loss years beginning before January 1, 1986, the amount of the net operating loss which may be carried over to taxable years beginning after December 31, 1985, for purposes of paragraph (1) shall be equal to the amount which may be carried from the loss year to the first taxable year of the taxpayer beginning after December 31, 1985.

"(e) SPECIAL RULES RELATING TO CREDITS.—For purposes of this section—

"(1) CREDITS NOT ALLOWABLE.—For purposes of determining any credit allowable under subpart A, B, or D of part IV of this subchapter (other than the foreign tax credit allowed under section 27(a))—

"(A) the tax imposed by this section shall not be treated as a tax imposed by this chapter, and

"(B) the amount of the foreign tax credit allowed under secton 27(a) shall be determined without regard to this section.

"(2) FOREIGN TAX CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

"(A) DETERMINATION OF FOREIGN TAX CREDIT.—The total amount of the foreign tax credit which can be taken against the tax imposed by subsection (a) shall be determined under subpart A of part III of subchapter N (section 901 and following).

"(B) INCREASE IN AMOUNT OF FOREIGN TAXES TAKEN INTO ACCOUNT.—For purposes of the determination provided by subpargaph (A), the amount of the taxes paid or accrued to foreign countries or possessions of the United States during the taxable years shall be increased by an amount equal to the lesser of—

"(i) the foreign tax credit allowable under section 27(a) in computing the regular tax for the taxable year, or

"(ii) the tax imposed by subsection (a).

"(C) SECTION 904(A) LIMITATION.—For purposes of the determination provided by subparagraph (a), the limitation of section 904(a) shall be an amount equal to the same proportion of the sum of the tax imposed by subsection (a) against which such credit is taken and the regular tax as—

"(i) the taxpayer's corporate alternative minimum taxable income from sources without the United States (but not in excess of the taxpayer's entire corporate alternative minimum taxable income), bears to

"(ii) the taxpayer's entire corporate alternative minimum taxable income.

For such purpose, the amount of the limitation of section 904(a) shall not exceed the tax imposed by subsection (a).

"(D) DEFINITION OF CORPORATE ALTERNATIVE MINIMUM TAXABLE INCOME FROM SOURCES WITHOUT THE UNITED STATES.—For purposes of subparagraph (C), the term corporate alternative minimum taxable income from sources without the United States' means taxable income from sources without the United States, adjusted as provided in paragraphs (1) and (2) of subsection (b) (taking into account in such adjustment only items described in such paragraphs which are properly attributable to items of gross income from sources without the United States).

"(E) SPECIAL RULE FOR APPLYING SECTION 904(C).—In determining the amount of foreign taxes paid or accrued during the taxable year which may be deemed to be paid or accrued in a preceding or succeeding taxable year under section 904(c)—

"(i) the limitation of section 904(a) shall be deemed to be the amount of foreign tax credit allowable under section 27(a) in computing the regular tax for the taxable year increased by the amount of the limitation determined under subparagraph (C), and

"(ii) any increase under subparagraph (B) shall be taken into account.

"(3) CARRYOVER AND CARRYBACK OF CERTAIN CREDITS.—In the case of any taxable year for which a tax is imposed by this section, for purposes of determining the amount of any carryover or carryback to any other taxable year of any credit allowable under section 30 or 38, the amount of the limitation under

section 30(g) or 38(c) (as the case may be) shall be deemed to be—

"(A) the amount of such credit allowable for such taxable year (determined without regard to this paragraph), reduced (but not below zero) by

"(B) the amount of the tax imposed by this section for the taxable year, reduced by—

"(i) the amount of the credit allowable under section 27(a), and

"(ii) in the case of the limitation under section 38(c), the amount of such tax taken into account under this subparagraph with respect to limitations under section 30(g).

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) REGULAR TAX.—The term 'regular tax' means the taxes imposed by this chapter for the taxable year (computed without regard to this section and without regard to the taxes imposed by sections 47(a), 531, and 541).

"(2) TAXABLE YEAR IN WHICH ITEM ARISES.—In the case of any amount which is taken into account for regular tax purposes in more than 1 taxable year, such amount shall be treated as an item arising in the first such taxable year.".

(b) ESTIMATED TAX.—Sections 6154(c)(1) (defining estimated tax) and 6655(f)(1) (defining tax) are each amended by inserting ", 56," after "section 11".

(c) CONFORMING AMENDMENTS.—

(1) Section 26 (relating to definition of tax liability) is amended—

(A) by striking out subparagraph (A) of subsection (b)(2) and by redesignating subparagraphs (B) through (H) of subsection (b)(2) as subparagraphs (A) through (G), respectively, and

(B) in subsection (c)—

(i) by inserting "(1)" before "For" and by adding at the end thereof the followong new paragraph:

"(2) For treatment of tax imposed by section 56 as tax not imposed by this chapter, see section 56(e).",

and

(ii) by striking out the heading and inserting in lieu thereof:

"(c) SPECIAL RULES FOR MINIMUM TAXES.—".

(2) Section 57 (relating to items of tax preference) is amended—

(A) by striking out the last sentence of subsection (a),

(B) by striking out subsection (b), and

(C) by striking out subsection (3).

(3) Section 58 (relating to rules for application of past) is amended—

(A) by striking out "$10,000" in subsection (b) and inserting in lieu thereof "$100,000",

(B) by striking out "respective regular tax deduction (within the meaning of section 56(c))" and inserting in lieu thereof "respective corporate alternative minimum taxable incomes (within the meaning of section 56(b))",

(C) by striking out subsection (d),

(1) by striking out paragraph (1) of subsection (f) and

"(2) by striking out "the item of tax preference set forth in section 57(a)(9) and" in paragraph (2) of subsection f.

(4) Section 882(a) (relating to tax on foreign corporations connected with United States business) is amended by striking "section 11 or 1201(a)" in paragraph (1) and inserting in lieu thereof "section 11, 56, or 1201(a)".

(5) The table of sections for part VI of subchapter A of chapter 1 is amended by striking out the item relating to section 56 and inserting in lieu thereof the following new item:

"Sec. 56. Additional minimum tax on corporation.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

MINIMUM TAX REFORM ACT OF 1985—CORPORATE MINIMUM TAX

Tax Rate: The tax rate would be 15 percent of corporate alternate minimum taxable income ("CAMTI") above $100,000. The minimum tax would be payable only if it exceeded a corporation's regular income tax liability.

Tax Base: CAMTI would be equal to taxable income (as computed under the regular income tax) with the following changes:

(1) The net operating loss ("NOL") deduction would be disregarded and instead a special alternative minimum tax NOL deduction would be allowed. This special NOL deduction would be computed under the same principles as used for the present alternative minimum tax for individuals.

(2) Items designated as tax preferences would be added back to taxable income.

The 15 percent tax would be imposed on CAMTI in excess of $100,000.

Credits: Credits would be treated the same as under the present individual alternative minimum tax, *i.e.*, no credit except for foreign tax credit (and any refundable credit) could be used to offset the minimum tax. Carryovers and carrybacks of "unused" credits would be allowed.

Election: A corporation could elect to forego the preference component of any tax preference item for purposes of the regular tax. In such case, the item would not be treated as a tax preference for purposes of the minimum tax.

TAX PREFERENCE ITEMS

(1) *ACRS deductions for all real and personal property.* The excess of the ACRS deduction over economic depreciation (determined under the tax code section 312(k) rules for computing earnings and profits).

(2) *Amortization of certified pollution control facilities.* Maintains current law.

(3) *Mining exploration and development cost.* Present law for individuals expanded to include corporations.

(4) *Newspaper and magazine circulation expenditures.* Present law for individuals expanded to include corporations.

(5) *Research and experimental expenditures.* Present law for individuals expanded to include corporations, but more favorable to all taxpayers in that a five-year, not ten-year, amortization period is used.

(6) *Depletion allowance.* Maintains present law.

(7) *Capital gains.* Retained as preference item, but without special rule for timber.

(8) *Intangible drilling costs.* Strengthens present law rule for individuals by repeating the provision exempting preference treatment for intangible drilling costs to the extent of oil and gas income, and extends the rule as modified to corporations.

(9) *Exempt foreign trade income of an FSC (foreign sales corporation).* (Section 921 et seq.)

(10) *Bad debt reserves.* The excess of the deduction for additions to bad debt reserves for *all* corporations (not merely financial institutions) over specific charge-offs. (Strengthens present law for financial institutions and extends to all corporations.)

(11) *Special life insurance company deductions.* The deduction allowable under section 806 (a) or (b) of the tax code.

(12) *Completed contract method of accounting.* For taxpayers using the completed contract method of accounting, the excess (if any) of the income that would be reported if the percentage of completion method were used, over the income reported.

(13) *Construction period carrying changes.* (Section 189.)

(14) *Certain interest where taxpayer has tax-exempt income.* Interest deductions to the extent that tax-exempt income exceeds interest disallowed under section 265.

(15) *Excluded ESOP interest income.*

(16) *Trademark and trade name expenditure deductions.* (Section 177.)

(17) *Certain shipping income.* The annual net increase to any construction reserve fund or capital construction fund established under section 511 and 607 of the Merchant Marine Act.

(18) *Reforestation expenditure deductions.* (Section 194.)

(19) *Land clearing expenditure deductions.* (Section 182.)

(20) *Soil and water conservation expenditure deductions.* (Section 175.)

(21) *Tertiary injectant expense deductions.* The excess of tertiary injectant expense deductions (Section 193) over the deduction that would be allowable if such expenses were capitalized and amortized over two years.

(22) *Railroad grading and tunnel bores.* The deduction allowed under section 185.

INDIVIDUAL MINIMUM TAX

The present alternative minimum tax for individuals (Section 55) would be retained, with the following changes.

Tax rate: reduced to 15 percent.

Alternative tax itemized deductions: The deduction for state and local taxes allowed in Section 164 would be added to the list of alternative tax itemized deductions.

Exemption amounts: The exemption amounts would be increased as follows: joint return: $40,000 to $50,000; individual; $30,000 to $40,000; married filing sep./trust; $20,000 to $25,000.

Alternative minimum taxable income floor: Alternative minimum taxable income—as produced by adding the items of tax preference to adjusted gross income—could in no event be less than the "alternative minimum taxable income floor," a new concept added by the legislation.

The alternative minimum taxable income floor would consist of two categories of income: (1) the individual's earned income (either from salary or business enterprises controlled by him) and (2) investment income (generally, dividend and interest income). Losses from secondary business activities and investments could not be claimed against the foregoing two income categories.

Election. Same as for proposed corporation minimum tax.

TAX PREFERENCE ITEMS

1. All of the tax preference items listed above for corporations, except the following items that are inapplicable to individuals; a. Exempt foreign trade income of an FSC; b. Special life insurance company deductions; c. Railroad grading and tunnel bores.

2. Incentive stock options. (Section 57(a)(10).) Maintains present law.

3. Dividend exclusion (Section 116). The treatment of the dividend exclusion amount

as a tax preference item (Section 57(a)(1)) would be repealed.

Mr.CHAFEE. Mr. President, today I am joining my colleague, Senator MOYNIHAN, in introducing a comprehensive minimum tax bill for both corporations and individuals. Although the current Tax Code has an alternative minimum tax for individuals and an add-on minimum tax for corporations, neither of these tax provisions is doing the job of insuring that all Americans and corporations pay their fair share of revenues.

There will be a great deal of discussion in Congress this year about the need for tax reform. If Congress does not achieve reform of the Tax Code, I believe we will face a tax revolt of major consequence in this country. While the legislation we are introducing today cannot by itself provide comprehensive tax reform, it does address one of the major issues in the tax reform debate—the issue of fairness. It is thus an interim step pending full consideration of comprehensive tax reform.

The need for fairness is far and away the most pressing reason why we need to overhaul the U.S. Tax Code. The American public has known for a long time that too many individuals and corporations do not pay their fair share. Every time an American citizen reads in the newspaper that a major corporation pays no income tax despite millions—or even billions—of dollars in profits, it reinforces popular distrust of the present system.

Polls have consistently indicated that a vast majority of the taxpaying public would not mind paying their current level of taxes if they thought that others were paying their fair share.

When we read in the newspapers that this or that massive corporation pays less than the average wage earner in America, even though each reported large profits to its shareholders, we know something is wrong. According to a study by Citizens for Tax Justice, 128 multinational corporations paid no taxes for at least 1 of the years between 1981 and 1983 despite their having received $57 billion in combined profits.

On the individual side of the ledger, the picture is no different. Statistics from the Treasury Department indicate that in 1983, 9,000 people earning at least $250,000 legally avoided all taxes; thousands of others came close. In 1969, when outgoing Treasury Secretary Joseph W. Barr revealed that 154 people getting more than $200,000 a year had paid no Federal taxes in 1967, the public was outraged. Today, many Americans brag about tax avoidance.

The cover of a recent magazine, Money, for example, featured a picture of three wealthy citizens, all sporting formal attire and holding up champagne glasses, under the headline "These Three People Have Made Fortunes But Paid No Taxes Last Year—Here's How You Can Slash Yours."

This perception of inequity in your tax system hurts compliance with our tax laws. As with any other law, people do not tend to obey those which they do not respect and which they do not perceive as fair.

The bill I am joining in the introduction of today is designed to correct this situation. It would compel wealthy individuals and profitable corporations to pay a minimum tax of at least 15 percent for income over the threshold amounts—$50,000 for individuals and $100,000 in the case of corporations.

The current corporate add-on minimum tax would be replaced by a new alternative minimum tax. The minimum tax would apply only to income in excess of $100,000, and would work very much like the current alternative minimum tax for individuals. The corporation would compute its regular tax liability, compare it with the minimum tax and pay whichever tax is greater.

The corporate minimum tax would still allow a deduction for certain net operating losses, but no tax credits would be allowed to reduce the minimum tax, except the foreign tax credit and any refundable tax credits. Carryovers and carrybacks of "unused" credits would be allowed. The 15-percent tax rate would apply to the adjusted gross income of the corporation less the special net operating loss deduction and certain itemized deductions.

Preliminary estimates are that the corporate minimum tax provisions would raise $13.5 billion in the first 3 years: $3 billion in the first year, $5 billion in the second year, and $5.5 billion in the third year. The individual minimum tax provisions would raise approximately $1 billion a year. These are preliminary estimates which are subject to change and refinement.

The new individual minimum tax would work very much like the current alternative minimum tax except that the number of so-called preference items would be increased and the rate would actually be lowered to 15 percent from the current 20 percent. This approach is consistent with the theory of tax reform now under consideration; namely, that we should try to broaden the base and lower rates.

It should be noted that the new individual minimum tax provisions put forth a new controversial measure for making certain that we truly have a minimum tax that works.

This new approach requires individuals who earn more than $50,000 in salary or from interest or dividends actually pay a minimum of 15 percent of that income in tax, even if they subsequently go out and invest their income and lose a portion of it. There may be some harshness in this approach, but we have seen that the current system is not assuring that everyone earning over $50,000 pays at least a minimum amount in tax.

This approach will be subject to heated debate, but it is certainly worth considering. This bill thus "puts it on the table" for discussion.

I look forward to the upcoming debate over comprehensive tax reform and I think the bill which Senator MOYNIHAN and I are introducing today is consistent with that effort. I urge my colleagues to join with us in support of this proposal.

Mr. MOYNIHAN. Mr. President, I see that the Senator from Rhode Island is on the floor. I know he wishes to speak and I look forward to hearing from him. I yield the floor.

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I want to express my support for the tax reform legislation produced by the Senate Finance Committee, along with my congratulations and gratification for that effort to the Senator from Oregon [Mr. PACKWOOD], the chairman of the committee and those of his committee colleagues who played such an important role in that accomplishment.

The legislation produced by the Finance Committee is clearly an effort to return fairness to our Nation's income tax system. That effort comes none too soon, for there has been evidence that more and more Americans feel that current tax law provides too many opportunities for the rich and powerful to escape their fair share of the cost of maintaining the Federal budget.

The proposal before the Senate for action clearly provides relief to millions of low-income Americans, who need such relief. And, the bill clearly attempts to close tax loopholes and eliminate tax shelters for the rich, who need no such assistance in their quest for greater wealth.

Just as important, the tax reform bill intends to make commonsense one of the important factors when it comes to deciding how Americans will spend their money. Too often, under current law, money is spent to create tax losses or to take advantage of tax loopholes or to shelter wealth.

One of the exciting aspects of the proposed tax reform bill is that it has the potential to encourage greater spending to increase productivity or to produce profits or to enrich all Americans.

Equally exciting, of course, is the prospect that the bill will provide more fairness in our tax system. Absolute fairness is probably beyond our ability to achieve, but the Finance

Committee surely has recommended a great improvement over the present system.

It is clear that many special interests have suffered defeat in this effort to wipe out the special advantages that have been given to a few Americans in our current tax law. I suspect there remain battles to be fought on that score.

Efforts to recapture—or to restructure—special, privileged treatment for special interests should be rejected. At the same time, if changes are proposed in the interest of fairness, those changes should be considered and made where they meet the test of greater fairness.

This tax reform bill is one of the more remarkable legislative achievements that I have experienced in more than a quarter century of service in the Congress. I sense that we are at a turning point in the history of our Nation's system of taxation and that a great opportunity for significant improvement is within our grasp.

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, it is with a sense of excitement and anticipation that we begin the debate today on the Reform Tax Act of 1986. I think we have all acknowledged, and it really is true, Mr. President, that this is not just another tax bill. This is really true tax reform.

I think we owe a great tribute to the leader of the Finance Committee, Senator BOB PACKWOOD, for bringing us to this point. I have been a member of that committee, as has the distinguished speaker who preceded me by one, that is Senator MOYNIHAN, for some 8 years now. As such, we participated in three of the major tax bills: the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, and the so-called Tax Reform Act of 1984.

But the bill we are beginning debate on today is a radical departure from those bills. This bill is a culmination, as we all know, of months of work and the gradual evolution of thinking of those of us who have been truly concerned about our tax system over the years.

Certainly there are many people who deserve credit for this. Of course, we must recognize President Reagan, who made tax reform his No. 1 priority. Even when the issue looked close to hopeless when the House of Representatives was debating the bill last year, the President kept faith. And even though a bill emerged from the House that he found completely unsatisfactory and indeed said he would veto if that was the final version, he urged Members of the House to vote for it and to send it to the Senate, because he believed that when it came to us we could straighten it out.

I must say, Mr. President, we almost let President Reagan down. There were moments this spring in the Finance Committee when I and others thought the bill would die—and, again, we thought perhaps it was best if it did—because clearly the way it was proceeding was not the route of tax reform. But our chairman, Senator BOB PACKWOOD, came to the rescue and resurrected the spirit and the philosophy of tax reform which the President has wanted from the beginning.

Certainly, we owe a deep debt of gratitude to Senator BILL BRADLEY from New Jersey, because he was, of course, one of those who way back in the beginning thought about this concept and perservered. Thus he was a major factor in our getting this bill out of the committee.

Now what does the bill actually do? The first and most dramatically obvious point about the bill is that it lowers the rates substantially. As has been pointed out, the maximum individual rate, which was 70 percent a few years ago and is now 50 percent, would go to 27 percent. Most of the citizens of our country who are taxpayers, 80 percent of the taxpayers, would pay at the rate of 15 percent. The maximum corporate rate would come down from the present 46 percent to 33 percent. This is a remarkable accomplishment.

Now, these lower rates are the reward that all the taxpayers receive from tax reform. They are clear evidence that we have indeed eliminated the loopholes. We are able to lower the rates for all Americans because we repeal the special tax breaks that were enjoyed by a select few. We have actually achieved the three original goals the President stated he sought for tax reform: fairness, simplicity, and economic efficiency.

Now, let us just briefly talk about fairness. That is the overall most important achievement of this legislation.

□ 1700

We wanted to ensure, as the Senator from New York Senator MOYNIHAN, pointed out previously, that persons with the same economic income are paying the same level of tax, and that no corporations were escaping paying tax if they are profitable. That certainly is not true under the existing code. Major corporations that are profitable are paying no tax. That is wrong. The same is true for individuals. Many extremely wealthy individuals with massive incomes are paying no tax at all. This is an outrage. It is an outrage to the American people, and rightfully so.

Now, the goal of fairness is achieved in two ways. First, by the elimination of the special deductions, credits, and exemptions that are available for certain groups of taxpayers. It is not everybody that can get these special breaks, just those who are wealthy enough to be able to invest in these tax shelters.

The second major component of fairness in the legislation is the minimum tax—20 percent for everybody, corporations and individuals. So this bill achieves the goal of fairness.

What about simplicity? True, we have made a substantial stride toward simplicity. I do not think any tax code is going to be completely simple, and people will point out that this bill is over 800 pages. I do not know exactly how many pages it is but it is long. Nevertheless, when it is all said and done, it is going to be a simpler code than we have now. It will have only two rates for individuals—15 percent and 27 percent. I think probably the greatest step toward achieving simplicity is the elimination of the differential for individuals between capital gains and ordinary income.

I think a third of the code, and certainly a third of the time of revenue agents, is devoted to trying to distinguish what is a capital gain, what is ordinary income. That differential has been eliminated. It is all treated the same. It is counted as ordinary income.

What about the final goal? We sought fairness, we sought simplicity, but what about economic efficiency? Has that been served by the proposed lower rates? Gone as we have said so many times are the so-called incentives. The purpose of these incentives was that we in the Finance Committee, and we in the Congress thought it would be better for such and such activity to take place. Thus we tried to encourage this activity through the Tax Code. We tried to encourage this type of exploration, this type of solar power, this type of investment in research and development, or whatever it might be. We tried to use the Tax Code to achieve these investment goals.

What we have done in this tax reform bill is to eliminate many of those incentives, and say to the people of America, you invest your money in the fashion that you think makes the most sense to you. We believe you have some brains out there, Mr. American and Mrs. American. You can make the correct decisions. We are not going to have what we call an industrial policy that is dictated by the Tax Code of the country.

With tax reform, capital should flow naturally to its most productive use. The Government will not be intervening in the marketplace through the Tax Code. Now we keep some incentives. We have carefully debated those, and members of the Finance Committee thought these were worthwhile incentives to keep. Some are for

research and development, some for historic rehabilitation, and some for low-income housing. But we have learned our lesson about the efficiency of trying to run the country through the Tax Code. We ended up in this bill encouraging investment in far fewer activities than in the past because we say what we did in the past was not economically efficient.

The current Tax Code provisions have resulted in too many boxcars, too many barges on the Mississippi River, and too many buildings in Houston that eventually ended up empty.

Over the last 20 years we enacted dozens of tax incentives to encourage every activity from oil wells to windmills. It happened gradually. I think most of us felt when we put these in the Tax Code that really they did not cost any money. We did not look at it that way. We did not realize, or perhaps did not pay as much attention as we might have, to the loss to the Treasury as a result of this special incentive, this deduction, or this credit.

I took a look into the history of this. I think people might be interested in these statistics. In 1970, only 15 years ago, the Government collected $2.88 for every dollar of tax incentives. In other words, in 1970, there were some tax incentives in the code, but for every dollar of those incentives there was $2.88 of revenue that the Government obtained. Now that has been reversed. Now because we have so many of these incentives, the Government collects 98 cents in tax for every dollar of these incentives on the other side.

I believe that as we debate this tax reform bill we ought to take to heart the lessons learned in the Finance Committee. The engine that is driving this legislation is the lower rates. We cannot start putting back into the bill a variety of special tax breaks, or we will see ineviably the tax rates climb. I am sure people are going to come and say this is a marvelous provision, it is going to create so many jobs, and all we will have to do is kick up the corporate rate 1 percent. What is the difference between 33 and 34 percent? Pretty soon along will come somebody else with a wonderfully attractive provision, and all we will do is increase the top rate for individuals from 27 to 28 percent. Once we start down that slippery path, we will lose the momentum we currently have. Others will rise. There are 100 Senators here with 200 ideas or more for incentives. And we will just be back in the pickle we were in before this legislation came along.

The bill is not perfect. There are clearly going to be changes if not on the floor here, then perhaps in conference. Nevertheless, I hope we can keep the amendments to a minimum, and of course act responsibly to make sure that all amendments are revenue neutral. In other words, if you want to propose amendment which loses revenue, then you will have to get the money to pay for it.

One of the items that has been discussed here a lot is the individual retirement accounts. I support those. I hope some way can be worked out to preserve the individual retirement account [IRA]. But I personally will not vote for a restoration of the IRA if that means increasing the tax rates. I will not vote for them if it endangers the passage of this legislation.

I have an amendment myself on a separate subject. It does not cost any money. That deals with the environmental matter, the so-called Barrier Islands.

(Mr. BOSCHWITZ assumed the chair.)

For a long time I have been frustrated by the fact that the Environment and Public Works Committee, which some seven members of the Finance Committee serve on, and which I also serve on, is constantly trying to protect lands, and fragile barrier beaches along our Atlantic and gulf coasts. Meanwhile the Finance Committee keeps passing tax incentives to develop projects encouraging more rapid depreciation, treating real estate in a very favorable fashion, even though obviously in this particular bill the incentives for real estate are greatly reduced. But nonetheless I do not think that we ought to have any legislation that encourages development of our coastal barrier resources.

So, therefore, the legislation I have would not allow developers to take accelerated depreciation for building on these fragile islands, and I cut back on other tax incentives that exist.

I am full of hope that we are really going to be able to pass this historic tax reform. It is going to be difficult to resist so-called special interests, but I think if we band together, we can do so. If we pass this bill essentially as it is, I think we are going to not only restore the public's confidence in the tax system, but I think we are going to set free the financial resources of this Nation in a fashion that we have not seen for many, many years. We have to realize—and I think the chairman, Senator PACKWOOD, spoke of this when he made his introductory statement—there was splendid growth and investment in this Nation long before we had a Tax Code.

So I think we ought to look at this bill as a return to those days when capital investments, and investments of all nature, were made because the person sought a profit, not because he sought a tax deduction. He saw there was an economic incentive, and he did not make a decision because there was a tax credit or deduction out there.

□ 1710

This bill, with the lowest rates in half a century, is exactly the revolutionary act that the President called for.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. CHAFEE. I would be delighted to.

Mr. MOYNIHAN. One of the reasons is apparent as to how the Finance Committee went about this in their deliberations. The Senator mentioned precisely about the provisions in the bill that would put an end to the tax shelters and the things that would be positive income, passive income, ending tax preferences for this activity or that activity, and then he mentioned the Internal Revenue Service. He can recall the discussion, I am sure, concerning the degree to which this will free the resources of the Internal Revenue Service which are to police the Tax Code generally rather than to determine whether this is a capital gain or whether that is normal income or what. I am sure the Senator will recall that.

Mr. CHAFEE. The Senator is correct. Any discussion with the Internal Revenue Service will indicate that a massive amount of time of the agency, perhaps as much as a half——

Mr. MOYNIHAN. A third, I believe.

Mr. CHAFEE. A third of the agency's time is used in trying to sort out whether this particular income as the taxpayer reported it was a capital gain or ordinary income.

Mr. MOYNIHAN. Or a legitimate shelter.

Mr. CHAFEE. Or tries to make it a legitimate shelter. But on those agents' time, not immediately, because they will be sorting through the tax returns for many years to come, eventually it will mean that they can spend their time on far more constructive projects auditing far more returns than they are auditing now. I think the audit rate is something less than 2 percent currently. I believe that is the figure. The time of the agents will be freed up so they can audit far more returns and the income to the U.S. Treasury I believe will be greatly increased as a result of that.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Tax Reform Act of 1986 presents the Senate with an historic opportunity. For the first time, we have a realistic chance to enact fundamental and comprehensive reform of our unfair, inefficient, and bloated Internal Revenue Code.

There is a certain atmosphere of inevitability about this legislation after the 2-year gauntlet it has run to reach the present stage.

There are many who deserve credit for the distance this bill has traveled:

For years, Joseph Pechman of the Brookings Institution was a voice in

the wilderness, urging Congress and the country that tax reform need not be pursued only by the arduous strategy of closing one loophole at a time, and that comprehensive tax reform could be achieved in one fell swoop by closing all the loopholes at the same time and using the revenues saved to reduce tax rates for all taxpayers.

Senator BILL BRADLEY and Congressman DICK GEPHARDT translated that idea into far-reaching legislation in 1981 and launched the movement that brought us where we are today.

President Reagan embraced the idea in 1984, and his Treasury proposals added the practical catalyst needed for reform—raising taxes on corporations in order to increase the tax relief available for individuals.

Under the brilliant leadership of DAN ROSTENKOWSKI, the separate threads in the drive for tax reform were skillfully woven together in 1985 in the House Ways and Means Committee, and the subsequent passage of the committee bill by the full House of Representatives last December set the stage for the dramatic events that have now unfolded in the Senate Finance Committee in 1986.

It is no secret that the Senate Finance Committee has often been the graveyard of tax reform. Less than a month ago, it seemed that once again the special interests would prevail, that lower rates for all taxpayers would fall victim to excessive benefits for the few, that economic efficiency would be sacrificed to shelter-seeking investment, and that millions of low-income taxpayers would continue to underwrite a handful of wealthy tax avoiders. The likely outcome seemed distressingly familiar.

But the committee chose to ignore the traditional script. It correctly recognized that our once simple and straightforward tax system had become so complicated and loophole-ridden that only radical surgery would work. They insisted on the fundamentals of tax reform—a broad base tax, an end to special tax treatment, and low tax rates. The radical solution worked. Under the bill before us:

A vastly simplified tax structure will be created of for both individuals and corporations, and 80 percent of all taxpayers will pay a rate of tax no higher than 15 percent; and the remainder will pay a rate of 27 percent.

Six million low-income households—many of them driven below the poverty line by taxes—will be taken off the tax rolls; $100 billion in corporate tax loopholes will be closed.

The capital gains exclusion will be repealed for individual taxpayers—a provision which gives a $156 billion tax break to those earning over $200,000 a year.

And a tough minimum tax will end forever the shoddy spectacle of profitable corporations and wealthy individuals who pay no taxes at all.

I support this bill, and I will vote for it enthusiastically. I am sure that all of us can think of ways that it might be improved and, in fact, there are elements of the House bill that I prefer. I intend to work with others in the Senate to see if the bill can be made somewhat more progressive in the way it taxes individuals. But I do not intend to offer or support other amendment on the Senate floor which would make significant changes in the legislation before us or jeopardize its passage.

Nothing would give the special interest lobbyists more pleasure than to see this legislation unravel on the Senate floor or in the conference with the House or Representatives. Nothing would more endanger this bill in the coming days than for the Senate to adopt the Trojan Horse amendments waiting in the wings. I say to my colleagues, beware of lobbyists bearing tax deductions for IRA's, State and local taxes, or passive losses. Appealing as some of these proposals may seem, they are a clear and present danger to tax reform, and they ought to be defeated.

Obviously, the most sacred of the sacred cows in the Internal Revenue Code have not been abolished in this bill. Tax free interest on State and local government bonds continues to be tax free; deductions continue to be available for some mortgage interest, property taxes, and contributions to charity. But that is hardly an argument againt this bill. In an extraordinary exercise of intellectual ability and practical political achievement, the Finance Committee has drawn a line that works, and the acclaim the bill is now receiving is eminently justified.

Year after year in the past, we have made our Tax Code more complicated, less efficient, and less fair. Year after year this Senator, Senator BRADLEY, and others have urged that we turn our attention to tax reform. This year, for the first time in decades, we have a real opportunity to achieve those elusive goals. For the first time in a generation, the impossible dream of tax reform is on the threshold of reality—and it is our responsibility to make it happen.

When the Finance Committee completed its work, I said that their accomplishment was historic. I want to underscore that praise now and offer my congratulations to Chairman BOB PACKWOOD, senior Democrat RUSSELL LONG, Senator BILL BRADLEY, and all of their committee colleagues. The Senate should honor their unprecedented achievement by enacting the measure that—against the odds—they have so skillfully crafted.

I congratulate all of them and look forward to the debate and discussion in the days ahead.

● Mr. PELL. Mr. President, as the Senate begins debate on comprehensive reform of our Federal Government tax system, I wish to express my general support for the tax reform bill presented to us by the Senate Finance Committee.

The legislation, in my view, meets the major tests for real and meaningful tax reform:

It reduces tax rates, so that decisions on purchases, sales and investments will be based more on economic grounds and less on how those decisions affect one's taxes.

It would remove from the tax rolls millions of low-income workers and families, whose income is barely sufficient to meet essential needs and who should not be required to pay Federal income taxes.

To reduce tax rates and provide justified tax relief to low-income families, the bill would eliminate many tax credits, deductions and allowances that have distorted our economy and that have permitted many corporate and individual taxpayers to shelter their income from Federal taxes.

It would provide a modest but real tax cut for most individual taxpayers and shift a portion of the tax burden from individuals to business, thus correcting the excessive tax reductions provided to corporations by the 1981 tax act.

By reducing the number of tax brackets, deductions and tax shelters, the bill would make real progress toward simplifying our tax system for most individual taxpayers.

At the same time, the bill before us would preserve provisions of our tax law that are necessary for fairness in our tax system. These provisions include the exemption from taxes of traditional employee fringe benefits, the deduction of interest on home mortgages, and the full deduction of State and local income and property taxes.

For all of these reasons I intend to support the tax reform bill presented by the Finance Committee.

This is not to say, however, that the bill is flawless. It does in fact contain provisions with which I disagree and which I hope will be corrected either here in the Senate or in the House-Senate conference before final enactment of the bill.

For example, I disagree with the elimination of the existing deduction for State and local sales taxes, and I know that many thousands of taxpayers in the State of Rhode Island are dismayed at the new restrictions that would be placed on individual retirement accounts. In addition, I am concerned at potential unfairness that may be involved in the retroactive application of some provisions of the bill.

And, there are other provisions as well that I believe could and should be improved upon.

Beyond the individual provisions of the bill, I believe there is reason for deep concern over the question of whether this legislation will produce adequate revenues. The Finance Committee's objective was to produce a bill that would neither increase nor decrease revenue on the average over a 5-year period.

Unfortunately, the bill meets that objective only by delaying the effective date of the lower tax rates to a time after the effective dates for elimination of many deductions and tax credits. The result is to front-load the revenue from the new tax system, increasing revenue by $22 billion in the first year. Once that first year has passed, however, we will be facing several years of a tax system that will be raising significantly less revenue than the current tax system.

In my view, the result is a bill that is not truly revenue-neutral. The bill will in fact produce less revenue than is needed to pay for current, essential Government functions and services without increasing the already large annual Federal budget deficits. And this will happen at a time when we will be required by the Gramm-Rudman Act to significantly reduce the budget deficit each year. Unless this revenue shortfall in the tax reform bill is corrected, the result will be extreme pressure in the next few years to make further large reductions in Federal Government programs—in both defense spending and in nondefense spending which I believe has already been cut about as much as it should be.

I intend to support the tax reform bill presented to the Senate. But I hope we can find it possible to improve it before we finally send it to the President for his signature.●

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1720

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, while we are awaiting another development here, let me indicate to the distinguished chairman of the Appropriations Committee that we are waiting to get Senator MELCHER in contact with Senator HELMS. We hope that can be done rather quickly because I would like to propound a unanimous-consent request. As I said earlier, it will take the Appropriations Committee some time to get ready. If we are not going to do that, the other Senator from Oregon [Mr. PACKWOOD] needs to know what to do on the tax bill tomorrow or tonight or whatever. So I hope we can resolve this very quickly. If we cannot get an agreement, then we will stay on the tax bill.

I understand the scouts are out. So as soon as we locate Senator MELCHER, I hope we can come to some agreement.

I shall only say with reference to the tax bill, Mr. President that we have had some good statements today. I think for better or for worse, we are breaking with tradition in the Senate this week. A few days ago, we turned the lights on and up. I assume they will stay on for some time, with a brief hiatus. We invited the American people to see us in action—that is two words, "in action." So far, we have had a lot of action—a lot of speeches, a lot of statements, I think a lot of groundwork being laid in a bipartisan way on the tax bill that came from Senator PACKWOOD's committee.

Today, we can take another leap forward, by discarding a tax system which is anything but fair. It's a code of inequality which even Albert Einstein found confusing and which Americans have long regarded as unfair and irrational. Whoever said that April was the cruelest month must have had the IRS in mind. It's a time for exchanging things: You, the taxpayer, send a chunk of your money to the Government in Washington, and the Government sends you a chunk of its deficit. It's great for some of the bigger spenders around this city, but for millions and millions of hardworking men and women, it adds up to a box of receipts. A bewildering set of instructions for filling out forms, a frantic rush to the post office, and 12 long months of resentment against any Government dedicated to the proposition that all tax shelters are created equal.

There is no doubt in my mind that there is a lot of momentum out there for this bill. I had a chance to visit with some of my Republican House friends today who were praising the Senate bill. I think there is a lot of interest in the rates. That is the glue that holds this together. That is the exciting part of the whole package.

I spoke to a group of people today. One gentleman reminded me, "I don't care what the rates are. If I pay more taxes than I paid last year, this is a bad tax bill." I assume that is the way some will approach it. On the other hand, I have met some people who have probably been using tax shelters and paid very little if any tax over the years and are willing to accept the Packwood proposal on the basis of what we are talking about—real reform and real reduction in rates.

I want to say as I did earlier that I commend Senators on both sides of the aisle for their efforts. Half a century ago, Will Rogers said that the income tax had made more liars out of the American people than anything he knew, with the possible exception of golf. In my view, when it comes to reforming as well as reducing taxes, here we have a responsibility—not only to the people who elected us and pay the bills of Government, but to the principles of equality and opportunity upon which our Government was founded.

We have begun the debate and again it is the culmination of half a dozen years of attempts to reform in one way or another the tax laws of this Nation. The answers have not come easily, but the policy has been consistent over the years. We have attempted to make a more honest effort to define what is income. As a result, we have been able to reduce the tax rate substantially. So I think it has been an evolution—maybe a revolution if we can have success in the effort now before us.

URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. DOLE. Mr. President, again it is the hope of the chairman and all members of the Committee on Finance that we can complete action on this bill by next weekend and that, hopefully, if we can move now to the supplemental, that would give Members who have indicated some displeasure at not having enough time to look over the documents and not having information from the Joint Tax Committee staff, a couple of days—in fact, 2 days plus the weekend. I think, as I understand the chairman of the Appropriations Committee, he is going to almost insist that we finish the supplemental on Friday; not that we may finish it, but that he would like to inists that we finish it.

So as soon as the distinguished Senator from Montana [Mr. MELCHER], who objected to taking up the supplemental before the recess and is now objecting to taking up the supplemental, arrives, we will, hopefully, get an agreement.

I am anxious to move, as the others, in part because we have been notified by Secretary Lyng today that we are out of money in the Commodity Credit Corporation as of tonight.

□ 1730

Mr. HATFIELD. If the Senator will yield, the leader is correct. Not only are we running out of money at the Commodity Credit Corporation but it appears we will be running out of money in at least three other agencies including Treasury, HUD, and one other. That means that those agencies not only will not be able to send out the assistance to the farmers and the CCC but it may mean the laying off of

certain Federal employees in some of these other agencies.

Now, some people may not think that would be all too bad, but, on the other hand, I think we have to recognize the responsibility of the Congress to act, especially the Senate. We received this bill from the House which initiated the bill and now it is up to the Senate to act. The committee reported this bill out of the committee to the floor prior to the Memorial Day weekend recess and we are back here at square 1. We really have not even reached square 1 perhaps. So, I urge the leader, first of all, to call it up as quickly as possible and then once we call it up to pursue it to completion. We have about 35 amendments that we know will be offered by Members from the floor. It will take time to work out each one of those amendments.

There is a jurisdictional question between the Armed Services Committee and the Appropriations Subcommittee on Defense which will take some time. Therefore, I would urge the leader to consider going late into the evening tomorrow night, assuming that we can call it up today. I would be ready to go any length of time Thursday night. We have gone all night before on appropriations. I do not believe that is the best way to conduct business, but, on the other hand, we are at a point where we have to act in order to keep this Government running, some of the agencies at least. So I urge the leader, once we take it up, to pursue it to completion, if it takes Thursday night, Friday, and Saturday. I want to complete it once we take it up.

Mr. DOLE. I thank the distinguished chairman of the Appropriations Committee. I hope we will be able to take it up.

Mr. PACKWOOD. Will the leader yield?

Mr. DOLE. I must say it is frustrating when one Member attempts to hold up the tax bill, held up the supplemental before the recess, and is now holding up the supplemental again, and then expects all of us to cooperate to work out what he wants. There are 99 other Members who have some rights in this body, and I would hope he would understand that.

THE TAX BILL

Mr. PACKWOOD. While we are waiting for the Senator from Montana to arrive, let me pass along a few comments we have heard already. People have asked, and what the press has asked is, what effect I think TV will have. The Senator from New Jersey has mentioned one instance where it is working. He had three phone calls in his office this morning complaining about IRA's. And three people called back this afternoon, after having watched the statements today, saying, "We didn't realize the bill was like this," in essence the magnitude of it, "and what you are trying to do, and we don't want to stand in your way."

I think that attitude is growing around the country, not only on the IRA issue. I have seen now four or five polls where the level of knowledge of the bill with each subsequent poll is going up, and the level of approval of the bill is going up and up and up. What we are discovering is that as people learn what is in the bill, they are saying "I am willing to run that risk."

Let me give you another example. I was home in Oregon for the recess. A realtor from Hillsboro, OR came up to me and was very agitated about the bill. I said, "Wait a minute. I want you to understand. What are these properties? You manage them yourself?" "Oh, yes," he said. There were three or four houses and a duplex that he managed himself. He was unaware that in the bill he could first write off his losses against his income from the property. And, second, I said, "For those who are actively managing their property, in addition you have a $25,000 a year loss that you can take." That was specifically put into the bill for this kind of a situation, or for the couple where the woman is a CPA, the husband a teacher. They have a combined income of $40,000 or $50,000. They have a mountain cabin, a beach cabin. They rent it out from time to time, and every now and then you have to have a new furnace or a new roof, so the expenses for that year happen to be greater than your income from the rental that year. This bill amply takes care of them.

When I told the realtor from Hillsboro what the situation was, he said, "Let me be sure I understand. $25,000 as long as I manage the property, plus I can offset the expenses and get the income?"

I said, "Yes."

"Good enough for me," he says. "I can live with that." He says, "The only properties I am putting money into to begin with I think I can make money out of."

Well, boy, that is exactly what we hoped would happen in this bill—people would put their money into things they think they can make money on. So I think we are on our way.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. Mr. President, if I might suggest that the distinguished majority leader proceed to propound his unanimous-consent request.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I thank the distinguished minority leader.

I ask unanimous consent that at any time during the consideration of H.R. 3838, the tax reform bill, the majority leader, after consultation with the minority leader, may turn to the consideration of H.R. 4515, the supplemental appropriations bill.

I further ask unanimous consent that at any time during the consideration of the supplemental appropriations bill the majority leader, after consultation with the minority leader, may return to the consideration of the tax reform bill.

I finally ask unanimous consent that following the disposition of the tax reform bill, the Senate resume consideration of H.R. 4515, the supplemental appropriations bill, if not previously disposed of, and that no call for the regular order serve to displace H.R. 3838 or H.R. 4515.

Mr. BYRD. Mr. President, reserving the right to object—I will not object—this agreement is very satisfactory to me. I have cleared it with Senator MELCHER and others on this side of the aisle. I am sure that Senators would want to understand that they will not be precluded from calling up any amendments to either bill by virtue of this agreement. And the request that has been propounded by the distinguished majority leader does not restrict any Senator from calling up any amendment to either bill.

Finally, I am sure that the distinguished majority leader would join with me in saying that in the event the majority leader utilizes his control which would be given to him under this order to shift from one bill to the other, adequate notice would be given to managers of the particular bill, whichever it may be at the time, on both sides so that they can be on the floor. Am I correct, may I ask?

Mr. DOLE. The distinguished minority leader is correct, and that is why I am pleased we are about to receive this agreement, to obtain this consent so that I can notify the Appropriations Committee members to be prepared, if not yet this evening, tomorrow morning.

Mr. BYRD. Yes. I thank the distinguished majority leader. I remove my reservation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. I thank the distinguished minority leader, and I thank the distinguished Senator from North Carolina, who has been in contact with the distinguished Senator from Montana, and also the Senator from Oregon [Mr. HATFIELD].

Let me now announce my intention that, as I indicated to Senator BYRD, the minority leader and Senator HATFIELD, the chairman of the Appropriations Committee, it may be too late today to start—it is too late today to

start on the supplemental, but I would hope that immediately after the Saudi vote at 2 o'clock tomorrow we would start on the supplemental appropriations bill. I am advised by the chairman of the Appropriations Committee that he intends to push hard tomorrow, starting at 2 o'clock, and that on Friday we can expect to come in early.

Mr. HATFIELD. If the majority leader will yield, as I understand it, the Saudi vote will take place at what time?

Mr. DOLE. Two o'clock.

Mr. HATFIELD. Two o'clock. After 4 hours?

Mr. DOLE. Yes.

Mr. HATFIELD. So then it would be expected that we would lay down the supplemental at what time?

Mr. DOLE. I assume at 2:30 we should be on the supplemental.

Mr. HATFIELD. I would then say to the majority leader that we will be prepared to take it up at that hour and maybe even try to complete it tomorrow night late.

Mr. DOLE. I wish the Senator luck. But if not, I think the point I would make is it would be my intention to come in fairly early Friday morning and, after visiting with the chairman of the Appropriations Committee, I think I received a rather strong message that he would expect to finish the bill on Friday at a reasonable hour.

Mr. HATFIELD. Yes.

SPECIAL ORDERS

Mr. HATFIELD. May I make a suggestion to the leader for consideration perhaps not for tomorrow necessarily but for sometime in the future. As I recall, we used to have about four to five special orders that granted a certain period of time to Senators at the beginning of the day to make some statements. I understand that today it jumped to 18.

Mr. DOLE. Twenty-four, I think.

□ 1740

Mr. HATFIELD. Which, I suppose, might be interperted as having some relevance to the fact that we are now on television.

May I respectfully suggest to the leader that we put those special orders at the end of the working day, so that when we begin our sessions on the morning, fresh and ready to do the Nation's business, we will get to the calendar a little earlier. Then, for those who want to make statements for the public edification or for political purposes or for whatever purpose, if they want to stay around until 5 or 6 or 7 o'clock at night, then they can make these special statements, which really has less importance to the Nation's business than trying to get to the calendar.

I merely make that as a suggestion for the leadership to consider; because if we begin to see these special orders increasing at the rate they have since going on television, it might be better to do the Nation's business when we are fresh in the morning.

Mr. DOLE. That would appear to me to be a good suggestion. I think it is one we will reflect on in the little recess period when we pull the plug after 6 weeks. It is something I have discussed with the minority leader earlier. I am sure that when he was majority leader there were frustrations from time to time.

Another suggestion is to come in early, but if you do, you upset committee deliberations. You have difficulty if somebody objects to meeting. It is something we will have to consider.

In this special case—not because we are on television—I do not think it has made any real difference in the tax bill, when I believe more than half the special orders this morning were on that bill.

So we will wait until the bill comes up and discuss it. But that is a good suggestion, one that I wish we could find some solution to. It may be that tomorrow we will have only a few special orders. There are seven, which is not bad.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. BYRD. I hope we would not become too mesmerized with concern because the Senate is on television. Heretofore, special orders were usually 15 minutes each; and while there may have been only 4 special orders on a given morning, with 15 minutes each, that amounted to an hour.

My memory serves me in recollecting that on many occasions, a group of Senators on either side of the aisle or working on both sides of the aisle together, have gotten a number of special orders in order that those Senators might speak on a given subject, with respect to a particular issue that might be up front at the time, or with regard to a given bill or amendment which a group of Senators would be supporting. So this is nothing new, in that we may have 6, 7, 8, or 9 special orders of only 5 minutes each on a given morning—yesterday or today or tomorrow.

It is not just because television has come to the Senate, although I am glad to observe that so many Senators appear to be more interested now than ever in having television in the Senate. I have seen more body language in the delivery of Senators lately than ever before. So I think that even some of those who were opposed to having trial television in the Senate are now likely to be very happy with it, because they seem to be doing very well with it. They are making better speeches. They are using more gestures and more oratorical flourishes, and it seems to me that, overall, the debate has improved from a substantive standpoint.

Finally, let me say that whatever improvements Senators may wish to advance, I hope they will make their proposals to the ad hoc groups on both sides of the aisle that have been appointed by the distinguished majority leader and myself, respectively, so that when the time comes for a final vote as to whether or not the coverage by television and radio will be permanent, those recommendations may be screened and perhaps implemented so as to make the overall effectiveness of the Senate even better.

I thank the distinguished majority leader for his consideration of the recommendations that have been made heretofore, and I assure him that I will be glad to review with him any recommendations that come along later. I believe that television is good for the Senate. I think that is being proved at this particular time and on this particular legislation.

I also thank the distinguished chairman of the Appropriations Committee for his support in bringing the supplemental appropriations bill to the floor. I, too, hope that the Senate will be able to dispose of that measure before the Senate closes its business for the week on this Friday.

As I have stated before—and I will not go into it again at length at this time—there are funds in that bill which are of great importance to States like West Virginia which were devastated by recent floods; and with some of the Government agencies out of funds, it is necessary that that legislation be enacted so that the Soil Conservation Service and FEMA can get on with doing some of the cleanup work in the flood's aftermath.

I thank the majority leader for his patience.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 6:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULE

Mr. DOLE. Mr. President, let me sort of recapitulate.

There will be no votes this evening, so Members on both sides can be on notice that there will be no record votes. There have been no record votes today. There will certainly be a vote at 2 o'clock tomorrow on the Saudi arms sale, on the override.

Then we should be on the supplemental appropriations bill by 2:30. I expect a late, late session tomorrow night, with a number of votes, with 35 amendments and no limit on how many more may be dreamed up between now and tomorrow.

I alert Members to be available tomorrow evening and through the evening.

Then, we will be able to dispose of the supplemental on Friday, be back on the tax bill on Monday. I have received no indication from the chairman about votes on the tax bill on Monday, but it could happen.

In any event, once we finish the supplemental—or, if it appears that we cannot finish the supplemental, then I will make the judgment, under the unanimous-consent order, to stay on the tax bill or go to the supplemental.

I thank the minority leader for his suggestion, advice, and assistance. I think it will get the tax bill out. Certainly, that is his desire and the desire of this Senator, and at the same time try to have a bit of leverage on the supplemental, which the chairman of the Appropriations Committee desires, and I think we have accomplished that.

STRATEGIC DEFENSE INITIATIVE

Mr. GORE. Mr. President, I have been making a series of speeches each day on the strategic defense initiative. I began this series 3 weeks before the Memorial Day recess, and I should like to continue today. I appreciate the courtesy of the leaders in allowing me to use this time.

I joined many of my colleagues in a short speech this morning on the SALT II decisions, but I want to continue my series of speeches on SDI.

Yesterday, I discussed the question of whether and how SDI can be converted from a rogue program into something that fits within reasonable strategies for defense and for arms control.

□ 1750

My conclusion was that answer to this question would depend heavily upon whose definition of SDI ultimately prevails. If SDI is, as the President says, a long-term program of research whose goal is a complete reordering of United States and Soviet nuclear strategy, one can see possibilities for bringing it into line with other basic objectives in America nuclear policy.

Unfortunately, it is increasingly that SDI is going to be a lash-up of devices for protecting US ICBM's, rather than the populace. And it is also clear that rather than await the outcome of research before deciding whether to deploy, the administering is already determined to bring about national commitment to such a system between now and 1991.

There is no way such an approach to SDI can ever be made compatible with other strategic objectives, and that is why Congress cannot allow itself the luxury of postponing basic debate until the results of our research are all in: the results will be cooked, the jury rigged, and the outcome foreordained. Some may say that is unfair to prejudge the administration in this way. To them, one may in turn reply, that there is even now a way to test the seriousness of the administration's promises of objectivity. And that test has to do with the administration's fidelity to the one clear statement it has ever made, regarding objective standards for evaluating the strategic defense initiative.

I refer, of course, to the so-called Nitze criteria, named for Ambassador Paul Nitze, who is this administration's principal theoretician and stragetist for arms control. It was he who stated, in a landmark speech in February 1985, that SDI ought never to be deployed—even if the technologies could be demonstrated—unless two fundamental requirements could be satisfied:

First, that the proposed defensive system would be survivable in the face of Soviet efforts to destroy its vital components.

Second, that it would be "cost effective at the margin," in the sense of being cheaper to maintain at full effectiveness, than it would be for the Soviets to deploy countermeasures. Or to put it another way that increment of defense would be cheaper than an increment of offense designed to overwhelm or moot the increment of defense.

These two principles, survivability and the cost effectiveness at the margin, were rapidly enshrined not only in the public debate concerning SDI, but in the law, as well as in formal U.S. policy. The fiscal year 1986 Defense Authorization Act specifically rules not deploying any strategic defense system which does not satisfy the Nitze Criteria. And, in any event, the President himself ordered the Department of Defense to use the criteria as a guide in its work, in a national security directive.

In an earlier speech, I pointed out that, notwithstanding such apparent guarantees, the criteria are under attack from officials within the administration whose role in these matters is central. As regards the first criterion, of survivability, those of us who are following SDI closely know that this is an issue taken seriously by the program manager, at least to the extent of an effort to Red team various measures by which the Soviets could directly assault elements of a defense. And I am sure that the members of this group are diligent in elaborating the many possible scenarios, which include everything from sabotage to space mines.

The problem is that they, like their scientific compatriots in SDI, have basic orders not to encounter defeat. Consequently, if land-based components of SDI can be destroyed by sea launched cruise missiles; no problem—we will find a way to detect this attack and destroy the missiles. Just wait and see. Or, if SDI might be circumvented by bomber attack upon the United States: The response again is no problem—we will find a way to detect and eliminate the bombers, presumably even if the Soviets apply some stealth technology of their own. Or, if the Soviets vastly upgrade their antisatelite capabilities in order to be able to disable key portions of our defense systems in space, again, the response is no problem: we will have countercounter measures that will work effectively. And so it goes. A nearly endless repertoir of Soviet dirty tricks to be dealt with by a nearly endless series of brilliant American technological triumphs. Somewhere, sooner or later, the sense of credibility, or should I say, the will to credulity, breaks down. Perhaps, if nowhere else, then if one begins to contemplate the one other factor not mentioned here, which is astounding, exponentially rising costs for our fixes, in relation to relatively constrained Soviet investments for their challenges.

That, of course, raises the second criterion: cost effectiveness at the margin. The Secretary of Defense has testified that he does not know what this concept means, and that he would disagree that such criteria ought to be an impediment to the deployment of a defense. General Abrahamson, the SDI Director, has testified to the effect that affordability, rather than cost-effectiveness, should be the standard we apply.

And in a rather astounding exchange Richard Perle even said that if a Soviet offensive countermeasure that is capable of overwhelming SDI costs only 80 percent as much as SDI, then we should nevertheless go forward with SDI. When I asked if that would not lead to a double arms race, precisely the kind anticipated and prevented thus far by the ABM treaty, his response was, "Well, they might choose to spend that money on tanks instead."

Very clearly, the administration does not know the meaning of its own words in this respect, never having troubled to define them rigorously. And we, very clearly, are left with ample reason to doubt that words mean anything at all to the administration; compared to the reality of an intention that we shall breach the ABM treaty and deploy a defensive

system of whatever capability, at whatever cost.

This does not, however, mean that words such as "cost-effective at the margin" are of no value in thinking about SDI; only that we shall have to work out for ourselves what these ideas mean, pending something persuasive from the administration.

To determine whether a weapon is cost-effective or not, one must begin with a reasonably clear statement of the threat against which it is meant to operate, the unit of measure by which its effectiveness is to be gauged, the minimum standard of performance deemed acceptable, and the cost of developing, procuring, and operating that system over some defined period of time. None of this had been done, to my knowlege.

That, as I said, is the beginning. One must then survey any alternatives we may have for accomplishing the same military objective by other means, and form a judgment as to which of these options is more effective, for longer, against greater uncertainties, within a given cost, than the others. This has certainly not been done, whether the point of comparison is site defense as opposed to space-based defenses, or Midgetman, as a way to produce enhanced ICBM survivability. In the latter case, there is a pointed desire to do anything but compare relative efficiencies and costs.

One must then consider what measures are available to the Soviets to offset the effects of our weapons system, and whether it is possible that one or another Soviet response could—relatively inexpensively for them—deny us the value of our investment in a new system, or force us—if we have become very dependent on that system—to continue to improve and expand it at very great cost to ourselves.

All along the line, one runs into very real problems in trying to satisfy these requirements for analyzing cost-effectiveness. But the worst of them have to do with the final, capping effort to somehow compare United States and Soviet forces on the standard of financial expenditure. We do not know the ruble costs of Soviet weapons, although for weapons of well-understood technologies, that can be estimated. For weapons whose technology does not yet exist, such estimates are impossible. Nor is it possible to convert rubles into dollars without heroic assumptions, because the Soviet Union is not a market economy and prices for its goods and services are artificially administered.

Therefore, what we would have to do in the end is what we have done in other instances when trying to estimate comparative United States-Soviet expenditures. We form an estimate of how much it would cost the United States in dollars to replicate a Soviet weapons system: in the case of SDI, any Soviet countermeasure, whether raw additional firepower, penetration aids, fast-burn boosters, antisatelite systems and the like. We will estimate the effectiveness of such systems against our own defenses. We will think through the steps we have to take to restore the effectiveness of our defense. We will estimate the dollar costs of those counter-countermeasures. We will compare those estimates, and then we will decide.

Complicated? You bet. Subject to obfuscation? Absolutely. Dispensable? Only if you believe we should make the biggest investment in history by disregarding every factor I have mentioned.

Can we have these answers in time for a 1991 commitment to SDI? Absurd!

In the end, if we do all this homework, the answer might be that the Soviets can run us ragged. That would mean curtains for SDI, and, incidentally, for at least $30 billion in research costs. Alternatively, the answer could be that the era of strategic defense is at hand. More likely, the answer will be so full of cooked numbers that the costs of United States defenses and Soviet countermeasures look like a wash.

But, in any of these cases, we will still be hearing from those who argue in terms of affordability. "The technology is there," they will say. "The future will take care of itself," they will urge. We can have it if we want it badly enough to foot the bill. Except for one small problem. There remains the question of how much the basic SDI investment is going to cost us. I shall have a few words to say on that subject in a subsequent speech. But let me say now that, if affordability is our standard, this may well be a question of whether we are prepared to bet the farm.

□ 1800

PROPOSED AMENDMENT TO DENY FEDERAL TAX-EXEMPT STATUS TO ORGANIZATIONS PERFORMING ABORTIONS

Mr. ARMSTRONG. Mr. President, I wish to advise Senators that, at the proper time during the discussion of the tax reform legislation, the Senator from New Hampshire, Mr. HUMPHREY, along with other Senators, will propose an amendment which I believe to be of extraordinary significance, an amendment which will not have huge revenue implications but which, in the opinion of thoughtful persons who have helped to develop it, has the most significant and consequential long-range policy effects with respect to an issue that is close and dear to the hearts of many of us.

Specifically, the amendment, which will be sponsored by Senator HUMPHREY, and a number of the rest of us who will be joining in this effort, will disallow the tax-exempt status now afforded to those entities, those charitable foundations, those 501(c)(3) corporations which perform or provide facilities for or financing for abortions.

A dozen years ago, or a little more, abortions were illegal in much of the country and even in those areas where they were legal they were thought to be tragic, sad, disreputable, sort of a questionable resort.

Through a quirk of the U.S. Supreme Court and the emergence of a burgeoning abortion industry in this country, we now find that the Tax Code gives the same status to abortion mills that has otherwise been reserved for churches, synagogues, or nonprofit organizations engaged in scientific research in saving lives, in feeding the hungry, and for the range of things which have been traditionally described as charitable.

Mr. President, the essence of the argument which we will advance at the right time is not related to whether you are for or against abortion. Make no mistake about it, there are many of us in this Chamber who feel that abortion under almost any circumstances is morally wrong and it should not be permitted, certainly should not be encouraged. But that is not addressed in our amendment.

The question we will ask Senators to think about is not whether you are for or against abortions, not whether or not at some point in the future we ought to have statutory or constitutional prohibition on this surgical procedure, and not whether or not we have resorted too easily to this permissive technique.

The question that is addressed in the Humphrey amendment is simply whether or not we ought to give a tax subsidy to such a procedure and whether or not it qualifies, by reasonable definition, as a charitable act. Because that is what the tax-preferred status granted to these charitable organizations are intended to accomplish, literally to encourage, through the Tax Code, those socially desirable and beneficial ideas and actions which the Congress deems to be socially desirable. So that is our amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief fact sheet describing first the current law; second, the proposed legislation; and just some background of why we believe, both from a tax standpoint and from a legal standpoint, that such an amendment would make good sense.

Our hope is that Senators will not only take a look at this but that additional Senators will be disposed to join us in cosponsoring it when it is introduced. I judge that will be sometime perhaps next week.

71-059 O-87-21 (Pt. 9)

There being no objection, the Fact Sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET: PROPOSED AMENDMENT TO DENY FEDERAL TAX-EXEMPT STATUS TO ORGANIZATIONS PERFORMING ABORTIONS

Current Law: Exempts from federal taxation organizations operated exclusively for religious, charitable, scientific, testing for public safety or educational purposes or prevention of cruelty to children. Contributions to such organizations are also tax-deductible.

Organizations which perform abortions are considered by the Internal Revenue Service to be health care facilities and qualify for tax exempt status as a "charitable" organization.

Proposed Legislation: Disallows tax-exempt status to organizations which perform or finance abortions. Organizations would not lose tax exempt status if they perform any medical procedure required where the life of the mother would be endangered if the fetus were carried to term. This legislation is consistent with current law (so-called "Hyde Amendment") prohibiting federal Medicaid funds from financing abortions.

WHY THIS LEGISLATION SHOULD BE ENACTED

Abortion is not a "charitable" act

1. From many viewpoints but especially from the perspective of the baby whose life is ended through abortion, abortion is not a charitable act. "Charitable" as defined in *Webster's International Dictionary* means: "Exhibiting the virtue of Christian love; full of love and goodwill for others; Benevolent, kindly; Liberal in judging others: inclined to look on the best side and to avoid harsh judgment: arising from or dictated by kindness."

It is the height of incongruity that federal tax law considers as "charitable" those organizations that perform abortions. By doing so, it equates abortion clinics with churches, synagogues, and charities.

2. The same law used to grant tax-exempt, charitable status to abortion clinics also provides equal status to organizations which prevent cruelty to children.

3. Treating abortion as an act of charity is inconsistent with the views of the vast majority of Americans; a 1981 poll reported that 65% of the public thinks abortion is "morally wrong."

Tax-exempt status confers a Federal recognition that abortion does not merit

1. Current IRS rules say that for organizations to receive charitable tax-exempt status that they must be organized and operated for purposes beneficial to the public interest. Again, from almost any viewpoint but especially so from the perspective of the baby whose life is terminated through abortion, organizations which perform abortions do not meet these criteria.

2. In some states, the existence of federal tax exempt status constitutes protection from liability and civil penalty laws. In Massachusetts, a suit was brought by a woman charging that an abortion caused medical harm. The court found in the woman's favor, and awarded $530,000 in damages. But because the clinic was federaly tax exempt, on appeal its liability was limited to only $?0,000. If the clinic had not been tax-exempt, its liability would not have been so limited.

Congress can rightfully selectively deny tax-exempt status

1. The Supreme Court has ruled (*Lilly vs. Commissioner*, 343 U.S. 90 1952) that a federal income tax deduction or exemption may be denied where the allowance of that deduction or exemption would frustrate a national or state policy. The Supreme Court also has ruled (*Commissioner vs. Sullivan*, 356 U.S. 27, 1958) that tax deductions and exemptions are a "matter of grace that Congress can, of course, disallow . . . as it chooses."

Congress has already set national policy with respect to abortion. Current law (the "Hyde Amendment") restricts the use of federal funds to finance abortions. Passage of legislation denying charitable tax-exempt status to organizations performing abortions is the logical extension of this federal policy.

2. The Supreme Court also has ruled (*Harris vs. McRae* 448 U.S. 297, 1980) that the Hyde Amendment now in law is constitutional. Since the proposed legislation is patterned after current law, it is reasonable to assume the proposed legislation is constitutional.

Abortion is a business, not a charity

1. More than 560 abortion clinics operate in the United States; in 1981 at least one-third were tax-exempt, charitable organizations. Conversion to tax-exempt status is growing . . . up from 25% in 1976. Because of the advantages associated with tax-exempt status, it is likely this percentage will grow in the future.

2. More than 1.5 million abortions are performed in the United States, generating one-half billion dollars in annual revenue.

Salaries paid at these non-profit clinics are significant. The former administrator of the nation's largest abortion clinic, a tax-exempt organization, said doctors there earned several hundred thousand dollars annually.

3. The fact that most abortion clinics operate on a profitable basis underscores the notion that the abortion industry is not a not-for-profit industry. According to one survey, there is little difference in price in charges of abortions performed at tax exempt or taxable abortion clinics.

Abortion is like any other medical procedure, and should not be so treated for tax purposes

1. Organizations which perform abortions are treated as charitable, tax-exempt entities because abortion is considered a medical procedure. But even the Supreme Court which has upheld the right to elect an abortion has determined that "abortion is inherently different from other medical procedures because no other procedure involves the purposeful termination of a potential life." (Harris vs. McRae)

2. The Planned Parenthood Federation, which operates at least 43 abortion clinics and performs some 83,000 abortions has said "an abortion kills the life of a baby after it has begun."

3. Congress should set national policy with respect to tax-exempt status for organizations which perform abortion. IRS has no legislative guidance on this issue. Currently, an abortion clinic is treated like all other medical clinics seeking tax-exempt status. Regional IRS directories must approve tax-exempt status for abortion clinics if they meet all other conditions.

Providing tax-exempt status to organizations which perform abortion is not wise or correct tax policy

1. The current effort to reform federal tax policy holds as its central premise the notion that taxpayers similarly situated should pay equal tax. About a third of organizations which perform abortions are tax-exempt; the other two-thirds are taxable entities. There is no practical difference between the two organizations yet they are treated differently for tax purposes.

Also, a contribution to a tax-exempt abortion clinic merits tax deductible status whereas a contribution to a taxable entity does not—even though both are organized for the similar purpose.

There is a potentially huge financial windfall associated with tax exempt status. It is likely such organizations will pay less tax than a taxable entity . . . even though such organizations are practically identical. One possible benefit of tax-exempt status is that the personnel and officers of a tax exempt organization may be paid substantially more than their counterparts at a taxable organization. If this is the only practical difference the two, it underscores that tax-exempt status should not be granted.

Clearly, this violates the notion that taxpayers similarly situated should pay equal tax.

2. Many organizations which perform abortions can be considered for tax purposes a "public charity". A public charity can be organization which provides health services or has "broad public support." The designation of an organization as a "public charity" carries with it added tax benefits. "Public charities" pay no tax on "net investment income" that other tax-exempt organizations are subject to. They are also exempt from tax regulations governing other private foundations, namely rules restricting self-dealing, limiting excess business holdings and requiring minimum payout requirements from retained earnings.

Denial of tax-exempt status neither restricts nor enhances access to abortion nor will it interfere with the right to advocate views—for and against—abortion

1. Some tax-exempt organizations which advocate abortion also conduct abortions. . . . Even with passage of this bill, such organizations can, if they wish, retain their tax-exempt status for advocacy purposes. But they will not retain this tax-exempt status if they continue to conduct abortions.

Mr. ARMSTRONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1810

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE TRIP OF SENATOR McCONNELL TO SOUTH KOREA

Mr. THURMOND. Mr. President, I rise today to commend my distinguished colleague MITCH MCCONNELL, the junior Senator from Kentucky, for

his efforts to encourage the Republic of Korea to open its markets to American industry.

Mr. President, the Republic of Korea is one of our most important Asian allies. In 1985, however, the United States had a trade deficit of almost $5 billion with the Republic of Korea. Opening the Korean market, one of the fastest growing in the world, to American exporters would help correct this situation. It would be very beneficial to our economy and our industries to have access to the Korean market.

The current trade policies of Korea, however, are designed to discourage American exports. For example, it is presently illegal in Korea for a Korean national to purchase a foreign-made cigarette. Needless to say, it is difficult for an American cigarette manufacturer to make a profit selling cigarettes in a country where the nationals are subjected a fine or loss of employment for buying American cigarettes. The only legal customers for American cigarettes in Korea are American servicemen and other non-Koreans.

Senator MCCONNELL recognized these problems when he introduced a resolution concerning Korean trade policies last March. The resolution expressed the sense of the Senate that the Republic of Korea should not be treated as a beneficiary developing country under the U.S. generalized system of preferences until Korea discontinues its unreasonable, unjustifiable and discriminatory acts, policies, and practices with respect to trade. I am pleased to be a cosponsor of this resolution.

More recently, Senator MCCONNELL took his objections directly to the source. Over the Memorial Day recess, he traveled to the Republic of Korea to discuss the United States/Korean trade relationship. He spoke with several representatives of the Korean Government, including the President of Korea, the Deputy Prime Minister, and the Ministers of Finance, Trade, and Agriculture. Senator MCCONNELL has informed me that the Koreans will hold a special session of their National Assembly this summer to consider permitting private ownership of their Government-held tobacco monopoly. Furthermore, it is also my understanding that the Koreans plan to begin discussions aimed at repealing the penalties imposed on Korean nationals for purchasing foreign cigarettes later this year. It is my hope that the removal of nontariff trade barriers on tobacco and tobacco products will initiate a further dismantling of similar trade barriers in other product areas. Such changes can only benefit both the United States and the Republic of Korea.

The personal visit by Senator MCCONNELL to the Republic of Korea opens up the lines of communication between our two countries on trade. I am confident that his efforts will benefit not only the tobacco farmers of Kentucky, but ultimately all American businesses by improving American access to the growing Korean market. Senator MCCONNELL should be commended for his fine work on this important issue.

MESSAGES FROM THE HOUSE

At 11:27 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2957. An act to amend the Foreign Assistance Act of 1961 to protect tropical forests in developing countries;

H.R. 2958. An act to amend the Foreign Assistance Act of 1961 to protect biological diversity in developing countries;

H.R. 4718. An act to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and for other purposes; and

H.R. 4801. An act to amend section 994 of title 28, United States Code, to clarify certain duties of the United States Sentencing Commission.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2957. An act to amend the Foreign Assistance Act of 1961 to protect tropical forests in developing countries; to the Committee on Foreign Relations.

H.R. 2958. An act to amend the Foreign Assistance Act of 1961 to protect biological diversity in developing countries; to the Committee on Foreign Relations.

H.R. 4718. An act to amend title 18, United States Code, to provide additional penalties for fraud and related activities in connection with access devices and computers, and for other purposes; to the Committee on the Judiciary.

H.R. 4801. An act to amend section 994 of title 28, United States Code, to clarify certain duties of the United States Sentencing Commission; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3257. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of all expenditures during the period October 1, 1985 through March 31, 1986 from the moneys appropriated to the Architect of the Capitol; to the Committee on Appropriations.

EC-3258. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's sixth special message for fiscal year 1986; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on Armed Services, and the Committee on the Budget.

EC-3259. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on NATO Conventional Defense; to the Committee on Armed Services.

EC-3260. A communication from the Deputy Assistant Secretary of Defense (Resource Management and Support), transmitting, pursuant to law, the fiscal year 1985 report on the actuarial status of the military retirement system; to the Committee on Armed Services.

EC-3261. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-3262. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for an Under Secretary of Commerce for Oceans and Atmosphere; an Assistant Secretary of Commerce for Oceans and Atmosphere; a Chief Scientist of the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3263. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to repeal the National Sea Grant College Program Act, as amended; to the Committee on Commerce, Science, and Transportation.

EC-3264. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to repeal certain marine fisheries grants programs; to the Committee on Commerce, Science, and Transportation.

EC-3265. A communication from the Secretary of Commerce, transmitting a revision to a previously submitted draft of proposed legislation to provide for the operation and maintenance of certain fish propagation facilities constructed in the Columbia River Basin, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3266. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the FAA's semiannual report on the effectiveness of the Civil Aviation Security Program; to the Committee on Commerce, Science, and Transportation.

EC-3267. A communication from the Secretary of the Interior, transmitting, pursuant to law, financial exhibits of the Colorado River Storage Project and Participation Projects for fiscal year 1985; to the Committee on Energy and Natural Resources.

EC-3268. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the National Geological Survey on activities in areas outside the national domain during calendar year 1985; to the Committee on Energy and Natural Resources.

EC-3269. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report on the administration of the Offshore Oil Pollution Compensation Fund for fiscal year 1985; to the Committee on Energy and Natural Resources.

EC-3270. A communication from the General Counsel of the Department of Energy, transmitting a draft of proposed legislation

to terminate certain energy-related requirements, to reduce Federal spending, to ease the regulatory and paperwork burden, and for other purposes; to the Committee on Energy and Natural Resources.

EC-3271. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on research and demonstration projects in alternative coal mining technologies for 1985; to the Committee on Energy and Natural Resources.

EC-3272. A communication from the Administrator of General Services, transmitting, pursuant to law, a building project survey for Reading, Pennsylvania; to the Committee on Environment and Public Works.

EC-3273. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a quarterly report on the number of full-time permanent employees hired or promoted during the period January 1 to March 31, 1986; to the Committee on Environment and Public Works.

EC-3274. A communication from the Acting Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities during the fourth calendar quarter of 1985; to the Committee on Environment and Public Works.

EC-3275. A communication from the Administrator of General Services, transmitting, purusant to law, a revised repair and alteration prospectus for the renovation of the Chet Holifield Federal Building, Laguna Niguel, California; to the Committee on Environment and Public Works.

EC-3276. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the 1986 Social Security Annual Report; to the Committee on Finance.

EC-3277. A communication from the Acting Assistant Secretary of State (Legislative and Intergovernmental Affairs), transmitting, pursuant to law, the third ninety day report on the Camarena investigation, the investigations of the disappearance of United States citizens in the State of Jalisco, Mexico, and the general safety of United States tourists in Mexico; to the Committee on Foreign Relations.

EC-3278. A communication from the Acting Secretary of State, transmitting, pursuant to law, a determination that the Government of Peru is sufficiently responsive to United States Government concerns on drug control and that additional expenditures of funds for that country are in the national interest; to the Committee on Foreign Relations.

EC-3279. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office on April 1986; to the Committee on Governmental Affairs.

EC-3280. A communication from the Inspector General, Department of Energy, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Department of Energy for October 1, 1985 to March 31, 1986; to the Committee on Governmental Affairs.

EC-3281. A communication from the Executive Secretary of the Uniformed Services University of the Health Sciences, transmitting, pursuant to law, the annual report of the University under the Government in the Sunshine Act for calendar year 1985; to the Committee on Governmental Affairs.

EC-3282. A communication from the Secretary of Transportation, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Department of Transportation for the period ending March 31, 1986; to the Committee on Governmental Affairs.

EC-3283. A communication from the Administrator of General Services, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, General Accounting Office, for the period ending March 31, 1986; to the Committee on Governmental Affairs.

EC-3284. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-169 adopted by the Council as of May 13, 1986; to the Committee on Governmental Affairs.

EC-3285. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-168 adopted by the Council on May 13, 1986; to the Committee on Governmental Affairs.

EC-3286. A communication from the Secretary of Education, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Department of Education, for the period ending March 31, 1986; to the Committee on Governmental Affairs.

EC-3287. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, NASA, for the period ending March 31, 1986; to the Committee on Governmental Affairs.

EC-3288. A communication from the Chief Judge of the United States Claims Court, transmitting, pursuant to law, the report of the Review Panel in the case of California Canners and Growers Association, Cong. Ref. No. 2-27; to the Committee on the Judiciary.

EC-3289. A communication from the Secretary of Labor, transmitting, pursuant to law, a determination to make a proposed contract award to the International Union of Operating Engineers without obtaining full and open competition; to the Committee on Labor and Human Resources.

EC-3290. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the Director of the National Cancer Program for fiscal year 1985; to the Committee on Labor and Human Resources.

EC-3291. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Guaranteed Student Loan Program and Pell Grant Program; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-738. A resolution adopted by the Senate of the State of Illinois; to the Committee on Armed Services.

"SENATE RESOLUTION No. 765

"Whereas, It has come to the attention of this Senate that our Coast Guard and Naval vessels are being equipped with foreign-made gear drives and that the use of foreign-made and supplied products is depriving United States' manufacturers of business and is costing the United States millions of dollars in lost man hours of work, in lost tax revenues, and in a weakened domestic defense capability; and

"Whereas, One former supplier of parts, Philadelphia Gear Corp., reports that it has lost 167,000 man hours of work to foreign competitors and that its domestic suppliers have lost an additional 83,000 hours; many Americans could have shared in that employment; and

"Whereas, Unemployment remains a pressing national problem, and yet a major employer like the United States Navy feels no responsibility to purchase parts in the domestic market, but instead is contracting with foreign companies for machinery; and

"Whereas, Although the United States Navy is spending vast sums of money to formulate Emergency Contingency Plans, it is undercutting the ability of U.S. Industry to help implement these plans by depriving it of business to such an extent that we may not have the factories or the work force to meet an emergency situation; and

"Whereas, The current trend is harmful to the defense position of the United States, for, in event of war, there would be little or no chance of obtaining necessary service or parts on foreign-made items, and, in addition, the number and capacity of domestic manufacturers may be reduced to such a degree that they will not be able to fill U.S. Naval and Coast Guard requirements themselves; therefore, be it

"Resolved, by the Senate of the eighty-fourth general assembly of the State of Illinois, That we urge Congress to act to oppose the use of foreign-made products in U.S. Naval and Coast Guard vessels and that we strongly support the position of American businesses, such as Scot Forge, which advocate the use of American industry to fill our defense needs; and be it further

"Resolved, That suitable copies of this preamble and resolution be presented to the presiding officers of both houses of the United States Congress and to each member of the Illinois Congressional Delegation."

POM-739. A joint resolution adopted by the Legislature of the State of California; to the Committee on Banking, Housing, and Urban Affairs:

"ASSEMBLY JOINT RESOLUTION No. 56

"Whereas, Log homes are an important source of affordable housing; and

"Whereas, Log homes provide natural insulation recognized by the California Energy Commission as a method of compliance with its residential energy standards; and

"Whereas, The federal Department of Energy does not recognize the mass value of logs; and

"Whereas, The Federal Housing Administration and Veterans Administration will approve subsidy guarantees for loans to build log homes provided those homes meet federal energy standards; and

"Whereas, The federal energy standards require six inches of wall insulation which, in the case of log homes, is unworkable since the logs from the entire wall structure; and

"Whereas, California recognizes the value of log homes as an affordable housing alternative to conventionally built homes in many situations; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the California Legislature memorializes the Congress and the President to enact legisla-

tion to facilitate the financing of log home acquisition; and be it further

Resolved, That the California Legislature memorializes the federal Department of Energy to recognize the mass value of log homes in determining appropriate energy standards; and be it further

Resolved, That the Federal Housing Administration and Veterans Administration guarantees be available to loans for purchase of log homes, and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-740. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION NO. 166

"Whereas, Congress has designated the United States Department of Agriculture as the lead federal agency for aquaculture development in the United States; and

"Whereas, the Untied States Department of Agriculture funds and conducts most of its aquacultural research through its subsidiary agency, the Agricultural Research Service; and

"Whereas, the mission of the Agricultural Research Service is to plan, develop, and implement research that is designed to produce the new knowledge and the technology required to assure the continuing vitality of the nations; food and agricultural enterprise; and

"Whereas, through fundamental and applied research, the Agricultural Research Service provides the means to solve the technical food and agricultural problems of broad scope and high national priority as required to ensure perpetually an adequate supply of high-quality food and fiber for the American people and for export; and

"Whereas, during the course of its ongoing research, the Agricultural Research Service has recognized the key role that the State of Hawaii is playing in its efforts to develop commercially viable aquaculture ventures in the United States; and

"Whereas, to support Hawaii's efforts in aquaculture development, the Agricultural Research Service has assigned one of its aquaculture scientists to this State and is considering assigning additional scientists in the near future; and

"Whereas, in further recognition of Hawaii's role in this regard, the Agricultural Research Service is also considering the establishment of a permanent ARS Station in Hawaii which would focus exclusively on aquaculture; and

"Whereas, through these and other efforts, the United States Department of Agriculture and the Agricultural Research Service have unquestionably demonstrated their commitment to the development of acquaculture in Hawaii as well as on the mainland; now, therefore,

"Be it resolved by the House of Representatives of the Thirteenth Legislature of the State of Hawaii, regular session of 1986, the Senate concurring, that the Legislature commends the United States Department of Agriculture and its subsidiary agency, the Agricultural Research Service, for their continued support of aquaculture development in the United States; and

"Be it further resolved, that both agencies are urged to continue their efforts to develop aquaculture into a viable industry in this nation; and

"Be it further resolved, that the Legislature firmly supports the consideration of this State as the permanent site for an ARS Station that would conduct research on aquaculture; and

"Be it further resolved, that certified copies of this Concurrent Resolution be transmited to the President of the United States; the President of the U.S. Senate; the Speaker of the U.S. House of Representatives; the Chair of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry; the Chair of the U.S. Senate Committee on Appropriations; the Chair of the U.S. House Committee on Agriculture; the Chair of the U.S. House Committee on Appropriations; Hawaii's Congressional Delegation; the Secretary of Agriculture; the Assistant Secretary for Science and Education Administration; and the Administrator of the Agricultural Research Service."

POM-741. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Energy and Natural Resources:

"SENATE JOINT MEMORIAL NO. 6.

"Whereas, On November 25, 1985, the United States District Court for the State of Colorado found that Federal reserved water rights do occur in concert with the Congressional designation of Federal wilderness areas in Colorado; and

"Whereas, Such ruling amounts to an unwarranted intervention of Federal water rights, unjustified and unquantified under the water adjudication laws and procedures established pursuant to the Constitution of the State of Colorado; and

"Whereas, The State of Colorado presently has 2.6 million acres of Congressionally designated wilderness areas, with pending legislation proposing up to an additional 700,000, acres of Federal wilderness areas, and Federal land managers are now studying up to an additional 800,000 acres of public lands for possible recommendation for wilderness designation; and

"Whereas, The Colorado Attorney General, the Colorado Water Conservation Board, and the Colorado Water Congress, have expressed grave concerns about the impact the United States District Court decision will have on Colorado water rights and the sovereignty of Colorado water law and adjudication processes under the appropriation doctrine; and

"Whereas, The Platte River Wilderness was added to the National Wilderness System as an amendment to the Wyoming Wilderness Bill of 1984 (P.L. 98-500) and is comprised of approximately 750 acres in Jackson County, Colorado, and such 750 acres are located downstream from approximately 1,200 individual water rights granted pursuant to the water laws and processes of the State of Colorado; and

"Whereas, The 750 acres of Jackson County, Colorado, included in the Wyoming Wilderness Bill was included without the concurrence of the Colorado Congressional Delegation and by the extraordinary process of a single objector prohibiting the deletion of said 750 acres; and

"Whereas, Such wilderness was created when members of the Colorado Congressional Delegation were urging a full and complete review of the Federal reserved water right implications on the individual water rights of citizens of Colorado; now, therefore,

Be it resolved by the Senate of the Fifty-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein:

(1) That the Congress of the United States defer any further approval of Federal wilderness designations in the State of Colorado, until and unless the Congress either separately, or as part of any wilderness designation, finds that Federal reserved water rights are not created automatically with the designation of such wilderness areas, and that Federal instream flow water rights, if any, should be applied for, justified, quantified, and adjudicated in accordance with the laws and procedures established pursuant to the Constitution of the sovereign State of Colorado; and that any such water right assertion on the part of Federal land managers or the Attorney General of the United States shall have a claimed priority date no earlier than the date of enactment of any wilderness designation; and

(2) That the Congress of the United States act immediately to remove and repeal the wilderness designation, subject to protective interim management guidelines, of the Platte River Wilderness Area in Jackson County, Colorado, pending the clear, definitive affirmation by the Colorado Congressional Delegation and the United States Congress of the aforementioned appeal of the Colorado General Assembly regarding Federal instream flow water rights.

Be it further resolved, That copies of this Memorial be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, each Member of Congress from the States of Colorado and Wyoming, the Chairman of the United States Senate Energy Committee, and the Chairman of Committee on Interior and Insular Affairs, United States House of Representatives."

POM-742. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION NO. 12.

"Whereas, The Soviet Union has the third largest Jewish population in the world with approximately two million Jews; and

"Whereas, The Jewish community in the Soviet Union is suffering systematic religious, professional, and cultural repression, persecution, and harrassment at the hands of Soviet authorities including: Discriminatory entrance examinations and quota systems at academic institutions, quota systems within professions and occupations, exclusion from political office and other positions of top authority or leadership, and prohibitions against Jewish communal and social organizations; and

"Whereas, Anti-semitism is promulgated and condoned by the Soviet government through anti-semitic publications, film, and military indoctrination programs; and

"Whereas, Jews, unlike other religious groups in the USSR, are denied the opportunity by the Soviet authorities to train clergy, to form nationwide or regional organizations, to publish religious bulletins and periodicals, or to produce ritual objects; and

"Whereas, Approximately four hundred thousand Soviet Jews have taken the first step or steps in the immigration process; and

"Whereas, Despite the recent well publicized release of Jewish dissident Anatoli Shcharansky, the number of Jews who are granted exit visas has dropped drastically

in recent years from fifty-one thousand three hundred in 1979 to one thousand one hundred and forty in 1985, and thus far this year just seventy-nine exist visas have been granted; and

"Whereas, There are over fifteen thousand refuseniks in the Soviet Union, such refuseniks being Soviet Jews who have applied for exit visas and have been denied permission to leave the country by the Soviet authorities; and

"Whereas, The Soviet government seeks to deter Soviet Jews from submitting emigration applications by targeting refuseniks and their families for special harrassment including: Sentencing them to prison, labor camps, or internal exile; repeated questioning and harrassment by the authorities; dismissal from employment; forced employment at menial jobs; and revocation of academic or professional credentials; and

"Whereas, Refusenik Leonid Volvovsky applied in 1974 for an exit and on June 28, 1985, was arrested and placed on trial for the charge of spreading fallacious and slanderous information against the Soviet state and social arrangement; and

"Whereas, Refusenik Leonid Volvovsky was sentenced on October 18, 1985, to three years in a Soviet labor camp; and

"Whereas, Refuseniks Ludmila Volvovsky, Natalia Khassing, Reuven Degtyarev and his wife Haya-Yana Berstein, Lev Blitzstein, Ida Nudel, and Natalia Bekhman, as well as other Soviet Jews applying for exit visas, may suffer similar treatment and persecution at the hands of Soviet authorities for their desire to leave the Soviet Union; now, therefore,

Be it resolved by the Senate of the Fifty-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein:

(1) That we, the members of the General Assembly, do hereby urge the Congress and the President of the United States to condemn the Soviet Union in its unjust persecution and repression of its Jewish citizens in violation of basic human rights principles and to implore the Soviet government to take immediate measures to end its inhumane treatment of Soviet Jews.

(2) That the Congress and the President of the United States take all steps necessary to urge the Soviet government to grant exit visas of Jews wishing to leave the Soviet Union and particularly the visas of refuseniks Ludmila and Leonid Volvovsky, Natalia Khassing, Reuven Degtyarev, Haya-Yana Bernstein, Lev Blitzstein, Ida Nudel, and Natalia Bekhman.

(3) That the Congress and President of the United States notify the Soviet government that the United States is aware of the plight of refuseniks Ludmila and Leonid Volvovsky, Natalia Khassing, Reuven Degtyarev, Haya-Yana Bernstein, Lev Blitzstein, Ida Nudel, and Natalia Bekhman and urge that the Soviet authorities refrain from all reprisals against named refuseniks and other Soviet Jews requesting exit visas.

Be it further resolved, That copies of this resolution be transmitted to the Secretary of the Communist Party of the USSR, the Soviet ambassador to the United Nations, the United States ambassador to the Soviet Union, the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the United States Congress from the state of Colorado."

POM-743. A resolution adopted by the Executive Committee of the National Institute of Municipal Law Officers opposing certain legislation limiting the effectiveness of the Racketeer Influenced and Corrupt Organizations statutes; to the Committee on the Judiciary.

POM-744. A joint resolution adopted by the Legislature of the State of Utah; to the Committee on the Judiciary.

"H.J. RES. No. 13

"Be it resolved by the Legislature of the State of Utah:

"Whereas, the First Congress of the United States on September 25, 1789, proposed by resolution the following amendment to the United States Constitution:

"Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled, two thirds of both Houses concurring, that the following [Article] be proposed to the Legislatures of the several States, . . . which [Article], when ratified by three fourths of the said Legislatures, to be valid to all intents and purposes, as part of the said Constitution:

"[An Article] in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the Legislatures of the several States, pursuant to the fifth Article of the original Constitution.

"Article the second . . . No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.; and

"Whereas, the above-quoted Article of Amendment to the United States Constitution has already been ratified by the Legislatures of the following states: Maryland (1789); North Carolina (1789); South Carolina (1790); Delaware (1790); Vermont (1791); Virginia (1791); Ohio (1873); Wyoming (1978); Maine (1983); Colorado (1984); South Dakota (1985); New Hampshire (1985); Arizona (1985); Tennessee (1985); and Oklahoma (1985).

"Now, therefore, be it resolved, That the Legislature of the State of Utah, pursuant to Article V of the United States Constitution, hereby ratifies an Amendment to the Constitution of the United States proposed by resolution of the First Congress of the United States in New York, New York on September 25, 1789.

Be it further resolved, That a copy of this resolution be prepared and forwarded to the Administration of General Services of the United States, the members of the Utah's congressional delegation, the Vice President of the United States and the Speaker of the U.S. House of Representatives, with a request that it be printed in the Congressional Record.

POM-745. A resolution adopted by the City Council of Marion, Ohio in recognition of Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-746. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on the Judiciary.

"RESOLUTION

"Be it resolved by the legislature of the State of Alaska:

"Whereas friendship is an expression of goodwill toward others and a caring force for hope, promise, and understanding; and

"Whereas the spirit of brotherhood and friendship is important and vital to our survival; and

"Whereas people throughout the world need the opportunity to communicate peacefully with one another; and

"Whereas a national friendship week provides an opportunity for all people to amicably join together in friendship and give evidence of their commitment to peace; and

"Whereas a national friendship week has been proposed by former Anchorage Mayor George Byer to remind the people of the United States to extend friendship to others wherever they may be in order to promote amity, peace, and accord among all citizens of the world; and

"Whereas the United States Congress now has before it Senate Joint Resolution No. 151, introducted by Senator Frank Murkowski and co-sponsored by Senator Ted Stevens, establishing June 22 through June 28 in each year as 'National Friendship Week';

"Be it resolved, That the Alaska State Legislature supports the establishment of 'National Friendship Week'; and be it

"Further resolved by the Alaska State Legislature, That the United States Congress is respectfully urged to act quickly in 1986 to designate the week of June 22 through June 28 in each year as 'National Friendship Week.'

"Copies of this resolution shall be sent to the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; to the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; to the Honorable Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives; and to the Honorable Ted Stevens, and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress."

POM-747. A resolution adopted by the House of Representatives of the State of Mississippi; to the Committee on the Judiciary:

"HOUSE RESOLUTION No. 1

"Whereas, Joseph W. Newman of Lucedale, Mississippi, invented the revolutionary energy machine which has the potential to profoundly affect energy development of the world; and

"Whereas, on May 9, 1986, the Republican Study Committee issued a special report entitled "The Patent Office and Joseph Newman: An Abuse of Power"; and

"Whereas, the conclusion of this report was that Joseph W. Newman had received arbitrary and unfair treatment at the hands of the United States Patent and Trademark Office and the federal judge in a pending lawsuit against such office and that there is a need for congressional action; and

"Whereas, legislation has been introduced in the Congress of the United States for the relief of Joseph W. Newman and such legislation would authorize and direct the Secretary of Commerce, acting through the Commissioner of Patents and Trademarks, to "immediately issue a pioneer patent to Joseph W. Newman for the invention described in the patent application number 179,474 and filed in August 1980"; and

"Whereas, this House of Representatives strongly urges the Congress of the United States to give consideration to the report of the Republican Study Committee and to adopt legislation granting relief to Mr. Newman so that his theories and demonstration model be accorded a fair chance to be developed; and

"Whereas, this House of Representatives further urges the Secretary of Commerce, acting through the Commissioner of Patents and Trademarks, and the United States Patent and Trademark Office to immediate-

ly issue a pioneer patent to Joseph W. Newman for the invention described in the patent application numbered 179,474 and filed in August 1980:

"Now, therefore, be it resolved by the House of Representatives of the State of Mississippi, That we do hereby memorialize the United States Secretary of Commerce, acting through the Commissioner of Patents and Trademarks, and the United States Patent and Trademark Office to issue a patent to Joseph W. Newman for the energy machine and memorialize the United States Congress to adopt legislation directing that such patent be issued.

"Be it further resolved, That copies of this resolution be furnished to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Mississippi Congressional Delegation, the United States Secretary of Commerce, the United States Commissioner of Patents and Trademarks, the United States Patent and Trademark Office, Joseph W. Newman and to members of the Capitol Press Corps."

POM-748. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Veterans' Affairs:

"SENATE JOINT RESOLUTION No. 124

"Whereas, The Veterans Educational Assistance Act of 1984, known as the "New G. I. Bill," does not provide for "on-the-job" training; and

"Whereas, A high percentage of high school graduates do not desire or have an aptitude for college; and

"Whereas, The few non-degree course programs available from institutions of higher learning do not meet the needs of most eligible persons with job objectives in the vocational field; and

"Whereas, Job skills for the majority cannot be acquired in the classroom; and

"Whereas, Such skills are primarily developed in the practical application of on-the-job training; and

"Whereas, American business and industry prefer and practice job training experience for potential permanent employees; and

"Whereas, Enhancement of the "New G. I. Bill" would ensure continued adequate enlistment of highly qualified recruits for the all-volunteer service concept; and

"Whereas, H.R. 3747 is currently resting with the House Veterans Affairs Committee which would help secure and provide enhancement of the earned benefits for our military personnel, both present and former; therefore, be it

"Resolved, by the Senate of the Eighty-Fourth General Assembly of the State of Illinois, the House of Representatives concurring herein, That we urge the United States Congress to enact H.R. 3747 which would help provide on-the-job training benefits for veterans; and be it further

"Resolved, That copies of this preamble and resolution be presented to the Speaker of the United State House of Representatives, the President of the United States Senate and each member of the Illinois Congressional Delegation."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GARN (by request):

S. 2510. A bill to extend for five years the expiration date of the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BENTSEN:

S. 2511. A bill to extend the tariff suspension applicable to certain imported cantaloupes; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. INOUYE, Mr. NICKLES, Mr. SYMMS, Mr. NUNN, Mr. HOLLINGS, Mr. PRYOR, Mr. HARKIN, and Mr. HEFLIN):

S. 2512. A bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, and Poultry products Inspection Act, and the Egg Products Inspection Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN (for himself, Mr. BRADLEY, Mr. KENNEDY, and Mr. KERRY):

S. 2513. A bill entitled the "Work Opportunities and Retraining Compact of 1986"; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GORTON (for himself, Mr. HEFLIN, Mr. ABDNOR, Mr. HECHT, Mr. KASTEN, Mr. TRIBLE, Mr. MURKOWSKI, Mr. GOLDWATER, Mr. EVANS, Mr. ANDREWS, Mr. COCHRAN, Mr. STAFFORD, Mr. D'AMATO, Mr. WARNER, Mr. HEINZ, Mr. SPECTER, Mr. RUDMAN, Mr. DENTON, Mr. THURMOND, Mr. DOMENICI, Mr. MATTINGLY, Mr. CHILES, Mr. DIXON, Mr. DODD, Mr. INOUYE, Mr. BUMPERS, Mr. SIMON, Mr. BURDICK, Mr. MELCHER, Mr. LEAHY, Mr. CRANSTON, Mr. FORD, Mr. STENNIS, Mr. NUNN, Mr. MITCHELL, Mr. LAUTENBERG, Mr. JOHNSTON, Mr. BYRD, Mr. BAUCUS, and Mr. EXON):

S. Res. 419. A resolution to express the sense of the Senate regarding the Federal tax exemption of Blue Cross and Blue Shield Plans; to the Committee on Finance.

By Mr. CHILES (for himself, Mr. BENTSEN, Mr. BAUCUS, Mr. BRADLEY, Mrs. KASSEBAUM, Mr. METZENBAUM, Mr. BOREN, Mr. NUNN, Mr. HOLLINGS, Mr. RIEGLE, Mr. GLENN, Mr. MOYNIHAN, Mr. MELCHER, Mr. PRYOR, Mr. HEINZ, Mr. BUMPERS, Mr. CRANSTON, Mr. COHEN, Mr. JOHNSTON, Mr. LAUTENBERG, Mr. STENNIS, Mr. DODD, and Mr. GORTON):

S. Res. 420. A resolution to express the sense of the Senate regarding prompt payment of Medicare claims; to the Committee on Finance.

STATEMENTS OF INTRODUCED BILL AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 2511. A bill to extend the tariff suspension applicable to certain imported cantaloupes; to the Committee on Finance.

TARIFF TREATMENT OF CERTAIN IMPORTED CANTALOUPES

● Mr. BENTSEN. Mr. President, today I am introducing legislation to extend until December 31, 1990, the seasonal suspension of the tariff on fresh cantaloupes imported from Mexico. This suspension applies to the period between Janauary 1 and May 15, when the United States has no production of fresh cantaloupes.

I first helped pass this legislation in 1982, and it has worked well since then. It has given U.S. consumers an off-season source of fresh cantaloupes and has allowed distributors to make more efficient use of marketing facilities. It has helped border communities that derive significant income from cantaloupe trade activities. It has not hurt U.S. growers, and may in fact boost demand for cantaloupes by assuring a continuous and reasonably-priced supply.

Cantaloupes are produced extensively throughout the United States during the summer months, but this output virtually ceases by the last week in December. Market shipments are not resumed until mid-May when volume production again commences in Texas and California. During the period between January 1 and May 15, supplies consist almost entirely of imports from Mexico. Accordingly, it is clear that the imports during the January 1 to May 15 period covered by the bill cause no harm to any domestic producing interest. Suspension of the 35-percent tariff during this period will result in lower prices to consumers and greater demand for cantaloupes.

Mr. President, I urge passage of the bill, and I ask that a copy be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. That Item 903.65 of the Tariff Schedules of the United States is amended by striking out the date in the effective date column and inserting in lieu thereof "12/31/90".

SEC. 2. (a) The amendment made by Section 1 shall apply to articles entered or withdrawn from warehouse for consumption on or after the 15th after the date of enactment of this Act;

(b) Notwithstanding Section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the customs officer concerned on or before the 90th day after the date of enactment of this Act, the entry or withdrawal from warehouse of any article described in Item 903.65, TSUS, which was made after May 15, 1985 and before the 15th day after the date of enactment of this Act, and with respect to which there would have been no duty if the amendment made by Section 1 applied to such entry, shall be liquidated or reliquidated as though such entry had been made on the 15th day after the date of enactment of this Act.●

By Mr. HATCH (for himself, Mr. INOUYE, Mr. NICKLES, Mr. SYMMS, Mr. NUNN, Mr. HOLLINGS, Mr. PRYOR, Mr. HARKIN, and Mr. HEFLIN):

S. 2512. A bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, and for other purposes; to the Committee on Labor and Human Resources.

FOOD SAFETY MODERNIZATION ACT

Mr. HATCH. Mr. President, today I am introducing the "Food Safety Modernization Act of 1986." This bill proposes to amend the Delaney clauses contained in the Food, Drug, and Cosmetic Act and to define the term "safe" as used in that act. It would also give the Food and Drug Administration additional flexibility in its regulatory and review functions.

This is the same legislation I introduced 2½ years ago as S. 1938, in the 98th Congress.

In the interim, the need for the legislation has not abated, while support for it has grown. S. 1938 itself grew out of yet earlier legislation, S. 1442, and reflected comments by scientific and health experts at the 3 days of hearings held in June 1983 by the labor and Human Resources Committee. Those hearings revealed a broad base of support for modernization of our food safety laws, which date back nearly 30 years. Singled out as subjects for change were the so-called Delaney clauses. These provisions, generally enacted in the late fifties, exclude from the marketplace any food additive which is carcinogenic in animals or man. Under this test it doesn't matter that the additive may have been fed to animals in quantities thousands of times greater than those to which humans would be exposed. It doesn't matter that the results in animals may not be generalizable to man, by 1986 science. It doesn't matter that in the last 30 years our analytical capacity has advanced so greatly we can measure the presence of carcinogens in parts per trillion, and in some cases can detect individual molecules.

In other words, the perception has grown in the scientific community that the zero risk approach traditionally symbolized by the Delaney clauses is unrealistic and unnecessary. It may have been necessary to bar a product completely at a time when the smallest quantities of harmful substances we could measure were still large enough to pose substantial safety risks. But there is a consensus among scientists that many of today's research findings, based on animal laboratory tests at extremely high dosages, have no public health significance, and that they do not indicate any significant risk to humans under anticipated conditions of use.

The legislation I am introducing would retain in place the current Delaney provisions, but would fine tune them. It would except substances for which the Secretary of Health and Human Services "determines that the risk of cancer to humans from exposure to the additive under the intended conditions of use is negligible . . . " In so doing, this bill would allow FDA to focus its scarce resourses on substances posing an actual, significant public health threat, rather than expending its efforts on risks which are more theoretical or speculative than real.

I ask unanimous consent to insert into the RECORD a number of statements drawn from our June 1983 testimony, which are supportive of updating our food safety laws.

Also, I would like to include in the RECORD a statement and supporting analysis by the American Medical Association, favoring the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SELECTED COMMENTS OF EXPERT WITNESSES AT FOOD SAFETY HEARINGS CONDUCTED JUNE 8, 9, AND 10, 1983

Donald Kennedy, Ph.D., President, Stanford University (former Commissioner of the Food and Drug Administration): "I don't think that the general safety standard is appropriate. I think that there should be exceptions added to the Delaney Clause to permit scientific demonstration of the inappropriateness of a particular animal test of the negligibility of a particular cancer risk, and I think that the Congress should adopt a standard for negligible risk that can at least be generally understood by the agency and by others."

My own view, which I stated on a number of occasions at the end of my time as commissioner, is that the Delaney Clause should be made more flexible before it breaks . . . The Delaney Clause is undesirably inflexible in two different ways. First, it leaves no headroom for scientific progress. Second, by increasingly requiring Agency action under conditions where the risks appear to be trivial, it invites public ridicule and disregard for the food safety laws more generally.

Jere Govan, Ph.D., Dean, School of Pharmacy, University of California (former Commissioner of the Food and Drug Administration): "One should start by focusing the effort on identifying the food substance most likely to be hazardous. It seems to me a poor allocation of effort at this time to dilute our resources by concerning ourselves with those substances of longstanding use that are unlikely to be of toxicological significance."

"Because of this—the fact that Delaney is not sensitive to advances in technology—that I believe that it has lost much of its initial utility. It is time to return to the real issue that the Delaney Clause sought to address: reasoned and reasonable protection of the public."

Arthur H. Haves, Jr., M.D., Provost—Dean—N.Y. Medical College (Commissioner, FDA at time of this testimony). ". . . a definition of safe should be in the law; that it should, if you will, codify that which everybody, as you've heard for two days now agrees is the way that safe must be applied in a regulatory mode. therefore, the law should admit, in a codified way, that safe does not entail zero risk . . ."

"Another problem presented by the current law is that it may soon be possible to conclude that a substance that is a carcinogen in animal species may not—because of anatomical, metabolic or other factors—present a risk to humans. These scienfitic factors are excluded from the decision making process under the Delaney Clause.

Fred Robbins, M.D., President Institute of Medicine, National Academy of Sciences: "Protecting the safety of the food supply within the values of our society is an exceedingly complex and significant task."

"It is impossible to have a food supply entirely free of 'harmful' chemicals, since some of these chemicals, in appropriate amounts, are needed for normal metabolic function. Furthermore, our current ability to detect minute amounts of certain chemicals means that foods previously thought to be 'safe' are found not to be totally free of toxic chemicals. The goal is sound food safety policy is to minimize risks to health from foods, without unreasonably compromising availability, quality, and variety.

Kenneth D. Fisher, Ph.D., Director, Life Sciences Research Office, Federation of American Societies for Experimental Biology: "There is ample reason to conclude that food scientists will continue to develop new forms that provide sources of bio-available nutrients. . . . Similarly, toxicity testing will continue to evolve more precise techniques for measuring bilogical effects of substances. Thus, food safety legislation should be sufficiently flexible to provide for inclusion of these expected changes in any mechanisms for scientific input into regulatory decisionmaking."

"Any modification of current legislation should permit appropriate regulatory responses to issues arising from continuing advances in analytical capabilities."

Vincent DeVita, M.D. Director, National Cancer Institute: "These advances in analytical techniques make it possible to detect synthetic and naturally occurring carcinogens at the parts per billion level or lower, as compared to the parts per million level possible a decade ago. . . . With such techniques, it is likely we will be able to identify some traces of carcinogens in our food and water that are not possible to remove and have been present as long as these foods have been available."

Paul Newberne, D.V.M., Ph.D., Professor of Nutritional Pathology, Massachusetts Institute of Techology: "First, I should like to point out that there is no such thing as absolute safety and that there is risk in virtually all of our activities including our food habits and the foods we eat. The public has been misled into believing that we can have all the benefits of an abundant, tasty and nutritious food supply without any element of risk. This, of course, it an ideal goal, but unachievable. A more rational, scientifically sound aim is to provide an abundant, attractive, nutritious food supply with the greatest benefit and the lowest risk measured by every reasonable method."

"The Delaney amendment has served a useful purpose over the past two decades, and I personally feel more comfortable with it in place than I would if it were abolished. Progress in analytical procedures, biological testing systems and experience in making judgmental decisions clearly indicate, however, that some flexibility is needed in the face of equivocal animal data, or even positive tests in some cases. Regulatory decisions should be made in a milieu where science, judgment, and public benefit can be intermixed to the benefit of all. There should be legislation which, while keeping the Delaney principles in place, permits or stipulates that regulatory bodies make judg-

mental decisions outside the rigid edict the amendment is now perceived to require."

Gerald Wogan, Ph.D., Chairman, Department of Nutrition and Food Science, Massachusetts Institute of Technology: "If we look at the entire literature dealing with carcinogens in animals that is available today . . . roughly 300 compounds have been identified so far which everyone would agree are carcinogenic. However, in essence, this is the way the Delaney Clause views the subject, that is, substances are either carcinogenic or they are not carcinogenic—but if one looks at the details of these experiments and particularly with respect to the kinds of levels that were administered to animals one finds a range of effective doses that extends over a range of roughly a million-fold . . . some substances are very powerful carcinogens; others are very weak carcinogens. Here again, th Delaney Clause . . . as it . . . interpreted, in the past, does not permit an accounting of the potency factor.

"It seems to me that a change in the kind of language in the Delaney Clause that would permit adequate protection but introduce sufficiencan Medical Association,

Chicago, IL, January 20, 1984.

Re S. 1938—"Food Safety Modernization Act."

Hon. ORRIN G. HATCH, *Dirksen Senate Office Building, U.S. Senate, Washington, DC.*

DEAR SENATOR HATCH: The American Medical Association takes this opportunity to submit its comments concerning S. 1938, the "Food Safety Modernization Act" which you recently introduced. The AMA strongly supports the passage of S. 1938 because we believe it would provide the FDA with the flexibility it needs to establish appropriate food safety policy.

We are enclosing for your information two reports adopted in December 1979 by the AMA House of Delegates entitled "Food Safety and the Food, Drug, and Cosmetic Act (Delaney Clause)" and "Saccharin Availability."

Sincerely,

JAMES H. SAMMONS, M.D.

STATEMENT OF THE AMERICAN MEDICAL ASSOCIATION ON S. 1938—FOOD SAFETY MODERNIZATION ACT, JANUARY 20, 1984

The American Medical Association takes this opportunity to submit its comments on S. 1938, the "Food Safety Modernization Act." S. 1938 would amend the Food, Drug and Cosmetic Act (FDC Act) concerning regulation of food additives by the Federal Food and Drug Administration (FDA). Specifically, the bill would amend the "Delaney Clause" to modify the current prohibition concerning use of a food additive shown to cause cancer in man or animals. The bill would also define the term "safe" for food additive regulation, authorize the FDA to gradually phase out the use of a substance, allow the FDA to consider the health benefits of a food additive, and require the FDA to obtain scientific peer review of key scientific issues.

The AMA believes that under existing law the FDA is unduly restricted in establishing appropriate food safety policy. We strongly support enactment of S. 1938 because it would give the FDA the flexibility it needs to more appropriately regulate food additives.

Our comments concerning specific provisions of the bill are set forth below.

DELANEY CLAUSE

The FDC Act currently requires that any food additive, color additive or new animal drug which induces cancer in laboratory animals or in man must be banned. These provisions of the FDC Act are commonly known as the "Delaney Clause". S. 1938 would amend the Delaney Clause to allow the use of a substance shown to induce cancer in man or animals if the FDA, based on "scientifically adequate experimental evidence" concerning "the substance's mechanism of action or the manner in which the substance is metabolized or other experimental evidence," determines that the risk of cancer in humans under the intended conditions of use is "negligible".

The AMA supports this amendment to the FDC Act. The existing Delaney Clause unduly restricts the FDA's ability to utilize its best scientific judgment in establishing appropriate food safety policy. The Clause unequivocally compels the FDA to ban a substance if it has been shown to induce cancer in man or animal when used as intended. The FDA is not permitted to consider the degree of risk involved or the benefits which may be derived from use of the substance. We believe that with the increasingly sophisticated ability of scientists to detect weak carcinogens in the food supply, Congress must allow the FDA to exercise greater discretion or the agency will be forced to ban many food additives notwithstanding the degree of their benefit in relation to the slight risk presented by their use.

DEFINITION OF SAFE

S. 1938 retains the requirement under existing law that substances must be shown to be "safe" before they can be used. However, the bill would for the first time define the term "safe" to mean that a "reasonable certainty" exists that "the risks of a substance under the intended conditions of use are negligible."

The AMA believes that the definition of "safety" properly and clearly distinguishes between substances that pose a substantial risk to the public health in use and those that do not and it should ensure that the public is adequately protected against significant risks. At the same time, it would clarify that absolute safety is neither attainable nor practicable and that the FDA should not be concerned about trivial risks.

PHASEOUT AUTHORITY

Under existing law, the FDA is not allowed to gradually phase out a substance that no longer satisfies the criteria of the FDC Act for continued use. S. 1938 would authorize the FDA to gradually eliminate a substance from use if it concludes that "no unreasonable risk to the public health" would result from continued use of the substance during the phaseout period. A phaseout would, in general, continue until a practicable substitute is developed. However, in no event could that period exceed 10 years. In deciding whether to allow continued use of a substance and in determining the length and condition of a phaseout, the FDA would be required to consider the risks associated with using the substance and the risks associated with limiting or prohibiting its use. The FDA would also be required to consider the effects of the use of the substance on the nutritional value of food, the cost and availability of food, and the use of the substance for dietary management and other health-related purposes.

The AMA also supports this provision of S. 1938. It would permit the FDA to make a comparative risk assessment before acting to remove a substance from the food supply. This authority is needed to ensure that eliminating a substance from the food supply does not create greater risk to the public health than the risk from the substance itself. We also believe that the provision articulates the proper health-related benefits which the FDA should consider in making its comparative risk assessment. Finally, we believe that this provision is sufficiently limited so as to adquately protect the public health.

CONSIDERATION OF HEALTH BENEFITS

Under existing law, the FDA is not authorized to weigh an additive's benefits against its health risks in determining whether or not to ban the substance. S. 1938, however, would authorize the FDA to consider the benefits to human health from a food additive that has a "substantial history" of use and for which there are "no practicable substitutes" before prohibiting its use based on the risk of the additive. The FDA could allow continued use of a food additive if, after considering the benefits to human health such as the effects of its use on the "nutritional value and availability of food," "uses for dietary management, and other health-related purposes" the risks to human health are deemed "acceptable."

The AMA supports this provision of the bill. It would allow the FDA to conduct a risk-benefit analysis to determine whether the public health would be better served by continued use of an additive that is unique and has a long history of use. This flexibility would have enabled the FDA to permit the continued use of saccharin, a substance with a long history of safety and for which no acceptable alternative existed. We also believe that the provision sets forth the appropriate health-related benefits which the FDA should consider in making its risk-benefit analysis. Finally, we believe that this provision is also sufficiently narrow to ensure that the public health is adequately safeguarded.

SCIENTIFIC PEER REVIEW

The bill would require the FDA to establish regulations specifying procedures for securing independent scientific peer review of "substantial scientific" issues related to food safety. The FDA would be mandated to obtain advice from qualified scientists not employed by the federal government whenever a substantial scientific issue arises the resolution of which, in FDA's judgment, would be "materially facilitated" by independent peer review. A scientifically-qualified staff would be provided to assist the scientists.

The AMA supports this provision of the bill. It would require the FDA to solicit the views of qualified, independent scientists whenever a major scientific issue arises. The FDA has not consistently done so in the past. We believe that independent scientific peer review would help ensure that FDA food safety regulation is on a sound scientific basis. Moreover, independent scientific peer review would foster increased public and professional confidence in the FDA's regulatory decisions. The AMA also believes that the bill properly limits the required use of scientific peer review to significant scientific issues. The FDA should not be compelled to seek scientific review of relatively minor issues. Such a requirement would unnecessarily delay the regulatory process. However, we believe the term "substantial scientific question" should be defined in the legislation to clearly specify the circumstances under which scientific peer review would be mandated.

CONCLUSION

The AMA strongly supports adoption of S. 1938. We believe that the bill would provide the FDA with the flexibility it needs to establish appropriate food safety policy. At the same time, the bill contains adequate safeguards to ensure that the public health is protected. We urge that favorable consideration be given this legislation by the Congress.

REPORTS OF COUNCIL ON SCIENTIFIC AFFAIRS

The following reports, A—K, were presented by Rogers J. Smith, M.D., Chairman:

A. FOOD SAFETY AND THE FOOD, DRUG, AND COSMETIC ACT

(Delaney clause)

House action: Adopted as follows:

The House of Delegates has considered the question of the Delaney Clause [1] and related provisions of the Food, Drug, and Cosmetic Act pertaining to carcinogens used as food additives. Substitute Resolution 4 (A-77) called on the AMA to "support the passage of legislation that would amend the Food Additive Act to require evidence based upon scientifically reproducible studies of the association of food additives with an increased incidence of cancer in animals or humans at dosage levels related to the amounts calculated as normal daily consumption for humans before removal from the market."

The Council on Scientific Affairs has also considered the problem of food safety on several occasions and has come to accept the suggestion [1] that two central questions underlie the debate over the Delaney Clause:

1. Whether the scientific uncertainties that led to the Delaney Clause have been resolved; and

2. Whether, failing scientific resolution, the public policy judgment made by the Congress in passing the Delaney Clause represents a currently appropriate decision for our society.

The first question is a scientific one; the second is a public policy determination.

SCIENTIFIC QUESTIONS

At the time the Delaney Clause was incorporated into the Food Additives Amendment to the Food, Drug, and Cosmetic Act, there was scientific uncertainty about the potential carcinogenicity of most chemical substances. The uncertainty remains and the question has become more complicated. Some of the major concerns, then and now, are:

Mechanisms of Carcinogenesis: Although there is scientific consensus on some aspects of cancer induction, the means whereby carcinogens and carcinogen promoters induce malignant neoplasms in humans remain ill-defined. The relevance to human malignancy of benign tumors and hyperplasias observed in animal tests is also debatable. Many benign tumors remain constant in their biologic behavior; however, an increased incidence of benign tumors is often considered indicative of potential carcinogenicity.

Threshold Level: There is currently no scientific consensus on whether there is a threshold level below which no adverse response will occur. Although it is assumed that a threshold level exists for most biological effects, there are at present no biological data that confirm or refute the presence of a threshold for carcinogenesis. Moreover, there is currently no scientific consensus as to an appropriate method for calculating an acceptable daily or monthly tolerance for carcinogens.

Dosage Levels in Animal Testing: Although most scientists defend the statistical validity of using high test doses in bioassays, there is still much debate about using high dose levels that may subject the animal to physiologic stress. Many substances that cause cancer in animals at relatively high doses may not cause cancer in humans at the level of exposure expected with ordinary consumption of consumer products.

Applicability of Animal Data to Humans: Scientists accept, in general, the concept that positive test results obtained from animal bioassay systems may indicate potential carcinogenic risk for humans. However, all animals are not equally susceptible to known chemical carcinogens. While animal studies can often provide presumptive qualitative data, high dose animal tests may not adequately quantify the level of human risk.

Methods of Assessing Risks: As yet, there is no scientific consensus on the most appropriate method for quantitative risk assessment. Currently, a number of different proposals for assessing risk are under discussion. The National Academy of Sciences (2), the Food and Drug Administration (3), the Interagency Liaison Regulatory Group (4), and the Scientific Committee of the Food Safety Council (5) have all addressed proposed systems for risk assessment. Efforts to coordinate governmental regulatory actions with scientific estimates of risk in many areas, but particularly in the area of potential carcinogens, are currently under intense review.

The question "whether the scientific uncertainties that led to the enactment of the Delaney Clause have now been resolved" must be answered in the negative; few of the scientific concerns that underlie the Delaney Clause have been resolved. Furthermore, it is doubtful that these concerns will be resolved in the near future.

Public policy determinations

Because science has not yet been able to resolve the concerns that led to the enactment of the Delaney Clause, the appropriate basis for debate about this section of the Food, Drug, and Cosmetic Act becomes whether or not the public policy judgment made by Congress represents a currently appropriate decision for our society. Thus, the acceptability of the Delaney Clause, or its modification, becomes essentially a public policy determination.

The Delaney Clause [Section 409 (c)(3)(A)] of the Food Additives Amendment of 1958 prohibits the setting of tolerances for "food additives" that have been shown to induce cancer in man or other animals. It shoud be noted that "food additives" in this context is used to designate those substances added to food that are subject to the Delaney Clause. There are other substances added to food that are not legally defined as "food additives" and are thus not subject to the Delaney Clause.

This explicit anti-cancer clause and its companion in the Color Additives Amendment are corollary to the general food safety clauses of the Act; compounds, even when subject to the Delaney Clause, are also subject to the general safety clauses (402, 409, 701). For example, any use of an unsafe "food additive" is prohibited by Section 402(a)(1), the food adulteration clause, which states:

"A food shall be deemed to be adulterated if it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such food shall not be considered adulterated under this clause if the quantity in such food does not ordinarily render it injurious to health."

Accordingly, this general food safety clause prohibits the use of a substance that has been determined to be unsafe.

The express anti-cancer clauses found in the Food, Drug, and Cosmetic Act, then, do not necessarily provide public protection greater than that already provided by the general food safety provisions of the Act; they are public policy statements relative to a specific hazard. Although the Delaney Clause and its companion clause in the Color Additives Amendment could be removed from the Food, Drug, and Cosmetic Act without diluting the potential protection provided by the Act, they have standing as a strong public policy mandate. Moreover, removal or modification of these clauses from the Food, Drug, and Cosmetic Act would not resolve all of the current public policy issues.

In many cases, prudence and concern for the public health might dictate the banning of substances from the food supply under either the Delaney Clause or the general food safety clauses. "Special case" exceptions for substances added to food, however, such as are requested for saccharin, are not permitted under the current Food, Drug, and Cosmetic Act. The question of saccharin and forthcoming issues illustrate the need for reexamination of the Food, Drug, and Cosmetic Act, especially the absolute terms of the Delaney Clause.

AMA concepts of food safety policy

The AMA should recommend that the Food, Drug, and Cosmetic Act be amended to allow for special case use of a food additive, despite its potential hazard, provided the perceived benefits outweigh the perceived risks. Another way of stating this is: the risk of using the substance is less than the risk of not using the substance. The first concept is termed the risk/benefit equation; the second is known as a comparative risk assessment or risk/risk equation.

Deliberations about amendments or regulations regarding the special case use of a food additive involve information about: the substance, proposed marketing conditions, and characteristics of proposed legislation or regulations.

The substance

Several attributes of the food substance that are amendable to scientific assessment must be considered:

Usefulness: The substance is widely and frequently used so that a broad experience with it is available.

This allows some assurance of the adequacy of testimony about the substance. It also allows assurance that the substance is of sufficient importance that there is potential for harm to a part of the population if use of the substance is prohibited. Scientific

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[1] The Delaney Clause: Federal Food, Drug, and Cosmetic Act, Section 409(c)(A)(3) "No such regulation shall issue if a fair evaluation of the data before the Secretary—(A) fails to establish that the proposed use of the food additive under the conditions of use to be specified in the regulation, will be safe: Provided, that no additive shall be deemed to be safe it if it is found to induce cancer when ingested by man or animal, or if it is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal, . . ."

and survey information can provide data on the use of the substance.

Function: Its use accomplishes a functional health purpose for which the special exemption is requested.

Saccharin, for example, would be considered to function as an effective sweetener.

Uniqueness: The same objective is not attainable by any alternative substances.

Saccharin, for example, would be considered unique because no comparable alternative non-nutritive sweetener is currently available. Vitamins and minerals used to fortify foods also satisfy the criterion of uniqueness.

Health Need: The health need for the substance has been established by appropriate documentation of scientific evidence and/or testimony of experts qualified by training and experience to make such judgments.

Health need would be considered a benefit to a segment of the population. Benefit, however, can be a perception that may be difficult to establsih objectively. Expert decision making may be an appropriate mechanism to use in permitting some special case exemptions in a public policy decision.

Assessed Risk: The potential risk must be appropriately defined and shown to be sufficiently small by scientifically acceptable techniques to allow a favorable estimate of the risk.

The chemical nature and activity of the substance, acceptable animal test data, and appropriate human epidemiologic studies would, for example, be a part of this risk assessment. As newer tests or more refined assessments are established as valid, they would be incorporated.

Consideration of the above five points would permit a scientifically acceptable assessment of comparative risks and, in some instances, of a risk/benefit ratio. This should allow public educational efforts to be undertaken and appropriate warnings to be promulgated. It would provide the ability to propose and adopt restrictive measures short of absolute ban in special cases. This improved flexibility would allow agencies to propose, in the public interest, unique solutions for special case substances.

Proposed marketing conditions

Additional consideration in each special case for which limited marketing might be proposed could include:

Time Limit: The proposed modification to the Food, Drug, and Cosmetic Act for a special case exemption should permit marketing it for a specific time period only. Renewal of permission to market should not be automatic but require further inquiry.

The implied threat or explicit statement of future non-renewal could be used to stimulate the development of acceptable alternatives for a special case substance.

Restrictions: Permission to market the substance may need to be conditional or restrictive.

Conditions applied to the marketing of a special case substance should, on balance, constructively serve the objective of protecting the population at large or protecting the needs of a specific sub-population.

Characteristics of legislation or regulations

To properly serve the public interest, modifications to the Food, Drug, and Cosmetic Act should be undertaken with great caution.

Construction: Modifications of current law to permit special case exemptions must be carefully drawn to prevent the incorporation of unimportant substances as special cases in the food supply.

Flexibility: Agencies should have the authority to propose and adopt measures that will allow the circumstances to fit the special case.

Providing agencies with the ability to propose unique solutions to problems would help assure the overall goal of protection of the public interest. Modifications to the Food, Drug, and Cosmetic Act should not preclude the convening of expert advisory panels, use of Federal Register for public comment or other measures that allow the commissioner to determine the appropriate circumstances to fit each special case.

Recommendations

The Council on Scientific Affairs recommends that the AMA, through its Council on Legislation, develop alternative proposals in accord with the above comments to substitute for the Delaney Clause of the Food, Drug, and Cosmetic Act.

Even though the Council recognizes the intent of the Delaney Clause, it recommends that the AMA advise Congress that:

1. The current Food, Drug, and Cosmetic Act limits the ability of regulatory agencies to exercise judgment and thereby make comparative risk or risk/benefit assessments for food additives as a part of the decision-making process.

2. The Food, Drug, and Cosmetic Act should be amended to require consideration of the concept of alternative risks before requiring the banning of substances suspected of being carcinogenic.

3. Eligibility of a substance for consideration by the regulatory agency as an acceptable food substance should be based upon the best scientific data available on the usefulness, function, uniqueness, health need for, and potential risk of the substance.

References—Food Safety

1. Hutt, P. 1978, Food, Drug, and Cosmetic Law Journal, 33:10,546.

2. Food Safety Policy: Scientific and Societal Considerations (Report No. 2). Committee for a Study on Saccharin and Food Safety Policy, Institute of Medicine and the National Research Council/Assembly of Life Sciences, National Academy of Sciences, Washington, D.C.

3. 44 Federal Register, 17070. March 20, 1979.

4. 44 Federal Register, 39858. July 6, 1979.

5. Scientific Committee, Food Safety Council. 1978. Food and Cosmetic Toxicology, 16: Supplement 2.

B. SACCHARIN AVAILABILITY

House action: Adopted as follows:

Background

In Substitute Resolution 4 (A-77), the House of Delegates recommended that:

"Pending enactment of an acceptable amendment to the Food Additive Act, the AMA support legislative or regulatory measures that will permit the continued marketing of saccharin as a food additive or an over the counter product with labeling warning of a potential increase in the incidence of cancer in animals and humans based on the currently available evidence."

In October 1977, the Congress authorized an 18 month moratorium on the Food and Drug Administration (FDA) proposal to ban saccharin in accord with the Delaney Clause of the Food, Drug, and Cosmetic (FD and C) Act. With the support of the AMA, the House of Representatives has extended that moratorium for an additional two years and Senate approval is pending. During this moratorium, the FDA has had its own committee examining possible alternatives to the food safety aspects of the FD and C Acts. A recent report by the National Academy of Sciences[1] (NAS) has suggested that the food safety laws should be revised to give the FDA greater flexibility than the Delaney Clause allows in deciding upon the availability of saccharin and other food additives.

Many alternative sweeteners, nutritive (aspartame, xylitol, sorbitol) and non-nutritive (monellin, neohesperidin dihydrochalcone), are under continuing investigation. Aspartame is the compound most likely to see early approval as a non-carbohydrate sweetener. However, it will be a long time before any of these possible substitutes for saccharin can be tested as rigorously as saccharin, and still longer before the human experience with it could begin to approach the years of experience now available with saccharin.

Saccharin Carcinogenicity

A Committee of the NAS[2] reviewed 14 lifetime feeding studies conducted in experimental animals, including rats, mice, hamsters, and monkeys, to ascertain the chronic toxicity (including carcinogenicity) of saccharin. The experimental protocols involved both single-generation exposures and two-generation exposures. The Committee concluded that in single-generation studies, saccharin did not induce cancer in any organ. The second generation male animals exposed to the substance from the time of their conception, through intrauterine development, infancy, maturation and adulthood, did show, in more than one experiment, significantly more bladder tumors than control rats. Two-generation testing has not been widely utilized in testing other food additives. Some experts believe that interpretation of such an experiment demands extrapolations and qualifications that inevitably cast doubt on its possible significance to human use.

The Joint Expert Committee on Food Additives of the Food and Agriculture Organization of the World Health Organization (FAO/WHO), in reviewing information on "in utero" exposure to saccharin, noted[3] that there are few other compounds that have been tested in two-generation studies employing animals exposed "in utero" and the desirable background information on this test procedure is not available. The FAO/WHO Committee reported that the overall findings on saccharin remain unexplained but that saccharin has not produced bladder tumors in many conventional long-term feeding studies.[3]

Because of the concern caused by the new findings, which need further elucidation, the Committee changed the previous unconditional Acceptable Daily Intake (ADI) of 0 to 5mg/kg of body weight for an individual to a temporary ADI of 0 to 2.5mg/kg and abolished the conditional ADI of 1 to 15mg/kg for dietetic purposes only. This temporary ADI is allocated pending provision of additional data within three years and implies that toxicological data are adequate to ensure the safety in use of the additive during the time for which the temporary ADI implies. Aware of studies in progress, the Committee further recommended that saccharin be kept under review.

The results of some "in vitro" tests for mutagenicity are positive with high doses of saccharin, although other "in vitro" tests report negative findings. Equivocal results in these test systems also contribute to the problem of resolving questions about the substance.

There have been many epidemiologic studies relating saccharin intake to bladder cancer in man. Only two studies were reported by the NAS to be sufficiently sensitive to have statistical validity. Howe et al.[4] reported a statistically significant increase in use of non-nutritive sweeteners among males who had bladder cancer. Kessler and Clark [5] reported no significant excess of bladder cancers in either sex among regular users of saccharin.

Several other epidemiologic studies of diabetic and obese patients who have used saccharin for many years have found no unusual concentration of bladder cancers. Thus, the carcinogenic potential of saccharin may be so weak that it has only been demonstrated in one type of animal experiment—when unusually large doses were fed for two generations of rats. The substance has been in use by humans as a non-nutritive sweetener for at least 65 years. Diabetic patients who have used no other sweeteners for many years do not show an unusual incidence of bladder tumors. Nevertheless, this question will be explored further by epidemiologic and pharmacologic investigations now in progress that should provide more information by 1981.

While moderate use of saccharin could be justified for the adult human, particularly in instances where medical problems exist, such as diabetes or obesity, one interpretation of the present data suggests that ingestion of saccharin, in large dosage, might act to promote baldder malignancy late in the life of those exposed to it "in utero." Thus, if any limitation on the use of saccharin is warranted, it should first be to minimize its use in pregnant women and infants except for those cases of clear medical indication such as diabetes. Obesity alone would not be such an indication since weight reduction during pregnancy and lactation is generally not considered to be appropriate.

Although the desirability of widespread use of saccharin by the metabolically normal child is open to question, the use of saccharin by diabetic children may foster conformity to their required dietary limitations. In the control of dental caries, it would be far better to educate children to use sugar laden foods and confections only in moderation and to practice good dental hygiene, rather than to allow their unbridled consumption of artificially or naturally sweetened food and drink.

Policy Determination

The Council on Scientific Affairs reviewed reports on the potential carcinogenicity of saccharin. It has considered the perceived benefits and risks of this substance in accord with the following concepts:

Use—The substance is widely and frequently used and has been in common use for over 50 years, thus assuring broad experience with it. There is adequate testimony about the substance and potential for harm to diabetics if use of the substance is prohibited.

Function—Used as a sweetener, saccharin is effective.

Uniqueness—There is, currently, no approved alternative sweetener known to be of comparable or better safety.

Documented Need—Some reports indicate that substantial numbers of health professionals consider saccharin a needed food additive in managing diabetes and obesity.

Assessed Risk—Saccharin would not ordinarily be a suspect chemical carcinogen based on its structure or reactivity. It has been found by the NAS to be a "weak" carcinogen in animal tests; this may be a function of high dosage. Epidemiologic data currently accepted as adequate by NAS is equivocal on the isse of whether or not there is an increased risk of human bladder cancer from ingestion of saccharin.

Time Limit—Continued marketing of saccharin should be allowed for 24 months, pending approval of an alternative substance of reevaluation of saccharin in the light of new data.

Restrictions—Current regulatory mechanisms would permit a wide range of actions, e.g., from marketing saccharin as a table-top sweetener only to simple removal of saccharin-sweetened soft drinks from school vending machines.

Recommendations

The Council recommends that:

The AMA continue to support extension of the present moratorium on the ban of saccharin and support efforts to keep saccharin available as a food additive and table-top sweetner until (1) stronger evidence of its carcinogenicity if forthcoming or (2) an alternative nutritive or non-nutritive sweetner becomes approved.

The AMA publicize its position that:

1. The regular dietary use of saccharin by individuals is a medical question that should be resolved in discussion with a physician.

2. Foods and drinks containing saccharin should be so labeled. A warning to human carcinogenicity should not be applied unless sufficient evidence becomes available.

3. Large amounts of saccharin in fetal life and childhood may carry a remote potential risk of carcinogenicity manifested in later life, and the use of large amounts by pregnant women and metabolically normal children is inadvisable.

References

1. Food Safety Policy: Scientific and Societal Considerations (Report No. 2). Committee for a Study of Saccharin and Food Safety Policy. Institute of Medicine and the National Reseach Council/Assembly of Life Sciences, National Academy of Sciences, Wshington, D.C., 1979.

2. Saccharin: Technical Assessment of Risks and Benefits (Report No. 1). Committee for a Study on Saccharin and Food Safety Policy. Assembly of Life Sciences/Institute of Medicine, National Research Council/National Academy of Sciences, Washington, D.C., 1978.

3. Evaluation of Certain Food Additives (Twenty-First Report of the Expert Committee). WHO Technical Report Series, No. 617, 1978.

4. Howe, G.R., Miller, A.B., and Burch, J.D., 1977, Artificial Sweeteners and Human Bladder Cancer. Lancet 2:578-581.

5. Kessler, I.I. and Clark, J.P., 1978, Saccharin, Cyclamate and Human Bladder Cancer: No Evidence of an Association. Journal, American Medical Association, 240:349-355.

C. EVALUATION OF COMMUNITY MENTAL HEALTH CENTERS

House action: Adopted:

Introduction

At the 1977 Interim Meeting, the House of Delegates adopted Resolution 51 asking that appropriate units of the AMA study the feasibility of examining and evaluating the effectiveness of community mental health centers. The resolution was referred to the Board of Trustees and Board Report AA (A-78) informed the House that the resolution was being considered by the Council on Scientific Affairs.

Mr. HATCH. Mr. President, Unfortunately, subsequent to the introduction of S. 1938 in October 1983, we did not have the occasion to subject the bill to scrutiny in committee. Several other issues—among them the Drug Price Competition and Patent Term Restoration Act of 1984—consumed a great deal of our time and attention. Now, however, the committee is in a position to focus more clearly on the important issues raised by this legislation, and we will be holding hearings on it this session of Congress.

I should note here a positive development bearing on these issues at the Food and Drug Administration. Beginning with a proposed regulation for methylene chloride last year, the FDA has signaled its intent to apply a de minimus test to the evaluation of additives. I view this as a positive step, and I congratulate the agency on this decision. The de minimus test is well recognized in many fields of law and makes good sense in the area of health risk management. It says no more than that there are certain minimal levels of risk below which the law will not take cognizance. I agree with the Department of Health and Human Services that neither the current safety clause nor the Delaney clauses preclude the application of such a principle, and I believe this approach would be in the public interest.

Thus, I would not want this legislative proposal to be interpreted as a statement of dissension from that initiative. However, the scope of the de minimus rule, if it is adopted, will undoubtedly be tested in court. And it is not inconceivable that it might be interpreted much more narrowly than the standard proposed in this legislation, perhaps so narrowly as to lose its practical effect. Further, the enactment of a more flexible standard by statute, through this bill, would be more likely to endure over time than would a purely administrative rule. And finally, I truly feel that the time is right for a reevaluation of our food safety laws, and that Congress should seize the opportunity to deliver a clear policy statement in support of rational food regulation.

Thus I feel it important to move forward with this legislation even as FDA considers, on a parallel track, the de minimus policy.

Mr. President, I am joined in this legislation by a bipartisan set of cosponsors. Among them are members who differ in their viewpoints on many important issues. But, liberal or conservative, Republican or Democrat, they have all acknowledged the need to update our food safety laws for the 1980's. I hope that as the bill makes its way through committee to the floor, my colleagues will recognize its merits and support it as well.

I ask unanimous consent that the text of the bill be printed in the RECORD, along with a section-by-section discussion of its provisions.

There being no objection, the additional material was ordered to be printed in the RECORD, as follows:

S. 2512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Safety Modernization Act of 1986".

TITLE I—AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

SEC. 101. Section 201(u) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(u)) is amended to read as follows:

"(u) The term 'safe', as used in paragraph(s) of this section and in sections 408, 409, 512, and 706, means a reasonable certainty that the risks of injury to health of a substance under the intended conditions of use are negligible.".

PHASEOUT AUTHORITY

SEC. 102. (a) Section 306 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 336) is amended by inserting "(a)" before "Nothing" and by adding at the end thereof the following new subsection:

"(b)(1) In any case in which the Secretary determines with respect to a use of a substance that a regulation may not remain in force under section 409(c), 512(c), or 706(b) or that such use of the substance may render food injurious to health under section 402(a)(1), or determines that a substance which has been generally recognized as safe is no longer so recognized, the Secretary may by regulation permit the continued use of such substance for a period of up to five years under such conditions as may be imposed by the Secretary pursuant to this subsection, if the Secretary determines that no unreasonable risk to the public health will result from such continued use.

"(2) During such period, the Secretary may impose such conditions on use of such substance as may be necessary and sufficient for protection of the public health, including—

"(A) a phased reduction of the foods or classes of foods in or on which such substance may continue to be used;

"(B) a phased reduction of the quantity of such substance which may be used or permitted to remain in or on such food; and

"(C) labeling or packaging requirements for foods containing or exposed to such substance.

"(3) In determining whether to permit such continued use, and the duration and conditions of any such continued use, the Secretary shall take into account—

"(A) the nature and extent of the risks associated with such use of the substance, or limitation or prohibition of use, as the case may be; and

"(B) effects of such use of the substance, including effects on the nutritional value, cost and availability of food, and use for dietary management and other health-related purposes.

"(4) continued use of a substance shall be permitted under this subsection only so long as a practicable substitute is not available for such substance for such use, except that the Secretary may by regulation allow the continued use of such substance during a period otherwise permitted by this section in which a substitute is available if the Secretary determines that the public health will be better served by the simultaneous use of such substance and such substitutes.

"(5) Upon the expiration of a period of continued use permitted under this subsection, the Secretary may by regulation permit the use of such substance for one additional period of up to five years, and under such conditions as may be imposed under this subsection, based upon a consideration of the factors listed in subparagraphs (A) and (B) of paragraph (3) of this subsection and a determination that diligent efforts to develop a substitute for such substance are being made.

"(6) While a regulation issued under this subsection with respect to a substance is in effect, a food shall not, by reason of bearing or containing such substance in accordance with such regulation, be considered adulterated within the meaning of paragraph (1), (2), or (6) of section 402(a) or section 402(c).".

(b) The section heading for such section is amended by adding at the end thereof a semicolon and "PHASEOUT AUTHORITY".

DELANEY CLAUSE

SEC. 103. (a) Section 409(c)(3)(A) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(c)(3)(A)) is amended by striking out all after "*Provided,* That" through "except that this proviso shall not apply" and inserting in lieu thereof the following: "no additive shall be deemed to be safe if the additive as a whole is found to induce cancer when ingested by man or animal, or if the additive as a whole is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal, except that this proviso shall not apply with respect to a use of a substance if the Secretary, on the basis of scientifically adequate experimental evidence with respect to the substance's mechanism of action or the manner in which the substance is metabolized or other experimental evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible, or".

(b) Section 512(d)(1)(H) of such Act (21 U.S.C. 360(d)(1)(H) is amended by striking out ", except that" and inserting in lieu thereof the following: *": Provided,* That the foregoing provisions of this subparagraph shall not apply with respect to a use of such drug, if the Secretary, on the basis of scientifically adequate experimental evidence with respect to such drug's mechanism of action or the manner in which such drug is metabolized or other experimental evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to such drug under the intended conditions of such use in negligible: *Provided, further,* That".

(c) Section 706(b)(5)(B) of such Act (21 U.S.C. 376(b)(5)(B)) is amended by striking out all after "A color additive" through "*Provided,*" and inserting in lieu thereof the following: "(i) shall be deemed unsafe, and shall not be listed, for any use which will or may result in ingestion of all or part of such additive, if the additive as a whole is found by the Secretary to induce cancer when ingested by man or animal, or if the additive as a whole is found by the Secretary, after tests which are appropriate for the evaluation of the safety of additives for use in food, to induce cancer in man or animal, and (ii) shall be deemed unsafe, and shall not be listed, for any use which will not result in ingestion of any part of such additive, if, after tests which are appropriate for the evaluation of the safety of additives for such use, or after other relevant exposure of man or animal to such additive, the additive as a whole is found by the Secretary to induce cancer in man or animal: *Provided,* That the foregoing provisions of this subparagraph shall not apply with respect to a use of a color additive, if the Secretary, on the basis of scientifically adequate experimental evidence with respect to the additive's mechanism of action or the manner in which the additive is metabolized or other experimental evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible: *Provided further,".*

CONSIDERATION OF HEALTH BENEFITS

SEC. 104. Section 409(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(c)) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of this Act, the Secretary shall issue a regulation with respect to a use of a food additive prescribing the conditions under which such additive may be used, if a fair evaluation of the evidence before the Secretary demonstrates—

"(A) that there is a substantial history of such use of the food additive and there is no practicable substitute for such food additive for such use, and

"(B) that the risks to human health presented by such use of the food additive are acceptable on account of the benefits to human health from such use of the food additive, including effects on the nutritional value and availability of food and uses for dietary management and other health-related purposes.".

SCIENTIFIC PEER REVIEW

SEC. 105. Title IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) is amended by adding at the end thereof the following new section:

"SCIENTIFIC PEER REVIEW

"SEC. 413. Within one hundred and eighty days after the date of enactment of the Food Safety Modernization Act of 1986, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientifically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue the resolution of which may be materially facilitated by independent scientific peer review.".

INDIRECT ADDITIVES

"SEC. 106. Title IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) (as amended by section 105 of this Act) is further amended by adding the following new section:

"INDIRECT ADDITIVES

"SEC. 414. Within two years after the date of enactment of the Food Safety Modernization Act of 1986, the Secretary shall by regulation establish standards for determining whether an intended use of a substance will be deemed to result in its becoming a food

additive under section 201(s), taking into account relevant factors including levels of human exposure to the substance (based upon a meaningful projection from reliable data) under its intended conditions of use of the substance and the toxicological characteristics of the substance.".

SECTION 406 PROCEDURES

SEC. 107. Section 701(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371(e)) is amended by striking out "406,".

TITLE II—AMENDMENTS TO THE POULTRY PRODUCTS INSPECTION ACT, THE FEDERAL MEAT INSPECTION ACT, AND THE EGG PRODUCTS INSPECTION ACT

REGULATIONS OF SUBSTANCES

SEC. 201. (a) Section 4(g)(2)(A) of the Poultry Products Inspection Act (21 U.S.C. 453(g)(2)(A)), section 1(m)(2)(A) of the Federal Meat Inspection Act (21 U.S.C. 601(m)(2)(A)), and section 4(a)(2)(A) of the Egg Products Inspection Act (21 U.S.C. 1033(a)(2)(A)) are each amended by striking out "which may, in the judgment of the Secretary, make such article unfit for human food" and inserting in lieu thereof: "which is unsafe within the meaning of section 406 of the Federal Food, Drug, and Cosmetic Act: *Provided*, That if no regulation under such section is in effect with respect to such substance, the Secretary may promulgate a regulation with respect to such substance in accordance with the provisions of section 406 of the Federal Food, Drug, and Cosmetic Act".

(b) Section 4(g)(2)(D) of the Poultry Products Inspection Act (21 U.S.C. 453(g)(2)(D)), section 1(m)(2)(D) of the Federal Meat Inspection Act (21 U.S.C. 601(m)(2)(D)), and section 4(a)(2)(D) of the Food Products Inspection Act (21 U.S.C. 1033(a)(2)(D)), are each amended by inserting after "*Provided*, That" the following: "while a regulation or approval with respect to a use of a substance is in effect under sections 406, 408, 409, or 706 of the Federal Food, Drug, and Cosmetic Act, a product shall not, by reason of bearing or containing such substance in accordance with such regulation or approval, be considered to be adulterated under subparagraph (1) of this paragraph: *Provided further*, That".

PHASEOUT AUTHORITY—SCIENTIFIC PEER REVIEW: POULTRY PRODUCTS INSPECTION ACT

SEC. 202. Section 14 of the Poultry Products Inspection Act (21 U.S.C. 463) is amended by adding at the end thereof the following new subsections:

"(d) If the Secretary determines that a use of a substance in food or food packaging violates a general or specific safety provision of this Act, the Secretary may issue a regulation with respect to such use of such substance in accordance with the provisions of section 306(b) of the Federal Food, Drug, and Cosmetic Act.

"(e) Within 180 days after the date of enactment of the Food Safety Modernization Act of 1986, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientifically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue, the resolution of which may be materially facilitated by independent scientific peer review.".

PHASEOUT AUTHORITY—SCIENTIFIC PEER REVIEW: FEDERAL MEAT INSPECTION ACT

SEC. 203. Title I of the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 25. If the Secretary determines that a use of a substance in food or food packaging violates a general or specific safety provision of this Act, the Secretary may issue a regulation with respect to such use of such substance in accordance with the provisions of section 306(b) of the Federal Food, Drug, and Cosmetic Act.

"SEC. 26. Within 180 days after the date of enactment of the Food Safety Modernization Act of 1986, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientifically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue the resolution of which may be materially facilitated by independent scientific peer review.".

PHASEOUT AUTHORITY—SCIENTIFIC PEER REVIEW: EGG PRODUCTS INSPECTION ACT

SEC. 204. Section 14 of the Egg Products Inspection Act (21 U.S.C. 1043) is amended by inserting "(a)" before "The" and by adding the following new subsections:

"(b) If the Secretary determines that a use of a substance in food or food packaging violates a general or specific provision of this Act, the Secretary may issue a regulation with respect to such use of such substance in accordance with the provisions of section 306(b) of the Federal Food, Drug, and Cosmetic Act.

"(c) Within 180 days after the date of enactment of the Food Safety Modernization Act of 1986, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientifically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue the resolution of which may be materially facilitated by independent scientific peer review.".

SECTION-BY-SECTION DISCUSSION OF THE "FOOD SAFETY MODERNIZATION ACT OF 1986"

I. INTRODUCTION

The "Food Safety Modernization Act of 1986" (the "FSMA") contains several significant amendments to the food safety provisions of the Federal Food, Drug and Cosmetic Act (the "FDC Act") and conforming changes to the Federal Meat Inspection Act (the "FMI Act"), Poultry Products Inspection Act (the "PPI Act") and Egg Products Inspection Act (the "EPI Act"). The FMSA is a successor to, and is evolved from, legislation introduced in the Congress in recent years, notably S. 1442 and H.R. 5491, each of which was introduced during the 97th Congress. The provisions of the FSMA are derived not only from these prior bills, but from the three days of comprehensive hearings on food safety law and policy held before the Senate Labor and Human Resources Committee on June 8-10, 1983.

At those hearings, testimony was received from witnesses representing diverse interests and perspectives, including those of the Food and Drug Administration ("FDA") and the U.S. Department of Agriculture ("USDA"), prestigious scientists, and industry and consumer groups. It was the clear consensus of those witnesses that the current law is basically sound and has worked well to ensure that the American food supply is safe. Many of those witnesses also testified, however, that current food safety law does not conform to current scientific and technological knowledge and capabilities, does not permit the FDA and USDA to consider all pertinent scientific information in making food safety regulatory decisions and does not give FDA and USDA sufficient flexibility to develop appropriate regulatory responses to all food safety issues which arise. The FSMA addresses these problems while also retaining the basic structure and requirements of the current laws, laws which have ensured that the American food supply is the safest in the world.

The FSMA consists of three titles. Title I contains amendments to several specific provisions of the FDC Act relating to food additives, color additives, new animal drugs and contaminants of food, as well as provisions which would affect food safety decisions generally. Title II contains conforming amendments to the FMI Act, PPI Act and EPI Act, each of which is enforced by the USDA, and several changes to those laws intended to further ensure consistency between the policies and requirements imposed by FDA and USDA. Title III specifies the effective date of the FSMA. Each of the changes to current law which would be made by the FSMA are described below.

II. DEFINITION OF "SAFE"

One of the central concepts of the FDC Act—a concept which is not altered by the FSMA—is the requirement that substances used to produce, process, package, hold, or otherwise affect food (*i.e.*, substances defined under the law as food additives, color additives, pesticide residues, and residues of new animal drugs) be demonstrated to be "safe" before use. A manufacturer or food processor who wants to use a substance in food is now required to provide to FDA all of the scientific and technical data needed to prove that the substance is safe. This requirement is not altered by the FSMA.

These requirements have their origins in the Food Additive Amendment of 1958 (the food additive provisions of the FDC Act have not been revised since then) and have been extended to color additives, pesticide residues and residues of new animal drugs. Although the Food Additives Amendment of 1958 required, for the first time, that "food additives," as defined in section 201(s) of the FDC Act, 21 U.S.C. § 321(s), be shown to be "safe," the Amendment did not define the term. The legislative history of the Amendment, however, reflects the judgment of the Congress in 1958 that "safe" required the proponent of use of an additive to demonstrate, by competent scientific evidence, to a "reasonable certainty," that "no harm" would occur from use of the additive. This "definition" has been incorporated in FDA regulations and has guided food safety decisions by FDA for twenty-five years.

It is evident from the legislative history of the 1958 Amendment (and subsequent amendments related to other types of food

constituents) that a policy of "zero risk" was not intended by the Congress; indeed, such a policy would be difficult, if not impossible, to implement. In recent years, science has provided ever more exquisite analytical techniques and increasingly sophisticated techniques to identify, assess, and quantify potential risks. FDA has attempted to adapt its regulatory policies to these changes in scientific capability. Current scientific capability enables us to identify potential risks throughout the food supply (*e.g.*, we can detect substances in food at parts per trillion). Scientific capability also enables us to determine the upper boundary of these potential risks and thus to identify those which may pose public health concerns. The absence of a definition of "safe" has made it increasingly difficult for FDA to apply consistently appropriate regulatory policies which distinguish between trivial risks and those which warrant concern. The FSMA would add a definition of "safe" to the FDC Act, and, in so doing, insure that the public health is protected from those risks in food which are not demonstrated to be trivial.

Under section 101 of the FSMA, section 201(u) of the FDC Act would be amended to define the term "safe"—as it applies to food additives, color additives, residues of new animal drugs, and pesticide residues—as "a reasonable certainty that the risks to the public health of a substance under the intended conditions of use are negligible." This definition would accomplish several objectives.

First, it would continue the requirement that the manufacturer or user of a food constituent, such as a food additive, demonstrate safety to a "reasonable certainty." This feature of the new definition will ensure that the scientific evidence needed to demonstrate safety is comprehensive and reliable and resolves the issues pertinent to the safety decision. The "reasonable certainty" language is consistent with the approach of current law, but by making the phrase a part of the FDC Act (as opposed to its presence in the legislative history) its continued viability as part of the concept of safety will be preserved.

Second, the benchmark for distinguishing substances shown to be "safe" and those that have not, would be clarified. Under the definition, a substance determined to present no more than "negligible" risks would be safe. The inclusion of a standard of "negligible" risk would ensure that the public health is fully protected; trivial risks, that is, those that do not endanger the public health, would not be a basis for prohibiting the use of substances in food. With the development of techniques for quantitative risk assessment and the greatly enhanced information on, and understanding of, the toxicology of food constituents, distinctions can reasonably and appropriately be made between the risks, if any, presented by substances in food. The definition would help FDA to better adapt its regulatory policies to distinguish between those substances which may present public health concerns or otherwise warrant attention and those which do not.

The definition would thus reaffirm the requirement for persuasive proof of the safety of food constitutents, distinguish between negligible risks and those of public health concern, and help to provide for food safety regulatory decisions that embody consideration of, and reliance on, current scientific and technological information and capabilities.

III. PHASEOUT AUTHORITY

The FDC Act does not currently authorize the FDA to provide for the gradual elimination of a substance from food when such substance has been determined not to satisfy the substantive criteria of the FDC Act for continued use. The lack of this authority and the potentially undesirable consequences because of its absence, were illustrated several years ago when a study appeared to implicate nitrites as animal carcinogens. Nitrites are widely used to preserve meat and poultry products. Precipitous action to eliminate them, if the evidence had demonstrated a risk which required such action (ultimately the study in question was determined not to implicate nitrites directly in cancer causation), would have created unacceptable risks (there being no practicable substitutes for nitrites to protect certain foods from the growth and development of botulism) and adversely affected the costs related to, and the availability of, a major component of the food supply.

When it became apparent that a gradual elimination or phaseout of nitrites (or any other substance in use) was not permitted under current law, the Administration proposed legislation to authorize the phaseout. That specific phaseout legislation became unnecessary, but the episode did demonstrate the need generally to provide for the orderly removal of substances from food, under certain circumstances, when a decision is made to ban further use. The phaseout provision in the FSMA deals only with the implementation of a decision to eliminate gradually a substance from food; the criteria under the FDC Act for determining whether a substance may remain in further use indefinitely is not affected by the provision.

Under section 102 of the FSMA, section 306 of the FDC Act, would be amended by redesignating the current provisions as paragraph (a) and by adding a new paragraph (b). The amendment to section 306 would authorize FDA, by regulation, to permit the continued use of a substance (a food additive or color additive, a substance with a prior sanction or one generally recognized as safe, and a new animal drug) which it had determined no longer met the criteria for indefinite continued use, for a period up to five years. A phaseout would be permitted under this section only if the FDA decided that "no unreasonable risk to the public health" would result from continued use of the substance during the phaseout period. A phaseout would be permitted only as long as a practicable substitute for the substance in question was not available.

The section would authorize the FDA, as appropriate, to reduce the amount of a substance allowed in food, restrict the foods in which substance may be used, or to provide for labeling or packaging requirements during the phaseout period. In addition, because five years may not, in some instances, be adequate to develop and obtain approval of a practicable substitute (or substitutes) for the substance in question, the phaseout could be extended for up to an additional five years. An extension would only by permitted, however, if the FDA decided that diligent efforts were being made to develop substitutes and if a continuation of the phaseout period were consistent with requirements of the section.

In deciding on the length and conditions of a phaseout, the section directs the FDA to consider, for each use of a substance, the risks associated with using the substance and the risks associated with limiting or prohibiting its use. Also, the FDA would be required to consider the effects of the use of the substance on such factors as the nutritional value of food, the cost and availability of food, and the use of the substance for dietary management and other health-related purposes. In short, decisions on the length and conditions of a phaseout would be based on an evaluation of numerous factors and would reflect the judgment of the Agency as to how best to implement a decision to ban a substance. As is the case under the FDC Act in general, the Agency's judgment about the risks of continued use of a substance would be an important element of any phaseout decision.

Finally, the FDA would be permitted to provide for the continued use of a substance subject to a phaseout regulation even after a practicable substitute is available only if it is determined by FDA that the public health is enhanced by the simultaneous use of more than one substance for a particular use or uses (*e.g.*, FDA might conclude that the use of lower levels of two or more substances better protects the public health than reliance on a single substance).

IV. DELANEY CLAUSE

An important feature of the Food Additives Amendment of 1958 is the inclusion of a special provision for additives shown to induce cancer in laboratory animals or in man. This provision—the Delaney Clause—was initially applied to food additives and subsequently extended to color additives and residues of new animal drugs. (The FDA Act thus contains three Delaney Clauses).

Unlike the concept of general safety embodied in the 1958 Amendments—that is, the "zero risk" is not the standard—the Delaney Clauses do adopt a policy of zero risk with respect to substances to which they apply. The "zero risk" approach of the Delaney Clause was based on the state of knowledge about cancer causation, risk assessment, toxicology, and analytical chemistry in the late 1950's. It was generally believed then that few substances would be shown to induce cancer in laboratory animals, that essentially all substances shown to induce cancer in laboratory animals presented significant risks of cancer to humans, and that all animal carcinogens behaved in the same way. Also, in 1958, the tools to distinguish cancer-causing substances on the basis of their risks under the intended conditions of human use did not exist. Finally, analytical techniques could only detect substances in the parts per million range, which meant that low levels of animal carcinogens in food went undetected.

In the twenty-five years since the Delaney Clause was first enacted, dramatic changes have occurred with respect to the scientific and technological premises underlying the provision. It is now known, for example, that of the numerous substances shown to induce cancer in laboratory animals (in part because of more and better testing techniques) some act as direct carcinogens, while others act indirectly or through secondary means. It is also known that the risks to humans from substances shown to induce cancer in animals vary greatly, depending on the potency of the substance, its mechanism of action, the level of exposure, and numerous other factors. Techniques of quantitative risk assessment have been refined to aid in distinguishing substances on the basis of risk to humans under the intended conditions of use. The need to distin-

guish among these substances on the basis of risk is further demonstrated by the sensitivity of analytical methods, which detect trace amounts of cancer-causing substances throughout the food supply.

The scientific capability now exists to distinguish between those substances which present risks of public health significance and those which, because the risk is so small or remote, do not. Current law does not, however, permit these distinctions to be made as a matter of regulatory policy. Regulatory policy under a revised Delaney Clause can reflect current scientific capabilities while continuing to ensure that the public health is protected.

Under section 103 of the FSMA, each of the three Delaney Clauses in the FDC Act would be amended. The amendments would not alter the basic concept of the Clauses. The amendments would, howevr, provide for judgments about the risk of the substance to humans under the intended conditions of use to be a factor in regulatory decisionmaking.

Under the revised Delaney Clauses, a substance would not be required to be banned (or could be approved) if the proponent of use demonstrated on the basis of credible experimental evidence, that the risks to humans under the intended conditions of use were negligible. This standard would be consistent with current science and with the definition of safe set forth in section 101 of the FSMA, while also retaining the special provisions of current law for dealing with carcinogenic substances.

In deciding whether a substance shown to induce cancer presented only a negligible risk of cancer, the FDA would consider the evidence (generally based on studies in laboratory animals) bearing on whether the substance induces cancer, as well as other "scientifically adequate experimental evidence" on such matters as the mechanism of action and metabolism of the substance. When FDA determines that it is feasible and appropriate, quantitative risk assessments could be used to aid in evaluating the safety of substances under the Delaney Clause. The revised Delaney Clause does not specify that any particular weight be given to any single component of the scientific inquiry, but does provide for all pertinent scientific evidence to be considered and for the regulatory decision ultimately to be based on the magnitude of the risk, if any, to humans.

The Delaney Clauses for food and color additives (in section 409 and 706 of the FDC Act) would also be revised to confirm that the Clause, if it applies at all, applies to the "additive as a whole" and not to the constituent parts of the additive, such as trace amounts of reaction products and chemical impurities. The safety of the constituents would continue to be determined under the general safety requirement for additives. This clarification of the scope of the Delaney Clause would ensure that additives are not banned because of the presence of trace carcinogenic constituents unless those constituents present greater than negligible risks.

VI. CONSIDERATION OF HEALTH BENEFITS

Under section 409 of the FDC Act, 21 U.S.C. § 348, regulatory decisions on food additives are based primarily on scientific judgments about the risks, if any, presented by the additive. Although food additives are required to be shown to be functional, that is, to achieve the technical or physical effect for which their use is intended, the FDC Act does not authorize an inquiry into the "benefits" of the additive. The Congress squarely addressed this issue in 1958, and decided then not to interject into the regulatory process, a consideration better left, in most instances, to the marketplace. The criteria for food additive decisionmaking has thus focused on the effects of the additive on the public health.

There exists a circumstance, however, in which current law excludes from consideration matters pertinent to the public health. This circumstance, illustrated by such diverse substances as the antioxidant BHA, the sweetener saccharin, and the preservative nitrites, occurs when an additive with a substantial history of use and no practicable substitute, can no longer be permitted on the basis of a safety assessment alone. Under current law, FDA could not, in such a circumstance, consider the health-related benefits of the additive before deciding what action to take. It is thus possible under current law, for FDA to be required to ban a long-used and unique additive even though, on balance, the public health would be better served by continued use of the additive.

Section 104 of the FSMA would correct this deficiency in current law by authorizing FDA to consider the benefits to human health from a long-used additive with no practicable substitute before prohibiting its use on the basis of the risks to human health presented by the additive. The provision would permit continued use of an additive if, after considering such benefits to human health as the effects of its use on the "nutritional value and availability of food," "uses for dietary management, and other health-related purposes," the risks to human health were found to be acceptable.

The authority to consider benefits under section 104 of the FSMA is appropriately limited in several ways. First, the provision authorizes the consideration of health-related benefits only and thereby retains the twenty-five year old concept of food additive regulation that places protection of the public health at the center of FDA's responsibilities. The provision authorizes consideration of health benefits from a broad perspective, but does not provide for the consideration under any circumstances of non-health-related benefits.

Second, benefits would be considered only for food additives (and not for color additives), and then only for those food additives which have a substantial history of use and for which there are no practicable substitutes. This limitation will help to ensure that the consideration of benefits will occur only in those situations in which there is likely to be adequate evidence bearing on the benefits, and not simply speculation about them.

Third, as is the case with establishing the safety of a food additive, the burden to demonstrate that the risks to human health are acceptable on account of the benefits to human health would rest with the proponent of use of the additive. The FDA's role would continue to be to evaluate the evidence provided by others consistent with the criteria set forth in the FDC Act. Evidence to demonstrate benefits would be required to meet the same standards for evidence of risk to health.

VII. SCIENTIFIC PEER REVIEW

It is widely acknowledged that the reliability, credibility, and integrity of the scientific process depends, in large measure, on the careful use of scientific peer review. Consideration of scientific findings, evidence, and reports by other scientists with appropriate expertise, helps to ensure that decisions (regulatory or others), are based on sound, reproducible, valid, and reliable studies. The essence of a sound system for scientific peer review is the reliance on independent and qualified scientists to undertake a careful and comprehensive review of all data pertinent to a scientific proposition or conclusion.

Scientific peer review is an important component of food safety regulation. It helps to ensure that decisions are based on a scientifically sound basis and thereby to maintain public confidence in the appropriateness of the regulatory system. FDA has resorted to peer review on occasion in recent years for advice and assistance on significant scientific issues related to food safety (and other aspects of its regulatory responsibilities). The resort to scientific peer review by FDA, however, has not been consistent or predictable.

Section 105 of the FSMA would direct the FDA, within 180 days of enactment, to provide by regulation for a system of independent scientific peer review on "substantial scientific" issues related to food safety. The regulations would be required to embody the essential features of a workable independent scientific peer review provision but would leave the details of the system to be determined by the FDA, after it received comments from the public on its proposed system. The peer review system mandated under section 105 does not, of course, prevent FDA from seeking advice on its own initiative from scientists employed by other agencies of the Federal Government.

Under Section 105, the FDA would be required to obtain advice from qualified scientists who are not employed by the Federal Government whenever a substantial scientific issue arises, the resolution of which, in the judgment of the FDA, would be "materially facilitated" by independent scientific peer review. To assist the committee of experts in reaching independent conclusions, the provision provides for the appointment of a scientifically-qualified staff of persons who, like the committee members, are not fulltime employees of the Federal Government.

Peer review would be required only when FDA finds that because, for example, the issues are unique, the scientific findings are controversial, or conflicting data are presented, the resolution of the scientific issues underlying a regulatory decision and, therefore, the credibility of the regulatory decision itself, would be enhanced by independent scientific peer review.

Section 105 provides for the receipt of *advice* from scientific experts. It does not change the fact that the ultimate responsibility for the regulatory decision rests with the FDA.

VIII. INDIRECT ADDITIVES

Among the substance which are defined as "food additives" under section 201(s) of the FDC Act, are those which, because of their use in food production, packaging or holding, become or may reasonably be expected to become a part of food. This category of additives is know as "indirect additives" because, although they are used in contact with food, they are not deliberately or "directly" added to it.

Beginning in 1958 and continuing until today, FDA has differentiated in its regulatory policy between direct and indirect additives. Unlike most direct additives, the indirects are not advertently added to food and if present there at all (through food contact surfaces) are present at low levels, some-

times so low as to defy detection by even the most sophisticated analytical techniques available.

A recurring difficulty in the regulation of indirect additives has been the determination of whether a substance is subject to food additive regulation at all (i.e., is there a reasonable expectation that a substance, such as a component of a plastic container, will become a component of food). It is important that this question be resolved so that scarce FDA resources are not allocated to substances which are not likely to become part of food and, if they do, only at levels of no public health significance, and to provide predictability and certainty for manufacturers and users of food contact materials.

Section 106 of the FSMA would add a new section 414 to the FDC Act to require, within two years of enactment, that FDA establish, by regulation, standards to determine under what circumstances the use of a substance in a food contact situation (i.e., an indirect additive) meets the food additive definition in section 201(s) of the FDC Act. In issuing these regulations, the FDA would be directed to consider, among other relevant factors, the extent of human exposure to a substance under the intended conditions of use and the toxicological characteristics of the substance. The regulations would then clarify when there is not a "reasonable expectation" that a substance will become a part of food within the meaning of section 201(s) of the FDC Act.

IX. SECTION 406 PROCEDURES

Section 107 of the FSMA would provide for the adoption of regulations under section 406 of the FDC Act by informal rulemaking, rather than the formal rulemaking now required. This amendment would provide for the adoption of tolerances for food contaminants, for example, through less cumbersome and time-consuming regulatory procedures. Because the current procedures for tolerances under section 406 are so cumbersome, FDA has rarely relied formally on the section, opting instead for the informal approach of "action levels." With less involved procedures required under Section 406, it is expected that FDA would no longer need to rely on action levels to the extent that it has and would, instead, use section 406 as it was intended to be used.

X. CONFORMING CHANGES TO THE FMI, PPI AND EPI ACTS

Title II of the FSMA would make several changes to the FMI, PPI and EPI Acts, each of which is enforced by the USDA.

First, section 201 of the FSMA would amend each of the three agricultural product laws to provide that a meat, poultry or egg product is adulterated because it contains an added poisonous or added deleterious substance when the presence of the substance renders the food "unsafe within the meaning of section 406" of the FDC Act. This amendment would thereby substitute the standard of section 406 for the current "unfit for human food" criterion. In so doing, the amendment would permit USDA to consider the factors set forth in section 406 for determining when an added poisonous or added deleterious substance adulterates a meat, poultry or egg product and make its regulatory policy consistent with that of FDA. The amendment would also authorize USDA to issue regulations under section 406 for added poisonous or added deleterious substances in meat, poultry and egg products, but, to avoid duplication, only if FDA has not already done so. The amendment does not affect FDA's current authority to issue regulations under section 406.

Second, section 201(b) of the FSMA would correct a technical defect in the FMI, PPI and EPI Acts. Unlike the FDC Act, the three agricultural laws do not provide that the use of a substance, in a meat, poultry, or egg product in accordance with a regulation issued under sections 406, 408, 409 or 706 of the FDC Act, does not result in the adulteration of the product under one of the general adultration provisions of those laws. Without this amendment, it is possible for a meat, poultry, or egg product to be adulterated because of the presence of a food contaminant, pesticide residue, food additive, or color additive even though the use of the substance conforms to a regulation providing for its use.

Third, sections 202, 203 and 204 amend the PPI, FMI and EPI respectively, to authorize USDA to phaseout the use of substances in meat, poultry and egg products for which it has primary responsibility (*e.g.*, a substance for which it has issued a prior sanction under section 201(s) of the FDC Act). Phaseout regulations for such substances would be issued by USDA in accordance with the phaseout provision in section 306(b) of the FDC Act.

Finally, sections 202, 203 and 204 of the FSMA would provide for USDA to adopt, within 180 days of enactment, regulations for the establishment of an independent scientific peer review system. This provision is identical to that for FDA and a consistent approach to this subject between the two agencies is expected.

By Mr. MOYNIHAN (for himself, Mr. BRADLEY, Mr. KENNEDY, and Mr. KERRY):

S. 2513. A bill entitled the "Work Opportunities and Retraining Compact of 1986"; to the Committee on Finance.

WORK OPPORTUNITIES AND RETRAINING COMPACT

● Mr. MOYNIHAN. Mr. President, I rise today on behalf of myself, and Senators BRADLEY, KENNEDY, and KERRY, to introduce the Work Opportunities and Retaining Compact of 1986—its acronym, rather appropriately, WORC. Companion legislation is being introduced today in the House by Representatives SANDER LEVIN, KENNELLY, RANGEL, GEPHARDT, MILLER, MOAKLEY, and FRANK.

In his State of the Union Message last February, President Reagan stated that "the success of welfare should be judged by how many of its recipients become independent of welfare." Yet, Federal funding for the Work Incentive [WIN] Program—the only Federal program aimed specifically at getting welfare recipients off the welfare roles and into jobs—has declined by nearly 40 percent since 1981. In 1981, Congress appropriated $365 million for the program, but that level has declined steadily to the current level of $211 million—post-Gramm-Rudman March 1, 1986, sequester.

As a result, States have been restricted in their ability to provide WIN employment and training services to AFDC recipients. Many welfare recipients who register for WIN services are placed on long waiting lists, never receiving the necessary skills assessment, training, or job placements intended under the WIN Program.

Mr. President, earlier this year, the Senate threatened to make a bad situation even worse. The Concurrent Budget Resolution for fiscal year 1987, as reported by committee, had failed to include modest funding—$211 million—for the continuation of WIN.

During floor consideration of the bill, just 1 month ago, I offered an amendment to restore WIN funding. Cosponsors of the measure and I argued that Federal Government should be bolstering, not eliminating, its assistance to States, particularly since a number of States have successfully initiated job training programs. I argued further that $211 million was a small price to pay to achieve both the fiscal and social savings which WIN programs have begun to realize.

Well, enough of my colleagues seem to have agreed with something we said, for the amendment carried by a bipartisan vote of 55 to 40, and fiscal year 1987 funding for WIN was restored.

But while the restoration of WIN was a wise decision, the basic problem of placing welfare recipients in unsubsidized, well-paid jobs remains as great as ever.

Rates of welfare dependency in our Nation remain unacceptably high. The costs of the dependency of a substantial segment of our population are extremely difficult to measure, for such costs are not measured in fiscal terms alone. Current budget authority for AFDC—the Federal share of the program alone—exceeds $8.6 billion. The States, under law, match Federal spending on AFDC. And, in the last fiscal year, the average number of monthly AFDC recipients was 10.8 million—some 7.1 million—6 percent—of whom were children.

The WIN Program, while necessary, clearly is not sufficient to meet this challenge. We need a more comprehensive program for educating, training, and employing welfare recipients. My distinguished colleague in the House, Representative LEVIN, had such reform in mind when he and members of the Democratic caucus' employment and training task force laid the groundwork for the legislation we introduce today.

The Work Opportunities and Retraining Compact [WORC] would amend title IC of the Social Security Act to require each State to educate, train, and find jobs for AFDC recipients. The purpose of the bill is straightforward: To strongly encourage welfare recipients to move speedily and permanently off the welfare roles, and into unsubsidized jobs. Under WORC, all able-bodied welfare recipi-

ents, except the minority exempt under current law, would be required to participate in the program. Our bill also requires the States to provide day care for working mothers, and transportation and other support for program participants in need of these services.

Under the provisions of WORC, States are given substantial flexibility to design employment and training programs as they deem most suitable for their welfare population. The State will assess the employment prospects of each participant and will ultimately assign them to any of the education and training programs now authorized under current law, including WIN, WIN Demonstrations, Community Work Experience [CWEP], Work Supplementation—all of which are authorized under the Social Security Act. In addition, States are encouraged to use the services under the Job Training Partnership Act [JTPA], employment services, and vocational education to train and place participants. An important feature of the bill is the retention of this State flexibility: Beyond federally specified minimum participation requirements, Governors will have the option of mandating a community work type of program—such as now exists in California for example—or a program like Massachusetts' ET Choices—which relies more heavily on skills training—or, perhaps, a combination of several such features. As State economies, welfare populations, and political philosophies vary widely across the Nation, this flexibility should afford States the chance to design a program tailored specifically to the needs of their residents.

In addition, States will have the ability to assign individual participants to the most suitable activity. We know from research data that different types of welfare recipients benefit from disparate training and services. Targeting of services can thus prove most effective. In "Poverty and Welfare in America," (March 1986), Mary Jo Bane, Julie Wilson, and Lauren Young suggest,

> [One] approach is to save expensive interventions for people who have already been on welfare for two or more years. Another approach is to identify recipients who are likely to remain on the rolls a long time, and begin providing services to them early. Much of the research suggests that young, never-married mothers are especially likely to become long-term welfare recipients. Case management . . . for these women, begun while they still have preschool children, is likely to be a good investment. (New York State Department of Social Services.)

Currently, the administration of a State's employment and training services falls to both the departments of labor and welfare at the State level, and to the Departments of Health and Human Services and Labor in Washington. State experience thus far clearly indicates that the most successful programs are administered solely by one State agency—namely, the agency responsible for AFDC. In light of this finding, we have mandated administration of a State's WORC programs by the State AFDC agency. That agency may, if it so desires, contract with the State department of labor for its services.

Importantly, Mr. President, the legislation we offer today would make additional Federal resources available to the States. In preliminary cost estimates, the Congressional Budget Office has estimated the initial budgetary cost of this legislation at $95 million in fiscal year 1987, over current services. This figure may be misleading, for it does not take into account increased State activity under the new program. But, conversely, the estimate fails to reflect potential cost savings in terms of reduced AFDC, food stamps, and Medicaid benefits. If cost savings in the States are any guide, we can anticipate very significant net savings over program costs for a national WORC Program.

Under the WORC bill, Federal funding for allowable job training activities would become an entitlement under title IV of the Social Security Act; that is, the Federal Government would have to match State expenditures for WORC activities. The Federal Government would pay 70 percent of the education and training costs for AFDC recipients. And, the Federal Government would cover 50 percent of administrative costs and support service costs—such as day care and transportation. As an incentive for States to successfully train and place significant numbers of participants, the Federal Government will increase its funding share by 5 percent—to 75 percent—after fiscal year 1987 for those States meeting prescribed performance standards.

These State performance standards are to be promulgated by the Office of Technology Assessment, and the Departments of Health and Human Services and Labor. They will be designed to measure outcomes, such as job placements, wages, job retention, and reductions in AFDC payments and cases. It is important to emphasize that these standards will not simply reflect the number of recipients removed from the rolls, for such a measure alone does not reflect the long-term successes of job training programs.

In my home State of New York, Governor Mario Cuomo has recently asked the legislature to approve a comprehensive job training program for impoverished New Yorkers. The State is prepared to spend upwards of $22 million for expanded training programs next year alone. A firm initiative, encompassing renewed Federal support for job training programs, would send a positive signal to New York, as well as some 25 other States now engaged in innovative work demonstration programs.

The expansion of employment and training activities that we propose in this legislation would benefit all States now operating programs for their AFDC recipients. In the last few years, we have witnessed a significant increase in State activity in this area. Richard Nathan, professor at the Woodrow Wilson School at Princeton, made the point most eloquently in a recent Washington Post article, April 10, 1986:

> There is new hope. The States are serving as testing grounds for welfare reform on a basis that involves a delicate balancing act by liberals and conservatives. Job-focused institutional changes to reduce the stigma of welfare are the essence of the new approach.

Dr. Nathan concludes this could be "the real welfare reform."

The time has come to design a realistic, demanding, yet flexible national employment and training program for the dependent population.

In closing, Mr. President, I would suggest to my colleagues that the intent of the Work Opportunities and Retraining Compact is identical to the intent of the Congress when, in 1967, it set out to create the work incentive program for welfare recipients. The purpose, as stated in the original law, was to require the establishment of a program utilizing all available manpower services to enable individuals to secure productive jobs,

> thus restoring the families of such individuals to independence and useful roles in their communities. It is expected that the individuals participating in the program . . . will acquire a sense of dignity, self-worth, and confidence which will flow from being recognized as a wage-earning member of society and that the example of a working adult in these families will have beneficial effects on the children in such families. (Section 430, Title IV C of the Social Security Act.)

Surely, we owe the members of our society a chance to realize the most basic goal of self-sufficiency. And, at the very least, we owe it to the millions of children who today find themselves in this situation of dependency. I hope my colleagues will agree that the Work Opportunities and Retraining Compact of 1986 is a prudent step toward that end, and I welcome their support.●

● Mr. BRADLEY. Mr. President, I rise today to join my distinguished colleage, Senator MOYNIHAN, in introducing the Work Opportunities Retraining Compact [WORC] of 1986. Companion legislation is being introduced today in the House of Representatives by our colleagues Congressman LEVIN and Congresswoman KENNELLY. This Act requires States to establish a comprehensive work, training, and educa-

tion program that will promote permament self-sufficiency for AFDC recipients.

Under current law, we provide the poor with cash benefits that do little to help the welfare recipient climb out of poverty. This bill enables States to provide more of a focus on job training to help the AFDC recipients climb out of poverty.

The overwhelming majority of Americans believe that the poor who are able to work should do so rather than simply receiving a handout. I agree. But saying it and implementing it are two different things. I believe most people would grab at any opportunity to improve their lives and create a better environment for themselves and their families. They want to be the self-reliant, independent individuals that Americans pride themselves on being. I believe that it is our responsibility to help our less fortunate citizens participate fully in our society.

Under the Work Opportunities and Retraining Compact, States would be required to educate, train, and find jobs for welfare recipients. All States, through their comprehensive employment and training plan, would develop a strategy to help their AFDC recipients. The act would combine existing work-related programs and thereby diminish the fragmentation of services that are so frustrating to recipients and providers alike. The effect would be to coordinate the various programs that now exist, such as the Work Incentive Program and the Job training Partnership Act. Registration, counseling and assessment would be mandatory for all AFDC recipients who are currently required to participate in work programs. Voluntary participation would be promoted for those recipients exempted from current work programs, such as women with young children under the age of 6. Individuals who elect to participate in the education and training components of the act will receive assistance with transportation and child care, which too frequently present serious barriers to achieving permanent employability.

This act builds upon the success of effective and innovative work and training programs currently in operation in many States. Since States will determine how programs are to be administered, the act recognizes that local conditions vary and gives States latitude to establish programs that fit local conditions. Funding for this program would be provided on a 75–25 Federal-State matching ratio for training and education costs, and a 50–50 matching rate for administrative and support service costs such as transportation and child care.

Most important, the WORC will help welfare recipients become self-sufficient and, as such, is a sound economic investment. It trades in years of future welfare costs for an investment now in training. And in the process it gives people back their self-respect and control of their own lives.

Meaningless and dead-end work does not assist individuals in breaking out of a cycle of poverty. Only the ability to be self-sufficient allows individuals to break this cycle. Numerous studies have shown that work and training approaches for welfare recipients result not only in savings in welfare assistance, but also in increased earnings and employability for the participants.

Mr. President, we clearly need to expand training opportunities for welfare recipients. In my home State of New Jersey, only about 15 percent of welfare recipients ready and able to undergo training are able to do so because of the lack of Federal training funds. Even though funding is very limited, over the past 4 years 13,000 New Jersey welfare recipients have been completely removed from the AFDC rolls after participation in the Federal work incentive training program for welfare recipients. And according to the New Jersey Department of Human Resources, it only costs $1,000 to train the average welfare mother and $9,000 a year to provide food stamps, health coverage, and cash assistance.

One New Jersey program in my home State with which I am very familiar is a demonstration program to train welfare recipients to become home health aides. We all know that there is a growing need to provide care for the elderly in their homes. And we also know that we will need more workers to provide this aid. The New Jersey AFDC Homemaker Home Health Aid Training Program trains welfare recipients for these jobs, which meets the needs of the elderly in need of home care as well as welfare recipients in need of jobs. This is the type of program we need to promote.

Mr. President, we can no longer view various social ills as isolated problems. Adolescent pregnancy, unemployment, and failure to complete high school are inextricably linked. It is often difficult to figure out which comes first. Approximately half of AFDC recipients are high school dropouts. Adolescent pregnancy contributes powerfully to unemployed, welfare dependent mothers and children. One in four American children under 6 years of age is living below the poverty line, with half of all children in female-headed households living below the poverty line. How can we best attack these problems? Different Federal programs are aimed at different problems, and therefore have different solutions—more cash benefits, better health care, better schools. We need a more comprehensive approach. We need to help States do a better job at reaching the welfare recipient. And the central theme, it seems to me, is giving the individual the tools to compete in our society. This means meaningful education and training opportunities, coupled with removal of key obstacles to employment, such as lack of child care.

We must ask ourselves what we, as individuals and as a community, owe to others. At the very least, we owe our fellow citizens the opportunity to become the best that they can be by providing them with the tools to participate as fully functioning members of our society.

Mr. President, I know that the Work Opportunities and Retraining Compact of 1986 is no panacea. If adopted, many of the less fortunate of our society will still be reduced to clinging to the so-called safety net that they too often fall through. But I believe it will help enable some of America's "have-nots" to become "haves."

Mr. President, I urge my colleagues to support this bill. I ask unanimous consent that a short summary of the bill be included in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

WORK OPPORTUNITIES AND RETRAINING COMPACT OF 1986

[WORC]

AMENDS TITLE IV OF THE SOCIAL SECURITY ACT

Purpose: To simplify current law and reform Aid to Families with Dependent Children [AFDC] by requiring each State to educate, train and find jobs for those on welfare.

Participants: All AFDC recipients will register for work-related counseling and assignment to training. Current exemptions are continued, but AFDC recipients with children under 6 are encouraged to participate voluntarily.

Administration: The Secretary of Health and Human Services will administer the Federal program. The welfare agency will run each State's program.

Program design: The State will assess the employment prospects of each registrant and refer applicants for counseling, training and placement. All education and training activities authorized under WIN, JTPA, vocational education, the public employment service, and other programs leading to permanent job placement are eligible activities under this act.

Funding: The Federal Government will pay 70 percent of the education and training costs and 50 percent for administration, and such support services, and child care and transportation. A 5 percent incentive payment is available to States that do a good job in finding jobs for participants.

Performance standards: States will be eligible for incentive payments if they meet or exceed performance standards. These performance standards will measure such outcomes as job placements, wages, job retention, reductions in AFDC payments and cases, education improvements, and the extent to which the jobs provide health benefits.●

● Mr. KENNEDY. Mr. President, it is a pleasure to join with my colleagues to introduce this important new anti-poverty legislation. Senators MOYNI-

HAN, KERRY, MITCHELL, and I sponsored the successful recent effort to save the WIN Program in the Senate Budget Resolution, and today we are proposing to build upon that success.

The WIN Program is the only Federal program designed to reduce and eliminate welfare dependency by providing work for welfare recipients. When the program succeeds, it more than pays for itself; it is an investment in people and in jobs, by offering citizens on welfare a chance to acquire the skills that need to buy a one-way ticket out of poverty.

For this reason, it has always been a mistake to characterize WIN as a welfare program—it is a poverty prevention plan that the administration's budget cutters never seem to understand, because they have tried to eliminate WIN in every Federal budget since taking office. The last attempt to kill this program was rejected overwhelmingly by the Senate by a vote of 55 to 40.

The program we are offering today is an attempt to deal more effectively with unemployment as the long-term cause of poverty. The program will find productive jobs for the poor or train the poor so that they can find productive jobs.

By contrast, the administration's reactionary approach is to force States to put welfare recipients to work—but not necessarily in productive jobs. It requires "workfare"—which often translates into dead-end jobs of the sort we thought we had put behind us in the long and bitter debate on CETA in the past.

The administration's bill requires States to put a large fraction of welfare recipients into jobs in a brief time, but it does not provide sufficient funds for job training. By diverting dollars to workfare rather than to education and training, the administration requires States to focus on sham tasks for welfare recipients, instead of preparing them for real jobs.

Workfare is makework and it doesn't work. The administration's plan is a throw-back to the flawed approaches of the past that offers little hope of eliminating welfare dependency or finding productive jobs for the poor. Over the past 6 years, Reaganomics has forced millions of Americans into poverty by throwing hard-working citizens off the employment rolls adding insult to injury, by telling the unemployed to sweep streets, rather than produce steel or grow food.

I reject that discredited approach. One of the most difficult challenges we face in the years ahead is to find decent jobs for those whose fortunes have not risen with the Dow Jones average. This legislation will not solve the plight of all the millions who must rely on welfare because they cannot find work—but it is an important step in the right direction, and I hope that it will be enacted by the Congress.●

● Mr. KERRY. Mr. President, today, I am pleased to join with Senators MOYNIHAN, BRADLEY, and my senior colleague from Massachusetts, Senator KENNEDY, in introducing an important piece of legislation that has the capacity to change the way this Nation deals with welfare dependency.

This legislation, the Work Opportunities Retraining Compact, was conceived and introduced in the other body by Representative SANDER LEVIN of Michigan. It is an outgrowth of the positive experiences of the Massachusetts "E.T." program and other States' programs to get AFDC recipients off the welfare rolls and into private sector, nonsubsidized jobs. The "E.T." program offers some basis incentives to participants—employment counseling, education, training, extended health care, and day-care benefits. We expect that the experience in Massachusetts can translate to commensurate savings for the United States Treasury and in all of our States. In the Commonwealth, 24,000 AFDC recipients are now a part of the work force and taxpayers have saved some $107 million.

In these days of escalating deficits and escalating welfare costs, it just makes good sense that we investigate all avenues available to reduce these costs. I believe that WORC will force us to explore these savings in a way that will aid the deficit while helping many Americans escape the trap of poverty. It just makes sense that the way to get people out of poverty is to give them the tools and WORC will mandate that AFDC recipients be given the opportunity to take those tools in a manner that has proven successful over and over again throughout the country.

The interesting part of this proposal is the flexibility it allows States in structuring their programs. If they want to use the Massachusetts model, they can. If they want to use the models developed in Maine, Michigan, or any other State, they may do so. And if they want to devise their own program, they may, providing it follows the broad WORC guidelines.

The administration talks about the New Federalism. And well they should. Because today, a lot of the good ideas are coming from our Governors. In the WORC program, the President has the opportunity to embrace two of the ideas that he talks about most. In WORC, we have true welfare reform that has been developed and nurtured by the States.

I commend my colleague from New York for his continued leadership on this issue and I look forward to working with him and other colleagues to enact this legislation as swiftly as possible.●

ADDITIONAL COSPONSORS

S. 945

At the request of Mr. THURMOND, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 945, a bill to recognize the organization known as the National Association of State Directors of Veterans' Affairs, Inc.

S. 1622

At the request of Mr. MELCHER, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1622, a bill to promote the development of native American culture and art.

S. 1847

At the request of Mr. MITCHELL, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 1847, a bill to provide for a Samantha Smith Memorial Exchange Program to promote youth exchanges between the United States and the Soviet Union, and for other purposes.

S. 1917

At the request of Mr. BRADLEY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and for other purposes.

S. 2181

At the request of Mr. D'AMATO, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 2181, a bill entitled the "Construction Industry Labor Law Amendments of 1986."

S. 2203

At the request of Mr. STAFFORD, the names of the Senator from Maryland [Mr. SARBANES], and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of S. 2203, a bill to establish a program to reduce acid deposition and for other purposes.

S. 2206

At the request of Mr. NICKLES, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 2206, a bill to amend the Internal Revenue Code of 1954 to repeal the windfall profit tax on crude oil.

S. 2224

At the request of Mr. HUMPHREY, the names of the Senator from Iowa [Mr. GRASSLEY], and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of S. 2224, a bill to limit the uses of funds under the Legal Services Corporation Act to provide legal assistance with respect to any proceeding or litigation which relates to abortion.

S. 2334

At the request of Mr. THURMOND, the names of the Senator from Ohio [Mr. METZENBAUM], the Senator from Penn-

sylvania [Mr. SPECTER], the Senator from Wyoming [Mr. SIMPSON], the Senator from Illinois [Mr. SIMON], the Senator from Vermont [Mr. LEAHY], the Senator from Alabama [Mr. HEFLIN], the Senator from Oklahoma [Mr. BOREN], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 2334, a bill to amend section 207 of title 18, United States Code, to prohibit Members of Congress and officers and employees of any branch of the U.S. Government from attempting to influence the U.S. Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes.

S. 2401

At the request of Mrs. KASSEBAUM, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 2401, a bill to prohibit the manufacture or distribution in, or the importation into, the United States of certain firearms.

S. 2421

At the request of Mr. GORTON, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 2421, a bill to amend the Truth in Lending Act.

S. 2443

At the request of Mrs. HAWKINS, the names of the Senator from South Carolina [Mr. THURMOND], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 2443, a bill to amend the Public Health Service Act to revise the authorities of, and redesignate, the Alcohol, Drug Abuse, and Mental Health Administration.

S. 2462

At the request of Mr. KENNEDY, the names of the Senator from California [Mr. CRANSTON], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of S. 2462, a bill to provide for the awarding of a special gold medal to Aaron Copland.

SENATE JOINT RESOLUTION 112

At the request of Mr. PELL, the names of the Senator from Virginia [Mr. TRIBLE], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 112, a joint resolution to authorize and request the President to call a White House Conference on Library and Information Services to be held not later than 1989, and for other purposes.

SENATE JOINT RESOLUTION 244

At the request of Mr. DECONCINI, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of Senate Joint Resolution 244, a bill to designate October 8, 1986, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 343

At the request of Mr. D'AMATO, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of Senate Joint Resolution 343, a joint resolution designating the week of September 21, 1986, through September 27, 1986, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 344

At the request of Mr. THURMOND, the names of the Senator from Arizona [Mr. GOLDWATER], the Senator from Mississippi [Mr. COCHRAN], the Senator from Virginia [Mr. WARNER], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of Senate Joint Resolution 344, a joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

SENATE JOINT RESOLUTION 346

At the request of Mr. METZENBAUM, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Joint Resolution 346, a joint resolution to designate June 21, 1986, as "National Save American Industry and Jobs Day."

SENATE JOINT RESOLUTION 350

At the request of Mr. LUGAR, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Arkansas [Mr. BUMPERS], the Senator from New Mexico [Mr. DOMENICI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Tennessee [Mr. GORE], the Senator from Utah [Mr. GARN], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Michigan [Mr. LEVIN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Mississippi [Mr. STENNIS], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 350, a joint resolution to designate 1987 as "The National Year of the America."

SENATE JOINT RESOLUTION 353

At the request of Mr. NICKLES, his name was added as a cosponsor of Senate Joint Resolution 353, an original joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes.

SENATE CONCURRENT RESOLUTION 112

At the request of Mr. BUMPERS, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of Senate Concurrent Resolution 112, expressing support for the President's no-undercut policy concerning existing strategic offensive arms agreements.

SENATE CONCURRENT RESOLUTION 135

At the request of Mr. WILSON, the names of the Senator from Alabama [Mr. DENTON], and the Senator from Arizona [Mr. GOLDWATER] were added as cosponsors of Senate Concurrent Resolution 135, a concurrent resolution expressing the sense of the Congress concerning essential verification improvements to the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty and the long-term goal of a comprehensive agreement banning nuclear testing.

SENATE RESOLUTION 409

At the request of Mr. MATTINGLY, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Resolution 409, a resolution to express the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of 5 years, for the purpose of promoting economic growth and opportunity.

SENATE RESOLUTION 413

At the request of Mr. DENTON, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Resolution 413, a resolution to recognize the devotion of Bob Hope to the United States on his 83d birthday.

AMENDMENT NO. 1823

At the request of Mrs. KASSEBAUM, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of amendment No. 1823 intended to be proposed to S. 100, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

SENATE RESOLUTION 419—RELATING TO TAX EXEMPTION FOR BLUE CROSS AND BLUE SHIELD PLANS

Mr. GORTON (for himself, Mr. HEFLIN, Mr. ABDNOR, Mr. HECHT, Mr. KASTEN, Mr. TRIBLE, Mr. MURKOWSKI, Mr. GOLDWATER, Mr. EVANS, Mr. ANDREWS, Mr. COCHRAN, Mr. STAFFORD, Mr. D'AMATO, Mr. WARNER, Mr. HEINZ, Mr. SPECTER, Mr. RUDMAN, Mr. DENTON, Mr. THURMOND, Mr. DOMENICI, Mr. MATTINGLY, Mr. CHILES, Mr. DIXON, Mr. DODD, Mr. INOUYE, Mr. BUMPERS, Mr. SIMON, Mr. BURDICK, Mr. MELCHER, Mr. LEAHY, Mr. CRANSTON, Mr. FORD, Mr. STENNIS, Mr. NUNN, Mr. MITCHELL, Mr. LAUTENBERG, Mr. JOHNSTON, Mr. BYRD, Mr. BAUCUS, and Mr. EXON) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 419

Whereas the need of the people for access to affordable and adequate health care coverage is an issue of major concern on the national agenda;

Whereas continued budgetary pressures on health care reimbursement programs render Federal and State governments less able to help meet such need;

Whereas it is good public policy to encourage the private sector, where possible, to respond to public needs;

Whereas the 84 non-profit, community-based Blue Cross and Blue Shield Plans across the Nation have, for more than 50 years, provided comprehensive, affordable health care coverage to the most vulnerable in society—the sick, the elderly, members of small groups and families of such members, and individuals without employer-sponsored protection;

Whereas the Federal tax-exempt status that Blue Cross and Blue Shield Plans have held since the founding of such Plans has helped such Plans to offer affordable health care coverage to 11,000,000 individuals and millions of small group members who, together, account for a major portion of the 80,000,000 Americans covered by the Plans;

Whereas any Federal taxation of Blue Cross and Blue Shield Plans would inevitably result in premium increases for those least able to afford such increases—people who, in many cases, would be unable to obtain affordable coverage elsewhere; and

Whereas government health care costs would inevitably increase substantially—possibly by more than revenue generated by removing the Plans' tax exemption—as consumers unable to obtain affordable coverage are forced to seek government assistance: Now, therefore, be it

Resolved, That it is the sense of the Senate that the 50-year-old tax exemption of the 84 non-profit, community-based Blue Cross and Blue Shield Plans be retained without modification.

SENATE RESOLUTION 420—RELATING TO PROMPT PAYMENT OF MEDICARE CLAIMS

Mr. CHILES (for himself, Mr. BENTSEN, Mr. BAUCUS, Mr. BRADLEY, Mrs. KASSEBAUM, Mr. BOREN, Mr. NUNN, Mr. HOLLINGS, Mr. RIEGLE, Mr. GLENN, Mr. MOYNIHAN, Mr. MELCHER, Mr. PRYOR, Mr. HEINZ, Mr. BUMPERS, Mr. CRANSTON, Mr. COHEN, Mr. JOHNSTON, Mr. BUMPERS, Mr. LAUTENBERG, Mr. STENNIS, Mr. DODD, and Mr. GORTON) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 420

Whereas Medicare provides invaluable health care protection to 31 million aged and disabled beneficiaries each year;

Whereas Medicare has, since its inception, met its responsibilities to beneficiaries through efficient and prompt payment of claims and now processes over 300 million claims per year;

Whereas the Health Care Financing Administration has now reversed that timely payment policy through inappropriate and insufficient allocation of funds for claims processing and by directing all Medicare contractors to deliberately delay processing claims and build large backlogs;

Whereas this policy is resulting in an increase in the backlog of unpaid Medicare claims of 88 percent in one year, with over 3.7 million claims pending for over thirty days, and increased the actual payment cycle in many cases to forty-five days and more; and

Whereas these policies have caused undue hardship to thousands of Medicare beneficiaries through lengthy waits for payment of claims and have discouraged many physicians from participating in the Medicare program, thereby reducing the quality of service to all Medicare beneficiaries and providers: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Health Care Financing Administration shall—

(A) allocate sufficient funds for basic claims processing and beneficiary and provider services within the overall Medicare contractor budget, and

(B) ensure timely and prompt payment of claims to prevent further deterioration of services to Medicare beneficiaries and, in particular, to small health care providers serving a high proportion of Medicare beneficiaries; and

(2) in the absence of appropriate action by the Health Care Financing Administration to pay claims promptly—

(A) the Senate shall adopt legislation, at the earliest opportunity, to ensure that claims are paid promptly, and

(B) the Senate shall allocate sufficient fiscal year 1987 funds for claims processing and beneficiary and provider services.

NOTICES OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. COHEN. Mr. President, I wish to announce that the Senate Oversight of Government Management Subcommittee will hold a hearing on DOD subcontractor kickbacks: industry personnel practices on Wednesday, June 11, at 9:30 a.m. in room 342 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, June 4, in closed session, to hold a hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, June 4, in order to receive testimony concerning the following nomination:

U.S. DISTRICT JUDGE

Edwin M. Kosik, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Wednesday, June 4, to hold a hearing on the elimination of the capital gains differential for individuals and its impact on small business capital formation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MERCHANT MARINE

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, June 4, to conduct a hearing on S. 1935, and S. 1929, cruise ship legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONGRESSMAN PEPPER AND SENATE T.V. COVERAGE

● Mr. CHILES. Mr. President, on these historic first days of television coverage, I would like to call attention to the first champion of live broadcasts of Senate floor proceedings to the public. It was shortly after the invention of television that the greatly respected Congressman from Florida, CLAUDE PEPPER, then Senator PEPPER from Florida, first recommended live coverage of the Senate floor.

In 1947, Senator PEPPER recognized the importance that the then nascent technology of television could play in keeping the American public informed of the legislative actions which directly affect them. He was the first to submit an amendment providing for the televising of the Senate and the first to see its potential for preserving the history of the Senate's deliberations. Now, almost 40 years later, the Senate has seen fit to follow Senator PEPPER's lead.

Mr. President I would like to commend the honorable Congressman from Florida on his prescience. I also ask that a statement made by Congressman PEPPER on the House floor be printed in the RECORD at this point.

The statement follows:

STATEMENT OF CONGRESSMAN PEPPER

Mr. Speaker, I rise to commend the other body for following the good example of this House in televising its proceedings. I know of no reason why the mysterious instrument of television should not carry the proceedings of the Houses of Congress to people in their homes and offices, as well as to people who are fortunate enough to be in the galleries of our bodies and to see and hear what we do in our respective Houses.

I hope, Mr. Speaker, it is not impermissible vanity for an older American to observe that it was I who in 1944 as a Member of the Senate introduced Senate Joint Resolution 145 authorizing the broadcasting of the proceedings of the Senate and the House of Representatives. That was in 1944, and in 1945 I introduced Senate Joint Resolution 55 authorizing the broadcasting of the proceedings of the Senate and the House of Representatives. That was before television.

Finally, in 1947, I introduced in the Senate S. 2213, amending the Legislative Reorganization Act of 1946, as amended, to

provide for the broadcasting and televising of the proceedings of the Senate and the House of Representatives.

I commend my colleagues in both Houses of the Congress upon making more effective this great institution of democracy which is at the heart of America.

On March 15, 1977, my distinguished colleague, the gentleman from Texas [Mr. BROOKS] made these comments.

In 1944, Claude Pepper was trying to televise the House and Senate. He has been for it ever since.●

WHAT WORKS IN EDUCATION

● Mr. ARMSTRONG. Mr. President, several weeks ago, the Senate Republican Policy Committee convened a distinguished group of public officials, educators, and analysts to consider the question of what works in education. The participants responded to that inquiry in many different ways. Their recommendations, and the animated discussion that accompanied them, made for a full day of straight talk about our schools.

It was most appropriate that our keynote speaker was introduced by Senator ROBERT T. STAFFORD, the distinguished chairman of the Subcommittee on Education, Arts, and Humanities. Like the proverbial Vermonter, the Senate's "Mr. Education" is a man of few, but always well chosen words. In this case, the beneficiary of his introduction was the Secretary of Education, William Bennett, whose opening address previewed the report of the Nation which he and President Reagan made public at the White House 4 days later. That report has evoked a tremendous response among the American people, demonstrating again their deep interest in education and their lively commitment to the future of all our children. Entitled, "What Works: Research About Teaching and Learning," it shares a common theme with the Policy Committee's symposium and demonstrates extraordinarily good sense—which is to say, common sense—about ways to improve education today.

We were pleased to have among our speakers three outstanding students, to tell us what has made the positive difference in their own schooling. Special thanks go to Jenifer Menefee of the Connelly School of the Holy Child in Maryland, Judith Herrera of Washington and Lee High School in Arlington County, VA, and Tim Lawrie of the Fairfax Christian School. They represented not only the diversity of our young people but their potential for excellence as well.

All of us have a stake in the reform of American education. That is why the Policy Committee has pulled together the highlights of our speakers' recommendations, in their own words, and why I ask that they be included in the RECORD. I do so in the hope they will be useful—perhaps I should say, instructive—to parents, students, teachers, local officials, and administrators, to all of us who see in our children's learning, not just their future, but the future of our country.

The material follows:

HIGHLIGHTS OF EDUCATION SYMPOSIUM [SENATE REPUBLICAN POLICY COMMITTEE, FEBRUARY 28, 1986]

WILLIAM BENNETT, SECRETARY OF EDUCATION

(Bill Bennett has headed the Department of Education for only a year, but in that time he has become, in tandem with President Reagan, the country's foremost champion of education reform. His leadership in the "back to basic" movement has struck a responsive chord with all those who are determined to restore quality to our schools.)

What does work? Effective schools, whether they are public or private, have certain characteristics.

First, they are led. Someone is in charge. Someone has set the tone of the school, goals for the school and those goals are shared by the whole staff of the institution.

Second, effective schools have high expectations of the students. They expect that they can and will learn, and usually that's followed by the students' actually learning.

Third, effective schools take care of discipline and order problems early on, so they cease to be problems. Teachers at effective schools say they are backed by the principal and by the community in their efforts to maintain order and discipline.

Fourth, effective schools assign homework on a regular basis.... At effective schools, students are assessed and evaluated on a regular basis, both for diagnositc purposes and for keeping up expectations.

And finally, good schools have an ethos, a Greek word that originally meant the habits of animals in a place. Extended to a human habitat, ethos means the habits of human beings in a particular place, the atmosphere, the environment. You can almost smell it in the air. You can detect it by the way people talk to teach other.... You can find it even in places where the facilities are inferior. We were going into one school in South Carolina and saw two students who said, "Good morning" to visitors in a polite way. That was an interesting sign. We walked down the corridor where the principal's office was, and children stopped to pick up pieces of paper off the ground. That's a school that's working. It was poor in terms of facilities, but it was a good school, an effective school.

TOM SKINNER, BARBARA WILLIAMS-SKINNER, TOM SKINNER ASSOCIATES

(Tom and Barbara Skinner are hands-on educators, but not typical ones. Tom was once a gang leader in Harlem, and Barbara was a congressional staffer. Under the auspices of Tom Skinner Associates, they are showing what a tremendous difference can be made in educating disadvantaged children when personal commitment combines with vision and ingenuity.)

TOM SKINNER. Part of the difficulty with education for young people has been the "program" that's been put into them, the program that says, "You cannot do right, you are poor, you are disadvantaged. It's too bad you really have a tough break in life. Because you are poverty-stricken, you're going to be handicapped the rest of your life."

Our perspective is different. We say, "We're going to be completely honest with you. We expect you to become leaders in this community. We expect that from among this group will emerge people who will run the education system of this city, who will become part of the political process of this city. From among you will come senators and governors; and from among you will come chief executives, officers of corporations, entrepreneurs, who will build this community." In other words, we change the aspiration level of these young people, thus accelerating the learning process. And so our commitment is to use the best that we can put together in technology, in learning systems, to provide a caring atmosphere and extended family concept, to have teachers who have strong value systems, who are committed to those young people and who are on call literally twenty-four hours a day to meet the needs of those youngsters.

We have an extremely important emphasis. That is discipline and rigorous standards among poor and disadvantaged young people. In order to become part of the process we are involved in, we think there should be several requirements. First, if the students are under eighteen years of age, they must be accompanied by a parent or relative. If the adults learn what we're trying to accomplish in these young people's lives, many of them become involved in the process of improving their own skills.

Second, they must come with a library card because we are going to teach them that information is power, and we are going to teach them how to access information. Keep in mind that one of the great handicaps among poor people is the failure to understand how the system functions, to understand where the information is, how you get information. (And those of you who work in Washington know that, in the political system, we are masters at keeping information from people and disguising where things really are.) We are trying to teach poor people what is behind all those doors, and we're trying to teach them that the people behind those doors are paid to serve you, and therefore you must find out where they are, and you get in front of their desk and demand what you need from them. But you also have to find out where the information is and how to use it and apply it for your own self-instruction.

Third, we are teaching these people that you and you alone are responsible for your future. Not the government, not anybody else. You are responsible for your future, and we want to help you get the skills you need to reach for whatever star you aim at. If they are over eighteen, they are required to come with a voter registration card, because they must become part of the political process to help determine their own future. They cannot understand what the issues are if they can't read about the issues. That's why reading comprehension is important. They cannot function in the world economically if they don't understand mathematics. They cannot communicate ideas and get people to understand them if they cannot develop the proper vocabulary, if they do not know how to write, if they do not know how to communicate in a way that moves people.

Finally, our emphasis is on leadership. We are saying that these people must not only overcome poverty and be able to have a meal for tomorrow. They must become leaders in our society. And so they are being taught what leadership is, how you set goals, how you plan, how you communicate, how you motivate other people, how to schedule, how to manage time, how to manage money. And as a result, everyone who becomes part of our program has to register with a local bank, open up a savings

account. We've worked it out with the banks that they can do that with just five dollars. They can learn the economic process, learn what interest is, learn what capital gain is. In other words, we're preparing these young people to become the leaders in our society. These are all street kids, that the school system has basically said there was no hope for.

BARBARA WILLIAMS-SKINNER. It doesn't take a lot of resources to be effective. The biggest myth in the world is that money is the problem. If money were the problem, then why is it that, for $3.5 billion in the New York City schools, fifty percent of the Hispanic and Black kids and about forty percent of all are not getting out of high school. The money's not the problem. . . .

When kids come into our learning center, they really know that we're not going to give them anything except love and high expectations. So we have five basic skills we try to teach. One is basic education, very basic fundamentals because the kids can't get a minimum wage job. They can't get a messenger's job because they can't read. So we teach through technology. Our goal is not to teach computers. It is to use video technology to teach basic reading, writing, math, and science. Second, we teach coping skills. . . . What is the system? How do you get adjusted to it? Third, we teach employability skills. Not training as such, but work combined with attitudes. Many of these young people have never seen anyone with a briefcase. No one wears a suit. There's no sense of what work is. So we take them to Wall Street, to the New York Times, to the Stock Exchange, to corporations where they can see people who look like this. We show them through video how to present themselves for work, how to translate their volunteer skills, through their church or whatever, and put them into a resume. . . .

We teach them moral skills. We believe that all the technology in the world will not produce a people who can get along with one another, who are dependable, who are honest. Schools of business are finding that the biggest problem they have in producing business people is that they have all these people with high IQs who are dishonest, who steal from the public and their companies. . . . Finally, we teach leadership skills. People are not born leaders; you have to train leaders.

JOSEPH NATHAN, COORDINATOR, EDUCATION REFORM PROJECT, NATIONAL GOVERNORS' ASSOCIATION

(Speaking as a private citizen, but from a wealth of experience in tracking what the various States are doing to improve education, Joseph Nathan pointed our attention to what policy makers and legislators can do to produce more efficient and effective schools.)

I'm a strong believer that we ought to have more choice for parents throughout the country. What works in Alabama won't necessarily work in Rhode Island; what works in Alaska won't necessarily work in Wyoming. There are extraordinary differences. Nevertheless, there are things that are working very well in the area of choice.

In the State of Washington, since 1977, young people are permitted to attend privately operated education clinics. . . . It is clear that young people who did not succeed in the public schools are succeeding in these education clinics, which are operating, I am pleased to say, in part with State assistance. . . .

In Minnesota, eleventh and twelfth graders have the opportunity to attend colleges and universities, sort of a GI bill. And the results have been extraordinary. . . . We're finding that young people who did not do well in high school are doing very well in college. There are some young people, including some low-income young people, who did not do well in high school but do very well in college and universities, or in vocational or technical schools. . . .

Vermont has a distinctive program. Ninety-five of the 246 towns in the State do not have their own high school. They permit students to go to other high schools in the area. . . .

One of the central features of a number of government education programs has been the failure to reward success. In a number of federal programs, you're rewarding failure. What South Carolina has started to do is reward success. The State of California has started doing the same thing. When progress is made, particularly with students who have not achieved well, those States provide additional money. And so once again they have changed incentives. . . .

One of the things that's working is shared facilities. We spend an extraordinary amount in this country on buildings. We have in some places an edifice complex. In States like Massachusetts and Michigan, considerable work has been done to get people to share facilities. Social services agencies, businesses, government agencies are offering to share space with schools. The goal is to bring together people who are suposed to be working together. Then we don't have to pay all the costs of heat, light, security, and so on. . . . Members of Congress can take a look at the demand Federal agencies have to build a new building rather than sharing buildings. A lot of money is spent on those structures that could be used other purposes.

I think there are several implications of all this. First, it's extremely helpful for those of us working on the State level to have technical assistance. Some of the positive things I've described have happened because assistance has been provided. Second, I would encourage you to take a look at the kind of incentives that go with various programs. Are you providing incentives for success, or are you providing incentives for failure? Third, look at what's actually going on in the schools. Senators should hold hearings, not here in Federal buildings, but in the schools, both public and independent. They can thereby give visibility and attention to the programs that work. Fourth, we need to look at the rules and regulations that discourage many people from participating in education reform. The more attention and the more encouragement you give to people to come forward and speak, the better those programs will be.

DENNIS P. DOYLE, AMERICAN ENTERPRISE INSTITUTE

(The Director of Education Policy Studies at the American Enterprise Institute, Dennis Doyle is author of a widely praised monograph, Excellence in Education: The States Take Charge. His conclusions are trenchant guidelines for those who are attempting to effect education reforms at the State and local levels.)

Equity and excellence are in conflict only if "equal outcomes" are expected. Excellence means that some students will do better than others; equity means that each will be given an equal chance. A society that fears excellence because it means unequal outcomes may be sure of one thing: That society will be neither excellent nor equal.

The bottom line is not money but the values and character of elected state officials. How they see the issues, what they choose to emphasize, their tolerance for conflict, and their willingness to continue to make tough choices are impossible to predict. Circumstances versus character is the most basic story of public policy making. It will continue to be so.

How the states move from here, and how the reforms work in practice, will have a profound impact on the future of the public schools. Many of these reforms were enacted in haste. There are design problems. Money will be in short supply. In some cases there is a lack of commitment to them. Yet despite the central role to be played by elected state officials in addressing the issues we have outlined, educators are the people on the firing line: teachers, principals, administrators, school boards, and state bureaucrats. If the reforms prove successful, there will be no shortage of people seeking to claim credit for the turnaround in the public schools. Should the reforms fall short, however, the educators and their students will be blamed, not the legislators who wrote unworkable laws and then walked away from them, nor the governors who lacked the interest or failed to urge adequate funding.

For better or worse, we have raised the stakes on the public schools. If commitment remains high and the steps already taken to improve them bear fruit, we may embark on an era of renewed public confidence in, and public support for, the schools. But if the reform impulse fails, or the reforms appear to fall short, confidence in the public schools will be further undermined.

Just as the opportunities for genuine and lasting reform have never been greater, so too have the dangers of failure never been more stark. The future belongs to the educated. It remains to be seen whether Americans will seize the moment for education reform.

ROBERT SWEET, DEPUTY EXECUTIVE SECRETARY, DOMESTIC POLICY COUNCIL, THE WHITE HOUSE

(Before joining the Office of Policy Development at the White House, Bob Sweet taught junior high school in Maine, became a school board member in New Hampshire, and served on the Governor's Commission on Public Education there. He thus brought to our symposium both practical experience from the classroom and policy insight from his work in Washington.)

There is an opportunity for policy makers and law makers to reflect seriously and conscientiously on what has worked and what hasn't. We are faced with some difficult choices. Will we continue to spend billions of dollars on programs that have shaken our educational system to its roots and nearly smothered it? Or will we apply the common sense methods and philosophy described in books like "What Works?"

Let's not duck that fact that 50 years of research indicates that phonics instruction is essential for teaching reading. Let's bring it back.

Let's not duck the fact that learning the history of our nation is necessary for our survival as a republic. Then let's make sure it's taught well.

Let's not duck the fact that virtually every public school in America is using values clarification, which promotes moral relativism: the notion that there are no moral absolutes of right and wrong. We should throw that system out and replace it

with proven methods of instilling the moral values of right and wrong.

Let's not duck the fact that forced bussing has not been successful in achieving the desired results. And the quicker we allow parents to choose the school they wish for their children, the better.

Let's not duck the fact that some parents are choosing a religious education or home education for their children because they love them. Let's not jail them.

I recommend that each of us carefully consider each policy or regulation or law that we proose and make remain that we do not repeat or perpetuate the mistakes of the past 25 years. For whether we admit it or not, the Federal Government is culpable in the decline of American education. When all the reports have been produced and legislation adopted and experiments tried, we must remember it is our children who benefit or suffer. Let us be ever mindful that we know what works. But we must be willing to apply what we know, if reform is to be lasting and our children truly educated.

DAVID BATTINI, CAIRO-DURHAM HIGH SCHOOL, GREENE COUNTY, NEW YORK

(A teacher of history at a public school in a predominantly rural area of New York State, David Battini illustrated the problems of contemporary education with vignettes of his personal experience over years of service in classroom and in community. His remarks made clear both the magnitude of the challenges our schools face and the impact a single instructor can have in dealing with them.)

A lot of my colleagues have left the profession. They were paid with money, but you get paid in other ways. You get paid with personal worth and accomplishment.

I tell parents, "I am not responsible for the education of your child. You are. I am hired to help you in a professional manner. And I'm willing to do anything I can. But I am not responsible for your kid's education." Unfortunately, we get a lot of people who are told the school is supposed to do this for you, and they actually believe it. Then when the time comes, they come up to us and ask why we didn't educate their child. And I say, "Where were you?"

To the degree that we allow local control, parental involvement, and the school board has actual power instead of being controlled by the State in the spending of its money, to that degree you get improvements in education. We also have to foster esteem, professionalism, and a sense of accomplishment among teachers. That will not only make people like being teachers but also, at the bottom line, better educate our students.

ARNOLD GOLDSMITH, TEACHER, LANGLEY HIGH SCHOOL, FAIRFAX COUNTY, VIRGINIA

(Arnie Goldsmith's spirited presentation did more than talk about good teaching. It demonstrated it, with a verve and commitment that made the audience envy this teacher's students.)

I'm lucky. I teach in a school system which is enthusiastic about education. They spend a lot of money. But the reality is that what makes someone good in the teaching field is enthusiasm, if the person likes what they're doing.

I came into teaching with a minimum amount of education hours. I was trained as a professional public administrator; I wanted to be a city manager. . . .The first year out, I worked with a lady who taught English; and we got together a thing called an alternative learning program. Our goal was to make sure the youngsters would have a place, in that large 2,100 student school, where they would feel comfortable. We would teach math, English, and social studies as a team. We would have 120 to 150 students. And it would be fun. It would be exciting.

We went out and recruited. That's something else we don't do much in education: go out and hustle. Tell the kids you like them, you want them, and there's something you have to offer.

The most important part is that the kids know you care about them. Sure, our kids come from fairly good homes. But some of them come with an awful lot of emotional baggage. That has nothing to do with having money or not. Many of these youngsters never sit down, as I did with my folks at six o'clock, and have dinner together. And what's the topic for discussion? Politics, world affairs, history, soemthing that's important. We try to do something about that.

We also, at the high school level, have conferences with parents once or twice a year. We stop everything and bring the parents in and show them exactly what the kid is doing. We don't send home report cards showing their kid got a C or an A. What's that mean? We show them what they've done, and we also show them what they haven't done. The first thing is what they have done. We say: these are the positive things your kid has done. Now, let's talk about some of the areas where he needs help. And that's when we say to the parents, "We need your help."

You have to have belief in what you're doing—that it's right and it's just—and go to the wall for it. If you don't, you're in the wrong racket.

DR. GERALD PORATH, SUPERINTENDENT OF SCHOOLS, ARCHDIOCESE OF WASHINGTON

(Formerly in charge of schools in Albany, New York, and St. Louis, Missouri, Gerald Porath now oversees a widespread school system in Maryland and the District of Columbia, with tremendous social and economic diversity. From that experience, he offers insights into ways the public sector can benefit from the lessons of parochial education.)

We are finding that successful Catholic schools concentrate on a basic academic curriculum. Maybe it's because we're small and most of our buildings, especially in our elementary schools, only have one class at each grade level. We rely on contributions and family tuition, and so we can't afford to add a lot. But I also believe it's because we are serious in working with the academic curriculum that we can help students achieve in this area. If that's the only game in town, then you have to expect that the students will achieve in it.

The other interesting finding—and one that I find as well in the presentations from teachers in public schools—is an emphasis upon homework. Just having homework doesn't means success. But if you've got a basic academic curriculum, then homework has to be a part of it. You can't teach that curriculum unless you give the students the drills, the research opportunities, and all those things that require time being spent on homework. So it's not just having homework. It's having a basic academic curriculum that requires homework in order for a student to succeed.

The second thing we find in successful Catholic schools is local autonomy. We don't have an opportunity to impose central controls. Our principals are leaders in the schools. They're there to be the professional educators, to be the experts, to be the best they can possibly be. But it doesn't happen in every school. It's a normal tendency to try to do something from the central office to improve the schools out there. We find that that doesn't work. If those schools have good administrators, good educational leaders, people who can motivate their faculty, then we have good schools.

The third thing is the atmosphere of discipline. Discipline comes from a value system, as the Secretary said earlier, an ethos. Our religious beliefs about the importance of each individual person, the importance of the individual's worth, strongly influence athat there is no factor that jeopardizes their continuation in the school, even their salaries. Not that they don't want to improve them. But they're not at the point of leaving, despite those low salaries. That's dedication. And I think the reason it's there is that we have the opportunity in our schools to feel a sense of shared identity and shared ideals, shared goals with their administrators, and a sense of autonomy.

That brings me to my fifth point: An opportunity to work with people who are supportive and encouraging. Our most successful Catholic schools are distinguished by the fact they have a close working relationship between the home and the school. There's a real sense of shared identity between what goes on in the classroom and what goes on in the social life and home life. There's a shared goal of the family and the school working together to get a good education for the children. And the school, being responsive to the parents, looks for ways in which the school can offer services. The school allows parents to participate in its governing and decision-making structure.

There are some people who, when they look at the research on Catholic education, when they try to isolate the reasons for its success, say it's because of selectivity. I can tell you, from personal experience, that didn't happen in Albany. It didn't happen in St. Louis. It is not happening in Washington, D.C., in terms of our selecting only the best students. But there is a selectivity. It's not the school selecting the students; it's the parents selecting the schools. That's where you get the cohesiveness between the family and the schools; because the parents have the opportunity to choose schooling that is consistent with their sense of values, their beliefs, and their child's aspirations. Now, that's fine for those families that can afford to move to a public school system where you find this sense of sharing between the home and the schools. But much of our society doesn't have the wherewithall to make the selection. And I think that as you go about your work in public policy, what you need to address is how this selectivity, this real choice on the part of the parents, can be allowed. And there you will find the answer to successful education in our country.

DR. EILEEN M. GARDNER, HERITAGE FOUNDATION

(For seven years a teacher, Eileen Gardner is now the Murdock Fellow in Education Policy at the Heritage Foundation. Her eloquent presentation to the symposium set a noble standard for anyone who aspires to teach.)

Excellent teachers have mastered the art of teaching—an art tied to deep convictions about the source, purpose, and end-point of human existence. The Nation's present educational dilemma rests on the schism in perceptions of these issues. Education must both serve and lead to some end. This end (the crux of the problem) is no longer a

matter of general agreement: many believe that the end is defined, or set, by man—that consensus determines what is right and good. For this reason it is only to be expected that the right and the good will vary from time to time and from place to place. Others acknowledge their part in and dependence upon a higher power and ultimate standards. They feel that the purpose of education is to prepare the individual to strive to embody these highest standards.

The teacher who believes that man determines his own ends and that truth is arrived at by consensus tends to a shallow and shifting commitment to the classroom. Televison, radio, and newspapers often adequately meet this teacher's need for information. In these media all of the thinking and interpretation are done first; distortions and manipulations to meet the needs of the marketplace are the rule. The teacher who relies primarily on this source accepts and teaches as truth much that is false.

It is the rare teacher who has given allegiance to a power higher than man and who has informed himself or herself enough and thought enough about man's collective experience to have a point of view that has touched the wellspring of the human condition. From this wellspring such teachers draw direction and nourishment and set the tone and content of their educational programs. They teach from a point of view that enables them to awaken the highest potential in their students.

Education, then, has two major components: the science and the art. The art is the heart of teaching; the science is the servant of the art. No amount of money, materials, technical proficiency, in-service days, lengthened school days or years will make an excellent teacher. Only the art can do this.

Unfortunately, teacher training as generally provided in the U.S. today, excludes the art. By law, discussion of a higher power is not even permitted in the classroom. Since what is no longer spoken of disappears from the social rubric, a breed of people is being produced who have never been exposed to, are unaware of, and do not value the truths and ideals upon which this nation was founded and built.

What is needed is a shared vision for this nation, which was reflected at one time in prayer in the schools, textbooks that emphasized the virtues rather than the weaknesses of this country, and bright, upright teachers with allegiance to the moral and spiritual welfare of the whole.

DR. BENJAMIN ALEXANDER, FORMER PRESIDENT, CHICAGO STATE UNIVERSITY AND THE UNIVERSITY OF THE DISTRICT OF COLUMBIA

(Ben Alexander has sometimes been at the center of controversy, as good educators often are. He has insisted upon higher standards in higher education, a position not shared by everyone in the academic community and on the governing boards of its institutions. In his hard-hitting remarks, he focused on the contrast between his personal experiences at two urban universities.)

The ideal case is to have both a good board and a good president. However, a good board with a mediocre president will still allow the university to survive. But the best president in the world with a poor board will place that university or college in great peril. . . .

We told students who were not performing up to par that those who improved would remain at the university, and those who did not would leave it. When some of the students started with that old excuse that they were poor and disadvantaged and, in effect, were in need of special treatment, the President told them loud and clear that God took care of that a long time ago, when he created Adam and Eve. Now, since all of us come from the same blood line, no one can say they come from better stock than anyone else.

JOHN LOFTON, SYNDICATED COLUMNIST

(This long-time observer of the foibles of official Washington both offers and provokes strong opinions. Whether one agrees with him or not, his punchy columns and unrelenting interviews in the pages of the Washington Times are widely read and hotly debated. True to form, his address to our Policy symposium was straight from the shoulder and well laced with wit.)

We are indeed raising our children to believe in human potential, not God. That's a fact; let's face that fact. But it was not always so. Education in America has not always been cut free of religious mores. . . . One writer has summarized the essence of the problem: "The failure to rally around one set of values means that universities are turning out potentially highly-skilled barbarians." Which is a very dangerous combination. . . .

I am not blaming the schools for the problems in our country. I am saying the schools are a reflection of the problem. It is said that our country has become ungodly, has become secularized. Our schools have reflected this. Our schools are the effect of atheism, not the cause of atheism. Well, in some cases they are, professionally. In almost any academic field, to identify oneself as a Christian invites intimidation reminiscent of the Ku Klux Klan's treatment of Blacks in the rural South, with the exception that it's done in the name of progress, tolerance, and broad-minded eclecticism.

MICHAEL S. BRUNNER; SENIOR ASSOCIATE, NATIONAL COUNCIL ON EDUCATION RESEARCH

(Formerly with the National Institute of Education, Michael Brunner has intensively studied the results of Federally supported research, particularly in the field of reading skills. Addressing the symposium as a private citizen, rather than as a government spokesman, and focusing on the worsening problem of illiteracy, he presented a forceful critique of the contemporary teaching of reading.)

The most current data suggest we have in the country 27 million adults—one in every 5 Americans—who are functionally illiterate. They cannot read, write or compute well enough to handle the demands of daily living—read a road map, fill out a check, take a driver's license test, read the instructions on a medicine bottle, etc. Another 45 million are only marginally literate. These numbers are growing by 2.3 million each year—

Ever since President Reagan's Adult Literacy Initiative was put into action, more and more individuals are asking how we can have this much illiteracy in a country that spends more on education than any other and requires compulsory attendance for 10 years for all under the age of 16. A clue to the source of the problem is found in the report, A Nation at Risk, produced by the President's National Commission on Excellence in Education. It revealed that 13% of the nation's 17-year-olds were functionally illiterate; and among minority students, functional illiteracy ran as high as 40%. It is clear the schools are not doing the job they are being paid to do—in fact, being paid five times more than they were in 1929 ($395 per student compared to $2,275, with these figures being adjusted for inflation).

Before 1930, most teachers in our nation used a phonics approach to teach reading. Phonics involves teaching and learning all of the consonant and vowel sounds which the single letters and letter combinations represent, blending sounds into words as represented by the letters, and getting meaning from the sequence of these sounds before whole words are taught.

After 1930, look-say—frequently refered to as the eclectic approach, analytic phonics, intrinsic phonics, gradual phonics, psycholinguistics, and more recently called implicit phonics—because the predominant method of instruction. With this method one starts out by teaching a basic sight vocabulary, that is, teaching words as if they were hieroglyphics, which the students must memorize by shape or configuration before any of the sounds, which the letters represent, are taught. . . .

The research gives a clear mandate to teachers to teach phonics. . ., yet teachers refuse to abandon look-say reading instruction which was originally designed for persons deaf and mute. Why? Primarily because teachers believe, based upon their preservice instruction, that English spelling is highly irregular phonetically, that phonics cannot be relied upon. More to the point, they are reluctant to teach something they don't know anything about. . . .

For a little over half a century, generations of teachers have not been taught how the English alphabetic code functions or how to teach these functions. In short, we have the vast majority of our elementary teachers trying to teach in an incidental way something that they know nothing or very little about: phonics and phonetics, the foundation upon which reading and spelling instruction is based. . . .

If confidence in our public school is to be increased, it will only come after they can assure that at least 95% of the nation's school age students will leave school functionally literate. This is not an unrealistic goal. Japan is able to keep illiteracy to less than 1%. We have the knowledge and means to achieve this goal. Our immediate task is to inform the public at large of what needs to be done. The Reading Reform Foundation (7054 East Indian School Road in Scottsdale, Arizona 85251) provides information about successful methods of instruction. Moreover, with an admirable track record of over two decades, the Foundation provides in-service instruction for school districts, teachers, and parent groups.

POLLY GAULT, STAFF DIRECTOR, SENATE SUBCOMMITTEE ON EDUCATION

(For the better part of a decade, Polly Gault has been involved in the development and implementation of Federal education programs. From her Subcommittee's oversight position, she has seen, close up, what works and what doesn't work in education policy.)

We look for ways to increase the effectiveness of Federal programs. One is the partnership program between schools and businesses. Over the last couple of years, we've seen over and over again that it's the input from people from the outside that makes all the difference in the world. The partnerships ca.. be of all sorts: businesses with colleges, or colleges with elementary schools. But partnership programs are receiving an awful lot of attention.

The President has recommended as part of his budget a fairly significant increase in funds for statistics gathering in education, the idea being that it would give the federal government some idea, to share with States and with local governments, of exactly what is going on. How many students do this, how

many do that. It's not meant to be intrusive, just simply statistics gathering.

Most important, perhaps, is the higher expectation at the Federal level for Federal programs. For example, in the future, it's not going to be enough to say we like the Education Block Grant that was created in 1981. It's not going to be enough to say that seemed like a good idea and no one has complained about it. I think that in the future that program and all the others will be expected to show what has actually happened. And we'll need to hear from the local people—Who has benefitted, and where have the dollars actually gone? And it will no longer be enough for a school district to come in and say they like it because it gives them freedom to do things they like to do. I think we'll see people having to come up with more specific examples of how the Federal appropriation makes a difference.

DR. ONALEE MCCRAW, NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

(Since winning the George Washington Award from the Freedoms Foundation in 1978 for her study, "Secular Humanism in the Schools," Onalee McGraw has been an education consultant, a policy analyst at a major foundation, and a staff member of the House Select Committee on Children, Youth, and Families. Her advice to our Symposium focused on the philosophical assumptions behind research in education.)

Up until the mid-1960s, there was what we might call a classical humanist view in education research. It meshed with the Judeo-Christian ethic. In the mid-1960s, however, the ideas of humanistic psychology began to dominate in the schools of education and in the way people talked about the development of the child in the education process. This is important to keep in mind when people talk about the rediscovery of content, character, and that kind of thing. For example, the tremendous importance of the involvement of the parents and the absolutely, overwhelmingly vital role of the family in the development and well-being of the child. These things were not simply ignored. They were absolutely counted out. And they were counted out through education research. Why? Because they did not fit into the particular gestalt or world view of the researchers who were conducting the studies in the classrooms.

GARY BAUER, UNDER SECRETARY OF EDUCATION

(Formerly a staff member of the President's Office of Policy Development, Gary Bauer is now one of the Administration's most outspoken advocates. He has carried President Reagan's crusade for education reform to parents, congressional hearings, and the media, emphasizing the need for values as the basis for schooling. His presentation is discomfiting. But if we are to deal effectively with the problems of our schools, the first step is to face up to them.)

Per pupil expenditures in 1980 dollars went up from 1960 to 1980 by 99.6 percent. Twice as many of the teachers of these children had a bachelors degree in 1980 as compared to 1960. The average class size declined by 18 percent.

While measurements of material well-being went up, a strange thing happened. Deviant social behavior skyrocketed. The delinquency rate per 1,000 children went from 20.1 in 1960 to 46.4 in 1980. Drug use went from 7.0 percent in 1972 to 16.7 percent in 1979. Abortions among 15 to 19-year olds went from 280 out of 1,000 pregnancies in 1973 to 444 per 1,000.

Perhaps most distressing of all are measurements of adolescent mortality. For the United States as a whole, the 60's and 70's saw a reduction in mortality rates. As a matter of fact, there was a decline in death rates for every age category except one—those aged 15 to 24. For whites aged 15 to 19, the death rate in 1979 was 16 percent greater than it had been in 1960. This happened while death rates for disease were falling, but death rates due to violent causes were increasing dramatically. Death rates from motor vehicle accidents were up 42 percent; from suicide 139 percent; and from homicide 232 percent.

There are no doubt many reasons for these trends. The many changes in the American family no doubt have had a role. The trend toward turning the parenting function over to others is now well advanced and may have implications for these figures. Our own studies at the Department show unacceptably low amounts of time spent by parents in teaching children; and since parents are the first and most important teachers, this is cause for concern. When we get past all of these studies, it may come down to nothing more profound than what Urie Bronfenbrenner, a psychologist at Cornell, has said. When asked what was the essential prerequisite for healthy human development, he responded, "Somebody has to be crazy about the kid."

The National Endowment for the Humanities found the following when testing American high school juniors and seniors:

Two-thirds of those tested could not place the Civil War in the correct half-century.

One-third did not know the Declaration of Independence was signed between 1750 and 1800.

Half did not recognize the names of Winston Churchill and Joseph Stalin.

This factual confusion about our own history is a serious problem. A related problem is the apparent failure of our schools and our textbooks to adequately explain the nature of totalitarianism. In a free society, it is a civic virtue for citizens to understand the nature of their adversaries. It has been said that democracies are islands and the seas are always rising. Freedom always has a tenuous foothold. If our children are to preserve theirs, they must understand our own institutions and the institutions of those who think and act differently than we do.

A number of confrontations between our children and children from the Soviet Union have demonstrated a shocking ignorance by our youngsters of Soviet society and a depressing inability to defend our institutions. Troubled by this, I recently examined a number of global history texts used in American high schools to find out just what it is our textbook publishers believe an American 14-year old is suppose to know about the problems facing the world. What I found was relativism on personal values transferred to the world scene.

If our children are confused by this material, our teachers are going to be likewise befuddled by the material prepared for them. One can see this in a booklet published by the National Council for the Social Studies on the subject of teaching about human rights in the schools. In the introduction of the booklet, aimed at teachers, the editors contend there are several ways to teach about human rights, including a comparative approach. And then to make their point, the authors say the following: "In Western Europe and the United States, for example, civil and political rights such as freedom of speech, voting, and due process are of prime concern. In Eastern European countries, economic rights, such as the right to work, to form trade unions, to strike, and to take vacations are considered essential." Now never mind the questionable concept of teaching that freedom of speech is comparable to the right to take a vacation. That is dubious enough. But where is it in Eastern Europe, under the yoke of Soviet Communism, that one finds the rights described? Lech Walesa, for one, will certainly be interested in knowing he has the right to form a trade union and to strike.

JOAN DAVIS RATTERAY INSTITUTE FOR INDEPENDENT EDUCATION

(As Director of the Institute for Independent Education, which promotes self-help schooling among minority students, Joan Ratteray explained how numerous families, many of them with very limited resources, are making education work for their children.)

Taxation for education, now close to $240 billion annually, continually drains the spirit and resources of families. At one point in history, we could use our personal net income to send our children to schools we felt would help the most. Unfortunately, in our search for uniformity in education, we surrendered this freedom. We also completely lost sight of our goal, ending up with neither freedom nor uniformity.

What we have instead is the intrusive arm of government, choas in our education system, and wasted young minds. Striking at the core of our political and economic system, entire generations of Americans have been conditioned to accept government intervention as a substitute for the principle of individual liberty.

Minority groups have been hit the hardest by these social changes. Blacks, for example, coming out of physical bondage, were offered a glimmer of hope, only to find themselves thrust into what could be called the Second Bondage. According to 1980 population studies, 85 percent of all blacks live in urban areas. At least 50 percent of all black children are being schooled in the 12 largest inner-city school systems across the country. In some of these areas, as many as 50% drop out of school without a future. Of the remainder, perhaps only a miniscule percentage grow up knowing what it means NOT to be dependent on government-sponsored fountains of knowledge.

One of the most encouraging signs in black communities is the fact that some families are making tremendous sacrifices to buy alternatives in education. They are sending their children to independent schools, those the Institute for Independent Education is seeking to help. But there is so much more to be done.

With a voucher system developed from Chapter I funds, education reform would begin to have some teeth. By exercising the freedom of choice, minority-group parents would be able to use the marketplace forces of supply and demand to force improvements in our currently inflexible, centralized bureaucracies. Restoring our Nation's faith in freedom by returning some power to families would be a step in the right direction.

ROBERT SMITH, COUNCIL FOR AMERICAN PRIVATE EDUCATION

(C.A.P.E. comprises a wide array fo independent schools, from church-related systems to secular institutions, from long-established academies to new ventures in educational diversity. For many years, the Council has been ably represented in Washington by its Executive Director, Robert Smith.)

A few facts about private education. First, one out of every three schools is private. That's an amazing fact. Ther are 84,000 public schools and 27,000 private schools. Some of them are very small, but the ratio is nonetheless one out of three. Eighty percent of those schools are religious. Seventy percent are elementary. There are about 500 schools that are profit-making. There are probably about 10,000 parents who are educating their children at home in home schools. Again, estimates vary. 5.7 million students are enrolled at private schools. About eighteen percent of these are minority students. Eight percent are Black, and seven percent are Hispanic. . . .

What works in private education? First and most important is freedom, freedom for a school to set its goals, hire its people who can do the job, and to have a group of people committed to its goals. The freedom of professional people to do their job as well as they possibly can—that's the key to excellence in private education. Everything else, in my view, is secondary.

If I could give public education one thing, it would be to give each school as much autonomy as possible, as much capacity to set its own goals and bring them about in the way it wants. Freedom attracts attractive people. It attracts strong leaders.

Second, a community of shared values, a commitment to the goals of the school. People who have a stake in the school, are involved in its work, were present in its creation, were present in thinking about the basic job they were going to share, they're going to work together. They're going to make that school as strong as possible.

Third, simple and clear goals. For private education in the broad sense, the goals are intellectual and moral excellence. All private schools from the very beginning have been concerned with those two matters. However you want to talk about values, character, virtue, that's what we're concerned about. And because of the shared community of values, because people are there who believe in the schools, private schools are, as one other speaker put it, "crazy about those kids."

I think the biggest public policy question before this country right now is how you give poor families the same right, the same opportunity as rich families to have a good education. That issue is being played out in a lot of different ways. One option is tuition tax credits. There may be others that come along. But it's a crime in this country that students below the college level can't get the education they want because of their economic situation. . . .

THOMAS R. ASCIK, CLEARINGHOUSE ON EDUCATION CHOICE

(Formerly with the Department of Education, Tom Ascik is one of those rare individuals who leaves government to make a positive difference on the outside. An attorney, an experienced legislative analyst, he is the founding director of the Clearinghouse, which fosters family choice in schooling as the foundation for lasting education reform.)

There are several reasons to think that the way we regard the public interest in education is in need of change. It may be time for the rights and the needs of the individual to take priority over the desires and interests of institutions—public or private. For instance, there is emerging in the field of education policy a new appreciation and understanding of the role of parents and families in education.

This seems to include at least three aspects: first, a growing understanding of the critical and probably definitive influence of parents on the academic achievements of their children. Research psychologist Herbert J. Walberg of the University of Illinois began a 1984 article with this statement: "Syntheses of 2,575 empirical studies of academic learning show that parents directly or indirectly influence the eight determinants of cognitive, effective, and behavioral learning."

Second there is the political question of the rights of parents to determine the content of their children's upbringing and the corresponding question when and why the state should interfere with this right. In his Grand Rapids opinion, Justice Brennan mentioned "the right of each individual voluntarily to determine what to believe (and what not to believe) free of any coercive pressures from the State." Such a view of individual rights—when exercised by parents in the name of their children—seems to have become increasingly a subject of contention in the field of education. A public policy of education based on family choice would be a pacific and comprehensive solution to these contentions.

Third, there is a growing consensus that instructionally-effective schools must be organized more like families than bureaucracies. Harvard professor of government James Q. Wilson has made the brilliant observation that "What is striking about the desirable school ethos is that it so obviously resembles what almost every developmental psychologist describes as the desirable family ethos."

DR. JOHN C. HOLMES, ASSOCIATION OF CHRISTIAN SCHOOLS INTERNATIONAL

(In his doctoral dissertation, John Holmes studied the reasons why many parents choose church-related schools for their children. He is now both a pastor and a spokesman for the Association of Christian Schools International. Explaining the tremendous growth of those schools in recent years, he emphasized their inherently religious mission in pursuit of academic excellence.)

What characteristics have caused our ongoing success? First, and foremost, we are committed to basic Christian morality as the key ingredient to the education of the student. President Theodore Roosevelt said, "To educate a child in mind and not in morality is to educate a menace to society."

The forces behind the evangelical Protestant school movement are a commitment to a Christian philosophy of education; a commitment to traditional educational relationships among the family, the church, and the school communities.

We have touched the chord of a growing number of Americans who are reaching again for traditional values and a basic educational approach. These parents want their children to be educated in a safe, sane, and loving environment.

We believe our schools are good for America and her form of democratic government. We are hopeful that we will continue to have the freedom to carry out the mission we feel God has called us to do.●

LEVA DRUMMOND—MODEL GRANDMOTHER

● Mr. BOREN. Mr. President, congratulations to Leva Drummond upon the sweet and satisfying realization of a challenging personal goal. In fact, one might even describe it as one of life's finest achievements.

Beginning in 1973 and concluding with the final trip this 1986 summer, Mrs. Drummond has faithfully escorted each of her 11 grandchildren on a magnificent adventure with the intention of sharing our Nation's history and opening personal horizons for her grandchildren.

It was 13 years ago when the patriotic widow, then 53 years old, summoned up her courage to leave the small town of Hominy, OK, and tackle the subways of Manhattan and the tour-mobiles of Washington, DC. She made the trip east with her first grandchild in tow. Then 9½, Gentner Drummond was awed and inspired by what he saw in the east. He, like each of his cousins, would return to the small ranching community of Hominy realizing the broad reach and expense of the world just introduced to him.

Each trip covered a designated 14-day itinerary. One week in New York City attending plays, concerts, and sightseeing was preceded or followed by 1 week in Washington touring the monuments, museums, and wily world of Capitol Hill.

Side trips to Williamsburg, Annapolis, and Philadelphia provided yet another glimpse of American history to the fortunate Drummond grandchild on different trips.

Yes, to keep up with the energy of a 10 year old, the age she brought each child, required a few rules so there was never doubt as to who was in charge. There were mandatory diaries each child was required to keep. And each child was encouraged to purchase gifts—from their own trip allowance—for the siblings left behind. Daily post cards to parents were also a must.

But that is more or less the extent of sameness of each trip. For while the pace was always predictably quick, and the weather atrociously hot, Mrs. Drummond found each trip was special, defined by the unique personality of each child.

Leva Drummond may be one of the luckiest of all grandparents, having the luxury of time to get to know each of her 11 grandchildren one on one.

While the short-term beauty of such an experience may belong most to the one with the age and wisdom to readily recognize and treasure it, hers is a living legacy to her family which will reveal itself to her grandchildren for the rest of their lives.

This is an achievement, in the life of a family, worth noting.

Two of her grandchildren have served as summer interns on my Washington staff. Gentner now 22, and Jonathan now 19. Other Drummond grandchildren are David 21, Lynn 19, Lori 18, Jana 17, Carolyn Blake 16, C.G. 15, Julie 15, Caroline 13, and Laura 10.●

LAWYERS RAISE FUNDS TO PROTECT FEES

● Mr. KASTEN. Mr. President, a recent article in the Washington Post

underscores the urgent need for Federal product liability reform. It points to the stifling effects of the current system and the difficulties State legislatures have encountered when attempting to enact reforms. The public is clearly alarmed by the deluge of product liability suits and is demanding change. But, due to the intense lobbying efforts of a number of trial lawyers associations in their attempt to preserve the current contingency fee system, it has been increasingly difficult for individual States to pass the sought after reforms. Because States have shown an interest in reforming these laws but have been unable to effect these changes, Federal legislation is urgently needed to insure that the public gets the reforms it has demanded. I ask that the text of this article be printed in the RECORD. I am confident that my colleagues will take note of the pressing need for product liability reform. The article follows:

[From the Washington Post, May 20, 1986]

LAWYERS RAISE FUNDS TO PROTECT FEES

(By Jack Anderson and Joseph Spear)

The nation's trial lawyers are raising bushels of money to block legal reforms and save their Pikes Peak fees. Here are the details: Proliferating lawsuits have caused such havoc across America that voters are demanding reforms. Millions of organizations, ranging from the American Medical Association to the Boy Scouts of America, have joined forces to stop the lawsuits that have disrupted their activities.

This has compelled many state legislatures, dominated though they are by lawyers, to review the civil justice system. Any restictions that might hamper lawsuits, of course, would hit the trial lawyers right in their bank accounts. So the American Trial Lawyers Association has mounted a counterattack to save the system that enriches them.

In California, for example, a drive is gaining momentum to revise the system. This has taken the form of a voter initiative called Proposition 51, which the California Trail Lawyers Association is rushing to head off.

Its president, Peter J. Hinton, has sent an urgent dispatch to all members entitled "A Report from the Front." Without mincing words, he notifies them that "trial lawyers will be called upon to make major contributions to defeat this initiative."

What constitutes a "major contribution" for a trial lawyer? Hinton makes that clear. "Over a dozen firms and individuals in California have already committed more than $100,000 to the fight against Proposition 51," he states. "Some have contributed as much as $300,000."

Hinton claims that the reformers are trying to reverse "centuries of law which state that the first consideration in the tort system is to make the innocent injured party whole."

He is disputed by James Coyne, president of the American Tort Reform Association, which is leading the battle to change the system. Coyne contends that U.S. courts, "with limited exceptions," held for 200 years that "a person suing could recover only if he proved that the defendant was at fault . . . that one only obtained redress for cases of true negligence, not for the personal risks of everyday life."

All this changed in the 1960s, according to Coyne. "The tort system we have today," he told us, "is vastly different. Our generation has oveturned 200 years of legal tradition."

The result has been an explosion of lawsuits. This has raised the risk for people who make decisions; many no longer will serve on corporate boards, school boards, town councils, athletic leagues or other business-civic-volunteer groups.

Those still willing to take the risk have been forced to change the way they make decisions. They don't dare decide whether to market a new product, approve an innovation, publish an important story or take some other action based on the merits. The first question they must now ask is, "What's the chance I'll get sued?"

As Coyne put it, "In this stifling climate of anxiety over unknown risk, our economic growth, perhaps even our spirit of adventure and pioneering, will be reduced."●

S. 1965—THE HIGHER EDUCATION AMENDMENTS OF 1986

● Mr. BIDEN. Mr. President, on June 3 the Senate passed S. 1965, the Higher Education Amendments of 1986, by a vote of 93 to 1. I was a cosponsor of this important legislation. Unfortunately, I had to be in Delaware at that time on a family matter, and was unable to vote. However, I was gratified by the overwhelming margin of approval the bill received.

The Higher Education Amendments of 1986 provides the means for millions of Americans to obtain a postsecondary education—a growing necessity if this country is to have a skilled work force, a vital component of maintaining our competitiveness in the international economy.

Reauthorization of the major college aid programs—including guaranteed student loans, Pell grants, supplemental educational opportunity grants, college work study and national direct student loans—are clearly an investment in the future.

If the United States wants to remain the world leader it has been—in technology, research, learning—the current generation of young people must be equipped with educational skills which will enable them to advance the interests of the Nation as well as their own careers. The Higher Education Amendments of 1986 is an important step in preparing us for future challenges.●

A TRIBUTE TO RALPH BLACKHURST BENNETT, JR.

● Mr. WILSON. Mr. President, Ralph Blackhurst Bennett, Jr., the chief editorial writer of the Tribune in San Diego, is retiring after a long career of distinction in the journalism profession. Ralph has been a thoughtful and responsible voice for the enlightenment of the San Diego community.

Ralph was graduated from Harvard in 1943. After 2 years as an ambulance driver with the American Field Service in India and Burma in 1943 and 1944, Ralph began his journalistic career in his home State of Oregon. After 4 years in Oregon, and 5 years in Washington, Ralph arrived in San Diego in 1952.

Over three decades of service to the Tribune included stints for Ralph as courthouse reporter, assistant city editor, city editor, and political writer before being named to his current position in 1974.

Ralph was honored with the Eugene F. Pulliam Fellowship for Editorial Writers in 1980.

Ralph and Anna are the parents of three children and grandparents of two.

I know that Ralph will look for new intellectual challenges in retirement, for a mind as curious and reflective as his will continue to require stimulation. The San Diego community has benefited greatly over the years from his insights, and he has my best wishes for a gratifying retirement.●

A CALL FOR THE RESIGNATION OF CHARLES HEATHERLY, SBA ACTING ADMINISTRATOR

● Mr. SASSER. Mr. President, recent days have brought intriguing developments in the continuing saga of Charles Heatherly, Acting Administrator of the Small Business Administration. My colleagues will recall that Mr. Heatherly has championed the administration's proposal to transfer the functions of the SBA to the Commerce Department. Mr. Heatherly has pursued this agenda in such a manner as to antagonize nearly all who come in contact with him. He has demoralized those who work for the SBA and raised serious questions about this administration's commitment to the only independent agency in the entire Federal Government devoted exclusively to small business.

This Saturday's Washington Post contained an article on this controversy under the headline "Reagan Abandons Plan To Scuttle SBA." Heartened by this headline, I was even more elated to read the story's lead sentence:

> The Reagan administration read the handwriting on the wall yesterday and decided it would have to abandon its effort to eliminate the Small Business Administration as a separate agency * * *.

At this point, I was nearly ecstatic, Mr. President. Surely, if the administration is dropping its plan to shut down the SBA, I reasoned, the President will likewise drop the mouthpiece for this misguided plan, Mr. Heatherly. I anticipated returning to session this week with a well-qualified nominee for Administrator of the SBA soon to be before this body.

Unfortunately, Mr. President, it appears that I was too optimistic. Reading on in the article, I discovered that the Office of Management and Budget denied that the plans to shut down the SBA had been abandoned. And over the past few days, other sources have confirmed that the Office of Management and Budget denies that any agreement has been reached about the future of the SBA. As far as OMB is concerned, Charles Heatherly is still the man in charge. And as far as OMB is concerned, the functions of the SBA are better handled within the Commerce Department.

It appears to me Mr. President that we are therefore still at square one on this important issue. The plan to shut down small business' voice in the Federal bureaucracy is alive and well. The man who holds small business organizations and Members of Congress in contempt is still at the helm of the administration's small business policies. Employees of the SBA are still wondering how long they will have their job. Small businessmen and women are still wondering how long the vital programs of the SBA will be available to them. In short, confusion remains the watchword for our small business community.

It is clear, Mr. President, that the administration is working to achieve de facto what they cannot achieve in legislation. This latest series of events suggests the administration is even more committed to killing the SBA from within. The longer we allow this course of action to continue unchallenged, the greater are the prospects for success for those who want to silence the voice of small business in the Federal Government.

I, for one, cannot sit by and watch this happen. Therefore, I renew my call for the resignation of Charles Heatherly. I again urge the President to end the uncertainty surrounding the SBA. This can be done by submitting for the Senate's consideration a nominee for Administrator of the SBA who is dedicated to the Small Business Administration and the future of America's small business community.

Mr. President, in early May I introduced Senate Resolution 399 which underscored the importance of maintaining an independent SBA and the need for a SBA Administrator who meets the goals I have just mentioned. Given the continued inaction by the administration on this point, I urge my colleagues to send a strong signal of their support for our small business community by joining as a cosponsor to Senate Resolution 399.

HELMS AMENDMENT TO S. 1965, THE HIGHER EDUCATION AMENDMENTS OF 1986

● Mr. GORTON. Mr. President, yesterday this body voted on an amendment to the Higher Education Amendments Act of 1986 that would have placed limits on the remedies available to the courts in desegregating public schools.

I certainly am sympathetic to the concerns expressed by the sponsor of the amendment. Although the efforts to use busing to enforce racial balance in our public schools has been undertaken in good faith, in case after case these efforts have not achieved the end sought. Busing has torn our communities apart, brought protest after protest from parents of all races, and caused increasing disaffection with our whole public school system. It has frequently caused greater racial imbalance than that it sought to cure.

Experiences across this Nation demonstrate that it usually is minority students who are forced to bear the burden of busing. In my own State of Washington, under an imposed attempt to achieve acceptable racial balance in our schools, one school district simply closed an all-black school and put all those students on buses to schools in other neighborhoods. Even kindergarten children were bused away from their neighborhood school. It is certainly understandable why a plurality of black parents oppose forced busing.

In the course of these busing programs, millions of dollars have been spent or obligated to transport students to schools they did not wish to attend, in pursuit of a goal that has not been realized.

Mr. President, although I deeply sympathized with the objectives of the antibusing amendment to the Higher Education Amendments, I did not believe that Congress should attach such a measure to that bill. I voted against the amendment, not because I disagree with the policies pursued by the measure, but because I wanted to ensure that the Higher Education Amendments were passed quickly by this Congress. It is crucial that the millions of students attending our institutions of higher education and their parents have a clear understanding of the Federal assistance available to them.

I appreciate the willingness of the amendment's sponsor to withdraw this measure from the Higher Education Amendments package. I share his frustration over the Judiciary Committee's inability to forward a bill on this issue to the full Senate, and appreciate the commitment made by the chairman of the Judiciary Committee, Senator THURMOND, to continue his efforts to have a bill passed by the committee.●

NAUM AND INNA MEIMAN: A WRENCHING LETTER

● Mr. SIMON. Mr. President, I recently received a letter written by Inna Meiman, a Soviet woman who has been refused permission by the Soviet authorities to emigrate to Israel. Inna wrote this letter to her friend, Lisa Paul, a young Minnesota woman who went on a hunger strike to protest the Soviets' treatment of Inna and her husband, Naum.

This letter plainly and baldly states Inna's deteriorating physical condition and is a plaintive cry for help. I ask that it be printed in the RECORD.

I strongly encourage the Soviets to grant the Meimans permission to emigrate to Israel.

The letter follows:

DEAR LISA: I have not written you for a long time, forgive me. I did not have the strength, believe me, not moral (emotional) or physical. I was not able to sit and write a letter. And now I am somewhat able. I was given two doses of chemotherapy treatments, very strong—and I am now very weak. The doctor considers that there was an effect, in other words, he considers that the tumor has decreased a little. At least it has not gotten bigger. You can see that this is so, but I myself am very weak and the pain, more than before is very strong. I am not able to walk—very slowly to and from my bed. Nevertheless, my spirits have not fallen and I have not lost hope. We know that you are with us! We are very lucky to have such wonderful friends. Towards you I have a special feeling! I often think about you and I would very much like for you to have a life full of happiness!

Well, all is still not lost, suddenly they could say to us, "Here is your visa"—I believe that this is still possible. Lisa, my dear, please do not worry, I still have patience. I will write you a long letter soon. Please give my "heartful" greetings to your Mom and Dad, and your sister Therese.

I "kiss you strongly",

INNA.

THE REBUILDING OF BARNEVELD: A TRIUMPH OF COMMUNITY SPIRIT

● Mr. KASTEN. Mr. President, early on the morning of June 8, 1984, while some 570 men, women, and children slept comfortably in their homes, disaster struck the village of Barneveld, WI.

What happened during the predawn darkness of that terrible Friday 2 years ago literally tore apart this picturesque Iowa County community that was established 78 years ago in the rolling south-central Wisconsin hills. Barneveld became the victim of one of nature's most merciless elements—a tornado.

The violent, unexpected storm cut through the heart of Barneveld, leaving in its wake 9 dead and 200 injured. More than half of the village's 200 houses were destroyed. Obliterated were 11 businesses, the community school, 5 churches, the train station, and every municipal building in town.

Left standing, as a lone monument to what would prove to be unyielding community tenacity, was the water

tower bearing the name BARNEVELD.

It would be fair to state, Mr. President, that a village which on June 7, 1984, had been vigorous, healthy, and consumed with the day-to-day goings on of life, was, 1 day later, no longer alive.

It would be fair to say that, Mr. President. But it wouldn't be true. Because the people of Barneveld, battered, shocked, and saddened by their loss as they were, had but one thing in mind as they surveyed the destruction wrought by that nameless storm.

Their minds and hearts were focused not on the tragedy that confronted them, but on the rebuilding of their individual lives and the life of their community.

Mr. President, this Sunday marks the second anniversary of that time of terror in Barneveld. The day will mark much more than that, for it is the day of rededication of a town that rebuilt itself.

This Sunday, the good people of Barneveld and people from neighboring towns and villages will gather just east of the water tower to dedicate the Barneveld Memorial Park, which is situated on a site formerly occupied by the train station and by a feed mill and several small businesses wiped out by the tornado.

Also to be dedicated Sunday is the new United Church of Christ, constructed in the heart of Barneveld about a block from where the old church was destroyed by the tornado.

About $15 million—including contributions from Federal, State, and local sources—has been spent in the rebuilding of Barneveld. But, Mr. President, far more than money brought about the rebirth of this vibrant rural community.

As a young man says in the popular television commercial featuring the revitalization of Barneveld, "This town was built on a lot of pride and a lot of family."

In 2 short years, the village has been rebuilt. New homes stand where only rubble covered the ground. Businesses have reopened; downtown is vital and busy. But there are losses that never can be recovered. Those who lost loved ones never will fully recover from the tragedy of the night Barneveld was blown apart.

But in the resiliency of the people of Barneveld is a lesson, Mr. President. The pride of Barneveld's families and their tremendous achievement deserves our recognition and praise, for they truly have exemplified the strength of rural America's community spirit.

Mr. President, I ask that an article by Robert O'Meara on the rebuilding of Barneveld which appeared in the Milwaukee Journal be included in the RECORD.

The article follows:

IN 2 YEARS, BARNEVELD AND ITS PEOPLE HAVE BOUNCED BACK FROM TORNADO

(By Robert O'Meara)

BARNEVELD, WIS.—This community of 600 has come back from the devastating tornado of two years ago that put it on the map while almost taking it off at the same time.

Nightmares still linger from the twister on June 8, 1984, that killed 9, injured 200 and destroyed more than half the homes in the village.

Now a village of new homes, new business buildings and new parks, Barneveld wants to preserve the memory of its past. The tourists who jammed the streets to gaze at the shattered buildings two summers ago are welcome to return.

Today, the community in the hilly farm country of south-central Wisconsin is 98 percent rebuilt, according to Steve Webster, of Madison, who is serving as recovery coordinator. He figures that at least $15 million has been spent, counting all contributions from federal, state and local sources.

That includes Miller Brewing Co.'s contributions of $50,000 to the park, plus $15,000 to help rebuild the home shown in a beer commercial, and payments of varying amounts to the townspeople who participated in the commercial, made last fall.

"We thought Barneveld was representative of all the communities that went through floods and other disasters," said Steve Forsyth, a spokesman for the Milwaukee brewer. "It highlighted the American community spirit."

He said most reaction had been positive, "although there's always a few who think it's not proper or appropriate in a tragic situation."

The twister roared through the heart of Barneveld in the early morning hours. Of the 200 homes, 120 were destroyed and nearly all the rest suffered some damage. Eleven businesses, the school, five churches and all the municipal buildings were demolished.

The water tower survived.

Just east of the water tower today, bulldozers are scraping the landscape of Barneveld Memorial Park.

"We're trying to get everything done by June 8, when we'll have the dedication of the park," Webster said. "We want people to come and see what Barneveld has done, and we want them to know what the recovery says about the people of Barneveld."

The park occupies land where a feed mill and several small businesses were wiped out and where a railroad station once stood. The only reminder of the railroad is Barneveld's portion of the Military Ridge Bicycle Trail, which follows an old rail line and traverses the park.

The new Congregational United Church of Christ, built in the heart of the village less than a block from the old shattered church, also will be dedicated Sunday.

Webster wants people to see what a modern country village should look like.

"The old downtown was oriented to circumstances that aren't in place anymore, like the railroad," he said. "We moved the larger land users, like the farm implement dealer and the automobile dealer, out to the edge of town and have the retailers rebuild downtown."

The park will have four large aluminum plaques. The two in the newly built park shelter will feature nearby Blue Mound State Park and the changes over the years in the Military Ridge Trail, from covered wagon trail through southwestern Wisconsin, to railroad line, to bicycle path.

Two more, to be mounted on concrete pedestals, will depict changes in the downtown over the years, including those wrought by the tornado.

A planned walking tour of the village, highlighting new and restored buildings, has been dropped for now, Webster said.

All the homes along Jenniton Ave. atop the ridge on the west end of town, were destroyed. They've been replaced by ranch homes. The downtown area overlooks a valley that was farm land and now is filled with new homes.

Charles Aschliman, 29, who with his brother, Bill, and father, Ernest, run the big Case International farm implement dealership, agrees that visitors are good for Barneveld and its businesses.

In December 1984, the Aschlimans opened their building at the edge of town along Highway 18. The old one, near where the Fire Department and Village Hall now stand, was blown away.

But Charles Aschliman and his wife, Susan, suffered a far greater loss. Their son, Matthew, 2, was killed in the storm. Another son, Christopher Matthew, was born Aug. 1. Their other son, Michael, was 4 when the tornado hit.

"Every time it storms, he gets scared," Aschliman said of Michael. "I think that's true of most of the kids in town. My wife gets scared, too. Every night she never misses the weather on TV now."

Hannah Zepplin, 71, a resident of Barneveld for 40 years, sits in the modern ranch home built on the same spot her 100-year-old, two-story frame house once stood. Zepplin, who lives alone, found refuge behind the door in the bottom of the stairway on the first floor when the tornado struck. The old house was moved off its foundation, but she suffered only a few scratches from falling plaster.

For three months she lived in a mobile home provided by the government while the new house was being built, she said.

She, too, worries whenever the skies turn stormy.

"Daytime doesn't bother me so much. This was unexpected in the night. Now I have a weather radio at all times at night," she said.

Zepplin says she wants outsiders to visit the town and see the progress of recovery.

"People have given us so much."●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering

letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, June 3, 1986.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-34 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter(s) of Offer to Denmark for defense articles and services estimated to cost $56 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 86-34]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Denmark.

(ii) Total Estimated Value: Major Defense Equipment,[1] $55 million; Other, $10 million; Total $65 million.

(iii) Description of Articles of Services Offered: Three hundred thirty-six Stinger Missile Systems with POST capability, 504 STINGER Missile reload rounds with POST capability, tool kits, concurrent spare parts, technical assistance and training.

(iv) Military Department: Army VGE).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: June 3, 1986.

POLICY JUSTIFICATION

DENMARK—STINGER MISSILE SYSTEMS WITH POST CAPABILITY

The Government of Denmark has requested the purchase of 336 Stinger Missile Systems with Post capability, 504 Stinger missile reload rounds with Post capability, tool kits, concurrent spare parts, technical assistance and training. The estimated cost is $65 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Denmark; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

Denmark needs the Stinger Missile Systems with Post capability, to improve the air defense killing power of its infantry battalions. It has in its inventory the Ballistic Aerial Target System (BATS) useable with the Stinger weapon system. Denmark will have no difficulty absorbing these Stinger Systems into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be General Dynamics, Valley Systems Division of Pomona, California.

Implementation of this sale will require the assignment to Denmark of two additional U.S. Government personnel for two weeks.

There will be no adverse impact on U.S. defense readiness as result of this sale.●

[1] As defined in sec. 47(6) of the Arms Export Control Act.

DR. JOHN R. DeLOACH RECEIVES THE ARTHUR S. FLEMMING AWARD

● Mr. SASSER. Mr. President, I would like to take this opportunity to join with the citizens of Madison County, TN, and all Tennesseans in congratulating Dr. John R. DeLoach upon his receipt of the Arthur S. Flemming Award. This award annually honors young men and women in the Federal Government for their outstanding accomplishments, and Dr. DeLoach's achievements in the field of biomedical research certainly distinguish him as one of the finest young scientists in Federal service.

Dr. DeLoach, a native of Jackson, TN, was cited for his pioneering contributions in erythrocyte encapsulation, development of artificial blood for blood-feeding tsetse flies, and for research leadership. Dr. DeLoach has recently demonstrated excellent leadership in redirecting toxicology research toward immunotoxicology and immunomodulator therapy at the Veterinary Toxicology Research Unit of the U.S. Department of Agriculture. Since joining the Agriculture Research Service 7 years ago, he has averaged seven publications or patents per year.

Apart from his professional accomplishments, Dr. DeLoach also has made significant contributions to his community by taking an active role in a wide variety of youth activities.

I am pleased, Mr. President, that such a bright and energetic young man has chosen to bring his outstanding talent to the Federal Government. This Arthur S. Flemming Award is richly deserved.●

DISABILITY AND INDEPENDENCE—HAND IN HAND

● Mr. BOREN. Mr. President, there have been positive changes in our country's attitude toward the handicapped over the last 20 years. Barriers that once held back the handicapped are being overcome, allowing independence for those earlier not self-sufficient because of limited access to buildings, education, and employment opportunities. The President's Committee on Employment of the Handicapped has helped the handicapped reach that independence. Its mission is to provide leadership to achieve maximum employment of people with disabilities, and has furthered that cause through avenues such as its National Journalism Contest. I would like to share with my colleagues a report written by one of my constituents, Ms. Lara Skaggs, of Lamont, OK, which won third place in the national contest open to high school juniors and seniors. Ms. Skaggs' perceptions of handicapped persons illustrate the continually changing attitudes in America. I ask that her report be printed in the RECORD.

The report follows:

DISABILITY AND INDEPENDENCE—HAND IN HAND

(By Lara Skaggs)

The day dawns clear and sunny. Birds are greeting the day with a joyous melody. A young man named Joe stares vacantly out the window near his bed. The day passes in a beautiful kaleidoscope of color with children laughing and playing, but Joe seems to have forgotten its existence in his starched white world. His body will move from the waist up, but like thousands of other Americans, his disability does not stop with his body. Muscular dystrophy (M.D.) is claiming more than muscle tissue; it is killing his will to live, also.

In a cheerful blue-gray house just a few miles away lives a special lady named Sandra Beasley. Today's schedule for her includes assessing a building near her home for its accessability to the handicapped, visiting some friends, presiding over a Northwest Oklahoma Handicapped Organization meeting, and finding some time to do the grocery shopping. What is so remarkable about all this? She performs all of these tasks and many more from the confines of a wheelchair. She, too, is a victim of M.D., but instead of lying in bed, she is out in the mainstream of a busy city giving inspiration and hope to those like "Joe" in her warm, enthusiastic, caring manner.

At the age of twenty-seven, married with two children, Sandra Beasley was diagnosed as having M.D. She admits that she went through a denial stage common among patients who contract M.D. after childhood, but the need for her to remain a part of her children's lives brought her back to reality. She made a decision that would brighten both her life and the lives of hundreds of other disabled people across Oklahoma—the decision to make her disability count. She works over fifty hours a week in volunteer services, is a Board Member of the American Red Cross, and is currently the Director and personal counselor on twenty-four hour call for the Northwest Oklahoma Handicapped Association.

With a twinkle in her eye, Sandra shared with me some attitude changes she has seen. "In the past twenty years, America has come to life with a new awareness concerning our disabled citizens. Through landmark legislation we have gained access to buildings, to education, and even to employment."

She paused for a moment and then commented, "we have reformed parking lots and rest rooms to accommodate the handicapped, but most important, we have renovated our concept of disabled people."

Being handicapped in America was once like being black—both had an unchangeable label, but change has come. Barriers of attitude and prejudice have been modernized most in America's renovation project for the

disabled, and with it has come independence. Patricia Long, the 1983 Handicapped American of the Year, posed these thoughts in a recent publication concerning independence: "For a long while, if you were handicapped you were dependent on others for a great deal; a part of the human spirit is each human's desire for independence. Our country was founded on that. We are nothing more than lots and lots of independent individuals."

When you're handicapped, that basic right of independence—of self-sufficiency—is one of the hardest things to obtain. What everyone else gets at birth, they must fight for both physically and emotionally. Once they have that independence, they can achieve any and all of their goals.

We are now emerging from a ten-year shift from institutional help to a self-help trend for the disabled. This new concept stresses the importance in the value of self-reliance which eventually leads to independence.

There is no doubt that we must become more responsive to our fellow Americans who are disabled. We must support them in their quest for independence and give them the equal opportunity deserved and needed to make their disability count. Technology has suppressed our wildest dreams with ways to increase disabled people's independence and visibility. Through the use of an electric wheelchair and her specialized van, Mrs. Beasley is able to leave the confines of her home and lead a busy normal life. She would be the first to agree that public exposure is a key factor in the acceptance of handicapped people. Any type of community involvement or work will place these individuals in a position of independence to be recognized is to be commended for the awareness it creates.

Sandra Beasley is only one example of the millions of disabled Americans in action. She was selected as one of KOCO-TVs "Five Who Care" in 1983, and she has also won the Jefferson Award from the American Institute for Public Services for unselfish and exemplary devotion to civic causes and other people. Mrs. Beasley works hard to project a positive image for disabled people by coordinating the State Ms. Wheelchair Pageant, not to mention her own visibility that shouts out her independence and ability. These are only a few of her accomplishments and activities which are too numerous to name, but they do promote her words of experience and hope to other disabled Americans: "Never dwell on what you can't do, but what you can."

To achieve the goal of independence for a handicapped person requires courage, perseverance, and vigilance. My prayer is that all the "Joes" in this world will have the opportunity, as I did, to meet a "Sandra Beasley."●

ORDERS FOR THURSDAY

Mr. ARMSTRONG. Mr. President, I have a series of unanimous-consent requests to put before the Senate which I am told have been cleared with the minority leader.

VETO MESSAGE ON SAUDI ARMS SALE

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the unanimous-consent agreement entered into on May 21, be modified to reflect that the Senate begin consideration of the veto message on Saudi arms sale at 11 a.m., and that there be 3 hours of debate: 2 hours under the control of the minority leader, and 1 hour under the control of the majority leader.

Mr. BYRD. Mr. President, reserving the right to object—I will not object—the original order for the vote to occur at the hour of 2 p.m. on tomorrow would still stand under the order that has just been propounded by the distinguished acting majority leader. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. I thank the Chair.

RECESS UNTIL 10 A.M.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until the hour of 10 a.m., June 5, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. ARMSTRONG. Further, I ask unanimous consent that following the recognition of the two leaders under the standing order of 10 minutes each, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, LEAHY, GORE, WEICKER, DIXON and MCCONNELL.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ARMSTRONG. Mr. President, following the special orders just identified, if time permits, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ARMSTRONG. Mr. President, at 11 a.m., by a previous unanimous consent, the Senate will proceed to consider the president's veto message of Senate Joint Resolution 316, the Saudi Arms Sale. A vote will occur at 2 p.m., on the question, "Shall the joint resolution pass, the objections of the President of the United States to the contrary notwithstanding?"

I am also asked by the leader to announce that following the 2 p.m. veto vote, the Senate will turn to the consideration of Calendar No. 653, H.R. 4515, the supplemental appropriations bill, and the leader expects that there will be votes throughout the day on Thursday, and the Senate may be asked to remain in session through the evening.

TIME OF LEADERS RESERVED

Mr. BYRD. Mr. President, will the distinguished acting Republican leader request that the order for each of the leaders be reserved to them in the event that, because of the meeting at the White House tomorrow morning, they may not be able to be back in the Chamber at the time the Senate goes into session? Will the acting leader do that?

Mr. ARMSTRONG. Yes; of course, I will be happy to join in making that request.

Mr. BYRD. I thank the acting leader, if he will do that. I would appreciate.

Mr. ARMSTRONG. I do make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the acting Republican leader.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ARMSTRONG. Mr. President, I know of no further business to come before the Senate.

The PRESIDING OFFICER. The Senate will stand in recess until 10 a.m. tomorrow morning.

Thereupon, at 6:10 p.m., the Senate recessed until tomorrow, Thursday, June 5, 1986, at 10 a.m.

71-059 O-87-22 (Pt. 9)

EXTENSIONS OF REMARKS

H.R. 4920, TORT ACTION PROCEDURE REFORM ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. PETRI. Mr. Speaker, for the convenience of my colleagues and the public, I respectfully request that a copy of H.R. 4920 be made a part of the RECORD. I urge my colleagues to join the gentleman from New York [Mr. MRAZEK], the gentleman from Vermont [Mr. JEFFORDS], and myself in supporting this legislation.

H.R. 4920

A bill to establish arbitration panels in the district courts of the United States for product liability actions, medical malpractice actions, tort actions against governmental bodies, and other civil actions for damages for personal injuries, to assist States in the establishment of such panels in State courts, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tort Action Procedure Reform Act".

TITLE I—ESTABLISHMENT OF FEDERAL ARBITRATION PANELS

SEC. 101. GENERAL RULE.

(a) ESTABLISHMENT OF PANELS.—Each district court of the United States shall establish within the court an arbitration panel which shall initially hear, in accordance with this title, civil actions for personal injury damages which are brought in such court including—

(1) product liability actions;

(2) medical malpractice actions; and

(3) tort actions against the United States, any State, or any political subdivision of a State.

(b) RULES AND PROCEDURES.—Each court shall prescribe such rules and procedures as the court finds necessary to carry out this title.

SEC. 102. MEMBERSHIP.

(a) APPOINTMENT.—A panel shall be composed of at least 3 members who shall be appointed by the court and shall serve at the pleasure of the court. The court shall specify the method of selection of panel members in a manner that assures that the panel will afford a full and fair hearing to all parties to any claim brought before the panel.

(b) CHAIRPERSON.—The court shall select a chairperson for the panel from individuals who are retired Federal or State judges. The chairperson shall assign members of the panel to hear each claim. Panel members may be assigned to hear one or more claims at the same time.

(c) PAY.—Panel members shall be paid on a per diem basis for each day substantially devoted to panel business with the amount of such payment to be determined by the court.

(d) DIVISION INTO SITTING PANELS.—

(1) A panel may sit as a single body or in smaller units of at least 3 members.

(2) Each sitting panel shall include the following individuals:

(A) One individual with expertise in an activity giving rise to the action before the sitting panel.

(i) If the action before the sitting panel primarily involves a product liability claim, such expertise shall be derived from the individual's training and expertise in the manufacturing industry.

(ii) If the action before the sitting panel primarily involves a medical malpractice claim, such expertise shall be derived from the individual's training and experience as a health care provider.

(iii) If the action before the sitting panel primarily involves a tort claim against a governmental body, such expertise shall be derived from the individual's training and experience as a government official.

(B) One individual admitted to practice law in the State in which the panel sits.

(C) One layperson who represents consumers.

(3) A sitting panel may include, in addition to the individuals described in paragraph (2), such other panel members as the chairperson may determine.

(4) The chairperson may appoint a chief panelist for each sitting panel on which the chairperson does not serve.

SEC. 103. FILING CLAIMS AND ANSWERS WITH A PANEL.

(a) CLAIMS.—

(1) A court shall require that a claim brought in the court for personal injuries other than a claim brought as a class action shall be filed with the panel established by the court.

(2) The court may require a claim for personal injuries brought as a class action to be filed with the panel upon the motion of any party or the motion of the court at any time, including, when the class action elements of a claim are dismissed.

(3) The court shall require that a copy of a claim filed under paragraph (1) or (2) and any documents accompanying such claim be served on each defendant.

(4) The filing of a claim under paragraph (1) or (2) shall be treated as the filing of a complaint with the court for purposes of tolling any applicable statute of limitation.

(b) ANSWERS.—Each court shall require that defendants answer claims filed under paragraphs (1) and (2) of subsection (a) in a timely fashion.

SEC. 104 POWERS.

(a) TRANSFER AND DISMISSAL.—

(1) MANDATORY.—

(A) Any party to a claim which is filed with a panel may, in the party's first responsive pleading, move for a jury trial on such claim.

(B) Upon such motion the chairperson shall transfer such claim, or any severable portion of such claim, to the court for a trial de novo by jury if the chairperson finds that such action is required by the 7th Amendment to the United States Constitution.

(C) Any party who does not make a motion under subparagraph (A) shall be deemed to waive the right of such party to a jury trial.

(D) A decision by the chairperson under subparagraph (B) to transfer a claim may be reviewed at any time by the court to which the claim is transferred.

(E) A decision by the chairperson under subparagraph (B) not to transfer a claim may be appealed to the court, and notwithstanding the time limit established in section 106(b), the proceedings of the panel with respect to such claim shall be stayed during the course of any such appeal.

(2) DISCRETIONARY.—

(A) At any time before assigning panel members to hear a claim or at such later time as justice so requires, the chairperson of the panel may, upon the motion of any party or the motion of the chairperson, transfer the claim to the court for trial de novo or dismiss the claim for lack of Federal court jurisdiction.

(B) A decision by the chairperson under subpargraph (A) to transfer a claim may be reviewed at any time by the court to which the claim was transferred.

(C) A decision by the chairperson under subparagraph (A) to dismiss a claim for lack of jurisdiction may be appealed to the court.

(D) A decision by the chairperson under subparagraph (A) not to transfer or dismiss a claim is not a final order for purposes of appeal.

(b) ADDITIONAL PARTIES.—On the motion of any party or the motion of the panel, the panel may bring in as additional parties any person necessary for a just resolution of the claim before the panel. In ruling on such motion, the panel shall consider whether each additional party shall have an opportunity to receive a full and fair hearing on the claim.

(c) HEARINGS.—A panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as it considers appropriate. The panel shall keep a full record of the panel proceedings.

(d) OATHS.—A panel may administer oaths or affirmations to witnesses appearing before it.

(e) SUBPOENA POWER.—

(1) IN GENERAL.—A panel may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relevant to the claim before it. Such attendance of witnesses and the production of such evidence may be required from any place within a radius of 100 miles from where the panel sits.

(2) REFUSAL TO OBEY.—If a person who has been issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, the court which appointed the panel or the district court for the judicial district within which such person is found or resides or tansacts business may (upon application by the panel) order such person to appear before the panel to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

(3) MANNER OF SERVICE.—The subpoenas of a panel shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

SEC. 105. EVIDENTIARY RULES APPLICABLE TO PANEL ADJUDICATIONS.

(a) SCOPE OF SECTION.—This section applies to any adjudication before a panel and to any subsequent judicial review or judicial trial de novo with respect to such adjudication.

(b) INFORMATION ON COLLATERAL SOURCES OF PAYMENT.—Information regarding the right of a claimant to payment from sources other than a named defendant for injuries for which a claim is brought shall be allowed in evidence—

(1) only after a determination has been made by a panel regarding the liability of a defendant; and

(2) only for the purpose of determining the amount of an award.

(c) TOXIC HARM.—If a claimant, asserting a claim arising under federal law, has suffered toxic harm of a kind which does not manifest itself immediately, the claimant shall be presumed to have met the burden of establishing that a product could have caused the claimant's toxic harm if the claimant demonstrates that—

(1) the claimant was exposed to such product at a relevant time; and

(2) based on peer-reviewed epidemiological studies, the nature of the claimant's exposure to such product was in sufficient concentration and of sufficiant duration to at least double the risk of incurring the toxic harm suffered by the claimant.

SEC. 106. DECISIONS AND AWARDS

(a) DISMISSAL OF CLAIMS.—A panel shall have the authority—

(1) to dismiss claims that the panel determines are frivolous; and

(2) to impose administrative costs up to $10,000 upon claimants who have pursued such claims.

(b) TIME LIMIT.—

(1) Except as provided in paragraph (20, a panel shall, wherever practical, decide a claim within 180 days after the date on which the claim is filed.

(2) One continuance, not to exceed 180 days, may be granted to any party upon a showing that extraordinary circumstances which are not within that party's control warrant delay in the interests of justice.

(c) DECISIONS BY A PANEL.—

(1) Within 15 days after a panel decides a claim, the panel shall issue and transmit to each party to such claim—

(A) a written decision of the panel with respect to any liability of each defendant;

(B) a statement of the findings of fact and conclusions of law on which the panel based such decision; and

(C) a statement of the amount of damages, if any, awarded under subsection (d).

(d) DAMAGE AWARDS.—

(1) Except as provided in section 107, after a panel finds compensable injury resulting from an action by one or more defendants, the panel shall—

(A) determine the amount of damages owed to the claimant by each such defendant; and

(B) enter an order against each such defendant to pay the claimant that amount.

(2) An award by a panel is due upon entry of the award and the court may provide for judicial enforcement of an award that is not paid promptly.

(3) In any court proceeding to enforce an order to pay an award, the only issue shall be whether payment has been made according to the terms of the order.

SEC. 107. SPECIAL RULES WITH RESPECT TO WORK RELATED INJURIES.

(a) SCOPE OF SECTION.—This section applies to—

(1) any adjudication before a panel of a claim for harm for which the person injured is or would have been entitled to receive compensation under any State or Federal workers' compensation law; and

(2) any judicial review or trail de novo with respect to such adjudication.

(b) OFFSET OF WORKERS' COMPENSATION BENEFITS.—

(1) The panel award or court judgment entered against each defendant found liable shall be reduced, in proportion to each defendant's share of the award or judgment, by the amount paid to the claimant as workers' compensation benefits for the harm which resulted in such award or judgment.

(2) If the claimant may be entitled to workers' compensation benefits for the harm which resulted in the panel award or court judgment but the amount of such benefits has not been paid to the claimant at the time of such award or judgment, the panel or court may—

(A) order a portion of a claimant's award equal to any amount which the claimant may receive as workers' compensation benefits under State or Federal workers' compensation law to be placed in an interest bearing escrow account;

(B) order such account to be maintained until the full amount payable to the claimant as workers' compensation benefits under State or Federal workers' compensation law has been finally determined;

(C) refund to the defendant from such account an amount equal to any workers' compensation benefits received by the claimant; and

(D) pay to the claimant any amount not refunded under subparagraph (C).

(c) STAY OF ACTION.—Notwithstanding the time limit established in section 106(b), a panel may, upon its own motion or upon the motion of any party, stay an action governed by this section until the full amount payable to the claimant as workers' compensation benefits under State or Federal workers' compensation law has been finally determined.

(d) NO SUBROGATION BY EMPLOYERS OR INSURERS.—Unless the defendant has expressly agreed to indemnify or hold an employer harmless for harm to an employee caused by a product, neither the employer nor the workers' compensation insurance carrier of the employer shall have a right of subrogation, contribution, or implied indemnity against the defendant or a lien against the claimant's recovery from the defendant in an action under this title.

(e) EFFECT ON WORKERS' COMPENSATION LAWS.—This title does not affect any provision of a State or Federal workers' compenstion law that—

(1) prohibits a beneficiary of such law, or a person whose tort claim is derivative to the claim of such beneficiary, from recovering damages in any action other than a claim under such law; or

(2) permits a beneficiary of such law, or a person whose tort claim is derivative to the claim of such beneficiary, from recovering damages in addition to those provided in such law only in the case of an intentional tort by the tort feasor.

SEC. 108. JUDICIAL REVIEW.

(a) RIGHT TO APPEAL.—

(1) A court shall allow any party to a claim decided by a panel to appeal to the court the decision of such panel upon motion to the court made within 45 days after such decision is reported under section 106(c).

(2) A court shall specify procedures for filing an appeal which shall require that a copy of the appeal and any accompanying documents be served on each party in the action.

(b) STANDARD OF REVIEW.—A court reviewing a panel decision under subsection (a) shall uphold such decision unless it finds the decision to be clearly erroneous as a matter of law or fact or in violation of the requirements of this title. In making such determination, the court shall consider the full written record of the panel proceedings and the written decision of the panel under section 106(c).

(c) PROCEDURAL REVIEW.—If the court finds that a panel materially violated the requirements of this title or otherwise deprived any parties of the right to due process, it shall remand the claim to the panel with appropriate instructions.

(d) CLEARLY ERRONEOUS DECISIONS.—If a court finds a panel decision to be clearly erroneous, the court may remand the claim to the panel with appropriate instructions, or grant a trial de novo in the court. Neither the written record of the panel proceedings nor the written decision of the panel under section 106(c) shall be admissible in such trial.

(e) AWARD OF ATTORNEYS' FEES.—

(1) If the court upholds the decision of a panel upon appeal, the court shall award the appellees attorneys' fees relating to such appeal.

(2) The court may award reasonable attorneys' fees and costs to a party prevailing in any judicial adjudication under subsection (d), section 104(a)(1), or section 104(a)(2), and may assess court costs against any party that does not prevail in such adjudication.

SEC 109. SETTLEMENT.—

(a) EXPEDITED SETTLEMENT.—

(1) At any time within 45 days after a defendant receives service of a claim under section 103(a)(3), such defendant may file with the panel a written offer to pay a lump-sum amount in settlement of such claim. An offer filed under this paragraph shall be served on the claimant.

(2) At any time within 45 days after receiving an offer under paragraph (1), a claimant shall serve notice on such defendant and file with the panel—

(A) an acceptance of the offer;

(B) a rejection of the offer; or

(C) a rejection of the offer and a written counteroffer.

(3) At any time within 10 days after receiving a counteroffer under paragraph (2), a defendant shall serve notice on the claimant and file with the panel—

(A) an acceptance of the counteroffer; or

(B) a rejection of the counteroffer.

(4) A party who rejects an offer or counteroffer shall be liable for all panel and court costs and for reasonable attorneys' fees of the offeror if the rejecting party does not substantially prevail in the action after all panel an court proceedings with respect to the action are ended. For purposes of this paragraph a party shall be determined to substantially prevail in an action as follows:

(A) A claimant substantially prevails if such claimant is awarded damages by the panel or court in an amount which exceeds 85 percent of the amount of the defendant's offer.

(B) A defendant substantially prevails if such defendant is found by the panel or court not to be liable for damages, or to be liable for damages in an amount which is less than 115 percent of the amount of the claimant's counteroffer.

(b) ALTERNATIVE SETTLEMENT BEFORE DECISION OR AWARD.—(1) Subsection (a) does not limit the right of the parties to a claim under this title from entering into a private settlement agreement at any time before the date on which the panel transmits a decision under section 106(c) with respect to the claim.

(2) Notice of any such private settlement agreement shall be filed with the panel.

(c) EVIDENTIARY USE OF OFFERS.—Evidence of any offer or counteroffer made under this section shall be admissible only for the purpose of determining liability for costs under subsection (a).

SEC. 110. REIMBURSEMENT OF DEFENDANT.

Any defendant who has paid a settlement or panel award under this title may seek within two years of such payment, in the appropriate court of a State or, in the appropriate district court of the United States if the action is authorized to be brought in a United States court under chapter 85 of title 28 of the United States Code, contribution, reimbursement, or indemnity on the basis of comparative responsibility from any other defendant (other than the claimant's employer or fellow employees) from whom the claimant's might have had recovery for the claimant's harm, whether under this title or otherwise. Recovery of damages under this section shall be in proportion to the percentage of such defendant's responsibility for such harm.

SEC. 111. MISCELLANEOUS.

(a) GOVERNING LAWS AND RULES.—Except as otherwise provided in this title, claims before a panel shall be adjudicated according to the laws applicable in the court establishing the panel.

(b) IMMUNITY FROM CIVIL LIABILITY.—Each member or employee of a panel shall have the same immunity from civil liability arising from the performance of the official duties of the panel as other judicial personnel exercising similar duties.

(c) JURISDICTION.—Nothing in this title shall be deemed to expand the jurisdiction of the Federal courts, including jurisdiction over subject matter or persons.

(d) DEFINITIONS.—As used in this title—

(1) with respect to a panel the term "court" means the district court of the United States District establishing such panel under section 101;

(2) with respect to a product, the term "manufacturer" means—

(A) any person who is engaged in a business to produce, create, make, or construct the product (or component part of a product) and who designs or formulates the product (or component part of the product) or has engaged another person to design or formulate the product (or component part of the product);

(B) a product seller of the product who, before placing the product in the stream of commerce—

(i) designs or formulates or has engaged another person to design or formulate an aspect of the product after the product was initially made by another; and

(ii) produces, creates, makes, or constructs such aspect of the product; or

(C) any product seller not described in subparagraph (B) which holds itself out as a manufacturer to the user of a product; and

(3) the term "toxic harm" means harm which is functional impairment, illness, or death of a human being resulting from exposure to an object, substance, mixture, raw material or physical agent of particular chemical composition.

TITLE II—STATE ARBITRATION PANELS

SEC. 201. FUNDING FOR ESTABLISHMENT OF STATE PANELS.

(a) GRANTS BY THE ATTORNEY GENERAL.—The Attorney General may make grants to any State to enable the State to establish and implement arbitration panels in the courts of the State.

(b) JURISDICTION OF STATE PANELS.—A State may establish, under subsection (a)—

(1) a single panel with statewide jurisdiction; or

(2) multiple panels with lesser jurisdiction.

(c) AUTHORITY OF STATE PANELS.—An arbitration panel referred to in subsection (a) shall have the authority provided to panels under title I except that such panel shall be required to refer a claim to a court for jury trial, as described in section 104(a)(1), only to the extent that such action is required by the constitution of the State establishing such panel.

SEC. 202. DEFINITION.

For purposes of this title the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision thereof.

KEEP THE LIGHTS ON IN RURAL AMERICA

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. WEBER. Mr. Speaker, Jay York, president of the board of the Cooperative Power Association presented the following speech to the annual meeting of the association's northern service area boundary.

Mr. York provides us with a thoughtful view of why we must support a strong rural electric program for America.

ENDING PREFERENCE WOULD BE THE LAST STRAW

(By Jay A. York)

"Brothers and sisters, I want to tell you this. The greatest thing on earth is to have the love of God in your heart, and the next greatest thing is to have electricity in your house." These words were spoken by an old farmer in a rural church in Tennessee, at a service shortly after his farm had gotten service from an electric cooperative. This rural miracle fifty years ago changed agriculture and the lives of those who farmed the land.

While cities and small towns had electric service for many years, private power companies would not extend lines to serve rural areas because they feared the investment needed to serve these sparsely populated areas would not be profitable to their stockholders. They were right. With only two or three farms for each mile of line, compared to up to 40 services per mile in urban areas, you can see why they thought electricity for rural America was not feasible.

In the midst of the Depression in the '30s, some people with vision and faith persuaded President Roosevelt and Congress that the effort to liberate our rural people from darkness and the drudgery of hauling water and milking cows by hand, many times by the light of kerosene lanterns and lamps, needed a program to electrify rural America. After much deliberation by Congress, the Rural Electrification Act was passed and signed into law by President Roosevelt in May of 1935. Local electric cooperatives were formed and were given government loans to build lines, and in later years for power plants and transmission lines—loans which are being paid back to the government with interest. Now, today, 1,000 rural electric cooperatives serve 25 million people in 46 states. This is a success story without parallel in history.

In the '40s and '50s, great earthen dams were planned and built on the Missouri and other rivers in the United States. They were contructed to hold back water in pools or lakes behind the dams, to avoid floods in downstream cities and lowlands. This also allowed orderly release of the water to insure adequate flow for navigation of the river by barges in times of low water. Huge generators were installed in the dams, and the water that was released passed through them and produced electricity. It was a cheap source of power, and coupled with the other uses of this water, flood control, lower river navigation, irrigation and recreational uses along with a source of clean drinking water for towns, made these dams an excellent example of government programs working for the people.

As these rivers are natural resources, which are government owned and controlled, power marketing areas were then formed to distribute the power generated to public power districts, municipal electric systems, rural electrics and government installations. Rates are cost-priced and the electric revenue will pay for the dams and generators by repayment of 50 year loans, with interest. What a great program, where the cost of electricity can pay for all the other uses of the water in the rivers.

Rural electrification and the harnessing of the great rivers of America have done so much to help produce food and fiber, and raise the standard of living of millions of rural people. We owe a debt of gratitude to those people with the vision of "better living in rural America," public power for the people, not for profit.

Investor-owned utilities, the U.S. Chamber of Commerce, and this Administration are now attempting to break the contracts for this public power, by raising interest rates and assessing surcharges on existing loans. Also, the Administration budget calls for the elimination of REA by 1991 and the ending of preference for this public power by non-profit utilities. They would put up for sale these government assets, the dams with their generating facilities, the associated transmission lines, and other rights to the waters of the rivers. These actions, if taken, could raise the average rural electric bill by as much as $600 a year.

With the economic spasms gripping rural America today, the loss of land by farmers, low commodity prices, failing banks and

untold stress among the people who work the land and also those in small towns who share in our difficulties, this may be the straw that broke the camel's back. We can not stand more economic pressure.

Electricity at reasonable cost has allowed farmers to end being second class citizens, to produce good, reasonably priced food and fiber, to be able to support rural communities, and to allow others to live in, and return to, rural areas to retire and save the crowding of our cities.

If these people are successful in shutting down our access to public power in the name of saving money for the government, then this great country will be the poorer for having turned its back on very successful people programs—programs that have proved their worth many times over. Rural electric are owned by those they serve; members elect directors to represent them. They are successful, democratically run organizations operated at cost for the benefit of the members.

We need everyone's help to save the power marketing areas, rural electrification, federal hydroelectric dams and preference for the power produced there. Rural America, with its small towns, schools, churches and its people, is worth fighting for. As the old Tennessee farmer said, "The greatest thing on earth is to have the love of God in your heart, and the next greatest thing is to have electricity in your house." Help us in our fight to keep our natural resources, and the power produced from them, in the hands of the people and out of the hands of those who would use them for their own corporate profit. We must save our rural heritage and pass it on to those who will work and care for the land in the future.

A QUESTION OF JOBS AND NATIONAL DEFENSE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LIPINSKI. Mr. Speaker, I rise today to inform my colleagues of a serious problem confronting our Coast Guard and Navy. The usage of foreign machinery aboard certain ships—in this case the use of gear drives—not only takes away needed American jobs, but undermines our Nation's defense readiness.

Scot Forge, a manufacturer of gear blanks located in my district, has estimated that 83,000 man hours of work have been lost because foreign gear drives from Britain and West Germany have been used instead of American machinery. More ominously, Scot Forge points out that in the event of war there would be little or no chance of obtaining necessary service, replacement materials, or additional equipment from foreign sources.

I would like to include in the RECORD a resolution adopted by the Illinois State Senate which urges the U.S. Congress to oppose using foreign-made products on naval and Coast Guard vessels.

STATE OF ILLINOIS 84TH GENERAL ASSEMBLY, SENATE RESOLUTION NO. 765

Whereas, it has come to the attention of this Senate that our Coast Guard and Naval vessels are being equipped with foreign-made gear drives and that the use of foreign-made and supplied products is depriving United States' manufacturers of business and is costing the United States millions of dollars in lost man hours of work, in lost tax revenues, and in a weakened domestic defense capability; and

Whereas, one former supplier of parts, Philadelphia Gear Corp., reports that it has lost 167,000 man hours of work to foreign competitors and that its domestic suppliers have lost an additional 83,000 hours; many Americans could have shared in that employment; and

Whereas, unemployment remains a pressing national problem, and yet a major employer like the United States Navy feels no responsibility to purchase parts in the domestic market, but instead is contracting with foreign companies for machinery; and

Whereas, although the United States Navy is spending vast sums of money to formulate Emergency Contingency Plans, it is undercutting the ability of U.S. Industry to help implement these plans by depriving it of business to such an extent that we may not have the factories or the work force to meet an emergency situation; and

Whereas, the current trend is harmful to the defense position of the United States, for, in event of war, there would little or no chance of obtaining necessary service or parts of foreign-made items, and, in addition, the number and capacity of domestic manufacturers may be reduced to such a degree that they will not be able to fill U.S. Naval and Coast Guard requirements themselves; therefore, be it

Resolved, by the Senate of the Eighty-Fourth General Assembly of the State of Illinois, that we urge Congress to act to oppose the use of foreign-made products in U.S. Naval and Coast Guard vessels and that we strongly support the position of American businesses, such as Scot Forge, which advocate the use of American industry to fill our defense needs; and be it further

Resolved, that suitable copies of this preamble and resolution be presented to the presiding officers of both houses of the United States Congress and to each member of the Illinois Congressional Delegation;

Adopted by the Senate, May 13, 1986.

MEMORIAL DAY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. GARCIA. Mr. Speaker, U.S. Ambassador to NATO, David Abshire wrote a thoughtful essay on Memorial Day for the Washington Post. I am submitting the Ambassador's article for the RECORD.

In it, he writes about the importance of United States-European relations. As chairman of the North Atlantic Assembly's Civilian Affairs Committee, I have come to appreciate that special relationship. It has served us and our friend's on the other side of the Atlantic well. Not that it hasn't had its problems. It has, and I am certain the Ambassador would admit to those problems. I agree with him, however, as he stresses the importance of the Alliance in keeping the peace. No alliance among democratic nations can be without problems, but I am certain that NATO will be able to continue to work out those problems. It is to our benefit that it does.

I urge my colleagues to read Ambassador Abshire's essay.

RETURN TO FLANDERS FIELD

(By David M. Abshire)

BRUSSELS.—As a school child I learned the poem "In Flanders Field." Today, as U.S. ambassador to NATO, I will be standing at a ceremony in Flanders. the wreath will be laid, shots fired, "Taps" played. Why did these men fight and die?

If we are to prevent World War III, we must understand how we could have prevented World Wars I and II. In my opinion, two great villains are responsible: uncertainty and miscalculation. Unclear alliances, secret agreements and differing perceptions led to tragic miscalculations.

In the summer of 1914, not one European leader believed that a world-wide catastrophe would result from his decisions. There had been earlier Balkin crises in 1908 and 1912. They had been resolved without major power conflict. Russia had backed down. Some commentators said trade relationships made war impossible. The kaiser believed that Britain would not respond to the violation of Belgian neutrality. But they were too many ambiguous commitments and secret agreements, and war came.

Many historians argue that World War II was a product of Hitler's calculated actions. I disagree. Hitler wanted conquest without war, at least without major war. Having seen the democracies back down over Germany's rearmament, Austria's annexation, the Sudetenland, Czechoslovakia and then Munich, Hitler reasoned quite naturally that they would back down again over indefensible Poland. In 1939 the history of 1914 was repeated through a series of miscalculations stemming from a lack of clear commitments by democratic alliances.

NATO represents unambiguous commitments and credible deterrence. Dean Acheson once said that NATO was "not an improvisation. It was born out of the facts and lessons of history." The founders of the Atlantic Alliance were determined to avoid the mistakes that had catapulted the world into two wars. If ambiguous commitments led potential aggressors wrongly into believing they could successfully use or threaten to use military power, then an unambiguous commitment would be the centerpiece of their new alliance.

The idea of war in this year of 1986 is romote. After 40 years of peace in Europe, influential Americans-some neoconservatives on the right, some revisionist historians on the left, some in a quandary over Gramm-Rudman-Hollings budget cuts—want to set off a process that would take us out of Europe.

"Time to let Europe build its own defense," one reads on the op-ed page of The Wall Street Journal. In the wake of the initial lack of European support for the U.S. action against Libya, a country outside the NATO area of defense, a distinguished editor writes, "what starts with the withdrawal of American tourists ends in the withdrawal of American soldiers." Another commentator ominously notes: "The cost of defending Japan is fuzzier to calculate, but it would be hard to figure less than $150 billion for Europe and Japan together. And guess what? That's just about the size of the deficit." Others say NATO can't act, that it is a constraint on our other commitments around the world.

Today I will gaze on those white crosses in Flanders Field. Fifteen million died in World War I. Fifty million in World War II.

Oh, but it would never happen again, say our new isolationists. Some left-wing revisionist historians say there is no threat anyway, that we caused the cold war in the first place. Some neoconservatives say the Soviets stalk us elsewhere, that there is no danger in Europe. Reduce the commitment to Europe, toss out Article V of the North Atlantic Treaty; the Pacific basin is what counts anyway.

The Soviets have been unsuccessful in splitting Europe from America. But their purposes remain constant. Having been dealt setbacks from the Berlin crises to the deployment of intermediare-range missiles, the Soviet know that their huge conventional superiority in the 1990s, when nuclear weapons will not have the deterrent value of earlier years, will give them new opportunities. They may reason that blackmail could work, that they could achieve their purposes without war, or without much of one. They would be encouraged in this by the fraying of the American commitment.

This same fraying would introduce precisely those elements of ambiguity and uncertainty that had such deadly effects in 1914 and 1939. "If ye break faith with us who die, we shall not sleep, though poppies grow in Flanders Fields." The writer of these lines, Canadian Dr. John McRae, treated patients who were rolled down a bank into his station. He could not have known the consequences of a war in our time. Even to us they are scarcely imaginable.

LETTER TO DANIEL ORTEGA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LAGOMARSINO. Mr. Speaker, I gave a 1-minute speech today to highlight the growing internal opposition to the Sandinista regime in Nicaragua. Mrs. Maria Azucena Ferrey, Vice President of the Social Christian Party in Nicaragua, wrote a courageous letter to Nicaraguan leader Daniel Ortega on April 24, 1986. That letter follows:

APRIL 24, 1986.

Commander DANIEL ORTEGA,
President of Nicaragua.

MR. PRESIDENT: Before I decided to send you this letter, I reflected deeply on its consequences. I decided that I had to send it, because both my emotions and intellect tell me that I share much blame if I continue in a complicity of silence, a silence which is taken advantage of to continue developing a conspiracy against an entire nation. The people of Nicaragua feel alone and without support, living in a state of emergency, accomplices of those who benefit from the pain of others and who get rich off the laws and decrees which they have enacted.

Commander Ortega, I implore you to seek more direct contact with the people so you can experience first hand the level of discontent which exists, and which is caused by the daily actions of functionaries of your party. Whether they are acting in personal or ideological interests, these functionaries are stirring up crises and anxieties in those of us who are struggling to conserve the right of individual and collective independence which logically can only be obtained in an environment of liberty.

Go, without fear, [words omitted] guards who scare away the people, [words omitted] guards who scare away the people, [words omitted] "Face the People" shows. Put yourself on the side of the people in the lines at the state-run supply centers (CAT), in the buses, at the hospitals. Wait with the patience of the needy. Share the humiliation of being treated like a proletarian, a lesser soul, and steel yourself to hear the truth. Do not permit praise or nonsense to steer you away from reality.

You say the people are with you and therefore you should not be afraid to go into the streets, into the countryside, into the churches, into the businesses. Read the letter of the Nicaraguan Bishops' conference. Read the censored material from *La Prensa*, and you will find there the daily reality, the spontaneous reality of the Nicaraguan people, without prefabricated and conditioned slogans. This hard and painful reality which strengthens the sense of desperation, of anxiety, of intranquility and natural rebellion, which is felt and experienced under the total absence of citizens' guarantees and rights.

You well know that, although I have not had direct relations with you or your family, that relatives of mine have first-hand knowledge of the difficult situation which your mother, Lidia, experienced. Because of this, I thought you would better understand the suffering of Nicaraguan mothers today, those mothers who struggle and cry in silence and loneliness, a silence even heavier than that which your own mother experienced when she sought the help of the Permanent Commission on Human Rights to intercede and obtain the right to recourse for you. You have the means to do away with such suffering and death. Ask your brother [Humberto Ortega, Defense Minister] to stop forced recruiting for military service, to stop fomenting the loss of an entire generation that will bring as a consequence a future "country of amazons."

Remember the pain of the past, visit the jails and see for yourself that torture continues, that disappearances continue, that sick prisoners languish for lack of medical care, that there is hunger not only because of scarcity but also because of repression, that there are soldiers today—just as in the past—who abuse prisoners' families.

It has been a long time since you visited the Eastern Market. Go there. It will be a useful visit to you because it will be easy to understand how the black market functions and how it is supplied. you will be able to understand what injustice is done in confiscating the licenses of goods of those women with skin bronzed by the dignity of their work, and you will understand the courage with which they defend their property because it is only with that scant merchandise that they can defend the income which is the sustenance of their families. Perhaps you can tell the Domestic Commerce Ministry [MICOIN] to let these women work in peace, to let them have their supplies, to permit free commerce, and you will see that you save the elaboration of censuses for ration cards which are humiliating and discriminatory (as well as a loss of resources) because you well know that there is another class which does not go to the CAT or to the Eastern Market, but to the Diplo-Tienda.

You do not know what the shortage of basic products means, and you know very well, Commander, that these shortages can be overcome with production and productivity. But in order to obtain this, you have to order the Ministry of Agrarian Reform to stop the agrarian policy which has lowered production for the people, to stop repression and manipulation of farm workers in order to justify that which cannot be justified, that you give out bank loans, raw materials, technical help, without sectarian political interests, that you guarantee property which provides incentives, that you treat this class (as marginal today as it was during the time of the dictatorship) as they are: human beings worthy of respect.

Realize that in this country, of which you are the president, justice is so blind that the victims of rape, attacks, matrimonial infidelity, etc., are converted instantly on presenting the denunciation into the victims and are condemned to prison, especially when some member of government forces is involved. You should know that there are many cases that are simply shoved in a drawer and not brought to investigation because they involve members of the government.

When you give television addresses, do not blame just external factors for what is going on here. It is time to recognize and correct the internal causes also. If what you preach about equal opportunity, pluralism, respect for the rights of others, individual and collective security were actually put into practice in daily life, as common and tangible as the publicity given to them, the external causes would not exist.

Many of us Nicaraguans are tired of so many lies, and we read in your face, that you yourself do not believe these lies which you are trying to explain and we note that you repeat things, hoping to convince, to sell an idea that the people will not swallow—for example the complicated explanation of the Honduran border incident, or the claim that religious persecution does not exist—and yet you permit that the Interior Ministry censor the Sunday "Voice of our Pastor," that it confiscate the Sunday Church news bulletin which is distributed in all the parishes, and that it now allow the April 6 Pastoral letter to be published, in which letter a way to peace is once more pointed out: national dialogue.

What you and your colleagues do against the Catholic church is known immediately, and it touches us most deeply. The Church has almost two thousand years of existence making an example of what it preaches. There is one invincible force in this world: love, and because of this, you should read the Bishops' letter, and it will help you to reflect and orient your decisions.

Make an effort to convince your colleagues in the party to leave behind the arrogance that characterizes them, that makes them feel powerful and important. We miss the excercise of democracy which we have never had in this country. You can convince them that it is more useful for national reconstruction to revitalize and capitalize on unity. You can create a strategy of consensus which permits the foundation for peace, which you say you are so anxious to obtain, but which has not been achieved.

Your patriotism and that of your colleagues in the party should submit itself to respect for the popular will.

There are many of your functionaries who do not deserve to live off the sacrifices and deprivations of the taxpayers to pay their monthly salaries, because they are not fulfilling their obligation. I believe that it would be a very worthy gesture on your part to ask them to present their resignations. Some have seven years and some less of carrying out the sad role of parasites, of faithful and hypocritical party members, of serving the party but not the government, and they are guilty of accentuating the errors

which you have to share. Rearrange your cabinet. You are the president.

As I write this, I am aware that it could end up in the wastepaper basket, as have so many other letters, or that I could end up in jail, for the simple crime of expressing the truth as I see it.

Whichever of the two options is regrettable, but you are free to decide your course of action. But I cannot keep quiet, nor do I wish to keep quiet, about what I feel when you talk about the people, of those people, that nation of which I am proud to form a part.

When you talk for and in the name of the people, I think you are referring to imaginary people. You have to talk about real people, about what they feel, about what they have the capacity to feel and think, of people who love and believe in God.

In order to talk about these people, you will have to listen to them, and as a result will have to restore their civil and citizens' rights, to free the social communications media, to lift censorship, to restore the full exercise of political and union organization, to return to the Church its instruments of evangelization.

Call for new elections. Show your true impartiality and patriotism. Give up in a civilized form the helm of the ship you can no longer control. You know it is the only way to stop the war.

Commander, you know there are specific ways to achieve peace, that there are routes which have not been covered because of a lack of will, because of inflexibility, because you yourself, deep inside, know that there are routes to peace you can use without submitting us to extermination. Heed Contadora and fulfill its obligations, accept and implement the document signed by six political parties which under fierce pressure and repression have remained faithful to their civic principles in the struggle to establish an authentic democratic governmnent in Nicaragua, a government based on the exercise of political, economic, and social pluralism, as well as respect for human rights.

Everything has its time. We live in a time of war. We want to live in a time of peace. We need this time of peace to reconstruct that which has been destroyed, to stabilize the destabilized and to correct errors, to overcome the present crisis.

Commander, you have the floor.

MARIA AZUCENA FERREY ECHAVERRY,
Vice President, Social Christian Party.

FAINT CHEERS FOR DAVID STOCKMAN

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. DARDEN. Mr. Speaker, David Stockman's book, "Triumph of Politics," has been the subject of innumerable commentaries in the print and broadcast media. But I believe one of the most accurate assessments was given recently in the Atlanta Journal-Constitution by a former colleague from Georgia, Congressman Elliott Levitas.

I would like to submit that column for review by my colleagues.

[From the Atlanta (GA) Journal-Constitution, May 18, 1986]

GIVE STOCKMAN CREDIT BUT ONLY A FAINT CHEER FOR FINALLY TELLING TRUTH

(By Elliott Levitas)

Two cheers for David Stockman.

Since publishing his "Triumph of Politics," the former congressman and director of the Office of Management and Budget has been the subject of unjustified bitter attack—mostly from journalists, ranging from Washington Post columnist David Broder to syndicated writer William Buckley Jr., with critics like Sam Donaldson, Elizabeth Drew and George Will in between.

Regrettably, Stockman has been raked over the coals for the wrong reasons. He has not been given credit for the valuable contribution of his expose of deceit, incompetency and hyprocrisy in the Reagan White House.

As a nation we rely upon whistle-blowers, investigative reporting, inside information, behind-the-scenes scoops, and those who confess to their own and others' wrongdoing. So why all the abuse of David Stockman.

"Triumph of Politics" makes the case that the much-heralded Reagan revolution of supply-side economics and the dismantling of the welfare state was never understood by the Reagan people—including Ronald Reagan—and was only a transient political device to capture the ideologies of the right and to persuade a trusting public that a new economic order would replace the failures of the Carter administration.

In fact, Stockman writes, Ronald Reagan was never really committed to the "Reagan Revolution" and abandoned it easily in the face of political opposition by Congress and the public. Politicians triumphed over ideologues.

This is an incredible self-accusatory revelation by one of the key architects and salesman of Reaganomics.

David Stockman is the ultimate whistleblower. He has done for Ronald Reagan what Watergate witness John Dean did for Richard Nixon. The Watergate situation may have had more criminal involvement, but the trillion-dollar Reagan deficits may be even more destructive to the country.

For this confession, Stockman should be praised. He should receive our gratitude or maybe even a medal for telling the truth—at last.

Instead, Stockman is excoriated. His critics complain that it is bad form to kiss-and-tell, to be disloyal to a popular president who put him in high office, to tell tales out-of-school about old friends, to be part of the conspiracy he is exposing, to sell his book for $2.5 million just to make money. (Won't somebody, at least, say his book isn't true?)

How strange it is to hear journalists complain about government officials who leak inside information. That is their stock-in-trade. Which one of Stockman's critics wouldn't have traded his right arm to get those revelations from him as a scoop—for free or for an expensive lunch?

Or, are they jealous that his book sold for more than theirs? Or, are they bitter and embarrassed that Stockman successfully used them to deceive the public with his now admitted cooked budget numbers? Why didn't they discover and report that Stockman had faked the figures?

Ronald Reagan dismissed "Triumph" by saying he does not have time to read fiction. Perhaps he is waiting for the movie version. But, most Americans would prefer some factual refutation rather than a cute one-liner. After all, we are told we were duped from the beginning. Does anyone care?

The reason Stockman doesn't deserve all *three* cheers is because he should have told us much sooner—albeit that William Greider's Atlantic Monthly article was an early warning signal. He should have resigned years ago rather than be a leader of the deception in appearing before Congress twice a year for five years and giving "cooked" (that is, faked) numbers about the budget. That is not nice, and certainly not honest.

Also, Stockman still hasn't stopped trying to dupe us. Throughout his book, and in the rafts of radio and TV promotions, he tells us that Reagan and his advisers sold out (under congressional and public political pressure) by refusing to cut Social Security benefits to balance the budget and save Reaganomics, as Stockman wanted.

Stockman still hides the truth that cutting Social Security to the elderly and turning it into a welfare program would have only resulted in more phony "cooked" budget numbers. Stockman knows that Social Security tax money can be spent only on Social Security and not on missiles, food stamps, education or anything else in the budget.

So cutting Social Security would only increase the surplus in the Social Security fund (now at more than $10 billion annually) and could not be used to pay for other costs of government. All we would get is more "cooked" numbers.

Finally, Stockman lets us know he does not believe very much in our representative type of government. The "Triumph of Politics" bemoans that the public rejected his economic ideology, which he knows was better for us than we knew.

Our government is based on politics of the people, and David Stockman did not learn after four years in Congress that you cannot take people out of politics. In America that means a triumph of the people over elitist ideologues.

Come to think of it, David maybe you deserve only one cheer. But, whatever, you deserve more credit for finally telling most of the truth, and you deserve better treatment than the carping, embarrassed and jealous journalists care giving you.

One cheer for David Stockman.

THE POPE AND THE JEWS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. RAHALL. Mr. Speaker, from time to time, I have brought to the attention of my colleagues a number of Op-Ed pieces from the media around the country concerning the ongoing struggle of the Palestinian people and the prospects of peace in the Middle East. I firmly believe that Arabs and Jews can live side by side in harmony, peacefully and securely. The United States is in a unique position to help bring this about, thereby enhancing the right of the State of Israel to exist in peace and within secure borders, a right I wholeheartedly support. But we can also enable the displaced Palestinians to find a homeland of their own where they, too, can live at peace with their neighbors.

I would like to bring to the attention of my colleagues two recent pieces from the Washington Post which relate to the struggle faced by the Jewish people and the State of Israel. I feel that these two opposing viewpoints shed some light on the intricacies of the issues in the Middle East and I urge all of my colleagues to take note of these when we consider the various legislation with which we deal to help bring about peace in that troubled part of the world.

[From the Washington Post, Apr. 18, 1986]

THE POPE AND THE JEWS

(By Charles Krauthammer)

When Pope John Paul went to the main synagogue in Rome last week, it was the first time in 2,000 years that a pope had set foot in a synagogue. The visit was a gracious—one might even say a tender—gesture of reconciliation and friendship. The pope spoke of common bonds and mutual respect. He called Jews "our dearly beloved brothers." And he gave a most strenuous denunciation of anti-Semitism.

But something was missing from his speech, something very large. There was not a word about the central reality of Jewish life today: not a single mention of Israel. It is as if an Anglican leader came to a great meeting of reconciliation at the Vatican, spoke at length, and failed to acknowledge the existence of the spiritual focus of the Catholic world, the pope.

John Paul's speech, and particularly its denunciation of anti-Semitism, was timeless. But that is one way of saying that it was anachronistic. Such a speech could have been given, say, in 1936.

In fact, such a speech would have done much good in 1936. But in 1986 it sadly misses the point. The pope's address was fighting what, for Jews, was the last war. Up to World War II, and for a millennium, the threat to Jewish existence did indeed come from religiously borne anti-Semitism in the heart of Christian Europe. After World War II, this is no longer true.

After Auschwitz, the Jewish civilization of Christian Europe is no more. The center of that civilization has moved—once again and for the last time—to its place of origin, Israel. Today, the great threat to Jewish existence is the threat to Israel.

The war against the Jews no longer takes the form of anti-Semitic pogroms in Europe. It takes the form of the vast campaign—led by the Arab world, supported by the Soviet bloc, orchestrated by the United Nations and (apart from the United States) tolerated by the West—to delegitimize and ultimately abolish Israel.

The pope did not mention Israel because it is a touchy subject for the Vatican. It does not recognize Israel, ostensibly because the Vatican wants Jerusalem internationalized and because Israel's borders are not internationally recognized.

But of the 90 countries the Vatican fully recognizes (including, for example, Taiwan), many have disputed borders. And the West, which also has problems with Jerusalem and with Israel's borders, takes the logical position of recognizing Israel within its 1967 frontiers, and declaring the disputed territories subject to negotiation. Alone among West European states, the Vatican rejects this approach and refuses to recognize Israel.

Why? For the Vatican, the existence of a reborn Jewish state is perhaps theologically and certainly politically problematic. In part it is a question of numbers: there are a hundred million Arabs and only 4 million Iaraelis. The Vatican, to which the practice of Realpolitik has never been very foreign, can count. There are 21 Arab states, some with sizable Christian minorities. The Jews have one state only.

That state did not merit a mention in the Rome synagogue. (There is a precedent here. Pope Paul VI visited Israel in 1964, and not once during his stay in the country did he ever pronounce the name Israel.) It was right and good of the pope to denounce anti-Semitism. But anti-Semitism is the "Jewish Problem" of yesterday. Anti-Zionism—the threat to the safety and legitimacy of Israel—is the Jewish problem of today.

The pope addressed the wrong Jewish problem because he implicitly took the view in his synagogue speech that Jews are exclusively a religious community. Jews have never thought so. They have always considered themselves a people.

To address Jews purely as a religious community is to deny their peoplehood. The pope obviously does so without malice. But others do so with malice. The charter of the PLO calls for the eradication of Israel and presents (Article 20) as a justification the claim that Jews belong to a religion, not a people. And religions have no claim to territory. (An awkward proposition, by the way, when applied to Vatican City.)

In 1982 the pope received the guardian of that charter, Yasser Arafat, which is bad enough. But ignoring Israel rhetorically and refusing to recognize Israel diplomatically compounds the injury. It gives unfortunate, if inadvertent, reinforcement to the premise that Jewish peoplehood is a fiction and thus Jewish statehood an error, or worse.

After nearly 2,000 years of Christian anti-Semitism—the "discrimination, unjustified limitation of religious freedom, oppression" which the pope deplored in his Rome speech—something more is needed than a call for mutual tolerance between Catholic and Jew. That something is recognition of Israel, now the hinge of Jewish life and hope. The least one can do for a "dearly beloved brother" is recognize what is most dear to him.

[From the Washington Post, May 14, 1986]

"WHAT IS A JEW?"

In his commentary [op-ed, April 18] upon the historic visit of Pope John Paul to the Rome synagogue, Charles Krauthammer has brought the question "What is a Jew?" to forefront and center.

Upbraiding the pope for his failure to recognize the state of Israel, he declared that "Israel is the central reality of Jewish life today" and is "now the hinge of Jewish life and hope." This is an astonishing and dangerous allegation and, of course, is untrue, if it is meant to apply to all Jews. Heretofore, such claims that Jews in America—and elsewhere—live under the discipline of two nationalisms have usually been made by anti-Semites or bigots. Rarely has it been stated so bluntly publicly by any Zionist proponent.

Israel is an independent, sovereign nation with its own policies and interests, which very often are at variance with those of the United States and other countries in which Jews live as free and equal citizens. Judaism, with its precepts of universality, knows no national boundaries and is a relationship between man and God requiring no political loyalty to any country.

Zionism, the nationalist movement, organized to reconstitute Jews as a nation with a separate homeland, is not Judaism, and Judaism is not Zionism. And as a corollary, to be anti-Zionist is in no way to be anti-Semitic. But, unfortunately, the word "Jew" today is being used simultaneously to denote a universal faith and a particular nationality. The corresponding allegiances to religion and state have been confused.

In refusing to grant recognition to Israel, the pope was in fact paying his greatest tribute to Judaism. For the heart-core of the oldest monotheistic faith is an undeviating devotion to righteousness and justice. The Holy Father views the Zionist entity's treatment of Palestinians, both within Israel and in the occupied territories, as a clear violation of this basic Judaic precept.

And if the columnist feels so strongly, as he wrote, that Israel is "what is most dear to him," what in the world is keeping him from emigrating there now?

ALFRED M. LILIENTHAL,
Washington.

(The writer is author of "What Price Israel?" and "The Zionist Connection.")

THIRTY MYTHS ABOUT NICARAGUA

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. McCOLLUM. Mr. Speaker, the Heritage Foundation has been a source of information to this body and the general public since 1973. They have consistently provided products which have been both informative and insightful on a broad range of domestic and international issues of importance to our Nation.

This past March, Mr. W. Bruce Weinrod, director of Foreign Policy and Defense Studies at the Heritage Foundation, published one of the most revealing and useful documents I have seen regarding the situation in the country of Nicaragua; past, present, and promises for the future. "Thirty Myths About Nicaragua" is a thorough, point-by-point review of all aspects of the conflict in that nation and addresses the U.S. foreign policy considerations raised as a result.

The following section of Mr. Weinrod's study examines several key issues concerning the Contra forces. Mr. Chairman, with your permission, I would ask that this excerpt be made part of the permanent RECORD in the hopes that my colleagues in this body as well as the entire American public may better prepare themselves for the upcoming vote on U.S. aid for the Contras.

PART II: THE NATURE OF THE RESISTANCE

By now, a number of critics have essentially conceded that most if not all of the above arguments are indeed myths. Nonetheless, they cling to the basic essential of their position, which is that U.S. should not be involved in aiding the democratic resistance. Much of their fallback argument is addressed to the alleged failings and weaknesses of the democratic resistance.

Myth #13: The resistance is a "creature of the CIA."

This argument is made in a way that implies that CIA involvement in the creation or growth of a resistance movement automatically disqualifies it for our sympathy. But this is not necessarily the case.

For example, suppose that the CIA or its predecessor the OSS, were to have been involved in the creation of a resistance to Adolf Hitler. Would the fact of U.S. intelligence involvement automatically discredit it? Of course not. Or what about similar resistance against Muammar Qadhafi? Again, of course not. Many forget that CIA operations played important roles in stabilizing democracy in Europe after World War II. At its inception, the resistance did have a considerable CIA assistance. There is no way the resistance could have grown to upwards of 20,000 active fighters just on CIA involvement alone. Interestingly, the same critics who have argued for years that a guerrilla force of 6 to 10 thousand among El Salvador's population of 5 million represents a genuine popular uprising absolutely refuse to accept that a resistance force of upwards toward 20,000 among Nicaragua's population of 3 million indicates a genuine resistance. In any event, the real issue is not the resistance's origins, but what it represents today; and today it is a force whose strength lies in the allegiance of a sizable percentage of the Nicarguan population.

Myth #14: The resistance is dominated by Somocistas.

It is argued that the most important elements of the resistance are in reality dominated by former supporters of Somoza and members of his national guard. The further implication is that their objective would be to restore a Somoza-like regime if they were in control. Nobody of course knows exactly what would happen if the Sandinistas had to yield power but there are very strong reasons to discount the arguments based on the supposed Somocista mentality of the resistance.

The resistance political leadership is composed exclusively of people who were actively opposed to Somoza as, for example, Adolfo Calero and Arturo Cruz, individuals who were actually jailed by Somoza. Further, a number of leaders, including Arturo Cruz and Alfonso Robelo having been a part of the original Sandinista government, can hardly be accused of being Somocistas.

In terms of the military leadership of the resistance, approximately 48 percent of the leaders are actually former Sandinistas, whereas roughly only 23 percent are former national guardsmen under Somoza. Such individuals make up less than 2 percent of the total military force. In fact, the great bulk of the resistance is composed of peasants and farmers, most of whom are under 22 years of age. By simple arithmetic one can see that these people were only 12 years old or younger during the last part of the Somoza era and obviously in no way actively involved in supporting Somoza. In fact, some high-ranking Sandinista military officials, such as Bernadino Larios, the first Sandinista Defense Minister, as well as political and block committee activists, are ex-Somocistas. That, unfortunately, has not seemed to discredit them or the Sandinistas in the eyes of last-ditch Sandinista defenders.

Most of the resistance forces are paid $23 a month or less, which is about 1/5 of the average monthly wage for a worker in Nicaragua. Others receive no pay at all. To call them "mercenaries" is the height of absurdity.

It is true that Colonel Enrique Bermudez, the leader of the military wing of the resistance, was in the national guard under Somoza. However, it is also true that he was "exiled" to Washington during the last years of the Somoza regime and therefore was in no way involved in the excesses perpetrated by some members of the guard during that time. In addition, it is worth noting that Bermudez was in fact the choice of the Carter Administration as a transition figure during the negotiations for the possible removal of Somoza from office. If even the Carter White House found him acceptable, one can assume that Bermudez is not a Somoza henchman itching to restore a Somoza-style regime.

In any event, Bermudez and the other military leaders have all publicly pledged their dedication to democratic values and to the establishment of a democratic political structure in Nicaragua in the future. Arturo Cruz recently stated, "I assure you that [ex-Guardsmen] are aware of the need for democracy and to forget about the past."

Some critics have made a more sophisticated argument which should not be dismissed out of hand. They contend that even if the great bulk of the resistance is democratic, those who have the leadership and guns may not be and could "steal" the revolution. What I find most interesting about this argument is that it is now being made by some of the same critics who have never apprehended or appreciated this problem when it comes to rebel forces that include hard-core Communists. In fact, one of the reasons the Sandinistas are in control today is precisely because of the failure of U.S. officials in power at the time to take this reality into account.

In the current situation, however, I think that this legitimate concern shoud not invalidate a policy of support for the resistance because: (1) all the democratic forces are aware of how their earlier revolution was stolen; this awareness alone makes repetition less likely since the democratic forces would act with the past in mind; (2) there is simply no reason at this point to discount the pledges of democratic orientation by the military wing of the resistance; (3) in a transition period, all Latin American democracies, the OAS, and other Western democracies would mobilize to assist the democratic resistance in institutionalizing democracy; and (4) unlike the mistakes of 1979, when the U.S. essentially refused to involve itself in the transition, the U.S., at least under the current Administration, would no doubt take a most active role in the process of democratic consolidation.

Interestingly, this exact argument was made by the same critics in opposition to U.S. policy in El Salvador. It was said that U.S. military aid would only strengthen anti-democratic forces; and the same argument has been raised with respect to Honduras. In both cases, the critics have been proved dramatically wrong; both nations now have functioning democracies.

Myth #15: The Contras are not popularly based and have little popular support.

If the resistance has little popular support, that would certainly raise legitimate questions as to the wisdom of U.S. support.

The resistance itself, however, is now composed primarily of peasants and farmers who are disaffected with Sandinista economic policies and with treatment of the Roman Catholic church. As The New York Times reported in 1986, "The rebels appear to have more support than their harshest critics concede. They have been described as little more than mercenaries, but in fact most combatants are conservative Roman Catholic peasants from northern Nicaragua who reject the Sandinistas leftist program and have volunteered to fight against it. They have been able to win enough support in the countryside to lead the Sandinistas to forcibly relocate tens of thousands of peasants in the last year . . . to keep them from aiding the guerrillas." And Newsweek reporter James LeMoyne reported as early as spring 1983 that northern peasants "seem to welcome the insurgents."

Myth #16: The resistance violates human rights and commits atrocities.

There is no doubt that certain elements of the resistance have on some occasions engaged in human rights violations. But to cut off all support for the resistance on this basis ignores a number of very important points.

Actual human rights violations are scattered and there have been no significant violations in recent months. In other words, the situation is already improving. Further, as Alfonso Robelo has observed, "It is the government that is relocating campesinos in the war zones. If the resistance is committing atrocities they should be fleeing from our zones, but it is the government that is moving them. And it is the government that has the draft and it is the resistance that has volunteers coming to our side."

There is also a difference between the isolated acts of the resistance and a systematic policy of human rights violations. The Nicaraguan government's policies, modeled on those of the Soviet Union and Cuba, are of total and systematic repression of human rights. The resistance, on the other hand, has now established its own independent human rights commission to monitor and condemn human rights abuses and in fact has already punished some of those involved in such excesses. It is currently training 60 officers to monitor human rights abuses. Similarly, the resistance receives continual scrutiny and pressure from human rights groups, the media, the Congress of the United States and other Western institutions, the check and eventually get rid of all such abuses. In contrast, there is obviously no similar pressure and checks being placed on the Sandinistas by their allies in the Soviet bloc, Libya, and elsewhere. When was the last time you heard about Soviet or Cuban or Libyan governments urging Nicaragua or the El Salvador rebels, for that matter, to improve their human rights record?

If one had followed the logic of the critics' position, then aid to the Salvadoran government should have been cut off in the early 1980s as well since human rights abuses were certainly evident at that time. Rather, the U.S. sought to pressure the Salvadoran government and the elements in the Salvadoran government which were involved in such abuses, and also instituted training programs with the intent of ending this problem. While the situation in El Salvador today is not perfect it is substantially better in the human rights and civil liberties areas than in the early 1980s when the critics would have had us cut off aid, and it is certainly better than in Soviet-style nations. As Joanne Omang of the Washington Post reported in September 1985, "To an extent unthinkable even a year ago, leftist groups are visible now in El Salvador declaring in the streets what they once dared to say only in whispers for fear of death squad retaliation." And she added that "the death squads no longer make public threats or publicly claim responsibility for killings. None of the estimates of the number of persons killed this week equals the total number of killings in a two week period in

1981. Many more people are speaking out openly." Thus, the better policy is to actually work with the resistance and train their people so that they are sensitive to human rights concerns and subject to penalties for such abuses.

Further, if human rights abuses should be the deciding criteria in providing assistance to resistance forces, then presumably the critics of U.S. policy, to be consistent, should oppose the aid to the Afghan resistance. For a long period of time, the Afghans have dealt quite ruthlessly and brutally with their opponents. If the opponents are consistent, let them also actively oppose such aid to the Afghans.

Myth No. 17: The resistance cannot win.

The final fallback position of critics of U.S. policy is that the resistance really does not have the capability to "win." It is true that as we meet today the resistance probably would not be able to defeat the Sandinistas in a classic set-piece battle for the control of Nicaragua and indeed it may never be able to do so. But this is not, I must emphasize, the same thing as saying that the resistance cannot achieve its objectives, which by and large are our objectives as well, in Nicaragua.

On a purely military level, the resistance already has roughly four times as many fighters as the Sandinistas had at their maximum point. At an early point, two to three years ago, when the resistance was receiving military assistance from the U.S., it demonstrated in a variety of actions that it was capable of moving deep inside the country and creating considerable concern for the Sandinistas. Let us not forget that there is a resistance movement not only in the north, but in the south and in the east in the Indian areas as well.

The Sandinistas were clearly very nervous about the resistance capabilities at that earlier point, and even now it does not take much for them to become concerned. For example, in January of 1986, Victor Tirado Lopez, a member of the Sandinista leadership, conceded, after a single Sandinistas helicopter was shot down by a SAM-7 missile, that "There has been a great change in the balance of military forces."

Of course, it is understandable that the resistance forces have not scored significant military successes in the past two years, since this is precisely the time period in which the Congress has cut off military assistance. It is a very reasonable assumption that they can only get better if they are provided with the necessary equipment and appropriate training in its use. The resistance could clearly utilize long-range mortars and artillery which could hold off the Sandinista military if the rebels ever took control of some territory, and also enable it to take delivery of supplies without dependence upon a third country. The resistance could also use more anti-tank weapons, particularly RPG-7's, and better surface-to-air missiles for use against the Sandinistas' Soviet attack helicopters.

The most fundamental and important response to this argument, however, is simply that the resistance can "win" not through one decisive military battle but rather through a gradual process which contains important political and psychological, as well as military, dimensions. The Sandinistas did not actually militarily triumph against the Somoza regime. Rather, the Somoza regime gradually unravelled under pressure from the U.S., other Latin American countries, the organization of American States, and elsewhere, in addition to popular antipathy.

A roughly similar scenario could emerge again in Nicaragua in the future. The Sandinista regime is not yet a fully consolidated Communist totalitarian state. Further, there are not only divisions within the leadership, but there is no reason to believe all of the military forces fighting under the Sandinista flag are totally loyal to the Saindinistas and their objectives.

Significant military pressure by the resistance would encourage forces within Nicaragua, including those in urban areas that have thus far been reluctant to take a high profile, to become more involved in the resistance. This can only increase the repressive response of the Sandinistas, thus creating even more dissatisfaction and dissent even among some forces now aligned with the Sandinistas. At the same time neighboring nations in particular will be emboldened to take a more forthright stance in condemnation of the Sandinistas and their policies. The Organization of American States could also be recovened to pursue the question of the legitimacy of the Sandinista government. All of this and other actions as well, could lead to an undermining of the Sandinistas' ability to govern and an eventual flight to their natural homelands of Cuba or the Soviet Union. I must stress, however, that all of this is a speculative scenario since except for the 1920 unseating of Bela Kun's regime in Hungary by conventional attack, there is thus far no historical precedent for the dissolution of a Communist regime once it is in power.

DEDICATION

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. HILER. Mr. Speaker, Prof. George P. Smith II, of the Notre Dame law faculty, has been honored by the dedication of volume 2 of the Journal of Contemporary Health Law (1986) in recognition of his outstanding scholarship and public service in the ever challenging and important field of law, science and medicine or bioethics. As you know, the Congress recently passed legislation creating a bipartisan Biomedical Ethics Advisory Committee in order to keep pace with the new medico-legal issues of biomedicine.

Accordingly I wish to share with you and the Members of the House this opening dedicatory essay in the Journal acknowledging Professor Smith's dedicated work. Furthermore, I commend to my colleagues and their staffs the following bibliography detailing Dr. Smith's work.

DEDICATION

It is with both a sense of pride and gratitude that this issue of The Journal of Contemporary Health Law and Policy is dedicated with respect to Professor George P Smith, II, the prime mover and founding Faculty Editor-in-Chief of this Journal. His indefatigable spirit and sense of total commitment to the development and success of the Journal are matched only by his high standards of professionalism and his unstinting devotion to his students, the Law School and the University. A man of unquestioned integrity, high principles and humanistic values, he gives a one hundred per cent effort to his classes and his scholarship and demands of his students a similar unconditional commitment to excellence in the law. His rigorous, but effective use of the Socratic method in his exciting and often dramatic classes, brings great challenges and also great rewards to his students.

Since 1964, the year of his graduation from Indiana University's School of Law, he has authored over ninety publications that include six books. When presentations of published papers delivered at national and international conferences in Australia, Austria, Belgium, Canada, England, Germany, India, Italy, The Netherlands, Malta, Sweden and Switzerland are added to his bibliography, it extends to well over one hundred entries. His insightful and original scholarship—particularly in Bio-Medicine and Contemporary Health Law—has made an enormous trail-blazing impact on these fields and truly earned him a place in the vanguard of the New Biology.

Over the years, his appointments and affiliations with The Kennedy Institute of Ethics at Georgetown University, The Institute of Society, Ethics and The Life Sciences, The Hoover Institution at Stanford University, The Commonwealth Foundation's Program in Law, Science and Medicine at Yale University, the United States House of Representative's Committee on Science and Technology, The Max Planck Institute in Heidelberg, Germany, President Reagan's Private Sector Study on Cost Control, The Rockefeller Foundation in Bellagio, Italy, The Institute of Advanced Study at Indiana University and The School of Medicine of The Uniformed Services University of the Health Sciences in Maryland, have all enriched his scholarship, strengthened his teaching and enhanced the reputation of our Law School and our University. His recent competitive appointment by the Council for the International Exchange of Scholars as a Fulbright Visiting Professor of Law and Medicine Jurisprudence at The University of New South Wales in Sydney, Australia, and his subsequent lectures throughout the Australian Continent entitled, *"1984: A Brave or a Confused New World?"* are particularly praiseworthy.

Under the Chairmanship of Professor Smith, the Brendan F. Brown Distinguished Lecture Series at the Law School has seen notable persons from throughout the world come to the campus for candid and forthright exchanges thereby enriching the intellectual perspectives of the law school community.

In receiving the Distinguished Alumni Award from Indiana University for his contributions to the legal profession in June 1985, the citation of honor for Professor Smith extolled his "prodiguous energy and uncompromising principles" and the significant impact of his scholarship and professional contributions on the legal community—both nationally and internationally. It continued by recognizing that, "His inquisitive mind is constantly searching to expand his horizons and those of the legal community" together with "his unstinting labors" on behalf of his students in the pursuit and development of their careers. The Institute of Advanced Study at Indiana University also chose to honor Professor Smith recently by acknowledging his "path-breaking interdisciplinary research and writing on medical and biological issues as they relate to the norms of law and ethics."

What Balfour said of Joseph Chamberlain, namely that, "He is no mere man of the hour. He is the man of tomorrow and the day after tomorrow," applies equally to

the ongoing contributions which Professor Smith is making and their sustained significance.

As his Alma Mater cited his significant and distinguished service to the legal profession, we, too, are genuinely honored to be enabled to attest to his equally significant and distinguished contributions and dedication to our Law School, the University, and to this Journal.

The Student Editorial Board.

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Review Essays: "The Sterilization Controversy: A New Crisis for the Catholic Hospital?;" Abortion and the Roman Catholic Church, 40 The Jurist 208 (1980). Genetics, Ethics and Social Policy, 38 The Jurist 459 (1978).

[1] Copies of the entries in this specialized bibliography are at the library of The Kennedy Institute of Ethics, Georgetown University, Washington, D.C. The complete listing of Professor Smith's published writings, together with the actual holdings thereof, is to be found in his archive at The Lilly Library, Indiana University, Bloomington, Indiana.

OIL IMPORT FEE

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BREAUX. Mr. Speaker, on April 10 of this year, I introduced H.R. 4554, calling for the enactment of an oil import fee to sustain the vital oil and gas industry of this Nation. Since that time, we have seen precious little in terms of a positive response from this administration, which continues to believe that the "solution" to this crisis lies in the "free market." So far, all the "free market" has accomplished for us is a continued decline in our most basic energy-producing industry and the lowest level of exploration and development drilling since before World War II.

I recently received a note from one of my constituents, Mr. Dan Frantzen, president of the Stone Petroleum Corp., in which a most telling and cogent letter to President Reagan was enclosed. I would request, Mr. Speaker, that Mr. Frantzen's letter to the President be included in these remarks and I would urge my colleagues' attention to his analysis of the current situation facing hardworking men and women in the "oil patch" and the issues confronting our Nation. The letter follows:

STONE PETROLEUM CORP.,
Lafayette, LA, May 5, 1986.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: Great leaders of our country are not born as such. They are the product of struggle against almost insurmountable odds because they invariably do what is right for the nation even though they know that it is against public opinion. It follows that if they are to succeed as truly great leaders they must labor and suffer constantly in opposition to the often uninformed public who determines the outcome of the next election. They must also become accustomed to the rivalry, bitter envy and trickery of their ubiquitous political opponents. They must have great strength which can only come from integrity, patience and perseverance.

I truly feel that you are a leader who possesses these qualities and that is what prompted me to write this letter.

In my opinion, there is a National Emergency at stake and the public is unaware and apathetic, as are most politicians.

In the beginning of this century there was a company in the United States called Standard Oil Company, who had a monopoly on the supply of oil. They drove the price of oil downward to eliminate competition. The United States government invoked anti-trust laws to prevent price-fixing and passed the Clayton Act to prevent predatory pricing.

Saudi Arabia now has the monopoly on the supply of oil. They have driven the price of oil downward to eliminate competition. Anti-trust laws and the Clayton Act do not apply because Saudi Arabia is outside our system of free-enterprise. As a result, our domestic oil and gas industry is in disarray and shambles. If the government doesn't do something soon to correct the situation, there will be no domestic oil and gas industry within one year from now except for Major Companies, who drill only 10% of the onshore wells.

We, as a nation, must preserve our domestic oil and gas industry, at all costs, in case there is another war. If we do not, it will serve as a threat to our national security.

I know there are many critics and opponents to the oil import tax but, frankly, I think it's the only solution to guarantee short term stability and healthy survival of the oil and gas industry. It would also lead to the greatest possible reduction in oil imports and replace vital federal and state revenues lost as a result of artificially low product prices. In addition, and equally important, it would add immediate stability to many troubled banks in the United States today. And lastly, it would put many Americans back to work.

As a matter of fact, it shouldn't even be looked upon as an oil import tax at all. If our government can see fit to take billions of dollars from the oil and gas industry in the form of windfall profit taxes during the good times, then it should be willing to compensate the same industry when it is fighting for its very survival. Perhaps it should be thought of as a compensatory fee which would serve the same purpose against Saudi Arabia as the anti-trust laws did against Standard Oil Company. Once Saudi Arabia sees that the United States is going to protect its domestic oil and gas industry, I predict the world price of oil would quickly rise to the point where the import fee would die a natural death if it is implemented as a variable fee.

I've heard many arguments against an oil import fee, such as, (1) our industries being unable to compete with foreign nations, (2) the United States having existing treaties which prohibit such fees even though the treaties may be with countries in the Opec Cartel or (3) Mexico being financially damaged. I don't think any of these should override the need to have a strong self-sufficient domestic oil and gas industry in the event there will be another war. Can we, as a nation, afford this gamble?

As our nation moves inexorably on toward the next oil and gas crisis, I respectfully urge you to reconsider the oil import fee as a deterrent to that inevitable event for the reasons recited above.

Turning to another issue, I feel the leaders in Washington are not focusing on our second most important energy problem that faces our nation today, i.e., not enough wells are being drilled to reduce our dependency on foreign imports and find the gas necessary to satisfy our nation's needs over the long haul. This, of course, is very closely related to the problem with Saudi Arabia. As soon as our domestic reserves are appraised downward as a result of the current drilling slump, product prices will again spiral upward.

Abraham Lincoln defined the problem over 100 years ago. "A nation divided cannot stand." Then it was the north and south. Today it is equally serious—it is the Congress and industry. The industry must quit pointing the finger at Congress and Congress must quit pointing the finger back. Instead they should join hands and work toward a common solution to this obvious problem. There is no shortage of oil and gas reserves to be found in this country nor is there a shortage of drilling rigs or money—there is only a shortage of ideas on how to get money from all sectors back into drilling which is the only immediate solution. This, in my opinion, can easily be accomplished through simple legislation that would tremendously benefit the nation, the consumer and, least of all, the industry.

It could be done not only in the oil and gas industry but in all industries, i.e., automobile, steel, farming, chemical, etc. It would take a concerted effort by Congress and top leaders of all industries working together to revolutionize old laws by implementing new laws which could make America once again competitive with any nation in the world.

I have given a lot of time and thought to the solutions of problems in my industry. It would be too lengthy, time consuming and inappropriate to cover these solutions in this letter.

I will be happy to discuss it with anybody that might be in a position to understand and help because I am more concerned about the nation than my industry.

Respectfully,

DAN R. FRANTZEN.

TRIBUTE TO CANDLELIGHT DINNER PLAYHOUSE 25TH ANNIVERSARY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to draw to your attention that the Candlelight Dinner Playhouse in Chicago is celebrating its 25th anniversary. The Playhouse's contributions to the arts and dinner theater are among the finest in the realm of the performing arts.

The idea of having a dinner theater originated in 1959 in Washington, DC, by William Pullinski. Mr. Pullinski along with his friend and fellow student Anthony D'Angelo at Catholic University in Washington, DC, became partners in the Playhouse. Their new concept of a dinner theater—a total evening at affordable prices—has spread to 150 dinner theaters across the United States of America.

The Candlelight Dinner Playhouse moved to Chicago where the theater continued to expand. With the theater growing, Mr. Pullinski continued his education at the Boston Conservatory while his mother, June Pullinski, became the producer and director of the Playhouse. The capacity of the theater grew from a tightly packed 112 people to its intimate and elegant current capacity of 560 people.

The Candlelight Dinner Playhouse became the first resident company in Chicago to perform in a 52-week season with eight different shows per year. Candlelight was also the first Chicago-based company with three shows running at the same time. Many of the shows were world, national, and Chicago premieres.

Over the past 25 years, Mr. Pullinski and Mr. D'Angelo started other theatrical innovations such as a hydraulically controlled stage, flying scenery, rolling stage wagons, and a mezzanine surrounding the show area which houses special stage lighting. Along with the help of June Pullinski, they have received numerous awards for all their innovative and unique efforts.

The last quarter century has been one of growth and innovations for the Candlelight Dinner Playhouse. The contributions of June and William Pullinski, and Anthony D'Angelo, to the world of theater and the city of Chicago over the years have been tremendous and will continue with the same vitality and creativity in the years to come.

UNITED STATES-MEXICAN RELATIONS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. GARCIA. Mr. Speaker, Mexican scholar, Jorge Castañeda, a senior associate at the Carnegie Endowment for International Peace, recently wrote an insightful essay on United States-Mexican relations for the New York Times. I am submitting that article for the RECORD.

Mr. Castañeda's essay is right on target. Now is not the time to snipe at Mexico. Our relationship with that nation is at another crossroads, and it should not be taken lightly or without the due respect befitting such an important relationship. I urge my colleagues to take a moment to read Mr. Castañeda's thoughtful article.

ENOUGH MEXICO-BASHING

(By Jorge G. Castañeda)

WASHINGTON.—It's Mexico-bashing time in Washington again. On this occasion, though, the consequences of the United States' public browbeating of its southern neighbor could get out of hand. Recent Administration statements and actions directed against Mexico go beyond anything seen in the past, and Mexico is far more vulnerable than ever before to American swipes at its officials and institutions.

Mexico's economic crisis has worsened over the past months. The price of oil has plummeted, and the country's foreign earnings, as well as its Government income, have shrunk dramatically. The service on its $97 billion foreign debt has become an unbearable burden: it now eats up nearly 75 percent of Mexico's foreign exchange and condemns its economy to permanent stagnation. This means, among other things, that the one million new jobs that are necessary this year to keep up with population growth will not be created.

President Miguel de la Madrid Hurtado is under mounting pressure to take unilateral steps—a moratorium on interest payments or an outright default—on the debt front. On Feb. 21, he announced to the nation that things could not continue as they were and that he expected the international financial community to show some understanding of Mexico's plight. It has shown nothing of the sort; yet Mexico has not burned its bridges or resorted to drastic unilateral action.

Like all Mexicans, President de la Madrid is only too aware that a major confrontation with the United States and American bankers would have grave consequences for Mexico. In addition to the obvious economic consequences of a Mexican default, there would surely be political retaliation as well. In order to protect his country from such American reprisals, President de la Madrid has bent over backward searching for ways to lighten Mexico's debt burden, without confronting Washington or the banks.

In fact, the United States is already acting as if it were retaliating against a Mexican moratorium. For nearly a month, for example, the visa section in the United States Embassy in Mexico City has been closed because of alleged inadequate security guarantees. For many Mexicans, the effects of this restriction are devastating.

But all other problems pale in comparison to the Reagan Administration's behavior last week during a hearing on Mexico in the Senate Subcommittee on Western Hemisphere Affairs. Officials from the State Department and United States Customs Bureau blasted Mexico and its Government for everything from alleged drug trafficking to its Central American policy. Conservative Republicans, including Senator Jesse Helms, had a field day, accusing Mexico of every vice under the sun.

Granted, these were Senate hearings, and they do not necessarily reflect an initiative by the Administration. But attacks on Mexico, and on its highest officials—including its President—by Administration officials such as the customs commissioner, William von Raab, are another matter. Either they are United States policy, or they are not.

In truth, the Reagan Administration has no Mexican policy. Either it is only able to focus on one issue at a time—drugs, Central America, immigration issues. Or it is unable to unify separate Federal agencies' policies into a coherent whole. It would seem that every agency and department in Washington has its own Mexican agenda and its own Mexican axe to grind; yet no one is organiz-

ing issues, defining priorities or making the necessary hard choices.

The consequences for Mexico and for Mexican-American relations are clear. If Mexico is indeed suffering the equivalent of retaliation for what it has not done, then it might as well go ahead and do it—suspend interest payments on its debt until a new agreement is reached. President de la Madrid is under considerable pressure to do just that—angry, nationalist pressures that Senator Helms and his colleagues have only encouraged. The Administration, through the irresponsible statements of some officials and the inexplicable passivity of others, only makes things worse.

If this incoherence and irresponsibility persist in Washington, the damage to United States-Mexican relations could be serious. To avoid this, the Reagan Administration must formulate a more coherent policy toward Mexico—and it must begin by either substantiating its accusations, or publicly withdrawing them. Only then will Mexico be able to respond adequately to American concerns. In this week's bitter climate, no Mexican politician can begin to acknowledge, much less address them.

A WHITE PAPER ON THE SANDINISTAS AND JEWS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LAGOMARSINO. Mr. Speaker, in the years after they took power in Nicaragua, the Sandinistas carried out a campaign of harassment and intimidation against the small Jewish community in that country. The Sandinistas have attempted to deny any such intimidation or threats occurred, but members of the Nicaraguan Jewish community reported to the Anti-Defamation League of B'nai B'rith the anti-Semitism, threats, and confiscation of property carried out by the Sandinistas against them.

The following is a white paper published by the Anti-Defamation League of B'nai B'rith. I urge my colleagues not to dismiss lightly this report and not to accept the denials of the Sandinistas as to their anti-Semitic actions.

A WHITE PAPER ON THE SANDINISTAS AND JEWS

(Published by the Anti-Defamation League of B'nai B'rith)

INTRODUCTION

Member of the Jewish community-in-exile came to the Anti-Defamation League of B'nai B'rith to tell of their experience of Sandinistas anti-Semitism in Nicaragua and seek assistance. In 1981, a League representative raised this issue in New York with Foreign Minister Miguel D'Escoto. Despite assurances that the government would investigate, the ADL received no reply to queries about anti-Semitism, the status of the synagogue and private properties.

In May, 1983, after 19 months of futile quiet diplomacy, the ADL publicized the plight of Nicaraguan Jewry. Only then did the government of Nicaragua react. It denied charges of anti-Semitism, and falsely claimed that four cabinet members are Jews. It also claimed that the synagogue was a private home, legally confiscated. When ADL provided documents proving that the synagogue was built by the congregation, the government offered to return the building.

At that time only two or three members of the congregation were still in the country. The small Jewish community, its members fearing for their lives, had fled in the face of anti-Semitic threats and harassment.

Since then, various individuals and organizations have attempted to distort the facts and deny that Jews, as Jews, had reason to fear or flee the country. This paper sets forth basic facts about the Sandinistas and Jews.

ANTI-SEMITISM

"Anti-semitism was one of the major factors, though not the only one, which caused the Nicaraguan Jews to leave Nicaragua."—Marcel Ruff, President, Federation of Jewish Communities of Central America (FEDECO), May, 1984.

Nuevo Diario, a Managua newspaper which closely adheres to the government line, charged (July 17, 1982), that "the world's money, banking and finance are in the hands of descendants of Jews, the eternal protectors of Zionism. Consequently, controlling economic power, they control political power as now happens in the United States."

"I remembered that it was the Levites in the synagogue who crucified our Lord."—Foreign Minister Miguel D'Escoto, Washington Post, January 27, 1985.

THE SYNAGOGUE

The synagogue in Managua was firebombed in 1978 while the congregation was worshipping inside. When congregants attempted to flee, they were confronted with armed Sandinistas who ordered them not to leave the burning building.

"I remember one day, one evening, on a Shabbat evening while we were singing, two bombs hit the door. We had a big wooden door in the synagogue, where a big Star of David was, and all of a sudden, the whole place was on fire.

"I remember running, getting the fire hose, and started running to the entrance of the synagogue, when I stopped because two other members that used to be in concentration camps in Europe, they had already reached the outside of the synagogue. We were met by a jeep and another small car with eight members that had handkerchiefs on their faces, and they identified themselves as members of the FSLN, means the Sandinista movement, guerrilla movement. They said that they were the FSLN and the PLO and that they were going to burn all the Jews. So we were forced back into the synagogue."—Oscar Kellerman, Washington, July 20, 1983.

Mauricio Palacio is a non-Jew who lived among the Jews and served as a Sandinista informant.

"I let them know where * * * the Jewish people would gather so that a little burning of the cars of these Zionists could be done and tell them all "Jews Go Home."—Mauricio Palacio, Managua, March 3, 1980.

"The purpose of this operation, was intended to intimidate the community and, in that way, to stop the flow of arms from Israel. It was determined that the best place to carry out the operation was the synagogue * * * the synagogue was attacked and they attempted to set fire to the doors; a verbal message was given to the congregation * * *."—Mauricio Palacio, Chicago, April 15, 1986.

THREATS AND INTIMIDATION OF INDIVIDUAL JEWS

"I, together with my brother-in-law, Mr. Saul Retelny, ran a complex of factories manufacturing textiles and candy which employed at peaks, over 1,200 heads of families. For a period of 18 months prior to July, 1979 anonymous callers would contact Mr. Retelny and threaten his life and that of his wife. These calls came to his business office and to his home, now also confiscated, at all hours of the night. One favorite tactic was to call around three in the morning and tell my brother-in-law that I had been shot and killed! At the same time, I would get a telephone call claiming that my brother-in-law was shot and killed.

"In addition, there were writings on the walls inside and outside the factories: 'Death to the Jews; Isaac will be killed. Beware of Sandinista Justice.' Dry runs of abduction attempts were made. In one instance, I was stopped, with my son inside the car, and at gun point my life was threatened. I was warned that my businesses were to be taken over when the Sandinistas came to power. Although Mr. Retelny and I were both born in Nicaragua, we never participated directly or indirectly, in politics."—Isaac Stavisky, Washington, July 20, 1983.

"Three times I was followed, and they tried to kill me three times. With gasoline, they tried to burn the car. Other times, I did not take the path or the road that they thought I was going to take, because every day we would take a different road. We knew already that we were being followed. We were all receiving, not only myself, but the rest of the Jewish families, receiving harassment, threats, phone calls. And all this made us little by little, one by one, leave Nicaragua."—Oscar Kellerman, Washington, March 14, 1985.

CONFISCATION OF PROPERTY

The government of Nicaragua informed the ADL in December, 1983 that only two members of the Jewish community faced the possibility of criminal charges, but that 17 had had their properties confiscated by decrees. The others are caught in the "Catch 22" situation of being out of the country for fear that their lives are in danger and, therefore, falling under the Nicaraguan law providing for the confiscation of property of those who remain outside the country for more than six months.

SANDINISTAS' RELATIONS WITH ISRAEL

After coming to power in 1979, the Sandinistas maintained minimal relations with the State of Israel, never permitting the Israeli ambassador to present credentials. In 1982, the Nicaraguans broke relations with Israel.

Foreign Minister Miguel D'Escoto, in a speech before the General Assembly of the United Nations announcing that his country was breaking relations with Israel, used the Israeli move into Lebanon as a pretext for that action. He told the U.N. body, "Never since the time of Hitler has such mass genocide been witnessed * * *." D'Escoto said that his government, since it came to power, had "suspended all contact with the Zionist regime * * * all that remained was to break off diplomatic relations formally."

In the last two sessions of the General Assembly, Nicaragua has actively supported efforts to expel Israel from that world body.

SANDINISTA LINKS TO P.L.O.

The P.L.O.-Sandinist relationship involved P.L.O.-supplied weapons, training and funds. Sandinist guerrillas and P.L.O. ter-

rorists have also fought side by side. Jorge Mandi, a Sandinist spokesman, told a reporter for the Kuwaiti newspaper Al Watan (Aug. 7, 1979), "There is a longstanding blood unity between us and the Palestinian revolution * * *. Many of the units belonging to the Sandinist movement were at Palestinian revolutionary bases in Jordan. In the early 1970's, Nicaraguan and Palestinian blood was spilled together in Amman and in other places during the 'Black September' battles."

In August, 1980, the Kuwaiti press reported that P.L.O. members had gone to Nicaragua to supervise military training. This was done in accord with an agreement reached with Yasir Arafat, the P.L.O. chieftain, who had gone to Managua in July to celebrate the first anniversary of the revolutionary Government. The Sandinists paid their debt by authorizing the opening of a P.L.O. "embassy" in Managua.

ALFRED J. THOMAS HONORED AS VETERANS LEGISLATIVE MAN OF THE YEAR

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. TORRICELLI. Mr. Speaker, Alfred J. Thomas of Bogota, NJ, a member of my Veterans' Affairs Advisory Committee, has received the Veterans Legislative Man of the Year Award from the Joint Veterans Legislative Group of Bergen County. Al won this award for outstanding service to the community, and I cannot think of a more deserving recipient.

Al Thomas enlisted in the Army Air Force for training as an aviation cadet in 1943. He was assigned to the 8th Air Force-Army Airways Communication System, European Theater of Operations in 1944 as a radio-radar operator. During his service, he received the European-African-Middle Eastern Campaign Medal.

Al has had a long and distinguished involvement with the VFW. He first joined the organization in 1953, and was elected commander of the Ralph H. Hall Post in Bogota, NJ, in 1956. In 1961, he was elected commander of the Bergen County Council VFW, and in 1962, assumed the position of commander of district 2 of the VFW. He attained the coveted recognition of being named as No. 1 All-American District Commander by the New Jersey VFW in 1963. He also received the VFW Bronze Medal of Merit at the 1963 New Jersey State Convention.

Al has held many important offices in the district 2 VFW, including that of bicentennial chairman. He currently serves as the district employment officer. He has also held high posts in the New Jersey VFW, including community service chairman, officers reports chairman, bicentennial chairman, assistant employment officer, voice of democracy chairman, and is currently the employment officer for the northern area.

Al Thomas serves as chairman of the joint veterans legislative committee, a group he founded in 1974. The joint veterans legislative committee performs the important function of reviewing all legislation concerning veterans and their welfare. Al has been appointed by the Governor of New Jersey to the Private Industry Council of Bergen County, and by the Bergen County Board of Chosen Freeholders to the Veterans Service Bureau.

I join the veterans of Bergen County and the State of New Jersey in commending Al Thomas for his outstanding service to the community and wishing him all the best in his future endeavors.

JOSEPH A. BOSCHE AWARDED EAGLE SCOUT

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. GEKAS. Mr. Speaker, I would like to take this opportunity to congratulate Joseph A. Bosche of Harrisburg, PA, who will receive the Boy Scout Eagle Award on Friday, June 6, 1986. It is truly an honor for a young man to receive this award recognizing him for his dedication to his community and his country. This event is always a special time for family and friends who can be so proud to know someone who receives the Eagle Scout Award.

Joseph, a graduating senior from Susquehanna Township High School, is a member of Boy Scout Troop 21 at the Progress Emanuel Presbyterian Church of Harrisburg. He began the Scouting Program at the age of 8 as a Cub Scout and became a Boy Scout at age 12. He is solely responsible for keeping the troop together when the scoutmaster was seriously hurt in an accident and the troop faced possible dissolution. He personally searched out men who would temporarily lead the Scout troops while the scoutmaster recuperated. He has also served as senior patrol leader in Troop 21 for the past 3 years.

Joseph is the recipient of the "Mark Cohen Band Award," an award presented in the memory of a former band member who initiated enthusiasm in anything he attempted. He will attend Penn State University, Mt. Alto, in the fall majoring in hotel/restaurant institution management.

Mr. Speaker, I invite you and my colleagues in the U.S. Congress in joining me in congratulating Joseph A. Bosche for earning this distinguished award. He has shown excellent service and leadership capabilities in his work with the Scouts and I wish him the best of luck and great success in his future endeavors.

CONGRATULATIONS TO GENEROSO ROMANO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BIAGGI. Mr. Speaker, it is my privilege and pleasure to have this opportunity to extend my heartiest commendations and congratulations to Mr. Generoso Romano as he is being honored by the Congress of Italian American Organizations of Yonkers, NY, for his many years of dedicated service to the people of Yonkers and to the Italian-American community.

Generoso is an excellent example of the wealth and generosity that Italian immigrants have brought to this country. Born in Avellino, Italy, Generoso worked in the research department of Innocenti Auto Industries before his migration to the United States 20 years ago. Generoso, however, did not forget his homeland or his Italian-American brothers and sisters. His knowledge of immigration and naturalization and his concern for his country—both old and new—led him to work closely with the Italian consulate concentrating on solving the problems of the Italian immigrant. In 1980, when the tragic earthquake devastated parts of southern Italy, Generoso led the Yonkers relief effort as chairman of the Yonkers Fundraising for Earthquake Victims in Southern Italy 1980. This organization raised over $65,000, which was responsible for building the technical and trade school in Atripalda, Avellino. Currently this school offers about 450 students 4 years of studies to prepare them to enter the work force. These are just two of the many examples of Generoso's dedication to the Italian-American community.

Generoso has also been actively involved in the Enrico Fermi—Italian-American 1938 Physics Nobel Prize winner, credited as the father and architect of the atomic bomb—Scholarship Foundation of Yonkers. He served as general chairman of the 1979 Columbus Day Celebration Committee. Generoso has always been recognized among his peers for his leadership abilities. From 1979 through 1984, he served as president of the Westchester County St. Vito Matire Society; from 1978 through 1980, he was president of the Yonkers Columbus League; he is presently vice president of this organization; and for the past 3 years Generoso has led the Congress of Italian American Organizations as its' executive director. These many responsibilities have earned him the reputation of the man who won't say "no." If someone needs a helping hand, if a group requires skilled leadership, there you may find Generoso Romano.

Generoso typifies the American success story. When Generoso first arrived in this country he worked as an mechanical inspector, studying to obtain his high school diploma, his insurance broker license, his real estate broker license, and his National Association Securities Dealer license. He was then employed by John Hancock Mutual Life Insurance Co. until, in 1979, he opened his own Romano Insurance Agency, Inc. in Yonkers, NY. Through hard work and dedication, Generoso achieved his diploma and his own business.

Generoso has contributed much to the community through his family. His lovely wife Mary Ann and his devoted children Michael, Gerry, and Marisa have served as a source of support and strength. The entire Yonkers community can look to the Romano family as a model of excellence.

In this year celebrating the centennial of the Statue of Liberty and Ellis Island, it is especially fitting that the Congress of Italian American Organizations of Yonkers has chosen Generoso Romano to honor. As the son of

Italian immigrants, I know of the hopes and fears of a newly nationalized citizen. It is difficult to succeed in a new homeland, but Generoso Romano has definitely achieved success. Therefore, I call upon my colleagues in the House of Representatives to extend their congratulations and best wishes to Generoso Romano as we celebrate his many years of service to the Yonkers community and to Italian-Americans.

UNION CARBIDE PLANT SAFETY EFFORTS

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. WISE. Mr. Speaker, recently, Mr. Robert Kennedy, President of Union Carbide Corp., had the opportunity to make a presentation to constitutents in my district. Mr. Kennedy's presentation emphasized a strong corporate commitment on the part of Union Carbide toward raising plant safety to its highest possible level throughout the corporation. While stressing the importance of cooperation between Union Carbide and OSHA in promoting safety, Mr. Kennedy outlined voluntary measures implemented by the corporation designed to reduce air toxic emissions and prevent accidental releases. These measures go beyond current emissions regulations, and illustrate Carbide's commitment toward achieving an outstanding safety record.

In light of the recent OSHA investigation at the Union Carbide plant at Institute, WV, Mr. Kennedy's comments are of great interest to residents of the Kanawha Valley in West Virginia. I would commend this report to anyone interested in the chemical industry in general, and to those concerned with improving the safety performance of chemical plants throughout the country.

REMARKS BY ROBERT D. KENNEDY, PRESIDENT, UNION CARBIDE CORPORATION

I have become a regular visitor to Charleston since my appointment as chemicals and plastics president last July.

My first visit in association with these plants in the valley was in August, seven days after aldicarb oxime release, to hear a group of 300 angry and frightened citizens express their sincere fear and concern about toxic air emissions.

My second visit was five days later for a press conference and our presentation of the most complete and detailed report on an industrial emission that the public has ever been given.

And I made some promises to myself and to the public—most notable of which was that we were going to reduce our incidents and our pounds of toxic emissions 30 percent a year for the next three years.

So I am here today to give you a 6-month report card against that pledge.

But before I had a chance to do even that, OSHA had its own press conference last week to announce the findings of its September-January "wall-to-wall" safety process study of our Institute plant.

Let me take a little detour from my original plan to respond to, and give you some reassurance about the OSHA study.

We were surprised by the allegations and shocked by the way in which it was done. This is some kind of regulation by press conference.

It would be easy to give vent to our frustration and respond in kind. I will try not to do that. The public interest is not served by name calling. The public interest is served by cooperation. I said those words to Patrick Tyson, the acting director of OSHA—two hours before his April 1 press conference with Secretary Brock. And I said these words again to Mr. Tyson Monday of this week when I visited in his office.

Notwithstanding, we will vigorously contest the 130 willful citations by OSHA which we feel to be totally inappropriate to the finds of their study.

Let me give you our perspective of the OSHA report.

Only one allegation of the 130 was of a type that could be called hazardous to the health of our employees. 129 others deal with record keeping; deal specifically with the interpretation and characterization of injuries requiring first aid and medical attention.

The one allegation of a health hazard is the now nationally famous canary. I will just say flatly that we do not use our people as canaries. There are 13 automatic remote phosgene leak detectors in and around that unit that sound an alarm in the control room. And they are 10 times more sensitive than the human nose.

I will say that we train our operators to stay alert at all times to conditions at the plant. Do you believe that workers in this environment could not be intelligently, self interested in what's going on around them? Staying alert means using your head including your eyes, ears and your nose. Everyone sniffs for chemicals, but no one is sent into a chemical environment to see if he keels over. No one is ever required to go unprotected into a suspect situation.

The OSHA report in total sounded like a revelaton. But the fact is that OSHA has visited various Carbide locations 423 times since the agency started keeping records in 1971. In all that time, we had 4 citations for a record keeping or injury classification. Only one of those was for a willful violation and that was downgraded on appeal. Clearly what's changed at Institute is not our approach . . . But OSHA's.

Another very unusual thing about this episode. Previously OSHA when inspecting, if they have found paperwork or reporting violations, would list and cite the employer for one violation. One generic violation and give several examples of same. On this occasion, OSHA has taken every example of a single alleged violation and called it a separate and willful act X $10,000. That's how we got to a record $1.3 million; 130 X $10,000. This is unprecedented. It's also called changing the rules in the middle of the game. It's also got due process problems.

I started by saying we do not seek nor want confrontation and I again so pledged to Mr. Tyson last Monday. We want to cooperate in lifting our own plants and industry standards in general to a level that will give our workers and the public real assurance.

Interpretation of first aid records is important and undoubtedly can be improved. But it is not the main event. Leaks, spills and emissions of toxic chemical are the main event.

Training and retraining and certification of workers are the main event.

Objective, independent audits of management practices by trained auditors to insure that sound work policies and procedures are written and practiced. That is the main event.

Carbide did not achieve its employee safety record by risking people's lives. Our lost workday injury rate in 1985 was six times better than the chemical industry average, which was the lowest in the nation—as it's been for the past four out of five years. While injuries in other industries showed an increase last year, Carbide's on-the-job injuries were down 20 percent from the year before, and off-the-job injuries were down 17 percent.

Now my report. We've made a strong commitment and progress we're proud of. A lot of what I have to say stems from the visit I made to the Valley last August. It was tense. It was difficult. I came to listen to people and to deal with the facts.

Let me reiterate some of the promises I made last summer. I said it was Carbide's intention to achieve a 30 percent compounded reduction in air toxics emissions in each year of the next three years. I said we'd achieve the same level of reduction in the episodic, or accidental, emissions—the leaks, spills, odors, and other discharges and emissions that happen through inattention, faulty equipment, poor maintenance, and all the other glitches and goofs that can lead to problems.

I said we would spend what funds were necessary and deploy whatever manpower it took to achieve these goals. I said that regaining the esteem we lost would be done one step at a time. And I announced that in terms of our overall health, safety and environmental performance for the corporation, our goal was to be second to none in the industry.

I also said we'd do all we could to build an open relationship with out plant communities. We believe that our neighbors have a right to know exactly what risks they face from materials we make or use. Appropriate agencies in the community have a right to know as soon as we do of any mishap, however slight, that might pose a risk. And we believe that protecting the community is a shared responsibility. The goal is minimizing the danger in the event of an incident, and the best way to reach that goal of readiness and preparedness is to work together.

Here's what we've done so far. We get pretty good coverage in the local press, so some of this will not be news. But a summing up is important. It shows the progress we've made and underlines Carbide's commitment to keep improving.

Attachment 1: Here's an overview of the program we put in place to achieve the goals I set out—our air emissions and incident reduction program. Basic, straightforward, with three main objectives, all going forward together.

The first is to control the process emissions of air toxics.

The second is to minimize the episodic or accidental releases. The objective here is twofold—on the one hand to reduce the numbers, but also to reduce the risk involved if an accident occurs. Risk reduction means eliminating the possibility of things that have never happened but might happen, and taking additional precautions to see they don't.

And the third deals with Carbide's air toxics policy. It's a policy that exceeds the requirements of the law. We're measuring not just those emissions the law says we have to, but all of our continuous process emissions. The second part of the policy is to establish priorities for reductions, so we can devote our funds and our efforts where we can make the biggest difference in air quality.

Attachment 2: Now let's look at progress. The baseline for the data is January 1 of last year. First, the company-wide totals. We've measured results in two ways. The percentages in the first column refer to tons per year of emissions—e.g., 39 percent reduction in tons per year at the Institute plant—making no distinction between emissions that are more toxic and those that are less. The second column measures reductions with a toxicity factor thrown in.

The totals are where we'll be at the end of this year. On a weight basis alone, we'll have achieved a 31 percent company-wide reduction in emissions by the end of the year. If you factor in toxicity, the number comes to 36 percent. Either way, we're ahead of our target.

On a weight basis, we're way ahead at Institute and Sistersville. And if you look at the weighted average for South Charleston and Sistersville, the reductions are really dramatic. The differences reflect the products made at individual plants. And where you see no reduction, it means either that there wasn't much to start with or that the toxicity factor is very low.

Keep in mind that in each case these are voluntary reductions. We're in compliance now with emissions regulations. We were in compliance back in January of 1985. The reductions on this chart represent a Carbide commitment—not to acceptable performance, but to performance that's outstanding.

Attachment 3: This shows where we are in terms of our three-year goals, tracking the percentage reductions that include the toxicity factor. By the end of 1985, we were already within three percentage points of our 30 percent goal. With a further nine percent reduction this year, we will end the year with a 36 percent weighted average reduction.

The further compounded reductions in each of the next two years will take us to that 1988 goal. And we'll go on from there with new goals.

Attachment 4: Let's look at where the money's going. To help us reach the goals I announced we have no far identified 110 projects. They are all underway at a this time in first phase at a total cost when completed of $61 million. All of that money has been committed. Twenty percent of the money is for projects aimed at reductions of routine or process emissions reductions. Twenty nine percent is to correct or improve conditions that led to accidental spills or releases in the past. And the rest—51 percent—is being spent to make sure the things that might happen don't happen, to help us reach the reductions we're after in episodic emissions.

What about those incidents? In August of last year, I asked our people to call me—directly and promptly—to report any serious accidents. I wanted to know within 12 hours after the event of any serious accident having fatality potential involving our own people, or of any release, leak, or spill of any kind that either got beyond our fenceline or had the potential to get outside our fence.

Some of these are reportable by law. Some aren't. But for our internal purposes once again we are going beyond what's required by law. In the first six or eight weeks I was getting two calls a week. Most of these were trivial. And now the frequency is down significantly, because our people are giving as much attention to spills as they are to worker safety.

The matter of episodes and accidents is at the forefront of management attention. We are not simply tracking performance, we are digging deeper. Each month I personally review every safety and environmental incident with our division operating presidents—why they happened and what was done to make sure they don't happen again. Measuring from the 1985 baseline, we are aiming for a 30 percent reduction of incidents by the end of this year, and so far we're on track as well.

Attachment 5: This summary of the capital projects and costs at Institute, Sisterville, and South Charleston shows West Virginia is a focal point of our activity. Of the 110 projects, our operations in the state account for 61 of them (or 55 percent of the total), and $31 million (or 51 percent) of the $61 million committed so far.

Attachment 6: Here are some examples of what we're doing—the kinds of projects underway in the state. We're spending $620,000 on the Institute acetone unit, tying in the vents to a collection system to reduce the chance for accidental emissions. We're installing four floating roofs on tanks at the North Charleston Bulk Terminal, which will cut the normal process emissions at that plant by 73,000 pounds a year. And at South Charleston, a million dollar project slated for 1987 will reduce the venting of propylene oxide by 140,000 pounds a year.

The bottom line for the programs underway is that we'll be reporting to the state of West Virginia a reduction of approximately 900 tons a year of process emissions at our Institute plant for 1986, and 400 tons a year at South Charleston.

Beyond that, we're also reducing inventories of hazardous materials, an activity underway at every Carbide installation.

Attachment 7: Last year we reduced inventories of 25 of the most toxic chemicals used at nine of our plants by 74 percent.

Attachment 8: This year at Institute we made a further 32 percent reduction of our MIC inventory and a 50 percent reduction of phosgene. As South Charleston, we removed several toxic chemicals altogether, and cut chlorosilanes inventory at Sistersville by another 16 percent.

As for community relations, we are letting the community in and moving into the community to form that all important relationship I talked about.

Attachment 9: How do we do that? We do it by stepping up to some of the needs and projects that help the community to help first. First, we've got a dialogue going on preparedness and safety, not only with local officials, but with the community at large. We're involved in several emergency response training programs.

We volunteered one of our own plants for an emergency drill. All of you know about the trip that Carbide sponsored to St. Charles Parish. The emergency access road in Institute does a lot to improve preparedness for emergencies. We underwrote the printing and distribution of 80,000 copies of an emergency safety plan brochure that communities around the country have asked to see.

Carbide donated 25 Scott Air-Paks to local fire departments. We're developed seminars to help media people deal with the technical issues involved in environmental reporting. We've had a series of roundtable discussions in surrounding communities with area residents to hear their concerns, and to tell them what we do and how we do it. And we're supporting the National Institute for Chemical Studies, a group doing important work in improving communication between the chemical industry and the community.

So I think it's fair to say to the people of the valley communities that we understand your concerns about living side by side with chemical manufacturing operations. When I was here last August, I heard you, and Carbide is responding.

Union Carbide and the Valley communities will be neighbors for a long time to come. You've been reading a lot about the changes underway in our company. Ultimately they will benefit all of those to whom our viability and our progress is important. And that includes Institute, South Charleston, and the surrounding communities.

Finally, I know we have some strong supporters right in this room. We've benefitted in the past from the support, advice, and understanding of many of you. Stick with us. We're going to make you proud and make our people proud. Much as we've turned to you in the past, your continuing interest in our company and its progress will mean even more to us in the coming months and years.

[Attachment 1]

AIR EMISSIONS AND INCIDENT REDUCTION PROGRAM

PROGRAM OBJECTIVES

Control Process Emissions of Air Toxics.

Minimize Episodic Releases: Incidents, Risk Reduction.

Facilitate Implementation of the UCC Air Toxics Control Policy: Inventories; Prioritization.

[Attachment 2]

AIR EMISSIONS REDUCTION PROGRAM

Location	Projected percent reduction by end of 1986 [1]	
	Tons per year	Toxic weighted (tons per year)
Bound Brook, NJ	0	0
Institue, WV	39	27
Seadrift, TX	42	36
Sistersville, WV	38	70
South Charleston, WV	17	41
Taft, LA	42	51
Texas City, TX	30	23
Woodbine, GA	61	47
Bound Brook Technical Center, NJ	0	0
South Charleston Technical Center, WV	46	46
Latex Plants (6 locations)	0	0
Star, LA	0	0
Total chemicals and plastics	31	36

[1] Baseline date, Jan. 1, 1985.

[Attachment 3]

Charts not reproduced in the RECORD.

[Attachment 4]

Increment I capital projects activity [C&P cost—$61MM for 110 projects]

	Percent
Episodic incident reduction	29
Process	20
Episodic risk reduction	61

[Attachment 5]

INCREMENT I CAPITAL PROJECTS ACTIVITY

[C&P cost—$61mm for 110 projects]

	West Virginia summary	
	Cost	Number of projects
Location:		
Institute	$16,000,000	13

INCREMENT I CAPITAL PROJECTS ACTIVITY—Continued

[C&P cost—$61mm for 110 projects]

	West Virginia summary	
	Cost	Number of projects
Sistersville	$7,000,000	29
South Charleston	$8,000,000	19
Percent of C&P total	51	55

[Attachment 6]

EMISSIONS REDUCTION PROGRAM—PROJECT EXAMPLES

Location and Objective	Estimated cost	Estimated completion sale
Institute plant: Modify/upgrade acetone unit to lower probability of accidental releases.	$620,000	4Q86.
North Charleston bulk terminal: Reduce Normal process emissions by 73,000 lb/yr from tanks and shipping containers.	910,000	4Q86.
South Charleston plant: Reduce venting by 140,000 lb/yr of propylene oxide by process and equipment revisions.	1,056,000	Part 1 1Q87, part 2 2Q87, part 3 4Q87.

[Attachment 7]

INVENTORY REDUCTION—1985

Reduced 25 of the Most Toxic Chemicals by 74 Percent.

[Attachment 8]

INVENTORY REDUCTION—1986

Institute—Further reduced storage levels: MIC, 32 percent; phosgene, 50 percent.

South Charleston—Methyl chloride, hydrogen chloride, chlorosilanes have been removed.

Sistersville—Further reduced storage levels: Chlorosilanes, 16 percent.

[Attachment 9]

Improved Communications with Local Officials and the Public.

Special Training Programs for Emergency Response.

Leadership Role by Using a UCC Plant in an Emergency Drill.

Sponsored a Trip to inspect St. Charles Parish, LA Emergency Response Center.

Emergency Access Road in Institute.

Printed and Distributed 80,000 Copies of Emergency Plan Brochures.

Donated 25 Scott Air-Paks Breathing Devices to Local Fire Departments.

Developed Media Education Seminars.

Roundtable Dialogue Meetings of Institute Plant Management with Area Residents.

On-Going Support for National Institute for Chemical Studies.

THE EMERGENCY AID TO HOMELESS FAMILIES ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. WEISS. Mr. Speaker, today I am introducing the Emergency Aid to Homeless Families Act. This bill will amend the Social Security Act to allow emergency assistance funds provided under the AFDC Program to be used for the purchase, construction, renovation, or rental of emergency shelter for homeless families.

Recently the Subcommittee on Intergovernmental Relations and Human Resources, which I chair, conducted a hearing on the use of AFDC emergency assistance, which funds half the costs of emergency shelter for homeless families in the 28 States and territories which have chosen to participate in this optional program. The testimony we heard was shocking.

Homeless families are being placed in roach- and rat-infested welfare hotels, where a single room for each family costs as much as $3,000 a month. In my home city of New York, these welfare hotels are often the sites of prostitution and illegal drug dealing. And here in the Nation's Capitol, homeless families are sent to a decrepit welfare hotel, and placed in single rooms that cost more per month than the Watergate Apartments, one of the plushest buildings in the country.

The Social Security Administration's Associate Commissioner for Family Assistance testified that there is a drastic shortage of emergency shelter for families in the United States, and that localities are forced to place destitute families with small children in costly, unsafe buildings because the Social Security Act does not allow emergency assistance to be used for the creation of adequate facilities.

The bill which I am introducing seeks to remedy this wasteful, harmful and illogical situation.

To continue placing families in inhumane shelter at costs of $3,000 a month per family is not only immoral, it is an extravagant waste of taxpayers' money. My legislation will allow Federal funds to be spent more wisely, and will inevitably save the Federal Government money by ending the senseless subsidization of unsafe welfare hotels.

According to a recent study by the U.S. Conference of Mayors, homeless families are the fastest growing component of the country's homeless population, which may be as large as 3-million people. All studies of this population indicate that it will continue to increase at rates as high as 38 percent a year.

In the last year, AFDC has provided emergency assistance to 33,000 family cases a month, at a total cost of $81 million. Unless we allow more constructive use of these funds, this figure will rise in the coming years, and Federal funds will continue to be wasted on emergency shelter that recent studies have found to be emotionally damaging to homeless children. We cannot allow the costs of this program to grow at the expense of a generation of thousands of homeless children while slumlords enrich themselves at the Federal trough.

OPPOSE AGREEMENT TO UNILATERALLY ABANDON UNITED STATES CHEMICAL DETERRENT IN EUROPE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. PORTER. Mr. Speaker, I would like to call the attention of all Members to today's editorial in the New York Times on chemical weapons. It correctly points out that if we follow the terms of the reported United States-West German agreement, we will abandon our chemical deterrent in Europe. This policy will not only weaken our forces in the field but will add to the deficit in a time of large cuts for many other programs.

BAD BARGAIN FOR CHEMICAL WEAPONS

Unilateral disarmament is not usually a policy President Reagan favors, but he has chosen just such a course on chemical weapons. Apparently he has privately agreed to withdraw America's chemical weapons from West Gernmany by 1992, an astonishingly inopportune decision that seems to undercut recently promising negotiations with the Soviet Union to ban these dreadful weapons altogether.

"Warfare employing lethal toxic chemicals is a subject abhorrent even to contemplate," a Presidential commission led by Ambassador Walter Stoessel reported last year. Therefore, as it notes, American policy has been to seek a ban on chemical weapons, and meanwhile to deter possible Soviet use by maintaining a large stockpile of chemical-laden artillery shells in West Germany.

According to Chairman Dante Fascell of the House Foreign Affairs Committee, Mr. Reagan agreed with Chancellor Kohl at the recent Tokyo summit conference to withdraw existing chemical weapons from West Germany in return for German approval in NATO of the plan to build new ones. But the new weapons will be stored in the United States, not Germany, and even in crisis would be sent there only with West German approval. That would leave no chemical weapons in Europe to deter Soviet first use.

What induced this strange approach? The desire of the Army to build new chemical weapons for which there is no proven need. The proposed weapons are called binary shells because they contain two ingredients that mix in flight to make nerve gas. It's the same nerve gas that is carried by existing weapons, but the binary shells would be arguably safer to transport.

Congress reluctantly approved binary shell production last year on condition that NATO went along. That gave the West Germans an opportunity to get rid of the stockpiled nerve gas shells without having to accept the new ones. The deal's effect is to abandon America's chemical deterrent in Europe. Even if a German government agreed in an alert to accept chemical weapons, that would intensify the crisis and burden the transport of critical military supplies to Europe.

This illogical policy illustrates how the interests of the uniformed services can conflict with those of military commanders in the field. A commander's worst nightmare is that his ammunition won't be at hand when he needs it. But the procurement bureaucracies pursue their own agenda. To get binary shells into production, the Army is willing to deprive commanders of effective weapons at hand and to substitute a distant stockpile of more complex, perhaps inferior weapons that have never been realistically tested. It has fostered the canard that existing shells are leaking. But the Stoessel commission reported that "rumors of the stored munitions being dangerous of leaking appear to be exaggerated and inaccurate" and that "all the weapons in Europe are serviceable."

Only nuclear weapons are more abhorrent and destructive than chemicals. Chemical weapons could devastate Europe, and they are proliferating to other countries, like

Iraq. Recent concessions by the Soviet Union on means to verify a ban suggest a treaty could be within reach. But how can Mr. Gorbachev persuade his generals to give up weapons that Mr. Reagan has already traded away?

The Administration had better buy back its storage rights from Mr. Kohl as fast as possible and drop its unnecessary plan to build binaries. It might assuage Mr. Kohl by noting that a treaty banning Soviet as well as American chemical weapons in Europe would serve him even better.

KANSAS CITY COMMUNITY PLEA FOR SOVIET JEWS

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. WHEAT. Mr. Speaker, on Wednesday, May 28, hundreds of people in my congressional district participated in the Kansas City Community Plea for Soviet Jewry. Unfortunately, I was unable to attend this event, but I wanted to share with my colleagues a statement of support read on my behalf.

Ladies and gentlemen, it is with great pride that I have again accepted your invitation to serve as the Honorary Chairman of a very special event, the Kansas City Community Plea for Soviet Jewry. Although I am unable to join you personally to take part in the evening's activities, I wish to take this time to share with you my strong support for your efforts on behalf of the thousands of Soviet Jews who are suffering from the oppression of the Soviet government.

The plight of Soviet Jews is one that has captured the attention of a large and increasing number of people in the United States and around the world. The harsh and cruel treatment inflicted upon the Jewish population by Soviet authorities is monitored daily by a number of international human rights agencies, local support groups, and congressional organizations and committees. The brutal persecution of the Jewish religion and culture is well-documented; the heartbreaking stories of imprisoned dissidents and refuseniks seem hauntingly familiar.

In recent years the repression of Soviet Jews has increased in scope and severity, and many of us in the Congress have correspondingly stepped up our efforts to bring this problem to the forefront of U.S.-Soviet relations. Yet our efforts often meet with frustration and despair at the apparent intransigence of the Soviet government to acknowledge even the existence of a "Jewish problem" and to take meaningful steps to improve the condition of its Jewish population. Despite being signatories to four major international human rights documents since 1948, Soviet officials continue to virtually ignore the internationally accepted standards of emigration and human rights to which they have agreed in the past.

The Soviet government has intensified its campaign of harassment and anti-Semitic propaganda against refuseniks and their families. This alarming campaign has taken the form of press conferences linking Zionism with the Nazis, the loss of employment for Jews who have applied for emigration visas, restrictions on university enrollment for Jews, continual illegal searches of Jewish homes, confiscation of property, physical beatings, and the arrest and imprisonment of many Jewish activists on baseless charges.

It should be clearly understood by all Americans that Mr. Gorbachev's occasional smile and charismatic style in no way reflect a softening Soviet policy toward Soviet Jewry. The human rights conditions for those Jews waiting to emigrate from the Soviet Union have continued to deteriorate since Mr. Gorbachev's ascension to power.

Prior to the Geneva Summit last year, I joined with over 100 members of Congress in writing to the President urging him to forcefully present to Mr. Gorbachev our concern for the rights of Soviet Jews, our strong interest in increased emigration levels, and our insistence that the Soviets abide by the international agreements they have signed. We were sadly disappointed.

The Soviets were intransigent. No concessions were made, no agreements were reached. Since then, our hope has been rekindled by the release from prison of Anatoly Shcharansky and the surprise announcement by Soviet authorities that over 200 Soviet citizens will be allowed to emigrate to join their relatives in the U.S. Yet, as all of you are demonstrating tonight, the persecution of Soviet Jewry is a pressing problem, a fundamental problem, and one that we will not allow to be ignored or forgotten.

I would like to point out that there are positive signs on the horizon that give us reasons to hope for the future. Among younger Jews in the Soviet Union, many show signs of heightened cultural and religious awareness. They have formed cultural groups in at least 30 cities throughout the Soviet Union. These groups promote the learning of Hebrew, Jewish history, and tradition.

Partly in reaction to the extreme physical abuse inflicted upon some of the core leaders of the Soviet Jewish community, many have reportedly organized protests, such as the signing of petitions and appeals and the commencement of hunger strikes, against the treatment of Soviet Jews. According to a senior Israeli Government official, hundreds of families have taken part in these protests and appeals to Soviet and Western leaders. Also, it appears that more Soviet Jews are in contact with the West on various levels than ever before.

As all of us continue to work for peace and pray for its fulfillment, it is important that we do all that is within our power to bring comfort and hope to those who would otherwise be without. The emotional support that you have given to Evgeny Yakir, his wife Rimma, and their imprisioned son Aleksandr, provides them with comfort in times of despair and hope when all seems lost.

Yes, these are signs that give us reason to hope for the future, for a time when we may look back and remember the courage of a people who fought against and survived an attempt at cultural genocide. As for the present, you may be sure that I will continue my efforts in Congress on behalf of the Yakirs and all those who suffer with them. It is our collective responsibility to keep the persecution of Soviet Jewry an issue that Soviet leaders must answer to in the court of world opinion. The courage of our friends in the Soviet Union is an inspiration. Our efforts on their behalf have met with success in the past; we cannot now allow those efforts to diminish. We must continue to speak to the world for the rights of Soviet Jews. We do not have the right to be silent.

I salute your conscientious participation in this special event tonight, and I thank you for allowing me the privilege of taking part in it.

LADY MILLIONAIRES CONQUER STATE TITLE

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. GEKAS. Mr. Speaker, I would like to call to the attention of my colleagues in the U.S. Congress the recent notable achievement of the Williamsport Area High School girl's track team, Shippensburg University's Seth Grove Stadium attracted rigorous competition from all regions of Pennsylvania last week. However, under direction of head coach Marilouise Mazzante, the Lady Millionaires walked away with the class AAA team title at the PIAA State Track and Field Championship on Saturday, May 24, 1986.

This feat had extra meaning to the team after this same title evaded them a year ago by just one point. The team strived all year with this loss hanging over their heads determined that nothing would stand in their way of this title in 1986. With this determination they were able to accomplish the goal they set out to achieve.

The Williamsport High School track and field team included the following girls who were with the Lady Millionaires at Shippensburg—Sharon Andrade, Stephanie Barlett, Missi Bair, Verneal Brown, Gina Casale, Teresa Coffey, Brette Cross, Krista Hill, Becky Kaisaer, Kim Kelly, Sue Klopp, Shannon Masten, Pam Schauer, Michelle Strothers, Leaha Walker along with assistant coaches Phyllis Deitrick and Scott Grove.

Mr. Speaker, please join me in congratulating these fine young women for their achievement and athletic ability which they displayed in earning the title of Pennsylvania State champions.

TRIBUTE TO TONY CIOFALO—YONKERS THANKS YOU

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BIAGGI. Mr. Speaker, it is my privilege and pleasure to have this opportunity to ask my colleagues in the House of Representatives to join me in extending our heartiest appreciation and gratitude for the many years Tony Ciofalo devoted in dedicated service to the Yonkers community through his work in the economic, social, and political life of the community. I am honored to be invited to the Yonkers Italian City Club for their "Toast and Roast of Tony Ciofalo." I would like to take a minute to share with my colleagues some of Tony's accomplishments and attributes. Tony has truly helped make Westchester County what it is today.

One of Tony's most substantial contributions to the Westchester County community is his business, Ciofalo Tile & Contractors. He

has demonstrated, by his example, the attitude, pride, and service necessary to a successful business. The young entrepreneurs of today have in Tony a shining example of service with a smile, of commitment to his word, and of pride in his name and business. If today's businesses look to him as their model for their projects, the Yonkers business community will grow and prosper.

The Westchester community can also use the Ciofalo family as a role model. Tony's lovely wife Grace, his impressive children, Andrew and Carol, and his numerous and delightful grandchildren brighten the Yonkers community.

An excellent example of Tony's generosity with his time and talent is his involvement in Westchester County baseball. He has been instrumental in the growth and maturing of the thousands of teens who called him "coach" during his work as general manager of the championship baseball teams including the Ninth Ward Dems, the Yonkers Athletics, and the Hillviews. His work with these semipro and amateur teams enabled many young men to grow in confidence and skill while enjoying the marvelous game of baseball. However, this expertise was not restricted to the minor leagues. As a scout for the Mets, he helped introduce seasoned minor leaguers to the world of major league baseball. Although baseball is his favorite, his dedication to the youth in the Yonkers community led to his involvement in many other athletic programs including fundraising for the Cardinal Hayes High School Hockey Program. By his example and encouragement, many young men in Westchester County and the Bronx have gained experience and expertise in areas they could not have participated in otherwise.

Given Tony's community involvements I already mentioned, I scarcely know where he found the time to be so active in the Westchester County political life. His leadership in the Italian City Club, the Kimbal Crest Taxpayers Association, and the East Yonkers Taxpayers Association demonstrate his dedication to the improvement of Yonkers. If that was not enough, he also founded and served as president of the Hillview Social Club, while serving as a member of the Ninth Ward Republican Club and the Republican County Committee. However, Tony's participation was not restricted to political associations; the Heart Fund, the CIAO, and many other charities and philanthropic organizations owe him heartfelt gratitude and appreciation for his many hours of devoted service.

"No" is a simple word, but Tony Ciofalo has never been able to say it. Wherever there was a good cause, a needy organization, a worthwhile activity, there Tony Ciofalo could be found. As his Representative in Congress, I must say, if the Yonkers and Bronx community would look to him as their example, the 19th Congressional District would shine as a model to the rest of the country, because Tony Ciofalo shines as an inspiration for all of us.

CALL TO CONSCIENCE: FOUR DAYS IN MOSCOW

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. GALLO. Mr. Speaker, I speak today to convey to the other Members of the House my impression from my most recent trip to the Soviet Union. While there, I spent a great deal of time discussing the plight of Soviet Jews who are not allowed to emigrate.

After a year and a half of serving as the freshman cochair of the Congressional Caucus on Soviet Jewry, and after countless letters and communications with Soviet officials on behalf of individual Jewish refuseniks, divided spouses and families, I have found no rationale or pattern that governs the Soviet decisions as to who is let go and who is left behind.

The human rights mission I led to Moscow late last month has reinforced these thoughts beyond belief. Because our trip coincided with the announcement that the Soviet Union had agreed to settle 36 divided-family cases, I gained first-hand experience with this inconsistent behavior, which causes the hopes of many to be tempered with the understanding that these Soviet concessions represent just the tip of the iceberg.

The facts are widely known that of the 2.5 million Jews in the Soviet Union, 400,000 have taken steps to leave. At least 15,000 to 20,000 of these individuals have been repeatedly denied permission to emigrate. While 250,000 Jews were allowed to leave the Soviet Union during the 1970's, only 1,000 a year or less have been granted exit visas since 1984.

The following is an account of my May 22 to May 27 mission to the Soviet Union.

We met with Jews who gather outside a synagogue within walking distance of the Kremlin and KGB headquarters in Moscow to meet westerners and tell their tales of denied emigration and persecution. Many have lost their jobs because they applied to emigrate. Others have even been threatened with imprisonment. I am told by an elderly Jewish man that young Jews are wary of coming to the synagogue to worship for fear of being recognized by Soviet KGB agents.

In a typical Moscow high-rise apartment, wives and children of prisoners of conscience told us about the fabricated charges brought against their husbands and fathers and how these men now suffer behind bars because of their desire to leave the Soviet Union and to practice their religion. Boris Begun explained how his father, Joseph, convicted on charges of anti-Soviet agitation and propaganda, has been sentenced to 7 years in a labor camp and 5 years of internal exile.

Yuli Kashorofsky, a long term refusenik and Hebrew teacher, assured me that while Soviet officials use arrests and other forms of harassment to try to break the spine of their movement, they still persevere and try to teach Hebrew and the Jewish religion.

After more than a year of letter writing and phone calls to my adopted family, the Kagans, I was finally able to meet face-to-face with Abram Kagan, a prominent mathematician who has been denied exit visas for over 11 years. Having advocated on his behalf with Soviet officials, I was pleased to hear that his situation has improved and that his wife and children are well. I will continue to press for their exist visas.

Rutgers University has provided Abram, two other scientists, and a bright young student, Marina, with invitations to attend the University. Marina's parents have made a commitment to obtain a visa for their daughter, even if it means that they must stay behind.

I first heard the news that the Soviet Union had agreed to settle 36 divided-family cases at a meeting with Sergey Chetverikov, Deputy Chief of American Affairs at the Soviet Foreign Ministry, on Monday in Moscow.

After spending 4 days in the Soviet Union with Congressman COURTER and several constituents from New Jersey, visiting privately with Jewish refuseniks, separated spouses, and families, I had reason to hope that some of the people I had met with would be among those allowed to be reunited with family and friends in the United States.

Chetverikov made casual references to the settlement of these cases during our meeting on human rights, but would give no details even after we presented our own list of people who have been denied the basic human right of freedom.

Having met personally with these forgotten people, one realizes the extent of their desperate situation and the reality of their lives in the Soviet Union. First, they are denied the right to leave the country, then they are treated as criminals because they have said publicly that they want to leave. Our short stay allowed us time to visit with only a few people. I met face-to-face with nearly three dozen refuseniks, including wives and relatives of prisoners of conscience, Hebrew teachers, scientists, students and several divided spouses.

It was clear that to the Soviet official these people were merely names on a list—one of many lists submitted on behalf of the cause of freedom. The Soviet official stressed that emigration policies are an internal matter.

To us, these people must be much more than names on a list.

As I flew from Moscow to New York, my mind returned to the courage and continuous hope of the people I met during my visits. It is difficult for the average American, who lives in freedom every day, to understand the psychological stress that is a major part of the daily lives of these brave people.

Even with the knowledge that any of these people can be accused and punished under any pretext at any time, these men and women face each day with conviction and with hope.

My thoughts returned to Galina Michaelson, who has been separated from her husband for 30 years. I remembered the expression on Galina's face and her comments to us. She was overwhelmed by the wedding ring I delivered from her husband in the United States. But after so many years of waiting and being refused the right to emigrate, Galina is still not sure of the usefulness of talking to us. After making request after request with the Soviet officials and being denied time and time again,

she wonders whether it will be with our influence that she will be let go.

I wonder, too. It is clear to me that the only consistency in Soviet policy on emigration is inconsistency.

These people are much more than numbers or names on a list. These are people who have been denied not only the right to emigrate, but countless other rights, including the right to work, to practice their religion, and to be free from harassment, fear, and separation from loved ones.

It was difficult to leave the Soviet Union knowing they will be left behind.

Yet, I was hopeful that the Soviet announcement that they will grant exit visas for several separated families cases will include some of the individuals I have visited and that it may indicate a change for the better in Soviet policy.

After clearing customs at JFK airport from Moscow, however, I was informed that none of the individuals I met with were included on the list to get exit visas.

I was reminded of what Anatoly Shcharansky stressed to me in a recent meeting in Washington as I prepared for my trip. The Soviets, he said, choose to resolve a few emigration cases in order to quiet public pressure but we simply cannot forget the countless others who have been left behind.

Mr. Speaker, for the old and the young Jews at the synagogue, for Boris, Abram, Galina and Marina, and their families, we must keep the pressure on the Soviet Union to establish a clear and consistent policy on emigration and to assure basic human rights.

FOR A JAPANESE EQUIVALENT OF THE MARSHALL PLAN

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. McGRATH. Mr. Speaker, I would like to draw the attention of my colleagues to an excellent article which appeared recently in the New York Times. The article was authored by James D. Robinson, the chairman and chief executive officer of the American Express Co. The article discusses the ramifications of the economic summit which took place in Tokyo.

Mr. Robinson stresses the importance of understanding and incorporating the ideas of George C. Marshall, with regard to current political/economic theory. As Mr. Marshall stated: Without "normal economic health in the world, there can be no political stability and no assured peace." Thirty nine years after these words were spoken they still ring true. Mr. Robinson's article follows:

FOR A JAPANESE EQUIVALENT OF THE MARSHALL PLAN

(By James D. Robinson III)

The economic summit conference of the seven great industrial nations in Tokyo is taking place close to the 39th anniversary of Secretary of State George C. Marshall's memorable proposal, in a Harvard commencement speech, that the United States give financial aid to war-torn European countries "willing to assist in the task of recovery."

A redefinition of global security is critical for this summit meeting and for the decades ahead. In the heat of competition between the superpowers, the world has become preoccupied with armed might. We have barely noticed how far America has drifted from its central historical purposes, laid down by General Marshall and his colleagues and followed so successfully after World War II.

The genius of the Marshall Plan lay in its unique definition of peace and security. Real security, General Marshall said, is not only military but economic: without "normal economic health in the world, there can be no political stability and no assured peace." That definition is one the summit participants should bear in mind because today, no less than in the 1940's, the insufficient economic growth of nations is a major threat to global stability and world peace.

To begin with, our international trading and monetary systems are not realizing their potential. Protectionism has been rising. Forecasts for growth in the developed countries are hovering at 3 percent for 1986, the barest minimum necessary to sustain the less-developed countries. These countries have already suffered greatly; sluggish growth in the developed world will only deepen their economic plight. If developed countries close their markets, the less-developed countries won't be able to sell their products or service their debt. The likely result? More misery and political turmoil—and a growing threat to international security.

To counter this threat, the summit leaders have a rare opportunity to lift their eyes above traditional concerns. But the United States, the principal guarantor of the free world's defenses, does not have the wherewithal to lead this new initiative as it did in the late 1940's.

Japan does. As the free world's second largest economy, and largest creditor, Japan could take the lead by investing in the economic elements of global security. One guideline would be for Japan to make investments commensurate (in percentage of gross national product) with the United States' investment in global military security. That figure would be around $60 billion. Today's missing element in free world security is the additional economic contribution that Japan and others with chronic balance-of-payment surpluses might make.

What shape might such a "Tokyo plan" take? There are many options, but the focus should be on three main lines of action.

First, Japan, which now tends to invest in short-term American securities, would redirect part of its investments to generate growth in trade to and from the less-developed countries. Japan's export-import bank, for example, could do more to finance imports from these countries. Currently, the United States absorbs 65 percent of their imports while Japan takes only 7 percent. As a major importer of oil, Japan might also accelerate its purchases of oil from such third world producers as Mexico.

Second, the Tokyo plan would strengthen the world trading system. Japan might, for example, boost its capital contributions to the international Monetrary Fund, World Bank and other global financial institutions. Or it might help create regional export-import banks around the world to help others finance trade transactions.

Japan has become increasingly interested in playing a larger financial role in such organizations as the World Bank and its affiliates such as the International Development Agency. With a stronger yen and balance-of-payments surpluses, Japan's capacity to play a significantly larger role is appropriate. But more power in these organizations also means more responsibility.

Third, the Tokyo plan would help stabilize the world monetary system. Last year, Japan exported more than $60 billion of capital. Much of these surplus savings are invested in short-term, dollar-denominated assets known as "hot money" because they are so vulnerable to rapid withdrawal. By encouraging its private sector to place more funds in longer term securities or direct foreign investment, Japan could lessen the danger of a rapid destabilizing drop in the dollar.

These are only examples. Most of them involve investments and capital flows—not Government budget expenditures. But such an initiative would clearly be in Japan's self-interest. It could help dampen anti-Japanese sentiment and protectionism, and would signal that Japan is assuming the leadership role so amply justified by its dynamic energy. Joined and supported by the other industrial democracies, the Tokyo plan could become a program as sweeping in its economic benefits and as memorable as the Marshall Plan.

THE GAINS FROM CONTADORA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BARNES. Mr. Speaker, it is worth focusing on a very important insight contained in a recent editorial of the Christian Science Monitor on the subject of Contadora and the importance of a settlement in Central America:

Washington's conditions for support of the diplomatic route appear to be growing rather than shrinking. Now that a diplomatic solution is in sight, an increasingly divided administration is backing off.

Indeed, the administration's determination that there not be a settlement in Central America has never been more obvious. The lastest "peace scare"—this one generated by Ambassador Philip Habib's suggestion that the United States might be prepared to support a treaty—forced the administration publicly to assure the right wing to the Republican Party that it in fact has no such intention.

But there are advantages to everyone—including the United States—in supporting the Contadora process. Along with many of my colleagues, I have been making this case for years. The Christian Science Monitor editorial, which follows, makes the case again:

[From the Christian Science Monitor, May 29, 1986]

THE GAINS FROM CONTADORA

Getting something one wants often means giving up something in exchange. That need to compromise—and the apparent unwillingness of the United States and Nicaragua to surrender the questionable advantages of the status quo for a Central American peace treaty that could bring net gains to both—goes a long way toward explaining why the goal of peace in the region remains so elusive.

Both Washington and Managua would do well to assess the cost to their respective

countries of what amounts to continued resistance to the required trade-off. It could make both countries more secure.

The Contadora treaty, three years in the drafting, aims to curb foreign military influence, limit national arms and troops, and promote democratic institutions in the region. At a meeting in Guatemala last weekend, leaders of the five nations involved agreed in effect to postpone the target June 6 signing date. One point of dispute: a reference in the concluding communiqué to the five leaders as "freely elected."

El Salvador, Honduras, Costa Rica, and Guatemala have long been ready to sign the treaty. Nicaragua, which first wants a US pledge to end its aid to "contra" rebels, has balked on the issue of arms control. Managua argues that an arms limit would hinder both its war against the US-backed insurgents and its own defense in the event of a US invasion, and that curbs must be limited to offensive arms. But after the Guatemala meeting, Nicaragua's President Daniel Ortega Saavedra appeared to bypass his earlier insistence that specifics be set only after the treaty is signed by saying he was ready to seek "concrete agreements.

Technically the US is not a party to the treaty, but it is clearly the most important player in the game. All along, the Reagan administration has said that it supports a diplomatic approach to the region's problems and that military aid to the contras was continued only because it was the most effective means to that end.

Yet Washington's conditions for support of the diplomatic route appear to be growing rather than shrinking. Now that a diplomatic solution is in sight, an increasingly divided administration is backing off. Signs of hardliner doubts: the surfacing last week of a Defense Department study expressing skepticism that Nicaragua would abide by the treaty, and conservative Rep. Jack Kemp's call for the dismissal of Philip Habib, President Reagan's envoy to Central America. Mr. Habib had pledged that US military aid to the contras would cease with the signing of the Contadora accord. The White House supports Habib but says aid would end only when the US was satisfied that Nicaragua is making good on its treaty promises. Since Mr. Habib is presumably acting on White House instructions, the administration should clarify its stand before the House takes up the debate again in June.

The administration has said its real aim is to stop Managua's external aggression. It underscored that point again this week during the visit to the White House by Honduran President José Azcona Hoyo by renewing its pledge to assist that nation in the event of an armed attack.

But the Reagan administration also continues to stress the importance of a more democratic Nicaragua. Its continued resistance in all but rhetoric to diplomatic peace efforts reaffirms suspicions that overthrow of the Marxist-led Sandinistas remains Mr. Reagan's underlying if still unstated goal.

The administration claims that its reluctance to endorse the Contadora treaty enthusiastically stems from doubts about the possibility of verifying Managua's compliance with the treaty. The concern is legitimate. Similar US reservations were the chief reason a similar treaty effort failed in 1984. Yet a variety of sources—from House Intelligence Committee chairman Lee Hamilton to a recent report from the Inter-American Dialogue group co-chaired by Sol Linowitz—insist that adequate verification is both possible and practical.

The US should use its leadership role constructively to vigorously support the treaty and accept the small sacrifices that would be required in an accompanying US protocol pledging support. The peace and security of the countries in the region, including that of their US neighbor, demand no less.

ESSAY CONTEST ON HERITAGE OF AMERICANS OF JAPANESE ANCESTRY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. MINETA. Mr. Speaker, the Boy Scouts of Troop 611 of San José, CA, sponsored by the San José Buddist Church Betsuin, held an essay contest on the heritage of Americans of Japanese ancestry.

The winning essay was written by Jon Izumi, a 12-year-old student in the sixth grade at Union Middle School. John is a second class Scout, and lives in San José.

Jon's essay explains who the first-generation immigrants from Japan were, and I am proud to provide this essay for my colleagues' information.

ISSEIS IN AMERICA

Issei is a Japanese word meaning first generation. The Isseis were the first generation of Japanese immigrants who journeyed from Japan to the United States. Most of the immigrants were farmers and from a very hard-working group of people. They were willing to work hard for such low wages.

California had more immigrants than any other State. Between 1900 and 1924, there were 20,000 Japanese in the State.

The Isseis did not know much about the American ways so they followed the customs of their own country. The father was considered the head of family, respect for their elders was important, and protecting the family name was very important. Since the Isseis did not have much opportunity for education, they made sacrifices so their children were well-educated.

The Isseis were not satisfied being laborers so many of them bought their own farmland. They became very successful farmers. Even though many Isseis owned very small farms in 1920, they contributed 13 percent of the total agricultural produce of California.

The Isseis were among the 110,000 Japanese people who were sent to relocation camps during World War II. Many traveled by train to either Arizona, Idaho, Wyoming, Colorado, Utah, Arkansas, and California (Manzanmor). They had to build their lives again after 3 years in the relocation camps.

One of the most exciting laws was passed in 1952. The law allowed people of Japanese ancestry to become citizens of the United States for the first time since they came from Japan as immigrants.

The Isseis proved to be a hardworking class of Japanese people.

I appreciate all of the hardships the Isseis sacrified because it now makes my growing up as a Japanese-American much easier. I will try to work as hard as them so the future Japanese-Americans will be just as imspired of them as I am.

JON IZUMI.

EAGLE SCOUT AWARD TO KENNETH KOPPENHAVER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. GEKAS. Mr. Speaker, I would like to take this time to express my congratulations to Kenneth Koppenhaver of Hummelstown, PA, who will receive the Boy Scout Eagle Award on Saturday, June 7, 1986. This event is always a special time for the family and friends of a young man who receives such an award because it is a recognition of his dedication to his community and country.

Kenneth, a senior at Central Dauphin East High School, is a member of Boy Scout Troop 69 at the Zion Lutheran Church of Hummelstown. He began the scouting program as a Cub Scout 10 years ago and has since worked his way through Webelos and Boy Scouts. As part of the scouting program Kenneth is a member of the Order of the Arrow, has been the second vice chief and presently holds the position of lodge chief.

Kenneth Koppenhaver has shown excellent service and leadership capabilities in his work with the Scouts and should be congratulated for earning this very distinguished achievement. I wish him good luck and great success in his future endeavors.

ITALIAN-AMERICAN SCHOLARSHIP ASSOCIATION WINNERS—A TRIBUTE TO THEIR ACHIEVEMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BIAGGI. Mr. Speaker, it is my privilege and pleasure to have this opportunity to extend my warmest congratulations and best wishes to the Italian-American Scholarship Association Inc. recipients as they are honored tonight in a dinner.

As New York's senior member of the House Education and Labor Committee, I am especially proud of these students. The $1,000 scholarship winners are: Glenn Breda, Barbara Caligiuri, Suzette Cocchiara, Dawn Columbo, Loreen Costa, Emily Fabrizio, Christine Focarile, Leigh Gallo, Lisa Gannon, Melissa Gentilello, Michael Giammarino, Linda Giarratano, George Hauss, Frank Martinelli, Lise DiMeglio, Grace Sagula, Donna Santilli, Christine Saya, Lauren Sbrollini, Anthony Spagnola, and John Sutton.

The $100 award winners are: Michael Bedore, Angela Capasso, Christopher Capra, Carlo Colecchia, Gregory Deely, Beth Klarberg, Celeste Lombardi, Maria Modafferi, Lisa Morina, Christopher Munnelly, Stephen O'Connell, Joyce Oliveri, John Peene, Kathleen Ross, Lisa Saliani, Salvatore Selvaggi, Lisa Spadafino, Debra Taratino, Karen Tolve, and Brian Wheeler.

These students were selected from 15 Rockland County high schools on the basis of

their character, community involvement, scholastic ability, and need. These young men and women have dedicated themselves to the pursuit of excellence and it is indeed fitting that they are being honored tonight.

I would also like to commend the Italian American Scholarship Association for their generosity in awarding these scholarships. The board of directors and corporate committee, including John V. Perrella; John A. Costa; Frank Trongone; Ralph A. Cipriani; Paul Guarino; Russ Petro, D.V.M.; George Scrocco, Esq.; Mary Siliano; Joseph R. Lagana; Nick F. Badami; and Frank S. Umbrino, C.P.A., demostrate leadership in making educational opportunities available for those in need.

By contributing to the scholarship fund, individuals such as Joseph Raso, Michael DiLonardo, and Armond Miele, along with many others have made an investment in the future. What greater gift can we give our country than educating our youth.

Those who have contributed to this fund demonstrate their commitment to excellence in our youth and should be commended for this.

I wish the scholarship winners continued success as they enter postsecondary education and strive for their goals. I especially wish to thank their parents, for without their support, encouragement, and motivation, these students would not have achieved this level of excellence. I also wish to commend their teachers, whose efforts should not go unrecognized. The Italian American Scholarship winners have worked hard to achieve this award, but their work has only begun. May they have the best of everything.

A CONGRESSIONAL SALUTE TO JOHN R. SCHNORE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to John R. Schnore, a community and civic leader in my district, who will be honored by the Harbor Association of Industry and Commerce for his outstanding service to the south bay area at a luncheon on June 12, 1986, in San Pedro, CA.

A native of St. Paul, MN, Mr. Schnore has an exceptional education background that includes the University of Minnesota, the Washington and Lee University and the University of California-Los Angeles. John Schnore has served the city of Los Angeles Department of Water and Power for over 23 years. During his years of service, his positions have included, governmental consultant in the power services division, lead consultant in the energy conservation and emergency information center, lead consultant in staff services, and the department of water and power's associations consultant. Clearly, Mr. Schnore has been instrumental in improving the quality of services provided to my constituents.

Mr. Schnore has also been a positive force in a large number of community and civic activities. He has been the president of the South Bay Association of Chambers of Commerce, secretary and board director for the Harbor Association of Industry and Commerce, board director of the Westchester-LAX Chamber of Commerce, and president of the board of the Los Angeles Department of Water and Power Employees Credit Union. Clearly, this is just a brief list of the many contributions that John Schnore has made toward improving the quality of life for people in my district and throughout southern California. It is truly fitting that the Harbor Association of Industry and Commerce honor John R. Schnore at this luncheon in recognition of his many years of professional and voluntary service to the people of the south bay area.

It is with pride that my wife, Lee, joins me in congratulating John R. Schnore on this auspicious occasion, and in wishing John R. Schnore, his wife, Mary, their children—Darcy, Vonnie, Bob, and Cherie, and their 11 grandchildren, continued success and all the best in the years ahead.

SALUTE TO AMERICAN MERCHANT SEAMEN

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. FIELDS. Mr. Speaker, on May 22, National Maritime Day, maritime industry leaders and Government officials gathered in the U.S. Senate Park to pay tribute to those Americans who have served in the U.S. merchant fleet during times of both peace and war.

This day, which is celebrated each year, serves to remind us of the thousands of merchant seamen who made the ultimate sacrifice of their lives to provide vital support for allied operations around the globe. In fact, the casualty rate in the U.S. merchant marine was higher than that of any branch of the uniformed service except that of the Marine Corps.

Regrettably, many of these merchant seamen—including those who survived the war, have been overlooked and forgotten by their Government in Washington.

Now 40 years after the end of that war, these former seamen, who served with such distinction, have not received the honors, benefits, and rights they truly deserve.

Among the speakers at the National Maritime Day was the outstanding president of the National Marine Engineers' Beneficial Association and a fellow Houstonian, Mr. C.E. DeFries. In his remarks, Mr. DeFries called attention to the inequities in the treatment of World War II veterans.

I would urge my colleagues to review these excellent remarks very carefully and to join with me in cosponsoring H.R. 4709, a bill which grants long overdue veterans benefits to our World War II merchant mariners.

The text of Mr. DeFries' statement follows:

REMARKS BY C.E. DEFRIES, PRESIDENT, NATIONAL MARINE ENGINEERS BENEFICIAL ASSOCIATION

Ladies and gentlemen, I am honored to speak at this year's National Maritime Day salute to American merchant seamen.

More than forty years ago, in World War II, tens of thousands of brave Americans took to the sea to move the logistics of war and essential trade. They did their job; they delivered the goods; and they died.

They died in such numbers that their casualty rate topped that of every American service save the U.S. Marine Corps. But, they never said "no", or "hell no, we won't go."

We are told by some today that we no longer need men such as these—that we have our so-called flags-of-convenience—that these runaway flag tax exempt ships with foreign seamen will deliver the goods to our fighting men overseas—that these foreign seamen will die for our country if necessary to supply our fighting men. This is plain hogwash—it merely guarantees that our next war will be fought in our country, in our own backyard, and not overseas, as we will surely not be able to supply our men with what little American merchant marine we have left.

Today, these men, those that survived World War II, are fewer still. Many that served are now in their 70's and 80's.

We have worked for years to bring veterans benefits to these survivors. We have not succeeded. With but few exceptions, we have met a stone wall of bureaucratic and Administration resistance. I can only conclude that the strategy behind this resistance is to wait us out, to let time, to let death, take care of the problem.

This is unacceptable. We will not give up the fight. We intend to pursue every legal avenue possible.

The same officials who turn us down pass off with a shrug wasted billions, think nothing of goldplating ships and planes, hundreds of times the cost of veterans benefits for a few courageous mariners.

Remember, I say to them, that these merchant seamen are men who passed the test, a greater test than most have ever been called upon to face. Remember, these are not men who avoided combat or went to college or divinity school. These are men that went to sea. These are not armchair warriors. These are not Rambos who have never seen the face of war.

These are men of true courage. These are men who deserve our thanks, deserve our support, and above all, deserve our honor.

We salute them today. We will not forget them. May their example continue to strengthen our future as it has already our past.

Thank you.

THIS ALLY IS TRUE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. APPLEGATE. Mr. Speaker, during the highly necessary action that the United States took last April in response to the terrorist activities of Libya and its leader Mu'ammar Qadhafi, many of our allies throughout the world condemned our air strike, with but a few, shining examples.

If it wasn't for the support provided by Great Britain in permitting U.S. Air Force bombers to operate out of that nation, our attempts to strike a lethal blow at terrorism all around the world would have been greatly compromised. Fortunately, we enjoy a strong and sincere relationship with this nation that, at one time,

represented a tyrannical and despotic power over our American colonies of the 18th century.

As Congress begins to consider what levels of expenditures should go toward the benefit of our allies, I would hope that the Members of the House and Senate will give the following editorial from the Wheeling, WV, Intelligencer some serious thought and consideration. When we remember those who stood with us on the Libyan matter, and those who did not, then maybe the matter of foreign aid will be much simpler to determine.

THIS ALLY IS TRUE

Decisions made by the Congress in appropriating foreign aid for the next fiscal year will be easier to arrive at as a result of the American air strike against Libya.

A long list of nations has hastened to condemn the United States for bombing the North African country. It is their right, all these Third World and "non-aligned" nations, to do just that, of course. France, as a sovereign nation, had every right to refuse to let U.S. planes fly over French territory—thus making their mission a far more dangerous one for American pilots.

Actually, the United States has only a handful of friends in support of the attacks. Israel, Britain, Canada. That's about it.

American flags were burned in the streets of Lahore in Pakistan and elsewhere in the world. Vietnam has called off any further meetings on the fate of missing Americans. Statements of condemnation were issued from such nation as Malaysia, Surinam, Uganda, Sudan, Ethiopia, Tanzania. China objected. So did Saudi Arabia, Egypt, Jordan, Kuwait.

Greece, Spain, Belgium, Italy all joined in the denunciation. Well and good. If that reflects the attitude of the governments involved, so be it.

But we want the Congress of the United States to keep this list of nations condemning the United States handy when the American foreign aid dollars are ladled out this year.

These countries simply cannot expect to have it both ways.

They cannot expect to receive billions upon billions from the United States to shore up their own security while at the same time sanctimoniously chastising the United States of America for finally confronting the menace of terrorism.

For more than 40 years now, American fighting men have been stationed in Europe, there to defend the West at a heavy cost to the taxpayers of the United States. When their own security has been threatened these nations have been careful to identify themselves as our friends and "allies." But when the chips are down, whose side do they come down on? Not ours. What are allies for, anyway?

These are most appropriate questions, we believe. They need to be answered in the aftermath of the Libyan raid. And the politicians in Congress need to be reminded of them when foreign aid appropriations are made—or, preferably, not made.

And if we have any money for such foreign assistance why not give it to Great Britain? It was Prime Minister Margaret Thatcher who said, "It was inconceivable to me that we should refuse U.S. aircraft and U.S. pilots to be able to defend their own people. I believe the United States was entitled to use its inherent right of self-defense. If one always refused to take any risks because of the consequences, then the terrorist governments will win and one can only cringe before them." Now, that's an ally!

MR. AND MRS. HARVEY L. SILBERT

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BERMAN. Mr. Speaker, on August 16, my close friends Harvey and Lillian Silbert will be celebrating their 50th wedding anniversary. This milestone bears testimony of a depth and strength of love that is an inspiration to all who know the Silberts.

The loving family and warm relationship created by the Silberts has a special and very personal meaning to me and to my wife, Janis. In their generosity and friendship, they offered their beautiful home for our wedding ceremony and in their gracious manner, hosted the most memorable occasion of our lives.

For a half a century, Harvey and Lillian have loved and supported each other through the good and bad times shared by all families. The problems they have overcome together have strengthened them, and the good fortune earned by their diligent work has always been shared by friends, family, and a host of people less fortunate. The many accomplishments of their 50 years together entitle them to enormous and justifiable pride.

Harvey has enjoyed two outstanding careers—as an attorney and partner in the prestigious law firm of Wyman, Bautzer, Rothman, Kuchel & Silbert, and as an extremely successful businessman. He has served as chairman of the board of the Technology Finance Corp., chairman of the board of the Desert Associates—Sheraton Plaza Hotel and as director of the Zenith National Insurance Co.

Even with his demanding professional schedule, Harvey always found time to contribute his insight and energy to worthwhile causes. The University of California at Los Angeles has benefited from his service as a member of the board of trustees and as a member of its chancellors associates. He founded the Silbert International Scholars Program at the UCLA Medical School. In Los Angeles, he served as national chairman of the American Friends of the Hebrew University and in New York, as the international director of that organization. He is on the Financial Committee of United Jewish Welfare.

His lovely wife, Lillian, has also given generously of her time for charitable causes, balancing her active community involvement with the rewarding but demanding task of raising a family. She served as chairman of the Builders of Scopus of the Women's Committee of the American Friends of the Hebrew University, and as a member of the Society of the Founders of the Hebrew University of Jerusalem. In recognition of her outstanding work, she was named the first recipient of the Golda Meir Fellowship Award. In June of 1985, a crowning achievement of her life was the dedication of the Lillian Silbert Gardens on the Mount Scopus Campus of the Hebrew University. She is widely known as a charming and gracious hostess who has opened her home to many worthwhile events and has entertained political leaders from around the world.

It is my distinct pleasure and honor to join with the Silberts' two children, Lynne Weingarten and Ken Silbert, and with Lillian and Harvey's four grandchildren and my colleagues in the House of Representatives to congratulate these two wonderful people on the occasion of their golden anniversary.

ACTIVITIES OF THE SO-CALLED NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

SPEECH OF

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mrs. BENTLEY. Mr. Speaker, the fundraising tactics of the National Committee to Preserve Social Security and Medicare have been subject to much scrutinization in recent years and are again before us today. I want to commend the gentlewoman from Maryland for addressing this important issue.

I am literally outraged that anyone has the gall to prey on senior citizens through such misadvertising and scare tactics used by Mr. James Roosevelt, the president of this organization.

Time and time again, Mr. Roosevelt has been asked to reform his tactics. Although, year after year, Mr. Roosevelt continues to misinform and mislead senior citizens through his deceptive advertising gimmicks.

Recently, I received two checks in the amount of $10 each. They were attached to letters from constituents in my district, saying that they had received a letter from Mr. Roosevelt instructing them to send me money. Needless to say, I was incensed by the entire matter and promptly returned the money to my constituents.

The very though that my constituents think I need contributions of $10 or more from them in order to represent their interests outrages me. If my constituents in the Second District of Maryland have concerns regarding the future of Social Security or Medicare, I suggest that they save their money and write to me, personally. Mr. Roosevelt implies that a middleman such as he is necessary in order for me to hear their concerns. This is just not true. As you can see in this case, the middleman charges at least $10 per person and is never seen by many Members of Congress.

Prior to this last letter, Mr. Roosevelt was soliciting contributions of $10 or more from seniors for a so-called update on their Social Security status. He said that this would cover the cost of the inquiry. However, as any Member knows, these questions can be answered free of charge by the Government and their representatives can give them information on how to obtain this information.

Information regarding Medicare that was being sold in his most recent letter for $10 can be received from the American Association of Retired Persons free of charge by requesting a booklet entitled "Medicare's Pro-

spective Payment System, Knowing Your Rights."

When it comes right down to it, misguidance and misleading information is not a foreign topic to Mr. Roosevelt. He has used it before to deceive constituents and prey on the small resources of many seniors and today, I happily join with my colleague Mrs. BYRON and the many others who are calling for an end to these deplorable scare tactics used by Mr. Roosevelt.

VETERANS OF FOREIGN WARS VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. MADIGAN. Mr. Speaker, recently the Veterans of Foreign Wars held their annual Voice of Democracy Speech Contest here in Washington. I am very proud to say, Mr. Speaker, that Miss Janet Lynn Bianchetta of Coal City, IL, was the Illinois representative. As Coal City is in my congressional district, I am honored to submit her award-winning speech to the RECORD today.

NEW HORIZONS FOR AMERICA'S YOUTH

People of all ages love popcorn. When I was younger, I used to imagine I was a kernal of corn. And, if I were lucky, well—maybe someday when I got older, I'd get to dance around inside a popcorn popper with all of my friends. And, just before the dance would end "poof" we would all turn into big fluffy pieces of popcorn. Some of us would be buttered; some of us would be salted. Perhaps my child-like image of life isn't too far off. The American of youth today can experience the sweet buttered tasted of new horizons.

For a new taste sensation, take a look at today's educational system. It is a proven fact that there is approximately a hundred times as much to know as there was in 1900, and by the year 2000, there will be a thousand times as much to be learned as there is today. Technology particularly has advanced more rapidly in the past fifty years than in the previous five thousand. And, every ten years scientific knowledge doubles. These statistics may seem too hot to bite into, yet it's the responsibility of young people today to absorb and apply the knowledge generated from school systems all over America. As a result, there is a larger percentage of students who finish high school and then further their education by attending universities, colleges, and trade schools.

Industries today are exploding with flavor. Little tags reading "made in the U.S.A." are found everywhere from the clothing we wear to the chairs we sit in and the cars we drive. "America" is the ingredient that curbs the hunger of our youth.

The sweet smell of T.V. Business is becoming one of the most competitive and sought after careers today, not to mention all the advancements in advertising and marketing. These are merely a few of the most prestigious and well paid jobs in society.

Religion, also is taking on a few flavor for American youth. Many improvements and moderations have been made to accommodate the family of the eighties. God is becoming a vital necessity, uniting new and old families together with the most delicious bond of all, the bond of love.

But then, why should we settle for anything less when America's youth have had the tastiest treat of all, example. As I reflect upon past hero's, I leave clues to the future. Albert Einstein, an ambitious man with talents excelling to the heavens, applied his knowledge and skill to create a scientific formula vital to mankind: energy equals the mass multiplied by the speed of light squared. Benjamin Franklin was a great leader of men and discovery. He performed many experiments based on electricity and conductivity. The forty Presidents of the United States have fulfilled their oath in office and guided us safely from tyranny. The Veterans of war have stepped forward to preserve, protect and defend our nation's Constitution.

By these examples, we have proved that things could be done, that dreams could be embodied in action and that a better life could be achieved through hard work and ingenuity. Look around you. America's youth, like kernels of corn, are popping up to reach new horizons.

TRIBUTE TO COMMAND SGT. MAJ. MALCOLM JOSEPH ON THE ANNIVERSARY OF HIS RETIREMENT FROM THE U.S. ARMED FORCES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BIAGGI. Mr. Speaker, as we approach the 1-year anniversary of the retirement of Command Sg. Maj. Malcolm N. Joseph from the U.S. Armed Forces after 37 years of service to his country, I would like to take this opportunity to remind my colleagues of the accomplishments Command Sergeant Major Joseph achieved in these 37 years.

Malcolm N. Joseph was inducted into the U.S. Coast Guard in 1943, where he served for 3 years. In 1948, he enlisted in the New York Army National Guard, where he has served since. His years of service have shown Command Sergeant Major Joseph many battles and many decorations.

During his service with the U.S. Coast Guard, then Seaman First Class Joseph participated in the invasions of the island of Luzon in the Philippines, the island of Palau—part of the Caroline Islands, and the island of Enwetqk—part of the Marshall Islands. In March 1946, Malcolm Joseph received an honorable discharge.

On January 12, 1948, Command Sergeant Major Joseph enlisted in the New York Army National Guard, serving in active duty with the 715th AAA Gun Battalion during the Korean conflict. He also served with the following New York Army National Guard units: 715th AA Gun Battalion, 772d Transportation Company, HHD 141st Transportation Battalion, HHC 2d Battalion 106th Infantry, HHB 4th Battalion 258th Field Artillery, and the 1st Battalion 258th—155-mm towed, 8-IN SP—Field Artillery.

Command Sergeant Major Joseph has worked as an administrative assistant—for 1 year, clerk typist—for 1 year, administrative supply technician—for 20 years, and operation and training readiness specialist—for 12 years—for the New York Army National Guard. Other positions he has held while serving in the National Guard include: personnel staff NCO, operations sergeant, first sergeant of both infantry and artillery units, and command sergeant major of an artillery battalion—General support. Command Sergeant Major Joseph was a member of the staff and faculty of the Empire State Military Academy, holding the positions of tactical NCO, senior tactical NCO, NCOIC–NCO Company, sergeant major NCO Battalion, and executive NCO—NCO Battalion. He is a certified instructor in battalion training management systems.

During his many years of service, Command Sergeant Major Joseph received many awards and decorations including: the American Campaign Medal, the Asiatic-Pacific Campaign Medal—2 service stars, the World War II Victory Medal, the National Defense Service Medal, the Armed Forces Reserve Medal, the Army Reserve Components Achievement Medal, the NCO Professional Development—numeral 4, the Philippine Liberation Ribbon—1 service star, New York State Military Commendation Medal—2 awards, the New York State Long and Faithful Service Decorations—for 35 years, the Duty in Aid of Civil Authority Medal—3 awards, and the Medal for Humane Service to New York State.

Command Sergeant Major Joseph's dedicated service to his fellow man and selfless commitment to defending his country is a tribute to his outstanding character.

A CONGRESSIONAL SALUTE TO EMERSON W. DAUNCEY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Emerson W. Dauncey, a community and business leader in my district, who will be honored as the outgoing president of the Greater Lakewood Chamber of Commerce at their 37th annual president's inaugural and awards luncheon on June 24, 1986.

In addition to his fine work with the Greater Lakewood Chamber of Commerce, Mr. Dauncey has an exceptional education and business background. A graduate of Long Beach State with a bachelor's degree in industrial engineering, a recipient of a certificate in business from the University of California-Los Angeles, and a paratrooper who served in the 82d Airborne, Emerson Dauncey has had an illustrious career at General Telephone of California, where he has worked for over 20 years. He started in engineering, progressed to planning, toll management, supply and transportation, materials management, director of corporate regional offices, and capital planning. He is currently the division manager of operations in Lakewood, and the surrounding communities of North Long Beach, Signal Hill, Los Alamitos, and Seal Beach. In all, he is responsible for services to about 200,000 customers. Clearly, Emerson Dauncey has been instrumental in the development of telephone

and telecommunications services for people in my district.

Emerson Dauncey has also been a positive force on community activities. He has worked with the Bellflower, Artesia, Cerritos, Los Alamitos, and Signal Hill Chambers of Commerce, in addition to his work as first vice president for the 1984–85 term, and president for the 1985–86 term of the Greater Lakewood Chamber of Commerce. He has done an excellent job as the chamber's president and I am sure that his influence will continue to be felt in communities throughout southern California, both through his business and voluntary community activities.

My wife, Lee, joins me in congratulating Emerson W. Dauncey on a job well done, and in wishing Emerson W. Dauncey, his wife Chloe, and his son David, continued success and all the best in the years ahead.

TOM AND HARRIET WILLIAMSEN: CELEBRATING 50 YEARS TOGETHER

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. FIELDS. Mr. Speaker, I would like to take this opportunity to salute two of my constituents who, on Friday, June 6, will celebrate their 50th wedding anniversary in Houston.

At a time when one marriage in two ends in divorce, C.T. "Tom" and Harriet Williamsen, nee Petersen, are an inspiration to all who know them. They are the best example of which I am aware of what it means to be in love. For a half a century, they have given one another strength, encouragement, comfort, and love. They have sacrificed for one another and sustained each other.

It sounds old fashioned, and, unfortunately it probably is, but C.T. and Harriet seem to have been made for one another. They first met on August 22, 1930, at a high school function on Long Island. They continued to see one another, with Harriet traveling to Indiana several times during C.T.'s college years at Tri-State and Notre Dame. As it is apt to do, love conquered both time and distance, and they were married in St. Joseph's Church in South Bend, IN, on June 6, 1936.

C.T. and Harriet have been richly blessed since then.

They have been blessed with two children: Charles T. Williamsen III, a graduate of the U.S. Merchant Marine Academy and now a top executive with General Electric in New York, and Barbara E. Williamsen Bowes, who I am proud to have had as my district coordinator in my Houston office for the 6 years I have been in Congress.

They have been blessed with rewarding and satisfying careers. C.T. has held a variety of metallurgical and engineering positions for firms ranging from Bendix, to a division of General Motors, to Grumman Aerospace. Today, though officially retired, C.T. remains an independent metallurgical consultant, and is a member of an impressive list of scientific, technical and engineering organizations. Harriet pursued the equally demanding career of wife and mother—in addition to serving for several years as an office manager with Bond's Clothing Stores in New York. Her cooking skills—particularly her cakes and cookies—are much in demand by all those who know her. And Mr. Speaker, I know that if you're ever in Houston, Harriet would love to put those cooking skills to use for your enjoyment.

They have been blessed with good health, happiness and a sense of community. C.T. and Harriet return every year to South Bend, where one of their grandchildren participates in a soccer camp associated with Notre Dame. A loyal fan of the Fighting Irish, C.T. finds time to serve on the church council of St. Dominic's Catholic Church in Houston, and is a member of the Houston Area Jaycees, Ducks Unlimited, and the National Rifle Association. Harriet, who is a past president of her local PTA chapter, has been active in the Woodforest Women's Club since she and C.T. moved to Texas in 1975. Her legendary needlepoint, and her work in a variety of adult education programs over the years, have kept her busy. Together, they are active members in the American Cancer Society and the American Heart Association.

But Mr. Speaker, their greatest blessing has been one another. C.T. and Harriet Williamsen are quite a pair, and their love for one another—a love which has endured undiminished during the course of the last half a century—gives all of us hope that we, too, might come to know their very special kind of love.

Those of us who know them and love them and admire them are looking forward to being with them on Friday to observe their golden wedding anniversary. Many more individuals who cannot be there in person will be there in spirit.

Mr. Speaker, I hope you and my colleagues will join with me in extending congratulations and best wishes to C.T. and Harriet Williamsen of Houston as they celebrate the 50th anniversary of that day in South Bend, IN, when they looked into one another's eyes and vowed "to have and to hold, from this day forward, for better or worse, for richer for poorer, in sickness and in health, to love and to cherish, till death us do part."

Thank you, Mr. Speaker.

LONGTERM NATIONAL DEFENSE STOCKPILE POLICIES

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. SPENCE. Mr. Speaker, the Honorable CHARLES E. BENNETT, chairman of the Seapower and Strategic and Critical Materials Subcommittee of the House Armed Services Committee, has written an incisive article about the national defense stockpile which was published on June 2 in the Washington Times. It is fortunate that we have a Member of Congress knowledgeable about strategic and critical materials issues and devoted to the maintenance of a strong national defense stockpile to meet the materials requirements for any future national security threat to the United States.

I share his views about the misguided efforts of the National Security Council and the Office of Management and Budget to sell off national defense stockpile assets for economic and budgetary purposes with little regard for national defense requirements for strategic materials. I, therefore, insert in the RECORD the article entitled "Shortsighted on Stockpiles" so that all Members will have the opportunity to reflect on the issues raised by Congressman BENNETT.

[From the Washington Times, June 2, 1986]

SHORTSIGHTED ON STOCKPILES?

(By Charles Bennett)

One thing President Reagan prides himself on is his pro-defense posture. Yet, in one important area of defense policy his administration is acting contrary to the security interests of the United States.

Our stockpile of strategic and critical materials is being dangerously mismanaged. As a consequence, the United States is unnecessarily pursuing a short-term strategy against a long-term foe.

As the smoke cleared at Pearl Harbor, the United States found itself at war on two fronts, and perilously short of critical materials needed to gear up its neglected war machine. Those shortages created production delays that lengthened both the war and its casualty lists. It was decided that we should never find ourselves in that position again, and the stockpile was born.

The Stockpiling Act of 1979 states the stockpile's purpose is "to preclude, when possible, a dangerous and costly dependence by the United States upon foreign sources for supplies of such materials in times of national emergency."

Unfortunately, the United States is dependent on imports of many materials essential to modern war production. The primary sources of some key materials are either the Soviet Union or Southern Africa.

Now, the good news: American vulnerability to a strategic materials cutoff is avoidable through intelligent stockpiling. An adequate stockpile serves as both a deterrent to war and a defense against economic and political blackmail. The creators of the stockpile learned this the hard way. Lamentably, the good intentions of the stockpile's founders have fallen victim to the short-term calculations of its managers.

The present administration is not alone in this regard. The stockpile has been tampered with by almost every administration since its creation. Top White House and budget officials seem unable to resist cashing in our nation's raw-materials insurance policy for short-term fiscal of foreign-policy purposes. Yet, it is ironic that the most pro-defense administration in recent memory is acting to strip us further of the ability to sustain long-term was production.

The National Security Council has recommended that we reduce the stockpile goals from the current $16 billion in materials recommended by Presidents Ford and Carter to a meager $700 million. Has there been some radical change in our dependence on critical materials since 1977, when the current goals were reaffirmed? No. Are our sources of supply more secure now than in 1977? No, again. In fact, Southern Africa is decidedly less secure.

This proposed 95 percent reduction in our stockpile goals is based on purely budgetary

considerations. Proof lies in the president's own announcement of the proposed goals. He stated that some of the funds raised by selling off "surplus" stockpile materials "will go to reduce the deficit." This is a violation of the law, which states the stockpile "is not to be used for economic or budgetary purposes."

The administration's stockpile plans are dramatically inconsistent with our declared military doctrine. The president and I both believe we need military forces capable of fighting across the entire spectrum of potential conflict. That spectrum includes lengthy conventional warfare, as well as possible escalation to nuclear war. If we cannot sustain conventional conflict, we are less likely to avoid a nuclear war that no one can win.

The Defense Secretary's FY 1986 Report notes, "Because of the enormous military strength of the U.S.S.R., the United States cannot prepare only for a 'short war,' which would merely tempt an adversary to believe he could outlast us in combat." In essence, we should not pursue a short-term strategy against a long-term foe. An adequate stockpile bolsters our ability to sustain conventional conflict. Improved conventional capability raises the nuclear threshold, and enhances deterrence.

Should we pass up a safe way to make war less likely, in favor of cosmetic deficit reduction?

I think not. That is why I have introduced legislation to set the stockpile goals by law instead of by administrative action, and to place all appropriations for the content and operation of the stockpile under the jurisdiction of the Defense Department. Only in the Pentagon will the stockpile receive the priority attention, and funding, it deserves.

In 1963, former President Dwight D. Eisenhower wrote, "The nation's investment in these stockpiles is comparable to the investment made in any insurance policy. If an emergency does not arise, there are always those who can consider the investment a waste. If, however, the investment had not been made and the emergency did arise, these same persons would bemoan, and properly so, the lack of foresight on the part of those charged with the security of the United States."

As chairman of the House Subcommittee which oversees the stockpile, I intended to underline this administration's lack of foresight before such an emergency. If it refuses to listen to reason, my legislation will ensure that our security interests are protected.

IN THE SOVIET UNION: FIVE JEWS—

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. KINDNESS. Mr. Speaker, as many of us in this body prepare to participate in the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry on the east front of the Capitol tomorrow, I would like to call the attention of my colleagues to the following article:

[From the Washington Post, May 18, 1986]

IN THE SOVIET UNION: FIVE JEWS—

(By Jack Anderson and Dale Van Atta)

The visit of Soviet dissident Antoly Shcharansky to this country was a poignant reminder that other Soviet Jews, not as well-known as Shcharansky, are still in prison or under house arrest for the "crime" of wanting to leave the homeland that has oppressed them—and having the temerity to protest their government's refusal to let them go.

Shcharansky's persecution was justifiable in the KGB's eyes because of his activities as a monitor for the Helsinki Accords, the East-West agreement that was supposed to ensure basic human rights for the Soviet bloc citizens.

The situation of five Soviet Jews prosecuted in the last year was significantly different from that of Shcharansky. All they did was apply for permission to emigrate from the Soviet Union and write to friends, prominent individuals and groups asking for help.

According to court documents obtained by the Union of Councils for Soviet Jews and reviewed by our associate Lucette Lagnado, most of the prosecutions were based on the notorious Article 190-1: "Circulation of Fabrications Known to Be False which Defame the Soviet State and Social System." The appeals for help, intercepted by the KGB, were used as evidence in their trials in the Soviet government's eyes, no Soviet citizen needs to ask for outside help in dealings with the state.

Here are summaries of the five cases:

Vladimir Lifschitz. The first Jew arrested after the Geneva summit, he is an electrical engineer and mathematician. When he applied for permission to emigrate to Israel in 1981, he was forced to resign after 20 years at a scientific research institute.

Years of sporadic harassment intensified in February 1985, when two KGB agents came to his home, took him in for questioning and warned him that his activities were considered anti-Soviet. Last July, the KGB returned and searched his apartment. They seized three books—"Six Million Accuse," What Is Torah?" and "The Kaunas Ghetto"—and a letter addressed to communist parties in the West.

Finally arrested last Jan. 8, Lifschitz was sentenced to three years' hard labor for anti-Soviet slander. Crucial evidence at his trial were the three books, tapes of Hebrew lessons and letters to friends overseas that the KGB had intercepted.

Leonid Volvovsky. He was arrested in June and tried last October under Article 190-1. Volvovsky had taught himself Hebrew and studied Jewish history and culture. In 1980 be and his family were banished from Moscow to the closed city of Gorky.

At his trial, prosecutors charged that Volvovsky had once stated in a conversation that there is anti-Semitism in the Soviet Union. Other evidence included a letter he had sent to Leonid Brezhnev and letters he had received from people overseas. He was sentenced to three years in prison.

Roald Isaakovich Zelichenok. Until 1984 he was a senior engineer at the Institute of Cytology of the Soviet Academy of Sciences, even though he and his wife had applied for exit visas in 1978. His home was searched at that time, but it wasn't until 1984 that he was asked to leave his job. When he refused, he was accused of being part of "an underground Zionist computer society."

Zelichenok was arrested last year and charged with anti-Soviet slander. The evidence was largely letters he had sent to the West, appeals to friends, political leaders and other public figures. "The social danger of the crime is obvious," the prosecutor explained, "because . . . such materials . . . will ultimately be used by the mass information media in the West as ideological propaganda against our country." Zelichenok drew a three-year sentence.

Alexei Magarik. He was arrested two months ago, and official documents are not yet available but sources say he was charged with possession of drugs.

Magarik was arrested at an airport. The KGB searched his luggage and returned it to him. Then, as he was standing in line to board the plane, the KGB reappeared and demanded to search his luggage again. This time they produced narcotics and arrested Magarik.

Betzalel Shalolashvili. A Georgian, he was arrested last March 14, the same day as Magarik. In his case, the trumped-up charge was "evading the draft." Again, documents are unvailable, but friends of Shalolashvili told our sources he had never received his call-up notice. His trial is scheduled for later this month.

Meanwhile, in a refinement of cruelty that only the KGB could think up, while Shalolashvili has been languishing in jail awaiting trial, his family has been granted permission to emigrate.

Mr. Speaker, we are elated by the release of Soviet dissident Anatoly Shcharansky, but for every Shcharansky who is released there are numerous others suffering at the hands of the Soviet Government. Such human rights abuses cannot go unnoticed.

I would urge my colleagues to participate in tomorrow's Fast and Prayer Vigil for Soviet Jewry, and to join us in the ongoing 1986 Congressional Call to Conscience Vigil for Soviet Jewry.

EAGLE SCOUT JOHN McGUIRE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LIPINSKI. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the achievements of a fine young man in my district, John McGuire. This past Sunday John was honored for achieving the highest rank in scouting, that of Eagle Scout.

The path to Eagle Scout is truly a long and difficult one. It requires an extraordinary amount of dedication and determination not usually seen in youths of this age. The tasks which must be completed to become an Eagle Scout cover virtually every realm of human experience. Some require intellectual and creative abilities while others call for physical agility and strength. Some tasks help integrate the young man into society through community action that benefits his neighborhood and world. Still other acts are performed alone intended to develop internal growth and maturity. Always, however, is the challenge to set and strive for goals through initiative and diligence.

Young men like John are leaders. The achievement of Eagle Scout is likely to be

only the beginning of a future full of accomplishments. For this young man has shown that he can perform exceptionally well without a compelling hand of authority over him. I say this not to downplay the importance of the encouragement he received from his family and Scout leaders but, rather, to assert the independence and self-motivation he has already shown.

Your achievement of becoming an Eagle Scout is praised and applauded. It is with sincere pleasure that I commend you, John McGuire, before my fellow Members in Congress.

SHORTER COLLEGE CHORALE

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. DARDEN. Mr. Speaker, the international exchange of cultural programs is a vital component in the promotion of understanding between the peoples of the world. I am proud to say that the people of Yugoslavia soon will be able to enjoy the performances of an outstanding group of artists from the Seventh District of Georgia—the Shorter College Chorale from Rome, GA.

The Shorter Chorale will travel to Yugoslavia later this month to participate in the international choral competition at the city of Nis. The group will perform and be judged independently in five different settings during the competition, which runs from July 2 through July 8. They will vie for honors with other choirs from nations in Western Europe, as well as Hungary, Greece, Romania, East Germany, the Soviet Union, and the host nation, Yugoslavia.

The Chorale also will perform in several other Yugoslavian cities during their visit to that country.

The Shorter Chorale has a distinguished history of representing the United States in international competition. In 1980, they traveled to the International Convention of a Coeur Joie—the National Choral Organization of France—representing the United States and the American Chorale Directors Association. In 1983, they were the choir in residence at the Hellbrun Festival in Salzburg, Austria.

These outstanding singers also have performed extensively in our own country. A 9-day tour this spring took them to New York City, with intermediate stops in Statesville, NC; Williamsburg, VA; Richmond, VA; Arlington, VA; and Lutherville, MD.

Mr. Speaker, I invite my colleagues to join me in saluting the 40 singers of the Shorter College Chorale, their organist Dr. Peter Dewitt, and their director, Dr. John Jennings. They truly are outstanding performers and ambassadors of good will for the United States, and I wish them well as they undertake their journey to Yugoslavia.

NATIONAL TRANSPORTATION WEEK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BIAGGI. Mr. Speaker, the President recently proclaimed the week of May 11, 1986, as "National Transportation Week." This is the 29th year that the United States has called for recognition of its transportation system.

In his May 15, 1986, proclamation, President Reagan praised the Interstate Highway System, which will be completed by 1990. He noted the freedom and convenience with which our citizens can travel, and he referenced our ability to move goods by water, surface, and air. We do indeed have much for which we should be proud in the area of transportation.

Unfortunately, the President's reference to our ability to move goods by water is somewhat misleading in the context of international shipments. The United States certainly can ship its products overseas. The bulk of those shipments, however, is not carried by U.S. vessels; those shipments are carried by foreign vessels.

In the 29 years since National Transportation Week was first proclaimed, the U.S.-flag merchant marine has been severely eroded. In 1957, the U.S. merchant marine carried 17.6 percent of the U.S. oceanborne foreign trade by tonnage and 32.1 percent by value. Today, U.S. vessels carry less than 5 percent of U.S. trade tonnage, and the carriage by value has been halved. It is not too rash to say that, in 1986, our oceanborne transportation system is almost fully dependent on the ships of other nations.

I am very distressed by this increasing dependence on foreign ships. Clearly, U.S. international trade is jeopardized. Our ability to export products is only as good as our ability to find the ships to carry them. It's true, much of our commerce is carried by the ships of our allies. However, the difficulty in obtaining the support of certain of our allies for our actions against Libya has shown the weakness of relying too heavily on them. Their own national interests may prevent them from providing the United States with what we need. This could equally obtain for shipping in some future circumstances. If so, the transportation of American goods would be severely curtailed—and U.S. vessels most probably would not be available to make up the difference.

It is vital that the United States recognize the importance of having a strong, competitive U.S. merchant fleet. As we applaud our past accomplishments in developing an efficient transportation system, we must also look now to the future of that system. We must again develop a merchant marine capable of linking our domestic transportation network with our export markets. We must cast off our dependence on foreign vessels.

I support wholeheartedly the 29th proclamation of National Transportation Week. I only hope that next year, on its 30th anniversary, I can say that the United States wisely has begun to rebuild a U.S.-flag merchant fleet equal in stature to its domestic transportation system.

MARION HOLT DAY IN ALAMEDA, CA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. STARK. Mr. Speaker, every year the Merchants' Council of the South Shore Shopping Center in Alameda, selects an Alameda resident as the "Citizen of the Year."

The award is presented at a testimonial dinner to publicly thank and honor the recipient for his or her outstanding commitment to the betterment of Alameda.

The 1986 Alameda "Citizen of the Year" is Marion Holt and I am pleased to join the Merchants' Council to pay tribute to this outstanding Alameda resident.

Mrs. Holt justly deserves this tribute. She has contributed tirelessly to the Alameda Hospital Volunteer Group, the Oakland Childrens' Hospital Fundraisers. She is active with the "Love Is The Answer" group in the local nursing homes and Mrs. Holt currently chairs the Alameda Animal Rescue and Control board of directors.

These are only a few of Marion Holt's accomplishments which have enhanced the city of Alameda. She is truly a woman of compassion and of vision. I join her friends in saying thank you for her commitment and contributions.

NEW JERSEY CELEBRATES THE FESTA ITALIANA

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. RINALDO. Mr. Speaker, one of the most popular and entertaining ethnic cultural events in New Jersey is the annual Festa Italiana held at the Garden State Arts Center in Holmdel. This year the annual Festa Italiana will be held on June 7.

New Jersey has one of the largest populations of Italian-Americans in the Nation. They have enhanced the value of a society devoted to freedom and cultural pluralism. They have been full and active participants in the life of this country, not only in time of peace but also in time of war. They have not, however, forgotten their roots. A day of recognition and celebration of the contributions of Italian-Americans to our culture, education, business life, and the diversity of New Jersey is worth our attention. The Festa Italiana provides the single most important event other than Columbus Day on the calendar for Italian-American families and their many friends and admirers in the Garden State.

As chairman of the proclamation and declaration committee, I am proud to serve with such distinguished Italian-Americans as Renato R. Biribin, general chairman, and Middlesex County Freeholder Director Stephen J.

Capestro, cochairman. Mr. Biribin is an attorney in Plainfield, and served as general chairman of the Festa Italiana in 1975 and 1976 and was national president of UNICO in 1980–81.

The theme for this year's festa is "La Famiglia." Indeed, it is the unity and strength of the family that our social order rests upon; without the moral values, discipline, sense of responsibility, work ethic and love taught in the family, we could not endure as a nation.

Festa Italiana reminds people of the many contributions that Italian-Americans have made to our State. From politics to the arts, from education to entertainment, the names of the Italian-Americans are prominent. We are proud people not only in terms of what we have done for America but also in terms of history.

Pride and hard work underlie the Italian-American experience in America. One reason we have been so successful it that Italian-Americans don't believe that America owes us a living.

The Italian immigrants who came to America did not come here believing that this country was required to give them a living and take care of them.

They didn't want that. What they asked for was a chance to earn for themselves a better life. They did not come here for handouts. They did not come to take it easy. They came to work, to learn, to build, and to contribute to this great country of ours.

From the days of the Founding Fathers, Italian-Americans have preserved in their individuality and inherited characteristics while simultaneously integrating themselves into the American mainstream and uniting with their neighbors in building, enriching and cherishing their new homeland of America.

Festa Italiana is a tribute to all those Italian-Americans who live in New Jersey and have contributed in so many ways to its success. We salute them.

PUBLIC SUPPORT FOR LEGAL SERVICES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. FRANK. Mr. Speaker, one of the programs highest on the President's hit list for total extinction when he came to office was the Legal Services Corporation. But the program, while it has been cut to a level substantially below where it should be, survived the frontal assault from the rightwing. Even in 1981, when the President was winning many of his legislative goals, large majorities of both Houses reaffirmed their support for a strong legal services program. The reason for this was not legislative slight of hand, but rather the fact that the great majority of Members of Congress, and of American citizens in general, believe in our legal system, and believe that it is a strength and not a weakness to give the poor access to that system.

A recent poll done by assistant Prof.'s John Dombrink and James Meeker of the University of California at Irvine in one of the most strongly pro-Reagan areas of the country exemplifies the broad support that the Legal Services Corporation enjoys, across the political spectrum.

The Los Angeles Times article by Professors Dombrink and Meeker discussing their findings follows:

[From the Los Angeles Times, May 25, 1986]

COMMENTARY—MAJORITY BACKS LEGAL AID FOR POOR

(By John Dombrink and James W. Meeker)

Once again, the Reagan Administration has proposed in its 1987 fiscal year budget the defunding of the Legal Services Corp., the federal agency which is responsible for providing free legal aid for low-income Americans in non-criminal matters.

The President, whose budgetary desires in this regard have been denied in his first four budgets, has never been mistaken for a proponent of increased welfare or child-nutrition programs while in Washington, but his special penchant for doing away with legal aid attorneys dates back to his tenure as California's governor.

In that period (1967–1975), Reagan and Atty. Gen. Edwin Meese III, then an aide to the governor, went to great lengths to thwart the efficacy of those California legal aid organizations, such as California Rural Legal Assistance, which had been successful in challenging state government policies and regulations affecting public assistance recipients and other low-income citizens. The idea that government-funded lawyers were successfully suing government agencies has never pleased many public officials, and the restrictions on political activities and class-action suits imposed in the past few years on legal services programs attest to that.

However, when the President attacks legal services for the poor, he is taking on a program that has the support of a strong majority of Americans, even those in areas which overwhelmingly supported the Reagan candidacy in 1980 and 1984.

In 1981, a New York Times poll reported that legal services for the poor ranked second only to defense spending as the category of government spending Americans supported most. While it could be expected that such support has been appreciably undermined by the Reagan attack on the Legal Services Corp., survey results indicated continued support for government-funded legal services for the poor from Orange County.

The findings were startling: liberals, conservatives, Democrats, Republicans, independents, the young, aged, affluent, poor, whites and non-whites, male and female by and large supported an increase in tax money for legal services for the poor.

Orange County gave Reagan his largest percentage margin of victory in 1980, and is the place where the President chose to kick off this 1984 reelection campaign. The local Democratic Party is in disarray, can claim only a handful of elected statewide or national representatives, and sells bumper stickers that read: "It's OK to be a Democrat in Orange County."

Orange County is also substantially more conservative than the rest of the nation on defense spending, gun control and the death penalty, according to the 1984 Annual Orange County Survey. A large proportion of the respondents to the scientifically stratified and representative sample was in favor of increased defense spending, and a majority opposed gun control, supported the death penatly and prayer in public school, and favored sending troops to Central America. Yet, at the same time, 55% of the respondents voiced their support for government-funded services for the poor.

In the past four years, extensive lobbying by the American Bar Assn. and by various congressmen has been successful in restoring much of the Legal Services budget, maintaining the continued vitality of legal representation for the poor in an era when social service program cutbacks threaten their ability to maintain a decent standard of living.

A cynic could point to the lobbying efforts of the ABA and attorney-congressmen as being devoted to the protection by lawyers of programs primarily for lawyers and incidentally for clients. Remarkably, our findings indicate that support for government-funded legal services for the poor exists in all categories of the population of one of America's most affluent and conservative counties.

Three years after the New York Times poll showed legal services for the poor second only to defense spending as a defensible spending category, and despite three years of persistent Administration efforts to defund the Legal Services Corp., the commitment to the ideal of a citizen's right to his or her day in court remains strong.

The message seems clear: even staunch supporters of the President, those who support him on defense spending and support for the Contras, are at odds with his efforts to defund Legal Services.

CELES KING II, CIVIL RIGHTS ACTIVIST, SUCCUMBS TO HEART ATTACK

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. DYMALLY. Mr. Speaker, it is with great sadness that I inform my colleagues that one of our most important civil rights activists in the southern California area, Celes King II, died at 1 a.m. this past Sunday after suffering the latest in a series of heart attacks. Celes King reknowned as a civil rights pioneer himself, is also well known as the father of bail industry leader and Brig. Gen. Celes King III.

You will want to know that funeral services for Celes will be held at 1 p.m. on Saturday June 7, 1986 at the Inglewood, CA, cemetery at 720 East Florence Street. Family and friends will meet following the funeral from 2:30 to 4:30 p.m. at 1240 South Arlington Avenue in Los Angeles. The family has requested that any flowers be sent to the family home on Arlington Avenue.

Our dear friend Celes King II was born 85 years ago in Houston, TX. His own father was in the vanguard of the Harris County civil rights activities which took place many years before the time we refer to as the time of the civil rights movement. It was a dangerous time for black people, a time when the slightest civil rights action by members of the black community was likely to be answered with violence.

Celes moved to Chicago at an early age. There he became involved in several business ventures at the time of the Great Depression. He moved to souther California in 1938 where

he joined with his uncle in the management of the famous old Dunbar Hotel—the only first-class hotel in the city which would rent a room to a black person.

During the 1940's, Celes initiated the first boycott against the liquor industry because there were no black liquor salesman in Los Angeles. He joined with other black community leaders in continuing the boycott until the color line was finally broken.

All of Celes's family has been active in community affairs. Mr. King's late wife, Mrs. Leontyne King, was a three-term member of the Los Angeles Public Library Commission and served with Mr. King and his activist son, Celes King III, in dozens of business, community and government activities. In addition to his many other activities, Celes was a very active member of the local Shriner organization.

When the Dunbar Hotel closed, Celes joined his son Celes King III in the management of the Celes King Bail Agency. Frequently he filled in for his son as Celes III worked to obtain two master's degrees, served on the Los Angeles City Human Relations Commission and, thanks to this help from his father, took part as an activist in Los Angeles and national black community affairs. Mr. King also gave special encouragement to his daughter-in-law Anita in her many years of service to her family and community—right up to her current involvement in the California Colorado River Board.

Celes is survived by his son Celes III and Celes III's wife Anita, four grandchildren, and several great grandchildren, nieces, nephews, and cousins.

Congressmen HAWKINS and DIXON along with myself worked in close friendship with Celes over the years. We will greatly miss his presence. And we wish to extend our deepest condolences to the family. Southern California has lost one of its best.

TRIBUTE TO VOLUNTEER FIREFIGHTERS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LENT. Mr. Speaker, our Nation's volunteer firemen are called upon in emergencies to perform brave, even heroic, acts in the face of great danger. Without concern for the risks to their personal safety, they are at the ready to protect our families, our children, and our homes. Sadly, their services are too often unacknowledged and unappreciated—until they are needed.

It is a wonderful occasion when a community pays fitting tribute to its volunteer firemen. At this time, I would like to recognize the tremendous gesture of the people of Massapequa, NY, in my Fourth Congressional District who have joined together in a true demonstration of community spirit to say thanks to the men and women of the Massapequa Fire District.

After nearly a decade of planning and preparation, the Firefighters Bell Tower honoring the volunteer firefighters of the Massapequa will be dedicated at ceremonies on June 14. The funds for the monument's construction were raised entirely through citizens' private donations. What a beautiful gesture of support from a grateful community.

There are several individuals who deserve special commendation for their dedicated efforts in this worthwhile project. Anthony J. Esposito is chairman and president of the Firefighters Monument Fund of the Massapequas, which was formed in 1977. Under Mr. Esposito's guidance, the committee was able to galvanize community support for the numerous fundraising events and efforts necessary to having the idea of the Firefighters' Bell Tower become a reality. His many years of long hours and hard work are deeply appreciated by the entire community, and his dedication to ensuring proper recognition for the Massapequa firefighters is worthy of the highest commendation.

In the fall of 1979, the committee selected architects Jan and E. Mario Serra, to design the monument. The Serras conceived a monument honoring the volunteer firefighters as a magnificent landmark, beacon in daylight, illuminated by a lamplight at night, a monument to withstand the elements of time with a single purpose of saying "Thanks for volunteering."

The Serras design is a structure expressing the unifying elements of the community to show their appreciation to the volunteer firefighters of the Massapequa Fire District. The tower will be comprised of four steel columns representing the four pillars of the community: government and law administration, professionals and services, business and industry, and the residents of the community. A bell, weighing almost a ton will be near the top of the 55-foot structure, and will be rung to signify special occasions. A bronze band will circle the four pillars and contain an inscription that will read "Massapequas Community Spirit—Honoring Volunteer Firefighters."

Enclosed in the foundation will be a time capsule. The names of all contributors and firefighters will be placed in the capsule which will be opened in 2076, as part of the Nation's Tricentennial celebration. In addition, the committee applied for and was granted a special pictorial postmark to commemorate this special occasion.

This beautiful landmark will serve as a lasting reminder of the firefighters loyalty and devotion to the people of the Massapequas. I offer my most sincere appreciation to Mr. Esposito, to Jan and E. Mario Serra, and the many people who contributed to this community spirit project. It is a fitting tribute and a lasting statement to the courageous men and women who are our volunteer firefighters.

A DAY OF APPRECIATION FOR AN OUTSTANDING CLEVELANDER: MRS. ANNA L. CHATMAN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. STOKES. Mr. Speaker, I would like to ask you and my distinguished colleagues to join me in saluting an outstanding civic leader and citizen of my district, Mrs. Anna L. Chatman, who was recently honored at an annual appreciation day held by the Original Harvest Missionary Baptist Church in Cleveland.

I have come to know Mrs. Chatman well through her dedicated leadership as chair of the 21st Congressional District Caucus, and she is widely known and respected throughout the Cleveland metropolitan area for her continuing efforts to improve our community. She is also a congressional aide in my Cleveland congressional office where she is a liason person with the Cleveland community. Her enthusiasm and energy is greatly appreciated by those whose lives she touches.

Mr. Speaker, the theme of the appreciation program, "A Christian Woman Faithful to her God, her church, her family, and community" provides an appropriate description of the mission of Mrs. Anna Chatman. The following article describes the accomplishments of this outstanding citizen and humanitarian:

MOTHER CHATMAN TO BE HONORED BY ORIGINAL HARVEST

The Original Harvest Missionary Baptist Church, 7109 Kinsman Rd., under the pastorage of Rev. Fred M. Caffie, Jr., along with the entire church congregation is sponsoring an Annual Appreciation Day for Mother Anna L. Chatman, Sunday, May 25. The theme for the event will be "A Christian Woman Faithful to her God, her church, her family and community." The chosen scripture for the event is taken from Proverbs 31:30," But, a woman that feareth the Lord, she shall be praised. The church is inviting the public to join in the celebration.

All auxiliaries will participate under the chair leadership of Sister Thelma Swafford.

Mother Anna Chatman has for many years sung" I'm going to let my little light shine, everywhere I go, Jesus gave it to me and I'm going to let it shine all over this world." There are many people in all walks of life who have been touched by God through this wonderful servant of the ALMIGHTY. She has helped those who have been lost to the followings and teachings of Jesus Christ. She has nourished them as a mother looking after her own. By leading those persons to Christ she has congregation members who are serving the master in Harvest Church for over 25 years. Some have come in as babies through Harvest Day Care Center.

Many whom she has taken from the 21st Congressional District caucus and nurtured into useful citizens now contribute locally to society and church. There are several who have been provided monetary means to enable them to continue their education and have become foreign missionaries, pastoral counselors, registered nurses, doctors and other professional and non-professional-trades persons in numerous other capabilities.

She has fed the hungry, given shelter to the homeless and committed herself to the clothing of those without. For many years she has served as the Administrator of the Harvest Day care Center.

"Moms" as she may be called by the younger congregation members and granny's kin; prides herself in being the proud mother of two daughters, Mrs. Marcella Caffie, whom she calls her "first lady" and eldest daughter, Mrs. Ruby Alexander, the "preacher lady," who has so many of her father's worthy traits. The Rev. Marcellus C.

Chatman, founder of Harvest Baptist Church. "The adopted daughter" Avis Graves, reknowned soloist and pianist. Included in this family are five grandsons, Danny, Michael, Jimmy, Scotty and Reuben. She also has one sister Marie Hestet, and without question nor the least of her family membership, three great-grand-daughters.

It is believed that one of her highest achievements over 29 years, was made in August, 1957, as the wife of Rev. Marcellus C. Chatman, founder of Harvest Missionary Baptist Church. She was given the vision to Name the Church Harvest. (Which has given and provided many seeds through her planting.) She has given tireless efforts of devotion and love and financial support to her church and fellow human beings.

She serves now as the Mother of the church, President of the Missionary Society, Building Fund chairman/coordinator, advisor to Hattie Jackson Guild girls, supervisor of Georgia Miller Society, founder and senior member of the Gospel Chorus, and Trustee member. She is also the financial assistant to the trustee treasurer and an advisor to The Pastor Aid Society. As the loving widow of Rev. Chatman she serves in capacity of president of Baptist Pastors wives and Ministers Wives and Widows. She has served, since the age 12, as pianist in numerous churches throughout Ohio. Her greatest enjoyment was playing the piano the greater part of her life. As a reknown singer throughout Ohio she has lent her talents to the National Baptist Conventions on numerous occasions. For over 25 years she was the musical directress of the State Baptist Convention.

She was administrator (Past president) of the Cleveland District of Baptist Women for five years. During the time, membership rose to 3,000 persons.

She began an Educational Department under the able leadership of Mrs. Evelyn Dunson. Classes are taught at each meeting on the first Monday of the month for a period of forty-five minutes. Women gain knowledge of how to meet their Christian commitments.

As a zealous Christian and community activist she has been and is instrumental in the successful careers of many leaders. She has fought for and against many issues that would mean defeat of her community.

Her life has touched and is not limited to the average man on the street. U.S. Senator Edward Kennedy sometime ago, remenbered her as that dynamic "Anna" and inquired of her health and adventures, during his trip to Cleveland.

He asked Congressman Stokes "How's my Anna, Lou?" This woman has walked with kings and queens of this world, but she is known to remark "I have walked with Kings and Queens, yet thank God, I have kept the common touch."

Mrs. Chatman will be recognized by her church, family, friends and public officials. The Morning speaker, will be Mrs. Gussie Jones, committed member of S. Paul A.M.E. Zion Church 55th St., N.S. Chaney, Pastor. Dinner will be served at 1:30 pm Eugene Ward, Jr., pastor of Greater Love Missionary Baptist Church, and his congregation will be serving in worship.

For further information call 268-3702, 271-4095 or 921-6141.

SALUTE TO SCIENCE STUDENTS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. PURSELL. Mr. Speaker, I thought it important today to make mention of some efforts which I find exciting and encouraging.

Recently, 17 students from Slauson Intermediate School—located in the city of Ann Arbor—competed in the National Science Olympiad. The olympiad is a science competition which this year brought 60 teams from 23 different States to the beautiful campus of Michigan State University.

The Slauson team took first place in the middle school division by collecting medals in 12 of 24 events. They earned gold medals in astronomy, bridge building, password and rocks to riches; silver medals in anatomy and physiology, name that organism, science bowl, topographic map reading and seven-up; and bronze medals in metric estimation, periodic table, and rockets.

I believe this is an honorable accomplishment in that the students involved demonstrated outstanding dedication and interest in the study of science.

I think the words of one of the Slauson coaches—repeated in a newspaper article following the competition—best sums it up:

The kids learned a lot about themselves as people—to use their minds, handle pressure * * * they appreciated the joy of one another and explored so many areas of science.

Science is an important field of study. Science and technology currently are major elements in the expansion of the economy and in the improvement of the quality of life in the United States.

I'm glad the members of the Slauson team—Liz Della Rocco, Erin Evans, Steve Farr, Vicki Fisher, Neel Hajra, Pier Ho, Alison Kalton, Alex Lee, Gretchen Locey, Jeff Prucher, Nathan Sands, Lo Shih, Matt Teorey, Aziza Ulaby, Nick Wallin, Doug Finkbeiner, and Beth Ulaby—have shown such an eager, and successful, interest in science.

Mr. Speaker, I congratulate these students, and their coaches and parents, on a fine accomplishment.

HONORING RABBI MORDEKAI SHAPIRO

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. ACKERMAN. Mr. Speaker, I rise today on the occasion of the annual dinner of Young Israel of Jackson Heights, at which that congregation will honor its spiritual leader, Rabbi Mordekai Shapiro, and his wife, Rebecca.

Ever since he earned his ordination at the Rabbi Jacob Joseph Rabbinical Seminary, Rabbi Shapiro has dedicated his life to shepherding congregations in Brooklyn and Queens, and to teaching the tenets of Judaism to children and adults.

In 1975, Rabbi Shapiro was called to the pulpit of Young Israel of Jackson Heights, where he recently crowned 11 years of achievements by completing the Jackson Heights-Elmhurst Eruv.

Rabbi Shapiro is active in all areas of rabbinic and communal affairs. Presently, he is a member of the Executive Committee of the Rabbinical Council of America, the Council of Young Israel Rabbis, and the Educators Council of America. Locally, the distinguished rabbi has become identified with the outstanding Vaad Harabonim of Queens, which he has served as secretary, vice president, and president.

Rabbi Shapiro's involvement extends beyond the religious community; he is a member of his local neighborhood association and Democratic club. He is also on the board of the Jackson Heights-Elmhurst Kehilla.

In addition to his personal achievements, Rabbi Shapiro is a scion of a prestigious rabbinic and Hassidic family, which traces its roots back for hundreds of years.

As my distinguished colleagues may recall, I invited Rabbi Shapiro to deliver the opening prayer in this Chamber in July 1985, at which time he shared an articulate message of inspiration.

Rebbetzin Rebecca Levertov Shapiro has accompanied Rabbi Shapiro throughout his illustrious career. A native of Brooklyn, and a descendant of a renowned rabbinic family, Mrs. Shapiro is a graduate of the Yeshiva University High School and of Brooklyn College. Currently, she serves on the faculties of the Yeshiva High School of Queens and the Ohr Torah Institute.

Rebecca Shapiro has earned a sterling reputation for her selfless dedication to her synagogue and its membership, as well as to the concerns of the entire community. Her role as chairperson of the outreach committee of the Jackson Heights-Elmhurst Kehilla has been of special importance.

On a personal note, I am gratified by the relationship which I have been privileged to develop with both Rabbi and Mrs. Shapiro, and am proud to count them among my friends.

Mr. Speaker, I call now on all of my colleagues to join me in congratulating the Shapiro family—including their fine children, Menashe Yaakov, Ephraim Chaim, Pinchas, and Miriam—on this joyous occasion, and in wishing them only the best as they continue their leadership of the Jewish and secular communities of Queens County, NY.

WHAT YOU DON'T KNOW CAN HURT YOU

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. SOLARZ. Mr. Speaker, I am introducing today legislation designed to help correct a serious problem in our society.

Each day, millions of Americans participate in one of the greatest con-games around. For just a few dollars, at millions of participating fast food restaurants, you can place an order for breakfast, lunch or dinner and take a

chance—a chance that you will actually know what is in the food and for which you pay good money.

The billions of consumers who buy fast foods each year—more than $47 billion worth—can never be sure what is in the food they are purchasing.

There is currently no enforcement of existing Federal requirements mandating that fast food restaurants label the ingredients of their products.

As a result, millions of Americans with allergies, high blood pressure, and other health problems, suffer serious risks when eating these foods with unknown ingredients.

I am introducing in Congress today legislation that will effectively correct this flaw. My bill calls on the FDA and the USDA to enforce existing food labeling requirements for the fast food industry—regulations the Government obviously thought important enough to create, but which the FDA and the USDA have since chosen to ignore.

Why should foods in the grocery store be subject to ingredient labeling, while those of the fast food industry, with almost equally standardizing products, do not face the same requirements?

This failure must be corrected. If not, the let the buyer beware atttitude that often prevails in today's market will be taken to an absurd extreme.

Several months ago, a tragic accident occurred because a person did not know the ingredients of the food she ordered in a restaurant. A Brooklyn girl, eating in a Rhode Island restaurant, ordered a bowl of chili that contained peanut butter—a food to which she was allergic—and suffered a fatal reaction. Had the ingredients of that food been readily available for her to see, this tragic episode might have been averted.

Although this incident did not take place in a fast food restaurant, the message is important nonetheless. It certainly is applicable to the legislation I am introducing today, and it underscores the fact that people don't know what they are eating.

A listing of the ingredients of these standardized fast foods needs to be easily accessible at all times. Without this disclosure, the composition of fast foods remains a mystery—and the results remain misery.

Enforcement of these regulations would not only protect the public health but also satisfy the consumer's right to know.

Our economic system is based on the ideal of informed consumers making informed choices among competing products. Where fast food meals are concerned, we are very far from that goal.

If the public knew what was in their food, we might find sayings like "Hold the pickle, hold the lettuce," become "Hold the MSG, hold the Yellow Dye No. 3."

The benefits to the Nation from this bill are potentially enormous. The massive sums of money currently being spent treating heart disease would probably be lowered significantly as a more aware public limits its intake in salt, cholesterol and other substances that promote coronary disease.

Because they are healthier, the number of hours American workers are on the job would increase, and, consequently, our Nation's income and productivity will also increase.

I don't expect, if this bill becomes law, that we'll see the fast food restaurants serving wheat germ or granola. But that is not my aim. This is a beginning toward reasserting the consumer's right-to-know what he or she is eating.

This bill will allow fast food consumers, across the Nation, to vote with their dollars, prompting fast food chains to compete on the basis of nutrition, not on the basis of fruition.

Imagine how our diets would improve if the full force of the fast food giants was put behind a race to offer food that is not only fast but wholesome. As one editorial on the subject noted, "Fast food need not hide behind slow facts."

Today's advertisements talk of burger wars. But for the billions served, the real fight we need to wage is that of the consumers versus the burger kings and queens. We no longer want to clown around with the likes of Ronald McDonald. What we want to know is, "What's in the beef?"

I urge my colleagues to cosponsor this measure.

A TRIBUTE TO SANDRA GRADY

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Ms. KAPTUR. Mr. Speaker, recently, Sandra Grady, a high school student at Notre Dame Academy in my district was the second place winner in the 1986 U.S. Army Reserve National Essay Contest. The Army Reserve received 6,154 essays this year. It is an honor not only for Sandra and her family, but for our entire district. I would like to enter her excellent essay into the CONGRESSIONAL RECORD for all of my colleagues to enjoy.

From its birth in the eighteenth century, our country has maintained a system of freedom that has guided the world. As Americans, not only are we privileged to benefit from this system, but we share in its responsibilities as well. While it is every citizen's duty to vote and pay taxes, the spirit of each nation is best exemplified by the willingness of its citizens to rise to its defense. It is a particularly strong devotion which draws the citizen-soldiers of the Army Reserve. President Reagan noted the importance of the Army Reserve when he said, "It is through our strength and through the commitment of citizen-soldiers . . . that America has preserved the peace."

Primarily, soldiers serving in the Army Reserve show the spirit of sacrifice that stretched this nation between two oceans. From our earliest settlers to our pioneers in space, Americans have always been willing to risk everything they have for their country. Soldiers in the Army Reserve continue this tradition. They supplement their contribution as working members of society by serving in defense of the nation. Simply by volunteering, they show courage of admirable quality. In the event of United States military involvement, these Americans would be in the vanguard of American forces. In spite of such an outcome, these citizen-soldiers give what they can to be a part of American defense.

When President Reagan refers to the commitment of the citizen-soldier, he speaks not only of their commitment of time and energy to training, but of their commitment to the ideals which make this country great. He speaks of the belief of these young soldiers in the American way of life and in American freedoms and responsibilities. These citizen-soldiers commit more than a few weekends a year. They commit themselves to the values that America has come to represent. And, through their commitment to the defense of this nation, they commit themselves to all Americans.

Furthermore, the Army Reserve is vital to national defense because it serves as a message to any unfriendly nation of how deep the American commitment to freedom is. It contradicts the notion that American citizens do not appreciate the liberties they have. It contradicts the stereotypical image of American selfishness that characterizes much foreign opinion. It contradicts the idea that Americans have grown bored with responsibility and interested only in decadence. It unequivocably demonstrates that while an American remains, the ideals of freedom will survive and will be defended.

Moreover, soldiers in the Army Reserve are truly special Americans. Not only do they represent the values and principles that have shaped this nation, but they demonstrate, through their commitment, the example of being truly American. Most of all, they contribute to a strong national defense which has maintained peace throughout the world.

SALUTE TO DANIEL A. COLLINS, DISTINGUISHED CITIZEN

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mrs. BOXER. Mr. Speaker, this year marks the 70th birthday of an incredible man, Daniel A. Collins.

The National Urban League and Paine College are honoring Dan for his longtime commitment to these organizations as well as his many varied achievements with a birthday tribute on June 7 in San Francisco.

Dan was born on January 11, 1916 in the small town of Darlington, SC. After completing his primary and secondary education, he attended Paine College, a black institution in Augusta, GA, graduating in 1936 with a bachelor's degree and honors in mathematics and science. He completed his degree in dentistry in 1941 from the Meharry College of Dentistry in Nashville, TN, where he achieved an academic record which remained unsurpassed for nearly 40 years. Following Meharry, Dan was awarded a postdoctoral fellowship at the Guggenheim Dental Clinic in New York City. Later, he served in the U.S. Army as a lieutenant colonel at the Armed Forces Institute of Pathology in Washington, DC.

In the summer of 1941, Dan married DeReath C. James of Charleston, WV. They moved to San Francisco the following year when Dan accepted a faculty position with the University of California. He also began his successful bay area dental practice in 1942. Dan's varied interests has brought him success in fields ranging from dental researcher

to real estate developer, from entrepreneur to university teacher, from author to publisher, from corporate board member to founder of a savings and loan association.

As a citizen of San Francisco for the past 45 years, Dan has distinguished himself as a spokesperson for social justice and civil rights on the local as well as State and Federal levels. In addition to being vice president and trustee of the National Urban League, Dan is a founder and board member of the San Francisco Bay Area Urban League, the San Francisco Foundation for Aged Colored People, and Plan of Action for Challenging Times (PACT). He is also founder and co-chair of the Northern California United Negro College Fund. Dan also serves on the Board of Directors of other organizations such as the San Francisco Dental Society, United Bay Area Crusade, Youth for Service, the San Francisco branch of the NAACP, and the Golden Gate Regional Center, where he is also president.

Dan is an authority on education, having consulted for the United States Office of Education, the National Institute of Education, and the Ford Foundation's National Negro Scholarship Fund. Dan holds positions on the board of trustees of four institutions of higher education: Paine College, Meharry Medical College, Golden Gate University, and World College West. He is the recipient of numerous awards and commendations including the Citation of Merit from Paine College, the Distinguished Alumni Award from the United Negro College Fund, and Alumnus of the Year from Meharry Medical College.

Daniel A. Collins, husband, father, grandfather, dentist, educator, businessman and author, for a lifetime of service and achievement, we salute you.

MSGR. ALEXANDER MARKOWSKI'S 50TH ANNIVERSARY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. FISH. Mr. Speaker, it gives me great pleasure to recognize a major milestone in the life of one of Newburgh, NY's best-loved residents, MSGR. Alexander Markowski, who will be celebrating the 50th anniversary of his ordination into the priesthood on June 8.

Monsignor Markowski, better known to Orange County's residents as "Father Al," has dedicated his life to helping people and his community. He was born in Poughkeepsie, NY, in 1909, and was educated at St. Joseph's Parochial School in that city, Don Bosco Prep School in Ramsey, NJ, and at St. Mary's College in Orchard Lake, MI.

He heard the calling to the priesthood as a young man, and studied for the religious life at St. Joseph's seminary in Yonkers, NY. Monsignor Markowski was ordained on June 6, 1936, by the late Cardinal Patrick Hayes at St. Patrick's Cathedral in New York City.

He first devoted himself to parishes in the Bronx and Ossining. In 1951, he was assigned to St. Francis of Assisi parish in Newburgh, where his respect and love for his congregation became well known throughout Orange County. He is a continual source of spiritual guidance for the community.

His work in the community is extensive. He was appointed chaplain to the city of Newburgh Police Department, the town of New Windsor Fire Department and the Elks Club.

He was elevated to monsignor in 1965 by the late Cardinal Francis Spellman, who made the announcement during the dedication of a new parochial school for St. Francis of Assisi Parish. The school was built through Monsignor Markowski's dedication and hard work. It is a testament to his concern for the community.

I invite my colleagues to join me in recognizing the leadership, dedication, and spirit of Msgr. Alexander Markowski on the 50th anniversary of his ordination.

THE CONTINUING PUBLIC SERVICE OF ALLEN TEMPLE BAPTIST CHURCH

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. STARK. Mr. Speaker, I rise today to pay tribute to an outstanding institution, the Allen Temple Baptist Church in Oakland, CA. Over the years, under the leadership of the Reverend J. Alfred Smith, Sr., Allen Temple has remained deeply committed and dedicated to the religious, social, economic, and political enhancement of its surrounding community. Its many focuses include a credit union, bilingual education, a scholarship program, and career and educational guidance for the city's youth. Today, however, I would like to honor the Allen Temple Baptist Church for its tireless leadership on behalf of senior citizens. As the Representative from California's Ninth Congressional District, I ask my colleagues to join me in honoring this truly exceptional church.

In August 1981, the Allen Development Corp., which oversees the church's building projects, successfully completed a 75-unit elderly housing unit—Allen Temple Arms. Since its opening, Allen Temple Arms has operated without a deficit.

On Sunday, April 6, 1986, Allen Temple continued its outreach to senior citizens by beginning the construction of a new 51-unit senior citizen home. With the help of the Department of Housing and Urban Development, the Oakland Community Housing, Inc., the city of Oakland, and numerous church members and friends, the project became a reality. It is anticipated that the contruction for the housing units will be completed by April 1, 1987. Coupled with the new senior housing project, the mortgage for Allen Temple's new church building, constructed 3 years ago, was paid off over 10 years ahead of schedule.

The Allen Temple Baptist Church has been an unselfish participant and contributor to the cause of community uplifting and development. It is with great pleasure that I pay tribute to the church, its pastor, and its many dedicated members for its continued guidance, wisdom, and commitment.

SOCIAL SECURITY DISABILITY DETERMINATION ACT OF 1986

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. TAUKE. Mr. Speaker, today I am introducing legislation which will clearly define the respective roles of Congress and the Social Security Administration in making and implementing the policies that determine how disability claims are evaluated.

Until the Disability Benefits Reform Act of 1984, the Secretary of Health and Human Services had almost complete authority to establish a process for evaluating disability benefit applications. Until the passage of this act, the statute contained no explicit standards on how claims should be evaluated. In response to a number of problems, it was necessary for Congress to specify the standards to be followed by SSA in evaluating continuing disability review cases. The statute is, however, still almost completely silent on how initial applications for benefits should be evaluated.

I believe that Congress, working closely with SSA, should be involved in developing the criteria by which disability claims are evaluated. Conversely, SSA, working closely with Congress, should be responsible for the implementation of the rules established to determine claims. This legislation recognizes the close interrelationship between the statute and its working regulations.

The bill provides for:

Stating for the first time in the law, standards to be used for evaluating initial applications for disability benefits. Since 1979, SSA has, by regulation, used a sequential evaluation process for determining eligibility for disability benefits. The process is also very functional and should be incorporated in the statute.

Giving direction to SSA regarding the nature and quality of the evidence necessary to establish disability.

Establishing a mechanism within the rulemaking process whereby the views of the authorizing committees (Finance and Ways and Means) on proposed regulations are sought and considered by SSA.

This legislation builds on the excellent framework of the Disability Benefits Reform Act by providing standards for the evaluation of all disability claims; giving further direction on the very important issue of evidentiary requirements; and establishing a mechanism which permits the authorizing committees of Congress and SSA to cooperate in producing an equitable and efficient process for determining disability claims.

THE RETIREMENT OF WAYNE PFLAGHAAR

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Ms. KAPTUR. Mr. Speaker, this month, the Lucas County Office of Education will be honoring a man who has dedicated much of his

adult life to our educational system. For 30 years, Wayne Pflaghaar has served as supervisor of buildings and grounds for Maumee city schools. He is retiring this year.

During his tenure, Wayne has worked under three superintendents, witnessed the building of two new elementary schools and a new high school building. In addition, Wayne has been a part of numerous other physical plant improvement projects over the past 30 years with the Maumee school system. He even has been known to appear as Santa Claus to the delight of children at Maumee Christmas parades.

Throughout his career, Wayne Pflaghaar has been a devoted citizen, taking a great deal of pride in his work. All too often our society takes for granted the invaluable contributions of individuals like Wayne Pflaghaar who really build communities throughout America. As we know, the quality of the physical environment of our schools has a great impact on the level of learning that takes place. Wayne Pflaghaar's fine work for three decades has helped provide Maumee with an exemplary educational system. His affection for the families and children of Maumee is a marvelous gift to the community.

I know my colleagues in the U.S. House of Representatives join me in thanking Wayne Pflaghaar for his years of commitment to education. We wish him well in retirement. To his family we say, be proud of all that Wayne has done to improve the quality of life in our area. Maumee was fortunate to have had Wayne Pflaghaar as part of the team.

TRIBUTE TO LADIES AUXILIARY OF SERGEANT JOSEPH SAKOWICZ POST NO. 1 OF NEW BRITAIN, CT

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mrs. JOHNSON. Mr. Speaker, I rise today to honor and congratulate the Ladies Auxiliary of the Sergeant Joseph Sakowicz Post No. 1 as they celebrate 50 years of service to the community of New Britain, CT. This civic-minded organization is composed of wives, mothers, and sisters of servicemen of soldiers who bravely fought in World War I, World War II, Korea and Vietnam. This vibrant auxiliary was established in 1936 in conjunction with the Sakowicz Post which was named in memory of Joseph Sakowicz, the first Polish war veteran from New Britain killed in action.

Since its inception the Ladies Auxiliary has worked closely with the post to set up and organize similar posts in neighboring communities. After assisting many towns in establishing Polish veteran posts, the group was instrumental in establishing a statewide Polish-American veterans organization.

Today the auxiliary is active in organizing a wide variety of civic and athletic activities with a rigorous social calendar for New Britain's Polish veterans. In addition, the auxiliary helps the post with their annual Poppy Drive to assist sick veterans, widows, and orphans of veterans. They also provide sick and death benefits to their active members. The Ladies Auxiliary members also send gifts to veterans hospitals, and selflessly offer their time to volunteer at local hospitals.

Mr. Speaker, the Ladies Auxiliary of the Sergeant Joseph Sakowicz Post No. 1 is the epitome of community service and commitment and is deserving of our recognition and sincere praise.

IN MEMORY OF SUZANNE ROBERTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. ANDERSON. Mr. Speaker, it has recently been brought to my attention that Suzanne Roberts, an active volunteer with the National Organization of Women [NOW] in Long Beach, CA, suddenly passed away at the age of 37.

Suzanne, whom I have met with many times in my office on various issues, was a positive force in our community. She will always, however, best be remembered for her many contributions to the women's movement through her involvement in Long Beach NOW.

An active member of Long Beach NOW for nearly a decade, Suzanne served in a variety of positions. She served as chapter coordinator, fundraising chair, 1985 State conference committee co-chair, and legislative task force chair.

It was through her position as legislative task force chair, where I really got to know Suzanne quite well. Her approach to the issues was similar to that expressed in the Declaration of American Women at the 1977 National Women's Conference:

We do not seek special privileges, but we demand as a human right a full voice and role for women in determining the destiny of our work, our nation, our families and our individual lives.

Mr. Speaker, Suzanne Roberts was an activist who was committed to working for equity, a fair share of the economic pie for everyone, a country with jobs and opportunity for all. She was respected by her peers and her dream lives on.

My wife, Lee, joins me in expressing our sincere condolences to Suzanne's father, Bill Roberts, her brother, Lynn Roberts, and her grandmother, Anna Lloyd, at this time.

TO COMMEND ERIC LING FOR HIS ACHIEVEMENT IN READING

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. SAXTON. Mr. Speaker, I would like to take this opportunity to commend my constituent, Eric Ling, for his achievement in reading.

The Six Flags Corp. is celebrating its 25th anniversary this year. In honor of this event, Six Flags developed "Read To Succeed[SM]," a reading motivation program designed to encourage leisure-time reading among children in grades three through eight. As part of the "Read To Succeed[SM]" program, Six Flags introduced a national reading contest. Each contestant had to design an advertisement (written or drawn) of a favorite book. Over 4,000 entries were received from students all over the country.

Eric Ling, of Medford, NJ, submitted an advertisement for the book, "Ribsy," by Beverly Cleary. Eric's advertisement was chosen as regional fourth-grade winner out of 214 entries from Pennsylvania, New Jersey, and New York. Eric was then selected as the national fourth-grade winner from the nine regional winners, representing the nine amusement parks operated by Six Flags Corp.

Eric's entry shows his dedication to, and understanding of, the importance of leisure-time reading. His intelligence and perception are reflected in the talented advertisement he submitted to the contest. His success, and that of the other five winners, should stand as an example to us all that only through reading and learning will the children of today become the leaders of tomorrow. I am proud to have such a potential leader in the 13th Congressional District of New Jersey.

Therefore, I am certain that the other Members of the House will join me in congratulating Eric Ling and his parents on this important occasion.

BIG APPLE DIPLOMAT AWARD GIVEN TO ELI RESNICK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. BIAGGI. Mr. Speaker, I rise today in recognition of Mr. Eli Resnick, a New Yorker who exemplifies the excellence of service and dedication possible in any occupation.

Mr. Resnick is a New York cabdriver, which is considered by some to be one of the toughest occupations. The variety of people, some potentially dangerous, that a cabdriver in New York encounters boggles the imagination. As a result, many cabbies are gruff and untrusting. However, Eli is not typical. Upon entering his cab, one is immediately greeted with a smile and a piece of fruit-filled candy. When asked why the candy, Mr. Resnick said:

Well, I realize the city might get a little sour, I keep it sweet. I see your smile, it's a pleasure to work for you.

Eli has been driving a cab since 1955, when the fares were 20 cents a mile. His present cab is 19 years old. Eli believes he has the "best job in town."

Eli recently received the New York Daily News' "Big Apple Diplomat" award in recognition of his dedication to his profession. Diplomats are defined as people who make a positive first impression, show personal concern, exercise diplomacy, tact, and calm under pressure and promote a positive impression of New York.

Eli Resnick gives us an example of true dedication and service to his customers and sets for us a goal to reach and a model to live by. I commend the Daily News for their idea of

Big Apple Diplomats. And I urge all Americans to look to Eli Resnick for a model for their own approach to their profession.

A TRIBUTE TO JOHN SCOTT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LAGOMARSINO. Mr. Speaker, it gives me great pleasure to announce that the honorable title of Eagle Scout has been bestowed upon John Scott Henry, grandson of Chet and Delores Pennington and a member of Boy Scout Troop 501 in Ojai, CA.

Scott has earned 23 merit badges and has served his troop as assistant patrol leader, patrol leader, scribe, assistant senior patrol leader, and junior assistant scout master. He received green acorn leadership training from the council and is a brotherhood member of the Order of the Arrow, Ojai Chapter, Topa Topa Lodge.

Scott is the first Eagle Scout for Troop 501 in many years. He has been a leader of the troop almost from the time he joined and has had a positive influence on the scouting activities of many young men. He is especially talented in teaching scout skills to others and sharing his knowledge and experience. For his Eagle Scout project, Scott has chosen to design and construct a brick barbecue in the handicapped area of Rancho del Rey, in Oak View, CA.

Mr. Speaker, and my colleagues, please join with me in honoring this outstanding young man for his many accomplishments of the past and also those yet to come.

THE PLIGHT OF ALEXANDER SHUKHGALTER

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. ARCHER. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of Soviet refusenik Alexander Shukhgalter. Trained as a teacher of both the Spanish and English languages, Mr. Shukhgalter was employed in a research institute until he applied for an exit permit.

According to Houston Action For Soviet Jewry, Mr. Shukhgalter was fired from his job at the institute immediately after his emigration request. He was able to find work at a secondary school, until his refusenik status was exposed and he was fired from his job again.

Mr. Shukhgalter has been unemployed since December 18, 1985. His family is in a desperate financial situation. He is the sole source of support for his mother and father. Even worse is the fact that Alexander Shukhgalter could possibly be arrested now as a "parasite" of the State since it is illegal to be unemployed in the Soviet Union.

I will be sending a letter to Nicolai Savinkin, director of the Department of Administrative Offices in the U.S.S.R. in the near future to ask for action on the exit visa request of Alexander Shukhgalter. It is my hope that my colleagues will join me in calling for the release of this man.

HAPPY BIRTHDAY, BETHEL PARK

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. WALGREN. Mr. Speaker, this week marks the official commencement of the centennial celebration for Bethel Park, PA, one of the outstanding communities in my 18th Congressional District. I want to take a moment to salute the people and officials of Bethel Park for 100 years of accomplishment and progress and wish the community another 100 years of success.

Bethel Park is 12 square miles of beautiful rolling hills and suburban neighborhoods just 10 miles south of Pittsburgh. Its public schools are among the finest in the State with a strong complement of private and parochial educational opportunities. An active local business community, emphasized by the largest industrial park in the South Hills, has strengthened the economy of Bethel Park.

But Bethel Park's strongest feature is its people—people of different races, religious creeds, and ethnic backgrounds. It has been my honor and privilege to represent Bethel Park in the U.S. House of Representatives for 4 years, and few communities have such vitality of spirit and energy.

Mr. Speaker, let me also today salute the elected officials of Bethel Park. These individuals who serve on the Bethel Park Council and the school board give many hours of volunteer service to this community, and Bethel Park is a better community because of them.

In particular, I want to commend Mayor Reno Virgili. Reno is an old friend and an outstanding public servant who is beginning his second term as mayor of Bethel Park. His leadership is obvious not only in this community but also in the Commonwealth of Pennsylvania where he serves as vice president of the Pennsylvania Mayors Association. It is especially appropriate that Mayor Virgili serves just as Bethel Park concludes its first 100 years and begins its second century. Under his guidance and leadership, the community is bound to continue its great progress.

Finally, let me thank the 18 members of the Bethel Park Centennial Executive Committee for their important contribution to this centennial. Under the expert chairmanship of Joan Haines McIntee, the committee has planned a tremendous series of events for Bethel Park's birthday. In addition to Chairman McIntee, committee members include Carl Battistone, vice chairman; Shirley Kraemer, secretary; Violet Albright, treasurer; Joan Brust, Dorothy Corbett, Joseph Howdyshell, Gary Lafever, Robert MacNaughton, Reid McGibbeny, Samuel Moore, Phyllis Poleski, Harley Pratt, Alice Sheets, Philip R. Steigner, Glenn Trautman, Irene Virgili, and Rick Weiss.

Congratulations, Bethel Park, on your first 100 years. I am delighted to wish all the residents of this community a special "happy birthday" because, for me, too, Bethel Park, PA, is truly a community where pride is justified.

CAROL F. RODGERS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. FUQUA. Mr. Speaker, Carol Rodgers, a loyal and longstanding staff member of the Committee on Science and Technology, is retiring. Mrs. Rodgers has served on the Science Committee since June of 1962.

In all of her work, as a secretary, a researcher, and subcommittee program specialist, she has exhibited a level of professionalism, and an aura of dignity that all those associated with her have learned from. We will miss her presence among us and want to wish her good luck.

THE BROOKLYN DODGERS HALL OF FAME

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. SCHUMER. Mr. Speaker, Brooklyn will always be known for great things: the Brooklyn Bridge, the Brooklyn Botanical Garden, the Brooklyn Museum and, above all, the Brooklyn Dodgers. To preserve the memory of Brooklyn's Boys of Summer, the Brooklyn Dodgers Hall of Fame was established 3 years ago by a group of fans which included appropriately, several teachers at the Jackie Robinson Intermediate School. This year's annual induction ceremony will be held June 8, 1986, and among the new hall of famers are Preacher Roe, Don Newcombe, Clem Labine, and Ralph Branca.

Supporters of the Brooklyn Dodger Hall of Fame are trying to find a permanent home for the hall. They also would like to see the site where Ebbets Field stood designated as a national landmark. I wish them luck in their efforts.

Mr. Speaker, it is people such as those who established the Brooklyn Dodgers Hall of Fame that keep the history of Brooklyn—and the Nation—alive. I ask you to join me in thanking them for their efforts.

A TRIBUTE TO CAPT. FORREST R. "RAY" MILLER

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. HUNTER. Mr. Speaker, today I would like to acknowledge the outstanding performance of Capt. Forrest R. "Ray" Miller who has

dedicated his life to this country's service. Outstanding military service is always worth noting, and Captain Miller is well-deserving of our honor, especially on the occasion of his retirement from the U.S. Navy after more than 30 years of service.

Ray Miller's long commitment to maintaining the freedom that all Americans cherish began with his commission as a Navy ensign in 1955. His contribution since that time has been as significant as it has been varied.

Ray demonstrated strong leadership as a decorated combat pilot in the Vietnam war. He went on to train pilots in E-2 and F-4 aircraft among many other positions. Finally, in his most recent assignment, Ray commanded the Fleet Area Control and Surveillance Facility at North Island Naval Air Station in San Diego. North Island is located within the 45th Congressional District, which has given me the privilege of representing Ray Miller and many other fine Navy people like him.

As a fellow American and San Diegan I'd like to take this opportunity to tip my hat to Capt. Ray Miller and say "thanks" for your many years of dedicated service to the peace and freedom of America.

TRIBUTE TO MICHAEL LEVENTINI

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. COELHO. Mr. Speaker, I would like to extend my congratulations to Mr. Michael Leventini, a teacher at the Thomas Downey High School in Modesto, CA, for having been awarded the "Excellence in Teaching Award" recognition of his 16 years of dedicated service to Downey High School.

Mr. Leventini was born and raised in Modesto. He received his bachelor of science degree in horticulture and master of science degree in biological science from Cal Poly. He has taught at Thomas Downey High School since 1969.

Mr. Leventini has worked hard to achieve and maintain the highest of academic standards during his tenure at Downey High. He has been the department chair in agriculture as well as serving as sectional president of California Agriculture Teachers Association. He has been the sponsor of Future Farmers of America and Empire 4-H. He has also coached girls' varsity basketball and ninth grade football.

Michael Leventini's high degree of involvement in Downey High School's regular and extra-curricular programs attest to his dedication to the field of education and to the youth of Modesto. I would like to congratulate Mr. Leventini upon receiving the "Excellence in Teaching Award," and thank him for his dedicated service to our community.

LACIVITA: GOLDEN ANNIVERSARY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1986

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to rise today in this Hall of the House of Representatives to bring to the attention of my colleagues a couple who will be celebrating their 50th wedding anniversary on June 6.

One of the issues in which I am vitally concerned is the breakup of the American family unit as it has been traditionally in the United States. In these times of broken homes and single parenting, it is like coming upon an oasis in the desert when we have in our acquaintance a couple like Rose and Rocco LaCivita who were married June 6, 1936, at St. Callitus Church in the Southwest Side of the city of Chicago. Rose and Rocco raised two children and now have six grandchildren to enjoy in their later years.

I am sure that my esteemed colleagues join me and the many other friends of the LaCivitas in wishing them many more years of happiness and God's blessing on them and their fine family.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, June 5, 1986, may be found in the Daily Digest of today's RECORD.

MEETING SCHEDULED

JUNE 6

9:30 a.m.
Foreign Relations
Business meeting, to consider S. 2378, authorizing supplemental economic and military assistance for the Philippines, the Supplementary Extradition Treaty between the United States of America and the United Kingdom of Great Britain and Northern Ireland, with annex, signed at Washington on June 25, 1985 (Treaty Doc. 99-8), S. 2139 and S. 2149, bills to provide economic support of the United States to the Anglo-Irish Agreement on Northern Ireland, S. Res. 404, to designate the college of William and Mary in Williamsburg, Virginia, as the official U.S. Representative to the Tercentenary Celebration of the Glorious Revolution, and pending nominations.
SD-419

Joint Economic
To hold hearings on the employment/unemployment situation for May.
SD-562

JUNE 9

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

JUNE 10

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
To continue oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

Judiciary
To hold hearings on S. 2314, to amend the Newspaper Preservation Act.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on alleged Department of Defense subcontractor kickbacks.
SD-342

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the District of Columbia government.
SD-138

Energy and Natural Resources
Business meeting, to resume consideration of S. 2427, to improve the administration of the Federal coal leasing program, and other pending calendar business.
SD-366

* Labor and Human Resources
To hold hearings on the organ transplant task force report.
SD-430

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 12

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission, and recreation use fees for the operation of the National Park System, and S. 2130, to preserve, protect and revitalize the National Park System.
SD-366
Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

JUNE 16

1:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the second waste repository site selection under the Department of Energy's Office of Civilian Radioactive Waste Management.
SD-366

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and efficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues.
SR-332
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide the Secretary of Health and Human Services the authority to conduct epidemiological studies of the health effects of radiation in places of employment.
SD-342
Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430
Select on Indian Affairs
To resume hearings on S. 902 and H.R. 1920, bills to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Committee on Post Office and Civil Service on a Postal Rate Commission report on the use and abuse of the preferred mail rate.
SD-342
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 19

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on general aviation product liability.
SR-253
Energy and Natural Resources
To hold oversight hearings to review the impact of the explosion of the Soviet nuclear powerplant at Chernobyl on the domestic nuclear industry.
SD-366

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Defense.
SD-192
Small Business
To hold oversight hearings on the implementation of the Prompt Payment Act (P.L. 97-177).
SR-428A

JUNE 20

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2266, to establish a ski area permit system on national forest lands established from the public domain, S. 2287, to designate a certain portion of the Great Egg Harbor River in the State of New Jersey for potential addition to the Wild and Scenic Rivers System, S. 2320, to add certain lands on the Island of Hawaii to Hawaii Volcanoes National Park, S. 2351, to revise the boundaries of Olympic National Park and Olympic National Forest in the State of Washington, S. 2466, to designate a segment of the Saline Bayou in Louisiana as a component of the National Wild and Scenic Rivers System, S. 1019 and H.R. 2182, bills to include certain additional lands within the Apostle Islands National Lakeshore in Wisconsin, and S. 2483, to reaffirm that regulation of private property within the Fire Island National Seashore in New York remain a joint activity between the Federal Government and the local government.
SD-366

JUNE 23

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings to review budget requests for the Department of Energy's Office of Energy Research and the Office of Environment, Health and Safety.
SD-366

JUNE 24

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1903, and a related measure to improve the safe operations of commercial motor vehicles.
SR-253

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1149, to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction cost, and related matters.
SD-366

3:00 p.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 489 and H.R. 3174, bills to allow members of the armed forces to bring claims for damages against the United States for personal injury or death arising out of medical, psychological, or dental care furnished by a Department of Defense hospital.
SD-226

JUNE 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
SR-253

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JUNE 26

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on certain provisions of S. 2403, to improve access to health insurance coverage for Americans.
SD-342

10:00 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on prospects for exporting American coal.
SD-366

JULY 17

9:20 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 2417, to provide for the establishment of an independent commission to study and make recommendations regarding the management of aviation safety.
SD-562

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2412, to withdraw and reserve certain public lands.
SD-366

JULY 22

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues, focusing on barriers to agricultural trade.
SR-332

Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 29

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues, focusing on the impact of the 1985 farm bill (P.L. 99-198) on world agricultural trade.
SR-332

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 5

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues.
SR-332

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SR-253

HOUSE OF REPRESENTATIVES—*Thursday, June 5, 1986*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 4, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, June 5, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for the direction and purpose You give to our lives. Too often we wander and lose perspective and the potential You have given us is not realized. We thank You, gracious God, that Your light brightens our world and our lives and by seeing that light we know who we are, from where we have come and see direction and purpose for the days ahead. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. McKERNAN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. McKERNAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 263, nays 115, answered "present" 3, not voting 52, as follows:

[Roll No. 144]

YEAS—263

Ackerman	Frost	Moody
Akaka	Fuqua	Moore
Alexander	Garcia	Morrison (CT)
Anderson	Gaydos	Mrazek
Andrews	Gejdenson	Murphy
Annunzio	Gephardt	Murtha
Archer	Gibbons	Myers
Aspin	Gilman	Natcher
Atkins	Glickman	Neal
Barnard	Gonzalez	Nelson
Barnes	Gordon	Nowak
Bateman	Gradison	Oakar
Bates	Gray (IL)	Oberstar
Bedell	Gray (PA)	Obey
Beilenson	Green	Olin
Bennett	Guarini	Ortiz
Berman	Hall (OH)	Owens
Bevill	Hamilton	Packard
Biaggi	Hatcher	Panetta
Boland	Hayes	Pease
Boner (TN)	Hefner	Pepper
Bonior (MI)	Hertel	Perkins
Borski	Hillis	Petri
Bosco	Holt	Price
Boucher	Hopkins	Pursell
Boxer	Horton	Quillen
Brooks	Hoyer	Rahall
Broomfield	Hubbard	Rangel
Brown (CA)	Huckaby	Ray
Broyhill	Hughes	Regula
Bruce	Hutto	Reid
Bryant	Jeffords	Richardson
Burton (CA)	Jenkins	Rinaldo
Bustamante	Johnson	Ritter
Byron	Jones (NC)	Robinson
Callahan	Jones (OK)	Roe
Carper	Jones (TN)	Rose
Carr	Kanjorski	Rostenkowski
Chapman	Kaptur	Rowland (GA)
Chappell	Kastenmeier	Roybal
Coats	Kemp	Rudd
Coelho	Kennelly	Russo
Coleman (TX)	Kildee	Sabo
Collins	Kleczka	Savage
Combest	Kolter	Scheuer
Conyers	Kostmayer	Schneider
Cooper	LaFalce	Schumer
Coyne	Lantos	Sharp
Crockett	Latta	Shumway
Daniel	Leath (TX)	Sisisky
Darden	Lehman (CA)	Skelton
Daschle	Lehman (FL)	Slattery
de la Garza	Lent	Smith (FL)
Derrick	Levin (MI)	Smith (IA)
Dicks	Levine (CA)	Smith (NE)
Dingell	Lipinski	Smith (NJ)
Donnelly	Livingston	Snyder
Dorgan (ND)	Long	Solarz
Dowdy	Lowry (WA)	Spence
Downey	Lujan	Spratt
Duncan	Luken	Staggers
Durbin	MacKay	Stallings
Dwyer	Manton	Stark
Early	Markey	Stenholm
Eckart (OH)	Martinez	Stokes
Eckert (NY)	Matsui	Stratton
Edwards (CA)	Mavroules	Studds
English	Mazzoli	Sweeney
Erdreich	McCloskey	Swift
Evans (IL)	McCurdy	Synar
Fascell	McDade	Tallon
Fazio	McEwen	Tauzin
Feighan	McHugh	Taylor
Fish	McKinney	Thomas (GA)
Flippo	McMillan	Torricelli
Florio	Mica	Towns
Foglietta	Michel	Traficant
Foley	Mikulski	Udall
Ford (MI)	Miller (WA)	Valentine
Fowler	Mineta	Vento
Frank	Moakley	Visclosky
Franklin	Montgomery	Volkmer
Watkins	Whitten	Wyden
Waxman	Wirth	Wylie
Weiss	Wise	Yates
Wheat	Wolpe	Yatron
Whitehurst	Wortley	Young (MO)
Whitley	Wright	

NAYS—115

Armey	Hansen	Roemer
Bartlett	Hendon	Rogers
Barton	Henry	Roth
Bereuter	Hiler	Roukema
Bilirakis	Ireland	Rowland (CT)
Bliley	Jacobs	Saxton
Boehlert	Kolbe	Schaefer
Boulter	Lagomarsino	Schroeder
Brown (CO)	Leach (IA)	Schuette
Burton (IN)	Lewis (CA)	Sensenbrenner
Carney	Lewis (FL)	Shaw
Chandler	Lightfoot	Shuster
Cheney	Lloyd	Sikorski
Clay	Loeffler	Siljander
Clinger	Lott	Skeen
Cobey	Lowery (CA)	Slaughter
Coble	Lungren	Smith, Denny (OR)
Coleman (MO)	Mack	Smith, Robert (NH)
Conte	Madigan	Smith, Robert (OR)
Crane	Marlenee	Snowe
Dannemeyer	Martin (IL)	Solomon
Daub	Martin (NY)	Strang
DeLay	McCain	Stump
DeWine	McCandless	Sundquist
Dickinson	McCollum	Swindall
DioGuardi	McGrath	Tauke
Dornan (CA)	McKernan	Thomas (CA)
Dreier	Meyers	Vander Jagt
Edwards (OK)	Miller (OH)	Vucanovich
Emerson	Molinari	Walker
Evans (IA)	Moorhead	Weber
Fawell	Morrison (WA)	Whittaker
Fields	Nielson	Wolf
Frenzel	Oxley	Young (AK)
Gallo	Parris	Young (FL)
Gekas	Pashayan	
Goodling	Penny	
Gregg	Porter	
Gunderson	Ridge	
Hammerschmidt	Roberts	

ANSWERED "PRESENT"—3

Bonker	Dymally	St Germain

NOT VOTING—52

Anthony	Ford (TN)	Monson
Applegate	Gingrich	Nichols
AuCoin	Grotberg	O'Brien
Badham	Hall, Ralph	Pickle
Bentley	Hartnett	Rodino
Boggs	Hawkins	Schulze
Breaux	Heftel	Seiberling
Campbell	Howard	Shelby
Chappie	Hunter	Stangeland
Coughlin	Hyde	Torres
Courter	Kasich	Traxler
Craig	Kindness	Walgren
Davis	Kramer	Weaver
Dellums	Leland	Williams
Dixon	Lundine	Wilson
Dyson	Miller (CA)	Zschau
Edgar	Mitchell	
Fiedler	Mollohan	

□ 1010

So the Journal was approved.

The result of the vote was announced as above recorded.

□ 1020

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement regarding the schedule for today.

In view of the number of amendments remaining to be acted on to the housing bill, which is our principal order of business today, the desire to take action on another piece of legislation, H.R. 4784, transferring certain property for homeless shelters in the District of Columbia, and our desire to adopt the rule today so that we may act upon the bill Tuesday and get general debate behind us on the Domestic Volunteer Service bill, in order to expedite action on the housing bill today it is the intention of the Chair to recognize only five Members on each side at this time for 1 minute speeches. There will be five 1-minute statements recognized on each side of the aisle and then we will proceed into the Committee of the Whole House on the State of the Union for the further consideration of the Housing Act, H.R. 1.

The Chair recognizes the gentleman from Missouri [Mr. YOUNG].

INTRODUCTION OF CHILD ABUSE VICTIMS RIGHTS ACT OF 1986

(Mr. YOUNG of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Missouri. Mr. Speaker, today, Representative MARK SILJANDER is introducing the Child Abuse Victims Rights Act of 1986. I am proud to be an original cosponsor of this important legislation.

The creation and proliferation of child pornography is no less than a national tragedy. More than 1½ million children under the age of 18 are believed to be filmed or photographed while engaging in sexually explicit acts. In addition, the FBI reports that one in four females now living will be sexually molested or raped prior to reaching age 20. Equally alarming statistics exist for young boys.

In my home State of Missouri, we have witnessed a disturbing phenomenon, an increase in the sexual abuse of children.

Recently the Missouri Division of Family Services provided my office with alarming statistics which reflect a tremendous growth in the number of sexual abuse cases that the State now handles.

For a 3-year period beginning in 1982, the State reported a 103.5-percent increase in the number of substantiated cases of sexual abuse. The substantiated caseload of sexual abuse complaints increased from 1,397 in 1982 to 2,844 in 1985.

These statistics are horrifying, and they should warn us that our country is still facing major obstacles in battling the exploitation of our children.

During the Memorial Day recess, I made it a point to spend several hours at the Edgewood Children's Center in St. Louis. Edgewood is a wonderful facility which focuses its resources on minimizing the indeliable mark left by the trauma of abuse.

My visit proved to be a heartbreaking experience for me as I saw the faces of young minds and bodies who were the victims of callous and brutal attacks. Spending time at Edgewood was a painful dose of reality. I believe if each of us had the time to make a personal observation of the mental and physical damage inflicted on children, this bill would be fast-tracked through Congress.

I am convinced that we cannot underestimate the damage done to our society by those who abuse children.

An exploited child requires extensive physical and emotional therapy. And personally, I wonder if they can ever recover from such a degrading experience.

Unfortunately, all too many of these young people do not receive help. They must spend countless hours in internal turmoil over this humiliating experience. What a cruel burden for anyone to have to carry through life, let alone a young person who should have so much ahead of them.

It is imperative that we continue to work to decrease the number of children who are maligned each year by sexual abuse. And let's remind ourselves that these numbers are not just faceless statistics, they are our children.

The Child Abuse Victims Rights Act of 1986 is a crucial piece of legislation. This bill would at last add the sexual exploitation of children part to the Racketering Influence and Corrupt Organizations [RICO] statutes, allowing investigators and prosecutors to use wiretaps, special grand juries, and expanded subpoena authority to arrest and convict child molesters.

The Child Abuse Victims Rights Act also raises the mandatory minimum sentence for a person with a prior conviction of sexual exploitation from 2 to 5 years, instituting a mandatory minimum sentence of 5 to 25 years for repeat child pornographers and molesters, and a mandatory life sentence for the murder of a kidnaped child.

In the 98th Congress, we approved legislation strengthening the penalties for child abuse; however, the inclusion of this crime in RICO is absolutely necessary. Without this, we lack sufficient enforcement tools to combat organized efforts of exploitation.

As Members of Congress, we must do all that is possible to protect our children from sexual exploitation, while providing strict punishments when violations do occur. I urge my colleagues to recognize the severity of this inexcusable crime and join with me in cosponsoring the Child Abuse Victims Rights Act of 1986.

IMPEACH HARRY E. CLAIBORNE, U.S. DISTRICT JUDGE FOR NEVADA

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute to revise and extend his remarks, and to include extraneous material.)

Mr. SENSENBRENNER. Mr. Speaker, June 4, 1986, has come and gone. Federal Judge Harry E. Claiborne of Nevada has refused to resign. He is sitting in prison earning his full $78,100-per-year salary, and in doing so he has challenged the Congress of the United States to impeach him and to place him on trial in the U.S. Senate, because this individual, through his conviction of income tax evasion, is unfit to sit on the bench or hold public office.

I have drafted a one-count article of impeachment which I will present to the House of Representatives should the Judiciary Committee fail to act and the leadership schedule an impeachment resolution on the floor before we leave on the Fourth of July. This article of impeachment declares that Harry E. Claiborne by his conduct warrants impeachment and trial and removal from office.

The one count says that the reasonable and probable consequence of his conviction and refusal to resign is to bring his court into scandal and disrepute and to prejudice public respect for and confidence in the Federal judiciary.

Mr. Speaker, I insert the resolution into the RECORD at his point, as follows:

H. RES. —

Resolution impeaching Harry E. Claiborne, Chief Judge of the United States District Court for the District of Nevada, of high crimes and misdemeanors

Resolved, That Harry E. Claiborne, Chief Judge of the United States District Court for the District of Nevada is impeached of a high crime or misdemeanor, and that the following article of impeachment be exhibited to the Senate:

Article of impeachment exhibited by the House of Representatives of the United States of America in the name of itself and all the people of the United States of America, against Harry E. Claiborne, Chief Judge for the United States District Court for the District of Nevada, in maintenance and support of its impeachment against him.

ARTICLE

Harry E. Claiborne, while a United States district judge for the district of Nevada, was guilty of a high crime or misdemeanor in office in that:

On August 10, 1984, Harry E. Claiborne was convicted by a jury on two counts of a felony crime, willfully underreporting his income on his 1979 and 1980 Federal income tax returns under section 7206(1) of the Internal Revenue Code of 1954.

On October 3, 1984, Harry E. Claiborne was sentenced to a term of two years' imprisonment, and fined and assessed the costs of the prosecution.

On May 16, 1986, Harry E. Caliborne began serving the sentence of imprisonment at Maxwell Air Force Base, Montgomery, Alabama, while continuing to hold office of judge of a United States district court.

Harry E. Claiborne has consistently and adamantly refused to resign the position of judge of a United States district court and continues to retain that office. Harry E. Claiborne has not exercised any of the duties of the office of judge of a United States district court since late 1983, however, because he has been on leave of absence from the bench.

The reasonable and probable consequence of the conduct of Harry E. Claiborne specified in this article is to bring his court into scandal and disrepute, to the prejudice of that court and public confidence in the administration of justice therein, and to the prejudice of public respect for and confidence in the Federal judiciary, and to render him unfit to continue to serve as such judge.

Wherefore Harry E. Claiborne, by such conduct, warrants impeachment and trial, and removal from office.

ADMINISTRATION ONCE AGAIN SAYS NO TO PEACE AND ARMS CONTROL

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. RICHARDSON. Mr. Speaker, the Reagan administration has said it is saying no to abiding by the SALT II treaty, the cornerstone of arms control in the world community. Once again the reactionary right within the administration has prevailed.

Once again it appears that the United States is saying no to peace and arms control. In making this unfortunate decision, the administration is isolating itself from the world community. Our European allies, noted military experts and key military officers within the administration all have expressed deep misgivings over this action.

There is no question that the Soviets have engaged in some violations, especially in the telemetry area; but that is no reason to junk the work and commitment of the past five American Presidents, Americans and Democrats.

This should not be a partisan issue. Mr. Speaker, both of us on both sides of the aisle should join together in trying to overturn this unfortunate decision.

Let us support the legislation introduced by the gentleman from Washington [Mr. DICKS] which correctly tries to address this problem.

Mr. Speaker, I include the following on the case for preserving SALT II:

SOVIET SALT DEACTIVATIONS

The SALT I and SALT II accords have required the Soviet Union to remove 1,007 ICBMs, 233 SLBMs, and 13 Yankee-class nuclear missile-carrying submarines:

In order to comply with the SALT I and II "freeze" on "heavy" ICBMs, between 1973-80 the Soviet Union withdrew 288 SS-9 ICBMs as SS-18 ICBMs entered the force. SALT II also prohibited the Soviet Union from testing and deploying a "new" heavy ICBM and limited the extent to which existing heavy ICBMs could be modernized.

Between 1974-84, the Soviet Union removed 510 SS-11 ICBMs as newer SS-17, SS-18 and SS-19 ICBMs were deployed.

Between 1979-85, the Soviet Union dismantled the missile-carrying portion of 13 Yankee-class submarines as new Delta- and Typhoon-class subs were added.

Between 1975-78, the Soviet Union dismantled 209 SS-7 and SS-8 ICBM launchers to allow for permitted increases in SLBMs.

Between 1977-85, the Soviet Union removed 212 SS-N-6 SLBMs as SS-N-18 and SS-N-20 SLBMs were introduced.

Between 1980-85, the Soviet Union removed 15 SS-N-5 SLBMs as it increased the number of SS-N-18 SLBMs.

Between 1983-85, the Soviet Union removed six SS-N-8 SLBMs as it increased the number of SS-N-20 SLBMs.

Had SALT II been ratified, the Soviet Union would have been obligated to reduce its aggregate number of ICBMs, SLBMs, and heavy bombers to 2,400 and then to 2,250 by January 1, 1981. Under those limits, the Soviet Union would have been obligated to dismantle approximately 250 additional launchers, probably ICBMs.

Between 1985-90, SALT II will require the Soviet Union to remove older ICBMs and SLBMs as new ones are deployed. Although the precise number of retirements will depend on the number and character of the new systems the Soviets deploy, they will have to deactivate approximately 500 to 600 missiles and launchers.

Between 1985-90, the Soviet Union is expected to deploy 250 SS-25 single-warhead ICBMs. For every SS-25 deployed in a silo, an SS-11 or SS-13 ICBM will have to be removed. For every SS-25 deployed in a mobile mode, an SS-11 or SS-13 silo will have to be destroyed. (Recent reports indicate that the Soviet Union has begun dismantling SS-11 silos.)

Between 1986-90, the Soviet Union is expected to deploy 135 new SS-24 ten-MIRV ICBMs. For every SS-24 deployed in a silo, a MIRVed SS-17, SS-18 or SS-19 will have to be removed. For every SS-24 deployed in a mobile mode, an SS-17, SS-18, or SS-19 silo will have to be destroyed.

Between 1985 and 1988, the Soviet Union is expected to continue deployments of its MIRVed SS-NX-23 and SS-N-20 SLBMs. Prior to reaching the 1,200 ceiling on MIRVed launchers, the Soviets will have to remove an existing single-warhead SLBM for each SS-NX-23 or SS-N-20 deployed in order to stay within the overall aggregate of 2,504 launchers. In all, 80 SS-N-6s and SS-N-8s will probably be deactivated.

Once the 1,200 ceiling on MIRVed launchers is reached, the Soviet Union will be obliged to retire the MIRVed SS-N-18 SLBM or a MIRVed ICBM for every SS-N-20 and SS-NX-23 SLBM deployed. In all, 64 such systems will probably be removed.

Between 1985-90, the Soviet Union is expected to continue deployment of one Delta- and one Typhoon-class sub per year. For every sub deployed, the Soviet Union will have to dismantle the missile-launch section of a Yankee- or older Delta-class submarine.

ALL FALL DOWN

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, a Norwegian folk-tale tells us why the bear is stumpy-tailed. Once upon a time the bear had a long and bushy tail like the fox. The two animals met as the fox was carrying a string of stolen fish. When the bear showed interest in the catch, the fox sent him fishing to the frozen lake. "You only have to cut a hole in the ice and stick your tail into it. The longer you keep it there, the more fish you'll get. Then all at once out with it, and with a strong pull, too." The bear did as the fox had suggested. He kept his tail in the lake until it froze solid. When he tried to jerk it out, his tail snapped. And that's why the bear's tail is stumpy to this day.

According to news reports, Norway's new labor government ended a damaging run on the crown with the largest devaluation since 1949. Prime Minister Gro Harlem Brundtland said that the devaluation, amounting to 12 percent, was vital as Norway's oil-based economy was out of control because of falling oil prices.

The Norse bear lost its tail, but did not get the fish. His only consolation is that he is in excellent company. Uncle Sam has also fallen victim to the same trick, when he let himself be persuaded that the dollar was ripe for mutilation.

Mr. Speaker, we must recognize these signs for what they are: competitive currency devaluations in the service of trade war. The only way to stop the destruction of currencies and to stop the trade war is to stabilize the gold content of the dollar.

BATTLE OF NORMANDY MUSEUM

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. GIBBONS. Mr. Speaker, 42 years ago on both sides of the Atlantic, in the United Kingdom and in occupied Europe, the largest forces that mankind has ever seen gathered to fight each other. On June 6, 1944 the largest land, air, and sea battle that man has ever participated in began.

The French people have decided to commemorate this historic battle and to try to draw as many truths from it as possible. They have decided to build a museum in Normandy to celebrate

the battle of Normandy, a battle while beginning on June 6 lasted for 6 weeks and perhaps longer.

Yesterday I introduced a resolution urging that we cooperate with the French in this venture. A committee has been formed to cooperate with the French at no expense to this Government.

At this time I would like to urge the Members of the House to examine this resolution, to pass it and to support this operation.

Mr. Speaker, I am inserting at this point in the RECORD the names of those who are members of the board of directors and advisors to this new museum.

U.S. COMMITTEE FOR THE BATTLE OF NORMANDY MUSEUM BOARD OF DIRECTORS AND ADVISORS

Serge Bellanger, President, French-American Chamber of Commerce in the United States, New York, New York.

Mrs. Omar N. Bradley, Los Angeles, California.

Anthony J.A. Bryan, President, Copperweld Corporation, Pittsburgh, Pennsylvania.

General J. Lawton Collins (Advisor), Washington, D.C.

Pierre Comant, Former Minister Plenipotentiaire, Embassy of France, Caen, France.

Senator Robert Dole, Senate Majority Leader, Washington, D.C.

Representative Sam Gibbons, Washington, D.C.

Jean-Marie Girault, Senator-Mayor of Caen, Caen, France.

Senator Paul Laxalt, Washington, D.C.

His Excellency Emmanuel de Margerie, Ambassador of France to the U.S., Washington, D.C.

Senator Charles McC. Mathias, Washington, D.C.

The Honorable Joe M. Rodgers, Ambassador of the U.S. to France, Paris, France.

Paul C. Sheeline, Former Chairman of the Board, Intercontinental Hotels Corporation, New York, New York.

Anthony C. Stout, Chairman, Government Publishing Corporation, Washington, D.C.

General Maxwell D. Taylor (Advisor), Washington, D.C.

Senator Strom Thurmond, Washington, D.C.

General John W. Vessey, Former Chairman, Joint Chiefs of Staff, Garrison, Minnesota.

General Vernon A. Walters, New York, New York.

VIOLATION OF HUMAN RIGHTS IN ROMANIA

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, what will it take for us to take a stand against the repression of Christians in Romania? The administration, yesterday, urged continuation of most-favored-nation trade status even though it acknowledges the abyssmal human rights record: What will it take?

Father Calciu: Was in prison for 21 years for refusing to take a factory job, refusing to deny his priesthood. He was subjected to periods of 10 days during each period during which he was given no food, no water, no heat, and no clothes. At the end of those periods when convulsing violently, he would be given 2 days' worth of food and then put back on 10 days of deprivation. This went on for 100 days. The Romanians wanted to keep him alive to break him. For 100 days Father Calciu countered and refused to submit and went on a hunger strike himself, and finally they became very concerned that he would die. And they began to feed him.

Father Palfi: Arrests of religious activists do result in death. Recent examples of deaths of clergymen resulting from arrests include as follows: In his Christmas Eve sermon in 1983, Rev. Gaza Palfi opposed an edict by President Ceaucescu making Christmas Day an ordinary working day. The next day, this Catholic priest was arrested and severely beaten, particularly around the liver. He was taken to a clinic where he died 2 months later, not having responded to treatment, simply because he felt that Christmas should be a holiday. The Romanian secret police arrested him, beat him up, and he later died.

Bibles turned into toilet paper.

Churches being bulldozed.

If we stand for human rights for our global family, then we should stand by the laws of our Nation which reward, economically, those countries pursuing human rights goals and does not support those that do not. As Anatoly Shcharansky reminded us recently, weak agreements only make those suffering behind the Iron Curtain more despondent. They are taking the tough line on the front; the least Western diplomats can do is to remember them in between the caviar and cocktail parties.

REMEMBERING OUR HOSTAGES

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Fifteen months ago, Terry Anderson, a native of Lorain, OH, in my district, was kidnaped by gunmen in West Beirut. It is not bad enough that his family has not heard one word from him since that grim day, but we still do not even know who is holding him or where. It would compound an already tragic situation if we were to lose sight of the importance of getting Terry Anderson and the other four American hostages safely back to their families.

Crises all over the world compete for our attention. New ones crop up all the time. But we cannot allow the fates of our fellow citizens in captivity to become yesterday's news.

A hundred of us have joined forces in a public appeal to Syrian President Assad on humanitarian grounds to intervene in the matter. There are strong indications that his personal relationship with the Lebanese people could help secure the hostages' release, and we owe it to the hostages to pursue this option.

The most recent news of increased fighting in West Beirut can only heighten what must be an unbearable anxiety for the families of these innocent people held captive. All of us in this House join people across the country in hoping and praying that the efforts already underway will lead to the prompt release of the five.

Thus, Mr. Speaker, I rise to remind the House of the continued incarceration of our hostages who have been over there for over 1 year now.

These are Americans who symbolize the very things that we stand for; in the case of Terry Anderson, freedom of expression, freedom of the press.

It seems to me that we have to do everything we can, as Members of the House are doing that with an appeal to President Assad, to try to bring those hostages back.

Mr. Speaker, I urge my colleagues to join us in this endeavor.

□ 1035

EASING THE LIABILITY INSURANCE CRISIS

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, voters in my home State of California have just approved a proposition on the June ballot to limit some "pain and suffering" awards, and also to ease the current liability insurance crisis. By a vote of 62 to 38 percent, Californians have led the way in addressing this problem which has been ignored for entirely too long.

As the original House sponsor of legislation to provide needed reforms in the field of product liability law, I applaud the outcome of California's proposition 51. Clearly, our citizens and voters are making their views known. They are exasperated with a system gone haywire, one which is unfair to consumers and also to manufacturers. The bills I have introduced offer appropriate vehicles for resolving the product liability crisis, and I urge my colleagues to join me in cosponsorship.

DOUBTFUL CREDIBILITY OF SOVIET UNION ON SALT II

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker and Members of the House, already there is

forming a rush to criticism and rush to judgment on the position of the President of the United States, the preliminary position, I might add, on SALT II.

Has anyone in the Congress of the United States formed an opinion already based on the credibility of the Soviet Union in any agreement that can be reached with them? Do we need to recall the violations of all the agreements ever entered into between the United States and the Soviet Union to try to form a proper perspective for the ensuing debate on SALT II?

The most recent example is one that should loom high in this debate, and that is the misinformation, yes, the reluctance of the Soviet Government and Gorbachev and all his cronies in giving the world the fullest possible information on the nuclear disaster in the Ukraine. Is there any more proof required that we are dealing with a society that cannot be trusted, a society that will not be forthcoming on things that endanger the world, let alone endanger the Soviet citizens, which some do?

When we begin the debate on SALT II, we still must remember with whom we are dealing.

U.S. POSTAL SERVICE BOARD OF GOVERNORS

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, I am sure that many of my colleagues on both sides of the aisle have been shocked by the recent disclosure of the guilty pleas entered by Peter Voss who has recently resigned as Vice Chairman of the USPS Board of Governors. Mr. Voss pleaded guilty to taking bribes in trying to get the Postal Service to award a $250 million contract to a Dallas-based firm for the purchase of optical character readers which are high speed machines to aid with mail sorting. He has also pleaded guilty to embezzling money from the Postal Service by collecting funds for first-class airline tickets when he actually traveled in coach class. Through his schemes he defrauded the Postal Service of at least $43,000.

Such acts of felony by a member of the Postal Board of Governors casts serious doubts on the credibility and the integrity of the entire Board. One issue that has become more and more questionable since the news of Peter Voss' criminal activities is the forced resignation of Paul Carlin as the Postmaster General early this year. When the Committee on Post Office and Civil Service held a hearing to investigate the replacement of PMG Paul Carlin the Chairman of the Postal Board of Governors could not justify the removal of Mr. Carlin. As it turns out Mr. Carlin was the one who first became suspicious that the Dallas-based firm would be awarded a contract without going through a fair and impartial procurement process. Mr. Carlin initiated an investigation into this matter by the Postal Inspection Service. In the meantime, Mr. Voss effectively influenced the Board of Governors to remove Carlin as the Postmaster General. On the same day that Mr. Carlin was removed, the current Board members elected Mr. Voss as Vice Chairman of the Board despite the fact that media, including the Washington Post, had disclosed the abuses by Voss of his expense account and lavish spending on personal travel. It is evident that Mr. Carlin's courageous efforts to protect the public from the criminal activities inside the Board led to his being fired by the Board. Mr. Carlin has become the victim of the criminal actions by Mr. Voss.

Recently, the Postal Board Chairman, John McKean, issued a self serving press release giving the Board credit for exposing Mr. Voss' criminal schemes. I say the credit belongs to this legislative body, in particular the Committee on Post Office and Civil Service chaired by our colleague, WILLIAM FORD. As early as September 1984 the committee held an oversight hearing in which I raised a number of questions relating to the expense abuses of the Board of Governors. Despite the numerous investigations underway, there are still many questions that are left unanswered and are in need of thorough investigation.

However, that investigation should not be done by the Postal Board of Governors as was announced by the Board Chairman, Mr. McKean. We have the Postal Inspection Service investigating into this matter as well as the Department of Justice and the General Accounting Office. The Board should not be allowed to conduct an investigation of itself with its own hand-picked law firm which has been of counsel to the Board since 1982. Such an investigation will certainly raise questions of bias and is a waste of our taxpayers' money. I do defer to our colleague, WILLIAM FORD, who chairs the oversight committee on the Postal Service who wishes that Congress not interfere with the proceedings of the grand jury during an investigation of Mr. Voss' case. However, if history is any indication of the laxity in the process of the Justice Department's investigations on matters referred to them, I will personally assure that there will be a thorough congressional investigation of the issues that have seriously tainted the credibility of the Postal Board of Governors. I want the Postal Board of Governors to be advised today that they should not feel comfortable and rely on the laxity of the Justice Department's investigations. I will ask the Committee on Post Office and Civil Service to hold investigatory hearings on this matter.

In the meantime, I insist that the Board make no major decisions on the procurement of the optical character readers and also replacement for the current Postmaster General Albert Casey until the whole Board appears before this committee for the fullest kind of questioning.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. All time has expired for the moment. The Chair will repeat an announcement earlier made that the Chair would take 5 1-minute speeches on each side in view of the situation before the House today and the need to act upon the housing bill.

However, it appears that only 1 additional Member desires to be heard, so the Chair will bend his earlier ruling to recognize the gentleman from Pennsylvania [Mr. RITTER].

IRA'S ARE WORTH SAVING

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. I thank the Chair for his generosity.

Mr. Speaker, the tax reform bill recently voted out of the Senate Finance Committee is historic and appealing, but there is one portion of the bill that goes against recent efforts to encourage Americans to save and provide for their own future and that is the provision restricting the deductions for individual retirement accounts, [IRA's].

Doing away with the IRA has broader implications. By eliminating the IRA, we jeopardize an approach to funding which inherently maximizes personal freedom and responsibility. One case in point is the approach of adapting IRA's to create a similar mechanism for job training and retraining, known as the individual training account, the ITA.

The beauty of the ITA, like the IRA, is that it be tailored to an individual's needs. With ITA's, people are encouraged to contribute money into a special job training account which could be used when jobs are lost or are about to be lost. It does not matter if an employee stays in the area, goes halfway across the country; they can still use their account in an approved training program.

The approach shows significant promise, especially for people living in areas of the country undergoing significant change in their economies, like the people of Pennsylvania, or the Lehigh Valley, which I represent.

Indeed, all over America the only real constant in the job market is change itself. New mechanisms must provide incentives for individuals to accommodate such change. Government programs, with their shotgun approach and their limitation in size, management and flexibility, are not sufficient. I encourage my colleagues to work to see that IRA's remain an integral part of U.S. tax policy. A policy which promotes savings for our workers' retirement needs, our Nation's growth, and job training and retraining is worth saving.

PERMISSION FOR SUBCOMMITTEE ON NATURAL RESOURCES, AGRICULTURE RESEARCH AND ENVIRONMENT AND SUBCOMMITTEE ON SCIENCE, RESEARCH AND TECHNOLOGY OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY DURING 5-MINUTE RULE

Mr. VALENTINE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Natural Resources, Agriculture Research and Environment and the Subcommittee on Science, Research, and Technology of the Committee on Science and Technology be permitted to sit on today, June 5, while the House is operating under the 5-minute rule.

This request has been cleared by the committee's ranking members and the subject of the hearing is biotechnology legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

HOUSING ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 450 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1.

□ 1045

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1) to amend and extend certain laws relating to housing, and for other purposes, with Mr. GRAY of Illinois (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Wednesday, June 4, 1986, title I of the text of the bill, H.R. 4746, which is considered as an original bill for the purpose of amendment, was open for amendment at any point.

Pending was an amendment offered by the gentleman from Arizona [Mr. KOLBE].

For what purpose does the gentleman from Texas [Mr. GONZALEZ] rise?

Mr. GONZALEZ. Mr. Chairman, I rise in opposition to the amendment. As a matter of fact, I rise in very strong opposition to this amendment offered by the distinguished gentleman from Arizona [Mr. KOLBE], a member of the committee.

The gentleman's amendment would eliminate three provisions in the amendment in the nature of a substitute that were included to correct unintended inequities that have largely resulted from unforeseen circumstances.

He picks on the Boston urban renewal proceeds as one, on the Park Central new community project in Texas, the Pittsburgh public housing interest, a modicum that the hard-strapped city of Pittsburgh would find quite difficult and it would be an injustice to compel them, and it really is an injustice to even have to require legislation.

□ 1045

This could have been addressed in a fair and equitable fashion administratively. However, I would like to point out that this is concentrating on three specific projects, whereas yesterday, because these are contained in the bill before us, but yesterday we accepted, for instance, the amendment offered by the gentlewoman from Louisiana [Mrs. BOGGS], that would do even more in the case of New Orleans, but which also was addressing a gross injustice that certainly we all agree needed to be corrected.

I think it is unfair to pick on these three that have equally justifiable cases that have been presented to the committee for a long time, in fact, in sufficient time to have had them incorporated in the original version of H.R. 1, in the amendment in the nature of a substitute which is before us for amendment, and we should not penalize these that have given every single ample opportunity to show any justifiable criticism which has not been forthcoming and then accept without question those amendments that were offered late, as late as yesterday, which had not been incorporated into the bill.

I think that if we go into the merits which we have, into each one of these three cases, Boston, TX, Port Arthur, TX, to be exact, and Pittsburgh, PA, as we have, as I say and repeat in the subcommittee, very diligently, there would be an overwhelming affirmation of the action taken by us in making it part and parcel of the bill.

I urge my colleagues to vote against the Kolbe amendment.

Mr. KOLBE. Mr. Chairman, will the gentleman from Texas yield?

Mr. GONZALEZ. I am glad to yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I appreciate the gentleman's yielding and I appreciate the opportunity for the chance to respond to a couple of points that he made since my remarks were made yesterday, and I think over time, perhaps we have forgotten a little bit of the dialog on this issue.

Just a couple of points. I agree absolutely with the mistake perhaps, that was made yesterday, or compounding the mistake by adding another project in Louisiana to this. But I would point out that that one is approximately $1.2 million, and I do not know that enthusiastic support was given by this body on it. The total amount that is involved in this, in these three projects, is $48 million.

I would also point out with regard to what the chairman said about Pittsburgh, that there was no discussion in committee on Pittsburgh. He is correct in saying we did have a discussion of the Park Central and of the Boston cases, but there was no discussion in our committee about Pittsburgh, so there was no consideration by the committee of that.

Mr. GONZALEZ. Mr. Chairman, I would like to respond and continue with my time allotted.

The gentleman is quite incorrect is saying that these represent a sum total cost of $48 million. That is simply not the fact.

The Pittsburgh, for instance, is less than $200,000. Every one of these, including the one that is more substantial, the Port Arthur, TX, are projects that had been sanctioned, approved, were underway, had been underway, but in view of the intervening cutbacks, were themselves cut back as to size of units and all, but which has left those who have undertaken a commitment holding the bag. It is just simple elemental justice that we recognize these individual cases.

I would like to point out to my distinguished colleague that this particular Port Arthur case was presented in the prior authorization bills.

Mr. WYLIE. Mr. Chairman, I rise in support of the Kolbe amendment.

Mr. Chairman, I support the Kolbe amendment because it seems to me its purpose is clear: to remove the pork from H.R. 4746.

I appreciate the dilemma in which my friend, the gentleman from Texas [Mr. GONZALEZ] finds himself, but I would respectfully suggest that in none of these three cases are the expenditures justified. Referring to the situation in New Orleans, I do not believe two wrongs necessarily make a right. It does point up another dilemma in which this Member finds himself, and that is, where do we stop on these kinds of special case expenditures?

In the case of the Park Central New Community project in Port Arthur, TX, they have already received in recent years $45 million in section 8 new construction, $7 million from the Secretary's discretionary fund, $6.3 million in UDAG's, $7.4 million in title X land development insurance, $31.3 million in section 221(d)(4) multifamily mortgage insurance, and $4.3 million in section 232 nursing home insurance.

Now where do we stop? To give this small community with about 3,000 population an additional 500 units of section 8 and an additional $5 million from the Secretary's discretionary fund would be unfair to thousands of other communities that must compete for these scarce resources.

The provision relieving the city of Boston from its statutory obligation to pay land sales proceeds would cost the Federal Government $3.4 million at a minimum. In addition, this provision would open the door for similar requests from other cities, which owe HUD a minimum of $10.5 million. The provision is not only unfair to the taxpayer, it is unfair to those cities that have already lived up to their obligation under the statute.

Forgiving the interest on the debt owed by the Pittsburgh Public Housing Authority would cost the Federal Government $385,000. The public housing authority has already received hundreds of thousands of dollars in income over the last decade by refusing to return funds that were never used for their initial purpose of providing housing. The provision in H.R. 4746 would reward the public housing authority for ignoring a contractual obligation.

Mr. Chairman, I see no compelling reason to include this pork in a housing bill and I strongly support the amendment of the gentleman from Arizona [Mr. KOLBE].

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to this amendment.

Mr. Chairman, I rise in opposition to the gentleman from Arizona's [Mr. KOLBE] amendment to strike section 151 from H.R. 4746.

The bill directs the assistance to be provided to the Park Central new community project, a new town in Port Arthur, TX. This is one of the few new communities approved by HUD that is attempting to complete its obligations and create a viable project.

The original plan approved by HUD in 1979 required that the property be placed in trust and imposed numerous obligations on the developers, including a requirement that a substantial number of subsidized housing units be provided to lower income persons.

The housing programs that were to be used to provide this assistance, the section 8 new construction program, section 235 homeownersip program either had been repealed or substantially curtailed.

□ 1055

Instead, the bill now tries to maintain some possible part of the obligation and agreement that the Government made with these developers, and sets aside 250 certificates during the fiscal year 1985 under the less costly section 8 housing program for use in the Park Central town; an additional 250 in the 1987 budget.

Now, because there is a very high unemployment, approximately 21 percent and a depressed economy in the Port Arthur area of my congressional district, there is a strong demand that these certificates and the units are available.

The bill also directs $5 million from the discretionary fund; and that is essential to complete the orderly development of the new town as planned. This is a partial effort on the part of the committee and the Congress to meet the obligation to which they agreed some years ago. To do otherwise would be absolutely unthinkable. We should not renege on the developers that have contributed.

Mr. GONZALEZ. Will the gentleman yield?

Mr. BROOKS. I yield to my distinguished chairman, the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. I rise because I want to clarify a point here. There is an innuendo that this is additional or new money. There is no new money involved at all. This does not add one iota of cost or obligation, so we ought to make that clear. This is an act of justice; we have examined this over a period of 4 years, and in answer to Mr. WYLIE's question, "Where do we stop?"—we stop where there is an unreasonable request such as we have had.

We have had an untold number of unreasonable requests that we have stopped cold. So I think this is a minimal act of justice and urge defeat of this amendment.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. FIELDS. Mr. Chairman, I rise in opposition to the Kolbe amendment, which would strike special-purpose provisions aimed at helping public housing projects in Pittsburgh, Boston, and Port Arthur, TX.

The provisions currently included in H.R. 4746 allow for the continued funding of the Park Central New Community project which has been sanctioned, approved, and is currently underway. The Port Arthur, TX, project is attempting to complete its obligations and create a viable project as originally planned and approved by HUD in 1979. Should the Government now renege on its original commitment, this already financially strapped community will have to bear the burden.

Texas has had to bear the Federal financial burden for too long. A recent study released by the Tax Foundation, a nonprofit, nonpartisan research and public education organization that monitors tax and fiscal activities confirms this fact. The report indicates that for the fifth year in a row, Texans paid the highest tax premium for Federal grants. Each dollar of grants cost Texans $1.59 in Federal taxes.

Subsidized housing is currently one of the five largest Federal grant programs. Given the record of Federal grants allocated to Texas, however, Texans have, in essence, been subsidizing the rest of the Nation at their own expense.

Clearly, Texans have paid their fair share to warrant completion of the Park Central New Community project. For this reason, I intend to oppose the Kolbe amendment, and to secure funding for this project in which Texans have already invested.

Mr. Chairman, we all recognize that when massive bills come before the House, they contain a lot of provisions; they tend to be reform provisions and the problem is, however, that what gets buried down in them are a lot of special interest provisions, and what happens is that some of those special interest provisions tend to be pork barrel provisions.

It seems to me that that is one of the things that the American people resent most about the legislative process around here; that they see legislation come through that may be very badly needed legislation; that there are important things that we are trying to do and then all of a sudden we find out that, buried down in those bills, is the pork barrel taking care of a few people at the expense of many.

Mr. Chairman, it seems to me that the gentleman who offers this amendment has done this House a service by first of all discovering some of that pork barrel buried in this bill, and then offering us a chance to take it out before we go to the final passage of the bill.

I think that we ought to look at it in that way, that if we can carve the pork out at the beginning, then somebody is not going to find it at the end and suggest that this House is somehow playing favorites with the taxpayers' money. I personally find it a great problem to explain to my constituents why their tax money goes for singular pork barrel kinds of efforts in the Congress.

Mr. KOLBE. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. KOLBE. Mr. Chairman, as I explained yesterday in my initial remarks, I thought that that was the fundamental reason why we needed to make this change. If people are going to have credibility, if there is going to

be credibility for this legislation, if they are going to have confidence in the kinds of things that Congress is doing with regard to these kinds of programs, to help people, we ought to be taking out the kind of special interest things that are clearly designed to simply let one community off the hook from its contractual obligations—and that is what we are talking about here—contractual obligations that these communities have entered into; to repay interest, repay the Federal Government.

I want to point out with regard to what the gentleman from Texas said earlier, that it is absolutely not true to suggest that there is no existing, no new money in this. The money for this Park Central project will come out of the existing account of section 8. In addition, it provides for $5 million in CBDG funds from the Secretary's discretionary fund, so we are talking about new dollars.

Mr. WALKER. Reclaiming my time, I want to pose a question to the gentleman from Arizona. What the gentleman is saying, then, is, when you carve out such a special interest provision, some people will not get that which they would otherwise be entitled to, because the committee has decided that a few people deserve special treatment. Is that the situation we find ourselves in?

Mr. KOLBE. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. KOLBE. That is precisely right. This would allocate 500 units, which is more than half of all the units that would be allocated to Texas, to this one project; so it does mean that units will go there, not elsewhere.

Similarly, on the CBDG funds, it means that $5 million—and by the way, Park Central has already received $7 million of CBDG funds, $5 million will not be allocated that might go to some other community.

Mr. WALKER. 500 units of housing is more housing than some States get, is it not?

Mr. KOLBE. Yes.

Mr. WALKER. Is not that more units than some States get?

Mr. KOLBE. Considerably more than many States get, yes.

Mr. WALKER. That is interesting.

Mr. GONZALEZ. Will the gentleman yield?

Mr. WALKER. I yield to the chairman of the subcommittee.

Mr. GONZALEZ. I thank the gentleman for yielding, because I think the fair thing that he would want to do would be to point out some deficiencies in the accuracy of his statements.

To describe this as pork barrel or that the distinguished Member from Arizona discovered some insinuated hidden pork—let me assure the gentleman, we do not have any kind of pork, not even Mexican sausage in here—much less Polish sausage.

This has been openly discussed; other requests have been openly discussed for many months. There is nothing here that anybody is trying to pass as a pork barrel situation.

Mr. WALKER. If I may reclaim my time, and then I will yield back to the gentleman, there may not be Polish sausage or Mexican sausage in it, but what we have is rancid pork; and that is my problem.

Maybe if we get out of the meats for a minute, we can get back to the issues at hand. What I am talking about is the fact that, in the case of the city of Boston, they would have to retain——

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. WALKER. The minimum cost to the Federal Government, if the city of Boston is allowed to retain its land sale proceeds, is $3.4 million. It seems to me that is about $3.4 million more than we can afford on that.

Mr. GONZALEZ. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. GONZALEZ. Not really, because the gentleman must understand the nature of those funds, and how they were derived through interest accumulation; and the fact that in other instances, time after time, HUD, in prior determinations, had acceded to similar requests.

Mr. WALKER. Let me ask the gentleman this: Under the provisions of law now in force, if in fact a community earns money, interest money, under similar kinds of circumstances here, are they required to pay back that interest money to the Federal Government, under the statutes that are now in effect?

Mr. GONZALEZ. It has depended. Sometimes yes, sometimes no.

Mr. WALKER. I am talking about the law.

Mr. GONZALEZ. Well, under the provisos that permit the setting up of this type of account and deriving interest.

I think here, though, in all fairness to everybody concerned, we ought to take the trouble to examine the particulars in each one of these instances, particularly the case of Pittsburgh. In view of the fact that all we are doing here is—not depriving the Federal Government of any funds that it otherwise has appropriated for it—but merely sanctioning an equitable action that would permit a financially hard-strapped city, such as Pittsburgh, at this time to not have to get from the general fund moneys derived from property taxes in order to make up a payment that had accrued by virtue of the investment of these other funds that have since been used in accordance with the programs and the directives of the Congress.

Mr. WALKER. I understand what the gentleman is telling me, except that we have statutory obligations here that are being violated, and in the case of the Pittsburgh situation, I understand that there is a contractual obligation that would be violated; and that in that particular case it would be to the tune of costing the Federal Government $385,000.

I must admit that this causes this gentleman some concern. We talk about strapped local governments. The Federal Government is strapped to the tune of $200 billion a year; we have got $2 trillion in debt. Somewhere along the line here we have got to cut out some of the pork and begin to look at the obligations that the taxpayers of this country are being asked to assume.

Mr. GONZALEZ. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. GONZALEZ. Let me point out that Pittsburgh has paid back its contractual obligation. We are talking about an interest accumulation of funds.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. KOLBE and by unanimous consent, Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. KOLBE. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. KOLBE. The chairman of the subcommittee has raised a very important point, and I think it is important, since the subcommittee or committee has never discussed ths issue, that we have this discussion here on the floor, of Pittsburgh.

□ 1105

Is it my understanding from what the Chairman just said that, since Pittsburgh has repaid, there is no intention of refunding the interest payment to Pittsburgh, is that correct?

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, they did repay the loan.

Mr. KOLBE. Yes, the city of Pittsburgh paid under protest. That is my understanding of why this section is in here, that once this amendment is passed or this bill is passed with that section in there, Pittsburgh would then demand a refund of their money. Is that the understanding of the gentleman from Texas?

Mr. GONZALEZ. No, no. That is not the principle involved in the loan. I would like to also point out that the gentleman should know that we did have discussions on this. We have had discussions. And also that the amendment was openly offered, and it was subject to deletion at any point during markup. But I think the main thing is this: The main thing is that under what the gentleman describes as payment under protest we have had a total of 37 municipalities and other political entities throughout the country that have done likewise at a time when HUD was exacting a different policy.

What we are trying to do is correct an injustice that has developed from a sudden change in policy.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Arizona.

Mr. KOLBE. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the comments of the gentleman, the chairman of the subcommittee. I would just point out there was no discussion of this in committee. Obviously the provision was added in the committee; it was not discussed in committee. If it was repaid under protest, if it is not to be repaid, it would appear to me that the chairman of the subcommittee ought to be willing at least to delete this section of the bill, section 211, because the issue is now moot; Pittsburgh has now repaid the money and there should be no question that the money stays in the National Treasury.

Mr. WALKER. Let me ask the gentleman a question. If in fact there has been a change as we have just heard with regard to HUD policies, was that change effected in large part to save the taxpayers some money, to make certain that we did in fact get back some of the money owed to the Federal Government, was that the reason for the change?

Mr. KOLBE. That was the purpose of it, yes.

Mr. WALKER. So what we are really doing now is we are trying to renege on that which is a change of policy designed to save the taxpayers some money, that is precisely what is the problem here. That is in fact what happens on this House floor, is that politically we do in those things which are financial obligations that we ought to be mindful of. So I have to go back to say that that is indeed a very troublesome kind of question. I think the gentleman from Arizona is to be congratulated for bringing this to the attention of the House.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman [Mr. WALKER] has again expired.

(On request of Mr. GONZALEZ and by unanimous consent Mr. WALKER was allowed to proceed for 1 additional minute.)

Mr. GONZALEZ. Mr. Chairman, will the gentleman continue to yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, what the gentleman just stated has never been the intent of the law.

Mr. WALKER. What I asked the gentleman from Arizona [Mr. KOLBE] is whether or not the new HUD policies that the gentleman from Texas had just referred to were designed in such a way as to regain for the Federal Government money that would otherwise have been lost to the Government. My understanding is, I was just told that that was in fact the intent of the policy and what we are doing with the provisions that are in the bill is making an end run around the new policy. I suggest that if we can get the taxpayer some money through that new policy, we ought to do it with a $2 trillion debt staring us in the face. And now if the gentleman is saying that that was not the intent of the HUD policies, I would like to get his explanation on it.

Mr. GONZALEZ. It is not the intent of the law. The HUD policy would be, in effect, an ex post facto action. As the gentleman knows, there is tradition in American law against ex post facto laws or, for that matter, rules and obligations, or rules and the promulgation of rules and regulations.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

(On request of Mr. KOLBE and by unanimous consent Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Arizona.

Mr. KOLBE. I thank the gentleman from Pennsylvania, who has been very good about yielding on both sides here. His point is well taken in that we are talking about a city here, for a moment, that is in his home State here. If it is good for Pittsburgh, it ought to be good for all the other cities that have accrued interest that they have not repaid. In the case of Pittsburgh this is a dispute which has been going on since 1976 or 1977 now, almost 10 years. And they have finally, on March 27 of this year, finally repaid some $774,000 under protest to this. But there is no question that the law required that they repay it. It seems to me what is good here for Pittsburgh ought to be good for other cities. Can we imagine that Pittsburgh is less strapped than Newark or Gary, IN, or other cities?

Mr. WALKER. Well, do I understand what the gentleman is saying is that Pittsburgh under protest but nevertheless has repaid the money and under this provision Boston would not have to?

Mr. KOLBE. No. Each of the cases is different. In this case Pittsburgh would be refunded the money that they have already paid under protest. In the case of Boston they would simply not have to pay the money to the Federal Government for the sale to a developer of the land.

Mr. WALKER. I see. So it is a separate provision of the law.

Mr. KOLBE. A separate provision of the law.

Mr. WALKER. But nevertheless it would relieve Boston of a statutory obligation that they would otherwise have to repay to the Government, too.

Mr. KOLBE. The law requires in these projects that when a development takes place, the land is liquidated; that is, sold to a developer, that the Federal Government gets reimbursed for the value of the land. In this case they are not only going to want to keep all of the profit that has been made on it, but they do not want to reimburse for the initial part of the value of the land, the initial appraised value of the land. So they get to keep the whole thing.

There are many, many other cities that fall into the same category. In fact, there are some 60 cities with 71 projects that have contracts requiring HUD repayment there. We are going to relieve one city from that obligation.

Mr. WALKER. So those cities would have to repay, but under this the cities that we gave special treatment here would not have to repay.

Mr. KOLBE. In this case the cities would not have to.

Mr. WALKER. Pork also gets a little unfair.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the distinguished ranking member of the committee.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman in the well is performing a valuable service in that he is clarifying the issue here and affording us an opportunity to know for sure whether we want to vote for these projects or not. I think also the chairman of the Subcommittee on Housing, Mr. GONZALEZ, pointed out it does not add anything to the $15.2 billion provided for in the bill. What the bottom line is, is that it does provide for special purpose legislation for three communities, and it provides for $48.6 million to those communities. So that is coming out of the pot of existing resources which would go to other cities. I think, as I

said, the gentleman has performed a service in that he has pointed out that it is special purpose legislation, that it does go to three cities and that other cities in the United States would not qualify under the provisions of this bill or would not participate to the extent these three cities are.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. KOLBE].

RECORDED VOTE

Mr. KOLBE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 162, noes 245, not voting 26, as follows:

[Roll No. 145]

AYES—162

Archer	Hopkins	Rinaldo
Armey	Ireland	Ritter
Bartlett	Jacobs	Roberts
Bateman	Jeffords	Rogers
Bentley	Johnson	Roth
Bereuter	Kasich	Roukema
Bilirakis	Kemp	Rowland (CT)
Bliley	Kindness	Rudd
Boehlert	Kolbe	Saxton
Broomfield	Lagomarsino	Schaefer
Brown (CO)	Latta	Schneider
Broyhill	Leach (IA)	Schuette
Burton (IN)	Lent	Sensenbrenner
Callahan	Lewis (CA)	Sharp
Carper	Lewis (FL)	Shaw
Chandler	Lightfoot	Shumway
Cheney	Livingston	Shuster
Coats	Lloyd	Siljander
Cobey	Lott	Skeen
Coble	Lowery (CA)	Slattery
Coleman (MO)	Lujan	Slaughter
Coughlin	Lungren	Smith (NE)
Courter	Mack	Smith (NJ)
Craig	MacKay	Smith, Denny (OR)
Crane	Marlenee	Smith, Robert (NH)
Dannemeyer	Martin (IL)	Snowe
Daub	Martin (NY)	Snyder
DeWine	McCain	Solomon
Dickinson	McCandless	Spence
Dornan (CA)	McCollum	Stallings
Dreier	McDade	Stangeland
Duncan	McEwen	Stenholm
Eckert (NY)	McKernan	Strang
Edwards (OK)	McMillan	Stump
Emerson	Meyers	Sundquist
Evans (IA)	Michel	Sweeney
Fawell	Miller (OH)	Swindall
Fish	Miller (WA)	Synar
Flippo	Molinari	Tauke
Franklin	Monson	Taylor
Frenzel	Moore	Thomas (CA)
Gallo	Moorhead	Vander Jagt
Gibbons	Morrison (WA)	Volkmer
Gilman	Myers	Vucanovich
Gingrich	Nielson	Walker
Goodling	Oxley	Weber
Gradison	Packard	Whitehurst
Gregg	Parris	Whittaker
Gunderson	Pashayan	Wolf
Hansen	Penny	Wylie
Hendon	Petri	Young (AK)
Henry	Porter	Young (FL)
Hiler	Pursell	
Hillis	Regula	
Holt	Reid	

NOES—245

Ackerman	Barnes	Bonker
Akaka	Barton	Borski
Alexander	Bates	Bosco
Anderson	Bedell	Boucher
Andrews	Beilenson	Boulter
Annunzio	Bennett	Boxer
Anthony	Berman	Brooks
Applegate	Bevill	Brown (CA)
Aspin	Biaggi	Bruce
Atkins	Boggs	Bryant
AuCoin	Boland	Burton (CA)
Barnard	Boner (TN)	Bustamante
Byron	Hatcher	Panetta
Carney	Hayes	Pease
Carr	Hefner	Pepper
Chapman	Hertel	Perkins
Chappell	Horton	Price
Clay	Howard	Quillen
Clinger	Hoyer	Rahall
Coelho	Hubbard	Rangel
Coleman (TX)	Huckaby	Ray
Collins	Hughes	Richardson
Combest	Hutto	Ridge
Conte	Jenkins	Robinson
Conyers	Jones (NC)	Roe
Cooper	Jones (OK)	Roemer
Coyne	Jones (TN)	Rose
Crockett	Kanjorski	Rostenkowski
Daniel	Kaptur	Rowland (GA)
Darden	Kastenmeier	Roybal
Daschle	Kennelly	Russo
de la Garza	Kildee	Sabo
DeLay	Kleczka	Savage
Derrick	Kolter	Scheuer
Dicks	Kostmayer	Schroeder
Dingell	LaFalce	Schumer
DioGuardi	Lantos	Seiberling
Dixon	Leath (TX)	Shelby
Donnelly	Lehman (CA)	Sikorski
Dorgan (ND)	Lehman (FL)	Sisisky
Dowdy	Leland	Skelton
Downey	Levin (MI)	Smith (FL)
Durbin	Levine (CA)	Smith (IA)
Dwyer	Lipinski	Solarz
Dymally	Loeffler	Spratt
Dyson	Long	St Germain
Early	Lowry (WA)	Staggers
Eckart (OH)	Luken	Stark
Edgar	Madigan	Stokes
Edwards (CA)	Manton	Stratton
English	Markey	Studds
Erdreich	Martinez	Swift
Evans (IL)	Matsui	Tallon
Fascell	Mavroules	Tauzin
Fazio	Mazzoli	Thomas (GA)
Feighan	McCloskey	Torres
Fields	McCurdy	Torricelli
Florio	McGrath	Towns
Foglietta	McHugh	Traficant
Foley	McKinney	Traxler
Ford (MI)	Mica	Udall
Ford (TN)	Mikulski	Valentine
Fowler	Mineta	Vento
Frank	Mitchell	Visclosky
Frost	Moakley	Watkins
Fuqua	Montgomery	Waxman
Garcia	Moody	Weaver
Gaydos	Morrison (CT)	Weiss
Gejdenson	Mrazek	Wheat
Gekas	Murphy	Whitley
Gephardt	Murtha	Whitten
Glickman	Natcher	Williams
Gonzalez	Neal	Wirth
Gordon	Nelson	Wise
Gray (IL)	Nichols	Wolpe
Gray (PA)	Nowak	Wortley
Green	Oakar	Wright
Guarini	Oberstar	Wyden
Hall (OH)	Obey	Yates
Hall, Ralph	Olin	Yatron
Hamilton	Ortiz	Young (MO)
Hammerschmidt	Owens	

NOT VOTING—26

Badham	Hartnett	O'Brien
Bonior (MI)	Hawkins	Pickle
Breaux	Heftel	Rodino
Campbell	Hunter	Schulze
Chappie	Hyde	Smith, Robert (OR)
Davis	Kramer	
Dellums	Lundine	Walgren
Fiedler	Miller (CA)	Wilson
Grotberg	Mollohan	Zschau

□ 1130

The Clerk announced the following pair:

On this vote:

Mr. Badham for, with Mr. Hawkins against.

Mr. BATES and Mr. APPLEGATE changed their votes from "aye" to "no."

Messrs. REID, MACK, McDADE, SUNDQUIST, WOLF, and VOLKMER, and Mrs. LLOYD changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: Page 8, strike lines 5 through 20 and insert the following:

(b) CRIME INSURANCE.—Section 1201(b) of the National Housing Act is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) The Director shall notify each participating State under part C of—

"(A) the termination date of the authority of the Director to issue new crime insurance policies under such part; and

"(B) the eligibility of such State for payment in accordance with title II of the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1986 (Pub. L. 99-160; 99 Stat. 918).".

Page 7, line 9, strike "AND" and insert "INSURANCE PROGRAM AND TERMINATION OF" (and conform the table of contents accordingly).

Mr. WYLIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(By unanimous consent, Mr. WYLIE was allowed to proceed for 1 additional minute.)

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] is recognized for 6 minutes in support of his amendment.

Mr. WYLIE. Mr. Chairman, my amendment would strike the extension of the Federal Crime Insurance Program beyond the present June 6, 1986 date, but keep in force the one-time buyout provision that was included in last year's HUD Appropriations Act.

This program has outlived its usefullness and has been scheduled to expire for several years. It never was a truly national program. Twenty-three States never participated in the program and the trend for both jurisdictions participating and policies in force has been consistently downward. Four States withdrew from the program in 1983 and seven more have left already this year. From all indications there will be only 16 States left in the program in the very near future.

There are currently only 36,000 policyholders in this program, less than 10,000 are commercial. With the States withdrawing from the program, the policy base will decline by 5,000. Each year the policy base has declined by at least 10 percent. Of the 36,000

policyholders, nearly 60 percent of them are in one State. With so many other States slated to withdraw, that percentage will go up.

Mr. Chairman, the Federal Crime Insurance Program is financed through the National Insurance Development Fund. This fund was established from proceeds of the Riot Reinsurance Program. Since the beginning crime insurance was subsidized by riot reinsurance proceeds. However, the Riot Reinsurance Program was terminated by Congress in 1983. Since that time, the Crime Insurance Program has used the entire $124 million reserve from the Riot Reinsurance Program and in addition has had to use over $74 million in Treasury borrowings to keep the program afloat.

I think there are legitimate reasons to question whether or not crime insurance should ever have been a Federal program in the first place. In its present state, there is little justification for maintaining it as one. The States should and could handle crime insurance. The McCarran-Ferguson Act placed the regulation of insurance at the State level. Other types of insurance problems are handled at the State level. Nationwide, there are over 4 million policies in either the automobile assigned risk pools or State FAIR plans which provide fire insurance in urban areas. Surely then the States can handle 36,000 crime insurance policies.

In fact several States have developed State Crime Insurance Programs. For example, Michigan developed a State program in the early 1970's and never participated in the Federal program. Some States have established former Crime Insurance Programs while others offer it through their FAIR plans.

Some Members may wonder why the same logic would not apply to Federal flood insurance. The answer is that they are distinctly different. Flood insurance is an alternative to disaster assistance and is not available in the private sector; generally, crime insurance is readily available. Floods often cross State boundaries and with Federal flood plain management regulations, the problems associated with improper construction in the Nation's flood plains can be minimized. While problems such as drug trafficking also often cross State boundaries, these are not problems that can be minimized by the existence of a Federal Crime Insurance Program. Finally, there is the comparison between a national program and one that is not. Flood insurance is available in all 50 States and has been purchased by 2 million people. Crime insurance, as I have said, will soon be limited to 16 States and less than 31,000 policyholders.

Mr. Chairman, last year Congress approved a provision to provide one-time payments to States participating in the Crime Insurance Program which would allow them the opportunity to establish alternative mechanisms for crime insurance policyholders in their States. Several States have adopted a "wait and see" attitude and are assuming that the Congress will bail them out once again. Mr. Chairman, I contend that it is time for the Congress to stand behind the agreements reached last year and allow this program to expire, but in fairness we should still allow the States to receive their one-time buyout payment.

Mr. SCHUMER. Mr. Chairman, I rise in opposition to the amendment.

I very much appreciate and respect the remarks of the gentleman from Ohio, but I would like to rise in opposition to the amendment.

First, let us be clear what this program is, crime insurance. It offers a very limited amount of insurance against robbery and burglary in high crime areas to residents and small businesses.

One thing is certain. Many of the small businesses need insurance to stay in business because without it suppliers will not give them credit.

Now, let us compare two programs, crime insurance, which the gentleman from Ohio wishes to eliminate, and flood insurance, which he leaves unscathed. They do the same thing. They both enter a market where the private sector is unwilling to enter that market. Crime insurance, in a sense, is the urban equivalent to flood or crop insurance. Yet you can get flood insurance for up to $245,000 for individual homes, which means that it subsidizes some pretty wealthy homeowners, and up to $550,000 in businesses.

So flood insurance affects people who can more afford to stay in business than the crime insurance folks. Both programs involve a subsidy. Crime insurance is much smaller. It is $1.6 million for the 12 months ending in fiscal year 1986.

Crime insurance, yes, it goes to a limited number of States. So does flood insurance. Half of the flood insurance moneys go to Florida and Texas. If you add in Louisiana and California, 75 to 80 percent is flood insurance.

So what is this move to eliminate crime but not flood insurance? I think it is aimed at particular regions of the country, particular parts, inner-city areas, places where poor people and small businesses congregate, who depend on this vital program.

□ 1145

It is not fair. If there were an ideological justification, then we would eliminate flood insurance as well. We are not choosing to do that, maybe because it is politically more popular or powerful. If you eliminate crime insurance, I would say to my colleagues, flood insurance is next. We cannot pick and choose. We believe in these kinds of programs; they ought to stand together. If they do not, they ought to fall.

Let me bring up one other point. Everyone of you, my colleagues, has probably been beseeched by small business people about to go out of business because of the high cost of liability insurance. In my district, every week another small business comes over to me. A paint manufacturer last week said his increase in the cost of his liability insurance will exceed his total profits. We are sympathetic to those folks, and I think we should be.

It is the liability crisis and it is very much the same as the liability crisis in inner-city areas except it is related to crime. If you have sympathy for the small business folks who need that liability insurance, do not pick on the ones who live in inner-city areas and eliminate their means of livelihood. Do not tell our inner city areas which have enough problems as it is that right now we are going to pull the rug out from under you. $1.6 million; we are going to take the tiny, little rug, pull it out from under you, let all the folks in coastal areas keep their flood insurance, but you guys cannot have it because you happen to be a politically isolated group. It is not fair, it is not right; it leads to the kinds of regional divisions that we have talked about on this floor, and I urge that the amendment be rejected.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman.

Mr. GREEN. I thank the gentleman for yielding to me.

Mr. Chairman, I should like to join the gentleman in urging the defeat of this amendment. I think the Crime Insurance Program is a very important part of any housing and urban development bill.

This program was adopted by the Congress many years ago because those who studied the problem of inner city dissolution and abandonment became aware that one of the things that was contributing to inner-city abandonment was the fact that businesses and homeowners could not get crime insurance. So the businesses would close down as they could not get credit lacking the proper insurance coverage, and you would have the problem of urban decay and abandonment.

Following that problem, of course, you would have to call on the Federal Government for more money, in those days, urban renewal money, more recently, Community Development Block Grant money, to try to deal with those problems of urban decay.

The CHAIRMAN. The time of the gentleman from New York [Mr. SCHUMER] has expired.

(On request of Mr. GREEN and by unanimous consent, Mr. SCHUMER was allowed to proceed for 5 additional minutes.)

Mr. SCHUMER. Mr. Chairman, I continue to yield to the gentleman from New York [Mr. GREEN].

Mr. GREEN. So Congress decided that it was better to spend a little money leveraging this crime insurance program in an effort to stem vast calls on the Federal Treasury from further urban abandonment.

Now the gentleman from Ohio raises the question that States have dropped out of this and that the policy base is shrinking. There is no doubt that is true, but there is also no doubt what the reason is that that is true. That is that for the past 5½ years HUD has administered this program in a way to try to encourage States to drop out and in a way to try to shrink the policy base.

I think the Congress ought to say now to HUD, "We believe this program continues to be an important tool for urban preservation."

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding to me.

Mr. Chairman, I just want to make a correction at that point. HUD does not administer the program.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from New York.

Mr. GREEN. I again thank the gentleman for yielding.

I am sorry; the gentleman from Ohio is correct. FEMA now administers the program. It used to be a part of HUD; it is now an independent agency.

FEMA has administered the program in a way that has caused the policy base to shrink. I hope the Congress now makes it clear that Congress believes that this program is an integral part of our urban activities. Then we shall see that FEMA can administer the program in a different way and expand the policy base.

Mr. Chairman, let me make one other point. There has been a little subsidy in this program; primarily it is covering the administrative costs of the program. But it is as nothing compared to the subsidy in the Flood Insurance Program. While it is true that there is hope that when we get the flood plain mapping completed throughout the country in the Flood Insurance Program, ultimately that program can be made a nonsubsidized program, it is far from clear that that will ever be the case.

I just happened to look at the figures for two counties in the district of the gentleman from Ohio; Columbus County and Franklin County. The latest figures I was able to get my hands on were from May 31, 1984. They show that the Federal Government had paid out $475,000 in flood insurance claims in those counties against premiums from those counties which, if they are at the national average, amounted to approximately $153,000. So that the payout ratio on the Flood Insurance Program in the gentleman's district is $475,000 to $153,000.

I do not think the gentleman should begrudge those of us who do not have flood problems—and I do not have flood problems in my district—I do not think he should begrudge us a Federal tool to deal with a Federal problem, that is, the urban decay we see around our country, through this Crime Insurance Program. I certainly do not begrudge him the Flood Insurance Program. I support the Flood Insurance Program, and certainly as the ranking Republican on the Appropriations Subcommittee for the Flood Insurance Program I do my best to see that that is a strong and viable program.

I think in fairness and decency those who benefit from the Flood Insurance Program ought to allow those of us who are possessed of these urban problems to have the same kind of assistance.

Mr. SCHUMER. I thank the gentleman.

Mr. Chairman, I would simply like to make a point to reiterate what the gentleman said about how important the small businesses are to inner-city communities. There is very little structure in those areas. Housing is abysmal. There are so many other problems. You pull out those small businesses and you have pulled the plug on one of the most depressed parts of America. For $1.6 million, it is not fair and it is not right.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding to me.

Mr. Chairman, it is always amazing to me that we are in the midst of a liability crisis. I serve on the Small Business Committee. We are in a position where small businesses that actually make a profit that are in successful cities and towns that do not have problems but the businesses cannot get insurance, or if they can get it, they cannot afford it.

We are standing here as a Federal Government and saying, "We will pay up to over $200,000 for a house that is destroyed by nature, by water, because somebody got piggy and put it too close to the water." You know, the Great Salt Lake is an issue now that everyone is concerned about. I think we want to help Utah, but it proves you do not build too close to the water without expecting damage.

I think that to turn around and simply say that in cities like New York and Bridgeport, to turn around and say we are not going to pay this little bit of money so that Hispanic Americans, black Americans, and poor Americans can have part of the American dream is wrong.

The CHAIRMAN. The time of the gentleman from New York [Mr. SCHUMER] has again expired.

(On request of Mr. McKINNEY and by unanimous consent, Mr. SCHUMER was allowed to proceed for 3 additional minutes.)

Mr. SCHUMER. Mr. Chairman, I continue to yield to the gentleman from Connecticut [Mr. McKINNEY].

Mr. McKINNEY. I thank the gentleman.

Mr. Chairman, I was in a gas station in Bridgeport, owned by a Vietnamese couple. They have the highest crime rate going in that area. The place is a disaster. No American would touch it with a 10-foot pole. No insurance company would go near it. Yet, these people have the faith that they are going to make it. They have become the neighborhood gas station. They are now the place where people go. They are giving a sense of community to a part of the city that had no sense of community.

It is a low-cost program; it is a very low cost to pay for the continued restructuring of our cities into which we have poured millions and millions and millions of dollars, but everybody knows that a neighborhood is really made by its little businesses, its little stores. Its cleaners, its drug stores, its grocery stores, and that is what makes a neighborhood a neighborhood.

That is what we are trying to achieve. We are trying to return the neighborhoods to our cities that we so blithely destroyed during the day and age of urban renewal.

Mr. SCHUMER. I thank the gentleman and I yield back the balance of my time.

□ 1155

Mr. BARTLETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of this amendment. It should be entitled the "good-sense amendment" because the issue is not for or against crime insurance itself. The gentleman from Ohio [Mr. WYLIE], the sponsor, has stated categorically that the issue is not crime insurance, but it is the fact that there is no longer a need for a Federal Crime Insurance Program. In fact, we have made provisions in which we

allow crime insurance to exist within States.

We have an alternative. The HUD-Independent Agencies Appropriations Act of 1966 has provided for a one-time payment to any State that certifies that it will develop an alternative mechanism to provide crime insurance to all policyholders in that State. So far seven States have taken advantage of the opportunity, and several others are expressing interest.

The fact is that this Federal program is not national in scope. Only 36,000 policies are in force nationwide, and approximately 60 percent of those policies are in only one State. The next largest State to that largest State has only 6 percent of the policies, and that State has withdrawn from the program. The remaining 23 States have never participated, and 4 States withdrew from the program in 1983.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am happy to yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, is the gentleman aware that there have been years when over half of the payout in the Flood Insurance Program has been to his State?

Mr. BARTLETT. I was not aware of that, and I do appreciate the gentleman's bringing it up. As I understand, large payments have also been made to the gentleman's State, New York. As I read the data on flood insurance, New York City ranks second nationally in flood insurance claims.

I suppose the point is that this is not an amendment on flood insurance; it is an amendment that says: first, that crime insurance is not nationwide in scope, and second, there are alternatives available. Those alternatives at the statewide level frankly make more sense.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, the gentleman makes the point very well. There is no analogy to flood insurance, and nobody is suggesting that we terminate the Flood Insurance Program. Floods go across State lines. It is a problem which is international in scope.

The gentleman mentioned a $475,000 payout to Franklin County, in which Columbus is located, back in 1984. I did not remember that we had flood insurance claims then, but nonetheless, the point is that this amendment would strike out a provision which only applies on a very limited basis. If a criminal rips off a store in New York City, then the Federal Government pays for that. It does not seem to me as if that is a program which is national in scope. Other States have taken care of the problems themselves.

I think that the real point that this gentleman is making here now is that we take crime insurance on a case-by-case basis, on a State-by-State basis, whereas flood insurance crosses State boundaries, crosses State lines, and we cannot ascertain flood claims with reference to specific localities.

Mr. BARTLETT. I thank the gentleman for his comments. The gentleman's point, and it is true, is that in this case the Federal Government has done its job. This Federal program is no longer necessary as a Federal program. It has been scheduled to expire several times. It has done its job, and yet it lingers on.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, it has been scheduled to expire in the same sense that the Flood Insurance Program has been scheduled to expire. It has an authorization for a period of years, and then that period of years comes to an end. That is why we have a reauthorization of the Flood Insurance Program in this bill, and that is why the temporary reauthorization of the Flood Insurance Program has been coming up on this floor every couple of months until this bill came along. That is the same sense in which it has been scheduled to expire.

Again, as to the question of whether they are national in scope, it is very clear that the whole country is not one big flood plain. There are some areas which are flood-prone; there are some which are not. Because there has been a Federal program—and many of us, even though we do not have flooding problems in our district, nonetheless support that Federal program—there has been no need for the States to try to develop alternatives.

I want to say to the gentleman that if he is going to take the position that something which still has 16 States in it, despite the strong efforts of the administering agency to discourage participation in the program, is not a national program and does not merit national support, for the very small amount of money that is going into it, I do not see why I should support the Flood Insurance Program.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

(By unanimous consent, Mr. BARTLETT was allowed to proceed for 3 additional minutes.)

Mr. BARTLETT. Mr. Chairman, I very much appreciate the leadership of the gentleman from New York on issues, and I respect him a great deal. I think that the gentleman makes some very good points about flood insurance, but the issue before us is crime insurance. It is quite clear that crime insurance on a Federal level is no longer required in order to provide crime insurance on a State level.

The McCarran-Ferguson Act has placed the regulation of insurance at the State level, other types of insurance are handled at the State level, and State after State has proven that in fact this can be and is being handled at the State level.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I have just two points. First as my colleague from New York has said, FEMA has made an all-out effort to end crime insurance. They have encouraged the States to get out. They have sent them letters saying, "This is your last chance to get out," et cetera. They have not done that for flood insurance, and it is our responsibility, I think, to treat them evenly.

The second point that I would make is that there are other insurance programs. There is crop insurance. That is a $61 million program, not a $1.6 million program. It seems to me that for my good friend from Texas to say, "Well, there is only one issue here before us today" is not right. There is ability to amend. I was thinking of taking an amendment and adding flood insurance, too, but I think both should exist. To treat one differently than the other is really just unfair, in my opinion.

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for his observations. The fact of the matter is that it is no longer necessary to conduct the Crime Insurance Program at the State level.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I understand why the gentlemen from New York are supporting the position that they are, and I certainly do not fault them for that position, and I hope that they do not fault us for ours. But last year $35 million in flood insurance claims was paid to the city of New York alone—I just got that from FEMA—whereas $475,000, as was mentioned, was paid out to Franklin County. There is quite a difference there.

I suggest that we continue the Flood Insurance Program, because I think that it is a national-scope-type program.

On the other hand, we paid out $200 million in crime insurance. We have said before that we should not phase out crime insurance if we do not phase out flood insurance, or vice versa. We have phased out the Riot Reinsurance Program because we found out that we had made a mistake. I think we have

made a mistake on the Crime Insurance Program. These two programs came into being—Riot Reinsurance and the Crime Insurance Program—when there was a lot of rioting in our central cities and so forth. I did not think that it should be a national program at the time, and opposed it. I still do not think that it is a national program, and I think that the States and the communities should do it.

Mr. BARTLETT. Mr. Chairman, I think the gentleman for his comments.

Mr. Chairman, I want to say a word about the sponsor of the amendment, because I work with the gentleman from Ohio and have a great deal of admiration for this leadership on this committee throughout the consideration of this entire Housing Act.

It seems to me that the gentleman from Ohio is displaying a great deal of courage and foresight in sticking to his principles. He has brought to the House floor a issue that is difficult: A Federal program is no longer necessary as a Federal program. It is not easy for the gentleman to do that, but I am a great admirer of the gentleman's quiet and effective leadership.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

(On request of Mr. GREEN, and by unanimous consent, Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

Mr. BARTLETT. I admire the gentleman's quiet and effective leadership in sticking to his principles on these and other programs.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. GREEN. On the question of need, I think what you have seen is that yes, some States have under pressure from FEMA dropped out. Those tend to be the States where the problem is most marginal. The fact that 16 States are still in the program despite the very strong efforts by FEMA to force them out, shows that there is a need. I repeat, that need is one that very much relates to this bill, because the unavailability of crime insurance in inner-city areas is a major contributor to urban decay. You kill this program and crime insurance becomes unavailable in those inner-city areas; you are going to find increased pressures for community development block grant appropriations and those kinds of appropriations to deal with the urban blight that you are going to create. You are not going to save the Federal Government any money in the long run.

Mr. BARTLETT. Mr. Chairman, I appreciate the gentleman's comments. It is my conclusion that we do not kill crime insurance by voting for and passing the Wylie amendment; we merely do require that it be shifted back to where it belongs in the first place, and that is to the States. That has been done in many cases, and will continue to be done, and would be done by the Wylie amendment.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in very strong opposition to the pending amendment. Despite the strong opposition by this administration since 1981, the Federal Crime Insurance Program has been continued by the Congress because it provides an essential service to many small businesses in urban communities throughout this country.

The argument made against the Federal Crime Insurance Program is that the program serves too few people, and that most of the outstanding policies are in one State. Since efforts have been made since 1981 to close the Federal Crime Insurance Program down, the Federal Insurance Administration has used every option available to construct barricades and obstacles to the effective administration of Federal crime insurance, discouraging the purchase of policies and making no information available as to the availability of crime insurance.

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The administration has done its level best to hide the fact that this program is available to small businesses in urban communities who cannot afford the high cost of insurance against crimes of burglary and theft.

Let me say, and with special reference to the statement made by my distinguished colleague and also a very hard-working member of this subcommittee from my home State of Texas, that in Texas, for 3 years, we had various individual businessmen, small businessmen, in my city of San Antonio, Houston, and Dallas, who were informed through actions I had taken to disseminate information and who wanted to have available a source for crime insurance.

Finally, after 2½ years, last year we persuaded the State board of insurance of the State of Texas to recommend to the Governor the fact that there was a need and certified the need. The Governor of Texas then, just a few months ago, made application to FEMA, as the rules and regulations and procedures call for. He was told that it would be denied because they were closing down this program. In other words, if there are no more States and no more participants, it is because everything has been done to discourage and deny these applications from my own home State of Texas, where my colleague just stated by insinuation that perhaps there was no need or that if the need were there that it could be provided through other means than a Federal Crime Insurance Program.

I would also like to remind my colleagues that this Crime Insurance Program was never intended to be self-sustained. The Federal losses have amounted to no more than $5 million a year, and in many years, it has been less than that amount. Certainly the losses of the Federal Flood Insurance Program are considerably greater. Approximately 60,000 small businesses and residences concentrated in heavily populated urban areas rely entirely on the Federal Crime Insurance Program. Its elimination would be particularly counterproductive in those urban areas where attempts at revitalization in various Federal and local efforts are taking place. In high crime areas of many of our cities, many small businesses will not survive without this Federal Crime Insurance Program.

The arguments have been put forth that the Federal Crime Insurance Program benefits only a very few large urban States, that over 60 percent of the policies are in New York State, and that it is unfair to the taxpayers of the other States to subsidize crime insurance coverage in New York State. Over the course of years, the total amount of subsidies there have been about $2 billion, compared to about less than some $31 million in crime insurance. Over 60 percent of the Federal Flood Insurance Program policies are located in the State of Florida, my State of Texas, and Louisiana. Naturally, these are real hard coastal States.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. GONZALEZ was allowed to proceed for an additional 3 minutes.)

Mr. GONZALEZ. The argument has never been made with regard to the flood insurance program as to how unfair it is for taxpayers of other States to subsidize flood insurance policies in these three States.

Mr. Chairman, I believe that the Federal Crime Insurance Program is more in the nature of a crime victim's assistance program and should be supported by us, especially those who support efforts at providing assistance to victims of crime. At a time when businesses throughout the country are experiencing a crisis at their ability to keep and obtain adequate lines of insurance coverage, as has been so dramatically pointed out by several preceding speakers, to terminate this Crime Insurance Program represents a slap in the face to the many small businesses serving the business and commercial needs of our many inner-city areas.

Mr. Chairman, I urge defeat of this amendment.

Mr. KOLBE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall be brief. I rise in support of the amendment offered by the gentleman from Ohio.

There has been a good deal of discussion here about the difference between flood legislation and crime legislation. What I think we really see in this program here which we seek to terminate with this amendment is an example of a program that has outlived its usefulness. This program has been tried. We have tried to make it work. We found that it really has not had the kind of impact that we thought it would. It certainly has not had the national impact that we had anticipated it might. We have just found there are other alternatives that work better.

Now, it has been suggested here that it is a small program and we really ought not to do away with it because it is a small program and that it does not make that much difference.

I suggest that we ought not be swayed by that kind of siren song that has been suggested here today. If we always used that suggestion, we would always keep small programs and small programs then become monster programs some day.

I do not think this one is going to be in that category, but I think we do since a lot of attention has been given to flood legislation or flood insurance versus crime, I think we need to understand there really is a fundamental difference between the two. Flood insurance is really an alternative to disaster assistance and it is by and large not available in the private sector, whereas insurance that covers losses from crime is for the most part available.

Flood insurance is available in all 50 States and I know it is in my State. Some people to not think that Arizona has a lot of flooding problems, but we do. When the rain comes there and floods, it really floods, in Arizona. Just 3 years ago we had massive floods and massive amounts of insurance claims. It is an important program, as has been pointed out.

The crime program is available in only 23 and soon to be 16 States.

Flood insurance currently covers 2 million people and has a potential market much greater than that, three to four times that, while crime insurance peaked at 85,000 policies and has been steadily declining since that and is now down to about 36,000.

I do not think the reason for that is that FEMA has been trying to drive people out and has not been administering it well and has been trying to terminate the program. The fundamental reason that this program is not being used is that, States, when given the opportunity, are going to get out of it because they see something better out there.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I am happy to yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for his very thoughtful statement. He is by his statement here emphasizing several points that I made earlier, but which I think deserve emphasis if the Members really are to know where we are on this.

This is another example of one of those Federal programs which will not go away, which we cannot get rid of.

The Federal crime insurance program was enacted during the sixties. It is now an anachronism. It was enacted during the turmoil of the sixties as an effort on the part of the Federal Government to do something for those cities which were experiencing riots and crime of that kind.

As I mentioned, we had the riot reinsurance program, too.

The program provides insurance to high risk commercial and residential properties in those States which elect to participate in the program. It is no longer a national program and it should be carried out by the States.

As a matter of fact, most of the States are now going to the pooling of high risk policies like they do for automobile high risk insurance, into what we call risk pools.

We have provided in my amendment $10 million for a one-time transition fund in answer to the pleas of some of those States who say they need this extra money to get out of the program.

I think the gentleman is making a significant, thoughtful statement, and I appreciate it.

Mr. KOLBE. Mr. Chairman, I appreciate the remarks of the gentleman from Ohio. I think that point about the transition fund is important to help those States who do have this program and have found that they have some reliance on it to allow them to move to the alternatives, which clearly are out there.

I think one of the points that struck me is that the Federal Insurance Agency has tried in the past to market this program. Actually they had a pilot program in the late seventies and spent more than half a million dollars and they were not able to have any appreciable increase in the number of policies that were taken out under it. They have had very limited success with public information programs that they have done under this particular program.

I just think that there are alternatives out there. I just think it is time that we terminated at least this one program that comes under the jurisdication of our committee.

Mr. MANTON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

I would like to say at the outset that a lot of the debate here has sort of focused on somewhat parochial concerns. I have noticed that we have a tendency at times to bash other sections of the country. I, for one, as a Member from an inner city district, I do not have a victory garden in my district and yet when the farm crisis fell upon us, I think many of us even though we were not directly affected or our constituents, we felt for the farmers and we voted for that type of legislation that would help them.

What we are saying here is that we have a very, very modest program, at a cost of $1.5 million or $1.6 million as compared with the flood insurance, which is about $80 million in this fiscal year, about 53 times the amount of the crime insurance, and yet many of us would support that, even though we do not have flood plains in our districts, because we think it helps other parts of the country where they have that problem.

If anybody knows anything about the inner city, the first thing to go in a neighborhood is when a store in a commercial shopping strip shuts down and gets boarded up. When you see that happen in your neighborhood, you know that you are in trouble and the whole neighborhood is in trouble and housing abandonment and all the other ills will follow, so I think that when an owner of a small business, and these businesses provide stability in the inner city, they provide jobs and services many times to low income communities, when they cannot get insurance and it is not available readily in many of these neighborhoods, the alternative is only to close their doors and the downward cycle starts.

So I am saying to my colleagues around the country, let us not be regional in our thinking here. You may not have inner city neighborhoods that require this type of insurance, but you might have a district where crop insurance or flood insurance is important. I think we all ought to look at the big picture; so I urge defeat of this amendment.

Mr. SOLARZ. Mr. Chairman, I rise in strong opposition to this amendment. For over 15 years, the Federal Crime Insurance Program [FCIP] has provided affordable theft and burglary insurance coverage to residents and small businesses of inner-city neighborhoods and distressed areas throughout the country. These people who benefit from this insurance coverage would otherwise be unable to obtain private insurance at affordable prices or even at high costs. Yet now, the sponsor of this amendment would choose to remove this essential help from the grasp of these people. Such an action would invite disastrous consequences.

Commercial policies typically cover small businesses in the city's distressed neighbor-

hoods with high crime rates. Such businesses are generally "uninsurable" in the view of private insurers. Despite their vital contribution to the survival of low-income communities, these businesses provide essential goods and services as well as entry-level jobs where such benefits are most needed.

The FCIP plays a vital role in these neighborhoods, acting as insurer of last resort where the private market fails to function. Without this program, many of these communites and businesses would fail, and substantially burden the national economy. The availability of affordable crime insurance is crucial for the survival of small businesses and homeowners. It is the small neighborhood stores—the heart and soul of these communities—that will be forced to close. Larger chain stores like K-Mart and McDonald's will always be able to pay their way. But the mom and pop stores, the local pharmacies and hardware stores will not make it. FCIP coverage is especially vital at this time, when private liability insurers are drastically cutting back coverage and significantly raising rates.

FCIP is important to New York State in general, and to my district in Brooklyn in particular. Currently, over 23,000 New York policyholders, of which more than 6,000 are commercial, rely on FCIP for affordable coverage against losses from crime. Last year FCIP policies, in force in the city's five boroughs represented $294 million in coverage. Commercial policies accounted for $69 million or roughly one-fourth of this amount. Citywide, 1,600 claims were paid for a total of $6.2 million. The commercial share is 1,100 claims, representing $5.3 million in payments to inner-city businesses victimized by property crime. Who can say what the damage would have been if these businesses had not been able to get insurance, and instead, would have been forced to close, thereby permanently scarring the communities involved.

In my district in Brooklyn, I know people who have had their stores burglarized as many as six times in the past year. If private insurers had their way, these people would be out of business, simply because they could not afford to be open. But because they are able to get Federal insurance, and because of the courage of these storeowners, they can remain open and continue contributing to the communities which they serve.

FCIP provides a further important service. It enables new businesses to begin in these areas where it would be otherwise difficult or impossible. An immigrant who comes to our shores might try to set up his shop in Brooklyn. He does not ask for a handout, but rather a hand-up, the ability to be able to conduct his business without the economic trauma that a burglarly can bring. Rather than a public works program, this is one cost effective and community effective way to keep these people employed, and to keep these communities growing.

Congress first enacted FCIP legislation in 1971, recognizing that the "vitality of many American cities is being threatened by the deterioration of their inner-city areas," and that the situation posed "a serious threat to the national economy * * *." At that time, the Congress realized that this program was never intended to be self-sustaining. But the losses are minimal, about $5 million a year, and even this money is well-spent and, in the long run, cost effective. I urge my colleagues to join me in opposing this unwise amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. WYLIE].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WYLIE. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 146]

ANSWERED "PRESENT"—386

Ackerman	Clinger	Feighan
Akaka	Coats	Fields
Alexander	Cobey	Fish
Anderson	Coble	Flippo
Andrews	Coelho	Florio
Annunzio	Coleman (MO)	Foglietta
Anthony	Coleman (TX)	Foley
Applegate	Collins	Ford (MI)
Archer	Combest	Ford (TN)
Armey	Conte	Fowler
Atkins	Conyers	Frank
AuCoin	Cooper	Franklin
Barnard	Coughlin	Frenzel
Barnes	Courter	Fuqua
Bartlett	Coyne	Gallo
Barton	Craig	Garcia
Bates	Crane	Gejdenson
Bedell	Crockett	Gekas
Beilenson	Daniel	Gephardt
Bennett	Dannemeyer	Gibbons
Bentley	Darden	Gilman
Bereuter	Daschle	Gingrich
Berman	Daub	Glickman
Bevill	DeLay	Gonzalez
Biaggi	Derrick	Goodling
Bilirakis	DeWine	Gordon
Bliley	Dickinson	Gradison
Boehlert	Dicks	Gray (IL)
Boggs	Dingell	Gray (PA)
Boland	DioGuardi	Green
Bonior (MI)	Dixon	Gregg
Bonker	Donnelly	Guarini
Borski	Dorgan (ND)	Gunderson
Bosco	Dornan (CA)	Hall (OH)
Boucher	Dowdy	Hall, Ralph
Boulter	Downey	Hamilton
Boxer	Dreier	Hammerschmidt
Brooks	Duncan	Hansen
Broomfield	Durbin	Hatcher
Brown (CA)	Dwyer	Hayes
Brown (CO)	Dymally	Hefner
Broyhill	Dyson	Hendon
Bruce	Early	Henry
Bryant	Eckart (OH)	Hertel
Burton (CA)	Eckert (NY)	Hiler
Burton (IN)	Edgar	Hillis
Bustamante	Edwards (CA)	Holt
Byron	Edwards (OK)	Hopkins
Callahan	Emerson	Horton
Carney	English	Howard
Carper	Erdreich	Hubbard
Carr	Evans (IL)	Huckaby
Chapman	Fascell	Hughes
Cheney	Fawell	Hutto
Clay	Fazio	Hyde
Ireland	Moakley	Sisisky
Jacobs	Molinari	Skeen
Jeffords	Monson	Skelton
Jenkins	Montgomery	Slattery
Johnson	Moody	Slaughter
Jones (NC)	Moore	Smith (FL)
Jones (OK)	Moorhead	Smith (IA)
Jones (TN)	Morrison (CT)	Smith (NE)
Kanjorski	Morrison (WA)	Smith (NJ)
Kaptur	Mrazek	Smith, Denny (OR)
Kasich	Murphy	
Kastenmeier	Murtha	Smith, Robert (NH)
Kemp	Myers	
Kennelly	Natcher	Smith, Robert (OR)
Kildee	Neal	
Kindness	Nelson	Snowe
Kleczka	Nichols	Snyder
Kolbe	Nielson	Solarz
Kolter	Nowak	Solomon
Kostmayer	Oakar	Spence
LaFalce	Oberstar	Spratt
Lagomarsino	Obey	St Germain
Lantos	Olin	Staggers
Latta	Ortiz	Stallings
Leach (IA)	Owens	Stangeland
Leath (TX)	Oxley	Stenholm
Lehman (CA)	Packard	Stokes
Lehman (FL)	Panetta	Strang
Leland	Parris	Stratton
Lent	Pashayan	Studds
Levin (MI)	Pease	Stump
Levine (CA)	Penny	Sundquist
Lewis (CA)	Pepper	Sweeney
Lewis (FL)	Perkins	Swift
Lightfoot	Petri	Swindall
Lipinski	Porter	Synar
Livingston	Price	Tallon
Loeffler	Pursell	Tauke
Long	Rahall	Tauzin
Lott	Ray	Taylor
Lowery (CA)	Regula	Thomas (CA)
Lowry (WA)	Reid	Thomas (GA)
Lujan	Richardson	Torres
Luken	Ridge	Towns
Lungren	Rinaldo	Traficant
Mack	Ritter	Traxler
MacKay	Roberts	Valentine
Madigan	Robinson	Vander Jagt
Manton	Roemer	Vento
Markey	Rogers	Visclosky
Marlenee	Rostenkowski	Volkmer
Martin (IL)	Roth	Vucanovich
Martinez	Roukema	Walker
Matsui	Rowland (CT)	Watkins
Mavroules	Rowland (GA)	Weaver
Mazzoli	Roybal	Weber
McCain	Rudd	Weiss
McCandless	Russo	Wheat
McCollum	Sabo	Whitehurst
McCurdy	Savage	Whitley
McDade	Saxton	Whittaker
McEwen	Schaefer	Williams
McGrath	Scheuer	Wirth
McHugh	Schneider	Wise
McKernan	Schroeder	Wolpe
McKinney	Schuette	Wortley
McMillan	Schumer	Wright
Meyers	Seiberling	Wyden
Mica	Sensenbrenner	Wylie
Michel	Sharp	Yates
Mikulski	Shaw	Yatron
Miller (OH)	Shelby	Young (AK)
Miller (WA)	Shumway	Young (FL)
Mineta	Sikorski	Young (MO)
Mitchell	Siljander	

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The CHAIRMAN. Three hundred eighty-six Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio [Mr. WYLIE] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 219, not voting 38, as follows:

[Roll No. 147]

AYES—176

Archer	Hillis	Porter
Armey	Holt	Pursell
Atkins	Hopkins	Quillen
Barnard	Hubbard	Regula
Barnes	Huckaby	Ritter
Bartlett	Hughes	Roberts
Barton	Hunter	Robinson
Bateman	Hutto	Roemer
Bentley	Hyde	Rogers
Bereuter	Ireland	Roth
Bilirakis	Jacobs	Roukema
Bliley	Jenkins	Rowland (CT)
Boulter	Kasich	Rudd
Broomfield	Kindness	Schaefer
Brown (CO)	Kolbe	Schuette
Broyhill	Lagomarsino	Sensenbrenner
Burton (IN)	Latta	Shaw
Byron	Leach (IA)	Shumway
Carney	Leath (TX)	Shuster
Carper	Lewis (CA)	Siljander
Carr	Lewis (FL)	Skeen
Cheney	Lightfoot	Slattery
Coats	Livingston	Slaughter
Cobey	Loeffler	Smith (NE)
Coble	Lott	Smith, Denny (OR)
Coleman (MO)	Lowery (CA)	Smith, Robert (NH)
Combest	Lujan	Smith, Robert (OR)
Craig	Luken	Snowe
Crane	Lungren	Snyder
Daniel	Mack	Spence
Dannemeyer	Madigan	Stallings
Darden	Marlenee	Stangeland
Daub	Martin (IL)	Stenholm
DeLay	McCain	Strang
DeWine	McCandless	Stump
Dickinson	McCollum	Sundquist
Dornan (CA)	McDade	Sweeney
Dreier	McEwen	Swindall
Duncan	McKernan	Tallon
Dyson	McMillan	Tauke
Eckert (NY)	Meyers	Tauzin
Edwards (OK)	Michel	Taylor
Emerson	Mikulski	Thomas (CA)
Fawell	Miller (OH)	Vander Jagt
Fields	Miller (WA)	Volkmer
Franklin	Monson	Vucanovich
Frenzel	Montgomery	Walker
Gingrich	Moore	Weber
Glickman	Moorhead	Whitehurst
Goodling	Morrison (WA)	Whittaker
Gradison	Myers	Whitten
Gregg	Nielson	Wolf
Gunderson	Olin	Wolpe
Hall (OH)	Oxley	Wylie
Hall, Ralph	Packard	Young (AK)
Hammerschmidt	Parris	Young (FL)
Hansen	Pashayan	
Hendon	Pease	
Henry	Penny	
Hiler	Petri	

NOES—219

Ackerman	Brooks	Dorgan (ND)
Akaka	Brown (CA)	Dowdy
Alexander	Bruce	Downey
Anderson	Bryant	Durbin
Andrews	Burton (CA)	Dwyer
Annunzio	Callahan	Dymally
Anthony	Chapman	Early
Applegate	Clay	Eckart (OH)
Aspin	Clinger	Edgar
AuCoin	Coelho	Edwards (CA)
Bates	Coleman (TX)	English
Bedell	Collins	Erdreich
Beilenson	Conte	Evans (IL)
Bennett	Conyers	Fascell
Berman	Cooper	Fazio
Bevill	Coughlin	Feighan
Biaggi	Courter	Fish
Boehlert	Coyne	Flippo
Boggs	Crockett	Florio
Boland	Daschle	Foglietta
Bonior (MI)	Derrick	Foley
Bonker	Dicks	Ford (MI)
Borski	Dingell	Ford (TN)
Bosco	DioGuardi	Fowler
Boucher	Dixon	Frank
Boxer	Donnelly	Frost
Fuqua	Manton	Saxton
Gallo	Markey	Scheuer
Garcia	Martinez	Schneider
Gejdenson	Matsui	Schroeder
Gekas	Mavroules	Schumer
Gephardt	Mazzoli	Seiberling
Gibbons	McCloskey	Sharp
Gilman	McCurdy	Shelby
Gonzalez	McGrath	Sikorski
Gordon	McHugh	Sisisky
Gray (IL)	McKinney	Skelton
Gray (PA)	Mica	Smith (FL)
Green	Mineta	Smith (IA)
Guarini	Mitchell	Smith (NJ)
Hamilton	Moakley	Solarz
Hatcher	Molinari	Solomon
Hayes	Moody	Spratt
Hefner	Morrison (CT)	St Germain
Hertel	Mrazek	Staggers
Horton	Murphy	Stark
Howard	Murtha	Stokes
Jeffords	Natcher	Stratton
Johnson	Neal	Studds
Jones (NC)	Nelson	Swift
Jones (OK)	Nichols	Synar
Jones (TN)	Nowak	Thomas (GA)
Kanjorski	Oakar	Torres
Kaptur	Oberstar	Towns
Kastenmeier	Obey	Traficant
Kemp	Ortiz	Traxler
Kennelly	Owens	Valentine
Kildee	Panetta	Vento
Kleczka	Pepper	Visclosky
Kolter	Perkins	Watkins
Kostmayer	Price	Waxman
LaFalce	Rahall	Weaver
Lantos	Ray	Weiss
Lehman (CA)	Reid	Wheat
Lehman (FL)	Richardson	Whitley
Leland	Ridge	Williams
Lent	Rinaldo	Wirth
Levin (MI)	Rostenkowski	Wise
Levine (CA)	Rowland (GA)	Wortley
Lipinski	Roybal	Wyden
Long	Russo	Yates
Lowry (WA)	Sabo	Yatron
MacKay	Savage	Young (MO)

NOT VOTING—38

Badham	Gaydos	Pickle
Boner (TN)	Grotberg	Rangel
Breaux	Hartnett	Rodino
Bustamante	Hawkins	Roe
Campbell	Heftel	Rose
Chandler	Hoyer	Schulze
Chappell	Kramer	Torricelli
Chappie	Lloyd	Udall
Davis	Lundine	Walgren
de la Garza	Martin (NY)	Wilson
Dellums	Miller (CA)	Wright
Evans (IA)	Mollohan	Zschau
Fiedler	O'Brien	

□ 1240

The Clerk announced the following pair:

On this vote:

Mr. Badham for, with Mr. Dellums against.

Mr. LENT changed his vote from "aye" to "no."

Messrs. LEWIS of Florida, EMERSON, HUGHES, and QUILLEN changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—HOUSING ASSISTANCE

Subtitle A—Programs Under United States Housing Act of 1937

SEC. 201. LOWER INCOME HOUSING AUTHORIZATION.

(a) AGGREGATE BUDGET AUTHORITY.—Section 5(c)(6) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "The aggregate amount of budget authority that may be obligated for contributions contracts is increased by such sums as may be approved in appropriation Acts for fiscal years 1986 and 1987.".

(b) UTILIZATION OF BUDGET AUTHORITY.—Section 5(c)(7) of the United States Housing Act of 1937 is amended to read as follows:

"(7)(A) Any amount available for Indian housing under subsection (a) that is recaptured may be used only for such housing.

"(B) Any amount available for the conversion of a project to assistance under section 8(b)(1), if not required for such purpose, shall be used for assistance under section 8(b)(1).".

SEC. 202. TENANT RENTAL CONTRIBUTIONS.

(a) PUBLIC HOUSING ECONOMIC RENT.—Section 3(a) of the United States Housing Act of 1937 is amended—

(1) by inserting "(1)" after "(a)";

(2) in the last sentence, by striking "A" and inserting the following: "Except as provided in paragraph (2), a";

(3) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively; and

(4) by adding at the end the following new paragraph:

"(2) Any public housing agency may provide that each family residing in a public housing project owned and operated by such agency shall pay as monthly rent an amount determined by such agency to be appropriate that does not exceed a maximum amount that—

"(A) is established by such agency and approved by the Secretary;

"(B) is not more than the amount payable as rent by such family under paragraph (1); and

"(C) is not more than (i) the average monthly amount of debt service and operating expenses attributable to dwelling units of similar size in public housing projects owned and operated by such agency; or (ii) the fair market rentals established in the housing area for dwelling units under section 8(b)(1).".

(b) UTILITY ALLOWANCE.—Section 3(c) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(4) The term 'rent' means—

"(A) the amount payable by a family to a public housing agency for shelter; and

"(B) in any case in which a family is required to make a separate payment to a public housing agency or a utility supplier based on actual utility consumption, an allowance established annually based on average actual utility consumption (excluding telephone service) for each size and type of dwelling unit.".

SEC. 203. GRANTS FOR PUBLIC HOUSING DEVELOPMENT.

(a) AUTHORITY TO PROVIDE GRANTS.—Section 5(a) of the United States Housing Act of 1937 is amended to read as follows:

"(a)(1) The Secretary may make annual contributions to public housing agencies to assist in achieving and maintaining the lower income character of their projects. The Secretary shall embody the provisions

for such annual contributions in a contract guaranteeing their payment. The contribution payable annually under this section shall in no case exceed a sum equal to the annual amount of principal and interest payable on obligations issued by the public housing agency to finance the development or acquisition cost of the lower income project involved. Annual contributions payable under this section shall be pledged, if the Secretary so requires, as security for obligations issued by a public housing agency to assist the development or acquisition of the project to which annual contributions relate and shall be paid over a period not to exceed 40 years.

"(2) The Secretary may make contributions (in the form of grants) to public housing agencies to cover the development cost of public housing projects. The contract under which such contributions shall be made shall specify the amount of capital contributions required for each project to which the contract pertains, and that the terms and conditions of such contract shall remain in effect for a 40-year period.

"(3) The amount of contributions that would be established for a newly constructed project by a public housing agency designed to accommodate a number of families of a given size and kind may be established under this section for a project by such public housing agency that would provide housing for the comparable number, sizes, and kinds of families through the acquisition and rehabilitation, or use under lease, of structures that are suitable for lower income housing use and obtained in the local market.".

(b) CONFORMING AMENDMENTS.—

(1) Section 5 of the United States Housing Act of 1937 is amended—

(A) by striking "ANNUAL" in the section heading; and

(B) by striking "annual" in subsection (e)(2).

(2) Section 6 of the United States Housing Act of 1937 is amended by striking "annual" the first place it appears in the first sentence of subsection (g), and each place it appears in subsection (d) and the first sentence of each of subsections (a) and (c).

(3) Section 7 of the United States Housing Act of 1937 is amended by striking "annual" in the proviso in the first sentence.

(4) Section 9(a)(2) of the United States Housing Act of 1937 is amended—

(A) by striking "being assisted by an annual contributions contract authorized by section 5(c)" and inserting the following: "one developed pursuant to a contributions contract authorized by section 5"; and

(B) by striking "any such annual" and inserting "any such".

(5) Section 12 of the United States Housing Act of 1937 is amended by striking "annual".

(6) Section 14 of the United States Housing Act of 1937 is amended—

(A) by striking "receive assistance under section 5(c)" in subsection (c)(2) and inserting "assisted under section 5"; and

(B) by striking "annual" in each of paragraphs (2) and (4)(C) of subsection (d).

(7) Section 15 of the United States Housing Act of 1937 is amended by striking "with loans or debt service annual contributions" in clause (2).

(8) Section 16(b) of the United States Housing Act of 1937 is amended by striking "annual".

(9) Section 18(c) of the United States Housing Act of 1937 is amended by striking "annual contributions authorized under section 5(c)" and inserting "contributions authorized under section 5".

SEC. 204. SECTION 8 ASSISTANCE.

(a) CONTRACTS FOR EXISTING DWELLING UNITS.—The first sentence of section 8(b)(1) of the United States Housing Act of 1937 is amended by inserting ", which shall be for 15 years," after "annual contributions contracts".

(b) PUBLIC HOUSING AGENCY FEES.—

(1) Section 8(b) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(2) The method of calculation, the preliminary fee, and the percentage established for administrative fees paid to a public housing agency administering a contract under this subsection shall be the method of calculation, the preliminary fee, and the percentage established by the Secretary before January 1, 1985, and in effect on such date.".

(2) The amendment made by this subsection shall be applicable to administrative fees payable with respect to the administrative activities of a public housing agency after December 31, 1984.

(c) FAIR MARKET RENTALS.—Section 8(c)(1) of the United States Housing Act of 1937 is amended by inserting before the last sentence the following new sentence: "Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing or newly constructed rental dwelling units, as the case may be, of various sizes and types in the market area suitable for occupancy by persons assisted under this section.".

SEC. 205. VOUCHER DEMONSTRATION PROGRAM ADMINISTRATIVE FEES.

Section 8(o) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(9) The assistance under this subsection that is retained by public housing agencies for administrative expenses shall be equal to the assistance under section 8(b) that is retained by such agencies for such expenses.".

SEC. 206. PAYMENTS FOR OPERATION OF LOWER INCOME HOUSING PROJECTS.

(a) PERFORMANCE FUNDING SYSTEM.—Section 9(a) of the United States Housing Act of 1937 is amended—

(1) by striking the last sentence of paragraph (1); and

(2) by adding at the end the following new paragraph:

"(3)(A) For purposes of making payments under this section, the Secretary shall utilize a performance funding system that is substantially based on the system defined in regulations and in effect on the date of the enactment of the Housing Act of 1986 (as modified by this paragraph), and that establishes standards for costs of operation and reasonable projections of income, taking into account the character and location of the project and the characteristics of the families served, in accordance with a formula representing the operations of a prototype well-managed project. Such performance funding system shall be established in consultation with public housing agencies and their associations, be contained in a regulation promulgated by the Secretary prior to the start of any fiscal year to which it applies, and remain in effect for the duration of such fiscal year without change.

"(B) Under the performance funding system established under this paragraph—

"(i) in the first year that the reductions occur, any public housing agency shall share equally with the Secretary any cost reductions due to the differences between projected and actual utility rates attributable to actions taken by the agency which lead to such reductions;

"(ii) there shall be a formal review process for the purpose of providing such revisions to the allowable expense level of a public housing agency as necessary—

"(I) to correct inequities and abnormalities that exist in the base year expense level of such public housing agency;

"(II) to reflect changes in operating circumstances since the initial determination of such base year expense level; and

"(III) to ensure that the allowable expense limit accurately reflects the higher cost of operating the project in an economically distressed unit of local government and the lower cost of operating the project in an economically prosperous unit of local government;

"(iii) public housing agencies shall be reimbursed for costs incurred that were beyond their control and the full extent of which were not taken into consideration in the original distribution of funds for the fiscal year involved;

"(iv) the estimate of the rental income for the next fiscal year of a public housing agency shall be based on the actual rent for the fourth, fifth, or sixth month prior to the beginning of the new fiscal year of the public housing agency; and

"(v) any revenues resulting from rental income or other income (excluding investment income) in excess of estimated revenues from such items may not be recaptured, used, or computed to reduce assistance provided under this section, unless such estimate—

"(I) was unreasonable according to regulations in effect when the estimate was made; or

"(II) was fraudulent and deceptive.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 9(c) of the United States Housing Act of 1937 is amended by adding at the end the following new sentence: "There are authorized to be appropriated, for the purpose of providing annual contributions under this section, such sums as may be provided in appropriation Acts for fiscal year 1987.".

(c) TIME OF PAYMENT.—Section 9 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(e) In the case of any public housing agency that submits its budget for any fiscal year of such agency to the Secretary in a timely manner in accordance with the regulations issued by the Secretary under this section, assistance to be provided to such agency under this section for such fiscal year shall commence not later than the 1st month of such fiscal year, and shall be paid in equal monthly or quarterly installments or in accordance with such other payment schedule as may be agreed upon by the Secretary and such agency.".

SEC. 207. GRANTS FOR COMPREHENSIVE IMPROVEMENT ASSISTANCE.

(a) AUTHORITY TO PROVIDE GRANTS.—Section 14 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(k) The Secretary may make contributions (in the form of grants) to public housing agencies under this section. The con-

tract under which such contributions shall be made shall specify the amount of contributions required for each project to which the contract pertains, and that the terms and conditions of such contract shall remain in effect for a 20-year period.".

(b) CONFORMING AMENDMENTS.—

(1) Section 14(e) of the United States Housing Act of 1937 is amended by striking "annual".

(2) Section 14 of the United States Housing Act of 1937 is amended by inserting "or (k)" after "subsection (b)" each place it appears in subsections (c), (d), (e), (g), (h), and (i).

SEC. 208. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

Section 16 of the United States Housing Act of 1937 is amended to read as follows:

"INCOME ELIGIBILITY FOR ASSISTED HOUSING

"SEC. 16. Not more than 25 percent of the dwelling units that are available for occupancy under public housing annual contributions contracts and section 8 housing assistance payments contracts under this Act shall be available for leasing by lower income families other than very low-income families.".

SEC. 209. RENTAL REHABILITATION AND DEVELOPMENT GRANTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 17(a) of the United States Housing Act of 1937 is amended by adding at the end the following new paragraph:

"(4) ADDITIONAL AUTHORIZATION.—There are authorized to be appropriated for rental rehabilitation and for development grants such sums as may be provided in appropriation Acts for fiscal years 1986 and 1987.".

(b) RENTAL DEVELOPMENT PROGRAM REQUIREMENTS.—Section 17(d)(4) of the United States Housing Act of 1937 is amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(I) the owner of each assisted structure agrees to comply with the provisions of paragraph (8) until the 20-year period specified in paragraph (7) has ended.".

SEC. 210. PUBLIC HOUSING DEMOLITION AND DISPOSITION.

Section 18 of the United States Housing Act of 1937 is amended—

(1) in subsection (a)(1), by striking "or" after "purposes," and inserting "and"; and

(2) in subsection (b)—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(3) the public housing agency has developed a plan for the addition of public housing dwelling units in an aggregate number equal to the number of such units proposed to be demolished or disposed under such application, and the Secretary has agreed to provide funding for such plan if necessary, except that—

"(A) such 1-for-1 replacement requirement shall not apply if there is no local need for low-income housing; and

"(B) if necessary funding for public housing dwelling units is not available, dwelling units assisted with project-based assistance under section 8 may be substituted.".

SEC. 211. TREATMENT OF CERTAIN PUBLIC HOUSING DEVELOPMENT FUNDS.

Notwithstanding any other provision of law or other requirement, no interest shall accrue on any excess funds advanced to the Housing Authority of the City of Pittsburgh, in the State of Pennsylvania, for development of the public housing project numbered PA-1-22. Any such interest that accrues before the date of the enactment of this Act shall be forgiven.

SEC. 212. PUBLIC HOUSING COMPREHENSIVE GRANTS.

(a) FINDINGS.—The Congress hereby finds that—

(1) the condition of public housing projects financed under the United States Housing Act of 1937 is in some cases substandard, forcing many dwelling units to remain vacant, forcing many lower income families to live in substandard or dangerous living conditions, and preventing many others from obtaining decent, safe, and sanitary rental housing at an affordable rent as provided for under such Act;

(2) the Federal Government has a responsibility to help ensure the maintenance of public housing dwelling units in decent, safe, and sanitary condition, and to provide public housing agencies with funds sufficient to carry out such maintenance;

(3) the current comprehensive assistance improvement program has not provided public housing agencies the flexibility and responsibility essential for establishing priorities for capital improvement expenditures, assessing the relative needs of all public housing projects, and evaluating the relative advantages of repair, major maintenance, and capital replacement;

(4) the current comprehensive assistance improvement program has made it difficult for public housing agencies to plan capital improvements on a multiyear basis; and

(5) the current comprehensive assistance improvement program has resulted in unnecessary paperwork and delay, thereby increasing costs for capital improvements.

(b) PURPOSE.—It is the purpose of the amendments made by this section—

(1) to provide assistance on a reliable basis to public housing agencies to enable them to operate, upgrade, modernize, and rehabilitate public housing projects financed under the United States Housing Act of 1937 to ensure their continued availability as decent, safe, and sanitary rental housing at rents affordable to lower income families;

(2) to increase the reliability of Federal assistance for capital improvements in public housing projects;

(3) to significantly deregulate the program of Federal assistance for capital improvements in public housing projects;

(4) to provide increased opportunities and incentives for more efficient management of public housing projects; and

(5) to afford public housing agencies greater control in planning for the maintenance and improvement of public housing projects.

(c) COMPREHENSIVE GRANT PROGRAM.—The United States Housing Act of 1937 is amended by adding at the end the following new section:

"COMPREHENSIVE GRANT PROGRAM

"SEC. 20. (a) PURPOSE.—It is the purpose of this section to provide assistance to improve the physical condition of existing public housing projects and to upgrade their management and operation in order to contribute to their long-term physical and social viability and their continued availability to provide decent, safe, and sanitary living conditions for lower income families.

"(b) AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE.—The Secretary may make available, and (to the extent of amounts provided in appropriation Acts) contract to make available, financial assistance to public housing agencies in accordance with the provisions of this section with respect to public housing (as defined in section 3(b)(1)) owned or operated by such agencies.

"(c) COMPREHENSIVE PLAN.—No financial assistance may be made available to a public housing agency under this section unless the Secretary approves a 5-year comprehensive plan submitted by the public housing agency on a date determined by the Secretary, except that the Secretary may provide such assistance if it is necessary to correct conditions that constitute an immediate threat to the health or safety of tenants. The comprehensive plan shall contain—

"(1) a comprehensive assessment of—

"(A) the current physical condition of each public housing project owned or operated by the public housing agency;

"(B) the physical improvements necessary for each such project to permit the project to be rehabilitated to a level at least equal to the minimum property standards established by the Secretary and in effect at the time of the preparation of the comprehensive plan; and

"(C) the replacement needs of equipment systems and structural elements that will be required to be met (assuming routine and timely maintenance is performed) during the 5-year period covered by the comprehensive plan;

"(2) a comprehensive assessment of the improvements needed to upgrade the management and operation of the public housing agency and of each such project so that decent, safe, and sanitary living conditions will be provided such projects, which assessment shall include at least an identification of needs related to—

"(A) the management, financial, and accounting control systems of the public housing agency that are related to such projects;

"(B) the adequacy and qualifications of personnel employed by the public housing agency (in the management and operation of such projects) for each category of employment; and

"(C) the adequacy and efficacy of—

"(i) tenant programs and services in such projects;

"(ii) the security of each such project and its tenants;

"(iii) policies and procedures of the public housing agency for the selection and eviction of tenants in such projects; and

"(iv) other policies and procedures of the public housing agency relating to such projects, as specified by the Secretary;

"(3) an analysis, made on a project-by-project basis in accordance with standards and criteria prescribed by the Secretary, demonstrating that completion of the improvements and replacements identified under paragraphs (1) and (2) will reasonably ensure the long-term physical and social viability of each such project at a reasonable cost;

"(4) an action plan for making the improvements and replacements identified under paragraphs (1) and (2) that are determined under the analysis described in paragraph (3) to reasonably ensure long-term viability of each such project at a reasonable cost, which action plan shall include at least a schedule, in order of priority, of the actions that are to be completed over a period of not more than 5 years from the date of approval of the comprehensive plan by the Secretary and that are necessary—

"(A) to make the improvements and replacements identified under paragraph (1)

for each project expected to receive capital improvements or replacements; and

"(B) to upgrade the management and operation of the public housing agency and its public housing projects as described in paragraph (2);

"(5) a statement, to be signed by the chief local government official (or Indian tribal official, if appropriate), certifying that—

"(A) the comprehensive plan was developed by the public housing agency in consultation with appropriate local government officials (or Indian tribal officials, if appropriate) and with tenants of the housing projects eligible for assistance under this section, which shall include not less than 2 public hearings (i) at least 1 of which shall be held prior to the initial adoption of any plan by the public housing agency for use of such assistance, and afford tenants and interested parties an opportunity to summarize their priorities and concerns, to ensure their due consideration in the planning process of the public housing agency; and (ii) at least 1 of which shall be held prior to final submission of the plan to the Department of Housing and Urban Development for its approval, to provide tenants and other interested parties an opportunity to comment on the plan of action proposed by the public housing agency in its submission; and

"(B) the comprehensive plan is consistent with the assessment of the community of its lower income housing needs and that the unit of general local government (or Indian tribe, if appropriate) will cooperate in the provision of tenant programs and services (as defined in section 3(c)(2));

"(6) a statement, to be signed by the chief public housing official, certifying that the public housing agency will carry out the comprehensive plan in conformity with title VI of the Civil Rights Act of 1964, title VIII of the Act of April 11, 1968 (commonly known as the Civil Rights Act of 1968), and section 504 of the Rehabilitation Act of 1973;

"(7) a preliminary estimate of the total cost of the items identified in paragraphs (1) and (2), including a preliminary estimate of the costs that will be incurred during each year covered by the comprehensive plan; and

"(8) such other information as the Secretary may require.

"(d) REVIEW OF COMPREHENSIVE PLANS.—

"(1) STANDARD FOR APPROVAL.—The Secretary shall approve a comprehensive plan unless—

"(A) the comprehensive plan is incomplete;

"(B) on the basis of available significant facts and data pertaining to the physical and operational condition of the public housing projects of the public housing agency or the management and operations of the public housing agency, the Secretary determines that the identification by the public housing agency of needs is plainly inconsistent with such facts and data;

"(C) on the basis of the comprehensive plan, the Secretary determines that the action plan described in subsection (c)(4) is plainly inappropriate to meeting the needs identified in the comprehensive plan, or that the public housing agency has failed to demonstrate that completion of improvements and replacements identified under paragraphs (1) and (2) of subsection (c) will reasonably ensure long-term viability of 1 or more public housing projects to which they relate at a reasonable cost; or

"(D) there is evidence available to the Secretary that tends to challenge in a substantial manner any certification contained in the comprehensive plan.

"(2) SCHEDULE FOR APPROVAL.—The comprehensive plan shall be considered to be approved, unless the Secretary notifies the public housing agency in writing within 75 calendar days of submission that the Secretary has disapproved the comprehensive plan as submitted, indicating the reasons for disapproval and modifications required to make the comprehensive plan approvable.

"(e) ANNUAL STATEMENT.—

"(1) SUBMISSION.—Each public housing agency receiving assistance under this section shall submit to the Secretary, at a date determined by the Secretary, an annual statement of the activities and expenditures projected to be funded, in whole or in part, by such assistance during the immediately following fiscal year of the public housing agency. The annual statement shall include a certification by the public housing agency that the proposed activities and expenditures are consistent with the approved comprehensive plan of the public housing agency. The annual statement also shall include a certification that the public housing agency has provided the tenants of the public housing and other interested parties the opportunity to review the annual statement and comment on it, and that such comments have been taken into account in formulating the annual statement as submitted to the Secretary.

"(2) PROPOSED AMENDMENTS TO COMPREHENSIVE PLAN.—A public housing agency may propose an amendment to its comprehensive plan under subsection (c) in any annual statement. Any such proposed amendment shall be reviewed in accordance with subsection (d), and shall include a certification that (A) the proposed amendment has been made publicly available for comment prior to its submission; (B) tenants and other interested parties have been given sufficient time to review and comment on it; and (C) such comments have been taken into consideration in the preparation and submission of the amendment.

"(3) APPROVAL.—The Secretary shall approve the annual statement unless the Secretary determines that it is inconsistent with the comprehensive plan. The annual statement shall be considered to be approved, unless the Secretary notifies the public housing agency in writing before the expiration of the 75-day period following submission of the annual statement that the Secretary has disapproved the annual statement as submitted, indicating the reasons for disapproval and the modifications required to make the annual statement approvable. The annual statement shall be approved before the public housing agency receives any assistance under this section for the fiscal year to which the annual statement relates.

"(f) ANNUAL PERFORMANCE REPORTS; REVIEWS AND AUDITS.—

"(1) PERFORMANCE AND EVALUATION REPORTS.—Each public housing agency receiving assistance under this section shall submit to the Secretary, on a date determined by the Secretary, a performance and evaluation report concerning the use of funds made available under this section. The report of the public housing agency shall include an assessment by the public housing agency of the relationship of such use of funds made available under this section, as well as the use of other funds, to the needs identified in the comprehensive plan of the public housing agency and to the purposes of this section. The public housing agency shall certify that the report has been made available for review and comment by tenants and other interested parties prior to its submission to the Secretary.

"(2) REVIEWS BY SECRETARY.—The Secretary shall, at least on an annual basis, make such reviews as may be necessary or appropriate to determine whether each public housing agency receiving assistance under this section—

"(A) has carried out its activities under this section in a timely manner and in accordance with its comprehensive plan;

"(B) has a continuing capacity to carry out its comprehensive plan in a timely manner;

"(C) has satisfied, or has made reasonable progress toward satisfying, such performance standards as shall be prescribed by the Secretary, which shall include at least that the public housing agency shall—

"(i) maintain all occupied dwelling units in public housing projects eligible for assistance under this section at levels at least equal to the housing quality standards established by the Secretary under section 8(o)(6);

"(ii) maintain at least a 97 percent occupancy rate for all dwelling units in such projects; and

"(iii) maintain an operating reserve, as authorized under section 9(a), equal to at least 20 percent of the routine expenses in the operating budget of each year; and

"(D) has made reasonable progress in carrying out modernization projects approved under the provisions of section 14.

"(3) AUDITS OF FINANCIAL TRANSACTIONS.—Recipients of assistance under this section shall have an audit made in accordance with chapter 75 of title 31, United States Code. The Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States shall have access to all books, documents, papers, or other records that are pertinent to the activities carried out under this section in order to make audit examinations, excerpts, and transcripts.

"(4) CORRECTIVE ACTION.—The comprehensive plan, any amendments to the comprehensive plan, and the annual statement shall, once approved by the Secretary, be binding upon the Secretary and the public housing agency. The Secretary may order corrective action only if the public housing agency does not comply with paragraph (1) or (2) or if an audit under paragraph (3) reveals findings that the Secretary reasonably believes require such corrective action. The Secretary may withhold funds under this section only if the public housing agency fails to take such corrective action after notice and a reasonable opportunity to do so. In administering this section, the Secretary shall, to the greatest extent possible, respect the professional judgment of the administrators of the public housing agency.

"(g) ELIGIBLE COSTS.—A public housing agency may use financial assistance received under subsection (b) only—

"(1) to undertake activities described in its approved comprehensive plan under subsection (c) or its annual statement under subsection (e);

"(2) to correct conditions that constitute an immediate threat to the health or safety of tenants, whether or not the need for such correction is indicated in its comprehensive plan or annual statement;

"(3) to prepare a comprehensive plan under subsection (c), including reasonable costs that may be necessary to assist tenants in participating in the planning process in a

meaningful way, an annual statement under subsection (e), an annual performance and evaluation report under subsection (f)(1), and an audit under subsection (f)(3); and

"(4) to operate public housing projects consistent with the requirements that apply to amounts provided under section 9, except that not more than 20 percent of the funds secured under this section may be used for such purposes.

"(h) ALLOCATION OF ASSISTANCE.—The system for allocating assistance under section 14 in effect on May 21, 1985, shall remain in effect until the Congress, by law, establishes criteria for a formula or other allocation method to be used by the Secretary under this section in determining—

"(1) for each public housing agency, the amounts that are necessary to address current needs for capital improvements;

"(2) for each public housing agency, the amounts that are necessary to address the future needs for capital improvements through a replacement reserve; and

"(3) the relative needs of public housing agencies of different sizes for the amounts described in paragraphs (1) and (2).

"(i) ANNUAL REPORT.—The Secretary shall include in the annual report under section 8 of the Department of Housing and Urban Development Act a description of the allocation, distribution, and use of assistance under this section on a regional basis.

"(j) AUTHORIZATION OF APPROPRIATIONS.—

"(1) CURRENT NEEDS.—

"(A) There are authorized to be appropriated under this section to provide assistance for the current needs for capital improvements of public housing agencies such sums as may be provided in appropriation Acts for fiscal years 1987, 1988, and 1989.

"(B) Of the amounts appropriated under subparagraph (A), 3 percent shall be reserved by the Secretary to provide assistance to correct conditions in public housing agencies that constitute an immediate threat to the health or safety of tenants.

"(2) REPLACEMENT RESERVE.—There are authorized to be appropriated under this section to provide assistance for the future needs for capital improvements in replacement reserves for public housing agencies such sums as may be provided in appropriation Acts for fiscal years 1987, 1988, and 1989.

"(3) AVAILABILITY.—Any amount appropriated under this subsection shall remain available until expended.

"(k) REGULATIONS.—The Secretary may issue such regulations as are necessary to carry out the provisions of this section.".

(d) USE OF OPERATING ASSISTANCE.—Section 9(a)(1) of the United States Housing Act of 1937 is amended by inserting after the first sentence the following new sentence: "A public housing agency may also use any available amounts provided under this section in accordance with the purpose and requirements of section 20.".

(e) ASSISTANCE FOR PREPARATION OF COMPREHENSIVE PLANS.—Of the amounts approved in appropriation Acts for fiscal year 1986 for financial assistance under section 14 of the United States Housing Act of 1937, the Secretary shall provide such sums as may be reasonable and necessary to public housing agencies that request funds to prepare comprehensive plans under section 20(c) of the United States Housing Act of 1937, as added by this section.

(f) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by subsections (c) and (d) shall be applicable in fiscal year 1987 and succeeding fiscal years, but in no event before the date of the enactment of the law referred to in section 20(h) of the United States Housing Act of 1937, as added by this section. Except as provided in paragraph (2), the provisions of section 14 of the United States Housing Act of 1937 shall continue to apply to amounts appropriated for any prior fiscal year to carry out such section 14.

(2) TRANSITION PROVISION.—Any amount obligated by the Secretary of Housing and Urban Development to a public housing agency under section 14 of the United States Housing Act of 1937 from amounts appropriated for any fiscal year beginning on or before the date of the enactment of the law referred to in section 20(h) of the United States Housing Act of 1937, as added by this section, shall be used for the purposes for which such amount was provided, or for purposes consistent with a comprehensive plan submitted by the public housing agency and approved by the Secretary under such section 20 as added by this section, as the public housing agency considers appropriate.

Subtitle B—Multifamily Housing Management and Preservation

SEC. 221. MANAGEMENT AND PRESERVATION OF HUD-OWNED MULTIFAMILY HOUSING PROJECTS.

(a) GOALS.—Section 203(a) of the Housing and Community Development Amendments of 1978 is amended by striking "(a)" and all that follows through the semicolon at the end of paragraph (1) and inserting the following:

"(a) The Secretary of Housing and Urban Development (in this section referred to as the 'Secretary') shall manage and dispose of multifamily housing projects that are owned by the Secretary, or whose mortgages are delinquent or subject to a workout agreement and whose mortgages are held by, assigned to, or being foreclosed upon by the Secretary, in a manner that is consistent with the National Housing Act and this section and that will, in the least costly fashion among the reasonable alternatives available, further the goals of—

"(1) preserving so that they are available to and affordable by low- and moderate-income persons—

"(A) all units in multifamily housing projects that are formerly subsidized projects;

"(B) in multifamily housing projects owned by the Secretary, at least the units that are occupied by low- and moderate-income persons or vacant; and

"(C) in all other multifamily housing projects, at least the units that are, on the date of assignment, occupied by low- and moderate-income persons;".

(b) MANAGEMENT SERVICES.—Section 203(b)(2) of the Housing and Community Development Amendments of 1978 is amended by striking ", owned by the Secretary" and inserting "to which subsection (a) applies".

(c) MAINTAINING OF PROJECTS.—Section 203(c) of the Housing and Community Development Amendments of 1978 is amended to read as follows:

"(c) The Secretary shall—

"(1) to the greatest extent possible, maintain all occupied multifamily housing projects to which subsection (a) applies in a decent, safe, and sanitary condition;

"(2) to the greatest extent possible, maintain full occupancy in all such projects; and

"(3) maintain all such projects for purposes of providing rental or cooperative housing for the longest feasible period.".

(d) FINANCIAL ASSISTANCE.—Section 203 of the Housing and Community Development Amendments of 1978 is amended—

(1) by redesignating subsections (d) through (g) as subsections (e) through (h), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) In carrying out the goals specified in subsection (a)(1) the Secretary shall take 1 or both of the following actions:

"(1) Enter into contracts under section 8 of the United States Housing Act of 1937, to the extent budget authority is available for such section 8, with owners of multifamily housing projects that are acquired at foreclosure or after sale by the Secretary. Such contracts shall be attached to the project involved for a period of not less than 15 years. Such contracts shall be sufficient to assist all units that are occupied by lower income families eligible for assistance under such section 8 at the time of foreclosure or sale, as the case may be, and all units that are vacant at such time (which units shall be made available for such families as soon as possible). In order to make available to families any units in formerly subsidized projects that are occupied by persons not eligible for assistance under such section 8, but that subsequently become vacant, the contract shall also provide that when any such vacancy occurs the owner involved shall apply to the Secretary for additional assistance to the project involved under the same terms as the original assistance. The Secretary shall provide such contracts at contract rents that, consistent with subsection (a), provide for the rehabilitation of such project and do not exceed the most recently adjusted fair market rents for substantially rehabilitated units published by the Secretary in the Federal Register.

"(2) In accordance with the authority provided under the National Housing Act, provide purchase-money mortgages, reduce the selling price, or provide other financial assistance to the owners of multifamily housing projects that are acquired at foreclosure or after sale by the Secretary on terms that will ensure that, for a period of not less than 15 years (A) the project will remain available to and affordable by low- and moderate-income persons; and (B) such persons shall pay not more than the amount payable as rent under section 3(a) of the United States Housing Act of 1937.".

(e) DISPLACEMENT PROTECTION.—Section 203(e)(1) of the Housing and Community Development Amendments of 1978, as so redesignated in this section, is amended by inserting "or controlled" after "owned".

(f) LIMITATIONS ON CERTAIN LOAN AND MORTGAGE SALES.—Section 203 of the Housing and Community Development Amendments of 1978 is amended—

(1) by redesignating subsections (g) and (h), as so redesignated in this section, as subsections (h) and (i); and

(2) by inserting before such subsection (h) the following new subsection:

"(g) The Secretary may not approve the sale of any loan or mortgage held by the Secretary on any formerly subsidized project unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured

prior to the assignment of the loan or mortgage on such project to the Secretary.".

(g) FORMERLY SUBSIDIZED PROJECTS.—Section 203(h) of the Housing and Community Development Amendments of 1978, as so redesignated in this section, is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2) For the purpose of this section, the term 'formerly subsidized project' means a multifamily housing project receiving any of the following assistance immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary:

"(A) below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act;

"(B) interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act;

"(C) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

"(D) direct loans at below market interest rates, made under section 202 of the Housing Act of 1959 or section 312 of the Housing Act of 1964; or

"(E) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975) or section 8 of the United States Housing Act of 1937 (other than subsection (b)(1) of such section).".

SEC. 222. ACQUISITION OF INSURED MULTIFAMILY HOUSING PROJECTS.

Section 207(k) of the National Housing Act is amended by inserting after the second sentence the following new sentence: "In determining the amount to be bid, the Secretary shall act consistently with the goal established in section 203(a)(1) of the Housing and Community Development Amendments of 1978.".

SEC. 223. TENANT PARTICIPATION IN MULTIFAMILY HOUSING PROJECTS.

(a) APPLICABILITY.—Section 202(a) of the Housing and Community Development Amendments of 1978 is amended by inserting before the period at the end the following: "or section 202 of the Housing Act of 1959".

(b) NOTICE AND COMMENT.—Section 202(b)(1) of the Housing and Community Development Amendments of 1978 is amended—

(1) by striking "or" the third place it appears;

(2) by inserting after "alterations," the following: "transfer of physical assets, or application for capital improvements loan,"; and

(3) by striking "and the Secretary deems it appropriate" and inserting the following: "or where the Secretary proposes to sell a mortgage secured by a multifamily housing project".

(c) NONDISCRIMINATION AGAINST SECTION 8 CERTIFICATE HOLDERS.—Section 202(b)(2) of the Housing and Community Development Amendments of 1978 is amended by inserting before the semicolon at the end the following: ", and such owners may not refuse to lease any vacant dwelling unit in the project that rents for an amount not greater than the fair market rent for a comparable unit, as determined by the Secretary under section 8 of the United States Housing Act of 1937, to a holder of a certificate of eligibility under such section solely because of the status of such prospective tenant as a holder of such certificate".

Subtitle C—Other Housing Assistance Programs

SEC. 241. HOUSING FOR THE ELDERLY AND HANDICAPPED.

The first sentence of section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended—

(1) by striking "and" the first place it appears; and

(2) by inserting after "1984," the following: "and to such sums as may be approved in appropriation Acts for fiscal years 1986 and 1987,".

SEC. 242. HOUSING FOR THE HANDICAPPED.

(a) FINDINGS AND PURPOSE.—

(1) The Congress hereby finds that—

(A) housing for nonelderly handicapped families is assisted under section 202 of the Housing Act of 1959 and section 8 of the United States Housing Act of 1937;

(B) the housing programs under such sections are designed and implemented primarily to assist rental housing for elderly and nonelderly families and are often inappropriate for dealing with the specialized needs of the physically impaired, the developmentally disabled, and the chronically mentally ill;

(C) the development of housing for nonelderly handicapped families under such programs is often more expensive than necessary, thereby reducing the number of such families that can be assisted with available funds;

(D) the program under section 202 of the Housing Act of 1959 can continue to provide direct loans to finance group residences and independent apartments for nonelderly handicapped families, but can be made more efficient and less costly by the adoption of standards and procedures applicable only to housing for such families;

(E) the use of the program under section 8 of the United States Housing Act of 1937 to assist rentals for housing for nonelderly handicapped families is time consuming and unnecessarily costly and, in some areas of the Nation, prevents the development of such housing;

(F) the use of the program under section 8 of the United States Housing Act of 1937 to assist rentals for housing for nonelderly handicapped families should be replaced by a more appropriate subsidy mechanism;

(G) both elderly and handicapped housing projects assisted under section 202 of the Housing Act of 1959 will benefit from an increased emphasis on supportive services and a greater use of State and local funds; and

(H) an improved program for nonelderly handicapped families will assist in providing shelter and supportive services for mentally ill persons who might otherwise be homeless.

(2) The purpose of this section is to improve the direct loan program under section 202 of the Housing Act of 1959 to ensure that such program meets the special housing and related needs of nonelderly handicapped families.

(b) HOUSING FOR HANDICAPPED FAMILIES.—

(1) Section 202(h) of the Housing Act of 1959 is amended to read as follows:

"(h)(1) Of the amounts made available in appropriation Acts for loans under subsection (a)(4)(C) for any fiscal year commencing after September 30, 1985, not less than 15 percent shall be available for loans for the development costs of housing for handicapped families. If the amount required for any such fiscal year for approvable applications for loan under this subsection is less than the amount available under this paragraph, the balance shall be made available for loans under other provisions of this section.

"(2) The Secretary shall take such actions as may be necessary to ensure that—

"(A) funds made available under this subsection will be used to support a variety of methods of meeting the needs primarily of nonelderly handicapped families by providing a variety of housing options, ranging from small group homes to independent living complexes; and

"(B) housing for handicapped families assisted under this subsection will provide families occupying units in such housing with an assured range of services specified in subsection (f), will provide such families with opportunities for optimal independent living and participation in normal daily activities, and will facilitate access by such families to the community at large and to suitable employment opportunities within such community.

"(3)(A) In allocating funds under this subsection, and in processing applications for loans under this section and assistance payments under paragraph (4), the Secretary shall adopt such distinct standards and procedures as the Secretary determines appropriate due to differences between housing for handicapped families and other housing assisted under this section.

"(B) The Secretary may, on a demonstration basis, determine the feasibility and desirability of reducing processing time and costs for housing for handicapped families by limiting project design to a small number of prototype designs. Any such demonstration shall be limited to the 3-year period following the date of the enactment of the Housing Act of 1986, may only involve projects whose sponsors consent to participation in such demonstration, and shall be described in a report submitted by the Secretary to the Congress following completion of such demonstration.

"(4)(A) The Secretary shall, to the extent approved in appropriation Acts, enter into contracts with owners of housing for handicapped families receiving loans under, or meeting the requirements of, this section to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by lower income families that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units and any initial utility and services allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The term of a contract entered into under this subparagraph shall be 240 months. The annual contract amount may be adjusted by the Secretary if the sum of the project income and the amount of assistance payments available under this subparagraph are inadequate to provide for reasonable project costs. In the case of an intermediate care facility in which there reside families assisted under title XIX of the Social Security Act, project income under this subparagraph shall include the same amount as if such families were being assisted under title XVI of the Social Security Act.

"(B) The Secretary shall approve initial project rentals for any project assisted under this subsection based on the determination of the Secretary of the total actual necessary and reasonable costs of developing and operating the project, taking into consideration the need to contain costs to

the extent practicable and consistent with the purposes of the project and this section.

"(C) The Secretary shall require that, during the term of each contract entered into under subparagraph (A), all units in a project assisted under this subsection shall be made available for occupancy by lower income families, as such term is defined in section 3(b)(2) of the United States Housing Act of 1937. The rent payment required of a lower income family shall be determined in accordance with section 3(a) of such Act, except that the gross income of a family occupying an intermediate care facility assisted under title XIX of the Social Security Act shall be the same amount as if the family were being assisted under title XVI of the Social Security Act.

"(D) The Secretary shall coordinate the processing of an application for a loan for housing for handicapped families under this section and the processing of an application for assistance payments under this paragraph for such housing.".

(2) Section 202(d) of the Housing Act of 1959 is amended by adding at the end the following new paragraphs:

"(9) The term 'housing for handicapped families' means housing and related facilities to be occupied by handicapped families who are primarily nonelderly handicapped families.

"(10) The term 'nonelderly handicapped families' means elderly or handicapped families, the head of which (and spouse, if any) is less than 62 years of age at the time of initial occupancy of a project assisted under this section.".

(3) Section 202(c)(3) of the Housing Act of 1959 is amended by inserting after "section" the following: "and designed for dwelling use by 12 or more elderly or handicapped families".

(c) SUPPORTIVE SERVICES FOR ELDERLY AND HANDICAPPED FAMILIES.—Section 202(f) of the Housing Act of 1959 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2) Each applicant for a loan under this section for housing and related facilities shall submit with the application a supportive services plan describing—

"(A) the category or categories of families such housing and facilities are intended to serve;

"(B) the range of necessary services to be provided to the families occupying such housing;

"(C) the manner in which such services will be provided to such families; and

"(D) the extent of State and local funds available to assist in the provision of such services.".

(d) TERMINATION OF SECTION 8 ASSISTANCE.—On and after the first date that amounts approved in an appropriation Act for any fiscal year become available for contracts under section 202(h)(4)(A) of the Housing Act of 1959, as amended by subsection (b) of this section, no project for handicapped (primarily nonelderly) families approved for such fiscal year pursuant to section 202 of such Act shall be provided assistance payments under section 8 of the United States Housing Act of 1937, except pursuant to a reservation for a contract to make such assistance payments that was made before the first date that amounts for contracts under such section 202(h)(4)(A) became available.

(e) IMPLEMENTATION.—Not later than the expiration of the 120-day period following the date of the enactment of this Act, the Secretary of Housing and Urban Development shall, to the extent amounts are approved in an appropriation Act for use under section 202(h)(4)(A) of the Housing Act of 1959 for fiscal year 1986, publish in the Federal Register a notice of fund availability to implement the provisions of, and amendments made by, this section. The Secretary shall issue such rules as may be necessary to carry out such provisions and amendments for fiscal year 1987 and thereafter.

(f) EFFECTIVE DATE AND APPLICABILITY.—

(1) Except as otherwise provided in this section, the provisions of, and amendments made by, this section shall not apply with respect to projects with loans or loan reservations made under section 202 of the Housing Act of 1959 before the implementation date under subsection (e).

(2) Notwithstanding paragraph (1), the Secretary may apply the provisions of, and amendments made by, this section to any project in order to facilitate the development of such project in a timely manner.

SEC. 243. SECTION 235 HOMEOWNERSHIP PROGRAM.

The second sentence of section 235(h)(1) of the National Housing Act is amended—

(1) by striking "and" the last place it appears; and

(2) by inserting before the period at the end the following: ", and by such sums as may be approved in appropriation Acts for fiscal years 1986 and 1987".

SEC. 244. CONGREGATE SERVICES.

Section 411(a)(6) of the Congregate Housing Services Act of 1978 is amended by inserting before the comma the following: "and fiscal years 1986 and 1987".

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ:

Page 73, after line 7, insert the following new section (and conform the table of contents accordingly):

SEC. 213. APPLICABILITY OF COMPARABILITY LIMITATION ON RENT ADJUSTMENTS IN CERTAIN PROJECTS ASSISTED UNDER SECTION 8.

(a) IN GENERAL.—The comparability limitation established under section 8(c)(2) of the United States Housing Act of 1937 on adjustments in the maximum monthly rents that may be charged under housing assistance payments contracts entered into under such section 8 shall not apply to the 122 projects assisted under such section 8 and developed and managed before March 1, 1985, by the Oregon Housing Division of the Oregon Department of Commerce.

(b) EXPIRATION.—The provisions of subsection (a) shall expire on whichever of the following occurs first:

(1) The date on which the Secretary of Housing and Urban Development and the Administrator of the Oregon Housing Division enter into an agreement on the comparability requirements that will apply to the projects described in subsection (a).

(2) The expiration of the 18-month period beginning on the date of the enactment of this Act.

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, it has come to the subcommittee's attention that due to a virtual catch-22 situation 122 projects in the State of Oregon financed by the State finance agency and receiving section 8 assistance were delayed in receiving any rental adjustment since as far back as 1982. An investigation of this matter shows that the issue hinges on the requirement in law that calls for comparables. The basis for such comparables and the standards used were not adaptable to these projects for a host of reasons. HUD finally agreed to allow the rental adjustments due these projects up to February 6, 1986. After this date however, no future resolution to the comparability issue has yet been agreed to, so we are back to "square one." The amendment I am offering would waive the comparability requirement for only these projects until HUD and the State work out an acceptable comparability resolution but not later than 18 months from the date of enactment. This will permit the rental adjustment due such projects during that period to be made without further endangering their viability.

I urge that this amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GONZALEZ].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT:

Page 47, after line 2, insert the following new section (and redesignate the subsequent sections and any references to such sections, and conform the table of contents, accordingly):

SEC. 204. LIMITATION OF PUBLIC HOUSING DEVELOPMENT AND ASSURANCE OF PUBLIC HOUSING QUALITY STANDARDS.

Section 5 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(j)(1) After the date of the enactment of the Housing Act of 1986, the Secretary may not make a funding reservation for a public housing agency for assistance in financing the development of public housing (other than for Indian families) unless—

"(A) the Secretary determines that additional amounts are required to complete the development of dwelling units for which amounts are obligated on or before such date;

"(B) for any fiscal year after fiscal year 1986, the public housing agency certifies to the Secretary that 90 percent of the public housing dwelling units of such agency are maintained at levels at least equal to the housing quality standards established by the Secretary under section 8(o)(6); or

"(C) the Secretary determines that such development is required to replace dwelling

units that are disposed of or demolished by the public housing agency.

"(2) Any budget authority that is provided in appropriation Acts before the date of the enactment of the Housing Act of 1986, and is prohibited from obligation by reason of the provisions of paragraph (1), is authorized to be made available by appropriation Acts for fiscal year 1986 or 1987 for comprehensive improvement assistance under section 14 or 20 (in addition to other budget authority provided for such purpose under subsection (c)) and to remain available until utilized.".

Mr. BARTLETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

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Mr. BARTLETT. Mr. Chairman, I offer an amendment today that would help to improve the lives of current and future tenants of public housing living in this country. This is a bipartisan amendment supported by a rather large number of Members on both sides of the aisle, an amendment that is supported on a nationwide basis by Members from throughout the country. It seems to me this amendment goes to the heart of the need to improve the living conditions of public housing in this country. Reduced to its basics, this amendment would accomplish the following: It would set as the policy of this Congress and of this Government that we would establish our priority of the need to repair those public housing units that we currently have before we build the new ones. There are today 459,000 units of public housing that are in need of repair, in excess of $5,000, per unit. Many of those units are vacant and uninhabitable. One hundred and fifty thousand of those units, or one-third, are in a severe state of disrepair. Other units are occupied but nevertheless uninhabitable and not up to any standard of decent, safe, sanitary living. That 459,000 amounts to some 36 percent of the public housing stock of this country.

This amendment would establish a priority of the U.S. Congress for the 1980's, and that priority is the same priority as that expressed by tenants, by local government, by public housing authority managers and trustees: That is that we ought to get on about the job of repairing and rehabilitating existing units. The fact is we can repair more units for more low-income families, we can do it faster, less disruptive, at a lower per-unit cost and provide better living conditions for those families with the same amount of money that we could build new units. This amendment establishes a priority in two steps: First, for fiscal year 1986, for the balance of this year that ends on September 30, we would say that new units would be constructed only in two cases, first to replace those that are required to be replaced under demolition and disposition and, second, to finish units which have already been started but which are underfunded.

Beginning on October 1, 1987, and beyond, it would keep those two criteria and add a third criterion. That is, a public housing authority would be eligible for new construction only when they have funded 90 percent of their public housing up to standard. The result is to emphasize repair and modernization which is an emphasis that the tenants tell us is needed but the Government has stood in the way.

The second part of the amendment establishes what we would do with the money that for fiscal year 1986 has been appropriated but is unobligated for new construction. HUD estimates that amount is approximately $860 million. It would authorize a one-time shot in the arm for fiscal year 1986 or fiscal year 1987, and those funds would continue to be authorized until they are spent. Those funds would be in addition to other funds which may be provided in the future for repair and modernization on the regular budget.

I want to say to my colleagues that I will personally appear before the Appropriations Committee and before the floor of this House to urge that it is the will of the House that that $860 million, or whatever amount it turns out to be, be used as additional funds for repair of public housing.

The need, Mr. Chairman, is enormous. I would point out on this chart that 459,000, or 36 percent, of all units require some sort of repair of at least $5,000; 37,000 of those units are in need of repair of at least $25,000. The vacancy rate in larger cities, larger cities around the country, is absolutely astounding: Boston, 19 percent; Newark, 34 percent; Dallas, 27 percent; Detroit, 23 percent; San Francisco, 11.4 percent; St. Louis, 9.9 percent; Atlanta, 9.5 percent.

This priority is reflected in what people who are living in public housing would tell you, and I hope that every office, every congressional office has called both public housing residents and public housing authorities to ask them this question: "If you had $860 million in public housing funds to spend for capital improvements, would you spend it to construct new units or to repair existing units?" The impact of that decision which we make today will be felt throughout the country. The impact is reflected in how many units that we can build with the $860 million. We can construct 4,600 new units, we can repair far more existing ones.

The CHAIRMAN. The time of gentleman from Texas [Mr. BARTLETT] has expired.

(On request of Mr. KOLBE and by unanimous consent Mr. BARTLETT was allowed to proceed for 5 additional minutes.)

Mr. BARTLETT. The impact on lives for these decisions would be enormous. We can with that amount of money for fiscal year 1986 build 4,600 units around the country, an average of 10 per congressional district. Or we can repair 27,700 units that are virtually uninhabitable, or we can repair 64,300 units of units that need moderate repair in order to bring them up to standard.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I would be glad to yield to the gentleman from Arizona.

Mr. KOLBE. I thank the gentleman for yielding.

Mr. Chairman, the gentleman gave us some figures on the vacancy rates in various cities. Does the gentleman have any idea to what extent those vacancy rates are due to the fact that the units are uninhabitable? Does the gentleman know how many in fact are because of the need for repairs and simply cannot be occupied?

Mr. BARTLETT. It varies from city to city.

There are two needs for repair and modernization. The first is those units in many cities, and I include Boston, Newark, Detroit, Dallas, Atlanta, others of the larger cities, many in the large cities cannot be occupied. It varies from city to city. When you have a vacancy rate that is above the norm, it is generally due to those units being uninhabitable. So it varies from city to city.

Mr. KOLBE. Is it significantly more than the 27,000 units that this $860 million would buy?

Mr. BARTLETT. Oh, yes; the total need is 150,000 in need of substantial repair. That is to say, if they are inhabited—they are virtually uninhabitable but if they are occupied they are not up to any sense of standard. If we can repair 27,000 with this $860 million, that would help but it does not meet the need. It does better than what we are doing now.

Mr. KOLBE. One further observation if the gentleman will allow. So with this $860 million with reprogramming or reallocating here, we could provide housing for approximately six times as many, even if you keep it just for those that are uninhabitable now, in severe need, we could provide housing for six times as many people as we could by putting all this money into new housing.

Mr. BARTLETT. The gentleman is correct. And that is what the residents of public housing will tell you. This amendment came from residents of

public housing who said our priority is repair and making habitable those units that are uninhabitable.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I compliment the gentleman for offering this amendment.

In partial response to the question the distinguished gentleman asked: In St. Petersburg, FL, there are a lot of public housing units that are really uninhabitable. They should not be lived in but they were because the residents had nowhere else to go. Because of the support from HUD and from the gentleman in the well, we were able to get emergency funding and are now in the processes of making those units livable.

I think the gentleman points out there are some 70,000 units throughout the country that are in that condition or worse that could be made available for people to live in. I compliment the gentleman for his very strong effort in the program of modernization.

Mr. Chairman, I rise in support of the amendment offered by my colleague from Texas and want to commend the gentleman for his leadership in providing for the modernization needs of our Nation's public housing stock.

It is estimated that as many as 70,000 public housing units throughout our country stand vacant because they are in such disrepair that they are uninhabitable. According to information provided to me by the Department of Housing and Urban Development, several of our Nation's largest public housing authorities report that 20 to 30 percent of their units are unoccupied because they are so rundown.

Clearly we need to shift the emphasis of our public housing programs away from the construction of new units and concentrate instead on repairing and cleaning up existing units that the American taxpayers have already bought. My colleague Mr. BARTLETT's amendment does not shut off entirely new construction. His amendment provides the authorization for funds to complete previously obligated units, to replace units that have been lost through demolition and disposition, and for new construction when a housing authority certifies that more than 90 percent of its existing units either meet or are in the process of being repaired to meet minimum Federal health and safety standards.

This amendment would have an almost immediate impact on the modernization needs of public housing authorities by raising this year's authorization level for the program by $860 million. This would enable the Secretary of Housing and Urban Development to transfer to the modernization account those funds for fiscal year 1986 new construction that remain uncommitted. This would double the amount of funding available this year for modernization projects and will enable our Nation to begin in earnest a program to rehabilitate large numbers of vacant public housing units.

Cleaning up and repairing our existing public housing stock is not only less costly than the construction of new units and more efficient because it makes additional housing available in a shorter period of time, but most importantly, it is more compassionate to those low-income, elderly, and handicapped families who depend upon public housing. While there are more than 70,000 units that are in such deplorable condition that they are uninhabitable, there is an untold number of families living in units that are on the verge of becoming uninhabitable.

Last fall I inspected the Laurel Park Housing complex in St. Petersburg, FL, and found that many of the 168 families I represent there lived in apartments that were infested by rats or have water leaking from second floor bathrooms through the ceilings to kitchens below. With the help of HUD, I was able to secure emergency modernization funding so that repair work could begin there earlier this year. Laurel Park, and other housing projects throughout our Nation, will need additional modernization funds to make repairs that are not of an emergency nature but are necessary to prevent living conditions from deteriorating to the point where they threaten the health and safety of tenants.

The amendment offered by my colleague from Texas takes into account our need for immediate and longer term programatic changes that are necessary so that we can commit ourselves to a policy of repairing our Nation's existing public housing stock and improving the standard of living for thousands of low-income, elderly, and handicapped families.

Mr. GARCIA. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. GARCIA. I thank the gentleman for yielding.

Well, let me ask a question because what the gentleman says to the viewing audience I am sure sounds very good and very practical. The moneys the gentleman is talking about here for rehabilitation are new moneys or moneys being substituted from another pot for rehabilitation?

Mr. BARTLETT. I thank the gentleman for his question. Of course, my remarks are to the floor of the House under the rules. What a rather large number of Members on the floor here because of the interest throughout the country in this amendment. The $860 million approximately would be authorized to be spent from those funds that are currently appropriated but unobligated in the new construction portion of the fiscal year 1986 budget.

We are almost through the year. It is my judgment, and I cannot guarantee or verify it, that this money would likely not be spent anyway. But I would guarantee that if it is spent, it could be spent much better by helping more people by spending it on repair and modernization. That is the whole point. It is time for this Congress to establish priority to break the status quo, break the cycle of those uninhabitable vacant, or oftentimes uninhabitable but occupied units and repair those existing units. It is time to establish that as a priority, and this is the mechanism to do it.

Mr. GARCIA. The approach of the gentleman on the floor is a very calming approach, and the gentleman's manner in presenting this particular amendment leaves people with the impression that what we are doing here—and I agree that we need those moneys to rehab and to further improve the lives of persons presently living in public housing—but what my colleague should also state is that over the last several housing bills that we have had in various Congresses that the gentleman and I have participated in, that he consistently over the years has looked to cut back on new construction. By doing what he is doing here, he is going to eliminate from this bill all new housing construction under this present bill that we are considering.

Mr. BARTLETT. Well, reclaiming my time, the gentleman is incorrect.

I will say to the gentleman that I am not a proponent of new construction of public housing per se because it does not help.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has again expired.

(On request of Mr. GARCIA and by unanimous consent Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

Mr. BARTLETT. New construction does not help as many people as we can help using repair and modernization. But I am not here opposing new construction. I am here suggesting we ought to reprioritize, do something this Congress has never done in a housing bill, to adjust our thinking to the reality of the 1980's by setting a priority for fiscal year 1986 and fiscal year 1987 on repair and modernization. This amendment does not eliminate new construction. This amendment says that there are three criteria which would have to be met in order to build new construction for the future.

First, to replace those that are lost through demolition or disposition. Second, continue those underfunded but under construction. And third, in the case of a public housing authority that has 90 percent of its units already up to standard. I think that is a reasonable approach. It does not eliminate new construction but it does say to tenants of public housing that we are not in favor of your continuing to live in indecent, unsafe and unsanitary conditions.

Mr. GARCIA. Will my colleague yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. GARCIA. I would say to my colleague from Texas that I hope nobody

is really fooled by his very calm approach to this amendment because what is going to develop out of this amendment is that we will find ourselves, and on my own time I will give some figures and statistics as it deals in opposition with your amendment—but I just want to make it very clear that I hope nobody who is watching this thinks for one moment—I would support everything that you have said in terms of rehabbing and going forward with a program that makes sense in terms of helping those public housing projects that are presently functioning; but I will not do it by eliminating new construction which is so sorely needed. I think that is really the crux of this amendment. It is either one or the other, it is not both.

You can term it, you can say anything you like, but the bottom line is, it is either one or the other.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair will remind Members that references to the television audience viewing the televised coverage of the proceedings on the floor are not in order under the House rules. Debate should be directed to the Chair and through the Chair to the Members on the floor and not to the public watching the proceedings by television.

Mr. WYLIE. Mr. Chairman, I move to strike the last word, and I rise in favor of the amendment.

Mr. Chairman, Mr. BARTLETT has worked very, very hard on this amendment, and I think he deserves to be complimented for the ingenious approach which he has taken in providing new public housing units, in effect, at a much lower cost than they would be provided if in fact they were the result of new construction.

Mr. Chairman, I rise in support of the limitation on public housing development and assurance of public housing quality standards amendment to H.R. 1. The amendment would authorize the HUD Secretary to obligate new construction for development only in three cases.

First, for the completion of development units obligated in prior years which require additional funds; or

Second, for the replacement of those units lost through demolition and disposition which the Secretary certifies that new construction is required to provide that replacement; or

Third, when the public housing agency certifies to the Secretary that 90 percent of their public housing dwelling units are maintained at levels at least equal to the housing quality standards.

The first two cases would take effect in fiscal year 1986 and the development funds not used for these cases would be available for modernization funding in fiscal years 1986 and 1987. All three cases would apply in fiscal year 1987 and subsequent years.

In a time of increasing Federal deficits, scarce Federal resources must be allocated to the most significant priorities. The most pressing need in public housing today is to repair and modernize currently available public housing units. The limited funds available for spending on public housing will have the greatest impact if used for bringing vacant units on line and providing relief for public housing tenants living in substandard units. It is not sensible to build new units when the current stock, in many cases, is in dire need of rehabilitation. Public housing authorities should focus resources on repairing current units rather than building new ones. This amendment would in effect require them to put their house in order management-wise before being awarded new units. The most effective way to increase the number of standard units for public housing residents is to maximize repair and modernization funds. I urge my colleagues' support for Mr. BARTLETT's excellent amendment.

□ 1305

Mr. GARCIA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would just like to state, getting back to my discussion before with the author of this amendment, that I think there really and truly is a false idea when we start to think that new housing construction is not needed for low-income people.

NAHRO, which is the National Association of Housing and Rehabilitation, estimates that upward of 350,000 low-income units are lost each year to demolition, conversion, or to rent increases. This means that we just need units to keep up.

In my city alone, the city of New York, we have approximately 150,000 housing units and we have a turnover rate of about 3 percent yearly, which is, I guess, 4,000 to 5,000 units per year. The waiting list to get into public housing in the city of New York is 200,000 families; 200,000 families are waiting just to get into public housing in New York.

Based upon that figure, it will take us approximately 30 years just to fulfill the needs of the city of New York.

It just seems to me that, while I have no argument with rehabilitating and using money for rehabilitation, I just have a great deal of concern when you look at the figures and the statistics based on housing construction over the last 10 years.

When you go back to 1977, there were 57,000 units. When you go back to 1979, there were 55,000 units. In 1980, there were 36,000 units. In 1981, there were 23,000 units. In 1982, there were 5,000 units. And in 1983, we went minus 6,000 units. Last year, we went back to 5,000 units.

I have a great deal of difficulty, I have to admit sometimes, understanding some of the agricultural problems that my colleagues may have from the farm States, because I am from the city. And I know that there are sometimes other issues that I may not be as clear as I should be. But I would just hope that my colleagues who today are going to be voting on this legislation would have an opportunity to go into some of the cities. Come in to New York City. I invite any one of my colleagues who would really like to see the problems that we are facing based on our housing needs.

There are people here who say we should cut the budget and cut the deficit, that we cannot go along with these programs. You know, from your neck of the woods, maybe that is OK. But from where I come from, that is really not OK, because there are people in dire need.

I ask my colleagues, unsolicited and on your own, if one day you happen to be in New York City about 8 or 9 or 10 o'clock at night, go to Vanderbilt Avenue and 42d Street just outside of Grand Central Station and see the number of homeless people waiting for that station to close so that they can go in. Find a locker at Grand Central Station. If you happen to have a 1-hour or a 2-hour layover in New York City, find one locker where you would like to put your bag so that you can walk around the city. Find one locker. You cannot find it, and do you know why? Because all the homeless people are using those lockers as their home. That is where they keep their belongings.

This is the real America. This is the America that you and I who are true representatives of this country from different geographic areas should understand. I say that to you because it is hard for some of you to understand that. But I would like to think that many times I try to understand the problems of various parts of the country. As a member of the board of directors of this country, I believe it is my reponsibility.

I think that the gentleman from Texas [Mr. BARTLETT], in terms of this amendment, in terms of the renovation, I have no problem using money for that. But I will not take those moneys away from new construction which is sorely needed.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BARTLETT, and by unanimous consent, Mr. GARICA was allowed to proceed for 2 additional minutes.)

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman.

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding, and

I thank the gentleman for his comments.

Mr. Chairman, I would suggest to the gentleman that his district in New York and mine in Dallas, and the ones in Detroit and in Atlanta and in Boston and in Newark and other urban districts around this country do have one thing very clearly in common, and that is we have a lot of units of public housing in which people are living in those units, and those units are substandard. They are not up to standard living conditions. And this Congress has not yet made it a priority that those people would tell us that it would be a priority of repairing the units that we have to make them livable.

I have been involved in this, as the gentleman knows, in public housing and in trying to assist the residents of public housing to make their lives better since 1974 on the Dallas City Council, in Dallas as well as in the rest of the country.

I admire the gentleman from New York a great deal. But I would suggest that on this issue we have a lot more in common than we have apart. The residents of public housing would say that that is their priority. The managers, the local government and the people involved would say that is their priority.

All this amendment does is say that Congress will finally wake up to 1986 and not eliminate new construction, but make repair our priority.

Mr. GARCIA. Mr. Chairman, I would say to my colleague from Texas is the problem I have with the gentleman's statement is that historically on this floor the gentleman has been the leader in cutting back on new construction since the gentleman has been a Member of Congress. The gentleman may correct me if I am wrong.

Mr. BARTLETT. If the gentleman will yield, I will be happy to.

As a matter of fact, I have attended with Chairman GONZALEZ, whom I respect a great deal, virtually every hearing of the Housing Subcommittee since January 3, 1985. I have offered, sometimes with the gentleman's support and sometimes without it, amendments to improve the lives of tenants of public housing.

The last time on the appropriations bill I suggest that, as a matter of budgeting, we should agree that we should not——

The CHAIRMAN. The time of the gentleman from New York [Mr. GARCIA] has again expired.

(By unanimous consent, Mr. GARCIA was allowed to proceed for 2 additional minutes.)

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman.

Mr. BARTLETT. I suggested, and the majority of the House agreed, that we should not attempt to build at a cost of a billion extra dollars a pittance of an additional 5,000 new units of public housing.

What I am suggesting today is that all the Members look at this amendment specifically and decide whether we want to adopt that priority. That is what this amendment does. It establishes a priority for repair and modernization.

□ 1315

If the gentleman would like someone else to offer the amendment so he could look at it——

Mr. GARCIA. If I just may reclaim my time, I want to make it very clear that the gentleman did not answer the question in terms of his amendments over the years whether he has offered amendments to cut back on new construction. The gentleman has answered, but not specifically to the question as it pertains to the gentleman's role in cutting back on new construction.

I think the record is there over the years, I guess, and I say that to the gentleman because he sounds very convincing here, he sounds as if this is the right thing to do. And I have no problem, as I have said, in terms of rehabilitating and helping those people who are in public housing today, but not at the cost of eliminating new construction.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman from Texas.

Mr. GONZALEZ. I asked the gentleman to yield because my colleague from Texas, who I will say has been a very diligent member of the subcommittee, has been in very faithful attendance at hearings, markups, and that is something I deeply appreciate, however, I do not want to leave the impression by indirection, since he mentioned my name, and the insinuation was, in his attempt to reply to the question of the gentleman from New York [Mr. GARCIA], that I am a witness to the fact that he may not have been offering amendments to cut authorizations for new construction.

Well, the gentleman knows that he has. The gentleman knows that when we had the appropriation bill that he was the one who offered the amendment to cut in half what the Appropriations Committee had approved.

The CHAIRMAN. The time of the gentleman from New York [Mr. GARCIA] has expired.

(On request of Mr. GONZALEZ and by unanimous consent, Mr. GARCIA was allowed to proceed for 2 additional minutes.)

Mr. GONZALEZ. I would never question motives. I am sure the gentleman not only looks but he is sincere. I think he is grievously wrong, and I think that we should very much present the perspective of the sum total of action that would result if his amendment is accepted.

I am afraid that, given the record that he has shown of being totally against new construction, his case reminds me of the story of Abraham Lincoln, in which he told the story of this fellow who had murdered his parents and then he threw himself on the mercy of the court on the basis that he was an orphan.

We are talking about helping the poor. What we must never forget is that public housing is assisted housing and has one primary purpose, and the only functioning program our country has developed to house the poor. The poor is what we are talking about.

It just kind of hurts me to think that in the name of helping them, in reality, we are reducing the available stock of housing for the poor if we accept his amendment.

I thought we should clarify that.

Mr. FRANK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to say I do not think that this ought to be a referendum on the past history of the gentleman from Texas, whom I have enjoyed working with. I would say to him that if those on the Democratic side have any problem with his attendance at meetings of the Housing Subcommittee, it is not his lack of attendance that occasionally becomes a problem. But we do have a fundamental philosophical differences. Yes, we ought to be improving some of the units we now have. But I think the gentleman from Texas touched on it when he said if you polled the existing residents of public housing, they would say this is the priority, fix up the unit that they already live in. Of course they would.

The problem is, it is hard to poll people who do not now live in public housing. It is particularly hard to poll people who do not live anywhere, because they have no voice and they have no vote. And that is what we are saying.

Yes, we want to collaborate in efforts to improve the renovation of existing units.

The gentleman from Texas knows that, in disagreement with the majority of my colleagues in my party, I shared with him an initiative to improve what we think will be the efficiency with which they fix up apartments. But it is a terrible, albeit well intentioned, error for the House to say: No more new construction for the poor.

Remember what is going on simultaneously with this. A tax bill is very likely to pass which will substantially diminish the amount of low-income rental housing construction. No one doubts that. We have unduly relied on

tax incentives to produce housing for low-income people. I think we are in the process of going to far in the other direction to take it away. But we do not have total control of this. There will be substantially less low- and moderate-income housing built for elderly people and other poor people, almost certainly, if the tax bill is passed. And if the bill which is pending in the other body is passed, it will have a very severe effect. Ours will also have an effect. If we simultaneously, with substantially reducing tax incentives—people may think that is good tax policy. It is, in many ways. But if simultaneously we take away tax incentives for low-income housing and we then say public housing authorities, except in very unusual circumstances, may not construct any new housing, do not be surprised if a few years from now you have even more homeless. You cannot shoehorn a growing population into an existing number of units. Of course we should be rehabilitating them.

We have cut housing programs more than any other area of the budget. Must we say to the poor, "You are going to have to choose. Either we will fix up the houses some of you live in or we will build some new ones for you."

I think we can do both at a moderate level. And understand how public housing is constructed. I am pleased to see the very able chairman of the Appropriations Subcommittee, because he has presided over that construction process in a very useful way. What we have is this: If we authorize and appropriate money for the construction of public housing, it is substantially within the discretion of HUD as to whether or not a particular housing authority will get money to build. It is not an entitlement for the housing authority. What the gentleman's amendment says to the Secretary of HUD is: No, no matter how diligent a housing authority is, if it happens, if a new housing authority group comes in and they have inherited bad stock and less than 90 percent, through no fault of theirs, is habitable and they have been working on trying to improve it but they have not been able to reach that 90 percent goal yet and they want to build some new housing for the elderly and they give the Secretary of HUD a good proposal, let us build some new housing for the elderly and handicapped and for the homeless while we are also working to improve our housing stock, this amendment says no, Mr. Secretary, you cannot let them do that.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield on that point?

Mr. FRANK. I yield to the gentleman from Texas.

Mr. BARTLETT. As a factual matter, I want the gentleman to know that this does not affect section 202, which is for the elderly, nor the homeless.

Mr. FRANK. I appreciate that. I did not say this affected section 202. It does affect what it affects. I will stipulate it does not deal with what it does not deal with. It does not affect section 202, it does not affect the marines, it does not affect the Department of Commerce. It affects public housing.

Section 202 will be hurt in part by what is going on in the tax bill and other areas.

Section 202 involves some private developers, and private developers' ability to produce housing is being substantially eroded by tax legislation. Public housing is what we are talking about here, entirely public constructed.

The gentleman's amendment says if you are not in the 90 percent level of habitability, through some fault of some prior administration, and you are trying to improve it and you say to HUD, "Can we also build some new housing?" it is not allowed.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

Mr. Chairman, my colleague from Massachusetts is absolutely correct.

I want to compliment the distinguished gentleman from Texas and his committee for bringing this bill to the floor.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has expired.

(By unanimous consent, Mr. FRANK was allowed to proceed for 3 additional minutes.)

Mr. BOLAND. The bill provides that additional funds for new public housing construction is left to the judgment and discretion of the Appropriations Committee.

Let me say you have left it with a good committee.

I have been a part of this process for a number of years. I joined this committee back in 1955. At that time it was very difficult to get support for the public housing program. We had a lot of problems with public housing over the years. I must say that at that time I had some misgivings about the program. But over the years I have come full circle on public housing. We have now provided about 1,300,000 units of public housing that shelter over 4 million people in this Nation. There have been some problems with it. We had some in St. Louis. We might have had some in Dallas, TX. We might have had some in other areas. In my own city of Springfield, for instance, badly planned, badly architected public housing units did not provide the right kind of living environment for the children who live there. There was not enough space for them and some people moved into new units who had never experienced an apartment before.

But, overall the public housing program works. I know that a number of administrations that I have served under, when they recommended their housing bills—the Nixon administration, for instance—indicated that public housing was a mess and totally wrong. Public housing is not a mess. It is one of the best programs we have. And it is the only program—the only program—that provides housing for the poor, those who are desperately poor, for very low-income families.

So the amendment of the gentleman from Texas would kill new construction for public housing in areas where it is needed most. Now, he is going to say, "No, it will not do it." If you consider the three criteria that he establishes in order for local public housing authorities to undertake new public construction, his indication was that the large cities in the United States would agree with the kind of amendment he has offered. I have some difficulty with that argument. The Council of Large Public Housing Authorities, which includes all of the major large public housing authorities throughout the United States, is opposed to this amendment.

I am a little confused about the argument of the gentleman from Texas. I remember very well what happened on this floor when we brought the 1986 appropriation bill to the floor last year. The committee recommended 10,000 new public housing units in the bill. The gentleman from Texas offered an amendment to cut that to 5,000 units. The amount of money carried to finance the 10,000 units was $1.8 billion. After the reduction of 5,000 units, he agreed with the 5,000 new units remaining in the bill. He agreed—now, he calls it a pittance—but he agreed to the 5,000 units that we provided, at a cost of some $980 million for that particular program.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has again expired.

(By unanimous consent, Mr. FRANK was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. Incidentally, on the vote to reduce the 10,000 new public housing units to 5,000 units, we lost by 10 votes, that is all. Just by 10 votes. The gentleman from Texas and the whip, the gentleman from Mississippi [Mr. LOTT], came over to me and said, "EDDIE, if you do not press this on a separate vote when we get back in the House, I can tell you that this will be acceptable to the administration." I agreed, and it was. We took that particular promise at its word. And when we went over to the other body, we maintained the 5,000 units, under very

difficult circumstances, as the members of this committee well know. So the conference report provided 5,000 units, and when the bill went down to the other end of the avenue, it was signed. The promise was kept.

But within a relatively few months after the President's signature, up comes a rescission and up comes a deferral which knocked out the 5,000 units.

Mr. FRANK. If the gentleman will allow me briefly to take back my time and corroborate this, if I am correct, first the administration would have frozen this spending by the deferral, and now if we were to pass this amendment and it became law, this would recapture what has not been spent because the administration deferred.

Mr. BOLAND. If the gentleman will continue to yield, let me say that with respect to modernization, it was the 1984 HUD-Independent Agencies Appropriations Act that contained $4 million for a study by HUD of public housing modernization needs. That act was signed into law on July 12, 1983, and that was 7 months after the author of this amendment came to Congress. The 1985 HUD-Independent Agencies Appropriations Act increased that modernization study to $4.5 million. In 1986 the HUD-Independent Agencies Appropriations Act provided that up to 20 percent of the public housing development funds would be available for major reconstruction of obsolete public housing. Incidentally, in the 1986 bill, we provided $1.5 billion for public housing modernization.

It is my intention, and hopefully the committee that I chair will agree, that in the 1987 HUD-Independent agencies appropriation bill—and within the committee's 302 allocation—we will provide about, hopefully, $2.5 billion for rehabiliation.

In my judgment, I think that is the direction in which we ought to go. I have great respect for the gentleman from Texas. He is intelligent, and I think he is a very cooperative individual at times—but not in this particular instance. There is no doubt about the fact that the amendment which he offers would kill much of the new construction of public housing.

I would hope that this Committee would not agree with the amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has again expired.

(On request of Mr. GONZALEZ and by unanimous consent, Mr. FRANK was allowed to proceed for 5 additional minutes.)

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, I do appreicate the opportunity to work with the gentleman from Massachusetts, both gentlemen from Massachusetts. I have a great deal of respect for them. The fact is that this amendment does not kill new construction of public housing, but it does create a priority for the first time. It faces the reality of 1986, to avoid the status quo.

I will say to the gentleman that we have no dispute as to the fact of a need for units to house low-income families. We have no dispute as to that need. The dispute is whether we should be spending this $860 million and more in future years, with the priority as to where it can really have some impact, and that is to repair the units that we have, many of which are unoccupied and uninhabitable, many of which are inhabited but they are substantially below standard, whether we should be spending that, whether we can help more people with repair and modernization than building new construction. I contended that 1 year ago and 2 years ago, as do residents of public housing, that we can have greater impact on more lives of low-income families by spending our resources on repair and modernization than on new construction.

□ 1330

Mr. FRANK. Let me just take back my time to reiterate my disagreement on the following points.

First, the gentleman is sugar coating his amendment. It does not just establish a priority for modernization over new construction. As I think the leading authority on the appropriations process on housing has said, and I agree with him, this makes it virtually impossible to build any new public housing in many, many areas of the country because it says, "Unless 90 percent of your units are up to the housing quality standards," what you are doing by this is penalizing the already penalized. You have the poorest areas where the people have been housed who have been hardest to house. Who have been hit the hardest under building.

So you say to those cities whose housing stock is already deteriorated, public and private, "Because you have got deterioration, you cannot have any new housing." In some cases, it is appropriate for HUD to say, "You, as a housing authority, have done so bad a job we give you no new money." They have always had that authority.

The gentleman from Massachusetts in his appropriations bills has protested HUD's right to say "no" to a bad authority. What this amendment says is to a good authority. A group that is working to rehabilitate and simultaneously wants to add elderly housing and wants to increase so we can deal with the homeless, with people who are mentally ill, so we can build appropriate housing for people who have been released.

No, you cannot do it, you cannot do it because you do not reach a standard that very few can reach.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman.

Mr. BOLAND. I thank the gentleman for yielding to me.

Mr. Chairman, there are over 3,000 public housing authorities in the United States, and about 2,900 are relatively small public housing authorities.

The large public housing authorities in the United States oppose this amendment. I think that the gentleman from Massachusetts struck the bottom line, and the distinguished gentleman from Texas knows it. The bottom line is that there would be no incremental units added to the public housing stock in many, many areas where it is most needed if this amendment were adopted.

Now, the gentleman is going to deny that, but the fact of the matter is, that is exactly the way this amendment would work. If you do not provide any additional units—you go to any public housing authority in the United States, whether it is large or small—and you'll find that there are a great number of people who are on the waiting list for public housing units. And they will not get in, with the result that if you do not provide for incremental units, then you are not providing for the needs of the poor and the very poor.

That is exactly the class you are hitting here. I think that is the class that we have to be concerned about.

Mr. FRANK. I thank the gentleman from Massachusetts.

Mr. Chairman, let me just conclude because I have taken too long. Let me say that I agree with the gentleman from Texas: Existing residents of public housing units do not have any interest in new units being constructed; they are living there. Let us not take two groups of poor people and make them fight each other.

The people who are not now housed at all ought not to be denied. We had a very impressive national demonstration a little while ago: Hands Across America. It was for the homeless. Please, do not vote for an amendment which is going to repudiate what was supposedly some national promise to try to provide for the homeless.

People now not housed ought not to be frozen out. Do not put the hands of the House of Representatives across the door of public housing and say, "No new people can apply." I think it would be a grave error to pass an amendment which would virtually prevent, and again, the decision is in the hands of the Secretary of HUD. If we pass this amendment, the Secretary of HUD loses his discretionary authority

to allow new construction in most of the large housing authorities in the country. That is not a good idea.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my good friend from Texas has two amendments. One I consider an excellent one, and one I consider absolutely awful, and this is the awful one.

Everybody would like to mod-rehab something. But what if you do not have anything to mod-rehab? I would almost give anybody, right now, $50 if they could come into my city of Bridgeport and find one unit that is empty that is not for rent for over $500.

Housing is like a pressure cooker: We have a lid on the top and we have a fire on the bottom. As we try to improve a neighborhood, I am constantly appalled at what happens. I have tried; I thought I was the hero of all time because I was going to solve the problem of a beautiful, old park area called Washington Park. I kept HUD's big fingers off of neighborhood housing, and neighborhood housing went in and we all of a sudden redid Washington Park. Ten years later, we have totally gentrified an area of the city.

What happens to the poor people? Where do they go with this fire underneath them? HUD, in its brilliance, they do not bother to tell me. I am only ranking member of the Housing Subcommittee. HUD wanders in and some person says, "You know, we are going to have to condemn Father Penik Village." What is he talking about? Is he talking about buildings? Yes, they are terrible. They are 50-odd years old. The stupid management has let leaks come in between the brick and the interior. Nobody can live there; nobody wants to live there. But they are homes for 1,100 families. Eleven-hundred families.

I could not find one apartment to mod-rehab. If I did mod-rehab it, unfortunately, without being disrespectful, the Yuppies and the Guppies would be fighting over who is going to get in it, because there is no place for them to live either.

We have got to retain a realization that as our economy improves, and it has improved under this administration and everybody is on a twirl except the oil people and the farmers for which I feel very sorry. In fact, the apartment that was the poor person's apartment has now become the expensive apartment.

In New England, and I know in Mr. FRANK's district and in Bridgeport we have a lot of them, we call them tenements. That is not a word of disparagement. That is a style of building that was built in New England. Three storeyed or four; wood-framed, flow-through apartments. Wonderful old buildings; huge space. They used to rent for $100 or $150. But you know that a third-floor, dormered-roofed, walk-through is worth now in a section of Bridgeport that was considered, "Well, that is where the poor people live"? $650 a month plus utilities.

What poor person can afford that? We have to add to the supply. My colleague from Massachusetts was very bright when he said that we are funneling and it is getting very narrow and it is getting very poor and to pass this amendment would give public housing authorities the right and the ability to ignore their responsibility to create public housing for the poor people of this country. That is their right.

This country is based on housing. It may have a lousy roof; it may be a leaky roof; there may not be a very good door; the kitchen may not work right, but it is a roof. It is not a grate. It is not a sidewalk. It is not Mr. Snyder's snakepit of 800 beds. It is a home to someone; it is not to us.

To forget that, to take away the ability to build that home, is to really destroy what this country stands for. You know, I was in the building business for 20-odd years before I made the mistake of becoming a public official. I go crazy when I see what HUD does. I go crazy. When I see what housing authorities do, I go crazy over them, too. They spend more money doing less than any other group I have ever met. But at least they are doing something. If you give them the excuse not to do something, no one is going to be housed, and that is the American dream.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. MCKINNEY] has expired.

(On request of Mr. GREEN and by unanimous consent, Mr. MCKINNEY was allowed to proceed for 5 additional minutes.)

Mr. McKINNEY. Mr. Chairman, I yield to my good friend from New York [Mr. GREEN] who also has that wonderful vacancy problem.

Mr. GREEN. I thank the gentleman for yielding to me.

Mr. Chairman, I should simply like to back up the gentleman's remarks. I think the gentleman from Texas obviously addresses a point of concern. It is important that we prioritize HUD spending, and there are many parts of the country where there is a very high vacancy rate, and we can use existing housing under either the Voucher Program or the Section 8 Existing Housing Program in order to house families that otherwise would not have shelter.

Unfortunately, there are also major parts of the country which do not have high vacancy rates. Some major metropolitan areas, including my own, as well as some rural areas in this country, lack adequate decent housing. In those areas I think it is a tragic mistake to say that you have to have your housing authority substantially complete its modernization program before they can use one penny for the creation of new housing.

Obviously, we should use existing housing where possible, but it simply is not possible in many parts of the country to use existing housing to house the homeless, because there is not any vacancy rate in the existing housing. That is the difficulty that I think we face with the gentleman's amendment.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, there are two difficulties with public housing today. One is that 36 percent of all public housing units that are substandard, that are below code. The gentleman would seem to imply that he thinks that those are—well, I know that he does not mean that those are good conditions for people to live in—but one group is those units that are substandard and uninhabitable and indecent and unsafe and unsanitary, yet lived in, and the other one is that large number of units that are vacant because they are uninhabitable.

It is true that some cities do not have such a high vacancy rate, but those same cities also have units that are in need of repair. What this amendment does, I would repeat, is not to cut housing funds, is not to reduce the total amount of money; it is to say that the funds that we do have, that we do use, would be used in the way that can help the maximum number of low-income families the soonest, the quickest. We can repair more units, provide more housing, in better conditions, for more people, through the use of repair and modernization at this time, in 1986 and 1987, than we can with new construction.

Mr. GREEN. Mr. Chairman, will the gentleman from Connecticut yield?

Mr. McKINNEY. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, in my city the housing authority has essentially a zero vacancy rate. In fact, from everything that we can tell in terms of water usage and electricity usage, in many of the units, large numbers of the units, families have doubled up. You cannot prove it because that doubling up is illegal, but because there is no housing, we know that families have doubled up there and no one is going to evict them.

We have a less than 2-percent vacancy rate. Oh, yes, if you want to pay $2,000 a month, I can find you apartments in New York City. But for the family that is out homeless in the street, their building burned out, that is not a solution. Yes, the housing authority has some older buildings, and those older buildings have some de-

ferred maintenance, and that has got to be dealt with. As the distinguished chairman of the HUD and Independent Agencies Appropriations Subcommittee told this House, we have appropriated very substantial sums of money to deal with that problem. I can assure you as ranking minority member of that subcommittee that we shall continue to do so. But the fact that that problem ought to be addressed and is being addressed is no excuse for not addressing the problem of the homeless in those cities where there is no vacancy rate.

Mr. McKINNEY. Mr. Chairman, I am going to take back my time for a moment, because I just want to give Members some facts. The vacancy rate in public housing in Stamford, CT, is 0.03: three one-hundredths of 1 percent. The vacancies that are there are burnout units. We want to move a family in Bridgeport, CT, which is right down the street, because their apartment was torched. Nobody knows why, and nobody is casting any blame, but somebody threw a gas bomb or something through the window. We cannot find anyplace to put them. We cannot even find motels to put them in. They are living in it.

We have a lead-paint situation in a public housing project called the Green Apartments. You know, we are redoing all of those walls, redoing the entire apartment, and the people have to live in them, because we have no place to put them.

Mr. BARTLETT. Mr. Chairman, would the gentleman yield very, very briefly?

Mr. McKINNEY. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding further to me. The debate is not over whether there is a need. Of course, there is a need. It is whether the 4,600 units that are in this fiscal year 1986 budget for new construction can even begin to have any impact on the need.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. McKINNEY] has expired.

(On request of Mr. BARTLETT, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 1 additional minute.)

Mr. BARTLETT. Mr. Chairman, in 1985, the entire State of Connecticut only received 15 new units of public housing under new construction. The entire State of New York only received 327 new units of public housing. We are not going to solve the need or even have any impact on the need that the gentleman so eloquently describes through new construction of new units. It is just not going to happen. I know that the Members of this House are focusing——

Mr. McKINNEY. The gentleman is just giving me the argument that we need more for new construction. I mean, 15 is 15.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I would remind the gentleman from Texas that it was his amendment that cut an extra 5,000 units of public housing out of last year's HUD and independent agencies appropriation bill. So I really think it comes with ill face for the gentleman to say that the low level to which he has cut the funding for new construction is a reason for abolishing it altogether.

Mr. BARTLETT. Will the gentleman from Connecticut yield on that point?

Mr. McKINNEY. I am delighted to yield to the gentleman from Texas.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. McKINNEY] has again expired.

(On request of Mr. FRANK, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 1 additional minute.)

Mr. McKINNEY. Mr. Chairman, I will not accept any more time after this, because I am beginning to feel like I am at a tennis game.

Mr. BARTLETT. If the gentleman will yield, I ask the House to look at the facts. The number I quoted of 327 new units approved in 1985 for New York and 15 for Connecticut was for 1985. That is the same number of new units that were appropriated in 1985 as were appropriated after my amendment in 1986. We cannot solve the problem with 15 units per State per year.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Chairman, what the gentleman from Texas is saying is, because we have done too little in the past, let us solve that by doing absolutely nothing in the future. That just is not good housing policy, arithmetic, or common sense.

Yes, some housing authorities have done a bad job of housing some poor people. Do not blame the victims. Do not think that the rational response to that is to say that no housing authority anywhere in the country can go ahead and build any new housing for new people. Do not say that and simultaneously profess that you are going to try to help the homeless. You cannot solve a problem in inadequate housing by doing less.

Yes, given budget constraints, we cannot build at the rate at which I would like to build, but going to zero is not the answer.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the pending amendment. I think that the reality is that poor people face a multitude of housing problems in our country. In the subcommittee for the past 5½ years we have held the most comprehensive field hearings as well as Washington, DC, hearings ever in the history of any committee or any two committees. We have gone from the eastern shore, rural, to the dense urban in New York, Philadelphia. We have gone clear across the continent and in between, to the States of Wisconsin, Minnesota, Illinois, Texas, and all the way to California.

Let me assure my colleagues that we have a terrible housing crisis that is going to disgorge itself into a dangerous social situation for our country. There is no question about it. If we want to think that there is not, that is our privilege, but let me assure my colleagues that these comprehensive hearings have clearly revealed the extent and the dimensions of this problem, particularly for the poor.

In some communities there are too few units. In others, the existing public housing units are in dire need of rehabilitation. In the largest communities the housing stock, for instance on the north side of town, may need rehabilitation, while the need just 10 miles away on the south side is for additional new units. Some cities have plenty of one-bedroom units for the elderly but a shortage of housing for those desperately needy families with children.

The amendment places shortsighted limitations on the conditions under which public housing authorities may receive funds to acquire or construct additional units. Only if a public housing authority is selling or demolishing existing units, or if at least 90 percent of the public housing authority's stock is in decent condition, would new construction funds be available.

There is no question that the chairman of the appropriations subcommittee is totally correct when he says that the adoption of this amendment means that we are killing all new public housing construction. This might work in the gentleman's home district in Texas, but even there, in his immediate environments, I have a newspaper story from his hometown's newspaper, two front-page stories. "Families Face Difficulties in Finding New Apartments," and they are talking about poor families with certificates, vouchers. In the suburbs, "Dallas Agency Split on Aid Regulations."

□ 1350

I do not think that my colleague from Texas has that part of Dallas that contains any of what we call the traditional or conventional public

housing stock. I may be in error, but I do not think so.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield on that point?

Mr. GONZALEZ. I am glad to yield.

Mr. BARTLETT. Mr. Chairman, I think the gentleman is correct as far as geographical boundaries; but as the gentleman knows, I think he is incorrect if he leaves the impression that I have not worked on behalf of those public housing tenants of all of Dallas for approximately 10 years. I know the gentleman came and was gracious enough to hold a public hearing in part at my request on public housing in Dallas.

Mr. GONZALEZ. That is correct.

Mr. BARTLETT. The issue is not the need, it is how to meet the need.

I thank the gentleman for yielding.

Mr. GONZALEZ. Well, but I am trying to show that even there in the immediate environments of this district, and of course we may represent geographical sections of a given township or city, that we are all in the same pot because our style of life is such that we are all affected. There is an interdependability in the situation.

What I am saying is that the thrust of this amendment in a good cause, that is, to give us affordable funds to rehabilitate and modernize those that are susceptible; the bad part is that the gentleman is not willing to admit that many of these structures are not susceptible to modernization or rehabilitation and are being demolished and therefore reducing the housing back.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. GONZALEZ was allowed to proceed for an additional 5 minutes.)

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am glad to yield.

Mr. PURSELL. Mr. Chairman, I am not a member of this particular standing committee, but a member of the Appropriations Committee. My arithmetic tells me that if there are 80,000 vacancies in the country, and let us forget regional and city boundaries here provincially, depending where you come from in the Congress, it seems to me that if we could modernize those vacant facilities, and I have walked through many housing facilities in my area that are in disrepair that need modernization, we would do more for the poor than if we were to build fewer, less new construction units.

Now, the question is, How are we going to help the poor? Are we going to modernize and make those units open to be attractive with some quality standards and therefore help more poor families than if we were to build fewer new houses and let the old houses get in worse condition? It is a matter of rebuilding our infrastructure system in America to improve our quality.

Mr. GONZALEZ. Mr. Chairman, let me reclaim my time and say that the gentleman misses the point of what I am saying. What I am saying is that you are not helping the poor if you end up in the total reduction of available housing for the poor, which this amendment will do, because you are not taking into consideration those units now in existence that are boarded up, that are not available, that are counted as vacant, but they are not susceptible of rehabilitation.

Mr. PURSELL. Well, I would disagree with that.

Mr. GONZALEZ. If you reduce that unit of housing stock for the poor, how are you helping the poor? That is the issue.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to my colleague, who is also a member of the committee.

Mr. McMILLAN. Mr. Chairman, I thank the gentleman.

There are a few questions that have come up today that give me some concern that I would like someone to respond to.

It is my understanding that in H.R. 1 we sought to authorize about 4,800 new units last year.

Mr. GONZALEZ. Actually, we authorized 5,000.

Mr. McMILLAN. I have heard discussion about 10,000 and 5,000.

Mr. GONZALEZ. That is right.

Mr. McMILLAN. How many units of new construction are currently in the pipeline that have been authorized and appropriated for in prior years that are not yet committed for or under construction? My understanding is that there are approximately 36,000 units in that category and we are talking about 5,000 or 6,000 at this point. That is one thing.

Mr. GONZALEZ. Well, I do not know about 36,000 or whether it is 28,000, but the gentleman must understand the nature of the construction processes. These things sometimes are a matter of 4 or 5 years in which the money is in the pipeline.

Mr. McMILLAN. I realize that, That is part of my point and the reason for my question.

Mr. GONZALEZ. But if the gentleman will yield back to me, this amendment would prevent the use for construction which is allowable under the law, the use of these construction funds for the acquisition of suitable housing, that is, existing housing. You do not necessarily have to construct anew, which means that you can purchase that type of suitable housing far cheaper than you can rehabilitating or remodeling or modernizing your units.

This is the thrust of our argument, that while it is good to say that we are for modernization, and nobody has been more for it than I have and am one of those who pushed hard until we got the first modernization program in 1970. That is fine, but you cannot at the same time say that you will totally concentrate the funding on modernization, to the total neglect of new construction.

Mr. McMILLAN. Well, I perhaps misunderstand the amendment, because I do not see it as totally ruling out new construction. I see it as enhancing the modernization program.

Let me give one example from my district. We just got appropriated funds last year to remodel a 300 unit public housing facility that was built in 1939.

Now, had those modernization funds not been available, I think probably that public housing project would be shut down in a very short period of time.

Mr. GONZALEZ. I would think so.

Mr. McMILLAN. Had we had to rely only upon new construction funds to replace that, we may have been looking 5 years out in the future in terms of meeting that need. I think that gets to the issue.

Mr. GONZALEZ. Well, if the gentleman will allow me, the gentleman has touched on the important point with respect to modernization.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(By unanimous consent, Mr. GONZALEZ was allowed to proceed for an additional 3 mintues.)

Mr. GONZALEZ. I must read into the record some statistics, so I will say this to sum up. The 1939-41 housing stock was the original housing stock. In fact, the mortgage life has matured, but they were so substantially and well constructed that they have been easily susceptible to modernization and rehabilitation, unlike the more recently built housing within the last decade or two decades, so that there is no quarrel with that; but the gentleman also perhaps will agree that that same housing authority may find it necessary in order to meet the growing needs for assisted housing to either purchase through new construction funds, which are allowable. New construction does not mean to have to construct new. That is what we are talking about. This amendment would eliminate that.

Now, let me recall some of my time. The impact of this amendment would make it impossible for at least a substantial number of the public housing authorities to address their housing needs. As I say and try to repeat, this is not a simplistic problem throughout the country. Each community has unique housing problems that need ad hoc unique solutions.

This amendment has no relationship to the severity of need in a communi-

ty. Pity that community that does not meet the criteria listed in this amendment.

Example: A public housing authority has more than 10 percent of its units in disrepair and a 2-year waiting list. It has requested moderization funds from HUD for the last 4 years. It has not received any and insufficient rehabilitation funds are available in the fiscal year 1987. Even if they apply now, they have been cut back on budgetary arguments.

The amendment of my colleague would prevent this PHA from receiving any acquisition or development funds.

Another example: The majority of a public housing authority's units are one bedroom and efficiency units, 15 percent of which need repair. Most of the people living in homeless shelters and PHA waiting lists are families with children today, as contrary to what the situation was just 5 or 6 years ago. This PHA could not receive any development funds to acquire or build single family scattered site homes.

I could go on and on. I just simply wish to say that I attempted to reconcile on a compromise basis with my distinguished colleague from Texas. It was impossible to do so, and I accept that. After all, this is the name of the game; but I urge my colleagues to defeat this amendment in the cause of meeting the growing and troubling needs of the poor in our country for shelter.

Mr. ROEMER. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

I just would like to thank my colleague, the gentleman from Texas [Mr. BARTLETT], for bringing the issue before us. There are going to be good people on both sides who disagree as to just what our priorities ought to be. I respect that. I understand it. These are not easy questions.

I happen to serve under the quality leadership of my chairman, the gentleman from Texas [Mr. GONZALEZ], on the Housing Subcommittee of the Banking Committee. I have enjoyed it and have learned a great deal.

I have learned, among other things, that public housing in this country as it presently exists has at least 80,000 units vacant across America in which nobody lives—80,000 units. This is at a time when we literally have tens of thousands, perhaps hundreds of thousands of people who have no housing at all.

It is the kind of contradiction in America where we are paying farmers not to grow and we have people going hungry.

The gentleman from Texas [Mr. BARTLETT] has tried to put the two dichotomies together, vacant units that need a certain amount of rehabilitation so that they can be livable and put those with people who need homes. It makes sense.

Now, there are some who say that we should not follow the leadership of the gentleman from Texas [Mr. BARTLETT]. We should continue to nickel and dime public housing as we can, particularly with new construction, but that brings 15 units to the State of Connecticut. That brings 360 units to the State of New York.

I am not saying that is not important, but in terms of priorities when money is tight and finite, perhaps now is the time to give the gentleman from Texas [Mr. BARTLETT] a chance. Perhaps now is the time to say, not on behalf of the Congress, but on behalf of the people who are poor and without homes, that we can touch more of them, lift more of them, put more of them in a decent home if we follow the Bartlett ideal, thereby taking the $800 million plus and rehabilitating those units that already exist in America, but which are vacant.

It makes sense to me and I want to thank my colleague, the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I am glad to yield to the gentleman.

Mr. BARTLETT. Mr. Chairman, I have heard the gentleman from time to time refer to 1986, unfortunately, as the "year of the ostrich," as the year in which in too many ways Congress has buried its head in the sand and ignored reality. This amendment I would compare to that and say that it is an opportunity for Congress to take its head out of the sand, to face the reality of the 459,000, some 36 percent of the stock public housing units that are in need of repair, the 80,000 units that are vacant and could be repaired and rehabilitated, the fact that using repair and modernization as a priority, breaking with the status quo, we could help more people, house them better, house them quicker, give them better living conditions, and make their lives easier at a lower per unit cost than using the current new construction model.

Now, this amendment does not eliminate new construction, as the gentleman knows. It merely does what Congress has failed to do in prior authorization bills and to set the priority. The priority is where the need is and that is repairing those units we already have.

It is a commonsense amendment. It is a commonsense approach that really comes from the residents of public housing in this country.

Mr. Chairman, I thank the gentleman for yielding and for his leadership on this.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for his comments, and would say in closing that it is a commonsense amendment. Perhaps that is the difficulty with it. It makes common sense to me, rather than to construct 5,000 new units a year in some blind inadequate plan, that took 16 years of construction to effect 80,000 units.

This gentleman in the matter of the next 2, 3, or 4 years, depending on the rehabilitation needs, can effect all 80,000 units, and when we come here we represent our districts, but we represent more than that. We represent America and I think America would like us to take care of 80,000 units, rather than 5,000 a year for 16 years.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to my colleague, the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, it seems to me another dimension, too, is that when we have, as in Detroit, one-fourth vacancies, that if we could fill those by improving the quality of those vacancies, we also would establish a better financial structure for that existing housing unit and thereby protect more of the poor as a whole.

I think I have been involved in refinancing some housing facilities in our district and certainly if you have 100-percent full occupancy, you are going to have a better financial picture fiscally. I think that would be better for the poor and better for the Federal Government as well.

Mr. ROEMER. I agree with the gentleman.

□ 1405

Mr. CLINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Texas [Mr. BARTLETT].

Mr. Chairman, I rise in strong support of the Bartlett amendment and want to associate myself with the remarks of the gentleman from Louisiana because I think he puts his fingers squarely on what the real issue is that we are debating: How can we better provide for the needs of the poor and the homeless; how can we really affect the real housing needs that exist?

Nobody is arguing over whether or not we should provide these facilities. The question is: How do we get more of those facilities available for the people who are in need of them?

I can certify that in the district that I represent, which is a rural district in Pennsylvania, we have been left with many underinhabited, underutilized, uninhabited facilities because of the lack of Federal resources to meet and to make them habitable for low-income families.

We have a variety, numbering into the hundreds of units, that are not presently occupied because they are uninhabitable, so refurbishing existing buildings and units to be used for

public housing is not only less expensive, but provides shelter that is safer, clearly safer for tenants, and more readily available in a shorter period of time.

I think that is what we are talking about here. We have 80,000 units that are uninhabitable, that are uninhabited. There is a need to put those units back into the stream so that people much sooner are going to be able to utilize those.

It seems to me that too many of our Government programs tend to skew resources toward new construction of whatever it may be. I serve on the Public Works Committee, and we wrestle always with trying to provide money for rehabilitation, for modernization, for upgrading of existing facilities. The whole infrastructure issue really is a debate about whether we should be putting more money into new types of facilities or into maintaining and upgrading existing facilities. Our interstate highway system, which is wearing out faster than we are replacing or repairing it, is a case in point.

I would suggest to my colleagues that the fault is not in our stars, as Shakespeare said, but in ourselves. The fact is that it is oftentimes more politically palatable to cut a ribbon for something new than to do the hard work of rehabilitating what we have already done.

I am also, I think, satisfied as a result of this debate with what I believe are true safeguards in this amendment to protect new construction that is already underway and that is needed to replace units lost to demolition. This is not an amendment that is going to prohibit, eliminate, stop all new construction. What it is saying is that we need to redress the balance to some extent so that rehabilitation, which is now definitely penalized and definitely not favored, would at least be given favorable consideration.

So I think we would make greater use of what the Federal Government and our own local communities have to offer by support of this amendment, and I would urge this in the name of fiscal responsibility, because we do have to make choices, we do need to establish priorities, and also for compassion for those who are in need of housing. This amendment will make that possibility, that dream, come true faster and in a quicker period of time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BARTLETT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BARTLETT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 148]

Ackerman	Crockett	Hall (OH)
Akaka	Daniel	Hall, Ralph
Alexander	Dannemeyer	Hamilton
Anderson	Darden	Hammerschmidt
Andrews	Daschle	Hansen
Annunzio	Daub	Hatcher
Anthony	de la Garza	Hayes
Applegate	DeLay	Hefner
Archer	Derrick	Hendon
Armey	DeWine	Henry
Aspin	Dickinson	Hertel
Atkins	Dicks	Hiler
AuCoin	DioGuardi	Hillis
Barnard	Dixon	Holt
Barnes	Donnelly	Hopkins
Bartlett	Dorgan (ND)	Horton
Barton	Dornan (CA)	Howard
Bateman	Dowdy	Hoyer
Bates	Downey	Hubbard
Bedell	Dreier	Huckaby
Beilenson	Duncan	Hughes
Bennett	Durbin	Hunter
Bentley	Dwyer	Hutto
Bereuter	Dymally	Hyde
Berman	Dyson	Ireland
Bevill	Early	Jacobs
Biaggi	Eckart (OH)	Jeffords
Bilirakis	Eckert (NY)	Jenkins
Bliley	Edgar	Johnson
Boehlert	Edwards (CA)	Jones (NC)
Boggs	Edwards (OK)	Jones (OK)
Boland	Emerson	Jones (TN)
Boner (TN)	English	Kanjorski
Bonior (MI)	Erdreich	Kaptur
Bonker	Evans (IA)	Kasich
Borski	Evans (IL)	Kastenmeier
Bosco	Fascell	Kemp
Boucher	Fawell	Kennelly
Boulter	Fazio	Kildee
Boxer	Feighan	Kindness
Brooks	Fields	Kleczka
Broomfield	Fish	Kolbe
Brown (CA)	Flippo	Kolter
Brown (CO)	Florio	Kostmayer
Broyhill	Foglietta	LaFalce
Bruce	Foley	Lagomarsino
Bryant	Ford (MI)	Lantos
Burton (CA)	Ford (TN)	Latta
Burton (IN)	Fowler	Leach (IA)
Bustamante	Frank	Leath (TX)
Byron	Franklin	Lehman (CA)
Callahan	Frenzel	Lehman (FL)
Carney	Frost	Leland
Carper	Fuqua	Lent
Carr	Gallo	Levin (MI)
Chandler	Garcia	Lewis (CA)
Chappell	Gaydos	Lewis (FL)
Cheney	Gejdenson	Lightfoot
Clay	Gekas	Lipinski
Clinger	Gephardt	Livingston
Coats	Gibbons	Loeffler
Cobey	Gilman	Long
Coble	Gingrich	Lott
Coleman (MO)	Glickman	Lowery (CA)
Coleman (TX)	Gonzalez	Lowry (WA)
Combest	Goodling	Lujan
Conte	Gordon	Luken
Conyers	Gradison	Lungren
Cooper	Gray (IL)	Mack
Coughlin	Gray (PA)	MacKay
Courter	Green	Madigan
Coyne	Gregg	Manton
Craig	Guarini	Markey
Crane	Gunderson	Marlenee
Martin (IL)	Porter	Solarz
Martin (NY)	Price	Solomon
Martinez	Pursell	Spence
Matsui	Quillen	Spratt
Mavroules	Rahall	St Germain
Mazzoli	Rangel	Staggers
McCain	Ray	Stallings
McCandless	Regula	Stangeland
McCloskey	Reid	Stark
McCollum	Richardson	Stenholm
McCurdy	Ridge	Stokes
McDade	Rinaldo	Strang
McEwen	Ritter	Stratton
McGrath	Roberts	Studds
McHugh	Robinson	Stump
McKernan	Rodino	Sundquist
McKinney	Roe	Sweeney
McMillan	Roemer	Swift
Meyers	Rogers	Swindall
Mica	Rostenkowski	Synar
Michel	Roth	Tallon
Mikulski	Roukema	Tauke
Miller (OH)	Rowland (CT)	Tauzin
Miller (WA)	Rowland (GA)	Taylor
Mineta	Roybal	Thomas (CA)
Mitchell	Rudd	Thomas (GA)
Moakley	Russo	Torres
Molinari	Sabo	Towns
Monson	Savage	Traficant
Montgomery	Saxton	Traxler
Moody	Schaefer	Udall
Moore	Scheuer	Valentine
Moorhead	Schneider	Vander Jagt
Morrison (CT)	Schroeder	Vento
Morrison (WA)	Schuette	Visclosky
Mrazek	Schumer	Volkmer
Murphy	Sensenbrenner	Vucanovich
Murtha	Sharp	Walker
Myers	Shaw	Watkins
Natcher	Shelby	Waxman
Neal	Shumway	Weaver
Nelson	Shuster	Weber
Nichols	Sikorski	Weiss
Nielson	Siljander	Wheat
Nowak	Sisisky	Whitley
Oakar	Skeen	Whittaker
Oberstar	Skelton	Whitten
Obey	Slattery	Williams
Olin	Slaughter	Wirth
Ortiz	Smith (FL)	Wise
Owens	Smith (IA)	Wolf
Oxley	Smith (NE)	Wolpe
Packard	Smith (NJ)	Wortley
Panetta	Smith, Denny (OR)	Wright
Parris		Wyden
Pashayan	Smith, Robert (NH)	Wylie
Pease		Yates
Penny	Smith, Robert (OR)	Yatron
Pepper		Young (AK)
Perkins	Snowe	Young (FL)
Petri	Snyder	Young (MO)

□ 1425

The CHAIRMAN. Four hundred two Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Texas [Mr. BARTLETT] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will remind Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 223, noes 180, not voting 30, as follows:

[Roll No. 149]

AYES—223

Andrews	Bartlett	Bliley
Annunzio	Barton	Boucher
Anthony	Bateman	Boulter
Applegate	Bedell	Broomfield
Archer	Beilenson	Brown (CO)
Armey	Bentley	Broyhill
Aspin	Bereuter	Bryant
Barnard	Bevill	Burton (IN)

Byron	Hyde	Ridge
Callahan	Ireland	Ritter
Carney	Jacobs	Roberts
Carper	Jeffords	Robinson
Carr	Jenkins	Roemer
Chandler	Jones (OK)	Rogers
Chapman	Jones (TN)	Rostenkowski
Cheney	Kasich	Roth
Clinger	Kemp	Roukema
Coats	Kindness	Rudd
Cobey	Kolbe	Russo
Coble	Lagomarsino	Saxton
Coleman (MO)	Latta	Schaefer
Combest	Leach (IA)	Schuette
Coughlin	Leath (TX)	Seiberling
Courter	Lewis (CA)	Sensenbrenner
Craig	Lightfoot	Sharp
Crane	Lipinski	Shaw
Daniel	Livingston	Shumway
Dannemeyer	Loeffler	Shuster
Darden	Lott	Siljander
Daschle	Lowery (CA)	Sisisky
Daub	Lujan	Skeen
DeLay	Lungren	Slattery
DeWine	Mack	Slaughter
Dickinson	MacKay	Smith (IA)
Dorgan (ND)	Madigan	Smith (NE)
Dornan (CA)	Marlenee	Smith (NJ)
Dowdy	Martin (IL)	Smith, Denny (OR)
Dreier	Martin (NY)	Smith, Robert (NH)
Duncan	McCain	Smith, Robert (OR)
Dyson	McCandless	Snyder
Eckart (OH)	McCloskey	Solomon
Eckert (NY)	McCollum	Spence
Edwards (OK)	McCurdy	Stangeland
Emerson	McEwen	Stenholm
English	McMillan	Strang
Evans (IA)	Meyers	Sundquist
Fawell	Michel	Sweeney
Fields	Miller (OH)	Swindall
Fowler	Miller (WA)	Synar
Franklin	Molinari	Tauke
Frenzel	Monson	Tauzin
Frost	Montgomery	Taylor
Gallo	Moody	Thomas (CA)
Gibbons	Moore	Thomas (GA)
Gingrich	Moorhead	Valentine
Glickman	Mrazek	Vander Jagt
Goodling	Murphy	Volkmer
Gordon	Murtha	Vucanovich
Gradison	Myers	Walgren
Gregg	Natcher	Walker
Gunderson	Nelson	Watkins
Hall (OH)	Nichols	Weber
Hall, Ralph	Nielson	Wheat
Hamilton	Olin	Whittaker
Hammerschmidt	Oxley	Whitten
Hansen	Packard	Wolf
Hendon	Parris	Wortley
Henry	Pashayan	Wylie
Hiler	Pease	Young (AK)
Hillis	Penny	Young (FL)
Holt	Petri	Young (MO)
Hopkins	Porter	
Huckaby	Pursell	
Hughes	Quillen	
Hunter	Ray	
Hutto	Regula	

NOES—180

Ackerman	Chappell	Fascell
Akaka	Clay	Fazio
Alexander	Coleman (TX)	Feighan
Anderson	Collins	Fish
Atkins	Conte	Flippo
AuCoin	Conyers	Florio
Barnes	Cooper	Foglietta
Bates	Coyne	Foley
Bennett	Crockett	Ford (MI)
Berman	de la Garza	Ford (TN)
Biaggi	Derrick	Frank
Bilirakis	Dicks	Fuqua
Boehlert	Dingell	Garcia
Boggs	DioGuardi	Gaydos
Boland	Dixon	Gejdenson
Boner (TN)	Donnelly	Gekas
Bonior (MI)	Downey	Gephardt
Bonker	Durbin	Gonzalez
Borski	Dwyer	Gray (IL)
Bosco	Dymally	Gray (PA)
Boxer	Early	Green
Brown (CA)	Edgar	Guarini
Bruce	Edwards (CA)	Hatcher
Burton (CA)	Erdreich	Hayes
Bustamante	Evans (IL)	Hefner
Hertel	McKernan	Shelby
Horton	McKinney	Sikorski
Howard	Mica	Skelton
Hoyer	Mikulski	Smith (FL)
Hubbard	Mineta	Snowe
Johnson	Mitchell	Solarz
Jones (NC)	Moakley	Spratt
Kanjorski	Morrison (CT)	St Germain
Kaptur	Neal	Staggers
Kastenmeier	Nowak	Stallings
Kennelly	Oakar	Stark
Kildee	Oberstar	Stokes
Kleczka	Obey	Stratton
Kolter	Ortiz	Studds
Kostmayer	Owens	Swift
LaFalce	Panetta	Tallon
Lantos	Pepper	Torres
Lehman (CA)	Perkins	Towns
Lehman (FL)	Price	Traficant
Leland	Rahall	Traxler
Lent	Rangel	Udall
Levin (MI)	Reid	Vento
Lewis (FL)	Richardson	Visclosky
Long	Rinaldo	Waxman
Lowry (WA)	Rodino	Weaver
Luken	Roe	Weiss
Manton	Rowland (CT)	Whitley
Markey	Rowland (GA)	Williams
Martinez	Roybal	Wirth
Matsui	Sabo	Wise
Mavroules	Savage	Wolpe
Mazzoli	Scheuer	Wright
McDade	Schneider	Wyden
McGrath	Schroeder	Yates
McHugh	Schumer	Yatron

NOT VOTING—30

Badham	Grotberg	Morrison (WA)
Breaux	Hartnett	O'Brien
Brooks	Hawkins	Pickle
Campbell	Heftel	Rose
Chappie	Kramer	Schulze
Coelho	Levine (CA)	Stump
Davis	Lloyd	Torricelli
Dellums	Lundine	Whitehurst
Fiedler	Miller (CA)	Wilson
Gilman	Mollohan	Zschau

The Clerk announced the following pair:

On this vote:

Mr. Pickle for, with Mr. Dellums against.

Mr. ROWLAND of Connecticut changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1435

AMENDMENT OFFERED BY MR. MANTON

Mr. MANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MANTON: Page 48, strike lines 8 and 9 and insert the following (and conform the table of contents accordingly):

SEC. 205. VOUCHER DEMONSTRATION PROGRAM.

(a) USE OF VOUCHERS IN CONNECTION WITH RENTAL REHABILITATION.—The first sentence of section 8(o)(3) of the United States Housing Act of 1937 is amended—

(1) by striking "or" before "(C)"; and

(2) by inserting before the period at the end the following: ", or (D) a family residing in a project being rehabilitated under section 17 that is determined to be a lower income family at the time it initially rceives assistance and whose rent after rehabilitation would exceed 30 percent of the monthly adjusted income of the family".

(b) USE OF VOUCHERS IN CONNECTION WITH COOPERATIVE AND MUTUAL HOUSING.—Section 8(o)(8) of the United States Housing Act of 1937 is amended by striking the following: "not to exceed 5 per centum of the amount of".

Page 48, line 10, insert before "Section" the following: "(c) ADMINISTRATIVE EXPENSES.—".

Mr. MANTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MANTON. Mr. Chairman, the first part of my amendment would permit the use of vouchers to prevent the displacement of low income tenants in projects rehabilitated under the rental rehabilitation program. Under current law, a tenant must actually be displaced due to higher rents after the rehabilitation in order to qualify for voucher assistance. HUD supports this technical change in the law.

The second part of my amendment would eliminate the current restriction that prevents local housing authorities from using any more than 5 percent of the voucher allocation to assist families in low-income cooperatives. This arbitrary limitation makes it very difficult for housing authorities to use rental rehab funds to rehabilitate buildings that will be converted to low-income coops.

For example, in New York City we have found that the use of the low-income co-op is a highly cost-effective way to provide housing for very poor families. HUD supports this change.

In New York City we have about 4,000 units ready to be converted into low-income co-ops. This takes properties that have been taken from nonpayment of taxes and owned by the city to be rehabbed with the tenants kept in place. They make a small equity payment. The property is then owned by a cooperative corporation, and it is back on the tax rolls. If this amendment were not passed, we would be limited to only about 200 vouchers. I must add that HUD also supports this amendment.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. MANTON. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, as the gentleman knows, his amendment was an integral part of H.R. 1. It is a proper amendment. It adds to the quality of the legislation, and we certainly accept it on our side.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MANTON. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, this Member of the minority has no opposition to the

amendment of the gentleman. It was a part of H.R. 1, and I am glad to see the gentleman has put it in.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MANTON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROTH

Mr. ROTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROTH:

Page 48, strike lines 8 and 9 and insert the following (and conform the table of contents accordingly):

SEC. 205. VOUCHER DEMONSTRATION PROGRAM.

(a) OPERATION OF PROGRAM.—Section 8(o) of the United States Housing Act of 1937 is amended—

(1) in the first sentence of paragraph (1), by striking "In" and all that follows through ", the" and inserting "The";

(2) by striking paragraph (4);

(3) by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), respectively; and

(4) in paragraph (5), as so redesignated by this subsection, by striking "an initial" and inserting "a".

Page 48, line 10, insert before "Section" the following: "(b) ADMINISTRATIVE FEES.—".

Page 48, line 11, strike "is amended" and insert the following: "(as amended by subsection (a) of this section) is further amended".

Page 48, line 13, strike "(9)" and insert "(8)".

Mr. ROTH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ROTH. Mr. Chairman, the amendment I am offering to the amendment in the nature of a substitute is clear and straightforward. It is an amendment which was accepted on a bipartisan basis during the Banking Committee's markup.

Briefly, this amendment establishes a freestanding Housing Voucher Program.

Currently, the Housing Act contains a requirement that substantially all housing vouchers be used in connection with the Rental Rehabilitation Program. My amendment dissolves that link and allows vouchers to be used freely throughout the entire market.

I believe vouchers are the wave of the future in terms of housing assistance for low-income families. This amendment removes the obstacles to wider experimentation with vouchers and frees up the program to operate more widely and more effectively.

The Voucher Program is primarily an extension and refinement of the highly successful and well-accepted section 8 existing program. Some 800,000 low-income families today utilize section 8 existing to find shelter. Now is the time to build on the success of the section 8 existing program and establish freestanding vouchers.

The Housing Voucher Program offers greater freedom of choice than any other Rental Housing Program. It allows participating families to decide for themselves the tradeoff between choice of neighborhood amenity level and style of housing, and the share of the family budget they wish to devote to housing.

The voucher subsidy is based on a payment standard rather than on the amount the family actually pays for rent. Therefore, the family can rent a unit which is more expensive than the payment standard if they choose, or they can rent a less expensive unit without having their subsidy reduced.

Vouchers essentially act as income supplements to improve a low-income family's ability to meet its shelter needs. The voucher allows an assisted family to obtain decent, safe, and sanitary rental housing and guarantees payment to the landlord for a portion of the rent. The voucher approach makes use of existing rental stock on the private market and encourages recipients to shop for units.

Vouchers are much less costly and more efficient than new construction programs. They can serve families immediately. They are more portable than other types of housing assistance, and they allow recipients the maximum amount of freedom of choice and flexibility.

Mr. Chairman, numerous studies document that the predominant housing problem for low-income Americans today is the affordability—not availability—of shelter. The Voucher Program is a cost-effective, proven means of providing that shelter.

This amendment simply removes the requirement that substantially all vouchers be used in conjunction with the Rental Rehabilitation Program, which is in section 17 of the Housing Act.

This amendment does not replace any existing element of our Nation's housing program. It does not change the demonstration status of the Voucher Program. My amendment simply says that if we are going to determine, once and for all, whether the Voucher Program has a future many believe it has, we should be willing to give it a fair test.

Our goal is an efficient, equitable, responsive, and flexible housing program. This amendment promotes that goal.

I urge my colleagues to accept this vital and necessary amendment.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I would be happy to yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Chairman, as the distinguished gentleman knows, despite my grave serious doubts about voucher programs and the fact that the administration itself has abandoned them, during markup we accepted, I helped and we accepted the amendment of the gentleman, and I have no reason not to do so now. As a matter of fact, it should have been incorporated in our substitute version. This amendment is acceptable and we thank the gentleman. I hope the gentleman will help us in our continued efforts to bring about an authorization bill.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman on this amendment. It is certainly accepted on this side of the aisle.

Mr. ROTH. I thank the subcommittee chairman and our ranking member for their statements and appreciate their support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. ROTH].

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. BURTON OF CALIFORNIA

Mrs. BURTON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BURTON of California: Page 90, after line 4, insert the following new section (and conform the table of contents accordingly):

SEC. 245. PROCEDURES AND POLICIES FOR MANDATORY MEAL PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) EXEMPTIONS FROM MEAL PROGRAMS.—

(1) REQUIRED EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall grant a tenant an exemption from such participation if—

(A) the program cannot satisfactorily accommodate the special dietary or health needs of the tenant, as certified by the physician of the tenant;

(B) the program cannot satisfactorily accommodate the special diet or food practices of the tenant;

(C) participation in the program substantially interferes with the employment of the tenant; or

(D) participation in the program constitutes an unbearable financial hardship on the tenant, taking into consideration the cost to the tenant of meals not covered by the program and other necessary living costs remaining after payment of charges for the program.

(2) ADDITIONAL EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may grant a tenant an exemption from such participation for any additional reason determined by the owner to be appropriate.

(b) FINANCIAL ASSISTANCE.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may, in lieu of granting an exemption under subsection (a)(1)(D), provide the

tenant with financial assistance toward the cost of participation in the program.

(c) ACCEPTANCE OF FOOD STAMPS AS PAYMENT.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall accept food stamps toward payment for the meals included in such program.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "assisted housing" means housing that is assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, or section 8 of the United States Housing Act of 1937.

(2) The term "elderly" means any individual who is not less than 62 years of age or any family the head of which (or whose spouse) is not less than 62 years of age.

(e) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out this section.

Mrs. BURTON of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. BURTON of California. Mr. Chairman, I am offering this amendment today to provide relief for individuals living in federally assisted housing for the elderly who are participants in mandatory meals programs.

The Department of Housing and Urban Development permits owners of section 202 housing projects for the elderly to adopt a mandatory meal policy that requires residents to purchase meals as a condition of occupancy. HUD intends this policy to benefit elderly residents by providing them with balanced meals and an increased opportunity to socialize with others.

These are very worthy goals, and there are places where these programs are problem free. I know, for instance, that my colleagues SANDER LEVIN and BRUCE VENTO have highly successful mandatory meal programs in their districts.

My amendment will promote an equitable, commonsense solution which will not interfere with the operation of successful mandatory meal programs. My amendment will require that tenants living in federally assisted housing with a mandatory meal program be provided an exemption from participation in that program under certain circumstances. For instance, a tenant will be provided an exemption if the meals program cannot meet dietary or health needs which have been certified by the tenant's physician.

If the meals program substantially interferes with a tenant's employment, or if participation in the program constitutes an unbearable financial burden, the tenant may be exempted.

The amendment also authorizes the acceptance of food stamps as payment for meals and requires the owners of assisted housing with mandatory meals programs to offer financial assistance to those tenants who demonstrate financial hardship.

Mr. Chairman, these exemptions from, and modifications of, the mandatory meals program are a judicious response to the legitimate grievances expressed by seniors participating in these programs.

We really can do no less. In areas of the country such as San Francisco and New York, for example, housing availability is declining and there is an acute shortage of federally assisted housing for the elderly, many of whom have very long waiting lists. In my opinion, there simply is no justification for telling an elderly individual who has been waiting a long period of time for an opening in a federally assisted 202 project that "yes, you may now have a space here but you must also pay for a meals program that you may not need or like." Many of my colleagues know that I had originally intended to offer a more far-reaching amendment, separating the meals contract as a condition of occupancy. This amendment, however, represents the consensus arrived at by a number of Members—from both sides of the aisle—interested in the operation of a mandatory meal program.

It is my understanding that the committee has agreed to hold hearings on this issue next year. I appreciate this response from the committee and believe a hearing will provide a useful forum for examining this program more thoroughly.

Finally, I would like to thank the members of the committee who have worked with me in such an open and constructive manner.

I would particularly like to thank Representatives LEVIN and VENTO, as well as Representatives MCKINNEY and WYLIE, for their unyielding devotion to the genuine needs of this Nation's elderly population.

Mr. VENTO. Mr. Chairman, will the gentlewoman from California yield?

Mrs. BURTON of California. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentlewoman for yielding.

Mr. Chairman, I thank the gentlewoman for her amendment. I think it is a good one as it is resulting here. I just want to point out that these mandatory meal contracts are important because very often when the public housing was constructed, the 202 housing, they provided the physical facilities and the program. The fact is that very often these mandatory meal programs permit individuals living in senior citizen housing to avoid being placed in nursing care facilities that require more intense care. So the fact is that the contracts are provided for them, these exemptions are reasonable considering that they are providing some relief for people who might be in there whose circumstances change or who want reasonable exemptions.

The CHAIRMAN. The time of the gentlewoman from California [Mrs. BURTON] has expired.

(On request of Mr. VENTO and by unanimous consent Mrs. BURTON of California was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, will the gentlewoman continue to yield?

Mrs. BURTON of California. I continue to yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentlewoman.

So the fact is that I think we have got a solution here that is workable and, hopefully, it will provide the basis for programs that will be in place to provide the better parts of the program and relief where it is necessary.

I want to commend the gentlewoman and the others who have worked on this issue and thank her for yielding.

Mr. BARTLETT. Mr. Chairman, will the gentlewoman yield?

Mrs. BURTON of California. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentlewoman for yielding.

Mr. Chairman, I support the gentlewoman in her amendment and really appreciate the way she has gone about working on this. The issue, as the gentlewoman from California stated, is one of freedom of choice so that people will have the opportunity to make their own decisions. I appreciate her leadership on this issue.

Mr. MCKINNEY. Mr. Chairman, will the gentlewoman yield?

Mrs. BURTON of California. I yield to the gentleman from Connecticut.

□ 1450

Mr. MCKINNEY. Mr. Chairman, I would just like to congratulate the gentlewoman from California [Mrs. BURTON] on the amendment. I think it is very necessary, and it has been for a long time. It has been straightened out.

I am especially appreciative of the fact that the gentlewoman has constantly come to the ranking member and to the chairman to discuss this amendment to make sure that it is as palatable as it could possibly be.

Mr. Chairman, it has long been needed, as far as I am concerned, and I am going to accept it.

Mr. WEISS. Mr. Chairman, I rise in strong support of the amendment offered by the gentlewoman from California.

This amendment is one step forward in the fight to end the practice in some federally subsidized housing projects of forcing elderly residents to pay for mandatory meals that they cannot eat, cannot afford, or do not want.

There can be no doubt that providing meals in federally assisted housing for the elderly is an important and desirable service. However, while a majority of meals programs in section 202 and section 8 housing facilities are operated on a voluntary basis, some meals projects require residents to participate in a meals program as a condition of occupancy.

Because there is a crisis in the availability of affordable housing, many low-income tenants have only two alternatives: participate in a mandatory meals program or forego the opportunity to obtain decent housing.

Proponents of mandatory meals contend that these programs are needed to prevent isolation of the elderly and to meet their social needs. This argument is patronizing and ageist. By law, these housing facilities are designed for individuals capable of independent living. If elderly tenants are capable of independent living, they are certainly also capable of deciding if and when they want to socialize.

Advocates of mandatory meals also assert that the mandatory nature of the program is necessary for cost reasons. They contend that they would not be able to operate a meals program at all if some tenants were given the option of not participating in these programs.

However, these same advocates of mandatory meals are also quick to point out that, according to a Government Accounting Office [GAO] study released last year, a majority of participants in these programs appear to be satisfied with the program. That same study found that of the 512 sample projects with meals programs, only 98 programs were mandatory. These figures strongly suggest that meals programs can be operated successfully on a voluntary basis.

Recently published regulations by the Department of Housing and Urban Development do permit an exemption from participation in the mandatory meals programs for medical and employment reasons. However, there is currently no exemption for those whose participation in the program will constitute an unbearable financial hardship.

The amendment before us will permit such an exemption for those who cannot afford to participate in the meals program. Further, it will require that project owners accept food stamps toward payment for meals. The amendment also permits owners to exempt tenants for other reasons and allows owners to pay part of a tenant's meal costs rather than exempt them from the program. Finally, the amendment would write into law the requirement that owners exempt tenants for dietary or health reasons or if participation in the program substantially interferes with the tenant's employment.

This amendment consititutes an improvement for those elderly tenants who are subjected to a mandatory meals program against their will, and I urge all of my colleagues to support it.

However, it is only a first step. In New York City, the residents of St. Margaret's House, a federally assisted facility with a mandatory meals program, have banded together in a group known as Senior Citizens Fighting Mandatory Meals to call for the elimination of mandatory meals programs. They have testified at a hearing here in Washington, and they filed suit to prevent the operation of the mandatory meals program. They are joined in their efforts by a grassroots network of seniors and legal aid attorneys around the Nation who are seeking an end to these demeaning, unfair, and burdensome programs.

I admire the conviction and perseverance of these activists, and I am hopeful that passage of this amendment will be followed by additional efforts to forbid mandatory meals projects in federally supported housing or, short of that, to make other improvements for the tenants. We can and should take action to separate the meals service contracts from the housing lease; to prohibit eviction for nonpayment of the meals contract; to provide an exemption from the meals program for religious reasons; and to provide refunds or excuse tenants from payment during periods of extended absence. We should also place a moratorium on the establishment of new mandatory meals programs and call for a comprehensive study of the cost effectiveness of mandatory meals programs as compared with comparable voluntary programs.

The issue of mandatory meals is an important part of the movement for respect and equal treatment of all elderly individuals. The issue is whether elderly citizens capable of independent living have the right to decide when, where, and what to eat if they choose to live in federally subsidized housing. So long as mandatory meals programs continue to operate, this right will continue to be violated on a daily basis.

AMENDMENT OFFERED BY MR. MORRISON OF CONNECTICUT TO THE AMENDMENT OFFERED BY MRS. BURTON OF CALIFORNIA

Mr. MORRISON of Connecticut. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Connecticut to the amendment offered by Mrs. BURTON of California: Page 2, after line 18, insert the following new subsection (and redesignate the subsequent subsections and any references to such subsections, accordingly):

(d) NOTICE AND RIGHT-TO-CONTEST.—

(1) The owner of any assisted housing for the elderly that requires tenants to participate in a meals program shall inform tenants of the exemptions listed under paragraph (a)(1) of this section and any additional exemptions determined by the owner to be appropriate under paragraph (a)(2) of this section, as well as the right to appeal a denial of exemption pursuant to paragraph (d)(2).

(2) The tenant shall have the right to appeal any denial of a request for exemption to the Secretary or his designee and the Secretary or his designee is authorized to hear and decide such appeals.

(3) Before taking any legal action to recover payment or evict any tenant for failure to participate in a required meals program, the owner of such a project shall comply with this subsection.

Mr. MORRISON of Connecticut (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORRISON of Connecticut. Mr. Chairman, this is a technical amendment which merely adds to the amendment of the gentlewoman from California. The gentlewoman's amendment provides for certain exemptions. What my amendment does is to provide the enforcement mechanism so that they will actually be recognized, and it is really a technical amendment which does nothing but help the gentlewoman's amendment in terms of implementation.

Mr. Chairman, I believe that it is acceptable to all the supporters of the gentlewoman's amendment.

Mrs. BURTON of California. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the gentlewoman.

Mrs. BURTON of California. Mr. Chairman, the amendment is acceptable to me.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the chairman of the subcommittee.

Mr. GONZALEZ. Mr. Chairman, I thank the distinguished gentleman from Connecticut for yielding to me.

Mr. Chairman, I certainly have had an opportunity to study both the amendment of the gentlewoman from California as well as the amendment to the amendment. It is acceptable.

I am convinced, however, that ultimately the best long-term solution is to permit only voluntary programs in federally assisted housing programs and to make certain the contract for the meals is separate from the lease for the apartment. As the GAO study pointed out, 81 percent of the elderly projects that have meals programs offer them on a voluntary basis and the voluntary programs were as financially viable as mandatory programs. In addition, if the free market means anything it means satisfied customers will buy good quality products if the prices are reasonable. In a mandatory program if tenants are dissatisfied with either the quality of the meal or the cost, but are threatened with eviction from their home for failing to pay for unsatisfactory meals, those tenants have lost the leverage we prize so highly in a free society—the leverage to buy better meals at better prices elsewhere.

When HUD issues final regulations governing this program, they should include equitable policies designed to assure no low-income elderly tenants will lose the roofs over their heads because they object to being forced to pay for unsatisfactory meals on their tables.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the gentleman.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I want to thank the gentleman from Connecticut for his work on this. I think the gentleman points out the necessity that, if we are going to have exemptions, there has to be a notice and enforcement mechanism. I think this is a reasonable one that will not be burdensome.

I also want to point out that we ought to try this exemption route before we completely dispose of the mandatory meals program.

I think this is a good compromise in the sense that we do not have an all or nothing type of win here. But we are trying a middle ground and recognizing the many projects that have been put on line from an economic standpoint where this does work out very well and keeps people out of more intensive care types of facilities such as nursing care facilities.

I hope that we will keep that in mind in terms of what the actual effect of these so-called mandated meal programs are.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the gentleman.

Mr. McKINNEY. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, this gentleman from Bridgeport, CT, accepts the amendment, and I am delighted the gentleman has the same sort of sense of compromise in talking to us all and getting this all done. We are thankful for it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MORRISON] to the amendment offered by the gentlewoman from California [Mrs. BURTON].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Mrs. BURTON] as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. GREEN

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: Page 53, after line 19, insert the following new paragraph (and redesignate the subsequent paragraphs accordingly):

(1) in subparagraph (G), by striking "24 months" and inserting "36 months";

Page 54, after line 3, insert the following new subsection:

(c) APPLICABILITY.—The amendment made by subsection (b)(1) shall be applicable to all grantees, including grantees receiving notice of project selection before the date of the enactment of this Act.

Mr. GREEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GREEN. Mr. Chairman, this amendment has been cleared with the chairmen and the ranking minority members of both the full committee and the subcommittee.

Very simply, it changes the start of construction requirement in the HODAG Program from 24 months to 36 months.

Mr. GONZALEZ. Mr. Chairman, I rise in support of the amendment, and to say that we had an opportunity to know full well the thrust of this amendment. It is acceptable. We consider it an improvement. We on our side accept this amendment.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. McKINNEY. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would also like to add my comments in support of the amendment of the gentleman from New York and congratulate the gentleman on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GREEN].

The amendment was agreed to.

Mrs. SCHNEIDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have an inquiry regarding the use of HUD's research funds to help public housing authorities reduce their energy needs.

Mr. GONZALEZ. If the gentlewoman will yield, Mr. Chairman, I would be pleased to answer the gentlewoman from Rhode Island.

Mrs. SCHNEIDER. In recent years, HUD has strongly urged local public housing authorities [PHA's] to improve the energy efficiency of their building stock in an effort to reduce the over $1 billion Congress appropriates in operating subsidies each year to pay for energy expenditures. Unfortunately, current provisions of the Performance Funding System [PFS] for public housing require that costs and savings associated with energy conservation retrofits be shared between HUD and the local housing authorities. The present policy provides relatively few incentives for PHA's to invest in conservation. Present policy, for example, can often result in a net loss to the housing authority, even for conservation measures with paybacks under three years.

However, preliminary analyses conducted by the Department of Energy [DOE] indicate that for an investment of several hundred thousand dollars over a 3-year period to develop and test a methodology that can be used to determine the distribution of costs and benefits to each party; that is, HUD and PHA's, under various conservation investment strategies, there would result savings of roughly $100 million in annual energy expenditures and operating subsidies. Could the gentleman tell me how much money is available for HUD's research activities for fiscal years 1986 and 1987? Does the chairman agree that the impressive savings that could result from a small investment in energy conserving research merit immediate attention by HUD?

Mr. GONZALEZ. I agree with the gentlewoman's assessment. There is certainly enough money already appropriated for fiscal year 1986, requested by the administration for fiscal year 1987, and likely to be available for fiscal year 1988 to fund a 3-year research effort. Sixteen million dollars has been appropriated for fiscal year 1986, and the same amount has been authorized and requested for fiscal year 1987. Clearly, HUD should commit some of its research budget to this effort and should initiate an interagency working group with DOE to pursue the research and development work necessary to achieve these savings for public housing projects.

Mrs. SCHNEIDER. I thank the gentleman for the opportunity to raise this important issue and to stress what a cost-effective investment this research would be.

Mr. GONZALEZ. Mr. Chairman, we in turn thank the gentlewoman for this very important issue, one with which the subcommittee has been very much involved. We can assure the gentlewoman of our continuing cooperation in the gentlewoman's endeavor to bring this study about.

Mr. FORD of Tennessee. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the substitute offered by the gentleman from Texas.

Mr. Chairman, I rise today in support of H.R. 1, the Housing Act of 1985. H.R. 1 is a good bill and will remedy many of the injustices created by cuts in our housing programs.

H.R. 1 would protect public housing tenants by reversing cuts in section 8 and section 202 Programs, and extend all HUD-assisted Housing Programs through fiscal year 1987.

Housing and community development programs have suffered devastating cuts during the last few years and the time is past due when we in the Congress of the United States must act responsively.

While I am pleased with the overall effects of H.R. 1, I am even more pleased with the provision of the bill restoring equity to the allocation of UDAG dollars.

I believe that HUD Programs, particularly the UDAG's should be expanded and made more available to more communities. In this regard the changes in the UDAG selection criteria are a move in the right direction toward making access to the funds more equitable and more widespread.

Housing projections through the year 1989 show that there is a desperate need for additional housing—particularly for our poor and our elderly. Building this badly needed housing over the next several years depends on overcoming serious financial and affordability obstacles to new housing construction. These obstacles to new construction will be overcome only through the continuation of HUD Federal Assistance Programs such as UDAG's.

H.R. 1 when passed will meet the critical demands of our communities which are in desperate need of renovation and a physical renaissance.

Mr. Chairman, I urge my colleagues to support H.R. 1.

Mr. BIAGGI. Mr. Chairman, I rise as a cosponsor and strong supporter of H.R. 1, to amend and extend most of the Federal housing assistance programs administered by the Department of Housing and Urban Development and the Farmer's Home Administration.

Clearly, Federal housing assistance for the poor, elderly, and handicapped has dropped far below adequate levels. Consider, for example, that funding for the section 8 rent subsidy program—our Nation's largest housing assistance program—has been cut by 44 percent since 1981.

Those who are forced to rely on Federal housing assistance have also been forced to bear far more than their fair share of the budget cutting burden during recent years. As a result, the number of available low-income housing units in our Nation is rapidly declining and the number of homeless people is growing.

This is an embarrassment for our great Nation, and more importantly, it is a dangerous trend that cannot be allowed to continue.

H.R. 1, and the increased levels of public housing assistance it would provide, will help to improve this critical situation and it merits our support here today.

The bill has many highlights. It would extend through fiscal year 1987 the Federal Housing Administration's authority to provide mortgage insurance to low- and moderate-income homebuyers. It reauthorizes, through fiscal year 1986, FHA's authority to subsidize interest rates on mortgage loans for low-income homebuyers. The bill increases the number of adjustable rate mortgages which the FHA can insure from 10 to 20 percent of the total number of mortgages insured during the previous year.

The bill authorizes such sums as may be necessary for the Community Development Block Grant Program through fiscal year 1987; and phases out, rather than abruptly terminating CDBG funding for cities and urban counties who lose eligibility because of population loss or census redefinition.

This legislation authorizes through fiscal year 1987 such sums as may be necessary for the Urban Development Action Grant Program, a program that has been a crucial part of the economic revitalization effort that has been ongoing in my home district in New York since the program's inception.

H.R. 1 authorizes such sums as may be necessary through fiscal year 1987 for the Rehabilitation Loan Program, which provides loans to low- and moderate-income families for the rehabilitation of urban housing.

As an original member of the House Select Committee on Aging, I am particularly pleased to note that the bill authorizes such sums as are necessary through fiscal year 1987 for elderly and handicapped housing, as well as congregate services, section 8 low-income assistance, housing vouchers, and rental rehabilitation and development grants.

A particular problem affecting my home area of New York City and Westchester County is inadequate assistance for the homeless. H.R. 1 would help to correct this problem by establishing a National Emergency Food and Shelter Board in HUD to oversee the operation of an existing emergency food distribution and shelter program and to administer two new shelter programs. The Board would provide continued assistance for the repair and improvement of emergency shelter facilities; and they would initiate a demonstration program to test the effectiveness of assisting nonprofit organizations providing housing and support services for those homeless individuals who are mentally ill. In addition, the bill authorizes the use of funds to renovate or maintain existing structures for use as emergency shelters, and up to 15 percent of such funds could be used to provide services to the homeless.

Mr. Chairman, I strongly opposed the Gramm-Rudman Balanced Budget Act when it was considered and, after it became law, I was the first to author a bill to repeal it. Quite simply, that law sent a very disturbing and frightening message to the poor, the elderly, the handicapped, and others in need of Federal assistance. I have met with hundreds of these people. I have read their letters and received their phone calls. These people feel abandoned, Mr. Chairman, and they are afraid—afraid they won't have even a roof over their head after Gramm-Rudman and the philosophy that spawned it get through dismantling so many of the Federal Government's most important domestic programs.

Mr. Chairman, today we have a chance to ease those fears; to assure the poor, the elderly, the handicapped, and the homeless that we do care and we will not abandon them. The passage of H.R. 1 would send such a message and I strongly urge my colleagues to join me in supporting it.

Mr. RICHARDSON. Mr. Chairman, I am very concerned about an incident that recently took place in Santa Fe County in my home State of New Mexico.

On March 18, 1986, the Federal Housing Administration announced that the maximum loan limit for single-family homes in Santa Fe County, NM would be increased from $67,000 to $90,000. On May 1, 1986—6 weeks into the process—FHA announced that approval for the increased mortgage had been revoked. Hundreds of my constituents were inconvenienced by this action. The FHA stated that the reasoning behind revoking the order was their efforts to concentrate on lower income individuals. I believe that channeling funds to the most needy is a very honorable goal. But, after I examined the facts, I soon found out that HUD had been inconsistent in implementing this policy. In neighboring Bernalillo County, NM the average cost of a home is $88,500 and there is a FHA loan limit of $90,000. On the other hand, in Santa Fe County where, according to FHA's own figures, the average home cost is $95,000 the loan limit was set at $67,000. This inconsistency made no sense, given the relative costs of housing in both counties.

As the chairman knows, I seriously considered an amendment to H.R. 1 that would have prohibited the Department of Housing and Urban Development from revoking a loan level increase for 1 year after the announcement of such an increase. But because I feel that H.R. 1 should move quickly and with minimal difficulty and because I have been assured by the Department of Housing and Urban Development that this situation has been resolved and my constituents will soon be getting the loans promised them, I will not pursue my amendment. I want to go on record here and say that I do not want to have my constituents put through this kind of ordeal again. I want to publicly alert the chairman to this unfortunate situation and urge him to take strong legislative action, should this occur again. I would like to thank the chairman for all his help in this matter.

Mr. GONZALEZ. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

□ 1500

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MURTHA] having assumed the chair, Mr. AUCOIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1) to amend and extend certain laws relating to housing, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the debate during the amendatory process of H.R. 1.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT ON JUNE 11 AND 12, 1986, DURING THE 5-MINUTE RULE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the Subcom-

mittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs be permitted to sit next Wednesday and Thursday for the consideration of H.R. 4701, the so-called Emergency Acquisition bill, and H.R. 4907, the Federal Savings and Loan Insurance Corporation Recapitalization bill.

This has been cleared by the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. McKINNEY. Mr. Speaker, reserving the right to object, I spoke to the gentleman from Ohio [Mr. WYLIE], and he agrees that that is perfectly all right. There is no objection.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 4784, TRANSFER OF JURISDICTION TO THE DISTRICT OF COLUMBIA OF CERTAIN PROPERTY FOR USE AS HOMELESS SHELTER

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 464 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 464

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4784) to require the transfer of jurisdiction to the District of Columbia over certain property to permit such property to be used as a shelter for the homeless, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of clause 2(l)(6) or rule XI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Government Operations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 4784, the Committee on Government Operations shall be discharged from the further consideration of the bill S. 2251, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 4784 as passed by the House.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 464 is the rule providing for the consideration of the bill H.R. 4784, which would transfer the jurisdiction of property that provides shelter for the homeless, from the Federal Government to the District of Columbia.

The rule provides 1 hour of general debate, equally divided between the chairman and ranking minority member of the Committee on Government Operations.

Mr. Speaker, points of order against consideration of this legislation for failure to comply with clause 2(l)(6) of rule XI, that is the 3-day layover requirement for committee reports, are waived. The Committee on Government Operations had agreed not to file the report until Tuesday, June 3, this was to allow minority members of the committee to file their dissenting views on this legislation. Since the printed copy of the report has not been available for the required 3 days, a waiver of clause 2(l)(6) is necessary.

Mr. Speaker, the rule provides for one motion to recommit, and after passage of H.R. 4784, the rule provides for a hookup with the Senate passed bill S. 2251.

H.R. 4784 is a bill that would require the transfer of jurisdiction over the federally owned property at 425 Second Street NW., Washington, DC, to the government of the District of Columbia. The building on that site would be used as a shelter for homeless individuals in the District and would be operated and maintained by the Community for Creative Nonviolence.

The transfer of the property would be administered by the General Service Administration within 5 days of the date of enactment of H.R. 4784. By transfering jurisdiction of the property instead of the title, H.R. 4784 would assure that the property would continue to be used as a shelter and for health services.

Mr. Speaker, this shelter has provided much needed care to as many as 1,000 homeless persons a night for the past 2 years. The passage of H.R. 4784, and the smooth transfer of jurisdiction will enable the administration to make available to the District of Columbia, $5 million that the administration had earlier agreed to for renovations and repairs, so that the shelter can be ready for next winter.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the rule has been ably explained by the gentleman from Massachusetts [Mr. MOAKLEY].

Members will recall that the administration, the District of Columbia and a group called the Community for Creative Nonviolence reached an agreement last March providing for the Federal Government to transfer jurisdiction over a federally owned building here in Washington to the D.C. government in order to provide shelter for homeless people. The agreement also provides that Federal funds would be made available to the D.C. government to pay for rehabilitation and renovation of the building which has been used as a shelter since 1984.

This bill does not provide any money. What it does is transfer jurisdiction over this property to the District of Columbia in order to implement part of the March agreement.

Members have different views regarding the March agreement and regarding this bill. This open rule allows their views to be expressed fully, and germane amendments may be offered. If the March agreement is to be honored, however, prompt action is required because work must begin at once if the building is to be ready before harsh winter sets in. We know how badly quarters are needed for the homeless.

Mr. Speaker, I urge adoption of the rule.

Mr. Speaker, I have no requests for time.

Mr. MOAKLEY. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4116, DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1986

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 463 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 463

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4116) to extend the Volunteers in Service to America (VISTA) Program under the Domestic Volunteer Service Act of 1973, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution and which shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment

in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, each section of said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 463 is an open rule providing for the consideration of H.R. 4116, the Domestic Volunteer Service Act Amendments of 1986.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor.

The rule makes in order the Education and Labor Committee amendment in the nature of a substitute now printed in the bill as original text for the purpose of amendment under the 5-minute rule. Each section of the substitute shall be considered as having been read.

It should be noted that the rule waives all points of order against the substitute for failure to comply with the provisions of clause 7 of rule XVI. This is the prohibition against nongermane amendments. This technical waiver is necessary because an amendment making permanent changes in law is not germane to a bill authorizing appropriations for 1 fiscal year. The bill H.R. 4116 provides for 1-year authorizations of programs under the Domestic Volunteer Service Act; however, the committee amendment in the nature of a substitute provides several permanent changes in law. For this reason, a technical waiver is needed.

Finally, the rule provides one motion to recommit with or without instructions.

As reported, H.R. 4116 provides for a 3-year reauthorization of the National Volunteer Anti-Poverty Programs, including VISTA, the Service Learning Programs, and the Special Volunteer Programs. The bill further extends for 3 years the National Older Americans Volunteer Programs, including the Retired Senior Volunteer Program, Foster Grandparents, and the Senior Companions Programs. These programs offer Americans of all ages the chance to lend a helping hand to their neighbors in need. Both the volunteers and the communities in which they serve benefit from the Domestic Volunteer Service Act programs.

I am not aware of any opposition to this open rule, and I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I know of no objection to this open rule. It does extend a number of domestic volunteer programs which are badly needed.

I have heard comment that the authorization levels are increased too much, but under an open rule this issue can be resolved.

Mr. Speaker, I urge adoption of the rule.

I have no requests for time, and I urge adoption of the rule.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 395, nays 1, not voting 37, as follows:

[Roll No. 150]

YEAS—395

Ackerman	Boehlert	Cheney	Dingell	Kemp	Petri
Akaka	Boggs	Clay	DioGuardi	Kennelly	Porter
Alexander	Boland	Clinger	Dixon	Kildee	Price
Anderson	Boner (TN)	Coats	Donnelly	Kindness	Pursell
Andrews	Bonior (MI)	Cobey	Dorgan (ND)	Kleczka	Quillen
Annunzio	Bonker	Coble	Dornan (CA)	Kolbe	Rahall
Anthony	Borski	Coleman (MO)	Dowdy	Kolter	Rangel
Applegate	Bosco	Coleman (TX)	Downey	Kostmayer	Ray
Archer	Boucher	Collins	Dreier	LaFalce	Regula
Armey	Boulter	Combest	Duncan	Lagomarsino	Reid
Aspin	Boxer	Conte	Durbin	Lantos	Richardson
Atkins	Brooks	Conyers	Dwyer	Latta	Ridge
AuCoin	Broomfield	Cooper	Dymally	Leach (IA)	Rinaldo
Barnard	Brown (CA)	Coughlin	Dyson	Leath (TX)	Ritter
Barnes	Brown (CO)	Courter	Early	Lehman (CA)	Roberts
Bartlett	Broyhill	Coyne	Eckart (OH)	Lehman (FL)	Robinson
Barton	Bruce	Craig	Eckert (NY)	Leland	Rodino
Bateman	Bryant	Crockett	Edgar	Lent	Roe
Bates	Burton (CA)	Daniel	Edwards (CA)	Levin (MI)	Roemer
Bedell	Burton (IN)	Dannemeyer	Edwards (OK)	Levine (CA)	Rogers
Beilenson	Bustamante	Darden	Emerson	Lewis (CA)	Rostenkowski
Bennett	Byron	Daschle	English	Lewis (FL)	Roth
Bentley	Callahan	Daub	Erdreich	Lightfoot	Roukema
Bereuter	Carney	de la Garza	Evans (IL)	Lipinski	Rowland (CT)
Berman	Carper	DeLay	Fascell	Livingston	Rowland (GA)
Bevill	Carr	Derrick	Fawell	Loeffler	Rudd
Biaggi	Chandler	DeWine	Fazio	Long	Russo
Bilirakis	Chapman	Dickinson	Feighan	Lott	Sabo
Bliley	Chappell	Dicks	Fields	Lowery (CA)	Savage
			Fish	Lowry (WA)	Saxton
			Flippo	Luken	Schaefer
			Florio	Lungren	Scheuer
			Foglietta	Mack	Schneider
			Foley	Madigan	Schroeder
			Ford (MI)	Manton	Schuette
			Ford (TN)	Markey	Schumer
			Fowler	Marlenee	Seiberling
			Frank	Martin (IL)	Sensenbrenner
			Franklin	Martin (NY)	Sharp
			Frenzel	Martinez	Shaw
			Frost	Matsui	Shelby
			Fuqua	Mavroules	Shumway
			Gallo	Mazzoli	Shuster
			Garcia	McCain	Sikorski
			Gaydos	McCandless	Siljander
			Gejdenson	McCloskey	Skeen
			Gekas	McCollum	Skelton
			Gephardt	McCurdy	Slattery
			Gibbons	McDade	Slaughter
			Gilman	McEwen	Smith (FL)
			Gingrich	McGrath	Smith (IA)
			Glickman	McHugh	Smith (NE)
			Gonzalez	McKernan	Smith (NJ)
			Goodling	McKinney	Smith, Denny (OR)
			Gordon	McMillan	
			Gradison	Meyers	Smith, Robert (NH)
			Gray (IL)	Mica	
			Gray (PA)	Michel	Smith, Robert (OR)
			Green	Mikulski	
			Gregg	Miller (OH)	Snowe
			Guarini	Miller (WA)	Snyder
			Gunderson	Mineta	Solarz
			Hall (OH)	Mitchell	Solomon
			Hall, Ralph	Moakley	Spence
			Hamilton	Molinari	Spratt
			Hammerschmidt	Monson	St Germain
			Hansen	Montgomery	Staggers
			Hatcher	Moody	Stallings
			Hayes	Moore	Stangeland
			Hefner	Moorhead	Stark
			Hendon	Morrison (CT)	Stenholm
			Hertel	Morrison (WA)	Stokes
			Hiler	Mrazek	Strang
			Holt	Murphy	Stratton
			Hopkins	Murtha	Studds
			Horton	Myers	Sundquist
			Howard	Natcher	Swift
			Hoyer	Neal	Swindall
			Hubbard	Nelson	Synar
			Huckaby	Nichols	Tallon
			Hughes	Nielson	Tauke
			Hunter	Nowak	Tauzin
			Hutto	Oakar	Taylor
			Hyde	Oberstar	Thomas (CA)
			Ireland	Obey	Thomas (GA)
			Jacobs	Olin	Torres
			Jeffords	Ortiz	Towns
			Jenkins	Owens	Traficant
			Johnson	Packard	Traxler
			Jones (NC)	Panetta	Udall
			Jones (OK)	Parris	Valentine
			Jones (TN)	Pashayan	Vander Jagt
			Kanjorski	Pease	Vento
			Kaptur	Penny	Visclosky
			Kasich	Pepper	Volkmer
			Kastenmeier	Perkins	Vucanovich

Walgren	Whitley	Wright
Walker	Whittaker	Wyden
Watkins	Williams	Yates
Waxman	Wirth	Yatron
Weaver	Wise	Young (AK)
Weber	Wolf	Young (FL)
Weiss	Wolpe	Young (MO)
Wheat	Wortley	

NAYS—1

Crane

NOT VOTING—37

Badham	Henry	Roybal
Breaux	Hillis	Schulze
Campbell	Kramer	Sisisky
Chappie	Lloyd	Stump
Coelho	Lujan	Sweeney
Davis	Lundine	Torricelli
Dellums	MacKay	Whitehurst
Evans (IA)	Miller (CA)	Whitten
Fiedler	Mollohan	Wilson
Grotberg	O'Brien	Wylie
Hartnett	Oxley	Zschau
Hawkins	Pickle	
Heftel	Rose	

□ 1525

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TRANSFER OF JURISDICTION TO THE DISTRICT OF COLUMBIA OF CERTAIN PROPERTY FOR USE AS HOMELESS SHELTER

The SPEAKER pro tempore. Pursuant to House Resolution 464 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4784.

□ 1533

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4784) to require the transfer of jurisdiction to the District of Columbia over certain property to permit such property to be used as a shelter for the homeless, with Mrs. BURTON of California in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the rule, the first reading of the bill is dispensed with.

Pursuant to the rule, the gentleman from Texas [Mr. BROOKS] will be recognized for 30 minutes and the gentleman from California [Mr. MCCANDLESS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. BROOKS].

□ 1535

Mr. BROOKS. Madam Chairman, I yield myself such time as I may require.

Madam Chairman, H.R. 4784 would direct the Administrator of General Services to transfer to the government of the District of Columbia jurisdiction over the real property located at 425 Second Street NW. Washington, DC. It would be transferred for the purpose of providing shelter and related services to homeless individuals and for other use in the protection of the public health.

Madam Chairman, this legislation arose out of an agreement last March between the White House, the District of Columbia, and the Community for Creative Non-Violence, the private organization which has operated the shelter for the benefit of as many as 1,000 homeless persons a night since 1984. The agreement provided for the Federal Government to transfer the property to the District and to make available to the District funds for rehabilitation and renovation of the property.

The legislative proposal which the administration sent to Congress pursuant to this agreement would have directed the General Services Administration to transfer full title to the property to the District, without any conditions as to its use.

A number of the members of the Committee on Government Operations, including myself, expressed concern over the unrestricted nature of the administration's proposal and its inconsistency with current law regarding the administration and disposal of Federal property, matters within the jurisdiction of our committee. For that reason, H.R. 4784 was introduced by the Honorable CARDISS COLLINS, chairwoman of our Subcommittee on Government Activities and Transportation, which has jurisdiction over Federal property matters, and the Honorable TED WEISS, chairman of our Intergovernmental Relations and Human Resources Subcommittee, which has jurisdiction over matters of public health and welfare.

H.R. 4784 would transfer jurisdiction over this property to the District under the provisions of 40 U.S.C. 122, which allows such transfer of judisdiction to the District of Columbia for the purpose of administering and maintaining the property. The bill specifies that this transfer would be "for the purpose of providing shelter and related services to homeless individuals in the District of Columbia and for other use in the protection of the public health." In order to expedite this transfer of jurisdiction, the bill directs the Administrator of General Services to take such action within 5 days after the enactment of the bill, and it waives a provision of 40 U.S.C. 122 which would permit review of the action by the National Capital Planning Commission.

Madam Chairman, this bill has been handled by the Committee on Government Operations both with the greatest of care and the greatest of speed. Hearing and markup on H.R. 4784 were held by Mrs. COLLINS' subcommittee on May 15. It was ordered reported by the full Committee on Government Operations on May 22, immediately before the Memorial Day district work period. The report on the bill was filed on Tuesday of this week, the first day of our return from that work period. And, through the cooperation of the Committee on Rules and the leadership of the House, we are taking action on this measure on the floor of the House today.

Madam Chairman, in the interest of allowing early passage of this legislation, my good friend, Congressman RON DELLUMS, chairman of the Committee on the District of Columbia, has waived his request for sequential referral of this bill. Chairman DELLUMS would like to participate in a conference on this measure if such a procedure is necessary, and I am agreeable to such an accommodation.

The reason for this urgency is clear. In order for the shelter to be in condition to serve its purpose during the period of greatest need, the winter months, design and renovation work must begin immediately. It is felt by parties to this transaction the transfer legislation must be enacted prior to commencement of that work. Therefore, I hope the House will consider H.R. 4784 with the efficiency that has marked its course up to this time.

Madam Chairman, I reserve the balance of my time.

Mr. MCCANDLESS. Madam Chairman, I yield myself such time as I may use.

Madam Chairman, there is nothing here in my comments or the comments of those who will follow me that should be interpreted as meaning that we are not in favor of the subject of handling the homeless in the best possible manner; however, this bill is precedent setting.

What do we tell the people of Pennsylvania, what do we tell the people of Illinois, what do we tell the people of California who have similar situations? This is a very unorthodox way of handling this.

There is no contractual agreement between the current people running the shelter and the District of Columbia. There would be no contractual agreement between the Federal Government and the body handling the shelter.

There is no agreement on how much money is to be spent or for what in the renovation of this building, which has a World War II origin and is virtually in shambles.

Now, we deal in a bunch of what-if's and whereas's and we are saying that $5 million is going to come from somewhere and that is going to fix this building up to a code level.

I have personally toured the building, I have a limited knowledge of this kind of thing, but the estimates that I have seen are closer to $10 million than $5 million.

Granted, there is no money in this bill for this purpose, but it is coming from other resources within the Federal Government, so it is public money, public money going to an unaccountable resource to perform a function that is not under contract, and yet we get in a position of dotting our i's and crossing our t's when we talk about community development block grants and all those kinds of things with States, local jurisdictions, counties and cities, and yet we are handling this matter in this way. These are public funds, taxpayers' funds.

This facility represents an investment that can be sold for as much as $22 million, so even though the jurisdiction in this bill is to be passed to the District of Columbia, it is still an asset of the Federal Government and should be run in a manner as any other kind of a grant or categorical aid where you have agreements between the parties involved as to what their performance level is to be and if they are violated, then the proper procedures are taken.

Now, $5 million will not fix this building up. It is said in the testimony that we can raise an additional $2½ million from the private sector. That is $7½ million, but again, Madam Chairman, we are talking about what if we raise the $2.5 million. What if we do not? Then we do not have the necessary funding to put the building back into what would be a livable condition.

Therefore, we see then another knock on the door. The United States is going to be asked to put up some more money because the building does not meet the necessary code standards. It does not do this and does not do that. The air-conditioning does not work properly. The heating does not work properly. The electrical system is substandard.

I ask you to vote against this bill because it is a precedent-setting bill that we cannot justify when approached by other sections and regions of the United States under similar uncertain conditions.

Mr. BROOKS. Madam Chairman, I yield 5 minutes to the gentlewoman from Illinois [Mrs. COLLINS], chairman of the subcommittee.

Mrs. COLLINS. Madam Chairman, as chairwoman of the Government Activities and Transportation Subcommittee, which had the initial responsibility for this bill, I want to express personal appreciation to our subcommittee members for their cooperation and support in achieving such prompt subcommittee and full committee action.

My special appreciation goes to the gentleman from New York [Mr. WEISS], who coauthored the bill with me. His able, dedicated, and sustained attention to this matter helped guide the measure through to its present status before us today. It betokens his great compassion for the homeless generally, and his concern for the need to provide a prompt, workable solution to the urgent problem facing the homeless in the District of Columbia.

To the gentleman from California [Mr. MCCANDLESS], our ranking minority member, I would like to acknowledge the courteous, open, and helpful way in which he and his staff have worked with us on the bill, despite policy differences.

Finally, I want to express appreciation and admiration to the gentleman from Texas, the chairman of the Government Operations Committee, Mr. BROOKS, not only for his concern to provide a shelter building to aid the homeless in the District, but for his able leadership, which has been instrumental in our being able to act so expeditiously on this legislation.

Madam Chairman, I stand in full agreement with this piece of legislation. I think it is a fine piece of legislation.

First of all, let me talk about a couple things. This bill is not a precedent-setting piece of legislation. It is a bill that is based upon existing law. It is something that we have had on the books for quite a long time for the District of Columbia.

The second point I want to make is that the gentleman from California is absolutely right. The building is in need of repair. That is one of the reasons why we want to have this legislation passed as expeditiously as possible so that those repairs can begin before the winter months set in so that it will be a much better place for people who have no homes to go to.

The legislation is a good piece of legislation because it does what everybody wants to have done. Everybody wants to create a shelter for the homeless. Already there have been arrangements made between, as everybody knows in the Washington area, the administration to provide funds, some initial funds, some $970,000 I think it is, to begin fixing up the building and so forth. Everybody knows we need to have homes for those who are homeless.

So far as setting a precedent, this building does not set a precedent. It does not talk about any liability on the Federal Government in the future and so forth, neither does it have the liability for the CCNV. This building, in fact, cannot be sold, as has already been mentioned, because the title does not pass on our bill. If title were to pass, that would be something else, but title does not pass, and therefore is retained by us.

It is a piece of legislation that I think we ought to support. I think it is a worthy piece of legislation.

Mr. MCCANDLESS. Madam Chairman, I yield 7 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Madam Chairman, as a member of the Subcommittee on Government Activities of the Government Operations Committee, I have seen this legislation through the original hearings and first markup. I can say with confidence that we would be making a precedent setting mistake if we pass this bill.

Immediately you might ask yourself—why would this be a precedent? We transfer control of Federal buildings all the time. The difference—which makes this bill precedent setting—is that we are attempting to do this legislatively.

Because a political activist in Washington, DC, decided he needed a specific Federal building to accomplish his social agenda, the Congress of the United States is tripping over itself to please him. What happens the next time someone has a social goal and they need some Federal property? Do we keep writing bills every time someone commits an act of terror by holding hostage his own life or that of others?

Throughout subcommittee and committee markups some members continually brought up the point that the Community for Creative Nonviolence—the CCNV—and Mr. Mitch Snyder are not mentioned anywhere in the bill—the point being that they should not enter the debate on this bill. But let us be honest, we all know Mr. Snyder is the only reason we're here right now. We can't operate in a vacuum—if you read the transcripts of the hearing—you would see that the representatives of the government of the District of Columbia stated: ". . . We have committed to CCNV. That is going to be our decision . . . (we have no plans) to operate with anyone else." It is obvious that no one has any intention of using anyone other than the CCNV to manage the shelter. So it is incumbent upon us to take a close look at this group and Mr. Snyder. This is especially important since they will be running a building that the Federal Government will be spending $5 million to renovate and will continue to own.

One of the first things that struck me about the CCNV is that they are much more than a samaritan group looking to help the homeless. According to Mr. Snyder they are both a religious group and political activists, which he considers one and the same. When I asked Mr. Snyder if his organization was both a religious organization and a political activist organization he said, "In our opinion, the two are one." Since they are a religious nonprofit group I naturally assumed that they were a tax-exempt organization. To my surprise Mr. Snyder said

that they had chosen not to apply for tax-exempt status. But they don't believe in taxes so they just don't pay. Let me quote Mr. Snyder again, "The letter we send the IRS every year explains we don't believe participatory democracy or democracy means the paying of 15 or 20 or 25 percent of one's income."

We have found that Mr. Snyder's feeling that he is above the law even predates his involvment with the CCNV. In a report detailing Mr. Snyder's criminal record provided to the subcommittee by the FBI, it is apparent that Mr. Snyder has had a pattern of lawlessness. Though he portrays himself as a successful Wall Street executive it seems in 1969 his time in New York was spent opening bank accounts under false names—such as Arthur Sanders and George J. Worts, issuing bad checks, and committing forgery.

In 1969 he was convicted of these crimes: with Arnold Paster, a friend with whom he committed these crimes—Mr. Snyder went West to Las Vegas, NV. There they used a stolen credit card to rent a car which was soon reported stolen. They were then arrested in California. At that point Mr. Snyder used the false name of Mitchell Peters to mask his identity. Does this sound like someone who just happened to be hitch-hiking and just happened to be picked up by someone who stole a car? Of course not. In fact Mr. Snyder was convicted in New York in July 1969 for attempting grand larceny of a car.

Another incident, which I feel is very important to our discussion here, happened in 1974. Mr. Snyder was one of four CCNV members arrested for entering the South Vietnamese overseas procurement office in Washington, DC. He poured a red substance resembling blood on the files, walls, and on other property in the office. They were found guilty of the destruction of property of a foreign government and Mr. Snyder was sentenced to 1 year's probation. This, in itself, is not significant, but the fact that the probation was revoked and he was ordered to serve 3 months is significant.

The probation revocation was due to a letter Mr. Snyder sent to the judge saying that he no longer considered himself on probation and he would no longer continue his commitments to that office. This sounds strangely similar to the letters he sends every year to the IRS saying he doesn't believe in taxes and won't pay. My question is: We are a nation of laws. What happens when everybody decides they are above the law?

□ 1550

Now let me take a second to discuss the District of Columbia. Recently the chairman of the D.C. Commission on the Homeless resigned along with two other commissioners due to mismanaging and mishandling the commission's actions and funds. This is the very office that would be directly responsible for the shelter.

Are we ready, in light of D.C.'s problems, D.C.'s decision to use CCNV without looking at anyone else, and new information about Mr. Snyder and his group that is just now coming to light—are we ready to rush headlong into legislating bad policy and setting a bad precedent by passing this bill? Can we let someone blackmail the Congress of the United States because he's decided how a problem should be solved? I hope Members will carefully consider what is happening here—the Federal Government is being forced into solving a specific problem in a specific locality where it's not our place to do so.

In San Diego Father Joseph Carroll has raised $4.5 million of the estimated $6.8 million needed to build a homeless shelter, and all $4.5 million are private, not Federal funds. In Pennsylvania, a boy named Trevor, who the President pointed out at the State of the Union Address, has a private fundraising campaign to help the homeless. Homelessness is obviously a problem in the United States. Although I oppose this bill I recognize this problem and the need to address it. I have personally sponsored a food drive in my own district to help alleviate the problems associated with this nationwide concern. But this is not the vehicle we should be using unless we are prepared to make this permanent policy. Again, let us consider what we would be doing with this bill. I urge a "no" vote.

Mr. BROOKS. Madam Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. I thank the gentleman for yielding this time to me.

Madam Chairman, first of all I want to commend my colleagues on both sides of the aisle for sponsoring this legislation that expedites the transfer of jurisdiction over the property now utilized by the Community for Creative Nonviolence to the District of Columbia. I commend especially the gentlewoman from Illinois, CARDISS COLLINS, who has worked very hard on this.

By the way, I found out where the gentleman from Texas [Mr. DELAY] got his information about Mitch Snyder. It is from the FBI files. So now that we have established that Mr. Snyder is an unsavory, unworthy character who is taking full opportunity of the poor homeless and that he is a despicable character, we are now supposed to withhold any support from him. I think this follows the spirit of a commentary I heard on WTTG-TV last night by another luminary Republican in the District of Columbia named Clarence McKee, who suggested that Snyder's hunger strike was merely a new tactic for extorting money from the Government—threatening to starve yourself to death.

He went on to say that the next thing you know, people will be trying to write a book about this Mitch Snyder stuff. Then somebody will want movie rights.

Well, maybe, Clarence, this just goes to show how a lot of Republicans around the country feel about the poor. I now hear it coming from the gentleman from Texas. He loves the poor, but he does not like this guy Snyder because he is the subject of some FBI files.

If that is the way you feel about it, fellows, you should have told your President not to agree to the deal and he would have starved to death. Would that have made you feel better?

I am including the text of Mr. McKee's commentary for the RECORD. I urge all of my colleagues to read it and determine for themselves whether it is on target, or merely an overly emotional and unfounded attack upon a man who has dedicated his life to the service of humanity

MITCH SNYDER'S CRUSADE

Mitch Snyder, crusader for the homeless, has just ended his third hunger strike.

If this keeps up, people might start hunger strikes to force the federal or local government to provide more funds for food stamps. Or for elderly. Or shelters for battered women and children, hoping that politicians would be embarrassed into providing the funds.

If you were lucky, perhaps a network might make a television movie about your efforts complete with a star-studded premier, a fancy fundraiser at a chic restaurant, and at prices only the rich and famous could afford.

Snyder's goals are certainly commendable and he has focused attention on the plight of the homeless. But, so have others. The time has come for Mr. Snyder and his followers to come up with new ideas and form coalitions with others in this city who also care about the homeless. Having a ceremonial "last supper" complete with "breaking bread" with his disciples might be good theater, but it doesn't really address the issue.

Some say many of the homeless are really deinstitutionalized mental patients, alcoholics or drug addicts! They really need medical and psychological care instead of being allowed to run around harrassing and annoying people on the street. Many are true victims of circumstance through loss of job or family alienation! They need jobs and a temporary home.

Perhaps Mr. Snyder could better help all of them if he wanted $5 million for doctors, medicines, counsellors and treatment facilities instead of for a shelter which is really only a temporary holding pen.

I'm Clarence McKee and that's my Time-Out Commentary.

Mr. McCANDLESS. Madam Chairman, I yield 5 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. I thank the gentleman for yielding this time to me.

Madam Chairman, I think it is very important that we look very closely at this legislation and at exactly what we are being asked to do today.

We have a piece of federally owned property that is worth $23 million—$23 million. Let us put that aside for a moment. The Federal Government is presently leasing in the District of Columbia 50 percent of the total space it occupies. That is 33 million square feet, and we are paying rates in excess of $32 per square foot.

Ladies and gentleman, does it make any sense in the world that we would be taking $23 million worth of property and giving it away? If that is not bad enough, let us look at the recipients for a minute. They have already said they do not want it under the conditions that we are talking about giving it to them. It is foolish to give it away, and even more so where they do not want it.

We have all talked about Mr. Snyder and what he would be doing with the property and the question of some of his background. I think the gentleman from Texas went over this very clearly, and I shall not rehash it, except to say it certainly makes the whole logic of this thing balanced when we are giving away property that we need to someone who does not want it under the conditions that we are giving it to them, and we know ahead of time that the property is going to be managed by a masochist who influences Government by threatening to starve himself.

Mrs. COLLINS. Madam Chairman, will the gentleman yield?

Mr. SHAW. I would be glad to yield to the gentlewoman from Illinois.

Mrs. COLLINS. I thank the gentleman for yielding.

Madam Chairman, the gentleman keeps referring to this as giving the property away. We are not giving this property away at all. The Government still retains the property. We are just transferring jurisdiction. That is all we are doing here, transferring jurisdiction.

Mr. SHAW. I think it is important that the gentlewoman made this point because the District of Columbia has said under this condition they do not want the property, and this is what I am talking about.

This thing is a can of worms for everybody. In addition to this, we have the situation where there is, and the gentleman from California made this very clear, the fact that we are setting a precedent. How about the homeless in Florida? How about the homeless in Texas? How about the homeless in California? What are we going to say to them?

Is the Federal Government going to come in and say, "We are going to be the landlord here, too. We have a nice Federal building. We will give it to this area, or lend it to this area without cost?"

We have a crisis boiling in this country about a shortage of federally owned property. This Government has grown so fast that we are a government that is leasing almost as much property as we are occupying all over the country.

This piece of legislation makes absolutely no sense. I think it is most important that we defeat this bill. It is a bad bill, and I, frankly, as a Member of Congress, resent the timing of this particular bill, that we could possibly be stampeded into a situation because somebody out there is threatening his own life. I think this is a very serious question and one that we should take a very close look at.

Mrs. COLLINS. Madam Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentlewoman from Illinois.

Mrs. COLLINS. I thank the gentleman for yielding.

The point that I wanted to make here is that the reason why this legislation is not precedent-setting is because it can only be done in the District of Columbia.

□ 1600

You mentioned perhaps you would like to have something like that done in Florida. I know I would certainly like to have something like that done in the State of Illinois and the city of Chicago, but it cannot be done because it can only be done because of the special relationship between the U.S. Government and the District government. Therefore, it is not precedent-setting.

Mr. SHAW. I think it is very important that you bring this point up because there are parallels. The District of Columbia enjoys home rule. We are going to be looking at their budget. They also enjoy a tremendous subsidy from the Federal Government which the others do not.

So I think if it is a question of a precedent, it really even goes overboard because not only are we going to be giving them this property, we are going to be giving them money to defray the expense of running the operations in the building.

I think that all of us have serious heartburn when we think about some of the ways that that money is spent here in the District of Columbia.

I think it is necessary, too, and most important, that we take one other look and this is, again, to talk about the Center for Creative Non-Violence. This organization has refused to open its books to us. It has continuously blocked efforts of the Federal Government to make necessary and important repairs inside the building itself. It prefers a Taj Mahal to a functional facility for the homeless and, get this, it was the only group to protest the Hands Across America.

I urge this bill be defeated.

Mr. BROOKS. Madam Chairman, I yield myself such time as I may consume.

As I mentioned earlier, our colleague, the gentleman from California [Mr. DELLUMS], chairman of the Committee on the District of Columbia, has a vital interest in this legislation. He is unable to be here today, but has forwarded his statement to me. At the proper time, I will ask unanimous consent for all Members to be permitted to revise and extend their remarks on this bill and will include at that time the gentleman from California's [Mr. DELLUMS] statement.

But in short, the gentleman from California [Mr. DELLUMS] says that "I believe that this meager transfer could have been arranged long ago through administrative procedures and did not require congressional legislation. This the administration refuses to do."

It says "I have formally waived the Committee on the District of Columbia's option for sequential reference on the bill in order to expedite a resolution of this matter."

Madam Chairman, I yield 5 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Madam Chairman, I want to congratulate the distinguished gentlewoman from Illinois [Mrs. COLLINS] for her conscientious and expeditious handling of this legislation in the Subcommittee on Government Activities and Transportation which she chairs.

I also want to applaud the efforts of the distinguished chairman of the Committee on Government Operations, the gentleman from Texas [Mr. BROOKS], in guiding the bill through our committee and to the floor so expeditiously.

Although technically this bill does no more than transfer jurisdiction of Federal property to the District of Columbia, in fact, H.R. 4784 will lead to the creation of the first federally sponsored homeless shelter in America.

It will lead to the renovation of a building that is in disgraceful condition, barely fit for shelter, yet has been home for about 1,000 homeless people a night for the past several years.

The bill guarantees that the building will be continued to be used as a shelter or the building will revert back to the Federal Government.

Last night, the President of the United States, Mr. Reagan, released nearly $1 million to begin renovation of the Second Street shelter. I gather the people on the other side of the aisle are not happy with the President's action.

The White House has agreed to provide $4 million more but only if this legislation passes. If we do not pass H.R. 4784, the renovation will be halted.

Now there has been some discussion here about how this is special treatment only for Washington, DC. I would like to remind my colleagues, especially on the other side of the aisle, that in December 1983, the President created a Task Force on the Homeless and charged that task force with locating surplus Federal properties and surplus Federal food for the homeless and to distribute it and make it available to them. As a result of the creation of that task force, some 600 surplus Federal properties around the country were identified for transfer to communities and community organizations for the sheltering of the homeless.

This is not new policy. This is the administration's ongoing policy.

Homelessness is a serious domestic crisis of emergency proportion. My subcommittee has held hearings around the country. There are millions of homeless people, including tens of thousands of children in America, and this population is growing by as much as 38 percent a year. The response of the Federal Government to the homeless crisis has been woefully inadequate, but the fact is that in this instance, the administration and the White House are moving in the right direction.

Finally the White House has agreed to release some funds to renovate the shelter, but it did so only under the pressure of a fast by homeless advocates and the direct intervention of the chairman of the Senate Appropriations Committee, a member of the President's party.

I congratulate the distinguished chairman for his compassion in this matter.

Last night's agreement to release funds for the shelter's renovation is an important step by the administration in recognizing the magnitude of the homeless problem. I hope it will be an important first step.

If this bill does not pass, the 1,000 residents of the shelter, who were not created, I might point out, by the Community for Creative Non-Violence, who are either mentally ill, chronically infirm, or generally without the resources to fend for themselves, will be in jeopardy of being put out on the street with nowhere to turn. We cannot do that to them again.

I urge approval of this legislation.

Mr. DELAY. Madam Chairman, will the gentleman yield?

Mr. WEISS. I am pleased to yield to my friend, the gentleman from Texas.

Mr. DELAY. Madam Chairman, the gentleman quoted the President's Task Force on Homelessness and talked about identifying surplus property. Has any of that surplus property been given to the homeless?

Mr. WEISS. I must tell you that because of a bureaucratic snafu which cannot be laid at the door of the President, in fact, woefully few of those properties have been turned over. Some have been, as a matter of fact. We have some Army, some Defense Department facilities that have been renovated with Federal moneys and have been used for the homeless, but not as much as should be done.

Mr. DELAY. In exactly the same sort of case, where we are turning over the property to a local government to run the property?

Mr. WEISS. In many ways, exactly the same way. That is right. That is exactly right.

Mr. BIAGGI. Madam Chairman, will the gentleman yield?

Mr. WEISS. I am happy to yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding and I commend him for his position. I associate myself with his remarks.

Mr. DELLUMS. Madam Chairman, H.R. 4784, is to transfer the jurisdiction of Federal property to the District of Columbia government to provide shelter for the homeless in the Nation's Capital. Least we forget, President Reagan promised over a year and a half ago to provide the Nation's Capital with a permanent shelter for the homeless that would serve as a model for the rest of the Nation. In the time that followed that promise the Reagan administration has shifted back and forth and finally reneged on its commitment. I understand that the administration is now willing to transfer a dilapidated building and to make a one-time unencumbered grant of $5 million to the District of Columbia for the homeless shelter.

I believe that this meager transfer could have been arranged long ago through administrative procedures and did not require congressional legislation. This the administration refuses to do.

I have formally waived the District of Columbia Committee's option for sequential referral of the bill in order to expedite a resolution of this matter.

H.R. 4784 requires that the transfer be under such conditions as may be mutually agreed upon between the district and the administration. Of course the district is not in a strong position to negotiate an understanding with the Federal Government. Therefore, I would ask and hope that the Congress through the Committee on Government Operations and the District of Columbia Committee maintain an active interest during the negotiations. I reiterate my expectation that this facility and the $5 million grant will be made available immediately with no strings attached.

My colleague and chairman of the Committee on Government Operations has indicated that if a conference with the Senate is necessary, he would accept me as a conferee. I appreciate that consideration.

With that statement I support H.R. 4784.

Mr. MARKEY. Mr. Chairman, the problem of homelessness is a national crisis. Currently, 2 to 3 million Americans are homeless. The biggest tragedy, however, is that more and more of these people are children, women, elderly, and minorities—people who have been trapped in the undertow as the rest of the Nation rides a wave of economic recovery.

Right now we have a serious problem that requires the immediate action of the Federal Government and the people of America. Mitch Snyder, of the Community for Creative Non-Violence [CCNV], is currently fasting without food or water until the homeless receive the $5 million that President Reagan promised for renovations of the homeless shelter in Washington, DC. The immediate transfer of this money is vital in order to save the life of Mitch Snyder and the lives of hundreds of homeless people in Washington, DC.

Winter is not that far off, and with it comes the misery and often death of people who are forced to sleep on heating grates or park benches. The CCNV shelter is currently overcrowded and in a state of disrepair. Areas of the building are in such bad shape that they must be left completely unoccupied. There are currently only 3 bathrooms and 12 showers for 900 people. It is absolutely inhumane to allow people to live in such a state of squalor. And it is even more inhumane to have hundreds of people living in the streets in the extremes of winter or, for that matter at, any time.

Homelessness should concern all Americans. The Federal Government's response has been wholly inadequate given the magnitude of this problem. It is heartening to know that local organizations are making noble efforts in this area. I urge my colleagues to take a step forward in alleviating the homeless crisis by supporting H.R. 4784, a bill to transfer the jurisdiction of Federal property to the District of Columbia to permit such property to be used as a shelter for the homeless, and in the process transfer the $5 million badly needed for renovations.

Mr. McCANDLESS. Madam Chairman, I yield 3 minutes to the gentleman from Utah [Mr. NIELSON].

Mr. NIELSON of Utah. Madam Chairman, as we all know, the pressures of an election year can often persuade Members of Congress to place greater weight on the political ramifications of their decisions than on the question of whether the issue at hand represents sound policy. I'm afraid this bill may present such a dilemma.

Many of us reacted with annoyance when we heard that another hunger strike was underway, only this time the House of Representatives was the apparent target rather than the White House. This action is a thinly disguised publicity stunt intended to coerce Congress into passing a bad piece of legislation.

The issue here is not whether we feel it is morally right or the proper role of the Federal Government to transfer jurisdiction of a public building to the District of Columbia for the purposes of providing a shelter for the area homeless. If the District is willing to take this on, then by all means let

them. The real issue is whether the Federal Government should give away—with no strings attached and with no provision for simple oversight—$5 million that can be better spent in other more effective and efficient ways to meet the needs of the homeless.

We as elected Representatives should be more concerned about having to explain to the voters back home why we are willing to throw away their hard-earned tax dollars, rather than worry about whether opposing this bill might give someone the mistaken impression that we are against the homeless or providing them shelter. Sure, let's help the homeless, but let's do it right. I can see no reasonable justification for rushing headlong into passing this bill. No matter how you look at it, H.R. 4784 is not the right way, and I urge you to join me in voting against this well-intentioned but ill-advised legislation.

Mr. BROOKS. Madam Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. BARNES].

□ 1610

Mr. BARNES. Madam Chairman, there is a great desire on the part of many in Congress to resolve the roadblocks the administration has set up that, thus far, have enabled the President to renege on his commitment to provide assistance to the homeless. Over 3 months ago the President promised to transfer a Federal building and provide $5 million for its renovation for use as a homeless shelter in the District of Columbia. We are still waiting for fulfillment of that promise.

I would like to commend my colleague, Chairman BROOKS, for his actions to try and resolve the controversy over the President's refusal to release the promised funds. I believe the bill before us will serve as a basis for negotiation with the Senate on how to achieve the transfer of the property. This bill, and the speed with which it moved from Committee to the House floor, demonstrates the House of Representatives' commitment to helping the homeless.

I would like to point out to my colleagues that there is nothing preventing the administration from transferring the facility and releasing the $5 million for its renovation other than the President's refusal to make good on his promise. After making a commitment to provide the money and the building, the administration has made the release of the money contingent on the congressional transfer of the building to the District of Columbia. Now the administration claims it cannot keep its promise to release the funds because Congress has not approved the transfer of the building.

The House Government Operations Committee has stated that the White House does not need congressional approval to transfer the building. Both the money and the building can be transferred administratively under existing statutory authority, but because the White House has decided to involve Congress in the process we are acting responsibly and quickly to resolve the problem.

I would like to point out that although the administration released a portion of the funds last night so that renovation could begin, they did so only after days of intense political pressure.

The President's promise to provide a model shelter for the homeless in our Nation's Capital dates back to November 4, 1984. A year and a half has now passed—there have been repeated fasts by Mitch Snyder, congressional hearings, nationwide demonstrations of support for helping the homeless which the President took part in—and yet the President has failed to fully honor his commitment.

This conflict must be resolved. I am pleased the House is taking this action today so that the resolution of this matter can go back to the White House where it belongs—and the administration, once and for all, can make its promise a reality.

Mr. McCANDLESS. Madam Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Madam Chairman, I am a member of the Committee on the District of Columbia, and I learned with some interest from a statement by the chairman of the Committee on Government Operations that the chairman of our committee had apparently waived the sequential referral on this matter. I, as one member of the committee, was not aware of that; I regret that.

I would remind my colleagues that we have had a hearing in that committee on the question of the homeless in the District of Columbia, and it, to some degree at least, deteriorated to a President-bashing; and I regret that the consideration of this legislation has taken some of that form.

I asked for this time, Madam Chairman, because I am not a member of the committee that reported this bill, to review some of the language that I find in the report which to me is extremely disturbing.

I would ask the gentleman from California [Mr. McCANDLESS], the report states in part—the CCNV, the organization that occupies this building, permits its occupants to bring weapons, alcohol and illicit drugs into the shelter, which is in this building.

Is there any evidence the committee has that that statement is true?

Mr. McCANDLESS. There have been statements to this effect, but we have nothing in writing to show that it has taken place, other than news clips that have been taken out of the local paper.

Mr. PARRIS. I would ask the gentleman from Texas [Mr. DELAY], who talked about matters of taxation, Federal income taxation, and another statement in the report on this matter says, in a statement by the Director of the CCNV, "So, we contribute something far more important than money," in the way of taxes "and that is our sweat, and the IRS seems to understand that, because they have never challenged that"——

Do I understand, I would ask the gentleman from California [Mr. McCANDLESS] that they have not and do not now pay Federal income taxes?

I yield to the gentleman.

Mr. McCANDLESS. I am sorry. Would the gentleman go back over his point, please?

Mr. PARRIS. My question is, I get from the quotes of the director of this organization, I get the strong impression at least that they have not—they have refused to make payment of Federal income taxes. Is that correct?

Mr. McCANDLESS. Yes; there is no nonprofit structure system within the framework of the organization. In statements made to the subcommittee, this was felt to be too restricting by its president; and on followup about where would the taxes come from during the operational procedures of the shelter, since they are not nonprofit corporation.

The CHAIRMAN pro tempore (Mr. MURTHA). The time of the gentleman has expired.

Mr. McCANDLESS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. I yield to the gentleman.

Mr. McCANDLESS. The statement was: "Well, we don't pay taxes; we send a letter in each year explaining our position."

Mr. PARRIS. Reclaiming my time, let me just make one more point that directly follows the statement of the gentleman from California.

The report indicates that the CCNV consciously chooses not to seek tax exempt status. Was there testimony in front of the committee as to why that is so? If this is a charitable organization, why do they not choose to do this?

Mr. McCANDLESS. If the gentleman will yield, the director of the organization said that to embark upon and successfully complete, the tax-exempt status organization would restrict too severely his ability to function. I am paraphrasing the gentleman.

Mr. DELAY. Will the gentleman yield?

Mr. PARRIS. I yield to the gentleman.

Mr. DELAY. Mr. Chairman, the point here that I think the gentleman is raising is a very clear one; the point is that we have an organization that, unlike most organizations in this Nation, this organization has decided not to take tax-exempt status, No. 1; and these are questions that we are continuing to ask.

Why are they not? I can only suspect that they are not because in order to be tax-exempt, your books are open for scrutiny. They do not care to have their books open to scrutiny; and they also have a system by which they have an office in the District of Columbia where they accept tax-deductible contributions and funnel those contributions to a non-tax-exempt organization, so that their books cannot be looked over.

More importantly, Mr. Snyder stated that he is a political activist, and has participated in many demonstrations against many different things, and if he was tax exempt, he would not be able to be politically active.

Mr. PARRIS. I thank the gentleman for his contribution.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. MCCANDLESS] has expired.

Mr. BROOKS. Mr. Chairman, I yield 1 minute to the gentleman from Virginia.

Mr. PARRIS. I yield to the gentleman.

Mr. BROOKS. Mr. Chairman, I wanted to bring to the gentleman's attention that the comments he read from were the dissenting opinion, not the committee report; and that any question about taxes and about enforcement of that matter would be the jurisdiction of the Internal Revenue Service, which is very assiduous in their attention, to most people, and I would be assured that if there is anything wrong out there, they would be on them like a bird on a bug, and that the Justice Department would back them up. They would be the appropriate people to handle tax matters for that agency, for those people, or for anybody else in this country; not for us individually to do it in this bill.

Mr. PARRIS. Reclaiming my time, I thank the chairman for his observation. I would say that it may in fact be true, but the language that we are quoting from here is the report on this legislation; and we are prepared, apparently, to at least consider the transfer of a piece of property that is valued at over $20 million from the Federal Government to somebody else, and I think that is an important matter of taxation.

Mr. MCCANDLESS. Mr. Chairman, I yield back the balance of my time.

Mr. BROOKS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. MURTHA). The Clerk will read.

The Clerk read as follows:

H.R. 4784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services shall, within five days after the date of enactment of this Act, transfer jurisdiction over the property located at 425 Second Street, Northwest, in the District of Columbia, to the municipal government of the District of Columbia in accordance with section 1 of the Act of May 20, 1932 (40 U.S.C. 122), other than the first proviso of such section, solely for purposes of administration and maintenance of such property for providing shelter and related services to homeless individuals in the District of Columbia and for other use in the protection of the public health.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as having been read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. MC CANDLESS

Mr. MCCANDLESS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCCANDLESS: Page 2, beginning on line 8, strike out "and for other use in the protection of the public health".

□ 1620

Mr. MCCANDLESS. This is a very simple amendment. On line 7 preceding line 8 to read into the context of the amendment, it says "and related services to homeless individuals in the District of Columbia and for other use in the protection of public health." The amendment simply strikes "and for other use in the protection of public health."

Mr. Chairman, the problem that those who are supporting this amendment have is that that gives a great deal more latitude to the use of the building irrespective of its jurisdictional aspect to whoever may wish to use it beyond that of the intent of this legislation.

For example, if the building were no longer used for the homeless, it could be interpreted that in the protection of the public health we could store garbage trucks there or we could even have a prison built because a prison protects the public health. The many uses that one could imagine that this property could be used for beyond that of a homeless shelter and related services, I think, needs to be a part of the context of this bill and therefore I have offered my amendment.

Mrs. COLLINS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

First of all, let me say this amendment was brought up in the subcommittee and in full committee, and both times the amendment was not agreed to. If the District of Columbia Government wishes to use a portion of this building for some other reason, for example maybe for an alcohol treatment center because of some of the people who come there might have a little bit of a problem, we should not in any way prevent them from doing so if all the clients are technically not homeless but a few of them might have some other kind of problem.

The term "public health" has a long-recognized use under administrative law, and it was the subcommittee's intent to permit the District of Columbia government to use the building for such purposes. In so doing, we backed off considerably from the administration's approach, which was to give the building to the District government with absolutely no condition concerning its use at all. Our bill, in effect, strikes a sensible agreement, I think, a sensible middle ground between the administration's no-strings-attached approach and to an overly narrow restricted use of this property.

I think the amendment of the gentleman should not be agreed to.

Mr. PARRIS. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS. I yield to the gentleman from Virginia.

Mr. PARRIS. I thank the gentlewoman for yielding.

I would just like to pursue the question rhetorically which was suggested by the gentleman from California.

Would the language of the bill "use in the protection of the public health" include a jail facility, in your opinion?

Mrs. COLLINS. No, a jail facility, it would not.

Mr. PARRIS. The protection of the public health would not include a penitentiary, jail, incarceration facilities of one kind or another?

Mrs. COLLINS. No, not in this bill.

Mr. PARRIS. I thank the gentlewoman.

Mr. DELAY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, there are a couple of points in this amendment which I support. No. 1, the phrase "related services to homeless individuals in the District of Columbia" means, as the gentleman from California has so eloquently pointed out, this could be anything used in that building. We have already established that the gentleman, the director of the CCNV, is a political activist and considers himself a religious leader. So the point I would like to make is that this building could be used for more than just services for

the homeless. He could set up an office to run his politically active group from. Also, I think the Members should really take note that under this language the District of Columbia could move the homeless right out the back door of this building if they chose to do so because it is unrestricted in using this building for any other related use for protection of the shelter. I might also point out in a memo to our subcommittee from the American Law Division, it points out, and I quote from the Congressional Research Service, "in the absence of either a definition of the above underlined phrase" which says "other use in the protection of the public health," to go on with the quotation, "in the bill itself or some language in the legislative history of the bill clarifying the scope of coverage of the public health proviso, if enacted, this provision of the bill would appear to permit the municipal government to utilize the property for a wide range of public health purposes." That does not mean public health for the homeless, that means public health in anything they chose to do. I just think that if you truly want this building to be used for the homeless, then this amendment says that this building will be used only for the services of the homeless, and the District of Columbia government cannot come in there and push the homeless out the back door.

A vote against this amendment is a vote to push the homeless out the back door.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we ought to keep some flexibility for the use of this property other than the direct provision for shelter and related services to the homeless. Since the bill before us continues to retain title in the Federal Government, and only transfers jurisdiction to the District of Columbia, there is little possibility that any use of the property would go beyond purposes that were acceptable to the Congress. For this reason I think we ought to keep the language in the current bill. I would add that the truth of the matter is this is an agreement that I did not dream up and STAN PARRIS did not dream up in the District of Columbia Committee, and CARDISS COLLINS did not dream it up. I do not know anybody in Congress that had anything to do with it. The President made a deal with the District of Columbia and with the group running the shelter. In all fairness to him, he has some problems with them and he made an agreement to give it to them and give them some money. And he wants us to be in the act to give some kind of facade of decency to the transfer. I do not think we need legislation. He could probably transfer it without that.

Now the decent way to do it, if you want to be cooperative with him—and I am talking to you Republicans, I have not had any trouble with the Democrats—is to go on and give the District jurisdiction, pass the bill as simply as possible, send it over to the other body and in the meantime see if they will accept that. If they are not going to accept jurisdiction, then war is going to be on because I am not going to give title, if I can, with my vote to anybody. I want to make that clear.

I think this is a reasonable way to protect the President. Let him do what he wants to do. Whether you agree with him or not, he has already done it. I cannot tell him what to do and neither can you. So I think in fairness we ought to quit raising Cain with him about it and go on and pass the bill without any amendment and send it over to the other body and see if we can get them to agree to it. I think that will resolve the problem. If that can be done given the President's commitment, I think that is a fair way to do it.

I am opposed to the amendment for that reason.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California [Mr. MCCANDLESS].

The question was taken, and on a division (demanded by Mr. MCCANDLESS) there were—ayes 10, noes 11.

So the amendment was rejected.

COMMITTEE AMENDMENTS

The CHAIRMAN pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: At the end of the bill add the following new section:

SEC. 2. Upon the transfer of jurisdiction pursuant to the first section of this Act, the Federal Government (1) shall not be liable for injuries or damages that occur while the property is under the jurisdiction of the municipal government of the District of Columbia and that arise out of the operation, maintenance, repair, renovation, reconstruction, or other capital improvement of that property by such municipal government; and (2) shall not be responsible for the operation, maintenance, repair, renovation, reconstruction, or other capital improvement of that property while the property is under the jurisdiction of such municipal government. Nothing in this section shall be deemed to prohibit the Federal Government from funding the renovation of the property.

The CHAIRMAN pro tempore. Is there any debate on the committee amendment?

Mr. MCCANDLESS. Mr. Chairman, the minority has worked with the majority on this amendment. We feel it is a worthy addition to the bill, and we support it.

The CHAIRMAN pro tempore. The question is on the first committee amendment.

The committee amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: At the end of the bill add the following new section:

SEC. 3. The property referred to in the first section is more fully described as follows:

All that parcel situated in the Northwest quadrant of the City of Washington, District of Columbia, and being a portion of District of Columbia Square Numbered 571, containing in their entirety former lots numbered 9 through 18, inclusive, and 22 through 26, inclusive, as recorded in Liber B, Folio 160 of the Records of the Office of the Surveyor for the District of Columbia, and lots 45 through 51 inclusive, as recorded in Liber 19, Folio 118 of the Records of the Office of the Surveyor for the District of Columbia; such land now known for purposes of assessment as Lot 820, and containing 1.16 acres of land, more or less; and more particularly described in a deed between the Reconstruction Finance Corporation and the United States of America, dated July 30, 1947, and recorded in Liber 8761, Folio 79 of the Land Records of the District of Columbia.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the second committee amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. Is there any debate on the second committee amendment?

Mr. MCCANDLESS. Mr. Chairman, we have reviewed this amendment. It is a fine addition. It defines the property more dramatically, and we are in favor of it.

The CHAIRMAN pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. DIO GUARDI

Mr. DIOGUARDI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIOGUARDI. At the end of the bill add the following new section:

SEC. 4. (a) If any organization selected by the municipal government of the District of Columbia to administer such property as a shelter for homeless individuals uses such property in a manner that would cause a charitable organization as described in section 501(c)(3) of the Internal Revenue Code of 1954 to lose its tax exempt status under section 501(a) of the Internal Revenue Code of 1954—

(1) the property shall be considered to have ceased being used for the purposes described in the first section of this Act; and

(2) jurisdiction over such property shall revert to the United States.

(b) The Administrator of General Services shall consult with the Commissioner of Internal Revenue in carrying out the requirements of this section.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

POINT OF ORDER

Mr. WEISS. Mr. Chairman, I rise to a point of order.

The CHAIRMAN pro tempore. The gentleman will state his point of order.

Mr. WEISS. Mr. Chairman, the amendment offered by the gentleman from New York is not germane to H.R. 4784. It places restrictions on the use of the building in question that are not within the jurisdiction of the Government Operations Committee, have nothing to do with the transfer of Federal property, which this bill addresses, and is otherwise in violation of rule XVI.

The CHAIRMAN pro tempore. Does the gentleman from New York desire to be heard on the point of order?

Mr. DIOGUARDI. Yes, I do, Mr. Chairman.

Mr. Chairman, I disagree with that. We are talking about the use of the property. We have heard testimony here today that this property was to be dedicated for the use of the homeless and certain related purposes. The thrust of my amendment would be to assure that the building itself would be used for those kinds of charitable purposes and not any political purposes. All this amendment does is to amplify that fact by referring to a body of law in the Internal Revenue Code known as section 501(c)(3) which condones the kind of use we are talking about with respect to the homeless and related services but says in no event shall the property be used for political purposes.

I think this is very germane.

The CHAIRMAN pro tempore. Do any other Members wish to be heard on the point of order? If not, the Chair will rule:

The Chair agrees with the gentleman from New York that this amendment merely places additional restrictions on the use of the property covered by this bill in addition to those other restrictions which are already in the bill. So the Chair thinks the amendment is germane and overrules the point of order.

Mr. DIOGUARDI. Mr. Chairman, as the sponsor of legislation providing substantial assistance to the homeless, I want to commend the gentlelady from Illinois for her efforts on behalf of the homeless throughout this Nation and, in particular, here in Washington, DC. Anyone of us who has had the opportunity to travel throughout this city is well aware of the tremendous number of homeless individuals wandering about our streets and parks. There is indeed a homeless problem, and it needs to be addressed.

I want to make it clear that my amendment is not an attempt to kill this bill.

My amendment is not an attempt to exclude any organization from operating the D.C. shelter. The purpose of my amendment simply is to strengthen and clarify the bill's requirements that the shelter be operated specifically for the charitable purposes of aiding the homeless and not for any political purposes. While I applaud the committee and Chairman BROOKS for addressing this issue, which was inexplicably ignored by the Reagan administration which wished to transfer the property with no strings attached. I do not believe that the bill's current language adequately provides us with this guarantee.

This problem is magnified when one recognizes that the administration has agreed to provide $5 million to renovate and refurbish the deteriorated building. If the American taxpayer is going to pay the bill for this shelter, he or she should not be expected to subsidize political activities which may take place there, and should be given adequate assurances that they will not. If we allow these activities to occur in the D.C. shelter, I believe that we will be setting a bad precedent whereby the majority of American taxpayers will be forced to subsidize the political activities of a few. We have a responsibility to guard against this.

In order to provide sufficient guarantees to the American taxpayer that these activities will not take place, my amendment would require any organization that administers the shelter to operate it in such a manner so that it would not lose its tax exempt status if it were a tax exempt charitable organization described in section 501(c)(3) of the Internal Revenue Code. In other words, the Internal Revenue Code has provided us with a body of law that distinguishes between charitable and political activities. If the organization operating the shelter uses the building for purposes that the IRS would define as political, jurisdiction over the building would revert back to the American public. My amendment does not require the operating organization actually to be a tax exempt organization as described in section 501(c)(3) of the Internal Revenue Code.

I know that the top priority of the bill's sponsors is to alleviate the suffering of the homeless. I am sure they agree that this building's functions should be used solely for that purpose. So that we can assure that the homeless, and not political activists are the beneficiaries of this shelter, I hope that you will agree to and adopt this amendment.

□ 1635

Mr. BROOKS. Mr. Chairman, I rise in opposition to this amendment.

What this amendment attempts to do is to place the established framework and requirements of section 501(c)(3) of the Internal Revenue Code over an organization that purposely has not applied for 501(c)(3) status and does not receive the benefits that flow from being classified as a charitable organization under that provision of the code. I am not sure that those requirements could be imposed in a workable manner.

I might note that the bill transfers jurisdiction over this building to the District of Columbia, not to any organization. I do not believe that it is wise for us to become involved in micromanagement of the facility in this manner—especially since, through section 2 of this bill, we are attempting to remove the Federal Government to the maximum extent possible from liability and responsibility for operation of this facility. However, I am certain that appropriate committees of Congress can monitor the activities of this facility in such a manner as to ensure that it will be used for its generally understood purpose in accordance with congressional intent.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the distinguished gentleman from New York.

Mr. WEISS. Mr. Chairman, I thank the distinguished chairman for yielding to me. I want to express my wholehearted agreement with the gentleman's position.

Mr. Chairman, I would simply say that what the gentleman from New York is doing, I think unwittingly, is playing havoc with the right of American citizens to make a determination as to whether in fact they want to be bound in by the requirements of the Internal Revenue Code.

Here is an organization which is not going to get jurisdiction of this property in any event. That goes to the District of Columbia. They decide that they do not want to take benefits under the Internal Revenue Code.

Supposing, in fact, what the people who are running that organization decide to hold a hunger strike for the aims of improving conditions for the homeless in this country. Under the gentleman's amendment, it could very well be construed that holding a hunger strike would in fact be a political act for that purpose. Do we want to tell American citizens that they do not have the right to do that if they want to?

It just seems that it really enmeshes the Congress into the most impossible kind of situation. It just plays havoc with the constitutional rights of the American citizens.

Mr. Chairman, I urge we defeat this amendment.

Mr. DIOGUARDI. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from New York [Mr. DIOGUARDI].

Mr. DIOGUARDI. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I respect the gentleman's thoughts on this, but I respectfully disagree.

We are talking about a building here that is owned and continually will be owned by the U.S. Government. What we are saying here is that we are transferring the jurisdiction, the right to use that building, which by the way is a property right. The use of a building is just as good, really, as owning the building in many cases.

But the point is that the issue here is basic accountability to the taxpayers of this country that somehow bought that building. What we are saying here is that we are not requesting or requiring the organization itself, which I believe I would have preferred, but I will let that stand, we are not requiring that the organization qualify under tax exemption as a charitable organization. What we are saying is that at the least to fulfill our minimum standards of fiduciary responsibility as Congress, that we require that this building not be used for political purposes.

Mr. BROOKS. Mr. Chairman, what is the gentleman's question?

Mr. DIOGUARDI. Mr. Chairman, the question is my amendment says that this property would be administered, at least would be looked after, by the GSA in consultation with the Internal Revenue Service.

We have a wide body of law under section 501(a) of the code and section 501(c)(3) and regulations where these issues could be judged. It is not for us to judge. These qualitative judgments have been made under a wide body of law that started in this country with the Internal Revenue Code of 1949, amended in 1954, and still exist today.

All I am saying is that the purposes to which that building is put should be purposes that in any way can be construed as political.

I am for the homeless, and I applaud Mr. Snyder's efforts for the homeless. All I want to do is protect the American taxpayers from the use of that property for political purposes.

Mr. PARRIS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think the gentleman's amendment, for which I congratulate the gentleman, is absolutely fundamental to the purpose of this bill, as has been said many times. Adoption of this provision will, in fact, guarantee that the homeless, for which we all have compassion, and not the activists, present, future or contemplated, will be the beneficiaries of this transfer should this legislation be adopted.

Mr. Chairman, I hope this amendment will be favorably considered by my colleagues.

Mrs. COLLINS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, first of all, the amendment, in any event, does not seem necessary. The bill now provides that the District will have to administer the property solely for providing shelter and related services to homeless individuals and for other use in the protection of the public health. This limitation on use is enough to exclude political or lobbying activity from the permitted uses.

Furthermore, the language of the amendment is vague. It would be hard to interpret and to enforce. No specific organization is mentioned in the amendment; yet to determine a violation of the restrictions it seeks to impose would require measuring the questionable activities being complained of against the total activities and expenditures of some specific organization. Of course, there is no such organization specified. Nor could there be under this amendment.

I urge defeat of the amendment.

Mr. DIOGUARDI. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS. I yield to the gentleman from New York.

Mr. DIOGUARDI. Mr. Chairman, what possible objection could the gentlewoman have to the amendment if it only amplifies and clarifies what the gentlewoman and I believe should be done in this case, that it should be used for purposes relating to the homeless and related purposes?

Mrs. COLLINS. Mr. Chairman, reclaiming my time, the gentleman's amendment goes far beyond what we are trying to do in this legislation. We are not trying to complicate it. All we are trying to do is give jurisdiction to the District of Columbia, and that is all we are trying to do.

Any other matter, as the chairman, the gentleman from Texas, has already said, regarding 501 classification, regarding IRS activity, is the sole purview of the IRS. We are not legislating for the Internal Revenue Service. They have their guidelines that they follow.

Incidentally, they have not bothered to call this group in to determine whether or not anything is wrong. They know what they are doing because they send this letter in every year, as has been explained by the testimony of the gentleman who is with CCNV and, therefore, I see no need for this amendment, which I think is well intended, but I think it is unnecessary.

Mr. DIOGUARDI. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS. Mr. Chairman, I yield back the balance of my time.

Mr. DIOGUARDI. Mr. Chairman, I think in this specific case, we have heard here the testimony that this individual has engaged in the past in political activities. All we are saying is that this——

The CHAIRMAN pro tempore. The gentlewoman from Illinois yielded back the balance of her time.

Mr. DELAY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I just want to point out the gentleman from New York has stated that this amendment is designed to wreak havoc on a poor organization that has chosen not to take the benefits of tax-exempt status.

□ 1645

I might point out that this organization has not chosen to take the benefits of tax-exempt status because they have also chosen not to pay taxes, and they also have a system set up with the city of the District of Columbia to collect contributions giving a tax-deductible status and then funnel that money into the CCNV.

I just think that this is only a responsible amendment to protect the property owned by the taxpayers of the United States and is a responsible action by this body.

Mr. MCKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, unbeknownst to me, the District Committee refused its sequential referral of this matter. As ranking member of the District Committee, I would have to say that I am somewhat embarrassingly standing here, saying I am responsible for this whole mess and when it started.

I placed a call to Mrs. Heckler, who is one of our former colleagues but who at that time was with HHS, and I said to her, I thought it was politically irresponsible and that it was a human failing on the part of the administration to take away an institution that served the homeless in a city that desperately needed one.

Nobody is more aware of the problems of the homeless in Washington than myself, I do not think. I have been through what used to be the Union Station at that point. I have seen St. Elizabeths deinstitutionalized—it is a Federal agency, by the way, not a city agency—very irresponsibly. I have been to the place where the little baby was cut up because they

deinstitutionalized one too soon, et cetera.

And now we have Mitch Snyder's hotel. I have listened to Mr. Snyder in front of the District Committee and on innumerable times in front of the Housing Subcommittee of the Banking Committee. We are giving the use of a Federal building to a group. We are giving the use of a Federal building which I think is, comparatively speaking, right now no better than the snake pit in the movie by Olivia de Havilland.

How we can say we are doing something Christian and doing something good and doing something kind, when we cram or try to cram 800 poor souls into this dilapidated structure—and I do not give a darn what you pay to fix it up, it is still too many people.

Now, I do not think the city is in fact exercising its responsibility for the homeless. Nobody is helping Bridgeport, CT, not many people are helping Ed Koch of New York City on a Federal level. I certainly do not think anyone is helping Stamford on a Federal level. We are giving what amounts to about $5 million and a building to an organization to use for what is considered to be a very good cause. Nowhere in this legislation, unfortunately, does anyone really ask: What are we going to end up with?

Because if we are going to end up with what we have now, we are doing the homeless of the District of Columbia a terrible, terrible disservice. We are warehousing human beings in a situation that, to me, is worse than the institutions from which far too many of them came, with controlled drugs in other areas that were stolen and put them into their condition.

I think that the gentleman from Westchester is stating a point, and that is: Aren't we really, by not putting a 501(c) designation on this building and its activities, telling our constituencies, who have to handle this matter themselves, that we are being terribly selective over a group because of pressure?

A lot of people are not going to like what I said, and Mitch will be one of them. But the fact of the matter is, there is an awful lot we do not know about this. It is a big building. Five million bucks is a lot of money. What is he going to do with it? Who is going to inspect it? What is it going to be used for?

I wrote a letter—I do not know where the answer is, it certainly never came to my office—asking where the three new garden tractors came from that were driven around our front lawn out there by the Committee for Non-Violence. I cannot afford a new lawn tractor. They cost about $4,000. They were probably donated. But is that really what a home for the homeless is all about? I do not think so.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut [Mr. MCKINNEY] has expired.

(By unanimous consent, Mr. MCKINNEY was allowed to proceed for 2 additional minutes.)

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, to my distinguished friend, whose compassion and knowledge about the fact situation within the District of Columbia is unsurpassed, I want to suggest that this bill does not give away one nickel of money. I want the gentleman to understand very clearly that I did not vote to give $5 million to the District of Columbia for this purpose, and neither did anybody on the Government Operations Committee, and neither has anybody in this Congress asked to do it.

Mr. MCKINNEY. I apologize.

Mr. BROOKS. This will come out of an administration discretionary fund. If $5 million were in that bill, it would still be in Government Operations if I could keep it there. So I want the gentleman to make that clear.

Now, the bill will give the District jurisdiction as per the general agreement between the President of the United States, and the District of Columbia and the people who live in that building. They are the ones who agreed to do this. I did not agree. We are just implementing that agreement by passing jurisdiction to the District of Columbia. Then if the President wants to give them $5 million, he can. That is his judgment. I cannot change his mind. He did not talk to me.

I think, in fairness, we ought to pass this bill, send it over to the other body so they can pass it, and send it on down to the President.

Mr. MCKINNEY. Mr. Chairman, I will say that the gentleman's ability to watchdog Federal properties and moneys of the United States of America is unsurpassed, and everyone knows it.

I suppose I am just sitting here doing a think piece, because if in fact the District of Columbia is going to get jurisdiction over this building, guess who is going to have to watch the District of Columbia.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut [Mr. MCKINNEY] has again expired.

(By unanimous consent, Mr. MCKINNEY was allowed to proceed for 2 additional minutes.)

Mr. MCKINNEY. And that has become a successively more difficult job than any of us could possibly imagine.

And what are the District plans? I hope the President knows. I spent the last 2 days arguing about housing the poor. We have got to do it. We are going to argue about housing the homeless. We have to do it. But there has to be a responsible plan, and I really have not seen it. I wish the chairman had not given up sequential referral because I would have wanted to know what the plan is going to be. But when I look at what I have found in other parts of the country—I see my good friend, and I am sure he will not mind my mentioning his name, the gentleman from Kentucky [Mr. NATCHER]—and I know what I have found money used for and I know what has happened to an awful lot of good intentions, and I know that an awful lot of Congressmen in this room listening to this debate are spending an awful lot of time hoping the city will do the right thing.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Texas.

Mr. DELAY. I would like to get back to the amendment.

Is the gentleman aware that this amendment would stop a group that has been designated to run this building from throwing a bloodlike substance on a foreign office, from protesting the naming of a submarine, from stomping in a cake down in the Mall?

Mr. MCKINNEY. I would just simply say to you that the gentleman has always had a difficult problem deciding over the last 4 years whether Mr. Snyder's organization is really in the business of housing the homeless or whether it is in the business of making a political statement.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from New York.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut [Mr. MCKINNEY] has again expired.

(On request of Mr. WEISS and by unanimous consent, Mr. MCKINNEY was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, I share my chairman's sense of the concern of the gentleman from Connecticut and his concern and compassion for the poor of this country, and especially for the homeless. I think that the gentleman ought to know that the last description that was given by the gentleman from Texas as to pouring of blood on files is totally irrelevant to this particular amendment that the gentleman from New York has offered, because as he himself described it, it applies only to those actions that take place within the building. And that is vague enough. But I think that we ought not get distracted by red liquids someplace else.

The gentleman made reference in the comments that he made earlier on

that Ed Koch of New York would like to get some Federal funds, and I think he said Bridgeport does not get any. I cannot talk about Bridgeport.

Mr. McKINNEY. I do not mean they get no funds, but they certainly do not get, proportionately, for a city of 600,000 people what Washington gets.

Mr. DELAY. Mr. Chairman, since the gentleman has used my name, will the gentleman yield?

Mr. WEISS. I did not use the gentleman's name.

Mr. McKINNEY. I yield to the gentleman from Texas.

Mr. DELAY. It would stop the planning of those events, would it not? Would it not stop the planning of those demonstrations in that building?

Mr. McKINNEY. I cannot answer that question.

Mr. WEISS. If the gentleman will allow me to finish my thought, the fact is that the Federal Government, as the gentleman knows, is not really dealing with this tremendous crisis across the country, but it should be noted that currently something like $70 million a year is in fact being spent by the FEMA Program for homeless across the country and the Federal emergency program for the families of homeless receives another roughly $65 million, $70 million.

Mr. McKINNEY. And I am very proud of that. That happens to be money I put in, along with the gentlewoman from Ohio [Ms. OAKAR], and several of our other colleagues, in the housing bill. That was our money.

Mr. WEISS. Precisely.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut [Mr. McKINNEY] has again expired.

(On request of Mr. PARRIS and by unanimous consent, Mr. McKINNEY was allowed to proceed for an additional 30 seconds.)

Mr. PARRIS. If the gentleman will yield, I rise simply to extend to the gentleman from Connecticut my appreciation for a very courageous statement under some very difficult circumstances, and I thank him for that.

Mr. McKINNEY. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. DIOGUARDI].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. DIOGUARDI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 181, noes 182, answered not voting 70, as follows:

[Roll No. 151]

AYES—181

Applegate	Hall, Ralph	Pursell
Archer	Hammerschmidt	Ray
Armey	Hendon	Regula
Bartlett	Hiler	Ridge
Barton	Holt	Rinaldo
Bateman	Hopkins	Ritter
Bennett	Hubbard	Roberts
Bentley	Hughes	Robinson
Bereuter	Hunter	Rogers
Bilirakis	Hutto	Roth
Bliley	Hyde	Roukema
Boehlert	Ireland	Rowland (CT)
Boulter	Jacobs	Rowland (GA)
Brown (CO)	Jeffords	Rudd
Broyhill	Jenkins	Saxton
Burton (IN)	Kasich	Schaefer
Byron	Kemp	Schneider
Callahan	Kindness	Schuette
Carney	Kolbe	Sensenbrenner
Chandler	Lagomarsino	Shaw
Clinger	Latta	Shumway
Coats	Leach (IA)	Shuster
Cobey	Lent	Siljander
Coble	Lewis (CA)	Skeen
Coleman (MO)	Lewis (FL)	Slaughter
Combest	Lightfoot	Smith (NE)
Conte	Livingston	Smith (NJ)
Courter	Loeffler	Smith, Denny (OR)
Craig	Lowery (CA)	Smith, Robert (NH)
Crane	Lujan	Smith, Robert (OR)
Daniel	Lungren	Snowe
Dannemeyer	Mack	Snyder
Darden	Madigan	Solomon
Daub	Marlenee	Spence
DeLay	Martin (IL)	Stallings
DeWine	Martin (NY)	Stenholm
Dickinson	Mazzoli	Stratton
DioGuardi	McCain	Sundquist
Donnelly	McCandless	Swindall
Dornan (CA)	McCollum	Tallon
Dreier	McDade	Tauke
Duncan	McEwen	Taylor
Dyson	McGrath	Thomas (CA)
Eckert (NY)	McKernan	Thomas (GA)
Edwards (OK)	McKinney	Traficant
Emerson	McMillan	Vander Jagt
Evans (IA)	Meyers	Volkmer
Fawell	Michel	Vucanovich
Fields	Miller (OH)	Walker
Fish	Miller (WA)	Weber
Franklin	Montgomery	Whitley
Frenzel	Moore	Whittaker
Gallo	Moorhead	Wolf
Gekas	Morrison (WA)	Wortley
Gilman	Myers	Young (AK)
Gingrich	Nielson	Young (FL)
Goodling	Olin	Young (MO)
Gradison	Packard	
Green	Parris	
Gregg	Pashayan	
Guarini	Petri	
Gunderson	Porter	

NOES—182

Ackerman	Carr	Flippo
Alexander	Chapman	Florio
Anderson	Chappell	Foglietta
Andrews	Coleman (TX)	Foley
Annunzio	Collins	Ford (MI)
Anthony	Conyers	Ford (TN)
Aspin	Cooper	Fowler
Atkins	Coyne	Frank
AuCoin	Crockett	Frost
Barnes	Daschle	Garcia
Bates	Derrick	Gaydos
Bedell	Dicks	Gejdenson
Beilenson	Dingell	Glickman
Bevill	Dixon	Gonzalez
Boggs	Dorgan (ND)	Gordon
Boner (TN)	Downey	Gray (IL)
Bonior (MI)	Durbin	Gray (PA)
Bonker	Dwyer	Hall (OH)
Borski	Dymally	Hamilton
Bosco	Eckart (OH)	Hayes
Boucher	Edgar	Hefner
Boxer	Edwards (CA)	Hertel
Brooks	English	Horton
Bruce	Erdreich	Howard
Bryant	Evans (IL)	Hoyer
Burton (CA)	Fascell	Huckaby
Bustamante	Fazio	Jones (NC)
Carper	Feighan	Jones (OK)
Jones (TN)	Murtha	Sikorski
Kanjorski	Natcher	Slattery
Kastenmeier	Neal	Smith (IA)
Kennelly	Nelson	Solarz
Kildee	Nowak	Spratt
Kleczka	Oakar	St Germain
Kolter	Oberstar	Staggers
Kostmayer	Obey	Stark
Lantos	Ortiz	Stokes
Leath (TX)	Owens	Studds
Lehman (FL)	Pease	Swift
Leland	Penny	Tauzin
Levin (MI)	Pepper	Torres
Levine (CA)	Perkins	Towns
Lipinski	Price	Traxler
Long	Quillen	Udall
Lowry (WA)	Rahall	Vento
Luken	Rangel	Visclosky
Manton	Reid	Walgren
Markey	Richardson	Watkins
Martinez	Rodino	Waxman
Matsui	Roe	Weaver
McCloskey	Roemer	Weiss
McCurdy	Rostenkowski	Wheat
McHugh	Russo	Whitten
Mica	Sabo	Williams
Mikulski	Savage	Wirth
Mineta	Scheuer	Wolpe
Mitchell	Schroeder	Wright
Moakley	Schumer	Wyden
Moody	Seiberling	Yates
Morrison (CT)	Sharp	Yatron
Mrazek	Shelby	

NOT VOTING—70

Akaka	Grotberg	O'Brien
Badham	Hansen	Oxley
Barnard	Hartnett	Panetta
Berman	Hatcher	Pickle
Biaggi	Hawkins	Rose
Boland	Heftel	Roybal
Breaux	Henry	Schulze
Broomfield	Hillis	Sisisky
Brown (CA)	Johnson	Skelton
Campbell	Kaptur	Smith (FL)
Chappie	Kramer	Stangeland
Cheney	LaFalce	Strang
Clay	Lehman (CA)	Stump
Coelho	Lloyd	Sweeney
Coughlin	Lott	Synar
Davis	Lundine	Torricelli
de la Garza	MacKay	Valentine
Dellums	Mavroules	Whitehurst
Dowdy	Miller (CA)	Wilson
Early	Molinari	Wise
Fiedler	Mollohan	Wylie
Fuqua	Monson	Zschau
Gephardt	Murphy	
Gibbons	Nichols	

□ 1710

Messrs. OLIN, JACOBS, TRAFICANT, and YOUNG of Missouri changed their votes from "no" to "aye."

Mr. BEDELL changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. Are there further amendments to the bill? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FRANK] having assumed the Chair, Mr. MURTHA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4784) to require the transfer of jurisdiction to the District of Columbia over certain property to permit such property to be used as a shelter for the homeless, pursuant to House Resolution 464, he reported

the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. McCANDLESS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 242, noes 116, not voting 75, as follows:

[Roll No. 152]

AYES—242

Ackerman	Dymally	Kennelly
Anderson	Eckart (OH)	Kildee
Andrews	Edgar	Kleczka
Annunzio	Edwards (CA)	Kolbe
Anthony	English	Kolter
Applegate	Erdreich	Kostmayer
Aspin	Evans (IL)	Lantos
Atkins	Fascell	Leach (IA)
AuCoin	Fazio	Leath (TX)
Barnes	Feighan	Lehman (FL)
Bates	Fish	Leland
Bedell	Flippo	Lent
Beilenson	Florio	Levin (MI)
Bennett	Foglietta	Levine (CA)
Bevill	Foley	Lewis (CA)
Bliley	Ford (MI)	Lipinski
Boehlert	Ford (TN)	Long
Boggs	Fowler	Lowry (WA)
Boner (TN)	Frank	Luken
Bonior (MI)	Frost	Manton
Bonker	Gallo	Markey
Borski	Garcia	Martinez
Bosco	Gaydos	Matsui
Boucher	Gejdenson	Mazzoli
Boxer	Gilman	McCain
Brooks	Glickman	McCloskey
Bruce	Gonzalez	McCurdy
Bryant	Goodling	McDade
Burton (CA)	Gordon	McEwen
Bustamante	Gradison	McGrath
Carper	Gray (IL)	McHugh
Carr	Gray (PA)	McKernan
Chandler	Green	McKinney
Chapman	Guarini	McMillan
Coleman (TX)	Gunderson	Mica
Collins	Hall (OH)	Mikulski
Conte	Hamilton	Miller (WA)
Conyers	Hayes	Mineta
Cooper	Hefner	Mitchell
Courter	Hendon	Moakley
Coyne	Hertel	Moody
Crockett	Horton	Morrison (CT)
Darden	Howard	Morrison (WA)
Daschle	Hoyer	Mrazek
Derrick	Huckaby	Murtha
DeWine	Hughes	Natcher
Dicks	Hutto	Neal
Dingell	Jacobs	Nelson
DioGuardi	Jeffords	Nowak
Dixon	Jenkins	Oakar
Donnelly	Jones (OK)	Oberstar
Dorgan (ND)	Jones (TN)	Obey
Downey	Kanjorski	Olin
Duncan	Kasich	Ortiz
Durbin	Kastenmeier	Owens
Dwyer	Kemp	Panetta
Pashayan	Schneider	Tallon
Pease	Schroeder	Tauzin
Penny	Schuette	Thomas (GA)
Pepper	Schumer	Torres
Perkins	Seiberling	Towns
Porter	Sharp	Traficant
Price	Shelby	Udall
Quillen	Sikorski	Vento
Rahall	Slattery	Visclosky
Rangel	Smith (FL)	Walgren
Ray	Smith (IA)	Watkins
Reid	Smith (NJ)	Waxman
Richardson	Smith, Robert (OR)	Weaver
Rinaldo	Snowe	Weiss
Rodino	Solarz	Wheat
Roe	Spratt	Whitten
Roemer	St Germain	Williams
Rostenkowski	Staggers	Wirth
Roukema	Stallings	Wolf
Rowland (CT)	Stark	Wolpe
Rowland (GA)	Stokes	Wortley
Russo	Stratton	Wright
Sabo	Studds	Wyden
Savage	Swift	Yates
Saxton		Yatron

NOES—116

Archer	Gregg	Ridge
Armey	Hall, Ralph	Ritter
Bartlett	Hammerschmidt	Roberts
Barton	Hiler	Robinson
Bateman	Holt	Rogers
Bentley	Hopkins	Roth
Bereuter	Hubbard	Rudd
Bilirakis	Hunter	Schaefer
Boulter	Hyde	Sensenbrenner
Brown (CO)	Ireland	Shaw
Broyhill	Jones (NC)	Shumway
Burton (IN)	Kindness	Shuster
Byron	Lagomarsino	Siljander
Callahan	Latta	Skeen
Carney	Lewis (FL)	Slaughter
Clinger	Lightfoot	Smith (NE)
Coats	Livingston	Smith, Denny (OR)
Cobey	Loeffler	Smith, Robert (NH)
Coble	Lowery (CA)	Snyder
Coleman (MO)	Lujan	Solomon
Combest	Lungren	Spence
Craig	Mack	Stenholm
Crane	Madigan	Sundquist
Daniel	Marlenee	Sweeney
Dannemeyer	Martin (IL)	Swindall
Daub	Martin (NY)	Tauke
DeLay	McCandless	Thomas (CA)
Dickinson	McCollum	Vander Jagt
Dornan (CA)	Meyers	Volkmer
Dreier	Michel	Vucanovich
Dyson	Miller (OH)	Walker
Eckert (NY)	Montgomery	Weber
Edwards (OK)	Moore	Whittaker
Emerson	Moorhead	Young (AK)
Evans (IA)	Myers	Young (FL)
Fawell	Nielson	Young (MO)
Fields	Packard	
Frenzel	Parris	
Gekas	Petri	
Gingrich	Regula	

NOT VOTING—75

Akaka	Gephardt	Nichols
Alexander	Gibbons	O'Brien
Badham	Grotberg	Oxley
Barnard	Hansen	Pickle
Berman	Hartnett	Pursell
Biaggi	Hatcher	Rose
Boland	Hawkins	Roybal
Breaux	Heftel	Scheuer
Broomfield	Henry	Schulze
Brown (CA)	Hillis	Sisisky
Campbell	Johnson	Skelton
Chappell	Kaptur	Stangeland
Chappie	Kramer	Strang
Cheney	LaFalce	Stump
Clay	Lehman (CA)	Synar
Coelho	Lloyd	Taylor
Coughlin	Lott	Torricelli
Davis	Lundine	Traxler
de la Garza	MacKay	Valentine
Dellums	Mavroules	Whitehurst
Dowdy	Miller (CA)	Whitley
Early	Molinari	Wilson
Fiedler	Mollohan	Wise
Franklin	Monson	Wylie
Fuqua	Murphy	Zschau

□ 1735

The Clerk announced the following pairs:

On this vote:

Mr. Dellums for, with Mr. Badham against.

Mr. Akaka for, with Mr. Cheney against.

Mr. Torricelli for, with Mr. Monson against.

Ms. Kaptur for, with Mr. Oxley against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. FRANK). Pursuant to the provisions of House Resolution 464, the Committee on Government Operations is discharged from further consideration of the Senate bill (S. 2251) to authorize the Administrator of General Services to convey property to the District of Columbia, and for other purposes. The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BROOKS moves to strike out all after the enacting clause of the Senate bill, S. 2251 and to insert in lieu thereof the provisions contained in H.R. 4784 as passed by the House, as follows:

That the Administrator of General Services shall, within five days after the date of enactment of this Act, transfer jurisdiction over the property located at 425 Second Street, Northwest, in the District of Columbia, to the municipal government of the District of Columbia in accordance with section 1 of the Act of May 20, 1932 (40 U.S.C. 122), other than the first proviso of such section, solely for purposes of administration and maintenance of such property for providing shelter and related services to homeless individuals in the District of Columbia and for other use in the protection of the public health.

SEC. 2. Upon the transfer of jurisdiction pursuant to the first section of this Act, the Federal Government (1) shall not be liable for injuries or damages that occur while the property is under the jurisdiction of the municipal government of the District of Columbia and that arise out of the operation, maintenance, repair, renovation, reconstruction, or other capital improvement of that property by such municipal government; and (2) shall not be responsible for the operation, maintenance, repair, renovation, reconstruction, or other capital improvement of that property while the property is under the jurisdiction of such municipal government. Nothing in this section shall be deemed to prohibit the Federal Government from funding the renovation of the property.

SEC. 3. The property referred to in the first section is more fully described as follows:

All that parcel situated in the Northeast quadrant of the City of Washington, District of Columbia, and being a portion of District of Columbia Square Numbered 571, containing in their entirety former lots numbered 9 through 18, inclusive, and 22 through 26, inclusive, as recorded in Liber B, Folio 160 of the Records of the Office of

the Surveyor for the District of Columbia, and lots 45 through 51 inclusive, as recorded in Liber 19, Folio 118 of the Records of the Office of the Surveyor for the District of Columbia; such land now known for purposes of assessment as Lot 820, and containing 1.16 acres of land, more or less; and more particularly described in a deed between the Reconstruction Finance Corporation and the United States of America, dated July 30, 1947, and recorded in Liber 8761, Folio 79 of the Land Records of the District of Columbia.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to require the transfer of jurisdiction to the District of Columbia over certain property to permit such property to be used as a shelter for the homeless."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 4784) was laid on the table.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H.R. 4784, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, FRIDAY, JUNE 6, 1986, TO FILE REPORT ON H.R. 4613, FUTURES TRADING ACT OF 1986

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight Friday, June 6, to file a report on H.R. 4613, the Futures Trading Act of 1986.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. LOEFFLER. Mr. Speaker, reserving the right to object, I have no reason to object, but I would like the distinguished subcommittee chairman to respond to a question.

Has this been cleared with the minority?

Mr. JONES of Tennessee. Mr. Speaker, if the gentleman will yield, the answer is yes, it has.

Mr. LOEFFLER. Mr. Speaker, I withdraw my reservation of objection.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I take this time for the purpose of determining the schedule for Monday next and the balance of the week will be.

Mr. HEFNER. Mr. Speaker, will the gentleman yield?

Mr. LOEFFLER. I yield to the distinguished majority leadership, the gentleman from North Carolina [Mr. HEFNER], who is the chairman of the Military Construction Subcommittee, who might respond to my inquiry.

Mr. HEFNER. I thank the gentleman for yielding.

Mr. Speaker, this will complete the business of the House for the remainder of the day and for the week.

As for next week, there will be no votes on Monday and there will be no votes on Tuesday because there are a series of primaries across the country. The votes will be put off.

Wednesday we will finish the Housing Act and three suspensions and we will have votes on Wednesday next.

Mr. LOEFFLER. Mr. Speaker, I wonder if the distinguished gentleman from North Carolina would allow the membership to know what votes will be up for suspension on Monday and Tuesday, and the what would be considered for the balance of the week.

Mr. HEFNER. On Monday the House will consider:

S. 1106, distribution of judgment funds for the Saginaw-Chippewa Tribe of Michigan; and

H.R. 2591, gold medal for Jan Scruggs, John Wheeler, and Robert Doubek for their efforts on behalf of the Vietnam Veterans Memorial.

On Tuesday, the House meets at noon to consider H.R. 4116, Domestic Volunteer Services Act [VISTA].

On Wednesday the House will complete consideration of the Housing Act of 1985; H.R. 4116, the Domestic Volunteer Services Act [VISTA]; H.R. 4175, the Maritime Authorizations for Fiscal Year 1987; the H.R. 4510, Export-Import Bank amendments.

Mr. LOEFFLER. I wonder if the distinguished gentleman from North Carolina could enlighten the body as to whether the majority leadership anticipates being in session on Friday next.

Mr. HEFNER. If the gentleman will yield further, there is no guarantee that there will not be a Friday session, but if the business of the House for the week is completed there will be no votes on Friday. Hopefully, we will complete our work and there will be no votes on Friday.

Mr. LOEFFLER. I thank the distinguished gentleman from North Carolina.

ADJOURNMENT TO MONDAY, JUNE 9, 1986

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore (Mr. MOODY). Is there objection to the request of the gentleman from North Carolina?

There was was no objection.

MAYOR KOCH AND MONEY LAUNDERING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 5 minutes.

Mr. LUNGREN. Mr. Speaker, last week, Mayor Ed Koch sent the Congress a dramatic, even desperate plea for narcotics control legislation. Although some aspects of his proposal may prove controversial, his appeal for money laundering legislation is wholly consistent with the new realities in the drug war.

Recent news reports have revealed an explosion in the production and availability of heroin,. cocaine, and marijuana. Chief Daryl Gates of the Los Angeles Police Department told Newsweek magazine that his force has confiscated over 3 tons of cocaine in 1986, a total that actually exceeds the amount seized on the 3 previous years. Similarly, United States authorities seized over 10,700 pounds of cocaine at the Mexico/California border between October 1985 and March of this year. This is an amount three times greater than the total weight of cocaine seized over the previous 5 years. Finally, the Drug Enforcement Agency has reported alarming new developments in Mexico concerning class 1 drug traffickers, The DEA cites a significant increase in the number of these individuals, who operate networks capable of acquiring and selling many pounds of cocaine and heroin and many tons of marijuana.

What is the fuel that empowers this machinery of death? Simply put, it is money. As I pointed out in a previous special order on this subject, the Drug Enforcement Agency has estimated that somewhere between $50 billion and $75 billion in laundered crime

money proceeds from drug trafficking alone. While skeptics may scoff at the enormity of such figures, an article in Tuesday's New York Times appears to confirm the dimensions of the problem. According to the article, entitled "Mexico Drug Profits Flowing to U.S.," court records in San Antonio reveal that some 40 United States banks of local and national proportions were used to hide profits by a Mexican drug group that had imported over $125 million in marijuana. The Times adds that "two Mexican drug dealers, Juan Jose Quintero-Payan and Emilio Quintero, made large cash deposits in the United States, according to the indictment. Another Mexican, Carlos Behn, a banker in Guadalajara, is alleged to have devised a scheme to launder $6.275 million from the Cayman Islands through banks in New York and Houston. Among the banks that the indictment mentions as being indicted were Citibank in New York City and a branch of the Bank of America in San Diego." As I indicated almost 4 months ago, the scope of this murderous finance has reached the proportions of multinational operations.

Fortunately for law enforcement, drug smugglers do not always use the most sophisticated methods. United States Customs Service Chief William von Raab has observed that the small Texas town of Presidio, along the Mexican border, has been overwhelmed with narcotics profits. One bank in the town of 7,100 has taken so many deposits lately that it is now the sixth largest bank in Texas. This is despite the fact that almost half of Presidio's tiny population lives at or below the poverty line. Clearly, the numbers of narcotics-related deposits and their amounts constitute a major infection of the U.S. financial system, an infection that cannot be combated within the narrow corridors of present money-laundering legislation.

Mr. Speaker, I still find it incredible that at the present time there is not a single statute directly addressing the problem of money laundering. Most prosecutions in the area are brought under the Bank Secrecy Act, which impose criminal penalties only for violations of its reporting and record-keeping requirements. The financial institutions file currency transaction reports when more than $10,000 is involved in a transaction. Thus the money launderer complies with the actual requirements by simply filing the required forms. The secrecy of the money launderer's operations is apparently facilitated by certain provisions of the Right to Privacy Act, which obstruct Government inquiries into potentially illicit financial dealings.

Despite the fact that several of my colleagues, including BILL MCCOLLUM, J.J. PICKLE, BILL HUGHES, and FERNAND ST GERMAIN, have offered legislation that responds to these problems, some may argue that Congress has other priorities for the remainder of 1986. Why not procrastinate and worry about tax reform, budget negotiations, and other concerns? Unfortunately, our society cannot tolerate without response the escalating drug war that is being waged against it. The National Institute of Justice, the research wing of the Department of Justice, reported on Tuesday that over half the individuals arrested in New York City and Washington, DC for serious crimes were using one or more drugs. The institute reached this conclusion based on urinanalysis tests given to some 14,000 defendants in criminal cases. According to the New York Times, "the study found that 56 percent of the men and 69 percent of the women tested in New York had used drugs. In Washington, the figure was 56 percent for both sexes." In my opinion, the Washington figures are especially disturbing because PCP was the narcotic of choice among criminals in that city. In any event, these figures appear to provide empirical confirmation of the proposition long held by law enforcement officials that narcotics abuse contributes to crime. The survey seems to suggest that if anything, law enforcement has underestimated the gravity of the problem: Drug abuse may not simply add to crime, but in fact may be one of its foundations.

Changes in drug preferences may soon exacerbate this phenomenon. Last week, Time magazine headlined its "Nation" section with a story on crack, the new and increasingly popular variety of cocaine. According to the Time report, 55 percent of all cocaine arrests in the city of New York involve crack. And crack constitutes over two-thirds of all cocaine arrests in Los Angeles. The compulsive character of crack, which concentrates all of the user's attention on his next fix, may be generating a new wave of violent crime, according to the New York Police Department. Time notes that "in one instance, Victor Aponte, a 16-year-old addict, confessed to stabbing his mother to death after she caught him smoking crack."

Speaking frankly, I find it sickening that anyone could profit from the pit of horror into which the Apontes have fallen. But drug traffickers do profit from such insanity, and present law often allows them to hide their gains in U.S. financial institutions. How much longer will we allow this outrage to continue? How much longer will we delay acting to restrict these hiding places and to obstruct the traffickers' access to the profits that incite their crimes? Mr. Speaker, respect for human dignity and the safety of our streets demand money laundering legislation this year.

Mr. Speaker, I include in the RECORD a letter from Mayor Ed Koch of New York and an editorial from the New York Times.

The documents follow:

THE CITY OF NEW YORK,
OFFICE OF THE MAYOR,
New York, NY, May 22, 1986.

Hon. DANIEL E. LUNGREN,
Member of Congress, Washington, DC

DEAR DAN: I write to propose a number of serious and sweeping recommendations to aggressively attack a contagion that afflicts our nation: major drug traffickers.

As you know, it has been my practice, both as Mayor and as a Member of Congress, to speak out directly and frequently on drug abuse and its effect on our country and our citizens. Throughout my years in public life, I have sought and supported a host of innovative approaches which offered great promise as effective responses to the virtual invasion of our shores by illicit narcotics.

As Mayor, I have implemented, both directly and indirectly, a vast range of local anti-drug initiatives, including intensified police enforcement, coordinated prosecution, educational programs, and others. Sadly, despite the honest and determined efforts of many, we have had only limited success in combatting drug abuse in New York City.

Accordingly, I have in recent years urged the Federal government to be an active partner with state and local agencies in addressing the unstaunched flow of drugs which threaten us all. Indeed, last year Congress and the President acted to enable the Coast Guard to assist the Navy in interdicting drug-laden ships at sea. While this innovative approach is welcome and will be helpful, it will never entirely deter or discourage the drug importers and wholesalers. To do that, direct involvement by every branch of our Armed Forces would be necessary. Now, from the perspective of one who sees the corrosion and death of our people at the hands of callous criminals driven by huge profit and the unlikelihood of detection, I have come to the conclusion that the United States Government must fashion new initiatives that will no doubt be hard medicine to some, but which offer fresh hope in the battle against drugs.

Simply put, I call upon the Congress to restructure Federal law pertaining to narcotics in four ways: first, to enact a death penalty statute for those who traffic in narcotic drugs at the wholesale level; second, to direct that Federal drug cases be prosecuted in newly-created United States Narcotics Courts, which shall hear only such matters; third, to incarcerate convicted drug offenders in specially-designated United States Narcotics Prisons; fourth, to pass a Federal money-laundering statute.

I have asked my staff to prepare position papers on each of these proposals for review by the appropriate Congressional committees. Let me now, however, touch briefly on their merit.

While all agree that capital punishment is an extraordinary remedy, we are facing an extraordinary peril: the continued erosion of American society by those who would disable us for unmasked self-enrichment. A carefully crafted death penalty law will send a clear and unmistakable message which even the strictest of our state statutes has been unable to convey: that the risk of trafficking in narcotics is not imprisonment, but death.

Second, I am convinced that drug prosecutions are so important to our people that they warrant separate courts and prisons. Leaving aside the administrative and other details inherent in this suggestion, it is vital that the drug offender know that justice will be swifter and surer with this new and exclusive processing scheme. The goal, once again, is deterrence; and the message that would emanate from the separation of drug cases and offenders from all others will indeed be a deterrence.

Finally, Federal law enforcement officials estimate that $50-75 billion in illegal drug money is realized in the United States each year and that some $5-15 billion of it probably moves into international financial channels. As the 1984 interim report of the President's Commission on Organized Crime ("The Cash Connection") observed:

"The effects of money laundering, however, are too pernicious and too widespread to justify the belief that a highly limited scheme of Federal regulation, standing alone, will suffice to deal with the problem. The complex and sometimes ingenious techniques of professional money launderers make it possible for drug traffickers and other criminals to conduct illegal activities with substanial confidence that the profits from such activities can be safeguarded from detection and seizure by law enforcement agencies."

The President's Commission recommended amendment of Title 18 of the United States Code to add a section that would explicitly prohibit money transactions by those who intend to promote unlawful activities or who know that the transaction represents proceeds from such activities. Given the scope and impact of money laundering, the absence of a Federal redress is indefensible.

In the days ahead, some will ask whether the remedy is worth the cure. In my view, there can be but one responsible and unequivocal answer: yes.

I look forward to working with the Congress on these proposals and my staff is available to address any questions you may have.

Sincerely,

EDWARD I. KOCH, *Mayor.*

MEXICO DRUG PROFITS FLOWING TO U.S.

(By Jeff Gerth)

WASHINGTON, June 2.—Mexican drug traffickers have deposited billions of dollars in United States banks and other financial institutions in recent years, a significant part of their illicit profits, according to public documents and American law enforcement officials.

Documents in one case now being tried in San Antonio show that 40 banks, ranging from tiny Texas border banks to some of the nation's largest, were used to hide profits by a Mexican ring reported to have imported some $125 million of marijuana into the United States.

Financial institutions are generally not prohibited from accepting criminal-related funds provided all large cast transactions are reported to the Federal Government.

OFFICIALS CRITICIZE BANKS

Federal law enforcement officials said few United States banks knowingly handle transactions linked to drugs or other illegal activities. But the officials criticized banks for too easily accepting what turn out to be drug related deposits.

Bankers said they had sometimes unwittingly accepted Mexican drug monies, thinking they represented capital flight from Mexico. Capital flight, which consists of funds invested abroad, is often hard to distinguish from drug funds and is actively sought by banks.

In recent days some United States law-enforcement officials have harshly criticized Mexico for not prosecuting drug traffickers vigorously enough. Drug enforcement officials here said the use of American banks by Mexican drug rings showed that stopping Mexican drug trafficking was a problem for both countries.

Leonardo French, a spokesman for the Mexican Embassy in Washington, said any solution meant attacking "all the links in this chain of criminal activity," including money laundering, drug distribution and drug consumption. Most of these, he said, "are not in Mexico."

'NOT INVESTED IN MEXICO'

Another Mexican offical, when asked what happened to profits from drug deals in his country, said: "It's not invested in Mexico. You can't see any boom anywhere as a result of drug trafficking."

Charles E. Lewis, the Justice Department prosecutor in the San Antonio case and coordinator of the Gulf Coast task force fighting drug traffic, said in an interview: "The banking industry has been getting away from the know-thy-customer rule. I don't see that rule being followed with any vigor in some of the larger investigations we've been involved in."

Bankers say that their policies prohibit acceptance of narcotics funds and that they try to screen depositors.

"If we are being used as a conduit we ask them to go elsewhere," said Jim. M. McVay, executive vice president at the First City National Bank of El Paso. He said his bank thought a $6.5 million deposit in 1984 was Mexican capital flight; court papers show it was proceeds from a Mexican drug ring.

Mr. McVay, in remarks echoed by numerous other bankers, said: "The additional regulatory requirements placed on banks to screen customers just adds to costs. Where do you draw the line and stop the banks from being the policing arm of the Government?"

MORE DILIGENCE URGED

Charles W. Blau, a Deputy Associate Attorney General, has unsuccessfully tried to get bankers to support the Administration's money-laundering bill now before Congress. The bill includes a clause calling on banks to exercise more diligence in accepting funds.

In an interview, Mr. Blau said bankers had a "duty and a responsibility to their customers and the physical well-being of the country" to exercise more diligence.

United States banks have improved their compliance with Federal laws requiring the reporting of large cash transactions, although in the past some banks have been fined for failing to report transactions involving drug monies from Mexico and elsewhere, according to Treasury officials. Most banks also cooperate with officials in investigations.

Yet Mexican drug traffickers still use American banks for several reasons, according to documents and officials. One factor is the geographical, cultural and economic ties between Mexico and the United States. Another is the tens of billions of dollars in capital flight from Mexico, in which Mexicans transfer money abroad, often in secretive ways that resemble the movement of drug money.

"When we receive money from somewhere else, we have no way of knowing whether it's legitimate or not," said Donald Shuffstall, senior vice president at Bank El Paso.

Information about the finances of Mexican drug traffic is incomplete and murky. Officials estimate that profits amount to several billion dollars annually and say much of it passes through American banks, currency exchange houses and thrift institutions. Some monies move on to banks in Panama and Switzerland while others are invested in American real estate and other assets.

In the case being tried in San Antonio, two Mexican drug dealers, Juan José Quintero-Payán and Emilio Quintero, made large cash deposits in the United States, according to the indictment. Another Mexican, Carlos Behn, a banker in Guadalajara, is alleged to have devised a scheme to launder $6.275 million from the Cayman Islands through banks in New York and Houston.

Among the banks that the indictment mentions as being used by the defendants in the scheme were Citibank in New York City and a branch of the Bank of America in San Diego.

Spokesmen for both banks said they knew nothing about the case. They said that bank policies prohibited the acceptance of illegitimate funds and that officers were encouraged to make every effort to screen customers.

$25 MILLION DEPOSITED

Court records in El Paso show that another Mexican drug ring, which was clearing $10 million to $20 million a month from heroin, cocaine and marijuana, had deposited more than $25 million in a few months in banks and financial institutions in Texas and California.

The main investment broker for this group, records show, was Mardoqueo M. Alfaro, a former banker in Guadalajara. Last year, Mr. Alfaro was indicted in Phoenix in connection with a ring that smuggled Colombian cocaine through Mexico into the United States. Prosecutors said that the ring, half of whom have already pleaded guilty, had about $200 million in revenues a year. Mr. Alfaro is a fugitive in that case.

The indictment details tens of millions of dollars in transactions, involving institutions ranging from a savings and loan in Laredo, Tex., to large banks in New York City and Geneva.

WIDE DRUG USE FOUND IN PEOPLE HELD IN CRIMES—OVER 50% IN NEW YORK AND NATION'S CAPITAL

WASHINGTON, June 3.—More than half of the men and women arrested in New York City and Washington, D.C., for serious crimes were found to be using one or more illegal drugs, a rate much higher than previously believed, according to a Justice Department study released today.

The study found that more than a quarter of those arrested in the two cities were using more than one drug close to the time of arrest.

"The researchers were amazed at the findings," said James K. Stewart, director of the National Institute of Justice, the department's principal research agency, which conducted the study. "Previous estimates of drug use among defendants were much lower."

The institute's study, based on results of urinanalysis tests given to more than 14,000 defendants, found that cocaine was the most popular drug among those arrested in

New York while phencyclidine, or PCP, was the most-used drug by those arrested in Washington.

Marijuana and alcohol were not checked in the study.

'AN ENTIRELY NEW PICTURE'

In a written statement, Mr. Stewart said that law-enforcement officials had previously believed that perhaps one-quarter to one-third of criminal defendants in the two cities would be found to be drug abusers. "Now we have an entirely new picture," he said.

In the District of Columbia, the study found, 10 percent of those tested who did not show signs of drug use nonetheless acknowledged that they did use illegal drugs at times.

Mr. Stewart said that that would mean nearly two-thirds of the people arrested in Washington were drug users, twice the number that experts had predicted before the study.

The testing was conducted on nearly 4,600 defendants in New York from April through October 1984. About 9,800 defendants have been tested in Washington since March 1984, and the program is continuing here.

In New York, defendants arrested on misdemeanor and felony charges were asked to participate in the program and guaranteed that the results would be kept confidential.

Over all, the study found that 56 percent of the men and 69 percent of the women tested in New York had used drugs. In Washington, the figure was 56 percent for both sexes.

In New York, the study said, 60 percent of the defendants in forgery cases had used drugs near the time of their arrest, 56 percent in larcenies, 41 percent in sexual assault and 30 percent in fraud.

According to the study, 41 percent of the New York defendants had been using more than one drug. The most-used drug among the New York defendants was cocaine, which was detected in 36 percent of those tested. PCP had been used by 11 percent and opiates by 9 percent.

In Washington, 28 percent of the defendants were found to be using more than one drug. PCP use was detected in 39 percent, opiates in 13 percent and cocaine in 11 percent.

□ 1745

SALT II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, 7 months ago, I stood in this Chamber and applauded as the President announced his return from Geneva. Both sides had agreed in principle, we were told, to pursue deep reductions in offensive nuclear systems.

Well, Mr. Speaker, I'm not applauding any longer. The President's decision to break out of the SALT II treaty makes a mockery of his commitment to arms control, and has pushed us to the brink of a costly and dangerous new chapter in the arms race.

Does the President really believe that removing SALT II's limits on nuclear missiles will force the Soviets to bargain more seriously for arms reductions? The lessons of history suggest not.

Does the President really believe that we can win a new arms race? The facts are that Soviet hot production facilities and idle payload capacity give them a distinct advantage in deploying new warheads, at least in the near term.

Mr. Speaker, who will benefit from billions in new expenditures for nuclear arms? Who will benefit from the sacrifice of strategic stability? Certainly not the United States, and certainly not the cause of peace.

Mr. Speaker, I urge my colleagues to join me in cosponsoring H.R. 4919, a bill to preserve the heart of SALT II through legislation. There may be no issue or legislation more important.

ORDERLY REFUGEE DEPARTURE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 5 minutes.

Mr. BILIRAKIS. Mr. Speaker, today, I introduced a resolution, along with my colleague from Ohio Congressman BOB MCEWEN, which expresses the strong support of the American Congress for the United Nations High Commissioner for Refugees Orderly Departure Program, under which 105,000 persons have safely left Vietnam since its inception in 1979.

Specifically, this concurrent resolution calls on the Socialist Republic of Vietnam to: First, immediately resume interviewing and processing applicants in Vietnam who have been given preliminary approval for resettlement in the United States under the orderly departure program; and second, permit the same and orderly departure of reeducation camp prisoners, Amerasian children and other persons of special humanitarian concern to the United States.

Senators DECONCINI and MURKOWSKI have already introduced the companion measure to this resolution, Senate Concurrent Resolution 143, and I am pleased to be joining my Senate colleagues in this effort.

Our interest in this program stems from a trip the two Senators and I and Congressman MCEWEN made to Southeast Asia in January of this year on behalf of American POW's and MIA's. While in Vietnam, staff members attached to our delegation visited the Phanat Nikhom Refugee Camp in Thailand and saw firsthand the need for this program to continue in full force.

Unfortunately, that is not the case at this moment. On January 1, 1986, the SRV suspended UNHCR interviewing and processing of applicants for departure to the United States. The breakdown in this most important program threatens to prevent long-awaited family reunions from taking place and to prolong the imprisonment of many Vietnamese who had ties with the United States or the former Government of the Republic of Vietnam.

As you may know, the orderly departure program was negotiated in 1979 in response to the flood of boat people who fled Vietnam in 1978 and 1979. Desperate to leave the country, many took to sea on unsafe vessels and lost their lives as a result of storms or pirate attacks. The orderly departure program has provided a humane and orderly process by which refugees can resettle in countries willing to accept them.

This resolution is intended to impress on the SRV the importance Congress places on continuation of this humanitarian program and the concern with which we view their suspension of refugee interviewing and processing. I urge my colleagues to join me in demonstrating your support for the orderly departure program by cosponsoring this resolution. We will be affirming that the legislative as well as the executive branch stands squarely behind this humanitarian effort.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

Mr. PEPPER. Mr. Speaker, I was unavoidably absent yesterday, Wednesday, June 4, 1986, for roll No. 142, rejecting the Brueuter amendment. That amendment endeavored to alter the UDAG formula to one based on 50-percent distress and 50-percent project merit and give more consideration to grant applications from cities or urban counties that had not received UDAG assistance on or following December 21, 1983. Had I been present, I would have voted "no."

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, I regret that I was unavoidably detained earlier today, causing me to miss rollcall vote No. 149 on the amendment offered by the gentleman from Texas [Mr. BARTLETT] to H.R. 1, the Housing Act of 1986. Had I been present I would have voted "no."

PRESIDENT'S DECISION TO ABANDON SALT II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I rise today to join with those Americans and those of our allies around the world who are condemning the President's decision to abandon SALT II later this year. This decision could have grave consequences on the course of arms negotiations. It represents a key crossroad—a choice to abandon limitations and move toward great-

er escalation. It is a particularly painful blow to those of us who have worked long and hard trying to achieve arms control negotiations between the world's superpowers.

There is no issue more central to the survival of this planet than the issue of arms control. No other single issue affects all people in all nations around the world as does the threat of nuclear annihilation. And yet, during the last 5 years, very little progress has been made in lessening the chances of a nuclear confrontation.

SALT II was, and is, the only thing standing between us and a spiralling arms race. Both nations have remained in substantial compliance with the numerical limitations imposed by the treaty for more than 7 years, even though the Senate has refused to even ratify the treaty.

President Reagan has repeatedly said that the Soviets have violated SALT II. If this is so, why has the United States not pursued the matter more aggressively with the appropriate forum established by the treaty for this purpose: The Standing Consultative Commission? We ought not abandon the treaty itself. After all, we have to ask ourselves: What is the alternative? Is it not better to have some kind of agreement that provides guidelines and benchmarks rather than none at all?

The United States cannot have it both ways—a 50-percent reduction in strategic nuclear forces and an escalation in the arms race. It does not take a genius to see the improbability of trying to reduce nuclear forces while at the same time removing the very limits that have tried to keep those forces down in the first place. It simply will not work.

Neither the American public nor the Congress will roll over and start paying for a renewed arms race. It is time to face budget realities. SALT gave us the opportunity to pursue a more reasonable defense policy within the obvious financial constraints we face. We cannot ignore these constraints and proceed headlong with a defense buildup that emphasizes quantity over quality, and overkill over efficiency. Those days are over.

Negotiations demand some degree of trust and good faith on both sides. Without that trust, no agreement will succeed. The recent incident at Chernobyl shows that the Soviet Union remains a closed society despite their agreement to onsight inspections. For our part, the United States now is willing to continue the arms race despite its commitment to arms reductions. It is time for both sides to stop playing these kinds of games and commit themselves to serious arms control negotiations.

A lack of guarantees does not mean that we should abandon all hope of negotiating these necessary agreements. After all, we have a common interest here. Neither the United States nor the Soviet Union wants to wage a nuclear war. Neither the United States nor the Soviet Union can afford an all-out arms race. We are on common ground.

I urge the President to continue to abide by SALT. The stakes are too high. In order to ensure that the United States continues to comply with SALT II, I have cosponsored H.R. 4919, which would mandate U.S. compliance with the limitations on intercontinental ballistic missiles agreed to in the treaty. I will also support efforts in the appropriations process to cut off funding for any deployment that would violate SALT II. This is a serious time. And this is a serious issue. And we cannot afford to sit idly by while 10 years of arms control negotiations are thrown out of the window.

To abandon a treaty that the American people and our allies support would be wrong. There are risks. But they are risks worth taking, especially since the alternative is an escalating arms race and possible nuclear holocaust. I urge my colleagues to support H.R. 4919.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MACKAY] is recognized for 5 minutes.

Mr. MACKAY. Mr. Speaker, it was necessary for me to be away from the Capitol. As a result I missed the following votes. Had I been able to vote, I would have voted as follows:

For the rule on H.R. 4116;

Against the DioGuardi amendment; and

For H.R. 4784 on passage.

FAST AND PRAYER VIGIL FOR SOVIET JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. MRAZEK] is recognized for 60 minutes.

GENERAL LEAVE

Mr. MRAZEK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MRAZEK. Mr. Speaker, today, in the front of the Capitol, on the same steps where Abraham Lincoln delivered two inaugural addresses, dozens of Members of the House and Senate joined together to again draw attention for the fourth consecutive year to the tragedy of hundreds of thousands of families separated by political barriers and philosophical walls of intolerance.

We came together in what was a fast and prayer vigil for many Members of Congress. It may not seem like much that a Member of Congress would forego three consecutive meals, but when you look around at some of the Members of Congress, it is pretty hard for them actually to forego three consecutive meals in a fast.

In a small way, it is a demonstration of identification with hundreds of thousands of people in the Soviet Union who are forced to live through a seemingly endless night of repression.

We make this gesture primarily to see if we, in a small way, can help to join the public outcry in the free world to end the separation of families in the Soviet Union and in other places in this world.

Dozens of Soviet emigrees whose wives and daughters and sons and parents and grandparents remain chained to a land that they wish to leave, traveled miles to join us today on the steps of the Capitol.

□ 1755

For them, the white dome of the Capitol represents the pinnacle of freedom and basic human rights to oppressed people throughout the world.

I guess it is fair to say that many of us all too often take for granted just the simple and basic freedom of finding someone to fall in love with and share a life with, and it is hard to imagine what it would be like for us to enjoy that simple freedom to know that the person we do love is separated, thousands of miles away, and in some cases, not only days or weeks or months will go by, but years and decades will go by without any chance of seeing our loved ones.

I have two children, 7 and 4, the most exquisite joy in my life is watching them grow up and sharing the love with my wife of seeing them grow up.

Today we had a gentleman named Anatoly Michelson come to speak on the east front of the Capitol, who left behind his wife and his daughter 30 years ago in the Soviet Union, expecting that they would be rejoining him in a matter of weeks. He has not seen his wife or his daughter for 30 years.

I can only begin to imagine the agony that that would cause me and my family, if we were trying to face similar circumstances.

Each Member of Congress who joined me in this special vigil for separated family members in the Soviet Union has adopted his or her own case. Though time did not allow the dozens of Members who participated to highlight the plight of his or her family, I can only hope that the few cases we heard about today will not lead anyone into thinking that the number of cases of divided families is small. Indeed, it is monumental in terms of human suffering.

It is particularly fitting that we address this issue on a day when Soviet officials announced that 200 Soviets will be allowed to join their families in the United States. One of whom, in fact, is the wife of one of my constituents, Mr. Victor Gokhban. I do not think this development should lead to any complacency on our part for hundreds of thousands of Soviet jews still left behind the Iron Curtain.

It is particularly interesting to me that on this very day we stand here, in Washington the Kirov Ballet is performing here for the first time in 22 years. The ballet company was invited to the United States in "the spirit of

Geneva" and is performing at Wolf Trap, right outside of Washington.

Yet today I stood on the Capitol steps, on behalf of a 35-year-old woman from Leningrad named Natalia Mukovozova. Until 1979, Natalia was in fact the prima ballerina of the Kirov Ballet. That is, until in 1979 when she applied to emigrate, along with her parents and brother. She is no longer the prima ballerina of the Kirov Ballet; she is no longer a professional dancer in the Soviet Union.

In fact, she holds a menial job which she must quit every 6 months in order to reapply, under Soviet rules, to emigrate from her country and to join her family in New York. She has applied 10 times and has been refused 10 times. Her husband, an engineer, is now working as a manual laborer in Leningrad.

Mr. Speaker, while I support "the spirit of Geneva" and I understand the importance of what President Reagan calls private diplomacy, I think it is critically important that we do not fail to continue to speak out on behalf of those who have no one speaking out for them in their own land, and to at least have the knowledge that those of us in the free world who represent millions of people in the free world, have not forgotten them behind the Iron Curtain.

I want to particularly thank the gentleman from Illinois [Mr. PORTER], who cochaired the fast and vigil again this year for the fourth consecutive year with me and regret that he was unable to be present this evening.

I now yield to my distinguished colleague from Maryland, the chairman of the Helsinki Commission that has the important responsibility of monitoring human rights all over the world, an ardent advocate for human rights, STENY HOYER.

Mr. HOYER. Mr. Speaker, I want to commend my colleague, Representative BOB MRAZEK, for organizing this special order in order that we could speak out on a very tragic and very human topic as he has so well described, that of divided families. I also want to commend Representative MRAZEK and my colleague and good friend, Representative JOHN PORTER, for their excellent organization of the Fourth Annual Congressional Fast and Prayer Vigil which I was privileged to participate in this afternoon.

As Representative MRAZEK has pointed out, this year's fast and prayer vigil focused on the plight of thousands of divided families of all religions whose relations have been unable to leave the Soviet Union to join their families in the West. Each of us who participated did so on behalf of all such families but represented one in particular. I represented the Goldfarb family. The Goldfarb family lives in Maryland. Elena and Boris Goldfarb met while they were students in Moscow in 1984 and married a year later. On January 3, 1986, Boris, his parents and his sister finally received their exit visas. On February 13, Boris' wife Elena applied for a exit visa for herself and the couple's child. Since that time, a short time relative to many, many other families, she has been harassed and has been threatened with eviction from her current residence.

These circumstances I have just described, unfortunately, are not atypical. Separated families represent a poignant and often tragic issue for the Commission on Security and Cooperation in Europe of which I serve as cochairman, and my respected colleague from New York, Senator AL D'AMATO, serves as chairman.

The Commission is pleased Mr. Speaker, that the Soviet Government has announced that 200 Soviet citizens will soon be allowed to join their families in the United States. The identities, in fact of the first group of 36 resolved cases—plus one divided spouse and one dual national case—were communicated to the United States delegation on May 27 during the closing hours of the Human Contacts Experts Meeting in Bern, Switzerland.

I was pleased to have the opportunity to attend that, during the last days of the conference, along with Congressman ACKERMAN and Congressman BUSTAMANTE, who is here on the floor with us this evening.

This meeting, mandated by the 1983 Madrid Review Meeting, is part of the Helsinki process. The release of 36 divided United States-Soviet families—representing a total of 119 people—in conjunction with the Bern meeting underlines the importance of the Helsinki process. We sometimes overlook the importance of the Helsinki process for the peoples of Europe. This recent positive Soviet step highlights how the Helsinki process can contribute to improving the lives of people both in the United States and the Soviet Union. This is, however, the first time Mr. Speaker, that the Soviet Government has explicitly recognized its obligation to fulfill its Helsinki human contacts pledges.

In surprisingly short order, the Soviet Government announced the resolution of still another group of United States-Soviet divided family cases. On June 3, the State Department was told that 29 other divided family cases—representing 127 people—would soon be allowed to leave the U.S.S.R. According to State Department information, "28 are from Armenia, 1 each from Belorussia and Moldavia, 2 from Georgia, 3 from Estonia, 4 from Lithuania, 9 from Russia, and 17 from Ukraine. Of that total, approximately 16 may be Jewish."

I am pleased that the Soviet Government has resolved these divided family cases, many of whom have struggled for long years to rejoin their families in the United States. I would, however, as Mr. MRAZEK has so eloquently done, I would like to take this opportunity to call attention to the plight of a group of Soviet fiancees, husbands, and wives—many with children who still remain separated from their families. Only 1 out of this group of 21 cases recently has been promised emigration permission.

As Mr. MRAZEK pointed out, the longest standing unresolved United States-Soviet separated spouse case is that of Anatoly Michelson. He has not seen his wife and daughter in 30 years. He joined us this afternoon. Also, I had the opportunity of talking to him for an hour in my office before we went to the Human Contacts Conference in Bern.

Despite continued emigration applications and continued high-level United States support for the Michelson case, the Soviet Government refuses to resolve it, even after 30 years.

Another particularly poignant case is that of the Balovlenkov family. Yuri and Elena Balovlenkov were married in late 1978.

□ 1805

Ever since then, Yuri has been trying to get out of the Soviet Union to join his wife in Baltimore, MD. He has even gone on three life-threatening fasts in a desperate effort to pressure the Soviet Government to let him live with his wife and two daughters. They have two young daughters, one of whom he has never seen.

These divided families and these kinds of cases are at the essence of what the Helsinki Final Act was all about and what the Helsinki process is all about. The Helsinki Final Act is not a treaty, and it is therefore not a document under which legal obligations have been undertaken by the signatory nations but they have assumed moral and political obligations. Under the Helsinki Final Act there would be no doubt if the Soviets would comply with the act, the Balovlenkov family would be reunited.

Then there is the sad situation of the Kupermans, who have been married since 1982. Roman Kuperman's emigration applications are turned down because his departure is deemed "undesirable." Fran, who gave birth to a daughter, Natalie, in March of this year, has been denied permission to go to Moscow so her husband can be with Natalie.

So not only will the Soviet Union not permit her husband to exit the Soviet Union, they will not permit his wife and child to enter the Soviet Union. The Soviet citizens I have just mentioned are all in Moscow.

There are, Mr. Speaker, many, many others.

The first is the Jachno family of Ukraine. Peter Jachno managed to get out of the Soviet Union during World War II; he served in the U.S. Army during the Korean war and graduated from UCLA. In 1959, he went to Ukraine to visit his sick mother. Only in 1981 did Peter manage to get out of the U.S.S.R. again. Since 1982, his wife, Lydia, and son have been trying to emigrate from the U.S.S.R. to rejoin him in the United States.

Asker Suleymani was born in Iran. In 1948, Soviet troops forcibly took him to Soviet Azerbaidzhan. He came to the United States in 1977 to visit his aged father and decided not to go back to the Soviet Union. His wife, Maya, and three children have been applying to leave the U.S.S.R. since late 1979.

Galina Vileshina was forced to divorce her husband, Petras Pakenas, so that she could emigrate in 1980. Shortly before Galina left, they remarried. Since 1980, Petras Pakenas has repeatedly been denied an exit visa. He wants to rejoin his wife in New York City.

By describing the plight of these six families, I have tried to highlight the human tragedy represented by all the unresolved United States-Soviet family reunification and divided spouses cases. I understand that 60 such cases remain on State Department lists of unresolved cases. I appreciate the recent positive initiative undertaken by the Kremlin in resolving 65 cases, involving 244 individuals. In fact, these resolutions represent the largest number of United States-Soviet cases resolved at one time during the 30 years the State Department has maintained such lists.

Nevertheless, Mr. Speaker, today's fast and vigil, focused on the steps of the Capitol today, and led by BOB MRAZEK and JOHN PORTER, was undertaken to again emphasize that although some action has been taken, enough action will not have been taken until all the cases are resolved, until all families are accorded that basic right of which BOB MRAZEK spoke, to be with their husbands, to be with their wives, to be with their children and relatives, where they choose to be.

What must a nation fear if it accords its own citizens the right to live where they want, with whom they want? Those obligations have been undertaken by almost all the civilized world and are in writing in the Helsinki Final Act, politically undertaken to be observed by the Soviet Union and 34 other signatory nations. Lamentably, Mr. Speaker, that is not being done. And until such time as it is, those of us who have the privilege of living in freedom, those of us who have the privilege of exercising the most basic human rights to be with our families, must not be silent and must not forget.

Again I congratulate Mr. MRAZEK and Mr. PORTER for their leadership in this effort and for their continuing to remind us of the pain that exists because some nations do not follow that which they have said they would do for their citizens and for the citizens of the world.

Mr. MRAZEK. Mr. Speaker, I would like to express my appreciation to Congressman HOYER for a deeply moving and powerful statement on the subject in which he now, as chairman of the Helsinki Commission, commits a great deal of his time and energy to attempting to resolve, and at times it can be terribly frustrating. I applaud him for the tremendous commitment and dedication he has shown to that effort.

Mr. Speaker, I would now take the privilege of calling on my distinguished colleague, the dean of the Long Island delegation, a man who has been to the Soviet Union on several occasions on behalf of prisoners of conscience, confined behind the Iron Curtain, someone who has worked long and hard in the interest of human rights, Congressman NORMAN LENT of New York.

Mr. LENT. I thank the gentleman for yielding.

Mr. Speaker, I am very proud to have this opportunity to join my colleagues in the fourth annual congressional fast and prayer vigil. I want to commend the gentleman from New York [Mr. MRAZEK], the gentleman from Maryland [Mr. HOYER], as well as the gentleman from Illinois [Mr. PORTER], and all of those who have participated in this demonstration of public support for the cause of Soviet Jewry.

Mr. Speaker, this year's vigil focuses on the very tragic problem of divided families. The reunification of divided families has been a priority issue for the U.S. Government throughout decades of negotiations with the Soviet Union. This issue is a stated priority under the Helsinki accord agreements on human rights, which has been signed by both nations.

Finally, after many years, these dedicated and persistent efforts appear to be showing modest results. Last month, at the conclusion of the Bern Conference on Human Rights, the Soviet Government made the welcome announcement that over 200 Soviet citizens will be allowed to emigrate and be reunited with their spouses or families in the United States. This action represents the largest single resolution of human rights cases since the United States began pressing for family reunification in the midfifties.

The U.S. Government, Congress, and the American people welcome this development as a positive step toward improving relations between our two nations. Furthermore, this act represents progress in resolving other humanitarian cases and the larger question of emigration.

Today, we celebrate the joyous news that these brave individuals will be reunited with their loved ones after many years of waiting. This is only partial performance of Soviet obligations under the Helsinki accords. Full compliance is required! Sadly, there are tens of thousands of cases which remain unresolved. Our purpose here today is to plead the cases of all those who still wait behind the Iron Curtain.

I am participating on behalf of my own adopted prisoner of conscience, Ida Nudel. This brave woman has been waiting over 13 years for an exit visa. Alone and in desperate need of medical attention, Ida desperately wishes to be reunited with her only living relative, her sister, Elena Fridman of Israel, who was present and participated today on the Capitol steps.

After serving 4 years in a Siberian labor camp, Ida now lives in virtual exile in the small Moldavian town of Bendery and is forbidden from traveling to receive medical treatment for a serious heart ailment. She is not permitted to receive mail, and her communication with the outside world is severely restricted. Ida believes her continued refusal is nothing but KGB vindictiveness and even now here every move is followed by the KGB secret police.

Despite almost unbearable oppression and harassment, Ida refuses to give up hope. Known as the Guardian Angel of Prisoners of Conscience, she works tirelessly to obtain food, clothing, and other valuables for Soviet Jews serving sentences in Soviet prison and labor camps. She bravely refuses to capitulate to Soviet demands and persistently challenges the authorities to grant her a visa.

I am also participating in today's vigil on behalf of Vladimir and Efim, the twin sons of Riva Feldman who recently received permission to emigrate and is now living in Queens, NY. Riva's presence at today's rally is a personal and desperate plea that her sons be granted visas. They first applied for visas in 1970. Ten years later, Riva was granted permission, but she was forced to leave her sons behind. The Feldman family has suffered many years of hardship and heartbreak throughout this ordeal. We will continue to fight until they, too, are reunited and a family once again.

Our prayers and the public display of solidarity demonstrated here today will remind Ida Nudel, Vladimir and Efin Feldman, and thousands of other persecuted Soviet Jews that they are not alone in their struggle. We in the U.S. Congress are committed to aiding their cause, and we will keep up the pressure for progress on human rights issues. Moreover, our Government will

continue to make reunification of families a priority in any negotiations with the Soviet Government.

United together, our voices send a clear and unmistakable message to be heard around the world: We will keep on fighting until the dream of freedom comes true for all who seek it. Thank you.

Mr. MRAZEK. I thank my colleague from New York for that strong and powerful statement on behalf of those who participated with us today in this fast and vigil and whose agony will hopefully be ended much sooner as a direct result of the efforts of the gentleman from New York and so many others.

Mr. Speaker, I now would like to call on my distinguished colleague from Texas, Representative ALBERT BUSTAMANTE, who in just one term here in Congress has already established himself as a very forceful advocate on behalf of human rights.

Mr. BUSTAMANTE. Mr. Speaker, I want to thank my colleague from New York, Mr. Mrazek, for organizing the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry. I particularly appreciate this opportunity to highlight the problem of divided families in the Soviet Union.

Last week, I returned from Bern, Switzerland, where as member of the Helsinki Commission delegation I pressed human rights issues with Soviet and East block officials. The delegation let the Communist countries know that respect for human rights is absolutely necessary to create trust between nations. Without such trust, we cannot proceed with our important efforts to lessen international hostility.

While the Bern experts meeting on human contacts ended without agreement due to Soviet consistent violations of Helsinki human rights provisions, the Soviets announced that they would resolve about 70 divided family cases. Although the Soviet move is encouraging, their human rights record has not changed. The Soviet move itself serves to underline their cynical attitude toward human rights. The Soviets use their people as pawns to be exchanged for international public relations points.

Mr. Speaker, I personally know the toll of the cruel Soviet policy of using people as pawns. Of separating families and abusing the rights of their citizens so that when they momentarily let up, it is viewed as a magnanimous act. Two sets of parents in my district are subject to the Soviet manipulation of their lives. They are suffering the agony and pain of the Soviet imposed separation from their children in the Soviet Union.

At this time, Mr. Speaker, I want to bring attention to the cases of these two families. In 1979 Valentin and Clara Litvin came to this country. However, their daughter Irene Ghinis, her husband Boris and their children were not allowed to join them. The Ghinis family applied to emigrate from the Soviet Union for the first time on June 1978. They were refused permission for "security reasons." Since 1979 the Ghinises have tried to learn and maintain their Jewish traditions and have studied Hebrew. In 1980 Irene and Boris became directors of the unofficial Jewish kindergarten for refuseniks' children in Moscow. After constant harassment by the KGB the kindergarten was closed in 1982.

In 1978, Lev and Lilia Baytler emigrated from the Soviet Union. However their son Ilya from Leningrad and his family were not allowed to leave for "security reasons." In 1977 he quit his job and has been working since at a job which is not security related. He has been applying every half a year and every time his requests have been denied. Since applying to emigrate, these families have suffered personal and financial hardships over and above the pain of separation they are forced to endure.

Mr. Speaker, I hope this Congressional Fast and Prayer Vigil for Soviet Jewry highlighting the plight of Soviet divided families will reinvigorate our efforts on behalf of Soviet Jewry. Our examination of the plight of divided families sheds light into the Soviet human rights policy which manipulates these families and 400,000 refuseniks as pawns in the give and take of East-West relations.

□ 1820

Mr. MRAZEK. I thank the gentleman from Texas [Mr. BUSTAMANTE].

Mr. Speaker, I yield to the gentleman from Florida [Mr. BILIRAKIS], a gentleman who also has an extraordinary record on behalf of human rights.

Mr. BILIRAKIS. Mr. Speaker, today's Fast and Prayer Vigil on Behalf of Soviet Jewry is an important annual event for a number of reasons.

First and foremost, of course, we hope that by our fasting and prayers and remarks, we can encourage real progress for Soviet Jews waiting to emigrate. Our actions should impress on the Soviets the strength of our resolve to work for the freedom of Soviet Jewry and those of other faiths who wish to emigrate. The American people are committed to this effort. The Congress is committed to this effort. The administration is committed to this effort. We want the Soviets to know that this is an issue that will not go away until they recognize the basic human rights of Soviet Jews.

It is also important for Soviet Jews to know that free people around the world are aware of their plight and are speaking out on their behalf. We cannot let them think they are forgotten, and that is another reason why this annual fast and prayer vigil is so significant.

Third, this event serves an important purpose in galvanizing congressional support for Soviet Jewry. It is an opportunity to revitalize our commitment to helping the oppressed, a chance to reflect on what we have done and on what we need to do to promote Soviet cooperation on human rights issues.

This year, the focus of the fast and prayer vigil is on divided families, those individuals who are separated from a husband, wife, mother, father, brother, sister, son, or daughter living here in the United States or elsewhere in the West.

Recently, the Soviet Union announced that it intends to resolve 36 of these cases, involving 117 individuals. Certainly, this is good news.

However, there are thousands of other families who remain separated, and we must not let this window of opportunity close without pressing for a broad policy of family reunification in the Soviet Union.

One family for whom such a policy would mean an end to 30 years of separation is the family of Anatoly Michelson. Anatoly, who spoke today on the Capitol steps, has not seen his wife, Galina, or his daughter, Olga, for 30 years. Thirty years. It just is unfathomable that a husband and wife, a father and daughter would be denied a life together for so very long. I met and spoke with Galina in the Soviet Union last year—she is an attractive, courageous lady—but fast losing faith.

The Michelsons' long to throw off the distinction of being the longest standing unresolved family reunification case between the United States and the U.S.S.R. and to begin such a life together.

Since 1958, Anatoly has gone through the laborious procedures required by the Soviet Union to invite his wife and daughter to emigrate. In Moscow, Galina, who is now 65 and legally blind, Olga, Olga's husband and her son, submit emigration documents twice a year. Thus far, all their efforts have been in vain.

For the sake of the Michelsons and so many other families, I call on the Soviet Union to adopt a policy of free emigration for those who wish to join their families outside the U.S.S.R.

Such an act would be consistent with the commitments they made as signatories of the Helsinki Final Act and would demonstrate that there is common ground on which to build a more positive relationship between the United States and the Soviet Union. As we look forward to a second summit between our two countries, it is vital that the issue of divided families be on the agenda. Our efforts between now and then can make a differ-

ence in the attitude, and hopefully the actions, of the Soviet Union.

Thank you, Mr. Speaker, and I, too, thank Mr. MRAZEK for leading this special order.

Mr. MRAZEK. Mr. Speaker, I thank the gentleman from Florida [Mr. BILIRAKIS].

Mr. Speaker, I would conclude this special order by particularly thanking a number of Members of Congress who were very helpful in organizing this year's vigil, and particularly Senator PAUL SIMON, who was very active in efforts to reunite divided spouses; again Representative JOHN PORTER of Illinois; Senator RUDY BOSCHWITZ of Minnesota; Representative TOM LANTOS of California; and Representative JACK KEMP of New York, a member of the Helsinki Commission.

I will recognize that human rights abuses are not confined to the borders of the Soviet Union. They take place in so many different countries in this world, on virtually every continent.

It is important that we, as the greatest and most powerful democracy that has ever existed on the face of this planet Earth, use a portion of the power that we have at our disposal to try to bring about a world in which people will be able to enjoy the fundamental human freedom of living where they wish on this planet.

I believe personally in the power of prayer, and part of this vigil was devoted to those of us who do, in fact, share that belief. Those of us who are Christians, those who are Jews in this House of Representatives and over in the U.S. Senate, Republicans and Democrats alike, have joined together for hopefully what will be the last fast and vigil that will be necessary for those behind the Iron Curtain. If in fact that is not the case, then we will be back again next year and, hopefully, for as many years as it takes to accomplish the very important goal of seeing families reunited where they choose to live in this world.

Mr. Speaker, I understand there is one final speaker who wishes to participate in this special order, my distinguished colleague, the gentleman from Ohio [Mr. LUKEN].

Mr. LUKEN. Mr. Speaker, I am pleased to participate with the distinguished gentleman from New York in this special order on the plight of divided families in the Soviet Union which is part of the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry.

Like many other Members of Congress I am convinced that this type of vigilance and pressure are necessary and help to focus world public opinion on the Soviet Government and may cause them to live up to the human rights agreements they signed at Helsinki in 1975. Then the Soviet Union pledged to respect human rights including the right of citizens to emigrate freely and to pursue family reunification.

Since then however the Soviet Union's record on emigration and reunification has been dismal. Hundreds of thousands of Soviet citizens have expressed a desire to emigrate but only a handful have been allowed to leave the Soviet Union for a better life.

Earlier this year I traveled to the Soviet Union and visited with refusniks and their families and Soviet Government officials in Moscow and Leningrad. The situation was bleak but not without hope for all those I visited, yet none are included on the lists of those invited to apply for emigration visas by the Soviet Government.

When I was meeting and visiting with the refuseniks and their families I carefully tried to find out information about Alexander Kushnir, the brother of one of my constituents in Cincinnati.

Alexander Kushnir's case is indeed sad but it is a typical example of the divided family. Both of his parents and his sister have been allowed to emigrate. Yet he has been refused this right on the basis that he has been in the military and is said to know state secrets.

His family reports however that Alexander Kushnir's only employment was in a bakery!

Religiously, every 6 months for the past 8 years, Alexander Kushnir has applied for an exit visa to Israel. Supposedly it is easier to emigrate there than to the United States however he has been turned down repeatedly and subsequently fired from the job he then holds for the "traitorous" act of applying for a visa.

The case of the divided Kushnir family is indeed sad and I am grateful to Congressman MRAZEK for holding this special order so that I can help focus public awareness on the plight of Alexander Kushnir whose only crime is to want to rejoin his family.

□ 1830

Mr. MRAZEK. I want to thank the gentleman from Ohio for a deeply moving, powerful statement on behalf of another heroic family in the Soviet Union. I think, in many respects, they redefine courage almost every day, because year after year they must live with a state which obviously views them as traitors for simply wanting to live somewhere else. Again, I want to thank the gentleman very much.

It is extraordinary that these are people who continue to fight to leave their nation when they fully recognize that they are going to be perhaps commissioned to a mental hospital and injected with drugs of unknown origin and punished in as many different ways as a state can find to punish people who they simply cannot understand would want to leave a nation where there is simply too little freedom.

I would now have the pleasure of calling upon my colleague, the gentleman from California [Mr. DORNAN], who has been involved in human rights issues not only in the Soviet Union but in many different parts of this globe which are wracked by similar tragedies.

Mr. DORNAN of California. I thank the distinguished gentleman from New York and my friend. I think again that the impact we have here may seem small at the time, but when a miracle happens and a hero like Natan Shcharansky is released, we find out how occasionally one of our speeches here or one of our special orders, or this beautiful ceremony on the steps of the Capitol today, will filter its way, even in truncated form, into the Soviet press and that it appears maybe as sanitation paper, throwaway paper in one of the prisons, and one of the people, even in solitary confinement, can take one of these shreds of paper and, if luck is with him, match it up with something else, and with their uncanny ability to read between the lines will see, to use Natan Shcharansky's own words, that they are not forgotten.

The adopted Jewish dissident for my family is Yuri Federov. He was released from prison last year, but his sentencing since his early youth has been the terrible suppression of that freedom that just burns fiercely in the breast of some people no matter what country they are in, and I would like to just read briefly, as I did years ago when he was still in prison, not just under city arrest, the story of Yuri Federov. Very briefly:

Yuri was born on what is U.S. Flag Day here, June 14, 1943, in Moscow. As a young man he had what the authorities called an anti-Soviet personality.

In the early 1960's, at the age of 20, Federov was brought up on charges of anti-Soviet activities, that vague catch-all charge that they use to suppress that fierce love for freedom. He was sentenced to 5 years' imprisonment. The year was 1962.

In a prison camp in Mordovia, he met both Eduard Kuznetsov and Alexsei Murzhenko. They all became fast friends.

Following his release from prison, Federov returned home, convinced that probably anti-Soviet activity was absolutely futile. He made up his mind not to involve himself any further. But the KGB relentlessly hounded him, followed him everywhere. Finally he decided that he must escape the persecution, that he must leave the Soviet Union.

At that time Federov happened to meet again his old friend Kuznetsov,

who told him about a plan to obtain a plane and to simply fly over the very prison walls that the country's boundary had become. Federov pleaded to join them, and later Murzhenko was asked to join them. The plan never saw reality. Nine Jews and two non-Jewish dissidents, Murzhenko and Federov, were arrested at Smolny Airport, an airfield near Leningrad, on June 15, 1970.

During the infamous Leningrad trials, Federov stood courageously by his nine Jewish friends. He made a personal plea to the court for mercy for Jewish defendants Edward Kuznetsov and Mark Dymshitz. At the conclusion of those infamous Leningrad trials, Federov was sentenced to 15 years imprisonment. Keep in mind, he had already served 5. He was charged with treason and misappropriation of state property. He was sent to the strict regime camps of Perm, in the Ural Mountains. Federov was denied medical treatment, denied visits from his young wife, denied mail delivery. By 1980 his kidney condition had deteriorated and he was crippled from a calcium deficiency. These are the things we see destroy someone's health when they live in these gulag concentration camps for long periods of time, and even when they are released to that limited freedom within the Soviet Union, they probably have already lost 10, 15, or 20 years at the end of their lives. His eyesight had diminished, he was nearly blind. In fact, his health was so poor that his family reported to us in one letter to the United States that he was "nothing more than a vegetable" after the last visit when they had seen him.

We appealed for his release over and over again. Who can understand the valleys and the peaks of why the authorities that exist in the Kremlin will show what might otherwise be thought of as an act of mercy? They did release Yuri Federov on June 15, 1985. He had served his 15-year prison sentence, again added to the 5 in his early twenties.

The authorities, however, have not allowed him to return to Moscow. He is living in exile in Alexandrov. Those who have seen him say that he looks older than his mother. According to some sources—and this was reported last summer—his mother had a heart attack. She is also in a hospital in Alexandrov.

My wife writes to Yuri monthly at his address, and we have never received a response: Yuri Federov, U.S.S.R., Vladimirskaya Oblast, Alexandrov, Spartaskovskaya Ul. 56. I hope that anybody who is watching tonight will please also write to Yuri. The mail comes through in irregular schedules. You may get one letter out of hundreds written to you. He has never applied for an exit visa to emigrate to Israel. Again, his arrests go all the way back to 1970. It has been a rough short life for Yuri. It is with great pride that I step forward to speak out for him and pray for another miracle like that of Anatoly, now Natan, Shcharansky, and hope that some day I will have the honor of taking him around the Halls of this great U.S. Capitol in this beautiful free country and hear the testimony of his courage.

I again thank the gentleman for his contribution to that beautiful ceremony today which he so ably narrated and quarterbacked on the steps of the Capitol.

Mr. MRAZEK. I thank my friend from California for a deeply moving and tragic summation of a life behind the headlines. I guess all too often we pick up the morning paper and while we are sipping our coffee we read about a situation involving hundreds of thousands of people who simply have a basic wish to live in a different country with greater freedom. And it all depends on your perspective. If you are going off to work or kissing your children goodbye as they go to school and going on to the fulfillment of the American dream, with all of the freedoms we have, to pursue the career of our choice and so many other freedoms we too often take for granted, it is one thing. If you are there in the Soviet Union, living with it day after day after day, year after year, it is impossible to gauge the enormity of the tragedies being perpetrated on so many innocent lives.

Mr. DORNAN of California. If the gentleman will yield for 1 minute, when people write to the Union of Councils for Soviet Jews, they should be aware that there are heroes like this in the Soviet Union who, though not Jewish themselves, like Yuri Federov, have become as brothers with the Soviet Jews who are suffering so badly. So the Union of Councils for Soviet Jews will adopt these people also, as though they were Jewish dissidents, because this is one cause, one brotherhood and one sisterhood, and they are returning the deep friendship that he showed when he spoke out for his Jewish brothers as a non-Jew, that they have adopted him as a virtual blood brother to always speak out for Yuri, along with people of their own heritage, and I think that is wonderful.

Mr. MRAZEK. I agree with the gentleman.

Mr. Speaker, I would conclude my own statement by offering special praise to a woman who symbolizes the fight for freedom for Soviet Jews, who is the former president of the Union of Councils and now the executive director of the Long Island Committee for Soviet Jewry, a remarkable woman named Lynn Singer, who has been to the Soviet Union countless times now on behalf of prisoners of conscience and who has carried on this fight through so many frustrations and who I was so overjoyed to see embracing Anatoly Shcharansky, who she worked so hard for so many years to help free.

Mr. MACK. Mr. Speaker, earlier today I took part in a moving event on the Capitol steps which commemorated the struggle of Soviet citizens of all religions and walks of life that have one common bond. They are all members of that unfortunate group of Soviet citizens who have not been allowed by the Soviet authorities to join other family members in the West. These divided spouses and divided families are a living testament to one of the most cruel manifestations of the Soviet system. It is extremely difficult for us in the United States to understand the motivation for keeping families apart—refusing to allow husbands and wives to be together, preventing brothers and sisters from seeing one another, keeping children from enjoying the company of their parents.

America's concern for these basic human rights—the right to travel freely, to emigrate, to be with one's family—was one of the major motivations for the extensive negotiations that led to the signing of an agreement between the Soviet Union and the United States: The Helsinki Final Act, which committed the signatories to allow free emigration of their people to other nations.

Since the signing of the Helsinki Final Act in 1975, a major issue of contention between our two nations has been the implementation of the emigration requirements. Unfortunately, Soviet compliance with the Helsinki agreement has been dismal. Soviet citizens organized to monitor compliance with the agreement have been jailed, the granting of visas to those wishing to leave on religious grounds, including thousands of Jews, has slowed to a trickle, and the release of divided family members has been sporadic and miniscule in number.

A particular compelling divided family case is that of Anatoly Michelson and his family. Mr. Michelson, a semiretired engineer who currently lives in Sarasota, FL, was born in the Soviet Union in 1918, and graduated with an engineering degree from the Moscow Institute in 1940. That same year he married his wife, Galina, who was also a student at the institute. In 1948 their daughter Olga was born. Since graduation until the present time, Mr. Michelson has worked as an engineer, designing heavy production machinery. In 1956, he was a director of the Central Engineering Bureau for Foundry Equipment in Moscow.

At that time, the family applied for approval of a vacation trip to Europe. After waiting several months, only Mr. Michelson received approval. In June of 1956 Mr. Michelson left the Soviet Union for Vienna, Austria, where he applied for and was granted political asylum. Since that time, he and his family have tirelessly petitioned the Soviets for exit visas to allow Galina and Olga Michelson, as well as his grandson, Anatoly, born in 1979, to emigrate and reunite the family.

Since leaving for the West, Mr. Michelson has prospered in his chosen profession, working for chemical and engineering firms in West Germany, Pennsylvania, and Ohio. His employers have acknowledged his creativity, pro-

ductivity, and personal integrity. Mr. Michelson is the holder of at least 25 U.S. patents, and is the author of many articles in scholarly engineering journals. In short, he has been the kind of productive citizen that thrives on the exercise of one's abilities and talents in an environment of freedom. In 1969, the American people were proud to extend the merits of citizenship to Anatoly Michelson.

Since leaving the Soviet Union 30 years ago, literally hundreds of inquiries have been made to the Soviet authorities by himself and his family, German officials, U.S. Senators and Congressmen, the State Department, the U.S. Embassy in Moscow, the U.N. Commission on Refugees, U.N. Commission on Human Rights, the U.S. Commission on Security and Cooperation in Europe, and many private groups and individuals citizens. All of these petitions have been rebuffed.

Mr. Michelson is 67 years old and suffers from heart disease and diabetes. His wife, Galina, is 65 years old and legally blind by American standards. Mr. Michelson has not seen his daughter since she was 7 years old, and has never seen his grandson. Again, one must ask, What can be the motivation for such a heartless policy?

America cannot sit back and rest while the Soviet strongmen continue to abuse the basic human rights of their people and the families of American citizens. If the Soviets are serious about the promises they made President Reagan at Geneva, they they must expand upon the releases they have made to date and allow full emigration privileges for their people. I urge General Secretary Gorbachev to listen to the pleas of the Michelson family, if not in the interest of world peace and international cooperation, then out of a sense of compassion. I stand with the Michelson family and will not give up the fight until they are reunited.

Mr. DONNELLY. Mr. Speaker, last year I took the opportunity presented by the 1985 Congressional Vigil for Soviet Jewry to call my colleagues' attention to the nightmarish plight of the Soviet refusenik family of Alexander, Leah, and Faina Maryasin of the city of Riga. The Maryasins have been separated from their daughter Rita since she was allowed to emigrate to Israel in 1972. Since 1974, Alexander, Leah, and Faina have tried in vain to gain exit visas so they could be reunited as a family in Israel. The three family members still within the Soviet Union have been subjected to every imaginable harassment and persecution tactic by the state. Their existence is a difficult and harrowing ordeal. They do not deserve to be treated as criminals for wanting to live free outside the Soviet Union. They should have been afforded the basic human right of emigration and family reunification years ago. The Maryasins are a living example of the deprivation of internationally recognized human rights by the Soviet Government. There are many Soviet Jews in similarly tragic situations. Alexander and Polina Paritsky have just recently received another devastating refusal to their request for permission to obtain exit visas. Alexander endured debilitating solitary confinement as a prisoner of conscience so savage that it is difficult to understand how he survived. We must continue our efforts to gain freedom and justice for these embattled families. Their incredible bravery and immense suffering demands no less.

If the Soviets earnestly want to decrease world tensions and gain respect in the international community, they should realize that persecution of Soviet Jews and other dissidents must end. Nothing can be gained by imposing inhumane restrictions on the right to emigration, and on the right of its citizens to observe and practice their religion and culture.

The Maryasins, the Paritskys, Ida Nudel, and all the refuseniks in the Soviet Union know that we in the West have not forgotten them. We in Congress will not rest in our collective effort to gain their release. They have our commitment. We will not relent.

Mr. KOLBE. Mr. Speaker, I appreciate the opportunity to speak today on the plight of divided families in the Soviet Union and Soviet refuseniks. This is an important and timely issue, and I am glad Members of this body continue to show resolve in our desire for the Soviet Union to release the refuseniks as soon as possible. I think the recent announcement that the Soviets will resolve 36 cases of divided families is a sign that our commitment is not fruitless.

I personally am especially concerned about Veniamin Bogomolny and his wife Tatiana, refuseniks who have relatives here in the United States. Veniamin has the dubious distinction of being the longest waiting Soviet refusenik, according to the "Guinness Book of World Records." He has been trying to emigrate from the U.S.S.R. for almost two decades now.

in 1970, Veniamin was issued a draft notice and inducted into the Army, while his parents and three sisters were allowed to emigrate to Israel. After his discharge, Veniamin again applied unsuccessfully for an exit visa in 1972, and his subsequent efforts to leave the Soviet Union have been futile.

Veniamin and his wife Tatiana have been harassed continuously in the Soviet Union. Their apartment has been ransacked and their personal property vandalized and destroyed. Also, Veniamin's life has been threatened repeatedly and, occasionally, the Bogolmonys' telephone has been disconnected.

Tatiana's life is also threatened, but by a different brutal force. She has been diagnosed as having cancer and her health is declining. Tatiana and subsequently Veniamin have been invited to apply for exit visas, due perhaps because of her physical condition. However, as the Bogomolnys are not among the 117 refuseniks allowed to leave the Soviet Union, an invitation to apply is clearly not a ticket to freedom.

I can only imagine how the relatives of the Bogolmony couple who are free feel about this tragic situation. A despotic regime is detaining their child or their sibling or their cousin, in part at least because Veniamin believes in a higher authority. Veniamin believes in a being which is supreme to the Communist state—surely, these free relatives must be praying to that same being to assure the safety and someday the liberty of Veniamin and Tatiana.

The free relatives of the Bogolmonys must also be despairing over Tatiana's declining health. It must be very painful not being able to monitor the physical condition of a family member who is suffering from cancer.

Mr. Speaker, I commend the Members present today for their determination to see more Soviet refuseniks emigrate to freedom to join their families. I hope as a body we will continue to indicate our resolve on this issue, and I look forward to participating in events to help the refuseniks in the future.

Mr. WORTLEY. Mr. Speaker, the case of refusenik Zinovi Ostrovsky is both a striking and far too common example of the Soviet Union's refusal to respect its citizens' right to emigrate, a right that it subscribed to when it signed the Helsinki accords.

Zinovi is an engineer by profession. He is now working as a kitchen helper in a restaurant. Zinovi was fired from his engineering job in 1976 after his older sister applied for an emigration visa to Israel in 1976. This is an example of Soviet officials punishing family members of those who exercise their right to emigrate.

In the spring of 1979, Zinovi applied for an exit visa. He was last refused in 1984 because "his emigration is not in the interest of the state."

How can the emigration of a kitchen worker not be in the interest of the state? He has not worked as an engineer for 10 years!

Zinovi seeks to emigrate along with his wife and child. Except for a son by a previous marriage who does not live with him, these are his only close relatives remaining in the Soviet Union. His elderly father and one sister live in Israel. The other sister, Irene Grottel, lives in Brooklyn.

Zinovi desparately wishes to see his father before it is too late.

I assume that Soviet officials monitor these vigil speeches, so I want to take this opportunity to urge them to do the humane thing. Allow Zinovi Ostrovsky and his wife and child to emigrate. Allow Zinovi to see his father before he dies. Allow this family to be reunified.

Mr. PORTER. Mr. Speaker, I would like to commend my colleague from New York [Mr. MRAZEK], who is one of the strongest advocates in Congress in support of human rights and in defense of Soviet Jews. He is the key sponsor of the Fourth Annual Congressional Fast and Prayer Vigil that we celebrated today.

Today marks the Fourth Annual Fast and Prayer Vigil that the gentleman has sponsored. The vigil addresses the needs of people who are victims of an oppressive Soviet society and who are denied their fundamental human rights. Under the leadership of the gentleman from New York, today, many Members of the Congress committed to individuals who are separated from their loved ones by restrictive laws and policies.

The Soviet Union recently informed the United States Government that it intends to resolve separated family cases involving close to 200 individuals. According to the State Department, the Soviet action was the largest one-time response to three decades of American pressure to reunite separated families. Yet, despite these results, thousands of cases remain unresolved and family members yearn to be with their loved ones. Continued pres-

sure is needed to reunite parents and children, sisters and brothers, and husbands and wives.

Today, we are fasting on behalf of the brave individuals in the Soviet Union, victims of a system that is unwilling to act reasonably.

As part of the Vigil, I fast on behalf of Tamara Tretyekova and her son, Mark Levin, age 8, of Moscow, who are separated from their husband and father Simon Levin of Deerfield, IL. The Levin family exemplifies strength and determination that will continue to be unyielding until the day the family is reunited. They are being punished for asserting their fundamental freedom to live together, as a family, in the land of their choice.

This case touches me very deeply. I do not understand the logic of a government that can refuse to allow a husband to be with his wife, or the rationality of a government that denies a father the right to see a son who he has never seen.

When I met recently with a respresentative of the Soviet Government and discussed the case of Tamara Tretyekova and Mark, I was surprised by the actions of the official. Instead of responding to my questions with accusations of American human rights abuses, he actually listened and talked civilly without retorting with the same defensive line, which is the usual Soviet custom.

Today, we prayed and fasted and hoped that the Soviet Union will begin to live up to its international human rights commitments and that the persecution and harassment of Soviet Jews will end.

The Soviets are sending small signs that progress may be made on human rights as indicated by the release of Anatoly "Natan" Shcharansky, Yelena Bonner's travel to the West and the movement to reunite the divided family cases.

Nevertheless, the Soviet record on human rights still has far to go. Emigration continues at a trickle. Only 72 Jews were permitted to leave in April making the emigration total 272 Jews for the first third of 1986. At this rate the total for 1986 would be 846, well below last year's total of 1,140, a dismal amount as compared to the peak year of 1979 when over 51,000 Jews were able to emigrate.

We must stress to the Soviets that we will not be satisfied with sporadic humanitarian gestures. We want to see constant improvements and it is time that they recognize the high priority that the United States places on human rights.

Whether it is trade or arms control or science and technology that our negotiators have with the Soviet Union, I believe that we must make it clear that emigration and human rights are not only going to be somewhere on the agenda, but that they will be part of all negotiations.

Mr. Speaker, hopes and prayers and fasting on behalf of Soviet Jewry demonstrates our solidarity with these divided families But, we must do more.

We must continue to press the Soviets until we see substantive changes in their practices. Our voices will not be silent until the persecuted individuals in the Soviet Union are allowed to live freely with their loved ones in the land of their choice.

Mr. ATKINS. Mr. Speaker, today I gathered with a number of my colleagues to participate in the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry. The focus of this year's event is the plight of divided families, those who have been involuntarily separated from their relatives in the West. These families have been denied the freedom to join their relatives because in the eyes of the Soviet government they are criminals, hence without the right to emigrate. These people have not been accused of being criminals because they have committed heinous crimes against humanity, but rather because they have attempted to be part of humanity and exercise their freedoms of religion and speech.

I have the privilege to represent the Yakir family during this vigil. Since the days of the Stalin regime, this family has been the target of continued harassment and persecution.

Alexander Yakir and his parents Yevgeny and Rimma first applied to emigrate to Israel in October 1973. They were, and continue to be, denied visas because Soviet officials believe that Rimma, a computer engineer, possesses state secrets. On June 18, 1984, Alexander was arrested and charged with draft evasion. He is currently serving a two year sentence in the same labor camp in which his grandmother Klara spent 19 years during the Stalin regime. Alexander is scheduled to be released later this month.

According to reports from the State Department, the Soviet Union has recently allowed 244 individuals to join their families in the United States. This action represents the largest number of cases resolved at one time by the Soviet Union.

This release of 244 individuals is encouraging, and provides a glimmer of hope for the thousands of Soviet citizens still wishing to emigrate. We must continue to speak out on behalf of those who remain in the Soviet Union for our efforts may someday allow their desire to leave to become a reality. Therefore, we must not be satisfied with such small, symbolic gestures by the Soviet Union, but we must hold our applause until the Yakirs and all prisoners of conscience are given the right to emigrate and be reunited with their friends and relatives.

Mr. SEIBERLING. Mr. Speaker, the Soviet Union has informed the United States that it intends to move forward on resolving 36 separated family cases involving some 117 individuals. This is the largest Soviet response to nearly 30 years of pressure by the United States to end what may well be the cruelest of obstacles to free emigration thrown up by the Soviets: the deliberate enforced separation of American citizens from their Soviet spouses.

The decision by the Soviets to finally permit the emigration of these separated spouses is welcome news. When I last traveled to the Soviet Union on Interior Committee business, our congressional delegation raised the issue of separated spouses with Soviet officials. I got the impression that the Soviets were in fact willing to move to resolve these cases, and I am glad that they have now done so.

Sadly, however welcome this news may be, the reality is that life is still very difficult for the tens of thousands of individuals who still seek permission to emigrate from the Soviet Union to the United States, Israel, or anywhere else in the Western World. Indeed, Jewish emigration in particular has slowed to a trickle over the past few years. One can only hope that the latest Soviet action is an indication of better things to come for all those who seek to leave that country. In the meantime, we must continue efforts to mobilize public opinion in this country and around the world to exert moral and political pressure until the Soviets adopt more humane policies.

Mr. LANTOS. Mr. Speaker, I was proud to be a cosponsor of the Fourth Annual Fast and Prayer Vigil today on the steps of the Capitol. Standing among the sons and daughters, husbands and wives, mothers and fathers of Soviet citizens desiring to reunite their families here in the United States was one of the most powerful events I have ever experienced.

Today's vigil was both joyous and painful for all of us. Joyous because, as I stood on the steps in front of so many of my colleagues, and in front of the courageous family members, some who have travelled long distances to be with us, I realized that the tide is with those of us who work for greater human rights in the Soviet Union and elsewhere. It is inevitable that the insanity of preventing families to reunite, of preventing individuals from freely practicing their religion, of stopping individuals at the borders of their countries with a virtual "Berlin Wall" surrounding a nation, must eventually fall away and be repulsed by nations as intolerable in the 20th century.

But this does not mean that human rights will be respected oversight in the Soviet Union, or that such a change will come without long and arduous efforts by other countries. We have to face the facts.

Fact: Over 400,000 Soviet Jews have either recieved invitations or have attempted to join relatives and friends in Israel, the United States, or elsewhere. They are still waiting.

Fact: More than 25 Soviet Jews sit in Gulag cells for the "heinous crimes" of wishing to learn Hebrew, of wishing to discuss their desire to emigrate, or of corresponding with friends and relatives abroad.

Fact: While some 200 individuals have recently been granted permission to rejoin families in our country, Elena Friedman waits to embrace her sister, Ida Nudel; Kay Barner waits to meet her cousins, Yakov and Olga Galperin; Alexei Semyonov waits to greet his mother, Yelena Bonner, and step-father, Andrei Sakharov; Anatoly Michelson waits, now for over 30 years, to see his wife, Galina.

This was the pain of our meeting today. As we joined with families here in the United States and throughout the world in the sincere desire that their families soon be reunited, we must acknowledge that this may take a long time. Our vigil will not bring immediate changes to the Soviet policy of repression and persecution, but underlined one important point: that we in Congress will not rest until these families are reunited, that we in Congress will not look the other way when the Soviet Union talks about trade and urges us to ignore the suffering of divided families, that we in Congress will keep closely in heart the principles which founded this nation and which we will celebrate next month at the centennial of the Statue of Liberty—the principle that

without human rights, a country lacks a moral foundation, but that with human rights, we can build toward a more peaceful and more just society.

Mr. FISH. Mr. Speaker, I rise today with many of my colleagues to call attention to the plight of thousands of separated families of all religions whose relatives have been unable to leave the Soviet Union and join their loved ones in the West. Hundreds of Members of Congress took part in the hour long prayer vigil held on the steps of the U.S. Capitol today, along with human rights activists and members of separated families from across the country.

Today's public display of solidarity will remind those who are separated from their loved ones that they are not alone and that we are doing what we can to have them reunited.

The Soviet Union recently informed the U.S. Government that it intends to resolve 36 separated family cases involving 117 individuals. According to the State Department, this Soviet action is the largest one-time response to the three decades of American pressure to reunite separated families.

Yet despite these results, thousands and thousands of cases remain unresolved and family members yearn to be with their loved ones. Continued pressure is needed to reunite parents and children, sisters and brothers, and husbands and wives.

Therefore, now is the time to redouble our efforts on behalf of those still waiting to leave and to send a message to the Soviets that the issue of serrated families will not be allowed to die, and that it will be high on our agenda and on the United States agenda during any upcoming summit.

One compelling case is that of 44-year-old Leningrad mathematician-economist Dr. Vladimir Lifshitz. He, his wife Anna, son Boris, and daughter Maria have sought to emigrate to Israel since 1981. No reasons have been given for their repeated refusal, and in January of this year Dr. Lifshitz was arrested. He is charged with "anti-Soviet slander" for letters he wrote to Soviet authorities and to the Israeli Government seeking to emigrate. As of this date he is believed to be in the central prison of Leningrad, although his wife has not seen or spoken to him.

This appalling violation of the human rights of the Lifshitz family is made all the more egregious by the imminent conscription into military service of Dr. Lifshitz's son Boris. This, despite his documented serious medical condition and on acceptance to Boston University. I have sent a telegram to the Soviet Minister of Defense imploring him to suspend action on Boris' conscription until his medical condition betters and the disposition of his student exit visa is determined.

This is but one more in a series of repressive moves against the Lifshitz family for merely asking that their internationally recognized human rights be observed by the Soviet Union.

Today's vigil will be followed, I hope, by many more demonstrations of solidarity with the plight of those oppressed in the Soviet Union.

Mr. FASCELL. Mr. Speaker, I am pleased to participate in the Fourth Annual Congressional Prayer Vigil for Soviet Jewry, which this year focuses on divided families in the Soviet Union. I commend Representative MRAZEK for organizing this special order and I sincerely hope that our words will be heeded.

The Soviets have recently announced that they will allow over 200 individuals to reunite with their families in the United States. This is a welcome announcement, the sort we should expect, considering that the Soviets are obligated under the International Covenant on Civil and Political Rights to guarantee the right of emigration.

Unfortunately, however, this is not the case. Not only are families left divided by restrictive Soviet emigration policies, but many Jews who seek to go to their ancestral homeland have been denied this opportunity. In 1985, only 1,140 Soviet Jews were allowed to leave. The Soviets claim that the majority of the Jews who wanted to emigrate have already left, citing the over 250,000 Jews who have left since 1968. Authoritative sources, however, state that there are still over 400,000 Soviet Jews who are prevented from emigrating.

In addition to limiting emigration, the Soviet government has increased persecution of those who attempt to practice their religion or exercise cultural rights. Evidence of government-sponsored films, books, and articles which blatantly feature anti-Semitic themes abound. Thosle who apply to emigrate suffer punishment ranging from loss of job to harassment and, in some cases, imprisonment.

I would like to share with our colleagues a story with which many of you are familiar. With great sadness, I am compelled to call attention to the plight of the Slepak family—a family divided for over 15 years. Vladimir Slepak, a radio and television engineer, and his wife Maria, a physician, are forcibly separated from their two sons, Alexandr and Leonid. In 1970, the entire family applied to emigrate to Israel where they would join Maria's mother. Their request was denied, but in 1977, Alexandr was allowed to emigrate. In 1978, the Slepak's hung a banner from their balcony saying: "Let Us Go to Our Son in Israel." For this action, Vladimir was sentenced to a 5-year term of internal exile in Siberia. Maria's sentence was suspended, but she chose to join her husband. In 1979, their son Leonid was at last allowed to emigrate. In December of 1982, Vladimir completed his sentence and returned with Maria to Moscow where they, like so many other refuseniks, still await the day of reunification with their family.

Recently, I paid a visit to the Soviet Union with Representative BROOMFIELD and met the Slepaks, along with many other Jewish refuseniks and members of United States-Soviet divided familes. We assured them of Congress' strong support for their efforts to emigrate and to exercise their basic human rights. We also discussed this issue with various Soviet officials, including General Secretary Gorbachev. While receiving no firm commitments, the Soviets agreed to reconsider the individual cases that we raised.

I am hopeful that we will soon be receiving word that those cases, including the Slepaks, will be resolved. Until such time, however, as all divided families are reunited and all Soviet Jews are free to live wherever they choose, we must continue to speak out and to participate in events like today's fast and prayer vigil.

Mr. RODINO. Mr. Speaker, as one who has consistently advocated the right of free movement of people as so correctly and categorically stated in the Helsinki agreement;

As one who was instrumental in developing the initial program in 1971 to allow for the admission into the United States of Jews fleeing persecution from the Soviet Union;

As one who was instrumental in the enactment of the Refugee Act of 1980 which stands today as a vehicle for accepting Soviet Jews in the United States as refugees; and

As one who participates each year in the consultations with the administration on the refugee admissions program for each fiscal year and have made sure that sufficient numbers are made available for the reception of Soviet Jews who may be allowed to emigrate, I applaud the Soviet Union's recent action of allowing 244 of their nationals to leave the country to join their relatives in the United States. This action partially resolves a divided-family caseload which the United States has been pressuring for resolution for many years. As I understand there are still 60 additional divided-family cases on the agenda which are still a matter of negotiation. It is my hope that the completion of this family reunion caseload can be resolved immediately and that the United States and Soviet Union come to an agreement which will provide immediate family reunification in all prospective cases. Family reunification has been and continues to be the basic premise of our immigration policy.

While we applaud this action on the part of the Soviet Union and recognize the President's intervention on behalf of these persons, we, nonetheless, are concerned and seek resolution to the present status of the 400,000 Soviet Jewish hostages who are still seeking permission to leave, but are being held against their wills without any conditions for release. These people, because they seek to emigrate, are without jobs, means of livelihood, or opportunities for education. Still others are harassed, imprisoned or tortured because of their religious beliefs and attempts to exercise their fundamental rights.

Unless things have radically changed, which I very much doubt, historically, the Soviet immigration policy has always been determined by both foreign and domestic policy considerations. Emigration opportunities have clearly fluctuated in response to foreign policy objectives, particularly the overall state of East/West relations. Repression and violations of human liberties have been used by the Soviets in a callous and deliberate fashion to elicit desired responses from the West. In periods marked by favorable trade and credit arrangements and successful bilateral negotiations, emigration dramatically improved. Conversely, conditions markedly deteriorated in times of Soviet terrorism and aggression—witness the invasion of Afghanistan, and grain embargo, the restriction of high-technology sales, and the criticism of interventions in Angola, Central America, and the Middle East.

I mentioned at the beginning that I participated in the development of the Soviet Jewish refugee program to the United States in 1971.

Our efforts, small as they were at the outset, opened the way for large scale Jewish movements to free countries, which peaked in 1979 when over 51,000 persons left the Soviet Union. Tragically, in spite of this most recent action, emigration from the Soviet Union has been unilaterally reduced to a trickle. In 1985, only 1,140 exit visas were issued. Thus far this limitation on numbers of exit permits continues with only 72 issued in April.

If the tone of these remarks seems to be pessimistic, I am nevertheless heartened by recent developments—in addition to these recent actions in family reunifications, the fact of the recent release of Anatoly Shcharansky raises hope for others in his plight, the partial ties and air link between Poland and Israel, undoubtedly with Moscow approval, and the various visits to the Soviet Union by the World Jewish Congress president in the spirit of negotiations and understanding for future emigration possibilities.

Mr. Speaker, concerned individuals, communities, and nations must redouble their efforts to exert all influence possible on the Soviet Union to abide by the spirit of the Helsinki Accords, accelerate pending and future family reunification and above all renounce the oppression of their Jewish citizens and allow them to emigrate freely according to their individual desires.

We, on the other hand, must continue the work to make certain that there will always be a haven in the United States for Soviet Jews. I shall join any and all efforts to work toward the release of the 400,000 Jewish hostages now being held.

We must improve United States-Soviet relations where we can direct our mutual thinking to areas beyond arms control and trade, and devote greater thought to human rights and the betterment of our fellow man.

Mr. JEFFORDS. Mr. Speaker I would like to compliment my colleague, Representative BOB MRAZEK, for his organization of today's special order on divided families in the U.S.S.R. As it turns out, this is a very timely occasion for discussion of this issue.

As you are all aware, the Soviet Union has, in the past 2 weeks, pledged emigration permission for 244 Soviet citizens, thereby resolving 65 divided family cases. All of these cases are on the State Department's representational list of divided families, one of four lists which are presented by United States diplomats to Soviet officials at every relevant opportunity. Assuming that all of these individuals leave the Soviet Union in the near future, this representational list will be reduced by more than half, leaving only 61 unresolved cases.

I am very pleased that the Gorbachev regime has decided to honor this aspect of its Helsinki Final Act commitment to allow free emigration for the purpose of family reunification. This gesture of good faith may help rejuvenate the process of improving United States-Soviet relations that was begun by the November summit and will hopefully be advanced by another meeting in the near future.

In our excitement over the expected release of these 244 persons, let us not forget the 61 families that remain on the State Department's list. These people have been waiting for many years just to see their loved ones, and at a minimum, are entitled to one of the most basic of human rights: The right of family reunification. I strongly urge the Soviet Government to take note of the international reaction to its decision to allow reunification. Granting of this permission to the remaining families would be a major step toward a smoother superpower relationship.

I would also like to mention a constituent of mine, Valery Chalidze, who has been trying for years to pressure the Soviet Government into granting an exit permission for his sister, Francesca Chalidze. Ms. Chalidze's repeated petitions for emigration have been denied and she has been forced to give up her position as a respected scientist. We all must pledge ourselves to work on behalf of these individuals that continue to suffer from this manifestation of Soviet intransigence.

In closing, let me make clear that the latest Soviet efforts to reunite families has been noted and well received by this Congress and much of the world. I hope that the Soviet Union will soon see fit to allow the remaining families to reunite.

Mr. GILMAN. Mr. Speaker, I want to thank my colleagues, the gentleman from New York [Mr. MRAZEK], the gentleman from Illinois [Mr. PORTER], the gentleman from New York [Mr. KEMP], and the gentleman from California [Mr. LANTOS] for providing this opportunity today to focus on the tragedy of the thousands of families separated from their loved ones in the Soviet Union, as well as the plight of the hundreds of thousands persecuted because they refuse to relinquish their religious and cultural rights.

Today's Prayer Vigil on the east front of the Capitol marked the fourth year in which we in Congress have gathered in this way to solemnly mark our dedication to help those denied their basic human rights. Hearing the words of Riva Feldman, whose twin sons are cruelly kept beyond her reach, and Anatoly Michelson, who has not seen his family in 30 years nor met his young grandson, brings the pain of such injustice closer, and strengthens our resolve to oppose it.

Thousands are denied their basic rights despite General Secretary Gorbachev's summit meeting sensibility "on the importance of resolving humanitarian cases in the spirit of cooperation." We are pleased by the Soviet Union's recent decision to allow 200 Soviet citizens to be reunited with their families in the West, and we hope that this signals the beginning of a new human rights policy in Moscow. Yet, the omission of Soviet Jews from the list of those receiving visas to emigrate indicates this may be merely a gesture. The Soviet Union has made only a token response to its obligations as a signatory of the Helsinki Accords.

Today I have been fasting on behalf of Soviet Prisoner of Conscience Iosef Berenshtein, an innocent man presently languishing in a Soviet prison. Iosef was arrested in 1984 on his way to purchase a monument for his mother's grave. The charge against him was resisting arrest, for which he was sentenced to 4 years imprisonment. Placed in a cell with hardened criminals, Iosef was attacked with broken glass, and now is almost blind. He remains incarcerated, and lacking proper treatment he faces the distinct probability of permanent blindness. Iosef Berenshtein must not be forgotten. We in Congress must assure that human rights remains a priority on our bilateral agenda with the Soviet Union.

Today we pray that these martyred men and women in the Soviet Union, whose commitment to family and principal is so dear to them, will soon be free to practice their beliefs, and that the spouses, parents and children will soon be reunited with them. Our prayers, fast and vigil today has provided us an opportunity to rededicate ourselves to the cause of individual human rights, and to the reunification of families around the world.

Mr. LEVIN of Michigan. Mr. Speaker, as we gather today to speak of the Divided Spouses, I wish to mention the case of Keith and Svethlana Braun.

Keith Braun is a young attorney from Southfield Michigan. His wife, Svethlana (Iyinichna Shteingardt) Braun, is an engineering student in Moscow.

Like so many other young people throughout the world, they met, fell in love and were married on August 9, 1984. However, unlike other young people—they have not been allowed to live happily ever after.

In fact, they have, for the most part, lived apart for the almost 2 years they have been married. Svethlana has applied three times to emigrate so that she may join her husband in Michigan. Her first application, shortly after their marriage, was denied on November 23, 1984 as "not in the Soviet interest." Her second application, May 15, 1985, was denied 2 months later, no explanation was given. Her third application was made on January 24, 1986, and she has yet to receive a response. At this very moment, Keith, after first being denied a visitor's visa, is now visiting Svethlana in Moscow.

Their story is only one of many families who must endure life as pawns of the Soviet system. The numbers of divided families (U.S./.U.S.S.R.) when compared to the huge populations in our two countries do not seem like an overwhelming problem. On a personal, more intimate level, it is a monumental problem for the families involved.

Let us vow to pursue the fight for continuation of the progress made at Geneva when 11 couples were allowed to reunite and more recently when it was announced that another set of families would be reunited. Further progress will not be made if we do not continue to raise our voices in protest. I would like to be able to tell Keith Braun, on his return from the Soviet Union, that very soon he and Svethlana will be able to live "happily ever after."

Mr. YOUNG of Missouri. Mr. Speaker, Soviet Jews comprise the third largest surviving Jewish community in the world. Soviet Jews have been struggling to achieve basic human rights, including the right to maintain their own religion and culture. The right to leave any country that denies one their heritage is an internationally recognized human right, yet in the Soviet Union permission to emigrate is given arbitrarily.

I believe that it is important that in the face of this wave of anti-Semitism, Americans must reaffirm their commitment to human rights. The United States Congress has been a lead-

ing supporter of Soviet Jews in their attempts to study and teach their faith.

Today, we are holding a Congressional Prayer Vigil on behalf of Soviet Jews, but we must be sure that the vigil continues each and every day until the human rights of all Soviet Jews have been restored. I am pleased that the 1986 Congressional Call to Conscience for Soviet Jews has been such a success, and will continue to protest the inhumane treatment that Jews in the Soviet Union are experiencing.

As a Member of Congress and concerned citizen, I have "adopted" a Soviet Jewish family from the Ukraine to help them fulfill their dream of emigrating to Israel.

Samuel and Manya Klinger have been trying unsuccessfully, for a number of years, to emigrate to Israel. Samuel Klinger is an agronomist from Dnepropetrovsk in the Ukraine. He and his wife, a nurse by profession, have been repeatedly denied exit visas since 1970. The only reason given by Soviet authorities has been a lack of consent from Manya's parents, who have not seen their daughter in many years. Manya, a mother herself, recently celebrated her 50th birthday.

The Klinger situation is quite pressing in that they are the only family in Dnepropetrovsk awaiting exit visas. Defamatory letters have been printed in the local newspaper about the family—prompting Samuel to immediately send letters of protest to the editor. The result has been the printing of more anti-Semitic articles.

We have asked the Soviet Government to grant this family permission to emigrate, but have received no response. There can be no doubt that by not allowing the Klingers to leave the Soviet Union, the Soviet Government is in clear violation of the Helsinki Final Act, the Universal Declaration of Human Rights, as well as their Soviet Constitution.

Surely the emigration of the Klinger family would pose no threat to the security of the Soviet Union, and instead would be a humanitarian gesture. Yet permission to leave is continually denied.

As the leader in the free world, the United States must do all that is possible to protect the human rights of all people. And I urge my colleagues to continue to protest the blatant violations of human rights occurring each day in the Soviet Union.

Mr. SCHEUER. Mr. Speaker, I was pleased to join with so many of my colleagues today in participating in the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry. While I find quite heartening the active support and concern for the plight of the 3 million oppressed Jews within the Soviet Union among Members of Congress both today and on numerous previous occasions, I continue to be saddened gravely by the ongoing necessity for these special orders.

The treatment of Soviet Jews remains clearly one of the most shameful wholesale violations of human rights in the world today. Despite the Soviet Union's pledge as a signatory of the Helsinki accords "to recognize and respect the freedom of an individual to profess and practice, alone or in a community, religion or belief in accordance with the dictates of their conscience," the nation with the third largest Jewish population prohibits not only the publication of all Hebrew books, but also the study of the Hebrew language and Jewish historical and cultural traditions. Further, scores of Jewish dissidents are arrested yearly and convicted either for their attempts to observe their religious beliefs or the usual trumped-up charges of treason or espionage that are often used as excuses to isolate, banish and imprison Soviet Jews.

As disturbing as these abuses of basic human rights are to the rest of the civilized world, the inability of Soviet Jews to escape this inexcusable treatment is perhaps even more outrageous. Only 1,139 Jews were allowed to emigrate in 1985 although some 400,000 more had invitations, or visovs, from Israel to enter the Jewish homeland. This represents a decrease of 98 percent from the all-time high in 1979. For the first three months of 1986, only 216 Jews emigrated. At this rate, Soviet Jewish emigration will fail to equal even last year's appallingly low level.

The focus of this year's Congressional Fast and Prayer Vigil is the tragedy of the thousands of separated families of all religions whose relatives have been unable to leave the Soviet Union and join their families in the West. Earlier this year, members of this body rose in celebration over the release of Anatoly Shcharansky from the Soviet Union after 9 years in Soviet prisons and work camps. Twelve years earlier, when Shcharansky's wife, Avital, emigrated from the Soviet Union, Anatoly told her, "I will see you soon in Jerusalem." Shcharansky's celebrated passage to Israel must be tempered by the realization that hundreds of thousands of his brothers and sisters continue to be punished daily for the crime of wanting to live freely as Jews, and await the day when they can join him in freedom.

Moreover, today we reflect upon the agony encountered by the countless individuals who faced their loved ones—their husbands or wives, children or parents—and were also forced to say painfully, "I will see you soon in Jerusalem," but knew in their hearts that their reunion would remain in doubt as long as the Soviet Union maintains its inhumane policies toward Soviet Jewry.

For example, imagine for a moment the thoughts of Vadim Kotlyara, who came with his parents to the United States 9 years ago, as he spoke by phone recently with his grandparents Meyer and Lyuba in their one-bedroom flat in Kiev, only 60 miles from the scene of the Chernobyl nuclear accident. Imagine his concern as his grandparents told him that he shouldn't worry about them because the authorities assured them that there was no radiation in the area; were they as optimistic as they sounded, or were they holding something back either to avoid alarming him or out of fear that the conversation was being monitored by Soviet authorities. As the phone call came to a difficult and, as always, painful close, his grandmother who used to walk him to school every day said, "It's spring here. I wish you were here with us."

The question is, why can't Meyer and Lyuba be here with their grandson? The very fact that the day finally arrived when the Shcharanskys were reunited provides hope for all separated families. Although we rejoice at the release of Anatoly Shcharansky, his emigration must not be just an isolated incident.

Mr. Speaker, as Members of Congress, we have an obligation to call upon the Soviet Union to abide by its treaty commitments. If our two nations hope to engage in meaningful negotiations, an atmosphere of trust must be established, sustained and nurtured between the United States and the U.S.S.R. In this spirit, we must send a clear signal to the Soviets that we shall continue to be deeply concerned with the plight of Soviet Jews. We must remind the Kremlin that, in the words of Shcharansky himself, his emigration must be a "beginning of a long process of an improved situation for emigration and human rights, a policy which will give the Soviet Union new opportunities in other fields."

Mr. MORRISON of Connecticut. Mr. Speaker, here in the United States we have a tradition called Father's Day, a day on which sons and daughters honor their fathers and families spend a special day together. Next week, 11-year-old Henry Brondshiptz of West Hartford, CT, will not be able to share Father's Day with his dad because the Soviet Union will not grant his father, Grigory Brondshiptz of Moscow, permission to join his family in the United States.

The Brondshiptz family first applied to emigrate in 1974 and were denied permission to leave with no reason given. When Marisha and Grigory Brondshiptz divorced in 1979, mother and son were permitted to emigrate that year. Grigory Brondshiptz also applied to emigrate but was denied permission—again with no reason—and was fired from his job as an electronics engineer in the health field. He now works as a laborer.

His family has not heard from him since the Moscow Olympics when his phone was disconnected. He apparently does not receive mail either, though his son, Henry, plans to send his father a birthday card at the end of June.

I am participating in today's Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry on behalf of Grigory Brondshiptz in hopes that he might someday be able to share his birthday and an American Father's Day with his son, Henry.

At the human contacts meeting in Bern, Switzerland, the Soviet Union announced that it will allow 117 Soviet citizens to emigrate and join their families in the West. We are grateful for this gesture, however, we must not forget there are thousands more who yearn to be with their loved ones. We must continue to pressure the Soviets to resolve these cases with a special concern for "refuseniks"—Soviet Jews persecuted for trying to practice their religion yet denied permission to emigrate to countries where they can practice their religion freely.

This Father's Day, there will be many families here in the United States and throughout the world that will be incomplete—missing family members because of the Soviet Union's insensitivity. By fasting today, we are experiencing the pain of absence that thousands of separated families feel every day. We must maintain our vigil.

Mr. GLICKMAN. Mr. Speaker, I rise today to participate in a special order on divided families in the U.S.S.R.

Although the Soviet Union recently announced its intention to allow more than 200 Soviet citizens to reunite with families or spouses in the United States—this is not enough. The Soviet Union still refuses to allow refuseniks, those who have applied and been refused an exist visa, to leave the Soviet Union—no matter what their circumstance.

I urge my colleagues to reflect on the many persons being denied the freedoms and comforts that we often take for granted. In particular, I think of Sonia Melnikova-Eichenvald, who is married to Michael N. Lavigne, an American citizen.

Sonia has applied to leave the Soviet Union 14 times. According to Soviet law, Sonia should be eligible for an exist visa: she has no criminal record, has not served in the armed services, and has had no access to classified information. Yet Sonia Melnikova-Eichenvald has been denied exit from the Soviet Union 13 times. Her husband's visa expires this August, and the couple may now face a long and unjustified separation. Sonia and Michael's case is just one of a number of binational marriage cases waiting for decisions from the Soviet Government.

The Soviet Union is in direct violation of its obligations under the Helsinki Final Act and the Universal Declaration on Human Rights, as it continues to reject the petitions for these families and subject them to harassment and separation from family and friends.

There were hopes that under new Soviet leadership many of the human rights and emigration policies would be changed. Unfortunately, these important changes have not been seen. I call upon the Soviet Union, in accordance with the Helsinki Final Act, to grant Sonia Melnikova-Eichenvald, the right to emigrate and join her husband in this country, thus preserving and building a peaceful and cooperative environment for both our countries to continue negotiations for a peaceful world.

Mr. SMITH of Florida. Mr. Speaker, today I joined many of my colleagues on the steps of the Capitol to stand in solidarity and draw attention to the thousands upon thousands of unresolved cases of Soviet Jews waiting to be reunited with their families and loved ones. In addition, we are fasting on behalf of the plight of divided spouses and families of all religions in the Soviet Union and to protest the human rights violations committed against these people.

I fasted for three special cases today, including a separated family, divided spouse, and my adopted Soviet Jewish refusenik. These cases represent the spectrum of all peoples who are denied their rights and freedoms in the Soviet Union and pay a very dear price for their love of religion, their love of their heritage, the love among family members, and the love between a man and wife.

Mikhail (Misha) Shipov is an electrician by trade, but his true calling is as a Jewish activist. His brother Alexander (Sasha) now resides in Israel. Shipov is particularly vulnerable to arrest now because of his Jewish activities in Moscow. The KGB has warned him that if he does not cease his Jewish activism, their harassment of him will turn to their imprisonment of him or their placing him in a psychiatric hospital for treatment.

I also fasted for a young separated couple, an American Keith Braun from Detroit, and his Soviet wife Svetlana Shteingardt of Moscow. Keith and Svetlana were married on August 9, 1984. Since their marriage, Svetlana has applied for an emigration visa on three separate occasions and has been denied permission every time.

And, finally, I fasted for my adopted refusenik, Dr. Yuri Tarnopolsky who recently completed his 3-year prison term for slandering the Soviet State. Tarnopolsky is in poor health, and 10 years now have passed since his original visa application was filed. Unable to work as an organic chemist, Tarnopolsky is limited to mostly menial jobs.

I am proud that I fasted today for these people who cannot stand up and speak out for themselves. These men and separated families committed no real crimes, except for crimes of passion. Theirs is a commitment to live with their respective families in peace.

As representatives of the American people and freedom-loving people everywhere, we must safeguard the values on which this country is predicated. The millions of Soviet separated families, divided spouses, and refuseniks may seem remote in terms of distance, but they are closer to us than mere mileage would indicate. Their struggle for cultural and religious survival is the same struggle many of our own forefathers overcame when they came to the shores of America.

Mr. YATES. Mr. Speaker, every society and culture in the world from the most primitive to the most complex and sophisticated, recognizes that families belong together and that any event that causes the separation of loved ones is a tragedy.

The Soviet Union is no exception to this universal concept. The leaders of that country know as well as anyone on Earth that they are inflicting pain and suffering of the most elemental type when they create artificial impediments to the unification of families. There is nothing abstract or theoretical about divided families and the only mystery is why the Soviets persist in their cruel and self-defeating policies.

With every passing year, the unfortunate and depressing record of the U.S.S.R. receives wider attention and nothing is accomplishd by keeping wives, husbands, children, brothers, sisters, fathers, and mothers separated. We are not going to be silent or restrained until the Soviets change their policies, and it is in their interest to do that and do it now.

I am delighted to be a part of this effort today. The world and international public opinion are with us and I am confident that we will prevail.

Mr. DOWNEY of New York. Mr. Speaker, I am pleased to join my colleagues in this special order marking the Congressional Prayer and Fast Vigil for Soviet Jewry. I am further pleased to note that the hopes I spoke of at last year's vigil have begun to materialize with the release of Anatoly Shcharansky. But it is imperative that we remember that this is only a beginning. Hundreds of thousands of Soviet Jews are still unable to emigrate freely and follow the heritage of their forefathers. I remind my colleagues that the number of Soviet Jews allowed to emigrate has been dismally low for years. Contained in Russia, they are subjected to constant harassment and unjustified arrests.

I would like to acquaint you with the plight of one of these unfortunate individuals. He is a man deprived of family, vocation, religion, and purpose. Like his fellow refuseniks, this man—Zinovi Ostrovsky—has been refused the right to live his life as an observant member of the Jewish faith. In 1976, when his sister applied for an emigration visa to Israel, he was barred from an engineering career and demoted to a kitchen helper, where he remains today. The departure of his sister left him with no blood relatives in Russia, and no desire to stay. Since 1979 he has pleaded to be reunited with his elderly father before he dies, to resume his previous occupation, and to live in freedom. Year after year, Soviet authorities have refused his applications for a visa with the cold, callous reason that "his emigration is not in the interest of the state."

Just what is in the interest of the Soviet state? The suppression of the individual will? The reduction of the human life to a condition of perpetual suffering? How can we enjoy our lives knowing that Zinovi and countless others live each day with loneliness, thwarted aims, and unsatisfied desires? How can we remain inactive knowing that we, from our free domain, may be able to act in some way on their behalf? We cannot and we should not. We must persist in our efforts to improve the lives of our unfortunate friends in the Soviet Union.

Mr. BEILENSON. Mr. Speaker, thank you for allowing me to participate in this special order which is a part of the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry. I would like to take this opportunity to draw my colleagues' attention to the plight of Zinovy and Nelly Gorbis and their son, Alexander, who are relatives of residents of the congressional district I represent.

The Gorbis family's situation is particularly unfortunate as they were orginally granted exit permission in 1982, only to have it revoked before they were able to leave Lithuania. Soviet officials maintain that permission was revoked due to Mr. Gorbis' exposure to state secrets. However, Mr. Gorbis has left his position in the research and development sector of the Odessa Technological Institute of Refrigeration, and since 1980 he has been working for the design bureau of the Retail Trade Council of Vilnius where he performs economic analysis and measurements of noise levels in elevator shafts. In addition, the family's situation is made even more urgent because Mrs. Gorbis is suffering from a crippling bone disease for which successful treatment is now being offered at Tel Aviv University.

By granting the Gorbis family permission to emigrate, the Soviet Union would not only indicate to the world its respect for the principles outlined in the Helsinki accords, but would also affirm its desire to improve the strained relations between the United States and the U.S.S.R.

Mr. STUDDS. Mr. Speaker, it is both a privilege and a pleasure to participate today in the Congressional Vigil for Soviet Jewry.

It is an inescapable fact of modern life that the United States and the Soviet Union must live together peacefully on this planet, or there will be no planet. This necessity places certain limits on what our country can do or seek to do around the world. But it provides no excuse for silence about the continuing and severe violations of basic human rights by the Soviet Government.

One of the most cherished of human rights is the ability of an individual to decide where he or she should live, the right to travel freely within one's own country, or to choose emigration if desired. This right is not new, and it is not peculiar to Western democracies. In 1975, the Soviet Union signed the Helsinki agreement which explicity acknowledged the right of free movement of peoples. Tragically, the Soviet Government has repeatedly ignored this international agreement by denying hundreds of thousands of Soviet Jews the exit visa needed to emigrate to the West. Those brave enough to initiate this long, frustrating process do so knowing they face the risk of harassment, loss of employment, or a series of intimidating retaliatory acts by the Soviet Government. As part of this vigil today, I would like to address the plight of one such family.

I bring to your attention once again this year the Maryasin family of Riga. I wish there had been some improvement in the Maryasins' situation since I spoke of them last year. But there is no good news to report. Unfortunately, for each of the 117 families the Soviets have recently allowed to leave and thus be reunited in Israel or the United States, many more remain behind, their right to free movement denied.

Alexander Maryasin was once again the manager of a large factory; he received several State awards including the title of "Honorable Citizen." However, he was dismissed from his job in 1972 when his daughter Rita applied to emigrate to Israel. After 2 years without reinstatement to his job, Alexander, his wife Leah, and their daughter Faina also applied for exit visas in the hope that they could join Rita, who was by then in Israel. Since that time, because of his active participation in the refusenik community of Riga, Alexander has been subject to much harassment and numerous searches, during which his books and papers have been confiscated.

Leah Maryasin, Alexander's wife, has grown increasingly ill in the last several years. Her deteriorating condition makes all the more urgent the family's wish to be reunited with their daughter and grandsons in Israel.

For all these reasons, I ask this body to join me and my constituents once again in calling upon the Soviet Government to grant exit visas to the Maryasin family, and for the cessation of all intimidation tactics against those who seek to leave the Soviet Union.

Mrs. SCHROEDER. Mr. Speaker, today I join with Mr. MRAZEK and my colleagues in remembering the separated families of the Soviet Union, who have not been permitted to reunite with their family members outside of the U.S.S.R.

For several years I have been trying to help Ida Nudel obtain an exit visa so she may join her sister, Ilana Fridman, in Israel. Ms. Nudel has been trying to leave the U.S.S.R. for 15 years, since 1971. She has assisted other refusniks and their families. For her efforts, she has been denied an exit visa repeatedly, treated violently, arrested, tried, and sentenced to exile in Siberia, where she lived for 4 years. While there, she was beaten and then housed in a barrack lacking electricity, water, and heat at a time when temperatures dropped to 40 degrees below zero.

When Ms. Nudel returned to Moscow, she was not allowed to live in her home. It is difficult for political prisoners to find a place to stay, so it took her several months to find a place in Bendery, Moldavia.

I am very concerned about the conditions under which Ms. Nudel is living now. Recent reports indicate that the way she walks and looks show that her health is very poor. She has been harassed in her efforts to obtain medical care. Her sister had told us that people are afraid to be her friend and that she is very lonely.

I hope that the Soviet Union will take the humanitarian route and give Ms. Nudel an exit visa sooon so that she may be reunited with her family. I will continue to do whatever I can to help Ms. Nudel and I thank my colleagues who have also worked over the years for her release.

Mr. JONES of Oklahoma. Mr. Speaker, I thank my colleague, ROBERT MRAZEK from New York, for requesting this special order to highlight the problem of divided families in the Soviet Union and allowing me to share my thoughts as well as those of my constituents in Oklahoma.

The recent Soviet action allowing 200 Soviet citizens to emigrate and resolve 36 cases of divided families is a truly significant step. But, it must be the first step among many to resolve all human rights cases.

The Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry will focus on separated families and help us redouble our efforts to resolve these cases.

This recent reunification of Soviet-American families will mark the largest single resolution of human rights cases since the United States began pushing for the unity of divided families three decades ago.

Improved communications between the Soviet Union and the United States can only encourage us in our efforts to reunite parents and children, sisters and brothers, and husbands and wives.

The United States has always placed an emphasis on the family and the importance of that institution. With the promise of the future United States-Soviet summit we must seize the opportunity to remind our neighbors in the East that to knowingly keep families apart is a violation of the most basic of human rights and is inexcusable.

Perhaps, as some have said, this mass allowance of emigration is an attempt by Mikhail Gorbachev to publicize his interest in improving Soviet-American relations. We need to applaud his efforts. However, we need to remind him that the human rights of Soviet Jews are being violated daily and any improvement in Soviet American relations will occur only after they are addressed.

My constituents and I welcome our new emigrants and send our sincere hopes that this is the first step in resolving any cases of divided families and oppressed Soviet Jews.

Mr. COUGHLIN. Mr. Speaker, I rise today to call attention once again to the continuing plight of thousands of Soviet citizens who wish to join their loved ones in the West but are prevented from doing so by the Soviet authorities.

In April of this year I, like many colleagues, sent a list of cases of special importance to me to the U.S. delegation to the Berne Human Contacts meeting. Some of these cases directly involved my constituents. Others were brought to my attention by constituents interested in the unfortunate and desperate situations of friends and, in some cases, total strangers whose plights were especially compelling. Still others were those that I came to be familiar with as a result of my visit to the Soviet Union in October 1985.

The cases I submitted—from both the U.S.S.R. and Soviet bloc countries—are different in their details. There are cases in which children are separated from their parents, cases where wives and husbands are divided, cases of brothers and sisters being separated for many years.

All share one feature, however, which is that all have been artificially created by Soviet bloc governments unwilling to live up their commitments under the Helsinki accords, which provide for the humanitarian resolution of these cases.

Earlier today I participated in the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry, which this year focused on the problem of divided families of all religions and nationalities. I participated on behalf of members of the Vladimir Slepak family, whom I met during my trip last year and who have been seeking to rejoin their loved ones outside the U.S.S.R for some 16 years. One of Vladimir's sons, Aleksandr, lives in the Philadelphia region.

As in so many other cases, the Soviets refuse to allow the Slepaks to leave. There is no good reason for the Soviets' noncooperation. Rather, the Slepaks, like many other Soviet citizens, are considered by the Soviet regime to be nothing more than pawns in a much larger game of East-West relations.

In the last few days the Soviets have informed us, following our Bern discussions, that they plan to resolve some 65 divided family cases that have been the subject of special concern in the United States. This is a positive development and one which merits our appreciation. But it must be made clear that this still represents only a trickle in what should be a vast flow.

The Soviets have long considered themselves a superpower on the basis of their military might, their scientific and economic accomplishments, and their role on the world scene. But they should realize that a superpower also is obliged to respect its commitments under international agreements and respect the rights and wishes of its citizenry. Through such actions it also earns heightened respect from others in the world community.

The Soviets and their allies should open the floodgates and let the Slepaks and countless others leave in order that they might rejoin their loved ones outside the Soviet bloc.

Mr. DWYER of New Jersey. Mr. Speaker, I rise today for the purpose of bringing the plight of divided families in the Soviet Union to the attention of the Congress. I wish to thank my colleagues, Congressmen MRAZEK, LANTOS, PORTER, and KEMP, who have arranged this special order to coincide with the Congressional Fast and Prayer Vigil for Soviet Jewry. By participating in these events, we make it clear that the treatment of Jews inside the Soviet Union does not go unnoticed by the United States.

With the release of Anatoly Shcharansky, new hope has been given to families that are separated by the restrictive immigration policies of the Soviet Union. The Soviet Union recently informed the United States that it intends to resolve 36 separated family cases involving 117 individuals. However, there are many more cases than this. We must continue to focus on the individual cases in order to keep the flame of hope alive for all of the refusenik families.

The case of Marat and Claudia Osnis, which I have adopted, fits the typical scenario of a divided refusenik family. The Osnis family first applied for an exit visa in 1972 together with Marat's parents and his grandmother. Marat's parents and grandmother were allowed to emigrate to Israel, but Marat was refused on the grounds that he had been exposed to classified materials at his job as an engineer. However, he was told that he would be granted an exit visa within a short time.

Marat was not allowed to continue in his profession after applying for a visa and had to support his family by tutoring and odd manual jobs. His wife, Claudia, was expelled from the university where she was a student of economics. In 1979, Marat was told that he would receive his exit visa in 1981, 10 years after leaving his former job as an engineer, however he was refused again in October 1981 without explanation. The oppression and limits on personal freedom which the Osnis family, along with other Soviet refuseniks, must endure is unconscionable in today's world.

It is my fervent wish that the new hopes lighted in the hearts of Soviet refuseniks and divided families by the release of Anatoly Shcharansky and the recent Soviet announcement will not be extinguished. By participating in the Congressional Fast and Prayer Vigil for Soviet Jewry today, we continue to spotlight the individual cases which so perfectly illuminate the problems faced by these families. We must not allow these problems to slip from public view.

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from New York [Mr. MRAZEK] for holding this special order. His efforts on behalf of Soviet Jews are well documented. I would like to bring to the attention of my colleagues, the growing problem of divided families in the U.S.S.R. There has been virtually no emigration from the U.S.S.R. in the Soviet era and the attitude of the Soviet authorities toward this phenomenon has been essentially negative.

On June 1, at a conference on East-West contacts, the Soviet Union informed the United States that it would resolve 36 separated family cases involving 117 individuals. Yet, despite these lengthy negotiations between East and West authorities, thousands of cases concerning divided families remain unresolved.

One of the unresolved cases I have become particularly interested in concerns Vladamir and Efim Feldman. These two men, twin brothers have, since 1973 been denied permission to join their mother in Queens, NY. The Feldman brothers, both trained professors, have certain beliefs which the Soviet authorities believe are threatening enough to keep them from joining their mother in the United States. Moreover, Vladamir and Efim have lost their right to teach and have been reduced to working as elevator operators.

I am speaking on behalf of these two men and all the other individuals, who are being denied their rights under the Helsinki Final Act and the Universal Declaration of Human Rights. We must exert continued pressure in order to reunite the thousands of individuals who are unable to join their parents, sisters, brothers, wives, and husbands. Without greater freedom of human contacts including the reunification of families, there can be no advance toward achieving the aims of the Helsinki act, and the chances of improved United States-Soviet relations will be severely damaged.

It is vital that freedom-loving persons around the world not forget about those who are not fortunate enough to be with their loved ones. There are thousands of such people who wait helplessly yet hopefully behind the iron curtain. It is for these people that we must never stop working, and never stop praying.

Mr. ERDREICH. Mr. Speaker, in recognition of the inextricable link between international peace and human dignity, I join my colleagues who today participate in the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry. It was just a month ago that we in the U.S. Congress took a few moments from our legislative business to honor Anatoly Shcharansky, a modern-day hero who risked everything on behalf of human rights and religious freedom. But his eventual success in rejoining his family is, unfortunately, an exceptional case. There are thousands like him who, though separation, continue to be denied the right to be with their loved ones and practice their religious beliefs.

Our presence today serves not only to emphasize the plight of those thousands, but also, to renew our efforts to see that the over 300,000 Soviet Jews who desire to emigrate realize their dream.

The announcement by the Soviet Union last month that it will resolve 36 cases of divided families by allowing more than 200 Soviet citizens to emigrate gives us reason to be encouraged, but it should in no way diminish our struggle to help those who wish to practice their freedom, emigrate and be reunited with their families.

I have sponsored three families who are among those who still wait: the Boris Ghinis family, the Mikhail Kazanovich family, and the Antanas Vausa family. These three families, two of whom are of Jewish descent and the other of Lithuanian descent, have been denied emigration for years and have all had to endure incredible hardships because of their quest to practice their religion and be reunited with their families.

The release of the more than 200 citizens who wish to emigrate is a step forward by the Soviets in resolving humanitarian cases in a spirit of cooperation. It is my hope that by continuing to build on the progress made at the Geneva summit last year, we can eliminate the need for a Fifth Annual Congressional Fast and Prayer Vigil for Soviet Jewry, and celebrate instead the fulfillment of the dream of freedom for the thousands who continue to struggle and live under oppressive states.

Mr. SAXTON. Mr. Speaker, I was pleased to participate in today's Congressional Fast and Prayer Vigil for Soviet Jewry. Once again, we have the unfortunate duty of reminding the Soviet Union that the United States will not stand idly by while they continue to deny the basic human right of emigration.

Also today we highlight the particular problem of divided families. The Madrid followup meeting on the Conference on Security and Co-operation in Europe [CSSE] committed member nations to "favorably deal in a positive and humanitarian spirit with applications of persons who wish to be reunited with members of their family . . ." Once again, we have a document of which the Soviets are both a signatory, and a violator.

We are all pleased that scores of individuals will be allowed to emigrate from the Soviet Union and join family members elsewhere. This, however, by no means demonstrates that the Soviets abide by the CSSE document.

An example of Soviet noncompliance is the gentleman on whose behalf I participated in today's vigil—Gennady Feldman. Gennady has been applying to emirgrate since 1976. He hopes to join his sister and elderly parents who now live in Israel. His parents are ill, and want only to live to see their son.

Gennady, because he applied to emigrate, now lives the tragic life of a refusenik. He cannot find work, he has no place to live and depends on friends for shelter, and he has been beaten by auxiliary police. The Soviet Government punishes Gennady for a desire to be reunited with his family by assuring that he is an outcast in Soviet society and by denying him the right to leave.

Mr. Speaker, tomorrow I will be mailing a letter to Mikhail Gorbachev urging him to intervene in the case of Gennady Feldman. Forty-three Members of this body have cosigned the letter. It is our hope that continued pressure such as this will cause the Soviet Government to not only review specific cases, but also to alter its emigration policy in general.

Mr. CONTE. Mr. Speaker, today from noon to 1 o'clock on the east steps of the Capitol the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry was held. This year the focus was on divided families in the Soviet Union.

Recent history has not been kind to the divided families in the Soviet Union, especially those that are Jewish. Harassment of the refusenik community is growing. Imprisonment on false charges occurs often. Yet, despite the overwhelming evidence, the Soviets continue to deny that a problem exists.

The emigration of Soviet Jews has sharply dropped from a high of 51,320 in 1979 to only 1,140 in 1985. Thousands of cases still remain unresolved with many families being kept away from their loved ones. Vladimir and Efim Feldman, whose mother lives in Queens, NY, have been applying to emigrate since 1973. The longest waiting period for any current refusenik is held by Beniamin Bogomolny, who first applied to emigrate in 1966. He was denied permission on the grounds that he was a security threat as he had served in the army. And Alexander Paritsky, on whose behalf I have worked for many years, applied to emigrate in 1976. He was finally released from an internal prison cell in a labor camp, but his health is in question as he has suffered two heart attacks, one of them very recently.

For many years now I have worked in Congress to help those who desire to emigrate do so. During my visit last year to the Soviet Union, I met with General Secretary Mikhail Gorbachev and brought up the plight of the Soviet Jews. He flatly denied there was one. And he did so again at the Geneva summit this past November. I also met with a number of refuseniks. They sent a simple and clear message to me—a thank you to the West for all of its help, and a plea to continue the fight for freedom.

Those of us in the United States committed to the reunification of these families will continue to work for the freedom of those who wish to emigrate from the Soviet Union. The recent announcement that Moscow would release 117 people of 36 different families demonstrates that, with pressure from the West, progress can be made toward allowing these people to emigrate. This announcement, along with Natan Shcharansky's release and the West's continued commitment to free these individuals, provides much hope that progress will be made toward freeing those temporarily left behind.

Mrs. ROUKEMA. Mr. Speaker, I would like to commend my colleague Mr. MRAZEK for calling this special order today on the plight of divided families in the Soviet Union.

This special order is part of the Fourth Annual Congressional Fast and Prayer Vigil for Soviet Jewry. Earlier today, Members of Congress, human rights leaders, and members of divided families took part in a prayer vigil on the east steps of the Capitol.

It is imperative that we in the United States and other free nations of the world continue to draw attention to the plight of the thousands of separated families of all religions whose relatives have been unable to leave the Soviet Union to join their loved ones in the West.

Our prayers and public display of solidarity will remind those who are separated from their loved ones that they are not alone in their struggle to protect their human rights.

I welcome the recent Soviet decision to allow more than 200 Soviet citizens to reunite with families or spouses in the United States. This is a step in the right direction. However, it is important to note that none of the Soviets to be released is a Jew wishing to emigrate to Israel. Overall, there has been a disturbing decline in exit visas in a short period of 5 years. There are thousands more families worldwide who continue to be separated as a result of the Soviet refusal to respect internationally accepted human rights standards and it is our responsibility to continue to bring this issue into the focus of superpower relations.

Today, I would like to draw particular attention to the plight of one divided family, the Aleksandr Paritsky family. The Paritskys live in Kharkov, U.S.S.R., and have been waiting since 1977 to join their family members in Israel.

Aleksandr was released from the Stantsi Vydrino labor camp on August 31, 1984, after serving 3 years for allegedly "defaming the Soviet state and social system." In fact, Aleksandr's only crime was a desire to maintain his Jewish identity and live in Israel.

As a result of his prison term, Aleksandr suffers from a chronic heart condition. Since returning to his home in Kharkov, Aleksandr has succeeded in finding work and has resubmitted his visa application. Shortly after his request was filed, his daughter, Dorina, was fired from her job.

The Paritskys are active Kharkov refuseniks. They have helped to organize seminars on Jewish culture, history and the Hebrew language. Aleksandr taught Jewish history at the Jewish University of Kharkov, an unofficial school created in September 1980 to meet the needs of young refuseniks who are barred from the city's institutes of higher learning.

The time is long overdue to allow Aleksandr, his wife, Polina, and two daughters, Dorina and Anna, to emigrate to Israel and be reunited with Aleksandr's brother, Itzhak.

Those of us in the free world must continue to speak out on behalf of the Paritskys and the many others who are persecuted and oppressed by governments that do not recognize basic human rights. It is imperative that we continue to call upon the Soviet government to abide by international human rights agreements which recognize freedom of religion and the right to emigrate. I hope and pray that someday soon, the Paritskys will be able to celebrate the Sabbath freely and say with truth to their Kharkov neighbors, "Next year in Jerusalem."

Mrs. BOXER. Mr. Speaker, I thank my colleague, Representative MRAZEK, for calling this timely special order. As my colleagues know, it is particularly appropriate today, for it coincides with the Fourth Annual Congressional Fast and Prayer Vigil for divided families in the Soviet Union.

The issue of divided families is one of the invidious aspects of the problem of Soviet Jewish refuseniks. It is not bad enough that the individual cannot exercise his or her right to live in freedom—but often some members of families are allowed to leave while others must remain behind. All of us know the human tragedy of such a policy.

There are many examples being mentioned today. Each of them is heartbreaking. Let me add another to this sorrowful list, the case of Vinyamin Bogomolny, who has now been refused permission to emigrate for 20 years, making him the longest-waiting refusenik on record.

This case is particularly urgent. Just the day before yesterday, the Bogomolnys were again refused permission to emigrate. This is after being encouraged to do so by the Soviet authorities.

In 1966, Venyamin Bogomolny's family applied for exit permits. In 1970, Venyamin's parents and three sisters were allowed to emigrate to Israel, but Venyamin was not allowed to leave the Soviet Union. Instead, he was drafted into the army. After his discharge, Venyamin again reapplied for an exit visa, but this and all subsequent attempts have been in vain.

A particularly tragic aspect of this case is that Venyamin's wife, Natasha, has been diagnosed with breast cancer. She cannot get the necessary treatment in the Soviet Union. Mrs. Bogomolny's sister now lives in the San Francisco. There is no reason in the world why the Bogomolnys should not be allowed to join their family in this country.

In addition to the inability to leave, the Bogomolnys have suffered from another side effect of being a refusenik, official harassment from the authorities. Their apartment has been broken into on more than one occasion; Venyamin's life has been threatened and his telephone has been disconnected.

By denying the Bogomolnys—and hundreds of thousands like them—the ability to emigrate, the Sovet Union is saying once again that it does not believe in fundamental human rights. It is a despicable situation, and I pledge today that we here in the Congress will continue to speak out, again and again, until every single person who wants to leave is allowed to leave.

I thank all of my colleagues for their commitment to this cause.

NAVAJO-HOPI LAND DISPUTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 10 minutes.

Mr. UDALL. Mr. Speaker, I speak today about a problem that is personally distressing to me and that is the longstanding, tragic, dispute between the Navajo and Hopi Tribes, a dispute that remains unresolved and the cause of much bitterness and suffering.

In 1973, the Congress undertook to settle this dispute between the tribes and from that came the Navajo-Hopi Settlement Act that was signed into law in 1974. I opposed the bill requiring partition of the land and relocation of Indian families. I supported giving the disputing parties an opportunity to settle their differences and, failing that, to require binding arbitration. That failed and the law has passed with a deadline for relocation set for July 6, 1986, just 1 month away.

Over the past few months, I have repeatedly met with leaders of the two tribes in the hope that we could work out some form of agreement. That having failed, I decided to try to induce compromise and reason by using a legislative vehicle which would minimize relocation and settle most of

the dozen or so issues between the tribes.

Mr. Speaker, some weeks ago I introduced a bill, H.R. 4281, designed to provide the legislative initiative to generate action by the principals so that some resolution could be reached before the July 6 deadline.

Because the administration has voiced strong opposition to H.R. 4281, and since it is obvious that no realistic proposals have been generated as an alternative to the existing law, it appears to be futile to continue to pursue this course.

Mr. Speaker, I strongly feel that to continue to treat H.R. 4281 as viable and pending legislation would be misleading to all parties and would hold out false hopes to Navajo families facing relocation after the July 6 deadline.

Early on in this process, I made it clear that distinguished senior Senator BARRY GOLDWATER would be essential to any legislative action. He has made clear his opposition to our comprehensive bill and I must keep my word to him.

So, I have decided that attempts to pass this bill would fail and I plan no further action on it in committee.

With its opposition to H.R. 4281, the administration has insisted that existing law be implemented. For my part, the administration has now accepted the burden of overseeing the fair, humane, and peaceful implementation of the Relocation Act.

The House Appropriation Committee is now working on funding for the coming fiscal year and must have timely notice of the funding needs under existing law. I expect Secretary Hodel and Assistant Secretary Swimmer to aggressively seek the necessary funding to do justice to the Indian families who have already moved and those who are facing relocation.

In deferring action on this bill, I must express my profound regret to Chairman Peterson Zah, the elected representative and spokesman of the Navajo Nation. In supporting a comprehensive legislative solution, he has proved to be a strong advocate for the Navajo Nation and the Navajo families now facing relocation.

As the relocation deadline approaches, the House Interior Committee will continue to closely monitor the situation and will continue its oversight on the actions of the administration in carrying out the law. I will maintain contact with my colleagues and with the principals and, if future circumstances warrant, the committee may decide to take further action.

But, for now, it is vital that the Navajo and Hopi interests and outside parties involved exercise restraint and discretion in their actions. I call on everyone involved to show compassion and understanding of the intense human pain and suffering that will surely occur. I especially call on outside groups, such as the Big Mountain Legal Defense Fund, to cease their misinformation and distortion campaign and allow the principals to work out their differences without the threat of violence and disruption of the lives of two peaceful peoples.

Mr. Speaker, I would like to insert in the RECORD a comprehensive summary of facts and the background of this prolonged and difficult issue. Prepared by the staff of the Interior Committee. I think my colleagues will find it useful.

FACTSHEET AND BACKGROUND ON THE NAVAJO-HOPI LAND DISPUTE

HISTORY

The Hopi: The Hopi (Hó-pee) Tribe of northern Arizona are thought to be descendants of the pre-historic Anasazi Indians. Archaeological evidence indicates that the Anasazi people inhabited northern Arizona and New Mexico from around 300 B.C. until about 1200 A.D. The Anasazi culture abrupty disappeared at around that time.

The archaeological evidence indicates that the Hopi, as a distinct people, were occupying lands surrounding their current lands in northern Arizona as early as 1300 A.D. These Hopi aboriginal lands, adjudicated by the Indian Commission and the U.S. Court of Claims, were comprised of over 4,000,000 acres of land and included all of the lands now in dispute between the Hopi and Navajo tribes.

The earliest European contact with the Hopi was by Spanish explorers who encountered the Hopi in 1540 living in seven mesa-top villages in northeastern Arizona. The Hopi still live in several villages in the same general area, many of the villages being the same in which the Spanish found them. The village of Old Oraibi is considered to be the oldest continuously inhabitated site in the continental United States.

The Hopi are a sedentary, village-based people, with an economy based on dry farming and grazing. Their fields are located at the foot of the mesas upon which they live. Besides raising crops, they also engage in some livestock herding in areas near the mesas and travel occasionally to more distant points for ceremonial purposes, wood gathering, and hunting.

The tribe is a federally-recognized tribe, with a tribal government organized pursuant to the Indian Reorganization Act of 1934. The membership of the tribe is approximately 8,000 persons, most of whom resides on the reservation.

The Navajo: The time of the entry of the Navajo people into the Southwest is in some dispute. Their closest linguistic kin are the Apache people of the Southwest and the Athabascan Indians of central Alaska and northwestern Canada. Evidence indicates that they were in northwestern New Mexico as early as 1500. Eventually, they spread out from this area into other parts of what is now Arizona, New Mexico, and Utah. During this process, they almost surrounded the Hopi who continued to live in their mesa villages in northeastern Arizona.

The Navajo are a semi-nomadic grazing and hunting people who seldom gathered in cohesive communities. Families and kinship groups roamed rather extensive areas in search of forage and game. It is this process and lifestyle which resulted in their occupation of large parts of northern New Mexico and Arizona.

The Navajo tribe is a federally-recognized tribe with a tribal government organized under a constitution adopted by the tribe and approved by the Secretary of the Interior. The current membership is approximately 150,000 with about 100,000 living on the Navajo reservation of approximately 13,000,000 acres.

THE LAND DISPUTE

The Origin: Primarily because they never engaged in hostilities with the United States, the Hopi have never entered into a treaty with the United States. As a consequence, there was never a recognition under the laws of the United States of the right of the Hopi to the lands which they used and occupied from time immemorial.

As noted, the Navajo people, both because of their nomadic life-style and because of the pressures of Spanish and, later, American settlers, began to expand from their aboriginal base of northern New Mexico. The contacts between the white settlers and the Navajo resulted in conflict and hostilities. As a result, in 1863, the U.S. Army under the command of Colonel Kit Carson defeated the Navajo and exiled and incarcerated several thousand Navajo at Ft. Sumner in eastern New Mexico. Many Navajo, however, escaped Carson's roundup and remained in the northern New Mexico and Arizona area.

In 1868, the Navajo Tribe entered into a treaty with the United States which established a reservation for the Navajo in northwestern New Mexico and northeastern Arizona. This reservation lay to the east of the disputed lands. However, some Navajo families, primarily from those who had escaped from Carson, were already living in and around the disputed lands.

From the beginning of the American era in the Southwest, i.e., 1848, Hopi leaders continuously complained to the Federal government of encroachments upon their lands by Navajo people. In addition, they complained of encroachments by Mormon settlers coming into the area from Utah. Because the Hopi did not have a legally recognized reservation, local Federal officials had no power to respond to the Hopi complaints.

The Federal Indian agent for the Hopi at Keams Canyon himself felt ham-strung by the lack of a reservation. White persons, whom he considered to be agitators of the Hopi, were living in some of the Hopi villages and encouraging them to resist his authority. In the absence of a reservation, he had no legal authority to evict them.

1882 Hopi Reservation: To respond to the Hopi complaints of Navajo and Mormon encroachment and the agent's concern about white agitators, President Arthur signed an executive order in 1882 estabishing a reservation for the Hopi people. The order described a rectangular tract of land in northern Arizona approximately 70 miles north to south and 57 miles east to west comprising approximately 2,472,095 acres.

The order provided that the reservation was for the Moqui (Hopi) and "such other Indians as the Secretary of the Interior may see fit to settle thereon". It is this phrase which is the legal basis for the dispute between the two tribes.

The 1882 reservation enclosed all but one of the Hopi villages. In addition, it is estimated that around 300 Navajo were already living on the lands included in the 1882 reservation.

Despite the establishment of the reservation, Navajo and white encroachment continued unabated without response by Feder-

al officials and Hopi complaints continued to be registered with these officials. By 1958, Hopi use of their reservation had been reduced to a tract of land of about 600,000 acres.

THE LITIGATION

1958 Jurisdictional Act: As noted, by 1958, the Hopi were in possession and use of about 600,000 acres of their 2,472,095 acre reservation with the remainder in Navajo use and occupation. In 1958, Congress, for the first time, addressed the issue of the land dispute between the Navajo and Hopi tribes. In reaction to the continuous Hopi complaints, Congress passed the Act of July 22, 1958 (72 Stat. 403) which authorized each tribe to institute or defend an action against the other "for the purpose of determining the rights and interests of such parties to said lands and quieting title in the tribes or Indians establishing such claims pursuant to such Executive Order as may be just and fair in law and equity."

Healing v. *Jones:* The result of this authorization was that the Hopi Tribe instituted suit against the Navajo Tribe in a three-judge Federal district court to determine its interest in the 1882 reservation. After extensive and costly litigation, the district court handed down its decision in the case of *Healing* v. *Jones* (210 Fed. Supp. 125) which was affirmed on appeal to the Supreme Court (373 U.S. 758).

In brief, the court decided:

1. Neither tribe obtained any vested right in the land under the 1882 Executive Order. The rights did become vested by the 1958 Jurisdictional Act and, thereupon, became protected by the 5th Amendment to the Constitution.

2. By a 1943 administrative action of the Secretary of the Interior establishing a grazing district for the exclusive use of the Hopi surrounding their villages, the Hopi obtained the exclusive right to that area, known as Land Management District No. 6, approximating 650,000 acres.

3. Because of administrative actions taken between 1937 and 1943, the Secretary impliedly settled the Navajo Tribe within the 1882 reservation under the proviso of the Executive Order.

4. The Hopi Tribe and the Navajo Tribe, subject to the trust title of the United States, have a joint, equal, and undivided interest in the remainder of the 1882 reservation which became known as the Joint Use Area (JUA).

5. The 1958 Jurisdictional Act did not confer authority on the court to partition the joint interests between the two tribes.

In effect, the court gave the Hopi the exclusive right to 650,000 acres of the 1882 reservation and a joint, equal, and undivided right with the Navajo Tribe to the remaining 1,882,095 acre JUA area. Nevertheless, the Navajo continued to exclusively use and occupy the JUA.

Writ of Assistance and Order of Compliance: Between 1962 and 1972, the Hopi Tribe made repeated attempts to secure the use of one-half of the JUA. Requests and demands were made upon the Bureau of Indian Affairs and the Navajo Tribe without success. The Navajo remained in exclusive use and occupancy of the JUA.

In 1972, the Hopi Tribe returned to the Federal District court in a supplementary proceeding to *Healing* v. *Jones*. In an action against the United States and the Navajo Tribe entitled *Hamilton* v. *MacDonald*, the court entered Findings of Fact and Conclusions of Law on September 7, 1972. The court determined that the Hopi Tribe and its members had been wrongfully excluded from one-half of the use of the JUA and were entitled to an order of the court putting them into such use.

On October 14, 1972, the district court, in the same case, issued an Order of Compliance directed to the United States and the Navajo Tribe. The order directed them to "grant and permit the joint use and possession of the surface including all resources of the JUA "to the Hopi Indian Tribe and the Navajo Indian Tribe, share and share alike.".

On the same day, the court issued a Writ of Assistance to the United States Marshal. The Writ required the Marshal to implement the Order of Compliance and to "put and establish the Hopi Indian Tribe for the benefit of its members in full and peaceable possession of its undivided, one-half interest in and to said premises and that you do, from time to time, as often as shall be necessary preserve and defend the said possession of said premises against all force and interruption whatsoever . . .".

Pre-1974 Legal Status: The net effect of this series of legal decisions, i.e. *Healing* v. *Jones* and the Findings of Fact and Conclusions of Law, the Order of Compliance, and the Writ of Assistance in *Hamilton* v. *MacDonald*, was that the Navajo families living on the JUA were facing either direct or constructive eviction by the United States Marshal under court order. Little or no provision would have been made for relocation assistance to these Navajo people and the implementation of the court order would have been disastrous.

PUBLIC LAW 93-531

Legislative Action: As the 93rd Congress convened in 1973, it was obvious that only Congress could deal with the potential disaster stemming from the court-ordered eviction of Navajo families. In the preceding Congress, the House considered and passed legislation (H.R. 11128) which legislatively partitioned the surface area of the JUA between the two tribes. However, no action was taken in the Senate.

In the 93rd Congress, several bills were introduced in an attempt to legislatively resolve the longstanding Navajo-Hopi land dispute. These bills fell into three categories as follows:

1. Partition of the surface of the JUA between the two tribes on a 50-50 basis: H.R. 5647 by Mr. Steiger of Arizona and H.R. 10337 by Mr. Owens of Utah.

2. Tribal mediation and arbitration: H.R. 7679 by Mr. Meeds of Washington and H.R. 14602 by Mr. Udall of Arizona.

3. Buy-out of the Hopi rights for the benefit of the Navajo: H.R. 7716 by Mr. Lujan of New Mexico.

Obviously, the Hopi Tribe supported the first approach and the Navajo Tribe supported the third approach. Neither tribe supported the "tribal resolution" approach in the bills by Mr. Meeds and Mr. Udall.

The consideration of this legislation was intense, heated and controversial, including field visits to the JUA, Committee hearings, and extensive Committee and floor debate in both Houses. Both tribes mounted expensive and sophisticated lobbying campaigns. After nearly two years of legislative action, Congress passed H.R. 10337 providing for the judicial partition of the JUA equally between the two tribes and the relocation of families on one tribe living on lands partitioned to the other tribe. This legislation was signed into law as P.L. 93-531 on December 22, 1974.

Public Law 93-531: Major provisions of P.L. 93-531 were—

1. An initial mediation period was established during which a Mediator appointed by the Federal district court would attempt to get the two tribes to resolve the matter themselves. This failed and the Mediator made his report to the court on December 12, 1975.

2. In the absence of a mediated solution, the Court would partition the surface area of the JUA between the two tribes pursuant to a report filed by the Mediator. The partition line was to be drawn by the Court in order, among other criteria, to minimize the need for relocation of families. The final order of partition was handed down by the U.S. District Court for Arizona on April 18, 1979.

3. A Navajo and Hopi Indian Relocation Commission was created to develop and implement a plan of relocation. This report was filed with the Congress on April 3, 1981. Under the law, relocation was to be completed within five years from the date Congress accepted the report which would be July 6, 1986. Voluntary relocation of Navajo families began in May of 1977, however.

4. Relocation benefits, for which resettled families were eligible, included—

a. Incentive payments of either $5,000, $4,000, $3,000, or $2,000 depending upon when the family signed up for relocation.

b. Payment of the fair market value of all improvements on the lands from which a family was to be moved.

c. Actual reasonable costs of relocation.

d. Reasonable cost of a decent, safe, and sanitary replacement dwelling.

1980 Amendments: In 1980, legislation was enacted which made numerous amendments to P.L. 93-531. The most significant and relevant amendment was that which provided for up to 400,000 acres of new lands for the purpose of relocation of Navajo families. That land finally became available in the Spring of 1986.

Implementation: To date, a total of 4,023 Navajo families have applied for benefits as relocatees from the Hopi Partitioned lands. Of these, 2,437 have been certified as eligible and 1,534 have been denied eligibility. Of those who have been certified as eligible, 972 families have been relocated and paid their benefits and another 57 are in the process of acquiring a replacement dwelling.

Of the certified families, around 1,100 have moved from the Hopi Partitioned Lands, some as long ago as ten years, but have never been paid their relocation benefits.

A final category of families are those Navajo families remaining on lands partitioned to the Hopi Tribe who have not applied for relocation benefits. Estimates of the number of such families vary from 237 as reported by the Bureau of Indian Affairs to 300 as reported by the Relocation Commission to 500-600 as reported by the Navajo Tribe.

CURRENT LEGISLATION

On February 27, 1986, Congressman Udall introduced legislation, H.R. 4281, to further amend and modify the provisions of P.L. 93-531. As noted in his introductory statement, Mr. Udall developed the legislation to achieve two goals. First, he hoped that the bill would serve as a catalyst for the development of other proposals for a comprehensive resolution of the remaining problems involved in the land dispute by other concerned parties. Second, he hoped that, failing the development of other proposals,

H.R. 4281 could serve as the basis for a comprehensive settlement which could, with appropriate changes, generate a consensus of support.

While the bill deals with a number of issues directly and peripherally related to the 1882 lands, the centerpiece of the bill would involve an exchange of lands between the Navajo and Hopi tribes such that most of the remaining Navajo families on Hopi lands would not have to move.

An explanatory hearing was held by the Committee on Interior and Insular Affairs on H.R. 4281 on May 8, 1986. Testimony was taken from Assistant Secretary of the Interior for Indian Affairs Ross Swimmer, Chairman Peterson Zah of the Navajo Tribe, and Chairman Ivan Sidney of the Hopi Tribe. Mr. Zah supported the legislation with objections to certain provisions. Mr. Swimmer and Mr. Sidney opposed enactment of the legislation.

After careful consideration of the results of that hearing and of other information provided to the Committee, Chairman Udall has determined that his legislative initiative should be tabled and no further action taken. With the strong opposition of the Administration, the Hopi Tribe, and the advocates of the Big Mountain people, he has determined that pursuing this legislation would be futile and misleading to the Navajo families facing relocation.

In view of the Administration's opposition to the legislation, Mr. Udall will expect the Administration to assume the full burden of fair, humane implementation of the existing law. The Committee will monitor their actions and will continue to review developments on the issue. Should changing circumstances warrant, the Committee reserves the right to revisit this matter.

QUESTIONS AND ANSWERS

Why did Mr. Udall limit the witnesses on the May 8th hearing and not representatives of the "Big Mountain" people to testify?

As noted, Mr. Udall's purpose in introducing the bill was to see if could (1) serve as a catalyst for other proposals and (2) generate a consensus of support for the bill iteself. The May 8th hearing was an explanatory hearing to see if the bill had had that effect or, if it had not, to see if there was any hope that it could. The public airing of the positions of the major parties would permit the Committee to assess the impact of the bill. Mr. Udall is currently considering the results of that hearing and other information to determine what future course of action is most appropriate.

Why shouldn't P.L. 93-531 simply be repealed?

Simple repeal of P.L. 93-531 would be both (1) impractical and (2) foolish for the Navajo people.

First, it would be impractical to simply repeal the law. It has been subject to implementation for a period of 12 years. Personal, physical, and legal circumstances have changed so much in those 12 years that it would be impossible to restore the matter to the *status quo ante*.

Second, it would be very foolish for the Navajo families now living on Hopi Partitioned Lands to simply have the law repealed. As noted in the Litigation portion of this background, under the pre-1974, pre-P.L. 93-531 legal status, the Navajo families were facing either direct or constructive eviction under the order of the Federal district court. This eviction would have occurred without any relocation assistance. If the law was simply repealed, that is the legal situation which would again face the remaining Navajo and not only those living on Hopi Partitioned Lands, but those living on lands partitioned to the Navajo Tribe as well.

What is the July 6th deadline and what will happen after it passes?

Under the law, relocation was to be completed five years after the Commission submitted its relocation plan to the Congress. That date is July 6, 1986. After that date, Navajo families remaining on Hopi lands will no longer have a legal right to be there. Technically, they would be subject to legal eviction. However, under the Interior Appropriations Act for fiscal year 1986, no Federal funds may be used for evictions. In effect, the deadline has been extended until September 30, 1986.

Isn't it true that there is no real dispute between the Navajo and Hopi Tribe, but that the whole matter was concocted by energy companies and the Federal Government to facilitate the development of very valuable mineral resources under this land?

No, it is not true. This tribal dispute is very real, very bitter, and of long-standing duration. The background on the matter should make that very clear.

It is true that very valuable strippable coal deposits underlie much of the disputed lands. As explained, prior to the 1958 Jurisdictional Act, neither tribe had any legal right to those resources. Their right to the resources became vested with the enactment of the 1958 Act. Under the *Healing* v. *Jones* decision, the United States held those mineral resources in trust for the joint, equal, and undivided benefit of both tribes. Under Federal Indian law, neither tribe could provide for the development of those resources without the consent of the other and development would also require the approval of the Secretary of the Interior.

That legal situation did not change after the passage of P.L. 93-531. The subsurface estate of the former JUA remains in the joint ownership of both tribes, regardless of which tribe now owns the surface estate. It still requires the consent of both tribes to develop the mineral resources of the former JUA and it still requires the approval of the Secretary. Since the approval of the Secretary constitutes a major Federal action, any lease of those coal resources is subject to an Environmental Impact Statement under the Environmental Protection Act.

In addition, development of such resources would be subject to the Surface Mining Control and Reclamation Act, the Clean Water Act, the Clean Air Act, the Indian Religious Freedom Act, the Safe Drinking Water Act, the Archaeological Protection Act, and many other Federal laws protecting the environment.

Finally, these lands, whether the surface is owned by the Hopi or Navajo Tribe, are dotted with the religious sites and sacred shrines of both tribes. The Hopi Tribe is one of the most religious and traditional tribes in the United States, as is Navajo. It is foolish to believe that either of these tribes, whose people have such a great respect and reverance for the earth, would rush headlong into the environmental destruction of their lands.

Nevertheless, the members of both of these tribes, like many other Indian tribes, are in an extreme state of impoverishment. Extremely high unemployment and great need is the rule for both tribes. It would also be foolish to think that they would not try, in an environmentally sound manner, to develop their natural resources for the betterment of their people.

Isn't it true that the tribal governments of these two tribes are the creation of the Federal Government; that they are the tools and puppets of the Federal Government; and that they do not represent their people, particularly the traditionalists?

By 1880, the defeat of Indian tribes by the United States and their concentration on reservations was nearly complete. For the next fifty years or nearly two generations, it was the official, although illegal, administrative policy of the United States to suppress and destroy traditional forms of tribal government and to ban or punish the practice of traditional religious and cultural activity.

By 1930, the only effective government on most Indian reservations was the Bureau of Indian Affairs as represented by the local Indian agent. Traditional forms had either been destroyed or had been driven underground. Those that remained were treated as little better than debating societies, if not completely ignored by the BIA. Two generations of Indians were unschooled in the art of self-government.

With the New Deal of the Roosevelt Administration came an "Indian New Deal". Legislation was passed, the Indian Reorganization Act of 1934, to restore the right of tribal self-government. With it came the requirement that Federal officials assist tribes in reconstituting governmental forms. Since many Indians were unschooled in self-government, including the traditional forms, and since the Federal officials were required to assist them in reconstituting governments, the forms adopted were largely Federal creations. And it is true that, in their formative years, they were largely dominated by the BIA.

However, that is now no longer true. Tribal governments, including the Hopi and Navajo governments, are independent, strong, and vital. While many of them incorporate elements of their traditional forms of government, they are largely democratic with intensive membership participation.

It is true that there is an element of the Hopi people who do not recognize and do not participate in the existing Hopi government. Nevertheless, a greater percentage of the membership does recognize and participate in that government.

□ 1845

CENTRAL AMERICA: A TWO-PRONGED PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 30 minutes.

Mr. RAY. Mr. Speaker, on June 16, the House of Representatives will reconsider providing humanitiarian and lethal aid to the Nicaraguan Contra freedom fighters.

I want to take a few minutes to address this issue and to give my present views concerning this forthcoming legislation.

Mr. Speaker, I have consistently supported aid and assistance to Central America until the vote on March 20, 1986, which would have provided $100 million in humanitarian and lethal assistance to the Contra freedom fighters.

I opposed this legislation which failed because I was not satisfied with the handling and accounting of the $27 million in funds which had previously been approved in March 1985.

I remain sympathetic, however, to the critical situation which exists in Central America. Cuba and Nicaragua have been lost to the Marxist form of government and other nations are endangered and threatened.

The serious economic conditions existing in Central America make the countries there prime targets for citizen unrest and opportunist nations such as Cuba and Russia.

The House of Representatives in June will take a second vote on approving $100 million in aid to the Contras. To prepare myself for this vote of reconsideration, I traveled to Central America during the last of May and the first week of June.

In order to better understand the circumstances involved in this region, my agenda included individuals, embassies, and government officials; a 2½-hour meeting with the Contra leaders—Mr. Callero, Mr. Robelo, and Mr. Cruz; a visit to the United Nicaraguan Organization [UNO] which is in effect the umbrella organization of the Contras or the government in exile; a visit to the Nicaraguan Democratic Force [FDN]—the military arm of UNO—to review in depth their accounting and purchasing procedures, their logistics organization, their human rights group, their press and propaganda organization, and their directorate group; and finally a trip to the Contra's base camp in the mountains of Honduras on the Nicaraguan border.

Following this visit, I joined a congressional group which subsequently visited Guatemala, Costa Rica, Honduras, El Savador, and Nicaragua, where we met with the presidents of each country and their foreign ministers.

After these meetings, I am now convinced that there are two separate issues at work in Central America, and we must address both of these:

The Marxist regime which has taken hold in Nicaragua and which threatens neighboring countries, and

The struggling democracies in Costa Rica, Honduras, Guatemala, and El Salvador, which look to the United States and the free world for both an example and for assistance.

THE SITUATION IN NICARAGUA

Nicaragua's economy is rapidly deteriorating under the influence of the Marxist philosophy. They are relying on the Soviet Union for humanitarian and military assistance and are rapidly moving the government to a marxist regime.

After visiting with President Daniel Ortega and his foreign minister, I am of the opinion that the chances of their moving voluntarily to a democratic government are very slim at this point.

The Contadora process, which attempts to involve the Central America countries in an agreement to end the arms buildup and the withdrawal of all foreign countries, is still under consideration but it is unlikely that Nicaragua will agree to the terms.

Therefore, it would appear that other tactics must be considered to pressure the end of the Sandinista form of government.

Presently, Costa Rica reports that 250,000 refugees have fled Nicaragua and are living within its borders.

Honduras reports approximately 125,000 are living within its borders.

Many others are in these and other countries and are not reported or accounted for.

Approximately 20,000 have formed the counterrevolutionary movement and are known as the Contras. This group has been supported by the United States and other sympathetic groups.

Its goals are to mount an armed resistance movement against the Sandinista government and to encourage its six political parties to work toward free elections.

This group will need adequate and dependable support and assistance over the next few years. But their success will ultimately depend on the people of the country rallying behind such a group. An uprising of support through the political process, such as recently occurred in the Philippines, will be necessary to lead Nicaragua into a Democratic society.

Time appears to be of the essence.

The Sandinista government is in its seventh year of administration and has its doctrine in place in the school system, including the Catholic parochial schools.

A Marxist-type block system is in place and a security police system is in place to monitor it.

The prison system has been greatly increased and it is reported that eight new prisons have been built. At the same time health care has virtually vanished for the common people, which tells us a lot about the Sandinista priorities.

Several lower ranking members of opposition parties have been imprisoned because of political activity and are presently confined.

The military has increased from 15,000 personnel to over 60,000 personnel—the largest in Central America.

It is reported that a Cuban military officer is in charge of over all military operations.

New military bases are being constructed in remote corners of the country.

Therefore, the window of opportunity to destabilize this Marxist regime in our backyard is closing quickly. Estimates are that in 3 years, the Communist government will be firmly rooted in Nicaragua, if nothing changes.

After visiting the Contra and UNO leaders, I am of the opinion that they are sincere and unselfish in their desires to move Nicaragua into a democratic state.

I was impressed with the recently concluded conference and agreement which set up majority votes except in areas which require a consensus.

I was surprised to find an organizational procedure in place and operating, which comprised the makings of a government in exile.

I was informed that their goal is a political settlement in preference to a military one. But they believe pressure must come from both a political arm and a military arm. The organization has as its goals a positive program which will excite and motivate the people to move against the Sandinista government and force free elections, which would decide against the Communist form of government.

I was impressed with the Contra troops. During my two visits to the Contra camps over a 5-day span, I was struck by the respect which the troops held for their commander, Colonel Bermudez.

At the time of my visit, about 7,000 troops were in the camps and about 10,000 were reported to be scattered around Nicaragua.

About 500 Nicaraguans are reported to be joining the Contra organization each month.

They each have one uniform. They have been provided with an AK-47 Soviet rifle with ammunition, purchased on the Eastern bloc, black market.

A training center exists and approximately 5,000 graduates have gone through this center in the last 6 months.

The Contras have an air arm with two helicopters and a few other civilian and surplus aircraft, that do not work very well or very often.

But there is a strong and evident spirit among these thousands of young men and some women, who obviously believe that they can win.

And I gained the distinct impression that with adequate subsistence, strategy, and organization, they could indeed win with the support and confidence of the people of Nicaragua.

The evidence is clear—thousands of young people, whose age averages from 18 to 22, would not be risking their lives if the Sandinista government was better than the rugged life of near starvation and rugged jungles and mountains.

FOREIGN POLICY IN CENTRAL AMERICA

The second issue my visit made clear is that our foreign policy is badly misdirected. I firmly believe that our country needs to reduce its foreign aid, in some areas simply because we don't

need to be sending massive amounts of money out of the country when so many of our own people and industries are in financial trouble.

One of the major problems with our program is that we give money away in tremendous amounts to many countries, and then we do not demand or receive their support and cooperation. For example, right now our textile industry is in real trouble in this country and many of the nations which refuse to cooperate with us in establishing a fair and level playing field are the same ones we support. Our Nation's trade problems should be considered when we decide where our aid will go.

In my opinion, it is time to consider cutting back the aid and assistance, including military, which we are freely giving to many Middle Eastern and European countries. We should demand that they carry their fair share and work with us as allies and partners.

But, one area of the world that has been neglected in our foreign policy is our neighbors in Central America.

I made several observations during my visit:

The economy and foreign debt of all countries is serious. Costa Rica is in better shape than its neighbors and Honduras is extremely poor. All are in need of a strengthened economy.

Guatemala, Costa Rica, Honduras, and El Salvador have newly elected Presidents and democratic societies which promise to open the doors to a new beginning for the first time in history. But they will need support and assistance in large doses from America and the free world promptly if they are to succeed.

Their success and progress, in my opinion, should be a priority. They are in our neighborhood in the Americas and their success would lead to an example which could be encouraging to other nations in Latin America.

The apparent consensus of the group of Congressmen which I was traveling with on the last leg of this trip was that the situation seemed to be important enough and critical enough to warrant the shifting of priorities from Europe and Asia to Central America.

A consensus also seemed to lean toward fully implementing the Kissinger plan and adding to it to infuse large doses of economic assistance to this area.

I would agree, providing certain conditions were given consideration:

First, that this money be taken out of the existing foreign aid which we now spend for other areas of the world—and that it not be new foreign aid money.

Second, that American agriculture, which is in a desperate situation, be given some sort of parallel consideration.

Third, that the aid be provided over 5 years on a dollar matching plan—not necessarily dollar for dollar, but from country to country depending on the economic conditions and increasing or decreasing depending on appropriate use and progress of aid.

Agricultural, health, and educational assistance is critical.

The Caribbean Basin Initiative to encourage industrial growth and trade should be strengthened.

In conclusion, I would hope that the Congress would focus on these items which I have referred to and approve both aid and support for the Contras who are struggling to return democracy to Nicaragua, and assistance to the newly elected civilian democracies in Central America.

In Central America we have a unique opportunity to encourage the spread of democracy. In these countries, infant governments—one Marxist, four democratic—are seeking to take hold. The form of government which brings economic revitalization to this troubled area will be viewed by the world as a success. In my opinion, it is our duty as the leading democratic Nation of the world to do all we can to support and strengthen the democratic forces in Central America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PICKLE (at the request of Mr. WRIGHT), for today, on account of a necessary absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCKERNAN) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 30 minutes, today.

Mr. COURTER, for 60 minutes, on June 10.

Mr. GILMAN, for 5 minutes, today.

Mr. FISH, for 5 minutes, today.

(The following Members (at the request of Mr. MRAZEK) to revise and extend their remarks and include extraneous material:)

Mr. KLECZKA, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MACKAY, for 5 minutes, today.

Mr. RAY, for 30 minutes, today.

Mr. HEFTEL of Hawaii, for 60 minutes, on June 10, 11, 12, 17, 18, 19, 24, 25, and 26.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS (at the request of Mr. BROOKS) during general debate on H.R. 4784, following the remarks of Mr. WEISS, in the Committee of the Whole today.

Mr. WEISS, during debate on the Burton of California amendment to H.R. 1 in the Committee of the Whole today.

(The following Members (at the request of Mr. MCKERNAN) and to include extraneous matter:)

Mr. PURSELL in two instances.
Mr. ROBERT F. SMITH.
Mr. SAXTON.
Mr. COURTER.
Mr. MYERS of Indiana.
Mr. MORRISON of Washington.
Mr. BARTON.
Mr. BEREUTER.
Mr. FAWELL.
Mr. GEKAS in three instances.
Mrs. ROUKEMA.
Mr. GILMAN.
Mr. FISH.
Mr. BROWN of Colorado.
Mr. BURTON of Indiana.
Mr. SILJANDER.

(The following Members (at the request of Mr. MRAZEK) and to include extraneous matter:)

Mr. TORRES.
Mr. HAMILTON.
Mr. RANGEL.
Mrs. LLOYD.
Mr. STOKES.
Mr. DYSON in three instances.
Mr. WEISS.
Mr. YATRON.
Mr. COLEMAN of Texas.
Mr. STUDDS.
Mr. BREAUX.
Mr. MATSUI in two instances.
Mr. LIPINSKI.
Mrs. COLLINS.
Mr. DURBIN.
Mr. YATRON.
Mr. KOLTER.
Mr. MURTHA in two instances.
Mr. FASCELL in two instances.
Mr. BROWN of California.
Mr. DIXON in two instances.
Mr. WOLPE.
Mr. LUKEN.

ADJOURNMENT

Mr. RAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until Monday, June 9, 1986, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

the Speaker's table and referred as follows:

3646. A letter from the Secretary of Education, transmitting a copy of proposed final regulations for the Magnet Schools Assistance Program, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

3647. A letter from the Executive Director, National Digestive Diseases Advisory Board, transmitting a copy of the Board's 1986 annual report; to the Committee on Energy and Commerce.

3648. A letter from the general counsel, Department of Energy, transmitting notification that a meeting of the Industry Working Party of the International Energy Agency was held on June 2, 1986, in Paris, France; to the Committee on Energy and Commerce.

3649. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a copy of the original reports of political contributions for Cynthia Shepard Perry, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sierra Leone, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3650. A letter from the general counsel, Copyright Office, transmitting notification of proposed new and altered Federal records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3651. A letter from the Secretary of Defense, transmitting a copy of the inspector general's report for the 6-month period ending March 31, 1986, pursuant to Public Law 95-452, section 5(b) (96 Stat. 750); to the Committee on Government Operations.

3652. A letter from the Secretary of Labor, transmitting notification of a proposed amendment to an existing Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3653. A letter from the Secretary of Labor, transmitting notification of his determination that it is in the public interest to make a proposed contract award to the International Union of Operating Engineers without obtaining full and open competition, pursuant to 41 U.S.C. 253(c)(7); to the Committee on Government Operations.

3654. A letter from the Secretary of the Interior, transmitting the 1985 annual report on research and demonstration projects in alternative coal mining technologies, pursuant to 30 U.S.C. 1328(d) (Public Law 95-87, sec. 908(d); Public Law 97-257, sec. 100); to the Committee on Interior and Insular Affairs.

3655. A letter from the Secretary of the Interior, transmitting a copy of the financial exhibits of the Colorado River storage project and participating projects for the fiscal year ended September 30, 1985, pursuant to 43 U.S.C. 620e; to the Committee on Interior and Insular Affairs.

3656. A letter from the Commissioner, Immigration and Naturalization Service, transmitting a report on waivers granted from certain admissibility requirements for refugees during the first quarter of fiscal year 1986, pursuant to 8 U.S.C. 1157(c)(3); to the Committee on the Judiciary.

3657. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to improve the delivery of health care benefits by the Veterans' Administration and for other purposes; to the Committee on Veterans' Affairs.

3658. A letter from the Director, U.S. Information Agency, transmitting a draft of proposed legislation to amend title III of the Cultural Property Implementation Act, Public Law 97-446, to clarify the procedures for the designation of the Chairman and duration of the members term of office of the Cultural Property Advisory Committee; to the Committee on Ways and Means.

3659. A letter from the Acting Chairman, National Transportation Safety Board, transmitting a draft of proposed legislation to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1987, 1988, 1989, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

3660. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for the operation and maintenance of certain fish propagation facilities constructed in the Columbia River basin, and for other purposes; jointly to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MONTGOMERY: Committee on Veterans's Affairs. H.R. 4345. A bill to authorize the Administrator of Veterans' Affairs to establish a national cemetery in or near Cleveland, OH. (Rept No. 99-622). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 4252. A bill to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974; with an amendment (Rept No. 99-623). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 4939. A bill to amend the Shipping Act of 1984 to foster increased competition among ocean common carriers in connection with the transportation of certain Government cargoes; to the Committee on Merchant Marine and Fisheries.

By Mr. CARPER:

H.R. 4940. A bill to amend the Impoundment Control Act of 1974 with respect to consideration by the House of Representatives and the Senate of rescissions of budget authority; to the Committee on Government Operations.

H.R. 4941. A bill to amend the Congressional Budget Act of 1974 to create a point of order in the House of Representatives and the Senate against the consideration of any legislation after April 15 unless Congress has completed action on the concurrent resolution on the budget; to the Committee on Rules.

By Mr. DERRICK:

H.R. 4942. A bill to amend title 28, United States Code, to create the Beaufort Division in the District of South Carolina and designate Beaufort as the place of holding court for the new division; to the Committee on the Judiciary.

By Mr. DICKS:

H.R. 4943. A bill to repeal the application of revenue ruling 86-63, relating to the deductibility of contributions to university athletic funds; to the Committee on Ways and Means.

By Mr. EVANS of Iowa:

H.R. 4944. A bill to amend the Farm Credit Act of 1971 to provide for the issuance of bonds that can be redeemed upon call by the Farm Credit System or its fiscal agent; to the Committee on Agriculture.

By Mr. GEJDENSON (for himself, Mr. GUARINI, Ms. KAPTUR, Mr. TOWNS, Mr. WORTLEY, Mr. LOWRY of Washington, Mr. BEDELL, Mr. FRANK, Mr. FAZIO, Mr. HAYES, Mr. SMITH of Florida, Mr. MRAZEK, Mr. LIPINSKI, and Mr. LEVIN of Michigan):

H.R. 4945. A bill to amend the Public Health Service Act to encourage and assist States in requiring hospitals to establish protocols for identifying potential organ and tissue donors; to the Committee on Energy and Commerce.

By Mr. LOWRY of Washington (by request):

H.R. 4946. A bill to establish in the Treasury of the United States a revolving fund to be known as the "Panama Canal Revolving Fund"; to the Committee on Merchant Marine and Fisheries.

By Mr. MORRISON of Washington:

H.R. 4947. A bill to authorize certain elements of the Yakima River Basin Water Enhancement Project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PARRIS:

H.R. 4948. A bill to amend title 38, United States Code, to initiate a direct appraisal program for the Veterans' Administration home loan guarantee program; to the Committee on Veterans' Affairs.

By Mrs. SCHROEDER:

H.R. 4949. A bill to protect copyrighted computer programs from illegal copying; to the Committee on the Judiciary.

By Mr. SENSENBRENNER:

H.R. 4950. A bill to amend the Perishable Agricultural Commodities Act, 1930 to require commission merchants, dealers, and brokers to label perishable agricultural commodities with the name of the country of origin of such commodities; to the Committee on Agriculture.

By Mr. SOLOMON:

H.R. 4951. A bill to amend the Social Security Act to prevent disinvestment of the Social Security trust funds; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. BROOKS, Mr. MAZZOLI, Mr. SYNAR, Mrs. SCHROEDER, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. BERMAN, Mr. BOUCHER, Mr. HYDE, Mr. KINDNESS, Mr. SWINDALL, Mr. COBLE, Mr. EDWARDS of California, Mr. CONYERS, Mr. ENGLISH, Mr. MATSUI, Mr. BRUCE, Mr. OWENS, Mr. MITCHELL, Mr. KOSTMAYER, Mr. NOWAK, and Mr. LELAND):

H.R. 4952. A bill to amend title 18, United States Code, with respect to the interception of certain communications, other forms

of surveillance, and for other purposes; to the Committee on the Judiciary.

By Mrs. MEYERS of Kansas (for herself, Mr. MICHEL, Mr. FRENZEL, Mr. THOMAS of California, Mr. PANETTA, Mr. VANDER JAGT, Mr. LEWIS of California, Mr. LAGOMARSINO, Mr. COATS, Mr. HILLIS, Mr. JACOBS, Mr. GEJDENSON, Mr. BATES, Mr. TAUKE, Mr. ROBERTS, Mrs. JOHNSON, Mr. MCKERNAN, Mr. LIGHTFOOT, Mr. DIOGUARDI, Mr. HENRY, Mr. SAXTON, Mr. STRANG, Mr. WHITTAKER, and Mr. GALLO):

H.R. 4953. A bill providing for time limits for completion of recounts in general and special elections for the office of Representative; to the Committee on House Administration.

By Mr. WOLPE (for himself, Mr. HORTON, Mr. LEVIN of Michigan, Mr. CARR, Mr. LIPINSKI, Mrs. SCHNEIDER, Mr. MACKAY, Mr. SCHEUER, Ms. KAPTUR, Mr. GEPHARDT, Mr. MARTINEZ, Mr. ZSCHAU, Mr. FAZIO, Mrs. JOHNSON, Mr. MORRISON of Connecticut, Mr. RITTER, Mr. BRUCE, Mr. OBERSTAR, Mr. MRAZEK, Mr. BEDELL, Mr. EDGAR, Ms. OAKAR, Mr. WALGREN, Mr. LUNDINE, Mr. FRANK, and Mr. ECKART of Ohio):

H.J. Res. 648. A joint resolution to direct the President to report on the status of implementation of the recommendations of the President's Commission on Industrial Competitiveness; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BILIRAKIS (for himself and Mr. MCEWEN):

H. Con. Res. 348. Concurrent resolution expressing the sense of the Congress on the resumption of the United Nations High Commissioner for Refugees' Orderly Departure Program for Vietnam; to the Committee on Foreign Affairs.

By Mr. BURTON of Indiana (for himself, Mr. KEMP, Mr. COBEY, Mr. MACK, Mr. HUNTER, Mr. WEBER, Mr. ROTH, Mr. WALKER, Mr. SMITH of New Jersey, Mr. SILJANDER, Mr. SWINDALL, Mr. HYDE, Mr. WOLF, Mr. OXLEY, Mr. LIVINGSTON, Mr. DORNAN of California, Mr. RITTER, Mr. DAUB, Mr. HARTNETT, Mr. ARCHER, Mr. LAGOMARSINO, Mrs. HOLT, Mr. WHITEHURST, and Mr. DEWINE):

H. Con. Res. 349. Concurrent resolution to implement the 1979 resolution of the Organization of American States on democracy in Nicaragua; to the Committee on Foreign Affairs.

By Mr. MCEWEN (for himself, Mr. BILIRAKIS, Mr. APPLEGATE, Mr. SMITH of New Jersey, Mr. SOLOMON, Mr. GILMAN, Mr. WYLIE, Ms. KAPTUR, Mr. DORNAN of California, Mr. DEWINE, Mr. LEACH of Iowa, Mr. MCCAIN, and Mr. LUKEN):

H. Res. 466. Resolution expressing the sense of the House of Representatives regarding the resumption of technical meetings with the Government of the Socialist Republic of Vietnam on the issues of the repatriation of remains of American servicemen, joint excavations of crash sites, and investigations of "live sighting" reports; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

398. By the SPEAKER: Memorial of the General Assembly of the State of Iowa, relative to Federal funds for the Job Training Partnership Program; to the Committee on Education and Labor.

399. Also, memorial of the Legislature of the State of Hawaii, relative to the reinsurance market crisis; to the Committee on Energy and Commerce.

400. Also, memorial of the Legislature of the State of Arizona, relative to the maximum speed limit on highways in certain rural areas; to the Committee on Public Works and Transportation.

401. Also, memorial of the House of Representatives of the State of Hawaii, relative to the Department of Energy's MOD-5B research wind turbine at Kahuku, HI; to the Committee on Science and Technology.

402. Also, memorial of the General Assembly of the State of Iowa, relative to the Social Security "notch" problem; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOXER:

H.R. 4954. A bill for the relief of Howard W. Waite; to the Committee on the Judiciary.

By Mr. SAXTON:

H.R. 4955. A bill for the relief of Harold N. Holt; to the Committee on the Judiciary.

By Mr. SAXTON:

H. Res. 467. Resolution to refer the bill H.R. 4955 for the relief of Harold N. Holt to the chief judge of the United States Claims Court; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 85: Mr. MCCAIN.

H.R. 471: Mr. ROWLAND of Connecticut, Mr. PACKARD, and Mr. BOEHLERT.

H.R. 782: Mrs. BOXER.

H.R. 997: Mr. GRAY of Pennsylvania, Mr. RANGEL, Mr. WHEAT, Mr. STARK, Mr. EDWARDS of California, Mr. MORRISON of Connecticut, and Mrs. BURTON of California.

H.R. 1021: Mrs. VUCANOVICH.

H.R. 1402: Mr. HOWARD and Mr. GONZALEZ.

H.R. 1519: Mr. WHITLEY, Mr. EVANS of Illinois, Mr. ORTIZ, Mr. MINETA, Mr. SHUSTER, Mr. WYLIE, and Mr. MOLINARI.

H.R. 1875: Mr. MRAZEK, Mr. PARRIS, Mr. EMERSON, Mr. SHARP, Mr. GAYDOS, Mr. NEAL, Mr. ERDREICH, Mr. FOWLER, Mr. DE LUGO, Mrs. LONG, and Mr. BONER of Tennessee.

H.R. 2282: Mr. FORD of Tennessee, Mr. SCHUMER, Mr. HOYER, Mr. PERKINS, Mr. LIPINSKI, Ms. MIKULSKI, and Mr. REID.

H.R. 2659: Mr. PETRI.

H.R. 2902: Mr. FROST.

H.R. 2999: Mr. HAMMERSCHMIDT.

H.R. 3006: Mr. KINDNESS.

H.R. 3032: Mr. CARR and Mr. WHEAT.

H.R. 3263: Mr. FRANKLIN and Mr. DEWINE.

H.R. 3555: Mr. MCCAIN, Mr. KOLBE, Mr. VISCLOSKY, Mr. SOLARZ, Mr. SMITH of Florida, Mr. LOWERY of California, Mr. ARCHER, Mr. LEWIS of California, Mr. HUBBARD, Mr. PACKARD, Mr. GARCIA, Mr. AUCOIN, Mrs. BENTLEY, Mr. HYDE, and Mr. FIELDS.

H.R. 3644: Mr. SHAW.

H.R. 3661: Mr. ROBINSON, Mr. STARK, Mr. GREEN, Mr. HENDON, Mr. RUDD, and Mr. SKELTON.

H.R. 3799: Mr. GARCIA, Mr. ATKINS, Mr. SCHUMER, Mr. FRANK, Mr. PURSELL, Mr. DORGAN of North Dakota, Mr. JONES of North Carolina, Mr. MATSUI, Mr. MINETA, Mr. FASCELL, and Mr. MOAKLEY.

H.R. 3842: Mr. KOSTMAYER, Mr. DYSON, Mr. HOWARD, Mr. HERTEL of Michigan, Mr. OLIN, Mr. TORRES, Mr. BEVILL, Mr. LANTOS, Mr. BOLAND, Mr. NEAL, Mr. BARNARD, Mr. PACKARD, Ms. KAPTUR, Mr. CHENEY, Mr. CARPER, Mr. GALLO, Mr. ORTIZ, Mr. OWENS, Mr. MURTHA, Mr. MCEWEN, Mr. MILLER of Ohio, Mr. MARTIN of New York, Mr. MCDADE, Mr. MARKEY, Mr. HANSEN, Mr. MANTON, Mr. HARTNETT, Mr. HEFNER, Mr. HUNTER, Mr. KANJORSKI, and Mr. KASICH.

H.R. 3845: Mr. SOLARZ, Mr. SOLOMON, Mr. LOWRY of Washington, Mr. COELHO, Mr. GONZALEZ, and Mr. MCCURDY.

H.R. 3866: Mr. BRUCE and Mr. WISE.

H.R. 3894: Mr. DAVIS, Mr. WALGREN, Mr. BARNARD, Mr. HUCKABY, Mr. PARRIS, Mr. WEAVER, Mr. ASPIN, Mr. BOSCO, and Mr. SCHEUER.

H.R. 4003: Ms. KAPTUR, Mr. LEVIN of Michigan, Mr. ROYBAL, Mr. WAXMAN, Mr. WISE, Mr. PRICE, Mr. NIELSON of Utah, and Mr. SIKORSKI.

H.R. 4067: Mr. THOMAS of Georgia, Mr. RAHALL, Mr. STANGELAND, Mr. HAMILTON, Mr. CARR, Mr. PRICE, Mr. APPLEGATE, Mr. MCDADE, Mr. ROGERS, Mr. BARTON of Texas, Mr. WEBER, and Mr. QUILLEN.

H.R. 4107: Mr. BILIRAKIS.

H.R. 4142: Mr. HENRY, Mr. NIELSON of Utah, Mr. ROBINSON, Mr. MCMILLAN, Mr. FUQUA, Mr. BROWN of Colorado, Mr. HARTNETT, Mr. DANNEMEYER, Mr. MCCOLLUM, Mr. KOLTER, Mr. ANDERSON, Mr. CHAPPELL, Mr. YATRON, Mr. BOEHLERT, Mr. BEDELL, Mr. CHANDLER, Mr. CLINGER, Mr. BURTON of Indiana, Mr. RUDD, Mr. MURPHY, Mr. LEATH of Texas, Mr. DANIEL, Mr. FAZIO, Mr. LENT, Mr. BARNARD, Mr. HENDON, Mr. TRAFICANT, Mr. EVANS of Iowa, Mrs. HOLT, Mr. ARMEY, Mr. BRUCE, Mr. MCKINNEY, Mr. WORTLEY, Mr. HOWARD, Mr. HUTTO, Mr. LEHMAN of Florida, Mr. BEREUTER, Mr. GINGRICH, Mr. WIRTH, Mr. WHITEHURST, Mrs. BENTLEY, Mr. ROWLAND of Connecticut, Mr. WOLF, Mr. SHUMWAY, Mr. WEBER, Mr. NICHOLS, Mr. HANSEN, Mr. BOULTER, Mr. MURTHA, Mr. FOLEY, and Mr. REGULA.

H.R. 4194: Mr. DELLUMS.

H.R. 4245: Mr. LOTT.

H.R. 4343: Mr. DEWINE, Mr. RITTER, Mr. DAUB, and Mr. COBEY.

H.R. 4388: Mr. HYDE.

H.R. 4391: Mr. KILDEE.

H.R. 4424: Mr. DWYER of New Jersey, Mr. WHITEHURST, Mr. MACKAY, Mr. GARCIA, Mr. WORTLEY, and Mr. SMITH of Florida.

H.R. 4433: Mr. MONSON.

H.R. 4488: Mr. SILJANDER, Mr. YATES, Mr. WHITEHURST, Mr. GARCIA, and Mr. CARPER.

H.R. 4538: Mr. WOLF, Mr. DOWDY of Mississippi, Mr. BARTON of Texas, Mr. WALKER, Mr. BOEHLERT, and Mr. SHUSTER.

H.R. 4546: Mr. COATS and Mr. YOUNG of Florida.

H.R. 4636: Mr. MONSON.

H.R. 4660: Mr. DORGAN of North Dakota, Mr. BARNES, Mr. ROE, and Mrs. BOXER.

H.R. 4663: Mrs. BENTLEY and Mr. SMITH of New Hampshire.

H.R. 4664: Mrs. ROUKEMA, Mr. OLIN, Mr. COBEY, and Mr. SAVAGE.

H.R. 4671: Mrs. COLLINS, Mr. SMITH of New Hampshire, Mr. BONER of Tennessee, and Mr. JACOBS.

H.R. 4688: Ms. KAPTUR.

H.R. 4697: Mr. HYDE.

H.R. 4698: Mr. SEIBERLING, Mr. DOWNEY of New York, Mr. BUSTAMANTE, Mr. BATES, Mrs. BOXER, and Mr. PANETTA.

H.R. 4711: Mr. KILDEE, Mr. MONSON, Mr. KLECZKA, Mr. ROYBAL, Mr. SAVAGE, Mr. MARTINEZ, and Mr. BORSKI.

H.R. 4761: Mr. LAGOMARSINO, Mr. MANTON, Mr. OWENS, Mr. ROBINSON, Mr. GLICKMAN, Mr. BEVILL, Mr. WORTLEY, Mr. BRYANT, Mr. PEPPER, Mr. GARCIA, Mr. APPLEGATE, Mr. HENRY, Mr. DWYER of New Jersey, Mrs. VUCANOVICH, Mr. SMITH of New Hampshire, Mr. LENT, Mrs. BENTLEY, Mr. WALGREN, Mr. DERRICK, Mr. FIELDS, Mr. STENHOLM, Ms. KAPTUR, Mr. OXLEY, and Mr. NEAL.

H.R. 4787: Mr. WORTLEY, Mr. BERMAN, and Mr. NEAL.

H.R. 4825: Ms. MIKULSKI.

H.R. 4847: Mr. WOLPE.

H.R. 4849: Mr. HENRY, Mrs. SCHNEIDER, Mr. TRAFICANT, Mr. SENSENBRENNER, Mr. MORRISON of Washington, Mr. LEWIS of Florida, Mr. LUNDINE, Mr. DUNCAN, Mr. LENT, Mr. KINDNESS, Mr. JACOBS, Mr. MCMILLAN, Mr. PASHAYAN, Mr. COBEY, Mr. MARTIN of New York, Mr. JEFFORDS, Mr. TAYLOR, Mr. FRANKLIN, Mr. BONKER, Mr. MCGRATH, Mr. LOWRY of Washington, Mr. PURSELL, Mr. LEACH of Iowa, Mr. ROWLAND of Connecticut, Mr. MACK, Mr. GALLO, Mr. SAXTON, Mr. SUNDQUIST, and Mr. RIDGE.

H.R. 4856: Mr. MCCLOSKEY, Mr. WHITEHURST, Mr. KINDNESS, Mr. WISE, Mr. BEVILL, and Ms. KAPTUR.

H.R. 4868: Mr. ANDREWS, Mr. BATES, Mr. BEDELL, Mr. BIAGGI, Mr. ACKERMAN, Mr. ATKINS, Mrs. BOGGS, Mr. BORSKI, Mrs. BOXER, Mr. BROWN of California, Mr. BRYANT, Mr. CARPER, Mr. CARR, Mr. CLAY, Mrs. BURTON of California, Mrs. COLLINS, Mr. CONYERS, Mr. COUGHLIN, Mr. CROCKETT, Mr. DIXON, Mr. DE LUGO, Mr. DOWNEY of New York, Mr. DURBIN, Mr. EDGAR, Mr. EVANS of Illinois, Mr. FEIGHAN, Mr. FOGLIETTA, Mr. FRANK, Mr. GEJDENSON, Mr. GLICKMAN, Mr. GONZALEZ, Mr. HAWKINS, Mr. HEFTEL of Hawaii, Mr. HOWARD, Mr. HOYER, Mr. JACOBS, Mr. KASTENMEIER, Mrs. KENNELLY, Mr. KILDEE, Mr. KOSTMAYER, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEVINE of California, Mr. LOWRY of Washington, Mr. LUNDINE, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MCHUGH, Mr. MINETA, Mr. MITCHELL, Mr. MOLLOHAN, Mr. MOODY, Mr. MRAZEK, Mr. NEAL, Mr. OBERSTAR, Mr. OWENS, Mr. PEPPER, Mr. RAHALL, Mr. ROYBAL, Mr. SEIBERLING, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. TORRICELLI, Mr. TRAXLER, Mr. UDALL, Mr. VISCLOSKY, Mr. WALGREN, Mr. WEAVER, Mr. YATES, Mr. YATRON, Mr. YOUNG of Missouri, Mr. MILLER of California, Mr. RICHARDSON, and Mr. WIRTH.

H.R. 4871: Mr. REID and Mr. RAHALL.

H.R. 4886: Mr. RICHARDSON, Mr. BATES, Mr. SWIFT, Mr. SYNAR, Mr. LELAND, Mr. WALGREN, and Mr. TRAFICANT.

H.R. 4887: Mr. KRAMER, Mrs. SMITH of Nebraska, Mr. KINDNESS, Mr. RALPH M. HALL, Mr. LOTT, Mr. SWEENEY, and Mr. SHUMWAY.

H.R. 4917: Mr. LEACH of Iowa.

H.R. 4919: Mr. BATES, Mr. BEDELL, Mr. BERMAN, Mr. BOUCHER, Mrs. BOXER, Mr. DASCHLE, Mr. DIXON, Mr. DWYER of New Jersey, Mr. ECKART of Ohio, Mr. EDGAR, Mr. FASCELL, Mr. FORD of Tennessee, Mr. FROST, Mr. GEJDENSON, Mr. HAMILTON, Mr. KOSTMAYER, Mr. LEHMAN of California, Mr. LEVINE of California, Mr. MATSUI, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MICA, Ms. MIKULSKI, Mr. NEAL, Mr. NOWAK, Mr. OBEY, Mr. PEASE, Mr. PEPPER, Mr. RUSSO, Mr. SABO, Mr. SHARP, Mr. SMITH of Florida, Mr. STAGGERS, Mr. WAXMAN, Mr. WHEAT, Mr. WILLIAMS, and Mr. YATES.

H.J. Res. 10: Mr. DORNAN of California, Mr. FROST, Mr. GONZALEZ, Mr. KLECZKA, Mr. LIPINSKI, Mr. MINETA, and Mr. SUNIA.

H.J. Res. 131: Mrs. JOHNSON, Mr. MAZZOLI, Mr. COURTER, Mr. DOWDY of Mississippi, Mr. HARTNETT, Mr. BURTON of Indiana, and Mr. ECKERT of New York.

H.J. Res. 244: Mr. FAWELL, Mr. HAYES, Mr. RUSSO, and Mr. HERTEL of Michigan.

H.J. Res. 379: Mr. WHEAT, Mr. JONES of Tennessee, Mrs. VUCANOVICH, and Mr. NOWAK.

H.J. Res. 381: Mr. RAHALL and Mr. HANSEN.

H.J. Res. 429: Mr. ANTHONY, Mr. SMITH of New Jersey, Mr. GEKAS, Mr. FROST, Mr. REID, Mr. NOWAK, Mr. STARK, Mr. FORD of Michigan, Mr. FLIPPO, and Mr. LIPINSKI.

H.J. Res. 451: Mr. PICKLE and Ms. OAKAR.

H.J. Res. 524: Mr. KINDNESS, Mr. GALLO, Mr. KRAMER, and Mr. SAXTON.

H.J. Res. 531: Mr. LIGHTFOOT, Mr. FOWLER, Mr. COYNE, Mr. BOSCO, Mr. FEIGHAN, Mr. LANTOS, and Mr. CARPER.

H.J. Res. 572: Mr. FASCELL, Mr. VENTO, and Mr. RAY.

H.J. Res. 574: Mr. WYLIE, Mr. APPLEGATE, Mr. CLINGER, Mr. SCHAEFER, and Mr. DE LUGO.

H.J. Res. 584: Mr. BORSKI, Mr. DE LA GARZA, Mr. YOUNG of Alaska, Mr. MONSON, Mr. ROE, Mr. MARTINEZ, Mr. HYDE, Mr. SHUMWAY, Mr. PACKARD, Mr. FOGLIETTA, Mr. GONZALEZ, Mr. HAYES, Mr. HENRY, Mr. MONTGOMERY, Mr. WOLF, Mr. RICHARDSON, Mrs. BENTLEY, Ms. OAKAR, Mr. ACKERMAN, Mr. WILSON, Mr. MURTHA, Mr. HUTTO, Mr. KOLBE, Mr. COLEMAN of Missouri, Mr. VALENTINE, Mr. RALPH M. HALL, Mr. WEBER, Mr. DE LUGO, Mr. LELAND, Mr. MATSUI, Mrs. HOLT, Mr. APPLEGATE, and Mr. KINDNESS.

H.J. Res. 588: Mr. SAXTON, Mr. FAZIO, Mr. DORNAN of California, Mr. KASICH, Mr. LIPINSKI, Mr. LAGOMARSINO, Mr. SMITH of Florida, Mr. ANDREWS, Mr. RAHALL, Mr. BRYANT, Mr. HUTTO, Mr. ROE, Mr. DE LA GARZA, Mr. HALL of Ohio, Mr. MCGRATH, Mr. LEVIN of Michigan, Mr. HORTON, Mr. NIELSON of Utah, Mr. MARTINEZ, Mr. SCHUMER, Mr. FROST, Mr. HOWARD, Mr. DELAY, Mr. CLINGER, Mr. LEWIS of Florida, Mr. LUNDINE, Mr. CONTE and Mr. THOMAS of California.

H.J. Res. 594: Mr. NICHOLS, Mr. SOLARZ, Mr. MARKEY, Mrs. MEYERS of Kansas, Ms. MIKULSKI, Mr. DORNAN of California, and Mr. LEWIS of Florida.

H.J. Res. 607: Mr. BEVILL, Mr. BRYANT, Mr. CHAPMAN, Mr. COLEMAN of Texas, Mr. COMBEST, Mr. DARDEN, Mr. DOWNEY of New York, Mr. FIELDS, Mr. FISH, Mr. GLICKMAN, Mr. GORDON, Mr. RALPH M. HALL, Mr. HATCHER, Mr. HORTON, Mr. HUTTO, Mr. LEVIN of Michigan, Mr. LIPINSKI, Mr. LOWRY of Washington, Mr. MARTINEZ, Mr. MRAZEK, Mr. NELSON of Florida, Mr. OLIN, Mr. PENNY, Mr. PEPPER, Mr. PICKLE, Mr. SKELTON, Mr. SMITH of Florida, Mr. SPRATT, Mr. STENHOLM, Mr. SYNAR, and Mr. THOMAS of Georgia.

H.J. Res. 611: Mr. ANDERSON, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BORSKI, Mr. BOSCO, Mr. CALLAHAN, Mr. DONNELLY, Mr. DOWNEY of New York, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. ERDREICH, Mr. CHAPPIE, Mrs. COLLINS, Mr. DEWINE, Mr. BENNETT, Mr. FRANK, Mr. KASICH, Mr. FUSTER, Mr. GRAY of Illinois, Mr. GUARINI, Mr. HAYES, Mr. KOSTMAYER, Mr. LELAND, Mr. MANTON, Mr. MATSUI, Mr. MINETA, Mr. MOAKLEY, Mr. MOORHEAD, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. NEAL, Mr. O'BRIEN, Mr. LEHMAN of Florida, Mr. PORTER, Mr. ROE, Mr. SCHUMER, Mr. SNYDER, Mr. TALLON, Mr. TAUKE, Mr. TOWNS, Mr. TRAFICANT, Mr. YATES, Mr. ROSE, Mr. CONYERS, Mr. LUKEN, Mr. FROST, Mr. DANIEL, Mr. FEIGHAN, Mr. EDGAR, Mr. FOGLIETTA, Mr. TAUZIN, Mr. BUSTAMANTE, Mr. BLILEY, Mr. HUBBARD, Mr. HUNTER, Mrs. JOHNSON, Mr. FAZIO, Mr. HEFNER, and Mr. YATRON.

H.J. Res. 642: Mr. MANTON, Mr. RALPH M. HALL, Mr. NEAL, Mr. SHELBY, Mr. BLAZ, Mr. GORDON, and Mr. HANSEN.

H.J. Res. 645: Mr. ANTHONY.

H. Con. Res. 129: Mr. PETRI.

H. Con. Res. 244: Mr. BATES, Mr. HEFTEL of Hawaii, Mr. HOYER, Mr. RICHARDSON, and Mr. WEISS.

H. Con. Res. 326: Mr. KEMP.

H. Con. Res. 332: Mr. ROBINSON, Mr. WAXMAN, Mr. WIRTH, Mr. YOUNG of Missouri, and Mr. MARTINEZ.

H. Con. Res. 334: Mr. ROBINSON and Mr. MARTINEZ.

H. Con. Res. 338: Mr. UDALL and Mr. BEDELL.

H. Con. Res. 344: Mr. SLATTERY, Mrs. BENTLEY, Mr. SYNAR, Mr. DORGAN of North Dakota, Mr. LOWRY of Washington, Mr. LUJAN, Mr. SKEEN, and Mr. STAGGERS.

H. Res. 394: Mr. MONSON.

H. Res. 400: Mr. BIAGGI, Mr. SEIBERLING, Mr. SCHUMER, Mr. WALGREN, Mr. FORD of Michigan, Mr. KILDEE, Mr. FRANK, Mr. GARCIA, Mr. WAXMAN, Mr. RAHALL, Mr. SMITH of Florida, Mr. GRAY of Illinois, Ms. OAKAR, Mr. OWENS, Mr. FUSTER, Mr. SIKORSKI, Mr. PERKINS, Mr. ECKART of Ohio, Mr. FEIGHAN, Mr. TRAFICANT, Mr. WISE, Mr. VOLKMER, Mr. MCCLOSKEY, Mr. LEVIN of Michigan, Mr. APPLEGATE, Ms. KAPTUR, Mr. BENNETT, Mr. SHELBY, Mr. SCHEUER, Mr. MORRISON of Connecticut, Mr. ROE, Mr. MARTINEZ, Mr. PEPPER, Mr. RALPH M. HALL, Mr. MILLER of California, Mr. LEVINE of California, Mr. FOLEY, Mr. MITCHELL, Mr. FLORIO, Mr. EDWARDS of California, Mr. ROSE, Mr. EVANS of Illinois, Mr. VENTO, Mr. HOWARD, Mr. BERMAN, Mr. MINETA, Mr. ATKINS, Mr. RICHARDSON, Mr. ROYBAL, Mr. LAFALCE, Mr. DOWNEY of New York, Mr. LUNDINE, Mr. ALEXANDER, and Mr. DE LUGO.

H. Res. 423: Ms. KAPTUR, Mrs. SMITH of Nebraska, Mr. COOPER, Mr. FAUNTROY, Mr. MITCHELL, Mr. HAYES, Mr. DWYER of New Jersey, Mr. DORGAN of North Dakota, Mr. SAVAGE, Mr. DASCHLE, and Mr. DE LUGO.

H. Res. 451: Ms. MIKULSKI, Mr. BOEHLERT, Mr. RANGEL, and Mr. SPENCE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

378. By the SPEAKER; Petition of the Council of the Borough of Woodstown, NJ, relative to an amendment to the 16th amendment of the Constitution of the United States; to the Committee on the Judiciary.

379. Also, petition of the Council of the Township of Berkeley, NJ, relative to proposed legislation to license recreational salt water sports fishermen; to the Committee on Merchant Marine and Fisheries.

380. Also, petition of the Board of Governors, North Carolina Bar Association, Raleigh, NC, relative to salaries of the members of the Federal Judiciary; to the Committee on Post Office and Civil Service.

381. Also, petition of the City Council of Wickliffe, OH, relative to "Save American Industry/Jobs Day"; to the Committee on Post Office and Civil Service.

SENATE—*Thursday, June 5, 1986*

(Legislative day of Monday, June 2, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable GORDON J. HUMPHREY, a Senator from the State of New Hampshire

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Bless the Lord, O my soul, and all that is within me. Bless His Holy Name. Bless the Lord, O my soul, and forget not all His benefits.

Gracious God, how easy it is for us to forget Your benefits, too numerous to mention, monotonous in their continuum, morning and evening, day by day, week by week, month by month, year by year. Forgive us for our ingratitude. Be with those who hurt in our big Senate family today. Touch them with Your love and Your care and Your grace. And, Lord, these powerful people who work here need You as much as the weakest of us. May they be aware of that need today and look to Thee for grace to help in time of need. In Jesus name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 5, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GORDON J. HUMPHREY, a Senator from the State of New Hampshire, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HUMPHREY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

Mr. CHAFEE. I thank the Chair.

SCHEDULE

Mr. CHAFEE. Mr. President, the procedure will be the two acting leaders will have, under the standing order, 10 minutes each. Then there are special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, LEAHY, GORE, WEICKER, DIXON, and MCCONNELL.

Routine morning business will not extend beyond the hour of 11 o'clock. During that time, Senators may speak for 5 minutes each.

At 11 o'clock, by unanimous consent, the Senate will proceed to consider the President's veto message on Senate Joint Resolution 316, which is the Saudi arms sale. There will be 3 hours of debate on that, 2 hours under the control of the minority leader, and 1 hour under the control of the majority leader.

By unanimous consent, at 2 o'clock this afternoon, a vote will occur on the question, Shall the joint resolution pass, the objections of the President of the United States to the contrary notwithstanding?

In other words, the vote on the President's veto.

Following that vote, which, as I mentioned, will occur at 2 o'clock, the Senate will turn to the consideration of Calendar No. 653, H.R. 4515, which is the supplemental appropriations bill. There will be rollcall votes during the afternoon, and the Senate could be asked to remain in session late into the evening.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting Democratic leader is recognized.

Mr. PROXMIRE. Mr. President, it is my understanding that the time of the Democratic leader has been reserved for a later time.

The ACTING PRESIDENT pro tempore. The Senator is correct.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

WHY BILLIONS TO EUROPE FOR STAR WARS MAKES IT A LOSER

Mr. PROXMIRE. Mr. President, there are many solid reasons for opposing star wars. First, most of our scientific and military experts who are not on the Defense Department payroll tell us it will not work.

Second, arms control specialists tell us it will destroy arms control in two ways. It frontally assaults the Antiballistic Missile Arms Control Treaty by providing the very ABM system that treaty was designed to prevent. It also totally undermines any real possibility of slowing the offensive nuclear weapons arms race. Star wars gives the Russians the choice of going sled-length to build up their offensive missiles to overcome star wars or facing the absolutely unacceptable alternative of losing the credibility of their deterrent.

Third, star wars will impose an immense and permanent burden of increased military spending on our economy. It will force a massive increase in the Federal tax burden of every American taxpayer.

On top of all this, we now find another reason why star wars is a loser, especially for American taxpayers. In order to cool the criticism of star wars by our NATO allies, the administration has initiated a series of agreements with the United Kingdom, West Germany, Japan, and now Israel. Those agreements would require this country to pay out billions of dollars for star wars research by their scientists. Why? Because such a payment would still their criticism of star wars. These countries are riding a very rich U.S.-financed gravy train. Over the next 5 years it appears that our Federal Government will pay $1.5 billion to the United Kingdom, $1 billion for West Germany, $300 million for Israel, and according to a recent story in the Wall Street Journal "perhaps 15 percent of the total SDI research budget for entrepreneur rich Japan."

What possible excuse is there for dunning the American taxpayers for the full cost of SDI research done by the Europeans and Asians? One theory is that the research will develop a tactical missile defense that will protect American troops stationed in Europe. But is there the slightest sign of any commitment by Europeans to deploy such a defensive SDI in Europe? The answer is that there is none.

It gets worse. Under the Antiballistic Missile Treaty, this country would be in direct violation of the treaty if an antimissile defense paid for by the United States is deployed in Europe.

The treaty specifically prohibits this country from constructing or financing a strategic defense located on the soil of an ally, as a way of circumventing its limits. Of course, the ABM Treaty is an agreement between the two superpowers. The United Kingdom, West Germany, and other European countries are not parties to it. So the Europeans would be free to construct an SDI with their own money. By taking American funds for their SDI research, they are taking the first steps toward foreclosing the prospect that SDI in any form could be deployed in Western Europe to protect our troops.

Mr. President, this situation dramatically exposes why the Defense Department has agreed to pay scientists in NATO countries money from U.S. taxpayers to do SDI research. Obviously, the governments of these countries do not have any real faith that SDI can work for their protection or they would pay for it with their own money. So why does the administration spend SDI research money in the United Kingdom, in Israel, in Japan, and in West Germany, but not in Wisconsin, and 15 other States in this country? Answer: We do this to still our allies' criticism and bring NATO along with us on star wars. Our taxpayers in each of 16 States pay for SDI. They pay for the billions that will be paid to scientists in foreign countries for research on this program. But to date not a penny of this money has been expended in any of these States. In fact, in some 45 States—of the 50 States—less SDI money, usually far less, will be spent than will be extracted in taxes to pay for the SDI Program. On the other hand, in spite of the already seriously adverse balance of trade, we will make it worse as we pour out billions of dollars to foreign countries to pay for them to work on SDI. And none of them will contribute 1 cent to the cost of the project. The irony is that these countries so clearly recognize the futility of the program that they have not indicated any concern about the fact that under the ABM Treaty no SDI defenses can be deployed in their countries. They know star wars is a loser. But if they can turn a few billion American bucks for this American folly, why not?

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, my myth of the day is that the United States is no longer the leading Nation in the world in support of higher education. It is ironic that this myth continues even as we have just completed work on a massive 5-year reauthorization of the Higher Education Act of 1965.

Obviously, as the richest and one of the largest nations in the world, the United States spends more total funds on higher education than any other nation. What few realize is when we look at the percentage share of gross national product devoted to postsecondary education, the United States is still No. 1 on the world's list, according to the most recent United Nations data.

In 1982, the United States spent 2.5 percent of our Nation's gross national product on higher education. By comparison, Japan spent only seven-tenths of 1 percent, the German Democratic Republic 1.2 percent, and the Soviet Union 0.9 percent. The nation which comes closest to achieving our level of commitment to postsecondary education is our neighbor to the north, Canada, which contributed 2.3 percent of its national GNP for postsecondary education.

This remarkable national commitment to higher education has resulted in a postsecondary enrollment ratio of 58 percent in our Nation. This means that over one-half of our college-age individuals are working toward some type of postsecondary degree.

Again, Canada comes closest to duplicating our figures with a postsecondary enrollment ratio of 39 percent. The ratio is only 30 percent in the Federal Republic of Germany and Japan, and falls to 21 percent in the Soviet Union.

Mr. President, no wonder this guide to colleges is so thick. Our society provides by far and away the greatest number, diversity and quality of college education in the world. If anyone doubts that statement, I suggest they first of all review this or a similar guide to higher education, and second, ask some of the tens of thousands of foreign students who flock to our shores to study in our great institutions of higher learning.

□ 1010

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR HAWKINS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Florida is recognized for not to exceed 5 minutes.

INFANT ADDICTION: A NEW PHENOMENON IN THE DRUG TRADE

Mrs. HAWKINS. Mr. President, when we consider the problem of drugs we usually think of trafficking, smuggling, street corner sales, and quick fixes in dark alleys. And drug abuse is generally thought of in terms of youth, middle-age, and some older people. But a new phenomenon is occurring over the country—the addiction of infants who have been drawn into a horrendous trap because their mothers use drugs or alcohol. Withdrawal from drugs is a horror show for adults. Think what it must be for a newly born infant, who is the most innocent of victims. Yet that situation is confronted every day in almost every hospital of any significant size in the country. The reason, of course, is that these babies are born into the world already hooked on drugs or alcohol as a result of their mothers' addiction. Withdrawal, accordingly, is a necessary, if painful experience.

At one of the largest hospitals in the Nation's Capital, D.C. General, the number of children born with signs of drug withdrawal has nearly doubled in the last 3 years. According to hospital records, 52 babies were born with drug withdrawal symptoms, 3.2 percent of all deliveries, in 1982. In 1985, 108 such babies were born, representing 5.7 percent of the total of 1,833 babies born that year. Imagine what is happening around the United States.

Joyce Thomas, a pediatric nurse and specialist in substance abuse at the Children's Hospital National Medical Center, reveals that the problem is much more extensive than most people realize. She says, "Nobody's counting, but the problem is very big in the United States."

One District of Columbia agency—the Women's Services Clinic—offers detoxification help to pregnant women. About 35 of the 170 women who visit the clinic each month are pregnant in contrast to 10 to 12 in past years. This represents a threefold increase in the number of pregnant women with drinking or drug problems who visit just one specific clinic.

Infants with mothers who use drugs are often underweight. They suffer the same withdrawal symptoms as adults—seizures and convulsions. They are jittery, irritable, and hyperactive. If their mothers are hooked on heroin or other opiates the babies are given paragoric, which dulls their senses. After the symptoms subside, the infants are weaned from the medication. Sometimes they are swaddled, given pacifiers or kept in a quiet environment to sooth their distraught nerves. It can take infants as little as a week or as long as 3 months to recover from their mothers' drug habit. "Not every baby makes it," says Childrens Hospi-

tal's Joyce Thomas. "We lose several every year." Sometimes there is permanent physical damage to the children. There can be development delays and mental retardation. Many of the children wind up with learning disabilities.

In some instances, children have been so damaged by drug exposure that they are unwanted by their real parents or prospective adoptive parents. This means, of course, that the affected youngsters linger in public custody.

What we are talking about is personal tragedy in varying degrees induced by drugs. Once again the insensitivity and greed of drug traffickers, the purveyers of human misery, have claimed innocent victims.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1020

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont is recognized for not to exceed 5 minutes.

BREAKING WITH SALT—A LOST OPPORTUNITY

Mr. LEAHY. Mr. President, yesterday and today, a series of Senators have spoken on the issue of compliance with SALT II. I see on the floor the distinguished Senator from Rhode Island, who spoke eloquently on this matter yesterday. Several of us will speak again to the press later this morning on the subject.

Mr. President, with the White House announcement that the United States will cease observing SALT at the end of this year, President Reagan has missed a priceless opportunity to move the arms control process ahead by a giant leap.

The President made the right decision—to remain in compliance with the numerical limits of the SALT II Treaty by ordering that two old Poseidon missile submarines be dismantled. But, acceding to those advisers who have been trying for years to destroy the fragile limits on the arms race, he allowed this action to be cast entirely in terms of "military cost effectiveness." The administration went out of its way to make clear that SALT will die when the United States converts the 131st B-52 to carry air-launched cruise missiles at the end of this year. When that 131st bomber is converted, the United States will exceed the SALT II ceiling of 1,320 launchers of multiple warhead missiles and ALCM-carrying heavy bombers unless offsetting reductions are taken.

Mr. President, I say an opportunity was lost because the President could have used this decision as a means to put immense pressure on the Soviet Union in the arms control negotiations. The President lost a golden opportunity. Instead of declaring that he would abandon the SALT no-undercut policy, the President could have stated publicly to Mr. Gorbachev that he was prepared to attend a summit on arms control before the end of this year. He could have committed the United States to stay with the SALT no-undercut policy for at least 6 months beyond the date of a summit devoted to arms control. This would give sufficient time for negotiators to turn agreement by the political leaders into binding treaty language. Further, he could have taken up the Soviet gauntlet and declared the United States would, for the same 6-month period after a summit, observe a mutual moratorium on all nuclear tests, subject to Soviet agreement to permit onsite inspections.

Such a dramatic announcement by the President could have broken the present logjam and set the stage for a summit which could have produced agreement between the two leaders on the outlines of a strategic arms reductions treaty.

The President could say to Mr. Gorbachev: "We'll meet at the summit. We'll abide by SALT II for at least 6 months after the summit. We won't do any underground testing for at least 6 months after the summit. But we want to test your seriousness. We will come to the summit seriously. Let us negotiate. Let us do something to stop this cloud of doom which hangs over the heads of both our countries and the rest of the world." Then you could have had real agreement between the two leaders.

The President would have created the best possible conditions for achieving his declared goal of deep reductions in nuclear weapons. The United States would have seized the moral high ground for the rest of the world.

If a summit under such conditions were to result in failure, the President could then make a final decision about whether to continue the current limits on strategic nuclear forces, secure in the knowledge that he had done his utmost, had gone the extra mile, that the United States had told the rest of the world that we are truly committed to arms control, and no damage would have been done to U.S. security in the interim. On the contrary, limitations which clearly favor the United States over the Soviet Union would continue in force for at least another year, perhaps more, if meaningful progress towards a new nuclear arms treaty were being made.

Instead, by characterizing his decision as a first step toward a wide-open arms race, the President has thrown away what may prove to be the last chance to have a nuclear reductions treaty before the end of his Presidency. We are in fact continuing to observe SALT, but will gain no credit with our allies or world opinion, and will not send positive signals to Soviet leaders that could enhance the prospects for a summit.

The President's decision flouts the strongly-held position of the United States and the NATO alliance with regard to the SALT no-undercut policy. The Senate has now, on two separate occasions—most recently in June 1985—voted its overwhelming bipartisan support for his commonsense approach. Our NATO allies have reacted very negatively to the President's announcement. At the recent Council of Ministers meeting in Halifax, Sir Geoffrey Howe, the British Foreign Minister, said:

> It is in the West's best interest to uphold and strengthen if possible those arms control agreements that already exist.

Canada's External Affairs Minister, Joe Clark, concurred by stating:

> We believe it is in the interests of arms control that the limits of SALT II be respected. . . . It's premature to put it in a coffin until there is a corpse.

Mr. President, I cannot believe that the United States gains anything in its security, or the rest of the world does, by this decision. It is a wrong decision at the wrong time, for the wrong reasons, and it gains nothing for our security or the security of our allies.

The bottom line is that the President's action, if carried through, will destroy what remains of the national consensus for sensible strategic and arms control policies aimed at strengthening stability and reducing the risk of nuclear war. A return to an open-ended arms race is premised on the belief that we can outbuild the Soviets and regain some sort of military superiority. That simply is not going to happen, and the costs, economic and political, will be staggering. This view remains unacceptable to the American people and to our allies. It represents a receipt for dangerous risks and needless confrontation, and therefore, must be overturned.

Mr. President, political, economic and military costs of destroying the last remaining limits on strategic offensive nuclear weapons are far too high for Congress to stand by and allow the no-undercut policy to die. If the Senate does not act, by the end of this year, the world could face for the first time since 1972, an open-ended

arms race with no restraint between the nuclear superpowers.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, a number of articles which have appeared in newspapers in my State in connection with this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. LEAHY. Mr. President, Senators BUMPERS, CHAFEE, HEINZ and I will submit an amendment to an appropriate vehicle, probably the defense authorization bill, to provide the Senate a means to show where it stands on this most vital national security issue. The U.S. Senate, the only body in this country which can vote on an arms control treaty, will stand up and, I hope, be counted.

[From the Times Argus (Barre-Montpelier, VT), June 2, 1986]

EXHIBIT 1

ARMS RACE GAMBIT

Ronald Reagan is once again on the verge of putting his tough talk into action. This time, he is threatening to scrap the second Strategic Arms Limitation Treaty, better known as SALT II. Reagan has never liked the treaty, which was negotiated by the Carter administration but never ratified by the Senate. Nevertheless, for the last five and a half years he has abided by the terms of the agreement. Now, in his latest bit of Soviet-bashing, Reagan has told the "Evil Empire" that if it doesn't shape up and stop violating certain terms of SALT II, he will no longer feel obliged to adhere to it. Secretary of State George Shultz and Defense Secretary Caspar Weinberger, in a rare display of harmony, have been explaining that there has been a shift in U.S. policy. In the future, they said, U.S. strategic and security interests, not the "arbitrary limitations" of some "flawed" treaty, will dictate our course of action.

Reagan's belligerence toward the Soviet Union is nothing new, although he seems to gone out of his way lately to be antagonistic. The decision to go ahead with underground nuclear weapons testing, for example, was a particularly stinging slap in the face to Mikhail Gorbachev, coming as it did right after he had offered to continue the Soviet Union's unilateral moritorium on testing. In the elaborate dance that passes for super power relations, this and other acts of provocation might be explained as a test of the Soviet Union's willingness to negotiate arms reductions—the theory being that if they still want to talk after we have given them numerous excuses to back out, then they must be serious.

The problem with Reagan's latest threat is the same as the problem with his get-tough-with-terrorists policy: it jeopardizes our security instead of enhancing it. If President Reagan makes good on this promise to end U.S. Compliance with SALT II, especially if he breaks the treaty by deploying more cruise missiles, it is sure to spur the arms race. The Soviets already have issued a warning of their own, saying that if the United States exceeds the limits on the number of nuclear weapons each side has, then it also will exceed those limits. Each side will be caught up in the never-ending cycle of trying to get one step ahead of the other. We will waste precious resources while making the world a more dangerous place.

Like so many of the actions of this administration, the threat to scrap SALT II doesn't square with the stated objectives. Even if we accept the administration's position that the Soviets have committed serious violations of the treaty—a position that some arms experts reject—we fail to follow the reasoning for abandoning the entire pact. If we are interested in arms reductions and upset that the Soviets have not strictly abided by the terms of SALT II, does it make sense that we will be better off if they abide by none of the treaty's provisions?

Perhaps the answer lies in the fact that both Congess and the general public have come to the conclusion that Reagan's trillion-dollar military build-up has gone far enough. We no longer hear about the "window of vulnerability"—this administration's first ploy to justify its enormous military budgets. (It simply wasn't true, but unfortunately we didn't find that out until Reagan had thrown billions at the military.) Now, when the administration is faced with a new challenge to its budget priorities, this decision to abandon the arms limitation treaty appears to be an attempt to create a new "vulnerability"—and an excuse to lavish more money on the Pentagon and its defense contractors.

[From the Sunday Rutland Herald and the Sunday Times Argus, June 1, 1986]

PHYSICIANS, LEAHY URGE COMPLIANCE WITH SALT II

(By Tom Hill)

BERLIN.—Affirming the sentiments of featured speaker Sen. Patrick J. Leahy, doctors at the annual statewide meeting of Vermont Physicians for Social Responsibility unanimously passed a resolution Saturday urging the Reagan administration to reaffirm United States adherence to the SALT II treaty.

President Reagan last week announced that the U.S. will end compliance with the unratified arms-control accord.

The PSR resolution said that SALT II has kept the number of U.S. and Soviet missiles constant since the early 1970s through the dismantling of "hundreds of nuclear weapons." Statement said a SALT II provision limiting the number of warheads on each missile "has worked strongly to the advantage of the United States" and warned that a U.S. attempt "to spurt ahead of the Russians in strategic nuclear weapons would only end up with more missiles aimed at both sides, would derail the arms-control process, and would give greater national insecurity—compared to which the alleged, debatable Soviet violations of minor treaty provisions are insignificant."

"We are worried that breaking this treaty is the beginning of further treaty violations by this administration," the statement added.

LEAHY ASSAILS N-TESTS

Leahy assailed the Reagan administration for last week's decision, and for proceeding with underground nuclear weapons tests despite a unilateral Soviet testing moratorium.

He described the administration's decision on SALT II as a ploy to accelerate development of technology for the proposed Strategic Defense Initiative, popularly known as Star Wars, which he called "pure foolhardiness."

"If I were in the Soviet leadership, I'd be delighted to see this, because the Soviets have to do far more than we do under SALT II," Leahy told the group. He urged Reagan to pledge, before a tentatively scheduled summit meeting with Soviet leader Mikhail S. Gorbachev later this year, not to test any nuclear weapons for at least six months after the summit.

"Neither side loses anything by doing this," Leahy said. "Don't we have enough? Good Lord, what more do we need, to be able to destroy them 25 times over instead of 20? We've reached the point where we're talking about bouncing the rubble."

Leahy spoke at a day-long conference that marked the 25th anniversary of the national physicians' group, which advocates nuclear arms control. Approximately 40 doctors from throughout Vermont attended the session at Central Vermont Hospital.

As vice chairman of the Senate Intelligence Committee, Leahy said, he knew personally that verifying a test ban would be "one of the easier things to do." Pressing ahead with SDI, he said, "piles disaster on top of folly."

Hammering at each word for emphasis, Leahy added: "It makes no sense whatsoever. I cannot understand any rational person supporting the concept of Star Wars; it's not going to work." SDI research and development, he said, "will push as far as possible to finally bankrupt this nation."

Leahy said the Senate may be able, because of budget pressures, to reduce the administration's proposed increase in funding for SDI research from 74 percent to 3 percent. "We'll take our victories any way we can get them."

He charged the Star Wars actually would destabilize the balance of power by taking money away from the maintenance of conventional American forces. "We're going to put everything in the nuclear basket and roll the dice. What security is that? Ultimately, it's the security of the grave. It's not the security of a free and great people."

Leahy said that even if SDI worked perfectly—which, he stressed, it could not possible do—it would not protect the United States from tactical nuclear weapons anyway. "I'm not so concerned about ICBMs coming in from outer space as I am with cruise missiles coming in under the Brooklyn Bridge.

"Without arms control, we don't have national security," he added.

Leahy said the prospects for meaningful arms reduction are good now, because the Soviet Union wants and needs to devote more financial resources to improving its own "creaking economy." He accused Reagan of ignoring good-faith Soviet overtures.

WARMLY RECEIVED

Leahy, who has received a 100-percent rating from PSR for his views on arms control, was warmly received. He praised the group's efforts and urged members to keep speaking out.

"You're going to carry more weight; very few people who speak on this issue are going to carry the weight to make people stop and think the way you are," be said. "You've got to keep doing it."

Burton Tepfer, M.D., of Southeastern Vermont PSR, read a message of support from Gov. Madeleine Kunin. He told the group that former Gov. Richard D. Snelling, who is challenging Leahy for the Senate, was invited to the meeting but could not attend. An expected written statement from Snelling explaining his views on arms control never came, Tepfer said.

[From the Burlington Free Press, June 4, 1986]

TRUE BARGAINING IS DEMANDED ON ARMS RACE

Diplomacy apparently becomes a lost art when superpowers are jockeying for positions of military superiority.

And so it is with the SALT II treaty. Even though President Jimmy Carter recommended that the Senate refuse to ratify the agreement after the Soviet invasion of Afghanistan, the United States has abided by it for nearly seven years by observing the weapons limits in the document. Under it, the deployment of strategic or intercontinental nuclear missiles was restricted so that each side could have only 1,200 multiple warhead missiles. The combined number of those missiles and bombers armed with cruise missiles was set at 1,320 for each side. Adding a Trident submarine Nevada to the U.S. fleet will require the decommissioning of two Poseidon submarines to insure continued U.S. compliance. President Reagan late last month announced that the two Poseidons will be dismantled

At the same time, however, he announced his intention to abrogate the treaty in December when the 131st cruise-armed bomber goes into service, exceeding the agreement's weapons limit. The decision puzzled many people in Washington and in Europe. Some allied leaders believe the move will create hostility among anti-American groups who feel that the administration, driven as it is by ideology, really is not interested in any arms control agreements with the Soviets. Congressional leaders were openly confused by the administration's ambiguous stance on the compliance issue. Some claimed it was indicative of disagreements among the White House staff on arms control. Other critics said it was an invitation to Moscow to cast aside constraints and intensify its military buildup.

Saturday the Soviets offered to reduce their strategic nuclear weapons if the United States agreed not to annul a 1972 treaty on defensive anti-ballistic weapons for 15 to 20 years and to hold talks on strengthening it. Under an agreement with a private U.S. group, American scientists would be permitted to monitor underground nuclear tests if the United States would provide similar facilities for Soviet scientists. Administration officials, however, contend that the Soviet offers grow out of a fear that the United States will go ahead with development of a space-based nuclear defense system.

Defense Secretary Caspar W. Weinberger has announced he would oppose any attempt to strengthen the 1972 treaty on the grounds that it would prevent development and deployment of the so-called "Star Wars" defense. But the pact already contains a provision against the use of space as a nuclear battleground. So it appears that the administration is prepared to abrogate that treaty as well as SALT II.

That the arms race will not end until American and Soviet diplomats sit down at the bargaining table and work out their differences should be clear to the people of the nation.

Using ideology as a substitute for negotiations can only mean that the madness of escalation will continue for years to come.

RECOGNITION OF SENATOR DIXON

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois [Mr. DIXON] is recognized for not to exceed 5 minutes.

OVERRIDE THE VETO!

Mr. DIXON. Mr. President, today, the Senate will consider overriding the veto of Senate Joint Resolution 316. We have debated this proposed arms sale to Saudi Arabia extensively. The Senate and House have both spoken decisively and we will have another chance to reaffirm our position on this important matter later today. I have been following the issue for over a year. The President has, in a sense, admitted that the sale was not a particularly wise course of action, by scaling it back twice!

The administration's original proposal was equal in magnitude to the 1982 AWAC's package—the largest single U.S. arms transfer in history. In March, the President submitted a deal which was significantly smaller, but still troublesome. Now, he has reduced the package further by removing portable stinger missiles, which could easily be diverted into terrorist hands.

Mr. President, this sale is not necessary, and is not in the best interests of the United States. We seem to be selling these weapons to the Saudis in order to send a message to more extreme nations in the region. That doesn't make very much sense to me. If we are sending messages, there are less dangerous ways to do so.

Although Saudi Arabia is perceived by some as a moderate Arab nation, there are very disturbing facts which lead me to believe that this sale is very ill-advised, and that such a perception is inaccurate.

First, the administration maintains that this sale is necessary because of the escalation of the Iran-Iraq war. According to the administration, however, the first weapons are not scheduled for delivery until 1989, and the shipments would stretch to 1991. Given the nature of the region, it would seem unwise to make such a long-term commitment to a nation which has repeatedly scorned both American and Israeli interests.

Second, the Saudis have repeatedly supported Libya, condemning American efforts to constrain the outlaw agenda of Qadhafi and his cohorts. Saudi Arabia has publicly stated its allegiance to these international criminals, in direct opposition to American policy and interests.

Third, the Saudis continue to serve as a major contributor to the Palestine Liberation Organization. Last year alone, they provided Yassar Arafat and his followers with $28.5 million so that they could continue to carry out their agenda of terror and destruction.

Fourth, Saudi Arabia doesn't live up to its agreements. The 1981 AWAC's sale was based upon several conditions. One principal point was that a peaceful resolution of disputes in the region would be successfully completed or significant progress toward that goal would be accomplished with substantial assistance from Saudi Arabia. This vital commitment was made by the Saudis to President Reagan nearly 5 years ago, and still has not come to pass.

The situation in the Middle East is more unstable than ever. There has been no positive action by the Saudis to bring peace to the area. In fact, their overall stance has been negative. The Saudis continue to lead the Arab boycott against Israel. They are seeking to gain additional allies in Africa to confront Israel. They continue to reinforce the isolation of Israel at every opportunity.

Finally, Mr. President, we should acknowledge that the Saudis are already very well equipped militarily. There is no legitimate, urgent need for these additional arms. There is also no overpowering imperative requiring the United States to provide unneeded arms as a measure of friendship to a nation which has been unreceptive to the aim of the United States toward achieving a peaceful resolution to Middle Eastern problems.

Mr. President, this sale is not in the best interest of any nation which advocates peace in the Middle East and deplores terrorism against innocent civilians. Saudi Arabia is in a declared state of war with Israel. Although the administration maintains that it is unlikely the Saudis would use these weapons against our closest ally in the Middle East, it makes no sense to accommodate a country which has not lived up to its past commitments to us.

America has already sold more military equipment and services to Saudi Arabia than any other single country in the world.

Before we consider sending additional implements of war to the Saudis, we need to elicit from them a firm, irrevocable commitment to work for peace with Israel. Only then can we move in the direction of a lasting peace in the Middle East.

It is my sincere hope that my colleagues in the Senate and the House will uphold our earlier decision to oppose this sale. Although the package has been changed somewhat, the original reasons for opposing it remain as compelling today as they were on May 6. I opposed the sale then, I oppose it now, and I will vote to override the veto today.

I yield the floor.

RECOGNITION OF SENATOR WEICKER

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut [Mr. WEICKER] is recognized for not to exceed 5 minutes.

S. 2515—THE REHABILITATION ACT AMENDMENTS

Mr. WEICKER. Mr. President, I rise today on behalf of myself, Mr. KERRY, Mr. HATCH, Mr. THURMOND, Mr. STAFFORD, Mr. KENNEDY, and Mr. INOUYE, to introduce legislation to amend and extend for 4 years programs authorized under the Rehabilitation Act of 1973. This legislation is critical to improving the quality of life of our Nation's handicapped citizens.

As a nation we have progressed in our attitudes toward persons with disabilities. Once we viewed such disabilities in terms of their limitations—limitations on what disabled individuals could learn, what they could accomplish, and what they could contribute to society. But these limitations have continually been challenged by the disabled and their advocates, and we now understand that they exist more as limited opportunities for disabled individuals to receive the education, training and other support they might need in order to become productive contributing members of our society.

In other words, the limitations are ours, not those of the disabled. Maybe we feel that for some reason or other they are lesser members of society and in tight fiscal times we can balance budgets at their expense, but there are no limitations as to what is possible insofar as the disabled themselves are concerned.

This understanding has led us to realize the importance of providing services to disabled individuals throughout the life cycle. It has been a decade since the enactment of Public Law 94-142, which ensures a free, appropriate public education for our Nation's handicapped children, and in the reauthorization of the Education of the Handicapped Act this spring, I proposed beginning services for handicapped children at birth.

That legislation, I might add, is due for action here on the floor of the Senate, hopefully within the next several days.

Research has indicated for some time now the benefits of beginning services as early as possible, and I am pleased to say we have finally responded with the birth initiative.

Similarly, there has been a great deal of activity recently in the area of adult services, or life after school for individuals with disabilities. Efforts on the part of professionals, national organizations, consumers and others have heightened our recognition of the potential of disabled individuals to live productive adult lives.

Indeed, demonstrations throughout the Nation have shown that even severely disabled persons are capable of meaningful employment, given appropriate supports, and nationally we are at the crest of a wave of new employment opportunities for disabled Americans. The reauthorization of the Rehabilitation Act is our opportunity to respond to significant progress in this area and to demonstrate our commitment to enhancing opportunities for the disabled citizens of our Nation who want to be employed.

Programs authorized under the Rehabilitation Act include grants to States for vocational rehabilitation, through which employment-related services are currently provided to more than than 900,000 individuals. These services are critical to the independence and productivity of individuals who want the opportunity to maximize their potential and become contributing members of society. A recent Harris poll, commissioned by the National Council on the Handicapped, indicated that two-thirds of disabled Americans between the ages of 16 and 64 are not working.

Furthermore, so we all understand, two-thirds of these individuals, when queried, wanted to work. The statistics are bad enough insofar as minorities in this country are concerned, but this particular statistic makes those pale by comparison. Two-thirds of our disabled population unemployed, and two-thirds of those unemployed want to work. Yet they do not have the opportunity in America.

I think it is imperative that we respond to this need by reauthorizing the Rehabilitation Act with the improvements included in the Rehabilitation Amendments of 1986.

The overall purpose of the Rehabilitation Act is to promote employment, an outcome which benefits us all.

Even if nobody has humanitarian concerns around here and you look at it from a budgetary point of view, believe me, the money you spend employing the disabled is money you do not have to spend over a lifetime in terms of their being a charge of the State. So it has a great cost-benefit ratio if that indeed is the reasoning that appeals to the American public in this day and age.

In addition to the humanitarian benefits employment brings to disabled individuals, making taxpayers out of tax-users is economically sound for us as a nation as well. Indeed, the tax and other savings realized through employment are significant.

The Rehabilitation Act Amendments of 1986 contain modifications which will strengthen States' ability to provide the breadth of services required to meet the needs of our most severely handicapped citizens. An important component of the new bill authorizes grants for States to develop supported employment services for severely disabled individuals. Supported employment is defined as competitive work in integrated work settings for individuals who, because of the severity of their disabilities, need intensive, ongoing support services to perform such work. The bill will enable States to develop and expand supported employment programs, in order to complement existing vocational rehabilitation services.

The bill also includes an increased emphasis on rehabilitation engineering as it relates to employment, and an increased role for the National Council on the Handicapped as a policy advisory body on issues of national scope affecting persons with disabilities, as well as numerous additional improvements developed following 2 days of hearings in March.

As a nation, we have the responsibility to assist our Nation's disabled citizens live independently as tax paying citizens. I believe the Rehabilitation Act Amendments of 1986 represent a significant contribution toward realizing that goal, and I urge my colleagues to reaffirm their commitment to the employment of disabled individuals through support of this legislation.

In conclusion, I have to say I had to become educated on this subject. There is nobody you see on the streets or anywhere else who is not fully capable of doing everything you and I do, although maybe in a somewhat different way. Do not be misled by a different manner of speech or a different physical appearance. It has nothing to do with what that individual is capable of if the world is opened up to that person. So do not impose on them what we think they can or cannot do. Give to them the opportunity and, believe me, it will be done probably better than by those of us who are "normal."

Mr. President, I ask unanimous consent to have the bill, S. 2515, printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rehabilitation Act Amendments of 1986".

TITLE I—GENERAL PROVISIONS AMENDMENTS

STATEMENT OF PURPOSE

SEC. 101. Section 2 of the Rehabilitation Act of 1973 (hereinafter referred to as the "Act") is amended by inserting immediately before the period at the end thereof a comma and "for individuals with handicaps in order to maximize their employability, independence, and integration into the workplace and the community".

REHABILITATION SERVICES ADMINISTRATION

SEC. 102. Section 3 of the Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall take such action as necessary to ensure that—

"(1) the staffing of the Rehabilitation Services Administration shall be in sufficient numbers to meet program needs and at levels which will attract and maintain the most qualified personnel; and

"(2) such staff includes individuals who have training and experience in the provision of rehabilitation services and that staff competencies meet professional standards.".

DEFINITIONS

SEC. 103. (a) Paragraph (5) of section 7 of the Act is amended—

(1) by inserting "recreational," in subparagraph (B) after "cultural, social,";

(2) by inserting "employability" after "individual's";

(3) by striking out "and" at the end of subparagraph (F);

(4) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "and"; and

(5) by adding at the end thereof the following new subparagraph:

"(H) the provision of rehabilitation engineering services to any individual with a handicap to assess and develop the individual's capacities to perform adequately in a work environment.".

(b) Section 7 of the Act is amended by redesignating paragraphs (6) through (10) as paragraphs (7) through (11), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) The term 'employability', with respect to an individual, means a determination that, with the provision of vocational rehabilitation services, the individual is likely to enter or retain full or part-time employment consistent with capacities or abilities of the individual in the competitive labor market, the practice of a profession, self-employment, homemaking, farm or family work (including work for which payment is in kind rather than in cash), supported employment training and time-limited post-employment services, sheltered employment, homebound employment, or in other work.".

(c) Section 7 of the Act is further amended by redesignating paragraphs (11), (12), and (13) as paragraphs (13), (14), and (15), respectively, and by inserting before paragraph (13) (as redesignated) the following new paragraph:

"(12) The term 'rehabilitation engineering' means the systematic application of technologies, engineering methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with handicaps in areas which include education, rehabilitation, employment, transportation, independent living, and recreation.".

(d) Paragraph (13) of section 7 of the Act (as redesignated by subsection (c) of this section) is amended—

(1) by striking out "or" in subparagraph (C) and inserting in lieu thereof "and";

(2) by striking out "and" at the end of subparagraph (K);

(3) by striking out the period at the end of subparagraph (L) and inserting in lieu thereof a comma and "and"; and

(4) by adding at the end thereof "(M) psychosocial rehabilitation facility services for individuals with chronic mental illness.".

(e) Paragraph (15) of section 7 of the Act (as redesignated by subsection (c) of this section) is amended to read as follows:

"(15) The term 'severe handicap' with respect to an individual means an individual with handicaps—

"(i) who has a severe physical or mental disability which seriously limits one or more functional capacities (such as mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills) in terms of employability;

"(ii) whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time; and

"(iii) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculo-skeletal disorders, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, end-stage renal disease, or other disability or combination of disabilities determined on the basis of an evaluation of rehabilitation potential to cause comparable substantial functional limitation.".

(f) Section 7 of the Act is further amended—

(1) by redesignating paragraphs (14) and (15) as paragraphs (16) and (17), respectively; and

(2) by adding at the end thereof the following new paragraph:

"(18) The term 'supported employment' means competitive work in integrated work settings for individuals with severe handicaps for whom competitive employment has not traditionally occurred, or for individuals for whom competitive employment has been interrupted or intermittent as a result of a severe disability and for individuals who, because of their handicap, need on-going support services to perform such work. Such term includes transitional employment for individuals with chronic mental illness.".

MONITORING EVALUATION AND ADMINISTRATION

SEC. 104. (a) Section 12(a) of the Act is amended by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) provide monitoring and conduct evaluations.".

(b) Section 12(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) In carrying out the provisions of this Act, the Commissioner may appoint such task forces as may be necessary.".

EVALUATION

SEC. 105. (a) The first sentence of section 14(a) of the Act is amended by striking out ", including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs" and inserting in lieu thereof "using appropriate methodology and evaluative research designs".

(b) Section 14 of the Act is amended by striking out "Secretary" each time it appears and inserting in lieu thereof "Commissioner".

TRANSFER OF FUNDS

SEC. 106. Section 16 of the Act is amended to read as follows:

"TRANSFER OF FUNDS

"SEC. 16. (a) Except as provided in subsection (b) of this section, no funds appropriated under this Act for any research program or activity may be used for any purpose other than that for which the funds were specifically authorized.

"(b) No more than one-half of 1 percent of funds appropriated for discretionary grants, contracts, or cooperative agreements authorized by this Act may be used for the purpose of providing non-Federal panels of experts to review applications for such grants, contracts, or cooperative agreements.".

REVIEW OF APPLICATIONS

SEC. 107. (a) The Act is amended by inserting after section 16 the following new section:

"REVIEW OF APPLICATIONS

"SEC. 17. Applications for grants or contracts authorized to be funded under this Act shall be reviewed by panels of experts which shall include non-Federal members. Non-Federal members may be provided travel, per diem, and consultant fees not to exceed the rate provided for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.".

(b) The table of contents of the Act is amended by inserting after the item relating to section 16 the following:

"Sec. 17. Review of applications.".

REPORT OF THE COMMISSIONER

SEC. 108. (a) The Commissioner of Rehabilitation Services shall conduct an assessment of the direct and indirect cost rates charged by State agencies designated to administer or supervise the administration of the State plan under the Rehabilitation Act of 1973 and by other State agencies entering into cooperative agreements under section 101(a)(11) of the Rehabilitation Act of 1973.

(b) Not later than February 1, 1987, the Commissioner of Rehabilitation Services shall submit a report of such assessment to the Congress. Such report shall include recommendations regarding alternative methods for establishing indirect cost rates, including establishing predetermined fixed rates by statute and prescribing standards for negotiating such rates.

TITLE II—VOCATIONAL REHABILITATION SERVICES

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a)(1) Section 100(b)(1)(A) of the Act is amended—

(A) by striking out "$1,037,800,000" and inserting in lieu thereof "$1,281,000,000";

(B) by striking out "1984" and inserting in lieu thereof "1987"; and

(C) by striking out "1985, 1986, and 1987" and inserting in lieu thereof "1988, 1989, and 1990".

(2) Section 100(b)(1)(B) of the Act is amended by striking out "1985 and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

(3) Subparagraph (C) of section 100(b)(1) of the Act is repealed.

(b) Section 100(b)(2) of the Act is amended by striking out "1984, 1985, and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

(c) Section 100(b)(3) of the Act is amended by striking out "1984, 1985, and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

STATE PLANS

SEC. 202. (a)(1) Section 101(a)(5)(A) of the Act is amended—

(A) by inserting after "severe handicaps" the first time it appears, the following: "including individuals served under part C of title VI of this Act,";

(B) by inserting after "including" the following: "the results of a comprehensive, Statewide assessment of the rehabilitation needs of all individuals with severe handicaps residing within the State and the State's response to the assessment,"; and

(C) by inserting after "show" the following: "and provide the justification for".

(2) Section 101(a)(5) of the Act is amended—

(A) by striking out "and" at the end of subclause (A);

(B) by inserting "and" at the end of subclause (B); and

(C) by adding at the end thereof the following new subclause:

"(C) describe how rehabilitation engineering services will be provided to assist an increasing number of individuals with handicaps;".

(b) Section 101(a)(11) of the Act is amended by inserting "mental health community support programs," after "State's public assistance programs,".

(c) Section 101(a)(15) of the Act is amended—

(1) by striking out "(including" and inserting in lieu thereof ", including conducting a full needs assessment for serving individuals with severe handicaps and including"; and

(2) by striking out "agency)" and inserting in lieu thereof "agency".

(d) Section 101(a) of the Act is amended—

(1) by striking out "and" at the end of clause (21);

(2) by striking out the period at the end of clause (22) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new clause:

"(23) provide satisfactory assurances that the State has an acceptable plan for part C of title VI.".

INDIVIDUALIZED REHABILITATION PROGRAM

SEC. 203. (a) Section 102(b) of the Act is amended to read as follows:

"(b)(1) Each individualized written rehabilitation program shall—

"(A) be developed to achieve the employability of the individual;

"(B) include a statement of the long-range rehabilitation goals for the individual;

"(C) include a statement of the intermediate rehabilitation objectives related to the attainment of such goals;

"(D) where appropriate, a statement of the specific rehabilitation engineering services to be provided to assist in the implementation of intermediate objectives and long-range rehabilitation goals for the individual;

"(E) include an assessment of the expected need for post-employment services;

"(F) include a statement of the specific vocational rehabilitation services to be provided and the projected dates for the initiation and the anticipated duration of each such service;

"(G) include objective criteria and an evaluation procedure and schedule for determining whether such goals and objectives are being achieved;

"(H) provide for a reassessment of the need for post-employment services prior to case closure and, where appropriate, for severely handicapped individuals, the development of a statement detailing how such services shall be provided or arranged through cooperative agreements with other service providers; and

"(I) provide a description of the availability of a client assistance project established in such area pursuant to section 112.

"(2) Each individualized written rehabilitation program shall be revised as needed, but at least annually at which time such individual (or in appropriate cases, the parents or guardian of the individual) will be afforded an opportunity to review such program and jointly redevelop and agree to its terms.".

(b) Section 102(d) of the Act is amended to read as follows:

"(d)(1) Any individual with a handicap (and, in appropriate cases, the parent or guardian of the individual) who is not satisfied with any determination or decision by the designated State unit shall have the right to a review of that determination or decision.

"(2) The Director of any designated State unit shall establish procedures for the review of determinations made by the rehabilitation counselor or coordinator with respect to either a determination of ineligibility or the development or implementation of the individualized written rehabilitation program. Such review shall occur upon the request of the individual with a handicap (and, in appropriate cases, the parent or guardian of the individual). Such review shall be held before an impartial hearing officer.".

VOCATIONAL REHABILITATION SERVICES

SEC. 204. Section 103(a) of the Act is amended—

(1) by striking out "and" at the end of clause (10);

(2) by striking out the period at the end of clause (11) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(12) rehabilitation engineering services designed to help individuals with handicaps to increase their functional abilities and potential for self-sufficiency.".

CLIENT ASSISTANCE PROGRAM

SEC. 205. (a) Section 112(a) of the Act is amended by inserting after "applicants" the first time it appears a comma and the following: "potential client applicants".

(b) Section 112(b) of the Act is amended by redesignating clause (2) as clause (3) and inserting after clause (1) the following new clause:

"(2) has the capacity to pursue such remedies; and".

(c)(1) The last sentence of section 112(c)(1) of the Act is amended by inserting after "may" a comma and the following: "in the initial designation,".

(2) Section 112(c)(1) of the Act is amended—

(A) by inserting "(A)" after the paragraph designation; and

(B) by adding at the end thereof the following new paragraph:

"(B) The Governor may not redesignate the agency designated under subparagraph (A) without good cause and only after notice has been given of the intention to make such redesignation to handicapped individuals or their representatives.".

(d)(1) Subsection (d) of section 112 is repealed.

(2) Section 112 of the Act is amended by redesignating subsections (e) through (i) as subsections (d) through (h), respectively.

(e)(1) Paragraph (1) of section 112(d) of the Act (as redesignated by subsection (c)(2) of this section) is amended by inserting at the end thereof the following new subparagraph:

"(D)(i) In any fiscal year that the funds appropriated for such fiscal year exceed $7,500,000, the minimum allotment shall be $75,000 for States and $45,000 for territories.

"(ii) Subject to subsection (c), the Commissioner may increase the minimum allotment under subparagraph (A) for any fiscal year for which funds appropriated under this section for such fiscal year exceed the sums appropriated under this section for the preceding fiscal year by more than the percentage increase in the Consumer Price Index published monthly by the Bureau of Labor Statistics.".

(2) Section 112(d)(3) of the Act is amended to read as follows:

"(3) The Secretary shall pay to the designated agency from the allotment of the State the amount specified in the application approved under subsection (e).".

(f) Paragraph (1) of section 112(f) of the Act (as redesignated by subsection (d)(2) of this section) is amended by striking out ", or receive benefits of any kind directly or indirectly from".

(g) Section 112(h) of the Act (as redesignated by subsection (d)(2) of this section) is amended to read as follows:

"(h) There are authorized to be appropriated $7,100,000 for fiscal year 1987, $7,550,000 for fiscal year 1988, $8,000,000 for fiscal year 1989, and $8,450,000 for fiscal year 1990 to carry out the provisions of this section.".

TITLE III—RESEARCH AND TRAINING

REAUTHORIZATION

SEC. 301. Section 201(a) of the Act is amended to read as follows:

"SEC. 201. (a) There are authorized to be appropriated—

"(1) for the purpose of providing for the expenses of the National Institute of Handicapped Research under section 202, other than expenses to carry out section 204, such sums as may be necessary for fiscal year 1987 and for each succeeding fiscal year ending prior to October 1, 1990; and

"(2) $48,500,000 for fiscal year 1987, $51,500,000 for fiscal year 1988, $54,500,000 for fiscal year 1989, and $57,500,000 for fiscal year 1990 for the purpose of carrying out section 204, of which $1,000,000 shall be available for fiscal year 1987, $1,050,000 for fiscal year 1988, $1,025,000 for fiscal year 1989, and $1,160,000 for fiscal year 1990 for the purpose of carrying out the last sentence of section 204(2)(C).".

NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

SEC. 302. Section 202(j)(2) of the Act is amended—

(1) by inserting immediately before the period the following: "in order to improve services to individuals with handicaps through relevant rehabilitation research and training in the Pacific Basin and to assist in the coordination of rehabilitation services provided by a broad range of agencies and entities; and

(2) by adding at the end thereof the following: "Such Center shall (A) develop a sound demographic base, (B) analyze, develop, and utilize appropriate technology, (C) develop a culturally relevant rehabilitation manpower development program, and (D) facilitate interagency communication and cooperation, implementing advanced information technology.".

COMPOSITION OF INTERAGENCY COMMITTEE

SEC. 303. Section 203(a)(1) of the Act is amended by inserting "the Director of the National Institute of Mental Health," after "Institutes of Health,".

RESEARCH

SEC. 304. (a) The second sentence of section 204(a) of the Act is amended—

(1) by inserting "recreational," after "vocational, social,"; and

(2) by inserting "studies, analyses, and other activities related to supported employment;" after "needs of handicapped individuals;".

(b) Section 204(b) of the Act is amended—

(1) by adding at the end of paragraph (1) the following: "The host institution with which the Rehabilitation Research and Training Center is affiliated may not collect in excess of 15 percent in indirect cost charges.";

(2) in paragraph (2)—

(A) by striking out "and to (B)" and inserting in lieu thereof "to (B)"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and (C) to demonstrate and disseminate innovative models for the delivery of cost-effective rehabilitation engineering services to assist in meeting the needs of, and addressing the barriers confronted by individuals with handicaps. In fiscal year 1987, at least two such Rehabilitation Engineering Centers shall be established. One grant to provide demonstrations pursuant to clause (C) of this paragraph shall be made to an agency or organization in the State of South Carolina and one such grant shall be made to an agency or organization in the State of Connecticut."; and

(3) in paragraph (7) by inserting "the National Institute of Mental Health," after "Institutes of Health,".

(c) Section 204 of the Act is amended by adding at the end thereof the following new subsection:

"(d) In carrying out evaluations of research demonstration and related projects under this section, the Commissioner is authorized to make arrangements for site visits to obtain information on the accomplishments of the project.".

TITLE IV—SUPPLEMENTARY SERVICES AND FACILITIES

GRANTS FOR CONSTRUCTION

SEC. 401. Section 301(a) of the Act is amended—

(1) by striking out "1986" and inserting in lieu thereof "1990"; and

(2) by striking out "1987" and inserting in lieu thereof "1991".

VOCATIONAL TRAINING

SEC. 402. Section 302 of the Act is amended by striking out "1986" and inserting in lieu thereof "1990".

TRAINING

SEC. 403. (a) Section 304(a) of the Act is amended by redesignating clauses (2) and (3) as clauses (3) and (4), respectively, and inserting after clause (1) the following: "(2) personnel specifically trained to identify, assess, and meet the individual rehabilitation needs of individuals with severe handicaps,".

(b) The first sentence of section 304(b) of the Act is amended—

(1) by inserting before "rehabilitation medicine" the following: "rehabilitation engineering,";

(2) by inserting "rehabilitation dentistry," after "rehabilitation psychology,";

(3) by inserting "physical education, therapeutic recreation," after "speech pathology and audiology,"; and

(4) by inserting "specialized personnel in providing employment training for supported employment, other specialized personnel for those individuals who meet the definition of severely handicapped," after "services for handicapped individuals,".

(c) Section 304(e) of the Act is amended by striking out "$22,000,000 for the fiscal year 1984, $27,000,000 for the fiscal year 1985, and $31,000,000 for the fiscal year 1986" and inserting in lieu thereof "$31,000,000 for the fiscal year 1987, $33,000,000 for the fiscal year 1988, $35,000,000 for the fiscal year 1989, and $37,000,000 for the fiscal year 1990".

REHABILITATION CENTERS REAUTHORIZATION

SEC. 404. Section 305(g) of the Act is amended by striking out "1984, 1985, and 1986" and inserting in lieu thereof "1987, 1988, 1989, and 1990".

SPECIAL PROJECTS REAUTHORIZATION

SEC. 405. Section 310(a) of the Act is amended—

(1) by striking out "section 316" and inserting in lieu thereof "sections 311(d), 311(e), and 316"; and

(2) by striking out "$12,900,000 for the fiscal year 1984, $13,600,000 for the fiscal year 1985, and $14,300,000 for the fiscal year 1986" and inserting in lieu thereof the following: "$15,860,000 for fiscal year 1987, $16,790,000 for fiscal year 1988, $17,800,000 for fiscal year 1989, and $18,900,000 for fiscal year 1990".

SPECIAL DEMONSTRATION PROGRAMS

SEC. 406. Section 311 of the Act is amended by inserting at the end thereof the following new subsections:

"(d)(1)(A) The Commissioner may make grants to public and nonprofit rehabilitation facilities, designated State units, and other public and private agencies and organizations for the cost of developing special projects and demonstrations providing supported employment.

"(B) Not less than one such grant shall be nationwide in scope. The grant shall (i) identify community-based models that can be replicated, (ii) identify impediments to the development of supported employment programs (including funding and cost considerations), and (iii) develop a mechanism to explore the use of existing community-based rehabilitation facilities as well as other community-based programs.

"(2)(A) The Commissioner may make grants to public agencies and nonprofit private organizations for the cost of providing technical assistance to States in implementing part C of title VI of this Act.

"(B) Not less than one such grant shall be nationwide in scope. Each eligible applicant must have experience in training and provision of supported employment services.

"(3)(A) On June 1, 1988, and on each subsequent June 1, the Commissioner shall submit a report to the Congress on activities assisted under paragraph (1) for the preceding fiscal year which includes—

"(i) a list of the grants awarded under this subsection;

"(ii) the number of individuals with severe handicaps served by each grant recipient, the average cost to provide support services to each such individual, and the average wage paid to each such individual; and

"(iii) the recommendations of the projects under paragraph (1)(B).

"(B) Each such report shall also include activities assisted under paragraph (2) for the preceding fiscal year, including (i) a list of the grants awarded under subsection (2), (ii) the nature of technical assistance activities undertaken, and (iii) recommended areas where additional technical assistance is necessary.

"(4) There are authorized to be appropriated to carry out the provisions of this subsection $9,000,000 for the fiscal year 1987, $9,520,000 for the fiscal year 1988, $10,080,000 for the fiscal year 1989, and $10,690,000 for the fiscal year 1990.

"(e)(1) The Commissioner, subject to the provision of section 306, shall make a grant to a public agency in Massachusetts to expand existing model statewide transitional planning services to severely handicapped youth.

"(2) No grant may be made under this subsection unless an application is submitted to the Commissioner in such form, at such time, and in accordance with such procedures as the Commissioner may require. Each such application shall—

"(A) provide assurances that a bureau of transitional programs with statewide responsibilities be established, comprised of relevant State agencies. Such bureau will coordinate the development and monitor the implementation of individualized transition plans;

"(B) provide assurance of cooperation by relevant State agencies with the bureau of transitional programs;

"(C) provide assurances that the designated relevant agency approved by the bureau of transitional programs in consultation with the local educational agency as an appropriate transitional agency, shall begin to develop an individualized transition plan three years prior to the loss of special education services for eligible individuals; and

"(D) contain such other assurances as the Commissioner may reasonably require.

"(3) There are authorized to be appropriated $150,000 for fiscal year 1987, $157,000 for fiscal year 1988, $165,400 for fiscal year 1989, and $182,400 for fiscal year 1990 to carry out the provisions of this subsection.".

SPECIAL RECREATIONAL PROGRAMS

SEC. 407. Section 316 of the Act is amended to read as follows:

"SEC. 316. (a)(1) The Commissioner, subject to the provisions of section 306, shall make grants to States, public agencies, and nonprofit private organizations for paying part or all of the cost of initiation of recreation programs to provide handicapped individuals with recreational activities and related expenses to aid in the mobility, socialization, independence, and community integration of such individuals. The programs authorized to be assisted under this section may include, but are not limited to, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, 4-H activities, music, dancing, handicrafts, art, and homemaking. Whenever possible and appropriate, such programs and activities should be provided in settings with nonhandicapped peers. Programs and activities under this section shall be designed to demonstrate ways in which such programs assist in maximizing the independence and integration of individuals with handicaps.

"(2) Each such grant shall be made for a minimum of a three-year period.

"(3) No grant may be made under this section unless the agreement with respect to such grant contains provisions to assure that, to the extent possible, existing resources will be used to carry out the activities for which the grant is to be made, and that with respect to children the activities for which the grant is to be made will be conducted before or after school.

"(b) There are authorized to be appropriated $2,330,000 for fiscal year 1987, $2,470,000 for fiscal year 1988, $2,620,000 for fiscal year 1989, and $2,780,000 for fiscal year 1990, to carry out this section.".

TITLE V—NATIONAL COUNCIL ON THE HANDICAPPED

PURPOSE OF THE COUNCIL

SEC. 501. Section 400(a) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The purpose of the National Council is to promote the full integration, independence, and productivity of handicapped individuals in the community, schools, the workplace and all other aspects of American life.".

DUTIES OF THE COUNCIL

SEC. 502. Section 401(b) of the Act is amended to read as follows:

"(b) The National Council shall—

"(1) examine existing data regarding circumstances of disabled citizens with respect to employment, income, housing, community living, education, discrimination, health services, and participation in community activities;

"(2) based on data developed under clause (1), establish goals to be reached by the year 2000 for individuals with handicaps in each of the areas referred to in clause (1), and recommend strategies for meeting such goals;

"(3) issue a report outlining the goals and strategies outlined in clauses (1) and (2) within 6 months after the date of enactment of the Rehabilitation Act Amendments of 1986; and

"(4) submit a biannual report, beginning on January 30, 1989, to the President and to the Congress outlining the progress of the Nation in meeting such goals.

"(c) The National Council shall—

"(1) review and assess the adequacy and effectiveness of existing mechanisms and efforts of the Federal Government to enforce compliance with sections 503 and 504 of this Act and the provisions of the Education of All Handicapped Children Act of 1975; and

"(2) issue a report to Congress and to the President within 1 year after the date of enactment of the Rehabilitation Act Amendments of 1986 outlining the results of the assessment required under clause (1) and making recommendations to the President and to the Congress, including recommendations for legislative, regulatory, and procedural changes to improve the monitoring and enforcement of sections 503 and 504 of this Act and the provisions of the Education of the Handicapped Act.".

STAFF

SEC. 503. Section 403(b) of the Act is amended by striking out paragraph (4).

ADMINISTRATIVE PROVISIONS

SEC. 504. Section 404 of the Act is amended by adding at the end thereof the following new subsection:

"(f) Not later than three months after the date of enactment of the Rehabilitation Act Amendments of 1986, the National Council shall transmit to the Congress a transition plan for the implementation of the amendments made to this Act by title V of the Rehabilitation Act Amendments of 1986.".

REAUTHORIZATION

SEC. 505. Section 405 of the Act is amended by inserting before the period at the end thereof the following: "for each of the fiscal years 1987, 1988, 1989, and 1990".

TITLE VI—ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD REAUTHORIZATION

SEC. 601. Section 502(i) is amended by striking out "1986" and inserting in lieu thereof "1990".

TITLE VII—PROJECTS WITH INDUSTRY AND BUSINESS OPPORTUNITIES FOR HANDICAPPED INDIVIDUALS

COMMUNITY SERVICE EMPLOYMENT REAUTHORIZATION

SEC. 701. Section 617 of the Act is amended by striking out "fiscal years 1984, 1985, and 1986" and inserting in lieu thereof "fiscal years 1987, 1988, 1989, and 1990".

PROJECTS WITH INDUSTRY

SEC. 702. (a)(1) Section 621(a) of the Act is amended—

(A) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively; and

(B) by inserting after the subsection designation the following: "(1) The purpose of this title is to promote opportunities for competitive employment of individuals with handicaps, to provide realistic placement resources, to engage the talent and leadership of private industry as partners in the rehabilitation process, to create practical settings for job readiness and training programs, and to secure the participation of private industry in identifying and providing job opportunities and the necessary skills and training to qualify people with handicaps for competitive employment.".

(2) Clauses (A), (B), and (C) of section 621(a)(2) of the Act (as redesignated by this subsection) are amended to read as follows:

"(A) shall create and expand job opportunities for individuals with handicaps by providing for the establishment of appropriate job placement services;

"(B) shall provide individuals with handicaps with training in a realistic work setting in order to prepare them for employment in the competitive market;

"(C) shall provide handicapped individuals with such supportive services as may be required to permit them to continue to engage in the employment for which they have received training under this section; and

"(D) shall, to the extent appropriate, expand job opportunities for handicapped individuals by providing for (i) the development and modification of jobs to accommodate the special needs of such individuals, (ii) the distribution of special aids, appliances, or adapted equipment to such individuals, and (iii) the modification of any facilities or equipment of the employer which are to be used primarily by handicapped individuals.".

(b) Section 621(b) of the Act is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after clause (3) the following new clause:

"(4) provides assurances that an evaluation report containing data specified under subsection (a)(4) shall be submitted to the Commissioner.".

(c) Section 621(d) of the Act is amended to read as follows:

"(d) The Commissioner may provide, directly or by way of grant or contract, technical assistance to (1) entities conducting Projects With Industry for the purpose of assisting such entities in the improvement of or in the development of relationships with private industry or labor, and (2) entities planning the development of new Projects With Industry.".

(d) Section 621(e) of the Act is amended to read as follows:

"(e)(1) Each grantee receiving assistance under this section in fiscal year 1986 shall continue to receive assistance through September 30, 1987, unless the Commissioner determines that the grantee is not substantially in compliance with standards described in subsection (d)(1) of this section and with the provisions of the approved application of the grantee.

"(2) Grantees continuing to receive assistance on the basis of the review described in paragraph (1) of this subsection and any grantees subsequently funded under this section shall be evaluated by the Commissioner not less than once every three years. Each such grantee shall continue to receive assistance unless the Commissioner determines that the grantee is not substantially in compliance with such standards and with the provisions of the approved application of the grantee. In determining whether the grantee is in compliance as required by this sentence, the Commissioner shall annually review each evaluation report submitted under subsection (b)(4) and make a determination concerning the termination, modification, or renewal of each agreement for financial assistance under this section.

"(f) In approving applications under this section, the Commissioner shall give priority to areas of a State not served by projects with industry.".

PROJECTS WITH INDUSTRY REAUTHORIZATION

SEC. 703. Section 623 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 623. There are authorized to be appropriated to carry out the provisions of section 621, $16,070,000 for fiscal year 1987, $17,010,000 for fiscal year 1988, $18,030,000 for fiscal year 1989, and $19,140,000 for fiscal year 1990, and for section 622 such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.".

SUPPORTED EMPLOYMENT SERVICES FOR SEVERELY HANDICAPPED INDIVIDUALS

SEC. 704. Title VI of the Act is amended by inserting after part B of such title the following new part:

"PART C—SUPPORTED EMPLOYMENT SERVICES FOR SEVERELY HANDICAPPED INDIVIDUALS

"PURPOSE

"SEC. 631. It is the purpose of this part to authorize grants (supplementary to grants for vocational rehabilitation services under title I) to assist States in developing collaborative programs with appropriate public agencies and private nonprofit organizations for training and short-term post employment services leading to supported employment for severely handicapped individuals.

"ELIGIBILITY

"SEC. 632. Services may be provided under this part to any severely handicapped individuals whose ability or potential to engage in a training program and whose ability to engage in a supported employment setting has been determined by an evaluation of rehabilitation potential as specified under section 7 of this Act.

"ALLOTMENTS

"SEC. 633. (a)(1) The Secretary shall allot the sums appropriated for each fiscal year under this section among the States on the basis of relative population of each State, except that no State shall receive less than

$250,000 or one-third of 1 percent of the sums made available for the fiscal year for which the allotment is made, whichever is greater.

"(2)(A) For the purposes of this subsection, the term 'States' does not include—

"(i) Guam,

"(ii) American Samoa,

"(iii) the Virgin Islands,

"(iv) the Republic of the Marshall Islands,

"(v) the Federated States of Micronesia,

"(vi) the Republic of Palau, and

"(vii) the Commonwealth of the Northern Mariana Islands.

"(B) The jurisdictions described in clauses (i) through (vii) of subparagraph (A) shall be allotted not less than one-eighth of 1 percent of the amounts made available for purposes of this subpart for each such clause for the fiscal year for which the allotment is made.

"(b) Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State to carry out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States which the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the State's allotment for such year.

"STATE PLAN

"SEC. 634. (a) In order to be eligible for grants under this part, a State shall submit to the Commissioner as part of the State plan under title I of this Act a State plan supplement for a three-year period for providing supported employment services to severely handicapped individuals. Each State shall make such annual revisions in the plan supplement as may be necessary.

"(b) Each such plan supplement shall—

"(1) designate the sole State unit of such State designated under section 101 of this Act as the agency to administer the program assisted under this part;

"(2)(A) specify results of the needs assessment conducted as required by title I of this Act of severely handicapped individuals, including the extent of need for supported employment services, and the coordination and use of the information within the State available under section 618(b)(3) of the Education of the Handicapped Act; and

"(B) describe the quality, scope, and extent of supported employment services to be provided to severely handicapped individuals under this part, and specify the State's goals and plans with respect to the distribution of funds received under section 635 of this part;

"(3) provide assurances that—

"(A) an evaluation for each individual has been performed outlining supported employment services needed;

"(B) an assessment of the needs of individuals with severe handicaps has been conducted;

"(C) such services will be provided in accordance with such program;

"(D) such services will be coordinated with the evaluation, the individual written rehabilitation plan or education plan as required under section 102 of this Act, section 123 of the Developmental Disabilities Act of 1984, and sections 612(4) and 614(5) of the Education of the Handicapped Act, respectively;

"(E) the State will conduct periodic reviews of the progress of individuals assisted under this part to determine whether services provided to such individuals should be continued, modified, or discontinued; and

"(F) the State will make maximum use of services from public agencies, private nonprofit organizations, and other appropriate resources in the community to carry out this part;

"(4) demonstrate evidence of collaboration by and funding from relevant State agencies and private nonprofit organizations to assist the designated State agency in providing supported employment services;

"(5) provide assurances that all designated State agencies will expend not more than 5 percent of the State's allotment under this part for administrative costs for carrying out this part; and

"(6) contain such other information and be submitted in such form and in accordance with such procedures as the Commissioner may require.

"SERVICES; AVAILABILITY AND COMPARABILITY

"SEC. 635. (a) Services available under this part may include but are not limited to skilled job trainers who accompany the worker for intensive on-the-job training, systematic training, job development, follow-up services (including regular contact with the employer, trainee, and the parent or guardian), regular observation or supervision of the severely disabled individual at the training site and any other services needed to support the individual in employment.

"(b) Services provided under this part shall be complementary to services provided under title I of this Act.

"RESTRICTION

"SEC. 636. Each State shall assure that the data collection requirements contained in title I of this Act are carried out separately for supported employment activities under this part and for supported employment activities under title I.

"SAVINGS PROVISION

"SEC. 637. Nothing in this part shall be construed to prohibit a State from conducting or from carrying out supported employment services in accordance with the State plan submitted under section 101 from its State allotment under section 110.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 638. There are authorized to be appropriated to carry out this part $25,000,000 for the fiscal year 1987, $26,470,000 for the fiscal year 1988, $28,060,000 for the fiscal year 1989, and $29,730,000 for the fiscal year 1990.".

TITLE VIII—SERVICES OF INDEPENDENT LIVING

ELIGIBILITY FOR COMPREHENSIVE SERVICES

SEC. 801. Section 702(b) of the Act is amended by striking out "recreational activities" and inserting in lieu thereof "recreational services".

STATE PLAN ASSURANCE

SEC. 802. Section 705(a) of the Act is amended—

(1) by redesignating clauses (5), (6), (7), (8), and (9) as clauses (6), (7), (8), (9), and (10), respectively; and

(2) by inserting after clause (4) the following:

"(5) provide assurances that the State will consider recommendations of the State independent living council in determining how independent living services will be expanded or modified;".

STATE INDEPENDENT LIVING COUNCIL

SEC. 803. Part A of title VII of the Act is amended by adding at the end thereof the following new section:

"STATE INDEPENDENT LIVING COUNCIL

"SEC. 706. (a) There shall be established in each State receiving assistance under this title a State Independent Living Council. The Council shall—

"(1) provide guidance for the development and expansion of independent living programs and concepts on a statewide basis;

"(2) provide guidance to State agencies and to local planning and administrative entities assisted under this title; and

"(3) prepare and submit to the State agency designated under section 705(a)(1) a five-year plan addressing the long-term goals and recommendations for need for independent living services and programs within the State.

"(b)(1) The Council shall be composed of representatives of the principal State agencies, local agencies, and nongovernmental agencies and groups concerned with services to handicapped individuals under this title; handicapped individuals and parents or guardians of handicapped individuals; directors of independent living centers; representatives from private business employing or interested in employing handicapped individuals; representatives of other appropriate organizations and other appropriate individuals.

"(2) A majority of the membership of the Council shall be handicapped individuals or parents or guardians of handicapped individuals.

"(3) The members of the Council shall be appointed by the director of the State agency designated under section 705(a)(1), subject to the approval of the chief executive of the State.

"(c) The chairperson of the Council shall be selected from among the membership and shall also serve as a member of any other State advisory committee concerned with services to handicapped individuals.".

GRANTS FOR CENTERS FOR INDEPENDENT LIVING

SEC. 804. (a) Section 711(b) of the Act is amended—

(1) by striking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new clause:

"(3) contains assurances that each center will have a board which is composed of a majority of handicapped individuals or parents, guardians, or family members of handicapped individuals.".

(b) Section 711(c)(2) of the Act is amended—

(1) by inserting after "housing" in clause (E) a comma and the following: "recreation";

(2) by inserting after "housing" in clause (F) a comma and the following: "recreational opportunities"; and

(3) by striking out "activities" in clause (K) and inserting in lieu thereof "services".

(c) Section 711(d) of the Act is amended by striking out "six months" and inserting in lieu thereof "three months".

EVALUATION AND REVIEW OF INDEPENDENT LIVING CENTERS

SEC. 805. Section 711 of the Act is amended by adding at the end thereof the following:

"(g)(1) Each grantee receiving assistance under this section in fiscal year 1986 shall continue to receive assistance through September 30, 1987, unless the Commissioner determines that the grantee is not substantially in compliance with standards described in subsection (e)(1) of this section and with the provisions of the approved application of the grantee.

"(2) Grantees continuing to receive assistance on the basis of the review described in paragraph (1) of this subsection and any grantees subsequently funded under this section shall be evaluated by the Commissioner not less than once every three years. Each such grantee shall continue to receive assistance unless the Commissioner determines that the grantee is not substantially in compliance with such standards and with the provisions of the approved application of the grantee.

"(h) In approving applications under this section, the Commissioner shall give priority to areas of a State not served by independent living centers.".

REAUTHORIZATION FOR TITLE VII

SEC. 806. Section 741 of the Act is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 741. (a) There are authorized to be appropriated to carry out part A of this title $11,830,000 for fiscal year 1987, $12,310,000 for fiscal year 1988, $13,050,000 for fiscal year 1989, and $13,860,000 for fiscal year 1990.

"(b) There are authorized to be appropriated to carry out part B of this title $24,320,000 for fiscal year 1987, $25,750,000 for fiscal year 1988, $27,300,000 for fiscal year 1989, and $28,980,000 for fiscal year 1990.

"(c)(1) There are authorized to be appropriated to carry out part C of this title $5,290,000 for fiscal year 1987, $5,600,000 for fiscal year 1988, $5,930,000 for fiscal year 1989, and $6,300,000 for fiscal year 1990.

"(2) The provisions of section 1913 of title 18 of the United States Code shall be applicable to all moneys authorized under the provisions of this subsection.

"(d) There are authorized to be appropriated to carry out part D of this title such sums as may be necessary for each of the fiscal years 1987, 1988, 1989, and 1990.".

TITLE IX—HELEN KELLER NATIONAL CENTER

REAUTHORIZATION

SEC. 901. Section 205(a) of the Helen Keller National Center Act is amended by striking out the first sentence and inserting in lieu thereof "There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary for the fiscal year 1987 and for each succeeding fiscal year ending prior to October 1, 1990.".

TITLE X—TECHNICAL AMENDMENTS AND MISCELLANEOUS PROVISIONS

TECHNICAL AMENDMENTS

SEC. 1001. (a)(1) Section 7(3) of the Act is amended by striking out "designated State units" and inserting in lieu thereof "designated State unit".

(2) Section 7(11) of the Act is amended—

(A) by striking out subparagraph (B) and inserting in lieu thereof "(B) testing, fitting, or training in the use of prosthetic and orthotic devices,"; and

(B) in subparagraph (F) by inserting "psychiatric," before "psychological".

(b)(1) Section 101(a)(8) of the Act is amended by striking out "clauses (1) through (3)" and inserting in lieu thereof "clauses (1) through (4)".

(2) Section 101(a)(8) of the Act is amended by striking out "clauses (4) and (5)" and inserting in lieu thereof "clauses (5) and (6)".

(c) Section 304(a)(2) of the Act is amended by striking out "program, and" and inserting in lieu thereof "program, and".

(d) Section 306 of the Act is amended by striking out "305(g)" and inserting in lieu thereof "305(f)".

(e)(1) Section 501 of the Act is amended by striking out "Office of Personnel Management" each place it appears and inserting in lieu thereof "Equal Employment Opportunity Commission".

(2) Section 501(d) of the Act is amended by striking out "of the the activities" and inserting in lieu thereof "of the activities".

(f) Section 502(d)(2)(A) of the Act is amended by striking out "any, final order" and inserting in lieu thereof "any final order".

(g) Section 503(a) of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

(h) Section 504 of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

(i) Section 611(a) of the Act is amended by striking out "section 7(7)" and inserting in lieu thereof "section 7(8)".

(j) Section 702 of the Act is amended by inserting "(a)" after the section designation.

PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

SEC. 1002. The joint resolution entitled "Joint resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week", approved July 11, 1949 (63 Stat. 409) is amended by inserting at the end thereof "The President's Committee on Employment of the Handicapped shall be guided by the general policies of the National Council on the Handicapped.".

EFFECTIVE DATE

SEC. 1003. This Act shall take effect October 1, 1986.

Mr. WEICKER. Thank you, and I yield the floor.

● Mr. KERRY. Mr. President, I rise today to join with my distinguished colleague from Connecticut, Senator WEICKER, to introduce the Rehabilitation Act Amendments of 1986. The purpose of the historic Rehabilitation Act is to provide essential comprehensive vocational rehabilitation services to mentally and physically challenged indivduals across our Nation. The act has proven its true value over the years by assisting millions of disabled persons in achieving employment and self-sufficiency. It is widely recognized as model legislation designed to benefit handicapped individuals who have employment potential.

The legislation that we are introducing today builds upon the existing law which represents a vital investment into the lives of disabled adults throughout America. Rehabilitation services offer handicapped persons the opportunity to become contributing taxpayers thus avoiding the need for continuous Federal financial support. Today's legislation, represents an innovative forward approach to assisting the more severely handicapped Americans in attaining employment by establishing a new and separate title for supportive employment. For those severely handicapped individuals who in the past, were less likely to be eligible for rehabilitation services, this new measure opens the door to employment opportunities. The purpose of this new measure is to ensure that persons with severe disabilities are allowed the opportunity to be trained and assisted so that they too can achieve successful competitive employment. Presently, many States already have supported work programs funded under title I, the State Grant Program. Our legislation goes one step further, by establishing this new title we are in fact providing the States the necessary funds to implement this very critical program. Furthermore, our legislation establishes a mechanism by which we can closely examine the impact of supportive employment on the existing rehabilitation agencies, so that we can devise responsible future strategies to help the severely handicapped become more independent.

The Subcommittee on the Handicapped held 2 days of hearings on the reauthorization of this act and based on the experience and input of clients, advocates and rehabilitation providers, we were able to develop a bill designed to enhance the existing rehabilitation system, which will improve the lives of handicapped persons throughout this country by helping them reach new heights of independence. To that end, I urge my fellow colleagues to join with us and cosponsor this vital reauthorization. To name but a few of the additional changes to the existing act, today's legislation places a new emphasis on rehabilitation engineering, includes initiatives to assist the chronically mentally ill, and improves the evaluation of programs so that effective programs will not be curtailed during the lengthy competitive grant process. In addition, the legislation prioritizes the need for physical educational services.

Furthermore the bill has incorporated a recommendation from the National Council on the Handicapped to establish core funding for our Nation's independent living centers. The independent living centers have become an integral component of our service delivery system for disabled people. As consumer controlled organizations, the independent living centers make an essential contribution in the lives of disabled Americans and I am particularly pleased that this legislation strengthens these centers.

The Rehabilitation Amendments of 1986, also provides for a demonstration grant for transitional planning services for severely disabled youth exiting the educational system. Experi-

ence has shown that severely handicapped students having received state of the art educational services often leave school with significant vocational needs and a confusing array of agencies to contact for appropriate services. To avoid confusion and loss of valuable services that can lead to self-sufficiency, transitional planning programs have proven truly invaluable to smoothing the way into the realm of adult services for many handicapped persons. In fact, a recent report by the National Association of State Directors of Special Education highlights a transition program in my own State of Massachusetts and points to the tremendous success that such a program can have in meeting the needs of handicapped individuals by making coordinated adult services a reality.

According to a recent Harris poll, there are over 20 million unemployed disabled Americans of working age who want to work. A staggering 60 percent. The reauthorization bill being introduced today is designed to assist these individuals so that they can in fact become employed, develop positive self-esteem and become active contributing members of our society. I am proud to be a cosponsor of legislation that when enacted, will enhance the lives of countless disabled citizens across America.●

● Mr. STAFFORD. Mr. President, I am pleased to join with the chairman of the Subcommittee on the Handicapped [Mr. WEICKER] to introduce the Rehabilitation Act Amendments of 1986.

There is a need to extend the State Grant Program for another 4 years and there is a need to create a new Supported-Employment Training Program for Severely Handicapped Persons. This bill will meet that need, and will provide for other improvements in the law.

As with all bills as introduced, this measure is the beginning point. I anticipate it will be improved as it moves through the legislative process.

My friend, the Senator from Connecticut [Mr. WEICKER] is aware of some of my thoughts on the need for improvements and I am confident we will be successful in merging our views through cooperative legislative effort.

The State Grant Program has been in operation for 65 years and is the most cost effective of all job training programs for handicapped persons. In the last 3 years, it has helped to rehabilitate 600,000 persons—400,000 of those individuals are employed in the competetive labor market.

The Supported-Employment Training Program for Severely Handicapped Persons will help those who need continuing services to keep working. It holds the prospect that—for the first time—those who are believed to be unable to compete in the job market will become more self-sustaining.

This concept has been used in my State of Vermont, through the cooperation of agencies responsible for programs ranging from vocational rehabilitation to mental health, special education and developmental disabilities.

The Rehabilitation Act Amendments of 1986 hold high promise as we introduce them today. I am confident the legislation will provide even greater hope when we complete our task.●

Mr. THURMOND. Mr. President, I am pleased to cosponsor the Rehabilitation Act of 1986 which reauthorizes many of the Federal programs in the rehabilitation field.

Mr. President, I would like to take this opportunity to commend the leadership of Senator WEICKER in this area. As chairman of the Senate Subcommittee on the Handicapped, he has been most active in reporting legislation which benefits the disabled citizens of our Nation.

For many years, I have been an ardent supporter of vocational rehabilitation. Citizens who are less fortunate than others should be given the opportunity to overcome obstacles which may confront them during the course of their lives. Throughout the years, vocational rehabilitation programs have consistently demonstrated that properly trained persons with disabilities can function as superior employees. Recent studies show that, through these programs, approximately 226,000 persons are rehabilitated yearly.

In addition, during this period of budgetary restraint, we should not forget the cost effectiveness of programs like vocational rehabilitation. Recent reports show that in the first year after completion of the rehabilitation program, persons rehabilitated paid Federal, State, and local governments an estimated $211.5 million more in income, payroll, and sales taxes, than if they had not been rehabilitated. Furthermore, another $68.9 million is saved as a result of decreased dependency on public support payments and institutional care. Therefore, the grand total first-year benefit from persons rehabilitation is over $280 million.

Mr. President, with results such as these, it is easy to see why I support this legislation, and I urge my colleagues to do likewise.

□ 1040

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized for not to exceed 5 minutes.

Mr. GORE. Thank you, Mr. President.

STRATEGIC DEFENSE INITIATIVE

Mr. GORE. Mr. President, I have been making a series of speeches on the strategic defense initiative at the rate of one each day. Yesterday I dealt with the subject of cost effectiveness. I referred to the famous criterion established by Ambassador Nitze stating that before SDI is deployed, we must prove that it is cost effective at the margin; in other words, it must be cheaper to deploy an increment of defense than to deploy an increment of offense capable of overwhelming or meeting the increment of defense just deployed.

Today I would like to continue the discussion of the cost effectiveness criterion and state why I believe that this particular criterion defines the critical differences between what I have referred to as SDI I and SDI II.

SDI I, Mr. President, is the version of the program outlined by President Reagan in his public pronouncements, a program intended to replace deterrence by threat of retaliation, a program intended to make nuclear weapons at some point important and obsolete and dramatically change our pursuit of strategic policy.

SDI II, by sharp contrast, is intended not to replace deterrence by threat of retaliation but actually to enhance deterrence by threat of retaliation by focusing on the narrow goal of complicating a Soviet first strike against our retaliatory forces.

SDI I, according to the President, is intended to be deployed jointly by the United States and the Soviet Union in a mutual transition orchestrated through arms control. SDI II, again by sharp contrast, would be deployed without regard to whether or not there was a mutual transition and certainly without regard to whether or not arms control was necessary to assure its safe deployment.

But the criterion of cost effectiveness also defined a critical difference between these two versions of SDI. In the President's version, SDI would be cost effective at the margin; in other words, it would be much cheaper to deploy an increment of defense than it would be for the Soviets to employ an increment of offense and overwhelm SDI and, as a direct result, the Soviet planners would look into the future and conclude that it would be futile for them to engage the United States in a new round of an arms race they were destined to lose by the pure mathematical odds confronting them.

SDI II on this score, as on all the others, is very different. We are now witnessing a debate within the administration which, in classic fashion, pits the Secretary of Defense against more moderate voices in the administration, with the Secretary of Defense arguing that the cost-effectiveness criterion

should be scrapped and in any event should not be used as a reason for not going forward with SDI as quickly as possible.

What are we to make of this argument presented by the Secretary of Defense? When he himself was asked what the United States response would be to the deployment of the Soviets of a limited defensive system capable of complicating the ability of United States strategic missiles that hit their intended targets in the Soviet Union, the Secretary responded, without any hesitation, by saying:

> Of course, we would have to immediately increase the number of offensive missiles that we have deployed so as to ensure our continued ability to penetrate Soviet defenses and hit the targets that we now intend to hit if that eventuality should ever come to pass.

The natural followup question, was asked:

> Mr. Secretary, if we would react that way to limited Soviet defenses, why then would not the Soviet Union have the same reaction to a limited defense deployed by the United States?"

His response was:

> No, they would not have that reaction, because they know that we would never launch a first strike against their strategic missiles.

Unfortunately, we have seen all too often in the nuclear age that what matters is not intentions but capabilities. Regardless of how the Soviets would interpret our intentions, if they saw us developing a limited defensive system that could be overwhelmed by more offensive missiles, they would deploy more offensive missiles. It is just that simple. And a failure to see that simple truth is a very tragic blunder. If that blunder is allowed to guide America's strategic policy, then it is indeed a very deep tragedy.

This debate would, if it is continued along the lines proposed by the Secretary of Defense, be a reprise of the debate which occurred from 1969 to 1972 and ended with the Antiballistic Missile Treaty. We need not have that same debate all over again. The simplest way to avoid it is to insist upon rigid adherence to the cost effectiveness criterion enuniciated by Ambassador Paul Nitze and insist that the research program which now makes up SDI be focused on the goals enunciated by the President and be faithful to the criterion enunciated by Ambassador Paul Nitze.

Mr. President, as I continue this series in tomorrow's speech, I hope to address the question not of cost effectiveness at the margin, but of cost, period.

TAX REFORM

Mr. DOLE. Mr. President, we have just had a meeting with about 70 or more of our colleagues with the President, a breakfast meeting, where we discussed tax reform. I am able to report—I believe the distinguished minority leader will do the same—that it was a good meeting. Certainly on tax reform, there is a spirit of bipartisanship.

I must say, just as I walked into the Capitol, I met a family from Wisconsin, asking: "What is going to happen to the tax bill?" I said, "Well, it is going to pass pretty much the way it is." They said, "Good, we like to keep it simple."

I think that is the attitude of many people across the country. They do not want us cluttering up this bill. Obviously, there will be amendments, and some may be adopted.

But overall, the magic of this bill, I would say, are the rates—three rates. There is the corporate rate of 33 percent, down from 46 for individuals, 80 percent of the Americans will pay the 15 percent rate; and everyone else will pay 27 percent. The personal exemption will go up to $2,000. That has an appeal to a lot of people, working people, in America.

So it is very exiciting. I think it is fair to say that Senator BYRD predicted there might be 100 votes for the tax bill. That would be almost without precedent in this body. Again, it is an indication of what appeal the bill may have.

SDI—PRESIDENT'S FUNDING REQUEST

Mr. DOLE. Mr. President, recently a number of Senators have written a letter to the chairman and ranking member of the Armed Services Committee, expressing concern about the President's request for fiscal year 1987 funding of the strategic defense initiative. SDI. This morning, I want to comment briefly on the points made in that letter and on the President's request.

Let me make clear at the outset: I support the President's request; and I disagree with many of the assertions of the letter. Let me tell you why.

□ 1050

SDI NOT BUDGET BUSTER

The letter suggest that the SDI program is a budget buster; $4.7 billion—the President's fiscal year 1987 request for SDI—is a lot of money, even in these times of inflated budgets. But let us keep that figure in perspective. The SDI request represents only a time fraction—1.5 percent, to be exact—of the entire defense budget. Obviously, if there is money to be saved on SDI, we should save it. But let us not kid ourselves that we can make any major savings just by slashing our spending in this vital area. If we need to cut the defense budget by a half percent—and that is what the letter suggests—let us find that half percent somewhere other than in the most advanced, promising section of the defense budget.

PROGRAM GROWTH REFLECTS RESEARCH NEEDS AND PRIORITIES

The letter also indicates that the SDI program is growing too fast to be manageable. And, indeed, in isolation, the projected percentage spending increase over last year does sound large. But it is not inconsistent, historically, with spending increases for other programs in the R&D stage, especially programs being developed at the cutting edge of new technologies. Funding increases in comparable periods for the Manhattan project and the Apollo project, for example, were greater than for SDI. More recently, the Trident II Program—a program strongly backed by some of the letter's signers—increased by 150 percent from fiscal years 1981 to 1982 and by another 300 percent from fiscal years 1983 to 1984. In the fiscal year 1987 budget itself, another program which many of those who signed this letter have pushed vigorously—the small ICBM Program—will be increased by 167 percent.

In fact, the implied assertion in the letter that all programs should grow in exact proportion to the overall budget increase is absurd on its face. I doubt that any single signer of the letter really believes that. Some programs are new, good and developing ones. They deserve increased funding. That is what an improved force posture, efficient management and expenditure of funds, and a stronger America are all about. Some programs—the older, less effective ones—they deserve to be straight lined or cut back.

It is that kind of priority setting that is central to the whole congressional budget process and the whole executive branch management effort. It is what we extol and what we insist upon in speeches on the floor of the Senate every day. It is what the President's defense budget attempts to provide.

EVIDENCE INDICATES GOOD PROGRAM MANAGEMENT

Nor is there any credible evidence, contrary to the assertions of the letter, that the SDI Program is being ill managed or being pushed faster than the technologies will take it. For last fiscal year, SDI funds were 98 percent obligated, with a 78 percent expenditure rate—better figures than for Army or Air Force R&D as a whole.

For that year our Appropriations Committee concluded, and I quote:

> The SDI program is experiencing a stable and manageable financial performance. Obligation rates are above average for military R&D—that means the money is being spent promptly for the things it was intended to be spent for—there is no evidence to date that the rapidly expanding SDI effort has been overfunded.

FLETCHER PANEL SUPPORTS INCREASED SPENDING

The letter cites approvingly the prescription of the Fletcher panel—the most authoritative, independent group to look at the SDI effort—that there should be a "vigorous SDI effort within a controlled budget." I agree with that, and the President does, too. The letter seems to suggest that the Fletcher panel, therefore, has recommended cuts in the President's request.

The opposite, in fact, is true. Due to past cuts already made here in Congress, SDI has been funded at levels substantially below the levels recommended by the Fletcher panel. And, if we accept the levels suggested in this new letter, we will end up 33 percent behind the funding schedule the Fletcher group recommended.

SUGGESTED FUNDING LEVEL DISRUPTIVE AND INEFFICIENT

And what about the figure that the signers have suggested for SDI for fiscal year 1987—$3 billion? That, too, sounds like a lot of money. But once again let us look at the context. If the SDI Program is to move forward in a minimally efficient way—if it is just to go forward on the contracts already signed under the congressionally approved fiscal year 1986 level—that would cost $4.1 billion in fiscal year 1987. No new initiatives; no new research programs; no new opportunities—just a continuation of the already planned and contracted for research and development effort. That is $4.1 billion.

What a $3 billion level would do is force the juggling of the scheduling of existing contracts; lead to shelving of promising areas of R&D; and cause the further disruption and delay of a program which, under the current timetable, will begin to come to fruition only in the next decade. Drastic cutbacks such as this will create inefficiency, not prevent it; and will cost money in the long run, not save it.

SPENDING ON OUR SECURITY IMPERATIVE

Mr. President, I wish we did not have to spend billions of dollars on our defense. But we do.

I wish the Russians were not pushing ahead, far more aggressively and menacingly than we are, with the development of sophisticated new weapons systems, both offensive and defensive. But they are.

I wish we could join together, with the Russians and all the other nations on Earth who have the bomb, to devise a way to be sure it will never be used. But, so far—and in largest part due to the Russians' refusal to deal seriously—we have made little progress in that area.

That is the real world.

WE NEED THE SDI R&D PROGRAM

SDI is a good program, a needed program. That is why the Russians are pushing ahead with an SDI-like program, too, and in some areas faster than we are.

SDI has already paid substantial dividends. It is generating new technologies, which will not only improve our security as a nation but, potentially, our well-being and prosperity as a people. It is one major reason the Russians returned to the Geneva arms control talks, and it could one day be the "carrot" which gets them to negotiate seriously on real arms reductions.

And, of course, it offers us the eventual prospect of an end to the sole reliance on the doctrine of mutual assured destruction—the MAD doctrine—under which both we and the Russians try to ensure our security by opening ourselves to potential destruction by the other.

SDI deserves a chance. The American public deserves the chance, too, to see if there might not be a safer, more secure future. Let us not nip this program in the bud or disrupt it so badly that we have to put off a decision on its true merits until it is dangerously late.

The President's request is a reasonable, prudent request. I intend to support it. I urge all my colleagues to do likewise.

Mr. President, I take this time to at least give the other side, and to remind those who in good faith signed the letter, that we ought to take a look at some of the programs which we have a deep interest in. If they are concerned about the increased spending in SDI, then I believe the same would apply to the programs which I have mentioned, and the programs with which they now seek to derail the SDI Program.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

PRESIDENT REAGAN'S MEETING WITH SENATORS

Mr. BYRD. Mr. President, the distinguished majority leader has referred to a meeting at the White House this morning. It was an interesting meeting. The President, as always, was congenial, friendly, warm, and a most personable man.

There were some questions asked following the meeting. Some dealt with the tax bill, some dealt with SALT II, and some dealt with the Saudi arms sale.

The President himself spoke mainly on the tax bill to begin with, and urged the support of both parties. Also, he spoke in support of the Saudi arms sale.

My viewpoint is, as I expressed it there, that this tax bill is a real tax reform bill. It is going to pass the Senate. It is going to be on the President's desk early in midsummer, I would say.

Support of tax reform really began in Woodrow Wilson's administration, and extended through Franklin Roosevelt's administration and that of John F. Kennedy. The Democratic House of Representatives last December passed a tax reform measure. Mr. BRADLEY and Mr. GEPHARDT, both Democrats, have been very active over a period of several years in pressing for tax reform, broadening the base, and lowering the rates.

I am proud to say here, and everywhere, that our Democratic colleague, Senator BRADLEY, has long championed this cause, and very effectively.

The tax reform bill came out of the Senate Finance Committee by a vote of 20 to nothing. Every Republican voted for it, and every Democratic member voted for it. There is much to be said in commending the distinguished chairman of that committee, Mr. PACKWOOD, and also the venerable former chairman and present ranking member, Mr. LONG, on the handling of the measure in committee. And all of the members of that committee are to be commended.

I can remember, when I was a boy, reading about Lindberg crossing the Atlantic in his single-engine plane, The *Spirit of St. Louis.* I recall reading that he flew over New York City at the "terrific speed" of "100 miles per hour."

Well, the tax bill came out of the Finance Committee of the Senate by a vote of 20 to nothing, which is equivalent to the "terrific speed of 100 miles per hour." I will be surprised if it does not pass the Senate by a vote of 100 to nothing.

As I said at the White House, and I say again, there will be some amendments called up. This is not the Soviet Union. We are not going to say that no Senators will be allowed to call up amendments. Such amendments will be acted upon by the Senate, and the Senate will work its will. Any amendment may be voted up; it may be voted down. That is the legislative process.

I also congratulate the President, because in my service under nine Presidents over the 34 years that I have been a Member of the House and the Senate, this is the first Republican President that I can remember who has actively supported tax reform. He is to be commended, as I commended the President this morning.

So, I have no concern about this tax reform bill's bipartisan support. It is, I think, unanimously bipartisan. But as Senator LONG said at the White House, it may not be perfect, and perhaps it can be improved. We will see whether or not that occurs here. But the legis-

lative process will go on so the people's will and the Nation will be served.

On the Saudi arms sale, the President spoke in support of the sale and urged Senators to vote to sustain the veto.

As I said in the news conference that followed the meeting with the President, I do not know the outcome. I do not have the vote count. Mr. CRANSTON is performing that duty on this issue. This President is not quite as good, I would suppose, at twisting arms as was President Johnson, but he is almost as good. I would not hazard a guess either way. It will be a photo finish.

□ 1100

The majority leader, I believe, has indicated that it might be close. I, myself, will vote to override the veto. I will have more to say about that later.

I congratulate all Senators who attended the meeting. I particularly congratulate the President, who took the occasion to commend Senator LONG and to express his own thanks and the Nation's good wishes to this great Senator who for so many years has been a Member of this body and, for a considerable number of years, chairman of the Senate Finance Committee. He is a brilliant Senator, and one who has a very persuasive way about him.

The President gave Senator LONG a nice little T-shirt with the words on it "Don't tax you, don't tax me, tax that fellow behind that tree."

Well, Senator LONG often has paraphrased that old poem, "Woodman, Spare That Tree" here in the Senate when he has from time to time brought his tax bills up on the floor of the Senate as chairman of the committee.

So, Mr. President, I am glad the President gave this recognition to Senator LONG. All Senators on both sides, Republicans and Democrats, enthusiastically received the President's approbations with respect to Senator LONG.

Mr. President, have I time remaining?

The PRESIDING OFFICER (Mr. NICKLES). The Senator has 2 minutes remaining.

Mr. BYRD. I thank the Chair. I ask unanimous consent to reserve the remainder of my time throughout the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR McCONNELL

The PRESIDING OFFICER. Under the previous order, the Senator from Kentucky [Mr. MCCONNELL] is recognized for 5 minutes.

S. 2046—LITIGATION ABUSE REFORM ACT OF 1986

Mr. McCONNELL. Mr. President, I send to the desk today an amendment in the nature of a substitute for S. 2046, the Litigation Abuse Reform Act of 1986. I ask that this amendment be printed in the RECORD for the benefit of my colleagues.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. President, this amendment is designed to make some appropriate changes in the legislation I introduced earlier this year, as well as to resolve some minor problems with the earlier bill. In substantial part it draws on the testimony of the witnesses who testified before the Judiciary Committee at the hearing held on this issue on March 26, 1986.

First, my new substitute broadens the scope of the original legislation to include tort actions filed in either State or Federal court. My earlier version limited its application to cases filed in Federal court. It has been my thinking that such a limitation, though it engendered certain practical problems by establishing a dual system of tort law, was preferable to a preemptive approach to the problem. I know that a great many of my colleagues are troubled by any legislation that overrides the ability of the State legislatures to set their own rules of law within the boundaries of their jurisdictions. And I am not one to run roughshod over the notion of States rights.

It has become clear, however, that the practical objections to the approach presented in the original version of S. 2046 are more troublesome than the preemptive approach. Consequently, this substitute is designed to preempt the law of the several States to the extent that the bill establishes a rule of law applicable to any given case. Under the approach presented by this substitute, any civil action presenting the kind of claim covered by the legislation would be covered, no matter what court the action was initiated in. I believe that this is the only realistic way to deal with the problem of tort reform, as well as with the liability crisis.

I recognize, Mr. President, that this approach is difficult for many of my colleagues to accept. Indeed, the administration has steadfastly opposed any attempt to preempt State law in the manner this legislation proposes. Yet ultimately, we must all take a stand on dealing with what has become a monstrous crisis for Americans from all walks of life. I believe it is time we put aside esoteric objections to meaningful reform of the tort system, and relief from the litigation crisis. It is time we deal head on with the substance of the problem. This comprehensive, preemptive approach to tort reform is the way to do just that.

In addition to expanding the scope of the legislation, Mr. President, this substitute amendment adopts the elimination of the doctrine of joint and several liability for dependents who are not liable for at least 50 percent of the cause of any injury. By doing so, it protects from catastrophic or unreasonable liability those individuals, municipalities, boards, councils, charities, and corporations who are not substantially responsible for the damages awarded in a case. My earlier legislation proposed just such a reform, but only in the context of noneconomic damages. I believe this change is both necessary and appropriate. It is recommended by a wide range of respected authorities in the field, and was part of the report of the administration's Tort Policy Working Group.

The substitute bill retains the basic proposal of S. 2046 regarding the application of collateral source benefits. It narrows the scope of the provision, however, by excluding from its coverage private health care benefits that are received by a plaintiff in a case covered by the bill. It also retains the original provision for requiring periodic payments of large awards of future damages. These are reforms that I endorse as fully now as I did in February.

With respect to the treatment of noneconomic damages, the substitute bill takes a rather dramatic departure from my original proposal. Without departing from the concept of limiting noneconomic damages, the substitute proposal calls for a cap of $500,000. This is five times the cap proposed in my original bill, and I believe represents a realistic compromise between those who would have no reform, and those who propose to limit unduly the ability of injured plaintiffs who have suffered devastating or ongoing injuries. A number of witnesses testified that a limit of $100,000 is inadequate to deal with the wide variety of cases, many involving injuries that will subject the victims of accidents or injury to daily pain or trauma for years to come. I am not unsympathetic to these concerns, but I also recognize that at some point, faced with increasingly capricious judgments and arbitrary awards, we have a responsibility to act. These awards are inherently unquantifiable and we are as able as jurors to deal with this troublesome issue.

In the area of contingency fees, the substitute retains the essence of the earlier bill. It does so, however, in a much more generous fashion. Under the substitute, an attorney representing a plaintiff would be entitled to effectively 30 percent of the first $500,000 of award, and to 10 percent of

any excess. This compares to the effective limitation of 16 percent of the first $500,000 under the original bill, and 10 percent of any excess. Mr. President, I am convinced that this is a reasonable and appropriate reform of the way in which our tort system operates. It is both fair and generous to the attorney representing a plaintiff. Most importantly, it provides more money to the injured plaintiff without removing the incentive for attorneys to represent them.

The substitute retains my basic proposal for dealing with punitive damages, with one change. I have been advised by the administrative office of the U.S. courts that the proposal to pay punitive damages to the courts could conceivably raise questions of apparent conflicts of interest on the part of the court, since the administrative office would have a pecuniary interest in the outcome of some cases. While I do not believe that the objection is necessarily correct, I appreciate the position taken by the administrative office, and respect it. Consequently, the substitute proposes that awards of punitive damages be paid to the Treasurer of the United States or of the appropriate State.

Finally, Mr. President, the substitute bill proposes to subject both defense and plaintiff attorneys to similar penalties for conduct that the court finds to be inconsistent with the efficient functioning of the civil justice system. My earlier bill dealt only with the problem of plaintiff lawyers who initiate lawsuits in bad faith. I still believe that that is a problem we ought to addresss. But it ought to work both ways. This new version would apply the same sanctions to defense lawyers whose conduct is found by the judge not to promote the just, speedy, and inexpensive resolution of a matter. In this respect, the substitute bill will be both reasonable and balanced in its approach to attorney sanctions.

Mr. President, I expect that the provisions of this substitute for S. 2046 will receive a great deal of attention as the debate on tort reform and the liability crisis comes to a head in the next few weeks. I urge each of my colleagues who is interested in serious efforts to resolve this vexatious problem to join me in this debate.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

(The amendment is printed later in today' RECORD under Routine Morning Business.)

PROHIBITING THE SALE TO SAUDI ARABIA OF CERTAIN DEFENSE ARTICLES—VETO

The PRESIDING OFFICER. Under the previous order, the hour of 11 a.m. having arrived, the Senate will now proceed to consider the President's veto message on Senate Joint Resolution 316, the Saudi arms sale, with 3 hours of debate thereon, with 2 hours under the control of the minority leader and 1 hour under the control of the majority leader, or their designees. The clerk will report.

The legislative clerk read as follows:

Veto message on S.J. Res. 316 prohibiting the sale to Saudi Arabia of certain defense articles and related defense services.

(The text of the President's veto message is printed on page 11705 of the CONGRESSIONAL RECORD of May 21, 1986.)

The Senate proceeded to consider the veto message.

Mr. DOLE. Mr. President, let me designate the distinguished chairman of the Foreign Relations Committee, Senator LUGAR, to control the time on this side.

Mr. BYRD. Mr. President, I yield control of my time to the control of the distinguished ranking member of the committee, Senator PELL, except that I would like to withhold 10 minutes of that time. He would have control of the other 1 hour, 50 minutes.

Mr. LUGAR. Mr. President, I yield 4 minutes to the distinguished Senator from Nebraska [Mr. EXON].

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I thank my colleague from Indiana.

Mr. President, the proposal to authorize further arms sale to Saudi Arabia is before us again, this time in the different form of sustaining a Presidential veto and absent the previous request for approval of the troublesome option of Stinger missiles.

This Senator has felt it was in America's interest to send a clear message to the Saudi's and through them to the world that we were not pleased by the outspoken condemnation of our actions to forcefully oppose terrorism. In my view, that was necessary and advisable. It has been done. Both the House and Senate delivered such an unmistakable signal, without equivocation and by overwhelming majorities. The world and the terrorists were listening and I hope they heard and believed.

Today, we have the President of the United States, the leader of the free world, laying his national and international prestige on the line. That makes this a considerably different proposition, in the view of this Senator.

I concede that this is a judgment call. The judgment in this instance is how strongly each Senator feels, pro or con, as to what is at this time in the best security interest of the United States to the exclusion of all others.

Many of my colleagues, on a bipartisan basis, genuinely believe our security interests will be best served by a veto override. I have no quarrel with them; they may be right after all.

President Reagan and former President Carter have both contacted me in support of the veto. I was surprised to learn that President Reagan had not contacted his predecessor seeking his help. Sometimes I wonder if President Reagan knows who his likely compatriots are on vital security matters.

If we ever have a measure of sustained peace in the Middle East, I am convinced history will eventually record it happened primarily because of President Carter's remarkable achievement in bringing about the Camp David accords. Absent Camp David, there would not be the fleeting chance for a resolution there.

The President is always entitled, when one can give it in considered conscience, to support on his clearly defined important foreign policy matter. With the exceptions of sending marines into Beirut, which turned out to be a disaster, and unrestrained military aid to the Contras before other possible peaceful alternatives were exhausted, I have always given Presidents the benefit of any doubt on vital foreign policy issues.

It is my best judgment that in this instance, the security interests of America rest with sustaining the veto.

□ 1110

I reserve and yield back any time remaining to the Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Nebraska for his important statement at the outset of our debate.

Mr. President, we meet today on a solemn occasion because the authority of our President is at stake. There is no doubt in my mind that Members have honest differences of opinion on Saudi Arabia, on questions in the Middle East, and on specific weapons that are involved.

Mr. President, we are about to decide whether a very modest arms sale proposal to Saudi Arabia should go forward, and I must say I am dismayed that this has become such a controversial issue. I recognize it has.

Clearly, the very large rejection of the proposal in its initial instance in the House and the Senate indicated that many Members of the House and the Senate did not want to make a sale to the Saudis. There were reasons expressed for this. The President has listened to those, as has the Government of Saudi Arabia, but we have two very different aspects in our debate today that were not present when we considered this issue last month.

First of all, Stinger missiles, which were a controversial part of the package, representing $89 million of the original $354 million, have been removed, and they are not a part of our consideration today. In that very real aspect, the issue is a different one.

The other difference is that the President of the United States has asserted through his veto that he believes his authority to conduct foreign policy in the Middle East is at stake, his effectiveness is at stake. That is certainly a new element as well. It is a very important issue. The Senator from Nebraska has addressed that in pointing out clearly, if one had a difference on the sale, on the specific components, one ought not to have a difference when it comes to the ability of the President of the United States, our Chief Executive, to be effective.

The Saudi arms sale adds no new weapons or no new capabilities to the Saudi Armed Forces. These are weapons that are already in the inventory of the Saudis. Furthermore, most of the weapons would not be delivered for at least 3 years unless there were emergencies, such as that brought on by an Iranian air attack on the Saudis in which it was in their interest and ours to try to make certain the Middle East was more secure.

The sale may not add a very great deal militarily, but the sale does preserve something that is very important in our foreign policy, namely 40 years and 8 successive Presidential administrations working with moderate Arab States to try to move toward peace in the Middle East. It has been a long and tortuous process. The cynics can almost always point out that peace is elusive, but even the cynics would have to agree that President Reagan, Secretary Shultz, Ambassador Murphy, and others have played a very important role, a role of which we are proud, in the Middle East in attempting to move toward peace.

In order to be effective, they must preserve the ties that 40 years have brought about. And we have had 40 years of work at least in part sponsored through arms sales, through the infrastructure of trainers, of technicians, of our military forces, the training of Middle Eastern forces in the United States of America, of American citizens interacting with moderate Arab States, in friendly ways to keep the peace. That is important, and that is at stake today. Failure to permit this sale would jeopardize the ability of the United States to provide pro-Western Arab regimes even minimal arms necessary to defend themselves. It would have a profound effect not only upon the Saudis but other Arab States.

Mr. President, let me just review the short history of this particular sale because it is reminiscent of so many other proposals which have come along in recent years. When one even hears rumors of a potential arms sale, however small, and of arms already in the inventory of a country, however of no particular threat to Israel or to any other friendly state in the area, whatever the circumstances, there are Senators who even at the beginning of the rumor rush to circulate petitions to stop the sale. It really does not make a difference what is in the sale or to whom the sale is. There are Members of this body who simply are opposed to sales of arms to almost any Arab State in the Middle East under an circumstances.

I respect their right to have that point of view, but I believe it is not a very helpful view in terms of American foreign policy. It is a disastrous point of view in terms of the peace process. It is an interesting view, I presume, in terms of American politics, but it has nothing to do with regard to the effectiveness of the President of the United States, the Secretary of State, and the interests of our Nation, the United States of America. And that really must be our prime consideration as we debate the motion before us today. That is the bottom line issue in the vote we will have at 2 o'clock.

The damage in the event we do not sustain the President's veto will be political. It will also be military, in the sense that nations will be less well prepared in fighting off adversaries with whom we really do have genuine differences in the Middle East. There is no doubt that Iran has been surging in that long war, now nearing the start of its sixth year, with Iraq. Iran is a threat not just to the Saudis but all the Arab States of the Persian Gulf—and as a matter of fact, a threat to Israel and to us. It is very important. Mr. President, that at this early time we send strong political and psychological signals through the sale to the Middle East that we are constant to our friends in the face of that danger. We are prepared to make sure that they are not left without support.

□ 1120

That is what this sale is about—inventory down the trail, a strong signal that the United States still is prepared to help the Saudis and other moderate States against Iran, against Libya, or against others that do not wish us or them well.

Mr. President, I believe it is also important that we take a look at the economic issues. They have paled in significance, but Senators in the past who rushed forward to stop all sales, stop them cold, have been effective.

The Saudi request for aircraft last year never came really to this kind of vote we have today. It was apparent, as the petitions were circulated, as the bandwagon got going, that the sale could not be made. The Saudis purchased aircraft from Great Britain. An order for $8.5 billion was placed. As a matter of fact, as all the orders involved with those aircraft sales finally play out, the Saudis will give about $20 billion of business to our friends in Great Britain. We wish them well. But I would just say, Mr. President, that often when we are on this floor discussing the balance of payments, when we are discussing trade issues, when we are discussing jobs, when we have economics in the domestic sense before us, $20 billion in exports would mean something.

I remain amazed that, in the context of this debate, the fact that we are making a sale to the Saudis for cash, for jobs in America, for strength of American industry, this is waived as trivial. As a matter of fact, many Senators, in the previous debate, said: "We are tired of giving things to the Saudis, tired of giving aircraft or missiles." We are not giving anything in this proposal, Mr. President, we are making a cash sale.

Some Senators have said that we have made too many cash sales. They have said that we have sold the Saudis $50 billion of arms since 1953. In truth, that needs to be corrected. We have made sales of about $4 billion of actual arms. Approximately half of all the remaining money was for infrastructure, construction of bases, buildings, communications, all the associated backup that is required. Of the $50 billion, only $30 billion has been delivered.

Mr. President, I am pleased that we made $50 billion sales to the Saudis. We have delivered; we got our money. I would have thought, in most debates on the floor of the Senate, that kind of sale to a friendly government would be accorded at least acclaim, as opposed to disdain. We have, in a very strong advocacy, done the right thing diplomatically and for the security of our country and for the commerce involved.

Mr. President, let me review for a moment some myths that have surrounded this issue, to try to set the record straight.

Some have said that Iran is a threat to the Middle East, to the moderate Arabs, to the Israelis, to us. But they contend that the Iranian Air Force is weak and is no threat to Saudi Arabia.

Mr. President, given the long lead time for acquiring modern weapons systems, prudent defense planners must evaluate future as well as current needs. For example, 5 years ago, no one would have predicted that the Iran-Iraq war would be going on in 1986. Saudi military planners now see a number of potentially hostile neighbors on that side of the gulf in the next decade. Saudi Arabia has limited manpower and limited production facilities. It is looking ahead and so are we.

The facts are that our Joint Chiefs of Staff—the U.S. Joint Chiefs of Staff—attempt to evaluate with the Saudis what their needs might be and project ahead, in the interests of the

United States and Saudi Arabia, for the next 3 to 5 years.

Another myth: That the sale provides more missiles to Saudi Arabia than it needs.

The facts are, once again, that our Joint Chiefs of Staff—the U.S. Joint Chiefs of Staff—confirmed the need for the types and quantities of missiles we are proposing to sell to Saudi Arabia today. These requirements were calculated using the same criteria the U.S. Air Force uses, with adjustments for factors unique to Saudi Arabia, such as lack of an industrial base and ready sources of resupply.

Another allegation: Delivery of these missiles will result in a Saudi Air Force missile-to-aircraft ratio of 37 to 1.

The fact is that the missile to aircraft ratio argument is irrelevant and misleading, as air defense missile requirements are based on the number of potential threat aircraft, not on the number of aircraft available to carry the missiles. The Defense Department, nonetheless, has concluded that after the missiles in the proposed sale have been delivered in 1991, 5 years down the trail, with appropriate adjustments for obsolescence, training, and attrition, the Saudi inventory available for air defense measured as a "missile-to-aircraft" ratio would remain less than 10 to 1. The Saudi figure is roughly comparable to our own Air Force and Israel's—which, unlike that of Saudi Arabia, have the advantage of indigenous sources of resupply and the total support of the United States of America.

The allegation has been made over the years that the United States has supplied military equipment in excess of Saudi Arabia's legitimate defense needs, creating a massive Arab arms cache which will fuel further Middle East conflict.

The fact is that from 1953 through September 1985, the U.S. Government sold Saudi Arabia just under $50 billion worth of defense articles and services. But only $4.8 billion, less than 10 percent of the total, went for weapons and ammunition. A far larger portion, $33.7 billion, was for support services, such as construction, repair, supply operations, and training. Construction alone accounted for more than $20 billion—the Saudis, with U.S. assistance, have built from scratch a modern military infrastructure for a country the size of the United States east of the Mississippi River.

The allegation is that the Saudis have failed to support U.S. strategic interests in the region and have worked to frustrate the peace process. In fact, this sale promotes important U.S. interests. By the 1990's, Gulf oil will become more critical to the United States and our allies. We cannot undermine our relationship with our principal friend in the gulf now and expect to rebuild it later. Strengthening Saudi air defense capabilities will help ensure that Saudi Arabia and other moderate Arab Gulf States do not become victims to an expansion of the Iran-Iraq war and the spread of Khomeini-type radicalism. It will complement our own regional security objectives and reduce the probability of future direct U.S. military involvement.

Saudi Arabia is alleged to have opposed American peace efforts, including the Reagan plan and the Hussein initiative, and to have frustrated United States policy in Lebanon.

The fact is that Saudi Arabia has worked within the Arab world to shift the consensus away from confrontation with Israel to constructive efforts to achieve peace. Saudi policies have often complemented our own even when not supporting our positions completely because of its commitment to Arab solidarity. For instance, despite their reservations, the Saudis scrupulously avoided opposing the Reagan plan and the Hussein initiative. In Lebanon, Saudi Arabia played a constructive role, attempting to end the fighting and assisting the United States in extricating our forces. Saudi Arabia has taken a number of steps to move Arab consensus back toward recognition of Egypt—including working quietly to ensure Egypt's reentry into the Organization of the Islamic Conference.

□ 1130

The allegation is that Saudi Arabia has worked to obstruct the United States strategic presence in the gulf and, with Kuwait, attempted to bribe Oman into curtailing its military cooperation with the United States.

The facts are that Saudi Arabia has not blocked United States security cooperation with area States, nor has it objected to Oman's cooperating with the United States. In fact, Saudi Arabia currently hosts a USAF AWACS detachment, a sizeable U.S. military training mission, and regular U.S. Navy ship visits to ports on the gulf and the Red Sea. Saudi Arabia has worked with Kuwait and Oman and other members of the Gulf Cooperation Council to establish a collective defense which complements our strategy in the region.

The allegation is that the sale of additional missiles to Saudi Arabia poses an increased threat to Israel.

The facts are that the United States commitment to Israel's security and qualitative military superiority remains absolutely firm. This sale of defensive equipment will not erode this advantage nor change the force equation in the region. We are confident that the Saudis have no intention whatsoever of using the weapons against Israel.

I simply point out, Mr. President, that we have welcomed the distinguished Defense Minister of Israel, Yitzhak Rabin, at our Foreign Relations coffee, and seen the distinguished Prime Minister, Shimon Peres, on television, both affirming that Israel cannot endorse sales of arms to any nation still not at peace with Israel. It is boilerplate language, and they state it tactfully and quietly. They also said they would respect the judgment of our President, of our Congress, and the opinions of Jewish citizens of the United States of America. These must be the decisionmakers with regard to what is in the best interest of the United States as a forceful player for peace in the Middle East, when peace is of tremendous importance to Israel.

I would argue, Mr. President, that if the United States is not an effective player, if the Senate successfully today were to cut off the President at the knees with regard to effectiveness in the Middle East, Israel would be a very large loser as a result. Those who advocate, almost blindly, opposition to every sale to moderate Arab States must take on the responsibility that if they truly care about Israel and they truly care about peace, the United States must be an effective player. And the price for effectiveness is the occasional sale such as this to a moderate Arab State of weapons already in its inventory for delivery 3 to 5 years from now. This is a relatively inconsequential sale but tremendously important psychologically in saying that the United States is constant to its friends, and constant to those who may need our help in the fight for peace in the Middle East.

Finally, Mr. President, the suggestion is made that there is a real danger that the advanced weaponry we are talking about today could fall into the hands of terrorists or be compromised to the Soviets. The facts are that the Saudis have a spotless record of safeguarding American technology and the weapons systems we have sold them. No allegation to the contrary has ever withstood investigation. Normal Saudi security procedures are extremely tight and, for certain sensitive systems such as the AIM-9L and Stinger, the United States has insisted on additional, even more stringent security precautions.

Mr. President, I believe the case is persuasive for supporting President Reagan. I am hopeful that Senators will reconsider carefully the action this body took. I am hopeful that, at the time of the vote, which will come at 2 o'clock this afternoon, Senators will vote "no" on the resolution to override the veto of President Reagan, that they will support the President and that they will support an ongoing

strong foreign policy of our country in the Middle East.

Mr. President, I yield the floor.

Mr. PELL. Mr. President, last month we voted overwhelmingly against the proposed sale of missiles to Saudi Arabia. I believe that the Senate was right in that decision.

Following our vote last month, the President's advisers urged him to withdraw the Stinger missile component of the sale to make it more palatable. However, now as before in the original decision to press for the sale, the determination to forge ahead has been made on the basis of what I really believe is very limited consultation with Congress. Essentially, we are being told what we should support, rather than being asked what we could support as being in our best long-term, long-run interest.

Frankly, the key question should not be what adjustments are made in the proposed package, since the contents of the package were essentially peripheral in the assessments leading to the original overwhelming judgments of the Committee on Foreign Relations and of the Senate and the House that the sale should not be made.

There were two primary reasons for rejection then. Those two reasons remain valid today. The reasons were as follows:

First, the Saudis already have more than an adequate reserve of Sidewinder, Harpoon, and Stinger missiles. In effect, the administration is recognizing that fact with regard to the Stingers by withdrawing them from the package. This will still leave the Saudis with 200 Stinger launchers and 400 Stinger missiles they were provided by the administration in 1984 using the President's emergency transfer powers. With regard to the Sidewinders and Harpoons, the point remains valid. In any case the administration has, I believe, failed to make a compelling case that additional missile sales contracts must be negotiated now, rather than next year or the year after.

Then that brings us to our second point. While there is no demonstrated time urgency to the sale, there is clearly a time urgency to bringing an end to conflict there and forging a just and lasting peace. Unfortunately, the Saudis have been, at best, only sometime partners in the peace process. While there have been modest contributions, these positive gestures have been offset, to my mind, at least, by such activities as major financial support of elements of the Palestine Liberation Organization and the continued shabby treatment of fellow Arab country Egypt since that nation made peace with Israel.

In the nearly 1 month since the vote, the administration has had an opportunity to work with the Saudis. Certainly, the overwhelming judgment of both Houses of Congress should have made it clear both to the administration and the Saudis that Congress is not willing to allow major sales to the Saudis in some vague hope that they will, at some unidentifiable point, take a significant role in the attainment of peace. The past month afforded an opportunity for the Saudis to give a demonstration of some concrete commitment to the peace process. Instead, what do we hear? We heard a resounding and revealing silence.

Mr. President, I would like once again to draw the attention of my colleagues to a very pertinent section of the committee's report on the sale:

> It is imperative that we as a nation pursue peace in the Middle East with renewed energy and that we insist that others in the Middle East who profess a commitment to bringing an end to conflict in that region do so with deeds, as well as private assurances. It is crucial that those who will take brave steps for peace not be left to stand alone.
>
> In this context, the proper question is not whether an Arab state is radical or "moderate", but whether it is a nation which foments or supports conflict and terrorism, or whether it is a nation which actively presses for an end to conflict and a just and lasting peace.

When we ask ourselves which of these criteria are followed by Saudi Arabia, we realize that it is the former, that it foments and supports conflict and terrorism through the support of the PLO.

Mr. President, it is indeed unfortunate that the Saudis have fallen well shy of the mark as participants in the peace process. I would hope that they will join with us in giving active and vigorous support to those in the Middle East willing to join with Israel and Egypt in efforts to achieve a comprehensive peace. Then I think we would find this proposal much easier to swallow. If the Saudis will do that, I believe that they will find us very supportive when they come to us with requests that reflect legitimate defense needs.

Mr. GLENN addressed the Chair.

Mr. CRANSTON. Mr. President, I yield 4 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank the Senator from California.

Let us bear in mind, too, the question of the long-range stability of Saudi Arabia, a nation that is organized, run, and owned by 2,000 cousins. We have seen before how we got very involved with a country under a similar system, Iran, Persia, and we saw what happened there as we put all our stakes under the regime then in power.

I think we should bear in mind where we will be 5 or 10 years from now, where Saudi Arabia will be 5 or 10 years from now, what the stability of that nation is, owned, organized and run by 2,000 cousins, whether that will survive over the long haul as well as the system of government.

Mr. President, I wish that the President of the United States had not accepted the advice that he press forward despite the clear objections of Congress. If the President's veto stands, the United States will carry out a sale over which two branches of Government are in sharp disagreement. The President certainly has that right under the Constitution, but it is a right which he will be imprudent to exericise. It would be far wiser for the President to accept the judgment of Congress, rather than attempt to override it. Particularly with regard to the Middle East, it is important for the branches of government to operate in harmony while protecting our agreed interests in the region. However, since the administration is adamant in carrying out this sale, I believe we have an obligation to reaffirm our earlier judgment and, thus, forbid the sale.

Mr. President, I hope, with these remarks, that my colleagues will bear with what we did before. I will vote against the sustaining of the veto. I believe that is correct in the national interest.

At this time I suggest momentarily the absence of a quorum, with the time to be equally divided.

□ 1140

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Mr. President, reserving the right to object, and I will not object, although I simply point out to the distinguished ranking member that our side has just 1 hour, whereas his has 2, and our time will be dwindling rapidly.

Mr. PELL. Mr. President, if the Senator will yield, I think the Senator is correct in what he says. I ask that the time of the quorum call come from the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, the very strong and vigorous leadership of the opposition to the President's proposal has been exercised by the senior Senator from California [Mr. CRANSTON]. I recognize the role he has played here, really a leading role, one for which I know all of us who believe the way he and I do are very grateful.

I now yield such time as he may desire to the Senator from California.

Mr. CRANSTON. I thank the Senator from Rhode Island, the Democratic leader on the Foreign Relations Committee, for his very generous remarks and for his own strong and effective leadership on this very important issue. I thank him for the opportunity to collaborate with him once again on a very significant matter.

Mr. President, when the Senate voted last month to reject the administration's proposal to sell more than 2,500 advanced missiles to Saudi Arabia, it was a truly historic occasion. And with the overwhelming House vote of 356 to 62 the next day, the Congress for the first time ever adopted a resolution to prohibit a proposed military export.

The reason that our resolution attracted such broad support is the very same reason we believe the Senate should vote today to override the President's veto of this measure. Simply put, we believe it ill serves America to sell our most advanced weapons to nations which consistently thwart our fundamental national interests. And the fact is, time and again when America has gone to the Saudi potentates seeking assistance, our concerns have been scorned.

If we are to advance American interests around the globe, we must be willing at some point to request some minimum sensitivity to legitimate American concerns—and that is what Congress is asserting in attempting to block the proposed Saudi sale.

Let us look at America's campaign against terrorism. In the past few years, we have seen hundreds of U.S. soldiers die in the Beirut barracks massacre. We have seen American women and children blown out of commercial airliners by hidden bombs. We have seen airline counters of U.S. commercial carriers in Rome and Vienna sprayed by machinegun fire and grenades.

We know who is behind these actions—nations like Libya and Syria, and organizations like the PLO. Repeatedly, we have asked nations friendly to us to disassociate themselves from nations and groups which perpetrate such crimes. Yet Saudi Arabia continues to bankroll the PLO and Syria—according to the administration, the figure is more than $500 million—half a billion dollars each year! And the Saudis have continually stood with Qadhafi and against the United States in our recent showdowns with the Libyan dictator.

Let us look at the search for peace in the Middle East. The Saudis rejected the 1982 Reagan peace plan. They walked away from a pledge to help get the Syrians to withdraw from Lebanon. They remain committed to jihad, or holy war against our key ally Israel. The Saudis broke relations with Egypt over the Camp David Treaty when Egypt made peace with Israel.

What about Americans? It has been more than a decade since the Saudi-led oil boycott devastated the United States economy and forced the price of oil to our consumers up 500 percent. But the Saudis still maintain a boycott of all American firms that have anything to do with Israel—punishing American businesses and workers just to advance the kingdom's holy war against Israel.

To be sure, the United States and the Saudis continue to have a number of parallel interests—insuring Western access to oil and keeping Communist and other radical forces away from the Arabian peninsula. But the Saudi princes do not pump oil or resist Marxism just to do us a favor—they would do it anyway. Furthermore, the survival of Saudi Arabia is by no means at issue in the current proposal to sell them more air-to-air missiles. In fact, these missiles are not even scheduled for delivery until 1990! While the administration has made noises about these missiles being needed to counter the so-called Iran threat, the Saudis can already overwhelm what is left of the Ayatollah's decrepit air force. And such air-to-air missiles would be useless if an infantry war broke out.

The administration has taken up the Saudi line that the proposed sale is some kind of test of American friendship. As the author of the resolution to block this sale, I believe it is time for America to say: "Friendship is a two-way street." Over the past 30 years, the United States has sold over $50 billion worth of military weapons and services to the Saudis—more than we have sold to any nation on Earth. Where are any reciprocal acts of friendship? Here are the Saudis coming back for more weapons to fill their already teeming arsenals and claiming it is another test for us. I do not believe we should knuckle under.

As the margins in the House and Senate have demonstrated, this is not a partisan issue. A clear majority of Republicans and Democrats are united in our determination to give terrorists no safe harbor, to deny them moral, diplomatic, and economic support. And by a strong majority, both bodies of Congress have agreed that there is no justification to send the Saudi potentates another 2,500 missiles given their lack of support for American interests.

I am therefore hopeful that we can today muster the 67 votes necessary to override the President's veto in the Senate.

Let me say frankly, though, that if by chance we do fall one vote short, if the President's veto is sustained by virtue of 34 Senators—only 34—opposing the effort to override, we will still have accomplished several important objectives. We would do well to take stock of what has occurred.

We are today considering a White House request which totals less than 10 percent of the original price tag of the items which were on the Saudi wish list as recently as last January. That original package was estimated between $3 billion and $4 billion. The package now is estimated at less than $300 million. Absent from the arms package before us is any request for more F-15 aircraft, M-1 tanks, bomb racks, conformal fuel tanks, Blackhawk helicopters, electronic countermeasure pods, and retrofit kits for Saudi F-15's.

All those were in the original package under consideration and proposed originally by the administration. And gone is the imprudent request to sell the Saudis another 800 Stinger missiles—the terrorist's delight weapon, the hand-held antiaircraft missile that a man or a woman can walk around with in the desert or in the jungle, fire at a commercial airliner 5 miles away. The missile homes in on that plane, and brings it down. It is a perfect weapon for terrorists.

So, yes, I believe we who oppose a promiscuous policy of selling the Saudis any weapons they may desire have some reason for satisfaction.

We have cut the package by more than 90 percent of its dollar value.

We have forced the administration to drop the Stingers.

We have received a pledge that the administration will not request any new sales of weapons for the Saudis this year.

And we have developed a new sensitivity in Washington—and Riyadh—to the crucial principle that American support should entail greater sympathy for vital American national interests, that in our search for peace in the Middle East and in our war against terrorism, we expect measurable support from nations who consider themselves our friends, or profess to be.

Mr. President, if the administration sustains the veto and proceeds to sell the Saudis more Sidewinders and Harpoons for the warehouses, the administration will be proceeding with a policy which enjoys the support of only one-sixth of the House and the support of little more—perhaps nothing more—than one-third plus one of the Senate. This policy has been thoroughly discredited—Congress has insisted on reexamination of the goals which drive our arms sales efforts and a rededication to principles more in keeping with America's national interests.

These are real accomplishments. But those of us who oppose the arms sale in any form until Saudi Arabia shows greater regard for America's security interests in the Middle East will not achieve our goal unless the Senate votes by a two-thirds majority to override the President's veto and thus reject the arms sale.

I hope it will.

I hope that is what the Senate will do.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I yield 4 minutes to the distinguished Senator from Kansas, Senator KASSEBAUM.

Mrs. KASSEBAUM. I thank the chairman of the Foreign Relations Committee, Senator LUGAR.

Mr. President, several weeks ago, President Reagan notified Congress of his intent to sell Saudi Arabia a limited quantity of air-to-air, air-to-sea, and ground-to-air missiles, valued at $354 million. Since then, the package has been cut back even further, with the elimination of the Stinger missiles.

We have heard already much of the background of this debate, the question raised, and the thoughtfulness that has been given to this over several months here in the Senate.

I would like to say why I continue to support this sale, and will vote to sustain the President's veto.

I continue to support this sale and will vote to sustain the President's veto, because I believe that this modest sale serves U.S. national security interests in the region, address legitimate security concerns of the Saudi Kingdom, and does not pose a military threat to Israel.

The controversy over this sale, as with previous arms sales to the region, stems from the frustration here in Congress over the stalled Arab-Israel peace process. This frustration is deeply shared by all of us.

But, I would caution that we must not allow this frustration to result in a simple, reactive approach to arms sales which may result in undercutting our national security interests.

The package we are considering is not only reduced from the one announced several weeks ago, but is also markedly reduced from the one the administration was originally considering over the past year. The package does not introduce any new weapon systems or new weapons capabilities into the Saudi arsenal. The sale of the defensive missiles to Saudi Arabia is part of our longstanding security relationship with the kingdom which we have maintained over the past 40 years. And, it addresses legitimate defense needs of the kingdom which is currently facing the threat of expansion of the Iran-Iraq war and instability in South Yemen.

Consequently, the rejection of this package will send more of a diplomatic signal to the Saudis and the region than a military one.

In reviewing this package we cannot ignore the broader impact of rejection on our overall policy toward the Middle East. Our vital strategic interests include maintaining the free flow of oil from the gulf, opposing radical forces in the area containing the Iran-Iraq War, and opposing the expansion of Soviet influence. Maintaining a friendship with Saudi Arabia which includes a security relationship can only help promote these United States interests.

But, perhaps our most important role in the region has been and must continue to be promoting the process of building peace between Israel and its neighbors by relying on our relations with both sides of the conflict. This goal can only be pursued effectively if the United States maintains close ties with Israel and with pro-Western Arab states. We are the only superpower with the credibility of an honest broker in the region, and we should be careful in nurturing this role. The sale we are considering today does not threaten the security of Israel, and it maintains our longstanding security relationship with Saudi Arabia.

Overall, it is essential to our regional policy that we maintain viable relationships with friendly and moderate states in the area. Maintaining these relationships will enhance not only our interest but the security of Israel.

I certainly urge that we indeed sustain the President's veto.

Mr. GLENN addressed the Chair.

Mr. CRANSTON. Mr. President, I yield 4 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank the Senator from California.

Mr. President, I rise to restate my continuing opposition to the sale of AIM and Harpoon missiles to Saudi Arabia and to urge my colleagues to override the Presidential veto of the resolution of disapproval by the same wide margin by which this resolution was originally passed.

Once again an arms sale has been posed as a litmus test of our friendship with Saudi Arabia. That is the wrong basis. Mr. President, over the course of our relationship with the Saudis we have been quite forthcoming, providing billions of dollars in military equipment to help the Saudis meet their legitimate self-defense requirements. And they have some very legitimate requirements. I have been there. I have seen some of their problems. I know what they are up against. We have helped them in the past. I do not eliminate help in the future. However, arms sales are a foreign policy tool and as such should be used to promote U.S. foreign policy objectives. A peaceful settlement of the Arab-Israeli dispute is a fundamental and longstanding United States security objective. Most unfortunately, the Saudis have shown little interest in working in a constructive way with us to realize this goal. For example, I found it keenly disappointing that they recently elected not to use their leverage with Arafat to promote King Hussein's peace initiative, something we were supporting and following very closely.

Friendship is a two-way street, based upon commonality of interests and implying both benefits and obligations. We rightly expect that our friends will be as concerned about our security interests as we are about theirs, and there is no question that the explosive environment in the Middle East impinges directly on U.S. national security interests.

To endorse this sale would imply that we approve of Saudi support for Yassir Arafat and the PLO. To endorse this sale would imply that we don't care about the Saudi's public condemnation of our retaliatory raid against the terrorists in Libya. And to approve this sale would signal that we are satisfied with Saudi efforts toward peace in the Middle East. Well, I am not satisfied—and I do not think those are the messages we should be sending. Therefore, I will vote to override the President's veto, and I urge my colleagues to do likewise.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The Senator from Indiana.

Mr. LUGAR. I yield 4 minutes to the distinguished Senator from Washington, Senator Evans.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Thank you, Madam President.

Madam President, I rise to oppose the resolution of disapproval prohibiting the sale of missiles to the Kingdom of Saudi Arabia, notwithstanding the President's objections.

I believe this sale should be approved. All of us here seek the same primary goals in the Middle East: The security and integrity of a strong Israel and a comprehensive peace between Israel and her Arab neighbors. But will the prohibition of this sale move us closer to these goals? In my judgment, it will not.

We can go through the litany of what Saudi Arabia has or has not done to help or hinder our efforts. But there are broader issues at stake in this debate. The prestige of the President and his ability to pursue a constructive foreign policy in the Middle East—and for that matter elsewhere—is at stake here.

The United States holds an important key in the Middle East. We are potentially the only country that can help bring together the necessary players to find a way to craft a comprehensive peace in the region. Yet our ability to do this hinges on our relations with and influence among the countries of the Middle East.

We have continued to enjoy positive relations with a number of moderate

Arab nations. The governments of these countries have maintained strong ties to the United States, some in the face of rising anti-American sentiments in those nations and I might add in this country as well. Still, our position in the Middle East has suffered over the past several years. The lack of demonstrated U.S. support for the legitimate security needs of these countries threatens to deprive us of all remaining vestiges of out influence.

□ 1200

Is this cause for alarm? Will it really make any difference? You can bet it will. In spite of the problems and frustrations we encounter in the Middle East, it is clearly not in our national interest to disengage from the region. Yet, as we continue to try to shape events and assist the peace process, we will find ourselves having to do so from a position of little or no influence. And our task will be immeasurably more difficult.

The fundamental structure of our foreign policy is also at stake here. We are an impatient people and we expect dramatic change and quick resolution of problems in all aspects of our lives. We are no less impatient when it comes to our foreign policy. We believe we can step in, take a course of action, often looking no further than 6 months down the road, and expect somehow all nations will fall into line and gain positive results. If the first approach does not produce the desired results and produce them immediately, we change course. In so doing, we confuse ourselves and our friends and allies and we come no closer to realizing our goals.

Our foreign policy should be characterized by, among other things, patience—with ourselves and those we seek to influence; understanding of the facts and of the emotions that color our perception of those facts; and, most of all, constancy. Constancy which has been so lacking in the past.

We must be patient when change does not come as quickly or completely as we want and we must be patient enough to accept the changes that are offered. For example, we must not dismiss the change in the Arab countries' position of "no peace" with Israel to a position of how peace can best be achieved; a move accomplished by a significant urging on the part of Saudi Arabia. We must try to understand the realities that face other countries in forming their policies. For example, we should understand the sharp difference that exist between the Arab nations of the region and the Saudi's desire to seek unity among these countries rather than pursue independent policies. This is not to say we must agree with such policies but we should not dismiss them without an attempt to understand. And finally, we should strive for constancy in our foreign policy. Not a slavish, unthinking constancy but one that does not allow traditional ties and long alliances to be broken or redefined without considerable deliberate and thoughtful debate.

I believe sincerely the administration is trying to craft such a policy in the Middle East. The proposed sale to Saudi Arabia is part of that policy. We have successfully pursued such a policy with Israel. It is time we, in Congress, allowed the President to pursue a similar policy with other countries in the region.

The test today is to try even unattractive alternatives. The test is to vote in a difficult way. Will we cripple our President and our country in its consistent efforts toward peace in the Middle East?

Make no mistake: A vote to override today is a clear and deliberate vote against the President on a foreign policy issue of critical importance.

Madam President, we simply must not quit now.

Mr. CRANSTON. Madam President, I yield 3 minutes to the Senator from Illinois and thank him for his generosity and consideration of his colleagues.

Mr. SIMON. Madam President, I rise urging that we override the President's veto. I rise in opposition not simply to the arms sale that is taking place now but to a flawed policy.

If this is approved, it will mean that in less than 20 years we have sold almost 40 billion dollars' worth of arms to Saudi Arabia. I think we have to ask, does this policy get us anywhere?

I would like to make clear my position is not an anti-Arab stand. I am willing to help Jordan. I am willing to help Saudi Arabia. I am willing to help any nation that joins the peace process. But for us to simply go ahead and arm both sides in a potential conflict does not make sense. It does not make sense in the Middle East. It does not make sense with regard to India and Pakistan. It does not make sense in Latin America, Africa, or anywhere else.

The reality is these arms may be used against the U.S. most valuable ally in the Middle East as of right now. That is Israel.

The arms that we have provided in the past have not produced a significant moderation in policy.

The argument is used by some, if we do not sell them, someone else will. That is not a very valid argument. It is true someone else probably will. They would prefer our weapons. But I can use the same argument on drugs on the street. If I do not sell someone drugs, someone else will.

The question is not whether someone else will. The question is whether it is right or wrong.

President Kennedy once said:

The success of our leadership in the world is dependent upon respect for our mission in the world as well as our missiles.

Madam President, just a few minutes ago on the floor you said, "We are the only superpower with the credibility of an honest broker."

I believe that is correct.

I think the real question right now is, what should we be doing?

As one who has visited the Middle East a number of times, visited Saudi Arabia as well as the other Arab countries, my view is what we have to do is to really push on the peace front, and that means doing something, but stronger than simply sending Ambassador Murphy, who is a very fine man. I think we have to say to the Secretary of State, Secretary Shultz, "You ought to be that roving ambassador that pulls immediately Jordan and Israel together to the peace table." That is the significant step that should be taken. Sending weapons to Saudi Arabia is not going to bring peace to the Middle East.

Mr. PELL. Madam President, I yield 3 minutes to the Senator from Ohio.

Mr. METZENBAUM. I thank my distinguished colleague from Rhode Island.

Madam President, I rise to urge my colleagues to override the President's veto.

Supporters of this sale have stopped trying to justify it on military or national security grounds; in the end, we are left with the plea that the sale must go through as a demonstration of our friendship to a moderating influence in the Arab world.

I want to take a few minutes, then, to talk about that friendship.

Is it friendship when Saudi Arabia pours $27 million into the coffers of the PLO, money used to train terrorists who, quite possibly, march out to gun down Americans or others throughout the world? Such action does not promote moderation, but extremism.

Is it friendship when the Saudis oppose vital American interests in the United Nations 86 percent of the time? What kind of friend is it that on the floor of the United Nations votes against the position of this Government 86 percent of the time? Is that the kind of friendship we are talking about with Saudi Arabia?

Is it friendship when the Saudis proclaim their "categorical solidarity" with Libya in the aftermath of the Rome and Vienna airport bombings?

Some would have us believe these public statements are posturing on the part of the Saudis, part of a delicate balancing act designed to retain stature in the Arab world while privately working for a reconciliation with Israel.

But in this area, Madam President, we cannot separate private acts from

public pronouncements. Once you create a climate of hate and fear, you have irreparably harmed the peace process.

□ 1210

Is it friendship to refuse to provide written assurance that America will have access to Saudi bases in the event of a crisis?

Is it friendship to subsidize massive Soviet arms purchases by Syria and Iraq?

Is it friendship to oppose the Camp David accords, the best hope for peace in the region, or to undermine the Reagan Middle East peace plan and the Lebanon-Israel accords?

These are not the acts of a moderate state; these are the acts of a state sowing ferment, hatred, and discord of a state contributing to a regional arms race where the only clear losers will be America and Israel.

Madam President, friendship is a two-way street; but in the case of Saudi-America relations, friendship has been decidedly one-way.

Friendship does not mean proclaiming shared objectives in the Middle East while undertaking actions that undermine those objectives; and friendship is not bought through weapons bribes. Over the last two decades, we have sold the Saudis $50 billion in weapons; how many times and at what price must we continue to demonstrate our friendship?

After the AWACS sale was made and approved by this body, what happened? Sheikh Yamani, speaking for Saudi Arabia, said publicly that the arms were to be used against the State of Israel; whereas, on the floor of the United States Senate, the argument had been made that the arms were to be used so that Saudi Arabia could defend itself against the Soviet Union. Mr. Yamani said that was not the real objective.

It is time to get something in return; it is time that our friendship be rewarded with some reciprocal action by the Saudis to advance the peace process, not just its own self-interest.

Now we are told that the removal of the Stingers from this sales package somehow makes it a less troublesome deal; but the point is not that an especially dangerous component has been removed from the package. Rather, that the point is that the Saudis have not demonstrated, either by actions or words, that they should receive any of America's sophisticated weaponry.

The ultimate test of an arms sale is not friendship, but whether it furthers America's interests and the cause of peace; on that test, this sale fails.

It is not a question of whether they say the right things, Madam President. It is a question of are they truly friends? Are they helping the peace process? Are they providing aid to America's interests?

On that basis, there is not any real reason why the sale should be approved. The veto of the resolution should be overridden.

Mr. LUGAR. Madam President, I yield 3 minutes to the senior Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Madam President, my remarks are solely my own. I do not reflect the thinking of anybody else, but this whole matter has disturbed me. When we came to this Chamber, we put our hand on the Bible and we pledged ourselves to defend the Constitution of the United States—not the constitution of Israel or Arizona or Saudi Arabia or California, but the Constitution of the United States. I think included in that is the support of the Commander in Chief, the President, unless we totally and thoroughly disagree with him. The President has indicated that the sale of this equipment to Saudi Arabia is in the interests of our foreign policy. I have to agree with him.

I merely rise this morning, Madam President, to protest the money that has been spent, the intense pressure that has been used on Members of this body by governments of other countries to persuade us to vote against our Commander in Chief and our President. I think it is wrong. I think we are making a mistake. I hope that this is the last time we are subjected to the intense pressure, money, and threats of another country.

I yield the floor.

Mr. PELL. Madam President, I yield 5 minutes to the junior Senator from Arizona.

A VOTE ON PRINCIPLE

Mr. DECONCINI. Madam President, I thank the distinguished ranking member of the Committee on Foreign Relations [Mr. PELL]. I speak on a different side of the issue than my distinguished senior colleague has just spoken.

Mr. President, this administration thought to pull the political sting from the Saudi arms sale by withdrawing the Stinger antiaircraft missiles from the package that both the Senate and the House rejected overwhelmingly 4 weeks ago. President Reagan's idea is that Congress is legitimately fearful that terrorists might acquire these convenient shoulder-fired weapons and may approve this presumably less threatening package.

Although I oppose any and all sales to the Saudis until they cease funding terrorists and openly support Middle East peace efforts, I view the banishment of Stinger missiles as a major victory.

I firmly believe that these missiles pose a potential threat to American security interests and to our allies in the Middle East.

I am hopeful that the President will continue to exercise this same good judgment with the Stinger missile in future transactions around the world.

This Senator has argued on this floor a number of times that this is a dangerous weapon, that we ought not to proliferate the world with this weapon unless it can be kept very secure.

As to pressure on this vote, I have had none from any foreign government or from anyone. As a matter of fact, the President did not bother to call me because I made a very early statement that this was a mistake, to sell weapons to the Saudi Arabians—as the distinguished Senator from Ohio just pointed out, supposedly a friend. Is this really a friend?

As we contemplate this arms sale to Saudi Arabia, let me briefly list for my colleagues what have been discussed as possible items in this package and what has been eliminated in order to make this more politically feasible.

Originally, when this sale was first discussed, the administration toyed with the idea of selling the Saudis sophisticated F-15's, M-1 tanks, Blackhawk helicopters, Bradley fighting vehicles, Tow antitank missiles, Maverick missiles, and the Stinger missiles.

After a resounding defeat with the Stinger missiles intact, the administration has eliminated all of these items and now hopes to sell 1,666 Sidewinders and 100 Harpoon missiles worth $265 million. This Congress has repeatedly told the administration in no uncertain terms that we opposed more weapons sales on principle.

We are tired of the Saudis sustaining their alliance based upon indirect subtleties and covert nuances.

Even if this package was winnowed down to 100 Sidewinders and 10 Harpoons, we should reject this sale, as we have done in the past, and send a final and resolute signal to the Saudis. This sale does not make any sense.

We should not yield or compromise.

Should we reward the Saudis for playing a behind-the-scenes role in a nonexistent Middle East peace process?

Another serious concern of mine is the recent Syrian buildup in the Middle East region.

This escalation threatens Middle East peace and Israeli security. Syria's military has never been stronger. President Assad has vowed to achieve "strategic parity" with Israel.

The Soviets have provided Syria with heavy armaments and missiles with enough range to reach every sizable Israeli city.

Madam President, only Saudi Arabia, even among Arab League States, still honors its pledge to contribute vital foreign exchange to Syria's defense budget.

This is estimated to account for 40 percent of the Syrian Government's expenditures. This is not the action of an ally contributing toward peace.

□ 1220

In addition to supporting this Syrian buildup, the Saudis agreed in the 1978 Bagdad summit to fund Syria and the PLO, the front-line opponents against Israel. Since 1979, the Saudis have funneled over $300,000 per day to the PLO and over $1 million per day to Syria. This is an overt and obvious bankrolling of worldwide terrorism. This must stop.

After the Egyptian Government signed the peace initiative with Israel in 1978, Saudi Arabia refused to give any more assistance to Egypt. The State Department argues that "the Saudis, within the context of the Arab consensus, have made constructive contributions to the search for peace." Cutting off Egypt, a truly moderate Arab State, and bankrolling the PLO and Syria does not seem to me to represent contributions to the search for peace. This elimination of aid also costs the U.S. Government money. Since the Egyptians cannot acquire the aid from Saudi Arabia, they must seek assistance from the United States.

The Reagan administration claims that this sale is vital for the Saudis to bolster their defensive capabilities and deter Iran from making advances into the Arabian Peninsula in their war against Iraq. The administration claims the danger is immediate and must quickly be addressed.

I must remind my colleagues that this sale will not even begin to transfer the arms until 1989. Therefore, there is no immediate threat as a result of the Iran-Iraq war. The Saudis have already purchased over $50 billion in military sales from the United States. France has sold them $10 billion. Great Britain has sold them $10 billion. West Germany and Italy each have sold them over $600 million. The list goes on and on. So now we are down to a scaled down version of $265 million.

I agree with the President; this is a symbolic vote that is important for U.S. foreign policy. It is symbolic because it will tell whether or not we are going to demand of this so-called ally and friend that they join in the Middle East peace process. It has been pointed out by the Senator from Ohio and others just what a friend is, the Saudis. They voted against the U.S. position in the United Nations 86 percent of the time, but we are told that they are friendly; they are helpful; we have to support them. They opposed the United States 7 out of 10 times in crucial votes in the United Nations. They supported Colonel Qadhafi against the United States bombing in Libya. Immediately upon that raid, the Saudis put out a statement supporting Libya. The bottom line is that Saudi Arabia continues to act contrary to the efforts of the United States and our work toward achieving peace in the Middle East. The Saudi's supply of terrorists and international terrorism is unquestioned. The Saudis continue their declared state of war against Israel, an ally of the United States.

No matter what the content of this package, I cannot see even selling a box of bullets to the Saudis. The President has thoroughly convinced me that by eliminating the Stinger we are still getting stung. The Stinger having been withdrawn, we do not improve this sale at all. I hope the Senate will reverse the President's veto and not sustain it so this sale cannot go through. I thank the distinguished ranking member of the committee, Senator PELL.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I yield 5 minutes to the Senator from Delaware.

Mr. BIDEN. I thank my colleague.

Madam President, in the 1600's Voltaire said, "If we believe in absurdities, we are bound to commit atrocities." I suggest to you that our Middle East policy under both Democrat and Republican Presidents has been riddled with some absurdities. One of the absurdities is the mythical notion that the Saudis, even if they were so predisposed, are able to be agents of change and able to be agents of United States interests in the Persian Gulf region. The fact of the matter is I find myself falling somewhere between my colleagues from Arizona. I think the criticisms of Saudi Arabia's willingness to defend the PLO, of Saudi Arabia's unwillingness to speak more forcefully in the United Nations on behalf of the United States, the criticism of the Saudi's unwillingness to be a more positive force in the peace process are a little unfair to the Saudis. Quite frankly, the Saudis are an 80-member family oligarchy that finds itself adrift in the middle of an Islamic revolution the consequence of which they do not comprehend any more than we. The Government of Saudi Arabia is the anachronism of the 20th century in the Middle East, and the fact of the matter is, to use that phase twice, the Saudis have no choice but to fund the PLO; the Saudis have no choice but to be supportive of their Arab brethren; the Saudis have no choice but to do that, for in fact about 55,000 Palestinians control the infrastructure of Saudi Arabia. They literally have their hands on the spigots, the spigots that control the oil.

So I would suggest to my colleagues we should not be viewing this so much in terms of whether or not the Saudis are good guys or bad guys. We should view it in terms of what is realistic.

Madam President, it is this Senator's opinion that it is totally unrealistic to expect the Saudis, with or without our help in terms of arms sales, to do anything other than maintain a policy which is not particularly helpful to our interests. Furthermore, I would suggest to my colleagues in the Senate that we are doing a disservice to Saudi Arabia. Up to now, Saudi Arabia in Middle East wars, and God forbid there should be another one, has been able to say to their Arab brethren, when their Arab brethren have said "Come to the mutual aid of the Arab world," they have nothing to send, no great standing army, no bevy of sophisticated weapons. They have been able to stand back and say, "We will hold your coat and send money."

I believe the Saudis do not want to have a war with Israel. But I believe that once we send their arsenal soaring in terms of sophisticated weapons, they will be put in the untenable position, the next time there is a conflict in the region, of having to get directly involved, of having to move with their Arab brethren for, if they do not, they will be moved.

Now, I think we should be much more sophisticated about how we view this. It is not as my friend from Arizona [Mr. GOLDWATER] suggested. This does not have anything to do with Israel. We can sell these weapons to the Saudis and it will not fundamentally change Israel's balance in the region.

But if we sell these weapons to Saudi Arabia, we will be putting Saudi Arabia further and further in the hole, where they are bound as a matter of their own regional self-interest to support whatever would come next.

I suggest to my colleagues that we should oppose this sale because it is a reflection of the lack of a coherent policy any more than any single act we have taken in the Middle East. We do not have a Middle East foreign policy at this moment, and to suggest that we are going to substitute an arms sale package for a policy is to suggest that this is a litmus test once again. I have been here 14 years. I am tired of being subjected to litmus tests by the Saudis, litmus tests by anyone else. We should move in what is the naked self-interest of the United States of America. If we wish to help the Saudis, what we should be doing for Saudi Arabia is helping them with their infrastructure as it relates to their domestic security requirements. We should be dealing with not whether or not they have AWACS aircraft and sophisticated weapons. And I realize this is not AWACS. We should not be dealing with that. We should be dealing with their ability to protect their own internal security.

The last comment I will make, Madam President, is that as we look at the Middle East, it is about time we stop, those of us who support, as most of us do, Israel in this body, apologizing for our support for Israel. There is no apology to be made, none. It is the best $3 billion investment we make. Were there not an Israel, the United States of America would have to invent an Israel to protect her interests in the region. The United States would have to go out and invent an Israel.

My colleagues and I on the Foreign Relations Committee worry at length about NATO, and we worry about the eastern flank of NATO, Greece and Turkey, and how important it is. They pale by comparison, in terms of the benefit that accrues to the United States of America.

I say to my colleagues that Saudi Arabia's interests lie as much in the existence of an Israel as in the existence of any other country, for Israel cannot afford, nor could we, for Saudi Arabia to be toppled, nor could that occur in a way that would be able to be prevented as a consequence of selling these sophisticated weapons.

Let us shed the myth. The Saudis are not bad guys. They are fine people. but they do not need these weapons. It will hurt them and hurt us. It is against the interests of the United States.

I thank my colleagues for the 6 minutes. It is a welcome time.

□ 1230

Mr. PELL. Madam President, I yield 3 minutes to the Senator from Georgia.

Mr. MATTINGLY. I thank the Senator.

Madam President, to get to the point, I will vote to override the veto of the resolution of disapproval.

The removal of the Stinger missile from the proposed Saudi arms sale package does not remove this Senator's reason for opposing this sale.

I think peace in the Middle East cannot be achieved by arms sales alone. Therefore, the regional stability is not necessarily enhanced by a weapons sale.

I am also troubled by the Saudi arms sale in reference to Saudi Arabia's inability to visibly lend its considerable influence toward a Middle East peace agreement. It is difficult, I believe, to justify a sale of any weapons to a country that provides support to organizations such as the PLO.

We in this country must have a unified policy and a coordinated policy in the Middle East that seeks both peace in the region and an end to terrorism. That policy may include arms sales to nations in the region that share our interests and that through words and deeds publicly support peace and condemn and combat terrorism. It must also possess interests that do not contradict our national interests.

It is no small matter to oppose the President on such an important foreign policy initiative, and I do not do so lightly. But I do so because we, as a nation, need more guarantees than we are getting for this proposal.

The question on this sale is, which should come first: Would the arms sale ensure positive, visible action for peace, or would a positive, peaceful action on behalf of peace ensure this arms sale? For me, the answer is easy. I am convinced that this is the wrong arms sale to the wrong nation at the wrong time.

Therefore, I will cast my vote in opposition to the proposal.

Mr. LUGAR. Madam President, I yield 3 minutes to the distinguished Senator from Rhode Island [Mr. CHAFEE].

Mr. CHAFEE. Madam President, I am fully behind the President's decision to sell these arms to Saudi Arabia. I agree with him that congressional disapproval of the sale was ill-advised and shortsighted, and I urge all Senators who voted against the sale to think over today's vote very carefully. This sale is in the best interests of the United States, and it seems to me that that is the criterion by which we should be guided.

In order to outline why I oppose the resolution of disapproval passed by the Senate a few weeks ago, let me review the main arguments upon which that resolution was based. First, opponents of the sale argue that Saudi Arabia does not need these missiles. In my opinion, Saudi Arabia is a far better judge of its own defensive needs than are the Members of Congress. Situated as it is in the heart of an extremely unstable, turbulent region, Saudi Arabia is in dire need of better air defense capabilities. Although the Saudi Air Force possesses only 60 modern fighter planes, it must protect an airspace equal to that of the Eastern United States. The Sidewinder and Harpoon missiles contained in this package would greatly assist the Saudis in preventing the Iran-Iraq conflict from spilling over into their country.

I need not add that such an expansion of the gulf war would threaten vital U.S. economic interests in the Middle East, particularly access to the gulf itself. I think that is clear, and we all recognize that. At least, we know it and we should recognize it. Let us not forget that when they defend the gulf, the Saudis defend a key United States strategic concern. If we begin now to back out of our longstanding arms supply relationship with the Saudis, the chances of direct United States military involvement in the region will be greatly increased.

A second major argument against the sale is that Saudi Arabia doesn't deserve these missiles. Opponents claim that the Saudis have not contributed to the Mideast peace process, but rather, have actually stood in the way of peace.

Well, I am not sure that we apply to all the nations we deal with a requirement that they deserve to be able to purchase arms from us. Indeed, we do not apply it to many countries we deal with, to which we give grants or loans on a very generous basis.

I agree with the President that Saudi Arabia, an important Mideast friend of the United States for 40 years, continues to play an extremely important role as a voice of moderation in the Arab world. They share many interests with the United States, and have assisted us in a number of significant ways. As the President's national security adviser, Adm. John M. Poindexter, recently wrote:

> The Saudis worked closely and diligently with us in the search for a peaceful solution in Lebanon. They continue to provide critically needed support to the Afghan freedom fighters, to the government of Pakistan and to moderate forces in Sudan. They provide important support to the World Bank and the IMF, and are one of the few countries with which we maintain an important positive balance of trade.
>
> The Fez Plan of King Fahd helped transform the 15-year-old Arab consensus of confrontation with Israel into a quest for an acceptable basis for peace. This major Saudi diplomatic effort with other Arabs provided a crucial underpinning for individual efforts such as King Hussein's initiative. It constituted a significant step toward enabling the Arab world to come to terms with the need for peace with Israel.

Most important, the Saudis are a key pro-Western presence in the Middle East, who have demonstrated their willingness to stand up against Arab radicals. They continued to support Jordan when King Hussein flew in the face of the extremists by restoring relations with Egypt and working for negotiations between Israel and the Palestinians. More recently, the Saudis played a leading role in blocking an Arab summit sought by Qadhafi in order to condemn the United States raid on Libya. They also refused to support Qadhafi's proposal of pan-Arab sanctions and an embargo against the United States. The refusal of Saudi Arabia and Jordan to give their support to Qadhafi's anti-American schemes so infuriated the Libyan leader that he discussed a possible Libyan withdrawal from the Arab League.

The third major argument of the sale's opponents ties the Saudis to Mideast terrorism, and portrays this sale as a contribution to Arab terrorist groups. Like all other Arab States, the Saudis undeniably have ties to Syria and the Palestinians, but to equate the Saudis with these other Arabs is absurd. This argument demonstrates a

dangerous inability to distinguish Arab friends from Arab enemies.

Despite the Saudis' obvious moderation, their refusal to participate in Qadhafi's anti-American schemes, and their willingness to address United States concerns about terrorism, there are some who continue to oppose this sale. I am baffled by their reasoning, and hope that they will consider one final point. If this sale is requested, in addition to sending a message to Saudi Arabia and the rest of the Arab world that we are now unable to maintain any friendships with Arabs, a rejection of this sale would play directly into the hands of Qadhafi and his ilk. Following the Congress' initial disapproval of the sale, Libyan propaganda seized on this rebuff of Saudi Arabia, the country which had, as I mentioned, thwarted Qadhafi's attempt to call an anti-American Arab summit. The Libyans stated:

The child-killer Reagan administration has refused to supply Saudi Arabia with the weapons it has been trying to get from the U.S. . . .The Arab rulers who expected U.S. gratitude for impeding the Arab summit and its confrontation of the barbarous U.S. Atlanticist aggression on the people of [Libya] got nothing from the U.S. administration except being insulted and forced to bow.

We must show that the United States knows who its friends are and what policies are in its best interests. Our efforts to counter anti-American and Soviet-influenced states such as Libya, Iran, and Syria, rely heavily on our continued close ties with traditionally friendly states such as Saudi Arabia.

If the sale is rejected, the United States will have humiliated a friend and will have stated publicly that no longer do we wish to be a player, to exert any influence in an area of the world that is of extraordinary importance to us.

Mr. PELL. Madam President, I yield 5 minutes to the Senator from Pennsylvania [Mr. SPECTER].

Mr. SPECTER. I thank the distinguished Senator from Rhode Island.

Madam President, I oppose the sale to Saudi Arabia because I am convinced that it is contrary to the best interests of the United States, and I think so essentially for three reasons.

One reason is the failure of Saudi Arabia to support United States policy in opposition to terrorism.

Second, the Saudis have not supported the United States in the United Nations.

Third, the Saudis have not fulfilled their obligation and commitments previously made to be supportive of United States policy in the Mideast peace process.

On the issue of terrorism, I suggest that there is no greater problem facing the world today than the problem of terrorism. When I first became concerned about this matter, when the Libyan diplomat murdered the British policewoman several years ago, I introduced a resolution for a revision of the Vienna Convention on Diplomatic Immunity; and I have pressed hard to have terrorism treated as an international crime, to be prosecuted in a Nuremburg-type proceeding.

When the United States has acted against terrorism worldwide, especially in the Middle East, the Saudis have not been supportive of United States policy and, in fact, have been supportive of the terrorists, of the PLO.

□ 1240

When the United States pursues its position in the United Nations, the Saudis have an abysmal record of opposing United States policy.

On the critical question of whether the Saudis have supported United States policy in the Mideast peace process, I had an opportunity to question Secretary of State Shultz in some detail on this issue because I have been concerned about it for some time. The Secretary of State came before the Foreign Operations Subcommittee of the Appropriations Committee last March, almost 3 months ago. I asked the Secretary of State this question:

Mr. Secretary, could you give me one illustration of a significant Saudi contribution to the peace process, and if you would prefer to do it, if it is sensitive, not on the record, I would understand that.

Secretary of State Shultz responded:

Mostly what the Saudis do, they do as quietly as they can, that is their way of doing things. I believe that they have tried to exert a positive influence.

My followup question:

Is that as specific as you can be?

Secretary Shultz responded:

I can be more specific, but I don't want to violate their own pattern of operation by making public comments about it.

My followup to this effect:

I can appreciate that, and that is why I said, if it is something that you would prefer to discuss not on the record, in public, I would be willing to accept a different procedure for the specification.

And I continued:

I would say to you, Mr. Secretary, that there is a lot of concern in the Senate on this issue, as to what the Saudis have done. You say that it is done quietly. It has been inaudible as far as this Senator is concerned. I would be pleased to pursue it with you outside of the public arena, but I do want to have as much specificity as possible.

Madam President, the administration has not provided either on the record or off the record any substantial evidence of participation by the Saudis in the Mideast peace process.

It is this Senator's view that until they do so we should not sell them arms, simply stated.

When this matter came before the U.S. Senate a few weeks ago the vote was 73 in opposition to the arms sale. Only 22 supported it. Senators on all ranges of the political spectrum, from all persuasions and all sections of the country in a very compelling 3-to-1 vote opposed the sale because the Saudis have not supported United States interests.

That is why I am opposed to the sale and urge my colleagues to do the same.

Mr. President, I yield back the remainder of my time. I thank the distinguished Senator from Rhode Island and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I yield 3 minutes to the distinguished Senator from Maryland, Senator MATHIAS.

Mr. MATHIAS. Mr. President, Dr. Holmes, Oliver Wendell Holmes, Sr., used to say that the value of repetition is in direct proportion to the value of what is being said. On that theory, I am going to repeat some of the arguments I have made on this subject because I do think they are important.

The first principle that we are confronted with in this debate is a very simple principle. It is the principle of what is in the interest of the United States of America?

That is by far the most important principle which is before us, what is in the interest of the United States of America?

I submit that any objective analysis of this sale—the weapons involved, the timing, the effect of approval or disapproval on the position of this country on the United States, in a vital region of the world—must conclude by finding that the sale is in our national interest.

Unlike some other areas, our basic objectives in the Middle East are well-known and widely shared: They are as I see them, to assure the security of Israel, to encourage the stability of moderate governments in the Arab world which surrounds Israel, to promote our access to the richest energy reserves, and to limit Soviet influence in the region. I think no one has outlined the interests and responsibilities—and the headaches—of the United States in this complex region more accurately than Abba Eban, who as every Senator knows is the former distinguished Foreign Minister of Israel.

The United States, Eban wrote in his 1983 book, the New Diplomacy, is today the guarantor of Israel's security and economic viability, the protector of the gulf oil states, the source of the region's development aid programs, the friend and supporter of Egypt, Lebanon, Jordan and Saudi Arabia, and the assiduous conciliator whenever region tension threatens to burst into flame.

That all adds up to a very difficult challenge in an extremely diverse and complex region. It adds up to a singular position, one acquired only after years and years of painstaking diplo-

matic effort—diplomatic effort that has left us as the sole power with good relations with most sides. We are perceived as genuinely able and willing to talk to all sides and it is extremely important that we not lose that capability. My trip to five countries in the region in February convinced me that there has been an erosion in our influence—but it is certainly not irreversible.

Prospects for a peaceful, comprehensive settlement in the region may seem remote at this time. For a number of reasons, the peace process is dead in the water at the moment. But the Middle East, as anyone who has spent much time there knows, defies simple, quick solutions. Only patient, but steadfast pursuit of progress toward peace and understanding will produce the end result we seek.

We will not enhance our ability to pursue a broader peace by rejecting this sale—for several practical reasons.

We have had a defense relationship with the Kingdom of Saudi Arabia for more than four decades and rejection of a relatively small provision of arms which they already possess would weaken that relationship. Rejection, furthermore, would encourage Iran, a country of 40 million, to regard Saudi Arabia, a rich but vulnerable land of 6 million, as a more attractive target.

The main arguments against the sale focus on Israeli security and Saudi diplomacy in the Middle East. I have no quarrel with many of the points that have been made. But we should be objective about them. For example, the weapons involved in this package, especially after deletion of the Stinger missiles, do not represent a qualitative change or increased threat to Israel.

Saudi Arabia's role in the Middle East is a more complicated question. The Kingdom often fails to meet our expectations on specific issues in the region—issues ranging from Camp David to support for the PLO. But we must not let our illusions run away with us. Just as we act in our national interest, Saudi Arabia will act in its national interest. Their actions may not always coincide with ours. Yet they often do.

It is easy to headline Saudi contributions to the PLO; shouldn't we keep in mind the millions more that they give to Jordan and other moderate Arab states? Can we brush off the millions that Saudi Arabia gives to the World Bank and the International Monetary Fund?

It is easy to criticize Saudi Arabia for not voting with the United States x percent of the time in the United Nations. Can we dismiss the Fez plan of King Fahd, which helped shift the Arab consensus from confrontation with Israel to a search for a basis for compromise?

It is one thing to single out a Saudi criticism of the raid on Libya. Shouldn't we also take account of the results of Libyan demands for an Arab summit? Absolute silence, that was the result.

A fair assessment of this sale requires a balanced review of actual conditions in the Middle East and our national interests. In truth, the proposed sale will not cause the grave damage that many of its opponents claim it will, nor solve all of the legitimate security concerns that some of its supporters wish it could. Yet, the sale is consistent with our national interest; it is especially important to maintaining that multifaceted role described by Abba Eban, of the United States as friend, as guarantor, as protector, as supplier, and as assiduous conciliator.

Mr President, I will vote to sustain the veto of the resolution.

Mr. PELL. Madam President, I yield 5 minutes to the Senator from Connecticut [Mr. DODD].

Mr. DODD. I thank the Senator from Rhode Island, Madam President.

Mr. MATHIAS. If the Senator will yield, I did not conclude my remarks, but I was interrupted.

Mr. DODD. Rather than simply read another in a series of 100 statements that do not seem to be interconnected, I would like to identify and speak directly to some of the points raised here today, in particular those of our colleague from Maryland. I have great respect for his ability and find myself in agreement with him far more than not.

He raised the first, and I think the important, question: "What is in the best interests of the United States?"

Too often, I think, when we engage in foreign policy debates, we end up appearing as though we are arguing about the interests of other nations rather than our own interests. We appear to be more concerned about the Israelis or more concerned about the Saudis, in this particular case, than we are concerend about the United States. In this regard, my colleague from Maryland is once again accurate.

The issue ought to be what is in our best interest here. What makes the most sense for the United States in this, one of the most unstable yet important parts of the world?

We come out with different answers to that particular question, as oftentimes happens when we have a debate of this nature. My concern, Madam President, is that while clearly Saudi Arabia has been helpful from time to time on issues—and there is no question about that—it seems to me that this sale raises two pressing issues that demand attention more than any others.

Almost 5 years ago, Madam President, I asked the administration if they could at the outset identify clearly what the policy guidelines would be for the Reagan administration in the Middle East, and I asked the President to give us some sense of where they would like to take the Camp David accords and other such measures in the next 4 or 5 years.

I never received an answer to that request. What is most disturbing and most frustrating today is the fact that 5 years later, even though many of us here may disagree on the merits of this particular sale, I think all of us could agree that this administration has a blank agenda when it comes to the peace process in the Middle East. And the grim reality is that if there is no pressure for peace, there is pressure for war.

We have seen in recent weeks a pressure mounting for war. Both Syrian and Israeli troops have amassed on the border of Syria and Israel in the Golan Heights. The danger has seemed at moments critical, though it is now somewhat diminished.

The fact it has diminished does nothing to dismiss the prospect that we may once again see a violent conflict in the Middle East.

It is absolutely essential that we do not lose sight of the awesome stakes with which players operate in that region. When tension increases and threats are exchanged, we are not talking about a quorum of statesmen sitting around a table; we mean divisions shifting, artillery entrenching, and soldiers taking aim. Which brings me to what is really the major issue, and that is the peace initiative.

I am not going to add my remarks to the already extensive discussion about the oil embargo of 1973, the price increases of 1979, the refusal to listen to our Vice President's most recent pleas in the Middle East. Those are valid issue which concern our economic relationship with Saudi Arabia, and they are issues which should be raised.

But the major problem arises with concern for the peace initiative. Here you have a country which despite its claim of moderation, persists in its refusal to reestablish diplomatic relations with the country of Egypt.

All of us in this Chamber have heralded over and over again what Egypt did in the Camp David accords, expressing our universal approval of that initiative. But in us Saudi Arabia has inspired our expressed resentment because of the cold shoulder they turned to that courageous act by Anwar Sadat and the courageous activities of President Mubarak, since the death of Anwar Sadat, to continue the effort toward peace, despite incredible pressures.

We have Saudi Arabia rejecting the President's proposal in 1982 to try to get a peace process moving. We even saw Saudi Arabia recently reject the efforts of King Hussein and President Mubarak to try to make some progress in the Gaza.

□ 1250

And we have seen them oppose the President in Lebanon.

And on every single front where we have pushed for positive results—even though many of us feel we have not pushed enough—the one country that we provided 50 billion dollars' worth of military equipment to in the last 13 years has rejected our efforts—Democratic efforts, Republican efforts, or administration efforts—over and over again.

The sale does not involve a lot of money. But it is essential that we now assert to the Saudis that we mean serious business. If they join us on this effort and they support this effort, then they can count on U.S. support. The stakes are too high for this country to countenance any longer collusion with extremists, and diplomatic intransigence.

For that reason, Madam President, I will vote to override the Presidential veto in the hopes that Saudi Arabia will understand that they cannot continue this pattern of behavior.

Mr. JOHNSTON. Madam President, will the Senator from Rhode Island yield me 3 minutes?

Mr. PELL. At this point, I cannot do so because there are several Senators ahead of you.

Mr. LUGAR. Madam President, I yield 2 minutes to the distinguished majority whip, Senator SIMPSON of Wyoming.

Mr. SIMPSON. Madam President, I want to commend Senator LUGAR who brings before us these terribly nettlesome, troublesome things and, with his superb steadiness and sturdiness, he prevails because he keeps us focused on what it is we are up to. Here is what we are up to—amidst other things as to arms sales and so on—it is really friendship. The friendship of Israel and the United States.

My mother and father lived there for a brief period of time in its nascent beginnings as a nation. I am one who it totally sympathetic with Israel.

The friendship with one cannot be at the exclusion of others. "Almost perfect" is, apparently, not good enough in some cases with regard to friendship. I guess I just wanted to share with you that it is rather troubling to me, as I see the debate go, that you must be with me all the way or you are not for me. That is not the way I feel. Oh, I have flunked the test a couple of times with AWACS; yes, indeed, I remember that. But, generally, I have been right there to support this amazing country.

Friendships are based upon mutual trust and respect and loyalty. You do that by being up front and very loving and very caring. Our fine President is a true friend of Israel. And, boy, we need all the friends we can get anywhere in the world, whether it is Saudi Arabia or Israel.

But you cannot build friendship on threats or intimidation or talk of political retribution or recrimination or the ancient political game of "keeping score," which is offensive to all of us on any issue.

So, I just want to share with you that I am troubled. I do not know what the awesome, mythical, metaphysical powers are of some Californian named Michael Goland, but I am willing to find out. But my deep respect for Israel and the struggles that it has inspired in us as a nation are too much for me to let it go past.

My chum is sitting here next to me, RUDY BOSCHWITZ, old number 56—I am number 57 in seniority, and he keeps me well posted on that. He is a dear friend. He has guided me. He has counseled me in these troublesome and sensitive areas. He is a very special friend. As a friend, I have shared these special concerns with him and he has been most helpful.

But the situation does disturb me and I think it must be reconciled. And I want to do that as a friend of Israel. I think unless we do that we will see some very troublesome things take place in our relationship. To have a friend, you have to be one, and it means reaching out and not digging in. I am ready to reassess that friendship and plumb it to a further depth.

Thank you, Madam President.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Madam President, I ask the distinguished ranking member if I can respond to my colleague?

Mr. PELL. I say to the Senator from Minnesota, if he can do it in 1 minute—there are others ahead of him—in direct response.

Mr. BOSCHWITZ. It is a direct response to No. 57 from No. 56.

I know that the Senator from Wyoming's family and father were among the earliest Americans to do business in the State of Israel. He has had a great affinity for it.

I would, however, say that what he says, "If you are not with me all the way, you are not for me," that perhaps some can characterize one lobby or another that way. But certainly most lobbyists—as a matter of fact, be it union or farmers or teachers or Israel or any other number of lobbyists—could be so characterized.

But I do not think that this vote that occurred with respect to the Saudi arms package, which was 73 to 22, really was a reflection of one lobby or another, but it was rather a reflection of the Senate's feeling that the Saudis were indeed not truly moderates; that supplying funds to those who conducted terrorism is not an act of moderation.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. BOSCHWITZ. May I have one more minute?

Mr. PELL. No.

Mr. BOSCHWITZ. May I ask unanimous consent that I may have another half a minute to conclude my remarks?

Mr. PELL. Reluctantly, I do not object.

The PRESIDING OFFICER. Does the Senator from Rhode Island yield an additional half a minute; is that correct?

The Senator from Minnesota has another half a minute.

Mr. BOSCHWITZ. I thank you, Madam President, and my friend from Rhode Island just so I can conclude my remarks.

I feel that the Senate spoke that our friends, the Saudis, are not indeed moderates. Voting with us 1 in 8 times in the United Nations is not moderation. Supplying funds to those who engage in terrorism is not moderation. Not recognizing the Egyptians because they have engaged in a peace treaty is not an act of moderation. Being anti-Semitic and still having a war that has not been settled with the Israelis is not an act of moderation.

I think the Senate has spoken. We have never before, Madam President, rejected an arms package. This is a minor arms package.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PELL. Madam President, I yield to the Senator from Massachusetts 5 minutes.

I am sorry, I did not realize Senator D'AMATO was in the Chamber.

Madam President, I withdraw that request and at this point yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Madam President, I rise today to voice my strong support for the motion to override the President's veto of Senate Joint Resolution 316, which disapproves the proposed arms sale to Saudi Arabia. This legislation, of which I am an original cosponsor, will prohibit the proposed sale of advanced missiles to Saudi Arabia.

Madam President, arms sales to Saudi Arabia is a difficult and contentious issue. Although I commend the President's decision to delete the Stringer ground-to-air missile from the package, I still cannot support any arms package to Saudi Arabia.

This is not the time or the place to be introducing advanced weapons systems into this troubled area of the world. It is in the best interest of the United States and our allies in the Middle East, particularly Israel, that this sale does not go through.

Saudi Arabia still has failed to prove its commitment that it will work for peace. Saudi Arabia supports two of America's main terrorist threats,

Libya and Syria. In addition, the Palestinian Liberation Organization has been provided substantial monetary assistance from Saudi Arabia.

I hope that we would have learned our lesson that it is dangerous to introduce these kind of sophisticated weapons into areas that are unstable. We must be careful when we provide such modern arms to nations that proclaim their allegiance to this country but do not have the ability to determine over a period of time how those weapons will be used.

Madam President, it was not that long ago that we poured billions upon billions of dollars of weapons systems into the Government of Iran. The Shah of Iran was heralded as that strong bastion against communism.

Of course we know the sorry legacy. The fact of the matter is that those weapons are now at the disposal of the Ayatollah Khomeini. I suggest today there is no one here in this Congress or in the administration who can claim that the Saudis are so stable in nature and in character, that a similar scenario may not, and could not take place. I believe we tempt fate and we follow along the same very dangerous course of action by providing sophisticated weapons to Saudi Arabia.

The United States has supplied Saudi Arabia with over $44 billion in arms since 1971, $22 billion during this administration alone. I do not believe that this additional sale is necessary to prove our friendship to Saudi Arabia or to better protect this Middle East nation from attack. I seriously question whether Saudi Arabia truly needs the additional missiles. This sale cannot be urgent if the missiles are not going to be sent to Saudi Arabia until 1989.

Mr. President, this is just a preliminary sale. The administration, I expect, will come back in the near future and ask to sell even more sophisticated and potentially destabilizing weaponry. It is important, therefore, that we stop this sale now.

Saudi Arabia has not even lived up to the AWACS agreements. Congress was assured at the time of that sale that future deliveries to Saudi Arabia of AWACS and other advanced arms would take place only if peace efforts in the region have the substantial assistance of Saudi Arabia. Such assistance has not been rendered.

Our total arms sales to Saudi Arabia since 1950 are larger than those to any other nation. No other nation has exceeded $12 billion in total arms purchases during this time period. In fact, total arms sales to all of our European allies combined amounted to just $50 billion during the last 3½ decades, barely more than Saudi Arabia's purchases alone. Last year, by purchasing $3.5 billion of American arms, Saudi Arabia purchased 25 percent of all United States arms exports.

These facts, coupled with the recent purchase of advanced fighters from Great Britain, make it difficult for me to believe that this sale is important to the security of Saudi Arabia. There are other, less lethal and less destabilizing goods we can sell to Saudi Arabia to show our friendship.

It is not in the best interest of the United States and our allies in the Middle East, particularly Israel, that this sale go through. Saudi Arabia still has to prove that it truly stands for peace in the Middle East before the United States provides billions more in military sales. Sales of our sophisticated weaponry should be sent for use as a deterrent to aggression and as a reward for strong efforts toward peace and stability. They should not be used simply as an incentive for nations to move toward peace. Saudi Arabia has not proven it deserves to be rewarded.

Mr. President, I again urge my colleagues to override the veto of Senate Joint Resolution 316 and put the ball in Saudi Arabia's court to truly demonstrate their moderate Middle East posture.

Thank you, Mr. President.

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I join my colleagues, those who have spoken in support of the override of the veto with respect to this sale.

I would like to address the comments of a number of my colleagues who have asserted that the Saudis indeed contributed to the peace process, and that somehow should be part of our measurement of whether or not we in return should thank them with an arms sale.

It has been pointed out by proponents of the sale that the Saudis have been helpful to the resolution of crises throughout the region. The only examples we've heard include Saudi support for King Hussein's attempts to initiate peace talks with Israel and not to carry through King Fahd's earlier peace plan for the region; the Saudis role in attempting to bring peace and stability to Lebanon; pressures the royal family have brought to bear in bringing a settlement to the Iran-Iraq war; the assistance the Saudis have provided for the Afghan freedom fighters.

But in most of those cases, Mr. President, by most standards that we ought to be judging how the peace process moves in the Middle East—in other words, whether or not people take the kinds of steps that President Sadat took where they are really declaring publicly against a perceived instance. In most of those steps the Saudis were moving privately in conjunction with their own interests, not against—specifically the Iran-Iraq war, two Islamic nations, a case in point, or the freedom fighters in Afghanistan where again you have a predominantly Muslim country which is another example where it is in their interests to try to assist. But Lebanon today we know remains in shambles, and not the least of the reasons for its remaining in shambles is Syria's involvement therein. And we see the Saudis continuing to support Syria in significant ways.

Most importantly, however—and I have just returned from spending 6 days in Israel where I had occasion to meet with Prime Minister Peres, Yitzhak Shamir, and Yitzhak Rabin, and others. Not one of those leaders of Israel in a private wink or blink of an eye, nor in the most private conversation were willing to insinuate, believe or assert or otherwise indicate that this sale could somehow operate in the interests of Israel, No. 1; No. 2, that the Saudis had in any way significantly or otherwise contributed to the peace process.

The Saudis refuse to this moment to accept Resolution 242 and 338 which are the foundation of American policy, and of the American process to create peace in the region—simple, simple statements that assert a right of Israel to exist. And the Saudis are unwilling publicly even to state their support for that right to exist.

The Saudis failed to support President Reagan's one major comprehensive peace proposal for the region in 1982 and even went so far as to discourage King Hussein of Jordan from entering negotiations based upon that proposal.

My colleague from Connecticut pointed out how after the great efforts that we applauded of President Sadat, who placed his life on the line in the interests of peace, and every Senator said how great, strong, and important that was for the process, and the Saudis to this day have not renewed the diplomatic relations that they cut off with Egypt as a consequence of those actions for peace which we applauded.

As a major financial backer of Syria, the Saudis refrained from exercising any influence to persuade President Assad to cease his opposition to the entrance of Jordan into the latest attempt to resume the peace process. And while Saudi Arabia is a major financial backer of King Hussein, public support for the King's attempts were not forthcoming from the royal family.

Mr. President, it seems to me that we have to be realistic about our policy in the Middle East. It is not enough for us to constantly say that by the sale of weapons, which everybody acknowledges they will get anyway, we are somehow going to

change the direction of policy in the Middle East. It is not enough for us to say that we always have to be the ones to take the symbolic action that is somehow going to move another Arab nation to do something they have as yet been unwilling to do.

It seems to me that we have a right to expect that we send some symbolic message, and that we expect something more of their behavior. And I believe that until they are willing to accept the right of Israel to exist, until they state publicly that the peace process must move forward, until they take some kind of action which is against their interests but in the interests of peace, you do not have a committed partner. That is why the talks are statemated today.

Every Palestinian I talked to over there choked over the notion of admitting that Israel has a right to exist. Until a nation stands up and makes that admission, you cannot have peace by definition. We should not be rewarding that lack of action by the sale of weapons whether it helps them or does not.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I yield 4 minutes to the Senator from New Jersey, Mr. LAUTENBERG.

The PRESIDING OFFICER. The Senator from New Jersey may proceed.

Mr. LAUTENBERG. I thank the distinguished minority manager of the bill.

I rise to urge override of the President's veto of this resolution because very frankly removing the Stingers from the package cannot take the sting out of the sale.

I think it is a bad idea to sell weapons to the Saudis. They have expressed hostility constantly and continually to the American foreign policy objectives. I have to ask when are they required to pass the litmus test. We are being told that it is a measure of our commitment to our friends. I would like to see an occasion when the Saudis honor a commitment to us, if they consider us friends.

The argument is presented that says our credibility will be undermined if the sale does not take place. But I would like to remind those listening that the Saudis have already received more weapons of this type than all of our other allies combined. How many weapons must we sell them? How much must we deliver before we stop having to pass the test?

I think if we ask Saudi Arabia to submit to the same measure of testing, they would flunk the test. Saudi Arabia continues to offer support to Libya, to the PLO, to Syria. They have openly supported Qadhafi, our sworn enemy, and particularly after the attacks on the airports in Rome and Vienna, and after our attempt to reduce the threat of terrorism with our attack in the Gulf of Sidra.

Saudi Arabia supports the PLO terrorists, to the tune of $114 million each year. She supports Syria, who though in recent weeks tries to exclude herself from the role of terrorists has in the past been openly and directly involved with the terrorist movements to the tune of $500 million a year from her friends in Saudi Arabia.

This is an act of continuing declaration of hostility to Israel. Saudi Arabia opposes peace with Israel, our most steadfast ally. She has worked against American peace efforts. The fact that we have a Camp David accord, the fact that we have a nonhostility agreement with Lebanon, the Reagan plan, and even the hint of negotiations on a direct basis with King Hussein has drawn the objections of Saudi Arabia. And they voted time after time in the United Nations on resolutions hostile to Israel and the United States. Despite the fact that our relationship with Israel is relatively speaking sacrosanct, she continues to exist in a state of war with Israel.

□ 1310

This sale could be used at another time and we can achieve the political goals more effectively. We can do it by signaling to the Saudis that we are not going to continue to support them unless we get something in return. I share the goal of better diplomatic relations.

We have already signaled to the Saudis in many ways that count that we are their friends. We have four U.S. AWACS in the gulf. We sent F-15's when they needed them. We have sold them more military goods and services than is required to defend themselves, $50 billion worth.

So I conclude, Mr. President, that when we look at the Saudi lack of support for our foreign policy objectives, when we see that there is a lack of military need for this sale, I think it makes a strong case for telling the Saudis once and for all that there is no sale, and I urge my colleagues to override the President's veto.

Mr. LUGAR. Mr. President, I yield 3 minutes to the distinguished Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 3 minutes.

Mr. HECHT. Mr. President, on May 6, 1986, I voted against the proposed sale of arms to Saudi Arabia. Today, my feelings have not changed. However, the vote today is different. The prestige of the Presidency of the United States is at stake. Obviously, the vote today is more palatable with the removal of the Stinger missiles, but there are other considerations.

The President of the United States is making progress with the moderate Arab States in negotiating for peace in the Middle East. I feel a rebuff of the President would be a step in the wrong direction. It would promote consequences far worse than an arms sale 3 years in the future with weapons Saudi Arabia now has and which pose no overall threat to Israel.

Since becoming President, President Reagan has demonstrated that he has been one of the best, if not the best friend Israel has had in the White House. Iran, Syria, and Libya all are a threat to Saudi Arabia. President Reagan must be allowed to continue to bring the moderate Arab States closer to America and the free world, and not send them in the direction of the Soviet Union which has supplied many, many billions of dollars in arms to Libya and Syria.

On May 21, 1986, I met personally with President Reagan and Admiral Poindexter, and told them of my decision to back the President on this vote. I then asked if I might bring up two concerns that were on my mind. President Reagan graciously agreed, and I stated that I felt that the nearly $2 billion annually that Israel pays in interest to the United States at an average rate of about 12 percent was not justified. Israel spends approximately 25 percent of its gross national product on defense. We spend in the area of $130 billion for NATO and are unable to fly planes across parts of Europe. We spend approximately $30 billion to insure the defense of Japan, and they spend less than 1 percent of their gross national product for defense. Without Israel spending such huge sums, America would have to spend countless billions more for defense of the Middle East.

My other concern was the plight of the Soviet Jews in Russia. I told President Reagan that my late mother was an immigrant from the Soviet Union, and only by the grace of God am I standing before you today in the U.S. Senate. I urged the President to place increase emphasis on the release of thousands of Soviet Jews before the next summit conference. Those who are allowed to leave the Soviet Union, Mr. President, should not be just elderly, but children, teenagers, doctors, and scientists. All should be allowed the basic human right of freedom. President Reagan expressed tremendous concern, and I feel he should be given the opportunity to continue to expand his foreign policy with the backing of the U.S. Senate on the broad peace process which he has undertaken.

In my deepest conscience, I want to reiterate that I believed that this proposed sale, poses no threat to America's strongest ally in the Middle East, Israel.

Mr. President, my decision to support President Reagan is not taken lightly nor without considerable thought and deliberation. But, as I have stated, and I firmly believe, the interests of both the United States and Israel are met in this sale and I urge my colleagues to support the President.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I yield 4 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. JOHNSTON. I thank the distinguished Senator from Rhode Island.

Mr. President, this issue has been as well lobbied as any that I have heard in recent months and indeed maybe in recent years. When I say well lobbied, it has been lobbied by people of skill and capacity and intelligence. And they have made some real points and I think some valid points.

Point No. 1: Saudi Arabia is a moderate Arab State. Moderation in Arab States should be encouraged. I will accept that point.

Point No. 2: The Saudi Arabians at least can have a case made that they are friends of the United States and that ought to be encouraged. I will accept that point.

Point No. 3: The United States acts in foreign policy through the President of the United States, and as a Nation, we ought to back the President in the formulation and execution of foreign policy wherever that is possible. I will accept that point.

These are valid and strong points.

But then we get down to the question of the arms sale to Saudi Arabia, and we have some balancing interests on the other side.

Saudi Arabia is not our only friend, indeed not our chief friend, in the Middle East. Clearly, we have no stronger ally anywhere in the world than Israel. We have no ally who puts itself on the line in our defense with its lives more than Israel does.

So their concern in this matter is of concern to us as well.

What we get down to, Mr. President, as the bottom line, is not who is a friend. Israel is a friend. Saudi Arabia is a friend, although perhaps we can argue the case about whether they have exhibited that friendship as thoroughly as they should. A very strong case can be made that they have not.

But the bottom line is, Do they need these missiles? Nobody wants to argue that, Mr. President. All of the argument is, "Well, we have to back up the President" or "The Saudis are moderate" or "They are our friends." But nobody ever argues the question of why in heaven's name do they need the Sidewinder missile or the Harpoon missile.

I am advised that the Sidewinder missile is a very capable air-to-air missile, that they have more of those for F-15's than we have in the American Air Force.

If that is so, why should we be giving them more? Why the Harpoon missile?

Let us examine the threat. They say fundamentalist Arab States like Iran are a threat to Saudi Arabia.

Well, Mr. President, if they are a threat, that threat is through internal subversion, or that threat is on the ground. That threat is surely not through the fourth-rate Iranian Air Force.

The Saudi Arabian Air Force could do the Iranian Air Force out of the sky in the first 5 minutes of battle. They are so much more capable it is not even close. And nobody else threatens the air force of Saudi Arabia.

□ 1320

Nobody is a sea threat to Saudi Arabia requiring the Harpoon missile. So just what is the purpose of these missiles? Is it just to make a moderate stay moderate, or make a friend more friendly? Mr. President, if we are giving out weapons as favors, as tokens of affection around the world, it seems to me we had better reexamine our policy because that should not be the basis upon which to give American weapons out around the world.

Yes, we should not give them to enemies; yes, we should give or sell them only to friends, but sell them only to friends who need them. We should not be in the business of simply handing out favors.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I congratulate the Senator from Louisiana on his remarks. I concur with him in his estimate of the need of the Saudis for these weapons. To my mind, they need them like they need a hole in the head. I think his points are very well taken.

I yield 3 minutes to the Senator from Maryland [Mr. SARBANES].

The PRESIDING OFFICER. The Senator from Maryland is recognized for 3 minutes.

Mr. SARBANES. I thank my distinguished colleague from Rhode Island for yielding. Mr. President, there is a fundamental issue that must be addressed in considering the proposed arms sale to the Saudis—that is, in what way does it contribute to furthering the peace process in the Middle East?

In considering that question, I think it is very important to focus on the difference in approach that has been taken by Egypt toward the question of peace, as opposed to that of the other Arab countries. Egypt made a break for peace. The United States has responded to the Egyptian initiative, both in terms of military and economic assistance to Egypt. We would like to see other countries make a similar break for peace. But what message does it send if a nation can refuse to participate in the peace process and nevertheless receive arms from the United States when the United States has placed such a premium on trying to move the peace process forward in the Middle East?

It is argued that the Saudis are a moderating influence in the effort to achieve peace in the Middle East. But the record shows that they have not only consistently refused to negotiate with Israel but they have also refused to make any public gesture or take any public step in support of negotiations with Israel clearly their position is in sharp contrast to that taken by Egypt.

In fact, not only will they not consider a move toward Israel on the peace front; they in fact have joined in the pernicious effort to isolate Egypt, the only Arab country to move decisively toward peace. They were part of the Arab League decision, in March of 1979, immediately after the signing of the Camp David peace treaty, to break off relations with Egypt. Even today, more than 7 years later, they have been refusing to resume relations with Egypt.

In this regard Jordan has been more forthcoming than Saudi Arabia, resuming relations with Egypt while Saudi Arabia continues to refuse to do so. In fact, the Saudis have been even less forthcoming in indirect contacts with Egypt than certain other Arab countries.

Members must ask themselves whether this is the best way to encourage a breakthrough toward peace. We certainly are not achieving that in terms of the other Arab countries. It seems to me to make little sense to pursue a policy which permits a nation to abstain totally from the peace process, as the Saudis have done, and still continue to be a beneficiary of the arms relationship with the United States.

The message we have to send is that it is necessary to make an effort toward peace comparable to that made by the Egyptians. If a nation is prepared to do more in that fashion, the United States is prepared to respond in a very positive way.

This is the policy we have consistently pursued toward both Israel and Egypt in the Middle East.

We have built a policy on the Camp David accords. It is a policy that fun-

damentally makes sense. The question is, How do we strengthen it? In my judgment, we do not do so by engaging in arms sales to nations that refuse to join the process; if we do that, the lesson is that there is no need to go into that peace process because the United States will be prepared to provide an arms and economic relationship in any event. That is exactly what we are proposing to do. If the sale moves ahead there is no reason for any Arab nation to conclude that it needs to join the peace process.

The proposed sale is, in effect, an open invitation to reluctant nations to stay out of the peace process and yet continue to be the beneficiary of the United States relationship. As such, it is the wrong signal to send. I do not think it contributes toward achieving peace in the Middle East, and therefore I think the sale should be disapproved by the Senate and the President's veto overriden.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, it appears not only in terms of the logic of the case that has been expressed but in terms of the number of Senators who have spoken, there remains a very strong majority in this body that is opposed to this arms sale. The only question is whether we will achieve the 67 votes we need to reject it. We are very close to that number. I predict that we will have at least 66, which would be 1 short of a two-thirds majority.

There is an even stronger and I believe firm majority in the House against this measure. That is a bipartisan effort in both bodies, a bipartisan expression of viewpoint, with many Republicans and Democrats opposed to the arms sale.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I yield 7 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Chair.

Mr. President, I urge my colleagues to maintain their opposition to this ill-advised sale of sophisticated United States weapons to Saudi Arabia, and to vote to override the President's veto.

The issue before us is what is best to promote peace and stability in the Middle East. The fundamental flaw in the administration's argument is their position that the United States cannot have good relations with the Arab world unless we sell them arms. In a sense, this issue is a symbol of what is wrong with so many different aspects of the administration's policies.

They prefer a nuclear arms race with the Soviet Union instead of arms control. They prefer military aid to the Contras in Nicaragua instead of the Contradora peace talks. And they prefer arms sales in the Middle East instead of the Camp David peace process.

But peace will not come to the Middle East from the barrel of a gun. The way to bring stability to the Middle East is through a peace policy, not an arms policy.

□ 1330

The United States must not sell advanced weapons to Arab nations who are enemies of Israel, unless and until those nations accept the existence of Israel and take meaningful steps toward lasting peace.

President Reagan claims we need to send the Saudis a message of support, but this administration has already sent them a $22 billion message in arms and services—and the message goes unheeded. We have been holding up our end of this quid pro quo for 5 years—the question is, Where is the Saudi "quo"?

In particular, Saudi Arabia has not lived up to the specific condition set down in writing by President Reagan at the time of the arms sale of 1981, in which the President pledged that no future arms sales to Saudi Arabia would take place until significant progress toward peace in the region is accomplished with the "substantial assistance" of Saudi Arabia. Obviously; that pledge has not been met. Is the Senate now about to look the other way while the administration reneges on its previous commitment?

President Reagan tells us that the Saudis have in fact worked behind the scenes in the search for peace. But the public record shows the contrary.

The Saudis have consistently opposed every U.S. peace initiative in the Middle East since the 1981 AWAC's sale—including the "Reagan Plan" of 1982; the Lebanon-Israel Accord of 1983; and all attempts to revive the Camp David peace process. Not only have the Saudis refused to embrace Camp David, they have actively undermined Egypt with diplomatic and economic sanctions for doing so.

The Saudis condemned the United States when we captured the terrorists who hijacked the Achille Lauro and murdered Leon Klinghoffer in cold blood. And the Saudis were quick to condemn the United States again when we acted against Colonel Qadhafi and his terrorist regime in Libya.

The Saudis continue to bankroll the PLO and Syria. At a time when all Americans are deeply concerned about international terrorism, it is wrong to provide weapons to a country which has consistently supported terrorists, and hypocritical for the administration to try to do it.

The Saudis have encouraged other Arab nations to oppose American businesses which cooperate with Israel; they have even pledged to make good any losses incurred by Colonel Qadhafi because of the U.S. sanctions against Libya.

Clearly, there has been no public progress toward peace in the Middle East in the Reagan years; and no public Saudi assistance in the search for peace.

We are told that these missiles are needed for Saudi defense, especially against the threat from the Iran-Iraq war. But Iran reportedly has fewer than 100 operational aircraft; and threat from Iran would almost certainly involve only a ground attack. These U.S. missiles are anti-aircraft and anti-ship missiles and have no relevance to the Iran-Iraq war. These missiles are not even scheduled for delivery until 1989; Saudi Arabia already has adequate current stockpiles of weapons for its own immediate defense.

And let there be no mistake; although Stinger missiles have been deleted from the administration's new watered-down proposal, the remaining weapons are still highly sophisticated.

The requested Sidewinders will bring the Saudi total to nearly 5,500. These heat-seeking missiles are extremely effective. Most of the 85 Syrian Mig's downed in Lebanon were destroyed by Sidewinders, with an accuracy rate of 80 percent. These also enabled British forces to destroy 19 Argentine aircraft in the Falklands war, using only 23 Sidewinders.

The Harpoon is an air-launched anti-ship missile with a range of up to 85 nautical miles; it is not yet in the Saudi inventory, but it is highly sophisticated and a major new addition to the Saudi arsenal.

We have all been concerned in recent weeks over the rumors of a new Middle East War and the ominous military moves by Syria toward Israel's border. It is easy to imagine which side Saudi Arabia would be on if such a conflict breaks out, and it is even easier to imagine the devastation these U.S. weapons could wreak on Israel.

I hope that the administration will direct its efforts toward moving the peace process forward in the Middle East, rather than moving one arms deal after another through Congress. The best way to achieve that goal is to override this veto and reject this unacceptable arms sale.

Mr. CRANSTON. Mr. President, I yield 4 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 4 minutes.

Mrs. HAWKINS. Mr. President, I hate to say it but here we go again. Only last month both the Senate and the House rejected this arms sale to Saudi Arabia in the clearest possible terms. The Senate's vote was 73-22. That is over 3 to 1 in the old math. And the vote in the House was 356-62, over 5 to 1. Rarely in my years in the Senate have I seen such a solid consensus on a foreign policy issue. Liberals and Conservatives, Republicans and Democrats all joined together to say—we cannot support this sale because it is not in the best interest of the United States.

Why is the sale of ultra-sophisticated, state-of-the-art weapons to Saudi Arabia not in the interest of the United States? The reasons are many, but I want to discuss what I believe to be some of the most important. Topping the list is Saudi Arabia's indirect but critical support for international terrorism we are experiencing today. For years Saudi Arabia has provided major financial backing for the Palestinian Liberation Front. It may be that Saudis are not planting the bombs or pulling the triggers on terrorist attacks around the world, but they have financed the PLO's purchase of bombs and other weapons that make the terrorist attacks possible.

There is an old saying, "you can't choose your relatives, but you can choose your friends." I say the Saudis have chosen the PLO as their friends, and I say the Saudis have chosen poorly.

Another of Saudi Arabia's questionable friends is Syria. Syria is second only to Libya as a sponsor of State-supported terrorism, and yet Saudi Arabia has been buddy-buddy with the Syrians for years.

In addition to Saudi Arabia's link with terrorism, there is the problem of potential Saudi instability and the prospects of America's top-of-the-line weapons falling into the hands of an unfriendly power. Saudi Arabia is a land of few people. In order to meet the demands of modernization, the Saudis have had to import thousands of Palestianians, Pakistanis, Taiwanese and others to perform vital tasks. The nature of some of these groups and the important role they play in the Saudi economy pose a serious risk to the regime.

Furthermore, the Kingdom of Saudi Arabia was formed by a coalition of desert warriors under King Saud and radical Moslem fundamentalists. The influence of these fundamentalist elements is still strong in Saudi Arabia, and poses a threat to the modernizing attempts of the Saudi family. Though the domestic factors in Iran before the fall of the Shah and present day Saudi Arabia are different, there is a common theme. That theme is instability—and the possibility of advanced American weapons falling into the wrong hands.

Finally, Mr. President, and perhaps the most important—the unwillingness, or inability of Saudi Arabia to make positive contributions to a Middle East peace settlement. It might be enough if the Saudis were neutral in the Middle East, but they have consistently worked against America's interests. They remain in a state of war with Israel; they broke relations with Egypt when Egypt moved to make peace with Israel, they have supported the obstructionist Syrian regime, and been unwilling to provide public support for Jordon when it was considering moves to improve relations with Israel.

In my view, the record is clear. The record is one of serious Saudi opposition to important American interests in the Middle East.

Now the administration has dropped the Stinger anti-air missiles from this sale, and wants us to reconsider. But I say, "A rose by any other name is still a rose," and a bad idea with a minor modification is still a bad idea.

Mr. President, I hope my colleagues will join me in overriding this veto.

The PRESIDING OFFICER. Who yields time?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I yield 2 minutes to Senator RIEGLE.

Mr. RIEGLE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 minutes.

Mr. RIEGLE. I thank the Chair.

Mr. President, I feel very strongly that we should reject this arms package. It is clearly not in our national security interests to make this sale of equipment to Saudi Arabia. As a matter of fact, over the past 35 years we have sold, in defense equipment, service, supplies, and construction, over $50 billion to Saudi Arabia. No other country in the world over that period of time has received more than $12 billion. So we have gone way overboard already. In fact, Saudi Arabia has become the single largest purchaser of U.S. defense goods and services in the world, receiving roughly 25 percent of all U.S. arms sales, and this package would provide an additional 1,800 missiles.

□ 1340

The Saudis already have huge arsenals of missiles. They have 3,000 Sidewinders, 400 Stingers, 100 Harpoon missiles, and this would obviously go way beyond anything that could reasonably be called a defensive capability.

At the same time, they have stubbornly opposed the Camp David peace process. They have refused to endorse U.N. resolutions that deal with the question of settling the conflict in the Middle East. They have opposed the 1982 Reagan peace plan. They have opposed the 1983 U.S.-backed Lebanon-Israel peace pact. They have helped the PLO, as others have said. In every respect when we have asked them to help settle the issues and to try to move the peace process forward in that part of the world, they have gone the other way and they have not been a constructive partner. All this arms sale can do is raise the likelihood of military conflict in the future.

We need an aggressive peace policy and initiative in the Middle East, not more arms.

I hope the Senate will stand by its earlier vote, resist the pressure that is being applied from the White House and other directions, and stand firm with our original judgment on this issue and turn this arms package down.

The VICE PRESIDENT. Who yields time?

Mr. PELL. Mr. President, I yield 2 minutes to the Senator from California, who has played such a leading role in this whole process.

The VICE PRESIDENT. The Senator from California is recognized.

Mr. CRANSTON. I thank the Senator.

Mr. President, we have heard from time to time about how prudent the Saudi Arabians have been in keeping control of weapons we have provided to them and material of war.

I do not know how many Senators have seen this photograph, which is a photo of ammunition in crates sent from the United States to Saudi Arabia which somehow wound up in Lebanon—I am not sure in whose hands.

We all know the situation in Lebanon: Terrorists abound, violence at every hand. Yet, here is an example of a failure of Saudi Arabia to control weapons and ammunition provided to them.

This should be a matter of grave concern. That is one of the reasons, among many, why I and other Senators have opposed providing weapons to Saudi Arabia. We do not know where they will wind up. It is good that the Stingers—the terrorists' delight—are now out of the package. There are other weapons we should not send there, under the circumstances of violence and terrorism in the Middle East.

The record has been adequately laid out in this debate of Saudi Arabia backing forces of terrorism with a half billion dollars a year. We know the record of the Saudis in undermining American policy in the Middle East,

breaking relations with Egypt when America makes peace with Egypt, and boycotting American firms.

For those reasons and many more, a majority of the Senate, Republicans and Democrats, will vote to reject this arms sale.

The VICE PRESIDENT. The time of the Senator from California has expired.

Who yields time?

Mr. BYRD. Mr. President, the President's veto of the disapproval resolution with respect to the Saudi arms sale, I think, is unfortunate.

The overwhelming vote in both Houses and in both parties against the proposed arms sale indicates clearly the unease and the skepticism with which Members in both parties, on both sides of the Hill, have viewed this particular arms sale proposal.

Here we are today. The President has vetoed the resolution. The time has come to vote as to whether that override will be sustained.

Mr. President, the arguments I have heard in support of the President's veto are these: No. 1, we should sustain the veto to show our friendship for the Saudis.

No. 2, we have to go through with this arms sale in order to send a signal to moderate Arab countries that we are their friends.

No. 3, the Saudis have been our friends and they have demonstrated that they have supported us, and so on, and so on, with respect to terrorism and instability in the Middle East.

No. 4, it is a test of the President's leadership.

No. 5, Saudi security defense needs require that this sales package go through.

First of all, let us look at the No. 1 argument I stated—friendship for the Saudis. Mr. President, who can doubt—and I am sure the Saudis could never doubt—the friendship of the United States for them? We know, and other countries know that this country will not stand by and see any aggressor in the Middle East take actions that would undermine our own security interests there or put in jeopardy the interests of the United States. The Saudis know that. We would not stand idly by. We do not have to approve this sale to show our friendship for the Saudis.

The 1981 arms sale package went through. I was against that package. But we are told that it has to be done now because we have to show them again, we have to assure them again, that the United States is their friend. They are our friends; they are helping us; so we should help them.

Mr. President, when I was majority leader, I went to see the royal family in Saudi Arabia. I also talked with King Hussein of Jordan, I talked with President Assad of Syria.

In all those discussions, I said to them: "Get behind Sadat, this courageous leader who has opened the way for peace, in the Middle East. Get in there and have a part in influencing the future of this peace process." They did not do it, and that opportunity went by. So much for their help.

We are told that this sale is needed to send a political signal to Iran. Mr. President, the expansion of the war that is going on now between Iran and Iraq can best be limited if we, the United States, get behind a feasible and workable peace policy in the Middle East.

No one should forget that the festering problems in the Middle East for the most part, with respect both to Middle East terrorism and the dangerous rivalries in the region go back to the Arab-Israel-dispute. That is the basic problem, and the Camp David peace process has been off the track for years.

Since the administration policy in Lebanon collapsed with the Marine barracks at Beirut—a failure for which the administration has not been held accountable—we have seen the administration attempt to substitute an escalating arms sales policy for what should be a consistent, high level, intense effort by the administration to develop a coherent policy in the Middle East calculated to promote peace between the moderate Arabs and the Israelis.

The West Bank issue, the Palestinian issue and the Palestinians' part in that peace process, Israel's right to live within secure and recognized borders—these are the basic issues in the Middle East today and they cannot be solved by just selling more and more arms to the Saudis.

Some say it is a test of Presidential leadership.

Mr. President, I have heard that argument before and I do not disparage that argument. But the true test of Presidential leadership has been missing for years before today. High administration leadership in getting the peace process back on the track in the Middle East has floundered. We have taken a walk—away from a Middle East peace policy since the October 23, 1983 Beirut bombing.

That is the real test of leadership. The sale of these arms in this instance is not going to promote peace in the Middle East. The arms will not even be delivered until 1989 through 1991.

If these arms are so vital to the Saudis with relation to their own security and the security of their neighboring countries, then why did the administration decide at a rather late date to remove the Stingers from the package? It seems to me that that seriously questions the credibility of the argument that these arms are needed for the security of the Saudis.

Finally, let me say, in closing that I would like to see the administration sit down with the leaders of both parties on both sides of the Hill to try to develop an approach whereby we might all stand together in promoting a policy geared to a lasting peace in the Middle East. Only in that way will the stability of the region be effectively promoted. Only in that way will the security of the Saudis and other moderate Arab countries be finally assured.

We can discuss the legitimate needs of the Saudis but until the time comes when we recognize that the basic age-old disputes are still there and that we should try to bring those countries together and to encourage them to engage in the peace process, Mr. President, that stability for which we all yearn in the Middle East will not be realized and there can never be a substitute for that approach, a substitute which takes the form of just selling more and more arms to a greatly troubled and volatile region.

I hope, Mr. President, that the Presidential veto will be overriden. If this occurs, I stand ready to help in any way I can, this administration or any other administration, to sit down and try to promote the kinds of peace effort that will bring at last security not only to the Saudis and other moderate Arab countries and to the Israelis, but which will also be in the security interests of the United States. As far as I am concerned that is the basic measurement by which we should vote on this arms sale package, what is the best security interests of the United States. In my judgment it is in the best interests of the United States to promote the kind of peace policy that I have just been talking about and which for years has been absent. With the exceptional courage of leaders like Sadat, Begin, and President Carter that policy was initiated and it moved forward. It needs now to be reinvigorated and renewed.

I yield the floor.

Mr. THURMOND. Mr. President, I rise in support of President Reagan's veto. The proposed arms sale to Saudi Arabia is consistent with our national security objectives, the security of the State of Israel, and may help prevent a widening of the war between Iran and Iraq.

The arms are needed for Saudi defense and in no way pose a threat to Israel. Iran has crossed the Shatt al-Arab River and is now close to the border of Kuwait. Any widening of Iranian offenses could have disastrous consequences for Kuwait and all of the Peninsular Arabs. I need not remind anyone that this could in turn lead to a shut off of Persian Gulf oil.

In the past, our support of Saudi self defense needs has served as a deterrent to the radical regime in Iran. A

negative action at this time by the United States Congress could encourage Iran to widen its war with Iraq. A positive response by the Congress, However, will send a strong signal to Iran that the United States stands behind Saudi Arabia.

Mr. President, the Saudis also face a serious threat on their southern border. The recent Soviet engineered destabilization of the regime in South Yemen will prevent improvements in gulf state relations with that country and will ensure that the Government of that country remains in the radical camp. These continued twin threats to our friends in the gulf cause them great concern which may be heightened by congressional opposition to this sale.

The arms contained in the President's notification are a modest and prudent investment in regional stability and security, and support the strategic interests of the United States and our European allies.

President Carter committed the United States to maintaining the free flow of oil from the gulf, and it is still in our best interests to support the security of moderate states in the region.

To their credit the Saudis have taken the lead in protecting the shipping and oil installations of the upper gulf. Evidence of this came in 1984 when the Saudis shot down an intruding Iranian fighter plane. This is an excellent example of the defensive use of the equipment we have supplied the Saudis and has helped deter similar attacks by Iran against Gulf States.

The Sidewinder and Harpoon missiles contained in this proposed sale will further strengthen Saudi defenses and pose no risk to Israel. The Israelis will continue to maintain a qualitative military edge in the region.

It does not serve our interests, nor those of Israel, to deny such sales and allow other nations to become the principal suppier of arms to Arab Gulf States. Other countries will pose none of the safeguards on their military sales that we do. This could seriously impair Israel's qualitative advantage.

The British Tornado sale to the Saudis cost the United States an estimated $12 billion in lost military sales and support. This cost us money and jobs and did absolutely nothing to advance the security interests of Israel.

Mr. President, I feel that the U.S. Government should be allowed to proceed with this sale because it is important to our security, and the security of the entire region. I urge all of my colleagues to oppose this attempt to override President Reagan's veto.

Mr. KASTEN. Mr. President, the question of whether or not to sell advance weapons to Saudi Arabia, is an important foreign policy decision. As such, that decision demands a broad consensus of both the administration and the legislative branches of our Government.

There is no such concensus. Indeed, the U.S. Congress overwhelmingly opposes this sale. Notwithstanding that opposition, with the vote of only 34 of 535 Members of Congress, these weapons may be provided and this important foreign policy matter will have been agreed to by less than 7 percent of the membership of the legislative branch.

This is not the way to conduct U.S. foreign policy. What is worse in this case, is that the administration adopted as its strategy, the pursuit of this 7 percent—the so-called veto strategy.

Mr. President, this approach is a very serious mistake. It is a mistake with this sale as it would be with any other sale or foreign policy question. I hope the administration and those who support it on this matter, fully realize that this action can only lead to corrective legislation—legislation which would be repugnant to the administration and many in Congress—where all future sales would be subject to specific approval by Congress.

Mr. President, my objections to this specific sale are many:

First, the Government which would receive these weapons has been in the forefront of those countries which criticized recent U.S. action striking back at terrorism in the Mediterranean area—terrorism which has cost the lives of many Americans. Worse, this Government is also a major financial backer of not only the PLO and Syria, but of other radical factions operating out of Lebanon. All of these entities that the Saudis support are sworn enemies of the United States and have repeatedly demonstrated their willingness to take innocent American lives in pursuit of their anti-American and anti-Western policies. That the United States would then in turn provide weapons to this Government, is, I believe, very wrong.

Second, while it has been consistently argued by many who support these sales that the Saudis have facilitated the progress of peace negotiations in the Middle East, there is not a shred of evidence to that effect. Rather, there is much evidence that the Saudis have laid down obstacle after obstacle to every initiative proposed by the United States for peace in that region.

Third, this sale only escalates once again the arms race in the Middle East, and to the argument that such arms are necessary in order for Saudi Arabia to defend itself against Iran, I only suggest that those who make that argument look at the arms that the Saudi Arabians already have as well as the arms Iran has. The argument does not wash in the face of the facts.

Mr. President, until such time as Saudi Arabia decides it will no longer support terrorism, however indirectly, and that it will become an active and positive player in the peace process in the region, I don't see any justification to provide these advanced weapons.

I hope my colleagues will also join in opposing this sale by overriding the President's veto.

Mr. McCONNELL. Mr. President, I rise in opposition to the veto override and in support of the President's overall strategy to maintain U.S. interests with the forces of moderation in the Middle East.

In my opinion, a vote against the arms package for Saudi Arabia represents a vote against long-term United States interests in that part of the world. While our interests in the Middle East are vital to our national security and economic well-being we can probably count our allies in that part of the world on the fingers of one hand and have room to spare.

Just who are our friends in the Middle East? That is an important question to consider when we look at our interests there and who we can look to for support.

Certainly, we can consider Israel to be a staunch ally. They are one of our most consistent supporters in the United Nations and may well play a key role in combating terrorism in the Middle East. We must maintain our alliance with Israel. And if there were any question in my mind that the security interests of Israel would be threatened by this proposed arms sale, I would not support it.

I do not think that Israel's ability to defend herself would be eroded by this sale. This arms package does not provide Saudi Arabia with new military capabilities. Its intention is to help Saudi Arabia protect our mutual interests from terrorist attacks. Israel's interests are not at stake here; our relationship with Israel should not be at jeopardy by supporting the President on this arms package.

Who are our other allies in the Middle East? The hard truth of the matter is that once we get beyond Saudi Arabia the pickings become somewhat slim.

And for the Saudis, a rebuff on this arms package puts the pro-American voices on the defensive with those whose sentiments side with the less moderate forces in the Middle East, none of whom can be described as pro-American.

What does this mean for the United States? I think there are two major concerns. First, terrorism and, second, the oil supply. We need open shipping lanes in the Persian Gulf to receive oil from Saudi Arabia. An escalation of the conflict between Iran and Iraq, as well as outbreaks of terrorism, could threaten both oil production and the shipping lanes.

I hope the long gas lines and the huge price increases of energy are not so far in the distant past now that we cannot envision what a repeat of that experience would be like. I know I would not want to admit to Kentuckians that I missed an opportunity to avoid such an occurrence. With gas prices down at present, the risk of an oil embargo or a shutdown of the shipping lanes may seem remote. But let us not forget that we were caught unaware in 1973.

Are we better prepared today to withstand an interrupted flow of oil from the Middle East than we were in 1973? I think we should ask that question as we vote on this motion. It is true that this one issue may not be the turning point in our relations with the Saudis. But to me, it is clear that in an area where we have few friends and where our interests are so clearly defined, it is vital that we support the President's effort to maintain our influence with the forces of moderation, which the Saudis represent.

While Congress has the power to block the President on foreign arms sales, we have never actually done so. In this instance, I believe the President needs a free hand to negotiate on behalf of our interests in the Middle East.

The anti-American forces in the Middle East are not given to equivocation. Likewise, we need to send a strong, direct signal of support to Saudi Arabia. A vote against this override supports this position. It says we view Saudi Arabia as a partner in working to maintain stability in the Middle East. It says we intend to protect our interests in that part of the world. And it says that we want to work with our allies, including Israel, to control terrorism.

Mr. PACKWOOD. Mr. President, the Senate will soon cast the final and deciding vote on the proposed arms sale to Saudi Arabia. We have debated the sale thoroughly over the last 2 months, and regardless of the outcome today, it is clear that an overwhelming majority of both Houses of Congress oppose this sale.

On May 6, 1986, the Senate passed by a vote of 73 yeas to 22 nays, Senate Joint Resolution 316, the resolution opposing the sale of 2,500 Stinger, Sidewinder, and Harpoon missiles to Saudi Arabia. Two events have occurred since that time. First, the administration has agreed not to sell Stinger missiles to Saudi Arabia—leaving a proposed arms package consisting of 1,700 Sidewinder air-to-air missiles and 100 Harpoon antiship missiles. Second, the President vetoed the resolution on May 21, 1986. We now have before us the President's veto message, and will soon attempt to override the President's veto.

I ask my colleagues to consider what has changed since May 6 to make this sale acceptable?

There is still no evidence that Saudi Arabia has been of any help in furthering the peace process. In fact, to date, Saudi Arabia has not only failed to support American efforts to promote peace in the region, but they have worked actively against us. Saudi Arabia continues to fund the PLO and Syria. They have supported Libya in the wake of our efforts to stop terrorism. And, the Saudis have consistently resisted the efforts of other Arab countries to make peace with Israel—first Egypt and now Jordan.

Mr. President, the bottom line is that we should not sell additional arms to Saudi Arabia until they join the peace process and make peace with Israel. Let us remember, that's the standard we have tried to adhere to in the Senate in considering the sale of arms in the Middle East.

Mr. President, I am still opposed to this sale. I say let us wait to sell more arms to Saudi Arabia until they, like Egypt, make peace with Israel and actively support American efforts to reach a lasting peace in the region. Our interests in the Middle East are best served by encouraging peace through negotiations rather than contributing further to instability in the region through another arms sale.

Mr. President, I urge my colleagues to continue their support for Senate Joint Resolution 316 to oppose this sale.

● Mr. HART. Mr. President, the Senate must continue to oppose President Reagan's attempt to sell advanced missiles to Saudi Arabia. Selling advanced missiles to Saudi Arabia was bad policy in May and it remains a bad idea 1 month later.

Those who argue that the sale of these missiles to the Saudis is in the security interests of the United States ignore a fundamental fact: We cannot sit on both sides of the fence. The Saudis remain antagonistic to any efforts at negotiating peace with Israel, and yet this administration proposes to arm them far beyond their defensive security needs.

Despite $44 billion in past arms sales and promises of increased cooperation, the Saudis remain intransigent and unwilling to take genuine steps toward the recognition of Israel and the establishment of peace in the Middle East. Yet the administration tells us—as they do time and time again—that such an arms sale is necessary to demonstrate even-handedness in the Middle East, or to bring the Saudis into the peace process. Where is the evidence of this claim? Where is the evidence of Saudi participation in—or even support for—the peace process?

Now, as if to reward the Saudis' intransigence, the administration wants to sell them $250 million in Sidewinder and Harpoon missiles. In an effort to find support for this policy, the President has withdrawn Stinger missiles from the package of proposed sales. While I commend the President for recognizing the danger of selling this particularly destabilizing weapon, it does not change the fundamental point here: We must see some positive movements towards peace in the Middle East before we continue arming those who now refuse to cooperate.

In 1981, President Reagan gave a written pledge to Congress at the time of the AWAC's sale conditioning U.S. arms sales only if "initiatives towards the peaceful resolution of disputes in the region have either been successfully completed or that significant progress towards that goal has been accomplished with the substantial assistance of Saudi Arabia." The Saudis have done nothing to help fulfill this pledge even when they have had many opportunities to do so. They have not encouraged the Jordanians in their efforts to develop a dialog, and if anything have moved closer to the hard line of the Syrians.

Mr. President, Saudi Arabia is a friend and we have common security concerns. However, with no progress towards peace, further arms sales will only contribute to the atmosphere of violence and instability that permeates the Middle East. I cannot under these circumstances support the administration's proposed sale of weapons to the Saudis.

Mr. President, there is another argument put forth by those advocating this sale to the Saudis. They claim that the proximity of the fighting between Iran and Iraq endangers the security of the Saudi Arabian borders, and that the inclusion of the additional missiles in the Saudi Air Force will send a clear message to the Iranians that they had better not violate those borders. Well, we all know that the Iranian Air Force is no match for the current stock of Saudi missiles. Sending more does not send any clearer message.

In the final analysis, this sale simply is not in the United States' interest.●

● Mr. ROTH. Mr. President, I have decided to vote to uphold the President's veto of the congressional resolution of disapproval of the proposed Saudi arms sale.

I originally voted for the resolution of disapproval because part of the sale was comprised of highly portable, shoulder-fired Stinger missiles. These weapons could be of major value to international terrorists.

They could be used by a single terrorist to shoot down a civilian airliner or, if they fall into the wrong hands, they could be used against Israel.

I simply could not support the sale of such weapons to Middle East

powers which have not formally entered the peace process and I am happy to see that these highly dangerous weapons have now been removed from the proposed sale package.

The proposed package is now made up of air-to-air and air-to-ship missiles. These weapons will, however, improve the Saudis' capacity to protect their national interests in a manner which is parallel with the interests of the entire free world. In short, they will improve the Saudi capacity to repel Iranian attacks upon American and other nation's shipping in the Persian Gulf, maintaining a free flow of oil supplies to the United States and Western Europe.

They will also improve the Saudis' capacity to defend themselves against Iranian expansionism in the aftermath of recent Iranian victories in the Iran-Iraq war. None of us can afford to contemplate the possibility of the Ayatollah Khomeini taking control of either the Persian Gulf or of vital Saudi oil supplies.●

● Mr. MURKOWSKI. Mr. President, the issue of whether to sell these weapons to Saudi Arabia has forced the Members of this Chamber to make an extermely difficult decision.

I recognize that Saudi Arabia is a moderate Arab State which is facing a serious threat from Iran, a country which supports extremist terrorism aimed at both its neighbors and the United States. I understand that we have developed an arms supply relationship in which the Saudis look to us to help protect them against that threat. And I recognize that, in this imperfect world, it can be in our interest to cooperate with countries with whom we disagree on certain issues because our interests coincide on larger ones.

I am also very reluctant to cast a vote to override the judgment of the President that this sale is needed as a demonstration of our dependability and determination in the Middle East.

However, it is clear that approval of this sale has become primarily a matter of political symbolism. We have already sold the Saudis 44 billion dollars' worth of weapons over the years. We have dropped the most sophisticated missiles, the Stingers, from this package. The Saudis can, and probably will, purchase the remaining weapons from another supplier. So what we are really talking about is sending a political message.

I understand the President's decision that this message has to be one of remaining a reliable ally for key Arab moderates. I understand that, and I think it's very important.

For instance, there may be an attempt in this body to reconsider an entirely separate arms sale to the Saudis, that of the early-warning AWAC's system. Now, that is a commitment we in the Congress have already made, and we must honor it. Therefore, I will not support attempts to prevent delivery of the AWAC's.

But on the issue before us today, I hope the President will understand my decision that there is another message which we need to send with equal clarity. That message has to do with terrorism.

Mr. President, the Saudi Government provides significant financial aid to the PLO. They have for a number of years. In some years, that aid has approached $90 million.

Now, I have no doubt that when the Saudis give this aid, they sincerely hope that it goes for peaceful purposes and not for terrorism.

But as we all recognize, the PLO is an organization of many factions. It includes more moderate wings with whom the Saudis say they prefer to deal, and it also includes more radical elements that are directly engaged in terrorism.

Mr. President, I have sought assurances that the Saudi funds are not being used, directly or indirectly, to support the terrorism of the PLO. They have not been given. I'm not sure they could be given. The plain fact is that we cannot be sure. We come back to the inescapable fact that the Saudis are funding a group which has committed—and continues to commit—terrorist attacks aimed at Americans and America's friends.

Mr. President, I take no joy in voting to override a veto made by a President whose views and motives I respect. But the issue here which has not been addressed is terrorism. We have to be consistent in opposing it. Removal of the Stingers helps to allay some of those concerns, but not the one that troubles me most. Unless we have believable assurances that Saudi aid to the PLO is not being used to support that organization's terrorist attacks, I cannot support this sale and I will vote, reluctantly, to override the veto.●

Mr. HATFIELD. Mr. President, as my colleagues know, I never enjoy opposing our President. Today, however, I feel that I must again cast my vote in opposition to the proposed sale of sophisticated and deadly weapons to Saudi Arabia.

As most of the supporters of the proposed sale insist, we are talking about appearance instead of substance. Supporters hope that the sale would send a warning to Iran and a message of support to our moderate Arab neighbors. Some supporters even hope that the sale would carry tacit endorsement of the Middle Eastern peace process. But despite the signals supporters hope to attach to the missile sale, it would not make any substantive contribution to Saudi Arabia.

In reality, I am not convinced that several million dollars' worth of arms would make any difference in a region which has received 44 billion dollars' worth of arms in the past 25 years. But I am convinced that the sale would lead us one step further down the already well-trodden path of arming the Middle East to the teeth. At some point, we simply must say no. We must say no to the carnage, the terrorism, the economic drain, and the skewed priorities. Security is not bought with arms, nor are the economic infrastructures of nations built on arms.

The United States ought to learn to say no. Neither Israel, nor Egypt, nor Jordan, nor any other nation in the Middle East will be helped by more arms. Our dedication to these nations—be it Israel or the moderate Arab nations—ought not be measured by arms sales, but instead by humanitarian assistance, by forthright diplomatic relations, and by our commitment to the future of their children. By saying no to this arms sale, I am saying no to the destruction which has brought the Middle East to its knees, and to the counterproductive policies of our Nation in that region.

The VICE PRESIDENT. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, may I ask how much time remains on our side?

The VICE PRESIDENT. Seven minutes remains for the Senator from Indiana and that is all of the remaining time.

Mr. LUGAR. Mr. President, I yield 2 minutes to the distinguished Senator from New Mexico, Senator DOMENICI.

Mr. DOMENICI. Mr. President, I urge that the Senate sustain the President's veto, and thus approve this very limited sale of arms to the Government of Saudi Arabia.

I voted against the sale several weeks ago. At that time, I acted for three sound reasons:

First, the sale included additional Stinger missiles, which in the wrong hands pose a great threat to peace and safety.

Second, the Saudis continue to avoid any active role in the search for peace. They cut off diplomatic relations with Egypt when that nation reached a peace accord with Israel. And there are other reasons.

Third, the Saudis sometimes work against the interests of the United States.

Each of these reasons was sound. So why am I now voting to support the arms sale? What has changed?

Several reasons stand out in my mind, ones on which I cannot be certain I am right, but reasons that give me great hope.

First, the Stingers have been stripped from the package, to the point that the sale now holds almost inconsequential proportions. The remaining arms in the package all exist

now in the Saudi arsenal. There is no evidence the Saudis have misused any of the arms we have sold them previously.

Second, the Israelis do not consider the sale in its present form to be a threat.

Third, and probably most significantly; it is my belief that a refusal to sell this limited package of arms would undermine greatly the ceaseless work of President Reagan and Secretary Shultz to increase stability in the Middle East.

Israel has never had a better friend in the White House than Ronald Reagan. Israel has never had a better friend in the State Department at its helm than George Shultz.

I simply cannot say to Ronald Reagan that I oppose your design to bring peace to the Middle East and thus greater safety for Israel. I simply cannot say to Ronald Reagan I will undermine your efforts to stem terrorism.

Finally, I wanted to be a part of sending the Saudis a message that moderation does not include the financing of terrorism and that is what we did with our first vote. I believe the Saudis have gotten the message as Congress has never come this close to rejecting an arms sale before. But I shall watch their actions carefully in the future.

Admittedly, our vote today is a gamble. But it is a sound gamble—one where a decision to go forward with this very limited sale could strengthen the role of the President and the role of the United States in the struggle for peace.

To vote otherwise turns our back not only on the President, but could turn our back on peace itself.

I thank the distinguished chairman for yield to me.

The VICE PRESIDENT. The Senator from Indiana.

Mr. LUGAR. Mr. President, it is an honor for our arguments to be concluded today by the distinguished majority leader, Senator DOLE.

The VICE PRESIDENT. The majority leader.

DELAY HAS BEEN COSTLY

Mr. DOLE. Mr. President, today, at last, we will take final action on the President's request to sell about $250 million in arms to Saudi Arabia. As I indicated before we left for the Memorial Day recess, it is really too bad we were not able to act on this matter then. The delay, in my view, served no one's interests.

I'm confident the vote today will turn out just like the vote would have before the recess. The only difference is that whatever benefits to our national security we might reap from this sale—and I think even critics of the sale will concede there may be some benefits—those benefits will be further diminished by this delay. But at least we will now take final action.

A VOTE FOR THE PRESIDENT

The issue of the administration's proposal to sell several types of missiles to Saudi Arabia has been one of the most difficult I have faced this session. As I noted in voting on May 6, I share many of the concerns expressed by opponents of the sale.

But I decided then to support the proposed sale for two reasons. First, I was convinced the equipment in question would not tilt the military balance in the Middle East or threaten Israel's security. All of the items in the package are already in the Saudi inventory.

Second, and even more importantly, I voted to permit the sale because I wanted to give the President the broadest possible leeway in conducting his foreign policy. I voted as much or more to support the President as to support the sale, per se.

I will vote that same way now, to sustain the President's veto, for the same essential reasons.

PRESIDENT CONVINCED SALE IN AMERICA'S AND ISRAEL'S INTEREST

No one here can doubt the President's commitment to seeking a just and durable peace in the Middle East. No one here can doubt his commitment to Israel's security.

I hope, too, no one will doubt the sincerity of the President's judgment that maintaining good relations with the moderate Arab states and responding to their legitimate security interests will improve prospects for a Middle East peace and in the long run enhance Israel's security. The President wants this sale to be approved because he believes it is in Israel's long-run interest and because it is in America's long-run interest.

PRESIDENT SEEKS BROADEST POSSIBLE SUPPORT

As has been obvious these past few days, the President is determined that this sale go forward. But he would much prefer it to go forward on a nonpartisan basis, with the support of the Congress and with a common perception of where the national interest lies. He knows that having the Congress behind him is more important to his ability to search for a just and durable peace in the Middle East than any single arms sale.

For that reason, he has agreed to compromise. And to be absolutely accurate I should say "compromise further." Because I would remind the Senate that, before its initial submission, the package was already drastically cut back, with such weapons as advanced fighters removed.

STINGERS DROPPED

Now the President, taking note of arguments raised about one of the weapons in the package we voted on May 6, the Stinger Missile, has dropped Stingers from this package. The President has pledged that no Stingers will be delivered until a separate notification is made to Congress and we have an adequate chance to consider the wisdom of such deliveries.

THE EXTRA MILE FOR UNITY

So, once again, the President has gone the extra mile to try to achieve a consensus with Congress on some of the elements and direction of a sound foreign policy. He has gone the extra mile because he needs us on board and because he wants us on board. Not in support of a Reagan foreign policy but in support of an American foreign policy.

1978 VOTE TO SUPPORT PRESIDENT

Eight years ago, the Senate voted in support of a Presidential request to provide advanced weapons to Saudi Arabia. The President who made that request was Jimmy Carter. The majority leader at that time still graces this Chamber today—now as the distinguished leader of the minority. Democratic Leader BYRD voted that day in 1978 to support a Democratic President.

It was a close vote, but the Senate stood behind the President. Twenty-eight Democrats voted against President Carter on that vote. Twenty-six Republicans—let me repeat that—26 Republicans voted with the President, with the Democratic President, and with the Democratic leader, Senator BYRD. Congressional Quarterly put it succinctly: "26 Republicans made the difference by supporting the sale, while only 11 Republicans voted against."

TIME AGAIN TO STAND WITH PRESIDENT

Let us take a lesson from the past. Let us stand with the President—let us stand together—on this one. That is our best hope, and our greatest strength, in the Middle East and around the world.

Mr. President, I urge all of my colleagues to vote to uphold the President's prerogatives by voting to sustain his veto.

Mr. President, I thank the distinguished chairman of the committee and all others who participated in this debate. This is not an easy issue. As in the past, many times on an issue like this there are some who say this is a test of your loyalty to the State of Israel.

This is not the case in this particular instance.

I know of no President who has had a better relationship with the leaders of Israel. I know of no President who has been more generous in his recommendations to Congress as far as Israel is concerned.

But I also know, as the distinguished minority leader has pointed out, that maybe this is a test of the President's leadership, and it is a test of the President's leadership.

I would address my remarks primarily to those on this side of the aisle.

We are the majority party. We are the majority party in a large part because of Ronald Reagan's massive victory in 1980. He made us committee chairmen, he made us leaders in the Senate, and he still enjoys a very high popularity in America—68 percent.

That does not mean that in every instance we have to vote for the President. But it means in this instance we need 34 votes. I do not know if we have 34 votes or not, maybe 33, maybe 32, maybe 35. So I would hope that we would have at least that number, at least a magic number of 34.

Yes; because it is a test of the President's leadership, not that a loss would make that much difference in the long run, and I remind my colleagues and I am probably not the best one to do this, because I did not support President Carter in 1978, but 26 Republican Senators did. Twenty-eight Democrats and 26 Republicans joined together in the sale to the Saudis at that time. It was highly controversial.

For 40 years under Democratic and Republican Presidents we have had this relationship with Saudi Arabia.

I suggest this is no way to cause a bump in the road or maybe possibly terminate it. So I urge my colleagues who are concerned about the Saudis, concerned about public statements—and we all are concerned about their public statements—if, in fact, we have a friendship with Israel and if, in fact, as the distinguished minority leader has indicated, we want some peace progress or peace plan in the Mideast, we cannot achieve it by isolating every moderate Arab State.

It would seem to me, for that reason alone—put aside the leadership question, put aside whether or not the President wins or loses. This is not a personal thing for Ronald Reagan. It is a policy we have had for a long, long time. It is going to continue long after Ronald Reagan is gone.

But this time, the burden is on the Republican side. I know we have some dedicated Members on the other side who will support the President. But this is a rather critical vote, again not so much that the President might win or lose, but the setback that might come for any chance in the Mideast.

It is going to be a close vote—33, 34, 35 votes. I do not know who is going to win at this point. I hope the President wins for all of our sakes.

The VICE PRESIDENT. All time has expired.

The question is, Shall the joint resolution pass, the objections of the President of the United States to the contrary notwithstanding? The yeas and nays are required and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 66, nays 34, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—66

Abdnor	Glenn	Metzenbaum
Andrews	Gore	Mitchell
Baucus	Gorton	Moynihan
Biden	Grassley	Murkowski
Bingaman	Harkin	Nickles
Boren	Hart	Nunn
Boschwitz	Hatfield	Packwood
Bradley	Hawkins	Pell
Bumpers	Heflin	Pressler
Burdick	Heinz	Proxmire
Byrd	Hollings	Pryor
Chiles	Inouye	Riegle
Cohen	Johnston	Rockefeller
Cranston	Kasten	Rudman
D'Amato	Kennedy	Sarbanes
Danforth	Kerry	Sasser
DeConcini	Lautenberg	Simon
Dixon	Leahy	Specter
Dodd	Levin	Symms
Durenberger	Matsunaga	Trible
Eagleton	Mattingly	Weicker
Ford	Melcher	Wilson

NAYS—34

Armstrong	Gramm	Quayle
Bentsen	Hatch	Roth
Chafee	Hecht	Simpson
Cochran	Helms	Stafford
Denton	Humphrey	Stennis
Dole	Kassebaum	Stevens
Domenici	Laxalt	Thurmond
East	Long	Wallop
Evans	Lugar	Warner
Exon	Mathias	Zorinsky
Garn	McClure	
Goldwater	McConnell	

□ 1420

The VICE PRESIDENT. On this vote, the yeas are 66; the nays are 34. Two-thirds of the Senators present and voting not having voted in the affirmative, the joint resolution on reconsideration fails to pass over the President's veto.

Mr. BYRD. Mr. President, earlier today the Senate voted, by the narrowest margin, to sustain the President's veto of the resolution disapproving the sale of sophisticated American missiles to Saudi Arabia.

I disagreed with this vote because another arms sales to this troubled region is not in the best interests of the United States and its allies. Increased efforts to bring about a fair, comprehensive Middle East peace agreement, not more arms sales, represent a far wiser policy.

The overwhelming number of Senators who voted to override the President's veto—although this number fell one vote short of the needed two-thirds of the Senate—clearly demonstrates the wisdom of this opposition to the sale.

The size of this vote also is strong testimony to the leadership demonstrated by our distinguished colleague from California, Senator CRANSTON, who worked tirelessly against this proposed arms sale to Saudi Arabia from the very inception of the proposal.

Senator CRANSTON worked both publicly and behind the scenes for more than a year to organize Senate opposition to the administration's original proposal to sell a much larger package of weapons to Saudi Arabia. He was determined, committed, and aggressive in that effort, and his skills of persuasion and debate were evident throughout his endeavors.

His success in this effort resulted in the initial, overwhelming Senate vote against the sale. This success is the prime reason the administration was forced to reduce the arms package destined for Saudi Arabia.

Senator CRANSTON deserves high praise for his activities to highlight the need for much more effective and aggressive American efforts to promote the Middle East peace process—through diplomacy and negotiations, and not through arms sales.

He is both an able statesman and a highly effective Senator on behalf of the overall best interests of the United States, and of the cause of peace in the Middle East.

I regret the outcome of the vote, but I commend him for his leadership on this issue and for the role he played in achieving a vote only one short of two-thirds of the membership of the Senate.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the veto was sustained.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand the distinguished Senator from Missouri would like to proceed for 2 minutes.

Mr. EAGLETON. I would like to proceed for a minute and a half on an extraneous matter.

The PRESIDING OFFICER. The Senator from Missouri.

CONGRESSMAN RODINO AND JESSE JACKSON

Mr. EAGLETON. Mr. President, no one in Congress has been a greater advocate of civil rights and civil liberties than Congressman PETER W. RODINO, JR., the chairman of the House Judiciary Committee.

It is not only his personal beliefs and advocacy which are spectacular in these critical and sensitive fields, but the position he holds which gives him enormous power to give meaningful effect to his beliefs.

Chairman RODINO, on Tuesday, won a victory in the Democratic primary by a margin of 59 percent to 36 percent. His opponent, Donald M. Payne, was black.

Rev. Jesse Jackson came into Congressman RODINO's district to campaign against the Congressman because RODINO was white, not black. RODINO's record was apparently irrelevant.

Reverend Jackson advocates a Rainbow Coalition for all races, colors, and creeds to come together. Apparently, however, one color doesn't count—white.

I find Reverend Jackson's position to be exceedingly disappointing, disturbing, and disconcerting.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1430

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I am going to propound a unanimous-consent agreement that has been cleared on both sides.

Mr. BYRD. Mr. President, may we have order in the Senate? The manager of the bill is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HATFIELD. I thank the Chair and the Democratic leader.

Mr. President, this unanimous-consent request I am about to propound has been cleared, as I understand it, on both sides of the aisle. We shall be able to undertake, then, the supplemental appropriations bill as soon as this is handled.

URGENT SUPPLEMENTAL APPROPRIATIONS ACT, 1986

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 4515, the urgent supplemental appropriations bill for fiscal year 1986.

The PRESIDING OFFICER. Is there objection? Hearing none, without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4515) making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.R. 4515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I

GENERAL SUPPLEMENTALS

CHAPTER I

DEPARTMENT OF AGRICULTURE

[TITLE I

[EMERGENCY FLOOD RELIEF]

SOIL CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount, for emergency measures under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), [$25,000,000], *$36,700,000, to remain available until expended.*

[AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

[EMERGENCY CONSERVATION PROGRAM

[For an additional amount, for necessary expenses to carry out the program authorized under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), $10,000,000, to remain available until expended.]

AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Agricultural Research Service, where not otherwise provided, $11,100,000, to remain available until expended.

[TITLE II

[AGRICULTURE PROGRAMS]

FOOD SAFETY AND INSPECTION SERVICE

For an additional amount, for "Food Safety and Inspection Service", [to protect public health and safety in meat and poultry inspection operations and to meet workload increases resulting from the opening of new or expansion of existing processing plants, $3,700,000] *$4,500,000.*

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for the administration of the Packers and Stockyards Act, and for certifying procedures used to protect purchasers of farm products, as authorized by law, $80,000.

[REPORT ON CONTAMINATED MILK AND MILK PRODUCTS

[The Secretary shall immediately conduct a study of the reports of contaminated milk and milk products in the States of Arkansas, Missouri, and Oklahoma, and report on such contamination and the estimated losses suffered by dairy farmers and processors to the appropriate committees of Congress by April 15, 1986.]

DAIRY INDEMNITY PROGRAM

For an additional amount, for "Dairy Indemnity Program", authorized by the Act of August 13, 1968 (82 Stat. 750), the Act of August 10, 1973 (87 Stat. 223), and the Act of December 23, 1985 (99 Stat. 1377) [$10,000,000 to remain available until expended] *$9,000,000, to remain available until expended: Provided, That not to exceed a total of $1,000,000 of this amount may be transferred to the Animal and Plant Health Inspection Service and the Food Safety and Inspection Service for contamination testing: Provided further, That the remaining $8,000,000 shall be transferred to the Commodity Credit Corporation: Provided further, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.*

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

During fiscal year 1986, and within the resources and authority available, obligations for direct loans and related advances pursuant to section 504 of the Housing Act of 1949, as amended, shall not exceed $9,855,000.

For loans for acquisition and development of building sites for mutual and self-help housing, $1,500,000.

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D86-60, relating to the Department of Agriculture, Farmers Home Administration, Rural Housing Insurance Fund, as set forth in the message of March 12, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of [the bill] *this Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation.

VERY LOW-INCOME HOUSING REPAIR GRANTS

For an additional amount for grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $3,000,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $71,598,000, to be derived by transfer from the Commodity Credit Corporation.

[TITLE III

[DOMESTIC FOOD PROGRAMS]

FOOD AND NUTRITION SERVICE

[FEEDING PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

[For an additional amount, for the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $20,000,000.]

COMMODITY SUPPLEMENTAL FOOD PROGRAM

(TRANSFER OF FUNDS)

The Secretary shall return to the Commodity Supplemental Food Program from the Commodity Credit Corporation, $3,950,000, which had been transferred to the Corporation from the Program.

[TITLE IV]

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

For the operations of the Commodity Credit Corporation, not to exceed $5,300,000,000 for capital restoration, to enable the Corporation to use the authority authorized by the Charter of the Corporation and other laws to carry out programs handled by the Corporation.

[CITRUS CANKER

[(TRANSFERS OF FUNDS)

[SEC. 1. In order to prevent extensive damage to the Nation's citrus industry and prevent a disruption of national and international commerce in citrus fruits, the Secretary of Agriculture shall use his authority under existing law to transfer not to exceed $14,000,000 from the Commodity Credit Corporation to the Animal and Plant Health Inspection Service to honor a commitment through a cost-sharing program between the Department of Agriculture and the State of Florida, to (1) compensate for infected nursery stock destroyed in fighting the outbreak of citrus canker—a bacterial disease which causes extensive damage to citrus fruits—found in Florida, in 1984, and (2) to cover current and continuing operating expenses of a citrus canker eradication and control program.

[Any funds previously transferred to the citrus canker program, from accounts other than the Commodity Credit Corporation, shall be immediately returned to the account from which transferred.

[COOPERATIVE STATE RESEARCH SERVICE

[(TRANSFER OF FUNDS)

[The Secretary of Agriculture shall use his authority under existing law to transfer $5,000,000 from the Commodity Credit Corporation to the Cooperative State Research Service to meet the matching funds requirement for development of an international trade center at Oklahoma State University.

[AVIAN INFLUENZA

[(TRANSFER OF FUNDS)

[SEC. 2. In order to prevent widespread damage to the Nation's poultry industry, the Secretary shall use not to exceed $10,000,000 from the Commodity Credit Corporation to control and eradicate avian influenza.]

DEFICIENCY PAYMENTS

(a) Effective only for the 1986 crop of wheat, feed grains, upland cotton, and rice, notwithstanding any other provision of law, the Secretary of Agriculture shall make deficiency payments to producers on a farm under section 107D(c)(1), 105C(c)(1), 103A(c)(1), or 101A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3(c)(1), 1444e(c)(1), 1444-1(c)(1), or 1444-1(c)(1)), as the case may be, if the Secretary determines that—

(1) the producers on a farm are preventing from planting any portion of the acreage intended for a commodity to the commodity or other nonconserving crops because of flood, heavy rains, or excessive moisture; and

(2) the farm is located in an area that the Secretary determines has been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974 (42 U.S.C. 5152 et seq.).

(b) The amount of deficiency payments under subsection (a) shall be computed by multiplying—

(1) a payment rate equal to 40 percent of the established price for the crop; by

(2) the number of acres so affected but not to exceed the acreage planted to the commodity for harvest (including any acreage that the producers were prevented from planting to the commodity or other nonconserving crops in lieu of the commodity because of flood, heavy rains, or excessive moisture) in the immediately preceding year; by

(3) the farm program payment yield established for the crop for the farm.

PREPAYMENT OF LOANS BY RURAL ELECTRIFICATION AND TELEPHONE SYSTEMS

In the case of a borrower of a loan made by the Federal Financing Bank, and guaranteed by the Administrator of the Rural Electrification Administration, under section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) that is outstanding on the date of enactment of this Act, the borrower may prepay the loan by payment of the outstanding principal balance due on the loan using private capital with the existing loan guarantee. No sums in addition to payment of such balance shall be charged as the result of such prepayment against the borrower, the Rural Electrification and Telephone Revolving Fund established under section 301 of such Act (7 U.S.C. 931), or the Rural Electrification Administration.

CHAPTER II

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

([INCLUDING] DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D86-36 in the amount of $40,000,000 for Economic Development Assistance Programs, as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

[Of the total amount appropriated and available under this head in Public Law 99-180, $790,000 shall be obligated to supplement funds allocated pursuant to section 108(a)(2) of Public Law 99-190.

[Of the total amount appropriated and available under this head in Public Law 99-180, $791,000 shall be obligated to supplement funds allocated pursuant to section 108(a)(5) of Public Law 99-190.]

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities" to maintain public warning and forecast services and aircraft services, $10,822,000, to remain available until expended.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For an additional amount for "Salaries and expenses, United States Marshals Service", $2,600,000.

SUPPORT OF UNITED STATES PRISONERS

For an additional amount for support of United States prisoners in non-Federal institutions, $3,000,000.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

For an additional amount for "Salaries and expenses" for the relocation within the District of Columbia of the Washington field office, $10,000,000, to remain available until expended.

Of available funds provided under this head in Public Law 98-166 and Public Law 99-88 for the relocation within the District of Columbia of the Washington field office, $10,000,000 are rescinded.

The limitation in Public Law 99-180 on the receipts credited to this appropriation from fees collected to process fingerprint identification records for noncriminal employment and licensing purposes is increased by $1,000,000.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $3,000,000.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", [$15,500,000] *$18,000,000.*

NATIONAL INSTITUTE OF CORRECTIONS

(RESCISSION)

Of available funds under this head, $3,315,000 are rescinded.

ADMINISTRATIVE PROVISIONS

Notwithstanding any other provision of law, not more than $90,000 of the funds appropriated in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986 (Public Law 99-180) to the Department of Justice under the heading "General Administration, salaries and expenses" for fiscal year 1986 shall be available for travel by the Attorney General.

MODEL STATE STATUTE

SECTION 1. ATTORNEY GENERAL TO DEVELOP MODEL STATUTE.

The Attorney General as Chairman of the National Drug Enforcement Policy Board, in consultation with State and local law enforcement agencies, shall develop a model statute for States to prohibit the establishment and use of freebase houses.

SEC. 2. GOALS AND CONTENT OF MODEL STATUTE.

(a) GOALS OF MODEL STATUTE.—The model statute developed pursuant to section 1 shall—

(1) address the need to prohibit the use of houses, buildings, rooms, or apartments as places where manufacturing, processing, distributing, purchasing, and using illegal drugs takes place; and

(2) encourage coordination with the Controlled Substances Act, statutes on drug paraphernalia, and other relevant drug law enforcement statutes.

(b) CONTENT.—(1) The model statute shall clearly—

(A) define a freebase house and activities which take place in such dwellings;

(B) define the offenses which take place in such freebase houses;

(C) define penalties for such offenses; and

(D) allow for civil seizure and forfeiture of property confiscated in such offenses.

(2) The model statute shall include prohibitions—

(A) making it illegal for a person to own or operate a freebase house;

(B) making it illegal for a person to work in a freebase house which includes managing, selling drugs, collecting fees and admission, processing or preparing drugs, distributing drugs, or contributing to the overall drug enterprises in the dwelling with a knowledge of or having reason to believe that illegal drugs are present on the premises;

(C) making it illegal for a person to frequent a freebase house with knowledge or reason to believe that illegal drugs are present on the premises; and

(D) making it illegal for employers, employees, and customers to be present in freebase houses when they have knowledge or have reason to believe that drugs are on the premises.

(c) RECOMMENDATIONS.—The Attorney General shall include with the model statute rec-

ommendations for procedures to allow law enforcement officials to notify owners and managers of dwellings where freebasing and drug distribution is taking place.

SEC. 3. REPORT TO CONGRESS AND STATE AND LOCAL LAW ENFORCEMENT AUTHORITIES.

The Attorney General shall—

(1) develop the model statute and recommendations required by this Act within six months after the date of enactment of this Act; and

(2) make the report and recommendations available to the appropriate committees of Congress and to State and local law enforcement authorities in his capacity as Chairman of the National Drug Enforcement Policy Board.

SEC. 4. DEFINITION OF FREEBASING.

For purposes of this Act, the term "freebasing" is the conversion of cocaine crystals into a smokable base form of the drug.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

[(TRANSFER OF FUNDS)]

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "Salaries and expenses", [$237,494,000, to remain available until September 30, 1987] *$288,047,000, to remain available until expended:* [*Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales] *Provided, That such funds shall become available for obligation on September 30, 1986.*

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

[(TRANSFER OF FUNDS)]

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "Acquisition and Maintenance of Buildings Abroad", to be available subject to the approval of the House and Senate Committees on Appropriations under said Committees' policies concerning the reprogramming of funds contained in Public Law 99-180, [$454,532,000] *$372,125,000*, to remain available until expended: [*Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales] *Provided, That such funds shall become available for obligation on September 30, 1986.*

[COUNTERTERRORISM RESEARCH AND DEVELOPMENT

[(TRANSFER OF FUNDS)

[Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for necessary expenses for "Counterterrorism Research and Development", $10,000,000, to remain available until September 30, 1987: *Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales.]

OTHER

THE ASIA FOUNDATION

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "The Asia Foundation", $2,000,000, to remain available until expended.

[GENERAL PROVISION—DIPLOMATIC SECURITY PROGRAM

[The funds made available by this chapter under the headings "SALARIES AND EXPENSES", "ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD", and "COUNTER-TERRORISM RESEARCH AND DEVELOPMENT" shall be used in accordance with those provisions applicable to the diplomatic security program that are contained in H.R. 4151 (the "Omnibus Diplomatic Security and Anti-Terrorism Act of 1986") as passed the House of Representatives on March 18, 1986, except that this paragraph shall cease to apply upon the enactment of authorizing legislation (either H.R. 4151 or similar legislation) providing for enhanced diplomatic security.]

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

CARE OF THE BUILDING AND GROUNDS

For an additional amount for "Care of the Building and Grounds", $46,000.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES OF SUPPORTING PERSONNEL

[(INCLUDING TRANSFERS OF FUNDS)]

For an additional amount for "Salaries of Supporting Personnel", [$13,200,000, of which $2,000,000 is to be derived by transfer from "Salaries of Judges" and of which $10,000,000 is to be derived by transfer from "Expenses of Operation and Maintenance of the Courts"] *$1,200,000.*

FEES OF JURORS AND COMMISSIONERS

For an additional amount for "Fees of Jurors and Commissioners", $3,800,000, to remain available until expended.

STUDY OF CONSTRUCTION OF OFFICE BUILDING

For an amount to enable the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, to study alternatives for the construction of a building or buildings to meet the current and future needs of the Judicial Branch and such other commercial, governmental, cultural, educational, and recreational activities which may appropriately be located in such building or buildings, [$2,000,000] *$1,300,000*, to remain available until expended.

ADMINISTRATIVE PROVISION

Not to exceed 10 per centum of any appropriation made available in title IV of Public Law 99-180 may be transferred to any other appropriation in title IV of Public Law 99-180.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

OPERATIONS AND TRAINING

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D86-53 [in the amount of $9,350,000 for Operations and Training, as set forth in the message of February 5, 1986] *for Operations and Training, as set forth in the message of February 5, 1986, as revised by D86-53A as set forth in the message of March 20, 1986*, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

For an additional amount for "Grants and Expenses", [$14,500,000] *$18,800,000*, to remain available until expended: *Provided, That notwithstanding the proviso under this head in Public Law 99-88, and notwithstanding section 8(b) of the Board for International Broadcasting Act of 1973, as amended, the amounts placed in reserve in fiscal year 1985 pursuant to that section shall be available to the Board for grants to Radio Free Europe/Radio Liberty for foreign currency exchange rate adjustments.*

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses" for disaster loan making activities, including loan servicing, $2,000,000 to be derived by transfer from unobligated balances in the Small Business Administration, "Disaster Loan Fund".

ADMINISTRATIVE PROVISION

SECTION 18006(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 is amended by striking out all that follows "on account of disasters" and inserting in lieu thereof "which occurred prior to October 1, 1985, and with respect to which a disaster declaration application was submitted prior to October 1, 1985.".

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses", $3,900,000, to be derived by transfer from "Acquisition and Construction of Radio Facilities", to remain available until expended.

The limitation in Public Law 99-180 on the receipts credited to this appropriation from fees or other payments received from or in connection with English-teaching programs is increased by $175,000.

CHAPTER III

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, MARINE CORPS

The limitation for real property maintenance contained under the head "Operation and Maintenance, Marine Corps" in the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1189, is amended by striking "$238,000,000" and inserting in lieu thereof "$223,200,000".

TENTH INTERNATIONAL PAN AMERICAN GAMES

(INCLUDING RESCISSION)

For an additional amount for "Tenth International Pan American Games", $8,000,000, to remain available for obligation until September 30, 1987.

Of available funds provided under this head in the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1192, $8,000,000 are rescinded.

PROCUREMENT

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY (RESCISSION)

Of the funds made available under this head in Public Law 98-212, $34,400,000 are rescinded.

SHIPBUILDING AND CONVERSION, NAVY (RESCISSION)

Of the funds made available under this head in Public Law 98-212, $40,100,000 are rescinded.

COASTAL DEFENSE AUGMENTATION (TRANSFER OF FUNDS)

Of the amounts available to the Department of Defense for "Coastal Defense Augmentation", $21,250,000 shall be transferred to Coast Guard "Acquisition, construction and improvements".

AIRCRAFT PROCUREMENT, AIR FORCE

The last proviso under the head "Aircraft Procurement, Air Force", in the fiscal year 1986 Department of Defense Appropriations Act, Public Law 99-190, is amended by striking "July 1, 1986" and inserting in lieu thereof "November 1, 1986".

MISSILE PROCUREMENT, AIR FORCE (TRANSFER OF FUNDS)

For an additional amount for "Missile Procurement, Air Force", $16,000,000, to be derived by transfer from "Aircraft Procurement, Navy, 1986/1988", to remain available for obligation until September 30, 1988, and in addition $329,400,000 shall be derived by transfer as provided for by Section 8103 of Public Law 99-190 as amended in this Act.

OTHER PROCUREMENT, AIR FORCE (RESCISSION)

Of the funds made available under this head in Public Law 98-473, $40,000,000 are rescinded.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE (TRANSFER OF FUNDS)

For an additional amount for "Research, Development, Test and Evaluation, Air Force", $84,386,000, to be derived by transfer from "Aircraft Procurement, Navy, 1986/1988", to remain available for obligation until September 30, 1987, and in addition $232,500,000 shall be derived by transfer as provided for by Section 8103 of Public Law 99-190 as amended in this Act.

REVOLVING AND MANAGEMENT FUNDS

ADP EQUIPMENT MANAGEMENT FUND (INCLUDING RESCISSION)

For an additional amount for "ADP Equipment Managment Fund", $100,000,000, to remain available for obligation until expended.

Of available funds provided under this head in the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1202, $100,000,000 are rescinded.

ADMINISTRATIVE PROVISIONS

SECTION 1. Funds available in "Foreign Currency Fluctuations, Defense", shall be transferred to the appropriation account "American Battle Monuments, Salaries and Expenses" in such amounts necessary to maintain the budgeted levels of that appropriation impacted by fluctuations in foreign currency.

SEC. 2. Section 8051 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, 99 Stat. 1211, is amended 1) by striking out "Army, Navy, and Air Force" and 2) by striking out the proviso and in lieu thereof inserting: "Provided, That such transfers shall not exceed $678,700,000 for Operation and Maintenance, Army; $1,301,600,000 for Operation and Maintenance, Navy; $30,100,000 for Operation and Maintenance, Marine Corps; $608,700,000 for Operation and Maintenance, Air Force; $82,000,000 for Operation and Maintenance, Defense Agencies; $19,300,000 for Operation and Maintenance, Army Reserve; $47,600,000 for Operation and Maintenance, Navy Reserve; $4,200,000 for Operation and Maintenance, Marine Corps Reserve; $14,400,000 for Operation and Maintenance, Air Force Reserve; $42,100,000 for Operation and Maintenance, Army National Guard; and $35,400,000 for Operation and Maintenance, Air National Guard".

SEC. 3. Of the funds appropriated to the Department of Defense for research, development, test and evaluation for fiscal year 1986, an amount not to exceed $55,600,000 shall be provided as grants to educational institutions for related research activities, construction of related facilities and for related purposes, as provided in the House report 99-450 accompanying H.J. Res. 465, Public Law 99-190.

SEC. 4. Section 8037 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, is amended by adding "Titan 34D7 Complementary Expendable Launch Vehicles" at the end thereof.

SEC. 5. Of the amounts available to the Department of Defense, $25,000,000 shall be available for construction of a Center for Science and Engineering Technologies at Arizona State University.

SEC. 6. Sec. 8103 of the fiscal year 1986 Department of Defense Appropriations Act, Public Law 99-190, is amended as follows: in subsection (b) inserting "the Complementary Expendable Launch Vehicle Program," directly following "and the Coastal Defense Augmentation Account,"; and inserting a new provision at the end of subsection (b) as follows, ": Provided further, That $561,900,000 for the Complementary Expendable Launch Vehicle Program shall be so available without notification procedures otherwise required by this subsection".

SEC. 7. Sec. 8109 of Public Law 99-190 (99 Stat. 1222) is repealed.

SEC. 8. Notwithstanding any other provision of law, until, but not after, August 15, 1986, obligations from the Department of Defense military personnel accounts may exceed a rate in excess of the rate required to limit total obligations to the obligation ceilings established by law for such accounts for fiscal year 1986.

CHAPTER [III] *IV*

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION, GENERAL

Using available funds, the Secretary of the Army shall take such actions as may be necessary to remedy slope failure and erosion problems along the Tombigbee River in Alabama in order to protect the Highway No. 39 Bridge at Gainesville, Alabama, at an estimated cost of $1,500,000. Such actions shall be coordinated with the State of Alabama: *Provided*, That using available funds, $1,400,000 shall be available to initiate construction at Mount St. Helens, Washington: *Provided further, That using available funds, the Secretary of the Army is directed to use $8,200,000 to initiate construction of the Cooper River seismic modification project in South Carolina.*

[FLOOD CONTROL AND COASTAL EMERGENCIES

[For an additional amount, for "Flood Control and Coastal Emergencies", as authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, $25,000,000, to remain available until expended.]

GENERAL EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "General Expenses" $3,000,000 to remain available until expended, and to be derived from "Operation and Maintenance, General".

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(DISAPPROVAL OF DEFERRAL)

[The Congress disapproves $23,156,000 of the proposed deferral D86-38 relating to the Department of Energy, "Energy Supply, Research and Development Activities", as set forth in the message of February 5, 1986, (House Document 99-161), which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.]

Of the funds which remain deferred as of May 1, 1986, pursuant to deferral D86-38 relating to the Department of Energy, "Energy Supply, Research and Development Activities", the Congress disapproves the deferral of $23,156,000. The disapproval shall be effective upon enactment into law of this Act and the amount of the deferral disapproved herein shall be made available for obligation.

[ATOMIC ENERGY DEFENSE ACTIVITIES

[(TRANSFER OF FUNDS)

[For an additional amount, for "Atomic Energy Defense Activities", $62,000,000, to be derived by transfer from the Department of Defense appropriation "Research, Development, Test and Evaluation, Defense Agencies", to be merged with this Account and remain available until expended: *Provided*, That the transfer of funds provided in this paragraph shall not become available for such transfer until 30 days after the Committees on Appropriations of the House of Representatives and the Senate receive from the Department of Defense a list of the specific sources of funds to be used for such transfer.

[DEPARTMENT OF DEFENSE

[ADMINISTRATIVE PROVISION

[Of the funds previously appropriated or made available for research, development, test and evaluation for the Department of the Air Force and for the Defense Agencies for fiscal year 1986 pursuant to Public Law 99-190, the Secretary of the Air Force shall provide a grant or contribution of $13,500,000 for research activities, construction of research related facilities and for other related purposes at Northeastern University in Massachusetts identified in House Report 99-450 and the Secretary of Defense shall provide a grant or contribution of $11,100,000 for research activities, construction of research related facilities and for other related purposes at the Rochester Institute of Technology at Rochester, New York identified in House Report 99-450.]

CHAPTER [IV] *V*

FOREIGN ASSISTANCE AND RELATED PROGRAMS

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

[Of the funds made available for the "Economic Support Fund" in Public Law

99-190, not less than $50,000,000 shall be made available for the United States contribution to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland.]

INTERNATIONAL FUND FOR NORTHERN IRELAND AND IRELAND

(TRANSFERS OF FUNDS)

Of the funds appropriated or otherwise made available in titles I, II, III, and IV in the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190), not more than $20,000,000 of any of such funds may be made available for the United States contribution to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland: Provided, That none of the funds contained in such Act may be contributed to the International Fund until the enactment of legislation specifically authorizing assistance for such purpose.

DEPARTMENT OF STATE

ANTI-TERRORISM ASSISTANCE

(TRANSFERS OF FUNDS)

For an additional amount to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961, $2,739,000, to be derived by transfer from any of the funds appropriated or otherwise made available in titles I, II, III, and IV of the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190).

ASSISTANCE FOR HAITI

Of the funds made available [for the "Economic Support Fund" in Public Law 99-190,] *in title II of the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190),* up to $21,700,000 shall be made available for assistance to Haiti. Of this amount, $1,700,000 [shall] *may* be transferred to the Inter-American Foundation for use by the Foundation for programs for Haiti. The assistance made available pursuant to this paragraph shall be used to promote the transition to democracy by means such as generating local currency for use for literacy projects, rural development, and job creation. The assistance provided for Haiti pursuant to this paragraph shall be in addition to the assistance previously allocated for Haiti.

It is the sense of the Congress that the United States Government should cooperate with the Government of Haiti in recovering for the Haitian people the wealth that was illegally obtained by former president Jean-Claude Duvalier and his former government ministers and associates through diversions of funds and property, regardless of whether that wealth is located in the United States or abroad.

Notwithstanding any limitations on assistance to Haiti contained in Public Law 98-473 or Public Law 99-83, funds previously appropriated for the purposes of chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, may be made available for Haiti to carry out such purposes: Provided, That none of the funds made available pursuant to this paragraph may be made available for obligation unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

SPECIAL ASSISTANCE TO THE PHILIPPINES

ECONOMIC SUPPORT FUND

For an additional amount for the "Economic Support Fund", $100,000,000: Provided, That this amount shall be available only for the Philippines: Provided further, That none of these funds may be made available for obligation unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

MILITARY ASSISTANCE

For an additional amount of "Military Assistance", $50,000,000: Provided, That in addition, $29,355,000 previously obligated for direct loans to the Philippines under the heading "Foreign Military Credit Sales" in Public Law 98-473 and Public Law 99-190, shall be deobligated and transferred to this appropriation, to be made available for obligation until September 30, 1986: Provided further, That these funds shall be made available only for the Philippines: Provided further, That none of these funds may be made available for obligation unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

EXPORT-IMPORT BANK OF THE UNITED STATES

Direct loan authority made available in title IV of the Foreign Assistance and Related Programs Appropriations Act, 1986 (as enacted in Public Law 99-190) for the Export-Import Bank of the United States is available through September 30, 1987.

CHAPTER [V] *VI*

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

Of the amounts of budget authority that become available during fiscal year 1986 as a result of the forgiving, pursuant to section 4(c)(1) of the United States Housing Act of 1937, as amended, of any loan made pursuant to section 4(a) of such Act, not less than $3,000,000,000 of budget authority (and such amounts of contract authority as correspond to the amounts of budget authority) is rescinded.

SUBSIDIZED HOUSING PROGRAMS

RENT SUPPLEMENT PROGRAM

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is further reduced in fiscal year 1986 by not more than $41,390,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1), is further reduced in fiscal year 1986 by not more than $10,128,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

HOUSING PROGRAMS AND COMMUNITY PLANNING AND DEVELOPMENT

(DISAPPROVAL OF DEFERRALS)

The Congress disapproves the following proposed deferrals relating to the Department of Housing and Urban Development as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President: (1) D86-41 relating to Housing Programs, "Annual contributions for assisted housing", (2) D86-45 relating to Housing Programs, "Housing for the elderly or handicapped fund", (3) D86-46 relating to Housing Programs, "Nonprofit sponsor assistance", (4) D86-48 relating to Community Planning and Development, "Community development grants", and (5) D86-50 relating to Community Planning and Development, "Rehabilitation loan fund". The five disapprovals shall be effective upon enactment into law of [the] *this* Act and the amounts of the proposed deferrals disapproved herein shall be made available for obligation.

FEDERAL HOUSING ADMINISTRATION FUND

The applicable limitation on additional commitments to insure mortgages and loans to carry out the purposes of the National Housing Act during fiscal year 1986 is increased by an additional $57,580,000,000 of mortgage and loan principal.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

The applicable limitation on new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act during fiscal year 1986 is increased by an additional $49,000,000,000 of principal.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFERS OF FUNDS)

For an additional amount for "Salaries and expenses", [$23,701,000, of which $15,066,000] *$30,000,000 which* shall be derived by transfer from the various funds of the Federal Housing Administration [and $8,635,000 shall be derived from the assets of the Revolving Fund established pursuant to section 312 of the Housing Act of 1964, as amended (42 U.S.C. 1452b)].

INDEPENDENT AGENCIES

[AMERICAN BATTLE MONUMENTS COMMISSION

[SALARIES AND EXPENSES

[For an additional amount for "Salaries and expenses", $1,553,000.]

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,000,000, to be derived by transfer from "Research and development".

CONSTRUCTION GRANTS

Of the funds appropriated in section 119 of Public Law 99-190 for necessary expenses to carry out title II of the Federal Water Pollution Control Act, an additional $600,000,000 is hereby made available: Provided, That the allocation of the $600,000,000 made available by this paragraph shall be in accordance with the formula in effect on October 1, 1984.

FEDERAL EMERGENCY MANAGEMENT AGENCY

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For an additional amount for "Disaster relief", $250,000,000, to remain available until expended.

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $2,920,000, to be derived by transfer from "Emergency management planning and assistance".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

For an additional amount for "Space flight, control and data communications", $526,000,000, to remain available until expended.

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFERS OF FUNDS)

For an additional amount for "Research and program management", $38,100,000, of which $24,000,000 shall be derived by transfer from "Research and development" and $14,100,000 shall be derived by transfer from "Space flight, control and data communications".

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", $272,000,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $91,000,000, to remain available until expended.

MEDICAL CARE

(TRANSFER OF FUNDS)

For an additional amount for "Medical care", *up to* $30,000,000, to be derived by transfer from "Construction, major projects".

GENERAL OPERATING EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "General operating expenses", *up to* $6,000,000, to be derived by transfer from "Construction, minor projects".

VETERANS JOB TRAINING

(TRANSFER OF FUNDS)

[For payments to defray the costs of training and provision of incentives to employers to hire and train certain veterans as authorized by the Veterans' Job Training Act, as amended (29 U.S.C. 1721), up to $35,000,000, to remain available until September 30, 1987, and to be derived by transfer from "Construction, minor projects".]

For payments to defray the costs of training and provision of incentives to employers to hire and train certain veterans, as authorized to be appropriated by section 16 of the Veterans' Job Training Act, (appearing at 29 U.S.C. 1721 and as amended by section 201(d) of Public Law 99-238), $35,000,000, to be derived by transfer from "Construction, minor projects".

ADMINISTRATIVE PROVISIONS

Retroactive to October 1, 1985, all payments for services performed on a contractual basis in conjunction with loan guaranty operations shall be charged to the VA loan guaranty revolving fund.

Notwithstanding section 409 of Public Law 99-160, of the funds provided by that Act for the Neighborhood Reinvestment Corporation, an additional $250,000 may be used for object classification expenses other than personnel compensation and benefits.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

The limitation on administrative expenses for fiscal year 1986 is increased by $3,429,000.

CHAPTER [VI] *VII*

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

LAND ACQUISITION

[(DEFERRAL)]

(RESCISSION)

Of the funds previously appropriated under this head, $3,000,000 [shall not become available for obligation until October 1, 1986] *are rescinded.*

UNITED STATES FISH AND WILDLIFE SERVICE

[RESOURCE MANAGEMENT

[For an additional amount for "Resource management", $90,000.]

LAND ACQUISITION

[(DEFERRAL)

[Of the funds previously appropriated under this head, $4,432,000 shall not become available for obligation until October 1, 1986.]

For an additional amount for "Land acquisition", $2,373,000, to remain available until expended.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for "Operation of the national park system", [$13,900,000] *$13,470,000.*

CONSTRUCTION

For an additional amount for "Construction", $3,420,000, to remain available until expended.

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 1986 by 16 U.S.C. 460l-10a is rescinded.

(DEFERRAL)

Of the funds previously appropriated under this head, $1,893,000 shall not become available for obligation until October 1, 1986.

ADMINISTRATIVE PROVISIONS

None of the funds made available by this or any other Act may be used to plan or implement the closure of the Pacific Northwest Regional Office in Seattle, Washington: [*Provided*, That the Cape Cod National Seashore Advisory Commission established under Section 8(a) of the Act of August 7, 1961 (P.L. 87-126; 75 Stat. 292) is reestablished and extended through February 28, 1996:] *Provided, That none of the funds made available by this or any other Act may be used to drain lakes in Delaware Water Gap National Recreation Area prior to approval by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.*

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research," $1,400,000.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

[For an additional amount for "Leasing and royalty management", $800,000.]

Notwithstanding any other provision of law, payment for processing costs of data and information acquired by the Secretary on or after October 1, 1985, shall be made to permittees with permits issued on or before September 30, 1985.

[OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

[REGULATION AND TECHNOLOGY

[(RESCISSION)

[Of available funds under this head, $710,000 are rescinded.]

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For an additional amount for "Operation of Indian programs", [not to exceed $31,368,000] *$26,500,000*, of which $1,500,000 shall be transferred to the Chippewa-Ottawa Treaty Fishery Management Authority (COTFMA) to provide the Federal contribution related to the compromise agreement resulting from the U.S. v. Michigan fishery litigation: *Provided*, That these funds shall be made available to COTFMA after receipt and approval by the Secretary of the Interior or his designated representative of an investment plan for establishing a fund, which shall be invested at interest: *Provided further*, That only the interest income from such fund is to be available for fisheries management activities by the Chippewa-Ottawa Treaty Fishery Management Authority: *Provided further*, That funds appropriated hereunder shall be repaid to the Federal government after a fifteen (15) year period: *Provided further*, That should the Chippewa-Ottawa Treaty Fishery Management Authority dissolve at any time during the fifteen (15) year period, funds appropriated hereunder shall immediately be repaid to the Federal government: *Provided further, That general assistance payments are subject to the availability of appropriated funds and hereafter such general assistance payments shall be reduced if the Secretary determines that reductions are necessary so as not to exceed the amounts available.*

REVOLVING FUND FOR LOANS

Public Law 99-190 (99 Stat. 1237) is amended under this heading by deleting the word "may" in the proviso and inserting in lieu thereof the word "shall" and by adding the following new proviso before the period: ": Provided further, That the United States secure a lien in the amount of the principal and interest of the loan upon trust or other funds of the tribe including any net recovery the tribe may receive from any final award of judgment against the United States which may be rendered in favor of the Zuni Indian Tribe in Docket Numbers 161-79L and 327-81L presently pending before the United States Claims Court".

TERRITORIAL AND INTERNATIONAL AFFAIRS

COMPACT OF FREE ASSOCIATION

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands, as provided for in Sections 177, 122, 221, and 223 of the Compact of Free Association, $178,750,000, as authorized by Public Law 99-239, *and $9,340,000, to remain available until expended, for grants and necessary expenses to the Republic of Palau, to become available for obligation upon the enactment of S.J. Res. 325 or similar legislation: Provided*, That for purposes of economic assistance as provided pursuant to the Compact, the effective date of the Compact shall be October 1, 1985.

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands, as provided for in Sections 211, 212, 213, 214, 215, 216, 217, and 231 of the Compact of Free Association, and Section 111(b) of Title I of the Compact of Free Association Act of 1985 (Public Law 99-239),

[all sums that are or may be required in this and subsequent years are appropriated, and shall be drawn from the Treasury] *such sums as may be necessary are available this fiscal year,* as authorized by Public Law 99-239, *and as may be authorized upon the enactment of S.J. Res. 325 or similar legislation: Provided,* That [$50,493,000] *$62,947,000* of the amount made available to the "Trust Territory of the Pacific Islands" appropriation pursuant to Public Law 99-190 shall be considered to have been made available for the purposes of this appropriation for fiscal year 1986 and expended as provided for by the Compact of Free Association: *Provided further,* That for purposes of economic assistance as provided pursuant to the Compact, the effective date of the Compact shall be October 1, 1985.

Funds appropriated in this Act, under the terms of Public Law 99-239, the Compact of Free Association, for Kwajalein impact payments to the Republic of the Marshall Islands may be used to reimburse the Department of the Army for interim use payments made by the Department of the Army since October 1, 1985.

RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATE AND PRIVATE FORESTRY

For an additional amount for "State and private forestry", $161,000.

NATIONAL FOREST SYSTEM

For an additional amount for "National forest system", $165,700,000.

CONSTRUCTION

For an additional amount for "Construction", $1,700,000, to remain available until expended.

LAND ACQUISITION

For an additional amount for "Land acquisition", $4,436,000, to remain available until expended.

TIMBER SALVAGE SALES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $3,153,000 of the proposed deferral D86-3 relating to the Department of Agriculture, U.S. Forest Service, "Timber Salvage Sales", as set forth in the message of October 1, 1985, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this [bill] *Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Provisions of 7 U.S.C. 147(b) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(DISAPPROVAL OF DEFERRAL)

[The Congress disapproves $62,205,000 of the proposed deferral D86-6A relating to the Department of Energy, "Fossil energy research and development", as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.]

Of the funds which remain deferred as of May 1, 1986, pursuant to deferral D86-6A relating to the Department of Energy, "Fossil energy research and development", the Congress disapproves the deferral of $22,541,000. The disapproval shall be effective upon enactment into law of this Act and the amount of the deferral disapproved herein shall be made available for obligation.

NAVAL PETROLEUM AND OIL SHALE RESERVES

The Congress approves the deferral D86-8A relating to the Department of Energy, "Naval petroleum and oil shale reserves", as set forth in the message of February 6, 1986, which was transmitted to the Congress by the President.

ENERGY CONSERVATION

(DISAPPROVAL OF DEFERRAL)

[The Congress disapproves deferral D86-9A relating to the Department of Energy, "Energy conservation", as set forth in the message of March 12, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.]

Of the funds which remain deferred as of May 1, 1986, pursuant to deferral D86-9A relating to the Department of Energy, "Energy conservation", the Congress disapproves the deferral of $14,906,000. The disapproval shall be effective upon enactment into law of this Act and the amount of the deferral disapproved herein shall be made available for obligation.

STRATEGIC PETROLEUM RESERVE

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves deferral D86-37 relating to the Department of Energy, "Strategic petroleum reserve", as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this [bill] *Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation.

SPR PETROLEUM ACCOUNT

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves [$315,000,000 of the proposed] deferral D86-10A relating to the Department of Energy, "SPR petroleum account", as set forth in the message of February 5, 1986, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this [bill] *Act* and the amount of the proposed deferral disapproved herein shall be made available for obligation*: Provided, That the minimum required fill rate during fiscal year 1987 shall be the rate set in the fiscal year 1987 Budget Resolution.*

[Notwithstanding any other provision of law, upon enactment into law of this bill the minimum required rate of fill is 100,000 barrels a day until the funds made available by this Act are expended.]

ALTERNATIVE FUELS PRODUCTION

For the repayment of principal and interest on notes issued to the Secretary of the Treasury by the Secretary of Energy pursuant to the provisions of section 19(n)(4) of the Federal Non-nuclear Energy Research and Development Act, Public Law 93-577, as amended by Public Law 95-238, $1,020,360,322, together with such additional sums as may be necessary, for the payment of interest which shall have accrued to the date final principal payment is made.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For an additional amount for "Indian health services", [$20,000,000] *$1,800,000: Provided, That $530,000 shall not become available for obligation until September 30, 1986.*

INDIAN HEALTH FACILITIES

(DEFERRAL)

Of the funds previously appropriated under this head, $13,745,000 shall not become available for obligation until October 1, 1986.

[SMITHSONIAN INSTITUTION

[NATIONAL GALLERY OF ART

[SALARIES AND EXPENSES

[(TRANSFER OF FUNDS)

[For an additional amount for "Salaries and expenses", $136,000, to be derived by transfer from "Repair, restoration and renovation of buildings, National Gallery of Art".]

CHAPTER [VII] *VIII*

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For an additional amount for the Health Resources and Services Administration to carry out the provisions of section 1910 of the Public Health Service Act (pertaining to Emergency Medical Services for Children), $2,000,000.

Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall immediately renew all designated agreements and contracts in accordance with title 15 of the Public Health Service Act for such periods after September 30, 1986 as each Agency's budget, including unobligated Federal funds available for carryover, permits; and no Health Planning Agency shall be required to take action to terminate financial assistance in Fiscal Year 1986.

[NATIONAL INSTITUTES OF HEALTH

[NATIONAL CANCER INSTITUTE

[For an additional amount for "National Cancer Institute", for grants for National Cancer Research and Demonstration Centers as authorized by section 414 of Public Law 99-158, $6,000,000.]

OFFICE OF COMMUNITY SERVICES

COMMUNITY SERVICES BLOCK GRANT

The Administrator of General Services is authorized and directed to convey to the District of Columbia, without cost, all rights, title, and interest in the property located at 425 Second Street, Northwest, in the District of Columbia.

For making a grant to the District of Columbia upon the completion of the conveyance to the District of Columbia of the property located at 425 Second Street, Northwest, in the District of Columbia, and upon the submission of a request to the Office of Community Services, Department of Health and Human Services, by the District of Columbia, $5,000,000 for the repair and renovation of such property for use as a shelter for the homeless.

DEPARTMENT OF EDUCATION

IMPACT AID

[For an additional amount, for "Impact Aid", $20,000,000, which shall remain available until expended, for making payments under section 7 of title I of the Act of September 30, 1950, as amended: *Provided*, That payments made under section 2 of said Act for the fiscal years 1978 through 1983, which were based on entitlements that included State-levied real property taxes, shall stand: *Provided further*, That in a State where a portion of an existing local real property tax levy had been assumed and levied by the State as a real property tax, that these State taxes shall be allowed in the computation of entitlements under section 2 of said Act for the fiscal years 1984 and 1985: *Provided further*, That recovery of any overpayments to any school district of less than $5,000 arising out of payments made under said Act for fiscal year 1978 shall be obtained only from any future year payments to such school district under said Act.]

None of the funds appropriated in this Act, or in any other Appropriations Act for fiscal year 1986, may be used to implement any regulations promulgated by the Secretary of Education after March 31, 1986, to carry out the provisions of the Act of September 30, 1950, relating to impact aid, if such regulations are to take effect during the fiscal year 1986.

Section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new sentences: "In carrying out the provisions of this subparagraph, the Secretary shall count the actual number of children with respect to such agency for each fiscal year under subsection (b) without regard to the provisions of subparagraph (E) of this paragraph. The Secretary shall make payments with respect to local educational agencies for each fiscal year under this subparagraph in an amount equal to the amount determined pursuant to the previous sentences of this subparagraph minus the actual payment to be made pursuant to subsection (a) or (b), or both, for that fiscal year.".

The Secretary shall, in making any audit of payments made under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) accept the manner of counting children attending kindergarten for the purpose of that Act if the manner of counting such children is in accordance with State law.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

From the amounts appropriated to carry out the Rehabilitation Act of 1973, $29,300,000 shall be made available for special demonstration projects for the severely disabled under section 311: Provided, That $9,000,000 shall be used for supported employment demonstrations.

STUDENT FINANCIAL ASSISTANCE

For an additional amount for subpart 1 of part A of title IV of the Higher Education Act, as amended, $146,000,000, to remain available until September 30, 1987.

RELATED AGENCIES

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

(TRANSFER OF FUNDS)

Provided prior approval is obtained from the Committees on Appropriations, an additional amount not to exceed $1,241,000 for "Operation and Maintenance", may be transferred from the Soldiers' and Airmen's "Capital Outlay" fund.

[CHAPTER VIII

[DEPARTMENT OF LABOR

[ADMINISTRATIVE PROVISION

[No Job Corps Center operating under part B of title IV of the Job Training Partnership Act shall be closed, nor shall the aggregate service level of such centers for any fiscal or program year fall below 40,544 service years. Nothing in this section shall permit the Secretary to exceed funding levels established for carrying out part B of title IV of the Job Training Partnership Act pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).]

CHAPTER IX

LEGISLATIVE BRANCH

SENATE

SALARIES, OFFICERS AND EMPLOYEES

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For an additional amount for "Office of the Sergeant at Arms and Doorkeeper", $500,000.

ADMINISTRATIVE PROVISIONS

SECTION 1. (a) Effective October 1, 1985, the allowance for administrative and clerical assistance of each Senator from the State of Alabama is increased to that allowed Senators from States having a population of four million but less than five million, the population of said State having exceeded four million inhabitants.

(b) Effective October 1, 1985, the allowance for administrative and clerical assistance of each Senator from the State of Florida is increased to that allowed Senators from States having a population of eleven million but less than twelve million, the population of said State having exceeded eleven million inhabitants.

SEC. 2. (a) Subsection (a) of section 110 of Public Law 97-12 (2 U.S.C. 58b(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) striking out the last three sentences of such subsection and inserting in lieu thereof the following:

"(2) Each Senator, at his election, may, during any fiscal year (but not earlier than August 1, thereof), transfer—

"(A) from such Senator's clerk hire allowance to his Official Office Expense Account; or

"(B) from such Senator's Official Office Expense Account to his clerk hire allowance,

such amounts as the Senator shall determine, but not in excess of the balance (or accrued surplus in case of transfers made prior to October 1, 1984) as of the end of the month which precedes the date of such transfer. Any amounts so transferred between such accounts shall be available only for expenses incurred during the calendar year in which occurred the close of the fiscal year. Each Senator electing to make such transfer under this paragraph shall advise the Senate Disbursing Office in writing, no later than January 15 of the calendar year immediately following the calendar year in which occurs the close of such fiscal year, and such transfer shall be made on such date (but not earlier than August 1 of the calendar year in which occurs the close of such fiscal year) as may be specified by the Senator.".

(b) Subsection (b) of section 110 of Public Law 97-12 is amended to read as follows:

"(b) Transfer of funds under subsection (a) of this section shall be made between the appropriation 'Administrative, Clerical, and Legislative Assistance Allowance to Senators' under the heading 'Senate' and 'salaries, officers, and employees' and the appropriation 'Miscellaneous items' for allocation to Senatorial Official Office Expense Accounts.".

(c) The amendments made by subsection (a) shall be effective in the case of elections made with respect to transfers of funds to be available for expenses incurred during calendar years after 1984.

SEC. 3. The Chairman of the Majority or Minority Conference Committee of the Senate may, during the fiscal year ending September 30, 1986, at his election, transfer not more than $30,000 from the appropriation account for salaries for the Conference of the Majority and the Conference of the Minority of the Senate, to the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97-51 (2 U.S.C. 61g-6). Any transfer of funds under authority of the preceding sentence shall be made at such time or times as such chairman shall specify in writing to the Senate Disbursing Office. Any funds so transferred by the chairman of the Majority or Minority Conference Committee shall be available for expenditure by such committee in like manner and for the same purposes as are other moneys which are available for expenditure by such committee from the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97-51 (2 U.S.C. 61g-6).

HOUSE OF REPRESENTATIVES

SALARIES, OFFICERS AND EMPLOYEES

For an additional amount for "Office of the Sergeant at Arms", $500,000.

[CONTINGENT EXPENSES OF THE HOUSE

[STANDING COMMITTEES, SPECIAL AND SELECT

[For an additional amount for "Standing committees, special and select", $350,000.]

JOINT ITEMS

CONTINGENT EXPENSES OF THE HOUSE

JOINT COMMITTEE ON TAXATION

For an additional amount for "Joint Committee on Taxation", $912,000.

CAPITOL POLICE

CAPITOL POLICE BOARD

For an additional amount for the "Capitol Police Board", $13,000,000, to remain available until expended, to implement an improved security plan for the United States Capitol, after such plan shall have been approved by the Senate Committee on Rules and Administration, the Senate Committee on Appropriations, the House Committee on Appropriations, the House Committee on Public Works, and the House Committee on Administration: Provided, That such Board is authorized to transfer to the Architect of the Capitol so much of such funds as may be necessary to enable the Architect of the Capitol to carry out appropriate projects to implement such plan, and the Architect of the Capitol is authorized to obligate and expend the funds so transferred to him to carry out contracts entered into without regard to section 3709 of the Revised Statutes, as amended.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

SALARIES

For an additional amount for "Office of the Architect of the Capitol, Salaries", $250,000.

CAPITOL BUILDINGS

For an additional amount for "Capitol Buildings", $8,000,000, to remain available until expended: *Provided*, That this additional amount shall be available for obligation without regard to section 3709 of the Revised Statutes, as amended.

WEST CENTRAL FRONT OF THE CAPITOL

(RESCISSION)

Of the funds appropriated under this heading in Public Law 98-63, $2,683,000 are rescinded.

CAPITOL POWER PLANT

For an additional amount for "Capitol Power Plant", $1,583,000: *Provided*, That not to exceed $2,150,000 of the funds credited or to be reimbursed to this appropriation pursuant to Public Law 99-151 shall be available for obligation during fiscal year 1986.

CHAPTER X

DEPARTMENT OF TRANSPORTATION

COAST GUARD

OPERATING EXPENSES

For an additional amount, for "Coast Guard, Operating expenses", $35,500,000. *In addition, $10,400,000 shall be transferred from "Coast Guard, Acquisition, construction and improvements" pursuant to section 5(a) of Public Law 98-557.*

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

[(INCLUDING TRANSFERS OF FUNDS)]

For an additional amount for "Operations", [$85,000,000, of which $2,000,000 shall be derived by transfer from "Coast Guard, Retired pay", $2,250,000 shall be derived by transfer from "Coast Guard, Research, development, test, and evaluation", and $750,000 shall be derived by transfer from "Office of the Secretary, Salaries and expenses": *Provided*, That the immediately preceding transfer shall not become effective until June 1, 1986, and shall not go into effect if by that date the Secretary of Transportation and the appropriate local governmental authorities for those projects identified in section 320 of the Department of Transportation and Related Agencies Appropriations Act, 1986, have reached agreement on the execution of full funding contracts.] *$80,000,000: Provided, That, at a minimum, the air traffic control on-board employment level shall be 14,480 by September 30, 1986.*

RESEARCH, ENGINEERING AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(TRANSFER OF FUNDS)

For an additional amount for "Research, engineering and development (Airport and Airway Trust Fund)", $72,220,000, of which $17,000,000 shall be derived by transfer from the unobligated balance of "Facilities and equipment (Airport and Airway Trust Fund)" and to remain available until September 30, 1989, and of which $55,220,000 shall be derived by transfer from "Facilities and equipment (Airport and Airway Trust Fund)" and to remain available until September 30, 1990.

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL-AID HIGHWAYS

(HIGHWAY TRUST FUND)

The Department of Transportation is authorized to expend $5,000,000 from the emergency relief fund established by section 125 of title 23, United States Code, for the purposes of preventing the continuing flooding of Interstate 80 by the rising waters of the Great Salt Lake.

FEDERAL RAILROAD ADMINISTRATION

REDEEMABLE PREFERENCE SHARES

Notwithstanding any other provision of law, the Secretary of Transportation shall, until September 30, 1988, issue and sell, and the Secretary of the Treasury until such date shall purchase, Fund anticipation notes, and the Secretary of Transportation is hereby authorized to expend for uses authorized for the Railroad Rehabilitation and Improvement Fund proceeds from the sale of such Fund anticipation notes and any other moneys deposited in the Fund after September 30, 1985, pursuant to sections 502, 505-507, and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976, (Public Law 94-210), as amended, and section 803 of Public Law 95-620, in amounts not to exceed $33,500,000.

URBAN MASS TRANSPORTATION ADMINISTRATION

FORMULA GRANTS

Notwithstanding any other provision of law, urbanized areas which became urbanized areas for the first time under the 1980 census shall be entitled to utilize, from funds apportioned to them under section 9 of the Urban Mass Transportation Assistance Act, as amended, the same amount of funds for operating assistance in fiscal year 1986 as was available to them in fiscal year 1985.

[RELATED AGENCY

[PANAMA CANAL COMMISSION

[OPERATING EXPENSES

[For an additional amount, for "Panama Canal Commission, Operating expenses", $20,000,000, to be derived from the Panama Canal Commission Fund.]

CHAPTER XI

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

(RESCISSION)

Of the available funds under this head, $912,000 are rescinded.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Of the total amount previously appropriated and made available under this head in Public Law 99-190, $6,000,000 shall be obligated and remain available until expended for dormitory construction.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for salaries and expenses, $500,000, for the enforcement and administration of 26 U.S.C. 5121.

INTERNAL REVENUE SERVICE

PROCESSING TAX RETURNS

For an additional amount for "Processing tax returns", $194,564,000.

EXAMINATIONS AND APPEALS

For an additional amount for "Examinations and appeals", $68,706,000.

INVESTIGATION, COLLECTION AND TAXPAYER SERVICE

For an additional amount for "Investigation, collection and taxpayer service", $76,730,000.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 1. Notwithstanding any other provision of this title, any appropriations made available to the Internal Revenue Service for the current fiscal year may be transferred to any other Internal Revenue Service appropriation to the extent necessary for increased pay costs authorized by law.

Section 2. Not to exceed 5 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year may be transferred to any other Internal Revenue Service appropriation.

Section 3. The Internal Revenue Service shall provide on a non-reimburseable basis, all necessary data processing support to the Bureau of Alcohol, Tobacco and Firearms to assist in the implementation of a new Special Occupational Tax Compliance system at the Bureau.

Section 4. None of the funds appropriated by this Act or any other Act shall be used to implement Temporary Internal Revenue Service Regulation section 1.274-5T or section 1.274-6T or any other regulation issued reaching the same result as, or a result to, such temporary regulations.

Section 5. Section 13208 of the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law 99-272 (relating to certain insolvent taxpayers allowed to reduce capital gains preference item for purposes of the individual minimum tax) is amended by adding at the end thereof the following new subsection:

"(c) STATUTE OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendment made by subsection (a) is prevented at any time on or before October 15, 1986, by the operation of any law or rule of law (including res judicata), refund or credit or such overpayment (to the extent attributable to the application of such amendment) may, nevertheless, be made or allowed if claim therefor is filed on or before the date which is 6 months after the date of the enactment of this subsection.".

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $30,831,000: *Provided*, That no funds appropriated by this or any other Act may be used to implement single eight hour shifts at airports and that all current services as provided by the Customs Service shall continue through September 30, 1986[: *Provided further*, That none of the funds made available by this or any other Act shall be available for administrative expenses to reduce the personnel level of the Customs Service during fiscal year 1986 below an average of 14,041 full time equivalent positions].

[OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

[For an additional amount for "Operation and Maintenance, Air Interdiction Program", $3,225,000.]

UNITED STATES POSTAL SERVICE

The United States Post Office building to be constructed on Main Street in Barnwell, South Carolina, shall be known and designated as the "Solomon Blatt, Sr., Post Office Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such post office building is deemed to be a reference to the "Solomon Blatt, Sr., Post Office Building".

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(LIMITATION ON AVAILABILITY OF REVENUE)

In addition to the aggregate amount heretofore made available for real property management and related activities in fiscal year 1986, $3,500,000 shall be made available until expended for the construction and acquisition of facilities as follows:

New Construction:

South Carolina:

Charleston, Post Office and Courthouse Annex, $3,500,000:

Provided, That for additional expenses necessary to carry out the purposes of the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), $3,500,000 to be deposited into said fund: Provided further, That any revenues, collections, and any other sums accruing to this fund in excess of $2,415,501,000, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

The annual limitation of $5,200,000 through September 30, 1989 under this heading in the Supplemental Appropriations Act, 1985, Public Law 99-88, for expenses of transportation audit contracts and contract administration is increased to $7,600,000 for fiscal year 1986.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

SALARIES AND EXPENSES

For necessary expenses of the Federal Retirement Thrift Investment Board, $250,000.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Pursuant to section 301 of title III of Public Law 99-251, the Federal Employees Benefits Improvement Act of 1986, not to exceed $2,500 shall be for reception and representation expenses.

TITLE II

GENERAL PROVISIONS

[SEC. 201. Section 1013 of the Budget and Impoundment Control Act (31 U.S.C. 1403) shall not apply to funds herein and subsequently appropriated.]

SEC. [202] *201.* None of the funds appropriated by this or any other Act to carry out part A of title IV of Public Law 92-318 (Indian Education Act) may be expended in violation of the provisions of H. Con. Res. 276 of the Ninety-ninth Congress.

SEC. 202. For purposes of implementing the President's February 1, 1986 order under Public Law 99-177, the percentage reduction required for payments made pursuant to 7 U.S.C. 1012; 43 U.S.C. 1181f-1; 42 U.S.C. 6508; and Public Law 96-586, 94 Stat. 3381, 2(d) (2) and (3) shall be the same percentage reduction as required for all nondefense accounts.

SEC. 203. Within ten days of the date of enactment of this Act, the Secretary of the Treasury shall invest all monies payable to any State, political subdivisions thereof, and territories, due that State, political subdivisions thereof, and territories as a result of programs administered by the Secretary of the Interior or the Secretary of Agriculture, which are sequestered pursuant to any order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902), but not cancelled under section 256(a)(2) of that Act (2 U.S.C. 906(a)(2)), in such bonds, notes, certificates of indebtedness, or Treasury bills of the United States Government as the Secretary of the Treasury may deem appropriate until such 1985 or 1986 monies, including interest, become available and payable to a State, political subdivisions thereof, and territories in accordance with and to the extent permitted by law: Provided, That the Secretary of the Treasury shall use any interest income earned from any investment of these funds to pay the State, political subdivisions thereof, and territories the portion of such interest earned which is attributable to investment of the principal sequestered amount paid to the State, political subdivisions thereof, and territories: Provided further, That the Secretary of the Treasury shall not pay any interest under sections 1045(a) and 111(b) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 191), as amended, and 1721(b), on any portion of monies sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902).

SEC. [203] *204.* None of the funds in this Act, or any other Appropriations Act for fiscal year 1986, may be used to implement changes to OMB Circular A-21 made subsequent to February 11, 1986.

SEC. [204] *205.* None of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing new regulations dealing with organization participation in the 1986 Combined Federal Campaign other than repromulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in the 1986 campaign.

SEC. [205] *206.* No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

[SEC. 206. Subsections (a)(4) and (g)(1) of section 1886 of the Social Security Act (42 U.S.C. 1395ww) are amended by striking "1986" each place it appears and inserting "1987".]

SEC. 207. Notwithstanding section 514 of Public Law 99-178, amounts appropriated by that Act for Federal financial assistance to the Trust Territory of the Pacific Islands shall be available, as would have been available had the Compact of Free Association Act (Public Law 99-239) not been enacted, until alternative funding is available under the terms of the Compact of Free Association Act of 1985 (Public Law 99-239). Thereafter, except insofar as the Compact of Free Association Act otherwise provides, such amounts shall be available only for the Republic of Palau, but only in amounts that such Republic would have received had the Compact of Free Association Act of 1985 not been enacted.

SEC. 208. Notwithstanding any other provision of law, section 7 of the Service Contract Act of 1965 (41 U.S.C. 356), is amended—

(1) by striking the word "and" at the end of clause (6);

(2) by striking the period at the end of clause (7) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(8) any contract for aviation services to be furnished entirely within Alaska.".

[SEC. 207. No funds appropriated or made available under this or any other Act shall be used by the executive branch for soliciting proposals, preparing or reviewing studies or drafting proposals designed to transfer out of Federal or public ownership, management or control in whole or in part the facilities and functions of the Federal power marketing administrations located within the contiguous 48 States, and the Tennessee Valley Authority, until such activities have been specifically authorized and in accordance with terms and conditions established by an Act of Congress hereafter enacted, except that nothing in this amendment shall prohibit an expenditure after May 8, 1986 of $400,000 for preparing or reviewing studies for the purpose of drafting enabling legislation designed to transfer out of Federal ownership or control the facilities or functions of the Federal power marketing administrations located within the 48 States and the Tennessee Valley Authority: *Provided,* That this provision shall not apply to the authority granted under section 2(e) of the Bonneville Project Act of 1937; or to the authority of the Tennessee Valley Authority pursuant to any law under which it may dispose of property in the normal course of business in carrying out the purposes of the Tennessee Valley Authority Act of 1933, as amended; or to the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.]

SEC. 209. No funds appropriated or made available under this or any other Act shall be used by the executive branch for soliciting proposals, preparing or reviewing studies or drafting proposals designed to transfer out of Federal ownership, management or control in whole or in part the facilities and functions of the Federal power marketing administrations located within the contiguous 48 States, and the Tennessee Valley Authority, until such activities have been specifically authorized and in accordance with terms and conditions established by an Act of Congress hereafter enacted: Provided, That this provision shall not apply to the authority granted under section 2(e) of the Bonneville Project Act of 1937; or to the authority of the Tennessee Valley Authority pursuant to any law under which it may transfer facilities or functions in the normal course of business in carrying out the purposes of the Tennessee Valley Authority Act of 1933, as amended; or to the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

SEC. 210. None of the funds appropriated by this or any other act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: Provided, That this section shall not prohibit (1) activities designed to increase food security in developing countries where such activities will not have a significant impact on the export of agricultural commodities of the United States; or (2) research activities intended primarily to benefit American producers.

SEC. 211. Notwithstanding any other provision of law—

(1) no reduction in the amount of funds for which the City of New York, New York, is eligible under any Federal law, or to which the City of New York, New York, is entitled under any Federal law, may be made, and

(2) no other penalty may be imposed by the Federal Government,

by reason of the application of New York City Local Law 19 of 1985 to any contract entered into by the City of New York before October 1, 1986, which is funded in whole, or in part, with funds provided by the Federal Government.

This Act may be cited as the "Urgent Supplemental Appropriations Act, 1986".

UNANIMOUS-CONSENT AGREEMENT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the committee amendments to H.R. 4515 be considered and agreed to en bloc; provided that no points of order under rule XVI be waived thereon and that the measure, as amended, be considered as original text for the purpose of further amendments; with the following exceptions:

Line 19 on page 7 through line 17 on page 9, which is the REA amendment;

Lines 1 and 2 on page 26 of the committee amendment beginning with line 11 on page 20 through line 8 on page 26, which is a repeal amendment;

The committee amendment beginning with line 1 through line 5 on page 27, which is an amendment on flood control;

The committee amendment beginning with line 3 through line 8 on page 42, which has to do with surface mining reclamation;

The committee amendment beginning with line 17 on page 58 through line 8 on page 59, which has to do with capital security;

Lines 1 through 5 on page 65 of the committee amendment beginning with line 22 on page 64 through line 20 on page 65, which is an IRS amendment;

Lines 14 through 25 on page 71 of the committee amendment beginning with line 22 on page 70 through line 25 on page 71, which is an Alaska amendment;

Line 1 on page 72 through line 23 on page 73 of the committee amendment beginning with line 1 on page 72 through line 25 on page 74, which is a PMA amendment.

Mr. BYRD. Mr. President, reserving the right to object, and I shall not object. This agreement has been cleared on this side. It does not involve any time agreements on any amendments or with respect to the overall debate on the bill. There is no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request posed to the consideration of the committee amendments en bloc?

Mr. BURDICK. Mr. President, I reserve the right to object.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1440

Mr. HATFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1450

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I should like to amend my unanimous-consent request so that the first committee amendment would read "Page 7, line 9, through page 9, line 17," along with those that I gave previously, to constitute now the unanimous-consent request.

Mr. JOHNSTON. Mr. President, reserving the right to object, do I correctly understand the Senator to say that the expected portion is page 7, line 19, through page 9, line 17?

Mr. HATFIELD. The Senator heard correctly.

Mr. JOHNSTON. Mr. President, that is in accordance with the agreement, and we have no objection on this side of the aisle—at least, the committee has no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as proposed by the Senator from Oregon regarding consideration of the committee amendments en bloc? The Chair hears none, and it is so ordered.

Mr. JOHNSTON. Mr. President, I wonder if the distinguished floor manager will yield for a question or two.

Mr. HATFIELD. I am happy to yield.

Mr. JOHNSTON. First, I understand that the floor manager does want to go into the night on this bill, if that is necessary, and I assume it is necessary. Should Senators be on notice that we will work tonight, and does the Senator have in mind any particular hour?

Mr. HATFIELD. Mr. President, the distinguished floor manager of the bill, Senator JOHNSTON, is correct. It is my expectation that with approximately 35 amendments we are aware of, which have been reported to the manager of the bill—and a number of those are very controversial—we will continue on into the night, even with some expectation that if we could complete it tonight, we would go until 2, 3, or 4 o'clock in the morning. We might be able to do it and thereby complete our work before Friday.

If not, then I would seek an agreement of some kind that would provide us the opportunity to complete the bill sometime Friday afternoon. If we can show some progress on this bill in these early afternoon hours, then I would think we could avoid the late hours.

There is a crisis in a number of agencies of Government which are waiting for this action. Even after the Senate completes the action, as the Senator understands, we have to go to conference with the House of Representatives, which cannot occur until next week at the earliest.

Therefore, we are looking at a possibility of agencies being without money for perhaps as long as a week to 10 days. That is going to require the discharge and layoff of personnel in programs that many people are dependent upon. I said yesterday to some that that may not seem like a terrible thing to happen. However, I think that inasmuch as we have a responsibility to maintain these programs, we have a responsibility to see them through in this time of crisis.

People understand that this supplemental provides funds for the remainder of this fiscal year for agencies and programs that underestimated their needs at the beginning of the fiscal year, which is why we refer to this as a supplemental.

Mr. JOHNSTON. Mr. President, I fully concur with my distinguished colleague, the chairman of the Appropriations Committee, in his description of this bill as being urgent and the needs of the various agencies for the money; and I support him in his determination and the hope that we finish this bill this evening. I think that with real discipline, we can deal with this multitude of controversial issues. We can deal with them, and I believe we can finish the bill by late tonight, if Senators will make their statements robust but to the point. I think we can finish it.

Mr. President, in that spirit, I ask all my colleagues who have amendments to please let us know about those amendments. We will try to clear them, where that is possible, and give the Senators a quick victory, if that is possible. If not, they will know whether they are in for a controverted amendment. But that will surely speed us along, if Senators will give us their amendments at this point.

I yield the floor.

Mr. HATFIELD. Mr. President, H.R. 4515 as reported from the Appropriations Committee provides a total of $3,847,872,000 in new budget authority for fiscal year 1986. This is a net figure resulting from $9,593,856,322 in appropriations minus $4,713,624,000 in rescissions and $1,020,360,322 in an appropriation for debt reduction. According to the Congressional Budget Office, the amount of net new budget authority recommended by the committee will result in an additional $53 million in fiscal year 1986 outlays.

Of the amount recommended, $5,842,000,000 in fiscal year 1986 budget authority and $454,000,000 in fiscal year 1986 outlays is for items already calculated in the current level of spending. Specifically, the committee recommends $5.3 billion for the CCC, $363 million for veterans' benefits, and $179 million for the compact of free association.

This leads us to an unusual situation. The provisions of Public Law 99-

177 require that fiscal year 1986 supplementals considered in the Senate be deficit neutral. That is, any additional fiscal year 1986 spending must be offset by spending reductions or revenue increases so as not to increase the fiscal year 1986 deficit. However, certain mandatory items already calculated by the Congressional Budget Office in its accounting of the current level of spending do not require offsets.

As mentioned above, the recommended bill includes $5.8 billion in fiscal year 1986 budget authority and $454 million in fiscal year 1986 outlays for so-called "current level" items. These items do not require offsets. Discounting those items, the net effect of the recommended bill is to reduce noncurrent level spending by $1.898 billion in budget authority and $401 million in outlays. In other words, H.R. 4515 as reported from committee reduces the fiscal year 1986 deficit by $401 million.

A supplemental appropriation bill that has the net effect of reducing the deficit is rather unusual. But the figures I have recited are accurate, and officially blessed by the Congressional Budget Office.

Turning from scorekeeping to substance, I would like to list some of the major elements of the bill.

In the agriculture chapter, we have recommended the $5.3 billion supplemental for the Commodity Credit Corporation mentioned earlier, rather than agree to the administration's request for a permanent indefinite appropriation. We are also recommending language allowing certain farmers to retain advance deficiency payments on crops they were unable to plant because of flood, heavy rains, or excessive moisture, and if the farms affected are in a disaster area. In addition, the committee recommends language waiving the prepayment penalty on REA loans so that they may be refinanced in the private market. This amendment is scored by CBO yielding some $300 million for the general treasury.

In the commerce chapter, the committee recommends a total of $460,172,000 for improved security of U.S. Embassies and other facilities abroad. We are also recommending $18,800,000 in an urgent supplemental for the Board of International Broadcasting, and disapproving deferrals of funds previously appropriated for the Economic Development Administration and the Maritime Administration.

In chapter III, the defense chapter, the committee is recommending $561,900,000 in additional funds for a complementary expendable launch vehicle program, with multiyear contract authority. The committee is also reiterating its support for research projects identified in last year's continuing resolution, as well as a new project at Arizona State University. And, the committee recommends repeal of section 8109 of Public Law 99-190. I understand this latter recommendation will cause some discussion with members of the Armed Services Committee. I sincerely hope that we can resolve that difference amicably, and not engage in a turf fight between committees.

The recommendations of the Energy and Water Subcommittee, which I chair, provide no new budget authority for fiscal year 1986. Certain projects of the Corps of Engineers are recommended, within available funds. The committee has not recommended the requested transfer of funds from the Department of Defense to the Department of Energy for atomic weapons activities.

In foreign operations, which is chapter V of the recommended bill, the committee has agreed with the administration's requests of $20 million for a contribution to the international fund for Northern Ireland and Ireland, and $150 million in economic and military assistance to the Philippines. The committee has also recommended $21,700,000 in assistance for Haiti.

Chapter VI, the HUD chapter, contains a number of the principal recommendations of the committee in this bill. The committee recommends increasing the limitation on mortgage and loan commitments of the FHA by an additional $57,580 million and increasing the limitation on GNMA guarantees by $49 billion. We also recommend the requested supplementals of $250 million for FEMA, $272 million for veterans compensation and pensions, and $91 million for veterans readjustment benefits. In addition, the committee recommends a fiscal year 1986 supplemental of $526 million for NASA, To resolve problems associated with the space shuttle disaster. Finally, we recommend the availability of an additional $600 million for EPA wastewater treatment construction grants, and the disapproval of deferrals totaling $3,462,660,000.

The major recommendations of the committee in the interior chapter, chapter VII, include the provision of $188,090,000 for the compact of free association, and $661,923,000 in deferral disapprovals.

In the chapter for programs under the jurisdiction of our labor-HHS Subcommittee, the committee's recommendations include a total of $153 million in additional fiscal year 1986 budget authority, of which $146 million is for additional student financial assistance through the Department of Education. The committee has also recommended $5 million for a grant to the District of Columbia for the repair of a shelter for the homeless.

In chapter IX, the legislative branch chapter, the committee's principal recommendation concerns funding for improved security for the Capitol and the Senate and House office buildings. Specifically, the committee has recommended an additional $1 million for salaries of U.S. Capitol Police personnel, to fill existing vacancies in the authorized strength of the force; $250,000 for the Architect of the Capitol to complete detailed design and cost estimates; and $13 million for the implementation of an improved security plan, such plan to be subject to the approval of the Senate and House Appropriations Committees, the Senate Rules and Administration Committee, the House Public Works Committee, and the House Administration Committee. The Committee also recommends several administrative provisions of interest to Senators.

In chapter X, the transportation chapter, the committee recommends an additional $35,500,000 for Coast Guard operating expenses, and $80 million for FAA traffic controllers.

And finally, Mr. President, in chapter XI, the Treasury chapter, the committee's major recommendations include a total of $340 million in urgent supplementals for the Internal Revenue Service, as requested, and $30,831,000 for the Customs Service.

The committee has also recommended a number of general provisions in title II of the bill. Perhaps of greatest interest to Senators is the recommended deletion of House language pertaining to the President's authority to defer funds. The committee agrees with the House on the substance of this matter, and is particularly gratified by the district court decision last Friday on the deferral issue. The committee recommends deletion of the House language simply to avoid procedural problems here in the Senate.

Mr. President, Senate Report 99-301, the report accompanying H.R. 4515 as reported from committee, describes all the committee's recommendations in greater detail. It has been printed and available since last Friday afternoon, and I refer Senators and staff to that document for additional information.

Mr. President, the Appropriations Committee has held hearings on these program requests of the President, reflecting the needs of the agencies of the executive branch of Government. The committee has the responsibility to provide these additional moneys for this fiscal year, which ends on September 30, 1986.

We also had the responsibility to provide offsets. That is to say, we could not add spending to the Federal budget without finding ways of compensating for those additions by subtractions or by finding unexpended revenues that could compensate for those additional programs and requests. We are what we would call deficit neutral in this appropriations bill. In other words, for all the add-on

moneys we have seen to report to this body, we have found other moneys that were able to offset those additions. Thus, supplemental is not in any way adding to the deficit, and this is action taken not only because of the requirements of the Senate but also because of the policy of our committee.

FIRST EXCEPTED COMMITTEE AMENDMENT—(RELATING TO REA)

Mr. HATFIELD. Mr. President, at this time, I ask the Chair to lay before the Senate the first committee amendment.

The PRESIDING OFFICER. The first committee amendment will be stated.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, after line 18, insert the following:

DEFICIENCY PAYMENTS

(a) Effective only for the 1986 crop of wheat, feed grains, upland cotton, and rice, notwithstanding any other provision of law, the Secretary of Agriculture shall make deficiency payments to producers on a farm under section 107D(c)(1), 105(C)(c)(1), 103A(c)(1), or 101A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3(c)(1), 1444e(c)(1), 1444-1(c)(1), or 1444-1(c)(1)), as the case may be, if the Secretary determines that—

(1) the producers on a farm are preventing from planting any portion of the acreage intended for a commodity to the commodity or other nonconserving crops because of flood, heavy rains, or excessive moisture; and

(2) the farm is located in an area that the Secretary determines has been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974 (42 U.S.C. 5152 et seq.).

(b) The amount of deficiency payments under subsection (a) shall be computed by multiplying—

(1) a payment rate equal to 40 percent of the established price for the crop; by

(2) the number of acres so affected but not to exceed the acreage planted to the commodity for harvest (including any acreage that the producers were prevented from planting to the commodity or other nonconserving crops in lieu of the commodity because of flood, heavy rains, or excessive moisture) in the immediately preceding year; by

(3) the farm program payment yield established for the crop for the farm.

PREPARMENT OF LOANS BY RURAL ELECTRIFICATION AND TELEPHONE SYSTEMS

In the case of a borrower of a loan made by the Federal Financing Bank, and guaranteed by the Administrator of the Rural Electrification Administration, under section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) that is outstanding on the date of enactment of this Act, the borrower may prepay the loan by payment of the outstanding principal balance due on the loan using private capital with the existing loan guarantee. No sums in addition to payment of such balance shall be charged as the result of such prepayment against the borrower, the Rural Electrification and Telephone Revolving Fund established under section 301 of such Act (7 U.S.C. 931), or the Rural Electrification Administration.

Mr. HATFIELD. Mr. President, we have before the Senate at this time, in effect, a two-part amendment.

The committee puts its bill together in a little different fashion than the Chair and the Parliamentarian interpret that bill on the floor. So, in effect, we have a two-part amendment—one dealing with the REA subject, and one dealing with the deficiency payment subject.

As is customary for those who have asked to be heard on a specific committee amendment, I will yield the floor to the two advocates of this two-part amendment, as they would see fit to seek the floor.

It is important to understand that either the opponent or the proponent will handle the argument for the amendment or against the amendment. The two Senators from the Dakotas are very interested in this two-part amendment—the Senator from North Dakota [Mr. BURDICK] and the Senator from South Dakota [Mr. ABDNOR].

So I yield the floor at this time to the advocates of the amendment to present their case.

Mr. BURDICK addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

□ 1500

Mr. BURDICK. Mr. President, I rise in support of this supplemental appropriations bill. It contains what I consider to be a very important provision affecting our rural electric cooperatives. This provision was included by the Senate Appropriations Committee and I urge my colleagues to support it.

Basically, this provision allows REA borrowers to repay their loans to the Federal Government with money these borrowers obtain from private lenders. This administration has been pushing in every Federal loan program to get those borrowers off the Federal loans and into private loans. That is exactly what we are doing by passing this bill today.

The reason these borrowers cannot refinance these loans today is that many of them are either prevented from refinancing or would have to pay substantial prepayment penalties. This provision states that once the borrower pays back the outstanding principal, no additional sums or penalties shall be charged to the borrower, the Rural Electrification and Telephone Revolving Fund, or the rural Electrification Administration.

The borrowers that I am talking about were locked into long-term loans at a time when interest rates were high. Now that the interest rate has fallen, refinancing these loans will mean substantial interest savings—almost $200 million annually—for these borrowers. These savings will then be passed on to the electric consumers through reduced rates.

Incredibly, this measure also results in immediate savings to the Government. Because the borrowers will be paying off these loans, the influx of money to the Government will be substantial—$300 million in this fiscal year and $7 billion in fiscal 1987, according to the Congressional Budget Office. This is money the Government can use in other areas.

I wish to address the argument that this provision is going to cost money in the long run. That is a false argument. It is true that the Government will not be getting the interest over the next 30-some years. But that is because the loan was paid back. The Government is not in the business of charging exorbitant interest rates and exorbitant prepayment penalties so that it can make money off its citizens.

The Government is not paying out any extra money because of this measure. We are merely preventing the Government from raising money by charging excessive interests rates that rural electric consumers have to pay. If the Government and opponents of this measure want to raise money, then let them raise taxes.

Mr. President, I ask unanimous consent that two tables be printed in the RECORD showing the amount of outstanding loans and interest rates by REA borrowers and the interest savings that would accrue from the refinancing of these loans.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

LONG-TERM FFB LOANS OUTSTANDING BY INTEREST RATE AND BORROWER [1]

[In millions dollars]

State	REA No.	REA borrower	Over 12 percent	11 to 11.9 percent	10 to 10.9 percent	9 to 9.9 percent	8 to 8.9 percent	Under 8 percent	Total
Alaska	8	Chugach Electric	63.3	26.6	14.0	23.1	1.1	0	129.1
Alabama	42	Alabama Elecrtric	0	11.0	113.3	0	38.6	104.8	267.7

LONG-TERM FFB LOANS OUTSTANDING BY INTEREST RATE AND BORROWER [1]—Continued

[In millions dollars]

State	REA No.	REA borrower	Over 12 percent	11 to 11.9 percent	10 to 10.9 percent	9 to 9.9 percent	8 to 8.9 percent	Under 8 percent	Total
Arkansas	32	Kamo Electric	0	0	7.8	75.3	4.2	0	87.3
Do	34	Arkansas Electric	0	36.2	86.7	33.7	139.8	56.7	353.1
Arizona	28	Arizona Electric	38.8	4.4	6.6	27.3	97.0	130.7	304.7
Colorado	46	Colorado-Ute Electric	10.2	7.2	7.8	0	70.9	38.1	134.3
Do	47	Tri-State G&T Association	0	29.6	178.5	79.7	83.3	74.2	445.4
Florida	41	Seminole Electric	0	0	329.3	48.6	7.9	.7	386.5
Georgia	109	Oglethorpe Power	0	0	728.8	35.2	512.0	466.6	1,742.6
Iowa	9	Eastern Iowa Light	6.0	2.4	19.7	2.8	0	7.8	38.8
Do	83	Central Iowa Power	.6	8.4	10.7	1.3	11.1	10.9	43.1
Do	84	Corn Belt Power	3.1	1.0	8.7	1.5	14.8	8.9	38.0
Do	85	Northwest Iowa Power	0	0	0	0	36.5	0	36.5
Illinois	50	Southern Illinois	19.6	10.8	23.3	0	0	4.7	58.4
Do	51	Western Illinois	0	94.6	188.4	31.7	3.4	0	318.1
Do	53	Soyland Power	0	115.3	166.9	31.1	9.6	0	322.9
Indiana	106	Hoosier Energy	65.0	82.0	57.3	34.2	0	0	238.6
Do	107	Wabash Valley	21.6	14.0	90.4	35.9	69.1	0	231.1
Kansas	53	Sunflower Electric	0	90.0	45.2	7.9	50.3	6.6	199.9
Do	54	Kansas Electric Power	0	12.3	50.4	12.4	0	0	75.1
Kentucky	59	East Kentucky Power	0	41.0	285.4	54.8	33.1	69.0	483.2
Do	62	Big River Electric	0	232.6	346.5	40.5	43.3	93.9	756.7
Louisiana	30	Cajun Electric	50.0	202.8	826.2	108.5	0	100.8	1,288.3
Michigan	46	Wolverine Electric	0	0	0	8.0	7.8	2.0	17.7
Minnesota	106	Cooperative Power	0	44.6	25.1	1.2	211.5	210.8	493.2
Do	107	United Power Associates	11.5	50.0	99.9	5.1	139.3	141.2	447.0
Do	59	Sho-Me Power	.3	0	7.1	7.8	0	0	15.1
Do	60	M&A Power Coop	0	5.4	0	0	0	0	5.4
Do	70	Northeast Missouri	0	0	.4	1.8	2.0	0	4.2
Do	73	Associated Electric	0	7.1	395.4	36.4	40.3	79.5	558.7
Mississippi	53	South Mississippi EPA	25.4	24.2	356.8	36.9	0	1.3	444.6
North Carolina	46	French Broad EMC	0	0	.6	0	0	0	.6
Do	67	North Carolina EMC	0	0	22.7	112.4	3.4	0	138.6
North Dakota	20	Minnkota Power Co	0	0	3.8	0	0	0	3.8
Do	45	Basin Electric	0	0	190.6	25.0	26.0	0	241.6
New Hampshire	4	New Hampshire EC	1.2	12.3	33.9	24.8	1.4	0	73.5
New Mexico	18	Plains Electric G	24.0	15.8	185.0	27.8	23.5	0	276.3
Ohio	99	Buckeye Power	15.9	18.6	0	11.5	11.0	0	57.0
Oklahoma	32	Western Farmers	149.4	13.7	26.5	52.1	34.9	41.2	217.7
Oregon	42	Pacific Northwest	3.5	3.6	10.3	7.7	28.9	0	54.0
Pennsylvania	27	Allegheny Electric Co	2.8	0	36.9	29.8	128.5	0	198.0
South Carolina	50	Central Electric	0	0	.2	.3	.3	0	.6
Do	51	Saluda River Electric	0	138.5	73.9	39.8	7.5	0	259.8
South Dakota	43	East River Electric	0	0	1.6	0	0	0	1.6
Texas	95	Medina Electric	0	0	1.4	0	0	0	1.4
Do	121	Brazos Electric Power	0	28.9	59.5	17.4	2.3	0	108.0
Do	148	South Texas Electric	1.6	0	15.5	2.9	0	0	20.1
Do	154	Sam Rayburn	0	0	53.5	0	0	0	53.5
Do	155	San Miguel	0	0	297.1	0	0	0	297.1
Do	157	Tex-La Electric	0	5.6	96.0	11.2	.9	0	113.6
Utah	21	Deseret G&T	0	0	188.6	0	174.5	0	363.2
Virginia	52	Old Dominion Elecrtric	0	0	.7	98.5	0	0	99.2
Vermont	8	Washington Electric	0	0	0	2.1	0	0	2.1
Do	12	Vermont G&T Co-op	0	2.6	5.7	7.1	0	0	15.4
Wisconsin	64	Dairyland Power Co	0	0	8.0	22.0	64.6	49.0	143.5
Total			514.0	1,393.4	5,788.7	1,275.1	2,134.4	1,699.3	12,804.9

[1] Includes FFB loans locked into long-term interest rates as of the end of March 1986.

INTEREST SAVINGS FROM REFINANCING [1]

[Dollar amounts in millions]

	State	REA No.	G&T name	Total interest expense [2]	Interest savings	Percent Reduction in interest expense
1.	Alaska	8	Chugach Electric	$15.426	$4.500	29.17
2.	Alabama	42	Alabama Electric	24.376	2.600	10.67
3.	Arkansas	32	Kamo Electric	8.221	.800	9.73
4.	Arkansas	34	Arkansas Electric	32.760	3.400	10.38
5.	Arizona	28	Arizona Electric	27.095	2.300	8.49
6.	Colorado	46	Colorado-Ute Electric	11.865	.900	7.59
*7.	Colorado	47	Tri-State G&T Association	42.536	5.400	12.70
8.	Florida	41	Seminole Electric	40.231	7.400	18.39
9.	Georgia	109	Oglethorpe Power	159.154	15.100	9.49
10.	Iowa	9	Eastern Iowa Light & Power	4.091	.900	22.00
11.	Iowa	83	Central Iowa Power	4.091	.500	12.22
12.	Iowa	84	Corn Belt Power	3.540	.400	11.30
13.	Iowa	85	Northwest Iowa Power	3.022	0	0
14.	Illinois	50	Southern Illinois	6.633	1.700	25.63
15.	Illinois	51	Western Illinois	34.190	7.200	21.06
16.	Illinois	53	Soyland Power	34.864	7.500	21.51
17.	Indiana	106	Hoosier Energy	27.335	7.100	25.97
18.	Indiana	107	Wabash Valley	23.288	3.700	15.89
19.	Kansas	53	Sunflower Electric Cooperative	20.203	3.400	16.83
20.	Kansas	54	Kansas Electric Power Cooperative	7.891	1.500	19.01
21.	Kentucky	59	East Kentucky Power Cooperative	48.183	7.700	15.98
22.	Kentucky	62	Big Rivers Electric Corporation	77.981	14.400	18.47
23.	Louisiana	30	Cajun Electric	134.715	26.000	19.30
24.	Michigan	46	Wolverine Electric	1.528	.070	4.58
25.	Minnesota	106	Cooperative Power Association	42.042	2.000	4.76
26.	Minnesota	107	United Power Association	40.965	4.200	10.25
27.	Missouri	59	Sho-Me Power	1.558	.300	19.26
28.	Missouri	60	M&A Power Cooperative	.598	.200	33.44
29.	Missouri	70	Northeast Missouri EPC	.374	.030	8.02
30.	Missouri	73	Associated Electric Cooperative	54.880	8.100	14.76
31.	Mississippi	53	South Mississippi EPA	47.811	10.000	20.92
32.	North Carolina	46	French Broad EMC	.065	.010	15.34
33.	North Carolina	67	North Carolina EMC	13.215	1.400	10.59
34.	North Dakota	20	Minnkota Power Cooperative	.399	.080	20.03
35.	North Dakota	45	Basin Electric	24.649	4.100	16.63
36.	New Hampshire	4	New Hampshire EC	7.556	1.300	17.20

INTEREST SAVINGS FROM REFINANCING [1]—Continued

[Dollar amounts in millions]

State	REA No.	G&T name	Total interest expense [2]	Interest savings	Percent Reduction in interest expense
37. New Mexico	18	Plains Electric G&T	28.910	5.400	18.68
38. Ohio	99	Buckeye Power	6.053	1.200	19.82
39. Oklahoma	32	Western Farmers	33.921	7.300	21.52
40. Oregon	42	Pacific Northwest Generating	5.191	.600	11.56
41. Pennsylvania	27	Allegheny Electric Cooperative	17.704	1.100	6.21
42. South Carolina	50	Central Electric Power Cooperative	.074	.007	9.50
43. South Carolina	51	Saluda River Electric	27.551	5.500	19.96
44. South Dakota	43	East River Electric	.171	.040	23.36
45. Texas	95	Medina Electric	.158	.040	25.32
46. Texas	121	Brazos Electric Power	11.505	2.300	19.99
47. Texas	148	South Texas Electric	2.157	.500	23.18
48. Texas	154	Sam Rayburn	5.624	1.100	19.56
49. Texas	155	San Miguel	31.660	6.400	20.21
50. Texas	157	Tex-La Electric	11.947	2.300	19.25
51. Utah	21	Deseret G&T	34.716	4.300	12.39
52. Virginia	52	Old Dominion Electric Cooperative	9.231	.800	8.67
53. Vermont	8	Washington Electric Cooperative	.198	.020	10.08
54. Vermont	12	Vermont G&T Cooperative	1.562	.300	19.21
55. Wisconsin	64	Dairyland Power Cooperative	12.202	.400	3.28
Total			1,267.865	195.797	15.44

[1] Assumes that FFB loans locked into long-term interest rates of more than 8.5 percent are prepaid with funds from private sources with existing guarantees at 8.5 percent.
[2] Includes interest expense on FFB loans locked into long-term rates as of the end of March 1986.

Mr. BURDICK. Mr. President, this is precisely the gist of this argument—that the repayment can take place now and the Government will receive its money and reprogram it. I do not think anyone will lose any money, and it will be a benefit to the REA system of this country.

Mr. JOHNSTON. Mr. President, I congratulate the distinguished Senator from North Dakota for bringing in this amendment.

It is very, very simple. All this amendment does is facilitate the repayment of a debt to the Federal Government—in this case, the Federal Financing Bank. One hundred cents on the dollar they will be paid back, and then it allows these REA's to go on the private markets for private financing.

It ought to be, you would think, Mr. President, exactly in line with what this administration wants because what they have always said? They said, "Get the Government off our backs," and that is exactly what this amendment wants to do—wants to pay off a debt to the Federal Government and pay it off 100 cents on the dollar.

What is the objection to it? They say it is going to cost the Government money.

Mr. President, it does not cost the Government money. All it does is say that the Government will not extract a penalty for paying off this debt 100 cents on the dollar. That is what the argument is all about, whether the Government should extract a penalty from REA's because of payment of 100 cents on the dollar on the debt.

All I can say, Mr. President, is that REA stands for Rural Electrification Administration. And indeed, these REA's are in the rural parts of our country, most of them in the agricultural belt, and if the administration has not heard, Mr. President, the agricultural areas of this country are hurting and hurting bad.

To seek to extract a penalty from agricultural areas of this country for wanting to pay off 100 cents on the dollar on the debt, I do not think is proper, I do not think it is right, I do not think it is appropriate, and I do not think it is in line with conditions in rural America today.

So, Mr. President, I hope the Senate will go along with the Appropriations Committee, which felt that this is not only a help to rural America, to agricultural America, but it is exactly in line with the keynote of this administration which is get the Government out of private business, get the Government off our backs—let us privatize as much as we can. This is a true privatization amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. WARNER). The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I rise in strong opposition to this amendment.

I hear my colleagues talk about a simple proposal, a proposal that just simply lets REA pay off a debt. We are all for paying off a debt.

Let me outline, if I may, for our colleagues here today how the process works of borrowing money from the Federal Financing Bank. I would like to talk about what kind of cost is going to be imposed on the forgotten person in this debate, and that is the taxpayer. I would like to talk about the fact of cost is going to be imposed on the forgotten person in this debate, and that is the taxpayer. I would like to talk about the fact that we are not discussing small bit of assistance here, but instead we are talking about a loss to the American taxpayer this year of between $2.4 and $3 billion. Furthermore, we are setting a principle that, if carried out by all other Government entities who borrow through the Federal Financing Bank, would cost the American taxpayer $30 billion this year.

Let me remind my colleagues that President Reagan proposed a budget to save $28 billion. We called that draconian, and we ended up adopting our own budget that purports to save $28 billion but has about $12 billion of taxes in it.

So the amounts of money we are talking about here are significant. In fact, I would be willing to assert that never has there been a rider on an appropriations bill to my knowledge in my 7 years in Congress that is more detrimental to the taxpayer than this one.

Having said all that in general terms, let me explain how this works and why this must be defeated if we are serious about dealing with the deficit problem and if we are serious about representing the interest of the American taxpayer.

The Federal Financing Bank lends to REA. Thousands of REA loans have been subsidized, have been below market, and in the process, we have been able to average out utility rates and phone bills between rural and urban America. That is not a dispute here. The loans were made. Subsidies were present. Those subsidies were provided. Congress decided that, and that is not the debate here.

But when the Federal Financing Bank loans money, the Treasury goes out and sells a bond in order to raise the money. Now, when the Treasury sells a bond, the Treasury does not have the ability to call that loan or that bond if paid off on face value. In the loans that were made to REA, REA did not have the right to repay the loans without penalty because that was the circumstance under which the Treasury borrowed the money.

So what has happened over the last few years is that the Treasury has gone out and borrowed money selling bonds. Those bonds are not callable bonds, and therefore, the Treasury is

stuck with the interest rate that those bonds carried, those interest rates now being above the market rates that exist because of the progress we have made in the last 2 years in bringing down interest rates.

The Treasury sold those bonds, provided a subsidized loan at fixed rates, which REA was bound to, just as the Treasury was bound in the bonds that it sold.

□ 1510

What our colleague has proposed here is a bookkeeping gimmick that sounds good on the surface: Let us allow REA to pay off these loans and go out and borrow new money.

The problem is the Treasury cannot pay off the bonds that the Treasury used to raise the money to lend REA and we are about to allow the taxpayer to be hit to the tune of $2.4 billion to $3 billion as a result of this very simple, straightforward, reasonable-sounding amendment that we are debating.

We currently have outstanding about $7.4 billion of REA loans that carry an interest rate that is high enough that the Treasury is confident that, given the adoption of this amendment, REA woud come in and pay off.

This will cost the American taxpayer between $16 billion and $24 billion.

So I want my colleagues to understand, when we sold our bond to lend the money to REA, we sold it under the same contractual agreement that REA borrowed it; and that is, once it was sold, you have got a penalty in terms of trying to buy the bond back if interest rates go down. Interest rates have gone down and, as a result, Treasury has $7.4 billion worth of bonds that it sold to lend the money to REA. Those rates are fixed by law and the Treasury cannot call those bonds. They have got to pay that interest rate.

They were protected by law because REA could not call its loans and, in fact, it had to pay its interest rate and, therefore, the subsidy the taxpayer provided was clearly defined. The rate that we borrowed the money at relative to the rate we loaned it at represented the effective subsidy.

If we allow the Burdick amendment to be adopted, what we are going to do is to leave the taxpayer trapped with bonds that we have sold at interest rates over the last 3 or 4 years that are above market. But we are going to leave the taxpayer paying $16 billion to $24 billion over the next 30 years. If we do this for REA, why do we not do it for every borrower? What are we going to say next week when the Export-Import Bank comes in and says, "Well, you were willing to let REA prepay its outstanding obligations. Why won't you let us?"

If every other borrower were given the same privilege we are proposing to give to REA, we would lose $30 billion this year.

I know this is a difficult issue. I know we have difficulties in rural America and we have difficulties in rural Texas. But I urge my colleagues, when a point of order is raised against this amendment, whether the vote comes on the germaneness question or on the ruling of the Chair or on the substance itself, there are two reasons why this amendment should be defeated: First, such a dramatic change in the financial policies of this Nation should not be undertaken in a rider on an appropriation bill. They ought to come out of the Agriculture Committee that has jurisdiction, that can debate these issues, that can hold hearings, so that we understand what we are doing.

Second, in a time of tight budgets where, under the Gramm-Rudman-Hollings bill, we are going to have to balance the budget over the next 5 years, to simply write off in present value $3 billion today and set a precedent for losing $30 billion in present value, I think, is totally unjustified.

Finally, the administration today, in a letter from Jim Baker and from Jim Miller, the Secretary of the Treasury and the Director of the Office of Management and Budget, outlined the problems with this provision and say: "We strongly believe that this provision must be deleted from H.R. 4515 before final approval can be recommended to the President."

So that even if this is adopted here today, we set up the possibility, given the urgent nature of the bill which we have heard about earlier, that this provision will mean the bill will be vetoed, and we will be forced to come back and either override that veto or change the bill.

So, I urge my colleagues to defeat this amendment, whether the vote occurs on procedure or substance.

And, Mr. President, I raise a point of order under rule XVI that the committee amendment beginning on page 7, line 19, and ending on page 9, line 17 is out of order since that language constitutes general legislation on an appropriations measure.

Mr. BURDICK addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, I raise the defense of germaneness and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Is that point of order debatable?

The PRESIDING OFFICER. Under rule XVI, it is not debatable.

The question now, under rule XVI of the Senate, is the question of germaneness.

Mr. GRAMM. Mr. President, I was unaware other Members wished to speak on this subject. I ask unanimous consent to withhold the point of order.

The PRESIDING OFFICER. Is there objection? Hearing no objection, the request of the Senator from Texas is granted.

Mr. ANDREWS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate the gesture of my friend from Texas.

Let me point out that in listening to his discussion for the last few minutes, I could not help but think that I am getting damn sick and tired, Mr. President, of balancing this budget on the backs of farmers. Let us be totally candid about what is happening here.

It was just said that the Government, somehow or other, is going to lose money because of the bonds they have out there, if they do not continue to get some totally sky-high interest rate from the farmers and farm families of this country.

□ 1520

The impression that you might be left with is the fact that these are 25-year notes from the Government. They are not. They are about 4- or 4½-year notes from the Government. They are not 20- and 25-year loans from the Federal Government. They are talking about the fact that this is a situation where the farmers are somehow or another going to get a special advantage. They are not. The whole principle of the Rural Electrification Program is to give, Mr. President, some comparability of rate structure.

I think it is important to realize when we are looking at this item that Congress in its wisdom, and the authorizing committee—as the Senator from Texas pointed out, Mr. President, the authorizing committee will do this. There was a period of time from 1979 to 1983 when these loans made to the rural electric co-ops were made for long periods of time, and they were not allowed to be rolled over except every 11 years. Mr. President, I think it is important to note that in 1983 Congress saw that was not fair, and they turned over to a 3-year rollover.

So any rural electric co-op which has borrowed money since 1983 now can roll over and seek those new lower interest rates based on today's interest rates.

All we are doing is seeking equity in trying to solve for those rural electric co-ops that borrowed between 1979

and 1983 their problems of these strictly far too high interest rates.

Let me talk of another issue, Mr. President, that I think is an issue of equity in point here. The Reagan administration has been very proud and rightfully so of the fact they brought interest rates down.

This administration has said—and we get in our speech kit those proud paragraphs to point out that interest rates have come down. Now all of you as Americans can refinance your mortgage on your home. All of us as Americans can refinance our mortgages on our business. But somehow or another someone in the bowels of the White House says that class of citizens who are rural citizens should be second-class citizens, and should not be able to refinance the mortgage that gives them the electricity that allows them to exist in rural America.

I say, Mr. President, that is hokum. It does not make any sense at all. It is counterindicated. It is not fair. This amendment will not result in additional long-term costs because the Government borrows, as I say, mainly short-term. Four years and 11 months was the average maturity of marketable interest-bearing public debt as of the end of 1985. Rural electric systems, Mr. President, are the only electric utilities that are not able to refinance their debt. Both investor-owned and municipal systems are refinancing unprecedented amounts which are expected to exceed $19 billion this year.

I am sure, Mr. President, the Senator from Texas does not say that the privately-financed utilities should be able to refinance their debts and enjoy a lower interest rate and charge lower electric charges to their consumers any more than the rural electric coops who are there by existence because they are out in a low-density populated area of the country, and need this kind of special rate in order to give electric power at anywhere near comparable rates to those in cities. Why should they become even more pushed back in the higher range? Prepayment of the FFB debt with private capital as proposed by this amendment is consistent, Mr. President, with the administration's desire to bring more private capital into the rural electric program. Prepayment of FFB debt by rural electric systems will, indeed and in fact, reduce Government outlays.

I would like to conclude, Mr. President, by pointing out that if this amendment is defeated we are going to need some $300 million in additional savings somewhere in this package to make things come out straight this year. That is a solid figure. It is one that we ought to be concerned about but the issue we ought to be more concerned about is equity for rural America. If it is OK to refinance your debt for a private utility, why then do we turn our backs on our rural electric coops and say that they cannot refinance their debt?

Mr. ABDNOR addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I will be brief on the first point of borrowing by REA to refinance the FFB.

I totally agree with the cosponsor of the amendment, my colleague from North Dakota [Mr. BURDICK]. I certainly concur with everything the Senator from North Dakota has just stated.

I recall something very interesting a year-and-a-half ago or so when Mr. Stockman attempted to phase out REA. The statement was something like this: that we are financing 30-year REA loans on 90-day paper. How far we have come now with trying to suggest that we are losing this money over 30 years? I, like Senator ANDREWS, checked with the FFB. On the average, bonds are issued for 4.7 years and most of them are far beyond that point. I certainly think it would be a great injustice not only to the REA but more particularly to the farmers of the United States that this would be ruled out on a point of order.

There is another part of this point of order that I want to touch on. It relates to a bill that I have introduced that will allow farmers who are enrolled in the farm program to reside in areas designated as disaster areas, but who are unable to plant their crops due to flooding and excessive moisture, to retain the advanced deficiency payments they have received. Under current law farmers cannot retain their advanced deficiency payments if they are unable to plant their crops.

Mr. President, farmers in the eastern part of my home State of South Dakota and other neighboring States have received more rain this year than any year of the past 150. It is likely that 1 million acres of farmland which normally is tilled will not be planted this year. The financial loss to farmers affected by the flooding in South Dakota will amount to hundreds of millions of dollars and will force some farm operators into bankruptcy.

Some critics of this provision State that farmers should not be able to keep these advance deficiency payments, arguing that prevented planting crop insurance was available to farmers to protect them from the risk of flooding. Let me address this issue and say that this argument is full of baloney.

The South Dakota Director for the Federal Crop Insurance Corporation has advised me that the crop insurance office did not receive the procedures and policies for the prevented planting crop insurance option until April 10, 1986. Sign up for crop insurance ended on April 15, 1986. That gave the crop insurance office a total of 3 business days to inform all crop insurance salesmen about prevented planting crop insurance who in turn had only 2 days or less to inform farmers about this insurance. How many farmers can a crop insurance agent contact in a day. Ten? Fifteen? Needless to say, most insurance agents and farmers did not know that a prevented planting insurance option existed at all unit it was too late to sign up.

Additionally, the prevented planting option is a completely new program—one that was not available in other years. The Federal Crop Insurance office in South Dakota could not do a thing to inform farmers about this program until it received the procedures and it did not receive this information until 3 days before sign up ended. If prevented planting crop insurance had been available, I would not be here speaking in support of this amendment. But it was not. I am here asking for fairness.

All we are asking for is fairness. As I said a few moments ago, if they signed up and planted their crops, and it was flooded out, they not only would receive the early deficiency payment of the 40 percent, but they would be eligible for the entire 100 percent which is so important to the farmers of this country.

All these people, before this rain even hit, went out and bought their seed, bought their fertilizers, and all the necessary material, machinery they needed to put their crops in but unfortunately rain and flood has their land under water where they cannot get it in time to even think about producing small grain and maybe even corn because the water is still there. They would have to miss out on this.

The intent was clear. They signed up for the program just like everyone else did. But unfortunately they are not able to get it planted. Now they have come along and tell us that, my, they have this new insurance policy they have been signed up on.

□ 1350

I wonder if they have any idea. They ought to go out and spend some time in rural America and find out how we operate, how spread out we are, how difficult it is to try to tell the story to every farmer so he knows his options with 2 days' notice.

It is a very ridiculous thing to suggest that this can properly be brought about.

When this amendment was brought about on a point of order, it also affected this proposal. We need this amendment. The farmers of America need it. I certainly urge support for the amendment.

Mr. STEVENS. Mr. President, I would like to address the portion of this amendment that pertains to the prepayment of loans by REA's. I hope

that the Senator from Texas, Mr. President, will think of this problem in a broader spectrum.

What he has suggested is a catch-22. We have the situation in Alaska where there is an REA that serves a very wide area. That area is now encompassed in what we call a borough, a very large area of local government that encompasses several cities. Suddenly the REA finds itself in the center of our largest metropolitan district, in effect.

It has been denied additional funds to expand to meet its service requirements because of REA policies, and it has gone to the private sector to borrow money to meet its needs. But the private sector says, "No, we cannot loan you money because, under your agreement with the REA, they come first in terms of all the security of your assets, even those that you might buy with our money."

So the concept was developed, and I think it is a wise one, that we ought to allow these REA's that are in this situation of being close to and absorbed by developing communities to find a way to transition out of the need to borrow money from only the Federal Government. They are fortunate that they are able to make this transition in a period of relatively low interest rates, lower than before but not as low as I think they should be.

So when they are in a situation where they want to borrow the money, they can borrow the money, the borrowers say, "We will loan you enough money to pay off the REA so we can have security in your assets," and now the claim is made, "Wait a minute, you cannot prepay that loan because if you prepay that loan, the Federal Government is going to lose the high interest that you are obligated to repay."

I think that is a catch-22, and I hope the Senate will consider the plight of the people who are trying to find a way to transition away from future demands for REA loans if the position of the Senator from Texas is upheld.

I believe that the REA should do what other lending agencies are doing, as the Senator from North Dakota has just mentioned. My State did that. My State issued new bonds and paid off the old bonds and was able to put themselves in a position where their lending rates are lower because of the circumstances.

I see no reason why the Federal Government cannot do the same thing.

In addition to that, one of the things the Senator from Texas does not take into account is the money is being repaid to the Federal Government now. It will not have to borrow that amount of money that would be repaid.

To hold these REA borrowers to a provision of long-term commitment to high interest to me is unthinkable, particularly in the circumstance where by doing so they compel these people to find a way to increase their borrowings from the Federal Government in the future.

That certainly cannot be in the best interest of the program of this administration or the program that we have all supported. That is to reduce the demand on the Federal Government for borrowings from the Federal Government.

I say to the Senate I believe that the point of order that is going to be made should not be sustained. This amendment is germane. It is absolutely necessary in terms of REA, at least in my State, and I think that the same situation pertains throughout the country.

I support the amendment that is in the bill from the Appropriations Committee. I support the whole amendment, including the one that the Senator from South Dakota and the Senator from North Dakota have just described, but particularly I want to call to the Senate's attention the prepayment provision. It is not the situation that the Senator from Texas has asked us to assume, that everybody is going to come in and prepay at the same time, that they are all going to go out and borrow money and prepay their loans.

Even if they did, what is wrong with that? The Federal Government has its money back. The money that the Senator from Texas says we are losing is future interest from borrowers from the United States. Are we in the lending business or are we in the business of running a Government? Many have said let us find a way to stop being in the lending business and try to transition these people into the private sector.

This catch-22 is a defeating proposition. We must have a way to allow these people to transition into the position where they can borrow money from the private sector, where they no longer have to come to us for money. I tell the Senate unless this provision carries we will see such an increased demand for money, for an increase of money, from the REA that we cannot meet it.

Mr. JOHNSTON. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. JOHNSTON. Is this repayment to the Government of 100 cents on the dollar on all of this money?

Mr. STEVENS. I am not sure about all loans but as to the particular loan in question, it would be a 100-percent repayment. There may be other loans that they would decide not to repay at the time. There should not be a penalty for a prepayment of a loan made by the Federal Government particularly when it means that the borrower is transitioning into the private sector. That is where we want them to be.

I think this catch-22 is just nonsense because it will bring these people back to us next year and ask us to increase the budget, increase the amount of money we will lend to them in the future, because they are denied the right to borrow money that is available in the private sector because of this catch-22.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say that the Senator from Alaska may have some particular finance problem with one of his REA co-ops, and perhaps this approach would solve his problem, I do not know. Frankly, this is not the way to solve Alaska's problem. It is not the way to solve any of the REA problems.

First of all, I understand that there is great frustration out there in the hinterland because interest rates have dropped and some people who have been taking advantage of REA's guaranteed loan program at subsidized rates now think that they ought to be permitted to abandon that position and go to the private sector with the whole REA loan portfolio.

There might not even be anything wrong with that. But let me tell you, if ever there was a rule in the U.S. Senate that made sense in a case, it is this case. It is a very simple rule: that you ought not authorize on appropriations bills.

We do that from time to time. We do it 30 or 40 times, perhaps, on every supplemental and urgent supplemental. Many of us close our eyes to it because it involves things that clearly people feel ought to occur. But let me tell my fellow Senators, in the name of an urgent supplemental, it is not proper to take the entire portfolio of REA and refinance it on an urgent supplemental appropriations bill.

I am a strong proponent of REA. I stand here on the floor as one who has received as many accolades from them as any Senator here. I even was named their "Man of the Year." However, this is the wrong bill to address the REA guarantee loan program.

The U.S. Government has loaned $154 billion from the Federal Financing Bank, which we established as the Government's bank. The REA cooperatives got good deals because we let them borrow from this bank. They got lower interest rates than other people in America.

Some REA cooperatives pay 11 or 12 percent on their loans. Now, what they would like to do in an appropriations bill, with no previous hearings before the authorizing committees, no hearings before the Banking Committee on the impact of this proposal, is to come to the floor with a one-paragraph amendment in an apropriations

bill and say, "Let us refinance the entire REA portfolio if the interest rates are too high, with no prepayment penalty. We do not want to take any bad medicine. We took all the good medicine over the years. Now we would just like to take advantage of the situation and let the taxpayers pick up the tab."

There is some kind of suggestion there is no tab to be picked up. That is utter and absolute malarky. There is a big tab that is going to be picked up.

The Secretary of the Treasury in a letter to the leader of the U.S. Senate sets it out very clearly. If you let the prepayment penalty payments go by the board, we let them refinance their loans at today's interest rates, and we will suffer the loss of $2.4 billion. Over the next 25 years we will start down the path where these very same loans are going to cost the taxpayers of the United States somewhere around $25 billion.

Regrettably, our scoring of the impact of this action on this year's deficit does not reflect the costs in the out years. We just tell you about it.

But this proposal is not free. This is not free at all when you look down the road. As the Secretary of the Treasury says, forgiving the prepayment penalties that are owed to the U.S. taxpayers by the REA cooperatives is going to cost us $2.4 billion. And the cooperative's are for refinancing when interest rates are going their way.

I am not telling the U.S. Senate that under these kinds of circumstances we should not try to alleviate this problem perhaps in a selective way, but I submit to you it ought not be done on what is called an urgent supplemental when there are two committees of jurisdiction that ought to be having hearings on this.

□ 1640

The Banking Committee has something to do with it because their jurisdiction is over that huge Federal Financing Bank window into which we put the REA portfolio and another $135 billion worth of financing, including things like TVA. We have just opened the floodgates here. Without any hearings, we will have one after another down here saying, "We want to refinance, we want to waive the prepayment penalties and we want the better of the deal now, even though we have taken advantage of the good things for the last 15 years. After all, it is only the taxpayers' money, it is only the Federal Government's bounty involved; it is nothing else."

I submit that the Secretary of the Treasury is right. He urges us not to do it this way. He states clearly what the problem is. He urges that we give it more consideration and sets forth the current value of the loss in banking terms if we do this.

There will be others who are going to stand up and say, "Well, CBO says it saves money." That is absolutely right. It saves money this year. It saves money next year. And we do not dispute that. We are talking about the next 15 or 20 or 25 years. That is what we are talking about, and it is not going to come cheap.

I urge that for once, for once, we do what the rules prescribe. It is tough because the good people from the REA cooperatives have already been to see everyone. And clearly, they are telling everyone the sad story of the 11- to 14-percent interest rates they currently pay. They say they are due a better deal.

I do not have a great deal of hope that the Senate rule, which applies to this amendment, will be upheld. I really do not believe we will do it. I think by our vote we will go ahead and say, "it is good for them, let us give them the refinancing." I hope we do not.

As a matter of fact, we ought to urge our committees of jurisdiction to take hold of this issue and begin some very formal hearings about the refinancing of this debt. I want to tell the Senate this is not a little issue. I have told this body about the $154 billion of FFB loans out there, some the same as REA loans, some different.

This issue is similar to the issue of selling the assets of the Federal Government. It is similar to the Conrail sale. We ought to get our act together and decide on some generic rules that apply to the Government's assets, that apply to loan portfolios, that apply in good times or bad times, something that will help us decide when we ought to sell them and when we ought not to sell them. Last year, we decided to authorize the sale of some rural housing loans. That was a giant step. We had to have a lot of advice. The committees had to have hearings, but at least the authorizing committees took a look at it and got the answers.

I tell you, Mr. President, adding this REA refinancing proposal to a supplemental appropriations bill is not the way to do it. It demands a lot more attention and study.

I submit, Mr. President, the Secretary of the Treasury, in his letter to the distinguished majority leader of June 5, 1986, sets it all out. Since I have not been here earlier in the debate, I might make a parliamentary inquiry: Has that letter been submitted for the RECORD?

The PRESIDING OFFICER. The Chair advises the Senator that it has not been submitted.

Mr. DOMENICI. I ask unanimous consent that a letter dated June 5, 1986, to the majority leader from the Secretary of the Treasury urging that we not do this be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, DC, June 5, 1986.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR BOB: The Administration strongly opposes the provision of the Urgent Supplemental Appropriation Bill, H.R. 4515 which would allow borrowers from the Rural Electrification Administration (REA) to prepay outstanding Federal Financing Bank (FFB) debt without penalty. We urge the deletion of this provision from the bill.

REA guaranteed borrowers have already benefited from below market financing as a result of Treasury direct lending and Government guarantees at the expense of the general taxpayer. Approximately $14.5 billion of REA guaranteed debt would be eligible for such prepayment under this provision. Based on the Congressional Budget Office estimate of $7.6 billion which would be prepaid at current interest rates, the Federal cost of forgiving the prepayment penalty has a discounted present value of $2.4 billion representing $16 to $24 billion in forgiven interest over the 20 to 30 year life of the loans. The cost of the long-term Treasury debt incurred at previously much higher interest rates to finance these loans will have to be paid by the taxpayer who does not have the option of "no cost" refinancing at today's reduced interest rates. The long-term costs of this provision far outweight the short-term cash accounting savings of prepayment over the FY 86/87 period.

Aside from the substantial costs that would be shifted from the REA borrowers to the taxpayer under this provision, it would also seriously disrupt the Treasury's management of its debt. It has this effect by creating a competing instrument in the market, since such privately originated loans will be federally-guaranteed thereby creating securities with credit risks equivalent to those issued by the Treasury. We strongly believe that this provision must be deleted from H.R. 4515 before final approval can be recommended by the President.

Sincerely yours,

JAMES A. BAKER III.
JAMES C. MILLER III.

Mr. DOMENICI. I yield the floor.

Mr. STEVENS. Mr. President, would the chairman answer a question before he does that?

Mr. DOMENICI. Of course, Mr. President.

Mr. STEVENS. The CBO has said this does not have an impact this year or next year, as the Senator from New Mexico has pointed out, this that the Secretary of the Treasury has warned us of. The Secretary has asked us to allow the legislative committees to have a chance to work their will. What is wrong with taking care of an emergency if we have at least 2 years of surplus caused by this action that is available to take care of the problem in rural America now and next year? That gives the committees 2 years. The Banking Committee and the Agriculture Committee have 2 years to deal with this problem before there is any fiscal impact on it. The letter

from the Secretary of the Treasury—does it refer to what the Senator knows to be the truth, that for 2 years, it has no adverse impact on the budget of the U.S. Government?

Mr. DOMENICI. That is absolutely right, I say to my friend from Alaska. But the horse is out of the barn. We cannot do anything after 2 years. You have already incurred the liability that the Senator is speaking about.

Mr. STEVENS. Where are the legislative committees if that is the case? Why cannot Congress issue new bonds and take advantage of this new rate and repay the old ones, as my State did?

Mr. DOMENICI. Your State can, and that is exactly what they ought to do but that is not what we are going to do.

Mr. STEVENS. Why penalize my people in the REA who can expand and want and need expansion from doing it now because Congress has not done what most States and local governments have already done? Why do we not refinance?

Mr. DOMENICI. The Senator has been here a lot longer than I have. I have the greatest respect for him. In fact, I have been heard to say that I wish, when I finished being a Senator, I could say I have represented New Mexico as well as he has represented Alaska. In my first 10 years here, I did not find a major bill on the floor that my friend from Alaska did not have an Alaskan issue on.

But I submit this is not an Alaskan issue. If he has an Alaskan cooperative with a financial problem that requires refinancing, why not figure out a way to address that? This amendment, I tell the Senator in all honesty, is not only solving Alaska's problem, maybe, but is taking the entire portfolio of REA loans with it.

I hope we drop this refinancing proposal because I would urge the President to veto this bill on this issue alone. I may not necessarily carry much weight, but I would urge a veto. Because it is absolutely ridiculous in the name of helping some REA Cooperatives that we start down a path of refinancing an entire loan portfolio, generated over years, in good times and bad times, because there is a margin of interest benefit out there now.

What happened when the margin of benefit was the other way? I will not ask the Senator from Alaska, I will tell him: The taxpayers picked up the difference. When we made these below-market loans, we established prepayment penalties. Now we are entitled to pick up something on prepayment and we are not going to pick it up. They can get a better deal in the private sector so we are not interested in the impact on the taxpayers and the Treasury.

I have another letter in line with what the Secretary of the Treasury said. The CBO has written the Committee on the Budget a letter, signed by Rudolph Penner. He said that, based on information from the FFB, he estimates that the net cost of this proposal would be about $2.4 billion.

I ask unanimous consent that that letter be printed in the RECORD, Mr. President.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, May 20, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has estimated the budgetary impact in fiscal years 1986 and 1987 of the provision authorizing the refinancing of loans guaranteed by the Rural Electrification Administration (REA) in H.R. 4515, the Urgent Supplemental Appropriations Bill, 1986, as reported by the Senate Committee on Appropriations, May 15, 1986. This bill would allow rural electric and telephone cooperatives to prepay long-term loans guaranteed by the REA and financed by the Federal Financing Bank (FFB) without paying the premiums required under the existing loan agreements. These premiums would be foregiven if the borrower pays the outstanding principal balance to the FFB using private capital, backed by the existing REA guarantee. The bill also would relieve the REA of its obligation, as guarantor of the loans, to pay the premiums.

Using CBO's baseline interest rate assumptions, we estimate that these provisions would have no effect on budget authority in either 1986 or 1987, but would reduce outlays by approximately $0.3 billion in 1986, and by about $7.0 billion in 1987. Starting in 1988, however, outlays would increase by about $0.9 billion a year for the next 25 to 35 years, as a result of the lost repayments on the loans refinanced in 1986 and 1987. This estimate assumes that all existing loans bearing interest at 10 percent or more would be refinanced.

This transaction results in a net cost to the government, because the government would lose a repayment stream bearing interest at 10 percent or more, while its current borrowing is at a lower rate. This net cost, on a present value basis, is represented by the amount of the premiums that would be due to the FFB under the current agreements if the cooperatives were to refinance. Based on information from the FFB, we estimate that the net cost to the government of this proposal would be about $2.4 billion.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER,
Director.

Mr. DOMENICI. Mr. President, in the name of saving money through the bookkeeping and accounting practices, because of the way we handle the prepayment of a loan in the budget of the United States, some are running around saying we are solving the deficits because we are making money now. As a matter of fact, it will unequivocally and absolutely increase the deficits in the long run. We will allow the refinancing of this debt with no rules, no guidelines. We will just put it out there and tell them, "Let's start on this $9½ billion refinancing job."

Now, I close by saying I do not have a great deal of hope we will uphold this rule, which is a salutory rule if ever there was one. Its application is epitomized here today, with the authorization of this kind of activity on an urgent supplemental appropriations bill. I do not have any hope that we will uphold it, but I am extremely thankful that the U.S. Senate in its wisdom at least has such a rule. This rule provides us the opportunity to debate the impropriety of $9½ billion worth of authorizing legislation in the name of saving money on an urgent supplemental when it is neither urgent nor with it save money. I yield the floor.

□ 1550

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I thank my good friend from New Mexico for these comments concerning my activities here for Alaska. I am pleased to admit I did all those things he said. But let me say to the President and to the Senate that my State has a program of lending money for homes. Our homes cost so much more than they do in the south 48 that we could not really build homes under the FHA Program so we set up a State program. The State went out and borrowed money and loaned it to Alaskans so they could build their homes. When the interest rates went up, the State had to go out and issue new bonds at a lower rate. The State said to the people who had bought those homes, "Come, apply for a new loan. We will loan you the same amount of money at a lower rate; come, get your new loan, you pay lower rates; we are paying lower rates." Now our Government, our Federal Government sits here blindly saying, "Oh, well, we entered into bond agreements for 20 and 30 years and we expect the people who borrowed money to pay us enough money to pay off those bonds for the next 15 to 20 years."

That is not a problem for the REA. It is not a problem for the borrowers from the REA. It is a problem for the banking community. They have plenty of time. They have 2 years at least before this amendment will cost the taxpayers a dime and if my little State can do it in 2 months, I think the Federal Government can do it in 2 years.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. SIMPSON. I represent a State much like Senator STEVENS'. Mine is a very fortunate State, much like Senator STEVENS'. We had oil and gas production, and it is tough now for us. At one time we had great moneys coming into the Permanent Mineral Trust Fund, which we have in my State. At one time in the Senator's State of Alaska they kind of had a "divvy up" where they gave out 1,000 bucks to every citizen. In Wyoming we did something like that; we put it into the Permanent Mineral Trust Fund. We are very fortunate, more fortunate than many States represented here.

I will tell you why we do not do anything with this REA. We are terrified by the REA. They ride in here from the west and just unravel us. I have seen them come. I have been a person who has supported the REA in every sense for many years. An original director J.C. Nichols was from my home town of Cody, WY. But for heaven's sakes, we have bailed out the REA on into the decades, and do you know why? First they were nothing more than an electrical distribution agency of the Federal Government. We were supposed to get power to people who had never had power before, get it out there to that leather-faced lady hanging over the washboard without a light bulb, finally get the power out there, down in that "holler" at the end of the "crick."

Well, we did that, and it was a marvelous thing to do. But then what happened with the REA? I will tell you what happened to the REA. they really got classy. They got into generation and transmission and everything else. They are into nuclear energy. We have poured about $8 billion down the rathole for some of the stuff they have been involved in with regard to nuclear power.

That is where we were with REA. I will tell you they will be back. I can promise you they will be back. And they bring with them some of the classiest people in our communities, marvelous people—the "salt of the Earth" kind of people come here to lobby us on the REA. They bring this whole network with them from some political system which went defunct 40 years ago, some upper area—I am not a student of political geography, but there is something about that old system up in the North of populism—of how to get in now and pay later. I do not know what it is. But anyway they will be back, you can bet a buck on that, because they have always been back.

Then, when the private investor-owned utilities found this remarkable method to induce the REA's to get their financing on a cooperative venture, so they could tap the Federal Financing Bank, that is where they began to really mine a little coal, because the REA and its magic name, helped them dip into the Federal Financing Bank, and that has enabled the investor-owned utilities to go out and build their facilities as long as they have the REA in it. Just a little REA, for you do not need a lot of REA, because they have a big hand and they can get into the Federal Financing Bank fast.

So, that is what we have with REA. I stood on this floor about 2 years ago, an election year, mind you—I remember that—and I took on the REA. I did not really relish that—but I kind of did, too! And so I said, "What are they doing? When do they ever pay anything back?" I tell you, you have to be an atomic scientist to figure out the financing of the REA, and that is not from what they were doing or the wonderful people that I know who represent them. You have certificates of beneficial ownership, you have borrowings, you have low-percent-interest loans, you have financing commitments, you have off-budget borrowing, an extraordinary array of the most electrifying and novel financing methods known to man. And what will always electrify you in REA is the cost of the program if you ever put your pencil to it. It is absolutely extraordinary. We all ought to be embarrassed by it, but we are not.

If you want to hear a story about an REA, listen to one in Wyoming that has a certified area and they were able to get 2-percent loans—at least we quit that—but now they can get 5-percent loans. We have not quit that. But this one REA 4 years ago was producing 91 percent of its power for some of the biggest corporations in America. It went to some of the biggest heavy hitter corporations in America who were working in the oil patch. Is that what REA was supposed to be about? I thought it was again for the little old guy at the end of the "holler"—"just get me a light out here and I won't have that old outhouse."

I think that is great. If somebody can show me how many more of those people there are when we are told that 99.9 percent of America is electrified, I will personally bring any amendment to this body and produce a line out to them. I do not care what it costs. Oh, it will be so much cheaper than what we are going to do here. Now, you are going to let them off the hook. You are going to single out one class of Federal financing borrowers for special benefits at the expense of the dear old taxpayers. We are going to make up that "forgiven interest" income to the Treasury; the taxpayer is going to do that.

□ 1600

From an accounting standpoint, allowing prepayment, I suppose it does produce some short-term savings. But that is 16 million bucks to $24 billion over the 20 to 30 years of the loan. That is where you are with REA. The reason we do not deal with them honestly here is that we are petrified by them.

Do you remember a little amendment of a few weeks ago, where we said we are going to knock off 44 agencies of the Federal Government? I see a knowing nod from my friend from Louisiana and my friend from Oregon. It was a provocative amendment. But it only saved us 4.6 billion bucks. So, it was not as good as we thought. But there was one name in the 44 to be eliminated that made the blood run out of the toes of our colleagues, and it was REA. You are not going to do in the REA. I mean, you can get rid of Amtrak and SBA and you name it, but not REA.

So I watched that. It left us all in a drawn and pale capacity for several days, as we failed to address that issue.

So now we come to what we are going to do is to help the REA break a contractual commitment to the United States of America. Be aware of what you are doing, not just in the supplemental but any time. They are going to break a contractual commitment by the G&T's, as we call them—that is the generation and transmission co-op—when they wanted to engage in power plant construction through direct loans from the Treasury.

That is where the REA went way off the track out in the prairies. They got out of distribution and went to G&T. They went to generation and transmission, and they are no good at it at all. They are particularly poor at it with regard to nuclear power, and we are going to find out that they want a bailout of $6 to $8 billion on that. They got into some of the most egregious capers with that type of alternate power, and they failed. They failed. But they have not been here for us to pick up the tab yet. That comes later. But a little of it is here.

Since 1973, these REA borrowers, on their G&T capers, have plumbed the Treasury for 35 billion bucks from the FFB—the Federal Financing Bank—which, thank Heaven, we are finally bringing back into the budget structure of the United States.

REA borrowers have benefited from below-market financing forever. Then, to hear this wail—by Heavens, they are being picked on. They have been paying 2 percent. Can anybody borrow money at 2 percent? They did. We finally closed that pay window a few years ago. Now they can get it at 5 percent. The Government furnishes guarantees at the expense of the taxpayer to go along with that.

I visited with their accountants and their officers. It is dazzling. You sit there with them, and they are talking

as if they are speaking Egyptian. I am not fluent in that. They just speak and roll things off their tongues about accruals and nonaccruals and performing and nonperforming and CBO and OMB, and your eyes are going around like a slot machine before they finish. Then they gather their portfolio and leave, and say, "You're a decent fellow, but obviously not too clever, not too learned, not too sharp. But you have possibilities for learning the complexities of REA financing."

I have seen enough. This bailout is a marvelous accounting gimmick, and they have a battery of people who produce this stuff that will increase the deficit of the United States. You can talk about short term or long term, but that is exactly what is going to happen.

We all owe a debt to PETE DOMENICI—PETE DOMENICI, who comes here and scraps on the unpopular stuff; and the Senator from Oregon, who goes through the anguish of the budget and the appropriation; and Senator JOHNSTON. They are the ones who do the heavy lifting.

If this one passes, it does not matter what the procedure or when—and it will pass; I can tell you it will pass somewhere—you are going to open the door for every Federal Financial Bank borrower to seek special treatment.

If this is going to occur, it is the start of great potential loss to the Treasury, running into the tens of billions of dollars, because the current FFB portfolio is $153 billion.

As Senator DOMENICI said, in his clarity—and that is what makes him effective—how can a "downward only," penalty-free financing be called fair, in any comparison or under any comprehension? A really fair proposal would have interest rates floating down and up with the Government's cost of borrowing. But we do not now require those power generation facilities to finance their debt when interest rates increase. In fact, their lobby, a very potent lobby, strongly opposes adjustment rates. That is very funny.

Why should we now provide "powerplant builders" with a new subsidy without going through the normal appropriations process?

In May of 1973, Congress authorized the Government and REA to make money available to power supply borrowers called G&T's. That is where the error was made—Generation and Transmission co-ops—through the Federal Financing Bank, at the Treasury rate plus one-eighth of 1 percent. No private lender could match that.

If you get in a box and run a G&T, get the FFB on the phone and say, "Ship money," and the FFB responds just like that. [Laughter.]

That sounds funny, but it ain't funny. That is exactly how it works if you are an REA in a G&T facility.

No wonder the investor-owned utilities curry them, bring them into the G&T, because they know they bring the deep well with them. So they use each other in an abusive and curiously perverse relationship.

Anyway, between 1973-81, FFB direct lending to REA borrowers increased by 760 percent. I really want to hear from somebody on the other side how the FFB lending to REA borrowers increased by 760 percent, while the number of consumers being served by the REA increased by only 32 percent. That is the figure; and in this debate, everybody is entitled to their own opinion, but nobody is entitled to their own facts. Seven hundred and sixty percent.

Of all FFB loans made under the G&T's, under the guarantee—and they are all guaranteed by the Rural Electric and Telephone Revolving Fund—which does not revolve at all. That fund quit revolving completely. There is nothing to revolve in it. It has been used up, abused, gimmicked. The revolving fund of the REA is a broken merry-go-round—done, all cashed in.

So here you have 41 percent of the FFB loans were made to REA's—the whole spectrum of the Federal Financing Bank, and the REA has 41 percent of that. Those borrowers are the largest group of recipients of FFB loans made under the guarantee. In fact, as recently as 1983, the FFB supplied 99 percent of all funding to REA's power supply borrowers under the REA guarantees.

If you will just mull around long enough in this program, you will see how an extremely sophisticated special-interest lobby, with real hog, has taken a most magnificent program, dedicated to the rural electrification of America in the 1930's—so great, and all of us would back it—and they went into Adventure Land and took the Federal Treasury and put a big bomb in the middle of it every way, through a remarkable array of scalpels, wrenches, and sledgehammers, and have fashioned a bizarre plan of off-budget, on-budget financing and subsidy packages through use of the Federal Financing Bank and other methods over these years, which should tremendously disappoint and sadden all of us, and greatly distress the creators of rural electrification in this country.

Mr. ANDREWS. Mr. President, will the Senator yield for a brief question?

Mr. SIMPSON. Indeed, I will.

□ 1610

(Mr. EVANS assumed the chair.)

Mr. ANDREWS. I appreciate that.

My colleague is most eloquent and a great friend.

When he was mulling around in this whole issue of rural electric financing and the FFB, did he mull around deep enough to find out that whenever they borrow from the FFB they pay one-eighth of 1 percent more interest than it costs the Federal Government so in actuality the Federal Government and the taxpayers are making a profit off those loans that they then broker to the rural electric co-ops?

Mr. SIMPSON. Mr. President, I am aware of that. One percent above Treasury in my mind is called great money.

Mr. ANDREWS. Oh, you bet. You bet. I would tell my colleague it is great money, and it is a great deal of money as well, and with the Business Week writing articles, as my colleague knows, that the private utilities are going to refund about $19 billion, it is estimated to us that the rural electrics might well, if we can pass this amendment, pay back some $9 billion. The question there arises would my good friend and colleague, the Senator from Wyoming, not be happy to see when we next have to vote on increasing the national debt that it is $9 billion less because some this has been paid back?

Mr. SIMPSON. Mr. President, if that is true, then that judgment and comment is as creative as REA financing itself because it is going to cost us $20 billion to over $25 billion according to CBO.

But I want to say that all I have ever tried to do with REA—I am not trying to be an obstructionist—I said to them all I want to do with you people is two things: Pay back what you owe the Government and quit coming in here with the whiz-bang methods of getting out of paying it back, and then get your borrowing and your interest closer to market.

That is all I have ever said to them, no tricks, no fun and games.

That is all I have said to them because now the last time they came, and my good friend from North Dakota knows they were here recently, they are saying now that they need additional help because they cannot compete.

I said, "Well, you cannot compete. Let us see, in the free market system if you can't compete someone comes along with a lesser rate and you go out of business."

I think that is called competition. It used to be. It does not happen much anymore because when you go broke in America today you come to Congress to be made whole.

In any event, I want to say to you that that is exactly where you are with that. They cannot compete.

I say, "Well, then, you are losing business. Are you losing certified areas?" They said, "Yes, we are."

And again if you look at who REA is serving you show me anybody that Senator STEVENS knows is in extremity or someone from the State of North Dakota, and I say I will help string the line, but do not give me that business of serving development subdivisions

and providing power to Amoco Oil and all the rest of it at a subsidized rate from the Federal Treasury. That is exactly what has happened.

Mr. ANDREWS. Might I point out to my friend from Wyoming, and let me use Wyoming figures, not North Dakota figures, because when I have been mulling around, as my colleague points out and he makes an excellent point of it, I have been trying to find figures close to my colleague's heart.

In the State of Wyoming, the rural electric systems have a revenue per mile—to distribute electricity it takes miles of line—$5,756. The investor-owned utilities in Wyoming have a revenue per mile of $25,229, virtually five times as much, I would point out that is similar in North Dakota.

But based on that, would my colleague not agree that perhaps some type of incentive has to be given in order to get some comparabilty of costs based on a revenue per mile for in Wyoming rural electrics have only one-fifth as much as the private utilities have?

Mr. SIMPSON. Mr. President, that is a valid point. You show me the person who needs the distribution of electricity and I will meet that comparative test or get the numbers on density or how many a mile and all that stuff. Again, that is part of the extraordinary array of statistics. You show me the person that needs to be electrified and I will say get him electrified. But do not give me any more about generation and transmission and nuclear facilities, and that is all I am saying in this debate.

I am fully aware that in my State we have tremendous distances. The issue is called density and I am well aware of that one.

But that is not what we are talking about. We are talking about how the REA has lost its way and forgotten its original mission. That is what I am talking about.

Mr. ANDREWS. The original mission, might I point out to my good friend, is comparability of rates between rural Americans and urban Americans. The reason for the problem is that even today State after State the rural electric consumer pays on average 17 percent more than the urban consumer in the same State. That is a problem. That is comparability. That is equity. That is fairness. That is what this amendment is all about.

I appreciate very much my good friend from Wyoming yielding.

Mr. SIMPSON. Mr. President, I understand that business of comparability of rates. And if that is true why are the REA's telling me they can no longer compete?

Mr. ANDREWS. They no longer can compete at comparable rates because in fact they are having to charge, might I point out to the Senator from Wyoming, 17 percent more to the customers in North Dakota—I do not know about Wyoming—but average nationwide it is 17 percent more in North Dakota to the rural electric consumer versus the city cousin, and that is not right. That is not what we want to do if we want to retain people in the rural parts of this Nation of ours.

Mr. SIMPSON. Mr. President, they were telling me when they came here to see me that Pacific Power & Light was undercutting their rates, so I do not know what that has to do with the debate.

When they say they cannot compete, that means someone is selling power for less and that is what is happening in many areas of the United States.

Mr. STEVENS. Mr. President, will the Senator yield on that point?

Mr. SIMPSON. Yes; indeed.

Mr. STEVENS. The problem about competition is illustrated, I think, by the utilities in Alaska that I mentioned.

Ten years ago when they got their REA loans, they were rural. The city and populated areas moved out around them now and they cannot compete in the sense they cannot get any money to improve their system because the REA will not loan them any more money because they feel, as the Senator expressed, why should you be financing expansion in a subdivision area and, on the other hand, they cannot borrow money from the private sector because they say: "We are not going to lend you money unless you borrow enough money to pay off the REA"?

If you borrow enough money to pay off the REA under these prepayment penalty provisions, then you are worse than you were then to start with.

How can you compete under those circumstances when all they are asking to do is to have the right to pay back the Federal Government and, incidentally, under the terms of the original provisions at the time they borrowed their money there was not this repayment penalty as it exists today. It was amended 2 to 3 years ago administratively on the prepayment penalty.

I think one of the worst things we have today is the inability of people to understand these people want to compete in the REA in the sense they would like to be able to borrow the money to expand. That is the competition the Senator is talking about.

The non-REA utilities are taking their customers because they cannot borrow the money to expand. The reason they cannot borrow the money to expand is because they cannot pay back the REA, they cannot pay back the REA because they have a prepayment penalty despite the fact the private sector is willing to lend them enough money to pay back the loans without a prepayment penalty.

Incidentally, the final result, as I said before, and I think the Senator from Wyoming would like to see this, is these utilities in growing areas would be out of the business of borrowing money from REA's. They would be borrowing money from the private sector. By definition they would no longer be REA eligible.

Does the Senator disagree with that concept?

Mr. SIMPSON. The concept, Mr. President, is magnificent, but they have never done it yet and they are not going to do it.

Mr. STEVENS. Not unless this amendment passes.

Mr. SIMPSON. No; whether this amendment passes or whether it does not, the REA will be back again and again and again.

I have been here 8 years and it is a revisitation that is always asking more, always more—or some sophisticated forgiveness of indebtedness.

Some day they ought to pay their debt and then we ought to get them closer to market on interest. That is all I have been saying for about 5 years.

□ 1620

Mr. STEVENS. Mr. President, I say to the Senator from Wyoming, I will be happy to fly with you up to Anchorage and show you this utility and let you talk to the board that wants to get into the position where they do not have to borrow money from the REA any longer. They cannot do it because of REA regulations.

Mr. SIMPSON. Mr. President, we have an entire United States to run. I could go back to Wyoming and show you an REA that has the same situation. But that is not the issue.

The issue is a national issue and what are you going to do about the REA. If we want to take care of the one in Alaska, let us work up an amendment to do that. It would be eminently cheaper than seeing REA, out dabbling in subdivisions, and selling power to big corporations. That is what I am talking about.

I am not going to get into the provincial aspects of it. This is how we always get caught in here. We talk about some "little guy" or some unfortunate or wretched situation in some other location and forget what the issue is as to the total high ticket cost in the whole United States. What is it costing this country to continually come in here and watch the REA work its magic on us and forgive and forgive and forgive, all on the basis that some little old guy out there in Oshkosh B'Gosh overalls is gazing off into the vanishing sunset. That is not where the money is going—to little guy. It is going down the rathole.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I have spoken and others have not, but there are several points that have been raised that, before the debate ends, I would like to go back and be sure Members understand the difference between opinions and fact.

Every time I listen to the distinguished Senator from Wyoming speak, I not only realize my inadequacies, but I also learn something. I think he made one point in his statement that everyone has a right to their own opinions, but not their own facts.

What we have heard here over and over by the proponents of this new giveaway of the taxpayers' money is an assertion of opinion and wishful thinking as if it were fact.

We keep hearing that we have got a catch-22 situation: "REA borrowed this money and now they want to pay it back in advance so they can borrow at a lower rate. Why can't we let them do it?"

We can let them do it, but they have to do it on the same basis that everybody else does it. When these utilities prepay interest, what do you think they do? If they went out and sold bonds that did not guarantee them that right, and if they got guaranteed that right they paid a higher interest rate to begin with, if they want to go back and redeem those bonds, they have to pay a penalty.

All of these people who are getting notices from Senators that things are better, you can refinance your home, you go out and try to refinance your home. I do not know how REA refinances homes, but I can tell you how everybody else does. You go to the savings and loan or bank and you say:

I want to refinance my home. I read in the paper you are lending now at 9½ percent. I got this 12 percent loan and I want the 9½ percent.

And they say:

Well, brother, sit down. You see, in this contract that you signed, we said that you could refinance it all right, but there is cost involved. And there is a penalty involved because if rates go down, we cannot come back and refinance.

So if you go to the savings and loan this afternoon to refinance your home, you are going to pay a penalty.

If you are in business and you sell a bond and that bond is not callable, and if it is callable you pay a big premium for it because, again, the borrower is taking the risk if the interest rates go up and the lender is taking the risk if the interest rates go down.

So this idea that there is a catch-22 is absolutely baloney. There is no catch-22. They are in exactly the same situation everybody else is, except they have political friends.

Now, what we are hearing is, "Let's let them refinance." Fine. But let them go back and read the contract. The contract said they could refinance but they would have to pay penalties.

Some may say, "Well, why do they have to pay penalties?" Well, when the Federal Government loaned at 2, 5, and 7 percent, rates doubled and tripled. Did they come back in and pay those loans off? No. And I never heard anybody anywhere from any political party say they ought to.

The Federal Government took the risk. Rates went up. The Federal Government lost. So when we are hearing this catch-22 business, that is simply a code word for "Let's treat them differently than everybody else would have to pay under similar circumstances."

The second point I would like to address is this idea that, well, why does not the Federal Government refinance its debt? That is a wonderful idea.

The problem is, however, we have $2 trillion worth of bonds out there that were sold on the good faith and credit of the United States. They are held by retirement programs and by savers and by investors. We do not have the right, under law, to go back and cut their rates.

So when we sold the bond that let the REA borrow the money, we committed ourselves and they committed themselves. As a result, we protected ourselves.

Now, if the taxpayer comes back when we cannot call in our bonds and allow them to call in theirs without paying a penalty, we are, in essence, absorbing huge financial hits on the working people of America.

A final point: Since we are getting these bonds paid back, and that for 2 years would keep us in the black, then in 2 years the Banking Committee ought to be able to figure out how to solve the problem that for the next 28 years we are losing interest. Well, that is an interesting assertion. Because, in fact, almost any business, by selling off assets, can look good for 2 years. The question is: What do you do after that?

The point here again—and I want to make it and then I will let others have the floor and we can move to vote—is that this is not a small, nice little way to help. This is, at least in my 7 years in Congress, the most expensive rider that I am aware of, between $2.4 billion and $3 billion in present value loss to the American taxpayer if this amendment becomes law; $16 billion to $24 billion of interest the Federal Government is due, with a contract that we signed in good faith. And the present value at current interest rates converts into about $3 billion. But that is not the end of the story.

The problem is we cannot just help one agency, because if we let one agency come in now and change the rules of the game and let the taxpayer pick up a $3-billion hit, then all the other loans that have been made by the Federal Financing Bank at above the current interest rates would now be subject, through their political lobby, to come in and say, "Well, now, what about the Export-Import Bank? After all, they are creating jobs. Many of those jobs are going to farmers. Don't you want to help them?"

And so we come back in and we let them escape their payment penalty, all the while we have bonds that we sold to lend the money.

We are talking about $30 billion in present value this year, more than all the savings in the President's budget that we did not adopt, if we treated everybody the way we are treating one agency here. This is not a nice way to help out people. This is legislation on an appropriations bill with no hearings. We are talking about huge amounts of costs to the taxpayer. We are talking about a terrible precedent being set that is going to come back and haunt us.

We have already helped REA. We have already provided all these subsidized loans, and they are loans that we have all supported.

It is a question of whether or not we are, on a whim on an appropriations bill, going to cost the taxpayer $3 billion this year, and if everybody else were treated the same, $30 billion. This is serious business to a Congress that has committed itself by law to balancing the budget.

I urge my colleagues to turn down this amendment. There are obviously people in REA, in the organization itself, who are going to be looking over your right shoulder, sending letters back home telling people whether you "care."

Unfortunately, there probably would not be anybody looking over your left shoulder saying whether you care about the taxpayer, the working people of America, and the future of the country. If they were looking over both shoulders, we would laugh this amendment out of the U.S. Senate.

I oppose it.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I think it is really obvious to the Senate that this is a matter of great controversy. We have been debating the issue now for about 2 hours. This is a bill that is entitled an "Urgent Supplemental Appropriations Bill." It was ordered reported on March 25 in the House of Representatives.

I think the first amendment we ought to adopt in the bill is to strike the word "urgent" from the title, although obviously it is a matter of greater urgency now than it ever has been. But the fact is that the House took up amendments that were de-

signed to rewrite portions of the farm bill, and a lot of other things were attempted to be added to the bill that should not have been a part of this appropriations bill. Here we are with another example, I think, and it is very clear to the Senate—or it should be—that we are going to further slow down the process by taking up such a matter on this bill as this amendment of such controversy.

It may be meritorious. And I have been persuaded by some of the very good arguments that have been made by the distinguished Senator from Alaska, and by the Senators from North Dakota on the subject of the REA and its need to be permitted to refinance some of this indebtedness. That may be something that Congress needs to address right now. That may be urgent. But it is obvious if this amendment is added to this bill it is not going to be dealt with or completed any time soon.

We have two Cabinet officials who signed a letter which is now part of the record saying they are going to recommend a veto to the President if this provision is in the bill when it reaches the White House.

Let me remind the Senate what is in the bill that is absolutely urgent.

There is, $5.3 billion for the Commodity Credit Corporation, which is out of money. They have no money to write checks for deficiency payments to farmers who are entitled to those payments under the farm bill that was passed last year.

There is $9 million in this bill for indemnities for dairy farmers in Arkansas, Oklahoma, and Missouri, who saw milk contaminated by pesticides. That is an emergency situation. Those farmers are destitute, out of business, and they are on the brink of bankruptcy. And the Department of Agiculture does not have money in those accounts to make those indemnity payments. Those farmers are entitled to them under the law.

There is $36.7 million for the Soil Conservation Service, for emergency measures to try to help deal with the floods that have occurred around the country, particularly out West earlier this year.

There is $4.5 million to pay the cost of inspecting poultry and meat. There are meat packing plants and poultry processing plants that are not operating at full efficiency. Some are being threatened with closing because they do not have enough Federal meat inspectors to keep them operating. That is an emergency.

There are other examples in this bill. Those are four that come to mind.

The amendment now being considered may be an emergency measure that is similar to these others. It does need the attention of the Congress. I agree with that. However, this is not the place to try to solve that problem. We are just going to make matters worse if we try to add this amendment here. And the point of order that has been suggested, and that will be made, in my judgment ought to be sustained.

Mr. HELMS addressed the chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, when all is said and done, it looks like we are going to have to say it four times. We are on television. I hope the Senator from Texas will renew his point of order in just a moment, and do it quickly. But let me say that as chairman of the Senate Agriculture Committee, we have not had 1 minute of hearing on this proposition. This amendment addresses the issue of prevented planting and so forth and so on. But the Agriculture Committee has not considered this amendment in any way. There has been no legislation referred to the committee that I know of. The distinguished Senator from Mississippi is absolutely correct. It is headed on a collision course by a veto with this in it. So I hope the Senator from Texas will renew his point of order. If he will not, I will do it. But I recognize the difficulties described by the distinguished Senator from Alaska. But the point is we ought to do something and get it done. We have been on this amendment for 2½ hours. The substantive arguments surrounding the amendment aside, the real issue here is whether the Senate supports the integrity of the committee system. I have all of the respect in the world for the members of the Appropriations Committee, and particularly the distinguished chairman. But I do think this is a matter that ought to be handled in a routine way.

I thank the Chair.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I am sure it must puzzle an awful lot of you because of what is happening here today in terms of an appropriation bill that gets into a long 2½-hour debate on the policy of the REA.

You know, if we had adhered to rule XVI of the Senate, we would not have this issue today. Many of these issues would have broken down, and perhaps we would not have put the appropriation process in such great jeopardy of adequate functioning, but I just would like to say it goes back to 1981 when we tried to reform this whole program, and came out here to the floor with a commitment from the Committee on Appropriations that we would not entertain any legislative action on the appropriation vehicle. We pled our case before the body of the Senate. But there was a very emotional issue that was raised as an amendment called abortion. Because we had the stampede of emotion and with this overwhelming emotion controlling the floor of the Senate, we decided to set aside rule XVI because the abortion question was clearly one of legislation.

I found myself in a very interesting situation. I supported the amendment since I oppose abortion. But, I took the floor to fight the amendment on that occasion because we would violate rule XVI even on an issue that I feel strongly about. We opened Pandora's Box. Since that date in 1981, we have legislated on appropriation bills at will. We have reauthorized foreign assistance of this country. We have enacted a $20 billion Energy Security Act for Synfuels on an appropriation measure. We adopted a crime bill on an appropriation vehicle. And that is just to give you but three of dozens upon dozens of instances in which the body has seen fit to violate its own rule XVI.

I agree with the Senator from Texas. But I do not think there ought to be any pity demonstrated out here today that somehow we are violating a rule that is a sanctified rule of this Senate. Let me tell you it is a hoarish rule. That is what it is. It is not sanctified because we have perverted it. We have used it. And we have exploited it only on the basis of our personal interests.

I am going to support the ruling of the Chair because it is legislation on appropriations bill. The Chair has ruled. But I do not do so with any sense that somehow I am preserving the integrity of the rules of the Senate. There is no integrity to rule XVI. We violated that beginning in 1981 with abortion. I would venture that the Senator from Texas would probably have voted for the violation of rule XVI knowing of his strong convictions on abortion. I do not know. He was not in the Senate.

But I just want to say to the Senator from Texas that it was back in 1981 when the decision was made that led to the REA issue of today, not something the Appropriations Committee itself initiated, but something the whole body adopted and established as a strong precedent and resulting in repeated violations of the rule.

So it is not the Appropriations Committee today that should be looked upon as the agency of the Senate that has come here today to present this issue on REA in deliberate violation of rule XVI. That is the distinction I want to make on this whole debate.

I hope that we realize again we have 35 other amendments. If we spend 2 to 2½ hours on repetitious and redundant kind of arguments, we will be here forever and a day. But I am going to support the challenge of the Senator from Texas purely on the basis of my personal commitment against legislation on appropriation. I wish we

had upheld it in 1981. We would not be in this kind of a situation today.

● Mr. BOREN. Mr. President, I would like to join Senator BURDICK and urge my colleagues to support his amendment that will allow rural electric co-ops to pay off their loans with the REA without any prepayment penalties. We should reward those rural cooperatives that have chosen to seek private financing for their programs. Under current law however, any rural electric cooperative that choses to pay their obligations early are faced with a substantial penalty. This amendment will allow those co-ops facing substantial interest payments to refinance at the much lower current rates.

In Oklahoma this amendment will allow one of our co-ops to save over $6.5 million in interest payments this year alone. During these difficult economic times in rural America, Congress should continue to seek measures such as this to aid our agriculture industry in any way that we can. I urge my colleagues to support this most important and timely amendment.●

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I was not in this body in 1981. I do not know whether rule XVI is hoarish or not. I made my arguments based on the merits of this proposal. I think this proposal totally lacks merit. I think it is a ripoff of the taxpayer. Only the convoluted nature of the transaction prevents this from being thrown out of the Senate as being a ridiculous transfer of wealth.

I urge my colleagues to vote to find this amendment based on this technical procedure to be out of order, and failing that I intend to offer an amendment to try to strike it.

Mr. President, I raise the point of order under rule XVI that the committee amendment beginning on page 7, line 19, and ending on page 9, line 17, is out of order since that language constitutes general legislation on an appropriations measure.

□ 1640

Mr. BURDICK. Mr. President, I raise the defense of germaneness and ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is, is the amendment germane? No debate can ensue. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. DIXON] is necessarily absent.

I further announce that, if present and voting, the Senator from Illinois [Mr. DIXON] would vote "yes."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 62, nays 36, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—62

Abdnor	Gore	Nickles
Andrews	Grassley	Nunn
Baucus	Harkin	Packwood
Bentsen	Hart	Pressler
Biden	Hecht	Pryor
Boren	Heflin	Quayle
Boschwitz	Hollings	Riegle
Bumpers	Inouye	Rockefeller
Burdick	Johnston	Sarbanes
Byrd	Kasten	Sasser
Chiles	Kennedy	Simon
Cranston	Kerry	Specter
DeConcini	Leahy	Stafford
Denton	Levin	Stennis
Dodd	Mathias	Stevens
Durenberger	Matsunaga	Symms
Eagleton	Mattingly	Thurmond
Exon	McClure	Trible
Ford	Melcher	Warner
Garn	Mitchell	Zorinsky
Glenn	Murkowski	

NAYS—36

Armstrong	Goldwater	Lugar
Bingaman	Gorton	McConnell
Bradley	Gramm	Metzenbaum
Chafee	Hatch	Moynihan
Cochran	Hatfield	Pell
Cohen	Heinz	Proxmire
D'Amato	Helms	Roth
Danforth	Humphrey	Rudman
Dole	Kassebaum	Simpson
Domenici	Lautenberg	Wallop
East	Laxalt	Weicker
Evans	Long	Wilson

NOT VOTING—2

Dixon	Hawkins

□ 1700

The PRESIDING OFFICER. On this vote there are 62 yeas, 36 nays. The amendment is declared germane. The point of order falls. The question is on agreeing to the amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order. Will those who are in the aisles please clear the aisles and take their seats. We cannot continue until the Senate is in order.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The first committee amendment was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider that action.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SECOND EXCEPTED COMMITTEE AMENDMENT—(RELATING TO DEFENSE APPROPRIATIONS)

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk read as follows:

On page 26, beginning on line 1, insert the following new language:

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Lines 1 and 2 on page 26 of reported amendment that begins on line 11 of page 20, through line 8 on page 26; as follows:

SEC. 7. Sec. 8109 of Public Law 99-190 (99 Stat. 1222) is repealed.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. If the Senator will suspend for a moment, the Senate is not in order. Will those Members conversing in the aisles kindly proceed to the cloakroom. We cannot carry on the business of the Senate. Until the aisles are cleared, the Senate will not continue.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, the unanimous-consent agreement that I am going to propound would temporarily lay aside the next six amendments of the seven remaining committee amendments, in order to get to the eighth committee amendment, one that the Senator from New Hampshire [Mr. HUMPHREY] wishes to discuss relating to power marketing. The best estimate of time now would be I hope to end maybe half an hour——

Mr. STENNIS. Mr. President, may we have order so we can hear. This is a highly important item the Senator is talking about.

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. Senators must take their seats and staff members will clear the aisles. The Senator from Oregon.

Mr. HATFIELD. Mr. President, it is estimated it will take perhaps between half an hour and an hour to dispose of the eighth committee amendment. At that time, upon disposal of that eighth committee amendment, I would return to the second committee amendment and act upon that at that time, which should be hopefully by 6 to 6:30. And so I ask for this unanimous consent, to temporarily lay aside these six committee amendments in order to get to the eighth committee amendment.

Mr. NUNN. Mr. President, will the Senator from Oregon pull that mike up a little closer. I have not been able to hear; I am sorry.

Mr. HATFIELD. I thought our coaches said we should not hold the microphone in our hand. As one who voted against televising the Senate, I

feel free to hold my microphone in my hand.

I would say to the Senator from Georgia that I was about to propound a unanimous-consent request which would temporarily set aside the next six committee amendments in order to get to the eighth one, on the basis of the attempt to accommodate Members of the Senate, to take up the Power Marketing Act amendment of the committee, that the Senator from New Hampshire [Mr. HUMPHREY] wishes to address. It is estimated it would take approximately half an hour to an hour to dispose of this particular committee amendment, upon which we would automatically return to committee amendment No. 2, which relates to the Armed Service Committee issue. And then I would hope that we could dispose of that next.

Mr. NUNN. Will the Senator from Oregon yield for a brief question?

Mr. HATFIELD. I am happy to yield.

Mr. NUNN. I would hope that we could dispose of that amendment this evening. That is my major goal.

Mr. HATFIELD. Correct.

Mr. NUNN. I do not really have a preference as to whether we take it up now or 2 hours from now or 3 hours from now.

Mr. HATFIELD. I can assure the Senator from Georgia there is no disagreement with those objectives. I want to dispose of that amendment tonight. I am very hopeful we can dispose of the entire bill tonight, but I would like to do it at a time when we are not worn down, frazzled out because this is a very important issue and I do not plan strategy to wear people down so that maybe this amendment would be only tacitly accepted or disposed of. I agree with the Senator. I want to get it done tonight, and I want to get the whole bill done tonight.

Mr. NUNN. I thank the Senator.

□ 1710

Mr. PRYOR. Mr. President, will the Senator yield for a question?

Mr. HATFIELD. I yield.

Mr. PRYOR. Will the Senator from Oregon please advise the Senator from Arkansas, and perhaps others, about how many more amendments we have pending?

Mr. HATFIELD. Yes; we have a total of 8 committee amendments. Unfortunately, it took about 2½ hours to dispose of the first committee amendment.

Mr. PRYOR. Mr. President, there is not order in the Chamber, and I cannot hear my friend from Oregon respond to the question.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator is correct. The Senate will be in order.

The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, let me respond once again.

There were eight committee amendments. The first committee amendment has just been acted upon, which took about 2½ hours. I have no idea how long the remaining seven will take, but we have 35 other amendments to be offered by individual Members, beyond the seven remaining committee amendments. It is our expectation that many of those amendments could be handled rather rapidly, but that depends on the desire of the Senators to speak, speak, and speak again.

Mr. PRYOR. Did I correctly understand the Senator from Oregon to say that he would like to finish the bill tonight?

Mr. HATFIELD. Yes.

Mr. PRYOR. I would like to say good luck to the Senator. [Laughter.]

Mr. HATFIELD. I have a fallback position, but I am not ready to announce that.

Mr. EVANS. Mr. President, will the Senator from Oregon yield to the Senator from Washington?

Mr. HATFIELD. I yield.

Mr. EVANS. Mr. President, reserving the right to object, this comes as something of a surprise to those of us who have a significant interest in this particular amendment. I am sure we were prepared to move in anticipation that these amendments would come in order. We expected this to come somewhat later down the road a bit. I find that a little difficult now.

I do not know precisely why there has been a request to move this up in rank, but it does catch us by surprise.

Mr. HATFIELD. It may come as a surprise in sequence but not in timing. The request has been made to lay these six amendments aside in order to get to this particular one; because when this bill was first brought up today and as we began to move into it, we were looking for Senators to offer amendments.

The Senator from New Hampshire was on deck, ready to move and to act upon the amendment in which he had an interest. The Senate was basically void of any other Senators ready to move. We did have the REA matter come up as the first committee amendment, because those Senators, too, were coming to the floor and ready to move.

I say to the Senator from Washington that the Senator from New Hampshire made that request kind of on a mutually convenient basis of getting this bill under way and having an amendment to consider, and I committed myself, as the manager of the bill, to get to him as soon as possible, because of his cooperation in being ready to move on this bill.

Mr. EVANS. I understand the desire of the Senator to move on the bill, and I will not object on that basis, although I must say that the Senator from Oregon understands the critical nature of this particular amendment and the fact that it may take some considerable time to debate.

Mr. HATFIELD. I understand that.

I hope that when the Senator from New Hampshire identifies his proposal, it may go a long way to reach the concerns of the Senator from Washington, the Senator from Oregon, and other Northwestern Senators and other power-marketing area Senators.

Mr. President, I now propound the request that we set aside temporarily the next six amendments and move to No. 8 of the committee amendments.

The PRESIDING OFFICER (Mr. MCCONNELL). Is there objection? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. Mr. President, reserving the right to object, I did not hear what the chairman suggested—the unanimous-consent request.

Mr. HATFIELD. The unanimous-consent request I propounded was to temporarily lay aside the next six committee amendments in order to reach No. 8, which is the last committee amendment, and then, of course, automatically return to committee amendment No. 2, following the disposition of committee amendment No. 8.

Mr. GOLDWATER. I have no objection.

EIGHTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO PMA)

The PRESIDING OFFICER. The committee amendment will be stated.

The legislative clerk read as follows:

On page 72, strike line 1, through and including line 2 on page 73, and insert the following:

SEC. 209. No funds appropriated or made available under this or any other Act shall be used by the executive branch for soliciting proposals, preparing or reviewing studies or drafting proposals designed to transfer out of Federal ownership, management or control in whole or in part the facilities and functions of the Federal power marketing administrations located within the contiguous 48 States, and the Tennessee Valley Authority, until such activities have been specifically authorized and in accordance with terms and conditions established by an Act of Congress hereafter enacted: *Provided*, That his provision shall not apply to the authority granted under section 2(e) of the Bonneville Project Act of 1937; or to the authority of the Tennessee Valley Authority pursuant to any law under which it may transfer facilities or functions in the normal course of business in carrying out the purposes of the Tennessee Valley Authority Act of 1933, as amended; or to the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

AMENDMENT NO. 2010

(Purpose: To prohibit Federal divestiture of the facilities and functions of any Federal Power Marketing Administration except when specifically authorized by the Congress)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be considered at this point.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 2010.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 73, strike out lines 3 through 23 and insert in lieu thereof the following:

SEC. 209. (a) None of the funds appropriated or made available under this or any other Act may be used to divest Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration located in the contiguous forty-eight States unless and until—

(1) the terms and conditions of a divestiture proposal are specifically authorized by law; and

(2) any specific divestiture agreement resulting from that authorization is submitted to the Congress of the United States for review and is specifically authorized by law.

(b)(1) The limitation provided in subsection (a) shall not prohibit the conduct of divestiture studies or the preparation of proposals for submission to Congress with respect to the divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration.

(2) if any divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration results from any divestiture study or the preparation of a proposal, the costs of such study or proposal shall be paid by the person acquiring the assets. The costs payable under the preceding sentence shall be determined by the Secretary of Energy at the time the Secretary submits the agreement for such divestiture to Congress under subsection (a)(2).

(3) Nothing in this section shall be construed as indicating the intent of Congress with respect to the advisability or feasibility of the divestiture of any Federal Power Marketing Administration.

(c) The limitation provided in subsection (a) shall not apply to—

(1) the authority granted under section 2E of the Bonneville Project Act of 1937; and

(2) the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

Mr. HUMPHREY. Mr. President, first, I want to thank the Senator from Oregon for his usual kind and gentlemanly assistance in affording me this opportunity to offer the amendment early on.

May I say, also, to my friend from Washington and others who are concerned about this Power Marketing Administration proposal that, as Senator HATFIELD has suggested, I hope to be able to allay the concerns and fears of those Senators and hope they might support the amendment ultimately.

Mr. President, I should say at the outset that the amendment has the support of the administration. I have letters from the Director of the Office of Management and Budget and a letter from the Secretary of Energy explicitly supporting this amendment and its language, and I will insert those in the RECORD.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order.

Mr. HUMPHREY. Mr. President, the amendment addresses the matter of PMA's—power marketing administrations. Some might say that the urgent supplemental appropriations bill is no place to be dealing the matters relative to PMA's, and I would agree. Unfortunately, the bill as it came to us from committee contains language bearing on PMA's, language which the administration and this Senator find objectionable. And so we have no alternative than to address the PMA issue on the floor by means of amendment.

Mr. President, just a little background. There are five power marketing administrations. They are commercial activities of the Federal Government. They transmit and sell electrical power generated at 123 dams operated by other agencies of the Federal Government.

Mr. President, for a number of years, the Executive has been studying and considering the idea of divesting the Federal Government of these assets—that is, divesting them to another level of government, perhaps State government, perhaps regional compacts, or perhaps even to a private buyer; but, in any event, considering the possibility of divesting one or more of these power marketing administrations, with the idea of streamlining and making more efficient the Federal Government and streamlining and making more efficient the delivery of essential services to constituents.

I point out that, so far, no proposal has come from the Executive to do that. So far the Executive has only been studying the issue.

As a matter of fact, we are assured by the Secretary of Energy that should these studies conclude that divestiture is an attractive option from their point of view, or from most points of view, the executive will submit any such proposal or proposals to Congress for approval.

All the Executive proposes to do for the moment is to continue to do what it has been doing these years, and that is to study the potential for divestiture of these assets, to see if it makes sense on balance, to learn all that needs to be known, to learn all that needs to be known so that a proposal might be made to Congress at a later date should a proposal be warranted on the basis of the conclusions of these studies.

□ 1720

Unfortunately, Mr. President, the committee amendment before us, which incidentally was inserted into the bill in committee after approximately 2 minutes of debate—that is all the attention this important issue got in committee, according to the transcript, about five or six sentences exchanged between two Senators which could not have taken more than 2 minutes, probably not even 1—as I was saying, the committee amendment before us, which was inserted rather hastily I would say as a committee amendment into the bill, this committee amendment flatly prohibits any further study by the Executive of the question of divestiture of these PMA's. It flatly prohibits that. It calls an absolute halt to these studies which have been underway for a number of years.

In other words, the bill before us, if this committee amendment is adopted and not amended as I seek to amend it, would say on the part of the Senate and say to the Executive, "Sorry, that is it, stop where you are, do not do anything further, no more studies, the issue is a dead line, it is a dead letter."

That would be a very unfortunate and unfair thing to do, may I say, Mr. President, because at least the Executive ought to have the option of studying various proposals and alternatives, ought to have the option of studying just about any issue and every issue.

I think it is wrong and even disgraceful for this body to erect a complete wall, such as this amendment would do, to preclude any further study of important issues such as this.

The amendment which I have offered, Mr. President, will restore to the Executive the option of continuing these studies, and the amendment will do that simply by striking the language which is now in the committee amendment prohibiting such studies.

But there is more, Mr. President. I especially invite the attention of my colleagues from the States served by power marketing administrations—there is more. Specifically to allay the fears of those Senators and their constituents, the amendment I offered would codify a procedure which would require the Executive to come to Congress for approval of any divestiture plan it might wish later to propose.

In fact, the Executive would have to come twice, not once, but twice, twice for the approval of Congress. First, to secure the approval of a general plan that might lead to divestiture and then, second, to secure the approval of

Congress of specific terms that might be arranged for a specific divestiture. That is a double safeguard which does not exist today in law. As a matter of fact, all that exists today to protect the concerns of the Senator from Washington and others is the verbal assurance of the Executive that it would submit such a proposal to Congress. I am personally prepared to consider that verbal assurance as good as gold.

To allay the concerns of my colleagues, I propose to put in the statute that kind of requirement. That statutory requirement is embodied in the amendment which I have offered to the Senate.

So it does two things. It strikes the language which is now in the committee amendment which blocks absolutely any further study of this issue of divestiture and, second, sets up statutory requirements which would require the Executive to twice obtain the approval of Congress before any divestiture would be carried out.

I do not know how much more reasonable people can expect. I think those are very good safeguards. I think we made a very good faith effort to consider concerns of our colleagues who are worried on this point.

Mr. President, as I finish with what I have to say, because it is a rather simple matter, I noted at the outset I have a number of letters of support for this amendment.

I ask unanimous consent to have printed in the RECORD a letter from John S. Herrington, Secretary of Energy, supporting the amendment; a letter from James C. Miller III, Director of the Office of Management and Budget, supporting the amendment; and also a letter from J. Peter Grace, the head of the Council for Citizens Against Government Waste, the Grace Commission, so called, dated May 23 which is also written especially in support of the amendment which I offered.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, June 5, 1986.

Senator GORDON J. HUMPHREY,
Washington, DC.

DEAR SENATOR HUMPHREY: I am writing to express my strong support of your amendment to H.R. 4515, Urgent Supplemental Appropriation, 1986, which would allow the Administration to conduct preliminary studies of the feasibility of divesting one or more of the four Power Marketing Administrations (PMAs) operating in the lower 48 States. I understand that under your amendment:

the studies would develop proposed options for Congress to consider and review;

the Administration would be required to obtain Congressional review of proposed divestiture concepts and approval of final divestiture actions; and

the provisions simply ratify current Executive authorities to study issues, and do not imply any intent of the Congress regarding the advisability or feasibility of PMA divestiture.

Administration policy is to remove the Federal Government from commercial operations that can be managed as well or better by public or private entities that are closer to the region and customers being served. With respect to the PMAs, our prime objective is to accomplish this in a manner that benefits both the affected PMA region and the taxpayer. We understand clearly that we must prove to the satisfaction of the public and the Congress that such options exist. This is the purpose of the study authority we are requesting.

I appreciate your willingness to offer this amendment and your opposition to any efforts to curtail the President's authority to review those programs he manages and recommend proposals for change to the Congress.

Yours truly,

JOHN S. HERRINGTON.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, June 4, 1986.

Hon. GORDON J. HUMPHREY,
U.S. Senate, Washington, DC.

DEAR GORDON: The Administration strongly supports your amendment to H.R. 4515, the Urgent Supplemental Appropriations bill, which would permit the executive branch to study divestiture of the Federal Power Marketing Administration (PMA's). At the same time, it would require that no asset divestiture proceed without specific Congressional approval.

Your amendment would allow the examination of new and possibly better ways to serve the customers of the PMA's through asset divestiture. It would also guarantee that we will do what we have every intention of doing—work closely with the Congress on the issue.

Much opposition—even to studies of PMA asset divestiture—has been expressed over the past several months out of the fear that divestiture would automatically and inevitably lead to large rate hikes for current PMA customers. We recognize that such rate hikes would be unacceptable to their representatives in Congress. I want to assure you and your colleagues in the Senate that it is not our intent to try to balance the Federal budget by increasing PMA customer rates.

Where people have not prejudged the outcome and instead have proceeded to look at PMA divestiture in an open-minded fashion, the results have been favorable. The Federal Government and the State of Alaska, for example, recently completed a study of defederalizing the Alaska PMA. The study has generated positive interest by the State and local governments. We would expect to follow a similar course with similar results on the other PMA's. I cite this as an example of the fact that the Administration is looking for "win-win" options that serve both regional and national interests.

There is good reason to believe that careful study will show that PMA divestiture is in the interest of PMA customers. In the years ahead, we face an unpleasent but undeniable reality—continuing pressure to reduce Federal spending. If PMA assets are divested,the constant attacks at the Federal level to cut PMA funding will stop. If these assets are not divested, the evolving Gramm-Rudman-Hollings environment will make it increasingly difficult to protect regional interests.

The Administration has demonstrated time and again over the past five and a half years that the Government can serve people better if it intervenes less in the economy. Other countries have been successful in selling assets and reducing the size of the Government. It is time to give asset divestiture a hard look here too—letting Government concentrate on governmental activities and leaving commercial activities to other entities better able to provide them.

Your amendment would allow a fair hearing and review of PMA asset divestiture options. At the same time, it would guarantee that the Administration could implement no PMA asset divestiture proposal unless Congress fully considered the proposal and approved it. In fact it requires Congress to vote twice on any specific PMA divestiture option, once to authorize any specific proposal and again to approve any specific divestiture agreement. There is no question that Congress could stop any divestiture proposal if we do not abide by our commitments to provide an honest and fair assessment of options.

In conclusion, let me emphasize the fact that it would be premature for the Congress to pass judgment on the PMA divestiture proposal without more information. Supporting your amendment will allow the Congress to obtain the information it needs to make an informed decision on the issue. Voting in favor of your amendment, is reasonable, wise and fair.

Thank you for your leadership on this issue.

Sincerely yours,

JAMES C. MILLER III,
Director.

COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE,
Washington, DC, May 23, 1986.

Hon. GORDON HUMPHREY,
Senate Office Building, Washington, DC.

DEAR SENATOR HUMPHREY: It has come to my attention that the Senate Appropriations Committee has adopted an amendment to the Urgent Supplemental Appropriations, 1986 bill (H.R. 4515) that would effectively prohibit the Administration from studying the possible divestiture of the Federal Power Marketing Administrations (PMAs)—and that you are prepared to offer an amendment to remove this prohibition. I hope that a majority of your colleagues in the Senate will follow your lead on this issue.

We are greatly encouraged that the Administration is seriously considering the divestiture of the PMAs. The national interest has been ill-served by PMA sales of hydroelectric power to a small segment of our population at rates that are heavily subsidized—through manipulation of repayment schedules and taking advantage of interest rates set well below the government's cost of money—by all taxpayers. Marketing hydroelectric power is clearly a commercial enterprise that is far more suited to local public or private organizations than the federal government. Sale of the assets that generate and transmit power by the PMAs would result in net revenues to the Treasury of almost $13 billion in 1987-1991, according to Administration estimates—a major opportunity for deficit reduction in these years.

The President's Private Sector Survey on Cost Control, which I was privileged to chair, recommended that "the federal government should begin immediately an orderly process of disengagement from participating in the commercial enterprise of electric

power marketing." A thorough study of how divestiture might best be accomplished is the essential first step in this process.

I do not have enough information available to me at this time to make possible a determination of how much a thorough divestiture study should cost. I am of course aware that the House has placed a $400,000 ceiling on such a study. Whether this amount is adequate or not for this task is a question I must leave to others that are better informed to judge. It is clear, however, that the Senate Appropriations Committee prohibition on the use of funds for a PMA divestiture study goes too far. Such an action would prevent Congress from even having an opportunity to make a fully informed decision on the PMA divestiture issue. I consequently urge the Senate to accept the amendment have proposed or, if need be, an appropriate funding ceiling in place of the current prohibition adopted by the Senate Appropriations Committee.

As always, your efforts to reduce waste and inefficiency in federal spending are much appreciated.

Sincerely,

J. PETER GRACE.

Mr. HUMPHREY. Mr. President, let me just close then on that point that the Grace Commission in its recommendations, which has been 2 years ago, I guess, among those recommendations suggested that the Federal Government ought to find ways of divesting itself of these assets of these power marketing restrictions. either to another governmental body, as the Senate, for example, chose to do with Dulles and National Airports, a governmental body, regional body, or to a private bidder if that were found more satisfactory to the various parties.

So that is it in a nutshell. It would remove this flat prohibition on further study and set up statutory requirements that the Executive come before Congress to secure approval twice on any proposal to divest any one or more of these properties.

Mr. President, I do not personally see the need for a rollcall vote on this amendment. It should be noncontroversial. There should not be anything controversial about proposing to study something. Indeed, it ought to be transferred to propose to not block studies aimed at finding ways to make Government more efficient.

So for my part, unless we run into a problem here, I do not intend to ask for a rollcall vote. I am prepared to do so if necessary.

At this point, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I was somewhat surprised to see my colleague from New Hampshire offer this amendment. It was my language in the appropriations committee markup that struck the $150,000 for a study, and it was unanimously accepted.

This is a most unusual proposal at the outset by OMB and they claim it is an attempt to balance the budget, I guess. Let me assure everyone in this room that the proposal to sell the Federal power facilities is hardly the answer to solving our budgetary problem.

When something is not broken, then why try to fix it?

Here is a program that has been in effect for many, many years, working very effectively. I have never heretofore heard any comments about inefficiencies.

As a matter of fact, I think some of us need to remember that when these dams were constructed and power generated, they are being paid back over a period of 50 years, paying interest, mind you, and everything for the most part is very current. It is bringing revenues in the form of interest back into the Government.

Now we are attempting to pursue a new proposal, trying to make a study for the purpose of selling off the dams. I suppose you could make the studies do whatever you want them to if they set out to do that program.

I can assure you that this is not a feasible proposal.

It has been estimated that the sale or transfer of the Federal power agencies would cost electric consumers at least $2.2 billion and possibly as much as $12.6 billion annually. Rates will increase from 68 to 390 percent. This is not feasible.

In South Dakota, it is estimated that electric rates would increase by $70 million. This is not feasible.

It is a ridiculous program to try to study in the first place. If, from the beginning, a proposal is not feasible, why should we waste the American taxpayers money on studying an unworkable program?

I just want to urge that all Members of this body think deeply about this type of a proposal. The damage to farmers and small communities across America is far too great. With the budget deficit, there is no need to spend money on a proposal that will only fail.

I hope that the Members of this body will see fit to vote it down by a large majority and maintain what I worked out doing the appropriations markup.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon.

□ 1730

Mr. HATFIELD. Mr. President, I think this whole matter can be clarified with just recognizing there are basically two steps involved in this whole proposal. One is the matter of making a study, a feasibility study, a comprehensive study that would lay out the facts and the information, the data necessary to consider the possibility of divestiture. The second part is the act of divestiture.

Now, bear in mind that the Senate bill does not prohibit the idea of looking into information or facts. In fact, it might be noted here that the administration has already spent $200,000 in just 6 weeks on the DOE Task Force on Privatization. So it is not as if we are not gathering information and looking at this issue. Those of us on the committee are not opposed to truth, knowledge, information, data, whatever.

But I think it is important to note that under the amendment offered by the Senator from New Hampshire, it only addresses the second part, the second step, and that is before divestiture can be proposed or initiated, it has to, of course, receive the approval of the Congress.

Well, let me say there is a clear record in our Appropriations Committee from the Secretary of Energy, from the Secretary of the Interior, in which they recognize, with their legal counsel present in these hearings, that they could not unilaterally divest the Government of its holdings in any of these PMA's without congressional authority. This amendment means nothing. It is absolutely meaningless because the administration, with all of its energy and desire to divest PMA's, already acknowledges the fact they have no authority to divest PMA's without legislative authority.

I think, in effect, what we have in this proposed amendment is an open-ended invitation to go out and spend money on developing a case for divestiture without the congressional role being played.

I think it is a very interesting thing I have before me, and I want to introduce it into the RECORD. This is a directive, internal memorandum, within the Department of Energy, to the program officials for asset divestitute, from William J. Silvey, Executive Director, Asset Divestiture Group. The subject is "Early Input to Establishing Working Groups and Preliminary Work Plans For Asset Divestiture."

I will not go into all of it, but I will submit it for the record. But I want to just note one very interesting and very, I think, important signal coming to us, an interesting statement here. I quote directly:

> It will be important to quickly build an effective public and political network to disseminate information and allow the process to be publicly transparent. It may be appropriate to work preemptively with editorial boards of national and local media.

Now, Mr. President, this indicates that without the authority that is even implied in the particular amendment offered by the Senator from New Hampshire, the scheme, the idea, the strategy within the Department is to go out into the public and preemptively develop a public support base on an action they do not even have legal authority to take, on a case that they have not developed sufficiently to come to the Congress to get money for

the feasibility of divestiture and to develop absolute and concrete plans and getting congressional input. Congressional authority, congressional responsibility is here and we cannot divest outselves of that role.

Now, one might say, "Well, of course, coming from a PMA district, you have a vested interest." Yes, I have a vested interest. I made it very clear that the divestiture of the Bonneville Power Administration will occur over my dead body. Now that is not too ambivalent and I believe that I made my position clear on that.

But the point is, I am willing to take that case up and fight it on its merits and so forth. But I am not willing to, at this point in time, give the invitation of an open-ended preemptive strike, so to speak, on the part of the agency to go out there and develop a public base of support for an action which they do not even have authorization to carry out. And I am not about ready to give them that authorization until they can present their proposal in toto to the Congress.

Mr. President, I do not know that I have to take a great deal more time with it. I ask unanimous consent that this internal memorandum that pretty well expresses the kind of strategy being pursued already in the Department of Energy be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, DC, March 18, 1986.

Memorandum for: Program Officials for Asset Divestiture.

From: William J. Silvey, Executive Director, Asset Divestiture Group.

Subject: Early Input on Establishing Working Groups and Preliminary Workplans for Asset Divestiture.

Over the past couple of weeks we have had numerous contacts with people whose advice may be of value in conducting the divestiture of these assets. These contacts include Federal Railroad Administration staff (involved in the sale of the Alaskan-Railroad and currently pursuing the sale of Conrail), people in the investment community and others who have been involved in sale of major government properties. The purpose of this memorandum is to consolidate the highlights from these contacts for your use in planning working group activities.

Points which we have consistently heard from these contacts include:

It is important to get an early, independent assessment on the value of the asset to be sold. This is important not only in setting the expectations of the seller, but also in building a solid, analytical base to demonstrate prudence in the transaction when faced with downstream second-guessing. It is essential to demonstrate a comprehensive, methodical process.

The Conrail sale was facilitated by enabling legislation. Working without such legislation will put increased pressure on a "hill strategy" to build consensus for these sales. It will be important to build an early political consensus at the Federal, state and local levels on the appropriateness of pursuing these transactions.

It is important to get early assistance from an investment banker. Only the people who do these transactions professionally, on a daily basis, are likely to have the imagination and strategic sense to understand what's possible.

Since contracting for investment banking services will take some time, it is important for the working groups to accomplish what they can to prepare for the banker who will conduct the transactions. Such steps might include:

1. Categorize/inventory assets and liabilities in a manner which is meaningful to prospective buyers.
2. Inventory existing contracts and evaluate their effect on asset valuation.
3. Identify and evaluate issues which will affect asset value (e.g., non-power related obligations which would convey with assets, personnel programs, etc.)
4. Profile relevant markets—customers, suppliers, regulators and other institutions.

It will be important to quickly build an effective public and political network to disseminate information and allow the process to be publicly transparent. It may be appropriate to work preemptively with editorial boards of national and local media.

It will be important to identify major issues, initiatives and upcoming decisions which could be affected by this divestiture initiative. A strategy should be devised which minimizes the impact of this initiative during the period prior to transaction on ongoing programs. Conversely, it is important that these ongoing business decisions be addressed in a manner consistent with our intentions to divest these properties.

MAKEUP OF WORKING GROUPS

Working groups must bring together the mix of skills and knowledge which can carry out all dimensions of the transaction. The core working group should be comprised of program people, but support from headquarters staff and non-government experts (especially investment bankers) will be provided on a closely associated basis as coordinated by the Executive Director.

Mr. EVANS. Mr. President, I cannot believe that anyone could have introduced a proposal and gotten into an issue that strikes so closely to the heart of the economic present and economic future of the Northwest. I am confident the Senator from New Hampshire did not consciously recognize that or do that. He did not discuss this amendment with me prior to introducing it.

But I can tell him that no issue, no issue that has come to the floor of this Senate since I have been here in my short time, has more importance, deals more critically and adversely with the entire economic future of the Northwest than this particular issue.

I can tell the Senator from New Hampshire that, as far as I am concerned, this is only the first step. I have introduced a bill, and I will tell him now that I intend to attach it at the first opportunity to the appropriate vehicle, to ban for a period of 10 years any divestiture of power marketing authority.

And why? Well, let me tell him first that his offers, in the amendment to bring back the results of any study for congressional action do not allay my fears in the least. I share with the Senator from Oregon the recognition that, of course, they would have to come to Congress before the divesting of any major asset of this type. It would be not only foolish but I believe impossible for the administration to divest itself of a complex entity of this type without coming to Congress.

Mr. President, we are now being treated to the shade of David Stockman. For 5 years, we had the pleasure—for some a dubious pleasure—of his intense feelings about issues, as Director of the Office of Management and Budget. He is gone, but his shade remains and it still permeates the corridors of the Office of Management and Budget and, unfortunately, has found its way back into this proposed budget.

I debated this issue on a number of occasions with David Stockman. We brought him a comprehensive and detailed proposal showing why the Grace Commission proposals were flawed and the huge amounts of revenue they sought to achieve from the Pacific Northwest—and from 32 other States, I might add—were simply not there.

After more than an hour of debate with Mr. Stockman, he leaned back and said, "Well, leaving all of those things aside, I just get the impression that you in the Pacific Northwest don't pay enough for electric power."

Now, this was the real David Stockman unmasked. This was the ideology that says, "Because you don't pay as much as someone else, something must be wrong."

Well, let me tell the Senator from New Hampshire that there are assets and liabilities to each part of this Nation. I do not see anyone here on the floor of the Senate suggesting that somehow, because natural gas is cheaper in Texas and Oklahoma than it is in Washington or New Hampshire, that somehow we should simply raise the price to those citizens because they pay too little. Or because the citizens and the manufacturers of New Hampshire happen to be a lot closer to major markets and transportation costs are less, that somehow they should pay more in transportation costs because they are smaller than the same transportation costs from the west coast.

No, that is the real reason, the unmasked David Stockman, just simply, "You don't pay enough."

□ 1740

The Grace Commission report I have looked at in detail. I can tell the Senator from New Hampshire that there are a good many parts of that

report which are worthwhile, a number of portions of that report which have been implemented, and some others which ought to be implemented. However, that part of the report is flawed, flawed, flawed. I can detail as long as you wish the flawed portions of those recommendations.

Let me begin by only suggesting that a good friend of mine was the head of the task force that studied the Bonneville Power Administration, and the proposal for divestiture and included along with that the proposal for increased selective power prices in the Northwest because unless you increase electric power prices you cannot make the large profits that some would suggest will come from divestiture.

No one is going to pay larger prices for the current assets unless they are going to get more in terms of reward or rates than they get now. Of course, the leader of that task force interestingly enough was a high executive of the natural gas industry, hardly a friend of the electric power industry.

Let me only suggest as I did at the beginning that nothing deals a stronger body blow to the economy of the Pacific Northwest and to the future we face than this proposal. Our economy is still fragile. Citizens of the State of Washington for many years enjoyed a per capita income that was among the top 10 in the Nation. Over the past 15 to 20 years it has always been among the top 15 until just recently. It has steadily slipped until now it is below the national average. Unemployment still is considerably higher than the national average.

For those who suggest that people in the Pacific Northwest are not paying market rates for electricity, even though they are low, let me tell the Senator from New Hampshire and others that British Columbia is ready to sell electricity to the Pacific Northwest and beyond at rates cheaper than are now being charged by the Bonneville Power Administration.

Citizens of California through the tie line now take in less power through the Pacific Northwest creating a shortage in revenue for Bonneville because it is now cheaper to fire up the gas and oil turbines of California than to buy even surplus hydropower.

The aluminum companies which have 20 percent of the power use in the Pacific Northwest are all marginal companies. The 13,000 direct employees of those aluminum companies are all at risk. We have had to help lower those electric prices in order to keep them even partially working.

Mr. President, and my good friend from New Hampshire, I could go into a good deal more detail. I do not think this is the time nor is this the bill to do that. If the Senator from New Hampshire wants to cripple the economy of the Pacific Northwest, this is precisely the best way to start.

He has always been a careful and conservative viewer of the public budget. I commend him for that. I cannot think of a better, more direct and easier way to save the more than $1 million that the Department of Energy expects to spend during the remainder of this fiscal year on studies than by simply banning the studies, saving the million dollars, recognize that this is a ludicrous proposition that ought not to go anywhere and will not go anywhere.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I wish first to commend the eloquent and clear statement of my colleague from the State of Washington, and to associate myself with his remarks. I can only say to the Senator from New Hampshire that the proposal he has here is analogous to spending Federal money on a study as to whether or not the cost of the lodges and ski lifts of the State of New Hampshire ought to be quadrupled because New Hampshire is so much closer to skiers from New York City than is Colorado or the State of Washington, that we cannot fairly compete with them in attracting from major Eastern metropolitan areas people who would like to ski.

The Bonneville Power Administration and its projects are fundamental to the economy of the State of Washington, to the State of Oregon, to the State of Idaho, and to the Pacific Northwest, in general.

Without the Bonneville Power Administration our economy would be in disastrous condition. We hope we will today succeed in preventing changes in the Bonneville Power Administration, or for that matter, the power marketing agencies which provide similar services to more than half of the other States of the United States. But that is simply not sufficient for economic planning in the Pacific Northwest.

As long as the administration, as my Senate colleague from Washington so eloquently stated, or the name David Stockman was around with recommendations like this emanating from the administration each and every year, we cannot offer a secure basis for future planning of the economy in our State, or in our region.

It is for precisely that reason that the Appropriations Committee has included this prohibition against further expenditure of money on the part of the Office of Management and Budget in studying this set of ideas.

In fact, the Office of Management and Budget has already spent a substantial amount of money on that proposition. The amendment of the Senator from New Hampshire does state, of course, that no determinant, final action can be taken with respect to the status of power marketing agencies without an act of Congress. But that is irrelevant. In most other areas, in most other fields, when we are about to authorize a water project and the like, we authorize the study here in Congress first. We do not simply react to a self-starting study on the part of the Office of Management and Budget. That is what should be required on the part of the administration. It should be required to seek authorization to spend the Federal money on studies of this sort if it wishes to do so, and that is all the committee amendment requires.

Passing the amendment proposed by the Senator from New Hampshire is not going to result in a divestiture of power marketing authorities in the Pacific Northwest and elsewhere. It is, however, going to add to the uncertainty with which economic development in the Pacific Northwest is faced. It is going to be an inhibiting factor with respect to both the standard of living at the present time and in the future of our citizens. It is for that reason that we have sought the kind of certainty which the committee amendment provides for us. We feel that is overwhelmingly justified.

My colleague from the State of Washington eloquently pointed out that this was a particular crusade—the sale of these power marketing agencies by the most recent Director of the Office of Management and Budget. I want to inform my colleagues that if he were successful, he would not lower the deficit of the Government of the United States. As a matter of fact, were he successful, he would add to that deficit. The maximum possible value of these agencies on the open market could not conceivably match the losses in social insurance, and social dislocation which would result from their sale—costs which would inevitably be imposed on the Federal Government.

I notice on the opposite side of the Chamber my distinguished colleague from the State of Tennessee, whom I am certain can make precisely the same statement with respect to power marketing authorities in the State which he represents.

□ 1750

We have a right, it seems to me, to a certain degree of assurance as to the future. We in the Pacific Northwest have met obligations which were imposed upon us by the Congress of the United States when the dams, which are the fundamental bases for the Bonneville Power Administration, were constructed there. We have met those obligations. We are entitled, while we are meeting those obligations, to feel that the United States will honor the contract which it made with us and with the people whom we represent.

The amendment is mischievous. It cannot possibly succeed. It would cause what would be a disastrous sale. It can, however, add to economic dislocation in many States across the country and thus to the economic dislocation and to serious economic problems in the United States as a whole.

Putting this to rest for once and for all in the way in which the committee amendment does will be a positive benefit for the people of the United States. It will allow for the proper economic growth and for economic security which, in turn, will be reflected in our gross national product and in a lesser need for Government appropriations for a wide range of social purposes.

Mr. President, the committee amendment is an appropriate response to a serious and ill-intentioned proposal on the part of the administration over the last several years.

Simply in the interest of comity, in the interest of federalism, in the interest of development for all of the people of the United States, this amendment should be overwhelmingly and summarily rejected.

Mr. EVANS. Will the Senator yield for a question?

Mr. GORTON. I yield.

Mr. EVANS. Someone suggested that a study sounds benign enough and that before any action is taken this action might be authorized. That would be one suggestion to some.

Could my colleague from Washington inform me as to the reaction of businesses and investors and those who would look toward their own economic well-being and future in the Pacific Northwest subsequent to the beginnings of talks about divestiture and the whole question of study having an effect economically, or does the Senator believe it will have an effect economically?

Mr. GORTON. I say to my distinguished colleague from the State of Washington that the same kind of reaction would attend upon such a study as would attend, to take the Northeast for example, a serious study as to the sale not as a unit but the abandonment of Conrail. Just to think 5 or 6 years ago of the great problems of Conrail, the Government of the United States had seriously thought that we just ought to tear up the tracks, that it was costing too much money for us to help the Northeast by getting Conrail out of a serious situation in which it found itself. What impact would that have on the Northeast?

Quite simply, no business which has any need for transportation whatsoever would consider locating or expanding in an area such as that. The same kind of consequences will, of course, attend upon any serious effort in this connection, whether it is a study or reality.

For our State, for the State of Tennessee, and for many other States, no one whose business is seriously dependent upon power, upon an assured supply of low-cost power, could possibly consider creating or expanding a business enterprise in the Northwest under that set of circumstances.

As a consequence, something of this sort would have a very deleterious effect upon our economy.

Mr. EVANS. Is it not true that the industry which uses 20 percent of the total power in the Northwest, the aluminum industry, is already struggling under low worldwide prices and that they are already considering whether to shut down plants simply because of the uncertainty created by these proposals and studies?

Mr. GORTON. The Senator is correct. The adoption of the mildest proposals made by Mr. Stockman, the adoption of the mildest of those proposals, would have resulted in the immediate closure of the entire aluminum industry in the Pacific Northwest.

Mr. President, I ask unanimous consent that an article which I authored, entitled "The Perils of Divesting the Federal Power System," which appeared in Public Power, May-June 1986, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PERILS OF DIVESTING THE FEDERAL POWER SYSTEM

(By Senator Slade Gorton)

One of the hallmarks of President Ronald Reagan's domestic policy has been his effort to narrow the scope of activity of the federal government. In furtherance of that policy, various proposals have been made to sell federal assets. These have included proposals to sell federal land parcels, portfolios of loans and other assets. This year such divestment acquired special prominence when the president made asset sales a centerpiece of his budget proposal.

While some of the president's proposed asset sales may have considerable merit, others—such as the sale of the federal power marketing administrations (PMAS)—are inappropriate and potentially disastrous.

Specifically, the administration's proposal to privatize the Bonneville Power Administration (BPA); the Western Area Power Administration (WAPA); the Southwestern Power Administration (SWPA); the Southeastern Power Administration (SEPA); and the Alaska Power Administration (APA) raises many complex legal, political and financial questions. Under the proposal, the federal government would: (1) sell all transmission and power generation facilities at federal dams; (2) retain government ownership and control over the dams themselves, as well as authority to regulate streamflow; and (3) require an agreement between the government and the new owners of the power systems to share costs in any future investments made at the dam structures.

The administration assumes the BPA and SWPA will be privatized in 1988, and the other three PMAS will be sold by 1991. The Office of Management and Budget claims that a "net savings" of $12.7 billion would be achieved if all of the PMAS were privatized.

Many of us in Congress believe this proposal is fiscally irresponsible. The PMAS pay more money into the Treasury than they take out. Of the total federal hydroelectric investment of approximately $15 billion, 20 percent has been repaid on the principal, plus an additional $5.3 billion in interest to the U.S. Treasury. If the PMAS are sold, not only will income from them stop, but continuing costs will be imposed on the federal government.

Agencies such as BPA perform a combination of other governmental functions, such as home energy conservation, fisheries development and environmental protection. Today, revenues from the power operations pay the costs of these functions. If BPA is sold, the federal taxpayers will have to start paying for these governmental programs.

I am deeply concerned, as well, that the sale of PMAS will lead to litigation and require expensive changes to existing contracts. The sale of BPA alone would require renegotiation of about 10,000 contracts and substantive changes in several laws. The legal questions raised include constitutional issues involving the impairment of contracts; outstanding obligations and lawsuits related to the Washington Public Power Supply System (WPPSS); Indian and Canadian treaty rights; statutory processes for review of planning, environmental protection, procurement approaches and administrative actions; and employee rights under civil service laws.

Congress must resolve many enormous problems before a transfer can be completed. For example:

What should be done with the federal dams that are operated by the Army Corps of Engineers and the Bureau of Reclamation for many purposes besides power generation?

Should only the right to the power output be transferred, or should the powerhouse, or the complete dam and reservior including the powerhouse be sold?

How is the buyer going to finance the transaction?

To what extent will the buyer assume the responsibility for fish and wildlife, conservation programs, compliance with international treaties, and reimbursing the Treasury for the costs of past and future irrigation projects?

On what basis will the sale price be determined?

Will the buyer be bound by the longstanding federal principles of preference in the sale of power, and of rates based on the recovery of costs without making a profit?

These questions and many more would take years to resolve *if* there were a consensus in Congress and the regions served by PMAS in favor of the transfer, which there is not. Unless the government lets the federal hydroelectirc projects go at bargain basement prices, the potential buyers would have to borrow billions of dollars at today's interest rates, and the cost of refinancing would have to be passed on to the consumer, possibly doubling current utility bills.

This would have far-reaching, severe economic consequences, not only on regions served by PMAS such as the Pacific Northwest, but the nation as a whole. In fact, the added social costs for unemployment compensation, welfare and other economic dislocation assistance, not to mention the loss of

federal tax revenues, means the deficit would probably not be reduced at all.

Fortunately, the Senate Budget Committee, of which I am a member, rejected the proposed sale of PMAS, as a means for reducing the federal deficit, in the fiscal year 1987 budget. There are strong concerns that the Department of Energy may waste a large amount of taxpayer/ratepayer money studying ways to privatize the federal power marketing administrations.

Before this fiscal year is complete there will be a concerted effort to address this issue. The federal government's recent experience in selling Conrail indicates how difficult this matter can be. The proposed sale took the federal government more than four years to negotiate and millions of taxpayer dollars before the deal was ready for congressional approval. The privatization of Conrail is a simple proposition relative to the sale of agencies such as BPA.

In conclusion, the federal power marketing administrations are revenue-producing assets. The PMAS are required by law to pay all of the costs of construction, including principal and interest, over a 50-year period, as well as the operation and maintenance expenses. It is wrong for the federal government to finance the deficit, selling long-term, money-making assets to bridge the shortfall between current spending and receipts.

Mr. GORE. Mr. President, I want to join my distinguished colleagues in the Pacific Northwest in opposing this amendment. As they have noted, the effect is not confined just to their States but to 32 other States in the country. The Southeast would be particularly affected by this amendment. My area of the country is served by the Southeastern Power Administration. The actions proposed to be studied under this amendment would result in an overnight electric rate increase of 7 percent for every single one of my constituents. You can see why I am a little exercised about this amendment and why it should be opposed.

I would urge my colleagues from other parts of the country to look carefully at the power marketing administrations that serve their areas. They are not well known. They have not been well publicized. But they do provide wholesale electricity to the retail electricity marketers in many parts of the country.

What this is all about is these power marketing administrations at the present time provide this electricity on a wholesale basis for the cost of production. They do it efficiently. They do it well. They provide savings to the people who ultimately consume that electrical power at no cost to the taxpayers of this country.

But there is an ideological move called privatization which says anything that the Government does, get rid of it and let private industry do it and make a profit out of it. That is really what is behind this.

The basic idea is to take these power marketing administrations. This is just a study, but make no mistake. The message implicit in this amendment is clear. It would send a message to the administration that says basically, "Yes, it is fine with the Senate for DOE to move ahead with these plans to accomplish the selloff of the Federal power marketing administrations."

That is really the message trying to be sent here. This amendment needs to be defeated.

But let me get back to my point. The purpose is to sell off these power marketing administrations to what the Department of Energy refers to as "regional or private interests" and let them take it over and make as much profit as they can on it and charge that profit to the consumers of electricity, to the consumer in our areas of the country, raise the electricity rates so that a profit can be made by the private interests which want to take over this function which is being performed very efficiently and in the public interest by the power administrations.

The sponsor says there is no proposal to sell off the PMA's. That is incorrect because the administration has been floating this idea for 5 years. They made a firm proposal in their 1987 budget to do prescisely that, to dump the power marketing agencies.

Some say there is nothing wrong with an innocent study down in the bowels of the bureaucracy. Well, there is nothing innocent at all about the administration's plans for the millions of rural Americans who would be forced to pay much higher electric rates if this amendment were passed and the inevitable result which would follow this amendment.

The committee approach is sound because it sends the right message, that the Senate wants the administration to know without doubt that it will not stand by and allow a valuable public asset to be auctioned off at a fire sale, driving up electricity rates, all in the name of privatization. That is the intention of the bill we have before us today.

I hope the committee position will be supported.

Let me make one other point. Instead of producing some windfall for the Treasury, the process of disposing of these valuable public assets would carry an enormous cost in itself. It would produce nominal Treasury revenues at best and yet drive up electricity rates for millions of Americans just because of the obsession with privitization. The proposal is no trial balloon. The administration is deadly serious and committed to this flawed proposition.

□ 1800

The PMA's, as I said before, wholesale the electricity to utilities at the cost of production and transmission. The PMA's repay the Federal Treasury for the public investment in these facilities in full. The President's proposal in the fiscal year 1987 budget would be to sell all of the PMA-operated transmission facilities. The selloff would occur by auction or be negotiating directly with regional and private interests.

Let me take a moment before I close to describe more specifically what the effect of a fire sale of PMA's would be on Tennessee.

TVA and other public and private utilities throughout the Southeast have long-term contracts to purchase hydropower from the Southeastern Power Administration—SEPA. TVA then resells this hydropower to local distributors for their residential customers under provisions of the TVA act restricting low-cost hydropower to residential users.

In 1984, TVA purchased from SEPA, and resold to Valley distributors, approximately 3.2 billion kilowatt hours of electricity from SEPA dams, or 4.5 percent of all of TVA's sales. TVA paid SEPA approximately $14 million for that power.

If SEPA assets were sold to the highest bidder, its new charges for power would be, at minimum, the estimated market cost of replacement power. Even if the high bidder would agree to continue selling that power to TVA ratepayers, TVA would than be forced to pay approximately $125 million for power which cost $14 million—using 1984 figures—under current laws.

A $110 million increase in TVA electricity costs would force a 7-percent overnight rate increase for TVA ratepayers. Those increases would be mirrored throughout the country as utilities face greatly increased costs for PMA-marketed hydropower. In addition to skyrocketing ratepayer increases, the administration's plan is flawed in other ways:

First, the purported Treasury windfall from a selloff of the PMA's is highly speculative. There has never been a similar selloff from which to analyze transaction costs, market participation, et cetera. For example, the DOT's plan to sell Conrail, at $1.2 billion, is the largest such effort ever undertaken by the U.S. Government.

Second, even if these assets could be sold, the price would be so high as to force either a breakup of the systems involved, or such a degree of financial leverage as to endanger the very solvency of the power distribution systems.

For example, if unguaranteed bonds were issued to finance a purchase of Corps of Engineers or Bureau of Reclamation dams, billions of dollars of new capital would be needed, at interest rates sufficiently high to attract investors. Those costs would necessarily be passed on to utilities, who then might be forced to build new capacity from nuclear or coal-fired facilities. In

any event, utility planning would be disrupted, directly affecting their customers.

Third, the administration has not taken into account the legal commitments that currently exist between the PMA's and the utilities TVA's contract, for example, is in place through 1944.

Fourth, these corps and Land Reclamation dams were built to provide public benefits and produce economic growth for the regions they serve—not to create a corporate windfall opportunity for investors taking advantage of a Government fire sale.

Fifth, the public investment in PMA facilities is being paid back, with interest. There is no taxpayer subsidy involved. Yet, if private investors purchase these assets, it is certain that huge tax deductions or credits would subsidize the sale—in other words, the selloff itself would be subsidized by the taxpayer. That, in fact, has been one of the major criticisms of the Conrail sale.

Mr. President, the list of reasons to oppose the selloff of PMA's goes on and on. In fact, there are simply no credible reasons to support the administration plan. We must foreclose the administration from advancing such a wrongheaded proposal disguised as a deficit reduction move. I urge my colleagues to oppose this amendment.

To make the story short, Mr. President, this is a terrible amendment. I urge my colleagues, from whatever part of the country, to reject that amendment, stay with the sound approach adopted by the committee, and listen well to the articulate arguments presented by our colleagues from the Pacific Northwest, keeping in mind that although the impact is greatest in that part of the country and in the TVA area, which depends very heavily on these power marketing administration assets, the impact is not confined to those areas.

Thirty-two States are affected. I say to 64 of my colleagues here who represent those 32 States, pay very close attention to which ones of your constituents are going to have their electricity rates increased because of the actions that are anticipated as a result of the study proposed in this amendment. I call on my colleagues from all parts of the country to reject this ill-considered amendment and stay with the committee.

I yield the floor, Mr. President.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I rise today to oppose the amendment offered by the Senator from New Hampshire [Mr. HUMPHREY]. I joined with the distinguished chairman of the Committee on Appropriations in proposing the language that the Senator from New Hampshire seeks to strike, and I think the striking of this language would do serious damage to public power marketing agencies all across the United States.

Let us be clear and understand what we are about here: my friend from New Hampshire distributed a letter among our colleagues. In that letter he makes the following assertion:

In light of the fact that the administration has not proposed any specific divestiture proposal, it is premature for Congress to restrict the Government's ability to conduct divestiture studies.

Mr. President, I beg to differ with my friend from New Hampshire and point out that the administration has done just that. It has already made such studies. In fact, I have here a book entitled "Major Policy Initiatives, Executive Office of the President, Office of Management and Budget, Fiscal Year 1987." On page 25 of this official document, a section begins under the title "Power Marketing Administrations." Under the section entitled "The Administration Proposal," the following statement is made:

"The administration proposes to privatize the five PMA's administrations. Under the proposal"—still quoting—"the Federal Government would sell all transmission and power generation facilities at Federal dams."

Mr. President, the Dear Colleague letter of my friend from New Hampshire states, "Let me assure you that this amendment is not a vote in favor of PMA privatization." I do not see how a vote for the Humphrey amendment could be interpreted in any other way except to sell this Nation's assets in public power marketing administrations. I say to my colleagues today, let us not be mistaken about this: If you vote "yea" on this amendment, if this amendment is passed, if the administration goes forward with these predetermined studies, then sure as night follows day, the power marketing administrations will be put on the auction block.

The facts are these: The administration has already issued studies aimed at selling the power marketing administrations. The Department of Energy has provided Congress with information that indicates that since the beginning of calendar year 1986 and without—I emphasize without—congressional authorization, the Department of Energy has, directly or indirectly, spent over 4,000 man-hours on the project of studying the sale of the Bonneville Power Administration and the power marketing administrations.

The Department of Energy further indicates that more than $200,000, without congressional authorization and congressional appropriation, has already been spent to study the sale of power marketing administrations. So, Mr. President, I think it is clear that without the language contained in this appropriations bill, this administration will continue to go forward in preparation for the ultimate sale of these power marketing administrations.

My distinguished colleague from Tennessee has already outlined to this body the disastrous consequences this would have for electric power consumers in our native State of Tennessee; indeed, disastrous consequences for electrical power consumers all across the Tennessee Valley region: the State of Alabama, the State of Mississippi, on and on. And, of course, we have seen in detail the consequences it would have in the Pacific Northwest.

Mr. President, I submit that it would be a gross error for the U.S. Senate today to support the Humphrey amendment simply on the premise that we are authorizing a study here and nothing further will proceed.

□ 1810

If we allow the administration to go forward and spend the funds to complete the studies, to fulfill the predetermined course that they have already decided upon, to sell these power marketing administrations, then I think we are well down the road to defeating and revoking the decision to support public power in this country, a decision that was made well over 50 years ago, and a decision that I think has stood this Nation in good stead.

Mr. President, I wish to further extend my remarks, but I will do so in the RECORD, knowing full well that our distinguished chairman has many miles to go before we can get to final passage of this particular supplemental appropriations bill this evening.

I conclude by urging my colleagues to study this amendment carefully. I think after doing so, we will defeat the amendment of my distinguished friend from New Hampshire.

Mr. President, I yield the floor.

Mr. BAUCUS. Mr. President, I rise today in opposition to the amendment of the Senator from New Hampshire [Mr. HUMPHREY].

The Humphrey amendment would change language included in H.R. 4515, the urgent supplemental appropriations bill. The amendment would make funds available to the executive branch to facilitate the sale of Federal Power Marketing Administrations [PMA's].

Sale of the PMA's would be fiscally irresponsible, and would lead to a breakdown of the delicate but effective balance between public and private utilities. Even speculation of a sale could jeopardize the economic health of the regions served by PMA's.

The uncertain environment created by a sale proposal could force the aluminum industry out of the Northwest, and bring chaos to industries in the other regions served by PMA's.

A quick sale of the PMA's would do nothing to solve the underlying fiscal problems that have led to steadily growing budget deficits. Government asset sales generally result in only temporary reduction in the Federal budget deficit. In fact, such sales would probably make the situation worse in years to come.

Unfortunately, in its efforts to cut the deficit, the Reagan administration has identified a target that pays more money into the Treasury than it takes out.

I also question the validity of the Reagan administration's claim that privatizing Government assets leads to an improvement in the quality of service at a lower cost in the case of PMA's.

Unfortunately, the Reagan administration's proposal to privatize Federal Power Marketing Administration is driven by ideology rather than by sound business judgment.

The effect of privatization would certainly be higher electric rates for millions of consumers. Refinancing costs would have to be passed on to consumers. This would be catastrophic for regions that receive a substantial portion of their electricity from a federal power program.

All of the PMA's have entered into power supply agreements that are vitally important to the regions they serve. These agreements would be seriously disrupted by a sale.

PMA's also perform proprietary functions as well as government functions. A sale would force the transfer of governmental functions such as conservation, fisheries development and environmental protection to another Federal agency. Today, revenues from the proprietary operations pay the costs of the governmental function. A sale would force taxpayers to pay for the governmental operations.

Privatizing the Federal Power Marketing Administrations would penalize millions of consumers by unnecessarily driving up rates.

The American people should continue to benefit from the services provided by the PMA's. Selling them would be a great disservice to all utility customers.

Mr. PACKWOOD. Mr. President, I rise in opposition to Senator HUMPHREY's amendment. The Senator's amendment would place no limit on the amount of money that the Department of Energy [DOE] could spend to study the idea of selling the Power Marketing Administrations [PMA's]. I oppose this amendment because unlimited amounts of taxpayers' money should not be spent to implement one of the administration's major budget initiatives without congressional approval.

The Senate Budget Committee in the fiscal year 1987 budget rejected the administration's proposal to sell the Power Marketing Administrations. For DOE to spend taxpayers' money to study ways to sell the PMA's when Congress has not expressed support for the proposed sales is a waste of time and money.

To date, DOE has spent $200,000 on its sale studies. DOE has admitted that the total costs for the studies in calendar year 1986 could approach $1 million. DOE should not be allowed to continue spending money on this pipe dream; especially when Congress is grappling with ways to reduce the massive Federal budget deficit. If Congress determines that the idea of selling the PMA's has merit, Congress will authorize DOE to spend money to determine how best to sell the PMA's.

In short, no more taxpayer money should be wasted on an idea that Congress has not endorsed. I urge my colleagues to vote against the Humphrey amendment.

● Mr. GORTON. Mr. President, I am opposed to the amendment offered by my colleague from New Hampshire. The amendment would allow the administration, at its discretion, to continue pursuing unwise and controversial studies to sell off four of the five Federal Power Marketing Administrations [PMA's].

The administration's objective in considering the divestiture of the PMA's is to "use the taxpayers dollars wisely and prudently." Prudent use of taxpayers' money demands that the amendment be rejected. The Department of Energy should not be allowed to continue to spend money on a meritless proposal that has never received congressional authorization.

The Federal power program is an integral part of the economy of 34 States. Before any further action is taken to make a radical change in Federal energy policy, Congress should have the opportunity to review the merits of the concept—and if it so desires—to set the guidelines for further consideration of the proposal. Secretary of Energy Herrington has stated that: "No final action to divest the PMA's will be taken without congressional review." That simply is not good enough. The language now in the bill requires that Congress be involved from the beginning; any further expenditure of funds should be preceded by congressional review and authorization.

Mr. President, stating the obvious, the amendment being offered is merely a smokescreen. The amendment would preclude actual sale of the PMA's without congressional authorization. Secretary Herrington has already stated that the Department of Energy will have to come to Congress for authorizing legislation to sell the PMA's—this amendment offers nothing new. The amendment would allow the Department of Energy to proceed with its efforts to sell these vital public assets without restriction.

Supporters of the amendment state that the current bill language is tantamount to censorship or book burning. That is not the case. The Department of Energy has already taken a $200,000 look at privatization. Before a feasibility study for a water project is conducted, congressional authorization is required. Before the Department of Transportation studied the Conrail sale, Congress directed Transportation to conduct a study. Why should this situation be any different?

The Department of Energy admits that any divestiture process will drag on for several years. In the meantime, a cloud is hanging over the regions served by the Power Marketing Administrations. Industries and businesses are refusing to make investment decisions because of the uncertainty of future electric rates and energy supplies. Even the PMA's are being discouraged from making necessary facilities improvements and additions.

I firmly believe that the best interests of the American taxpayers are served by ending the Department of Energy's quest to sell the Federal Power Marketing Administrations. I urge my colleagues to join me in rejecting this amendment.●

Mr. STENNIS. Mr. President, I am certainly not going to take but a small amount of time, 2 or 3 minutes. Our friend from New Hampshire is familiar with the subject matter and has himself well prepared.

I have listened to his argument. I have listened to the presentation of my colleagues from Tennessee and others who have spoken on the same subject. This is an important, far-reaching question. It comes forth here as an amendment, proposed amendment, to an appropriation bill without hearings that I have heard anything about.

We certainly have not covered the subject fully. A matter like this cannot be handled properly, I respectively submit, at 6 o'clock at night with a few minutes to go until the vote. I respectfully say that to the author of this amendment.

I expect a motion to table this amendment which would dismiss it for the time being without destroying his right to proceed in some other form at some other time.

I yield the floor, Mr. President.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, if we were fishing this afternoon, we would have a full catch by now because the red herrings are literally figuratively flopping all over the floor.

With respect to the concern over the fact there have been no hearings on

this proposal, the Senator from New Hampshire has offered an amendment dealing with a provision inserted into the bill in committee in a process that took about 2 months. There were no hearings on that amendment when it was offered. It took about 2 minutes to stick it into the bill, and if objections are going to be raised about the lack of a hearing somebody ought to raise an objection about the lack of a hearing on inserting this very important, pervasive, all-powerful amendment within the committee. There was no hearing, of course. It took place in about 2 minutes' time.

Mr. President, my friend from Washington has felt as though he has been caught by surprise. We sent out a "Dear Colleague" letter dated May 20 indicating we would offer this very same amendment to this very same bill way back before the beginning of the Memorial Day recess, so I do not know how anyone can really feel caught by surprise in the timing of this matter.

It is obvious that there is a good deal of opposition to this amendment. Let us be clear about to what there is opposition. There is opposition to continued study by the Federal Government of the potential of privatizing these power marketing administrations, these Federal agencies.

Senators who have spoken so far, most of them, do not want to even establish the facts. They want to put blinders on the Federal Government, blinders on the Congress, blinders on themselves. They want no study, and that is what the language contained in the committee bill would entail. Let me read it.

I am reading the committee amendment which I seek to strike.

"No funds appropriated or made available under this act or any other act shall be used by the executive branch for soliciting proposals, preparing or receiving studies or drafting proposals to transfer out of Federal ownership," and so on.

Senators can read the rest. It is on page 73 of the bill. And that is forever, not just in 1987 but forever.

Senators are saying that we should leave the committee amendment alone; that this is the end; that there should never be the opportunity to establish the facts in this matter of divestiture of PMA's.

Now, maybe the Senators who have spoken are correct. It is entirely possible that every point they have made is absolutely correct; it is entirely possible that every point they made is absolutely incorrect and probably reality is somewhere in the middle.

But what I am saying and the administration is saying and the American people are saying, I believe, who want to see efficiency in government, is, "Let's look. Let's study. Let's establish the facts. Let's not adopt this medieval approach of saying no, we are not going to study; no, we are not going to establish facts; no, no, no, no nothing, no efficiency ever in government."

That is essentially what Senators are saying who have stood up in opposition to the amendment.

I know the Senator from Oregon has been patient, been very kind. Let me say this in conclusion. The amendment strikes the language prohibiting studies. It goes beyond that and sets up in statute the requirement that the executive come before the Congress twice, not once but twice, to secure the approval of any proposed divestiture. Furthermore, the amendment I have offered states this:

> Nothing in this section shall be construed as indicating the intent of Congress with respect to the visibility or feasibility of divestiture of any Federal PMA.

Nothing will be construed as indicating the intent of Congress. This is not a vote on intent of Congress with respect to proposals or the generic question. It is an attempt to remove this prohibition against study, and further study and attempt to set up the requirement that the executive secure approval from Congress twice on any divestiture proposal.

Mr. President, I do not think we can succeed on a voice vote. Therefore, I would ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

Mr. HATFIELD. Mr. President, I am going to move to table the amendment. I was waiting for the Senator, the author of the amendment, to finish speaking.

Mr. HUMPHREY. Fine.

Mr. HATFIELD. Then I was going to seek recognition in order to exercise my prerogative of making a motion to table. I will ask for the yeas and nays to give the Senator a record vote.

Mr. President, I would only make one statement in closing this debate before I make my motion to table, and that is I think it is an interesting, perhaps, reflection on our general culture that we come to believe that the Federal Government is the only place we can go for wisdom, the only place we can go to accomplish any objective.

We are looking here at an argument really that has devolved now upon a simple proposition of making a study.

Does the Senator from New Hampshire really believe the Federal Government is the only capable agency in our society that can make a study? We are not prohibiting studies.

We are just saying that this is not the time for the Federal Government to be expending its own limited resources for this kind of study. Why, I would even suggest Salomon Bros., a great investment banking house—after all, let us bear in mind who is going to benefit from the sale of Federal assets, the investment bankers—now that they have the former director of the Office of Management and Budget, Mr. Stockman, as one of their major partners, who is the authority on cost sharing. At a time we suggested on Federal water projects that the Federal Government had responsibility as a large landowner in the West, we were always told by Mr. Stockman, "Well, let the local people finance the study. Let the local people finance the study. They will be a beneficiary."

Well, for some of us liberals in the party, we get a little concerned about this overdependence upon the Federal Goverment, it being the only source of wisdom. We say let the private sector make the study if they wish. Let those big investment bankers, who have so much capital and who will even benefit more than local little water project districts in the West, finance the study; they are free to do so. The Federal agencies are not the only places of wisdom in the world.

I guess this really gets down to a philosophical point of some of us who would like to see a diffusion of political power rather than the centralization of political power in the hands of the Federal Government to control information gathering and information analysis and studies on such things as divesting our Government of certain assets.

I think that certainly clears the air on whether or not there is a freedom to make studies or not. We are not limiting any freedom at all to make studies as far as the private sector is concerned.

□ 1820

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HATFIELD. My colleague can go to his friends in the banking industry and let them make the study. Why impose upon the Federal Government's restricted funds? Why be one of the big spenders, I say to my friend from New Hampshire, in spending more in times of constriction and constraint?

Mr. HUMPHREY. If the Senator will yield, I would like to answer his question.

Mr. HATFIELD. I yield.

Mr. HUMPHREY. The Senator from Oregon knows that the Senator from New Hampshire is one of those in this body with the least faith in the Federal Government. Inasmuch as it is a Federal property, it is logical for the Federal Government to study its disposition.

I point out, further, that the Senator from Washington stated that he presented some facts to the Secretary of Energy—no, I think to the director

of the OMB—and there was a private study done as a result. The Grace Commission conducted a study.

Why will the Senators permit the Federal Government to conduct a study? Why do Senators insist on putting blinders on the Federal Government with respect to establishing the facts of the feasibility of disposing of these properties? Maybe the facts will say that we should leave things as they are. Let us establish the facts.

Mr. HATFIELD. The Federal Government has already spent $200,000 of unauthorized money in making this study, and they even have established a task force for privatization that has already scheduled itself into activities to go far beyond the matter of just gathering facts. They even now want to build a political base in the public, to support a preconceived position that they are going to divest.

This is one of those typical Government studies that has made up its mind and goes out to gather facts to justify its opinion. That, to me, is already illustrative that they are involved in a certain type of study that, to me, is a foolish expenditure of money.

Again I must say, as a fiscal conservative, one who has tried to bring some control over spending, that I oppose this amendment because I do not want to see this waste of Federal money. We have too many hungry people in the world to waste the funds of the Federal Government on such foolish studies.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. HUMPHREY. The Senator seems to be of a mind that the Federal Government has already made up its mind in this matter, that there is prejudice in this matter. I suggest that those who refuse to let us have a study to establish the facts have, themselves, made up their minds in advance, have themselves exhibited prejudice, and are showing less enlightenment in this matter than is the Federal Government.

I think the Federal Government is "an ass," to borrow an expression applied to the judiciary.

Mr. HATFIELD. Maybe we can move along to other business. We are now at 6:25.

Unless there is something absolutely burning in the hearts of my colleagues, I would like to now make a motion to table the amendment.

Mr. President, I move to table the amendment offered by the Senator from New Hampshire, and I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. DIXON], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 25, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—73

Abdnor	Ford	Moynihan
Andrews	Goldwater	Murkowski
Baucus	Gore	Nickles
Bentsen	Gorton	Nunn
Biden	Grassley	Packwood
Bingaman	Harkin	Pell
Boren	Hart	Pressler
Boschwitz	Hatfield	Pryor
Bumpers	Hecht	Quayle
Burdick	Heflin	Riegle
Byrd	Hollings	Rockefeller
Chiles	Inouye	Sarbanes
Cochran	Johnston	Sasser
Cranston	Kassebaum	Simon
D'Amato	Kerry	Specter
Danforth	Laxalt	Stafford
DeConcini	Leahy	Stennis
Denton	Levin	Stevens
Dodd	Long	Symms
Dole	Mathias	Wallop
Domenici	Matsunaga	Warner
Durenberger	Mattingly	Wilson
Eagleton	McClure	Zorinsky
Evans	McConnell	
Exon	Melcher	

NAYS—25

Armstrong	Heinz	Proxmire
Bradley	Helms	Roth
Chafee	Humphrey	Rudman
Cohen	Kasten	Simpson
East	Kennedy	Thurmond
Garn	Lautenberg	Trible
Glenn	Lugar	Weicker
Gramm	Metzenbaum	
Hatch	Mitchell	

NOT VOTING—2

Dixon	Hawkins

So the motion to table the amendment (No. 2010) was agreed to.

□ 1840

The PRESIDING OFFICER. The Senate will be in order.

The question is on the committee amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will come to order.

The Senator from Oregon.

Mr. HATFIELD. Mr. President, what is the question before the body?

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

Mr. HUMPHREY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. May we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. Mr. President, I make the point of order that the pending committee amendment constitutes legislation on an appropriations bill.

Mr. HATFIELD. Mr. President, on behalf of the committee, I raise the defense of germaneness.

Mr. HUMPHREY. Mr. President, if I understand correctly, the defense of germaneness has been raised. Well, it is germane so I will not contest it.

The PRESIDING OFFICER. Under the precedents of the Senate, the question of germaneness is submitted to the Senate.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. GOLDWATER. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. GOLDWATER. There was no order in the Chamber and I could not hear what the point of order was or is. What are we doing?

Mr. STEVENS. Mr. President, I withdraw the request for the yeas and nays. I understand a voice vote will do it.

Mr. HATFIELD. Mr. President, I appreciate the Senator withdrawing his request.

Mr. METZENBAUM. Mr. President, can we be informed as to what occurred with respect to the point of order that was made by the Senator from New Hampshire? I could not hear.

The PRESIDING OFFICER. A point of order was raised that the amendment constituted——

Mr. GOLDWATER. Mr. President, I have not had an answer to my question.

The PRESIDING OFFICER. The Chair is attempting to answer the Senator's question.

Mr. GOLDWATER. I want to know what the point of order was. I did not hear it.

The PRESIDING OFFICER. The Chair is attempting to answer the Senator's question.

Mr. GOLDWATER. Pardon?

The PRESIDING OFFICER. The Chair is attempting to answer the Senator's question.

A point of order was raised that the amendment constituted legislation on an appropriations bill. The defense of germaneness was raised. Under the precedents of the Senate, the question of germaneness is submitted to the Senate.

Those in favor will say "aye." Those opposed, "nay."

The ayes appear to have it. The ayes do have it. The amendment is germane.

EIGHTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO PMA)

Mr. HATFIELD. Mr. President, I move the adoption of the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, let me make a brief evaluation of where we are. We have disposed of two of the seven committee amendments. I am now going to move the adoption of two more, which had originally been objected to in terms of adopting them en bloc because the Senator from Ohio, Mr. METZENBAUM, had objected at that time. There are two such amendments that have now been resolved by way of colloquy between Mr. METZENBAUM, and in one case the Senator from Idaho, Mr. MCCLURE. That would free up those two committee amendments to be adopted by a voice vote.

That would leave us, then, four other committee amendments to be disposed of. At that point in time, when we finish those four committee amendments, we will then move to the 35 amendments that have been reported as intended to be offered by Members of the Senate at large. I hope we could continue, therefore, through the evening hours until we could reach a point where any remaining amendments might be agreed by unanimous consent to be taken up on tomorrow and no other amendments—we have done this periodically in the past—if that is possible to get that kind of agreement.

Otherwise, I shall press on throughout the remaining period of this decade, or this day—[Laughter]—in order to try to finish this at some time in order that we might adjourn for the holy days on Friday and Sunday.

□ 1850

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. HATFIELD. I am happy to yield.

Mr. METZENBAUM. On the two amendments which the manager indicated had been cleared, is one of them the flood control amendment? Is that No. 3 or 4?

Mr. HATFIELD. No. The amendment that has been cleared is the $710,000 rescission of funds for the Office of Surface Mining Reclamation and Enforcement Regulation and Technology, I have so been informed.

Mr. METZENBAUM. That is the one in which we have a colloquy that is to be inserted in connection therewith.

Mr. HATFIELD. I have a copy of the signed colloquy here, signed by the Senator from Ohio.

Is that signature valid?

Mr. METZENBAUM. I hope so. I am not certain about that. But I am willing to accept the statement.

Mr. HATFIELD. I had not attested it. But I assume it is valid.

Mr. METZENBAUM. The second amendment of the Senator?

Mr. HATFIELD. Amendment to section 7 of the Surface Contract Act of 1965 to except aviation services performed entirely in the State of Alaska from the provisions of the act.

Mr. METZENBAUM. I thank the Senator.

Mr. HATFIELD. Am I correct that those two have cleared the Senator's desk?

Mr. METZENBAUM. That is correct.

Mr. HATFIELD. Mr. President, therefore on the basis of those assumptions I now move the adoption of the committee amendment relating to the $710,000 rescission of funds for the Office of Surface Mining Reclamation and Enforcement Regulation and Technology.

The PRESIDING OFFICER. Did the Senator request unanimous consent?

Mr. HATFIELD. Let me identify through the line numbers. The committee amendment beginning with line 3 through line 8, on page 42.

The PRESIDING OFFICER. The question is on the amendment. Is objection heard?

Mr. METZENBAUM. Reserving the right to object—I do not believe I will object—is this the amendment that we were just talking about?

Mr. HATFIELD. Yes. As I said upon affirmation of my question a while ago, if we may now proceed since the Senator from Ohio cleared his desk of these two amendments, I am now proceeding to adopt them officially by the whole body rather than just by the Senator from Ohio.

Mr. METZENBAUM. I appreciate the sarcasm of the Senator from Oregon, but having said that, and the colloquy to be included, I have no objection.

Mr. HATFIELD. I thank the Senator.

FOURTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO SURFACE MINING)

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on the motion of the Senator from Oregon.

The motion was agreed to.

The fourth excepted committee amendment, relating to surface mining, is as follows:

On page 42, strike line 3, through and including line 8;

Mr. METZENBAUM. Mr. President, I am concerned that the committee bill does not act on, or give notice to, the failure of OSM to comply with the clear directives on inspection and enforcement given to it by Congress in the fiscal year 1986 continuing resolution.

At that time, Congress provided funds for an additional 10 FTE's to assist States when their programs falter. A total of six FTE's were to be used in Oklahoma to ensure a smooth transition from Federal primacy to State primacy and then to be used in other States that need attention. The remaining four positions were to be divided between the Eastern and Western field offices to aid States when their programs falter.

OSM has provided the additional six FTE's to work on the Oklahoma program. Unfortunately, in an effort to get the continuing resolution signed by the President a 0.6-percent across-the-board reduction was made in the Interior section. This action eliminated one of the four other troubleshooters.

The Office of Surface Mining did not hire the remaining three troubleshooters because of the constraints put upon them by the sequestration order. Since this function is defined as a "subactivity," rather than a "program, project, or activity," the Office of Surface Mining is operating within the scope of the law by reducing this function by more than 4.3 percent.

I do feel, however, that by not hiring the three troubleshooters as Congress directed, OSM did not fully comply with congressional direction. It is not clear why OSM has not requested additional funds or reprogrammed funds into these critical areas.

Mr. MCCLURE. I agree with the thrust of the Senator's comments. It was Congress' intent to provide adequate funds for the troubleshooters. If the sequestration order, or other reductions, did not allow OSM to comply with our original intent, OSM had the opportunity to propose a reprogramming of funds for this purpose. In fact, every agency had the option to request a reprogramming to address the reductions caused by the sequestration order.

I will work with my colleague in drafting report language for the conference which will express Congress' intent that OSM fill all of these positions.

Mr. METZENBAUM. I thank the Senator for his assurances and look forward to working with him on this subject. I am also concerned that OSM has not proposed to fund any of these

positions in fiscal year 1987. However, since it is so close to the end of the fiscal year, and given the time necessary to fill new inspector positions, OSM has effectively flaunted the will of Congress on this issue for this year. Clearly, it is an issue which will also have to be addressed in the fiscal year 1987 appropriations process.

Does the Senator from Idaho intend to give some notice to OSM that similar behavior will not be tolerated in fiscal year 1987, and that Congress expects all of these positions to be filled?

Mr. McCLURE. Yes; it is my intent to do what is necessary to achieve our common purpose.

Mr. METZENBAUM. I thank the Senator for his cooperation on this issue, and look forward to working with him to make sure the positions are secured and filled.

SEVENTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO ALASKA)

Mr. HATFIELD. Now I move the adoption by the entire body of the next committee amendment, lines 14 through 25, on page 71 of the committee amendment, beginning with line 22, on page 70, through line 25, on page 71, and that is identified as the amendment to section 7 of the Service Contract Act of 1965 to exempt aviation services performed entirely in the State of Alaska from the provisions of the act, which had been objected to by the Senator from Ohio, and is now cleared by the Senator from Ohio.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

The seventh excepted committee amendment, relating to Alaska, is as follows:

Lines 14 through 25 on page 71 of the reported amendment beginning on line 22, page 70, through line 25 on page 71; as follows:

SEC. 208. Notwithstanding any other provision of law, section 7 of the Service Contract Act of 1965 (41 U.S.C. 356), is amended—

(1) by striking the word "and" at the end of clause (6);

(2) by striking the period at the end of clause (7) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new clause:

"(8) any contract for aviation services to be furnished entirely within Alaska.".

SECOND EXCEPTED COMMITTEE AMENDMENT RELATING TO DEFENSE APPROPRIATIONS

The PRESIDING OFFICER. The question now recurs on the second committe amendment.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask the Chair. What is the pending amendment?

The PRESIDING OFFICER. The question is the second committee amendment, and the clerk will now report that amendment.

The assistant legislative clerk read as follows:

Lines 1 and 2 on page 26 of reported amendment that begins on line 11 of page 20, through line 8 on page 26; as follows:

SEC. 7. Sec. 8109 of Public Law 99-190 (99 Stat. 1222) is repealed.

AMENDMENT NO. 2015

Mr. STEVENS. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2015.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, line 1, delete all following "Sec. 7." through the end of line 2, and insert in lieu thereof.

Notwithstanding Section 8109 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, funds appropriated or otherwise made available by such Act and which were not otherwise authorized by law, are authorized and shall be available to be obligated and expended as provided in such Act immediately upon enactment of this Act: *Provided*, That no funds made available under Section 8103 of the Department of Defense Appropriations Act, 1986, Public Law 99-190 shall be available for the Mariner Fund: *Provided further*, That the paragraph under the head "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986, Public Law 99-190, is amended by striking ", of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law".

Mr. STEVENS. Mr. President, at the time the appropriations bill for the fiscal year 1986 dealing with the Department of Defense was before the Senate, we had a long and extended discussion with the Armed Services Committee concerning the amounts that might have to be allocated to unauthorized accounts because of a significant fact that occurred in connection with the Appropriations Committee that was not considered in connection with the authorization bill. The 1986 defense authorization bill was in fact $5.5 billion over the outlay ceiling in the budget resolution. But because of the circumstances that existed at the time of its consideration, the outlay ceilings for the budget resolution were not applied to the defense authorization bill. When the appropriations bill came before the Senate, it was necessary to comply with those restrictions of the budget resolution pertaining to outlay restrictions. And we attempted to do so.

In a long discussion with the Armed Services Committee at that time, the acting ranking majority member, Mr. THURMOND, said on December 10 that:

To that end we have reached an agreement with the Appropriations Committee on the issue of appropriations which exceed authorization. We have agreed that those appropriations accounts which exceed the authorization account levels will be subject to a subsequent authorization.

My good friend was on the floor, the Senator from Georgia, Mr. NUNN, and stated:

At the same time that the agreement invited by this amendment is a statutory provision that subjects appropriations in excess of the authorized levels to a subsequent authorization before the funds in this bill can actually be obligated or expended by DOD, it operates primarily at a traditional budget account level.

Following the enactment of the appropriations bill, the authorization committee examined the bill, and determined that some $6.3 billion of the defense appropriations bill was subject to the requirement for an authorization. It so informed the Department of Defense. And the Department of Defense has held up the expenditure of $6.3 billion in 1986 funds. As a matter of fact, only $1.3 billion exceeded the account level.

□ 1900

I have asked to be placed on the desk of every Member a tabulation that lists the accounts by service and shows where the moneys were in excess of the account level.

We had only $1.3 billion in excess of account level.

The amendment before the Senate now in effect eliminates the $1.3 billion dispute. What is left in dispute, however, is $5 billion worth of funds that were allocated by the Appropriations Committee within the account ceilings in a different manner than the report—and I emphasize that, the report—on the authorization bill allocated the funds.

May I ask the clerk if these have been distributed? I do not see them on the desk of Members.

Well, when the Members receive them, I hope they will examine them.

Let me take, for instance, just the first item on the research and development account of the Army. After substantial inquiry into the situation that the military finds itself regarding AIDS, our committee allocated $40 million for medical research to the Department of the Army in terms of prevention of transmission of AIDS.

The Army has a distinguished record in this area, as I am sure all Members and the world knows, in terms of malaria, yellow fever, and hepatitis. They have preeminent people in this type of research. That is a very small amount, really, for the type of research involved.

We allocate that $40 million to medical research by the Department of the Army for AIDS under the Army research accounts. The total account level was still $285.6 million below the level of authorization. The authorization committee has earmarked this as being $40 million that is unauthorized.

That is the type of dispute which is before the Senate.

(Mr. MATTINGLY assumed the chair.)

Mr. STEVENS. In order to try to pinpoint the issue before the Senate, I have offered a substitute for the committee amendment, which, as I say, deletes the items which are basically in dispute on the $1.3 billion. One of those was the $852 million that were earmarked for the Mariner Fund, subject to authorization action.

We also had $200 million for an aircraft competition that dealt with the F-20. The purpose of this was to make that $200 million available for the program as authorized by law. The amendment would mean that the moneys could be carried over to next year and the competition will now be completed in 1987.

Those are some of the disputes we have had with the Armed Services Committee as far as the appropriations bill is concerned.

Now, the Appropriations Committee faces this dilemma: Having allocated the funds for 1986 in accordance with the budget resolution outlay ceilings, if the $5 billion that remains after these four issues are settled and allocated by the Armed Services Committee without regard to outlay ceilings, those moneys will be spent in fiscal year 1987 and the whole problem repeats itself in 1987 again.

We want these funds released by the Department of Defense. They are moneys within the authorized account levels. They are not subject to authorization now because the account level was authorized.

Mr. President, the difference in the remaining $5 billion is simple. The authorization committee report specified how moneys within account levels should be spent. Our report differed from that primarily because of the impact of outlay restrictions that we had to comply with that the Armed Services Committee did not.

Let me point out another account so that everyone knows what goes on.

In the spring the Armed Services Committee held hearings and brought a bill to the Senate which authorized in the weapons track vehicle account for the Army Divad gun.

The Appropriations Committee held hearings and found that Divad was a defective system. We so notified the Department of Defense. The Department of Defense agreed with us, terminated the program and withdrew the request for Divad.

Under the Divad Program, and mind you the whole amount was authorized, three quarters of a billion roughly became available. Out of that authorized amount we earmarked $150 million for an alternative to Divad. It was under the account of Procurement of Weapons and Track Combat Vehicles, Army. That account level, as I said, was authorized at $5.2 billion and the appropriations was approximately $4.7 billion. We reduced that account. But notwithstanding the reduction, we earmarked $150 million for the Divad follow-on which was requested by the Department of Defense.

The Armed Services Committee says that is not authorized. We take the position that the whole account was authorized and we had the ability as the Appropriations Committee to determine we should not put up the money for a defective system, but that we should listen to the Department of Defense and give them the money to initiate action on a follow-on for that system.

If Members will look at the chart, we can see the problem of the dispute between the two committees. It is a dispute, as I said, which stems primarily from the fact that the authorization bill did not track the outlay ceilings of the budget resolution for 1986. The appropriations bill totally complied with that.

Furthermore, Mr. President, the authorized level for appropriations in 1986 was $302.5 billion. Our committee appropriated $16.5 billion less than that. Let me say that again. $302.5 billion and we appropriated $16.5 billion less than that, after the impact of Gramm-Rudman-Hollings. But the effect of the authorization committee putting a hold on our $6.3 billion is that we are now $22.8 billion below the authorized level for 1986.

I urge Members to look at the list to see what is happening. The impact of this delay is that the moneys that were appropriated for things like the National Guard, the Reserves, for ammunition, for spares—moneys that, again, in this instance were within the authorized account level, were within the restrictions as to outlays—cannot be spent in this fiscal year unless we pass the amendment that we have before the Senate now.

If we delay and want for the authorization bill to be passed and sent to conference and come back, it will be August at least before we finish that process and the moneys can be released for expenditure, probably in September. Those moneys cannot all be spent in 1 month. As I said at the beginning, the impact of the delay will be that they will be carried over into fiscal year 1987. It means that we will again have an outlay ceiling problem in terms of appropriations for defense in 1987. It is a very technical problem.

I see my good friend. We had a conversation earlier. I am referring to the Budget Committee chairman. He will be interested in this debate, I am sure. There is no question in my mind that from now on the authorization bill must be subject to outlay ceilings. It was not in 1986. That is the genesis of this problem.

Mr. President, I have offered this amendment. It was an amendment that was discussed with the Armed Services Committee before the last recess. I do so with great love and affection, literally and figuratively, for my great friend from Arizona, the chairman of the Committee. He knows of my great love and deep affection for him. But I have to say that the Armed Services Committee apparently refuses to recognize the different rules that apply to the two bills. The one that the Senator from Arizona was charged with in 1986, the authorization bill, was not subject to the outlay ceilings, and the bill that I managed on the floor, the 1986 appropriations bill, which was completely subject to budget outlay ceilings.

□ 1910

In closing, Mr. President, if I could make only one plea to the Senate, that is this: The dispute is one over the differences between two reports, one that accompanied the authorization bill for the Department of Defense for 1986 wherein the staff had listed the things that the money that was authorized could be spent for. The second was the report that accompanied the appropriations bill where our staff delineated where the money could be spent following the hearings we held based on the authorization bill.

I do not think anything demonstrates that difference more than Divad. For the members of the Committee on Armed Services who wish to pursue the dispute, I ask just one question: How could we have gotten money to the Department of Defense to look for a substitute for the Divad system, which we proved was inefficient and should not be pursued. One option was to continue to appropriate money for Divad and trust the Department of Defense not spend it for Divad but instead to spend it for a follow-on system.

We chose not to do that. We instructed them that they could only spend the $150 million for a follow-on system from the funds that were authorized for Divad. I say that is what the appropriations process is for, Mr. President. We do not seek this dispute. We seek merely for the authorization

committee now to live up to the agreement that was made in 1984 and 1985. Again, I want to read Senator THURMOND's statement:

We have agreed that those appropriations accounts which exceed the authorization account levels will be subject to subsequent authorization.

There were only four major items which exceeded account levels. There were one or two others in dispute. We have eliminated those and it is my understanding that the Armed Services Committee does not dispute that any longer. The items in dispute between our two committees that were in excess of account levels are covered by this amendment.

Mr. NUNN. Mr. President, will the Senator from Alaska yield for just a brief clarification?

Mr. STEVENS. Yes, I am happy to yield.

Mr. NUNN. The Senator from Alaska made the point on the Divad. The Armed Services Committee agrees with the Senator from Alaska on the Divad, just for the information of those Senators here and who will be participating in the debate. There was no dispute on that. The Senator is exactly right. The dispute comes in the appropriation-authorization process. The amount was appropriated with instructions, as the Senator has said.

The Armed Services Committee came back in the supplemental authorization that is now pending and specifically agreed with the Appropriations Committee on that. So the Senator from Alaska is entirely correct. But that is not in dispute here.

Mr. STEVENS. Let me say to my good friend from Georgia, it is in dispute in that the Armed Services Committee now says an authorization is required for that line. Our position is that the account level was authorized at $5.2 billion. We appropriated almost $4.5 billion. We were below the account level. The statement was made by Senator THURMOND and by the Senator from Georgia (Mr. NUNN) in December indicating we were talking about authorization only for those appropriations accounts which exceeded the authorization account levels.

The $150 million that we provided in the appropriations bill for Divad is subject to the hold letter that the Armed Services Committee sent to the Department of Defense. The $150 million cannot be spent until the authorization bill passes. That is the position, as I understand it, of the Armed Services Committee. So we do still have a dispute on Divad because we believe the $150 million was within the authorized account. The Armed Services Committee has held up the expenditure of $150 million which could have been used since last December to find a follow-on to Divad. The funds cannot be obligated until the authorization bill passes, notwithstanding the fact that our appropriations bill was $526 million under the authorized account level.

I say to my friend, I appreciate the fact that he agreed with us on the principle involved in Divad. I do not think the Armed Services Committee has agreed with us yet on the fact that on the Divad, $150 million was not subject to subsequent authorization.

Mr. NUNN. Mr. President, I think the Senator has stated it correctly. We agree on the substance of Divad. There is no substantive dispute on Divad. Where the Armed Services Committee and the Appropriations Committee do have a dispute is we in the Armed Services Committee make authorization and where the Appropriations Committee sets the authorization levels. We do differ on the jurisdictional issue, not on the substantive issue. That is the point I was trying to make.

Mr. STEVENS. I thank the Senator from Georgia. Again I call to the Senate's attention that last year, we had this dispute on whether or not the appropriations bill was subject to authorization for certain accounts. That agreement was set forth by Senator THURMOND on page 35467 on December 10, 1985. Again I say that the agreement was—and these are Senator THURMOND's words as acting chairman of the Armed Services Committee: "We have agreed that those appropriations accounts which exceed the appropriations account levels will be subject to a subsequent authorization."

The Armed Services Committee now demands the right to authorize $6.3 billion. We concede that there was $1.3 billion subject to authorization. This amendment takes care of that $1.3 billion.

If the Senate is going to tell the Armed Services Committee to live up to the agreement they made with us at the time the appropriations bill came before the Senate in 1985, it will adopt this amendment.

Mr. GOLDWATER. Mr. President, the Senator from Alaska is getting completely away from the point. I would like to put the issue as I see it and as we have been arguing since, I think, the month of February.

This whole business, Mr. President, is a two-step process. The Armed Services Committee, along with every other committee of the Senate, is formed for the purpose of authorizing. Once the authorization bill comes to the floor and is passed, it goes to the Appropriations Committee for their action. What we are complaining about, and not just I am complaining about it as chairman of the Armed Services Committee, but every chairman of every committee that I have visited with on this floor has the same feeling about it: that we are slowly seeing the Appropriations Committee assume the responsibilities of authorization and appropriation.

I have asked to have distributed today a Dear Colleague letter on the subject of the fiscal year 1986 appropriations which were in excess of authorization. That letter was first circulated prior to the Memorial Day recess, so some Members may recognize it. Let me briefly summarize the content of that letter.

It says that in the fiscal year 1986 Defense Appropriations Act nearly $6.5 billion was appropriated in excess of the amount authorized on a program or line-item basis. On an account basis, the excess appropriations amounted to $3.5 billion.

Based on the objections of the Armed Services Committee to this disregard for the authorization processs, the Appropriations Committee agreed to include a provision, section 8109, in the fiscal year 1986 Defense Appropriations Act, which restricts the Department of Defense from obligating or expending funds appropriated in excess of authorization until those funds are properly authorized.

Mr. President, this is really getting at the guts of this whole problem.

The amendment offered by Senator STEVENS—and I am speaking to this original intent—would now repeal section 8109, as would the substitute that either is proposing or will propose. If adopted, this would permit the Department of Defense to spend $5.5 billion on various programs, most of which were never requested. I want to repeat that, Mr. President: Most of which were never requested by the Department of Defense nor authorized by Congress.

□ 1920

Mr. President, I remain steadfastly opposed to this effort to undermine the integrity of the authorization-appropriations process. The Armed Services Committee has reviewed all the programs for which appropriations exceed authorization. Many are meritorious and we reported a supplemental authorization bill, S. 2459, which is on all Senators' desks, or it should be, which includes, I might say, the items for a substitute for DIVAD and other items to which the Senator from Alaska has referred. At the same time our bill specifically prohibits the expenditures of $2.7 billion appropriated for low priority programs which contribute little to our real defense needs. This money, Mr. President, could be better used to offset reductions in much higher priority programs in fiscal year 1987.

Now, we are all concerned about the increasing procedural chaos in this Senate. Many have questioned whether the Senate as an institution is capable of dealing with the unprecedented budget challenges which confront us.

This is no item to jettison one of Congress' primary budgetary review mechanisms, the authorization process. If section 8109 is either repealed or done away with, billions of dollars will be spent on defense in a way that will contribute little to our national security. In today's fiscal climate, we simply cannot afford such a casual approach to spending our defense dollars.

Now, I want to make one point particularly clear, Mr. President, to my colleagues, especially those who serve on the Appropriations Committee. I am not saying that the Appropriations Committee cannot or should not appropriate funds in excess of authorization. In fact, they can and in many cases they should. There are many examples I can point to in which excess appropriations were provided which I thoroughly endorse and so does every member of the committee. What I am saying, however, is that when such excess appropriations are provided, that money should not be spent until there is a concurrence from the authorizing committee, and that, Mr. President, is what this argument has been about. It started, I might say, last February. I have met many times with my good friend from Alaska, he and his committee. His group has met with my group time after time after time to reach some agreement on this so this work on the floor would not be necessary. This is particularly important since we are now routinely providing defense appropriations in the form of a continuing resolution and not in a freestanding defense appropriations act, and as a result there is precious little debate over defense appropriations each years. Consequently, billions of dollars are being added in the appropriations process which are barely scrutinized by the committee of primary jurisdiction or by the Senate as a whole.

Mr. President, this is not the proper way to carry out our responsibilities to the American public. In the interest of preserving the integrity of the authorization-appropriations process and in the interest of ensuring that all our defense expenditures are carefully scrutinized and thoroughly justified, I will oppose either the existing amendment or the amendment which may be substituted. I urge my colleagues to do the same.

Mr. President, in the letter I distributed to my colleagues today, there is a graph showing the history of defense appropriations in excess of authorization since the year 1982. Then it was very small, about a half billion dollars; in 1983, about a half billion dollars; 1984, a little more than half a billion dollars; in 1985, it jumped to $3 billion, and in 1986 it jumped to $6.5 billion.

Now, this is just indicative of the way we are proceeding without having had the value of hearings before our committee.

I might remind my colleagues and the President that the Armed Services Committee is composed of 19 people and a very fine, superb staff whose only interest is the military of this country. I do not think there is a committee except Appropriations that meets more often than the Armed Services Committee. We are constantly studying the needs of our services. We are constantly trying to get the expenditures down and the quality up.

Now, Mr. President, I know that there are members of my committee who would like to address themselves to this matter. I have a few more words I may want to say, but I remind my colleagues and the members of my committee and my good friend from Alaska that we are not talking about dollars and cents. My friend from Alaska has agreed to remove the four items that we objected to: $800 million for ships that nobody ever asked this committee for; $200 million to conduct a flyoff between fighter planes out at Edwards Air Force Base. That has been successfully concluded. They included money for KC-10 tankers that the Navy never asked us for; and the T-46 training airplane which the commanding general of the Air Force has said he does not want to buy.

Now, we have reached——

Mr. STEVENS. Will the Senator yield?

Mr. GOLDWATER. No. I did not bother the Senator, do not bother me. We have reached an agreement on those four items. So they are not debatable anymore. What we are really talking about is this two-process system that this body has so carefully nurtured throughout its 200-year history, authorization and appropriation. Now, if we are going to have the Appropriations Committee acting over and above and around the Military Affairs Committee, all we are asking for is a chance to take a look at what they are doing, so we do not have to go through this process. I do not like to argue with Senator STEVENS. God, I tried to get him to be majority leader of this body. I guess I am not a very good votegetter. I have not gotten any better in 20 years. It might be a blessing, I do not know. But I do not like the idea of arguing with him. So I think I will just be quiet for a while and let my colleagues on the other side of the aisle take him on.

Mr. STEVENS addressed the Chair.

Mr. GOLDWATER. I have not yielded the floor yet.

Mr. STEVENS. I want to ask the Senator a question.

Mr. GOLDWATER. Well, go ahead.

Mr. STEVENS. I want to know how the Armed Services Committee has an argument with the amendment that is pending now. That amendment deletes the Mariner Fund which was subject to authorization, and could not be spent until authorized. It was not in excess of the budget resolution. It had no outlays, Mr. President. It was necessary in order to put our bill within the outlay ceiling to find something that had a no-outlay impact. The Secretary of the Navy specifically asked for it. Now, they did not request it from the Armed Services Committee, I will agree.

The $110 million for tankers was requested from our committee by the Department of Defense. The T-46 was authorized by the Senate Armed Services Committee. It was authorized, Mr. President, but after we appropriated it they then wanted to deauthorize it and object to the fact that we provided the money in accordance with the authorization.

Now, I want to ask my friend, is the Armed Services Committee willing to live up to the agreement that we entered last year, in 1985, as stated by Senator THURMOND in my good friend's absence? This was the agreement on which we met. We had long negotiations with the Senator's committee. He said, "We have agreed that those appropriations accounts which exceed the authorization account levels will be subject to subsequent authorization." If the amendment that is at the desk passes, there are no accounts that exceed authorization levels.

Mr. GOLDWATER. I have admitted that.

Mr. STEVENS. Well, then what is the argument about my amendment?

Mr. GOLDWATER. I am only arguing that we want to know what you are doing up there in Appropriations. You have withdrawn all those funds that we objected to so there is no sense debating them.

Mr. STEVENS. That is the purpose of this amendment. The four accounts that you have objected to——

Mr. GOLDWATER. The argument goes way past that.

Mr. STEVENS. The other amounts now, I say to my good friend from Arizona, are within the area of the dispute where some members of your committee say the agreement that we made last year is not valid. In that regard you want to have the authority to authorize line items which differ between your report and our report, but that are within accounts that are still below the authorization account level.

□ 1930

So I ask my friend, "Why should we have an authorization bill for line items below the authorized account level that we were dealing with, when the bill was passed by the Senate last December?"

Mr. GOLDWATER. I think I have agreed with the Senator. That is no longer in contention. Your amendment still has accounts in excess of au-

thorization, and we will touch on those. But the four items I originally argued with you about, you have very graciously withdrawn, so they are no longer a subject for discussion.

I wonder if any members of the committee would care to address themselves to this.

Mr. STEVENS. Mr. President, I ask recognition, if the Senator is yielding the floor.

Mr. GOLDWATER. I have not yielded the floor. Some of my members would like to speak to this—the Senator from Georgia.

Mr. NUNN. I will seek recognition, if the Senator from Alaska does not wish to speak. I will speak on the issue.

Mr. STEVENS. If the Senator from Arizona wishes the Senator from Georgia to speak before me, I will not make a request to speak.

Mr. NUNN. Mr. President, I am joining Chairman GOLDWATER and the overwhelming majority of the Armed Services Committee—in fact, I think it is virtually unanimous—in opposing the Appropriations Committee recommendation which we are debating now.

We had $500 million in this category in 1984, we had $2.5 billion in this category in 1985, and $6.5 billion in 1986.

The Armed Services Committee objected to this disregard for our authorization process, as I think any authorizing committee would have done.

There was an agreement, after a great deal of work and deliberation, between the Armed Services Committee and the Appropriations Committee to what is now known as section 8109. That amendment is what we are talking about here today.

The effort today by the Stevens amendment, which we are debating, is to basically repeal section 8109, which would unwind what was done last year. It is important for everyone to recognize that has been done. We have worked with the Senator from Alaska and tried to reach an accommodation on this. We have made some progress.

The Armed Services Committee has gone through an authorizing process because the section requires that no funds appropriated last year be expended until further authorized. So we have come in with an appropriation.

We have taken them item by item and agreed with the Appropriations Committee on a number of items. What we have done is that we have agreed on, and approved, $3.8 billion of the total $6.5 billion. The $2.7 billion was originally denied, but we have even made adjustments in that.

In his amendment, the Senator from Alaska has accepted two programs, one $850 million program and one $200 million program. The total of those is $1,050,000,000.

When you boil it down, considering that we are willing to reprogram, the fundamental difference in agreement and substance is $750 million. That $750 million is represented in 24 programs out of the original 174, so we are in agreement, substantively speaking, on 24 programs. We are in agreement, substantively speaking, on all but $750 million.

Where we do have a fundamental disagreement is whether this section 8109 should be repealed in an appropriations bill. What we have proposed, and what we hope the Senator will agree with, is that this amendment not be agreed to, but then we will have a supplemental authorization bill, which is now pending. That bill can be brought up when we can get it agreed to by the leader. We are ready to go with it.

When we pass that, it will have the same effect as the Senator from Alaska is trying to have now, with the exception of $750 million and 24 items. That will be the effect of it. We will then have resolved most—not all—of the substantive issues. We will still not have resolved the procedural issues.

I hope we can continue in good faith to talk to the Senator from Mississippi and the Senator from Alaska, and I think we can avoid these conflicts in the future. The Senator from Alaska has dealt in good faith. We have not reached an agreement.

It appears that at this hour the Senate will have to instruct us in this regard. Whether the Senator from Alaska prevails or we prevail, we still do not solve the long-term relationship between appropriations and authorizations.

While I am on that subject, I must say that the answer to that is not easy. Both committees have plenty to do, and that, to me, is the ultimate paradox. It is not a lack of something to do. We both have more than we can do. But there is a continued duplication of effort, and that duplication of effort, it seems to me, is long overdue in terms of needing correction.

I do not know what the answers are, but it is somewhat of an absurdity for the Armed Services Committee to spend all year on the very same things that the Appropriations Committee is spending all year on. It is an absurdity for us to debate a military authorization bill for 2 or 3 weeks at a time, to spend several weeks in conference, sometimes 7 or 8 weeks, and then have an appropriations bill in the fall and go through the same thing again. That is an absurdity even if we agree on everything.

When we have differences of agreement, it not only makes our own process become tangled; it also, of course, ties up a great deal of time of the executive branch.

We will have to work it out in good faith. I have talked to the Senator from Mississippi and the Senator from Alaska about it and we will continue to talk about it, because it is not a luxury we can continue to afford, as a body that already has more to do than we can do properly.

In summary, Mr. President, the Senate rules and procedures require a separate authorization process. The law of the land requires a separate authorization. Section 8109 in last year's defense appropriations bill recognizes this bedrock principle and required a subsequent authorization for substantial appropriations in excess of authorization.

Our committee has fulfilled its responsibilities to the Senate under section 8109 by reporting a supplemental authorization bill which approves $3.8 billion in programs but denied 44 programs totaling $750 million. It is our expectation that we would use this $750 million if we prevail today in this vote. That money would be used to offset the very large cuts we will have to come up with in fiscal 1987.

So we are talking about a matter of great importance in terms of procedure and jurisdiction, in our view; a matter of some importance in terms of substance; but most of the substantive issues have been resolved.

There are $750 million involved here. Repeal of section 8109, in my view, would be a bad signal for defense programs. It would be a bad signal for the integrity of the authorization process. The Armed Services Committee has an interest here. I think every authorizing committee has an interest here, because all at one time have been—or will inevitably be—faced with this kind of problem.

□ 1940

Mr. STEVENS. Mr. President, I do hope my friend from Georgia will remain because I do wish to ask him a question while I have the floor.

The Senator from Georgia pointed out last year on December 10, and I quote the Senator from Georgia. He said:

> We have been meeting frequently during the past several weeks in both the Armed Services Committee and with representatives of the Appropriations Committee to try to reach a resolution with respect to the problem on unauthorized appropriations.

We entered into an agreement, Mr. President, and I want to ask the Senator from Georgia what is wrong with the agreement we entered into last year? As the Senator from Georgia said specifically at that time, it operates primarily at the traditional budget account levels.

Senator THURMOND said we have agreed that those appropriations accounts which exceed the authorization account levels will be subject to subsequent authorization.

The Armed Services Committee now wants to question 174 items. All but four of them are below authorization levels. But they differ in terms of how

the authorized level is distributed between line items.

I ask my friend what is wrong with the agreement we reached last year after meetings that went on and on and on and on to settle this question between the two committees?

Mr. NUNN. I say to my friend from Alaska there is nothing wrong with that agreement. In fact we are here to defend that. That is the reason we do not want that agreement repealed by a repeal of section 8109.

Mr. STEVENS. With the exception of the accounts we have there on the desk, there are no disputes on accounts that are over authorized account levels.

What the Armed Services Committee now wants to do is to subject 174 lines that are in accounts that are below account authorization levels to line item differences between the two bills, Mr. President.

I want to point out to the Senate that rule XVI says this:

> On a point of order made by any Senator, no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act or resolution previously passed by the Senate during that session; or unless the same be moved by direction of the Committee on Appropriations or of a committee of the Senate having legislative jurisdiction of the subject matter, or proposed in pursuance of an estimate submitted in accordance with law.

In other words, Mr. President, last year we did not have to make an agreement. We made it in deference to my good friend the Senator from Arizona who discussed the matter with me before he left. Senator THURMOND was acting on his behalf. I met many, many times with members of the Armed Services Committee, and we agreed that in this instance, even though moved by the Senate Appropriations Committee for those items which increased the authorized accounts, they were not subject to a point of order, that they were germane to the bill, and that we would agree that they would have subsequent authorization.

This year when we came back the Armed Services Committee said, "No, no, what we really meant was any line item, not account level, any line item where you disagreed with us needs authorization."

I say to the Senate, it is true this is a signal case, and it is bringing to the floor a dispute between an authorization committee and the Appropriations Committee, basically the Subcommittee on Defense, and it is going to be resolved by the Senate obviously.

If it is resolved, I want to point out that we put money in for the battleship *Wisconsin* that was not authorized. The Armed Services Committee does not disagree with this. It is willing to authorize it now.

That is not an item that is in this discussion because we have agreed they are not going to dispute that.

Guard and Reserve amounts are generally in here. Because again of the outlay problems of the items that were authorized by the Armed Services Committee, which would spend out too fast. So, we put money in the Guard and Reserve, I might say, at the specific suggestion of my good friend from Mississippi who has been a staunch defender of the Guard and Reserve. We believe very much in bringing them the most up-to-date equipment possible. We did. We put money above authorization in the Guard and Reserve because of its lower outlay rate.

There is nothing in this amendment pending before the Senate on that subject because we have no dispute. The Armed Services Committee has notified we have no dispute on that.

But my question to the Senator from Georgia and to anyone else who wants to answer it is why should we wait any further? It is June now. This bill will be to the President before July. The Armed Services Committee bill, if it passes the Senate after we finish the tax bill, will go to conference with the House on an authorization account. They disagree, incidentally, with their colleagues on the Armed Services Committee as to what should be authorized and what should not be, and that is listed on this account sheet, Mr. President.

It specifically shows the difference between the House and Senate with regard to the authorization bill that they now want to pass. That will finally get to the President probably about August and by the time we get back the Department of Defense will be instructed to try and spend this money, $6.3 billion, in 30 days.

It cannot be done. It cannot be done and it will give us outlay problems in 1987 that you cannot believe.

I make this pledge to the Senate: The Senate authorization bill for 1987 will not exceed outlays. Even though those outlays may come from budget authority in previous years, they will not exceed outlays. We are already carrying over $120 billion from previous years' authorization. We will have the worst outlay problem in 1987 that the Department of Defense will ever face.

The net result of my good friend, and he is my good friend, from Arizona, if he refuses to accept this amendment now, will mean that the money cannot be spent until September. At least part of it will spend out in 1987 and to the extent it does, it decreases the amounts that we can make available to continue authorized activities of the Department of Defense in 1987.

We already have severe problems, and, Mr. President, I am trying to smile, but in the most friendly way I can, I want to tell the Armed Services Committee you are shooting yourself in the foot. You authorized last year more money that we could appropriate and you authorized it in a manner that we could not appropriate because we were subject to outlay restrictions that you were not subject to.

Now you say to us wait. Do not do this this way. Do not just solve the problem because we have agreed. Except for those items we were in agreement. The Senator from Arizona said it and I think the Senator from Georgia said it, we are in agreement, but we are arguing about which bill is going to correct the problem, the Armed Services Committee bill or this bill.

I can get this bill to the President before July 1, and we will. Your bill, and I say to the Senator from Georgia, the way you are suggesting going to resolve this dispute is going to harm the defenses of the country and the difficulty is we have no way to deal with it. We have no way to get the money allocated and properly released because it is the letter that the Senator from Georgia and the Senator from Arizona signed that has held up the money, not the law. The law authorized the expenditure. The Department of Defense told us they were going to spend it. You sent them a letter that said do not spend it until we get this resolved and that letter has held up $6.3 billion for 6 months.

That money would have bought ammunition in Louisiana. It would have paid Coast Guard personnel in Alaska. It would have paid for shipbuilding in Mississippi. It would have paid for flying hours in Arizona. Look at the list. Look at the list. I urge you to look at the list. This is not some provincial thing. There is not one pork-barrel item here. There is not one item here the Department of Defense has told us they did not want. They did not ask you for it, but they asked us for them.

I should put that Guard and Reserve account aside there because we moved the money from regular services over to the Guard and Reserve because of the outlay problems, Mr. President. And it is something that the Guard and Reserve wants, I will assure you. But I think we ought to just go through this and look at some of the items.

Secretary Weinberger came to me and asked for Stingers, an increase in Stingers after the Divad termination. We added it. We took the money from the Divad account. It is not much money. It is $14.4 million.

But look at the items. Divad alternative was a request personally of the Secretary.

We had a Senator came to us with regard to $103 million for enhanced ammunition production base. We checked with the Department of Defense. It was needed. We allocated that account.

The level was still $174 million below authorization but we put the money where it was needed now for ammunition, too, and we all know that our war reserves are down. We appropriated $200 million for war reserve ammunition instead. We have letters from many people, including Senators from the Armed Services Committee, pointing out that that reserve is low. We put in just $200 million. We need billions to catch up with war reserves. That is one of the items that is in dispute, Mr. President.

We had a bridge erection boat that was an unauthorized add-on but it had a multiyear contract and because we were able to enter into it we are saving money by putting in the money.

Again, that account level, other procurement Army, was less than the authorization.

□ 1950

Incidentally, that was at the request specifically of a member of the Armed Services Committee that came to me and personally asked for that money. Now the Armed Services Committee is questioning us for doing that.

I think we ought to just put them out in terms of the money and where it is. We funded the funds required by the Authorization Act for the F-110 engine, but it was not done in the way they wanted it because, in order to fund it, we had to add $95 million to get the contract funded.

Now, Mr. President, I think, unless Members of the Senate go through this and look at it, they will not understand the dispute between us. I see no reason for us to have a situation where we made an agreement that any account that exceeded the authorized account level would be subject to authorization and then find 174 items that are in accounts that are below the authorization level that we have to have authorization for because our report differs from their report.

Incidentally, if anyone is looking at this or listening to it, if you want a significant example, look at the Coast Guard account. Fifty-two Senators wrote to our committee and asked that $300 million be added for the Coast Guard. It was not authorized. As a matter of fact, subsequently they came and asked for it to be increased to $375 million. We did that. Some of the Members that asked for it are from the Armed Services Committee. It was not authorized. It is typical of the problem. In an agreement we entered into last year, it was specifically identified as being an item that was over the account level but that was not subject to later authorization.

Those are the things I think the Appropriations Committee must do. There is no question about it.

The T-46 is an interesting example. We appropriated it at the authorized level. Now, in the authorization bill that the Armed Services Committee is bringing out, they deauthorized that account. They deauthorize it. They say we have an argument between us. We do not have any argument. We put up exactly the amount they authorized, but they want to take $206.1 million because of the changed position.

The Armed Services Committee also came to us on the Rapier, under the Air Force missile procurement. They had authorized $3.6 million. The Department told us there was a mistake; they needed $7.6 million. We put up $4 million extra in the appropriations bill. Now, for some reason, the Armed Services Committee wants to authorize only $3.4 million, although it was authorized in a different place in the bill.

Now, Mr. President, I hope that everybody looks at this because the disagreement between the Senate Armed Services Committee and our Appropriations Committee covers accounts for the Guard and Reserve. Basically, the difference is $811 million that we put into the Guard and Reserve equipment. Instead of putting it into the regular Army, the regular Air Force, the regular Navy, we put it into the Guard and Reserve. We did it for the purpose of assuring the equipment would go to the Department of Defense, and that it would at the same time go into an account that does not spend out at the same rate as the active force. Therefore, we complied with the outlay limitations.

I do believe that it is time that the Senate looked at the fact that the argument here is with the authorization committee. We are $16.5 billion below the authorized account levels. It is not a case of our appropriating more money than was authorized. It is a case of our looking at these items and determining, with the advice of the Department of Defense, that some of the money should be allocated in a different manner within the same account, Mr. President. We have not taken money from one account to another. We have not stolen money. We stayed substantially below the budget. We stayed below the budget outlay ceilings.

Mr. President, I will tell you—and again I try to say it with a smiling face—I do not know anything that is going to harm the defense effort more than this continuing bickering between the committees in trying to preserve our national defense.

Mr. NUNN. Will the Senator yield on that point?

Mr. STEVENS. Yes.

Mr. NUNN. I agree with that point. I think the dispute is disruptive. I think it is counterproductive. I think it ties up the Senate. I think it makes duplicate efforts and I think it is disruptive to the executive branch.

I think what we have here tonight, whether the Senator from Alaska prevails or whether we prevail, we need to continue and intensify our efforts to solve this problem and get some long-range procedure which makes sense for the Senate, which makes sense for the Pentagon, and which makes sense for the country.

If I could just give a brief response to what the Senator said about the expiration of the funds. It is my understanding that each year the Appropriations Committee in your bill provides that the procurement accounts have 3 years to be spent; the R&D accounts, 2 years to be spent; the shipbuilding accounts, 5 years to be spent.

The Senator mentioned if we did not solve this until September 1986, there would only be 30 days to spend the money. That is not my understanding.

Mr. STEVENS. I thank the Senator for pointing that out. I am not talking about the spendout for the total amount. I am talking about the total amount we can spend this year under our schedule cannot be spent if they do not get the release by September. The fiscal year ends September 30 and whatever is spent under the Armed Services Committee approach will be spent in 1987 and not in 1986. So we carry over the outlays to 1987, which then we have the situation that we cannot then use the authorized amounts for 1987.

Ask anybody. Ask the Senator from Louisiana. I know he was on the seat. Ask what it means to munitions. Or ask the people from Arkansas what it means to munitions. it means they cannot buy the ammunition this year; they will buy it in 2 years rather then 3 years.

But the Senator is absolutely correct. If I left any impression that these are 1-year accounts, that is incorrect. They are a series of different accounts and very few of them are annual accounts. Most of them spend out on the average, I would say, in 2 to 3 years. And we are lacking the first year because of this delay.

Mr. NUNN. Will the Senator yield for another observation?

Mr. STEVENS. Yes.

Mr. NUNN. I would like to just speak for a moment about a possible way out of this dilemma that we are in this evening. It would not solve the long-term problem. I talked to the Senator from Arizona about it.

The Senator from Alaska is concerned about the time element here. He is concerned—and the Senator from Louisiana has expressed his concern to me, also—about the problem of having the supplemental authoriza-

tion bill come up later and, therefore, have it delayed.

Now, there is one way to solve this. We have reduced the substance disagreement down to $750 million. That is what the difference is on substance. I know that is not insignificant. I am sure that $750 million is vitally needed in many aspects of the defense budget and we are going to have to use it in 1987.

But one way to solve this dilemma tonight—we talked about the ammunition that the Senator from Louisiana put in. We could take the supplemental authorization bill which has come out of our committee and is pending on the calendar. We could propose all the changes we made in that authorization bill as an amendment to this supplemental appropriation bill. The time problem would be solved. That would take care of almost every point the Senator from Alaska has raised.

What would not be solved is the $750 million which would be denied, but that money will have to be used to apply to the savings we have got to make under the budget resolution. We have to save some $20 billion. We have to save $14.7 billion in outlays in fiscal 1987. We went through these items very carefully in our committee. We determined that, though they have some merit, they would not have the kind of merit of being spent now when we are going to have to cut vitally needed programs, programs that are essentially in the future. So we can solve this time problem right here tonight in the next 30 minutes by simply taking the supplemental authorization and putting it on as an amendment.

Mr. STEVENS. Mr. President, I would be more than willing to put this aside temporarily and look at the subject. But I want the Senator to know, from my point of view, that is not quite correct what he just said. We had a series of negotiations, not only last year, but this year, with members of your committee and your staff. And the amendment that I have is an amendment that was prepared once and was agreed to once. Your committee agreed to this. Then they sent us a formal agreement—and I have a copy of that here—that they wanted me to sign with regard to future procedures between the Appropriations Committee and the Armed Services Committee.

□ 2000

The Senator will recall this. I said I would sign it but I am not chairman of the Appropriations Committee, and the chairman said, I think wisely, that it sets a very bad precedent. If the Senator wants to enter into that agreement with Senator STENNIS, of the Armed Services Committee, go ahead and do it. I am not going to sign that as chairman of the Appropriations Subcommittee since that fell through as far as the agreement is concerned, although I am still willing to live up to it and so is Senator STENNIS.

Furthermore, let me tell the Senator that the Senator and his authorization bill did not authorize the liquid synthetic fuel for the Defense Department as far as the Department of Energy program. That is a North Dakota item that is very, very important to the Senator from North Dakota. The Senator did not authorize the precision tactical approach guidance system, new tactical landing system accelerated that is very important to the Senators from Nevada.

Mr. JOHNSTON. Will the Senator yield for an observation at this point?

Mr. STEVENS. Yes. I do not want to point them all out. But I do want to accept the suggestion of the Senator from Georgia, if we can, and get off the floor to see if we can work it out.

My problem is the Senator is really asking for us to in effect give up some of the amendments that the Senate approved last year. The Senate approved these amendments to make the moneys available last year at the time under the understanding that they were not subject to authorization because they did not exceed account levels.

Now the Senate Armed Services Committee wants us to give those up.

Mr. GOLDWATER. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. GOLDWATER. The bill never came to the floor last year. We continued it by resolution.

Mr. STEVENS. It was a continuing resolution I am talking about. I managed the defense portion of the continuing resolution.

Mr. GOLDWATER. It never came before our subcommittee and never came before the floor for a vote. It was a continuing resolution. It was passed. We are talking about the wrong things.

Mr. STEVENS. No; I am talking about the appropriations bill, and the appropriations bill was on this floor. And it did pass, and we did accept some amendments. We accepted them after the agreement that I have mentioned, and time and time again, they were entered into with due respect to the Senator. These items were brought forward by individual Senators. I have a list of those who brought them forward, and we accepted them here on the floor after that agreement was entered into. We tabulated it. We tabulated it as to whether they were over the account.

I yield to my good friend.

Mr. JOHNSTON. For an observation, if the Senator will yield.

Mr. President, I would like really to argue this principle but I think nothing is worse for good policy than arguments about principle. I might just say I was reading about the Civil War last week. Right here in this very Chamber there was some great and thunderous speeches about the question of States' rights on the one hand, and the question of slavery on the other hand. And the questions and the answers went right across one another. If anybody thinks that the Senate is being instructed and taught about these questions by this debate, they are dead wrong. Nobody has the foggiest—I say nobody other than those on the floor, and maybe one or two—notion of what is going on.

Mr. President, it seems to me that the Senator from Georgia has a good start on the agreement here. It seems to me also reasonably obvious one other step is the authorization, and maybe we can resolve the whole thing; and, that is, take the suggestion of the Senator from Georgia, put the authorization bill on this, adopt that, and then the other items that are not encompassed within that, some $700 million. Put that aside, and go on to another amendment. And I will bet we could work out those individual items, the liquified fuels, whatever it is, and I do not think those are great items of moment.

Mr. NUNN. Will the Senator yield?

Mr. JOHNSTON. If I may make one further point: Sort of leave these great items of principle about what is authorized and what is necessary to be authorized to a cooler and more relaxed atmosphere where, frankly, we need more time to deal with that question. There are equities on both sides that ought to be resolved, and I think can be resolved. But as far as these items in dispute, there is really no problem. I think the Senator from Arizona, the Senator from Georgia, and our leader on the Appropriations Committee can get together in a room somewhere and resolve those items quickly. If I may suggest to my distinguished committee chairman, if we could suggest that we adopt that House authorization amendment, get that much settled, which is most of it, and then go off in a room somewhere, I will bet we could do those other items pretty quickly.

Mr. STEVENS. I am willing to go off the floor and negotiate again. I do not think I have negotiated anything in my life as much as I have negotiated on this. I will bet 1,000 hours in the chair on this one. In my days in the Air Force, that would be a lot of seat time. I see the Senator from Ohio here. He understands what I mean. That is a lot of time to sit and listen to someone else—about 1,000 hours since 1 year ago last January over this question of what we are going to do between these two committees.

I am willing to explore it. I am unwilling to now give up amendments that we accepted in good faith within

the authorized account levels from Members of the Senate for specific items in terms of saying, OK, they all have to be authorized. But I am willing to negotiate it in terms of some of the specific general accounts. For instance the Guard and Reserve, I ask that my good friend from Mississippi be present at such a negotiation as I know how strong he feels about that Guard and Reserve accounts.

If the Senator from Georgia is suggesting that we call the chairman of the full committee and ask him to make the request, and the Senator, our good friend from Arizona, that we temporarily set aside the amendment and my amendment to the amendment and go on to something else and give us 45 minutes, 1 hour at the most, I am more than willing to try again.

Mr. NUNN and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMM). The Senator from Georgia.

Mr. NUNN. Mr. President, I would be delighted to make that a 1,001 hours with the Senator from Alaska in this process of negotiation. I would be delighted to discuss it with the Senator from Arizona, the Senator from Mississippi, the Senator from Alaska, the Senator from Louisiana, and others who would be interested.

But I must say I do not have the optimism that we are going to be able to resolve those other items the Senator from Louisiana has because these are items we have been through in great detail in our committee. We have deliberated them. We concluded they are not priority items. I have a list here. We are happy to go right now, and do a lot of serious cutting in the fiscal year 1987 budget.

So we are looking at these items versus the items we are having to delete—about $20 billion worth.

Let me just finish this. I have gone through this list here. I have the list of those items. Of the 27 items that we would not be approving if we went this route, 17 of them have never been requested by the Department of Defense. The liquid synthetic fuel that the Senator from Alaska just mentioned, there were zero requests for that last year. I am not saying because there was a zero request it could not have some merit. It could be meritorious. But the Senator from Alaska mentioned all of these things have been requested, and the one exception. Of the list we have deleted 17 out of 27, and there was no request from the DOD. I would not want anyone to pull down their amendment under the false impression that we were going to be able to first of all take all the items that we have gone through carefully and put back in through the supplemental appropriation, put it on amendment and go out and negotiate on everything we have left out.

Mr. JOHNSTON. Will the Senator from Georgia yield at that point? What I am suggesting is we agree on what we can agree on, which is all of those items in the defense authorization bill, we have no dispute, and if we can agree on those, then go off and try to work on these other items. If we can agree, fine; if we cannot, fine. But at least then we have those very important items that encompassed within the defense authorization bill agreed to. I mean we do not want to get some very good programs trampled underfoot that involve a lot of jobs, a lot of people and a lot of accounts that are important.

Mr. NUNN. And hopefully a little bit of defense.

Mr. JOHNSTON. Darned well a lot of defense. Why not agree on what we can agree on now, and if we can agree that we ought to try on these other items, if we cannot, well, we cannot. But at least let us not lose that which we can agree upon.

Mr. STENNIS addressed the Chair.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

□ 2010

Mr. STENNIS. Mr. President, I shall be brief. This is not something I want to talk about, but it is something I think I should talk about some. I see men here on this floor who for a good number of years have been together wrestling with these problems. I see Senator THURMOND over there. He and I have been here together with others, too. I think I am pretty hard to get excited. But as long as I have been dealing with this, I am actually getting somewhat excited here tonight to realize that we can be very close to something very, very serious. I mean by that something we are not meeting, we are not solving, and we are not coming up with something better.

We have already hit the bottom on this thing. Everyone has been acting in good faith. There has not been one scintilla of rascality, misrepresentation, or anything like that from anyone. I am referring to the last 2 years that we have been going over these things.

In this calendar year we went to the majority leader and talked over this problem with him. We talked next with Senator GOLDWATER, as I remember. He could not be here the first day but he was here the second day. Anyway, he was next.

Then we talked to all the ones who were more directly involved, including the Senator from Georgia, I remember at one point, and the Senator from Alaska, as well as the Senator from Oregon. These are men who do know something about this subject.

We have been back and have repeated. I am not complaining, as I have not contributed much, but they have been trying hard this year, these men, the tops of these two committees. They have been trying to get an agreement on something that would work and which would be a solution for some time anyway to this legislative problem as well as defense problem.

They have not gotten far enough. I do not say it has been a total failure, of course it has not been and some headway has been made.

But we have run out of rope. We are down to the end of the row, and we are advertising in this debate that we are not functioning at our best in this endeavor.

What are the people we represent going to think about that? What about our adversaries, wherever they may be in any place in the world—what will they think?

We are at the point where we have to get down to the job of determining something in the neighborhood of at least what the Senator from Georgia has recommended and the Senator from Louisiana. We have to do it right away. If we cannot make any headway that way, and this is my thinking, we have to come in here in a special session of some kind and create additional effort on this legislation, some special committee for a special purpose to be spelled out because results have to be obtained here and now. That is not just for convenience, but to resolve this situation.

I think we have used up too much time. A mere repetition of what we have been doing will probably not be effective.

There is nothing to be afraid of in this. We have been putting some authorization legislation in appropriations bills for a good many years. During the war in Vietnam we got into such a problem with time that we filled in there more than once.

Some who were here can remember very distinctly it was not just once or twice but many times. Well, there was no harm done. But I will tell you right now we have to make this thing work. That is my word of caution.

Frankly, I have done about all I can do. I am not seeking further recognition on this matter, but it must be brought to a head at some point. We have the intelligence here and I hope we can move forward and do it.

I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I have a few brief remarks. I think the critical item here, and this is what concerns us on the Senate Armed Services Committee, is that if the action of the Appropriations Committee is to continue in this direction and at the same increasing pace throughout the coming years, then why do we have authorizing committees? That is basically it.

Why do we not all just join the Appropriations Committee and we will do it all there and that is that? That is the reason we feel very strongly about this issue.

This section 8109 that has been referred to here is a stop gap measure. It does not solve the long-term problem. Nobody claims that it does. It applies to fiscal year 1986 only. That is that.

The reason that I think we want to push this, and we would like to get an answer to it, is so that we are not back here year after year after year doing the same thing.

Those of us on the authorizing committee for military matters in the Senate feel that for at least the last 2 years we got rolled, to put it in street terms. We worked very long hours trying to get the authorization bill out of committee.

Last year, I remember Chairman Goldwater indicated to us that he wanted us to have our authorizing bill completed by Easter, and we did. We worked nights, early mornings, through the day. We sometimes had subcommittee and full committee hearings going on at the same time, but we got it done.

Then instead of that being accepted, we wound up with this graph which has been referred to a couple of times and we see what happened. Instead of the low levels of appropriations exceeding authorized levels in 1982 and 1983, all at once in 1984 it went up some. In 1985 it really popped up and in 1986 it goes up to $6.5 billion. It is no longer a small amount taking care of minor differences. That is the thing we are very concerned about.

Let me add this: This is not a turf fight between two committees. It is a matter of very fundamental procedures of the Senate of the United States, in which every authorizing committee has a key interest.

Senate procedures recognize separate authorizing and appropriating functions, and the authorizing committees are supposed to set the long-term trends, they are supposed to take the multiyear look, the long-term look, of what the trends are and what the programs are that need to be beefed up, need to be started, or even terminated. Those are turned over to the Appropriations Committee and they in turn try to put the whole budget together then and approve an appropriations bill that does not exceed all the other limits we have put on. So they are the coordinating function that has the final say on this.

If we are to say that the Appropriations Committee can continue, in effect, to authorize and appropriate as they see fit, that means we are of no use on the authorizing committee. We might as well fold our tents and go away because we are not doing anything that is constructive here at all. We are just turning everything over to the Appropriations Committee.

That is basically what we are talking about here tonight.

I am all in favor of this 45-minute session that was referred to where we can perhaps work our way out of this year's problem. Section 8109 that is referred to here is exactly that. It is this year's solution to it. It does not solve it for the 1987 budget that we are starting to mark up in committee now. We will start on that this coming week.

I would hope, Mr. President, we could stay with this thing and whatever time it takes so that we do not find ourselves getting rolled again next year. We do not want to go through all this again.

The basic question to me is if the Appropriations Committee is to continue in the direction they have gone for the last few years, then why have authorizing committees?

That is the heart of this issue. That also affects the other authorizing committees besides Armed Services. It is something that the whole Senate must face. As far as I am concerned, if we need to get a change in the Senate rules or whatever, so be it. Let us not go through this authorizing process and find out once again next year that we are back here with another stop gap 8110 or whatever it will be next year. We are not solving the basic problem with 8109 here. We are dealing with something that will just get us by this year. Unfortunately, we will have to deal with the basic problem.

The PRESIDING OFFICER. The Senator from Arizona, the distinguished chairman of the Armed Services Committee, is recognized.

□ 2020

Mr. GOLDWATER. Mr. President, a fine suggestion has been made and it might work out to the benefit of all of us and the defense of our country if we would just ask for a quorum call and repair to the Office of the President pro tempore to see if we can work out something. The Senator from Georgia has suggested that the Senator from Alaska should accept the Armed Services supplemental bill. I think that is a fine suggestion. The Senator from Alaska has pointed out that there are some omissions that he might want to offer in the way of fill-in. I see nothing wrong with that.

I ask my friend from Georgia, does he see anything wrong with temporarily stepping into an office to see if we can beat this thing out?

Mr. NUNN. I say to my friend from Arizona that I think it would be a constructive step.

Mr. GOLDWATER. We have the cochairman of the committee. Would he like to bring something else up while we are doing that?

Mr. JOHNSTON. Mr. President, I think that would be a very good discussion. I think the floor manager of the bill, the distinguished Senator from Oregon (Mr. HATFIELD) would like to move to another amendment while those discussions are going on.

As far as time to work it out, from my standpoint, that would be an excellent suggestion.

Mr. GOLDWATER. Let me discuss it with the chairman of the Committee on Appropriations.

Mr. President, it has been suggested that a solution to this might be the Senator from Alaska taking our supplemental bill as a substitute for his proposed amendment. To accomplish this, it would require our repairing to an office and discussing it, during which time, the Senator from Oregon could bring up something else, just providing he does not find one that might last 4 hours.

Mr. HATFIELD. If this Senator may respond to the question, it is now about 8:20. Would the Senator from Arizona and the Senator from Alaska indicate the kind of timeframe that this would require?

Mr. GOLDWATER. I shall ask my friend from Georgia to listen; I would say 45 minutes, maybe an hour.

Mr. HATFIELD. May I then suggest that I propound a unanimous-consent request that we temporarily lay aside committee amendment No. 2, which is presently under discussion, until 10 p.m. at the latest, or at the earliest, whichever the case may be, as it might relate to the interim amendments that we will now consider by temporarily laying it aside? I would like to put some kind of outside limit on that that there would be a report back to the body by, say, 10 p.m.

Mr. GOLDWATER. I think that is a fair suggestion, 10 o'clock. Would my friend from Georgia agree?

Mr. NUNN. I agree, Mr. President.

Mr. GOLDWATER. I would suggest that those members of the Appropriations Committee who are here, others on the Armed Services Committee, the staff, that we report to the President pro tempore's room, around the corner. So let us do that and get over there right now and get to work.

Mr. HATFIELD. Mr. President, based upon the colloquy we have just completed, I now ask unanimous consent that committee amendment No. 2, the pending amendment, be temporarily set aside until not later than the hour of 10 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THIRD EXCEPTED COMMITTEE AMENDMENT
(RELATING TO FLOOD CONTROL)

Mr. HATFIELD. Mr. President, I ask that the clerk state the next amendment.

The PRESIDING OFFICER. The clerk will state the next excepted committee amendment.

The assistant legislative clerk read as follows:

On page 27, strike lines 1 through 5.

Mr. HATFIELD. Mr. President, this is an amendment dealing with a $25-million appropriation for flood control and coastal emergencies. I believe the Senator from Ohio has an amendment to this.

AMENDMENT NO. 2016

(Purpose: To provide for an emergency contingency plan to prevent or control flooding along the Great Lakes)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk on behalf of myself, Senator Kasten, and Senator Glenn. I ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mr. KASTEN, and Mr. GLENN, proposes an amendment numbered 2016.

In lieu of the language proposed to be stricken, insert the following:

Using available funds authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, the Secretary of the Army shall, in consultation with State officials of the Great Lakes region, develop emergency contingency plans to prevent or control near term flooding along the Great Lakes. The Secretary shall report to Congress within sixty days after the date of enactment of this Act on the contingency plans. The Secretary is authorized to spend up to $1 million for the purposes of this provision.

Mr. METZENBAUM. Mr. President, this amendment directs the Secretary of the Army to consult with officials from the Great Lakes States in order to develop contingency plans to prevent widespread flooding in the Great Lakes region.

The amendment is very straightforward. It simply directs the Corps of Engineers to work with and to assist the States in developing new contingency plans. It also directs the Corps to inform Congress of its progress in this regard.

Today, the Great Lakes water levels are at record highs. According to the Army Corps of Engineers they will likely stay extremely high throughout the decade. The water has already caused extensive damage to shoreline property, and the potential for a real disaster is imminent.

Sudden storms or merely strong winds cause the entire surface of the Great Lakes to tilt, piling the water up on one side, and flooding communities along the shore. Because it is so shallow, the most extreme examples of this phenomenon occur on Lake Erie.

Sustained high winds cause the water level on one end of Lake Erie to rise dramatically while the level falls at the other end. At times, the difference in water elevation between Buffalo, NY, and Toledo, OH, may reach 15 feet. In these situations, the community on the high end gets flooded.

Earlier this week, on June 2, strong winds blew Lake Erie into downtown Port Clinton, OH, flooding city streets and damaging public and private property.

And this was not even a storm.

Fortunately, the water receded the next day. A sustained storm would have left the entire city of Port Clinton under water for days.

The fact is, Mr. President, the water level situation on the Great Lakes is a disaster waiting to happen. The Great Lakes States know it, the Army Corps of Engineers knows it, and the people living in the shoreline communities certainly know it.

My own State of Ohio, the State of Michigan, New York, and most recently Wisconsin have attempted to prevent a disaster from occurring by requesting emergency flood prevention assistance from the Corps of Engineers.

Under the Public Law 84-99 Emergency Flood Program, upon the request of the Governor of a State, the Army Corps of Engineers may provide assistance to construct emergency flood prevention works when there is imminent threat of flooding.

At the beginning of fiscal year 1986, the corps had approximately $52 million for this program. According to the corps, and Appropriations Committee staff, the program account now contains about $28 million in unobligated funds. Of the $24 million spent thus far, very little has been spent in the Great Lakes region.

The Governor of Ohio has asked the corps to consider 50 separate sites for possible flood prevention assistance. The Governor of Michigan has requested help for approximately 60 sites.

The corps subsequently determined that only 7 of the Ohio sites and 25 of the Michigan sites warranted any assistance whatsoever.

According to the corps, flood control measures in the other areas were not economically justified.

Apparently, public safety was not a major consideration.

Mr. President, the purpose of this program is to help communities prepare for imminent flood emergencies. I, for one, do not believe we can put a price on public safety.

The average cost of one of these emergency projects is about $250,000. That is not much when we are talking about an advance opportunity to protect businesses, public property, and lives.

It is also not much when we consider the enormous cost of providing these communities disaster assistance after the fact—after the storm has flooded out the town.

Again, this amendment is very straightforward. It simply directs the corps to take another look at the requests for assistance submitted by the States, to develop contingency plans to prevent flooding, and to report back to Congress.

The lakes are going to be abnormally high for at least another 5 years, and we are going to reach a very critical period when the storm season begins in the fall.

We should make every effort to minimize the threat to life and property. I believe this is a good amendment, and I urge my colleagues to support it.

Mr. President, my amendment, cosponsored by Senators KASTEN and GLENN, simply directs the Secretary of the Army to work with officials from the Great Lakes to develop emergency plans to develop near-term flooding along the Lakes. Its passage can help us prepare for and avoid disastrous flooding along the Great Lakes.

I am pleased to say to my colleagues that my amendment does not provide for the expenditure of any new funds but will provide that the Corps of Engineers expends such funds as have to be expanded from those that have, heretofore, been appropriated.

It is my understanding the amendment is acceptable both to the manager of the bill and the ranking minority members. I have cleared it also with the Environmental Affairs Committee.

Mr. HATFIELD. Mr. President, the amendment offered by the Senator from Ohio has been cleared on both sides of the aisle. We are happy to accept it.

Mr. CHAFEE. Mr. President, I would like to ask a question, if I may, of the manager of the bill.

As he knows, we put a lot of effort into these Corps of Engineer studies. Our great concern is that studies are rather casually ordered. The consequences of the studies frequently are very substantial expenditures which the towns and cities or States involved have no intention of meeting.

In other words, every self-respecting mayor or Governor—and I have participated in this myself—when there is a natural disaster of a flooding nature, appeals to the Corps of Engineers to make a study. What that does is hold off the objectors. It indicates some action is taking place. The study frequently comes in recommending the expenditure of millions of dollars which the town or city or State has no intention of ever funding. But at least it has the matter off the agenda, the citizens are pleased that the study is taking place.

Therefore, in the Environment and Public Works Committee, we have provided—and this has been accepted—that the Corps of Engineers, when they embark on studies, require the local community to pay x percent—25 percent, 30 percent, whatever it is—some serious up-front money so the

community will not just blithely ask for a study without ever intending to make a substantial commitment of their own sums.

My question is this: Is the city involved or the State or the locality, as opposed to the Federal Government, going to pay any portion of this study?

Mr. HATFIELD. Let me, first, say to the Senator from Rhode Island that I know of his longstanding concern on this matter of the accumulation of studies that have occurred over the years, where, if any serious intent to carry the study through to a project existed, it certainly was not a very strong one because there was little action in many of these studies that ever followed the study leading to such a project.

□ 2030

I have that same concern. This is a different situation. Under Public Law 99 I believe is the law, we have a generic authorization extended to the Corps of Engineers to undertake an evaluation—and I use the term "evaluation" very carefully here—of emergency problems such as the Senator from Ohio has described. That means simply that there is a preliminary kind of assessment made as to what might be preventive in terms of a diversion, a project of some kind that may be required after this preliminary study. If then that followed a major feasibility study for a project, that is a separate situation. And then that would lead to the possibility of a project that would require some local cost sharing. But what the Senator from Ohio is attempting to do is to get an engineering assessment of this current flooding situation and the problems that these communities have had because, frankly, no one knows the answer at this moment. So under Public Law 99, the generic authority is vested in the Corps to undertake this within current available funds, so the Senator's amendment does not have any impact upon the budgetary problems that we are facing but is within the available funds and is to do what we might—and I am using a certain kind of nomenclature here that I am making up of my own—but just in my language is to make a preliminary kind of assessment, evaluation which may lead to a major feasibility study leading to a project and that we would take that issue up separately. But this issue today does not involve the kind of problems the Senator has described in the past and which I joined him in that concern.

Mr. CHAFEE. I appreciate that because I know the Senator from Oregon and I have discussed this many times. If I understand this correctly, what we are undertaking here is a rather rapid study, not an in-depth study, but to get a feel of the situation. Then if it should move into something of a more major substance, call it a feasibility study, then there will be cost-sharing. That is all I want, some assurance that when the next step is taken there will be some cost-sharing. Then we will get into the seriousness of this town or city or the State.

Mr. METZENBAUM. Will the Senator yield?

Mr. CHAFEE. I will be glad to yield.

Mr. METZENBAUM. As the Senator from Rhode Island knows, I have been a strong advocate of cost-sharing when there are those kinds of services being provided by the Federal Government in projects throughout the country. I have not varied in connection with this particular matter. The Senator from Oregon has described the matter entirely accurately. If the Corps of Engineers comes up and says this project is necessary or that project, I would anticipate that it would be done in accordance with the usual rules and the communities affected would bear a share of the cost.

What we have in this instance is a situation where the Great Lakes are higher than they have ever been, through no fault of those who live in the cities bordering the Great Lakes. Those bordering the Great Lakes are terror stricken. They do not know what the answer is. They are asking the Corps of Engineers to help them provide some overview as to what should be done. I hope that the Senator from Rhode Island, who I know has been a strong advocate of the whole concept of revenue sharing in connection with specific projects, would see fit to not object to this amendment being accepted.

Mr. CHAFEE. I thank the Senator very much. I have no objection.

Mr. METZENBAUM. I thank the Senator.

Mr. HATFIELD. Mr. President, I move the adoption of the amendment.

Mr. METZENBAUM. Mr. President, before doing that——

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM [continuing]. The Senator from Ohio asks unanimous consent to add the name of Senator PROXMIRE as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 2016) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. I thank the Senator from Oregon.

Mr. HATFIELD. Mr. President, is the committee amendment as amended by the amendment of the Senator from Ohio now subject to action?

The PRESIDING OFFICER. The committee amendment to strike falls when a substitute is adopted.

Mr. HATFIELD. So we have then disposed of this particular committee amendment?

The PRESIDING OFFICER. That is correct.

FIFTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO CAPITOL SECURITY)

Mr. HATFIELD. Mr. President, would the Chair report the next committee amendment.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 58, after line 16, insert the following:

CAPITOL POLICE

CAPITOL POLICE BOARD

For an additional amount for the "Capitol Police Board", $13,000,000, to remain available until expended, to implement an improved security plan for the United States Capitol, after such plan shall have been approved by the Senate Committee on Rules and Administration, the Senate Committee on Appropriations, the House Committee on Appropriations, the House Committee on Public Works, and the House Committee on Administration: *Provided*, That such Board is authorized to transfer to the Architect of the Capitol so much of such funds as may be necessary to enable the Architect of the Capitol to carry out appropriate projects to implement such plan, and the Architect of the Capitol is authorized to obligate and expend the funds so transferred to him to carry out contracts entered into without regard to section 3709 of the Revised Statutes, as amended.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I had fully intended this evening to resist this committee amendment. I am troubled by it. But I have been prevailed upon by the assistant majority leader and the assistant minority leader to withdraw my objection with the understanding that I would have an opportunity to make a few comments about my concerns.

My concerns are these. We are talking in this amendment now, for the benefit of our colleagues, about $13 million to build a fence around this Capitol complex. We are not talking about a fence that goes around the office buildings but one that simply goes around the Capitol complex, and the fence would be almost identical to the fence around the White House.

Now, I recognize the threat that we are all under due to the spread of terrorism across the world. No. 1, I hate to cave in to terrorism and see the greatest, freest Nation on Earth have to make its Capitol complex a literal

armed camp. But the times are changing and perhaps it is absolutely necessary that we do this for our own safety and the safety of this magnificent building in which we are housed. But there are some concerns I have.

Now, everybody should understand that the committee amendment appropriates about $14.5 million. Incidentally, $1 million of that goes for the Capitol police, and I am not questioning that. They need the money. I think their case has been made. But my concerns go further than just whether or not we ought to spend the money. This amendment appropriates the money subject to the authorizing committees, of which there are five, and to my knowledge none of them have held hearings on this subject. I do not question the feelings of anybody involved in this whole negotiation, whether they think it is a good plan or a bad plan. But about 95 percent of the Members of the Senate have not yet seen the plan. We normally do not appropriate money until it has been authorized by the appropriate committees.

Now, one of the things that I want is for the Legislative Affairs Subcommittee on Appropriations to hold hearings on this.

Now, this is the appropriating process in which we are involved tonight, but Senator D'AMATO, who is the chairman of the Legislative Affairs Committee, and I, as ranking member, want to hold hearings on it. I was hoping he would be here, so I could get that commitment from him. I have no objection to these hearings being held in closed session. Indeed, all of these authorizing committees probably should discuss this matter and hold hearings, let the Capitol Police Board come in and make their case, and it should be done in a closed session.

But the Members of the Senate should be apprised of two or three things. First, for example, there is a retaining wall around this Capitol complex, which you may have never noticed, designed by Frederick Law Olmsted, one of the great American architects, long since dead. I want to know, for example, from pure esthetic standpoint, is this fence we are going to build going to require the destruction and removal of that retaining wall. It is a magnificent 30-inch wall. My own personal preference at this point would be that this new fence be moved in sufficiently so that those retaining walls can be left intact. They have great architectural value and great historical significance.

Second, will any automobiles be allowed in the Capitol complex once this fence has been built? It is my understanding that once this 10-foot high wrought iron fence is constructed, there will be three entry points to the Capitol for pedestrian traffic.

□ 2040

There is one thing about this, I might say at this point, that I like. Tourists coming here to tour this building are constantly hassled from the minute they enter—metal detectors everywhere. You cannot go here; you cannot go there. There is one thing to be said about this plan that I do like, and that is that once pedestrians walk through one of those perimeter entrances, they will be free in this building to go wherever they want to go.

However, there will be no parking. There are about 200 cars parked in the east part of the complex, and I think most of that is taken up by staffers and by press. There will be no parking permitted there in the future. That will be architecturally landscaped.

The Senator from California has been deeply involved in this, and I would like him to feel free to correct anything I say here as to the plan, as it is defined at this point. If I am misstating the case, I want to be corrected, because I certainly am not an authority about it. I am just concerned about it.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. CRANSTON. I do not think the Senator has made any misstatement. Let me just give a brief history that led to my involvement in this matter and the involvement of ALAN SIMPSON, the Republican whip.

The majority leader, Mr. DOLE, and the minority leader, Mr. BYRD, asked the two of us to take on the assignment of exploring Capitol security—the present situation and any needs. We undertook that task and involved the House whips—TRENT LOTT, for the Republicans; TOM FOLEY, for the Democrats—recognizing that security would have to involve the House as well as the Senate.

We have been working on this for a good many months. We brought in a number of outside consultants—experts on security matters. We worked with Chief Carvino, with the House Sergeant at Arms, the Senate Sergeant at Arms, the Capitol Architect, who compromised the police board.

We got professional advise from a man recommended to me by Peter Uebberoth, who was in charge of security at the Olympics, where a magnificent job was done. His name is Ed Best—a former FBI official.

We consulted with a highly professional firm—Stanford Technology Corp.—which gives advice to corporations, Government agencies, and other institutions on security.

They made many recommendations after a lot of study. We also took into account Secret Service recommendations made in 1981 and 1983.

There were a large amount of recommendations. Many were rejected because they were too sweeping, and we felt they would have interfered in important ways with the freedom we want around the Capitol.

The end result is a quite modest plan that does require, as the Senator from Arkansas suggests, a fence around the Capitol grounds. The purpose there is to extend the perimeter out, to have earlier control, before people approach the Capitol itself, and to provide greater freedom, as the Senator has recognized, once people are inside the perimeter. We will have more freedom for our visitors under this plan—not less.

The design for the fence has not yet been finished in any way. It need not in any way, so far as I understand it, interfere with the beautiful Olmstead retaining wall. It can be built inside of that, or whatever else the experts in this matter would recommend.

So, first of all, I recognize the Senator's desire to protect that aspect of the beauty of the Capitol, and I think we can find ways to protect it.

The other question the Senator asked was about autos on the plaza: Would any autos be allowed in?

The recommendation we are making is that there be no more parking in the plaza, for security reasons; that the only cars allowed to come in would be official, chauffeured limousines of the congressional leaders. They would come in, drop people off—like the President pro tempore, the majority leader, and the minority leader, the only three Senators who have such vehicles with chauffeurs—and then the car would go outside the gate over toward Constitution Avenue—where the entrance portal is now. They would be available on call. If somebody who has one of those cars wants to leave, the car could be here by radio call by the time the Senator wanted the car, so there would be no inconvenience for them.

There would be inconvenience for those who park in the Capitol plaza at the present time. ALAN SIMPSON and I would lose parking spaces, lose that direct access to the Capitol. Those employees who work at the Capitol and those members of the press who presently park on the Capitol plaza, would lose these particular parking privileges, but we are working on developing a very substantial number of new parking spaces to offset those lost spaces.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. BUMPERS. There would be two vehicle entrances into the Capitol complex, one on the Senate side and one on the House side?

Mr. CRANSTON. Yes. There would be those two entrances which would be the principal ones for vehicles—

there would also be a special gate for delivery vehicles.

Mr. BUMPERS. Would they have those hydraulic lifts that come out of the pavement, as at the White House?

Mr. CRANSTON. That is part of the plan. That is to make it very difficult for anyone to come barreling in with a car bomb, as was experienced in Lebanon, with the catastrophe that occurred there, with the loss of many lives and the destruction of a building.

Mr. BUMPERS. Is any of this money to be spent on improving security in any of the Senate and House office buildings?

Mr. CRANSTON. Yes. There has to be some improved security in the House and Senate office buildings. There is inadequate security now. There is inadequate security particularly at the Hart garage and some other places.

Once people are admitted to those office buildings, they would be free—as they are now—to come to the Capitol, except that there might be another magnetometer check at the Capitol end of the subway. But that matter is still under discussion.

People would not have to have appointments over here in order to come. Once they got into a Senate or House office building, they would be free to move over to the Capitol.

Press and lobbyists would not be inconvenienced. There would be special entrances for them, if they wish to come to the Capitol. The general public would come in through three entrances: one at the corner of Constitution and First Street, one at the corner of East Capitol and First Street, one at the corner of Independence Avenue and First Street—all on the east side.

There would be protection offered, obviously, not just for Senators, not just for Representatives, not just for the employees, but also for the press and others who work here and for the millions of visitors who come to the Capitol each year.

There are a huge number of people in the Capitol many days, running into the thousands, many of them children. They are just as exposed to danger as those working here. We are taking that into account, as well as the symbolism of the Capitol.

There would have to be a new arrangement for deliveries. The trucks that now come in do not go through any inspection before they arrive, and that, too, would be dealt with.

Let me say with regard to the question of hearings on this matter that there was a hearing before the Rules Committee on May 8; there was also a hearing before the House Public Works Committee's Subcommittee on Public Buildings and this plan is currently under active consideration by the Subcommittee on Personnel and Police of the House Administration Committee. Furthermore, the chairman and ranking minority member of the House Appropriations Committee's Legislative Appropriations Subcommittee have been fully briefed on the outline of the plan by the House Whips.

Following a conversation Senator D'AMATO had with me earlier today, along with ALAN SIMPSON, the Republican whip, Senator D'AMATO of New York, who is chairman of the Legislative Appropriations Subcommittee, authorized me to state, or he would state on the floor if necessary, that he will be very glad to hold hearings in the subcommittee, of which the Senator from Arkansas [Mr. BUMPERS] is the ranking minority member; and it would be understood that this appropriation, if made, would be subject to further approval by the Appropriations Committee acting upon the recommendation of that subcommittee and that no action would occur until there was a full hearing and then action by the Appropriations Committee, as well as the four other committees named in the provisions of the bill itself.

□ 2050

Mr. BUMPERS. Is there any timeframe within which it is hoped that these authorizing committees will complete their hearings, markup, and recommendations on this?

Mr. CRANSTON. I am not aware of any precise timeframe.

Mr. BUMPERS. The Senator does hope this will be done before we adjourn in October?

Mr. CRANSTON. We hope it will be done expeditiously and a decision made finally as far as the Senate is concerned before this session of Congress adjourns.

We have a similar hope for action on the House side but, of course, that is in their hands.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. HATFIELD. I might add one bit of information to the body, and that is I have just been in communication with the subcommittee chairman of the Appropriations Committee of which the Senator from Arkansas is the ranking minority member, Senator D'AMATO, of the Legislative Subcommittee. He indicated he would hold a hearing very soon on this matter as that subcommittee has this jurisdiction.

Therefore, the Senator from Alaska would have an opportunity to have a full hearing and discussion on this subject.

Mr. BUMPERS. I thank the Senator very much.

That is the primary thing I am concerned about and I am going to withdraw my objection I would otherwise make on this.

I thank all the Senators for their help for this but I want the record to be very clear that I am reserving my judgment as to whether or not I intend to vote for this.

I like to think perhaps we can recoup some of this $13 million, maybe by reduction of the Capitol police force. Maybe we would not need nearly as many Capitol police if we have this fence built.

I would hope we could save some money somewhere on this.

But I am not going to pursue this any further tonight and I want to thank the distinguished Senator from Oregon and the Senator from California for their assistance in answering my questions.

Mr. CRANSTON. I thank the Senator from Arkansas very much for his understanding and for his attention to a very important matter. I share his concerns about the whole matter that we are now considering.

Now, Mr. President, I would like to provide a more detailed description of this matter for the information of all of my colleagues.

LEADERSHIP PROPOSAL TO ENHANCE CAPITOL SECURITY

Mr. President, chapter IX of the urgent supplemental appropriations measure reported by the Appropriations Committee contains a $13 million item—called for by the joint Senate leadership and proposed to the committee by our distinguished minority leader [Mr. BYRD]—to enhance the security of the Capitol. We are very grateful to the Appropriations Committee for their close cooperation.

BACKGROUND

The Capitol of the United States is a preeminent symbol of our democracy. It is recognized all over the world as representing America. And, as is our open and free society, it is open and accessible to all, and we must keep it that way.

On an average day, from 25,000 to 30,000 people visit this Capitol—on some days, as many as 55,000. At any given moment, more than 3,000 people may be in the building—and more than half of them are probably school children. All told, an estimated 7-to-10 million people from all over the United States and from all parts of the world visit our Capitol every year. That means about 4 to 6 million school children visiting the Capitol each year.

Many hundreds of thousands of those visitors come from across the continent, from my home State of California. A great many come from each Senator's State. Those visitors put all of us under a special obligation, especially in these days of unceratinty: We have a duty to do all we reasonable can to protect the lives and safety of those millions of people as well as the

lives and safety of the people who work here, Members and staff alike.

And we also have a special responsibility to preserve and protect this symbol of our democracy.

To do that and still preserve the openness and freedom of movement that is a tradition of the Capitol and our democracy is the aim of the proposal that the whips developed and the joint Senate leadership has endorsed.

Let me stress that under the proposal we have made there would be no reduction in anyone's access to the Capitol—not the public's, not the press', not lobbyists'. Visitors to the Capitol would merely enter and be screened at a point further away from where they presently enter the building.

Under this plan, once an individual was inside the grounds of the Capitol, there would be a reduction—I stress a reduction—of present intrusive security devices and procedures now employed in the Capitol Building. The atmosphere in the Capitol would be freer. Some areas of the Capitol that have been closed down may be able to be opened up. The only remaining screening in the Capitol Building itself would be magnetometers immediately before entering the House and Senate Galleries.

SUMMARY

Our proposal as adopted by the Appropriations Committee is for $14,250,000 to enhance security in the Capitol and the Congressional Office Buildings. It was sponsored by Senator BYRD, our minority leader, on behalf of the joint Senate leadership. The proposal has two parts. The first part, which has four components, is for $13 million to enhance Capitol security and $250,000 for detailed design and cost estimating work. The security enhancement proposal has four components. They are to:

First, establish a perimeter around the Capitol; second, establish a delivery center; third, enhance office building security; and fourth, enhance bomb detection.

The second part of our proposal is for $1 million to rectify immediate shortages in the police force.

The joint leadership proposal on Capitol security was developed by an ad hoc working group of the Congressional leadership—composed of the four whips. It was developed in close consultation with the Capitol Police Board and after consideration of advice from the Secret Service, several outside security experts, and the Capitol Police security team.

All these experts have recommended more than we are proposing, up to a cost of about $100 million.

Our proposal is far more modest. We believe it constitutes the appropriate security steps we can and should take consistent with our free and democratic ways.

This proposal should be compared to the Reagan administration's $4.2 billion program for U.S. embassy security overseas. This year's first installment of $700 million was passed by the House in this bill, and $660.5 million was included in this bill by our Appropriations Committee for overseas security for our embassies and consulates. The budget resolution passed by the Senate carries $1.6 billion in budget authority for that plan for the next 3 years.

Now, a brief outline of our $13 million proposal:

SECURITY PERIMETER

Every expert we've consulted has urged us to extend the perimeter outward from the Capitol. Some have advocated a far wider perimeter: one that would encircle the House and Senate Office Buildings and several blocks beyond. That would entail closing down parts of Constitution and Independence Avenues—and we have rejected that, just as similar proposals to shut off Pennsylvania Avenue in front of the White House have been rejected.

What we do propose is a wrought iron fence around the Capitol grounds. It can be designed attractively—like the White House fence. As with the White House fence, it would have reinforced barrier gates and a secondary ring of infrared and seismic sensors and closed circuit TV cameras

As I understand it, this proposal for a fence is the principal feature to which the Senator from Arkansas [Mr. BUMPERS] objects.

The proposed fence would include three entrances for general visitors on the east front on First Street—one on Constitution, one at East Capitol, and one at Independence. Each would have a kiosk large enough to hold up to 4 police, screening machinery, and several visitors. There would be five other entrances with smaller kiosks; for main regular use, there would be one at each of the two present entrances to the Capitol plaza for staff, press, lobbyists, and other regular Capitol Building users with passes, as well as for people with scheduled appointments in the Capitol; and there would be one gate for deliveries at New Jersey and Constitution Avenues.

All of these categories of people as well as visitors could also enter the Capitol underground after being screened at an office building entrance. No one, except a Member, could enter the Capitol from outside or underground without passing through a magnetometer and radiation sensor and having packages inspected or x-rayed.

As I stressed before, the fence would not take away anyone's access to the Capitol. It would merely move the point of screening and entry back so as to create a desirable standoff distance. The perimeter would be a block away rather than, as at present, right inside the entrances to the Capitol Building.

PARKING

Under the plan, all daily parking would be removed from the plaza and Capitol drives. Official cars with drivers could still drive in and drop off the leader, for example. They would then drive out and be on immediate call 100 yards away outside the gate. Visiting dignitaries would be handled similarly with their vehicles carefully screened—upon entry or before—by the Secret Service and then parked outside the fence.

A less desirable alternative would allow the parking of about 45 "official cars" in assigned spaces on the plaza.

Either alternative would displace about 850 cars and require sustantial reallocation of parking spaces at nearby lots and garages. We have been pressing the search for more Senate parking spaces in order to alleviate the reallocation process. We believe that 250 to 350 new parking spaces—maybe more—can be created on the Senate side. Similar parking surveys are going forward on the House side.

We are convinced that this parking change is essential—the present risk of planted explosives is just too great to continue to run this risk. We are talking about explosives being hidden, unbeknown to the driver, in the trunk or underneath a car parked near the Capitol—a staff person's or even a Member's innocent car. The fact is that no one's car is kept fully secure at all times.

DELIVERY CENTER

We also propose establishing a delivery center away from the Capitol to screen—and perhaps unload for inspection and separate transport to the Capitol—all deliveries intended for the Capitol Building. We feel that the threat of a delivery truck being used to secrete large amounts of explosives is a very great one. At least initially—to gain experience before any major expenditures are made—the screening of these deliveries could be effectively carried out immediately outside or just inside the tunnel leading into the Hart loading dock area—which is several hundred feet away from the building itself.

OFFICE BUILDING SECURITY

Security in the office buildings would also be improved on the Senate side, but continued parking in garages and on adjacent streets would still leave the buildings less secure than the Capitol. We do not feel that, as a practical matter, we can remove parking in the office building garages or adjacent to the buildings, although security experts have recommended that course.

To improve security, however, garage entrances would have electronic delta barriers that would be raised during nonpeak hours. All individuals,

except Members but including all staff, entering the buildings from the garages would be screened. Vehicles parked in the garages and on adjacent streets would be periodically screened for explosives by canine teams. A very promising, new explosive screening device now under development may be available in the next year or so to replace the use of the dogs.

RECTIFY IMMEDIATE POLICE SHORTAGES

The other key element of the plan is $1 million to rectify present police shortages.

Because of staffing reductions and the eliminations of overtime funding due to the Gramm-Rudman-Hollings sequestration order, Capitol security is less today, according to the Chief of Police, than it was when he came a year ago. Given the nature of the threat today, this seems difficult to justify.

CONCLUSION

Finally, Mr. President, I want to stress that the plan we have proposed and for which the Appropriations Committee has provided $13 million is tentative at this point. The bill expressly provides, as we recommended, that no expenditure would be made for the plan until it is approved by the five congressional committees involved—the two appropriations committees, the Senate Rules and House Administration Committees, and the House Public Works Committee. So there is plenty of opportunity for further scrutiny of the particulars and the justification for each component of the plan, including, of course, moving the security perimeter for the Capitol Building outward by use of a fence.

But I do most strongly urge my colleagues to let us maintain the momentum we have gained for doing something measurable to improve the security of the Capitol Building and the office buildings and to protect the safety of the tens of thousands of persons who visit and work in these buildings every day. Simple prudence requires that we take reasonable and prudent steps to achieve enhanced security while maintaining—indeed even improving—full and open access to the Capitol.

Mr. President, I ask unanimous consent that there be printed in the RECORD at his point a detailed description of the proposal and a breakdown of our rough cost estimate for it, as originally submitted in testimony before the Rules Committee on May 8.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF SENATE AND HOUSE WHIPS' CAPITOL-COMPLEX SECURITY ENHANCEMENT PROPOSAL

A. Summary: During Senate Appropriations Committee markup, Senator Byrd, on behalf of the Joint Senate Leadership, intends to offer the following two-part amendment to add a $15,457,000 appropriation for the Capitol Police (probably through another entity such as the Police Board or the Sergeants at Arms) as follows:

$2,435,000 to rectify immediate Police shortages by restoring funding for salaries and overtime for police/security-related functions of the Police cut in the FY 1986 budget and GRH sequester and eliminate non-essential, service functions currently performed by Police. This is necessary to maintain the 1,227 authorized strength by filling 61 vacancies ($600,000), avoiding layoffs (furloughs) of 90 to 100 officers immediately ($854,000), and restoring urgently-needed overtime funds which have been exhausted ($981,000), while eliminating at least 25 positions currently diverted to non-essential service functions.

$13,022,000 to remain available until expended to implement a Capitol-Complex Security Enhancement plan (under the direction of the Police Board and the Senate Rules and House Administration Committees as well as the two Appropriations Committees and the Bipartisan Joint Congressional Leadership), including: (1) establishment of a secured perimeter around the Capitol building ($9,321,000); (2) establishment of a delivery center ($1,638,000); (3) enhancement of office building and garage security ($1,643,000); and (4) enhancement of bomb-detection capacity ($420,000). In total, the plan would entail $10.9 million in non-recurring construction and equipment costs and $2.1 million in recurring personnel-related costs for 87 more positions. This $13 million would be available for expenditure only pursuant to a plan approved by the Senate Rules and House Administration Committees, the two Appropriations Committees, and the Joint Leadership of Congress.

B. Background: This proposal has the endorsement of Capitol Police Chief James Carvino and Senate Sergeant at Arms Ernest Garcia. It was developed by the Senate and House Whips (Messrs. Simpson, Cranston, Foley, and Lott) over a six-month period pursuant to a request by the Joint Congressional Leadership. At an April 11, 1986, meeting between the Whips, it was generally agreed to proceed with a proposal along the lines described below with the final details to be worked out subsequently. Some of the parking garage and office building security enhancement proposed is, partly or wholly, only for the Senate side, essentially because information is not yet available as to whether this approach is feasible or desired on the House side. It is, however, feasible to take these steps only on the Senate side.

The proposal has two basic parts: Rectifying immediate police shortages and security enhancement; the second part has four components. The proposal is outlined in the attached Summary and Rough Cost Estimate (the specific estimates there included are approximations; many components are based on the Police Board's cost estimates from its January 23, 1986, recommendations; others are hybrids of those recommendations or others made previously and are costed very roughly).

The four components of the security enhancement proposal are: I. Establish Perimeter Around Capitol; II. Establish Delivery Center; III. Enhance Office Building Security; IV. Enhance Bomb Detection. Components I and III would entail major changes in the daily operation of the Capitol complex for visitors, tradesmen, and staff and, in some respects, for Members.

C. Cost: The total cost for FY 87 would be approximately $13 million of which about $2.1 million would be a recurring cost for about 87 more police personnel and $10.9 million would be essentially a one-time cost. The result would be to provide security for the Capitol building approximating that provided for the White House and for the office buildings (at least on the Senate side) similar to that at the Pentagon and State Department.

This cost should be viewed in the context of the $4.2 billion 5-year proposal for U.S. embassy security for which the House has already passed the Administration-requested authorization bill (H.R.4151) and for which the House Appropriations Committee has already approved (in the FY 86 Supplemental Appropriations bill pending in the House) the full $702 million requested by the Administration, which includes 595 additional personnel positions. The Senate Budget Committee's Budget Resolution included an assumption of an additional $1.6 billion for FY's 87, 88, and 89 for this embassy security program.

D. The Whips' Proposal: The basic plan is to provide strong protection of the Capitol building and immediate environs (from Constitution to Independence and First S.E./N.E. to First N.W./S.W.) against truck and car bombs, personal assault (from metal weapons and radiation), and terrorist attack and medium protection of the office buildings against the same threats (except for radiation), while *not* disrupting the basic work and traffic flow necessary to doing the business of the Congress and the people or creating any undue intrusions into liberty or privacy. In fact, the first component would dramatically reduce the intrusion of any security devices in the Capitol building itself, leaving there only magnetometer screening immediately before entry to the gallery.

I. Capitol Perimeter: Fence—Every security study done of the Capitol complex has recommended moving the line of defense outwards (Secret Service, Stanford Technology Corp. Security Draft Proposal, Ed Best). The only way to do this effectively is with a fence with reinforced barrier gates and a secondary ring of infrared and seismic sensors and CCTV cameras. This is the system that the White House uses, and this proposal envisions a fence, gates, kiosks, and sensors as used at the White House.

Visitors' Entrances—The proposal provides for 3 visitors' entrances on First Street along the fence line—one at Constitution Avenue, one at East Capitol Street, and one at Independence Avenue. Each visitors' entrance would have a kiosk large enough to hold 2 to 4 police, the screening machinery (2 magnetometers, 1 x-ray machine, and 2 radiation sensors), and several visitors. These 3 visitors' entrances would replace the 3 doors currently available to the public on the East front of the Capitol and would be open during the same public hours. The cost per visitors' kiosk would be approximately $250,000.

Five smaller kiosks (costing $120,000 apiece) would be located at the other drives around the complex (at Constitution and Independence on the plaza, at New Jersey on Constitution, and at the 2 drives (N.W. and S.W. Drives) on First Street on the West side). Three (other than those at N.W. and S.W. drives, which would function only on special occasions) would be used for admitting during working hours staff, press, lobbyists, and other regular Capitol building users with passes; deliveries; and persons with scheduled appointments in the Capitol

building. These persons could, of course, also enter the Capitol underground after being screened at an office building entrance. No one (except a Member) could enter the Capitol from underground without passing through a magnetometer and radiation sensor and having packages inspected or X-rayed.

Parking—Alternative 1: All daily parking would be removed from the plaza and drives (leadership Members' vehicles with drivers could still drive in and drop off the Member and drive out and then cars would be on immediate call 100 yards away outside the gate; visiting dignitaries would be handled similarly, with their vehicles carefully screened upon entry or previously by the Secret Service).

Alternative 2: Same except prescribed parking places would be assigned to "official cars" (those owned by the Government and assigned to officers of the Congress [1] Either alternative would displace about 850 cars and require substantial reallocation of parking spaces at the other available lots and garages—a bumping process would occur (there are about 250 additional spaces that could be made available on the Senate side and an unknown number on the House side to ameliorate the bumping). During evening sessions, in order to facilitate voting when Members are attending events away from the Hill, Members could drive up to the plaza entrances on Constitution and Independence Avenues and park their cars on those streets temporarily with police present to facilitate this process; another, not very practical alternative might be to permit such temporary night-time parking at the First Street ends of the plaza drives (inside the gate), but this would be far less effective for rushing Members since they would have to pass through security at the gates first.

With 850 vehicles coming and going in the plaza area daily, the current opportunity for planted explosives is enormous. All security experts agree that parking and vehicular traffic in this area is an enormous security gap.

II. Delivery Center; The present thinking is to try to obtain space at the nearby GSA Navy Yard Annex where contents of each delivery vehicle (for the Capitol Building) would be examined and the vehicle sealed and directed by appointment to its destination within the complex; efforts would be made to have most large deliveries done during non-business hours. A recent estimate showed an average of about 750 deliveries each to the Senate, House, and Capitol buildings per week, but most of these are not thought to be very large deliveries. Initially, screening would be restricted to Capitol building deliveries (consideration could be given later to expansion to House and Senate office building deliveries if the process was working smoothly). This delivery center approach should vastly reduce the possibility of a major explosion (especially at the Capitol building) produced by a vehicle laden with heavy explosives.

A new alternative, now also being studied, would be to use the area outside or at the end of the underground tunnel into the Hart building loading dock for the purpose of screening Capitol deliveries. This has a number of advantages: (1) it would be considerably cheaper since the structure is already there (could save perhaps $1.4 million); (2) it would permit experience to be gained with this screening without investing capital resources; (3) by increasing the number of officers in the loading dock area, the lax personnel security there (see below) would be improved; (4) it would save time for all concerned and allow more effective deployment of police personnel; (5) because of its proximity to the Capitol connected by tunnel, substantial deliveries could be unloaded in Hart and the number of delivery vehicles having to cross the Capitol building perimeter could thereby be minimized; and (6) it would not appreciably increase the bomb risk already present in the Hart garage/loading dock area.

III. Office Building Security: Garages—The concept here is to improve security although the result would be far less security than the Capitol itself because parking would remain in the garages and adjacent streets. Garage entrances would all have electronic delta barriers that would be raised during non-peak hours. Pedestrians would not be permitted to enter through driveways. All persons (including staff) except for Members entering the buildings from the Senate garages would have to pass through magnetometers and have packages X-rayed or inspected.

It should be noted that the Senate Hart building loading dock poses a major problem for personnel entering the office buildings from the dock. The current plan would be for there to be 2 screening points with magnetometers and one x-ray machine for all persons entering through the loading dock, for a plan to be developed for most deliveries (except perishables) to be left at the dock for entry by Senate employees, and for perishables and catering materials to be moved into the building by non-Senate personnel after passing through magnetometers.

All admissions to the loading dock should be pursuant to advance notice from the destination office, and name lists and I.D.'s should be used to screen delivery and catering personnel before initial entry to the locating dock area. Small delivery vehicles (such as press vans) could generally be redirected to the Russell loading dock to reduce the number of persons entering the buildings through the loading dock area. This troublesome security area needs considerably more attention in the final plan, but the problem of lack of personnel security could be alleviated if the alternative plan, (discussed under component II) for Capitol deliveries was instituted so they were screened at the Hart loading dock.

Building Entry—Staff entering Senate buildings would be subject to the same magnetometer screening as the public; the separate staff entrances would be maintained. Staff magnetometer screening if proposed for 4 reasons: (1) there is no security check for Congressional employees—background investigations cost $2,000 a piece and are of questionable value in screening out "security risks" and take 6-9 months to complete, and, in any event, there is no centralized authority to make a "security" decision; (2) staff passes are easily counterfeited; (3) a greater overall security awareness among staff, in itself, will contribute to enhanced security; and (4) packages, bags, and purses carried by staff are already opened and inspected upon entry.

IV. Bomb Detection: Enhanced bomb detection is needed as part of components II and III. In component II, delivery vehicles will be screened for explosives at the Delivery Center and, perhaps, at loading docks in the House and Senate office buildings. In component III, periodic screening of vehicles parked in the garage and on adjacent streets will be carried out selectively.

At present there are 12 canine teams (dog and handler). The proposal is to double the capacity. It should be noted that a new bomb detection device is under development by a Waltham, Mass., firm, Thermedics, Inc., which is working with the FAA and State Department. A demonstration was held for the Police and selected Congressional staff on April 15 (see the attached article), and the potential utility of the device is enormous. It is still at least a year away from initial production, however. Although no less expensive than the canine teams at least at first, this device could be far more effective.

V. Rectify Immediate Police Shortages: The Capitol Police with authorized strength of 1,227 (plus 30 security aides) currently have about 61 GRH post-sequester vacancies that cannot be filled and a shortfall of 34 officers due to added mandated posts not accounted for in the authorized strength (this factor is discussed below). In addition, according to the Chief, to meet the GRH sequester, he must furlough 90 officers and all overtime funds are exhausted for FY 86. (Overtime has always been the way that the Police force has been able to adapt to Congress' unpredictable schedule and unforeseen security problems raised by demonstrations, etc. No such flexibility or capacity exists now, a situation aggravated by the 95 "vacancies".) According to the Chief, Capitol security is less today than it was when he came a year ago. Given the nature of the threat today, this seems difficult to justify.

Hence, it is proposed to restore FY 86 funding ($2,435,000) for the Capitol Police functions related to police and security activities (not for service work). This breaks down as follows: Of the $2,435,000 ($1,431,660 for Senate personnel and $1,003,757 for House personnel), $854,000 is for salaries to continue the current level (avoiding the 90 furloughs), $600,000 is to fill the 61 current vacancies, and $981,000 is for projected overtime pay (based on historical data). (The enhanced personnel levels in the security enhancement proposal above assume that this staffing and overtime funding will be restored.)

The $2.4-million restoration assumes eliminating the following service functions currently carried out by the police (at least 25 staff years) that are not viewed by the Chief as needed from a security or police point of view:

Guarding the Senate Credit Union and House bank (2.4 staff years)—these facilities could reimburse the police out of their revenue for the full cost of maintaining this service if they wish to do so;

Guarding Cafeteria lines (.5 staff years)—let the Cafeteria provide this service;

Making computer tape runs and selective guarding of House stationery store (.3 staff years);

Guarding parking lots (except House Lot 6) other than during evening hours (9 staff years);

Escorting money runs internally (1 staff year);

Guarding House Information Systems Center (5 staff years);

Guarding child care center (1 staff year);

Watching Hart fire alarms (5 staff years)—asign to Superintendent's Office;

Providing non-security-related transport to Members (1 staff year);

Guarding committee hearings with more than one officer (staff years still being calculated).

[1] There are 45 such vehicles.

Rather than reduce the authorized police strength by 25 (to 1,202), it is proposed that these "non-essential functions" be eliminated and that they be offset against the 34 staff-year shortfall reported by the police due to added assignments. This shortfall is the result of years of accumulation of newly-mandated posts being supported by overtime pay without the authorized strength being increased. The Chief feels strongly that the 1,227 level is not adequate for current duties and that inside building patrols have been reduced unwisely in order to staff newly mandated posts.

The restoration of the $2,435,000 must be made as part of the FY 86 Supplemental Appropriations bill (which is now pending House action).

E. Process: This Capitol-Complex Security Enhancement proposal has been agreed to by Senator Dole and Senator Byrd and is under consideration by the House Joint Leadership. It has been discussed with the Chairmen and ranking minority members of the two Appropriations Committees and their Legislative Appropriations Subcommittees and with the Chairmen and ranking minority members of the Senate Rules and House Administration Committees (and the latter's Subcommittee on Personnel and Police) and with the Chairmen and ranking minority members of the House Public Works Committee's Subcommittee on Public Buildings and Grounds.

On behalf of himself, Senator Dole, Senator Cranston, and Senator Simpson, Senator Byrd will offer an amendment to the FY 86 Supplemental Appropriations Act during Senate Committee markup to add $13,022,000 to implement the security enhancement proposal (expenditure of these funds would be made contingent on the approval of a detailed plan by the Appropriations and the Rules and Administration Committees (and other Committees if necessary) and the funds would explicitly be made available for obligation until expended) and $2,435,000 to rectify immediate Police shortages by restoring funding for salaries and overtime for police/security-related functions of the Police cut in the FY 1986 budget and GRH sequester and to eliminate non-essential, service functions currently performed by the Police.

SUMMARY AND ROUGH COST ESTIMATE FOR CAPITOL-COMPLEX SECURITY ENHANCEMENT PROPOSAL

A. Capitol-complex security enhancement:	
I. Establish perimeter around Capitol—surrounding property from Independence to Constitution Aves. and First Street, SE./NE., to First Street, NW./SW.: [1]	
A. White-House-type [WHT] fence on top of exsting low wall [2]	$510,000 to $1,700,000
B. WHT hydraulic barrier gates (7 @ $350,000; 1 @ $750,000)	3,200,000
C. Visitor entrances (3 @ $250,000)	750,000
D. WHT police kiosks (5 @ $120,000)	600,000
E. Delta barriers (16 @ $20,000)	320,000
F. CCTV cameras (12 @ $10,000)	120,000
G. Infrared and seismic sensors	1,250,000
H. X-ray machines (8 @ $35,000)	280,000
I. Additional magnetometers (7 @ $4,000) (one to be used at Capitol Senate subway exit)	28,000
J. Radiation sensors (17 @ $9,000) (one to be used at Capitol Senate subway exit; one each at House subway and walkway entrances)	153,000
K. Recurring cost—additional personnel (40 @ $23,000)	920,000
L. Removed all regular parking from Capitol Plaza and drives (or, alternatively, permit parking for Government-owned vehicles of congressional officers); Member temporary parking permitted for evening sessions on Constitution and Independence Avenues or on 1st St. ends of drives (means displacing approximately 850 vehicles on both sides of Capitol) [1]	(4)
Subtotal for I	9,321,000
II. Establish Delivery Center—away from Capitol complex (costs very rough); current idea is to use GSA Navy Yard Annex 5 blocks away with appointment scheduling and most deliveries made in non-working hours. Best current workload estimate is roughly 750 deliveries each to House, Senate, and Capitol per week for a total of 2,250, but most of these are not large trucks; delivery center would start with Capitol deliveries only. Alternative of using Hart loading dock would save almost all of this cost. (Cost includes some construction of rudimentary structure and loading docks and 2 x-ray machines.)	1,500,000
Recurring cost—additional personnel (6 @ $23,000)	138,000
Subtotal for II	1,638,000
III. Enhance office building security:	
A. Delta Barriers (24 @ $20,000) for garage entrances—to be in down position during peak hours	480,000
B. Mylar film on all windows (explosion resistant)	373,000
C. Senate side only—Secure all exterior staff entrances to the Office Buildings with Magnetometers—all personnel except Members pass through magnetometers; persons with packages will be referred to x-ray machine-equipped entrances (9 magnetometers @ $4,000)	36,000
D. Senate side only—Secure all interior entrances from garages and Hart loading dock by eliminating some and limiting access hours of some—Hart-Dirksen garage would have two 24-hour pedestrian entrances; Russell would have one; Hart loading dock would have two magnetometers and one x-ray machine. Rough estimates follow:	
Magnetometers (7 @ $4,000)	28,000
X-ray machines (3 @ $35,000)	105,000
Recurring cost—personnel (27 @ $23,000)	621,000
Subtotal for III	1,643,000
IV. Enhance bomb detection:	
Recurring cost [3]—Twelve more canine teams (14 units @ $30,000 per unit; 12 officers, 12 dogs, one trainer, one sergeant). This component would be used in conjunction with components II and III	420,000
Subtotal for IV	420,000
Grand total	13,022,000
Breakdown for components I through IV:	
Non-recurring cost—construction and equipment	(10,923,000)
Recurring cost—personnel (87)	(2,099,000)

SUMMARY AND ROUGH COST ESTIMATE FOR CAPITOL-COMPLEX SECURITY ENHANCEMENT PROPOSAL—CONTINUED

B. Rectify immediate police shortages:
Restore funding for salaries and overtime for police/security-related functions of Capitol police cut in fiscal year 1986 budget and GRH sequester and eliminate nonessential functions currently performed by police 2,435,000

[1] The establishment of a Capitol perimeter may not be consistent with the Architect's $725,000 Capitol plaza proposal; that proposal, which is principally aesthetic with some enhanced security, should be put on hold until the future direction of this proposal is determined.
[2] Estimates have been provided of a cost ranging from $75 to $250 per linear foot, depending on a detailed survey of the existing low wall to determine necessary additional masonry work.
[3] Somewhat less recurring cost. Note.—At some point use of dogs may be able to be replaced with new bomb detectors now being developed for FAA and State Department, but they are likely to be no less expensive to procure and operate.
[4] Absorb administrative cost.

Mr. SIMPSON. Mr. President, may I just add for the benefit of the Senator from Arkansas that Senator CRANSTON and I were appointed by the leadership, by Senator BYRD and Senator DOLE, to pursue this. We have visited with the Senator from Arkansas as to what our duties have been, where we have developed the idea and how we come through with it. I want to say very swiftly we will have the necessary hearings.

It is a very puzzling concept for some. It was for Senator CRANSTON and me as we thought of a perimeter fence, and yet it would be eminently better than what we have now where the perimeter is the Capitol Building. It would free the Capitol Building for citizens and lobbyists and those who want to have access to us and should have access to us.

I just want the Senator to know I say I will work hard to schedule the appropriate hearings and share some executive committee hearings with our colleagues in the Senate as to the existing threats that continue to take place. I think they will startle some of our colleagues as to how prevalent they are.

I thank the Senator from Arkansas.

Mr. BUMPERS. I thank the Senator from Wyoming.

The PRESIDING OFFICER. The distinguished minority leader.

Mr. HATFIELD. Mr. President, will the Democratic leader yield for just a moment?

Mr. BYRD. Yes.

Mr. HATFIELD. Mr. President, now that the Senator from Arkansas has withdrawn that objection, that completes that committee amendment. Is that correct?

The PRESIDING OFFICER. The question is on agreeing on the fifth excepted committee amendment.

The amendment was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent to temporarily lay aside the next committee amendment so that the Democratic leader might be privileged then to offer an additional amendment.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. METZENBAUM. I have no objection. We did not hear what the manager said. I could not hear him. He wants to lay aside?

Mr. HATFIELD. I asked unanimous consent to lay aside the next committee amendment regarding IRS regulations temporarily in order that the Democratic leader might be in a position to offer an amendment.

Mr. METZENBAUM. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair and I thank the distinguished Senator from Oregon [Mr. HATFIELD] and I also thank the distinguished Senator from Ohio [Mr. METZENBAUM].

AMENDMENT NO. 2017

(Purpose: To require the acceptance of an application from Preston County Board of Education, West Virginia, for disaster assistance under section 16 of the Act of September 23, 1950)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 2017.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, after line 25, insert the following:

SEC. . Notwithstanding the notice relating to applications for pinpoint disaster assistance (43 Federal Register 57194 (1978)) or any other provision of Federal law or regulation, the Secretary of Education shall accept an application from Preston County Board of Education, West Virginia, under section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) filed after the date of enactment of this Act.

Mr. BYRD. Mr. President, there are various items in this appropriations bill that will assist counties in West Virginia that were severely devastated in last November's flood.

Mr. President, I temporarily withdraw this amendment in the interest of getting it cleared with Senators.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 2018

(Purpose: Relating to Library of Congress)

Mr. BYRD. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], proposes amendment numered 2018.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 59, line 23, strike out "$2,683,000" and insert in lieu thereof "$3,683,000".

On page 60, between lines 3 and 4, insert the following:

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For an additional amount for salaries and expenses under the headings "OTHER AGENCIES" and "LIBRARY OF CONGRESS", $1,000,000: *Provided*, That of such amount, $500,000 shall remain available until expended for the acquisition of books, periodicals, newspapers, and all other materials (including subscriptions for bibliographic services for the library).

Mr. BYRD. Mr. President, on March 24 of this year I spoke in this Chamber regarding the adverse effects of recent Gramm-Rudman budgetary cuts at the Library of Congress. I reported that for the first time since October 1898, the Library of Congress reading rooms are closed most evenings, forcing the largest library in the world to do what two world wars and the Great Depression could not—namely, to close its doors to a large segment of the public. I also noted the drastic reductions in services the Library was forced to make in other areas of its operations which impact on local libraries around the country, including those in the State of West Virginia.

The latter cuts have a direct impact on library services in all 50 States. Libraries have become increasingly dependent upon the Library of Congress for cataloging and other bibliographic information. In my own State of West

Virginia, 233 libraries subscribe to the bibliographic products issued by the Library. Over 20,000 other libraries in the United States suscribe to this service. The millions and millions of dollars saved by local libraries that use bibliographic information from the Library of Congress have made these funds available for other vital local library services.

In a recent letter I received from West Virginia Librarian, Frederic J. Glazer, he stated:

I would hope that the Congress will not blindly follow recommendations which undermine the ability of the Library of Congress to be our national focal point for information, books, and, in essence, the finest library collection not only in the Nation but in the world as well.

Mr. President, if the Library of Congress does not have funds to purchase books, it cannot catalog them. As a result, the cataloging burden will then be shifted back on the libraries in the States.

The amendment I am offering would provide $1 million for the library of Congress to partially restore the cuts as follows: $500,000 for acquisition of books, periodicals, and newspapers; $160,000 for cataloging services; and $340,000 to allow the library of Congress to reopen the general reading rooms during evenings and on Sundays.

This latter provision is especially important to the many Americans who work 9 to 5 in jobs not related to their interests in the Library—and are finding it more and more difficult to utilize the vast depository of knowledge which contains over 81 million items on 535 miles of shelves.

Mr. President, on March 24, on the Senate floor, I expressed my hope that the Congress would have the vision to recognize what we have done, and to make the decisions and judgments necessary to enable the Library of Congress to renew the services it was providing until it and we collided with Gramm-Rudman. Now we have that chance.

Mr. President, when I addressed this body last March about the Library of Congress, I quoted Thomas Jefferson, who 200 years ago wrote: "The most important bill in our whole life code is that for the diffusion of knowledge among the people. No other sure foundation can be devised for the preservation of freedom and happiness."

This Nation, especially the Congress of the United States, has built a library in which Jefferson would have gloried. The Library of Congress has for over 186 years been a symbol of this Nation's commitment to the diffusion of knowledge and the right of its people to freely have access to the printed word. We, as the representatives of the people, can reassure the citizenry of our commitment to knowledge and learning by approving this amendment. In a small measure, we are telling the American people that we will not allow our Library to be diminished and we will continue to provide for this "sure foundation * * * for the preservation of freedom and happiness."

The amendment I offer includes an offset of $1 million in savings so that it is revenue neutral.

The offset comes from the rescission in funds that have previously been appropriated for the west front of the Capitol. The Architect of the Capitol has indicated that the funds that were appropriated are in excess of those that are needed and, therefore, I am offering to utilize $1 million of the west front funds for the Library of Congress to partially restore the cuts.

As I say, there is as follows: $500,000 for acquisition of books, periodicals, and newspapers; $160,000 for cataloging services; and $340,000 to allow the Library of Congress to reopen the general reading rooms during evenings and on Sundays. This latter provision is, as I have stated, especially important to the many Americans who work from 9 to 5 in jobs not related to their interest in the Library and they are finding it more and more difficult to utilize the vast depository of knowledge which contains over 81 million items on 535 miles of shelf.

Mr. President, I have discussed this amendment with the distinguished chairman of the Appropriations Committee and the distinguished chairman of the Appropriations Subcommittee that has jurisdiction and I hope that they will be in a position with the ranking member on this side of the aisle, Mr. JOHNSTON, to accept the amendment.

(Mr. TRIBLE assumed the chair.)

Mr. HATFIELD. Mr. President, if the Senator will yield, I affirm the Senator's description of our response to his proposed amendment and that it is acceptable to the manager of the bill on this side of the aisle and to the subcommittee chairman who has jurisdiction in this matter.

□ 2100

Mr. JOHNSTON. Mr. President, we very enthusiastically accept this amendment. It solves a really difficult problem, an unnecessary problem, I think. I congratulate the distinguished Democratic leader.

Mr. BYRD. I thank both managers, Mr. President.

The PRESIDING OFFICER. Is there further debate?

Mr. GRAMM. Mr. President, I do not want to try to beat a dead horse here, so I am not going to ask for a vote on this amendment. But I would like to make one simple point, and that is, under the Gramm-Rudman-Hollings Act, we had an across-the-board cut. The Library of Congress was not asked to take any more or any less of a cut than anybody else. They have ongoing projects going on all over the world.

But what they were able to do was to be very clever in their use of their publicity that related to the cut and to deny services by shutting down the Library early. As a result, they generated tremendous publicity and we are, in turn, applying the oil where the squeak is coming from on the wheel.

The truth is, there are probably hundreds of accounts of the Federal Government that are more deserving of restoration than this one. But this one is getting restored because they were very clever in focusing the pain of the cut so that it impacted in a very public manner.

So I am not going to object to the money. It obviously has been done in a correct way. We are making a rescission from funds to restore the west front of the Capitol. I am assuming we can do that without leaving these cranes out here any longer than we have to.

But I think I would be remiss if I did not remark that the problem here is not with the Budget Act, which has been perfectly complied with. But here we are rewarding an agency of the Government that has been very vocal in its criticism of our effort to bring spending under control and has managed to be sure that there was a loud squeak.

And I would say that, while I use the Library of Congress and my children use the Library of Congress, it is probably true that the people reading in the reading rooms of the Library of Congress have an average per capita income three or four times the national average. I just simply could not let this amendment pass without pointing out that there are probably many other areas of Government more deserving that have not had the genius in using the publicity that the Director of Library has, and I congratulate him on it.

Mr. BYRD. Mr. President, I certainly would not attempt to defend the Director of the Library of Congress in having selected this particular area of operations. I think the distinguished Senator from Texas makes a good point. The fact is, however, the Director did make this selection and it was not a wise selection in my judgment or in the distinguished Senator's judgment. But those who are suffering the cuts had nothing to do with the selection.

We have provided, as the distinguished Senator from Texas has indicated, the proper offset so that the amendment is revenue-neutral. At least it will rectify the wrongs that have been perpetrated on the innocent people who have to depend on the Library services there and also throughout the country in various other li-

braries that are connected with the Library of Congress and make their subscriptions to it for services.

I thank the distinguished Senator from Texas for not opposing the amendment. I appreciate what he has said, and I hope that the Senate will adopt the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from West Virginia [Mr. BYRD].

The amendment (No. 2018) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2017

Mr. BYRD. Mr. President, if I might call up again my previous amendment, which was stated by the clerk.

I ask unanimous consent that the pending committee amendment continue to be laid aside so that I might have this amendment considered by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, last November, West Virginia was hard hit by floods. Twenty-nine of West Virginia's 55 counties were declared disaster areas. One of those counties was Preston County.

The Rowlesburg School in Preston County was destroyed by those flood waters. County school officials have been working to acquire temporary facilities, and to replace books and equipment, and assistance has been received from the Department of Education for this purpose. Unfortunately, the 90-day time period set by U.S. Department of Education regulation for the submission of an application for disaster assistance for permanent facilities has expired.

My amendment will allow the Preston County Board of Education to submit an application to the Department of Education for disaster assistance without regard to the deadline.

There is no question but that Preston County is entitled to disaster moneys from the Department of Education nor is there any question as to the need for the replacement of the school that was lost. This was well-documented in November when the Federal Emergency Management Agency responded to the disaster in West Virginia, and the eligibility of Preston County schools is not questioned by the U.S. Department of Education. Further, my amendment has the support of the Department of Education.

I hope that the managers of the bill will accept my amendment.

Mr. WEICKER. Mr. President, I urge adoption of the amendment. It is meritorious. There is no cost. What is involved here is correct.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side. It is a special circumstance and it is an appropriate amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from West Virginia [Mr. BYRD].

The amendment (No. 2017) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I thank the distinguished chairman of the committee and the distinguished ranking member, and I also thank Mr. WEICKER, the chairman of the subcommittee.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, we are waiting the return of the conferees on committee amendment No. 2. We have completed all the other committee amendments with the exception of one relating to IRS regulations. The author of that amendment has been sent for and, as soon as he arrives on the floor, we will proceed with that. In the meantime, if there are any other amendments to be offered by Members, I could temporarily lay aside the committee amendment and move to other amendments for consideration.

Mr. President, I ask unanimous consent to temporarily lay aside the next committee amendment in order that the Senator from Wisconsin may offer an amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Wisconsin.

AMENDMENT NO. 2019

(Purpose: To restore the honoraria limit to 30 percent)

Mr. PROXIMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXIMIRE] proposes an amendment numbered 2019.

Mr. PROXIMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the appropriate place add the following:

SEC. . Notwithstanding any other provision of this Act, effective on and after January 1, 1987, section 908(b) of the Act entitled "An Act making supplemental appropriations for the fiscal year ending September 30, 1983, and for other purposes" (97 Stat. 337; 2 U.S.C. 31-1), is amended by striking out "40 percent" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "30 percent".

Mr. HATFIELD. Mr. President, I raise a point of order that the amendment constitutes legislation on an appropriations bill.

Mr. PROXIMIRE. Mr. President, may I speak on that point of order?

The PRESIDING OFFICER. That is not debatable. There being no House legislative language to which the amendment could be germane, the Chair rules the amendment is legislation on an appropriations bill and, therefore, the point of order is sustained.

Mr. PROXMIRE. Mr. President, I appeal the ruling of the Chair and I am going to ask for a rollcall vote when we get more Senators on the floor. Meanwhile, I understand I have a right to speak on my appeal.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSTON. Mr. President, I move to lay the appeal on the table.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Mr. President, would my good friend, the acting minority leader, at least let me speak on this amendment? Does that nod indicate he will?

The PRESIDING OFFICER. The Senator from Wisconsin does have the floor.

Mr. JOHNSTON. Mr. President, I do not believe I was recognized. In any event, I will withhold.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. Mr. President, I appreciate the statement of my good friend from Louisiana.

Mr. President, what this amendment does is to bring the cap on honoraria and similar outside compensation paid to Senators back to the 30 percent of the Senate salary of $75,100 that was in effect prior to this year.

My amendment would limit total Senate salary and honoraria to about $97,500 annually. Get that—$97,500 Senators would be allowed to earn. Without my amendment, this compensation would go to $105,000.

This amendment would not reimpose the 30-percent limitation until January 1, 1987. The limit on outside income for Senators in this year—1986—would remain at 40 percent.

Mr. President, there are two reasons why this Senator is offering this amendment and intends to ask for a rollcall vote on it. First, the Senate increased this opportunity for Senators to earn more outside honorarium

income last year in the confusing rush of the closing days of the session. This Senator tried to secure an opportunity for the Members of the Senate to vote on this compensation cap when the appropriations bill containing it came to the floor. I was told by the Senate parliamentarian that there was no way I could do it. This is the first logical opportunity for Senators to decide whether this increase in outside compensation is right or wrong.

Mr. President, why is it wrong for the Senate to increase its outside compensation from $22,530 per year to $30,040 per year? It is wrong because this honorarium income frequently comes from groups that have a specific pecuniary interest in matters that are within the authority of the Senator who receives the honoraria.

Senators typically receive $1,000 or $1,500 or $2,000 for a single appearance, to speak before such a group. A Senator—and this happens quite often—may simply have a brief breakfast or lunch with a small group and depart with $2,000 of personal income. The lower limit—that is, the limit of 30 percent instead of 40 percent—is important for another reason. The higher the limit on the amount Senators are allowed to earn in such income the more likely it will be for the Senator to accept speeches and compensation from groups that have in appearance or reality an obvious interest in securing the support of the Senator for their own gain. The lower limit will require the Senator to pick and choose the group before which he will appear for compensation. The Senator knows he must report and identify the groups that compensate him. If he is more closely limited in the amount he can receive he will be more likely to pass up the groups whose legislative interest is most conspicuous.

Mr. President, of all the branches of our Government only Congress permits its top policymakers to earn outside honoraria. In the executive branch, no top policymaker is permitted to receive outside compensation from persons with a financial interest in the policies an executive policymaker administers. Suppose the Attorney General accepted an honorarium from a firm that had an interest in the enforcement of the antitrust laws, or suppose the Secretary of Housing and Urban Development earned thousands of dollars from speeches to Housing Trade Associations. Cabinet officers who received such compensation would find themselves hailed before congressional committees and, of course, they should be. The scandals would be front page and TV prime time news.

In the judicial branch of our Government, judges are explicitly proscribed from earning any honoraria by speaking to outside groups. For them to earn thousands of dollars by speeches to groups that may have cases pending before them in court would be blatant corruption, and we would all recognize it.

So how about Members of the Congress? Many of us earn thousands of dollars a year in these speeches before groups that have a direct interest in the legislation we act on. Our compensation for these outside speeches has one saving grace. At least we limit the amount any Member of Congress can earn in the course of a year and the amount of compensation that a Member can earn from each speech. We limit the amount to a fraction of the salary we receive as Members of the Congress.

Mr. President, that is a significant limitation. Until last year we provided that outside interests could not hire us for such purposes as speeches and in aggregate pay more than 30 percent of the compensation we receive from the taxpayers for performing our duty as public servants.

What happened recently when the House of Representatives tried to increase its limit on honoraria to match that of the Senate? On April 22, the House quietly passed a resolution raising the percentage of honoraria which Members could retain from 30 to 40 percent. It passed without a vote on the House floor. But how long did this increase last? Exactly 1 day. On April 23, the House reversed itself and voted 333–68 to reimpose the 30-percent limit. That is a vote of better than 4 to 1.

So of our three branches of Government only the Congress permits its top policymaking officials to regularly accept pay from groups that have a special interest in public policies under its power and jurisdiction. And in the Congress the Senate stands alone, getting the biggest grab of special interest money of all.

The House has promptly and overwhelmingly rejected the 40 percent limit. It has returned to the 30 percent cap. My amendment would bring the Senate back into conformance with the House as well as back to the limitation established for the Senate before late last year.

How did the increase in honoraria get passed into law in the first place? It found its way into this continuing resolution last year. How it did so is a story in itself.

Hidden away in the Senate bill was a little provision which limited the types of outside income House Members could accept. This little provision, adopted without a vote, turned out to be a ticking time bomb.

After the Senate passed its bill, conferees met with the House to resolve the differences between the two bills. Some of the conferees met and transformed this little provision—which put a limit on House members—into something entirely different.

It became an increase in honoraria for Senators. The House got a provision which removed a constitutional glitch from Federal pay laws and which will make it easier to pass a future pay raise for Members of Congress.

When word of this deal leaked out, the House defeated the conference report on the spending bill. In part, they did so in a revolt against this very provision.

So the House and Senate met in conference once again. This time I raised the issue in the conference but lost by a vote of 7 to 5. The conference committee was careful to tie up all loose ends so the Senate as a whole could not vote on this issue. We never have voted on this increase. The only way to get at it would have been to defeat the entire bill, and risk shutting down most of the Federal Government.

Talk about a case study of twisted legislative procedure. Some aspiring political scientist could write a good thesis on this one provision. Voters, especially, would find it interesting.

Finally, the most forlorn and empty plea we get from Senators who want to lift the cap to bring in additional $7,510 for each Senator per year by going from the $22,530 limit to the $30,040 limit is that they cannot get along without the additional money.

Just this afternoon and this evening a number of Senators have talked to me and said, "Prox, there is no way we can make it without getting that extra honoraria."

Mr. President I challenge any Senator who feels this way to explain that to his constituents. Senators earn $75,100 annually in salary. They can earn an additional $22,530 with the old 30 percent cap in honoraria income. That comes out to a handsome $97,630 annual compensation. When we raise the cap to $30,040 (or 40 percent of our Senate salary), we bring total compensation above six figures to $105,140. Mr. President is $97,630 a reasonable level of income for a Senator? Can we get along on that? Do we really need that extra $7,510? How does this level of compensation compared with the income of the taxpayers who pay our salaries? The answer is that we are an elite, not just a power elite, or a prestige elite. We are an economic elite. We make more in compensation including $22,500 for honorarium rewarded speeches at $97,500—the old cap—than 98 percent of the taxpayers who pay our salaries and all the expenses that go with our salaries. We earn almost twice as much as the average lawyer. In fact, with the exception of medical doctors there is no profession, no matter how high the skill required or how protracted the training period that pays

anything near $97,500. Experienced senior private attorneys in the major corporations average $88,000, senior engineers with supervisory responsibility average $76,000; the highest category of economists earn $52,000; the top 10 percent of systems analysts make $45,000; the average systems analyst salary is $35,000. The 10 percent in the highest category of physicists make $43,000 annually.

Mr. President all of us know the nonmonetary rewards in this business of being a United States Senator greatly exceed the monetary compensation. But at $75,000 in basic salary plus $22,500 in potential honorarium for a total of $97,500 income we are doing just fine economically.

□ 2120

Do we really need another $7,500? With lobbying groups paying up to 40 percent of our salary would the acrid odor of corruption emanating from those special interest appearances begin to dim the integrity of the Senate? The House obviously thought so. They swiftly repudiated the Senate postion for themselves. The Senate can do likewise by voting for this amendment.

Mr. President, why am I offering this amendment on an appropriations bill? Because the Senate has traditionally dealt with the honoraria issue on appropriations bills.

In 1983, our late colleague, Senator Henry Jackson offered an amendment to another supplemental appropriations bill which established the 30 percent limit on honoraria. This amendment passed the Senate and ultimately became the law of the land.

Then, last year, when considering the conference report on a continuing resolution appropriations bill, we amended Senator Jackson's limit to increase it from 30 to 40 percent. Once again, we acted on an appropriations bill. But this time the Senate as a whole was denied a vote on this issue as I have explained.

Under these circumstances, it is appropriate for the Senate to deal with this issue, once again, on a supplemental appropriations bill. Let us be consistent on this issue.

Mr. President, as I say, I intend to ask for a rollcall whether there is a motion to table my amendment or whether we have an up or down vote on it. I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, did I understand the Chair to rule that the amendment of the Senator from Wisconsin is not germane?

The PRESIDING OFFICER. The Chair ruled that the amendment is legislation on an appropriations bill.

Mr. STEVENS. Mr. President, everything that the Senator has said is, in my judgment, not germane to this bill. The Senator's amendment would effectively change the rules of the Senate, as I understand it, and this is an appropriations bill. I move to table the Senator's appeal of the ruling of the Chair and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the appeal of the ruling of the Chair by the Senator from Wisconsin. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. DIXON] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 68, nays 30, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—68

Abdnor	Goldwater	Mitchell
Armstrong	Gore	Moynihan
Baucus	Gorton	Murkowski
Bentsen	Gramm	Nunn
Biden	Hart	Packwood
Boschwitz	Hatch	Quayle
Byrd	Hatfield	Rockefeller
Chafee	Hecht	Roth
Chiles	Heinz	Rudman
Cochran	Hollings	Sasser
Cohen	Humphrey	Simon
Cranston	Inouye	Simpson
D'Amato	Johnston	Stafford
Danforth	Kennedy	Stennis
Denton	Kerry	Stevens
Dodd	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Wallop
Eagleton	Matsunaga	Warner
Evans	McClure	Weicker
Garn	McConnell	Wilson
Glenn	Melcher	

NAYS—30

Andrews	Grassley	Metzenbaum
Bingaman	Harkin	Nickles
Boren	Heflin	Pell
Bradley	Helms	Pressler
Bumpers	Kassebaum	Proxmire
Burdick	Kasten	Pryor
DeConcini	Lautenberg	Riegle
East	Leahy	Sarbanes
Exon	Levin	Specter
Ford	Mattingly	Zorinsky

NOT VOTING—2

Dixon	Hawkins

So the motion to lay on the table was agreed to.

□ 2140

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate is not in order. Senators are asked to take their seats.

The Democratic leader.

Mr. BYRD. Mr. President, I have sought recognition at this time to inquire of the distinguished majority leader and/or the distinguished chairman of the Appropriations Committee and the ranking manager as to what the program is for the rest of the evening and tomorrow.

Mr. DOLE. Mr. President, if the distinguished minority leader will yield, I am advised by the chairman of the Appropriations Committee, Senator HATFIELD, that he would like to continue for another couple of hours and during that time ask Members who are pondering amendments to indicate if they intend to offer their amendments so that we might have a list, hopefully by 11 o'clock, on each side and then see if we can reach some agreement at about that time that no other amendments would be in order on tomorrow.

So we are hoping that Members on each side, if they feel compelled to offer amendments, will let us know how many amendments and what the amendments do. Then as I understand the chairman and distinguished Senator from Louisiana [Mr. JOHNSTON] could maybe propound a unanimous-consent request later in the evening.

Do I properly reflect that?

Mr. HATFIELD. If the Senator will yield, that is correct. That is our expectation. Following the patterns of previous years, we have found that frequently in the later hours of the evening Senators seem less enthusiastic about offering amendments. As we indicated earlier, we are hopeful that will begin to happen soon and that perhaps by 1 or 2 o'clock we will have completed the entire bill because half the 35 amendments that are now indicated to us as amendments expected to be offered will not be offered.

But I do want to say this to the body, that we are running out of money by the day in various and sundry agencies. We now have about five agencies of Government that are in desperate need of funds. We still have to go to conference with the House. So that those moneys continue to expire in these programs. I know that the Senators are anxious to get out for the weekend and I am very hopeful we would finish this bill tonight. If not, it may go to 2, 3, 4, 5 o'clock in the afternoon tomorrow. But we have to finish it either late tonight or tomorrow in order to get to conference next week to expedite the finalization of this supplemental appropriation.

Mr. BYRD addressed the Chair.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. BYRD. Would the distinguished majority leader indicate, or perhaps the managers of the bill could indicate, what the status of the dispute is between the Armed Services Committee and the Appropriations Committee as of now?

Mr. DOLE. As I understand, it is very neatly resolved.

Mr. HATFIELD. Mr. President, the majority leader is correct. We have two committee amendments left. The amendment dealing with the Armed Services Committee and the Appropriations Subcommittee on Defense are within a moment or two of reaching an agreement. Once that agreement is reached, then we will act upon that committee amendment. We are going to take up the next committee amendment being offered by the Senator from Ohio [Mr. METZENBAUM]. That should be handled quickly, hopefully, and then we will move to the 35 independent amendments. And there are a number of those we will take, a number of those we will reject, and a number I hope will be brought down so that maybe that 35 can shrink rather rapidly.

□ 2150

Mr. BYRD. If I could impose upon the patience of the Senator a moment longer, I ask the distinguished majority leader what would be the program for tomorrow in the event the supplemental appropriations bill were disposed of this evening. Would there be rollcall votes on tomorrow?

Mr. DOLE. Let me suggest that if we complete action on this matter in the next couple of hours, we would not have a session tomorrow.

Mr. BYRD. Did I hear——

Mr. DOLE. We would not be in session on Friday. We would want everybody to study the tax bill tomorrow. [Laughter.]

Mr. BYRD. If I correctly understand the distinguished manager of the bill, he is indicating that he would like to have an understanding as to what amendments remain to be called up this evening, and he would like to know this from both sides within the next 30 minutes or hour. Am I correct?

Mr. HATFIELD. The Senator is correct.

Mr. BYRD. I thank the majority leader and the Senator from Oregon.

(The following occurred later:)

Mr. HATFIELD. Mr. President, will the Senator yield for a moment in order to comply with the unanimous-consent agreement that was made on the timeframe for the committee to report back to the floor by 10 o'clock that we might take their matter without the Senator losing his right to the floor?

Mr. METZENBAUM. I certainly will.

Mr. HATFIELD. I thank the Senator from Ohio.

I wonder if the Senator from Alaska is in position to make a report to the floor as to the situation relating to the amendment that was to be reported back to the floor by 10 o'clock?

Mr. STEVENS. Mr. President, I might reply to our distinguished chairman by stating that the members of the Armed Services Committee are in a conference now reviewing a compromise proposal which does have the approval of the Appropriations Committee with one exception. We have told them we will not accept one portion of that proposal and we are waiting their response.

I urge the chairman to give the Armed Services Committee about another 30 minutes.

Mr. HATFIELD. I thank the Senator from Alaska.

Mr. President, I do now then propound the unanimous-consent request that the Committee on Armed Services and the Subcommittee on Defense of the Appropriations Committee be given an additional one-half hour to reach a compromise on committee amendment No. 2.

The PRESIDING OFFICER. Without objection, it is so ordered.

I suggest, Mr. President, that this appear at the end of his speech so as not to interrupt in the RECORD.

Mr. METZENBAUM. I thank the Senator.

(Conclusion of late proceedings.)

SIXTH EXCEPTED COMMITTEE AMENDMENT (RELATING TO IRS)

Mr. HATFIELD. Mr. President, I ask that the Chair lay before the Senate the next committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment is as follows:

Lines 1 through 5 on page 65 of the reported amendment beginning on page 64, after line 21, though line 20 on page 65, are excepted, as follows:

SECTION 4. None of the funds appropriated by this Act or any other Act shall be used to implement Temporary Internal Revenue Service Regulation section 1.274-5T or section 1.274-6T or any other regulation issued reaching the same result as, or a result to, such temporary regulations.

Mr. GOLDWATER. Mr. President, may we have order?

Mr. METZENBAUM. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order.

Mr. ABDNOR. Mr. President, will the Senator yield?

Mr. HATFIELD. Mr. President, in requesting that reading of the amendment be dispensed with, may I state that the committee amendment bars temporary IRS regulations dealing with recordkeeping requirements. The Senator from Ohio will speak on that.

Mr. ABDNOR. Mr. President, I cannot hear. What is he requesting?

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I would like the attention of my colleagues on this amendment, because what we have before us this evening is a committee amendment that is a sleeper. But I am frank to say that it is not a sleeper intended by the managers. It is in the bill, and no one is certain how it got there, although it is now my understanding that the Senator from South Dakota claims the authorship.

It is an amendment that costs $1.1 billion. That figure is supported by the Joint Committee on Taxation, and I will be happy to report the details of that in a moment.

As a matter of fact, I will say to my colleagues at this point that there is no question that this amendment, the committee amendment, is subject to section 311, as amended by Gramm-Rudman, a point of order. But before we get into that issue, let me explain what it is all about.

In 1984, we attempted to prevent abuses by doctors, lawyers, and business executives writing off their use of cars as a business expense. But there was an uproar from many businessmen who legitimately use their cars for business, so we compromised, and we partially repealed the law.

The amendment before us would cost $1.1 billion—$1.1 billion—because it would provide a failure to have the necessary compliance.

The Joint Committee on Taxation wrote as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, June 5, 1986.

Hon. HOWARD M. METZENBAUM,
United States Senate,
Washington, DC.

DEAR SENATOR METZENBAUM: This is in further response to your request dated May 20, 1986. The request relates to the provision of the urgent supplemental appropriations bill that would apply section 274(d) of the Internal Revenue Code (relating to automobile recordkeeping) without regard to temporary regulations sections 1.274-5T or 1.274-6T.

It is our understanding that the intent of this provision is to prohibit the IRS from enforcing the provisions of the 1985 Act that require that specified information be maintained by taxpayers and supplied on tax returns. It is estimated that this provision would reduce revenues by $1.1 billion over the fiscal years 1986 through 1991. There is a definite revenue reduction in fiscal year 1986 of less than $50 million; the revenue reduction for fiscal years 1987 through 1991 is $0.2 billion per year.

Please contact me if I can be of further assistance.

Sincerely,

DAVID H. BROCKWAY.

Let me explain how we got to the point we are at.

In the Deficit Reduction Act of 1984, Congress imposed a new recordkeeping requirement on taxpayers as part of an approved compliance measure. It required taxpayers to maintain adequate contemporaneous records to substantiate deductions for business use of automobiles, computers, and other equipment. In May 1985, Congress repealed this requirement in H.R. 1869.

The conference report accompanying that measure clearly stated that it was the intention of Congress that the IRS amend its regulations to delete any requirement for contemporaneous recordkeeping. At the same time, the conferees stated that different types of evidence carry different degrees of probitive value.

In addition, the conferees adopted a provision that requires taxpayers to supply information with their returns so that the IRS can make a preliminary determination of the appropriateness of the claimed deduction. These principles are clearly contained in the existing IRS regulations which were published on November 6, 1985, nearly 7 months ago.

Congress did not intend that this measure would increase the budget deficit. To pay for the nearly $900 million price tag of that bill, we loosened up the compliance provisions. Congress imposed the limitations on deductions and credits available for businesses that use luxury cars. This provision was intended to make up for the loss in revenue.

However, Mr. President, the bill before us prohibits the IRS from using any funds from this or any other act to implement this new regulation. These regulations include special favorable treatment for farmers and special safe harbor rules for vehicles that are never used for personal purposes. They exempt police and fire vehicles, ambulances, cherry pickers, dump trucks, fork lifts, school buses, moving vans, and many other vehicles.

What does the committee amendment do to these exemptions? Since they did not exist in the regulations that were in effect prior to 1984, they are overruled.

The exemptions for farmers—and I must say to my colleague from South Dakota that I have great difficulty in understanding how you can propose to prohibit the imposition of regulations that will help farmers, that will help with respect to police vehicles and with respect to ambulances, but in this committee amendment you are doing exactly that.

□ 2200

Perhaps that is not what the authors of this amendment intended, but that is what the committee amendment does.

What about the principle that repealing the contemporaneous recordkeeping requirement should not increase the budget?

What about the principle that repealing the contemporaneous recordkeeping requirement should not increase the budget deficit?

As I have already stated, this committee amendment will cost the Treasury $1.1 billion.

What an absurdity it is for us to be putting through an amendment to tell the Treasury that their regulations cannot be enforced. What kind of a body are we?

What earthly reason could there be for us to do that?

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. I certainly do.

Mr. JOHNSTON. Do I remember this correctly that we had this matter up, compromised it a couple of years ago, and provided that you cannot in effect write off the luxury cars, the Rolls-Royces, but it does not affect the Chevrolets and the other automobiles; am I right?

Mr. METZENBAUM. The Senator is 100 percent correct. As a matter of fact, the Senator from Ohio is prepared to admit that on this issue my position was not sustained and the Senate worked its will and came to the conclusion that they wanted to just zero in on the luxury cars. They did zero in on the luxury cars. Then the IRS issued the regulations and now what this amendment does is it vitiates, it eliminates those regulations.

Mr. JOHNSTON. Does the Senator remember how a luxury car is defined?

Mr. METZENBAUM. I am not certain that I do. But I am certain that we can find that information before the session this evening ends.

Mr. JOHNSTON. Do I remember that this does not cover even the super Oldsmobile and the big Buick and it does not cover those? It just covers the Rolls-Royce and the Mercedes Benz 380 or 500, or whatever it is, and maybe the Jaguar and some of those? Do I remember that correctly?

Mr. METZENBAUM. The Senator is, to the best of my understanding, correct.

If I have further information before the debate ends on this, I will respond to him. But he is correct in the thrust of his query, and that is that the Senate determined a few years ago only to zero in on the luxury cars and not to affect the average driver who uses his car for business as a Ford or Chevrolet and Buick or whatever.

Mr. JOHNSTON. So as a practical matter, if we approve the amendment of the Senator from Ohio, the chances are that not anybody who is worth less than a million dollars a year or probably $5 million a year, is going to have to pay a cent more. This is really an amendment, which the Senator is correct we did not know anything about in the Appropriations Committee, for the richest of the rich, the creme de la creme, the superwealthy, the Rolls-Royce owners of this world. Am I correct on that?

Mr. METZENBAUM. Yes, and a little bit no.

There were two issues. One had to do with recordkeeping. The other had to do with the use of business cars for individual purposes. The issue about which we are speaking this evening has more to do with the latter than the former.

The Senator from Louisiana is correct. We had that issue on the floor. I think it was considered at a separate point from this amendment, but this amendment has to do with the corporations, the business cars that are used for personal purposes, and there is a requirement that the IRS has that they somehow separate that use.

We in the Senate concluded that that was the thing that they should do now by this regulation. By this proposal we would knock out the regulations that they have put into effect to implement it and in doing so we would also knock out the regulations that would protect the farmers of this country so that they would not be bothered with this type of recordkeeping. We would knock out the regulations with respect to police vehicles so they would not be bothered. We would knock out the regulations with respect to the ambulances and they would not be covered. And as a consequence the farmers and those who use police vehicles partially for personal purposes and partially for official business and those who use ambulances in the same manner would be hurt if the committee amendment is adopted.

Mr. ABDNOR. Mr. President, if the Senator will yield, I would like to set the record straight before we go too far with this, if I might.

Mr. METZENBAUM. Certainly.

Mr. ABDNOR. I had an amendment drafted by the legislative counsel. I specifically told them I only wanted to eliminate the recordkeeping. I did not touch depreciation. I did not touch investment tax credits or any other provisions.

Obviously, one of us must be wrong and maybe the Senator overlooked my amendment because the record clearly shows in the report language that I am only addressing vehicle recordkeeping.

Mr. METZENBAUM. The Senator from South Dakota and I are not in disagreement on that. He is correct that it has to do with the recordkeeping and we are not addressing ourselves to the issue of depreciation.

I was responding to the question of the Senator from Louisiana.

Mr. President, if I may conclude, there is not any logical reason for us

to be on the floor this evening accepting a committee amendment that is going to cost $1.1 billion.

Since it is subject to the point of order, I will at an appropriate time and after my colleague from South Dakota has an opportunity to be heard, hopefully the chairman of the Budget Committee has an opportunity to be heard, the managers of the bill and anyone else who wishes to be heard, at a proper time I will raise a point of order under section 311, as amended by the Gramm-Rudman Act.

The PRESIDING OFFICER. Is there further debate?

The Senator from South Dakota.

Mr. ABDNOR. Mr. President, my amendment that the Senator from Ohio was referring to simply reinstates the regulations which were in effect prior to the enactment of the Tax Reform Act of 1984.

The report language pertaining to this amendment makes it clear that logbooks are to become a thing of the past. However, taxpayers will still be required to substantiate the deductions they claim. That has always been the law.

But we should make it clear that instead of having to keep a detailed logbook in the precise manner dictated by the IRS, taxpayers should be able to do what is most reasonable for them, given their individual circumstances.

Maybe I have more trust in people than the Senator from Ohio. I used to do income tax and I know people. Maybe it is different in South Dakota than it is in Ohio.

But I think if you want to cheat you can cheat just as easily under the new IRS regulations as the old ones which I'm attempting to reinstate simply by misreporting what you did or juggling your logbook.

If any of you have ever tried to keep your own expenses while traveling on the road during your congressional work back home, you know how easy it is to slip up. And what do you do if your wife gets in the car and buys some groceries when you go downtown? Can you only count half the miles as business use instead of all the miles?

□ 2210

That is the kind of thing we are talking about. Is that what you want to burden the taxpayer with?

I am going to tell you something. You can give me five pencils and by the end of the month I could put enough fake figures down in my logbook that neither you nor anyone else could prove that I was cheating. I happen to know enough about people that if you put them to the task, and make these rules difficult enough, they will only make darn sure that they cheat you with no conscience whatsoever.

So I think it is pretty ridiculous that apparently some congressional staff people have decided that by forcing American taxpayers to keep these very detailed records on the vehicles they use in their businesses or on their farms or other places that we are going to turn a nation of tax cheats into honest American taxpayers. In fact, the committee staff has told my office that they assume, on average, a typical American is overstating vehicle deductions by 22 percent. In other words, that the typical American cheats by 22 percent.

Well, I have news for those that think we are a nation of cheats. I just don't think we are. And I am just as interested in seeing that we collect tax dollars as anyone else in this Senate.

Maybe the Senator from Ohio will recall last year, in the closing days, when I brought my appropriations subcommittee bill to the Senate floor. I included $370 million in that bill to add IRS agents to the payroll so we could do a better job of collecting revenues rightfully owed to the Federal Government. But if this is all we have to worry about in terms of uncollected tax dollars, then I think we are very fortunate. But you know that is not the truth and so do I.

This is a drop in the bucket compared to what is going uncollected today because we are not adequately funding the IRS. Yet the Treasury appropriations bill was vetoed but they went and hired the people anyway. I guess I was gracious enough to put the money back in after the administration made us look like a bunch of big spenders last year for putting the money into the IRS to see to it that they have additional people.

But I just cannot believe this is any way to go about trying to collect extra dollars. I do not know who the experts are down there in the Joint Tax Committee, but they had better go out among the human beings in this country and see what they are really like. People are willing to pay their taxes and honestly estimate their mileage. But it is a big nuisance to try to write something down every time you get in your car and go down the road.

I contend that taxpayers will be just as honest if they are simply required to attest on their tax forms that they are providing an honest estimation of the proportion of business use associated with a vehicle. So I just have a very difficult time accepting the senseless recordkeeping burden the IRS is seeking to impose.

Now, we established the fact between the two of us that when my amendment was placed in the bill we did not change depreciation and we did not change the investment tax credit. All we are asking is that we carry out the intent of the recordkeeping repeal bill passed by the Senate last year.

Let me remind the Senator from Ohio, it was just 1 year ago that the Senate thought we had cleared up the recordkeeping mess and repealed the whole thing by a 92-to-1 vote. I do not know whether the Senator from Ohio was that one vote or not. But one Senator disagreed with doing just what I am trying to do now. And, of course, the House, by the time they got through with it, had changed it considerably and left the gate wide open for the IRS to come back with a whole new set of paperwork requirements. Then we went to conference. And while the Senate tightened it up the best we could, it still left a loophole for the dear old IRS to step in once again and try to put the same kind of regulations into effect.

On March 3, I took the trouble to appear before an IRS hearing. I personally told the agency officials that if they did not promptly revise their regulations and come up with something reasonable, I would push ahead with legislation to repeal those regulations. And I did push ahead with that. But it's now 3 months later and the IRS has not given the slightest indication that they are willing to try to modify their regulations and work something out with me.

So I believe it is time that we send a clear signal to the agency that we will not tolerate nitpicking rules that impose massive paperwork burdens on millions of honest taxpayers. I simply cannot agree to putting this issue on hold while millions of businessmen, farmers, and ranchers continue spending their time filling out reports. That is ridiculous. I think we should put an end to it right now.

If you are concerned about dollars, Members of the Senate, let me give you a figure. I held some hearings on this in my Treasury Appropriations Subcommittee. In testimony we were told it would take 79 million manhours a year to keep those logs. Did you ever try to multiply that by the kind of money you pay these people who are doing the work? That makes the revenue involved here look like nothing. And I certainly don't think that anything like $1.1 billion is at stake here over 5 years. I absolutely do not.

Again, I guess I have more faith in people. But I also happen to think that if you push people far enough, they will rebel, they will cheat, and they will enjoy doing it.

So I think it is a ridiculous argument. I do not want to go home and tell my people that I voted to make them keep all those little notes, recording all those miles, and tell them they are a bunch of cheats, and this is the only way we can get you to pay your fair taxes. I just do not think this is the way to go. I hope there are enough Members in this body that will

agree with me, and you can bet at the appropriate time I am going to make the motion to put this to a vote.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

Mr. HATFIELD. Will the Senator withhold?

Mr. STEVENS. I withhold.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. If there is no further debate, Mr. President, I would move the adoption of the committee amendment. The committee amendment is now either to be adopted or amended.

Mr. METZENBAUM. It is my understanding that the chairman of the Budget Committee may wish to be heard in connection with this matter.

Mr. DOMENICI. Mr. President, I do not desire to be heard, except to say that the Budget Act requires that the Budget Committee makes estimates of compliance with spending and revenue totals. The Budget Committee makes its estimates based on information from CBO and the Joint Committee on Taxation.

I have given to the Senator from Ohio a statement saying that according to the Joint Committee's estimates there is up to a $50 million loss in fiscal year 1986 if this amendment is adopted. I cannot do anything but report the facts. These are the facts as I am required to give them. I do not know if that is right or wrong, but those are the numbers that they gave us.

If that is what the Senator is alluding to, then those are the facts. That is what we normally use around here, those kinds of facts.

Mr. METZENBAUM. I thank the chairman of the Budget Committee. A $50 million loss for the first year is the same figure that the Joint Tax Committee has advised me would be lost. Thereafter, there would be $200 million a year lost in each of the subsequent years. Under those circumstances, Mr. President——

Mr. STEVENS addressed the Chair.

Mr. METZENBAUM. I thought I had the floor.

Mr. STEVENS. I beg your pardon. I thought you were going to yield the floor.

Mr. METZENBAUM. Under those circumstances, Mr. President, I make the point of order that this amendment violates section 311, as amended by Gramm-Rudman.

Mr. ABDNOR addressed the Chair.

Mr. METZENBAUM. Mr. President, is it not a fact that this is not a debatable question and that the Senator from Ohio is entitled to have a ruling?

The PRESIDING OFFICER. The Senator is correct. The point of order is not debatable.

Mr. ABDNOR. Can I not even move pursuant to section 271? Am I shut out from doing that?

The PRESIDING OFFICER. The Senator is not.

Mr. METZENBAUM. Am I not entitled to a ruling first?

Mr. ABDNOR. Mr. President, I move, pursuant to section 271 of the Balanced Budget and Emergency Deficit Control Act of 1985, to waive section 311 of the Budget Act with respect to this amendment. In doing so, I would like to point out one thing. I am well aware I could have challenged the ruling of the Chair which would only require 50 votes. But I do not like to go that way because I like to do things the way we are supposed to, and this is the way to go.

Before I sit down, I want to point out that while you are talking about $1.1 billion over 5 years—an estimate I seriously question—I am talking about 79 million man-hours a year that people have to spend keeping these records.

Mr. METZENBAUM. Will the Senator from South Dakota yield for a question?

Mr. ABDNOR. Yes.

Mr. METZENBAUM. What did the Senator from South Dakota say with reference to the number of votes required? I did not understand him.

Mr. ABDNOR. I said under section 311 I am well aware it will take 60 votes for me to succeed. I could have gone the other way to try to overrule the Chair and that would take only a simple majority. But I am willing to go this route. I know what I am doing here. But I think this is the right thing to do. I am not trying to break the budget. I am trying to let people have a right to vote, and do it the way we should do it according to the Budget Act. At the same time I want people to know we are talking about 79 million man-hours a year going into needless paperwork. That is almost like tax dollars, too.

Mr. METZENBAUM. Mr. President, is this a debatable motion?

The PRESIDING OFFICER. This is a debatable motion.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I think the Senator from South Dakota has taken the proper approach. But I have to tell the Senate—I will not talk very long—that for the life of me I cannot understand that finding of a $50 million and $200 million loss. The liability of the taxpayer is the same. What our committee did was do away with these onerous recordkeepings for all the people who do not have any challenge by the IRS as to their deductions.

Those regulations require everybody to keep those regulations whether they are accused of cheating or not. If the committee wants to come in and say if you are accused of cheating from there on you have to keep these records, I have no objection to that. But I think this concept of requiring these minute records from everybody that uses these vehicles in order to try to catch the few people who cheat is just absolutely ridiculous. I think that estimate is ridiculous in terms of the loss because the taxpayer is still responsible for defending the deductions that he lists on his tax return in terms of this kind of deduction. He just would not have the records to back up his deductions if he does not keep these records.

If he is accused of cheating and cannot prove his deductions by some normal course of events of just habit, type of use of vehicle, or whatever he can use to justify it, that deduction is going to be disallowed by the IRS. I do not believe it is a fair analysis that we are going to automatically lose money because everybody does not keep these blasted things.

I think the Senator from South Dakota ought to be sustained. I congratulate him for taking the hard road.

The PRESIDING OFFICER. Is there further debate?

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, let us recognize what we are talking about. Let us not kid ourselves about what the facts are. A couple of years ago we changed the law to make it more convenient for these records to be kept. It used to be that you had to keep them on a daily basis. We changed that. We said that the taxpayer could submit his own percentage, and that would be submitted. Then the IRS had to issue some regulations because we enacted the law.

All I am saying here this evening is that the law we enacted a year ago should be good enough tonight, and we should not be coming in this back door way. That is what it is. It is a back door way. This issue belongs before the Finance Committee. It does not belong in a supplemental appropriations bill. The Finance Committee, if they do not think that the IRS regulations are right, has a right to have hearings on it and bring the matter before this body. When I raised this issue with the managers of the bill, they were not aware it was even in the bill. I am not criticizing them. I understand the legislative process. But what I am saying is that it is not right. It is not right to come here and have an amendment that is going to cost $200 million a year. We come out here for the programs that have to do with people in this country where $200 million would mean so much for milk,

food stamps, WIC programs. We fight for $50 or $75 or $100 million. It would mean so much as far as the protection of the Federal Aviation Administration. It would mean so much to the Coast Guard. But in one fell swoop without any logic, without any reason, without any hearings we are suggesting eliminating $200 million a year.

There ought to be some reason. Maybe that is justified. But there is nothing in the records to indicate it is justified. It showed up in the bill. It is there.

Now we are saying that we should waive the rule. What did we make those Gramm-Rudman rules for if all we do is come out here and change them?

Mr. President, I urge my colleagues not to permit this waiver to occur, not to give away $200 million a year, and to confirm the action that we ourselves took only last year with respect to this legislation.

Mr. ABDNOR addressed the Chair.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, just before we vote, just a few short words here. I certainly did not pull any great surprises here or pull something out of my hat. Yet everyone would have to have a short memory if they forget the bill that came out of the Finance Committee only a year ago. It passed this body 92 to 1. I think they knew what they were doing when they voted 92 to 1 in favor of the very thing I am suggesting here. I guess my difference with the Senator from Ohio is I believe people are a lot more honest than he does. And I think that making them keep detailed logbooks won't do the first thing to prevent cheating. You won't be able to prove a darned thing.

I wonder if the genius who writes up these proposed estimations really knows mankind and people. I think I know them a lot better. They ought to go out and spend day after day with people and get to know what is on their minds. If we want to get tax cheats we do not go about it by trying to collect miles on their car. There are plenty of more worthwhile opportunities. Hopefully by hiring the kind of people we are hiring, if you can go along with supporting the appropriations we put in this bill to put some extra people on IRS payrolls so we can go out and collect the dollars from people who are truly cheating, then we are raising some money.

I just want to say that by voting to override the point of order, the Senate is technically voting to override Gramm-Rudman. But I would suggest that letting some technical revenue estimate conducted by some committee staffer around here, an estimate which has little if any basis in reality, stand in the way of getting the Federal Government off the backs of millions of honest taxpayers would be the height of irresponsibility.

Mr. METZENBAUM. Is the Senator from South Dakota suggesting that I was the one who voted against it in the 92 to 1 vote?

Mr. ABDNOR. No. If I remember right, I think it was Senator PROXMIRE, the Senator from Wisconsin. It was my bill. I think he voted no.

Mr. METZENBAUM. I voted for it.

Mr. ABDNOR. Yes. Either that or the Senator was not here. I do not recall.

Mr. NICKLES. Mr. President, I rise in strong support of the amendment included in the committee bill which prohibits the IRS from enforcing the recordkeeping requirements that have been repealed by the Congress.

Even though the Congress has repealed this burdensome requirement, the IRS has continued to issue regulations calling for automobile logs. What this amendment would do is simply return the regulations back to the way they were prior to 1985 when the rules went into effect.

The automobile logs represent one of the worst intrusions into the lives of the citizens of this country. I will not stop short of total repeal of this ridiculous logging requirement, I urge my colleagues to approve the amendment.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the hour of 10:30 is very close upon us. We are about ready to go to a rollcall vote. I would at this time ask unanimous consent that we extend the time required for the Appropriations Subcommittee on Defense and the Armed Services Committee another half hour to report back to the body by the hour of 11 o'clock.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there further debate on the motion? If not, the question is on agreeing to the motion of the Senator from South Dakota. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 65, nays 33, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—65

Abdnor	Ford	Murkowski
Andrews	Garn	Nickles
Armstrong	Glenn	Nunn
Baucus	Goldwater	Packwood
Boren	Gore	Pressler
Boschwitz	Gorton	Pryor
Bumpers	Grassley	Quayle
Burdick	Hatch	Roth
Byrd	Hatfield	Rudman
Chafee	Hecht	Sasser
Chiles	Heflin	Simpson
Cochran	Heinz	Specter
Cohen	Hollings	Stevens
D'Amato	Humphrey	Symms
DeConcini	Kassebaum	Thurmond
Denton	Kasten	Trible
Dodd	Laxalt	Wallop
Dole	Lugar	Warner
Durenberger	Mattingly	Weicker
East	McClure	Wilson
Evans	McConnell	Zorinsky
Exon	Melcher	

NAYS—33

Bentsen	Hart	Matsunaga
Biden	Helms	Metzenbaum
Bingaman	Inouye	Mitchell
Bradley	Johnston	Moynihan
Cranston	Kennedy	Pell
Danforth	Kerry	Proxmire
Dixon	Lautenberg	Riegle
Domenici	Leahy	Rockefeller
Eagleton	Levin	Sarbanes
Gramm	Long	Simon
Harkin	Mathias	Stafford

NOT VOTING—2

Hawkins	Stennis

□ 2240

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion to waive section 311 for consideration of excepted committee amendment No. 6 is agreed to.

The question before us——

Messrs. METZENBAUM and HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the section now having been waived by this vote, the question before the body is now the committee amendment?

The PRESIDING OFFICER. Excepted committee amendment No. 6, that is correct.

Mr. HATFIELD. I move adoption of the excepted committee amendment.

Mr. METZENBAUM. Mr. President, I understand that the body has determined to waive the provisions of the Budget Act going back better than 10 years, section 311. That was then amended by Gramm-Rudman. We went back home and we told all of our constitutents about how we were going to balance the budget and tonight, we gave away over a billion dollars. That is hardly a way to balance the budget.

□ 2250

That is hardly a way to balance the budget. But I think my colleagues ought to understand that they did something else. What you did tonight was a disservice to the farmers of this

country, and many of you consider yourselves to be farm State spokespersons. You claim that you come here and you are looking out for the farmers. But I want you to understand what you did and what you will be doing if you accept the committee amendment is you will be eliminating a regulation with respect to record-keeping that provided that farmers did not have to keep those records. And now as I understand that law—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senator from Ohio has a right to be heard. The Senate is not in order.

The Senator from Ohio.

Mr. METZENBAUM. Let each of you go home and explain to your constituents why you voted to knock out a regulation of the Internal Revenue Service that exempted farmers from having to keep records on their auto use. You did it. You took care of the farmers. You stuck it right in them. Instead of having the exemption, there will no longer be an exemption. And the IRS was trying to give an exemption to the farmers for whom you claim to speak. But if you adopt the Abdnor amendment—and I urge upon you, go up and read the language, read the language of the bill if you do not think I am telling you the truth—you made it possible—no, I will not say you made it possible. You made it mandatory that farmers are going to have to keep records with respect to their automobile use. And when the local police department or fire department uses personal cars, they are going to have to keep records because there was an exemption for them, as well. And when there was an ambulance used for personal use as well as for ambulance use in a community, they are going to have to keep records, as well, because there was an exemption for them. But you are so anxious to see to it that we cut back revenue of this Government $200 million a year, so anxious, because some one corporate executive may have called you and asked you to vote for it, so anxious to have no records kept. Do you really believe that we ought to run this country without having any records at all kept about anything? Should business people just file their tax returns and say what they made, pay taxes on that basis alone?

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order. Those Senators engaged in conversation are invited to leave the Chamber.

The Senator from Ohio.

Mr. METZENBAUM. You can waive the Budget Act if you have the votes, but that does not make it right. But you cannot explain your vote with respect to requiring farmers and those who have police vehicles and ambulances to keep records. When you pass the committee amendment, you are requiring farmers to keep those records, police vehicles and ambulances, as well. And that I think you will have some difficulty in explaining.

Mr. President, I yield the floor.

Mr. STEVENS. Mr. President, does the Senator want any answer?

Mr. METZENBAUM. If the Senator as a Member of the body is prepared to answer, he may. I do not care whether he answers or not.

Mr. STEVENS. Mr. President, I think postmortem action that restores the law that has existed prior to 1984 is wasting the Senate's time, but I will tell the Senator I am perfectly willing to go home and tell the people who have pickup trucks that they do not have to keep those blasted trip tickets anymore. All they have to do is defend what they want to do when they fill out the tax returns. I really think there comes a time when the Senator from Ohio ought to accept the judgment of the Senate.

Mr. HATFIELD. Mr. President, I move the adoption——

Mr. METZENBAUM. Mr. President, I did not hear what the Senator from Alaska stated.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. STEVENS. I will be happy to repeat it. There comes a time when the Senator from Ohio ought to accept——

Mr. HATFIELD. Who has the floor?

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HATFIELD. Mr. President, I believe the motion before the body is to adopt the committee amendment.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The question in on agreeing to the amendment.

Mr. METZENBAUM. addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Is there a sufficient second?

Is there a sufficient second?

There is now a sufficient second. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 81, nays 17, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—81

Abdnor	Ford	McClure
Andrews	Garn	McConnell
Armstrong	Glenn	Melcher
Baucus	Goldwater	Murkowski
Bentsen	Gore	Nickles
Bingaman	Gorton	Nunn
Boren	Gramm	Packwood
Boschwitz	Grassley	Pressler
Bumpers	Hatch	Pryor
Burdick	Hatfield	Quayle
Byrd	Hecht	Riegle
Chafee	Heflin	Rockefeller
Chiles	Heinz	Roth
Cochran	Helms	Rudman
Cohen	Hollings	Sasser
D'Amato	Humphrey	Simon
Danforth	Inouye	Simpson
DeConcini	Johnston	Specter
Denton	Kassebaum	Stafford
Dixon	Kasten	Stevens
Dodd	Kerry	Symms
Dole	Laxalt	Thurmond
Domenici	Leahy	Trible
Durenberger	Levin	Wallop
East	Long	Warner
Evans	Lugar	Wilson
Exon	Mattingly	Zorinsky

NAYS—17

Biden	Kennedy	Moynihan
Bradley	Lautenberg	Pell
Cranston	Mathias	Proxmire
Eagleton	Matsunaga	Sarbanes
Harkin	Metzenbaum	Weicker
Hart	Mitchell	

NOT VOTING—2

Hawkins	Stennis

So excepted committee amendment No. 6 was agreed to.

□ 2310

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, we have one final committee amendment that I do not believe will necessitate a rollcall. The Armed Services Committee and the Subcommittee on Defense have been working on an agreement that they are ready now to offer as I believe a substitute amendment for the committee amendment and then may I say that we have now found that there are about six amendments that have been withdrawn from the other general list. We are down now to about 25 or so. So I believe we have a good chance to finish this hopefully by 2 or 3, maybe earlier.

SECOND EXCEPTED COMMITTEE AMENDMENT

Mr. HATFIELD. Mr. President, I do at this time though ask the Chair to lay before the Senate the final committee amendment.

The PRESIDING OFFICER. The clerk will report the pending amendment.

The legislative clerk proceeded to read the second excepted committee amendment.

Mr. HATFIELD. Mr. President, I ask unanimous consent that it not be read.

Mr. NUNN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will report.

Mr. NUNN. I have not seen it.

The legislative clerk read as follows:

Lines 1 and 2 on page 26 of the committee amendment beginning with line 11 on page 20 through line 8 on page 26.

Mr. STEVENS. Mr. President, I say to my good friend from Georgia, the clerk was reading the committee amendment. The committee amendment has been called up, not the substitute amendment that the Senator and I are talking about.

Mr. NUNN. I withdraw the objection.

I thank the Senator.

Mr. HATFIELD. Mr. President, I wish to withdraw the amendment to that amendment that I have filed and I ask unanimous consent that I be permitted to withdraw that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I am happy to state to the chairman and to the Senate that, as soon as it is prepared, we do have an amendment that will be offered when he is ready by the Senator from Arizona. It will be the Armed Services Committee amendment in the form that they have presented it which we have agreed to.

Mr. HATFIELD. Mr. President, if the parties are not ready to offer the amendment at this time——

Mr. GOLDWATER. I apologize. My staff does not have the material ready. As soon as it is ready, I will introduce the amendment.

Mr. HATFIELD. I am very happy to accommodate the Senator. My understanding was the Senator a while ago was ready to offer it.

Mr. GOLDWATER. It takes a little paperwork.

Mr. HATFIELD. Mr. President, then there is a withdrawal of the committee amendment. So now the floor is ready to receive other amendments without the necessity of having to lay aside any committee amendment.

AMENDMENT NO. 2020

(Purpose: To make technical corrections in the bill, as reported)

Mr. HATFIELD. Before we do that, Mr. President, I do have a list of technical, I emphasize technical, amendments that have been cleared on both sides relating to changing of language and punctuation. I would like to offer these technical amendments at this time.

The Senator from Louisiana I believe has seen these amendments?

The PRESIDING OFFICER. The committee amendment is not yet withdrawn. Only the amendment (No. 2015) of the Senator from Alaska [Mr. STEVENS] has been withdrawn thus far.

Mr. HATFIELD. Mr. President, I ask unanimous consent then to set aside the committee amendment in order to take up the technical amendments.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oregon.

Mr. HATFIELD. Now, Mr. President, I do move the adoption of these technical amendments to the committee bill.

The PRESIDING OFFICER. The clerk should first report the amendment.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 2020.

Mr. HART. Mr. President, I ask unanimous consent that reading of the technical amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 1, after the word "or", strike "1444-1(c)(1))" and insert in lieu thereof "1441-1(c)(1))".

On page 8, line 3, strike "preventing" and insert in lieu thereof "prevented".

On page 8, line 13, strike "5152" and insert in lieu thereof "5121".

On page 8, strike lines 16 and 17 and insert in lieu thereof "(1) 40 percent of the projected payment rate; by".

On page 19, line 25, after "reserve" insert ", or which would have been placed in reserve,".

On page 20, line 1, strike all after "Liberty" through "adjustments" on line 2.

On page 21, strike "(RESCISSION)" at the end of line 23 and insert "(RESCISSION)" between lines 23 and 24.

On page 49, line 19, strike "530,000" and insert in lieu thereof "1,530,000".

On page 55, strike line 21 up to and including line 10 on page 57, and insert in lieu thereof the following:

SEC. 2. (a) Subsection (a) of section 110 of Public Law 97-12 (2 U.S.C. 58b(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) striking out the last three sentences of such subsection and inserting in lieu thereof the following:

"(2)(A) Each Senator, at his election, may, during any fiscal year (but not earlier than July 1 thereof) transfer from such Senator's clerk hire allowance to his Official Office Expense Account such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to a Senator's Official Office Expense Account shall be available for expenses incurred during the calendar year in which occurred the close of the fiscal year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than January 15 of the calendar year immediately following the calendar year in which occurs the close of the fiscal year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1, nor later than December 31, of the calendar year in which the close of such fiscal year occurs) as may be specified by the Senator.

"(B) Each Senator, at his election, may, during any calendar year (but not earlier than July 1 thereof) transfer from such Senator's Official Office Expense Account to his clerk hire allowance such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to a Senator's clerk hire allowance during any calendar year shall be available for expenses incurred during the fiscal year which ends during the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1 of such calendar year) as may be specified by the Senator.".

(b) Subsection (b) of section 110 of Public Law 97-12 is amended to read as follows:

"(b) Transfer of funds by a Senator under subsection (a) of this section shall be made between (1) the allowance of such Senator in the account (which is within the appropriation account under the headings 'SENATE' and 'Salaries, Officers and Employees') for 'Administrative, Clerical, and Legislative Assistance to Senators', and (2) such Senator's Senatorial Official Office Expense Account within the appropriation account for 'Miscellaneous Items' under the heading 'SENATE'.".

(c) The amendments made by subsection (a) shall be effective in the case of elections made with respect to transfers of funds to be available for expenses incurred after December 31, 1984.".

On page 64, line 12, strike "Section" and insert in lieu thereof "SECTION".

On page 64, line 18, strike "Section" and insert in lieu thereof "SEC.".

Mr. JOHNSTON. Mr. President, we have carefully checked these amendments. They are entirely technical in nature, involving such things as punctuation and capitalization, and we have no objection to the amendment.

Mr. HATFIELD. Mr. President, I move the adoption of the technical amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment (No. 2020) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the technical amendments were agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the committee amendment be laid aside for the purpose of taking up another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Missouri.

AMENDMENT NO. 2021

(Purpose: To strike out language directing the allocation of research and development funds to certain educational institutions)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] for himself, Mr. BINGAMAN, Mr. PROXMIRE, Mr. QUAYLE, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BRADLEY, Mr. DIXON, Mr. EAGLETON, Mr. EVANS, Mr. GOLDWATER, Mr. LEVIN, Mr. LUGAR, Mr. WILSON, Mr. LAUTENBERG, Mr. MELCHER, Mr. ROTH, Mr. NUNN, Mr. PRYOR, Mr. GLENN, Mr. SASSER, and Mr. WALLOP proposes an amendment numbered 2021.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, strike out lines 1 through 7 and lines 12 through 15.

On pages 25 and 26, renumber sections 4, 6, 7, and 8 as sections 3, 4, 5, and 6, respectively.

Mr. DANFORTH. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order so that we may hear the Senator from Missouri.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, this amendment is offered by 22 cosponsors. They are in addition to myself, Senators BINGAMAN, QUAYLE, PROXMIRE, ARMSTRONG, BENTSEN, BRADLEY, DIXON, EAGLETON, EVANS, GLENN, GOLDWATER, LAUTENBERG, LEVIN, LUGAR, MELCHER, NUNN, PRYOR, ROTH, SASSER, WALLOP, and WILSON.

It is particularly interesting that this list of 22 cosponsors includes the chairman of the Armed Services Committee and the ranking member of the Armed Services Committee.

The issue raised by the amendment is whether the Appropriations Committee should earmark research money to certain specified universities.

The bill before us earmarks $80.6 million in research spending to 10 universities.

The issue before us is not whether that $80.6 million should be spent for research. I do not know whether it should be or not.

That kind of question is within the expertise of the Armed Services Committee and the Appropriations Committee, not the Senator from Missouri.

I assume that substantial amounts of money must be spent for research for armed services, but that is not the issue before us.

□ 2320

The issue before the Senate right now is whether research money to be spent for university research should be earmarked by the Appropriations Committee or, rather, whether that money should be spent according to a competition process whereby scientists, either within governmental agencies, in this case the Department of Defense, or scientists who are in some sort of review committee make that decision on the basis of merit.

The issue really is one of merit and competition for the spending of research dollars or instead whether research dollars should be spent by the Appropriations Committee frankly on the basis of political logrolling. It is important to realize that of these 10 universities, three of the projects that are represented in these earmarked appropriations, three of the projects were never submitted to the Department of Defense. There were never any proposals for 3 of the 10 projects.

In the case of four projects, the Department of Defense, after analyzing the proposals, found that the universities in question were without the research capabilities to justify fundings at the levels specified in this emergency appropriation. And in the case of four of the projects, some of these are overlapping I might say, but in the case of four of the projects, they were for construction for general purpose research buildings. The Department of Defense has a policy, Mr. President, against spending such research money for general purpose construction.

This process of earmarking research money in appropriations bills is strongly opposed both by the administration and by the academic and scientific community.

Mr. President, I ask unanimous consent that letters from Mr. John McTague, acting science adviser to the President, dated May 23, 1986, to myself, and by Secretary Weinberger to Senator DOLE, dated May 7, 1986 be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, May 23, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Washington, DC.

DEAR SENATOR DANFORTH: I strongly support the effort you and your colleagues are making to preserve the quality of Federally supported research, which is an essential underpinning of our national security, economic competitiveness, and the quality of life of all our citizens. The reason our reseach enterprise is the envy of the world is that careful review by experts ensures that support goes to our very best scientists and engineers.

As technological competition becomes ever more international and ever more intense, we must ensure that each research dollar we spend is used even more efficiently. Set-asides from carefully crafted research programs to address other goals, however desirable, hobble use in this competition and create a climate of cynicism among our best scientists and engineers.

I urge you and all your fellow Senators and Congressmen to support our system of expert review by eliminating all Congressional set-asides for specific research conduct and facilities from the budgets of Department Defense, Department of Energy, and other agencies.

Sincerely,

JOHN P. MCTAGUE,
Acting Science Advisor to the President.

THE SECRETARY OF DEFENSE,
Washington, DC, May 7, 1986.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR BOB: Thank you for your letter of February 19, 1986, regarding R&D support earmarked for ten universities in the Conference Report accompanying the Defense Department Appropriations Act, 1986 (Joint Resolution, Public Law 99-190).

As you are aware, university research provides the Department with science and technology critical to the development of future defense systems. In addition, universities are the source of scientists, engineers, and expert advice essential to our nation's future.

The Department funds research, including that conducted at colleges and universities, that is in support of our defense mission. Except when otherwise authorized by statute, individual projects are competitively selected for funding after taking account of all relevant considerations with particular emphasis on the research needs of the Department and the technical merit of the research proposed. The competitive process, which has been supported by Congress, has contributed to the preeminence that our nation's universities enjoy. The Conferees' earmarking of research funds for specific universities, without merit competition, establishes a precedent that could jeopardize this preeminence.

We will continue to work with you and look forward to your support for a strong university base for our research needs.

Sincerely,

CAP.

Mr. DANFORTH. Mr. President, in addition to the White House and the Defense Department, the earmarking of funds for research is opposed by the Association of American Universities and the National Association of State Universities and Land Grant Colleges. I ask unanimous consent that a letter dated May 13, 1986—this letter was written to Senator HARKIN by the presidents of those two organizations—be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 13, 1986.

Hon. THOMAS A. HARKIN,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HARKIN: When the Senate Committee on Appropriations meets later this week to consider H.R. 4515, the Urgent Supplemental Appropriations for FY 1986, we urge you to reject the earmarks totaling $24.6 million for Northeastern University and the Rochester Institute of Technology in the Department of Defense appropriations proposed by the House, and to resist adding any other similar projects. Neither

of these two projects is requested by the Department; neither has been reviewed on its scientific and technical merits in competition with meritorious proposals from other institutions. We also urge you to reject any attempts to add the remaining eight earmarked projects for academic institutions that were recommended in House Report 99-450 accompanying House Joint Resolution 465, the Continuing Resolution for FY 1986 (P.L. 99-190).

If any of these ten projects, or others that may be proposed, is funded, pressures on other institutions to seek direct funding for research and research facilities projects will grow, and increasing numbers of capable and deserving institutions will begin to seek direct funding for projects. They will do so because across the country unprecedented research and training opportunities are being severely hampered by inadequate facilities. It is precisely because national research opportunities and national resource needs both are great that Federal funds for research and research facilities must be awarded competitively based on considerations of scientific and technical merit. If the present merit-based system of resource allocation is allowed to be eroded by the actions of a few, we fear that the willingness and the ability of the Department, and other agencies, to strengthen investments in university research and facilities programs will be compromised.

We ask you, therefore, to reaffirm the principles of merit-based allocation of funds for university programs by rejecting all earmarked funds for university research and research facilities construction projects from H.R. 4515.

Sincerely,

ROBERT M. ROSENZWEIG,
President,
Association of American Universities.
ROBERT L. CLODIUS,
President, National Association of State Universities and Land Grant Colleges.

Mr. DANFORTH. Mr. President, at the same time, I will send to the desk and ask unanimous consent that various letters and position statements by the National Academy of Sciences, the American Physical Society, and the American Association for the Advancement of Science be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL ACADEMY OF SCIENCES,
Washington, DC, May 27, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Washington, DC.

DEAR SENATOR DANFORTH: It is my understanding that the Urgent Supplemental Appropriations Bill for FY 1986 will come before the Senate after the Memorial Day recess. I appreciate the opportunity to provide you with my views, and those of the Academy Council, in opposing provisions of that measure providing grants to educational institutions for major academic research projects which have not been subjected to an appropriate merit review.

Unquestionably, these actions sponsored by individual Congressmen reflect the pressure arising from widespread need to modernize deteriorating and obsolete research facilities at universities and colleges throughout the nation. Estimates on the extent of that unmet national need for new construction and renovation varies in the range of $5 to $20 billion over the next 10 to 20 years. As you know, the Federal government now has virtually no program for funding research facilities; thus, programs to provide support for academic facilities that are judged to be scientifically excellent should receive favorable Congressional consideration. However, efforts by a few academic institutions and their representatives in Congress to bypass merit review in order to meet their individual needs harbor the potential for enormous damage to the nation's research enterprise. Approval of such earmarking creates incentives for other institutions to seek similar treatment from the Congress.

The Council of the National Academy of Sciences has been concerned for some time about the adverse effects of such earmarking, as reflected in the attached statement adopted in October 1983. This statement has even greater relevance in today's budget climate.

The excellence of our national research has been sustained by a system for assuring optimal use of public funds: a competitive review evaluation process to assure that projects and facilities selected for funding are those which most merit support in terms of the overall health of scientific research. The supplemental appropriations bill now before the Senate ignores that history of success, by providing $80.6 million in the 1986 defense budget for university research projects without their having been subjected to such an appropriate merit-based review.

We are better served as a nation if we continue to maintain a climate in which our research institutions can expect that only requests for facilities which are judged to be scientifically excellent will be funded. Thus, I respectfully urge that these earmarked projects not be included in the Urgent Supplemental Appropriations Act for fiscal year 1986 and that their consideration be delayed pending a competent, competitive merit-based review.

Yours sincerely,

FRANK PRESS,
President.

STATEMENT OF THE COUNCIL; FEDERAL FUNDING FOR RESEARCH FACILITIES AND INSTRUMENTATION

In recent months, there have been a few instances in which federal funding decisions for major university scientific facilities have not been subject to an appropriate review process. Informed peer judgments on the scientific merits of specific proposals, in open competition, should be a central element in the awarding of all federal funds for science.

In the past, such objective systems of evaluation have met the needs of our country well, and have contributed to the scientific preeminence of the United States. In the long term, they also help to maintain the pluralism that is important to the productivity of American science and is characteristic of political decision making.

We urge that the academic community and public officials exercise vigilance to protect this informed evaluation and decision-making process in the awarding of funds, not only for the support of scientific research proposals, but also for major scientific facilities and instrumentation.

THE AMERICAN PHYSICAL SOCIETY,
New York, NY, May 30, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR DANFORTH: I write to commend you for your leadership in attempting to remove "pork barrel science" from the Department of Defense Urgent Supplemental Appropriation.

We have watched in dismay over the past several years as the merit review process that has kept the United States at the forefront of world science since World War II has been increasingly circumvented. The dangers are obvious. Each time an institution successfully by-passes the normal process of proposal submission and review, more institutions are persuaded that political maneuvering has replaced merit as a means of securing support for research and facilities. It is a practice that must be brought to a stop.

The American Physical Society, through its elected Council, more than a year ago adopted a strong statement opposing "pork barrel science" projects, a copy of which is enclosed. In the seventeen months since that statement was adopted, the situation has worsened with specific research projects as well as facilities receiving funding through direct Congressional action without review by impartial scientific experts. As the statement of the APS Council makes clear, we recognize that Congress is responsible for considering a variety of factors in addition to scientific merit in allocating funds. But in these times of fiscal stringency, it is reckless to commit research funds without impartial scientific review.

Your courage in leading the effort to stop this dangerous practice is applauded by everyone who believes that the health of American science is vital to our security.

Sincerely,

SIDNEY D. DRELL.

Enclosure.

STATEMENT OF THE APS COUNCIL: SCIENTIFIC REVIEW OF RESEARCH FACILITIES FUNDING

We deplore the inclusion in the federal budget of major scientific projects that have not been subjected to the normal process of proposal submission and expert review. The consequences go beyond the diversion of scarce resources from projects of higher priority. Institutions are increasingly persuaded that political maneuvering is more important than scientific justification in securing federal funds. Yet each year many worthy scientific projects must be abandoned or deferred for lack of funds. The developing pattern of funding major projects without subjecting them to impartial expert scrutiny diminishes sciences.

Quite clearly Congress is responsible for considering a variety of factors—such as geographic balance, economic need, and affirmative action—in allocating funds for major projects of any sort. We urge, however, that review by impartial scientific experts be an important consideration in any allocation of funds for research facilities.

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE,
Washington, DC, May 23, 1986.

Hon. JOHN C. DANFORTH,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR DANFORTH: As chief executive officer of the American Association for the Advancement of Science (AAAS), I am

writing to express my concern about the FY 1986 Supplemental Appropriations Bill approved recently by the Committee on Appropriations and scheduled for floor action shortly.

As described in the Washington Post May 16th, this bill contains more than $80 million designated for defense-related research and construction projects at various universities. None of these projects have apparently been subjected to the competitive peer review process through which such allocations are generally made.

The AAAS Board of Directors and Council, along with the National Science Board, the National Academy of Sciences, and many of the other major scientific, engineering and higher education associations in the United States, have taken strong stands against such funding practices on a number of occasions during the past three years. Copies of AAAS position statements are attached.

The AAAS remains strongly opposed to these practices and respectfully urges that the provisions earmarking funds for specific institutions be deleted during floor action, and that merit-based review be employed for award of such funds in the future.

Sincerely,

WILLIAM D. CAREY,
Executive Office.

Mr. DANFORTH. Mr. President, regardless of how the budget resolution turns out, it is clear that all of us in the Senate, all of us, whether we are hawks or doves, are committed to very substantial spending for national defense. But it is also clear that very few of us, if any, believe that we can issue blank checks on defense spending. If we are to spend money on national defense at a time of budgetary constraint, it is important that that money be spent wisely and not foolishly.

It is important to spend on muscle, not fat. Sometimes we say, "Where is the fat? Where is the fat in defense spending?" Here it is, Mr. President. Here it is in this bill. When research money is designated for universities on the basis of political influence, when it is designated on the basis of who has pull, when it is designated on the basis of lobbying instead of merit and instead of competition, that is wasteful spending of limited defense resources.

We in the United States probably are never going to have the kind of military weight, the sheer weight of numbers that the Soviet Union has. We probably never will have the number of tanks or the amount of artillery or the number of men in arms. What gives us the edge, Mr. President, what provides an advantage to the United States is our technological know-how, our R&D, our science.

It is for that reason that we assure ourselves that research money be spent in the very best and wisest manner. And that is the issue that is before us right now—whether it is going to be spent on the basis of competition or whether it is going to be spent on the basis of politics.

For those throughout the country who question defense spending and who feel that we are spending too much, I think that when we porkbarrel defense money, defense spending, it gives the whole defense budget a bad name. I would guess that that is one of the reasons why Senator GOLDWATER and Senator NUNN have joined on as cosponsors of this amendment.

Mr. President, this is not something new. I saw that Senator STEVENS sent out a Dear Colleague letter to Members of the Senate expressing his views and stating that this is nothing new, to earmark some money for specific universities in an appropriation bill. And that is exactly the point. It is not something new.

This is not something that is unique in this particular appropriations bill. This has become a trend that extends beyond defense spending.

In 1982, Congress earmarked a total of $3 million for specific universities for spending for scientific purposes. That amount of money has escalated steadily between 1982 and 1985, which is the last figures I have, from $3 million to $137.6 million. It has become something of a trend for university presidents, at least some of them, to come to Congress and to ask us for specific money for research. And the Senator from Alaska has sent us a listing—and he claims that it is a brief listing—of some of the colleges and universities receiving earmarked appropriations in the 98th Congress. It is a single-spaced list and it goes on for slightly more than two pages.

It is true that it is a trend that we have undertaken, and I think it is wrong. I think that this is the time in this particular appropriations bill to make that point, not simply for the projects, the 10 projects that are specifically earmarked in this bill, but for the whole tendency that we are involved in.

It has turned our colleges and universities into lobbyists. Prof. Mildred Dresselhaus of MIT has made the point that earmarking sends the message to our research institutions in the United States that political maneuvering is more important than scientific justification in securing Federal funds. Researchers have become lobbyists. Hopefully, if we have passed the tax bill, we will have given our lobbyists a little less to do in the Finance Committee and maybe the lobbyists who choose to do that will simply be representing colleges and universities before the Appropriations Committee.

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order.

The Senator from Missouri.

□ 2330

Mr. DANFORTH. One final point, Mr. President, and then I will yield the floor. In the committee report that is attached to this bill, the final paragraph appears:

> The committee does not intend to consider or approve any future requests for specific universities or research institutions for projects that are noncompetitive and do not comply with legal requirements for merit reviews and competitive contracting, nor is it the committee's intention to consider or approve future requests to fund construction of related facilities for such projects. The committee will not consider any future requests to earmark DOD research and development funds for specific research projects that have not gone through competitive and merit review processes without specific authorization.

Well, a couple of comments should be made about this statement in the committee report.

The first comment is we have heard this before. We heard it back in 1984 when Congress enacted the Deficit Reduction Act of 1984, and within that act something that we called the Competition in Contracting Act.

In that act, we specifically said, back in 1984, Congress enacted a statute which specifically said that the competitive selection for award in basic research proposals resulting from the general solicitation and peer review or scientific review as appropriate in such proposals constitute the kind of competitive procedure that we said we wanted back in 1984.

We have taken that position as a matter of ritual. Now the question is whether we take that position as a matter of fact.

Mr. President, I believe that what is involved here today is very important, extending far beyond this appropriation bill, going to our basic research in this country, to our academic community, to the relationship between Congress and our academic community. The question is whether merit counts or whether it is just pure politics.

I ask unanimous consent that Senators DURENBERGER and BOSCHWITZ be added as cosponsors, and Senator GRAMM as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska.

Mr. STEVENS. Mr. President, I did send a letter out to Members of the Senate listing just for the 98th and 99th Congress a portion of the list of universities and colleges which have received specific appropriations without peer review.

This is the first time that the defense appropriations bill has included such a list. I think we should explain to the Senate that we had attempted to provide moneys both for the competitive research portion. I hope the Senator who is offering the amendment will be fair with this. We added in the Senate committee $100 million for the university research initiative, which is the peer review process. In

conference, that was reduced to $75 million.

We also added the funds for the nonpeer review universities. Our objective was to increase the percentage of funds for research that is done at the university level.

We now have over 70 percent of this research done in industry, 22.8 percent is done Government in-house, and 2.2 percent under Federal contract. The universities of the country do 3.7 percent.

They only do 3.7 percent this year because of our initiative. We added, as I said, $100 million for the peer review process; we added some $80 million for the nonpeer review process.

That has maintained, by virtue of that balanced action, a level of 3.7 percent of all the money spent for research by the universities.

There were Senators, and I hope they would come here, who argued that we cannot put the full review in the peer review process because peer review favors a few universities. The peer review universities are selected from those outstanding in certain research and they are inclined to give money to the same institutions.

We had a selection process that tried to recognize the need particularly in the computer area. Most of our money in the nonpeer review goes to computer concepts of research. This is basic research and this is our one real need in our country, to forge ahead in our area of real lead technology, computers, and the use of computers related to defense.

I do not question the Senator's motives in saying do not approve this money. But I say to the Senate if you do not, you are going to deny the money for university research. You may not like the way we did it, and there has been objections.

We indicated, incidentally, if the Senator reads what we have said, that we will not use the appropriations bill to provide money for the universities on a nonpeer basis. We will only do it if it is authorized by law.

In other words, I say to my friends on the authorization committee, they have asked for additional responsibility, and we have said to the university lobbyists, "Go to the authorization committee next time and get your nonpeer review authorization and if you do we will fund it."

We have not said we will not provide money for universities on a nonpeer review basis. We have said to get it authorized.

I think that is fair because, basically, the initiative that we tried to fund was, in fact, started by the authorization committee. It is a good initiative. As I said, it is the DOD-university initiative concept. Had the conference listened to our subcommittee there would have been $100 million put in that. It ends up at $75 million for the peer review universities; $80 million for the nonpeer review universities.

I hope you will read that list, those Members who have not yet endorsed this amendment. I would hope that you would not agree to this amendment.

I happen to believe that the universities are the source, really, of our future greats in this area, and we should move as much money as we can into that area.

Because I did participate in this move, I called your attention to the fact that there is no money for any university in Alaska in this list because I did not want to be accused of trying to bring home some bacon in connection with this. I have never put money into a university in Alaska in this kind of research because of that problem. Some of my university friends in Alaska do not quite like that, but I think they are qualified to get their money in peer review, Mr. President, and they have in the past gotten their money in the area of peer review in the area where we excel.

At least 24 States got money last year through the nonpeer review process. Twenty States got money through the nonpeer review process without regard to this bill this year.

If we are going to be fair and establish a new rule for the future, I am willing to do that. I would hope the Senate understands the fairness of this, though.

Just in case you have not read the list, let me read the list to you for the 98th Congress, and these are colleges not from the Defense Subcommittee. In other bills, these colleges and universities have been given nonpeer review moneys.

Baylor, Boston College, Boston University, California South University, Catholic University, the College of American Samoa, the College of Micronesia, Columbia University, Florida State University, Gallaudet, Hampshire College, Iowa University, Iowa State, Massachusetts Institute of Technology, Mississippi State, New York University, North Dakota State, Oregon Health Sciences, Oregon State, Pennsylvania State, Purdue University, St. Paul Vocational Technical Institute, Seattle Community Central College, State University of New York, Texas Tech, Tufts, University of California at Davis, University of California at Los Angeles, University of Connecticut, University of the District of Columbia, University of Hawaii, University of Missouri, University of New Hampshire, University of New York, University of Oregon, University of Rochester, and West Virginia University.

□ 2340

Mr. President, none of that money came from the bill I managed. None of that money came from the Defense Subcommittee. Yet it is money that went to those colleges. The complaint that is being made on the floor tonight is do not use defense research money for nonpeer-review colleges. These lists were prepared, by the way, by the Congressional Research Service. That nondefense research money has liberally been spread around on a nonpeer-review basis in the colleges and universities of the country without complaint on the floor of the Senate, to my knowledge. Now we are hearing complaints about defense money being given on a nonpeer-review basis. Now we hear that these colleges got it on a nonpeer-review basis from other bills.

My point is if we are to be fair, we will set a new policy for the future. These moneys were agreed to last year. They were agreed to in the conference report with the House on the basis of Members who were brought into the various conference committees who said they wanted to participate in this kind of defense research. I happen to believe it is very important to those of us who support the defense concepts and have the duty to try to maintain the defenses of this country to have university and college support—not just the limited few, Mr. President. I hope those who came and urged us to have a balanced approach between peer review and nonpeer review will stand up and support this.

In any event, those of you who have already gotten money in other processes on a non-peer-review basis, I ask you in fairness why should we not use a nonpeer-review basis for defense research money?

In closing, let me point out that the Secretary of Defense did oppose the use of this money on a nonpeer-review basis, but he said this in his statement:

> . . . should the Congress retain these funds, then consideration should be given to including all 10 universities for which funds were so proposed during the congressional markup of the fiscal year 1986 budget.

The total value at that time was $66 million when we were marking that up.

I do believe that we have a balanced program. We have agreed we will rely upon the authorization process from now on and we have committed and I think the chairman of our committee has agreed to that concept, that we will not initiate nonpeer-review moneys that are not authorized, but we will fund to the extent we can those nonpeer-review universities that are in fact authorized by the authorization committee to receive moneys from the defense account to continue vital research for this country.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I commend the Senator from Missouri

for this amendment, I am one of 21 cosponsors. I know the hour is late.

I support the Danforth amendment to strike Appropriations Committee language which earmarks $80.6 million in DOD research funds for 10 university projects. I am pleased to be among the cosponsors to this amendment.

Mr. President, I believe that the Appropriations Committee's proposal to earmark $80.6 million is bad public policy. We should not bypass the traditional competitive merit-based procedures which DOD uses to allocate its research funds to universities.

Today this Nation faces challenges on many fronts, challenges which require a vibrant university research base. As President Truman noted in September 1945 at the end of World War II:

> No one nation can maintain a position of leadership in the world today unless it develops to the full its scientific and technological resources. No government adequately meets its responsibilities unless it generously and intelligently supports and encourages the work of science in university, industry, and its own laboratories.

Those words are as true today as they were in 1945.

Since World War II we have in this Nation built a university research establishment which is the envy of the rest of the world. Its contributions to science and technology are unmatched. It is a triumph of our public policy that we have made excellence the primary criterion for allocating funds to university research projects. To a remarkable degree, the Congress has exercised self-restraint and allowed decisions about research funding to be driven by quality, as judged by qualified professionals, rather than by constituency interest. The proof of that policy is in its success in this tremendous research enterprise that we have today in our universities, and it is a success in which the Congress can take real pride.

But we stand today in serious danger of giving all of that away. If decisions about who shall do research and where it shall be done are made by the Congress with almost complete indifference to the relative quality of the research work, we will be well on the road to mediocrity, at best, in our research enterprise. We are being asked by the Appropriations Committee to fund 10 universities at a total level of $80,600,000. Those 10 universities in 1948 received a total of $15,459,000 from the Defense Department to carry out research efforts. I ask unanimous consent that a table listing the actual 1984 Defense Department funding for these universities and the funding proposed in the supplemental be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DOD FUNDING FOR UNIVERSITY RESEARCH CENTERS

[In thousands of dollars]

University	1984 actual	Proposed in 1986 supplemental
Iowa State	$146	$6,500
Nevada, Las Vegas		3,500
Wichita State		5,000
University of Kansas	877	2,000
Northeastern	2,200	13,500
Oregon Graduate Center	7,591	1,000
Oklahoma State	2,877	1,000
Syracuse	405	12,000
Rochester Institue of Technology	310	11,100
Arizona State	1,053	25,000
Total (10 projects)	15,459	80,600
Total (excluding Oregon and Oklahoma State)	4,991	78,600

Mr, BINGAMAN. In 8 of the 10 cases, Mr. President, the set-aside proposed for the university is much larger than the amount that the university would otherwise receive from the Defense Department. In two cases, the Oregon Graduate Center and Oklahoma State University, the normal funds received from the Defense Department to carry on research work are much larger than the proposed set-aside. Those two universities do not need this provision to get the funds they need to carry on their research efforts. But the other eight clearly do. They are asking for over 15 times as much money as they actually received from the Defense Department in 1984. If the Secretary of Defense is forced to fund those projects, then that means almost $80 million will not be available for other more meritorious projects which better meet the Defense Department's long-term needs.

The Secretary of Defense has made it very clear that he does not support the log-rolling approach dividing up DOD research funds. In a letter that he sent to seven Senators on May 7, the Secretary stated that "the earmarking of research funds for specific universities, without merit competition, establishes a precedent that could jeopardize the preeminence" of our Nation's universities. He urged that he be allowed to use a competitive process to select projects to be funded, a competitive process which accounts for "all relevant considerations with particular emphasis on the research needs of the Department and the technical merit of the research proposed." We should allow the Secretary of Defense to choose the projects that his professional staff believes best meet his Department's needs.

Mr. President, our universities today are facing growing requirements for equipment and facility modernization. Last week, a White House Science Council Panel on the health of U.S. colleges and universities, chaired by David Packard, released a report which called for a substantial increase in support for university facilities and equipment. The report highlighted the role that university-based research plays not only for our national security, but also for our international economic competitiveness and our health and welfare. The report urged that we restore a better balance between university-based basic research and more near-term oriented research projects.

The report placed particular emphasis on the problem of restoring our university infrastructure. The panel recommended the establishment of a facilities fund within the National Science Foundation for the next 10 years. But the Packard Panel emphasized the need to maintain excellence in the allocation of these facilities funds. Let me quote from the report:

> In order to encourage excellence, we recommend that awards from this fund should be made only on a 50–50 matching basis with non-Federal funding and that all proposals submitted to the fund be subjected to peer review within the scientific or technological community involved.

The report recommends that $500 million a year be placed in this facilities fund by the Federal Government.

Obviously, taking up the recommendations of the Packard Panel is going to be very difficult in these times of fiscal stringency. But whatever the level of funds we allow to university research, we need to heed their prescription for the allocation of those funds. The Packard Panel is pointing to the right way to maintain excellence in our universities. The Urgent Supplemental is pointing the way to mediocrity, at best. A log-rolling approach cannot solve our university infrastructure problem.

Mr. President, today, I believe that we face a crossroads. Over the past few years, we have at an accelerating pace been moving toward a log-rolling or pork-barrel approach in the allocation of research funds. I believe that this practice has already damaged the conduct of scientific research, and will ultimately damage the overall scientific and technical capabilities of the Nation. It should be stopped.

In summary, let me tell the bad results which I see coming from the pork-barrel process for awarding Federal funds to universities. First, scarce resources are diverted from higher priority university projects. Second, colleges are encouraged to become more involved in political strategies for obtaining funds than in developing the most competitive new scientific proposals. Scientists who have developed truly meritorious new proposals quickly learn that they have been politically outmaneuvered, and must divert their energies to political gamesmanship to obtain needed funds. We are risking the prospect that our scientists and engineers will become increasingly cynical and disillusioned with the log-rolling process which does not consider academic excellence and merit as its principal criteria in the allocation of funds.

We have heard an almost unanimous voice from the scientific community in

opposition to the log-rolling approach. We have heard from the National Academy of Sciences, the American Physical Society, the National Association of State Universities and Land Grant Colleges, the Association of American Universities, the American Association for the Advancement of Science and numerous individual university presidents. We have also heard from the Defense Department and other executive agencies in opposition to this approach.

Even the Appropriations Committee appears to have heard these voices of opposition to the approach it is taking on these 10 university projects. In its report on the supplemental appropriations bill before us today, the committee states that:

> It does not intend to consider or approve any future requests for specific universities or research institutions for projects that are noncompetitive and do not comply with legal requirements for merit reviews and competitive contracting. Nor is it the committee's intention to consider or approve future requests to fund construction of related facilities for such projects. The committee will not consider any future requests to earmark DoD research and development funds for specific research projects that have not gone through competitive, merit review processes without specific authorization.

But unfortunately, you turn the next page in the committee's report and there you find the committee recommending $25 million for a Science and Engineering Center at Arizona State University, again without this project being subjected to competitive, merit-based contracting procedures. So it looks to me like the committee is admitting that it is using a flawed process in the allocation of these research funds and saying that it will not do it again, except for the nine previous projects and the one new project at Arizona State. But if this is the wrong process to use in the future, why is it not the wrong process to use today?

Mr. President, to conclude, I urge my colleagues to side today with allowing the Secretary of Defense to utilize competitive, merit-based procedures for the allocation of DOD university research funds. That is the prescription for excellence in our research enterprise. It is a zero-sum game that we are playing here today. In earmarking disproportionate funding for these universities, funding well above what 8 of the 10 institutions involved in the set-asides have historically received from the Defense Department, we will be taking funds from other institutions which would have received them as the result of competitive, merit-based processes.

Let us stop the logrolling in this area before it goes too far. I believe $80.6 million is too far by any reasonable standard. Let us not abandon today the policies and practices that we have used in the 40 years since the end of World War II to build and sustain a capacity for basic research in our universities that for its size and quality is the envy of the world.

There are a couple of points I wish to make. The first point I want to make is that the issue before us is not whether this $86.6 million is to be available for research in universities. The issue is whether we are going to allow the Secretary of Defense to use competitive merit-based procedures to allocate this DOD university research money. I think, clearly, the money should be used for research, but I am persuaded that the best use of the money is under a merit-based system of choice.

Mr. President, I believe those words I quoted earlier are as true today as they were when President Truman spoke them. I believe if we continue with the kind of pork-barrel allocation research funds represented in the bill as it now stands, we will be well on the road to mediocrity in our research enterprise.

I yield the floor, Mr. President.

Mr. SASSER. Mr. President, I am pleased to cosponsor this amendment offered by the distinguished Senator from Missouri and a multitude of other of my colleagues. I think the amendment that we are considering this evening will put an end to a really unfortunate precedent that would be set by this bill if it were allowed to pass unamended. What we are witnessing, I think, is the effort by some universities in some States to gain financial advantage at the expense of universities in other States.

When most of us think about pork barrel, we think of dam projects and highways. But university pork is just as much pork as public works is pork in some instances.

I am not saying that perhaps some of these projects are not worthy. Perhaps some of them are; perhaps all of them are. But if they are, let us allow them to be subjected to the same peer review as projects from other States.

I suspect, as a member of the Appropriations Committee and of the Defense Subcommittee of that committee, that I could be successful in securing funding for university defense projects in Tennessee just as some of our colleagues have done for universities in their States.

But I chose not to. And the universities in my State concur and support that judgment. They support the peer-review process because they think it is good public policy, it is good educational policy, it is good scientific research policy.

Frankly, when I heard about the effort being made by some of my colleagues to secure university defense research for universities in their States by going around the regular peer-review process, I took it upon myself to call the universities in Tennessee and I asked them if there were projects they wanted funded in similar ways.

But every university I discussed this with in my State said absolutely not.

Now, some of these universities are in competition in the defense university research program. But instead of seeking political advantage through their elected representatives they told me they preferred that their projects to be judged on their merits.

Now, Mr. President, this really goes to the heart of this issue.

Are we going to judge these projects on their merits, using a peer-review process, or are we going to judge them politically? Are they going to be awarded on the basis of which Senators sit on the Appropriations Committee and which do not? I say that as a member of the Appropriations Committee.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. SASSER. I shall certainly yield.

Mr. LONG. I am sort of in the dark in this matter. When did we agree that the peers would cut the melon or decide who gets this money? I have been around here for a while. I do not recall that I ever agreed to that.

Mr. SASSER. I say to my friend from Louisiana that I am not entirely sure we ever agreed 100 percent to cutting up the melon, as he phrases it. But I think that is the whole thrust of this argument.

It is not a process of cutting up a melon, it is a process of having these awards made by a particular process judged by those who are skilled in these matters and those with a proper scientific background to make a judgment.

□ 2350

Mr. DANFORTH. Mr. President, if the Senator will yield, the answer to that question is we decided that in the Deficit Reduction Act of 1984, where we provided a competitive procedure process for Government grants.

One of the specific provisions that we placed in the statute at that time was that:

> The competitive selection for award of basic research proposals resulting from a general solicitation and the peer review or scientific review (as appropriate) of such proposals.

constituted competitive procedures which we stated was the policy of the Government that we wanted to put in place. We have taken a clear position in Congress in favor of a competitive rather than just "who can get to the Appropriations Committee first" standard. Also, as Senator STEVENS pointed out and as I tried to point out, in the committee report on this bill there is a specific reference to the fact that we do not want to do this again.

We recognized that apparently it is wrong and we do not want to do it and will never to do it again but we have done it in this bill.

Mr. SASSER. Mr. President, clearly the fact that we state in this bill that we will do it this one time and we do not do it again, we will not do it again, I think is some indication there are reservations on the part of many Senators that this is not good policy even though they may be getting the funds for universities in their State on this one particular occasion. I submit that this will be habit forming. Once we find we can go around this peer-review process and once we can secure funds for defense research projects in our State through the Appropriations Committee, then we just might as well throw the whole peer-review process out. That will be the end result and this problem will not be before us.

Mr. LONG. Will the Senator yield?

Mr. SASSER. I yield to the Senator from Louisiana.

Mr. LONG. Am I to understand that this is a situation, which is certainly without my knowledge, where Congress said that we are not going to have any say about who gets this money; are we going to have some peers decide who gets the money? Is that what is involved here?

Mr. SASSER. I say to the Senator from Louisiana that the Congress set up the procedure whereby these funds were to be awarded. It was provided by statute by Congress. What we are seeking to do now in this one isolated incident is to go around the process that we have set up, the competitive award process, reviewed by peers, and award it in a different fashion. If you wanted to be unkind, you could say you are awarding it through the appropriations process, perhaps based as much on political consideration as other considerations.

Mr. D'AMATO. Will the Senator yield for a question?

Mr. HARKIN. Will the Senator yield?

Mr. SASSER. No; I am going to finish my statement, but then I will yield the floor.

The universities themselves should persuade their colleagues to cease asking Senators to grant special help in securing funding that could not be secured through the regular peer-review process. I know, as I said earlier, that the chairman of the subcommittee says that this is the only time we are going to do it; that it will come to an end after we do it this one more time. But I submit, gentlemen, that if we do it this once, it will be habit forming; we will be back again and again and again and we might as well just reject, throw out the whole peer-review process. I yield the floor.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the chairman of the Defense Subcommittee, the distinguished Senator from Alaska, said our amendment would cut out the $80.6 million research funding. That is not true. The earmarking of $80.6 million comes out of already appropriated funds. Our amendment leaves every dollar of that $80.6 million available to the Pentagon and the university community. It simply permits the Department of Defense to award the money through open competition. None of these $80.6 million in awards have been authorized. None have been awarded competitively. None have had the normal scientific review panel of experts to determine if the receiving institution is the best from the point of scientific quality.

Mr. President, the great credit in this amendment is that a cosponsor of the amendment is Senator GOLDWATER, who is not only chairman of the Armed Services Committee but is also a Senator from Arizona, which receives by far the biggest award. He recognizes that even though his Arizona State University would receive it, it should be done on a competitive basis, a professionally determined competitive basis, not on the basis of political pressure.

Now, Mr. President, the Secretary of Defense in a letter to various Senators has said:

> The conferees' earmarking of research funds for specific universities, without merit competition, establishes a precedent that could jeopardize our preeminence.

The Secretary goes on to say that our universities are essential to our Nation's future and critical to the development of future defense systems.

We are now beginning to jeopardize that future, jeopardize our national security by allowing the competitive process to be voided.

Now, Mr. President, how many times have we voted on this floor for competition for defense dollars? Ten times? Twenty times? And today we are going to dismiss all those votes, all that pious language, all that concern and vote to forget competition, forget competitive awards but instead substitute political will. I hope not, Mr. President.

For a number of years the Congress has generally followed a policy of procuring scientific research from universities and corporations based on competition. The Congress has secured the services of professional experts to administer and judge the competition. With few exceptions this policy has served the country well. How do we know this competition and professional review has succeeded? The answer is in the results. A few months ago the Under Secretary of Defense for Research reported to the Congress that in the 20 most important areas of military technology, the United States leads the Soviet Union in 14. The two super powers were tied in six. So the Soviets lead in how many? Exactly none. Since the Defense Department is the prime user of this research, this excellent showing for American technology versus Soviet technology is particularly pertinent.

The professional competition system has worked well, but what happens if we abandon it? What could we expect if we rely on the kind of selection of scientific research represented by the projects for 10 universities included by the committee in the supplemental appropriation bill. Talk about an old boys' network. The old boys on the Senate and House Appropriations Committees and their special friends in the Congress would have a field day. There are few nicer things that a Senator can do for a colleague than hammer through the committee a multimillion dollar project for his friend's State when the friend is running for election in a few months. Without professionally supervised competition who determines which universities in which States get scientific research projects? Answer: the determination of projects is made in committee and on the floor. What is wrong with that? Committee members, especially majority committee members and particularly senior committee members have an initial advantage.

Now, Mr. President, this Senator has served for more than 25 years on the Appropriations Committee. I have yet to hear a single specific example of even one scientific research contract that has been unfairly awarded by this long-established and highly successful professional competition. Oh sure, there is a great deal of muttering and rhetoric against this professional competition that has given this country's national security such a critical advantage over our prime adversary, but not one shred of evidence that it has not worked and worked well. And oh how easy it would be for a Senator to secure such evidence, if there were any. All he or she would have to do is to request the General Accounting Office to review any of the hundreds of contracts awarded by this professional competition over the years and come up with just one or two that were unfair or biased. None of the Senators attacking this system have ever done this. If the system is rigged or unfair, let them prove it. They have not.

□ 2400

States represented by the Senate and House leadership can be expected to do particularly well. And, of course, regardless of committee membership or majority or minority status, or seniority, the member who is aggressive, persistent, returns favors by giving his

colleagues a special break for their State—that kind of Senator or Congressman will do well.

On many controversial issues, you can find scientists speaking on many sides of an issue. There never is total agreement on a controversial issue. But on the issue before us today, there is universal agreement in the scientific community. The Defense Department opposes these earmarkings. The Association of American Universities opposes these earmarkings. The National Association of State Universities and Land Grant Colleges opposes these earmarkings. The National Academy of Sciences—perhaps the most prestigious scientific body in the world—opposes these earmarkings.

Now let us put this issue in perspective. When it comes to research grants $80.6 million is a lot of money. This $80.6 million will go to 10 universities who did not compete fairly for this money. They will not get the grant the old fashioned way—they will not earn it. They will have it handed to them.

And this means that perhaps 10 other universities will not get grants even though they deserve them—even though they would have won out on competitive grounds, even though they would have made better use of the money.

Who is going to lose out so these 10 universities can win? I can tell you. Universities in Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Montana, Missouri, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. All losers.

Every one of these States has universities or colleges qualified to bid competitively for these awards. But the door will be shut to 42 States because a few have taken advantage of the political process.

[The following proceedings occurred after midnight:]

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I oppose the amendment offered by the Senator from Missouri.

I think there is a fundamental flaw here that a lot of Members do not understand.

First, let me say up front that there is no question that the State of Arizona is a big beneficiary for the first time; and if it is the last time, that is fine. But to cut this out merely because of an argument that one State happened to get in, does not make any sense. That is why we are here opposing this amendment—because States do not get in.

Take a look at this. This map indicates what States get in. Over 50 percent of the Federal research money goes to 16 States every year. Where are the other States?

We have a right to compete. We cannot compete. I am proud of my Arizona State University and the science and engineering technology center they have proposed, but they have done it without any Federal help so far because it all goes to the elite eastern or California high tech schools. It is time we call a stop to that. We are talking about peer review. Well, let us make peer review equitable, not just of the elite.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield.

Mr. LONG. The way it was explained to me by someone from my part of the country is that to get the money by this peer review, it helps to be a peer, one of the group.

Mr. DECONCINI. That is right.

Mr. LONG. The question then is, how do you get to be one of the peers? The answer is, you do not. You just stay where you are.

I do not know of anything in here for Louisiana, and I am not talking about taking anything for Louisiana. But if Louisiana is going to get something, I would rather depend on my colleague on the Appropriations Committee than on one of those peers.

I know a little about universities; I have a couple of college degrees. I know something about college professors; I have had something to do with them. From what I know about them, they have their brand of politics, just as we have ours; and they have their old-boy network, just as we have our old-boy network.

The armed services have their old-boy network. You had better be careful if you try to help some soldier who gets in trouble. You have to be careful how you help that guy, if you do at all, because they have their brand of politics. When somebody goes outside their brand of politics, he has made the mistake of his life. If a serviceman goes to talk to his Senator, the Senator should know how to do it. It should fit the military establishment's way of doing things.

I was not aware that Congress had taken itself out of this. I understand that we did fix this thing so that they can have this competition and suggest how the money should be split, and Congress has pretty well respected that procedure. But my understanding of this—what little I know about it—is that when we gave these peers the right to recommend, we did not say Congress was not going to have something to say about it. We still left Congress the right to do what the Senator is trying to do for his State—that is, to plead his case and hope Congress might be willing to recognize the merit of the case and vote for it.

To say that Congress had taken itself out of it came as news to me.

Now I understand why Louisiana has been getting so little. I did not know about it.

It seems to me that while it is nice to have whatever peer review they want, to say Congress would not have the opportunity to hear the plea of any Member of this body and to review what the peers are doing, to say that is fine but here is something that ought to be added to the list—to say we surrendered, that comes as news to this Senator. Apparently, we did not completely surrender. Otherwise, the Senator would have been ruled out of order. He had a right to offer the amendment. Is that correct?

Mr. DECONCINI. That is correct. I did not offer the amendment. The Senator from Alaska, the chairman of the Defense Subcommittee, did as part of his recommendations to the committee.

This is in the bill for good, sound reasons. I am more than happy to debate anybody who thinks Arizona State University does not have the capability.

The Senator from Louisiana is right: The universities in Louisiana will not have a chance because they are not part of the peer group.

Mr. LONG. A man who is regarded as one of the ablest and smartest Senators is Robert S. Kerr of Oklahoma. I learned from him, as others did who served with him. He used to say, among other things, that he was against any combine he was not in on.

I say to the Senator that if he is in on this combine, perhaps he should stand by it. But if he comes from a State that is not getting any benefit out of this thing, I suggest that he vote to respect the precedent; and the Senate, if it wants to, can add somebody to that list; because, based on what I hear, this thing has its own old-boy aspects. Those universities getting the money have a habit of continuing to get the money, and those who have not been getting the money seem to have a way of continuing not to get money.

Mr. DECONCINI. That is exactly the problem. That is what we are really going to talk about here—the peer review system.

One look at the universities that received the research money shows beyond a shadow of a doubt that unless your university is on the east or west coast, you are picking up the crumbs, if anything, of any Federal research dollars.

The map I just showed indicating R&D funding, looks as though the heartland of America, from Iowa down

to Louisiana and westward to the Arizona-Nevada western border, has been virtually shut off. That is what has happened.

No one can tell me that the northeastern universities, the elite schools, has cornered the market on research and development. They are good schools, but they also control the peer review. No one can convince me that Iowa, Arizona, Louisiana, the Dakotas, and many more cannot be part of this process. I do not know how else to get them in as part of this process.

I would be willing to legislate a peer group that was chosen from a hat, and I would throw my State into the hat, but that is not practical. I would be glad to take my chances there.

This is a set up to cut the deal before Louisiana, Arizona, or any other State can get an opportunity to get in.

No one can tell the Senators representing the great Southern universities that unless their university is located north of the Mason-Dixon line, they cannot compete with the schools in Massachusetts and other Northeastern States. No one is going to stand here and take that. Sure, they have their self-perpetuating peer groups, so it is comfortable. So why let anybody else in? When you think about it, is that what we are to do here? I do not think so.

□ 0010

Data compiled by the National Science Foundation in January of this year shows that in fiscal 1984, the last full year of available data, 50 percent of all Federal research and development funding was put into the hands of 16 Eastern and west coast universities, 50 percent.

That amounted to $4,173 million in fiscal year 1984, spread out over 16 universities.

I do not have to tell you how many fine universities there are in this country.

Another $550 million was put in the hands of four Midwestern universities with the University of Wisconsin receiving nearly $100 million in Federal R&D.

Mr. LONG. Will the Senator say what university it was received how much of that?

Mr. DECONCINI. The University of Wisconsin receiving nearly 100 million in R&D.

Mr. LONG. I am glad Senator PROXMIRE's State is not left out.

Mr. DECONCINI. I am glad the Senator from Louisiana asked me to stress that.

Mr. LONG. He cannot understand what the problem is.

Mr. DECONCINI. The Senator knows what the problem is like I do.

The fact is someone at Wisconsin University is probably on this peer group. I cannot tell you who it is, but I bet you if we got the peer groups up that would be the case.

The University of Wisconsin was ninth among all universities in receipt of National Science Foundation funding and that is not to degrade that university. It is a great university and it ought to have research funding. But I think the Arizona State University and others——

Mr. PROXMIRE. Mr. President, will the Senator yield since he mentioned my State?

Mr. DECONCINI. I yield without losing my right to the floor.

Mr. PROXMIRE. The fact is the University of Wisconsin has won every single one of those awards on the basis of competition, professionally administered competition.

What is wrong with that?

Mr. DECONCINI. If the Senator is finished, I am not opposed to the competition. It is the peer group that awarded it. I would like to see Arizona University or LSU of some others have someone on the peer group and a chance to compete. If they cannot compete, fine.

Mr. PROXMIRE. All the peer group does is determine who is qualified for competition. That is all. You have to have someone do that. You have to have the outstanding scientists and the best universities do that.

Mr. DECONCINI. My question is, Why should the peer group be controlled by these universities?

Mr. HARKIN. Mr. President, will the Senator yield?

Mr. DECONCINI. No. I am going to finish and then yield the floor.

Also, Mr. President, my colleagues should not lose sight of the fact that some of our most critical national laboratories and research centers have budgets totaling hundreds of millions of dollars that are not subject to peer review scrutiny.

Let me give you just a few of those with their fiscal year 1984 estimated budgets. The University of California Lawrence Laboratories, $690 million; the University of California, Los Alamos Scientific Lab, $424 million; Cal Tech Jet Propulsion Lab, $554 million; Stanford Linear Accelerator Laboratory, $117 million; MIT Lincoln Laboratory, $255 million; Princeton Plasma Physics Laboratory, $132 million; and Brookhaven National Laboratory, $173 million.

I feel like a real piker here tonight because I am asking for $25 million to be considered to go for research study and development for a center at Arizona State University.

I do not know why it ought not to have a chance when it cannot get on the peer group. I would settle for that.

If someone wants to offer a substitute amendment to the Senator from Missouri's permitting every State to be on the peer group, particularly my State, I may consider that in lieu of trying to fight for what I think is right and what I think is wrong with this process.

Mr. President, by earmarking funds for certain national research centers in this bill, Congress is saying that there are other universities that can make a contribution to our national defense and national research effort. Nothing more, nothing less.

It is high time that we unleash the tremendous research and development potential of the University of Arizona and Arizona State University and literally hundreds of other universities that ought to qualify, whether they be Wichita State in Kansas, Oklahoma State University, Rochester Institute of Technology, Iowa State University, the University of Nevada, or dozens and dozens of others.

Finally, Mr. President, the sponsors of the amendment will refer to these research projects as somehow being "pork barrel" or "ornaments on a congressional Christmas tree." Frankly, I resent that because that is not the case.

This money will be spent on good research if it is spent in Iowa or Kentucky or Illinois or Indiana, or wherever.

But why should we not have an opportunity? The Federal research is not something sinister. It is not a rip-off of the taxpayer.

It is easy to say for those States who are already hooked on this peer review life support system that feeds them annually with hundreds of millions of dollars of research. It is easy to say for those who historically have been a member of that prestigious peer merry-go-round that consistently pumps millions of dollars into these universities. "Forget it, guys, we want to compete. We want the competition process because we control it."

I think time has come that we defeat this amendment offered by the Senator from Missouri and that we stand with the Appropriations Committee bill.

Mr. President, I ask unanimous consent that a May 30 article in the Wall Street Journal on the importance of gallium arsenide microchip technology be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILITARY NEEDS RENEW INTEREST IN GALLIUM-ARSENIDE MICROCHIP

(By Eileen White)

The demands of electronic warfare-tracking, jamming and communications systems that will form the brains of the next generation of weapons systems—are powering a Pentagon search for smarter and faster computer chips.

The search has stirred renewed interest in gallium arsenide, a compound that 10 years ago showed bright promise as a basis for computer chips. That notion was generally abandoned because a market for the chips

failed to materialize. But the Pentagon could change all that because gallium arsenide is said to be uniquely suited to its new military electronics systems. With the Defense Department planning to assume some of the development risk through research-and-development grants, gallium arsenide is becoming a "hot area" in defense electronics, says Fred Alexander, general manager of the electronics and technology division of TRW Corp.

The expected uses range from "smart" missiles that would be self-guided by tiny microprocessors to satellites that would provide ship-to-space communications for aircraft carriers. The Air Force's Stealth bomber and advanced tactical jet fighter are being designed with a host of sensor, guidance and communications systems that must be integrated in compact on-board computers.

Such systems must receive and process communications signals from different sources at breakneck speed. That requires chips that perform analog, or sound wave, functions and quickly convert them to digital signals for data processing. They must operate at the microwave and millimeter wave frequencies, the upper end of the FM sound spectrum, where it is possible to achieve transmission with greater resistance to interception and jamming than is now possible.

Computer chips that meet all these needs aren't available commercially. Chip makers continually are developing faster silicon chips, but silicon isn't capable of processing as quickly as the new military systems demand. Moreover, silicon chips aren't currently capable of analog processing, and they deteriorate in the high-radiation environment that exists during electronic warfare.

Electronics companies have spent several years on plodding research into the properties of gallium-arsenide chips, which carry analog signals well. The compound processes electronic signals at about five times the rate of silicon with twice silicon's resistance to radiation. However, it is difficult to work with, yielding only about 8% to 18% useful chips per production batch, compared with 70% for silicon. That has helped push the chips' unit cost to about $200, compared with about 70 cents for silicon.

At such a price, the few commercial products already developed with gallium-arsenide chips—mainly satellite receivers and sound amplifiers—haven't found a wide market. And even the military has been slow to find uses for gallium-arsenide chips because of a lack of reliable development and test information.

The lagging industry participation has prompted the Pentagon to take the lead with a $135 million program to develop useable gallium-arsenide chips beginning next year. The program is known as Mimic, for microwave/millimeter wave monolithic integrated circuit, the technical name for a gallium-arsenide chip. At least 23 companies, including General Electric Co., Honeywell Inc. and Westinghouse Electric Corp. are expected to vie for funds.

Because one criterion is company-funded investment, numerous companies have already constructed facilities to make and test the chips. Avantek Inc., Santa Clara, Calif., and Sanders Associates Inc., Nashua, N.H., recently spent $30 million and $20 million, respectively, on gallium-arsenide "foundries."

Besides an interest in selling to the defense electronics market, the companies hope the Pentagon money will spur the lagging U.S. commercial market for Mimics. Japanese electronics companies are said to be investing heavily in gallium-arsenide research, mainly because its speed allows advances in parallel processing that are central to new generations of supercomputers.

Hughes Aircraft Co., which has spent about $50 million on Mimic research, says its expected participation in the Pentagon program should allow it to see a return on its investment in three or four years. Otherwise, "it would be 12 or 14 years before we'd get a return on our investment," says Eugene H. Gregory, a Hughes manager. Hughes' parent, General Motors Corp., has already asked for a study of whether millimeterwave radar could be used in automobiles, he notes.

The injection of federal money, which could rise to as much as $1 billion over the next 10 years, has prompted some rosy market projections. Henderson Electronic Market Forecast, Los Altos, Calif., says market demand for gallium-arsenide products will grow to $5 billion in 1996 from a current $240 million.

Similar forecasts a few years ago were miserably off the mark. Now the military market—including the Strategic Defense Initiative office, which is sponsoring research in digital uses of gallium-arsenide chips—is expected to make the difference.

It was Pentagon money in 1979 that created a market for very high speed integrated circuits, which have since proven a huge commercial success. E. D. Maynard, who directed that program at the Pentagon and is in charge of the Mimic program, hopes for a repeat performance. "We'll make it possible for venture capital to take the result and run with it." he says.

Mr. WEICKER addressed the Chair.

Mr. STEVENS. Will the Secretary yield before he leaves the room?

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I am somewhat constrained to move to table this amendment. I think we have discussed it in rather great detail. I am not going to do that if it is going to offend anyone, but I have to say this, that the subject matter which we are referring to here today, in the main, has been entrusted to this Senator and his subcommittee both in terms of the universities, in terms of grants to the various centers, cancer centers, Alzheimer centers, various scientific endeavors, et cetera, which all falls under the aegis of the Subcommittee of Labor, Health and Human Services.

I and the other members of the subcommittee are well aware of our responsibilities and certainly 99 percent of what occurs under the peer review process. But to say that that does not allow the individual Senators to make a case for circumstances within their State, then there is not much point in having an Appropriations Committee or indeed to act as a U.S. Senator.

I am going to tell you right now, considering the status of priorities in this Nation, nothing delights me more than when every one of you interest yourself in a university or in a cancer center.

The priorities are so damn out of whack—I mean this fellow controls almost all the money in the budget for defense and it is hard to get anybody excited about the business of life, whether it is knowledge, science, or whatever.

The more that you do, the more that you interest yourself in these matters, the better it is for the whole budget.

I think you will all agree as you have made your requests, it is not going to be a pork barrel process at all. Invariably what we are talking about is helping the less fortunate. It is very little political reward for the type of matter that we are discussing here today.

So, without in any way denigrating the comments of those who propose the amendment, I also have to say I am very proud of both our profession and the work that it has done within that profession insofar as the U.S. Senate is concerned. There is nothing to apologize for.

Now, with those brief comments, I would hope that we could get on with the business of voting in terms of a tabling motion on the amendment, and certainly I do not want to foreclose anyone else from demanding that it is thoroughly covered.

Mr. HATFIELD. Mr. President, if the Senator will yield a moment, before he makes a motion, I just want to make a comment here. I plead with the Senate to delegate its basic authority and its responsibilities from time to time. The word "peer review" and all these other procedures that are used to reallocate money that we have appropriated for various and sundry programs, projects, and activities, designates the idea of a group or individual experts. They are going to make, then, the reallocation of the appropriation and those experts may have a different system of priorities, whether it is a peer review of an independent outside group or whether it is in agencies of our executive branch of Government.

If I had kept track, I would have imagined that every Member of this body has at one time or another approached the Appropriations Committee and asked us to put a higher priority on some particular problem, or project, or activity in their State overriding the experts, because we never have abdicated our ultimate responsibility to determine where those appropriations shall go, whether it is in the Defense Department, whether it is in the Education Department, or whatever, whether it was the Baltimore Harbor as an example, and this evening we took a $25 million earmarked from the Senator from Ohio to address an emergency flood situation in Ohio.

We circumvented the process because we exercised a legislative prerogative. Now you begin to abdicate in

one area the legislative prerogative to establish priorities or to establish earmarking, and we have set a precedent. And I would say, even the Senator from Missouri has approached me on occasions on other projects within that State, as every Senator has.

□ 0020

(Mr. COCHRAN assumed the chair.)

Mr. DANFORTH. If the Senator will yield, because he is referring to me, have I approached the Senator from Oregon on the basis of university research? Have I ever asked the Senator from Oregon to replace the judgment of professionals and experts as to where the highest quality of defense research is conducted? Have I ever suggested that politics and favoritism to the Senator from Missouri should replace the desires of the Department of Defense to spend its money wisely according to where research capability exists?

Mr. HATFIELD. If the Senator had been listening, I said the equivalent of "peer review" has its application in all the appropriations that we exercise; that agencies such as the Corps of Engineers has a certain set of priorities and projects, and we have replaced those projects on occasion. The Department of Education has certain systems of allocations and we have replaced those on occasion. Whether it is a lock or a dam or whether it is a flood or emergency, we have exercised the legislative prerogative of overturning a system of priorities and allocations. Therefore, I would say that this is something we ought to retain to ourselves to overcome any system that we set up or any procedure.

Mr. DANFORTH. Mr. President, if the Senator will yield just for one question.

Mr. WEICKER. Mr. President, I want to establish that I believe I have the floor. I yielded for a question to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. WEICKER. I am glad to yield for a question to the Senator from Missouri.

Mr. DANFORTH. I appreciate that. I just wonder if the Senator really believes that the decisions on the matters such as microelectronic engineering and supercomputers and semiconductor research are of the same quality as where a harbor should be located? I mean, is there any expertise in the U.S. Senate? Is there anything other than pure muscle that is brought to bear in the Senate to make decisions such as that? I suggest that it is a qualitatively different kind of situation.

Mr. HATFIELD. I will state to the Senator that we have done that, yes. We have in 1982, in the electric energy system storage section, the Senate Appropriations Committee recommended funding $2.9 million for continued development of the Wisconsin superconducting magnetic energy storage project. We have done many such projects.

Mr. WEICKER. Mr. President, at this juncture, unless there is a brief question I can respond to, I am prepared to move to table the amendment.

Mr. HARKIN. Will the Senator yield?

Mr. WEICKER. I am delighted to yield for a question from my good friend.

Mr. HARKIN. Or a statement.

Mr. WEICKER. For a question.

Mr. HARKIN. OK. I will ask the Senator a question.

I think the argument has been made by the distinguished Senator from Arizona and the Senator from Connecticut and the distinguished chairman of the Appropriations Committee have very succinctly wrapped this argument up. But I would be remiss if at least one point was not clarified as it relates to the question just raised by the Senator from Missouri for the proponents of the amendment.

The question is basically this: Is there or is there not a "peer review" process within the Department of Defense as it relates to these projects? We have two issues here. Everyone is talking about "peer review," but there is no "peer review" in the Department of Defense at all. The "peer review" applies to NSF and other projects.

This whole thing has been clouded up by arguments of "peer review." What we are talking about here is within the Department of Defense, and there is no "peer review" within the Department of Defense. There is only professional reviews—just as the distinguished chairman of the Appropriations Committee pointed out as there is in every other agency—professional reviews of where they ought to put it.

What we are saying here is that professional review is not a "peer review." These projects do not go out among a bunch of universities to decide which is best. It is done only within the confines of DOD. So do not be confused. We are not talking about a "peer review" process here.

I thank the Senator for yielding.

Mr. WEICKER. Does the Senator from New York have a question?

Mr. D'AMATO. Mr. President, I would like to ask my distinguished colleague from Connecticut if he has known of any "peer review" program as it relates to the funding of university construction and renovation. That is what we are talking about in this area. Because the fact of the matter is that until this year, 1986, there have been no funds whatsoever set aside for this. It is really a specious argument. Because if it was not a specious argument, as the Senator from Arizona has said, there are those who want to control. They are not even willing to let the universities develop a microelectronic engineering center. They could never even compete for those defense contracts and other contracts. So you have the Rochester Institute for $11 million to have a microelectronic engineering center that will provide 25 percent of this Nation's engineers. There is not one person who has ever addressed the merits of any of these programs.

It is a peer review. It comes under those great words "peer review."

The fact of the matter is there has not existed any peer review for construction and renovation. That is what we are talking about at these facilities.

Mr. EAGLETON. Mr. President, the question we face today, in one sense, is the same question we face so often. How are we going to fix it so the folks back home get more next year than they did this year? We can all recall debates over formula changes. Rarely a word was heard on how this or that change would improve the purposes of the program. Instead, the bottom line was, "How much more money is my State going to get?"

In recent years, we have developed a new art form for funneling money back home. We do it on an institution "specific" basis. Back in the halcyon days, we simply added money to this or that account in an appropriations bill and specified, through the committee report; that the additional money was for a particular institution. In virtually every instance that I recall, the additional funds were to be used to establish a new program or to build a new facility at a college or university.

Then budgets got tight. There was no longer the ability to add money to bills. So the game changed to "earmarking" amounts from a given account and directing in the statute itself that the funds go to a particular college or university. We started robbing a whole bunch of Peters to pay one or two Pauls. And the accounts that usually got tapped were research funds.

The provision in the committee bill before us now is becoming a classic case in point. This bill, this "Urgent Supplemental," makes $55.6 million available as grants to 10 separate good old States universities. I should add that the committee report states that this is the last time good old State university can come to the well. They do not "intend to consider or approve any future requests for specific universities or research institutions for projects that are noncompetitive and do not comply with legal requirements for merit reviews and competitive contracting."

Mr. President, laudable as the committee's stated intent may be, it is simply too late. We should never have gotten into the business of sidestepping the competitive system of research projects. What has always been bad public policy is growing worse public policy. We should not be about the business of deciding which projects in the National Institutes of Health or the National Science Foundation or the Defense Department are funded. We do not know enough to make those judgments. We are turning a competitive, peer-reviewed process into pure and simple politics. And that is just dead wrong.

I urge my colleagues to join with Senator DANFORTH in putting a stop to this practice now, not next month, nor next year. Let us turn the research program back to the experts who know, far better than we, which university will do the best job.

Mr. BENTSEN. Mr. President, I am pleased to join in cosponsoring this amendment to help restore competitiveness—at first in the award of defense research projects to universities and ultimately in American science and technology. I do not believe that I am overstating what is truly at stake in this matter.

The immediate issue in this bill is whether to legislate contract awards for university research programs for the Defense Department. But this is just one part of the bigger picture of how to strengthen our national R&D efforts.

Since defense R&D has been growing rapidly, it is understandable that universities ands scientists have turned their attention to the Pentagon as a source of vitally needed funds.

Unfortunately, some institutions have bypassed the normal process of competition, peer review, and selection based on merit.

In recent years, there has been a growing trend toward congressional earmarking of funds for home-State institutions. This year, in this bill, the pork barrel for science got too big.

This amendment is aimed at 11 projects in eight States costing a total of more than $80 million. Not one has been requested by the Defense Department. Not one has been authorized by Congress. And not one would be subject to the established procedures for scientific competition. In my book, those are three strikes against such projects.

The established, competitive process may not always be perfect. I am sure that bias or favoritism sometimes creeps in. And I certainly understand and share the desire of Senators to help their home-State universities get fair consideration for their research proposals. I recognize, however, that the ultimate decisions should be made on the basis of expertise rather than politics.

I am sure that each institution which has money earmarked for it in this bill has highly competent people who could use those funds productively. I am sure that the projects in question sound meritorious, that a case could be made for doing something like this somewhere. But I am also sure that 535 Members of Congress are a cumbersome and ill-equipped group to make such evaluations.

We tend to be more interested in where a project is than what it is. That is an important criterion for some Government programs, but not for basic scientific research.

Nor should the random luck of committee assignments determine the direction of such research contracts. If we want to get the most for our money, and the best out of our best people, we should promote politics-free R&D.

Mr. President, I am aware of the Appropriations Committee's report language promising not to "consider any future requests to earmark DOD research and development funds for specific research projects that have not gone through competitive, merit review processes without specific authorization." It so happens that this horse is still in the barn. There is still time to close the door on these noncompetitive earmarks by approving the pending amendment.

This issue is only a small part of a much bigger challenge—to strengthen American science and technology and thereby our economic competitiveness.

Last February, the White House Science Council's Panel on the Health of the U.S. Colleges and Universities completed its 4-year study and submitted its report through Chairman David Packard. That panel made the linkage explicit:

> The strength of the Nation in trade, defense, and health has been directly related to past investments in science and technology. Our future position in global markets will similarly depend on our willingness to respond to opportunity and to mobilize our strengths today. To this end, we must promote a broad interdisciplinary approach to problem-solving by focusing on university-based centers that will improve cooperative linkages between scientists, engineers, and industry.

The Packard panel recognized that research in universities is fundamental to our entire scientific and technological capabilities:

> An economy whose growth prospects depend upon maintaining a competitive edge in technology must look to an increasing—not decreasing—emphasis on the source of this technical talent.

Mr. President, I have long believed that research is the basis for technological innovation, and that innovation has given America unparalleled progress—creating jobs, advancing productivity, and prompting gains in real income. For comparatively small investments in R&D, we have obtained remarkable returns. Even narrowly focused governmental programs for defense and space have led to enormous benefits and advances for U.S. science and industry.

The industrial sector of our economy has recognized its long-term dependence on R&D by increasing its funding of such activities by over 6 percent per year in constant dollars for the past decade. Since 1980, in fact, business has spent more each year on R&D than the Government has.

Despite these encouraging signs, there are ominous trends. Federal Government investments in defense-related R&D have been climbing rapidly at more than 11 percent per year since 1980, but spending in nondefense applied research and development has been falling each year by nearly 12 percent. As a consequence, the nondefense share of Federal R&D has fallen by almost half, from 50 percent at the end of the 1970's to 28 percent this year.

Mr. President, America needs a strong and growing research effort for our national defense. But I am concerned that we may be neglecting other important areas, that our emphases may have become unbalanced. Both West Germany and Japan devote larger fractions of their GNP's to nondefense research than does the United States. We have to work to stay competitive with those nations, as well as the Russians.

If these trends continue, American science and technology may fall behind, first in one sector and then in another, perhaps for a whole generation. We must always take care to direct our R&D efforts wisely and with a long horizon. This is true even with defense R&D, where the budgets have been expanding. Our funds are still limited, so they must be spent where they will be most fruitful.

Approval of this amendment will signal our determination to reject pork barrel science so that we can pursue the highest quality research efforts that our Nation needs.

Mr. HEINZ. Mr. President, I would like to associate myself with the remarks of the sponsors of this amendment. The subject of the amendment is crucial not only to our national security, but to the future of rational management of Federal funding for research.

I am struck by the irony of the Congress in attempting to earmark research money for specific institutions without going through the standard competitive selection process. Just 2 weeks ago, this Senate, by an overwhelming vote, gave its approval to the most significant defense reorganization plan in decades. One of the core elements of that legislation is the reduction of congressional micromanagement. It was recognized that excessive

congressional involvement in funneling Defense Department money was one of the causes of the inefficiency and waste that have undermined much of the public consensus behind higher defense spending.

And yet here we have one of the worst examples in some time of the kind of congressional micromanagement that we have pledged ourselves to reduce. In fact, if you look at the Appropriations Committee report on the urgent supplemental, it is clear that the committee itself is aware of how its action in earmarking research funds violates all common sense. The report states that the committee will, and I quote, "not consider any future requests to earmark DOD research and development funds for specific research projects that have not gone through competitive, merit review processes without specific authorization." If you detect a guilty tone in that statement, you are on the mark.

The committee is saying, let us do it this one time, and we promise to never earmark research funds again. We should all be asking ourselves, why do it this once? If it is a bad idea for future research budgets, it is a bad idea for this one too.

Some of the best changes that have come along recently in defense procurement involve competitive contracting. Congress has pressed the Pentagon to compete everywhere it makes economic sense. Our main concern has been to drive down excessive prices. But when it comes to competition for scientific research funds, another factor, quality, is at sake. It is a giant step backward for out approach to defense budgeting to earmark funds in an area where competition is recognized as crucial in putting our money to the best possible use.

No one in this Chamber fails to help his or her State whenever possible. That is a central, and honorable, part of our role here in the Senate. But we have traditionally approved research projects on a merit basis. It is, obviously, vital to the quality of our research effort that we do so. How can Senators go home to their States and explain to universities who have competed for Federal research funds that other universities have played by other rules? How can I return to Pennsylvania, where several fine academic institutions have received money through competition in the Federal Scientific Research Program, and report that millions of dollars have been handed out to other universities not on the basis of quality, but on the basis of Senatorial committee assignments?

Our national security rests to an extraordinary degree on our technological superiority. The latest Pentagon report shows the United States with a technological lead over our main rival, the Soviet Union, in many militarily significant categories. We are equal in some cases, and in some areas of United States advantage the Soviets are pulling abreast. We cannot play with this part of our defense budget.

Mr. WEICKER. Mr. President, I move to table—incidentally, so that no stigma might attach to one of these peer universities, let the record show that the Senator from Connecticut, who comes from one of those peer universities, is the one moving to table the amendment of the distinguished Senator from Missouri who comes from the same peer university.

Mr. DOLE. What university is that?

Mr. WEICKER. Mr. President, I move to table the amendment of the distinguished Senator from Missouri, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut [Mr. WEICKER] to table the amendment of the Senator from Missouri [Mr. DANFORTH]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called to roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 40, nays 58, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—40

Abdnor	Hatch	Mathias
Andrews	Hatfield	McClure
Biden	Hecht	McConnell
Boren	Heflin	Moynihan
Byrd	Hollings	Murkowski
Cochran	Humphrey	Nickles
D'Amato	Inouye	Packwood
DeConcini	Johnston	Rudman
Dole	Kassebaum	Stevens
Ford	Kennedy	Symms
Garn	Kerry	Thurmond
Gorton	Laxalt	Weicker
Grassley	Leahy	
Harkin	Long	

NAYS—58

Armstrong	Evans	Pressler
Baucus	Exon	Proxmire
Bentsen	Glenn	Pryor
Bingaman	Goldwater	Quayle
Boschwitz	Gore	Riegle
Bradley	Gramm	Rockefeller
Bumpers	Hart	Roth
Burdick	Heinz	Sarbanes
Chafee	Helms	Sasser
Chiles	Kasten	Simon
Cohen	Lautenberg	Simpson
Cranston	Levin	Specter
Danforth	Lugar	Stafford
Denton	Matsunaga	Trible
Dixon	Mattingly	Wallop
Dodd	Melcher	Warner
Domenici	Metzenbaum	Wilson
Durenberger	Mitchell	Zorinsky
Eagleton	Nunn	
East	Pell	

NOT VOTING—2

Hawkins Stennis

So the motion to table was rejected.

□ 0040

Mr. STEVENS. Mr. President, in view of the action on this amendment, it is going to mean that it is in the bill, the House provision, is that correct? If we accede to this now, there would remain in the House bill the universities selected by the House conferees. I just want everybody to understand that. The effect of what you just voted on is to delete all the universities added by the Senate conferees. I think the record ought to be clear that the chance of that House provision coming out is rather nil. A substantial portion of it was added at the specific request of the Speaker of the House.

Mr. DANFORTH. Mr. President, I do not believe that is correct. If the Senator will look at the section on page 25 of the bill, section (c), I believe the answer to that is that it is to strike the earmarking.

Mr. STEVENS. Mr. President, if we delete the Senate amendment, the House provision remains in the bill. There is nothing we can do to take it out. The House provision will go to the conference. We all know that. I just want the Senate to know that as far as I am concerned, I am willing to accept the judgment of the Senate, but I hope you realize you have assigned us an impossible task if you think we are going to take out the House earmarking for universities that are not made under peer selection.

The PRESIDING OFFICER. Does the Senator from Missouri yield the floor?

Mr. DANFORTH. Mr. President, I do not believe the Senator from Alaska is correct. That is clearly not the intention of the amendment, to strike earmarking from the bill. I believe that is accomplished by the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. HATFIELD. Mr. President, I would only say that it is in the House bill and therefore it is in conference with the Senate. It is out of the Senate bill and, therefore, the House bill stands. For us to delete it from the House bill I will assure the Senate will not be possible. Therefore, the House identification by the House Members will get those assignments that they have made in that bill and we go without any assignments in our bill. It is very simple.

Mr. PROXMIRE. Will the Senator yield for a question?

Mr. HATFIELD. Yes.

Mr. PROXMIRE. Is it the message to the conferees to knock out the House selection of allocation without competition?

Mr. HATFIELD. The Senator has been in conference before and fully understands the way those bills are presented in the House of Representatives and the likelihood of the Senate prevailing in that conference is nil, particularly when none of those projects went into the House bill without the Speaker's approval.

Mr. GRAMM. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HATFIELD. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question before the Senate is the amendment of the Senator from Missouri.

Mr. GRAMM. Will the Senator yield for a parliamentary inquiry?

Mr. HATFIELD. I am happy to yield to the Senator from Texas for a parliamentary inquiry.

Mr. GRAMM. Mr. President, I would like to inquire as to whether there is a listing of specific universities in the House provision of this bill.

The PRESIDING OFFICER. The Chair will respond to the inquiry. The amendment seeks to strike language in the Senate bill. It does not propose to strike language from the House bill.

Mr. GRAMM. But in the vehicle before us, in the bill before us, there is no specific listing of universities chosen by the House that would remain in the bill that is to be up for markup to this point.

The PRESIDING OFFICER. The managers should respond to that.

Mr. STEVENS. The House provision on page 28 deleted by the Senate provision specifically earmarks the funds which the House wished to earmark which is $24,600,000 for the Northeastern University of Massachusetts and the Rochester Institute in New York.

Mr. JOHNSTON. Mr. President?

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HATFIELD. I yield.

Mr. JOHNSTON. As one who was in favor of tabling the last amendment, I think it is correct, however, to say that the action of the Appropriations Committee was to strike the House language and add in these projects from the Senate.

The amendment just adopted simply struck the Senate projects but did not go back and unstrike the striking of the House language so that the House language is still stricken. So when we go to conference all the projects will be stricken out.

Mr. HATFIELD. In the Senate version.

Mr. JOHNSTON. In the Senate version. So we will go to conference with the House version where the House projects are in and the Senate projects are out.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

Those in favor will signify by saying aye; those opposed nay.

In the opinion of the Chair, the noes have it.

Mr. DANFORTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

□ 0050

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, before we start another rollcall vote, I want to remind my colleagues, I am not certain how many amendments we have on the Democratic side, but I am advised that on the Republican side, there are four amendments, approximately 6 or 7 hours of debate, with seven or eight rollcalls. That will take 2 or 3 hours. There are 12 to 14 amendments that could be accepted.

I understand on the Democratic side, there could be as many as 10 or a dozen amendments. Some of those are substantial.

I wonder if we might have some indication of whether we can reach some agreement, some time agreement on the remaining amendments or whether the chairman could indicate how much longer he might wish to proceed. I assume on some of these—we have spent 1 hour and 35 minutes on this amendment, an $84 million amendment. Some of the others, I assume, are just as controversial.

I am just wondering what the wish or the desire of the chairman might be at this time.

Mr. HATFIELD. To move on to complete the bill.

Mr. DOLE. Tonight?

Mr. HATFIELD. Yes, Mr. President.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DANFORTH. Will the majority leader yield for a question?

Mr. DOLE. Yes, Mr. President.

Mr. DANFORTH. I do not think the Chair has ruled on whether or not there is a sufficient second. I would be delighted, if it would expedite matters, to withdraw the request for the yeas and nays and to resubmit the amendment to another voice vote. Or we can have the yeas and nays, if that is the pleasure of the Senate. I believe the Senate has spoken on it. It seems to me we would save about 20 minutes or a half hour, as rollcall votes go. I am not going to agree to a division.

The PRESIDING OFFICER. A request for the yeas and nays is pending. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on the amendment of the Senator from Missouri. The clerk will call the roll.

Mr. DECONCINI. Mr. President, I would like to ask the Senator from Kansas and the Senator from Oregon, I thought we had adopted a policy around here to improve the quality of life. I find at 5 minutes to 1, it is not doing much for my life; I do not know about the rest of us. I do not know what the urgency is, why we have to stay up until 3 or 4 in the morning. I understand the process of grinding things out but we have no need to be inhumane to ourselves. It is difficult enough around here, at least for some of us. Why we stay around here all night is beyond me. I suggest we take it up tomorrow or next week.

Mr. CHAFEE. Mr. President, what was the last vote we had? Was that 56 to 39?

The PRESIDING OFFICER. The vote was 40 yeas, 58 nays. The motion to lay on the table was not agreed to.

Mr. CHAFEE. Do we have to go through a rollcall vote? Is it not possible to untangle this because the yeas did not shout loud enough in the last round? I do not believe anything is going to be changed by a rollcall vote.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Senator from Missouri have an opportunity to withdraw his request for the yeas and nays and that the Chair ask for an additional voice vote, after which, if the Chair is still in doubt, the Senator from Missouri be given an additional chance to ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Mr. President, reserving the right to object, I rise to make an inquiry of the distinguished chairman of the Appropriations Committee. The grants that were in question right now were included in report language in the continuing resolution which was passed, I believe, last December. Would the amendment offered by the Senator from Missouri, if it is carried, strike that report language that included these projects in the continuing resolution for those projects that meet the criteria?

Mr. HATFIELD. The purpose behind putting them in as we did was to give them the force of law as against report language, which is advisory.

Mr. HARKIN. This Senator has discerned that what we have is report language in the continuing resolution that specifically sets out these programs. That still is there. I assume

that this amendment does not take that out.

Mr. HATFIELD. The Senator is correct, the report language is not affected by the amendment offered by the Senator from Missouri.

Mr. HARKIN. So it does not take it out?

Mr. HATFIELD. Yes, the report language remains.

The PRESIDING OFFICER. Is there an objection to the request of the Senator from Arkansas? Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I withdraw my request for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (No. 2021) was agreed to.

Mr. DANFORTH. I move to reconsider the vote.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to laying aside the second excepted amendment in order to consider this amendment?

Mr. HATFIELD. I shall have to object on the basis that there was an agreement made that the second committee amendment would be handled next and finalize the amendments that way. I ask the Senator from Arkansas to withhold until we handle the last remaining excepted committee amendment.

Mr. LONG. Mr. President, will the Senator from Oregon yield for a question?

Mr. HATFIELD. Yes, Mr. President.

Mr. LONG. What the Senator from Louisiana does not understand is are we going to stay here all night tonight just so we will not have to come back in tomorrow?

Mr. HATFIELD. Mr. President, I do not control the amount of time that is taken on each amendment. I am only here to orchestrate the amendments. I would say that in times past, where we have adjourned with, say, 25 amendments pending, having completed the work on 20 other amendments, we come back the next day and we have replenished those numbers we have depleted so it is back up to 45. The amendments tend to mushroom.

I have asked about the possibility of getting a unanimous-consent agreement to limit amendments. So far, I have been told that that unanimous-consent agreement is not possible. So until we can reach that point where we can agree not to add amendments in the dark when we adjourn, I must suggest to the Senate that we press on and complete as many of these as possible. If we do not, we are going to be here Friday or Saturday morning at 1 a.m., because we will come back tomorrow if we adjourn now after the 30 amendments we have acted upon, or 15 or whatever, and we will have 50 new ones.

Mr. LONG. Will the chairman please ask consent that we limit those amendments?

Mr. HATFIELD. I was just told by the leader that we could not get such an agreement.

□ 0100

Mr. LONG. Could I ask the distinguished majority leader, is no agreement possible?

Mr. DECONCINI. Will the distinguished chairman yield, or the majority leader?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me repeat, we have 24 amendments on this side and if we use the time they have indicated for debate it will be 6 or 7 hours, with 7 or 8 indications they want rollcalls. The chairman knows whether some of these will be accepted and some may go away, but there appears to be a number that are not going to go away. If that were true just on this side, we would be here until 9 o'clock in the morning, and there are about 15 amendments on the other side. It would seem to me that we have reached the point where, if the managers would agree, we would be better served to come back at 9 o'clock in the morning and stay here all day tomorrow. If we could have some agreement that there be no more amendments in order other than those that the distinguished manager has on this list plus those on the Democratic list, no time agreements but at least there be no further amendments, then we could make some progress.

Mr. BYRD. Mr. President, will the majority leader yield? As the majority leader knows, no Senator has been more eager to rush forward with this bill than this Senator, particularly because of some of the funds that are in it which are needed in West Virginia to clean up after the November floods. I must also say that no Senator has been more courteous and deferential to me in these matters than has the distinguished chairman of the committee, Mr. HATFIELD. I do not see any hope that we could get any agreement on the timing, any time agreements on the amendments, or as to a time limit on the bill. I would propose that the distinguished majority leader simply make the request that no further amendments than those that are known—and they could be named, they would be enumerated—be called up, and that we go out and come in at a reasonable hour tomorrow.

Mr. BUMPERS. Will the majority leader yield for a question? Will the majority leader yield?

Mr. DOLE. I will be happy to yield to the Senator from Arkansas.

Mr. BUMPERS. If there is a list on the other side and a list on this side, would the majority leader consider just reading off the list of those amendments and then asking for unanimous consent that that be the exclusive list, conclusive list?

Mr. DOLE. I say to the Senator from Arkansas that is what I would suggest, and I think the chairman is willing to do that, but the list does not end. By the time he puts his sheet down somebody adds another amendment to it.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. BYRD. Mr. President, if the distinguished majority leader——

The PRESIDING OFFICER (Mr. EVANS). The Senator is not in order. Will those who are in the aisles and speaking retire to their seats or the cloakroom. The Senate is not in order. The majority leader has the floor.

Mr. DOLE. Mr. President, what I would propose, if we could identify on each side the amendments that are going to be offered, then those who were going to have amendments accepted could stay tonight and take care of those. We would take care of the amendment first of the distinguished Senator from Arizona [Mr. GOLDWATER], because that has been worked out. And then we would come back and be on the bill at 9 o'clock in the morning. Hopefully at that time Members instead of putting down 1 hour after the amendment would put down 10 minutes; otherwise I think the best strategy would be, if we cannot reach some agreement—I think the chairman may be correct—to keep grinding away. But it does seem to me that there are so many—I think we just picked up how many more?

Mr. HATFIELD. Eight.

Mr. DOLE. We just picked up eight more by people walking through. And I am certain they are being picked up on that side.

Mr. HATFIELD. Mr. President, will the leader yield?

Mr. DOLE. I will be happy to yield.

Mr. HATFIELD. I do not think we should kid ourselves that merely because we may end up here with a unanimous-consent agreement to limit the amendments to just these that will be listed we can then come in here at 9 o'clock in the morning and begin this same routine over as far as taking the amount of time we have taken on the amendments today because again I must say that we have a responsibility—and I feel particularly keen about that responsibility—of getting this bill completed so we can go to conference

with the House next week. This means it has to be finished before Monday or Tuesday. If we are going to end up tomorrow night at 1 a.m. Saturday morning and we still have not completed our list and people are tired and want to go home and put it over until next week, I am going to say to the leader then I will request a Saturday session because it just seems to me we are not facing reality; that there are so many hours in the day and then we ask why we do not have quality time. We are going to finish this bill. I have that responsibility. We all have this responsibility. I am going to finish it. I am willing to stay here all night to finish it. We did one time do that. We ended up at 6:30 the next afternoon, but we finished it. But the point is on other occasions when we did not do that we grew the amendments back during the night and we ended up back at square one, and we are here at 12 o'clock the following night. We have done that too many times with precedent that I am not really too encouraged to say that unless we can get nailed down how many amendments we are going to consider and then exercise the self-restraint on those amendments that we have to debate, we will be here in the same place tomorrow night.

Mr. DECONCINI. Will the Senator from Oregon yield for a question?

Mr. HATFIELD. I will be happy to yield.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DOLE. I will be happy to yield.

Mr. DECONCINI. What is the pressing urgency that we have to pass this by tomorrow afternoon?

Mr. HATFIELD. I have said——

Mr. DECONCINI. Let me just finish. If the Senator would let me finish. If we cannot get through tomorrow, what is going to suffer?

Mr. HATFIELD. I have stated I think three times today during the consideration of this bill that five agencies are now out of money or will reach that situation within the next day or so.

Mr. DECONCINI. If the Senator will yield, that has happened before and the Government has not been down away with. Twenty-four hours is not going to set down anybody.

Mr. HATFIELD. I have also experienced a time before when the administration sent employees home and said Congress had failed to perform its duty. I am not about to put the Congress in the same situation to take that kind of bum rap from the executive branch.

□ 0110

Mr. DOLE. Mr. President, I yield to the distinguished minority leader. Does he have a list of amendments?

Mr. BYRD. I have a list on this side, and may I say that it is growing hourly, so the majority leader had better nail this down.

Mr. DOLE. That is right.

Mr. BYRD. May I proceed?

Mr. DOLE. Yes.

Mr. BYRD. I have two amendments by Mr. JOHNSTON: one with respect to trade adjustment assistance, one on emergency feeding. Mr. KENNEDY: one on nutrition, one on Coast Guard. Mr. MELCHER: four possible amendments—Philippines, impact aid, impact aid, Indian schools. Mr. GORE: organ transplants. Mr. BUMPERS: elderly feeding. Mr. GLENN: duty suspension on importation of bicycle parts. Mr. LEAHY: microbioresearch. Mr. METZENBAUM: natural gas. Mr. EXON: natural gas. Mr. BOREN: PAC's. Mr. HOLLINGS: health planning. Mr. INOUYE: emergency medical. Mr. BENTSEN: two amendments—one on alcohol, drug abuse, and mental health, and one on low-income emergency assistance.

I would suggest that the leader proceed with getting the agreement that these amendments and those on his side, if he can enumerate them and identify them, be the amendments which remain on the bill, and let the Senate go out.

Mr. HATFIELD. I should like to respond by listing the ones on our side.

Gramm—To strike Title II section 204 dealing with OMB circular A-21;

Grassley—To take excess profits from the sale of conrail and put them into Agric. programs to offset the GRH reductions;

Mattingly—Remove reverter clause in deed to small property clause in Georgia;

McClure—Park service;

McClure—Compact of free association;

Murkowski—Provide funds for BIA construction in Alaska;

Abdnor—Impact Aid;

Abdnor—Change USDA regulations on interest buy-down program;

Domenici—Land conveyance from GSA to New Mexico;

Evans—To extend existing moratorium on state fiscal sanctions under the food stamp programs;

Gorton—To prevent the recovery of EDA funds for the construction of a building;

Gorton—To clarify authority in FY '85 supple. For the Walla Walla district engineer's headquarters;

Rudman—To provide $500,000 for the appointment of 2 independent counsel;

Wilson—To eliminate Congressional newsletters;

Wilson—Congressional newsletters;

Stevens—$2 million transfer in OPM retirement trust fund;

Garn—Extend F.H.A.;

Thurmond—UDAG amendment in the 2nd degree to Garn amendment on F.H.A.;

Stevens—To amend the farm bill swamps provision; to exclude perma-frost soils;

Kasten—2nd degree to Grassley transfering to dairy;

Nickles—Department of Army. Bomb damage, $5 million;

Hatfield—Bankruptcy;

Hatfield—N.I.H.;

Stevens—National rifle practice;

Stevens—Postal rates for small newspapers;

Specter—Allow reuse EDA funds for Hazleton, PA.

Specter—Extension obligation data for EDA grant for Phil.

Dole—Peer review.

Mr. BYRD. What was the first one by Mr. SPECTER?

Mr. HATFIELD. Mr. SPECTER's amendment has to do with EDA funds for a town in Pennsylvania.

Mr. BYRD. I have one other by Mr. ZORINSKY, on research.

Mr. DOLE. Mr. President, I ask unanimous consent that these be the only amendments in order to H.R. 4515.

The PRESIDING OFFICER. Is there objection?

Mr. BOREN. Mr. President, reserving the right to object, and I will not object, I wonder if the majority leader will yield briefly.

I have listed an amendment on campaign reform dealing with political action committees. The majority leader and I were discussing this in good faith, to try to determine a time to bring up S. 655. The majority leader will agree that we have had good faith negotiations on that, and we will try to bring it up at a reasonable time within the schedule.

Mr. DOLE. The Senator is correct. We are discussing different options.

Mr. BOREN. I am not trying to pin down the majority leader, but we discussed bringing up S. 655 for consideration at least before the end of July.

Mr. DOLE. That is correct.

Mr. BOREN. I would like to start a process which I hope will be a helpful process and ask that my amendment be stricken from this list, in light of the majority leader working in good faith with us.

Mr. DOLE. I appreciate the cooperation of the distinguished Senator. That is one less.

In addition to saying that no other amendments be in order, may I also include that no points of order be waived in connection with this agreement.

Mr. BYRD. Reserving the right to object, I was going to inquire about that.

It is understood that these amendments having been enumerated as the only amendments to be offered, no second-degree amendments, whether or not germane, would be in order?

Mr. DOLE. Except that I think there are two stipulated. Mr. THURMOND has a UDAG amendment in the second degree to the Garn amendment on FHA, and Mr. KASTEN has a second-degree amendment to Mr. GRASSLEY's amendment dealing with transferring to dairy.

Mr. BYRD. Let me rephrase my suggestion: that inasmuch as these are the only amendments that can be offered, they may be offered either in the first degree or the second degree.

Mr. DOLE. The Senator is correct.

Mr. BYRD. May I make one further inquiry: What about the Armed Services appropriations?

Mr. HATFIELD. That is going to be taken up immediately.

Mr. NUNN. I see no reason why that cannot be resolved this evening.

Mr. DOLE. We are going to do that this evening.

Mr. STEVENS. Mr. President, will the majority leader yield for a question concerning the minority leader's remarks?

Mr. DOLE. I yield.

Mr. STEVENS. Often it is necessary to ask a Member to modify his amendment in order that we might accept it. The minority leader is not suggesting that that cannot be done in this process?

Mr. BYRD. No. I think a Senator should be allowed to modify, so long as the modification comes within the identification as set forth in the RECORD.

Mr. DOLE. That would be my understanding.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BYRD. May I add one possible amendment by myself, which would not require more than 5 minutes.

Mr. NUNN. I believe it has been taken care of.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. DOLE. Mr. President, I thank my colleagues on both sides. That does not limit the scope of action of the managers. There might have been three or four more. But it does help.

As I understand it, the Senator is now prepared to go to the last committee amendment, plus amendments that will be accepted.

Mr. HATFIELD. Mr. President, we will now complete the committee amendment. I do not think it will require a rollcall.

Mr. STEVENS. The Senator is correct.

Mr. HATFIELD. When we dispose of that last committee amendment, I urge Members who know they have an amendment that does not require a rollcall to remain, for we will remain here to complete as many of these amendments as possible. We cannot complete these amendments if we wait until tomorrow, by starting with No. 1 of the 50. But we want to complete as many as possible tonight—maybe 20—that will not require rollcall votes. So will those Members please remain.

There will be a much better attitude tonight in accepting some of these amendments if we get a little sleep and come back tomorrow.

Mr. BYRD. Mr. President, does the majority leader indicate that there will be no more rollcall votes?

Mr. DOLE. We will probably be on the bill at 9 o'clock in the morning. There will be no more rollcall votes tonight.

Mr. JOHNSTON. Mr. President, I urge all colleagues who have amendments to please get copies of the amendments to us as soon as possible, so that we may be ready to deal with those amendments expeditiously.

□ 0120

The PRESIDING OFFICER. The Senate will be in order. The Senate will be in order.

Senators please clear the aisle.

Further amendments are ready to be proposed and the Senate cannot continue until the Senate is in order.

The Senate will please be in order.

The Senate is still not in order. Those who are in the aisles please retire to their seats or proceed to the cloakroom.

The Senate has not come to order.

The Senator from Arizona.

Mr. GOLDWATER. Mr. President, many, many hours ago the chairman of the committee asked if we would meet to try to reach an agreement with the Senator from Alaska relative to amendment 8019, which we were attempting to strike.

Mr. President, we have reached an agreement. The committee has met for hours today and staff worked more hours.

AMENDMENT NO. 2023

Mr. GOLDWATER. Mr. President, I send to the desk an amendment and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. GOLDWATER] proposes an amendment numbered 2023.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, strike out lines 1 and 2 and insert in lieu thereof the following:

"CHAPTER III A"

"AUTHORIZATION OF CERTAIN UNAUTHORIZED APPROPRIATIONS"

"SEC. 1. AUTHORIZATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1986 APPROPRIATIONS.

Except as otherwise provided in this chapter, funds appropriated or otherwise made available to or for the use of the Department of Defense by the Department of Defense Appropriation Act, 1986 (as contained in section 101(b) of Public Law 99-190), and which were not otherwise authorized by law, are authorized to be obligated and expended as provided in such Act.

SEC. 2. PROHIBITION AND LIMITATION ON OBLIGATION OF FUNDS FOR CERTAIN PURPOSES.

MARINER FUND.—Of the funds appropriated or made available by the Department of Defense Appropriation Act, 1986, none shall be available for construction of commercial type vessels, with or without military specifications, for lease to private shipping concerns under the Mariner Fund or any other program.

SEC. 3. AUTHORIZATION FOR OBLIGATION OF CERTAIN UNOBLIGATED FUNDS.

Of the funds appropriated by the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), but which may not be obligated or expended for the purposes for which appropriated by virtue of section 2 of this chapter, and of the funds made available for obligation and expenditure from prior year unobligated balances by section 8103 of the Department of Defense Appropriation Act, 1986, the following amounts are authorized to be obligated and expended for the stated purposes:

(1) For military pay, $1,599,400,000;

(2) For military retirement accrual payments, $2,156,000,000;

(3) For Coastal Defense Augmentation, $140,000,000;

(4) For the Expendable Launch Vehicle Program, $1,498,686,000;

(5) Any amounts remaining available from such funds shall be available for readiness and for other purposes, including funds authorized for obligation and expenditure for purposes listed in clauses (1), (2), (3), and (4) not otherwise required for such purposes.

SEC. 4. REVISION OR REPEAL OF CERTAIN PROVISIONS OF PUBLIC LAW 99-190.

(a) AIR DEFENSE AIRCRAFT COMPETITION.—The paragraph under the heading "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), is amended—

(1) by striking out "of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law" in the matter preceding the first proviso; and

(b) REVISION OF CONTRACTING OUT PROVISION.—Section 8089 of such Act is amended by striking out "ten" and inserting in lieu thereof "40".

SEC. 5. REMOVAL OF CERTAIN LIMITATION ON THE P-3 AIRCRAFT.

Funds made available for the procurement of P-3 aircraft for the Navy for fiscal year 1986 may be used for procurement of such aircraft for the active or reserve forces of the Navy, as determined by the Secretary of the Navy.

SEC. 6. TEMPORARY WAIVER ON POLYGRAPH EXAMINATION LIMITATIONS.

In computing the number of counterintelligence polygraph examinations that may be conducted during fiscal year 1986 under section 1221 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 726), there may be excluded from such computation any polygraph examination conducted during the period beginning on the date of the enactment of this Act and ending on September 30, 1986, if such examination—

(1) is conducted by the Air Force under an authorization granted by the Secretary of Defense on November 24, 1981; or

(2) is conducted under an authorization granted by the Secretary of Defense on August 31, 1982, and is conducted on a person who is participating in a national program—

(A) which has as its purpose the collection of specialized intelligence through reconnaissance;

(B) which is under the purview of the Director of Central Intelligence; and

(C) for which a polygraph examination was established on or before October 1,

1985, as a condition for participation in such program.

Mr. GOLDWATER. Mr. President, I ask that the amendment be accepted.

The PRESIDING OFFICER. Is there further debate?

The Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the members of the Armed Services Committee now for having approached the subject of the moneys that we allocated under the appropriations process last year in a way that will make them available. We have worked out an agreement.

I will say to the Chair and to my good friend from Arizona and my good friend from Georgia that I interpret the effect of this amendment to be that it is the same as the amendment I offered. What it says is that except for the specific projects that we have disapproved, the moneys that the Appropriations Committee made available are approved.

They are to be spent in accordance with an allocation that we had agreed upon previously, and the net effect of this is that we have yielded on the items that I mentioned before. Specifically, we have yielded on the $200 million for the airborne tankers. We have yielded on the moneys that were earmarked for future authorization for the mariner. We have yielded on the F-46 which is really in another bill. And we have yielded on——

Mr. NUNN. Mr. President, the Senate is not in order and I am trying to hear the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Georgia is correct. The Senate is not in order.

Will those Senators who are conversing in the aisles and the back of the Chamber retire to the cloakrooms or to their desks? The Senate will not continue until the Senate is in order.

The Senators will retire to the cloakrooms or their desks and the staff members will retire to the back of the room.

The Senator from Alaska.

Mr. STEVENS. To continue, we have yielded on the timing of the competition for the air defense aircraft and the provision accomplishes the same result as the amendment I offered previously.

In connection with the Department of Defense Appropriation Act of 1986 the Appropriations Committee in effect created a suspense account for moneys that had been saved from prior years. Those moneys were specifically allocated to projects by the Appropriations Committee and the Armed Services Committee has disagreed with that.

Under this amendment, the moneys are specifically earmarked, first, for military pay a little over $1.5 billion, military retirement accrual a little over $2.1 billion, the coastal zone defense augmentation account, that is Coast Guard account, the Appropriations Committee created last year, we have shifted a portion of that suspense account, about a billion and a half dollars to the dispensible launch vehicle and we have stated that the remaining amounts will be available for readiness and other purposes including funds authorized for obligation and accounts for purposes listed in clauses 1, 2, 3, and 4, and the ones I just read.

The intent of this is that we will get together and provide a listing for how any amounts which may be available from that suspense account beyond those enumerated in paragraphs 1, 2, 3, and 4 that I just read and those will be worked out, and I think we have it worked out and we have an understanding between the Armed Services Committee and the Appropriations Committee on that matter in effect.

I think the list has not been totally agreed upon yet but we will agree upon it and I do not perceive any difficulty.

Mr. NUNN. Mr. President, will the Senator from Alaska yield on that point?

Mr. STEVENS. I am happy to.

Mr. NUNN. I will say from my perspective we have an understanding that we will hold over certain portions of funds and then we will seek either through authorization or appropriation, or both, and it needs to be both based on this general understanding precedent. We will then decide. It could be perhaps even reprogramming. But I think the staff can work on those numbers, but the Senators have not seen those numbers. So I think it is premature to have an agreement on that.

Mr. STEVENS. I agree with the Senator from Georgia. We have an agreement on the process by which we select the amounts and the programs or projects that those funds that would be remaining available from this suspense account will be allocated for either expenditure in 1986 or 1987 or years beyond.

I think the two committees understand where those funds are coming from. That is the main thing I want to make in this RECORD that we are talking about the funds that were contained in what I call the suspense account which was created by section 1803 of the Defense Appropriation Act of 1986.

Under the circumstances to me this represents now an agreement which carries out the intent and purpose of the agreement we entered last year in December 1985. So I want the Senate to know I am satisfied that we have done our best for the defense of the country and that the agreement we have entered into here does meet the needs of the Defense Appropriations Committee.

I call the attention of the Senate to the fact that there are items that were in the committee's reauthorization bill that we have incorporated now in this continuing resolution dealing with polygraphs and dealing with repeal of certain other limitations under the law that we have no objection to. They, basically, do not deal with funds. They deal with policy matters that originated with the authorization committee.

I thank my good friend from Arizona for his patience with me. I think we have an obligation to proceed to try and protect the programs that we have tried to make funds available for and above all—he is no longer with us right at this moment, but he has been with us all day and throughout this whole process—I want to tell the Senate that the steady hand in the process has been the hand of the Senator from Mississippi.

□ 0130

He is the only one that is on both sides of the issue. Mr. President, he is on the Armed Services Committee and he is on the Appropriations Committee. That is no longer possible now under our rules. But, under his long tenure in the Senate, he has been grandfathered, literally, into that process.

And I say to the Senate that I am sorry to see the time when we have so few grandfathers, because he really has been the stabilizing factor on this issue and has brought us together time and time again.

I want to say, although it is very early in the morning, that I hope the Senate will take heed on what has happened and maybe reexamine some of the provisions that prevent this cross-pollinization. We have a separate agreement we have entered into now as to how we will conduct ourselves in the future, what amounts to cross-pollinization of the two committees. We are not allowed to serve, as the Senator from Mississippi does, on both committees. But we have now agreed that we will come into each other's committee deliberations, to get the Armed Services Committee involved with the appropriations process and the appropriators involved in the Armed Services process.

Prior Senate rules allowed that cross-pollinization to occur in the Senate as Senator STENNIS does now.

Mr. COHEN. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. COHEN. The Senator made reference to the informal agreement which has been arrived at. I just have a question to perhaps clarify some of the agreement.

In order to improve the working relationship within the Appropriations Committee and the Armed Services Committee, one of the items state the

Appropriations Committee will resist proposals which have the effect of reversing or materially modifying policy matters already agreed to in a Senate-passed authorization bill.

The question I have is one of some ambiguity. If, for example, the Senate Armed Services Committee were to consider a program and to reject it, is that covered under that particular agreement, that materially modifying policy matters already agreed to in a Senate-passed authorization bill? If we consider something and do not necessarily agree to it but, in fact, consider it and reject it, is that covered by that paragraph?

Mr. STEVENS. Mr. President, we agreed to that concept I think that the Senator is mentioning that if the Armed Services Committee rejects the proposal, we will do our best to resist efforts to carry out such a proposal in the appropriations process. I will say this to my friend: We have had the unfortunate problem now for 4 years out of 5 of dealing with an appropriations process without an authorization bill. After the Senate has acted on the appropriations bill, the Armed Services Committee has come back out of conference with a bill that has been changed and we have the problem of dealing with those things that have been rejected in the conference process.

With the caveat that we will do our best to resist those changes, I think at times it is difficult for us in the appropriations process to support mechanisms that the Armed Services Committee has negotiated but lost in conference when we can carry them into the appropriations process.

Mr. COHEN. Could I ask one further question?

Mr. STEVENS. Yes.

Mr. COHEN. Under that same area, assume the Armed Services Committee is silent with respect to a particular program, would the Appropriations Committee also feel bound not to add, to increase, or indeed appropriate dollars for something that was not specifically referred to either in accepting or rejecting the process of the armed service authorization?

Mr. STEVENS. Mr. President, I would say to the Senator, not necessarily. My mind goes back to the AIDS subject that I mentioned last evening, where, in the course of our committee hearings, we discovered that there was a serious problem that had not been looked into by the authorization committee and, within the amounts available in the authorization process, we could earmark funds to initiate a research project in AIDS through the Department of the Army.

I do not think we are talking about systems. I cannot remember us dealing with a major new initiative in terms of policy or systems. But we have earmarked funds within the authorization limitation for projects and initiatives that have not been addressed by the authorization.

However, I note that we did discuss this with the members of the authorization committee and intend to do so, in any event, in the future.

Mr. COHEN. I thank the Senator.

Mr. STEVENS. Mr. President, again I want to say we are not going to put the agreement in the RECORD. The agreement is between the two committees and I think it should remain as such. But this agreement makes a great deal of sense to me.

Mr. LEVIN. Mr. President, will my friend from Alaska yield for a question along the lines of the Senator from Maine?

Mr. STEVENS. Yes.

Mr. LEVIN. My understanding is we have agreed to the latter language which addressed the question of the Senator from Maine about what would happen where a policy matter was rejected during the defense process and that latter language has been agreed to and addresses the question raised by the Senator from Maine. I have that in front of me, so what you are looking around for, I am afraid I have. But is that correct, essentially?

Mr. STEVENS. The modification and the agreement has to be retyped. The Senator is right, this is trying to deal with a situation that the Armed Services Committee has rejected.

I might say, to make sure we understand one another, that at times we have run into in the appropriations process an initiative from the House which we did not know had been rejected by the Senate authorization committee and had been initiated by the House committee and rejected by the Senate committee in conference. We later got into conference with the House on the appropriations process and found out that we had funded an initiative of the House which had been turned down by the Senate. Those things are going to happen in the future and they are going to take understanding and better communications to avoid.

That is the basis of the agreement we have, better working relationships with our staff, better working relationships with the leadership of the committees and, above all, better communications between our committees and with the Senate over what is going on in the defense field.

I think it is really a new beginning of a better relationship between the two committees. I am pleased to be part of the process with my good friend from Arizona. I thank him for his consideration.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. NUNN. Mr. President, I will take just a moment. I think this is the best we could have done under very difficult circumstances. We all spoke of this earlier today. I expressed my view that we are going to have to find some long-term solutions to what amounts to a duplication of effort between two committees, both working hard, both sincere.

I do not think we have solved all of the long-term problems. I think we made a step in the right direction with this agreement that has been alluded to.

I certainly join the Senator from Alaska in paying tribute to the Senator from Mississippi for his stalwartness in trying to pursue a solution to this and for his patience. I think the Senator from Arizona and the Senator from Alaska worked many hours in trying to resolve this, as have staff.

Mr. STEVENS. Will the Senator yield right there?

Mr. NUNN. Yes.

Mr. STEVENS. I forgot my friend, the Senator from South Carolina, who has worked in the past years very hard on this matter, along with the Senator from Arizona and, in the absence of the Senator from Arizona, he was part of the long negotiations in 1985. We appreciate his efforts also.

Mr. NUNN. I join the Senator in that. The Senator from South Carolina was very diligent in pursuing this last year and has been an immense help in trying to work it out.

We still do not have a long-term solution nailed down. We have made steps in the right direction. There is good faith. I believe this is the best we can do.

I do have a question I would like to pose to the Senator from Alaska, and if the Senator from Oregon has any objections, I certainly would like to hear from him.

But we feel, since this is an authorizing amendment on an appropriations bill, it is a rather unique move. It is different from anything that I have seen here. We have, in effect, an authorizing committee coming in and authorizing on a supplemental appropriation bill money that has already been appropriated but could not be extended because of section 8109.

When we go to conference, when the Appropriations Committee goes to conference, I have no desire to take on additional duties. I have no desire to get involved in the Appropriation Committee's business. But on this authorizing legislation, the House will inevitably appoint the Armed Services Committee, because they have a separate authorizing bill, supplemental authorization for this particular unique set of circumstances. We had planned to be in conference with them on the authorizing bill, which is now pending, called the supplemental authorization. This supplemental authorization has now been folded into the appropriations bill.

So the question I will pose—and we have already discussed this—is that it seems to me that we have to assert our responsibilities to be a part of that conference on this amendment and matters pertaining thereto; that is, on the authorizing portion of this appropriation bill.

□ 0140

And we we have talked to the Senator from Alaska. It is my understanding—and the Senator can certainly correct this if it is in any way erroneous—that it would be acceptable to the Appropriations Committee for the Armed Services Committee to have an equal voice, and we would both have to concur in conference on those authorized items.

Again, we would not expect to be part of the appropriation deliberation but we would expect to be part of the conference in dealing with these authorizing items and in dealing with our counterparts from the House who I think would inevitably be appointed to this conference based on this set of circumstances.

Mr. HATFIELD. I will respond, if the question has been addressed to me, to the Senator from Georgia that I think it is a part of a package of compromises that the committee has worked on and come out with tonight. I support it on that basis. But because of the unusual character of this particular vehicle, I would like to make sure that no one is taking this as a precedent relating to those authorizing matters that may be hung on to an appropriation bill.

I want to remind the Senate that we have had numerous authorizing actions asked for by the authorizing committee to utilize the appropriation vehicle in order to get their authorization. I am not going to take a long time to enumerate but as to the Energy Security Act of $20 billion, and reauthorization from the Foreign Relations Committee of their foreign assistance bill, there was a request from the Judiciary Committee to enact the crime bill hanging it onto an appropriation bill. I want to make sure there is no precedent understood in this agreement here tonight any time we see fit to use the appropriation vehicle as an authorizing vehicle.

That does not automatically bring into the process the members of the authorizing committee to vote in the appropriation business.

Mr. GOLDWATER. Will the Senator yield?

Mr. HATFIELD. I am happy to yield.

Mr. GOLDWATER. There is no effort on our part to do what the Senator indicates. But I can assure the leader that other chairmen need not be reminded of the problem that we have that I have worked on for 4 or 5 years. It is a problem that has to be solved if the committee system of this Senate is going to prevail.

I will go so far as to say we will have to have rule changes before we get much further down the line. I hate to see the Senator's committee abused by anything that we have done. I would like to see it done in the right way, and change the rules so that we do not have to go through this process every year.

Mr. HATFIELD. I thank the Senator from Arizona. I wholeheartedly agree with his observation.

I hope that is the proper, understandable response I made to the Senator from Georgia on the question about this matter of a package of compromise, and the fact that it does not in itself establish a precedent.

Mr. NUNN. I would certainly agree with that. As a matter of fact, what we are attempting to do is never be in this situation again. That is the goal. The last thing I want to do is have another conference to attend. We are going to be in conference all summer long on several different items, either retirement or the main authorization bill. So I would say not only not a precedent but the whole purpose of this exercise is that we would hope that we can establish the kind of working relationship that would avoid this kind of conflict in the future.

I would like to emphasize, however, that my understanding is—and I hope I can get a response from the Senator from Alaska on this—on these matters that are within the scope of this amendment that has proposed by the Senator from Arizona, that is the authorizing portions of this, there would be an equal voice between the Subcommittee on Appropriations and our authorizing committee.

Mr. STEVENS. The Senator from Georgia is right about our understanding. I am not sure he understands the process of the conference on a bill like this. The chairman of the full committee would designate each subcommittee of the Senate to meet with the subcommittee from the House on the same subject in order to try to get a recommendation to bring back to the full conference.

It is my understanding that our agreement is not only that you would be involved in the full conference but there will be representatives of the Armed Services Committee participating in negotiations with those on the subcommittee in the House on the subcommittee level as we make up the report to go full conference on this portion of the defense portion of the supplemental.

It is our understanding that the agreement we have reached in effect has withdrawn the Defense Appropriation Subcommittee's suggested solution, and replaced it with the solution from the Armed Services Committee which accomplishes the same result.

So we will look to the Senator to work with us in this supplemental process.

The PRESIDING OFFICER. Is there further debate?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, under the circumstances I think what has been done here is the best arrangement. I want to take this opportunity to commend the able chairman, Senator GOLDWATER, and the able ranking member, Senator NUNN, and also to commend the able Senator from Alaska for their part in this. I want to express my appreciation, too, to the chairman of the Appropriations Committee, Senator HATFIELD, for his fine cooperation.

It took a lot of work, a lot of cooperation, and a lot of pulling together to get this thing done. If it had not been for their patience and the wisdom this would never have been accomplished. I feel what we have done is the best thing that could have happened here under the circumstances, and I think in the end it will prove fruitful.

Mr. BYRD. Mr. President, I rise to commend my distinguished colleagues who worked so hard to fashion this compromise amendment. Messrs. STEVENS, STENNIS, GOLDWATER, and NUNN especially deserve our thanks.

Mr. President, this compromise amendment provides that $6 million be authorized for two projects at the Allegany Ballistics Laboratory. This facility is a Government-owned, contractor-operated facility located in West Virginia. The facility currently produces propulsion units for the Sparrow, Sidewinder, Chaparral, and TOW II missiles as well as the launch gas generators associated with the missiles loaded on Polaris, Poseidon, and Trident submarines. A number of Defense Department research and development programs are also conducted at the Allegany Ballistics Laboratory.

The compromise amendment provides for an authorization in the amount of $3.5 million to rebuild a Government-owned building which was destroyed in an accidental explosion some years ago. The building was one of two propellant casting buildings used to manufacture rocket motors for the Sparrow, Sidewinder, Chaparral, and TOW II missiles.

Since the destruction of this facility, it has been necessary for Allegany Ballistics to rely exclusively on the one remaining propellant casting building. This has had an adverse impact on production and industrial mobilization potential.

Moreover, if the single remaining propellant casting building were to become inoperative, production would

be virtually halted at the entire facility with concomitant adverse effects on our missile programs.

Reconstruction of this building would allow Allegany Ballistics to more efficiently support current and future contract requirements. This, in turn, would result in lower costs of rocket motors produced for the various Defense agencies.

Also, it should be noted that since this is a replacement facility, the design is essentially 100 percent complete, which is usually a consideration in these matters.

The compromise amendment also provides for an authorization in the amount of $2.5 million to convert the existing oil-fired boiler facility at Allegany Ballistics Laboratory to a coal-fired boiler facility. This conversion would provide for reliable steam generation using local coal, thus eliminating dependence on unreliable sources of imported oil. Conversion of this facility would also provide a substantial cost savings. Departmental analyses indicate the converted facility would generate annual savings of approximately $850,000. These savings would automatically be reflected in lower Defense Department costs for the Sparrow, Sidewinder, Chaparral, TOW II, and Trident missile systems, as well as for other Defense Department work conducted at the facility.

In summary, Mr. President, the proposed compromise amendment would provide for a $6 million authorization under "weapons industrial facilities" to reconstruct the propellant casting building which was destroyed in an explosion and convert an oil-fired steam generating boiler to a coal-fired steam boiler.

Funding for both of these projects was included in the defense chapter of the fiscal year 1986 continuing resolution, Public Law 99-190, enacted December 19, 1985. The Defense Department is prepared to move ahead quickly on both of these projects at the Allegany Ballistics Laboratory, as soon as the required authorization is enacted.

Mr. President, this compromise amendment has been fashioned by the distinguished chairman, Mr. GOLDWATER, and the very able ranking minority member, Mr. NUNN, of the Committee on Armed Services and the distinguished chairman, Mr. STEVENS, and ranking minority member, Mr. STENNIS, of the Committee on Appropriations.

I note the presence on the floor of the distinguished ranking minority member of the Committee on Armed Services. Would he care to comment on my understanding regarding the status of Allegany Ballistics Laboratory?

Mr. NUNN. The statement of the distinguished minority leader is entirely correct. I thank him for his kind remarks.

Mr. BYRD. I thank the able Senator from Georgia.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2023) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The second excepted committee amendment, as amended, was agreed to.

Mr. DOMENICI, Mr. GORTON, and Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2024

(Purpose: To return certain property to the city of Santa Fe, New Mexico)

Mr. DOMENICI. Mr. President, I have an unprinted amendment that I believe the managers are prepared to accept.

I send it to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 2024.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, immediately after line 25, add the following:

SEC. 212. The Administrator of General Services is authorized and directed to convey, for the sum of one dollar, to the City of Santa Fe, New Mexico, all right, title, and interest of the United States in the parcel of surplus property known as the Bruns Hospital Site, more specifically being the property designated with GSA Control Number for Disposal Purposes 7-G-NM-403, parcels F and H, consisting of approximately 4.37 acres, such property being a portion of the same property which the City of Santa Fe conveyed to the Department of the Army in 1944 for the amount of one dollar.

Mr. DOMENICI. Mr. President, this amendment directs the General Services Administration to convey 4.37 acres of land that is surplus in Santa Fe, NM to the city of Santa Fe. This was given to the Federal Government by the city of Sante Fe during the war. The military wanted it for a hospital, and paid $1 for it. It is surplus now. Santa Fe has asked that it be returned to the city for use as a park.

The Federal Government originally obtained this property during World War II from the city for $1, 6 months after the city bought it for $50,000. Now that the property is no longer needed by the Federal Government, the city seeks the return of the property for use as open space and as a recreational area, and the Federal Government is willing to return it for $222,500—quite a nice profit.

The property is known as the Bruns Hospital site. The property was originally part of a larger 237-acre parcel, which the city of Santa Fe obtained by eminent domain in 1944. The citizens of Santa Fe floated a bond issue to acquire the land, which cost $50,000, and then, in effect, donated the entire property to the War Department for use as an Army hospital. The Bruns Army General Hospital was built on the site and was used for the balance of World War II. The Bruns name has continued to be applied to the site, although the hospital no longer exists at the site. The property has been broken into a number of smaller parcels with varying ownerships over the years, through donations, sales, and transfers to other Government agencies. None of the land, however, has been returned to the city.

The Federal Government no longer uses the 4.37 acre parcel which is the subject of this amendment. GSA has designated this property as surplus property.

Under the terms of the Federal Property and Administrative Services Act of 1949, GSA may convey surplus property to States, territories, possessions, and political subdivisions so long as GSA obtains fair market value and other satisfactory terms. Under this law, the city of Santa Fe would have to pay $222,500 to regain a small portion of the land which they gave to the Federal Government for $1 in 1944.

The property is adjacent to the city's Gen. Franklin Miles Park. The park consists of approximately 28 acres of land which the city leases from the National Guard. The city would like to expand the park using these 4-plus acres. Santa Fe has grown rapidly in the past few years, and like many cities which have experienced rapid growth, lacks sufficient open space. The amendment I am offering waives the requirements of the Federal Property and Administrative Services Act and permits GSA to sell the property back to the city for the same price which the city sold it to the Federal Government.

This is fair. It must be remembered that the city originally bought this land for $50,000 and almost immediately turned around and sold it to the Federal Government for $1. America

was in the middle of a war. The Department of the Army requested the property for the war effort. The people of Santa Fe responded. I might add that this was not unusual in New Mexico. We New Mexicans are justifiably proud of our contributions to the war effort and to the defense of the United States since then. When the United States needed a quiet little place to develop the atomic bomb, which eventually was used to end the war, it came to Los Alamos. When the Government needed a large expanse to test the bomb, it took over White Sands. The Department of Defense also operates three large Air Force bases in New Mexico, Cannon, Holloman, and Kirtland. The United States still needs these facilities and the people of the State of New Mexico welcome them to our State. We stand second to none in our support of the defense of the United States.

But in the case of this Santa Fe land, the Federal Government no longer needs the property. It seems unfair that the Federal Government would now turn around and make a profit off the property which was, in effect, given to it by the city of Santa Fe. In the spirit of fairness, the Federal Government should now convey the property back to the city on the same terms on which the city conveyed it to the Federal Government. That's what good neighbors do.

Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. JOHNSTON. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HATFIELD. Mr. President, I am sure this has had both peer review and competition. So, therefore, it is acceptable.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 2024) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. I thank the distinguished chairman for accepting this amendment even though it had not been subjected to peer review.

Mr. GORTON and Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 2012

(Purpose: To authorize the sale or lease of the Fairley Building, King County, Washington)

Mr. GORTON. Mr. President, I have an amendment at the desk the title of which is "Authorize Sale or Lease of Fairley Building, King County, Washington," and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself and Mr. EVANS, proposes an amendment numbered 2012.

Mr. GORTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

Upon the request of the Pike Place Market Preservation and Development Authority, Seattle, Washington, the Secretary of Commerce shall authorize the sale or lease to any person of the Fairley Group Building (project numbers 07-01-01890, as modified by 07-01-01890.01, and 07-11-02606) located in the Pike Place Market, King County, Washington, without affecting the federal assistance provided under the Public Works and Economic Development Act of 1965, if the transfer documents provide for the continued use of the Fairley Group Building as a public market during the expected useful life of the building.

Mr. GORTON. Mr. President, the amendment I am offering resolves a dispute between the Department of Commerce's Economic Development Administration and Seattle's Pike Place Market Authority. This amendment has been accepted by the Senate twice before, by unanimous votes, but each time failed to emerge from conference with the House. Most recently, on the fiscal year 1985 supplemental appropriations bill, the conferees recognized the importance of resolving this issue but suggested that alternative solutions be explored for 1 years' time. That year has now expired but the urgency for putting this issue to rest remains. I appreciate the gracious understanding of Senators LAXALT, RUDMAN and HOLLINGS on the Appropriations Committee, for their willingness to seek a final resolution to this problem. I would also like to thank Senators STAFFORD and BENTSEN, the ranking members of the Committee on Environment and Public Works for their understanding and support for this amendment.

This amendment authorizes a previously executed lease of the Fairley Building in Seattle, WA. The Fairley Building is one of 12 properties owned and operated by a public authority as part of Seattle's Pike Place Farmer's Market. In 1977, the Economic Development Administration of the Department of Commerce [EDA] awarded the public authority a $1.767 million grant to restore and preserve the Fairley Building. The restoration was completed in 1978, and is considered one of EDA's more successful job creation projects.

In December 1983, the public authority entered into lease/leaseback transactions for nine of its properties, including the Fairley Building, to raise badly needed maintenance funds. A lease/leaseback is a means of transferring Federal tax deductions and credits from public to private entities. The public authority retained ownership and control of its properties and continues to operate them as a public farmer's market.

EDA officials have notified the public authority that the lease violated EDA regulations, which require EDA's consent before property covered by a grant is transferred. EDA believes it must seek compensation from the authority, and it has demanded the return of the original grant of $1.767 million.

The proposed amendment requires EDA to consent to the Fairley Building lease. It would relieve EDA of the need to seek repayment of the grant.

The amendment should be supported for several reasons. First, it would be unfair for EDA to receive compensation. EDA regulations require it to record a property management agreement on a building's title when it restricts a grantee's power to transfer property, with limited exceptions, and EDA did not record its restriction. It has conceded that it would have been wise to record in this case, because of the interest in sale/leaseback and lease/leaseback arrangements by municipalities.

The public authority conducted a title search and received permission from all parties, including HUD, which it knew had an interest in the property. The authority acted in good faith, and did not try to circumvent EDA rules.

Second, there has been no change in the use of the Fairley Building as a farmer's market. The purpose of EDA property management rules are to insure that EDA-assisted property continues to be used for the purpose for which the grant was made. The Fairley Building will be used as a public market under public control at all times. No harm has been done by the market's technical violation of EDA rules.

If EDA withdraws its $1.767 million, it will cripple the market and jeopardize past Federal investment. EDA's actions, rather than the market's, are inconsistent with the purposes for which the original grant was made.

Finally, EDA believes legislation is the only solution to the problem. EDA does not want to recall its grant, but it

does not believe it is able to forgo compensation for violation of its rules. My staff has discussed this legislation with EDA and Commerce Department officials and thus believe it is a reasonable solution to this problem.

Congress has authorized sale/leaseback and lease/leaseback transactions for EDA-assisted property several times in the last 2 years. (Pantages Theatre, Public Law 97-377 (1982), Shea's Buffalo Theatre, Public Law 98-8 (1983), George P. Scotlan Memorial Convention Center, Public Law 98-63 (1983).) The Deficit Reduction Act of 1984 removed the Federal tax incentives for these transactions. The Fairley Building transaction occurred before the effective date of the act and is the last of its kind.

EDA granted funds for the Fairley Building to provide jobs and assist restoration of one of the Nation's unique public institutions, Seattle's Pike Place Market. If EDA requires compensation for a technical violation of its regulations, it risks bankrupting the market and destroying this outlet for small farmers, fishermen, craftsmen, and other small businesses. I urge you to support this amendment to avoid this tragic result.

Mr. President, this amendment has been passed unanimously by the Senate on the supplemental appropriations bills in both 1984 and 1985.

As a result of the agreement of the conference in 1985, I believe the House conferees in 1986 will in fact accept the amendment. It authorizes a previously-executed lease of the Fairley Building in Seattle, WA. That building was the subject of the EDA grant for restoration and preservation which was completed in 1978, and was extremely successful. In 1983, the public authority entered one of the leaseback arrangements which was so famous in those years.

Sometime thereafter, ex post facto, EDA determined that was a violation of its regulations, and felt constrained to ask for the entire grant back. That would be appropriate for a number of reasons.

□ 0150

First, EDA did not record this claim as it ought to have, so there was a clear title subject to the lease and lease-back.

Second and most important, there has not been any change in the use of the building. It is still being used for the public market.

Finally, EDA itself, which would like to settle this matter, believes that legislation is the only way in which to do so.

Under those circumstances, and having checked into it with all of the relevant majority and minority side committee members, I move adoption of the amendment.

Mr. JOHNSTON. Mr. President, this amendment has been cleared.

Mr. HATFIELD. Mr. President, this amendment has been cleared on this side.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2012) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2025

(Purpose: For the relief of certain property owners in Checotah)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself and Mr. BOREN, proposes an amendment numbered 2025.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the appropriate place in the bill insert:

SEC. . Of the amounts available to the Department of Defense, $5,000,000 shall be available for such claims arising from property losses caused by the explosion of Army munitions near Checotah, Oklahoma, on August 4, 1985 and claims determined by the Department to be bona fide shall be paid from the funds made available by this section.

Mr. NICKLES. Mr. President, I am today offering an amendment for the relief of property owners in Checotah, OK, who were injured or incurred damages because of the tragic explosion of Government bombs in a traffic accident and fire 9 months ago. Basic considerations of equity and fairness require that we reimburse these Oklahomans for damages which were not of their own making.

In the early morning hours of August 4, 1985, the 4,000 citizens of Checotah were awakened in their beds by the violent explosion of three 2,000-pound Mark 84 bombs, similar to those which were used in the recent raid on Libya. As the bombs were in the process of being transported by truck from the McAlester ammunition plant by a Government contractor, a privately owned vehicle pulled onto the roadway from a shoulder, collided with the truck, and the truck caught fire. During the fire, the TNT and other heat sensitive explosives in the bombs exploded, injuring 42 citizens and causing millions of dollars of damage to churches, schools, roads, businesses, and private homes in the area.

Although I am not attempting to put the blame on any party involved in the accident, clearly a remedy to the present problems is in order.

It is reported that the Government carrier was insured for up to at least $5 million, as required by Federal law. However, in the absence of any determination of fault, thus far, the carrier's insurance company is disclaiming liability.

The helplessness now facing many families in Checotah, because of a major disaster caused by circumstances out of their control or responsibility, makes this a case which cries out for relief. This amendment may be the only real hope many residents have of ever receiving justice.

Mr. JOHNSTON. Mr. President, this amendment has been cleared on our side.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I want to be sure that this amendment is not a precedent but it is a very extraordinary circumstance and we have agreed to this under the circumstance of the explosion of these bombs. This, in fact, takes money from an account that normally is paid out on judgments. It will be paid out and be reimbursed by settlements coming from the insurance coverage. The department has indicated under these circumstances it has no objection.

Mr. BOREN. Mr. President, I appreciate very much the sympathetic handling of this situation by the managers of the bill. This is an extraordinary circumstance.

I am very pleased to have an opportunity to join with my colleague, Senator NICKLES, in offering this amendment. It is a small community. The financial resources are very limited. Those who suffer a loss in many cases simply cannot stand to bear the cost of this loss.

It is a significant loss to the community as well. Senator NICKLES mentioned the nursing home and the school. Because of the explosion of the bombs, they were damaged. The bombs were being transported out of one of the Army installations.

Mr. President, I appreciate very much the consideration and understanding which has been expressed by those Senators who have spoken. I am very pleased to join with my colleague in offering this amendment.

Mr. NICKLES. Mr. President, I thank Senators STEVENS, HATCH, JOHNSTON, and others who cooperated with us in drafting the amendment.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2025) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOREN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2026

(Purpose: To relieve the Hays-Lodge Pole School District Number 50 of Hays, Montana, of liability to repay interest earned on funds awarded to the school district under the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) relating to Federal impact aid construction)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 2026.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 74, after line 25, add the following new section:

SEC. . Notwithstanding any other provision of law, the Hays-Lodge Pole School District Number 50 of Hays, Montana, is relieved of all liability to repay to the United States the sum of $181,557.13, together with any interest on such sum, representing interest earned on investments which were made from payments made under the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) for a construction project initiated in 1975, and which were made after consulting with Federal officials. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this section.

Mr. MELCHER. Mr. President, this amendment would remove a small Federal repayment obligation of an Indian school in Montana amounting to $181,000. The amendment has no budget impact for fiscal year 1986.

In 1979, this school had a funding for $5.25 million. Over the course of the years after 1979 some interest accrued. The school board changed and they used the $181,000 for the purchase of some landscaping, the athletic field, and to provide some fence. They were not aware that they were obligated to repay that.

They were notified in 1984. They no longer had the money. They do not have any means of raising that amount of money. There was simply an error on their part and a change of the school district officials.

Mr. President, I believe the amendment will be accepted and I urge its adoption.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2026) was agreed to.

AMENDMENT NO. 2027

(Purpose: To assure an equitable calculation of locally generated revenue under the local contribution rate determination of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress))

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER], for himself and Mr. BAUCUS, proposes an amendment numbered 2027.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 53, between lines 14 and 15, insert the following:

Effective on October 1, 1980, section 3(d)(3) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by redesignating subparagraph (C) as subparagraph (D), and by adding after subparagraph (B) the following new subparagraph:

"(C)(i) To the extent described in division (ii), the local contribution rate for a local educational agency shall include locally generated revenue in a State, without regard to the characterization of the locally generated revenue by the State, if the local educational agency receives amounts from such revenues for use by that agency and the remainder of such amounts are transferred to the State.

"(ii) For the purpose of clause (i) of subparagraph (A), the amount of revenues which are actually retained by a local educational agency described in division (i) may be courted in the determination of expenditures derived from local sources.".

Mr. MELCHER. Mr. President, I am offering an amendment to the urgent supplemental on behalf of myself and Senator BAUCUS to solve an impact aid, Public Law 81-874, problem for Montana.

The Impact Aid Program is a critical source of funding for school districts in this Nation which have a high percentage of Federal land or Indian trust land and consequently a low or nonexistent tax base to generate local revenue for education. Without 874 payments, impacted school districts would not otherwise have the ability to provide quality education.

Currently, 95 school districts in Montana serving 14,000 students are entitled to receive $23 million in impact aid payments. This amount was calculated and obligated by the U.S. Department of Education for fiscal year 1986. This spring, Department officials changed the rules in the middle of the game and embarked upon a strategy to reduce Montana's impact aid by approximately $4 million this year. These schools cannot absorb this cut.

The Department of Education created this dilemma by determining that certain local real property taxes in Montana are State, rather than local, revenues for education. This change in the longstanding interpretation of what constitutes local revenue is devastating. Like many other States, Montana uses the "local comparable district method" to determine impact aid entitlements. This is an accepted method to set the amount these schools are to receive.

Montana's school district taxes, like other States, hinge on local mill levies and wealthy districts are required to send surplus funds to the State for redistribution to poorer districts. This is the School Foundation Program, but what is disputed by the Department of Education is their contention that since the State requires levying of taxes by the local school districts it should be considered a State tax. Not so. Montana asserts, and rightfully so, that any taxes which are raised, distributed, and spent locally for education is local revenue. The Department of Education has not been willing to accept this fact.

My amendment provides that local revenue levied at the county level and distributed to local schools is local revenue for purposes of impact aid. It does not affect the definition of funds diverted to the State. The amendment does not involve additional budget outlays for 1986. It merely continues the calculation of impact aid within Montana in effect since the start of the program.

I thank Senator WEICKER, chairman, and Senator PROXMIRE, ranking minority member of the Subcommittee on Appropriations for Labor and HHS, for accepting this amendment which is so vital for education in Montana.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is agreed to.

The amendment (No. 2027) was agreed to.

AMENDMENT NO. 2028

(Purpose: To provide funding for construction of two BIA contract schools at Two Eagle River and Rocky Boy's, Montana)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 2028.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 43, between lines 8 and 9, insert the following:

"CONSTRUCTION

for an additional amount for "Construction", $4,900,000, to remain available until expended.

(DEFERRAL)

Of the funds previously appropriated under the heading "Bureau of Indian Affairs' Construction" in Public Law 98-8 (90 Stat. 20), $4,900,000 shall not become available for obligation until October 1, 1986."

Mr. MELCHER. Mr. President, this would be a happy day if this amendment can be accepted, and I believe it can be.

Mr. President, the amendment I am offering today will provide funding for the construction of two Indian schools in Montana. These schools rank first and second on the BIA's priority list for new school construction and are the Two Eagle River School in Dixon and the Rocky Boy High School at Rocky Boy.

Funds were not included in 1986 for this construction item because it was not clear whether the planning and design for these schools would be completed in time to take advantage of the 1986 construction season in Montana. It is now clear that construction can begin in the summer and that, using pre-engineered designs, the schools can be finished by late winter or early spring of 1987.

The amendment is budget neutral in that unspent funds in the BIA's construction account will be deferred for the remainder of this fiscal year.

Mr. President, 1986 is the first year I can recall that no funds were appropriated during the regular appropriations process to meet the large unmet construction needs of Indian schools funded by the BIA. I am pleased that the distinguished chairman of the Interior Appropriations Subcommittee has agreed to accept this amendment so that the construction program can keep moving along. Otherwise, I fear that we will find ourselves facing a huge, unmet backlog of schools in some not to distant year that simply cannot wait for funds, causing serious impact on budget deficits. we have a trust responsibility for the education of Indian children and we must not fail to live up to that responsibility, even at a reduced pace.

● Mr. McCLURE. Mr. President, the amendment offered by the Senator from Montana would provide $4.9 million for the construction of two schools by the Bureau of Indian Affairs. This amount is offset by deferral of an identical amount of money which was provided for rehabilitation of BIA Irrigation Systems in the emergency jobs bill which was enacted in 1983.

As these two schools are at the top of the priority list and will soon be ready for construction, this amendment is in line with subcommittee policy on school construction. If the funds were not provided in the supplemental, they would most likely have been provided in the fiscal year 1987 bill.

Mr. President, I know of no objection to the amendment and would recommend its adoption.●

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. HATFIELD. Mr. President, it has been cleared on this side.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 2028) was agreed to.

Mr. MELCHER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2029

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2029.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 2029

On page 26, following line 8 insert the following new section:

SEC. ( ). Of the appropriations available to the Department of the Army during the current fiscal year, $3,000,000, in addition to the appropriation "National Board for the Promotion of Rifle Practice, Army", may be used to conduct the 1986 National Matches at Camp Perry, Ohio, and such ammunition as may be necessary shall be made available for the matches.

Mr. STEVENS. Mr. President, I rise today to offer an amendment to allow the Army to continue to fully support the Civilian Marksmanship Program [CMP] within the National Board for the Promotion of Rifle Practice appropriation. The program supports the national marksmanship training competition held each year at Camp Perry, OH.

The Army has historically used personnel, operating support, and ammunition funded from other Army appropriations to provide support to the national matches. A recent ruling from the Army general counsel indicates that support from other appropriations is improper, given current appropriations restrictions.

Mr. President, this amendment will allow the Army to use additional resources, already appropriated, to support the National Matches. If this amendment is not agreed to, the Army will be forced to suspend obligations in support of the National Matches which are scheduled to begin on July 16.

This amendment provides no new appropriations to the budget and does not increase the deficit. It merely lifts the restrictions for the Army's support of the National Matches to be held next month.

In effect, Mr. President, this will get congressional sanction to allow the Department to use the funds that are already available.

Mr. HATFIELD. Mr. President, this amendment has been cleared on this side.

Mr. JOHNSTON. And, Mr. President, it has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2029) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2030

(Purpose: To amend H.R. 4515, the Urgent Supplemental Appropriations Act, 1986)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2030.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

H.R. 4515, Title I, Chapter I is amended—by inserting at the appropriate place the following: Section 1201(a)(16) of Public Law 99-198 (99 Stat. 1505) is amended by inserting at the end thereof the following:

"For purposes of this Act, and any other Act, this term shall not include lands in Alaska identified as having high potential for agricultural development which have a predominance of permafrost soils.".

□ 0200

Mr. STEVENS. Mr. President, the amendment which I have offered is very simple. It corrects an oversight in the Food Security Act of 1985—the farm bill which we spent so much time with last fall. As a part of that fairly comprehensive measure we included a provision which was called swampbuster. This was billed as denying Federal assistance to farmers who made more farmland by draining swamps at the same time we are paying price supports to farmers and paying farmers to take land out of production.

I agree with the idea behind this provision. Swampbuster, however, was accidentally drawn more broadly than we realized. Because of the unique nature of Alaska's soils this provision will deny assistance under Federal farm programs to essentially all of the lands in Alaska with agricultural potential. This is true because most of the land in Alaska has a layer of permafrost at some depth below the topsoil. The permafrost prevents water from draining out of the soil. As a result, Alaska's soils meet the technical definitions included under the Food Security Act's swampbuster provisions.

Farmers in Alaska follow the best techniques available. They work under conditions less favorable than those found by the farmers of Kansas or Iowa. They have, however, managed to develop a small but strong agricultural base. The costs of developing agriculture in Alaska have been taken up primarily by the State. There is little reliance on Federal assistance.

I cannot sit by, however, and have the farmers of Alaska denied Federal assistance granted to farmers everywhere else in the country simply because of the nature of the soil which they work.

The individuals involved with drafting the swampbuster provision have assured me that they had no intention of including all of Alaska in its scope. It was not until the Department of Agriculture began preparing regulations on this that we realized Alaska was included. The amendment I have offered is in line with recommendations of the Department of Agriculture for correcting this oversight. It is necessary to prevent injustice to the farmers of Alaska.

Let me say that this amendment corrects an oversight in a 1985 act which inadvertently made ineligible for development lands in Alaska that are permafrost in character that have been identified as being capable of being put under cultivation.

I understand there is no objection to it. There was no intent to do this, but this was the unfortunate consequence of that act.

SWAMPBUSTER ALASKA EXEMPTION

Mr. KASTEN. Mr. President, will the Senator from Alaska yield for the purpose of entering into a very brief colloquy?

The Senator's amendment clearly exempts from the wetlands protection—or swampbuster—provision of the Food Security Act only permafrost land in Alaska.

As one Senator who was very much involved in getting this original swampbuster provision included in the farm bill, let me say that there was never any thought on my part of precluding agricultural development on the Alaskan permafrost that the Senator's amendment refers to.

I believe the same is true of other Senators who have been leaders in this area, and who I worked with last year in crafting the swampbuster provisions last year, such as the Senator from Indiana, Mr. LUGAR, the Senator from Minnesota, Mr. BOSCHWITZ, and the Senator from Nebraska, Mr. ZORINSKY.

My understanding is that the Senator from Alaska for his part has no interest in exempting any nonpermafrost land. Am I correct in this?

Mr. STEVENS. The Senator is correct. This amendment applies only to permafrost land in Alaska.

Mr. KASTEN. I have no objection to the Senator's amendment, on the understanding that it does not in any way represent a precedent for other requests for exemptions from what I believe is a very important provision of conservation legislation. Since the regulations for the swampbuster provision have been subject to delay—I believe an unfortunate unnecessary delay—I have had some concern that one request for an exemption might lead to another, and then another, and so on.

I am pleased to be able to help in clearing up any confusion that may exist in Alaska on this point. I hope it is clear, though, that I and other Senators will vigorously oppose any other requests to exempt wetlands from the wetlands protection section of the Food Security Act.

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2030) was agreed to.

Mr. STEVENS. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2031

(Purpose: To amend title 39 of the United States Code to restore limited circulation second-class rates of postage for copies of a publication mailed to counties adjacent to the county of publication, and for other purposes)

Mr. STEVENS. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2031.

On page 66, after line 19, insert:

ADMINISTRATIVE PROVISIONS

That section 3626(f) of title 39, United States Code, is amended to read as follows:

"(f)(1) In the administration of this section, the substitute minimum charge per piece for mail under former section 4358(g) of this title shall apply only where fewer than five thousand copies of a publication are addressed for delivery within counties adjacent to the county of publication.

"(2) Within any State or territory which has not organized itself into county (or parish) subdivisions, copies addressed for delivery within the entire State or territory, other than those copies eligible for rates under former section 4358(a)-(c), shall be deemed addressed for delivery within counties adjacent to the county of publication, for purposes of this subsection.".

The amendment enacted by the first section of this Act is effective October 1, 1986. From that date until changed pursuant to chapter 36 of title 39, United States Code, the rates for mail covered by such amendment shall be the rates which would have applied to mail under former section 4358(g) of title 39, United States Code, if section 15102(c) of the Consolidated Omnibus Budget Reconciliation Act of 1985 had not been enacted.

Mr. STEVENS. Mr. President, I am introducing an amendment which would partially restore subsidized mailing rates recently eliminated in the Consolidated Omnibus Reconciliation Act of 1985. In that act Congress repealed section 4358(g) of title 39, of the United States Code which allowed newspapers to mail up to 5,000 subscriptions at a subsidized mail rate, to origins outside the county of publication. This elimination has caused unintended havoc to the very small newspapers serving readers spread out over large rural areas of this Nation. This amendment will restore the former section but only newspapers mailed to subscribers in counties adjoining the county of publication. This is a very modest proposal. It is intended to correct an unforeseen result of that prior action on the Omnibus Budget Reconciliation Act. We are told by the Na-

tional Newspapers Association that this amendment would significantly resolve the problems now faced by so many small newspapers when they found themselves faced with this sudden cutoff of low-cost postage.

Mr. JOHNSTON. Mr. President, would the Senator yield?

Mr. STEVENS. Yes, I yield.

Mr. JOHNSTON. This is under Senator DECONCINI's subcommittee as ranking member on this side. I have not cleared this particular one with Senator DECONCINI. I do not know of any problem but I simply have not cleared it over here.

Mr. STEVENS. I would be happy to put it off or to agree to it with the understanding that the action of the Senate will be rescinded if he objects.

Mr. JOHNSTON. That would be satisfactory. I appreciate it.

Mr. STEVENS. I do not believe he would object.

Mr. President, this covers very rural areas like my State and Arizona, as a matter of fact, so I really do not think the Senator from Arizona will object.

I ask unanimous consent that, if objected to by the Senator from Arizona, the action of the Senate will be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2031) was agreed to.

Mr. STEVENS. Mr. President, in fairness, I shall not ask to reconsider the vote.

AMENDMENT NO. 2032

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. RUDMAN, proposes an amendment numbered 2032.

On page 12, after line 5 add the following:

Of the funds appropriated to the Department of Justice in title II of Public Law 99-180, not to exceed $500,000 may be transferred to "Salaries and expenses, general legal activities" to pay expenses related to the activities of any Independent Counsel appointed pursuant to 28 U.S.C. 591, et seq. upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate.

Mr. HATFIELD. Mr. President, I offer this amendment on behalf of Senator RUDMAN.

The amendment will permit the Department of Justice to transfer up to $500,000 into its general legal activities account from other areas in the Department to meet expenses associated with the appointment of two independent counsel through the remainder of the fiscal year.

The appointment of independent counsels is something over which the Department of Justice has no control. If independent counsel are appointed, the Department must pay their expenses.

Two independent counsel have recently been appointed by a three judge panel of the appeals court. This amendment will give the Department some flexibility to meet these unanticipated expenses this year, without detracting from its important litigative activities.

The Congressional Budget Office has indicated this amendment will not add to the deficit. The amendment has been cleared with the ranking minority member of the Commerce, Justice, State Subcommittee.

Mr. President, this has been cleared on this side of the aisle.

Mr. JOHNSTON. Mr. President, we have cleared it on this side, too.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2032) was agreed to.

AMENDMENT NO. 2033

The PRESIDING OFFICER. Are there further amendments?

Mr. HATFIELD. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 2033.

On page 19, after line 2 add the following: Notwithstanding the provisions of section 106(b)(1) of the Bankruptcy Amendments and Federal Judgeship Act of 1984, a bankruptcy judge serving on a part-time basis on the date of enactment of this Act may continue to serve as a part-time judge for such district until December 31, 1986, or until such time as a full-time bankruptcy judge for such district is appointed, whichever is earlier: *Provided*, That these provisions shall apply only to part-time bankruptcy judges serving in the district of Oregon, the western district of Michigan, and the eastern district of Oklahoma.

Mr. HATFIELD. Mr. President, this amendment will simply permit three part-time bankruptcy judges to continue to perform judicial services through the end of the calendar year. It does not authorize any additional bankruptcy judge positions, but merely extends current authorization in three judicial districts facing unique circumstances. This action is required to avoid an unnecessary disruption in bankruptcy services in three judicial districts, the western district of Michigan, the eastern district of Oklahoma and the district of Oregon.

Two years ago, Congress considered and passed the Bankruptcy Amendments and Federal Judgeship Act of 1984. One of the results passage of this legislation brought was the termination of all part-time bankruptcy judge positions by July 10, 1986. Since enactment of the bankruptcy amendments, many of the part-time positions have lapsed as judges serving in those positions have retired or have been appointed to full time positions. However, bankruptcy judges continue to serve on a part-time basis in the three aforementioned judicial districts.

Legislation authorizing the upgrading of the part-time bankruptcy judge positions to full-time ones in each of these judicial districts has already passed the Senate. Without congressional action to extend the part-time positions, however, critical bankruptcy services in these districts will be lost because the part-time positions will expire before the full-time judge is appointed. The administrative office of the court estimates that allowing the termination of the part-time judge prior to appointment of a full-time judge could mean a 6- to 12-month disruption in the present level of bankruptcy services in each of these districts.

I also want to point out that this amendment will not require an additional appropriation to cover the cost of extending these bankrutpcy judgeships. The administrative office has estimated that the cost of the amendment, relative to salaries, can be absorbed within the available and anticipated appropriations. They have also indicated that the cost for courtroom space would probably have to be incurred whether or not the part-time positions are continued. Only one of these judgeship positions is in the same city as an incumbent full-time bankruptcy judge. Therefore, even with the termination of the part-time judge positions in these districts the courtrooms and chambers would have to be retained for use by visiting judges.

Mr. President, this amendment is small but is very important maintaining the present level of bankrutpcy services in the western district of Michigan, the eastern district of Oklahoma and the district of Oregon. Without it, these districts that the Senate has determined are in need of an additional full-time bankruptcy judge will have their current level of bankruptcy services reduced. I urge my colleagues to support the amendment.

Mr. President, this simply does one thing relating to a part-time bankruptcy judge in the State of Oregon. Under the Judiciary Committee bill, there will be a full-time judge provided for bankruptcy hearings in the State but because of the expiration of a part-time judge, we need this bridgeover until the Judiciary Committee's bill becomes law.

What this does is similar to what we have done in order not to interrupt

the bankruptcy procedure services, what we have already done in the western distirct of Michigan and the eastern district of Oklahoma. This simply extends the life of the part-time judgeship, to fill that gap until the new judge takes effect.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2033) was agreed to.

Mr. HATFIELD. I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2034

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], for Mr. INOUYE, proposes an amendment numbered 2034.

On page 50, line 16 immediately before the period insert: "to remain available until September 30, 1987."

EMERGENCY MEDICAL SERVICES FOR CHILDREN

Mr. JOHNSTON. Mr. President, I am proposing this amendment on behalf of Senator INOUYE. It would extend the availability of $2 million included in the bill to provide emergency medical services for children through fiscal year 1987. Under section 1910 of the Public Health Service Act, these funds cannot be obligated in a given fiscal year if four emergency services projects have already been funded in that year. Unfortunately, funds we appropriated back in fiscal year 1985 were only recently obligated for four such projects and thus, no further awards can be made in fiscal year 1986. Consequently, the language I am proposing is essential if the money we are providing in the bill for this program is to be spent. Hopefully, the funds will be awarded to qualified applicants early in fiscal 1987.

The PRESIDING OFFICER. Is there further debate?

Mr. HATFIELD. Mr. President, the amendment is cleared on this side.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2034) was agreed to.

AMENDMENT NO 2035

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 2035.

On page 51, after line 6, insert the following:

NATIONAL INSTITUTES OF HEALTH
ADMINISTRATIVE PROVISION

Funds made available for fiscal year 1986 and hereafter to the Warren G. Magnuson Clinical Center of the National Institutes of Health shall be available for payment of nurses at the rates of pay and with the schedule options and benefits afforded nurses by the Veterans Administration pursuant to 38 U.S.C. 4107.

Mr. HATFIELD. Mr. President, I send this amendment to the desk and offer it in my own behalf but actually on behalf of our colleague from the House of Representatives, Mr. SIDNEY YATES. All this amendment does—it has by the way no new budget authority. What it does is basically provide nurses at NIH with pay incentives competitive with and comparable to other Federal hospitals such as the VA.

We have had difficulty in staffing the NIH area of hospital care because we have not been able to maintain a comparability or competitive situation with the recruitment of nurses in other medical centers in this area. So we offer this amendment to achieve adequate staffing and afford appropriate occupancy rates at the NIH Warren Grant Magnuson Clinical Center Hospital. We also wish to improve the recruitment and retention at NIH of nursing staff with specialized skills, to ensure continuation of critical research programs.

Over the past 5 years NIH has experienced significant recruitment and retention problems and a turnover rate ranging from 18 to 27 percent.

NIH currently does not have the flexibility to offer the same pay and scheduling incentives offered by local hospitals, and thus NIH cannot be competitive for such personnel. Incentives include the weekend alternative or "Baylor Plan," that is nurses receive full-time pay for working 24 hours on a weekend, 12 hours Saturday and 12 hours Sunday. The VA has this authority.

At the hospital neither base salaries nor differential pay for specialty areas such as intensive care is competitive with other facilities. NIH is limited to offering a nurse with 2 to 3 years experience a starting salary of $10.05 per hour. Other area hospitals offer the same applicant a starting salary of $11.16 per hour. In addition, area hospitals can offer substantial pay raises while Federal employees received only a 4-percent pay raise in fiscal year 1984, making these positions even less competitive.

NIH cannot fully utilize clinical research opportunities at the NIH Clinical Center without adequate nursing personnel. Such nursing shortages have an impact on all areas of clinical cancer research in particular, especially protocols which require highly specialized skills. This includes research on Interleuken-2 and LAK cell therapy which has proven so effective already in experimental treatment for kidney cancer and melanoma. In addition, there are shortages in intensive care and in areas with complicated protocols involving the use of monoclonal antibodies for treatment of large bowel and breast cancer as well as for AIDS research.

This has been cleared on both sides of the aisle.

□ 0210

Mr. JOHNSTON. Mr. President, the amendment has been cleared.

The PRESIDING OFFICER. Is there further debates? If there is no futher debate, the question is on agreeing to the amendment.

The amendment (No. 2035) was agreed to.

The PRESIDING OFFICER. Are there other amendments?

Mr. STEVENS. Mr. President, I have another amendment but it has not been cleared so I cannot offer it until tomorrow.

Mr. HATFIELD. Mr. President, I have no other information about Members who have kept the late hour with us to offer amendments, but I might say we have disposed of about 10 amendments, about 12 amendments of the total of 49, so we are down now to about 38, 39 amendments to be completed tomorrow. Therefore, I really am grateful to those who were willing to stay with us and to offer these amendments.

I am sorry we cannot take up others that are noncontroversial but I think we have really run out of business.

The PRESIDING OFFICER. The Chair would notify the Senator from Oregon that the amendment that was listed under my sponsorship has been withdrawn, or I will withdraw it so it can be struck from the list.

Mr. HATFIELD. I thank the Presiding Officer.

Does the Senator from Louisiana have any other amendments?

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

I withhold that amendment.

Mr. HATFIELD. Mr. President, to comply with a technicality I now ask unanimous consent that the amendment on our list to be offered by the Senator from Washington—and I assume this is the one on the extension of the moratorium——

The PRESIDING OFFICER. That is correct.

Mr. HATFIELD. On State and fiscal sanctions—I ask unanimous consent

that that amendment be withdrawn from our list.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. GRASSLEY. Mr. President, I wonder if I might engage the distinguished manager, the chairman of the Appropriations Committee, in a short colloquy to clarify a matter regarding the availability of certain loan guarantee funds from the Department of Agriculture.

● Mr. HATFIELD. I would be happy to engage my distinguished colleague from Iowa in such a colloquy.

● Mr. GRASSLEY. Mr. President, the Nonprofit National Rural Development and Finance Corporation Program is authorized by section 1323 of the newly enacted Food Security Act of 1985. The act authorizes the transfer of some $14 million in grant funds for the program and makes available an additional $20 million in loan guarantee authority.

The USDA has already received the transfer of grant funds from the rural development loan fund administered by the Department of Health and Human Services. Further, the DHHS counsel has ruled that future payments of interest and repayments of principal to the rural development loan fund will be available for transfer to the Nonprofit National Rural Development and Finance Corporation Program.

There has been some confusion, however, regarding the availability of loan guarantees for the program. On March 19, 1986, USDA transferred $750 million from other accounts to farm operating loans for spring planting. While we all applauded this action, it raised concern as to whether sufficient loan guarantee requirements of section 1323. The majority leader, the chairman of the Agriculture Appropriations Subcommittee, Sentor COCHRAN, and I have looked into this matter and found that a balance of some $17.7 million in guarantee authority remains available. Recently, we have been advised by the Farmers Home Administration that USDA will be able to reserve $15 million of that available balance for use in the Nonprofit National Rural Development and Finance Corporation Program.

I would like to ask the distinguished chairman of the Appropriations Committee whether this reflects his understanding regarding the availability of funds for the second 1323 program?

● Mr. HATFIELD. Mr. President, my distinguished colleague from Iowa, Senator GRASSLEY, has precisely stated my understanding of the availability of USDA funds for the Nonprofit National Rural Development Finance Corporation Program.●

● Mr. LAUTENBERG. Mr. President, I rise in support of H.R. 4515, a bill providing urgent supplemental appropriations for fiscal year 1986. H.R. 4515 is necessary to meet important national needs for disaster relief, aviation safety and other purposes.

I would like to address three vital components of this legislation: The supplemental funding provided the Federal Aviation Administration, the overturning of deferrals in the Department of Housing and Urban Development and language protecting valuable natural recreational resources in New Jersey.

Mr. President, H.R. 4515 provides $80 million in supplemental appropriations for the Federal Aviation Administration. No agency of government has seen its basic mission threatened more by Gramm-Rudman than the FAA. The FAA presently suffers from a critical lack of personnel in its air traffic control, inspector and technician workforce.

The $80 million contained in this bill will help fill the void in the FAA's operations account left by Gramm-Rudman. The bill also contains language requiring the FAA to rebuild the air traffic control system to a 14,480 total controller workforce level by September 30, 1986. The 14,480 level is that level promised by the Secretary of Transportation in testimony before the Appropriations Subcommittee on Transportation.

Mr. President, the FAA faces many challenges in its effort to restore the air traffic control system to acceptable levels of experience. Frankly, I have strong doubts that the FAA can meet the 14,480 goal by September 30. It would come as no surprise to this Senator if the FAA needed additional appropriations to meet its goal before the fiscal year has run its course.

Mr. President, anyone who doubts that additional resources are needed at the FAA need only read the morning newspaper. On May 15, the National Transportation Safety Board issued a report calling for additional training of air traffic controllers to avoid runway collisions. No sooner was the report issued than a hair-raising near disaster occurred at Chicago's O'Hare Airport. The NTSB noted that there was a lack of supervision in the towers. The GAO reported that supervisors were spending too much time actually controlling traffic. The FAA is not going to get supervisors back to supervising until the air traffic controller workforce is built up to sufficient levels of experience.

I am pleased to note, Mr. President, the requirement in the report accompanying this bill that the FAA provide the Congress with monthly reports on the rebuilding of the air traffic controller workforce. The Congress and the public need a timely and accurate understanding of exactly how many air traffic controllers the FAA has and their level of experience. The administration and the Congress must find a way to accelerate the rebuilding of the air traffic control system.

Mr. President, in the section of this bill for the Department of Housing and Urban Development, the committee has clearly stated its rejection of deferrals of Community Development Block Grant and assisted housing appropriations provided by the Congress in fiscal year 1986. The administration attempted to undo the difficult compromise on HUD fiscal year 1986 funding fashioned by the Congress and agreed to by the President. Just a few short months after the signing of the fiscal year 1986 bill, the administration recommended a wholesale abandonment of that compromise.

The Community Development Block Grant Program was reduced in fiscal year 1986 by 10 percent below fiscal year 1985 levels. The first round of Gramm-Rudman cuts resulted in another 4.3 percent reduction. The administration then moved to reduce fiscal year 1986 funding by an additional $500 million through the deferral process, thereby doubling the reductions facing local governments in fiscal year 1986. The day that action was announced, I introduced legislation to overturn the deferral.

Mr. President, the budget-making process of local governments across the country has been profoundly disrupted by the CDBG deferral. Restoration of these funds will put the program back on stable footing and allow vital economic and community projects to go forward.

Mr. President, over the last several years, the Subcommittee on HUD and Independent Agencies, has attempted, in the face of strong administration pressure to gut Federal housing programs, to hold the line at a bare minimum of 100,000 new incremental units of housing each year. It has been determined by the subcommittee that the 100,000 unit target was necessary to maintain a minimal effort toward providing safe, decent, and sanitary housing for those most in need.

H.R. 4515 overturns the deferral of $2.3 billion in assisted housing funding and restores such programs as section 202 Housing for the Elderly and Handicapped to the levels provided in the fiscal year 1986 HUD appropriations bill. While we should remain mindful that the restoration of this funding returns us to a minimal effort, the alternative to that effort would be harmful to many citizens who seek nothing more than a decent place to live.

Mr. President, H.R. 4515 contains an amendment which I offered in full committee markup restricting the plans of the National Park Service to destroy important recreational resources in New Jersey. The Park Service has instructed its officials in the Delaware Water Gap National Recre-

ational Area to drain lakes in the park because sufficient funds do not exist to upgrade their dams.

The State of New Jersey and local environmental interests have concluded that these lakes are vital to the long-range recreational needs of the Delaware Water Gap National Recreation Area. My amendment prevents the draining of lakes in this area without specific congressional authorization. It is my intention to work with Senator McCLURE and the Appropriations Committee in order to reach a long-term agreement on this matter later this year. The prohibition on draining the lakes provides time for such an agreement to take shape.

I was pleased that report language regarding the Great Swamp National Wildlife Refuge which I offered in the full committee markup of H.R. 4515 was adopted. Great Swamp is one of New Jersey's greatest natural resources. However, contamination of the refuge, from an abandoned asbestos dump and two landfills threaten its integrity. The Fish and Wildlife Service has reported that Great Swamp is 1 of 10 refuges under its management which requires immediate attention in order to address compelling contamination problems.

The report language adopted by the committee acknowledges preliminary steps the Fish and Wildlife Service has taken to address the contamination problems at Great Swamp, and urges the Service to expand and expedite its activities. Last year, the Senate expressed its interest in enhancing the preservation and enjoyment of the natural resources in Great Swamp by including almost $1 million for additional land acquisition. By adopting this report language, the Senate again goes on record as being supportive of protecting the integrity of the Great Swamp National Wildlife Refuge, and expresses its desire to work with the Fish and Wildlife Service to ensure that the necessary resources are made available for this purpose.

Mr. President, the legislation before the Senate is indeed urgent and I urge its adoption.●

ADDITIONAL FUNDS FOR DAIRY INDEMNITY PROGRAM

● Mr. BOREN. Mr. President, I commend the action by the Appropriations Committee to include $9 million in the supplemental for the Dairy Indemnity Program. I want to thank the distinguished Senator from Arkansas, Mr. BUMPERS, for his leadership in the Appropriations Committee for getting this provision included.

As my colleagues are aware, the Dairy Indemnity Program was reauthorized by the Food Security Act of 1985. This program makes indemnity payments to farmers and manufacturers of dairy products who have been directed to remove their milk from commercial markets because it contained residues of chemicals. It also provides indemnity payments for dairy cows producing milk contaminated with pesticide residues.

The supplemental is necessary due to the contamination of milk supplies with heptachlor in Oklahoma, Arkansas, and Missouri. The problem was discovered in mid-March and affected dairymen have been caught in a devastating situation through no fault of their own. For the past several months, 144 dairy herds have been affected by the contamination of feed grain with heptachlor, an EPA-banned pesticide. Farmers unknowingly fed this contaminated feed to their cows and have since been faced with a disaster of tremendous proportion. Fifty-three herds are still under quarantine.

During the course of this crisis, these dairy farmers have been required to continue feeding and milking their herds to aid in the removal of the contaminant and to calculate their losses for the purpose of indemnification. At present, these dairymen have no source of income. The Diary Indemnity Program which was set up to handle these types of problems currently has only $95,000, and that is grossly inadequate to compensate the producers for the losses they have suffered.

I am pleased that the committee chose to provide $3 million more than the administration requested for this program. It is possible that more than $9 million may be needed and I understand that the chairman of the Subcommittee on Agricultural Appropriations, Mr. COCHRAN, has indicated a willingness to work with us if additional funds are necessary.

Mr. President, as my colleagues may recognize, the dairy industry is dependent upon adequate cashflows. The producers affected by this incident have been operating without any income for almost 3 months. The agricultural economy has been undergoing severe stress and the addition of this problem to dairymen in my State has made the situation extremely serious.

I urge my colleagues to support this provision and hope that the supplemental will be enacted without delay. It is critical that these payments be made available immediately.●

THE PROPOSED CORRECTIVE ACTIONS FOR THE SHUTTLE SOLID ROCKET BOOSTERS

● Mr. HOLLINGS. Mr. President, I would like to discuss a matter with the distinguished chairman of the HUD-Independent Agencies Subcommittee that is of particular concern to me, the $250 million included in the fiscal year 1986 supplemental for corrective actions or fixes for the shuttle solid rocket boosters.

As the distinguished Senator from Utah realizes, at this point in time, the Members of Congress have yet to receive or analyze the recommendations of the Rogers Commission concerning proposed fixes for the solid rocket boosters, nor have the Members of the authorizing committee had an opportunity to discuss these proposed fixes with NASA or with the newly created independent monitoring group at the National Research Council. While I am most supportive of getting the shuttle back into space as soon and as safely as possible, I am concerned that a "quick fix" bodes poorly for the future of the shuttle program and the Nation's space program. Therefore, what I would like to recommend is that during our conference with the House of Representatives some of the money included in this particular supplemental request of $250 million for corrective actions be fenced off to do parallel studies and to assess alternative fixes for the solid rocket boosters.

As most of the Members are aware, there are several major aerospace and engineering firms that have come forward with proposed solutions to the solid rocket booster design flaws. These options range from a monolithic, one solid piece, solid rocket booster, to a capture joint on the existing segmented solid rocket boosters, to better O-rings, to a new N-ray [neutron ray] inspection system. I am not personally capable of evaluating the technical merit of any of these proposed changes, but common sense tells me that all options should be considered. I, therefore, think it is appropriate that NASA and the National Research Council consider the full range of options before the final fix is approved and implemented. Whatever fix is finally recommended, it should be the best fix, the fix that will ensure the future safety of our astronauts and the future success of our shuttle missions.

● Mr. GARN. If the distinguished Senator from South Carolina will yield for a moment.

● Mr. HOLLINGS. I would be pleased to yield to the distinguished Senator from Utah.

● Mr. GARN. Mr. President, I would just like to tell my colleague that I certainly understand his concerns and I am open to fencing off some of the moneys allotted in the fiscal year 1986 supplemental for corrective actions to pursue alternative fixes and to consider parallel programs.

I would, therefore, be more than pleased to take this matter to conference with the distinguished Senator from South Carolina.

I thank the Senator from South Carolina for his suggestion and think that it makes eminently good sense.

● Mr. HOLLINGS. I would like to thank the Senator from Utah for his assurances and for his willingness to work with me on this matter. If there is one thing that I know for sure about the Senator from Utah, it is that he is totally committed to finding the best

solution to the problems with the solid rocket boosters. I know what a premium the Senator places on safety, and I am pleased that he will actively be involved in seeking the best solution to this critical design flaw.

● Mr. RIEGLE. Would the Senator from South Carolina yield?

● Mr. HOLLINGS. I would be pleased to yield to the distinguished ranking member of the Subcommittee on Science, Technology, and Space.

● Mr. RIEGLE. I would like to compliment both of my colleagues for the initiative that they are recommending. I share their concern about the danger of a quick fix and am pleased to know that this matter will be addressed in the conference on the supplemental. Based on what I have heard at the Rogers Commission hearings and I have read in the press, the suggestion of my colleagues makes good sense, and I hope that it will be one of the final recommendations of the Rogers Commission.

I would like to be associated with the remarks of my colleagues and indicate that I am more than willing to assist in whatever way possible on the Science, Technology, and Space Subcommittee to ensure a thorough evaluation of the proposed fixes and the implementation of the best and safest fix.

● Mr. HOLLINGS. I would like to thank my colleagues for their remarks, and I look forward to working out the details of our agreement with our House colleagues in conference.●

Mr. STAFFORD. Mr. President, I am very pleased that the Committee on Appropriations has included an appropriation of $1.3 million to enable the Architect of the Capitol to design a building for the consolidation of the Administrative Office of the U.S. Courts.

This study, authorized by Public Law 99-229, will produce the design and plan for a structure that will be located on the U.S. Capitol Grounds, adjacent to Union Station.

I am compelled to note two items regarding this appropriation.

First, a major portion of the study will be a national competition for the design of the building. Such a competition, which has occurred for many other major Washington buildings, should prove to be an important architectural event.

Second, it is anticipated that the building will be constructed by a public-private partnership. This means this appropriation will not lead to a costly new building financed by the Federal taxpayers.

Specifically, the law requires:

* * * An analysis of methods for financing and constructing such building or buildings in the most feasible and economical manner; and

* * * An analysis of methods of financing the construction of such building or buildings, including methods to minimize or eliminate initial capital investment by the United States through the use of public-private partnerships or nongovernmental sources of financing such construction.

Mr. President, to explain the situation further, I ask unanimous consent that a copy of a letter from George M. White discussing the study be printed at this point in the RECORD, together with a copy of Public Law 99-229.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, DC,
April 21, 1986.

Hon. ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As you know, enactment of Public Law 99-229 requires a joint study to be made by the Architect of the Capitol and Secretary of Transportation, in consultation with the Chief Justice of the United States, concerning the construction of a building or buildings on Squares 721 and 722. Public Law 99-229 specifies the elements of the revised study and also authorizes $2,000,000 to be appropriated to carry out the provisions of the act.

The attached preliminary draft of a work program and budget outlines the efforts taken to date to meet the requirement of Public Law 99-229 even prior to funding. We are prepared to proceed with the steps outlined in the report, subject to the availability of the authorized funding. Modifications will, of course, take place in a number of areas where final decisions have not yet been made.

The Secretary of Transportation has appointed Mr. Ray Karam, Deputy Assistant Secretary of Transportation for Budget and Programs, as her representative in this endeavor, as indicated in her letter to me of February 11, 1986, of which a copy is enclosed. Mr. Karam has participated in the development of the draft report, which has undergone a number of modifications, and informs me that he concurs therein.

A similar letter has been sent to the Honorable James J. Howard, Chairman of the House Committee on Public Works and Transportation.

I shall, of course, be pleased to furnish any additional information you may deem desirable.

Cordially,

GEORGE M. WHITE, FAIA,
Architect of the Capitol.

THE SECRETARY OF TRANSPORTATION,
Washington, DC, February 11, 1986.

Mr. GEORGE M. WHITE, FAIA,
Architect of the Capitol, Washington, DC.

DEAR MR. WHITE: Thank you for your recent letter regarding Public Law 99-229. Under that statute, the Secretary of Transportation and the Architect of the Capitol have joint responsibility to conduct a study and make recommendations to Congress regarding an appropriate use of the site in question. I have appointed Mr. Ray Karam, Deputy Assistant Secretary for Budget and Programs, as my representative in this endeavor.

I appreciate your support for the Department's redevelopment plans for Union Station, and share your desire for the successful completion of the project.

With best wishes.

Sincerely,

ELIZABETH HANFORD DOLE.

STUDY FOR THE DESIGN OF AN ADMINISTRATIVE OFFICE BUILDING FOR THE JUDICIARY

BACKGROUND

Public Law 99-229, approved December 28, 1985, authorizes the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, to study alternatives for the construction of a building or buildings on Squares 721 and 722 adjacent to Union Station. To carry out the provisions of the act, the Architect and the Secretary are directed to undertake a study to provide alternatives for the construction of a building or buildings to house the Administrative Office of the United States Courts, related judicial activities and other such tenants that might be appropriate to share space at that site pursuant to the Public Building Cooperative Use Act. The Architect is also required to study options for financing the construction that could be provided from non-Federal sources. To carry out these various tasks, Public Law 99-229 authorizes the appropriation of $2,000,000.

WORK PROGRAM

Following approval of Public Law 99-229, the Architect of the Capitol made contact with officers of the Union Station Redevelopment Corporation and with the Secretary of Transportation in order to organize a working group to determine and coordinate the approach to be taken to carry out the provisions of the act. Members of the working group include staff from the Architect of the Capitol's office, the Department of Transportation, the Union Station Redevelopment Corporation and the Administrative Office of the United States Courts. This report is a summary of the group's recommendations concerning the proposed work program which will accommodate the provision of Public Law 99-229. These recommendations, including a budget proposal, are intended to be useful also to the Appropriations Committees as a means of expediting their deliberations.

The first step in the work program is to determine the program goals that must be met by the new building or buildings. The Administrative Office of the United States Courts has been revising its summary data concerning its future needs in terms of office and other space. These data will provide a program baseline from which consultants can begin to assess building size, services required, other occupants and costs.

The next step in the work program involves identifying the preliminary investigative tasks necessary for developing a comprehensive program description that can be used by developers to prepare their proposals for a new building or buildings. These tasks are listed in Attachment A.

Concurrent with this preliminary step, evaluation of other possible uses for the building will be undertaken by consultants. The market evaluation will provide recommendations that will identify potential cooccupants that will meet the provisions of the Public Building Cooperative Use Act and also be consistent with the present plans of the Union Station Redevelopment Corporation.

Also concurrent with the foregoing tasks, cost analyses will be performed to identify methods of construction financing that would eliminate or reduce the Federal contribution toward construction costs. Some possible financing structures are listed in Attachment A.

When all of the information identified thus far in the work program has been gath-

ered and agreed upon, schematic architectural proposals will be solicited from several leading American architects resulting in the selection of a conceptual building design. Alternative procedures for design control will be considered. Our own criteria in that regard, including conformity with the Master Plan for the U.S. Capitol and the desire for excellence in urban design, will, of course, be a part of the total program. This building design and all previously gathered information will be published in a Prospectus to be provided to developers who will be invited to prepare proposals that can meet the aggregate needs and program goals. Included in the developers' proposals would be the program data for building occupants and space usage, other special building requirements, financing methods and the selected architectural scheme. Minor modifications to the latter might be acceptable. From the various proposals a recommendation can be made on the one that best meets the multiple needs of the Government and meets the requirements of Public Law 99-229.

A report will then be prepared for the Congress that summarizes all of the actions taken and findings realized, including the design, financing plan and development of the building or buildings.

WORK PROGRAM FUNDING

To carry out the proposed work program, the $2,000,000 authorized by Public Law 99-229 will need to be requested in the fiscal year 1986 Supplemental. These funds are required as soon as possible in order to prepare a timely response to the Congress as provided in the act.

A Preliminary Work Program Budget has been prepared to identify the amounts required for the tasks set out to be accomplished. This budget has been included in Attachment B.

WORK PROGRAM TIMING

Although Public Law 99-229 requires that a report be submitted to the Congress no later than August 15, 1986, a period of nine months from the date of funding approval will be required to prepare and submit such a report. This is approximately the same time period as from the date of passage of the authorization act and August 15, 1986.

WORK PROGRAM FOR CONSTRUCTION OF A BUILDING OR BUILDINGS ON SQUARES 721-722

I. ADMINISTRATIVE OFFICE OF THE U.S. COURTS

A. Identify Present and Future Needs.
B. Identify Special Needs.

II. ARCHITECTURAL SERVICES—PRELIMINARY WORK

A. Identify Densities—FAR (Floor/Area Ratio) Maximums—Minimums.
B. Plan Layout.
C. Massing Studies—including reference to Union Station and City Post Office.
D. Identify Available Services:
1. Water.
2. Sewer.
3. Electricity.
4. Gas.
5. HVAC.
6. Heat.
E. Identify Building Systems.
1. Security.
2. Building Operations.

III. MARKET EVALUATION (CONSULTANTS)

A. Other Possible Uses:
1. Office (Identify Compatible Tenants).
2. Retail.
3. Residential.
4. Hotel.
5. Cultural.
6. Educational.
7. Recreational.

IV. DEVELOPER IDENTIFICATION

A. How Identified.
B. Uniformity of Contacts:
1. Written.
2. Oral.

V. COST ANALYSIS

A. Cost Consultant.

VI. FINANCING ALTERNATIVES

A. Developed by Federal Government.
B. Turnkey by Developer Sold at Cost Plus Developer Fee.
C. Lease by Federal Government with Sale to U.S. at End of Term for One Dollar.
D. Developer Builds Non-Federal Uses.
E. Other.
F. Recommended Alternatives and Procedures for Next Steps.

VII. ARCHITECTURAL COMPETITION OF ALTERNATE DESIGN CONTROL PROCEDURE

A. Professional Advisor.
B. Edit Program.
C. Advisory Committee.
D. Competitors.
E. Cost Estimation.

VIII. DEVELOPER PROPOSALS

A. Who Prepares.
B. How Prepared.
C. Lead Time: 1. Need 45 Days Lead Time for Submission to Secretary of Transportation.

IX. REPORT TO CONGRESS

A. Presumed Deadline—August 15, 1986 (Not possible to achieve because of present lack of funding).

PRELIMINARY WORK PROGRAM BUDGET

[Subject to change]

Task	Total	Administrative Office, U.S. courts	Architect of Capitol	Secretary of Transportation	Consultants	Expenses
I. Identify Administrative Office of the U.S. courts needs	$50,000	$20,000	$10,000		[1] $20,000	
II. Architectural program	80,000	20,000	30,000	$10,000	[2] 10,000	
					[1] 10,000	
III. Market evaluation	80,000		10,000	20,000	[3] 50,000	
IV. Developer selection	100,000		20,000	40,000	[3] 20,000	[7] $20,000
V. Cost analysis	90,000	10,000	30,000	10,000	[4] 30,000	
					[5] 10,000	
VI. Financing alternatives	110,000	10,000	20,000	30,000	[2] 50,000	
VII. Architectural competition:						
A. Pro advisor	40,000		10,000		25,000	[8] 5,000
B. Publish program	15,000		5,000	5,000		[9] 5,000
C. Advisory Committee	55,000		30,000	10,000	10,000	[8] 5,000
D. Competitors	320,000		30,000	30,000	240,000	[8] 20,000
E. Cost estimation	40,000		10,000	10,000	15,000	[8] 5,000
Subtotal, VII	470,000		85,000	55,000	290,000	40,000
VIII. Developer proposals:						
A. Prepare prospectus	95,000		30,000	40,000	20,000	[9] 5,000
B. Analyze proposals	85,000		10,000	20,000	[3] 20,000	[7] 5,000
					[6] 30,000	
Subtotal, VIII	180,000		40,000	60,000	70,000	10,000
IX. Report to Congress	140,000	10,000	30,000	30,000	[3] 20,000	[9] 40,000
					[5] 10,000	
Subtotal, preliminary work program	1,300,000	70,000	275,000	255,000	590,000	110,000
X. Contingency and other expenses	700,000					700,000
Total	2,000,000	70,000	275,000	255,000	590,000	810,000

[1] Programming. [2] Security. [3] Economist. [4] Cost. [5] Architect/Illustrations. [6] Construction cost. [7] Miscellaneous. [8] Travel. [9] Printing.

(An Act To authorize the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, to study alternatives for construction of a building adjacent to Union Station in the District of Columbia, and for other purposes)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STUDY OF CONSTRUCTION OF OFFICE BUILDING.

(a) REQUIREMENT FOR JOINT STUDY.—The Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, shall jointly study alternatives for the construction on squares 721 and 722, bounded by F Street, 2nd Street, Massachusetts Aveneue, and Columbia Plaza, Northeast, in the District of Columbia, of a building or buildings to meet the current and future needs of the administrative office of the United States Courts, the Federal Judical Center, and other judicial functions and such other commercial, governmental, cultural, educational, and recreational activities which the Architect and the Secretary determine may appropriately be located in such building or buildings. Such building or buildings shall complement the areas surrounding such squares and fulfill the goals of mixed use in the Public Buildings Cooperative Use Act of 1976.

(b) ELEMENTS OF STUDY.—The study under subsection (a) shall include—

(1) a study of alternative sizes and designs for such building or buildings and the estimated cost of each such alternative necessary to meet the current and future needs referred to in subsection (a);

(2) an analysis of other commercial, governmental, cultural, educational, and recreational activities which may appropriately be located in such building or buildings;

(3) an analysis of methods of providing security, utility, fire, and other related services for such building or buildings and allocating the cost of providing such services among the occupants of such building or buildings;

(4) an analysis of methods for financing and constructing such building or buildings in the most feasible and economical manner; and

(5) an analysis of methods of financing the construction of such building or buildings, including methods to minimize or eliminate initial capital investment by the United States through the use of public-private partnerships or nongovernmental sources of financing such construction.

(c) REPORT.—Not later than August 15, 1986, the Architect of the Capitol and the Secretary of Transportation shall submit to Congress a report on the results of the study conducted under subsection (a), together with recommendations concerning the size and design of such building or buildings and methods of financing the construction of such building or buildings.

(d) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to the Architect of the Capitol $2,000,000 for fiscal year 1986 to carry out this Act. From funds appropriated to carry out this Act, the Architect shall make available to the Secretary of Transportation such amounts as may be necessary for the Secretary to carry out the Secretary's functions under this Act. Funds appropriated to carry out this Act shall remain available until expended.

Approved December 28, 1985.

SMALL BUSINESS ADMINISTRATION DISASTER LOANS

Mr. BURDICK. Mr. President, I want to address a provision that was included in this supplemental appropriation bill by the Appropriations Committee, dealing with Small Business Administration disaster loans to farmers.

The Consolidated Budget Reconciliation Act of 1985 mandated changes in the Small Business Administration's disaster lending program which made agricultural enterprises ineligible for either physical or economic injury disasters declared on or after October 1, 1985. This change results in an inequity for several States because while they had applications in for disaster declarations well in advance of October 1, 1985, the disasters were not declared until after that date. Meanwhile other States disaster applications were approved prior to October 1, 1985, even though the applications were submitted considerably closer to the October 1 cutoff than the other States.

The provision in this bill simply states that for any application for a disaster declaration that was submitted prior to October 1, 1985, for a disaster occurring prior to that date, farmers will still be eligible for SBA disaster loans. I want to make it perfectly clear that the change does not reinstate the SBA Disaster Loan Program for farmers. It simply clears up this inequity and treats all States fairly.

North Dakota had an application like this in on August 9, 1985, but the application was not approved until October 3, 1985. Other States had their applications in after August 8 but they were approved prior to October 1. So you can see the unfairness that results simply from a difference in processing time.

Nine States, in addition to North Dakota, also had their applications submitted prior to the October 1 deadline which were not approved until after that time. They are Alabama, Idaho, Nebraska, North Carolina, Pennsylvania, Texas, Washington, Wisconsin, and Wyoming.

In view of the changes that this legislation makes, Mr. President, it is assumed that the Small Business Administration will make the needed changes in its program to make sure that these farmers will be notified that they are eligible for SBA loans and that they will be given sufficient time to submit their applications. It is clear that the SBA should go out of its way to let the farmers know of the change being made today so that farmers can take full advantage of this assistance they so badly need.

Mr. President, I urge my colleagues to support this bill and to support this change to help bring about an equitable end to the SBA Disaster Loan Program for farmers.

MEDICARE CAPITAL PAYMENTS

Mr. BAUCUS. Mr. President, the Senate Committee on Appropriations has amended H.R. 4515 by deleting the Rostenkowski amendment adopted by the House of Representatives which would retain until October 1, 1987, the current Medicare exclusion of capital-related costs from the prospective payment system. I support this House provision because it removes a deadline which might hamper the flexibility of Congress to legislate a responsible capital payment policy for hospitals. I want to make clear, however, that the removal of this deadline is not intended to postpone dealing with this important issue, but is intended to allow Congress to act through the legislative process, rather than allowing the Secretary of Health and Human Services to set capital payment policy by regulation.

The Secretary issued proposed regulations on this subject on June 3, 1986, and there is a 30-day period during which interested parties can comment on the Secretary's proposal as well as on alternatives suggested in the notice of proposed rulemaking. I hope that we will receive comments and alternative proposals, and that the Congress will then act to establish a capital policy which is fair to all hospitals, especially those hospitals such as low-volume rural hospitals which would be severely affected by the Secretary's proposal. I am also concerned that the final capital payment policy properly addresses those hospitals with unusually high capital expenses.

Mr. DURENBERGER. I share my colleagues's view on this issue. The Congress should establish this important policy, rather than allowing the Secretary to do so by regulation. I have introduced legislation, S. 2121, which provides an alternative to the Secretary's proposed regulation, and I am continuing to develop further refinements of this proposal to better ensure a fair capital payment policy.

Mr. BAUCUS. I understand that the chairman and the ranking minority member of the Finance Committee have sent letters to the Appropriations Committee indicating that although this provision was deleted because it constitutes legislation on an appropriations bill, that they support the provision and have requested that the Senate conferees accept the House provision in conference.

Mr. PACKWOOD. The Senator from Montana is correct. I have sent a letter to the chairman of the Appropriations Committee indicating my support for the House provision, and I ask that a copy of that letter be printed as a part of the RECORD. I want to emphasize that Medicare capital payment policy is a matter which the

Congress should establish, and that I intend that the Finance Committee address this issue through the legislative process.

Mr. LONG. I concur with the chairman of the Finance Committee that Medicare's payment policy for capital is a matter which our committee should address in the legislative process. I have sent a letter to the ranking minority member of the Appropriations Committee indicating my support for the House provision, not for the purpose of postponing for a year the consideration of a new capital payment policy, but merely to allow the Congress to act through the legislative process without any time or baseline constraints which the Secretary's proposed regulations might impose on the process. I ask that the letter be included as a part of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, May 14, 1986.

Hon. MARK HATFIELD,
Hart Senate Office Building,
Washington, DC

DEAR MARK: The urgent supplemental appropriations bill, HR 4515, which has been referred to your committee includes a provision which continues the exclusion of capital-related costs from Medicare's prospective payment system until October 1, 1987. The purpose of the provision is to give the Congress time to legislate on the matter of capital cost reimbursement under the Medicare program rather than allow the Secretary to use the regulatory process to incorporate capital payments into the prospective payment system. The Committee on Finance has an interest in this matter.

As the committee with jurisdiction over the Medicare program, we intend to consider legislation to implement a new capital payment policy before October 1986. Section 206 of HR 4515 allows us to legislate on this matter free of any budget baseline considerations which might hamper our deliberations should the administration pursue a capital payment policy change through the regulatory process at the same time. While I hope you understand the need for such a provision, I can understand the deletion of the provision by the Appropriations Committee because it is legislation on an appropriations bill. Should the Committee on Appropriations strike section 206 from the HR 4515, I ask you to consider our position and accept the House provision during the conference.

Sincerely yours,

BOB PACKWOOD,
Chairman.

U.S. SENATE,
Washington, DC, May 20, 1986.

Hon. JOHN C. STENNIS,
Ranking Minority Member, U.S. Senate, Committee on Appropriations, Washington, DC.

DEAR SENATOR STENNIS: The House of Representatives included in the urgent supplemental appropriations bill (H.R. 4515) a provision which retains the current medicare exclusion of capital-related costs from the prospective payment system until October 1, 1987. The purpose of the provision is to allow Congress the time to legislate a new payment methodology for capital-related costs, rather than allowing the Secretary of Health and Human Services to change the payment methodology by regulation. The provision would also remove any doubt that the budget baseline used for purposes of the Gramm-Rudman-Hollings sequestration procedure should reflect current law, rather than the Secretary's proposed regulations.

I understand that the Senate Committee on Appropriations did not include this House provision, because it constitutes legislation on an appropriations bill. However, I ask you to support this provision in conference with the House, so that the Committee on Finance can consider the issue of hospital reimbursement without any constraints which might be imposed by the Secretary's proposed regulations.

With every good wish, I am

Sincerely,

RUSSELL B. LONG.

GATES LEARJET FUNDS

Mr. DOLE. There is a matter of concern to the Senator from Kansas concerning the funding level for the buyout of 80 Learjet C-21A's. The Air Force is under a long-term lease agreement for these planes. This supplemental allows the use of $176 million to buy out the aircraft. However, as I understand the issue, there has been a rounding of the cost figure by the Pentagon that results in an $8 million shortfall.

Mr. STEVENS. I am familiar with this issue, and would like to try to work out an equitable solution.

Mr. DOLE. According to the manufacturer, each plane costs $2.299 million. However, when the Pentagon made its calculation, it only went one digit beyond the decimal point, multiplying $2.2 million by 80. The actual cost is closer to $2.3 million than $2.2 million, and it would be helpful if these figures could be adjusted accordingly.

Mr. STEVENS. Although I believe the Pentagon used the same methodology in calculating the cost of this purchase that it uses in other such instances, it appears there could be a significant discrepancy, and the Senator from Alaska will do everything he can to clarify this situation in the conference report.

SUPPORT FOR PROVISIONS OVERTURNING THE DEFERRAL OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING

Mr. GORTON. Mr. President, I would like to applaud the Appropriations Committee for including provisions in this urgent supplemental that overturn the administration's deferral of community development block grant funds. This action will help correct the problems that have arisen due to the unfair timing of this deferral.

The Community Development Block Grant [CDBG] Program is quite different from most other Federal community development programs. Other programs, such as the Urban Development Action Grants [UDAG] Program, are run on a competitive basis. In obtaining funding for a UDAG project, for example, a local government designs a project and then submits an application for Federal Government assistance. This project then must compete with other similar projects around the country for limited Federal funds. The local government does not count on a Federal contribution until it is told that it is a winner in the competition.

The CDBG Program, on the other hand, is an entitlement program. Much like our citizens who receive Social Security, our cities and counties know how much Federal support they will receive at the start of the year when Congress passes an appropriation for the program. Using the figures approved by Congress, cities and counties plan their community development budgets, and enter into agreements with local contractors and service providers.

The budgets and agreements made by our local governments were thrown into chaos by the timing of the administration's CDBG deferral. Although many cities and counties start their program years on January 1, they were not told until January 3 that the administration planned to defer $500 million in CDBG funds. The official deferral request was not made until February 5. Local governments have found Federal community development support cut by 30 percent from fiscal year 1985. Almost 16 percent of this cut came after the start of their own budget years.

Community planners have told me that the deferral announcement was made too late in the year for them to meet the shortfall created by the deferral through donations from private foundations and private contributions. Obtaining additional funds through tax increases also would take a great deal of time. In fact, our local governments are left with a single choice by the deferral—an immediate cut in the community development services that assist our most needy citizens.

The city of Seattle, for example, had about $2 million deferred under the administration's action. To absorb this unanticipated loss of funds, Seattle will have to change the commitments it made with local relief agencies throughout the city.

Unless the deferral is overturned, the number of bednights available to homeless citizens in Seattle would have to be reduced by 13,000 this year. City planners estimate that over 30,000 meals for low-income elderly people, children, and families would have to be cut. Approximately 2,000 weeks of child care services for parents who are in training programs and low-income jobs would not be provided if the deferral is not overturned.

Of course, the impact of this deferral is not limited to Seattle. In my

home State of Washington, the city of Kent will have to cut back on a housing repair program for low-income elderly citizens unless the deferral is overturned. King County, WA, will have to reduce services for sexually abused children and cut the capacity at a youth emergency shelter. Pierce County reports that unless the deferral is overturned, it will be unable to meet vital public service and physical improvement needs. Programs that will be affected include an emergency food network and a shelter for battered women. The city of Bellingham in Washington State reports that the deferral threatens a day care program that provides services to over 200 low-income families per year.

Mr. President, these are just a few of the reports I have been given on the impact that the CDBG deferral will have on our cities and counties. It is simply unfair to ask our local governments to magically produce the revenue needed to offset the loss of funds represented by the deferral. I urge my colleagues to join me in overturning the CDBG deferral immediately.

NATIONAL PARK SERVICE

Mr. President, I would like to comment on a provision in the urgent supplemental bill which is of particular importance to the people of my State.

The House bill included language, to which the Senate committee has agreed, to prohibit the National Park Service from spending money to plan or implement the administration's proposal to close the Pacific Northwest Regional Office in Seattle, WA. I wholeheartedly support the Senate committee in agreeing to the House language. There is very little justification for the proposal in terms of cost-savings. Indeed, the immediate cost of the proposal for the first few years amounts to $4 to $5 million. This includes $270,000 per year the Park Service would have to pay in penalties for breaking a brandnew lease for office space into which it has recently moved. Further, there is little evidence to substantiate a real cost-savings over the long term.

The true, and far greater, cost of the proposal would be borne by the constituents in my State. The people of the State of Washington have a long heritage of stewardship for the abundant natural resources with which we have been blessed. The proposal would move the Pacific Northwest Regional Office to a distant location—far from the parks—far from the people in the State who care about the parks. This would result in increased inefficiencies of park management and administration, and our parks would suffer as a result. This is not acceptable to the people of the State of Washington. I want to commend the Appropriations Committee, in particular Senator HATFIELD, the able chairman of the committee, for recognizing this and agreeing to the language in the House bill.

SUPPORT FOR REPROGRAMMED FUNDING FOR THE SEDIMENT RETENTION STRUCTURE AT MOUNT ST. HELENS, WA

Mr. President, I would like to express my strong support for the provision in both the House and Senate committee bills to reprogram funds from the Corps of Engineers' budget to initiate construction of the sediment retention structure for Mount St. Helens. The reprogrammed money will allow for a construction start on the dam in 1986.

The $1.4 million in reprogrammed funds will be used to begin dewatering the site where the dam will be built. It will also be used to begin site clearing and the construction of the access road to the dam site. Initiating construction this summer will help greatly to keep the construction of the dam close to its original schedule. The severe storms that were experienced in the West this past winter are strong evidence of the need to complete this project as soon as possible. The downstream residents along the Cowlitz and Toutle Rivers have lived with the threat of continued flooding from Mount St. Helens long enough.

This provision will have no impact on the budget, as the funds will be reprogrammed from existing accounts. The Army Corps of Engineers agrees that reprogramming this money to have a construction start in 1986 is necessary. On April 26, 1986, the State of Washington and the Army Corps of Engineers signed a cost-sharing agreement. This, combined with the reprogrammed funds, will help ensure the timely completion of the project.

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ROUTINE MORNING BUSINESS

Mr. HATFIELD. Mr. President, I ask unanimous consent that there now be a period for morning business—early morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESS BY DR. OTIS R. BOWEN, SECRETARY OF HEALTH AND HUMAN SERVICES

Mr. THURMOND. Mr. President, on May 16, I had the privilege of attending the commencement exercises at the Medical University of South Carolina and introducing the keynote speaker, Dr. Otis R. Bowen, Secretary of Health and Human Services.

In his remarks, Secretary Bowen focused on the problems and challenges facing the medical profession in the future. He talked about rising medical costs, preventive medicine, malpractice issues, medical technology, Medicaid—all important questions facing today's medical graduates. He spoke of government and its growing role in health care and challenged the graduates to be caring professionals, concerned not with debits and credits, but with human beings. I found his remarks to be both imaginative and inspirational.

I would also like to take this opportunity to commend the able president of the Medical University of South Carolina, Dr. James B. Edwards, for his leadership in making this medical university one of the finest in the Nation, and the 579 graduates for their dedication to their studies. I also congratulate those outstanding leaders who were honored at the commencement exercises with honorary degrees: Secretary Bowen, for his leadership in national health; Carolyne Kahle Davis, for her contributions as former Administrator of the Health Care Financing Administration at the Department of Health and Human Services; and Dr. M. Maceo Nance, Jr., retiring president of South Carolina State College, for his role in making that institution one of our Nation's finest historically black universities.

Mr. President, I ask my colleagues to join me in commending the president of this fine medical university, the graduates, and the recipients of these honorary degrees. In addition, I ask unanimous consent that Secretary Bowen's commencement address, which deals so appropriately with issues facing Congress in the coming years, be entered in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY OTIS R. BOWEN, M.D., SECRETARY OF HEALTH AND HUMAN SERVICES AT THE MEDICAL UNIVERSITY OF SOUTH CAROLINA COMMENCEMENT

That was a kind and generous introduction—for which I thank you.

But when a person enters public life, as I have done, things are sometimes said about them that are simply not true.

It's not true, for example, that Jim Edwards and I decided to enter the medical profession merely because we flunked penmanship.

Nor is it true that my Under Secretary, Don Newman—a pharmacist—got the job because he was the only person that could read my writing.

And lest I forget, may I at this time add my own congratulations and best wishes to the honorary degree recipient here, Carolyne Davis.

Dr. Davis performed outstanding service as the Administrator of the Department's Health Care Financing Administration.

And all of you newly capped nurses here can take particular pride that she began her distinguished career as a nurse.

The story goes that when she first became HCFA Administrator, there were those who liked to kid her by saying that, now at last, we have a nurse who gets to tell the doctors what to do.

And finally before getting into my topic, I want to compliment the beauty of your City of Charleston.

This "city of gardens" is rich in history and graced with a tradition of warm hospitality.

Your Nation's capital is also a lovely city, but also a place of strange contrasts. It provoked one former President to call Washington a city "of Northern charm and Southern efficiency."

And if you plan on taking offense at that line, just remember it was a Democrat, John Kennedy, who said it.

In looking for my theme today, I was aware that graduation speeches tend to run to type.

Speakers generally haul out their crystal balls and proceed to tell an uninterested throng what a brave new world they are entering, what pitfalls await them, and how they must bear the torch of a new generation.

To all this I say "ho-hum" and rubbish!

The plain truth of the matter is that no one can tell what pitfalls await a new generation, and those who attempt it make grand fools of themselves.

For proof, I offer first one Charles Duell, who directed the U.S. Patent Office in 1899 and once said, "Everything that can be invented has been invented." So much for him.

Then there is the 1923 Noble Prize winner in Physics, Robert Millikan, who once solemnly predicted that "there is no likelihood man can ever tap the power of the atom." Tell that to the Kremlin these days!

And I might very well not have made it here if the prediction of Lord Kelvin, President of the Royal Society had come true: "Heavier than air flying machines are impossible," he said.

Oh, the list of rash predictions is endless!

There's movie mogul Harry Warner, who said derisively in 1927, "Who the hell wants to hear actors talk?"

And there's baseball immortal Tris Speaker saying in 1921 "Babe Ruth made a big mistake when he gave up pitching."

And finally, are you women ready for this last one? It was Grover Cleveland—a Republican I'm sorry to say—who rendered the view that "sensible and responsible women do not want to vote."

With that, let us get on to the proper business at hand—which is to get you graduates launched from academia into the world of work.

Work—that four-letter word that is no curse, but a blessing.

Work—the natural preoccupation of humankind and the one activity that keeps us all from mischief.

Work—that energetic enterprise your parents have involved themselves in to make possible the first-rate education you've had here.

The question I pose is what factors are stirring today that will define the scope and character of your work in years to come, be you doctor, dentist, nurse, pharmacist or other health professional?

I cannot—indeed I will not—gaze into any crystal ball.

But what I can do is to sketch out the changes stirring today that will shape your work and your workplace in all the tomorrows that lie ahead.

Many things are in motion today that will define these:

One is the reimbursement structure. Fixed-price reimbursement is upon us now. Indeed, with Medicare it is the law of the land. It is replacing the old blank-check system of the past—and it is destined to revolutionize how health care is delivered;

Competition in health care is another shaping factor. President Reagan has pointed us in this more promising direction. Out of it will come a pricing structure governed not by regulation but by the natural restraints of the marketplace;

Another element in the picture is the impact and thrust of medical advances. Price was once no object in the past—now it is. This age of fixed price reimbursement will compel a tough cost-effective look at every new development;

Finally, the issue of medical malpractice is once again getting the kind of attention it deserves. I've made malpractice reform a priority and set up a Department Task Force on malpractice to work closely with a White House group dealing with the broader issue of tort reform.

I have no fixed idea how these factors will interact or where they will take us—I hope they lead us toward better, more cost-effective health care.

But of this much I am sure: Nothing will ever take the place of caring.

If health care should become more impersonal, as some say it will, we shall have more need than ever for health care professionals who care deeply about their patients.

More than ever we shall need professionals who see themselves as the patient's champion and advocate, people who got into this field because they have a deep-down feeling for their fellow human beings.

No computer can ever take the place of that. No patient tracking system can replace it. And no management method can substitute for it.

These are useful tools—but no better than the human impulse that activates them.

Because the only safe repository for the future of health care are people who care: People who want to keep their patients healthy; people who are there to answer the cry of pain; people who, however much they understand the imperatives of cost, still recognize that the purpose of their work is not debits and credits but human beings.

I see a new spirit stirring among the young men and women of today who enter health care.

They are no longer content to work in the old way.

They are looking for a new way.

I see young physicians who have rightly come to regard the nurses who work by their side as partners in caring, and nurses who want to bring their profession back to its roots of personal service.

And pharmacists who understand they are much more than dispensers of pills—but colleagues who in the hospital setting can help physicians choose among the many options that the modern pharmacopeia offers.

Dentists who in the tradition of their professional forbearers push for reforms like fluoridation, even in the knowledge that this basic preventive measure would mean fewer young patients in their chairs.

And most of all, I perceive a new sense of comradeship among all those in the health professions from physician to orderly—a comradeship based on mutual respect for the other's contribution, coupled with the certain knowledge that if modern medicine means anything, it means teamwork.

There is indeed a growing sense today that we are all in this together.

And I believe that feeling will preserve the human face of medicine in the years ahead, come what may.

I feel that in my very bones.

Your professors and teachers feel it too. It is what they have tried so persistently to convey to you.

And the beliefs you carry forth from here and put into practice will be both the measure of their success and their enduring reward.

And what of government: where does it fit into all this? How will it shape the future?

My belief is this:

While government will play a role in shaping events, that role will be circumscribed by this administration's determination not to interfere unduly in the practice of medicine.

For the most part, we will be relying on competitive influences to hold cost down and keep quality up.

For to act in any other spirit would be both wrong and disastrous.

Technology will play a part, too. The medicine I began to practice 44 years ago is dramatically different from today's: There were no coronary bypasses then, now well over a 100,000 are done a year; in 1965 300 people received kidney dialysis; now they number in excess of 80,000.

And there is more to come: In 1983, only 172 heart and 163 liver transplants were performed. That number may some day climb to 10,000 heart and 5,000 liver transplants at a cost once estimated at well over $2 billion.

I think it clear that the cost issue will lead to restraints on the unfetterd use of technology. A heart transplant costs around $100,000 and the Massachusetts Blue Cross has already paid the stunning sum of $240,000 for a liver transplant.

And that's only the beginning because, as you know, we have entered an era of transplantable human parts that also includes kidneys, bone marrow, lungs, pancreas and even brain tissue—and by the way, I want to be first in line when the next Albert Einstein donates his.

I want to address in the briefest way the malpractice issue.

The A.M.A. has estimated that the defensive medicine practices provoked by malpractice fears add from $15 to $40 billion a year to health care costs.

There is no doubt that malpractice pulls physicians away from cost-effective medicine.

I'd like to see each state have a law like my home State of Indiana which deals with the malpractice issue and which has become a model. It limits the amount and the time and created a panel to review the case and issue an opinion, which is admissible in court. It has been most effective in keeping malpracticie premiums under control.

This Administration is also at work developing recommendations to deal with this issue.

But what I have to say today has nothing to do with that. I want to talk about the responsibility that you newly-minted physicians have.

Physicians need to invest more of their institutional resources into programs that will help to move the profession away from the costly practices of defensive medicine.

Another problem I would like organized medicine to take a bigger hand in solving is the problem of fraud and abuse.

The possible bad apples in your midst besmirch all of medicine; and if you are not careful, they will drag you down with them.

A few weeks ago, the physician heading up the Federation of State Medical Boards reported that there may be as many as

28,000 people practicing medicine without a license in this country.

In many cases, they have little or no medical training—and he says their number is growing.

State medical licensure boards are overwhelmed by the problem. They have neither the budgets nor the staff to cope with it.

I'm a believer in our federal system of governance and I think this problem ought to be tackled head-on at the state level.

Unlicensed medical practice makes a mockery of the tradition of excellence that distinguished schools like this stand for—and we ought to strike at its very roots without delay.

Act on this problem—I beg of you—before this problem acts upon all that you stand for.

CONCLUSION

I have only touched on a few of the issues that will shape your future.

How these issues actually "play out" and interact, no one can say. Anyone here might write their own scenario on that.

But this much I think is clear: the health care field will face problems of cost, access to care and quality for as far as the eye can see.

It has been the goal of this Administration to ensure access to quality care at an affordable cost; and we will pursue that goal relentlessly in the time given us.

But you must do your part as well. We are, all of us, in this together. And if your involvement in these larger issues asks much of you in the busy years ahead, I ask only that you keep in mind what the poet Robert Browning once wrote: "Man's reach must exceed his grasp, or what's a heaven for."

Thank you—every success in your new life ahead.

IN HONOR OF WARREN A. DOTSETH, OF BISMARCK, ND, ON THE OCCASION OF HIS RETIREMENT

Mr. ABDNOR. Mr. President, it is with great pleasure that I take this opportunity to express my appreciation to my good friend, Warren A. Dotseth, of Bismarck, ND, for his long and distinguished career with MDU Resources Group, Inc., and his contributions to the communities and families he has served.

Upon his retirement, effective June 1, 1986, Warren A. Dotseth concluded 43 years of service to MDU. Although for the past 15 years Warren has held the position of vice president of public affairs, he did not begin his career as a company executive. Rather, Warren began working for the company on October 1, 1943, in Minneapolis, MN, as a clerk in the company's auditing department. As Warren worked his way up the company ladder, he earned the respect and admiration of his colleagues.

Mr. President, during my years in elective office at the State and Federal levels, I have enjoyed working with Warren A. Dotseth. He is an honest man, a man who demonstrates through his daily life a genuine concern for others. I am proud to call Warren my friend.

Last June, I made a statement commending MDU, under Warren's direction, for its efforts to assist in the location of missing children. Warren A. Dotseth's attention to this serious problem does not come as a surprise to those of us who have had the pleasure of working with him throughout the years. While we are sad to see his career with MDU come to a close, we look forward to marking many more days, of many more years, as his friend.

Mr. President, I extend my sincere congratulations to Warren A. Dotseth upon the completion of his exemplary career with MDU and I ask that the resolution sponsored by his company and colleagues in recognition of his loyal service, be included in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

WARREN A. DOTSETH RETIRES

(A concurrent resolution recognizing and congratulating Warren A. Dotseth upon his retirement after forty-three years of loyal and dedicated service to The Company)

Whereas, The Company recognizes and honors citizens of Mondakonia for their accomplishments; and

Whereas, Warren A. Dotseth's career began on October 1, 1943 in Minneapolis as a Clerk (and sometime chauffeur) in the Auditing Department and his proficiency with numbers became known; and

Whereas, Warren A. Dotseth's career began a meteoric rise in 1950 when he was promoted to Bookkeeper and subsequently Accountant in the Auditing Department; and

Whereas, it was determined in October, 1951 Warren A. Dotseth's talents could best serve The Company as a Salesman in Billings where his skillful and adept ability to persuade kept him for five years; and

Whereas, Warren A. Dotseth, then transferred to Williston, served as a Customer Service Representative for the Williston, Kenmare, and Wolf Point Divisions beginning July, 1956; and

Whereas, Warren A. Dotseth's exemplary performance entitled him to be named Manager of Community Relations on January, 1964; and

Whereas, Warren A. Dotseth's last move for The Company was to Bismarck as Manager of Community Relations in August, 1965; and

Whereas, Warren A. Dotseth's title was changed to Director of Community Relations in October, 1967, inferring a greater degree of responsibility; and

Whereas, Warren A. Dotseth was appointed Vice President, Public Affairs in April 1971, a position he has held with distinction; and

Whereas, Warren A. Dotseth's achievements have been long recognized by his peers and he has performed well his many responsibilities to fraternal, civic, and industry-related organizations too numerous to mention; and

Whereas, his accomplishments and his retirement merit recognition and congratulations by all the citizens of MONDAKONIA;

Now, therefore, be it resolved by MDU Resources Group, Inc., its Division, Montana-Dakota Utilities Co., and its Subsidiaries Knife River Coal Mining Company, Williston Basin Interstate Pipeline Company, and Fidelity Gas Company concurring therein:

That The Company takes great pride and pleasure in extending its heartfelt thanks and best wishes to Warren A. Dotseth upon the completion of a long and commendable career.

CONCERNING INITIATION OF SOFTWOOD LUMBER COUNTERVAILING DUTY CASE

Mr. BAUCUS. Mr. President, on May 19, 1986, the United States softwood lumber industry filed a countervailing duty petition against imports of subsidized softwood lumber from Canada. I applauded the filing of that case as progress toward a resolution of the problem of subsidized Canadian lumber imports which have unfairly thrown tens of thousands of United States employees out-of-work and closed hundreds of United States softwood lumber mills.

Since the filing of that petition, various Canadian officials and lumber industry representatives have claimed that since the United States lumber industry was unsuccessful in a 1982 countervailing duty action the current suit is harassment. There have also been threats to sue the United States at the GATT if our Commerce Department decides even to investigate the matter.

The Canadians have it backwards. It is the United States lumber industry which has suffered the harassing and injurious effects of subsidized Canadian lumber imports. Our mills are just as productive as Canadian mills; our forests are more bountiful; our mills are closer to the market; United States consumption is at a record level; yet it is Canadian manufacturers who are grabbing an ever larger share of the United States market while United States manufacturers lose money. This is only possible because the Canadian provinces, which own about 95 percent of the timber in Canada, subsidize Canadian lumber manufacturers by charging below market rates for timber—a small fraction of the timber's value.

Given the Canadian subsidies and their devastating effects on the United States lumber industry, there is no basis to suggest that the Commerce Department would be doing something illegal or harassing to investigate those subsidies. On the contrary, under U.S. law the Commerce Department has a duty to investigate any complaint, such as the petition of the United States lumber industry, that alleges all the elements of an unfair subsidiary.

In 1982 the United States Government investigated a variety of lumber subsidy charges against the Canadians. While it was found that the Canadian practices were injuring the

United States lumber industry, the United States Government failed to make a finding of subsidy against Canadian stumpage practices. Apparently the Canadians believe that this should forever end the issue. Yet several developments make it imperative that this issue be reexamined.

To begin with, the 1982 decision was in error, both on the law and the facts. The case was rejected by the Department of Commerce based on a technical reading of U.S. trade law that has not been accepted by the courts. The Department of Commerce found that since the Canadian government did not nominally prevent any industry from purchasing subsidized timber, the subsidy was not made available to only a specific group of industries as required by the trade laws. In essence, the Department said that since anyone could theoretically buy undervalued trees, undervalued timber was not a subsidy to the timber industry. Since then, the Commerce Department has recognized that if in fact only a limited group of industries, such as the forest products group, benefits from a subsidy, it is a distortion of the market and is subject to countervailing duties. The evolution of the Department's analysis and clarification of its interpretation of the law is consistent with the intent of Congress, and under such an analysis the Canadians are clearly subsidizing to the detriment of the United States softwood lumber industry.

Moreover, the situation in the North American industry has significantly changed since 1982. In its petition, the U.S. lumber industry presents new facts and facts which were not on the record at that time. Now, unlike in 1982, U.S. lumber demand is at peak levels and the U.S. softwood lumber industry is still ailing. It is necessary for the International Trade Commission and the Commerce Department to determine the cause of the injury to the U.S. industry. Further, the United States lumber industry presents new evidence showing that the Canadian lumber industry is the real beneficiary of Canadian timber subsidies, not the Canadian paper or furniture industries as suggested in 1982. I am certain that Canadian subsidies have caused the injury to United States manufacturers and a full investigation will bear that out. I believe that if this current petition had been presented to the Department in 1982, a different result would have been reached.

It would be totally inappropriate for the Department of Commerce to fail to investigate the Canadian subsidies because of an earlier decision. Indeed, given its mandate to investigate identified subsidies, the Department of Commerce must investigate the Canadian timber pricing subsidies. In previous cases, for example, Oil Country Tubular Goods from Israel, Certain Carbon Steel Products from Brazil and the annual review of Carbon Black from Mexico, the fact that a subsidy program had previously been found not countervailable did not prevent the Department from conducting an investigation if evidence of subsidization exists. If our trade laws are to be effective, the Department must initiate an investigation whenever there is evidence of subsidization. Such is clearly the case with respect to softwood lumber from Canada.

Finally, the Canadian threat to challenge United States action at the GATT is completely hollow. A United States countervailing duty against Canadian timber subsidies imposed pursuant to a countervailing duty proceeding would be entirely consistent with the GATT. The GATT specifically authorizes countervailing duties against domestic subsidies, and the GATT does not exclude Canadian timber pricing subsidies from its ambit. Canadian manipulation of the softwood lumber market is a violation of both the letter and spirit of the GATT. The Canadian provinces are causing serious prejudice to United States economic interests in violation of the GATT Subsidies Code. Further, in any case, a Canadian challenge at the GATT to United States action is premature. It is certainly not a violation of GATT merely to investigate Canadian programs.

Canadian threats should not deter United States officials from carrying out their statutory responsibilities to act against Canadian subsidies which have materially injured the United States lumber industry and decimated the economies of many United States lumber communities. I believe that the United States Government must proceed immediately to investigate these deleterious Canadian practices and take the appropriate action to remedy them.

MESSAGE FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees and a treaty.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 4:38 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following Concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 346. Concurrent resolution to correct technical errors in the enrollment of the bill S. 124.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WEICKER, from the Committee on Small Business, without amendment:

H.R. 2787. An act to extend through fiscal year 1988 SBA Pilot Programs under section 8 of the Small Business Act (Rept. No. 99-316).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WEICKER, from the Committee on Small Business, without amendment:

H.R. 2787. A bill to extend through fiscal year 1988 SBA Pilot Programs under section 8 of the Small Business Act (Rept. No. 99-316).

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2069. A bill to amend the Job Training Partnership Act (Rept. No. 99-317).

By Mr. WEICKER, from the Committee on Small Business, with an amendment in the nature of a substitute:

S. 2147: A bill to extend the authorization for not-for-profit organizations operated in the interest of handicapped and blind individuals to receive procurement contracts under the Small Business Act (Rept. No. 99-318).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

H.J. Res. 479. Joint resolution to designate October 8, 1986, as "National Fire Fighters Day."

S.J. Res. 169. Joint resolution to commemorate the bicentennial anniversary of the first patent and the first copyright laws.

S.J. Res. 196. Joint resolution designating September 22, 1986, as "American Business Women's Day."

S.J. Res. 304. Joint resolution to designate the week of November 16, 1986 through November 22, 1986, as "National Arts Week."

S.J. Res. 346. Joint resolution to designate June 21, 1986, as "National Save American Industry and Jobs Day."

S.J. Res. 350. Joint resolution to designate 1987 as "The National Year of the Americas."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Alan E. Norris, of Ohio, to be United States Circuit Judge for the Sixth Circuit;

John G. Davies, of California, to be United States District Judge for the Central District of California;

Patricia C. Fawsett, of Florida, to be United States District Judge for the Middle District of Florida;

David Hittner, of Texas, to be United States District Judge for the Southern District of Texas;

Alfred J. Lechner, Jr., of New Jersey, to be United States District Judge for the District of New Jersey;

Nicholas Tsoucalas, of New York, to be a Judge of the United States Court of International Trade;

John Perry Alderman, of Virginia, to be United States Attorney for the Western District of Virginia for the term of 4 years;

Joe B. Brown, of Tennessee, to be United States Attorney for the Middle District of Tennessee for the term of 4 years;

William H. Ewing, Jr., of Tennessee, to be United States Attorney for the Western District of Tennessee for the term of 4 years;

J. Michael Fitzhugh, of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of 4 years;

Hinton R. Pierce, of Georgia, to be United States Attorney for the Southern District of Georgia for the term of 4 years;

Joseph P. Stadtmueller, of Wisconsin, to be United States Attorney for the Eastern District of Wisconsin for the term of 4 years;

Brent D. Ward, of Utah, to be United States Attorney for the District of Utah for the term of 4 years;

Lynn H. Duncan, of Georgia, to be United States Marshal for the Northern District of Georgia for the term of 4 years;

Frederick N. Falk, of Wisconsin, to be United States Marshal for the Western District of Wisconsin for the term of 4 years;

Robert T. Keating, of Wisconsin, to be United States Marshal for the Eastern District of Wisconsin for the term of 4 years;

Bruce R. Montgomery, of Tennessee, to be United States Marshal for the Eastern District of Tennessee for the term of 4 years;

Warren D. Stump, of Iowa, to be United States Marshal for the Southern District of Iowa for the term of 4 years;

William S. Vaughn, of Missouri, to be United States Marshal for the Eastern District of Missouri for the term of 4 years.

By Mr. GOLDWATER, from the Committee on Armed Services:

Edward C. Aldridge, Jr., of Virginia, to be Secretary of the Air Force.

(The above nomination was reported from the Committee on Armed Services with the recommendation that it be confirmed, subject to the noninee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

George S. Dunlop, of North Carolina, to be an Assistant Secretary of Agriculture.

By Mr. GOLDWATER, from the Committee on Armed Services:

Walter J. Shea, of Maryland, to be a Member of the Board of the Panama Canal Commission.

(The above nomination was reported from the Committee on Armed Services with the recommendation that it be confirmed, subject to the moninee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of May 14 and May 21, 1986 at the end of the Senate proceedings.)

**1. In the Navy there are 30 appointments to the permanent grade of commander and below (list begins with Michael J. Warden). (Ref. No. 1095)

*2. Gen. William R. Richardson, U.S. Army, to be placed on the retired list; Lt. Gen. Carl E. Vuono, U.S. Army, to be general and reassigned. (Ref. No. 1096)

*3. Lt. Gen. Edward C. Peter, II, U.S. Army, to be placed on the retired list; Maj. Gen. Frederic J. Brown, U.S. Army, to be lieutenant general and reassigned. (Ref. No. 1097)

*4. Lt. Gen. Robert W. RisCassi, U.S. Army, to be reassigned. (Ref. No. 1098)

*5. Lt. Gen. Robert W. RisCassi, U.S. Army, to be senior Army member of the Military Staff Committee of the United Nations. (Ref. No. 1099)

*6. Lt. Gen. David M. Twomey, U.S. Marine Corps, to retire. (Ref. No. 1103)

**7. In the regular Air Force there are five appointments to second lieutenant (list begins with Averett M. Allen). (Ref. No. 1108)

**8. In the U.S. Marine Corps there is one appointment to the grade of second lieutenant (James J. Justice). (Ref. No. 1109)

**9. In the U.S. Navy there are 499 promotions to commander (list begins with David B. Adams). (Ref. No. 1110)

Total: 542.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 2514. A bill for the relief of Mr. Fu Chuan Lee and Ms. Shon Ning Lee; to the Committee on the Judiciary.

By Mr. WEICKER (for himself, Mr. KERRY, Mr. THURMOND, Mr. STAFFORD, Mr. INOUYE, Mr. KENNEDY, and Mr. HATCH):

S. 2515. A bill to reauthorize the Rehabilitation Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GORE:

S. 2516. A bill to prohibit reprisal actions against officers and employees of Federal Government contractors for disclosing certain information to a Federal Government agency; to the Committee on Governmental Affairs.

S. 2517. A bill to require the National Aeronautics and Space Administration to list as a line item certain budgetary information; to the Committee on Governmental Affairs.

By Mr. BIDEN:

S. 2518. A bill to facilitate United States compliance with the numerical limitations of the SALT II treaty governing strategic nuclear weapons; to the Committee on Armed Services.

By Mr. EVANS (for himself and Mr. GORTON):

S. 2519. A bill to authorize certain elements of the Yakima River Basin Water Enhancement Project, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SPECTER:

S. 2520. A bill for the relief of Ayrton Oliver Reid; to the Committee on the Judiciary.

By Mr. SASSER:

S. 2521. A bill to make permanent the duty-free importation of hatter's fur and for other purposes; to the Committee on Finance.

By Mr. WALLOP (for himself, Mr. MCCLURE, Mr. HATFIELD, Mr. JOHNSTON, Mr. BUMPERS, and Mr. ARMSTRONG):

S. 2522. A bill to provide standards for placement of commemorative works on certain federal lands in the District of Columbia and its environs, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LONG (for himself and Mr. JOHNSTON):

S.J. Res. 355. A joint resolution to designate August 1986 as "Cajun Music Month"; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. THURMOND, Mr. DOLE, Mr. LAXALT, Mr. HOLLINGS, Mr. STENNIS, Mr. CHAFEE, Mr. ABDNOR, Mr. PELL, Mr. NUNN, Mr. EAST, Mr. WILSON, Mr. COHEN, and Mr. INOUYE):

S.J. Res. 356. A joint resolution to recognize and support the efforts of the United States Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. DOLE, Mr. SIMON, Mrs. HAWKINS, Mr. NICKLES, Mr. BENTSEN, Mr. ROTH, Mr. TRIBLE, Mr. SPECTER, Mr. EAST, Mr. STAFFORD, Mr. LAXALT, Mr. MCCLURE, Mr. KENNEDY, Mr. DENTON, Mr. QUAYLE, Mr. GRASSLEY, Mr. WILSON, Mr. KERRY, Mr. LONG, Mr. CHILES, Mr. PRYOR, Mr. BURDICK, Mr. HEFLIN, Mr. STENNIS, Mr. NUNN, Mr. JOHNSTON, Mr. RIEGLE, Mr. BOREN, Mr. WEICKER, Mr. BUMPERS, Mr. LUGAR, Mr. SARBANES, Mr. ZORINSKY, Mr. HEINZ, Mr. WARNER, Mr. LEVIN, Mr. HART, Mr. MATTINGLY, Mr. HATCH, Mr. SASSER, Mr. GLENN, Mr. BIDEN, Mr. GRAMM, Mr. D'AMATO, Mr. MOYNIHAN, Mr. METZENBAUM, Mr. DECONCINI, Mr. COCHRAN, Mr. INOUYE, Mr. MATHIAS, Mr. HELMS, and Mr. CHAFEE):

S.J. Res. 357. A joint resolution to designate the week of September 15, 1986, through September 21, 1986, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GORE:

S. Res. 421. A resolution to encourage the Administrator of the National Aeronautics and Space Administration to centralize certain responsibilities and functions; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER (for himself, Mr. KERRY, Mr. THURMOND, Mr. STAFFORD, Mr. INOUYE, and Mr. KENNEDY):

S. 2515. A bill to reauthorize the Rehabilitation Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

(The remarks of Mr. WEICKER and the text of the legislation appear earlier in today's RECORD.)

By Mr. BIDEN:

S. 2518. A bill to facilitate U.S. compliance with the numerical limitations of the SALT II treaty governing strategic nuclear weapons; to the Committee on Armed Services.

SALT II NUMERICAL LIMITATIONS COMPLIANCE ACT

Mr. BIDEN. Mr. President, 9 days ago the White House issued an announcement of historic consequence. The United States, we were told, would "no longer be bound" by the limitations of the SALT II Treaty.

The immediate impact of this announcement was lessened by word that the President had directed the dismantling of two Poseidon submarines, which will keep the United States in compliance with the major numerical limitations of SALT II until later this year. We were told, however, that this fall, when our 131st ALCM-equipped B-52 becomes operational, the administration does not intend to take the compensatory steps necessary to keep the United States within the limitation governing the aggregate of MIRV'd missile launchers and ALCM-equipped bombers.

We have thus been given early warning of a momentous and dangerous step which we still have time to avert. It is to prevent that step that I am today introducing legislation which would require that the United States remain within the major SALT II limitations. This legislation is simple and self-explanatory and, because it is brief, I shall read it here in full:

SECTION 1. SHORT TITLE

This Act may be cited as the "SALT II Numerical Limitations Compliance Act."

SECTION 2. FINDINGS CONCERNING LIMITATIONS ON STRATEGIC WEAPONS.

Congress hereby finds that—

(a) since the signing of the SALT II treaty in 1979 the United States and the Soviet Union have remained within the following overall limits specified by that agreement:

(1) launchers for no more than 820 land-based intercontinental ballistic missiles carrying multiple independently targetable reentry vehicles (MIRVs);

(2) launchers for an aggregate of no more than 1200 intercontinental ballistic missiles carrying MIRVs and submarine-launched ballistic missiles carrying MIRVs; and

(3) an aggregate of no more than 1320 launchers described in paragraph (2) above and heavy bombers equipped for air-launched cruise missiles capable of a range in excess of 600 kilometers; and

(b) continued mutual adherence to these limitations is in the national security interest of the United States.

SECTION 3. COMPLIANCE WITH NUMERICAL LIMITATIONS.

No funds may be obligated or expended for deployment or maintenance of weapons systems in excess of the limitations cited in section 2, except as provided by sections 4 and 5.

SECTION 4. TERMINATION OF LIMITATIONS.

The requirement of section 3 shall terminate upon the receipt by Congress of written certification by the President that the Soviet Union has exceeded the limitations cited in section 2.

SECTION 5. WAIVER OF LIMITATIONS.

The requirement of section 3 may be waived if—

(a) the President so requests in writing to the Congress, citing the national security reasons for such waiver; and

(b) Congress authorizes such waiver by bill or joint resolution.

Mr. President, I deeply regret having reached the conclusion that such legislation is necessary. I believe, as a matter of principle, that the President of the United States must be allowed as much flexibility as possible in conducting the foreign policy of the United States. In the case of SALT II, however, we face the functional equivalent of a national emergency.

The reasons are no secret, within this Government or within the Atlantic Alliance. Control over the arms control policy of the United States has fallen into the hands of a small group of right-wing radicals who have sought for years to topple the entire structure of arms control. With the President's decision of 9 days ago, as publicly elaborated and expanded on by those advisers, they are now well on their way to a victory that could inflict severe damage on the national security interests of the United States.

Accordingly, I believe that Congress must act, and act decisively, to ensure that a structure of arms control erected over a period of a quarter century is not wrecked by this dubious group. Under almost any analysis, adherence to the SALT II limits over the past 7 years has proven of major benefit to the United States, requiring large-scale dismantlement of Soviet weapons systems and very little adjustment in our own strategic arsenal. It was for precisely that reason that, in 1984 and again in 1985, the Senate by overwhelming majorities urged the President to continue the "no undercut" policy of compliance with the SALT II numerical limitations. With the White House decision of 9 days ago, we are now called upon for more decisive action.

In closing, Mr. President, let me dispose quickly of one "red herring" floated by the administration earlier today, which is the notion that any such legislation would be constitutionally improper because it seeks, through other means, to perform the function of a treaty. This is typical of the verbal chicanery by which the antiarms controllers which won their dubious place in history; and it is nonsense.

A treaty is a device by which nations are placed under bilateral or multilateral obligations within the context of international law. The legislation I have introduced today would place the United States under no such obligations. It would not even require that the United States comply with all of the provisions of the SALT II treaty. It would simply be a mechanism by which we would regulate our own behavior—in this case the deployment of strategic weapons systems—according to specified criteria. This is a perfectly appropriate function for the Congress to accomplish by law. To demonstrate the truth of this, one need only postulate that SALT II had never been negotiated; the establishment of certain ceilings on certain U.S. weapons systems, to be adhered to under certain circumstances, would still be both legislatively possible and legally valid. So let no one be diverted by any false pleadings for the sanctity of arms control treaties by persons whose only goal is to prevent and destroy such treaties.

Mr. President, I urge my colleagues to support this legislation, which I introduce here today as an independent bill, but which I shall propose to add as an amendment to appropriate legislation under consideration by the Senate in the near future.

By Mr. EVANS (for himself and Mr. GORTON):

S. 2519. A bill to authorize certain elements of the Yakima River basin water enhancement project, and for other purposes; to the Committee on Energy and Natural Resources.

YAKIMA RIVER BASIN WATER ENHANCEMENT PROJECT

● Mr. EVANS. Mr. President, today I am introducing with Senator GORTON a bill to authorize certain elements of the proposed Yakima River basin water enhancement project. Specifically, the bill would authorize the construction of several small projects to improve the operation of existing irrigation facilities within the Bureau of Reclamation's Yakima project, Washington. These projects would increase

the efficiency of existing irrigation facilities, thereby providing increased water supplies to supplement existing irrigation development, to increase irrigation on the Yakima Indian Reservation, and to increase instream flows to protect and enhance salmon and steelhead resources. Congressman MORRISON will introduce companion legislation today in the House of Representatives.

As a result of the development of its water resources, the Yakima basin has become one of the most productive agricultural areas in the United States. Yet chronic water shortages threaten the continued production of agricultural products in the Yakima basin. The Yakima River was once one of the most productive rivers in the country for anadromous fish as well. By 1982, however, as a result of blockage of migratory routes and dewatering of spawning and rearing habitats, the Yakima River salmon and steelhead runs declined to a fraction of their historical numbers.

Mr. President, the primary objective of this legislation is to help alleviate the water supply problems in the Yakima basin. The bill will provide supplemental water to presently irrigated land. The bill will help to irrigate new lands on the Yakima Indian Reservation. Finally, the bill will provide water for increased instream flows for anadromous fish resources.

Specifically, this bill would authorize a number of facilities to increase the efficiency of the Yakima project. The bill allows for the modification of existing radial gates at Cle Elum Dam, thereby increasing the storage capacity of that reservoir by 15,000 acre-feet. The bill authorizes the construction of a pipeline between Kachess Lake and Keechelus Lake, helping to balance storage between these two reservoirs. The bill authorizes the construction of a reregulating reservoir within the Roza irrigation system, and facilities to automate and improve canal operations of the Sunnyside division and the Wapato irrigation project. These facilities will increase the efficiencies of these irrigation projects by reducing average annual diversions by 72,000 acre-feet of water. Finally, the bill authorizes the subordination of hydroelectric power generation at the Federal Roza and Chandler powerplants. Subordination would result in the suspension of power generation during periods of low river flows to increase instream flows for anadromous fish resources.

The legislation we are introducing today is unique in several respects. First, the bill represents a consensus among user groups to further develop and conserve the water resources of the Yakima River basin. Second, the bill demonstrates that nonstorage facilities can be used to achieve water conservation, thereby reducing the need for storage facilities. Third, the bill demonstrates the commitment of non-Federal interests to contribute a substantial portion of the costs of the project. The total cost of these facilities is approximately $40 million. The non-Federal beneficiaries of the project will contribute 35 percent of the construction costs of the facilities, except for those to be located within the boundaries of the Yakima Indian Reservation.

Mr. President, this legislation represents the second step in the process of developing a physical solution to the water supply problems of the Yakima River basin. The first step was construction of fish passage facilitites at existing irrigation facilities on the Yakima River. These facilities were authorized in 1984, and will be completed during fiscal year 1988. The final step will be construction of a storage facility somewhere in the Yakima River basin. The selection of this facility should occur sometime next year, provided that the Bureau of Reclamation, the State of Washington, the Yakima Indian Nation, and others reach agreement on the site of the facility and the allocation of costs and benefits accruing from its construction.

The Yakima enhancement project is an equitable sharing of costs between the Federal Government and the non-Federal beneficiaries of the project. The development of this project will assure the delivery of irrigation water for one of the Nation's most productive agricultural areas. And it will help to restore an anadromous fishery resource of importance to the Pacific Northwest and the Nation. I heartily endorse this project and urge my colleagues to do the same.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2519

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) That for purposes of protection and enhancement of fish and wildlife, irrigation, and water conservation, the Secretary of the Interior (hereafter, the Secretary) acting pursuant to Federal reclamation law (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto) and consistent with the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697) is authorized to design, construct, operate and maintain the following facilities:

(1) modification of existing radial gates at Cle Elum Dam; a Kachess Lake to Keechelus Lake pipeline; a reregulating reservoir to increase water-use efficiency of the Roza Division; facilities to automate and otherwise improve canal operations of the Sunnyside Division; and

(2) facilities to automate and otherwise improve canal operations of the Wapato Indian Project.

(b) The Secretary is authorized to accept funds from any entity, public or private, to design, construct, operate, and maintain facilities authorized by this Act.

SEC. 2. The facilities authorized by this Act and fish passage facilities authorized by the Acts of August 17, 1984 (98 Stat. 1933) and August 22, 1984 (98 Stat. 1369) shall be considered features of the Yakima Enhancement Project (hereafter, Yakima Enhancement Project), if such project is authorized, and their operation and maintenance shall be integrated and coordinated with other features of the existing Yakima Project. The Secretary, as he or she deems appropriate, shall enter into agreements to provide for the operation and maintenance of such facilities. The Secretary shall insure that such facilities are operated in a manner consistent with the treaty rights of Yakima Indian Nation, Federal reclamation law, and water rights recognized pursuant to State law, including the valid contract rights or irrigation users.

SEC. 3. (a) The Roza reregulating reservoir shall become a feature of the Roza Division. Water savings resulting from construction and operation of the Roza reregulating reservoir shall be available for use as supplemental irrigation water for currently developed lands within the Roza Division.

(b) The facilities to automate and otherwise improve canal operations of the Wapato Indian Project shall become features of the Wapato Indian Project. Water savings resulting from construction and operation of such facilities shall be available for irrigation purposes and for the protection and enhancement of fish and wildlife within the boundaries of the Yakima Indian Reservation. Design, construction, operation and maintenance costs related to such facilities shall be reimbursable and returnable according to the provisions of the Leavitt Act (Act of July 1, 1932 (47 Stat. 564)).

(c) The facilities to automate and otherwise improve canal operations of the Sunnyside Division shall become features of the Sunnyside Division. Water savings resulting from construction and operation of such facilities shall be allocated to the protection and enhancement of fish and wildlife.

SEC. 4. The modification of existing radial gates at Cle Elum Dam and the Kachess Lake to Keechelus Lake pipeline shall become features of the existing Yakima Project. The Secretary shall operate and maintain such facilities in accordance with the purposes of this Act.

SEC. 5. (a) The Secretary shall operate and maintain the existing Federal Chandler and Roza powerplants in a manner that provides priority for protection and enhancement of fish and wildlife.

(b) The Administrator of the Bonneville Power Administration (hereafter, the Administrator) shall make available power and energy from the Federal Columbia River Power System to the Secretary to meet contractual obligations entered into by the Secretary for the delivery of power and energy from the Chandler and Roza powerplants.

(c) Except as otherwise provided by this section, the Secretary shall offer to amend, without imposing any other requirement as a condition to such amendment, all existing contracts for the sale of power and energy from the Chandler and Roza powerplants to relieve any outstanding obligations for the repayment of construction costs for such powerplants allocated to irrigation.

SEC. 6. There is hereby authorized to be appropriated to the Secretary of the Interior for planning, design, and construction of elements of the Yakima Enhancement Project authorized pursuant to this Act, $30,000,000 (January 1986 prices), plus or minus such amounts as may be justified by reason of ordinary fluctuations of construction costs indexes applicable to the type of construction involved herein. There are also authorized to be appropriated to the Secretary of the Interior such additional sums as may be required for the operation and maintenance of the three vertical feet enlargement of Cle Elum Lake and the Kachees Lake to Keechelus Lake pipeline, and that portion of the operation and maintenance cost of other facilities authorized by this Act determined by the Secretary to be a Federal responsibility, pursuant to the agreements specified in Section 2 of this Act.

SEC. 7. The construction of facilities authorized by section 1(a)(1) of this Act shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary to fund 35 per centum of the total construction cost of such facilities.

SEC. 8. (a) Design, construction, operation and maintenance costs of facilities authorized by this Act allocated to fish and wildlife shall be reimbursable and returnable according to the provisions of the Federal Water Project Reclamation Act (79 Stat. 213), as amended: *Provided*, That design, construction, operation and maintenance costs related to anadromous fish shall be nonreimbursable and nonreturnable.

(b) Design, construction, operation and maintenance costs of facilities authorized by this Act allocated to irrigation and which are determined by the Secretary to be an irrigation obligation shall be reimbursable and returnable according to the provisions of section 9(d) of the Reclamation Project Act of 1939 (53 Stat. 1187). The Secretary shall offer to amend existing irrigation repayment contracts, without imposing any other requirement as a condition to such amendment, to provide for repayment of the irrigation construction costs of facilities authorized by this Act over a period of not more than forty years exclusive of any development period authorized by law.

SEC. 9. If the State of Washington, the Yakima Indian Nation, or any other entity, public or private, prior to an authorization or the providing of an appropriation of funds to the Secretary to construct the Yakima Enhancement Project, shares in the costs of or constructs any physical element of that project, the costs incurred by the State, the Yakima Indian Nation, or any other entity in the construction of such elements shall be credited to the total amount of any costs to be borne by the State, the Yakima Indian Nation, or any other entity as contributions toward payment of the cost of the Yakima Enhancement Project; except that no such credit shall be given for any element constructed by the State, the Yakima Indian Nation, or any other entity unless the element has been approved by the Secretary of the Interior prior to its construction. The Secretary shall grant such approval, when requested by the State or other entity, if the Secretary determines that the element proposed for construction would be an integral part of the Yakima Enhancement Project.

SEC. 10. (a) The Secretary is authorized and directed to conduct a feasibility of the following potential elements of the Yakima Enhancement Project:

(1) Kittitas Valley irrigation system improvements;

(2) consolidation of the Selah-Moxee Irrigation District, Union Gap Irrigation District, Moxee Ditch Company, and Hubbard Ditch Company diversions from the Yakima River for delivery from the Roza Canal; and

(3) development of ground water resources within the Roza Division for a supplemental irrigation water supply.

(b) There are hereby authorized to be appropriated to the Secretary for such feasibility study $500,000 (January 1986 prices): *Provided*, That the Secretary is authorized to accept funds from any entity, public or private, to assist in the financing of such feasibility study.

SEC. 11. Nothing herein shall be construed to—

(a) affect or modify any treaty or other right of the Yakima Indian Nation;

(b) authorize the appropriation or use of water by any Federal, State, or local agency, the Yakima Indian Nation, or any other entity or individual;

(c) affect the rights or jurisdictions of the United States, the States, the Yakima Indian Nation, or other entities over waters of any river or stream or over any ground water resource;

(d) alter, amend, repeal, interpret, modify, or be in conflict with any interstate compact made by the States;

(e) alter, establish, or affect the respective rights of States, the United States, the Yakima Indian Nation, or any person with respect to any water or water-related right; or

(f) alter, diminish, or abridge the rights and obligations of any Federal, State, or local agency, the Yakima Indian Nation, or other entity, public or private.●

● Mr. GORTON. Mr. President, today I am pleased to join with Senator EVANS in introducing legislation relating to the Yakima River basin water enhancement project.

The Bureau of Reclamation was given the authority during the 96th Congress to conduct a major feasibility study of water resources enhancement in Washington State. Phase I of the study was completed in August 1982. Phase II is currently underway to formulate a development plan to present to Congress and to Washington for implementation.

Although we expected the phase II report to be completed in January of this year, the divergent interests who have legitimate concerns about the future uses of water in the basin are still trying to work out their differences. However, the study team working on the project has identified certain specific project elements that have potential for early implementation. Moreover, the State legislature passed legislation in 1986 which directs the State department of ecology to work with members of the congressional delegation to identify and address these elements. These elements are contained in the legislation we are introducing today.

I believe that it is immensely important that Congress act on those portions of the project which have broad public support and acceptable cost-sharing arrangements, which meet the objectives of the study, and which have potential for early implementation. This bill identifies a number of these elements and outlines a responsible cost-sharing formula between the Federal Government and the State.

I look forward to receiving public comment on this legislation, which will provide a true gauge of its level of support in the State of Washington. Irrigators, cattlemen, sports fishermen, Indians, and power users all deserve the opportunity to comment on the bill. With this in mind, I urge all interested parties to review the legislation and make their views clearly known to Congress.

I urge my colleagues to support this important legislation.●

By Mr. SPECTER:

S. 2520. A bill for the relief of Ayrton Oliver Reid; to the Committee on the Judiciary.

RELIEF OF AYRTON OLIVER REID

● Mr. SPECTER. Mr. President, I am introducing today a private immigration relief bill on behalf of Mr. Ayrton Oliver Reid, a native of Jamaica and a resident of Philadelphia, PA, who is about to be deported by the Immigration and Naturalization Service. This deportation would break up the family consisting of Mr. Reid's wife and 10-year-old daughter and stepson, all of whom are American citizens except for Mr. Reid.

A few days ago, I was advised briefly of the proposed plan of the Immigration and Naturalization Service to deport Mr. Reid. Just this morning, I was informed that the Immigration and Naturalization Service plans to deport Mr. Reid today.

Accordingly, I am introducing this relief bill and have requested the distinguished Senator from Wyoming, Senator ALAN SIMPSON, chairman of the Subcommittee on Immigration and Refugee Policy, to request a report from the Immigration and Naturalization Service in order to have an opportunity to study this matter.

Prior to discussing this matter today with Senator SIMPSON, Neal Manne, Esq., chief counsel of my Judiciary Subcommittee, had requested that the Immigration and Naturalization Service defer the deportation order for a few days to look into this matter, but INS has declined to do so. I have since requested Senator SIMPSON to request an INS report since it is Senate procedure that such a request from the subcommittee chairman will stay the deportation proceedings.

The balance of the material in this statement is based on material provided to me which I have not had an opportunity to verify:

In 1969, Mr. Reid first came to this country pursuant to a visitor's visa. On March 25, 1972, Mr. Reid married Delores Gallman, his present wife, who is an American citizen. They have one

daughter, Tamara, who was born in Philadelphia, PA, on July 8, 1975, and is a U.S. citizen. Mrs. Reid's son by a previous marriage, Shawn Rubin Gallman, was born on April 7, 1968, in Philadelphia, and lives with Mr. and Mrs. Reid in their Philadelphia home. Today Shawn will graduate from high school. Mr. Reid returned to Jamaica briefly in 1974 at the instruction of the Immigration and Naturalization Service, in order to facilitate his obtaining permanent resident status in this country. He received permanent resident status, and returned to Philadelphia, shortly thereafter.

From 1974 to 1980, Mr. Reid was employed as a painter in Philadelphia. In 1980, he took a further step toward achieving the American dream, when he started "Allie Reid & Sons," his own painting contracting business.

With one exception, Mr. Reid has been a law-abiding citizen. Mr. Reid's business is a success.

A blemish on Mr. Reid's record in this country is a marijuana possession conviction, now more than a decade old. According to information provided to me, Mr. Reid was fined $200 and placed on probation for 2 years.

As of this moment, I do not know whether this conviction warrants expelling Mr. Reid from this country. In order to make that determination, I believe it is necessary to know the underlying facts and much more about the circumstances of the incident.

As of this moment, I have not made a final determination that private relief is appropriate for Mr. Reid. This matter came to me at the last minute, and I am advised that Mr. Reid will be deported forthwith unless some action is taken to forestall it.

My preference would be to have a short delay of deportation, so that I might meet with Mr. Reid and study the entire matter more closely. The INS, however, as noted above, has refused the request for such a delay.

As a matter of basic fairness to Mr. Reid and his family, I believe that there should be a review of the determination made by the Immigration and Naturalization Service. As the record shows, I have acted in support of many citizens to stay deportation until there has been an opportunity for a fuller study of individual cases. I am especially concerned that the deportation of a person, such as Mr. Reid, will work such a drastic hardship on his family.

I am sending the Immigration and Naturalization Service a copy of this statement and bill with the request that any report, which they may make, should be expedited so that a prompt determination may be made as to whether this bill should be pursued for ultimate passage.●

By Mr. WALLOP (for himself, Mr. McCLURE, Mr. HATFIELD, Mr. JOHNSTON, Mr. BUMPERS, and Mr. ARMSTRONG):

S. 2522. A bill to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes; to the Committee on Energy and Natural Resources.

STANDARDS FOR PLACEMENT OF COMMEMORATIVE WORKS IN THE DISTRICT OF COLUMBIA

● Mr. WALLOP. Mr. President, today I am introducing legislation to set standards for the establishment of memorials and monuments on certain Federal lands in the Nation's Capital. I am joined by Senator McCLURE, Senator HATFIELD, Senator JOHNSTON, Senator BUMPERS, and Senator ARMSTRONG in offering this proposal to provide for a statutory process by which subjects of lasting historical significance may be commemorated on Federal land in the District of Columbia and its environs, while also ensuring the continued public use and enjoyment of open space.

In driving through Washington, DC, particularly during these warmer months, one gains a great appreciation for the multitude of activities afforded by the open space design of this city. Local residents and visitors alike stroll through magnificent gardens, participate in recreational activities, rally for various causes, or gather to hear the National Symphony on the Capitol lawn.

The design of this city also has created outstanding areas which have been or may yet be used to honor those who have made lasting contributions to the history or our Nation. During the last century, 111 memorials, monuments and plaques have been erected on Federal land in the District of Columbia and its environs. These commemorative works honor U.S. Presidents, military units, those who served in the Vietnam war, heroes of the Revolutionary, Civil, and World Wars, U.S. citizens, individuals from foreign countries and various significant events. However, we have a legitimate and growing concern. It is this: There now remains but a limited number of sites for additional memorials and yet an infinite number of proposals to establish them. If we are to protect the concept of open space and dignity, which contributes so much to the beauty of the Nation's Capital, we must be selective not only in what we choose to commemorate but we must demand high standards in design and construction. Much American history remains to be created. Great events and great Americans are yet to come and our country will wish to honor them and have a place remaining in which to do so.

Mr. President, the Congress now has before it 18 proposals to establish memorials and monuments on Federal land in the District of Columbia—an unprecedented number. As the Chairman of the Subcommittee on Public Lands, Reserved Water, and Resource Conservation, I felt it was important to address the issues associated with locating memorials and monuments in the District of Columbia before acting on the individual proposals pending before the subcommittee. To this end, the subcommittee held an oversight hearing on March 18, 1986, to receive testimony from the members of the National Capital Memorial Advisory Committee and other witnesses on criteria for approval, jurisdiction, placement, design, funding, and maintenance of commemorative works. The testimony presented at the hearing indicated a clear need for legislative standards to guide us as we take up the 18 measures pending before this Congress and those to be considered in future years.

The legislation we are introducing today addresses many of the issues discussed and the recommendations made at the March 18 hearing. The House of Representatives recently passed similar legislation to govern the establishment of commemorative works on National Park Service land in the District of Columbia. The bill we are introducing today broadens the scope of the House-passed measure to include lands administered by the General Services Administration and the National Park Service in the District of Columbia and certain adjacent areas. The bill also modifies the site selection process in the House measure to require the land managers to make the initial recommendation to locate a commemorative work in the monumental core area. The Congress would then consider the appropriateness of that recommendation. Finally, the bill makes all individual proposals to authorize commemorative works now pending before the Congress subject to the provisions of this legislation.

It is my hope that the guidelines set forth in the legislation we are introducing today will ensure that future commemorative works in the Nation's Capital are appropriately designed, constructed, located and that their subjects are of lasting significance to the Nation. I believe such standards are necessary to assure that Federal lands in Washington, DC, will continue to be available for a variety of activities, and that there will be sites remaining for future generations to honor their own.

Mr. President, I ask unanimous consent that S. 2522 be printed in the RECORD following this statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSES

SECTION 1. The purposes of this Act are as follows:

(a) To preserve the integrity of the comprehensive design of the L'Enfant and McMillan plans for the Nation's Capital.

(b) To ensure the continued public use and enjoyment of open space in the District of Columbia.

(c) To preserve, protect and maintain the limited amount of open space available to residents of, and visitors to, the Nation's Capital.

(d) To ensure that future commemorative works in areas administered by the National Park Service and the General Service Administration in the District of Columbia and its environs (1) are appropriately designed, constructed, and located and (2) reflect a consensus of the lasting national significance of the subjects involved.

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Secretary" means the Secretary of the Interior.

(b) The term "Administrator" means the Administrator of the General Services Administration.

(c) The term "commemorative work" means any statue, monument, sculpture, memorial, or other structure or landscape feature, including a garden or memorial grove, designed to perpetuate in a permanent manner the memory of a person, group, event or other significant element of history. The term does not include any such item which is located within the interior of a structure which is primarily used for other purposes.

(d) The term "Area I" and "Area II" mean those lands administered by the National Park Service and the General Services Administration within the District of Columbia and its environs as depicted on the map numbered 869/86501, and dated May 1, 1986.

(e) The term "person" means an individual, group or organization authorized by Congress to establish a commemorative work in the District of Columbia and its environs.

(f) The term "designated areas" means those lands and properties located in Areas I and II as depicted on the map referenced in subsection (d) of this section.

(g) Notwithstanding any other provision of law, the term "the District of Columbia and its environs" means those lands and properties located in Areas I and II as depicted on the map referenced in subsection (d) of this section.

CONGRESSIONAL AUTHORIZATION OF COMMEMORATIVE WORKS IN DESIGNATED AREAS

SEC. 3. (a) No commemorative work may be established in designated areas unless specifically authorized by act of Congress. All such authorized works shall be subject to applicable provisions of this Act.

(b) In considering legislation authorizing commemorative works within designated areas, the appropriated Congressional authorizing Committees shall solicit the views of the National Capital Memorial Commission.

NATIONAL CAPITAL MEMORIAL COMMISSION

SEC. 4. (a) The National Capital Memorial Advisory Committee as established by the Secretary is redesignated as the National Capital Memorial Commission.

(b) The National Capital Memorial Commission shall provide advice to the Secretary and the Administrator on policy and procedures for establishment of (and proposals to establish) commemorative works in the District of Columbia. The Commission shall meet at least twice annually.

AVAILABILITY OF MAP DEPICITING AREA I AND AREA II

SEC. 5. The Secretary and the Administrator shall make available, for public inspection at appropriate offices of the National Park Service and the General Services Administration, the map numbered 869/86501, and dated May 1, 1986.

SPECIAL CONDITIONS APPLICABLE TO AREA I AND AREA II

SEC. 6. (a) AREA I.—In addition to conditions set forth in subsection (b) of this section, no commemorative work may be located in Area I unless the Secretary and the Administrator (as appropriate), after consultation with the National Capital Memorial Commission, finds that the subject of the commemorative work is of preeminent historical and lasting significance to the nation. The Secretary or Administrator shall notify the Congress of his determination that a commemorative work should be located within Area I. Unless the Congress enacts a joint resolution approving such determination within 90 days of such notification, the determination shall be deemed disapproved.

(b) AREA II.—Commemorative works of lasting historical significance may be located in Area II, subject to the following conditions:

(1) A military commemorative work may be established in Area II only to commemorate a war or similar major military conflict or to commemorate any branch of the Armed Forces. No commemorative work commemorating a lesser conflict or a unit of an Armed Force shall be permitted in Area II.

(2) A commemorative work commemorating an individual or group of individuals shall not be permitted in Area II until at least 25 years after the death of the individual or the last surviving member of the group.

(3) A commemorative work other than a work referred to in paragraph (1) or (2) may be constructed in Area II only to commemorate a subject of lasting historical significance.

SITE AND DESIGN APPROVAL

SEC. 7. (a) Any person authorized by law to establish a commemorative work in designated areas shall comply with each of the following requirements before commencing construction of the commemorative work:

(1) Such person shall consult with the National Capital Memorial Commission regarding the commemorative work. Such consultation shall include consideration of potential sites in designated areas.

(2) Following consultation in accordance with subsection (1) of this section, such person shall submit site and design proposals to the Commission of Fine Arts and the National Capital Planning Commission and the Secretary or Administrator (where appropriate) for their approval.

(b) In considering site and design proposals, the Commission of Fine Arts, the National Capital Planning Commission and the Secretary and Administrator shall be guided by the following criteria:

(1) To the maximum extent possible, a commemorative work shall be located in surroundings that are relevant to the subject of the commemorative work.

(2) A commemorative work shall be so located as to prevent interference with, or encroachment upon, any existing commemorative work and to protect open space in a manner compatible with existing public use.

(3) A commemorative work shall be constructed of durable material suitable to the outdoor environment.

CRITERIA FOR ISSUANCE OF CONSTRUCTION PERMIT

SEC. 8. (a) Prior to issuing a permit for the construction of a commemorative work in a designated area, the Secretary or Administrator (as appropriate) shall certify that:

(1) the site and design have been approved by the Secretary or Administrator, the National Capital Planning Commission and the Commission of Fine Arts;

(2) knowledgable persons qualified in the field of preservation and maintenance have been consulted to determine structural soundness and durability of the commemorative work, and to assure that the commemorative work meets high professional standards;

(3) the person authorized to construct the commemorative work has submitted contracts for construction and drawings of the commemorative work to the Secretary or Administrator; and

(4) the person authorized to construct the commemorative work has available sufficient funds to complete construction of the project.

(b) In addition to the foregoing criteria, no construction permit shall be issued unless the person authorized to construct the commemorative work has paid an amount equal to 10 percent of the total estimated cost of construction to offset the costs of perpetual maintenance and preservation of the commemorative work. Notwithstanding any other provision of law, all monies provided by persons for such maintenance shall be credited to a separate account in the Treasury. Congress authorizes and directs that the Secretary of the Treasury shall make all or a portion of such monies available to the Secretary or the Administrator at his request for maintenance of commemorative works. Under no circumstances may the Secretary or Administrator request funds from the separate account exceeding the total monies deposited by persons establishing commemorative works in areas he administers. The Secretary and the Administrator shall maintain an inventory of funds available for such purposes. *Provided*, That such monies shall not be subject to deferral or rescission under the Budget Impoundment and Control Act of 1974, and such monies shall not be subject to annual appropriations. Further, the funds shall not be subject to sequestration under the requirements of Public Law 99-177.

MISCELLANEOUS PROVISIONS

SEC. 9. (a) DOCUMENTATION.—Complete documentation of design and construction of each commemorative work located in designated areas shall be provided to the Secretary or the Administrator and permanently maintained.

(b) EXPIRATION OF AUTHORITY FOR A COMMEMORATIVE WORK.—Any legislative authority for a commemorative work shall expire at the end of the 5-year period beginning on the date of the enactment of such authority, unless the Secretary or Administrator has issued a construction permit for the commemorative work during that period.

(c) MAINTENANCE OF COMMEMORATIVE WORKS.—Upon completion of any commemorative work within designated areas, the Secretary or Administrator (as appropri-

ate) shall assume responsibility for the maintenance of such work.

REGULATIONS

SEC. 10. The Secretary and the Administrator shall promulgate appropriate regulations to carry out this Act. The regulations shall be published in the Federal Register within 120 days after the enactment of this Act.

EFFECTIVE DATE

SEC. 11. This Act shall not apply to commemorative works authorized by a law enacted before the commencement of the 99th Congress.●

By Mr. LONG (for himself and Mr. JOHNSTON):

S.J. Res. 355. Joint resolution to designate August 1986 as "Cajun Music Month"; to the Committee on the Judiciary.

CAJUN MUSIC MONTH

● Mr. LONG. Mr. President, today, my Louisiana friend and colleague, BENNETT JOHNSTON, and I are introducing a joint resolution to designate the month of August 1986, as "Cajun Music Month."

Mr. President, music is an integral part of the Cajun way of life. This is evidenced by the many festivals held in the State of Louisiana, and also its popularity at home and in public places.

While Cajun music at one time was confined to south Louisiana, today it has gained recognition not only in the United States and Canada, but in Europe as well.

The French speaking Cajuns and black Creoles of Louisiana are presently in the midst of a major cultural and linguistic renaissance.

Mr. President, after their exile from Acadia [Nova Scotia] in 1755, many Acadians arrived in Louisiana and began the enormous task of resettlement in the virgin land west of the Mississippi.

After resettling in Louisiana, the Cajuns established a cohesive new society, much like that which was enjoyed in their former homeland.

Other ethnic groups who came to Louisiana were easily acculturated into Acadian society. These groups included Spanish and German immigrants.

It was in this new Cajun society that Cajun music was born. Bearing signs of strong black influence and often making heavy use of the newly borrowed German accordion in addition to the familiar fiddle, this essentially French folk music developed its own distinct identity as the Cajuns were developing a distinct identity as a social group.

In the late 1940's the Americanization of French Louisiana seemed well underway. Then in 1949, a young singer and accordion player, Iry LeJeune, recorded "La Branche Du Murier," entirely in the old Louisiana-French style. The song was an unexpected success.

Following the lead of Mr. LeJeune, Lawrence Walker, Austin Pitre, and Nathan Abshire began to perform and record traditional style Louisiana-French Cajun music.

Mr. President, other musicians who specialize in a Cajun style include, Paul Tate, Revon Reed, Dewey Balfa, and Varmon Daigle. Dewey Balfa has received national recognition in that he has been previously honored with awards by the National Endowment for the Arts.

Cajun music helps preserve the Cajun language and Cajun culture and unites not only Cajun people but people from varying backgrounds and cultures. Therefore, it is important to preserve the Cajun heritage and encourage appreciation of Cajun music.

Mr. President, my Louisiana colleague and I believe that designating August as "Cajun Music Month" will be a positive step toward encouraging and preserving Cajun music, which is an integral part of Louisiana's history.

Finally, Mr. President, I would like to encourage my colleagues to join us in sponsoring August, 1986 as "Cajun Music Month."●

● Mr. JOHNSTON. Mr. President, today Senator LONG and I are introducing a joint resolution to designate the month of August 1986, as "Cajun Music Month." The State of Louisiana has long enjoyed a culture characterized by the music and distinct identity of the Cajuns, the French-speaking immigrants who left Acadia in 1755 and settled in Louisiana. Since that time the Cajuns have grown to encompass other ethnic influences, all the while maintaining their unique musical and culinary expertise and celebrating their famous "joie de vivre" (love of life).

While the Cajuns are a tremendous natural resource of which Louisiana is very proud, their appeal stretches far beyond the borders of our State. Indeed, the music of the Cajuns is an infectiously entertaining and charming blend of cultures that can be enjoyed by Americans all over this Nation and individuals worldwide.

For this reason we have introduced this joint resolution to both honor the musical abilities of our native statesmen and share our cultural wealth with others. I urge my fellow colleagues to lend this joint resolution their full support.●

By Mr. MATHIAS (for himself, Mr. THURMOND, Mr. DOLE, Mr. LAXALT, Mr. HOLLINGS, Mr. STENNIS, Mr. CHAFEE, Mr. ABDNOR, Mr. PELL, Mr. NUNN, Mr. EAST, Mr. WILSON, Mr. COHEN, and Mr. INOUYE):

S.J. Res. 356. Joint resolution to recognize and support the efforts of the U.S. Committee for the Battle of Normandy Museum to encourage American awareness and participation in development of a memorial to the Battle of Normandy; to the Committee on the Judiciary.

BATTLE OF NORMANDY MEMORIAL

● Mr. MATHIAS. Mr. President, Santayana said, "Those who cannot remember the past are condemned to repeat it." Tomorrow marks the 42d anniversary of a part of the past that we hope we never have to repeat.

On the morning of June 6, 1944, the Allied Forces landed on the coast of France and entered into a battle that would become the turning point of World War II.

The battle of Normandy, which lasted through the summer months, was the beginning of the defeat of the Axis powers in World War II. Known as Operation Overlord, it involved 5,000 ships—the largest armada ever assembled—and was the greatest amphibious operation in history. It ultimately led to the end of the war on the European front.

Dwight D. Eisenhower, the Supreme Allied Commander, best summed up the significance of the battle in a stirring message delivered on June 6, 1944, the day the assault on Normandy began:

> People of Western Europe. A landing was made this morning on the coast of France by troops of the Allied Expeditionary Force. . . . The hour of your liberation is approaching.

World II was a fierce struggle to preserve humanity, democracy and freedom. And Normandy was one of the first successful allied military efforts of the war for these important ideals. As necessary as it was, however, we hope we never had to repeat that type of experience.

We must closely examine the causes of World War II if we are to avoid such confrontations in the future. Through a true understanding of the history of war, we may find some helpful guidance toward a future of peace.

To that end, the people of France are creating a Battle of Normandy Museum to provide future generations an opportunity to study and understand the causes of the European conflict and the role played by the allied governments, including the massive invasion of 1944.

The museum, financed by the French central, regional, and municipal governments, is being constructed in Caen, a town in the center of the region of Normandy. Caen, the site chosen as the headquarters of the German staff, was the pivot around which the 100 day Battle of Normandy was fought.

The design of the museum was selected in a national competition among French architects. The groundbreaking will take place this fall and completion of the facility is anticipated for 1988.

As a part of this initiative, a U.S. Committee for the Battle of Normandy Museum has been created to remind Americans of the significance of World War II and the Battle of Normandy and to encourage their support of ths important project. The United States committee, made up of French and United States citizens, will raise money through small donations to undertake a number of important activities.

The committee's plans include the creation of exhibits within the museum to tell the story of American involvement in the war. They also include the establishment of a student exchange program that will enable American students to study in Caen and work at the museum. The committee will gather documents for the museum's document center and establish a facility within the museum to welcome American visitors.

Today, I am proud to introduce a joint resolution endorsing the development of this memorial museum and study center in Normandy and American participation in its development. I ask unanimous consent that the text of the resolution be printed in the RECORD.

As the World War II recedes further and further into our past, we must continually search for ways to keep it from fading from our memory. These must be symbols to remind present and future generations of its harsh reality. This museum is such a symbol. We hope its message will be heard loud and clear throughout the world. I urge my colleagues to support this joint resolution.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 356

Whereas the battle fought in Normandy, France, in the summer months of 1944 was the largest land battle in history and considered by many to be the turning point of World War II in Europe;

Whereas the Battle of Normandy is one of the first examples of successful Allied military efforts to defend liberty and perpetuate freedom;

Whereas the people of France are creating a memorial museum and study center in Normandy to commemorate the Allied effort and provide future generations of students and others an opportunity to study and understand the causes of the European conflict and the role played by the Allied Governments and military forces in the successful resolution of that conflict; and

Whereas a United States Committee for the Battle of Normandy Museum has been created to inform Americans and encourage support of the museum and study center: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Congress recognizes and supports the historic and educational purposes to be served by the museum and study center in Normandy, France, and of the United States Committee for the Battle of Normandy Museum to encourage understanding of and support among Americans for such an important memorial.●

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. DOLE, Mr. SIMON, Mrs. HAWKINS, Mr. NICKLES, Mr. BENTSEN, Mr. ROTH, Mr. TRIBLE, Mr. SPECTER, Mr. EAST, Mr. STAFFORD, Mr. LAXALT, Mr. MCCLURE, Mr. KENNEDY, Mr. DENTON, Mr. QUAYLE, Mr. GRASSLEY, Mr. WILSON, Mr. KERRY, Mr. LONG, Mr. CHILES, Mr. PRYOR, Mr. BURDICK, Mr. HEFLIN, Mr. STENNIS, Mr. NUNN, Mr. JOHNSTON, Mr. RIEGLE, Mr. BOREN, Mr. WEICKER, Mr. BUMPERS, Mr. LUGAR, Mr. SARBANES, Mr. ZORINSKY, Mr. HEINZ, Mr. WARNER, Mr. LEVIN, Mr. HART, Mr. MATTINGLY, Mr. HATCH, Mr. SASSER, Mr. GLENN, Mr. BIDEN, Mr. GRAMM, Mr. D'AMATO, Mr. MOYNIHAN, Mr. METZENBAUM, Mr. DECONCINI, Mr. COCHRAN, Mr. INOUYE, Mr. MATHIAS, Mr. HELMS, and Mr. CHAFEE):

S.J. Res. 357. Joint resolution to designate the week of September 15, 1986, through September 21, 1986, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

NATIONAL HISTORICALLY BLACK COLLEGES WEEK

Mr. THURMOND. Mr. President, I rise today to introduce a joint resolution which authorizes and requests the President to designate the week of September 15, 1986, through September 21, 1986, as "National Historically Black Colleges Week."

This is the fourth consecutive year that I have authored this legislation. Once again, I am proud to have such a strong display of bipartisan support for this resolution as is demonstrated by the 53 original cosponsors. Several of these cosponsors do not have historically black colleges and universities located in their States. However, they appreciate, as do I, the great contributions made to our Nation by these institutions.

Six of the one hundred and one historically black colleges; namely, Allen University, Benedict College, Claflin College, South Carolina State College, Morris College, and Voorhees College, are located in my home State. These colleges are vital to the higher education system of South Carolina. They have provided thousands of economically disadvantaged young people with the opportunity to obtain a college education.

Mr. President, hundreds of thousands of young Americans have received quality education at these 101 schools. These institutions have a long and distinguished history of providing the training necessary for participation in a rapidly changing society. Historically black colleges offer to our citizens a variety of curriculums and programs through which young people develop skills and talents, thereby expanding opportunities for continued social progress.

Recent statistics show that historically black colleges and universities have graduated 60 percent of the black pharmacists in the Nation, 40 percent of the black attorneys, 50 percent of the black engineers, 75 percent of the black military officers, and 80 percent of the black members of the judiciary.

Mr. President, through passage of this joint resolution, Congress can reaffirm its support for historically black colleges, and appropriately recognize their important contributions to our Nation. I look forward to the speedy passage of this joint resolution, and ask unanimous consent that a copy of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 357

Whereas there are one hundred and one Historically Black Colleges and Universities in the United States;

Whereas such colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas such institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of the Historically Black Colleges are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 15, 1986, through September 21, 1986, is designated as "National Historically Black Colleges Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe such week with appropriate ceremonies, activities, and programs, thereby demonstrating support for Historically Black Colleges and Universities in the United States.

ADDITIONAL COSPONSORS

S. 519

At the request of Mr. EVANS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 519, a bill to require a study of the compensation and related systems in executive agencies, and for other purposes.

At the request of Mr. EVANS, the name of the Senator from Florida [Mrs. HAWKINS] was withdrawn as a cosponsor of S. 519, supra.

S. 1026

At the request of Mr. PRESSLER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1093

At the request of Mr. MATHIAS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

S. 1771

At the request of Mr. CHILES, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 1771, a bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for dropout retention and recovery demonstration projects.

S. 1826

At the request of Mr. KENNEDY, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1826, a bill to protect the Social Security trust funds and other retirement funds from actions designed to avoid the statutory limit on the public debt.

S. 2111

At the request of Mr. ROCKEFELLER, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2111, a bill to amend the Federal Unemployment Tax Act to provide for an additional limitation on the reduction in the credit applicable to employers in certain States which have outstanding loan balances but have a high rate of unemployment.

S. 2133

At the request of Mr. KASTEN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2133, a bill to amend the Social Security Act to safeguard the integrity of the Social Security trust funds by ensuring prudent investment practices.

S. 2278

At the request of Mr. DODD, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2278, a bill to grant employees parental and temporary medical leave under certain circumstances, and for other purposes.

S. 2288

At the request of Mr. CHILES, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 2288, a bill to amend title XIX of the Social Security Act to permit States the option of providing prenatal, delivery, and postpartum care to low-income pregnant women and of providing medical assistance to low-income infants under 1 year of age.

S. 2333

At the request of Mr. KENNEDY, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 2333, a bill to amend title XIX of the Social Security Act to strengthen and improve Medicaid services to low-income pregnant women and children.

S. 2353

At the request of Mr. CHILES, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2353, a bill to direct the Attorney General to develop a model statute for States to prohibit the establishment and use of freebase houses.

S. 2398

At the request of Mr. ROTH, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2398, a bill to amend title 18 of the United States Code to ban the production and use of advertisements for child pornography or solicitations for child pornography, and for other purposes.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2417

At the request of Mr. BYRD, the names of the Senator from Louisiana [Mr. LONG] and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 2417, a bill to establish the Aviation Safety Commission, and for other purposes.

S. 2447

At the request of Mrs. KASSEBAUM, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 2447, a bill to provide for improved disclosure of certain rail transportation contracts.

SENATE JOINT RESOLUTION 244

At the request of Mr. SASSER, his name was added as a cosponsor of Senate Joint Resolution 244, a bill to designate October 8, 1986, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the names of the Senator from Kansas [Mr. DOLE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from New Jersey [Mr. BRADLEY], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Alabama [Mr. DENTON] were added as cosponsors of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE JOINT RESOLUTION 338

At the request of Mr. RIEGLE, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Joint Resolution 338, a joint resolution to designate November 18, 1986, as "National Community Education Day."

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Montana [Mr. MELCHER], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE JOINT RESOLUTION 350

At the request of Mr. LUGAR, the names of the Senator from Nevada [Mr. LAXALT], the Senator from Alabama [Mr. DENTON], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 350, a joint resolution to designate 1987 as "The National Year of the Americas."

SENATE RESOLUTION 212

At the request of Mr. GORTON, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of Senate Resolution 212, a resolution expressing the sense of the Senate concerning violence against health care facilities.

SENATE RESOLUTION 405

At the request of Mr. LAUTENBERG, the names of the Senator from New Jersey [Mr. BRADLEY], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Resolution 405, a resolution to express the sense of the Senate opposing the imposition of a Federal licensing fee for marine sportfishing.

SENATE RESOLUTION 421—ENCOURAGING NASA TO CENTRALIZE CERTAIN RESPONSIBILITIES AND FUNCTIONS

Mr. GORE submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation.

S. RES. 421

Resolved, That it is the sense of the Senate that the Administrator of the National Aeronautics and Space Administration shall take such action, under the authority available to the Administrator, as may be necessary to assure that all responsibility for overall planning, coordination, and control, including quality assurance, reliability, and safety, of programs of the National Aeronautics and Space Administration is vested in, and exercised by, the Na-

tional Aeronautics and Space Administration Headquarters.

AMENDMENTS SUBMITTED

LITIGATION REFORM LEGISLATION

McCONNELL AMENDMENT NO. 2007

(Ordered referred to the Committee on the Judiciary)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill (S. 2046) to provide limits and procedures in certain civil cases; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Litigation Abuse Reform Act of 1986".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) there are serious problems with the civil justice system under which tort claims are filed and resolved;

(2) the cost of litigation over the past 25 years has risen at a dramatic rate, and threatens to continue to rise at a similar rate for the foreseeable future;

(3) the size of judgments awarded in tort litigation has increased far beyond a reasonably or desirable level, and in some cases, far exceeds the level reasonably necessary to compensate victims of accidents or injury for the economic loss they have incurred;

(4) the cost of litigation and the size of settlements and judgments in tort litigation have direct and undesirable consequences on interstate commerce, and on the availability of products and services nationwide;

(5) the potential for unreasonably large settlements and awards for damages in litigation and the lack of predictability in the system has contributed to a crisis in the insurance industry nationwide, with necessary insurance unavailable at costs reasonably affordable by consumers;

(6) there is a need for reasonable limits on the potential exposure of individuals and businesses to liability for damages resulting from the sale of products, the provision of service, or the ownership of property, all of which contribute to the net economic output of the Nation's economy, and to the general welfare; and

(7) because of the interstate nature of the commerce, the civil justice systems of the several States are unable to provide just compensation to deserving claimants without threatening to inflict grievous and lasting injury on the economy, thereby diminishing the general welfare of the Nation and of the several States.

(b) It is the purpose of this Act to place reasonable limits on the amount of damage awarded for injuries, to provide changes in the tort system consistent with the need for restraint and uniformity in the use of litigation to provide compensation for accident or injury, and to promote the free flow of commerce and the availability of liability insurance.

APPLICABILITY

SEC. 3. (a) The provisions of this Act apply to any civil action against any person, in any State or Federal court, alleging negligence, strict or product liability, intentionally tortious conduct, or professional malpractice, in which damages for physical injury or physical or mental pain or suffering are sought.

(b) The provisions of this Act shall preempt and supercede State law to the extent such law is inconsistent with the limitations on liability contained in this Act.

(c) Nothing in this Act shall be construed to create or vest jurisdiction in the district courts of the United States over actions subject to this Act if such jurisdiction does not otherwise exist.

JOINT AND SEVERAL LIABILITY

SEC. 4. (a) Except as provided in subsection (b), no person liable for damages in any action subject to the provisions of this Act may be subject to joint and several liability. A person found liable for damages in any such action may be found liable only for those damages directly attributable to such person's pro rata share of fault or responsibility for the injury, and may not be found liable for damages attributable to the pro rata share of fault or responsibility of any other person (whether or not that person is a party to the action) for the injury, including any person bringing the action.

(b) Notwithstanding the provisions of subsection (a), any person found liable for damages in any action subject to the provisions of this Act may be deemed jointly and severally liable for any damages awarded if such person's pro rata share of the fault or responsibility is found to be 50 percent or more.

(c) This section shall not apply between persons acting in concert where the concerted action caused the injury for which one or more of such persons is found liable for damages.

APPLICATION OF COLLATERAL SOURCE BENEFITS

SEC. 5. (a) In any civil action to which the provisions of this Act apply, the total amount of damages awarded to an individual shall be reduced, pursuant to the provisions of subsection (c), by any other payment which has been, or will be made, to such individuals to compensate for the same injury sustained as a result of the conduct of the judgment debtor.

(b) The payments or benefits covered by this section are—

(1) any payment or benefit by or paid for in whole or in part by any agency or instrumentality of the United States, a State or a local government;

(2) any payment of benefit by a worker's compensation system or a health insurance program funded in whole or in part by an employer, except to the extent that such payment or benefit is the subject of a proper claim of subrogation, reimbursement or lien;

(3) any employer wage continuation plan; or

(4) any other form of State, local, or Federal government payment intended to compensate such individual for such injury.

(c) The amount by which an award of damages to an individual for an injury shall be reduced under subsection (a) shall be an amount equal to—

(1) the total amount of any payments which have been, or will be made to such individual to compensate such individual for such injury, minus

(2) the amount paid by such individual or the spouse, parent, or guardian of such individual to secure the right to the payments described in subsection (a).

PERIODIC PAYMENTS

SEC. 6. (a) In any action to which the provisions of this Act apply, if the court awards an individual future damages in excess of $100,000—

(1) the payment of such future damages shall be made in such amounts and at such intervals as determined by the court, over a scheduled period of time or over the estimated lifetime of such individual;

(2) such payments shall be made until the total amount of such award is paid to such individual, except that if such individual dies prior to the date on which the final payment is to be made, the party obligated to make the payments shall not be required to make any additional payments to the heirs or assigns of such individual unless directed to do so by the court; and

(3) the court shall require that such periodic payments be made through the establishment of a trust fund or the purchase of an annuity.

LIMITATION ON DAMAGES FOR NONECONOMIC LOSSES

SEC. 7. (a) Notwithstanding any other provision of law, in any action to which the provisions of this Act apply, the amount of damages for noneconomic losses resulting from the conduct of the judgment debtor shall not exceed $500,000.

(b) The limitation on damages set forth in subsection (a) shall be adjusted on the first day of the second calendar year following enactment of this Act, and on the first day of each subsequent calendar year, by an amount representing the change in the Consumer Price Index for the preceding 12-month period ending September 30, as determined by the United States Department of Labor.

LIMITATION ON CONTINGENCY FEE AGREEMENTS

SEC. 8. (a) Except as provided in subsection (c), in any action to which the provisions of this Act apply, and in which the plaintiff receives a settlement or an award of damages, the amount of payments to the plaintiff's attorney or attorneys shall be determined pursuant to this subsection. If the total award or settlement is—

(1) not more than $100,000, the attorney's fee shall not exceed 35 percent of such amount;

(2) more than $100,000 but less than $500,000, the attorney's fee shall not exceed $35,000 plus 25 percent of the excess over $100,000; or

(3) equal to or greater than $500,000, the attorney's fee shall not exceed $135,000 plus 10 percent of the excess over $500,000.

(b) Notwithstanding the provisions of this section or any other provision of law, no award of punitive damages shall be included in the computation of the total settlement or award to a plaintiff for purposes of awarding an amount of attorney fees.

LIMITATION ON AWARD OF PUNITIVE DAMAGES

SEC. 9. (a) Notwithstanding any other provision of law, punitive damages shall not be awarded to any plaintiff in any action to which the provisions of this Act apply unless the plaintiff establishes by clear and convincing evidence that the harm suffered by the plaintiff was the result of conduct, on the part of the defendant against whom punitive damages are sought, manifesting a conscious disregard for the safety of the plaintiff or a person the defendant reasonably should have anticipated would have been endangered by the conduct that is the subject of the action.

(b) Mere negligent conduct shall not be sufficient to establish conscious disregard for the consequences of an act. A failure to exercise reasonable care in choosing among alternative product designs, formulations, instructions or warnings, or a mere failure to warn of a product's conditions or propensities, shall not be sufficient to establish such conduct.

(c) Punitive damages awarded in any action to which the provisions of this Act apply shall be paid to the Treasurer of the State in which the action is pending, except that if the action is pending in a court of the United States, such damages shall be paid to the Treasurer of the United States.

SANCTIONS

SEC. 10. (a) In any civil action in which the provisions of this Act apply, any attorney or other person admitted to practice before the court, whose conduct in the course of the proceeding is calculated for delay, or is determined by the court, after consideration of the circumstances, to have been calculated to impede the just, speedy, and inexpensive resolution of the action, or to have been in bad faith, shall be subject to pecuniary sanctions by the court. Such sanctions shall not be less than the total amount of court costs, fees, and expenses, including attorney's fees, reasonably attributable to the conduct.

(b) In any proceeding in which the court finds that the action was initiated without a good faith belief by the attorney initiating the cause of action that there was a reasonable basis in law and in fact for recovery of the relief requested, or that the action was initiated merely for purposes of achieving a monetary settlement where there was no reasonable prospect for an award of damages, then such attorney shall be liable for the total amount of court costs, fees, and expenses, including double the attorney fees reasonably incurred to respond to or otherwise resist the action.

(c) In any porceeding to which the provisions of this Act apply in which the court finds that the attorney defending the cause of action denied the substantive averments of the complaint without a good faith belief that there was a reasonable basis in law and in fact for the avoidance of liability for the relief requested, or that the actions taken in defense of the action were intended merely to postpone for a period of time the imposition of a judgment for damages, then such attorney shall be liable for the total amount of court costs, fees, and expenses, including double the attorney fees reasonably incurred to prevail in the action.

ALTERNATIVE DISPUTE RESOLUTION

SEC. 11. (a) Because the traditional litigation process is unsuited to the timely, efficient, and inexpensive resolution of civil actions, it is the policy of the United States to encourage the creation and use of alternative dispute resolution techniques, to promote the expeditious resolution of such actions.

(b) In any action pending in a court of the United States in which the provisions of this Act apply, each attorney who has made an appearance in the case and who represents one or more of the parties to the action shall, with respect to each party separately represented, advise the party of the existence and availability, if any, of alternative dispute resolution options, including extrajudicial proceedings such as minitrials, and third-party mediation, court supervised arbitration, and summary jury trial proceedings.

(c) Each such attorney shall, simultaneous with the filing of a complaint or a responsive pleading, file notice with the court certifying that the attorney has so advised his client or clients, and indicating whether his client will agree to one or more of the alternative dispute resolution techniques.

(d) In any action pending in a court of the United States in which the provisions of this Act apply, if all parties to an action agree to proceed with one or more alternative dispute resolution proceedings, the court shall issue an appropriate order governing the conduct of such alternative proceedings. The issuance of an order governing such further proceedings shall constitute a waiver by each party subject to the order of the right to proceed further in court.

EFFECTIVE DATE

SEC. 12. This Act and the amendments made by this Act shall be effective on the date of enactment, and shall apply to all civil actions filed on or after such date, including any civil action in which the harm or the conduct complained of occurred before such effective date.

PROHIBITING DIAL-A-PORN OPERATIONS

HELMS AMENDMENT NO. 2008

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to an appropriate measure; as follows:

At an appropriate place in the bill, add the following:

"SEC. . Section 223(b) of the Communications Act of 1934 is amended—

(1) in paragraph (1)(A), by striking out 'under eighteen years of age or to any other person without that person's consent';

(2) by striking out paragraph (2);

(3) in paragraph (4), by striking out 'paragraphs (1) and (3)' and inserting in lieu thereof 'paragraphs (1) and (2)'; and

(4) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.".

TAX REFORM ACT

GRASSLEY (AND OTHERS) AMENDMENT NO. 2009

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself, Mr. LAUTENBERG, Mr. PROXMIRE, and Mr. DENTON) submitted an amendment intended to be proposed by them to the bill (H.R. 3838) to reform the internal revenue laws of the United States; as follows:

At the end of subtitle A of title IX of the Committee amendment, insert the following:

SEC. . DENIAL OF FOREIGN TAX CREDIT FOR TAXES PAID TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) IN GENERAL.—Section 901 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) DENIAL OF FOREIGN TAX CREDIT, ETC. WITH RESPECT TO COUNTRIES WHICH SUPPORT INTERNATIONAL TERRORISM.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) during the taxable year to any country identified under paragraph (2) as repeatedly providing support for acts of international terrorism, and

"(B) subsections (a), (b), and (c) of section 904 and sections 902 and 960 shall be applied separately with respect to income for such taxable year from sources within any country so identified.

"(2) IDENTIFICATION OF COUNTRIES.—Paragraph (1) shall apply to countries which the Secretary of State, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, has designated as countries that repeatedly support acts of international terrorism.

"(3) PART-YEAR RULE.—If an identification under paragraph (2) is in effect for less than an entire taxable year, paragraph (1) shall be applied by taking into account only that proportion of the taxes and income described in paragraph (1) for the taxable year as the portion of the taxable year for which such identification is in effect bears to the entire taxable year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxes paid or accrued after June 30, 1986, in taxable years ending after such date.

URGENT SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1986

HUMPHREY AMENDMENT NO. 2010

Mr. HUMPHREY proposed an amendment to the bill (H.R. 4515) making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On Page 73, strike out lines 3 through 23 and insert in lieu thereof the following:

SEC. 209. (a) None of the funds appropriated or made available under this or any other Act may be used to divest Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration located in the contiguous forty-eight States unless and until—

(1) the terms and conditions of a divestiture proposal are specifically authorized by law; and

(2) any specific divestiture agreement resulting from that authorization is submitted to the Congress of the United States for review and is specifically authorized by law.

(b)(1) The limitation provided in subsection (a) shall not prohibit the conduct of divestiture studies or the preparation of proposals for submission to Congress with respect to the divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Marketing Administration.

(2) If any divestiture of Federal ownership, management, or control of the facilities or functions of a Federal Power Market-

ing Administration results from any divestiture study or the preparation of a proposal, the costs of such study or proposal shall be paid by the person acquiring the assets. The costs payable under the preceding sentence shall be determined by the Secretary of Energy at the time the Secretary submits the agreement for such divestiture to Congress under subsection (a)(2).

(3) Nothing in this section shall be construed as indicating the intent of Congress with respect to the advisability or feasibility of the divestiture of any Federal Power Marketing Administration.

(c) The limitation provided in subsection (a) shall not apply to—

(1) the authority granted under section 2E of the Bonneville Project Act of 1937; and

(2) the authority of the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Service Act of 1949, as amended, and the Surplus Property Act of 1944 to sell or otherwise dispose of surplus property.

BOREN (AND OTHERS) AMENDMENT NO. 2011

(Ordered to lie on the table.)

Mr. BOREN (for himself, Mr. GOLDWATER, Mr. HART, Mr. LEVIN, Mrs. KASSEBAUM, Mr. RUDMAN, Mr. STENNIS, Mr. DECONCINI, Mr. CHILES, Mr. BINGAMAN, Mr. BYRD, Mr. BIDEN, and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill H.R. 4515, supra; as follows:

At the appropriate place, insert the following new section—

SEC. . (a) Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 is amended by striking out "$1,000" and inserting in lieu thereof "$1,500".

(b) Section 315(a)(2) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "or" at the end of subparagraph (B);

(2) striking out "$5,000." in subparagraph (A) and inserting in lieu thereof "$3,000;"; and

(3) by adding at the end the following new subparagraphs:

"(D) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election) which exceed $100,000 ($125,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election); or

"(ii) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(E) to any candidate and his authorized political committees with respect to—

"(i) a general or special election for the office of Senator (including any primary election, convention, or caucus relating to such general or special election) which exceed the greater of $175,000 ($200,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election) or the amount equal to $35,000 times the number of Representatives to which the State involved is entitled, when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election);

"(ii) a runoff election for the office of Senator which exceed the greater of $25,000 or the amount equal to $12,500 times the number of Representatives to which the State involved is entitled, when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such runoff election; or

"(iii) a general or special election for the office of Senator (including any primary election, runoff election, convention, or caucus relating to such general or special election) which exceed $750,000 when added to the total of contributions previously made by multicandidate political committees to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election).".

(c) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

(1) by striking out "person" the second place it appears and inserting in lieu thereof "person and also the intermediary or conduit".

(d) Section 315(a)(8) of the Federal Election Campaign Act of 1971 is amended—

"(1) by adding at the end of the paragraph the following subparagraph:

"(A) Notwithstanding any other provision of this Act, each multicandidate political committee which makes an independent expenditure in a federal election in connection with such candidate's campaign, shall not do so in any newspaper, magazine, broadcast or other media advertisement without the following notice placed on, or within such advertisement:

"This message has been authorized and paid for by (name of committee/or any affiliated organization of the committee), (name/title of treasurer and/or president). Its cost of presentation is not subject to any campaign contribution limits."

(e) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by inserting immediately after subsection (a) the following:

"(b)(1) If any licensee permits a person to utilize a broadcasting station to broadcast material which either endorses a legally qualified candidate for any Federal elective office or opposes a legally qualified candidate for that office, such licensee shall, within a reasonable period of time, provide to any legally qualified candidate opposing the candidate endorsed (or to an authorized committee of such legally qualified candidate), or to any legally qualified candidate who was so opposed (or to an authorized committee of such legally qualified candidate), the opportunity to utilize, without charge, the same amount of time on such broadcasting station, during the same period of the day, as was utilized by such person.

"(2) For purposes of this subsection, the term 'person' includes an individual, partnership, committee, association, corporation, or any other organization or group of persons, but such term does not include a legally qualified candidate for any Federal elective office or an authorized committee of any such candidate.".

(f) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by striking "section" and inserting in lieu thereof "subsection".

(g) Section 315(e) of the Communications Act of 1934, as so redesignated by subsection (a) of this section, is amended to read as follows:

"(e) For purposes of this section—

"(1) the term 'authorized committee' means, with respect to any candidate for nomination for election, or election, to any Federal elective office, any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000 and which is authorized by such candidate to accept contributions or make expenditures on behalf of such candidate to further the nomination or election of such candidate;

"(2) the term 'broadcasting station' includes a community antenna television system; and

"(3) the term 'licensee' and 'station licensee' when used with respect to a community antenna system mean the operator of such system.".

(h) Section 301(17) of the Federal Election Campaign Act of 1971 is amended to read as follows:

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(A) For the purposes of this subsection, 'cooperation or consultation with any candidate' with respect to an election cycle means, but is not limited to the following—

"(i) the person making the independent expenditure communicates with, advises, or counsels the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office;

"(ii) the person making the independent expenditure includes as one of its officers, directors, or other employees an individual who communicated with, advised or counseled the candidate at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office; and

"(iii) the person making the independent expenditure retains the professional services of any individual or other person also

providing those services to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any services relating to the candidate's decision to seek Federal office."

(i) If any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to any other person or circumstance shall not be affected by such invalidation.

(j) The amendments made by such sections (a) through (i) of this section shall apply with respect to general, special, and runoff election occurring after December 31, 1986.

GORTON (AND EVANS) AMENDMENT NO. 2012

Mr. GORTON (for himself and Mr. EVANS) proposed an amendment to the bill H.R. 4515, supra; as follows:

At the appropriate place in the bill, insert the following:

Upon the request of the Pike Place Market Preservation and Development Authority, Seattle, Washington, the Secretary of Commerce shall authorize the sale or lease to any person of the Fairley Group Building (project numbers 07-01-01890, as modified by 07-01-01890.01, and 07-11-02606) located in the Pike Place Market, King County, Washington, without affecting the federal assistance provided under the Public Works and Economic Development Act of 1965, if the transfer documents provide for the continued use of the Fairley Group Building as a market during the expected useful life of the building.

GORTON AMENDMENT NO. 2013

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill H.R. 4515, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . None of the funds appropriated by this or any other Act shall be available for the payment of the salary of the acting Administrator of the Small Business Administration for a period longer than 30 days following the date of enactment of this Act unless, prior to the close of such 30-day period, the President nominates an individual to fill the vacancy in the position of Administrator of the SBA.

GORTON (AND EVANS) AMENDMENT NO. 2014

(Ordered to lie on the table.)

Mr. GORTON (for himself and Mr. EVANS) submitted an amendment intended to be proposed by them to the bill H.R. 4515, supra; as follows:

At the appropriate place in the bill, insert the following:

The authority to acquire new buildings and facilities, including necessary real estate, for the U.S. Army Engineer District, Walla Walla, Washington, as provided for in Public Law No. 99-88, 99 Stat. 293, 316, may be implemented by lease purchase contract or by any other appropriate means.

STEVENS AMENDMENT NO. 2015

Mr. STEVENS proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 26, line 1, delete all following "SEC. 7." through the end of line 2, and insert in lieu thereof.

Notwithstanding Section 8109 of the Department of Defense Appropriations Act, 1986, Public Law 99-190, funds appropriated or otherwise made available by such Act and which were not otherwise authorized by law, are authorized and shall be available to be obligated and expended as provided in such Act immediately upon enactment of this Act: *Provided*, That no funds made available under Section 8103 of the Department of Defense Appropriations Act, 1986, Public Law 99-190 shall be available for the Mariner Fund: *Provided further*, That the paragraph under the head "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986, Public Law 99-190, is amended by striking ", of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law".

METZENBAUM (AND OTHERS) AMENDMENT NO. 2016

Mr. METZENBAUM (for himself, Mr. KASTEN, Mr. GLENN and, Mr. PROXMIRE) proposed an amendment to the bill H.R. 4515, supra; as follows:

In lieu of the language proposed to be stricken insert the following:

Using available funds authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, the Secretary of the Army shall, in consultation with State officials of the Great Lakes region, develop emergency contingency plans to prevent or control near term flooding along the Great Lakes. The Secretary shall report to Congress within sixty days after the date of enactment of this Act on the contingency plans. The Secretary is authorized to spend up to $1 million for the purposes of this provision.

BYRD AMENDMENT NOS. 2017 AND 2018

Mr. BYRD proposed two amendments to the bill H.R. 4515, supra; as follows:

On page 74, after line 25, insert the following:

SEC. . Notwithstanding the notice relating to applications for pinpoint disaster assistance (43 Federal Register 57194 (1978)) or any other provision of Federal law or regulation, the Secretary of Education shall accept an application from Preston County Board of Education, West Virginia, under section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) filed after the date of enactment of this Act.

On page 59, line 23, strike out "$2,683,000" and insert in lieu thereof "$3,683,000".

On page 60, between lines 3 and 4, insert the following:

LIBRARY OF CONGRESS

Salaries and Expenses

For an additional amount for salaries and expenses under the headings "OTHER AGENCIES" and "LIBRARY OF CONGRESS", $1,000,000: *Provided*, That of such amount, $500,000 shall remain available until expended for the acquisition of books, periodicals, newspapers, and all other materials (including subscriptions for bibliographic services for the Library).

PROXMIRE AMENDMENT NO. 2019

Mr. PROXMIRE proposed an amendment to the bill H.R. 4515, supra; as follows:

At the appropriate place add the following:

SEC. . Notwithstanding any other provision of this Act, effective on and after January 1, 1987, section 908(b) of the Act entitled "An Act making supplemental appropriations for the fiscal year ending September 30, 1983, and for other purposes" (97 Stat. 337; 2 U.S.C. 31-1), is amended by striking out "40 percent" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "30 percent".

HATFIELD AMENDMENT NO. 2020

Mr. HATFIELD proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 8, line 1, after the word "or", strike "1444-1(c)(1))" and insert in lieu thereof "1441-1(c)(1))".

On page 8, line 3, strike "preventing" and insert in lieu thereof "prevented".

On page 8, line 13, strike "5152" and insert in lieu thereof "5121".

On page 8, strike lines 16 and 17 and insert in lieu thereof "(1) 40 percent of the projected payment rate; by".

On page 19, line 25, after "reserve" insert ", or which would have been placed in reserve,".

On page 20, line 1, strike all after "Liberty" through "adjustments" on line 2.

On page 21, strike "(RESCISSION)" at the end of line 23 and insert "(RESCISSION)" between lines 23 and 24.

On page 49, line 19, strike "530,000" and insert in lieu thereof "1,530,000".

On page 55, strike line 12 up to and including line 10 on page 57, and insert in lieu thereof the following:

SEC. 2. (a) Subsection (a) of section 110 of Public Law 97-12 (2 U.S.C. 58b(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) striking out the last three sentences of such subsection and inserting in lieu thereof the following:

"(2)(A) Each Senator, at his election, may, during any fiscal year (but not earlier than July 1 thereof) transfer from such Senator's clerk hire allowance to his Official Office Expense Account such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to a Senator's Official Office Expense Account shall be available for expenses incurred during the calendar year in which occurred the close of the fiscal year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than January 15 of the calendar year immediately following the calendar year in which occurs the close of the fiscal year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1, nor later than December 31, of the calendar year in which the close of such

fiscal year occurs) as may be specified by the Senator.

"(B) Each Senator, at his election, may, during any calendar year (but not earlier than July 1 thereof) transfer from such Senator's Official Office Expense Account to his clerk hire allowance such amounts as the Senator shall determine, but not in excess of the balance as of the end of the month which precedes the month in which the transfer is made. Any amount so transferred to the Senator's clerk hire allowance during any calendar year shall be available for expenses incurred during the fiscal year which ends during the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is made. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, not later than September 30 of the calendar year in which the transfer is to be made, and such transfer shall be made on such date (but not earlier than July 1 of such calendar year) as may be specified by the Senator.".

(b) Subsection (b) of section 110 of Public Law 97-12 is amended to read as follows:

"(b) Transfer of funds by a Senator under subsection (a) of this section shall be made between (1) the allowance of such Senator in the account (which is within the appropriation account under the headings 'SENATE' and 'Salaries, Officers and Employees') for 'Administrative, Clerical, and Legislative Assistance to Senators', and (2) such Senator's Senatorial Official Office Expense Account within the appropriation account for 'Miscellaneous Items' under the heading 'SENATE'

"(c) The amendments made by subsection (a) shall be effective in the case of elections made with respect to transfers of funds to be available for expenses incurred after December 31, 1984."

On page 64, line 13, strike "Section" and insert in lieu thereof "SECTION".

On page 64, line 18, strike "Section" and insert in lieu thereof "SEC.".

DANFORTH (AND OTHERS) AMENDMENT NO. 2021

Mr. DANFORTH (for himself, Mr. BINGAMAN, Mr. PROXMIRE, Mr. QUAYLE, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BRADLEY, Mr. DIXON, Mr. EAGLETON, Mr. EVANS, Mr. GOLDWATER, Mr. LEVIN, Mr. LUGAR, Mr. WILSON, Mr. LAUTENBERG, Mr. MELCHER, Mr. ROTH, Mr. NUNN, Mr. PRYOR, Mr. GLENN, Mr. SASSER, Mr. WALLOP, Mr. DURENBERGER, Mr. BOSCHWITZ, and Mr. GRAMM) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 25, strike out lines 1 through 7 and lines 12 through 15.

On pages 25 and 26, renumber sections 4, 6, 7, and 8 as sections 3, 4, 5, and 6, respectively.

BUMPERS AMENDMENT NO. 2022

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill H.R. 4515, supra; as follows:

On page 9, between lines 17 and 18, insert the following:

ELDERLY FEEDING PROGRAM

For an additional amount for reimbursement at a level of 56.76 cents per meal during fiscal years 1985 and 1986, determined under section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), for meals served under section 311 of such Act in such fiscal years, $8,500,000, to remain available until expended: *Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Secretary of Agriculture; *Provided further*, That such transfer of funds shall be sufficient to reduce by $8,000,000 fiscal year 1986 outlays which would otherwise occur in the account or accounts from which such funds are transferred.

GOLDWATER AMENDMENT NO. 2023

Mr. GOLDWATER proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 26, strike out lines 1 and 2 and insert in lieu thereof the following:

CHAPTER IIIA—AUTHORIZATION OF CERTAIN UNAUTHORIZED APPROPRIATIONS

SECTION 1. AUTHORIZATION OF CERTAIN UNAUTHORIZED FISCAL YEAR 1986 APPROPRIATIONS.

Except as otherwise provided in this chapter, funds appropriated or otherwise made available to or for the use of the Department of Defense by the Department of Defense Appropriation Act, 1986, (as contained in section 101(b) of Public Law 99-190), and which were not otherwise authorized by law, are authorized to be obligated and expended as provided in such Act.

SEC. 2. PROHIBITION AND LIMITATION ON OBLIGATION OF FUNDS FOR CERTAIN PURPOSES.

MARINER FUND.—Of the funds appropriated or made available by the Department of Defense Appropriation Act, 1986, none shall be available for construction of commercial type vessels, with or without military specifications, for lease to private shipping concerns under the Mariner Fund or any other program.

SEC. 3. AUTHORIZATION FOR OBLIGATION OF CERTAIN UNOBLIGATED FUNDS.

Of the funds appropriated by the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), but which may not be obligated or expended for the purposes for which appropriated by virtue of section 2 of this chapter, and of the funds made available for obligation and expenditure from prior year unobligated balances by section 8103 of the Department of Defense Appropriation Act, 1986, the following amounts are authorized to be obligated and expended for the stated purposes:

(1) for military pay, $1,599,400,000

(2) for military retirement accrual payments, $2,156,000,000

(3) for Coastal Defense Augmentation, $140,000,000

(4) for the Expendable Launch Vehicle Program, $1,498,686,000

(5) Any amounts remaining available from such funds shall be available for readiness and for other purposes, including funds authorized for obligation and expenditure for purposes listed in clauses (1), (2), (3), and (4) not otherwise required for such purposes.

SEC. 4. REVISION OR REPEAL OF CERTAIN PROVISIONS OF PUBLIC LAW 99-190.

(a) AIR DEFENSE AIRCRAFT COMPETITION.—The paragraph under the heading "Aircraft Procurement, Air Force" in title III of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190), is amended—

(1) by striking out "of which $200,000,000 shall be available only to initiate the air defense aircraft competition authorized by law" in the matter preceding the first proviso; and

(b) REVISION OF CONTRACTING OUT PROVISION.—Section 8089 of such Act is amended by striking out "ten" and inserting in lieu thereof "40".

SEC. 5. REMOVAL OF CERTAIN LIMITATION ON THE P-3 AIRCRAFT.

Funds made available for the procurement of P-3 aircraft for the Navy for fiscal year 1986 may be used for procurement of such aircraft for the active or reserve forces of the Navy, as determined by the Secretary of the Navy.

SEC. 6. TEMPORARY WAIVER ON POLYGRAPH EXAMINATION LIMITATIONS.

In computing the number of counterintelligence polygraph examinations that may be conducted during fiscal year 1986 under section 1221 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 726), there may be excluded from such computation any polygraph examination conducted during the period beginning on the date of the enactment of this Act and ending on September 30, 1986, if such examination—

(1) is conducted by the Air Force under an authorization granted by the Secretary of Defense on November 24, 1981; or

(2) is conducted under an authorization granted by the Secretary of Defense on August 31, 1982, and is conducted on a person who is participating in a national program—

(A) which has as its purpose the collection of specialized intelligence through reconnaissance;

(B) which is under the purview of the Director of Central Intelligence; and

(C) for which a polygraph examination was established on or before October 1, 1985, as a condition for participation in such program.

DOMENICI AMENDMENT NO. 2024

Mr. DOMENICI proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 74, immediately after line 25, add the following:

SEC. 212. The Administrator of General Services is authorized and directed to convey, for the sum of one dollar, to the City of Santa Fe, New Mexico, all right, title, and interest of the United States in the parcel of surplus property known as the Bruns Hospital Site, more specifically being the property designated with GSA Control Number for Disposal Purposes 7-G-NM-403, parcels F and H, consisting of approximately 4.37 acres, such property being a portion of the same property which the City of Santa Fe conveyed to the Department of the Army in 1944 for the amount of one dollar.

NICKLES (AND BOREN) AMENDMENT NO. 2025

Mr. NICKLES (for himself and Mr. BOREN) proposed an amendment to the bill H.R. 4515, supra; as follows:

In the appropriate place in the bill, insert:

SEC. . Of the amounts available to the Department of Defense, $5,000,000 shall be available for such claims arising from property losses caused by the explosion of Army munitions near Checotah, Oklahoma, on August 4, 1985. And claims determined by the Department to be bona fide shall be paid from the funds made available by this section.

MELCHER AMENDMENT NO. 2026

Mr. MELCHER proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 74, after line 25, add the following new section:

SEC. . Notwithstanding any other provision of law, the Hays-Lodge Pole School District Number 50 of Hays, Montana, is relieved of all liability to repay to the United States the sum of $181,557.13, together with any interest on such sum, representing interest earned on investments which were made from payments made under the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) for a construction project initiated in 1975, and which were made after consulting with Federal officials. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this section.

MELCHER (AND BAUCUS) AMENDMENT NO. 2027

Mr. MELCHER (for himself and Mr. BAUCUS) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 53, between lines 14 and 15, insert the following:

Effective on October 1, 1980, section 3(d)(3) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by redesignating subparagraph (C) as subparagraph (D), and by adding after subparagraph (B) the following new subparagraph:

"(C)(i) To the extent described in division (ii), the local contribution rate for a local educational agency shall include locally generated revenue in a State, without regard to the characterization of the locally generated revenue by the State, if the local educational agency receives amounts from such revenues for use by that agency and the remainder of such amounts are transferred to the State.

"(ii) For the purpose of clause (i) of subparagraph (A), the amount of revenues which are actually retained by a local educational agency described in division (i) may be counted in the determination of expenditures derived from local sources.".

MELCHER AMENDMENT NO. 2028

Mr. MELCHER proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 43, between lines 8 and 9, insert the following:

"CONSTRUCTION

For an additional amount for "Construction", $4,900,000, to remain available until expended.

(DEFERRAL)

Of the funds previously appropriated under the heading "Bureau of Indian Affairs' Construction" in Public Law 98-8 (90 Stat. 20), $4,900,000 shall not become available for obligation until October 1, 1986."

STEVENS AMENDMENT NOS. 2029 THROUGH 2031

Mr. STEVENS proposed three amendments to the bill H.R. 4515, supra; as follows:

AMENDMENT NO. 2029

On page 26, following line 8 insert the following new section:

SEC. . Of the appropriations available to the Department of the Army during the current fiscal year, $3,000,000, in addition to the appropriation "National Board for the Promotion of Rifle Practice, Army", may be used to conduct the 1986 National Matches at Camp Perry, Ohio, and such ammunition as may be necessary shall be made available for the matches.

AMENDMENT NO. 2030

H.R. 4515, title I, Chapter I is amended—by inserting at the appropriate place the following: Section 1201(a)(16) of Public Law 99-198 (99 Stat. 1505) is amended by inserting at the end thereof the following:

"For purposes of this Act, and any other Act, this term shall not include lands in Alaska identified as having high potential for agricultural development which have a predominance of permafrost soils.

AMENDMENT NO. 2031

On page 66, after line 19 insert:

ADMINISTRATIVE PROVISION

That section 3626(f) of title 39, United States Code, is amended to read as follows:

"(f)(1) In the administration of this section, the substitute minimum charge per piece for mail under former section 4358(g) of this title shall apply only where fewer than five thousand copies of a publication are addressed for delivery within counties adjacent to the county of publication.

"(2) Within any State or territory which has not organized itself into county (or parish) subdivisions, copies addressed for delivery within the entire State or territory, other than those copies eligible for rates under former section 4358(a)-(c), shall be deemed addressed for delivery within counties adjacent to the county of publication, for purposes of this subsection.".

The amendment enacted by the first section of this Act is effective October 1, 1986. From that date until changed pursuant to chapter 36 of title 39, United States Code, the rates for mail covered by such amendment shall be the rates which would have applied to mail under former section 4358(g) of title 39, United States Code, if section 15102(c) of the Consolidated Omnibus Budget Reconciliation Act of 1985 had not been enacted.

RUDMAN AMENDMENT NO. 2032

Mr. HATFIELD (for Mr. RUDMAN) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 12, after line 5 add the following:

Of the funds appropriated to the Department of Justice in title II of Public Law 99-180, not to exceed $500,000 may be transferred to "Salaries and expenses, general legal activities" to pay expenses related to the activities of any Independent Counsel appointed pursuant to 28 U.S.C. 591, et seq. upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate.

HATFIELD AMENDMENT NO. 2033

Mr. HATFIELD proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 19, after line 2 add the following:

Notwithstanding the provisions of section 106(b)(1) of the Bankruptcy Amendments and Federal Judgeship Act of 1984, a bankruptcy judge serving on a part-time basis on the date of enactment of this Act may continue to serve as a part-time judge for such district until December 31, 1986, or until such time as a full-time bankruptcy judge for such district is appointed, whichever is earlier: Provided, That these provisions shall apply only to part-time bankruptcy judges serving in the district of Oregon, the western district of Michigan, and the eastern district of Oklahoma.

INOUYE AMENDMENT NO. 2034

Mr. JOHNSTON (for Mr. INOUYE) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 50, line 16 immediately before the period insert: "to remain available until September 30, 1987."

HATFIELD AMENDMENT NO. 2035

Mr. HATFIELD proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 51, after line 6, insert the following:

NATIONAL INSTITUTES OF HEALTH

ADMINISTRATIVE PROVISION

Funds made available for fiscal year 1986 and hereafter to the Warren G. Magnuson Clinical Center of the National Institutes of Health shall be available for payment of nurses at the rates of pay and with the schedule options and benefits afforded nurses by the Veterans' Administration pursuant to 38 U.S.C. 4107.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. LUGAR. Mr. President, I ask unanimous consent that the Armed Services Committee be authorized to meet during the session of the Senate on Thursday, June 5, 1986, at 10 a.m. to hold a markup on S. 2199, the 1987 DOD authorization bill, and to discuss homeporting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. LUGAR. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 5, in closed session, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, June 5, to hold an oversight hearing to continue consideration of the implementation of the Public Utility Regulatory Policies Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE DANGER OF NUCLEAR WAR LESSENED BY LANAC

● Mr. LEAHY. Mr. President, every year I speak on this floor about the danger of a lack of high level dialog between Soviet and American leaders, especially in the area of arms control.

We were all encouraged by the spirit of the Geneva summit last year, but events since then, including recent U.S. nuclear weapons tests and Secretaries Weinberger and Shultz's assertions that the United States is "no longer bound" to continue to observe SALT II, have rekindled the concern that I and many of my colleagues share that this administration is not serious about arms control.

During the past 6 years, President Reagan has often said that he wants to stop the arms race, yet during that same period we have witnessed the most massive buildup of nuclear weapons in our Nation's history. The administration's record on arms control, no matter how you look at it, has been a profound disappointment. The arms race continues and no new arms control agreements are in sight. Nor can we be confident that President Reagan and General Secretary Gorbachev will meet again this year. The overwhelming sentiment on the part of the American people and the Congress, is that the two leaders should meet and conclude an agreement that reduces the tension between our countries and lessens the risk of nuclear war.

While many of us have been discouraged by the lack of any progress on arms control, we have never lost hope. Groups of concerned citizens have continued to work for arms control. One such organization is the Lawyers Alliance for Nuclear Arms Control [LANAC], a group of distinguished attorneys who have taken the initiative to keep some semblance of dialog alive. Each year, representatives of LANAC and the Association of Soviet Lawyers have met in one of our two countries and prepared several constructive papers for improving United States-Soviet relations and stopping the arms race.

Recently, a Soviet delegation concluded another trip to the United States. The two groups agreed on new joint documents which I strongly recommend to my colleagues and their staffs as the Congress continues its debate on the 1987 defense budget. I especially urge my colleagues to read the document entitled "Improving the United States-Soviet Relationship: Some Suggestions," as I believe that if these suggestions were followed, we and the Soviets could look forward to a safe future for many generations.

LANAC and their Soviet counterpart's achievements are an inspiration to all of us, and they should both be commended for their continuing efforts to lessen the danger of nuclear war.

Mr. President, I ask that a letter from John Downs, distinguished constituent, valued friend and prominent member of LANAC, and the joint papers from the fourth conference of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers be printed in the RECORD.

The document follows:

JOHN H. DOWNS,
St. Johnsbury, VT, May 15, 1986.

Senator PATRICK J. LEAHY,
Senate Office Building, Washington, DC.

DEAR SENATOR LEAHY: Delegates from the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers recently concluded their fourth annual conference on nuclear arms problems.

The 1986 deliberations resulted in the following joint documents, copies of which are attached.

1. Joint letter to United States and Soviet leaders commending them on the de facto anti-satellite weapons moratorium and urging them to maintain it in effect.

2. Paper on restraints in testing anti-satellite weapons so as to help prevent an arms race in outer space.

3. Paper on maintaining the strength of the Anti-Ballistic Missile Treaty.

4. Paper setting forth the obligations of the two countries to seek a comprehensive ban on the testing of nuclear weapons.

5. Paper with suggestions for improving the U.S.-U.S.S.R. relationship.

I believe that the contents of these documents will be of considerable interest to all Americans concerned with the control and reduction of nuclear weapons.

Sincerely yours,

JOHN H. DOWNS.

A JOINT LETTER TO UNITED STATES AND SOVIET LEADERS

MARCH 31, 1986.

Hon. RONALD REAGAN,
President of the United States,
Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House
M.S. GORBACHEV,
General Secretary of the Central Committee of the CPSU,
A.A. GROMYKO, *Chairman, Presidium of the Supreme Soviet of the U.S.S.R.*

The delegates of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers have just concluded our fourth meeting on the problems of nuclear arms control.

We discussed the importance of the United States and the Soviet Union refraining from tests of anti-satellite weapons. We noted the statement made by the Soviet Union in 1983 that it would not be the first to launch any types of anti-satellite weapons into outer space. We also noted legislation passed by the United States Congress and signed by the President in 1985 prohibiting tests of the U.S. anti-satellite weapon against an object in space unless the Soviet Union first tested a dedicated anti-satellite weapon against an object in space. These actions constitute parallel restraint on tests of dedicated anti-satellite weapons against objects in space. This can be regarded as a *de facto* moratorium.

We believe these actions are important steps. We believe they will help maintain outer space for peaceful purposes and contribute to preventing an arms race in that area, in the interests of all mankind. We believe they will facilitate limitation and reduction of nuclear arms.

The delegations commend both countries for these restraints. We urge the leaders and legislative bodies of each country to continue them in effect.

Respectfully yours,

Delegation of the Lawyers Alliance for Nuclear Arms Control:

ROGER FISHER,
Chairman.

Delegation of the Association of Soviet Lawyers:

VADIM SOBAKIN,
Chairman.

BIOGRAPHIES OF THE DELEGATES: THE LAWYERS ALLIANCE FOR NUCLEAR ARMS CONTROL DELEGATION

Roger Fisher, co-chairman: Williston Professor of Law, Harvard Law School, and Director of the Harvard Negotiation Project. Author of International Conflict for Beginners (1969); Points of Choice: International Crises and the Role of Law (1978); and Getting to Yes: Negotiating Agreement Without Giving In (1981). Co-chair of the Lawyers Alliance-Association of Soviet Lawyers arms control conference.

George Bunn: Stockton Professor of International Law, Naval War College. Dean, University of Wisconsin Law School, 1969-1983; General Counsel to the U.S. Arms Control and Disarmament Agency, 1961-1969.

Abram Chayes: Felix Frankfurter, Professor of Law, Harvard Law School. Author of The International Legal Process (1961) (with T. Ehrlich and A. Lowenfeld); ABM: An Evaluation of the Decision to Deploy an Anti-Ballistic Missile System (1969) (with J. Wiesner); The Cuban Missile Crisis, International Crisis and the Role of Law (1974);

International Agreements for Nuclear Fuel Reprocessing (1977) (co-editor with W. Lewis); and "An Inquiry into the Workings of Arms Control Agreements," 85 Harvard Law Review 5 (1972).

Antonia Handler Chayes: Chairman—Endispute, Inc. Director, United Technologies Corporation. Adjunct Lecturer, John F. Kennedy School of Government, Harvard University. Fellow, Center for International Affairs, Harvard University. Partner, Csaplar & Bok, Boston, MA, 1974-1977, 1981-1985. Assistant Secretary, 1977-1979, Undersecretary, 1979-1981, Department of the Air Force.

John C. Culver: Partner—Arent, Fox, Kintner, Plotkin & Kahn, Washington, DC. United States Senator from Iowa, 1975-1981; U.S. Congressman from the Second District of Iowa, 1965-1975.

Adrian W. DeWind: Partner—Paul, Weiss, Rifkind, Wharton & Garrison, New York, NY. President of the Association of the Bar of the City of New York, 1976-1978. Fellow of American Bar Foundation, New York Bar Foundation, and American College of Tax Counsel.

John H. Downs: Of counsel—Downs, Rachlin & Martin, Burlington, Vermont. President of the Vermont Bar Association, 1974-1975. Chairman of the Vermont House Ways and Means Committee, 1963-1964, and State Representative, 1961-1964.

Erwin N. Griswold: Partner—Jones, Day, Reavis & Pogue, Washington, DC. Dean Emeritus and Langdell Professor of Law Emeritus, Harvard Law School, 1967-present. Dean, Harvard Law School, 1946-1967. U.S. Solicitor General, 1967-1973.

Shirley M. Hufstedler: Partner-Hufstedler, Miller, Carlson & Beardsley, Los Angeles, California, U.S. Secretary of Education, 1979-1980. Judge, U.S. Court of Appeals for the Ninth Circuit, 1968-1979. Associate Justice, California Court of Appeals, 1966-1968. Judge, Los Angeles County Superior Court, 1961-1966.

John B. Rhinelander: Partner—Shaw, Pittman, Potts & Trowbridge, Washington, D.C. Legal advisor, U.S. Delegation to Strategic Arms Limitation Talks (SALT I), 1971-1972. Special Civilian Assistant to the Secretary of the Navy, 1966-1968. Deputy Legal Advisor, Department of State, 1969. General Counsel, Department of Health, Education and Welfare, 1973-1975. Undersecretary, Department of Housing and Urban Development, 1975. Member of the Board and General Counsel, Arms Control Association.

Anthony P. Sager: Executive Director, Lawyers Alliance for Nuclear Arms Control, Boston, Massachusetts, Director, Professionals Coalition for Nuclear Arms Control. Assistant Attorney General, Massachusetts Department of the Attorney General, 1976-1984.

Alan B. Sherr: President, Lawyers Alliance for Nuclear Arms Control Director, Professionals' Coalition for Nuclear Arms Control. General Counsel, Massachusetts Executive Office of Human Services, 1981-1982. Assistant Attorney General, Commonwealth of Massachusetts, 1978-1981. Vice-chairman, Committee on Nuclear Arms Control and Disarmament, Individual Rights and Responsibilities Section, American Bar Association, 1982-present. Research Fellow, Center for Science and International Affairs, John F. Kennedy School of Government, Harvard University, 1984-present.

THE ASSOCIATION OF SOVIET LAWYERS DELEGATION

Vadim K. Sobakin, co-chairman: Professor of International Law, Moscow State Institute of International Relations; consultant to International Department of the Central Committee of the Communist Party of the Soviet Union; former U.S.S.R. Permanent Representative to UNESCO (Paris); co-editor of U.S.S.R. Constitution of 1977; vice-president of Association of Soviet Lawyers.

Yuri V. Kolossov: Legal and Treaty Department, U.S.S.R. Ministry of Foreign Affairs.

Sergei M. Plekhanov: Head of Department of Political and Social Studies, Institute of U.S.A. and Canada Studies of the U.S.S.R. Academy of Sciences.

Konstantin F. Shakhmuradov: General Secretary, Association of Soviet Lawyers.

Andrei Y. Shumikhin: Institute of U.S.A. and Canada Studies of the U.S.S.R. Academy of Sciences.

Alexei A. Vasiliyev: Head of Department of Military and Political and Social Studies, Institute of U.S.A. and Canada Studies of the U.S.S.R. Academy of Sciences.

Abram I. Yurish: Head of the Sector of Legal Issues of Nuclear Energy, Institute of State and Law of the U.S.S.R. Academy of Sciences.

PARALLEL RESTRAINTS IN THE TESTING OF ANTI-SATELLITE WEAPONS: A STEP TOWARD PREVENTING AN ARMS RACE IN OUTER SPACE

An arms race in space could launch a new rivalry more dangerous and costly than the battleship and air power race which followed the First World War and the nuclear and missile race which followed the Second. Space weapons (for example, anti-satellite weapons and space-based anti-ballistic missile weapons) should not become the battleships, strategic bombers and ICBMs of the future.

On March 11, 1985 in Moscow, delegates of the Lawyers' Alliance for Nuclear Arms Control and Association of Soviet Lawyers agreed as follows:

"The problem of prevention of an arms race in outer space is one of global concern, requiring bilateral and multilateral approaches. It could require not only adherence to and strengthening of the ABM Treaty but the conclusion of new treaties, in particular, a ban on the development of ASAT systems and the elimination of existing ASAT systems."

A moratorium on the testing of anti-satellite weapons in space or against space objects during the Geneva nuclear and space negotiations could significantly slow the development of anti-satellite weapons. Governments are unlikely to rely upon untested weapons. A ban on testing of anti-satellite weapons can therefore help to restrain the deployment of new weapons.

In addition, there is a close relationship between anti-satellite weapons and anti-ballistic missile (ABM) weapons which may result in circumventing or undermining the ABM Treaty. Anti-satellite weapons may use technologies similar to those of anti-ballistic weapons. Yet the prohibition in the ABM Treaty on testing ABM systems or components which are space-based, sea-based, air-based or mobile land-based does not apply to anti-satellite weapons unless they are tested in an ABM mode. As a result, tests of anti-satellite weapons which are not banned by the ABM Treaty can provide useful information about ABM technologies which would be illegal to test as ABM components in space.

At various times before 1983, both the USA and the USSR tested anti-satellite weapons in space. In 1983, the USSR stated that it would not be the first thereafter to launch any types of anti-satellite weapons into outer space. On July 6, 1985 General Secretary M.S. Gorbachev stated that this Soviet moratorium on launching anti-satellite weapons into space would be in force so long as other states did likewise. In September of 1985, the USA tested its anti-satellite weapon against a satellite in outer space. In December of 1985, the U.S. Congress passed and President Ronald Reagan signed legislation prohibiting tests of the U.S. anti-satellite weapon against an object in space unless the Soviet Union first tested a dedicated anti-satellite weapon against an object in space. Also in December, Soviet Foreign Minister E.A. Shevardnadze said the Soviet Union was showing restraint with respect to anti-satellite weapons in the hope that the USA would also stop this dangerous part of the arms race.

Based on these actions, the delegations from the Lawyers' Alliance and the Association of Soviet Lawyers agreed to recommend to the leaders and legislative bodies of the two countries that their parallel restraints be continued in effect. The joint letter of the delegations is attached.

We believe a joint moratorium on anti-satellite tests in space or against space objects is the most useful step that can be taken with respect to anti-satellite weapons at this time, pending the outcome of the bilateral Geneva nuclear and space talks. We hope the parallel restraints described in this paper can soon be broadened into such a moratorium.

MAINTAINING THE STRENGTH OF THE ANTI-BALLISTIC MISSILE TREATY

The Treaty between the United States of America and the Union of Soviet Socialist Republics on Limitation of Anti-Ballistic Missile Systems (ABM Treaty) is the keystone of the current regime limiting strategic weapons of the two countries. It is the only ratified bilateral arms control agreement in full force and effect between them. The Treaty is of unlimited duration, and the commitments and principles expressed in it are of continuing validity. In fact their significance is increasing, in view of the dynamics of the continuing arms race.

According to the Treaty, "effective measures to limit anti-ballistic missile systems would be a substantial factor in curbing the race in strategic offensive arms." The Treaty recognizes that if either country were to deploy ABM systems the other would be likely to increase its capacity to overcome those systems to ensure that it retained its retaliatory capability. Today, the viability of existing limitations on offensive nuclear forces and the prospects for significant reductions in the future depend on strict adherence to these commitments and principles. The acknowledgement of this inherent relationship between offensive and defensive strategic arms must be the basis for future negotiations.

The fundamental purpose of the Treaty, as expressed in Article I, is to prevent either party from deploying an ABM system for the defense of its national territory against strategic nuclear missiles and from establishing a base for such a system. It is designed to give each party the assurance that the other will not, by piecemeal development, testing, and deployment of an ABM system or components, be able to gain an advantage by breaking out of the Treaty constraints.

The limitations on development and testing are central to the Treaty regime. Devel-

opment, testing and deployment of ABM systems and components are forbidden, under Articles III, IV and V, except for fixed land-based systems. Article III permits each side to deploy a limited number of ABMs, using technologies mentioned in the Treaty, at a single site of limited area. Development and testing of fixed land-based systems is permitted, subject to strict limitations set out in Article IV. Deployment of fixed land-based systems using novel technologies is prohibited by Article III and Agreed Statement D unless and until the parties agree on appropriate limitations. Article IX prohibits circumvention of the Treaty by the transfer of ABM systems or components to other countries.

Since the Treaty was signed in 1972, both parties have maintained that the limitations on development and testing apply to systems using novel technologies such as lasers and particle beams. In October 1985, some U.S. officials proposed a "reinterpretation" under which these prohibitions would be eliminated. This reinterpretation misreads the Treaty. Article II establishes a functional definition of ABM systems, which covers any system to counter strategic ballistic missiles or their elements in flight trajectory. Thus, the prohibition in Article V against development and testing of space-based, sea-based, air-based or mobile land-based systems or components applies to systems using novel physical principles. This was the understanding of those who negotiated the Treaty, some of whom were at our session, and of the bodies in each country that participated in its ratification. Indeed, the basic purpose of the Treaty noted above would be frustrated if development and testing of futuristic systems were freely permitted.

Both parties, perhaps at a summit meeting, should affirm their continuing commitment to the ABM Treaty as it stands and as it has been traditionally interpreted. They should refrain from reinterpretations that emasculate the provisions of the Treaty.

Research programs undertaken with the purpose of achieving a deployable ABM system for the defense of the national territory are inconsistent with the fundamental purpose of the Treaty and thus can undermine the Treaty regime. Such programs are clearly banned by this Treaty to the extent that they take the form of development and testing of components that can be observed by national technical means of verification.

The evolution of technology in the fields of directed and kinetic energy devices, sensors and mirrors capable of reflecting energy from remote sources could threaten to undermine the basic assurance provided by the Treaty against an ABM system for defense of the national territory. Similar problems are raised by work on anti-tactical ballistic missile systems, anti-satellite weapons, and large phased array radars, which employ technologies that are also useful in ABM systems.

Time will be needed to develop durable solutions to the problems raised by these technologies. Efforts to deal with them may take different forms and proceed at different levels:

Many of these issues are now under discussion in the negotiations in Geneva on preventing the arms race in space and terminating it on earth; these talks should be accelerated in fulfillment of the joint statement of President Reagan and General Secretary Gorbachev in Geneva on November 15, 1985.

Questions about whether particular tests or activities now being conducted by the parties are acceptable might be remitted to the Standing Consultative Commission to be considered in confidence in accordance with the rules of the -Commission, and under instructions to report proposed resolutions to heads of governments within a time certain.

Problems posed by the new technologies could be addressed by joint teams of technical and legal experts designated by governments or under the sponsorship of the scientific academies of the two countries. Such studies should consider the possibility of new methods of verification for providing assurance of compliance by the parties with the provisions of the Treaty, including measures involving closer cooperation between the parties in monitoring activities that might be considered ambiguous.

In order to provide the necessary period for developing permanent solutions along the lines discussed above, both sides should refrain from activities that press against the limits of the Treaty language or threaten to carry technological developments beyond the stage where they are clearly in accord with Treaty requirements.

Moving Toward a Comprehensive Ban on the Testing of Nuclear Weapons

I.

Over a quarter of a century ago, the United States and the Soviet Union embraced the fundamental principle that the cessation of testing of nuclear weapons would contribute to curbing and reversing the nuclear arms race. These two nations, together with the United Kingdom, were the original parties to the Limited Test Ban Treaty of 1963, which banned nuclear explosions in all environments except for underground. This treaty has now been signed and ratified by over one hundred other nations. The parties to the agreement stated in the preamble their commitment to seek "to achieve the discontinuance of all test explosions of nuclear weapons for all time," and their determination "to continue negotiations to this end."

These commitments and goals were recalled and reaffirmed in the preamble to the Non-Proliferation Treaty of 1970, which has entered into force, and in the texts of the Threshold Test Ban Treaty which was signed in 1974 and the Peaceful Nuclear Explosions Treaty which was signed in 1976.

Since the 1950s, the United States, Soviet Union, and United Kingdom have been engaged in trilateral negotiations with the goal of reaching agreement on banning nuclear weapons test explosions. By the late 1970s, the parties had made substantial progress and were approaching agreement on banning all such tests. On July 30, 1980, the representatives of the governments to these negotiations, in a joint report to the United Nations Committee on Disarmament, characterized the importance of their efforts in the following terms:

"4. The negotiating parties are seeking a treaty that for decades has been given one of the highest priorities in the field of arms limitation, and the Soviet Union, the United Kingdom and the United States continue to attach great importance to it. The desire to achieve an early agreement, which is so widely shared by the international community, has been repeatedly expressed at the highest level of all three governments."

After reviewing the status of the negotiations, the representatives concluded (in paragraph 25): "The three negotiating parties have come far in their pursuit of a sound treaty and continue to believe that their trilateral negotiations offer the best way forward. They are determined to exert their best efforts and necessary will and persistence to bring the negotiations to an early and successful conclusion."

Subsequent to this report, the trilateral negotiations were suspended. The Soviet Union has urged that they be resumed, and the United States has refused on the ground that discussion in the 40-member Geneva Disarmament Conference satisfy its obligations under the aforementioned treaties to continue to seek a comprehensive nuclear weapons test ban.

II.

The delegates of the Lawyers Alliance for Nuclear Arms Control and the Association of Soviet Lawyers believe that it is the legal obligation of the United States and the Soviet Union, pursuant to the Limited Test Ban Treaty and the subsequent agreements, to make every reasonable effort toward completion of a comprehensive test ban treaty. Taking note of the usefulness of the proceedings of the Geneva Disarmament Conference, the delegates nonetheless believe that the trilateral negotiations—which led to the successful conclusion of the Limited Test Ban Treaty and which had made substantial progress up to July 30, 1980—have been the principal vehicle for negotiations on a verifiable comprehensive test ban treaty and must not be abandoned.

III.

Several justifications have been given for the failure to date to reach agreement on a comprehensive nuclear test ban. Although the parties to the tripartite negotiations stated in 1980 that they had made substantial progress in resolving problem areas—for example, the issue of verification—they also recognized that work remained to be done. Since that time, research and technological developments on seismic and other monitoring devices have placed the resolution of such problems within the reach of parties pursuing negotiations in good faith. There is substantial and compelling scientific judgment to the effect that questions of verification, weapons reliability, and other issues do not pose significant obstacles at this time to a conclusion of a comprehensive nuclear test ban treaty. Moreover, the delegates are convinced that any residual technical questions could be resolved through cooperative means of verification.

IV.

By agreeing to seek a discontinuance of all nuclear test explosions for all time, the Soviet Union and the United States agreed that a mutual and verifiable termination of nuclear weapons development is imperative. Therefore, the fact that a test ban would stop nuclear weapons development is not an acceptable basis for opposition to negotiation of, and agreement on, a comprehensive nuclear test ban.

Improving the United States-Soviet Relationship: Some Suggestions

There are serious and substantial differences between the United States and the Soviet Union on important political matters. Existence of such differences, however, need not be regarded as an insurmountable obstacle to improving the relationship between them—provided that there is political will to do so. There are not only differences and controversies between the two countries, but also vital common interests—above all, the interest in removing the threat of nuclear war. Safeguarding and advancing those common interests requires purposeful

and determined actions by both sides including strict observance of the existing principles of international law and of the bilateral and multilateral treaties and agreements to which both countries are parties.

The level of tension between the USA and the USSR remains unacceptably high. US-Soviet summit meetings can serve to alleviate those tensions and enhance positive and constructive elements in the relationship. To achieve that purpose, future summit meetings should be aimed at bringing about practical results, particularly in the major area of arms limitation and reduction in accordance with the principles agreed on by the two sides at the summit meeting in Geneva in November of 1985. Those principles are as follows:

Nuclear war should never be fought and can never be won.

Any conflict between the USSR and the US may have disastrous consequences; thus it is imperative to strive to prevent any war between them—be it nuclear or conventional.

Neither of the parties will try to gain military superiority.

In Geneva, the two sides listed specific areas of arms control in which practical steps should be taken. They have agreed that:

It is necessary to accelerate the Geneva negotiations aimed at preventing the arms race in space and its cessation on Earth, at limiting and reducing nuclear weapons and strengthening strategic stability. In particular, speedy progress should be achieved in those spheres where points of agreement exist.

Both sides are interested in strengthening and making more effective the regime of nuclear non-proliferation.

Both sides favor a general and complete ban on chemical weapons and destruction of their stockpiles, and commit themselves to intensifying efforts aimed at concluding an effective and verifiable international convention to this effect.

Both sides attach importance to the Vienna talks on mutual and balanced force reduction in Central Europe and are determined to reach positive results in their course.

It is important to facilitate a speedy conclusion of the Stockholm Conference on confidence and security building measures and disarmament in Europe; accordingly, a document should be adopted which would not only include mutually acceptable measures in this area but also make the principle of non-use of force more concrete and effective.

The two sides should study the question of nuclear risk reduction centers, taking into account the issues and developments in the Geneva negotiations.

As the United States and the Soviet Union review the November 1985 summit and look forward to the future, they jointly face three issues of process:

1. How should our two governments deal with each other?

2. How should they negotiate over their substantive differences?

3. How should they conduct future summit meetings?

A summit should not be treated as a public relations event but rather as an opportunity to make a real difference—to improve the ability of the two governments to advance their shared interests in reducing the risk of war, and to deal wisely with the important differences that divide them. The summit gives both governments an opportunity to improve the relationship and facilitate progress in substantive negotiations. To understand how summit meetings can best accomplish those two objectives, it is necessary to consider:

1. What kinds of relationship is desirable for the two governments, and

2. What kind of substantive negotiations will yield better substantive results.

BETTER RELATIONS

Some people associate "good relations" with affection and approval. Others concentrate entirely on reaching agreement on matters of substance. Both approval and substantive agreements may be desirable, but they do not define the relationship goal of the United States and the Soviet Union. The more we disapprove of each other's conduct and the more serious our disagreements, the more important it is that the two governments maintain a relationship that allows them to deal wisely and carefully with those disagreements. The goal of the two governments should be an effective, problem-solving, working relationship.

To some extent the features of a good working relationship can be defined by looking at those of a bad working relationship. In such a relationship each party may be able to say:

1. We are being rejected as inferior.
2. We are misunderstood.
3. They are trying to coerce us.
4. They are trying to deceive us.
5. They are ignoring our legitimate concerns.

In such a situation, each government is tempted to respond in a "tit-for-tat" manner.

Neither government can afford to gamble its future on the good intentions of the other. But it is in the interest of each to take those steps that will both improve the working relationship and strengthen its own ability to influence the other even though the other may not fully reciprocate. This principle suggests that each government should take into account principles applied with success in other contexts:

1. Accept the other as an equal negotiating partner:

We should be free to judge each other's conduct without judging the other people as somehow morally inferior. We should recognize that countries tend to compare their own national ideals with the other country's faults—and that such comparisons mislead those who make them and offend the others. We should respect others' right to differ without insisting that by some higher standard we are always right and they are always wrong.

Nothing is lost by such acceptance. On the contrary, we are more likely to persuade those whom we accept as equals than we are to persuade those whom we prejudge as inferior.

During the November 1985 summit, President Reagan and General Secretary Gorbachev, by their conduct, demonstrated mutual acceptance as equal negotiating partners. The November summit was a significant success in improving this aspect of the working relationship.

2. Seek to understand accurately their concerns and their perceptions:

Conflicts of interest lie both in objective reality and in the values and perceptions of the parties. Our ability to deal with each other will be enhanced the better we understand how the other side sees a situation. Unless we know how the other side thinks, we cannot know how best to persuade them. Understanding the other side strengthens our hand even if they do not try to understand us. It is they who will suffer from their ignorance, not us.

Trying honestly to understand the other side's point of view helps build a working relationship. In such circumstances, the other side is more likely to believe that we are listening to their interests and working seriously on substantive problems than if they believe we reject their views without understanding them.

Future summits might well try to strike a better balance between telling and listening. Understanding the other side's view is more important than judging the other's views. The better we understand the way they see their interests the better equipped we are to deal with them.

3. Be open to persuasion. Try to persuade, not coerce:

In international relationships, threats and attempts to coerce each other are likely not only to fail, but to make persuasion more difficult. Politically it is far easier to be open-minded and generous than to yield to a threat.

On the other hand, if one leader does not appear open to persuasion, the other may feel he has no choice but to coerce him. If a leader announces in advance of a summit that a given subject is closed and non-negotiable, he is hardly likely to promote constructive dialogue.

Each leader should, of course, be free to indicate in advance of a summit serious concerns and his present state of mind. But each would be well advised to insist that he is coming to a summit prepared to listen and to consider seriously any point raised by the other.

4. Demonstrate reliability.

Honesty is an essential ingredient in a working relationship. In international relations as elsewhere, there should be no expectation of, nor is there a need for, full disclosure. In military and political areas some matters will naturally be confidential. But affirmative lying and deception, and the making of promises one does not intend to keep, make joint problem-solving extremely difficult.

Each government tends to see the issue of trustworthiness in terms of whether or not the other side can be trusted. In deciding whether or not to enter into a given undertaking, that issue may be more constructively addressed as a matter of risk analysis.

5. Consult the other side.

Perhaps the simplest and most basic guideline to building and maintaining a good working relationship is to consult the other party, whenever feasible, before making a decision that may significantly affect their relationship. A handy rule to remember is "ACBD—Always Consult Before Deciding."

By entering into consultation we suggest (1) that the other party is someone worth talking to, (2) that we have an interest in their concerns, (3) that we want them to give us their honest opinions, (4) that we are open to persuasion, and (5) that their views deserve to be taken into account.

And except for the time and effort required, there is little cost. In fact, consulting in advance may well reduce the total time and effort devoted to an issue since, whether or not the practice is reciprocated:

we reduce the chance of making a mistake;

we can better shape a decision to meet the legitimate concerns of the other side;

we become better prepared to deal with objections that may be made; and

the process by which the decision is reached is less vulnerable to legitimate criticism.

To make a summit of maximum benefit to the US-Soviet relationship, consideration will need to be given to what is best said and done—in advance, at the summit, and after it. One useful step may be to establish a small joint staff to prepare recommendations for how the next summit meeting might best help build the working relationship between the two governments.

BETTER SUBSTANTIVE NEGOTIATIONS

Beyond improving the way our two governments deal with each other, summit meetings should strive to improve the way our two governments deal with their substantive differences, both through formal and regularly scheduled negotiations like those in Geneva, Vienna and Stockholm, and through diplomatic channels.

There are at least three ways in which summit meetings can improve the effectiveness of the substantive negotiations taking place between the two governments:

1. By resolving important substantive points;

2. By giving agreed instructions to the negotiators on how they should proceed; and

3. By shattering unduly adversarial working assumptions that have constrained the negotiation process.

Each of these deserves consideration.

1. Resolving substantive points at a summit:

A summit meeting can be used to resolve at a high level security issues that negotiators in Geneva have not resolved. Ideally, any major issue that was impeding agreement on a comprehensive test ban, nuclear and space weapons, or other critical issues would be presented to the leaders in readily decidable form with clear alternatives worked out. The necessity for such work defines the second critical way in which a summit meeting can help substantive negotiations.

2. Giving agreed instructions to the Geneva negotiators on how to proceed:

If a summit is to be able to resolve a large number of important substantive issues, the previous summit should give clear instructions to the Geneva negotiators that they have the task of organizing the choices and presenting them for decision.

The most important ingredient of such instructions might be to authorize negotiators on both sides to discuss options and prepare drafts without committing their government in any way. All negotiators might be instructed that they could, without prejudice, explore any option advanced by the other side, and could themselves suggest possibilities without committing their government. They might also be asked to help each other draft and put into practical and operational form any idea that the other side thought worthwhile.

3. Shatter limiting working assumptions:

The third and perhaps the most important way in which a summit meeting can improve negotiations over matters of substance is to provide a "paradigm shift"—to change fundamental assumptions underlying the negotiation process.

Those planning a summit should consider how it can be conducted in ways that will best destroy outdated working assumptions and redirect the work of negotiators in ways that will recognize and develop the shared interests of the two countries. The best way to change working assumptions is to act inconsistently with them and in accordance with better and more realistic assumptions.

Negotiations can be perceived in the following terms:

The parties are pursuing perceived goals;

The negotiators are fulfilling perceived roles;

The interactions involve a great many standard moves;

And everyone operates within accepted limitations.

The assumptions of governments define the framework in which negotiations can be conducted. If two sides see their relationship as an adversarial contest, in which a loss of security by the other enhance one's own security, then neither will perceive large benefits from cooperative problem-solving behavior. But to the extent that the two share interests, including interests in the security of the other, then cooperative problem-solving assumptions are necessary to efficiently realize those interests.

Goal's Negotiations should not proceed as though the goal of each side was to "win" in a way that caused the other side to "lose." In today's context, the shared interest in reducing the risk of nuclear war far outweighs any conflicting interest. The primary goal of negotiators on both sides should be to enhance the security of both countries.

Roles: Some negotiators have perceived their role as that of soldier in a cause, sent off to do battle against the foreign foe. A more constructive image of each negotiator's role is that of fellow problem-solver. If leaders at summit talks demonstrate through example, as well as through instructions to their negotiators, that our purpose is not to attack the other party, but rather to jointly solve a common problem, the negotiations may be more fruitful.

Standard moves: Some negotiations proceed like a ritual totally divorced from reality. Sides open with negotiating positions that are well-padded on all sides. Each may then compete to see who can be more stubborn than the other. Proposals to which no objection can be found are subjected to rigorous questioning until at last some answer is given that provides a basis for rejection. Negotiators argue about what they are willing or unwilling to do rather than jointly considering what they should do. Each decides unilaterally on matters of mutual concern without consulting the other. Each talks about what is wrong with the other side's ideas rather than about what is right. Each attacks the trustworthiness of the other rather than trying to improve their own reliability.

Each might better clarify its interests, nominate issues to be included in an agreement, brainstorm options that yield joint gain, generate standards on which to make a fair decision, and develop a range of alternative framework agreements to pass on to superior authorities. Both parties should encourage rather than discourage wide-ranging discussion of possible solutions. A discussion of interests and constructive changes to the other's proposals may yield better results than negative criticism.

Accepted limitations: The fears associated with adversarial assumptions lead to limits on our behavior that also tend to inhibit a problem-solving relationship. The negotiating teams are reluctant to disclose true interests and accurate facts, fearing that the adversary will exploit this information. Neither consults with the other, fearing that such behavior will give the opposition time to react to block desired action.

The taboos associated with adversarial assumptions lead to an inefficient working relationship. Disclosure of true interests will help the other side understand legitimate concerns. Consulting, where feasible, before deciding will convey a sense of acceptance and respect that will improve the working relationship as well as avoid serious conflicts and unexpected reactions.

ALABAMA WINNER IN NATIONAL HIGH SCHOOL ESSAY CONTEST

● Mr. DENTON. Mr. President, after competing successfully at the regional level and qualifying for the finals, an Alabama high school student, Mark Walton of Hoover, AL, recently placed in the "Land of Freedom" high school essay contest.

Mark put a great deal of work into his essay, "How Freedom Affects Progress." He qualified for an 11-day study tour to the Republic of China, and earned the right to compete for a scholarship to the college of his choice.

The contest was run by a national organization, the Friends of Free China. It is a bipartisan, nonpolitical, tax-exempt organization dedicated to the preservation of freedom and the promotion of understanding between the people of the United States and the people of the Republic of China. The rules of the contest specify only that the contestant write an essay of 1,000 to 1,500 words on "How Freedom Affects Progress," and relate it in some way to the people on Taiwan.

Mr. President, I am proud that a young Alabamian wrote well and competed effectively in the contest. Because it may be of interest to my colleagues and to all Americans, I ask that Mark's essay be printed in full in the RECORD.

The essay follows:

HOW FREEDOM AFFECTS PROGRESS

"China! Made in China," the sales clerk said proudly, as I examined a colorful bowl.

"Which China?" I asked, "the People's Republic or the Republic of China?" (I don't buy communist products.)

"Just . . . China," he replied, puzzled.

"But," I persisted, "communist China or free China on Taiwan?"

The sales clerk shrugged his shoulders. "Does it really matter?"

This essay seeks to show how much it matters—in the daily lives of over a quarter of the world's population.

With centuries of mutual history—the same cultural heritage—the same religious and social customs—the two Chinas offer a unique opportunity to compare life in a democracy with that in a communist state. Let's examine three areas: economic progress, cultural enrichment, and family life.

ECONOMIC PROGRESS

As a tourist in communist mainland China, I have sipped tea in a "briefing room" as a tour guide fed us progaganda and numerous statistics about the higher standard of living now enjoyed by the people.

Then we saw their "higher standard of living." We saw the same dark blue clothes on all men and women, the sparsely furnished concrete houses and apartments.

And we saw their faces. The streets alive with bicycles contrast sharply with pictures I have seen on TV and in books of Taiwan's busy cities and expressways. Though I have not seen Taiwan personally, photographs show cities and highways comparable to the best of the Western world. But on the mainland, drivers of limousines for high-ranking officials, the so-called "Red Flags," are not even required to brake for pedestrians!

After World War II, third-world policy makers showed more concern with rapid economic growth than with improved income distribution, more concern with industrialization and development of natural resources than with the affect this had on the life-style of the people.

Taiwan was the exception. There exist few examples—anywhere—of developing societies that have grown rapidly and at the same time markedly improved their income distribution. In fact, the Republic of China experience on Taiwan has become a model for other third-world nations.[1]

This has been accomplished mostly through a four-stage land reform program, hand-in-hand with increased industrial development.

By first reducing land rents, then forcing sale of private and tenanted lands to the government, Taiwan was able to offer land for resale to small farmers according to family size. By 1968, 90% of farms were operated by owners themselves. Crop production increased substantially. The free Chinese now produce not only sufficient food and clothing for their own needs but enough to export.[2]

A Four Year Economic Development Plan promoted small-to-medium size basic industries which required no great outlay of capitol and used local raw materials. By 1956, over 2,000 factories were in operation. This success prompted further four-year programs. Unemployment is virtually eliminated. Per capita income rose from $70 at the close of World War II to $2,280 by 1980. After 1960, the population grew at a 2% rate while the Gross National Product rose to 9.9 in the '70's.[3]

One of the great advantages of a free democratic society as opposed to a controlled communist economy is the lure of private foreign investments. Since 1960, such investments have flowed into Free China and contributed to the absorption of the labor force. An American manufacturer of picture framing tells us that the cooperation of the government and lack of "red tape" makes it a joy to work in Taiwan.

CULTURAL ENRICHMENT

The stressful situation of any nation find expression through cultural mediums. (Such as the "muckrakers" in American literature—the movies centered around war themes.) So both mainland and Free China have had periods of literature, art, and theater stressing the political sentiments of the respective governments.

Before World War II, many Chinese writers were leaning toward the styles of Henrik Ibsen, Bernard Shaw, Berthold Brecht, T.S. Eliot, and Eugene O'Neill. While old literary formats may be yielding in mainland China, the incessant need for veiled propaganda for the communist way of life tends to stifle real creativity.

Cultural productivity on Taiwan for awhile tended to center around the lament of the loss of the mainland, and for many, their homeland. but two writers, the brothers Xia Ji An and Xia Zhi Qing, led the way to freedom of expression by setting up literature studies at National Taiwan University. They were followed by Wan Wen Xing, Bai Xian Yong, and Chen Ro Xi.[3]

Today, Taipei's two major newspapers have a literature page each day, something even American papers lack. This allows many young writers to get into print, Literary contests feature a variety of judges, encouraging writers to think on their own, but without losing touch with ancient Chinese culture.

Confucius stated that music in an integral part of a nation's framework, training citizens in necessary disciplines and teaching appreciation for conformity. Under communist rule, these beliefs are used to regiment people.[4] In Taiwan, the same principles stimulate a more vigorous culture.

Other forms of cultural expression—dance, opera, theater, all forms of art—have enjoyed the same growth in variety. They permit new ideas tied to the roots of the past, but always unhampered by censorship, or the need to serve as a government messenger.

Perhaps the greatest tribute to life in a free society is the number of pure research organizations that have sprung up in so short a time. The Academia Sinica, at Nankang, offers serious scholars a beautiful haven in which to concentrate. Its institutes cover mathematics, history, philology, chemistry, zoology, ethnology. Other research groups include the Tsing-hua University Atomic Research Institute and the Chiao-t'ung University Electronics Research Institute.

FAMILY LIFE

A higher standard of living provides opportunity for family vacations and other forms of "togetherness." The turning point (when real wage starts to rise with labor productivity) of Taiwan's economy was reached in 1968.[5] Since then, real wages have increased at a higher rate than productivity—providing an increasingly greater buying power for each family. Both urban and rural families save to own their own homes, appliances, and automobiles. Religious freedom is guaranteed; while in Red China doctors have been known to have menial jobs of their religious convictions.

It is no accident that Taiwan has one of the world's lowest delinquency rates. A voluntary youth organization, the China Youth Corps, includes over a million young people who give time to worthy projects.

A goal of both Chinas is to promote smaller families. In Taiwan, the stress in on voluntary limitation through government sponsored family planning centers. In communist China the government poses severe economic penalties on families with more than one child. One documentary television program showed a tearful mother pleading for a divorce—she was afraid her husband might kill their little girl in order to qualify legally for another chance to have a son!

The feelings of a closely knit family extend beyond the personal group. They encompass a spirit of unity among the entire population. At no time was this better demonstrated than in 1978 when President Carter abrogated the Mutual Defense Treaty with Taiwan, also breaking diplomatic relations. Rather than waste time on criticism and bitterness, the people formed the Self-Reliance and National Salvation Fund. They worked longer hours to contribute money to pay for 18 jet fighter planes. These were presented to the Air Force on Double Ten Day, the national holiday. This confirmed the truth of President Chiang Kai-shek's words, "Under all conditions only our own strength is real strength."

The Republic of China hopes to reclaim the mainland through example. They offer a free society based on the Three Principles of the People (Nationalism, Democracy, and the People's Livelihood).

In review, the Republic of China owes its amazingly rapid progress to its founding in the principles of freedom. Economic growth and income equity have become complimentary and mutually reinforcing—rather than competitive—goals. Taiwan has become the repository of the Chinese cultural heritage, as well as the innovator of new art forms. The individual family has a new closeness based on "togetherness."

So—does it really matter if we fill our stores with merchandise from countries that do not offer their people such freedoms? President Chiang Ching-kuo has said: "Our interests and those of America cannot be divided."

I have walked among the people of mainland China. They smiled at me in mute friendship. I love them. It saddens me that most of them will live out their lives in a small, controlled world, without the joy of knowing other peoples, other cultures. I would like to think that if I bought its creator's life a little better. But it won't. The money will go not to him, but to his communist government—perhaps to buy guns to keep him in ignorance and servitude.●

[1] John C.H. Fei, Gustav Ranis, and Shirley W.Y. Kuo, *Growth with Equity: The Taiwan Case* (London: Oxford University Press, 1979)

[2] Immanuel C.Y. Hsu, *The Rise of Modern China*, (New York: Oxford University Press)

[3] Paul Handley, *Chinese Culture in the 20th Century*, (Pacific Cultural Foundation, Taipei, Taiwan)

[4] Richard Hayman, *Music as the Spirit of the Nation*, (Pacific Cultural Foundation, Taipei, Taiwan)

[5] Seymour Topping, *Journey Between Two Chinas*, (Harper Row Publishers, New York)

HEBREW TEACHER TRIAL IN SOVIET UNION

● Mr. LEAHY. Mr. President, I rise today to bring to the Senate's attention a matter of great urgency and concern. On June 6, 1986, a 27-year-old Jewish teacher of Hebrew, Aleksey Magarik, will be tried on drug charges in the Soviet Union.

Mr. Magarik lives in Moscow with his wife Natalia and their infant son. On March 14, 1986, he was boarding an airplane in Tbilisi for Moscow. His baggage was taken out of his presence by Government authorities and then returned and searched. A cigarette package with four grams of hashish was found, and he was arrested and charged with possession and distribution of drugs.

Mr. President, if that were all there is to this case it would not warrant our attention. I am not here to speak on behalf of any person, Soviet or otherwise, who uses or traffics in drugs. But Mr. Magarik, whose 1983 application for an exit visa to Israel was denied, had been active in the Jewish movement in the Soviet Union for several years. His case is the most recent of several similar cases involving drug

charges against Soviet Jews, and of approximately 20 cases against teachers and students of Hebrew and Jewish culture since July 1984. I am very concerned that these charges may be fabrications to justify severe penalties against these individuals for their Jewish activity.

Soviet Jews who have been similarly charged and convicted have been sentenced to 3 years in prison among the common criminal population, and denied rights of visitation by their families. Mr. Magarik's trial is scheduled to begin tomorrow. I have today sent telegrams to Soviet authorities, including Andrei Gromyko, President of the Supreme Soviet, urging their personal intervention in this case to insure that Mr. Magarik receives full and fair treatment, and that he is not being persecuted for his Jewish activity or denied the right to emigrate as guaranteed under the Helsinki accords. I understand that the State Department has taken steps to convey its concern about Mr. Magarik's case to Soviet authorities, and I urge my colleagues to do the same while there is still time.●

THE NEED FOR PRODUCT LIABILITY REFORM

● Mr. KASTEN. Mr. President, a recent article in the Washington Post describes some of the frightening consequences to which our current product liability laws may lead. Although it presents the issue in an entertaining fashion, I feel that this article reemphasizes the need to examine not only the past and current product liability laws but also where these laws may lead. Because these laws are rapidly changing in unpredictable directions, many of the awards which would have shocked a reasonable person 10 years ago have become commonplace today. These awards threaten the survival of both the individual defendants and other businesses which have felt the repercussions of these suits through the inability to obtain adequate product liability coverage.

From my own State of Wisconsin, I have received letters complaining of this problem. Dee Davis, from New Richmond, WI, wrote that his company, which manufactures swimming pool ladders, is being sued for the death of 3-year-old child who fell into a neighbor's pool. The company's ladder had been removed from the pool prior to the accident. The suit is based on the manufacturer's failure to warn the pool owners that they should not remove the ladder without replacing it with a similar ladder. The company has been forced to lay off employees and forgo liability insurance because it has been denied coverage from all the insurance companies it has consulted. The company feels that it will soon be out of business if it cannot find a solution to it's insurance problems.

This small business is only one of many around the country which is threatened by the current product liability system. Clearly, we need to reform these laws to avoid the types of suits which ultimately injure consumers through higher product prices and reduced product offerings. I ask that the text of this article be printed in the RECORD. I hope that it will provoke my colleagues' consideration of the urgent need for product liability reform. The article follows:

[From the Washington Post, May 28, 1986]

LAND OF THE LIVING INSURED

In an effort to keep liability insurance rates from getting out of hand, high diving boards are being removed from most swimming pools. The liability crisis continues to take strange and unpredictable turns, but the removal of the diving boards gives us some idea of how it's likely to proceed in the summer of 1986. We've seen enough to venture this scenario:

Sometime in June a prominent insurance executive comes to the realization that while swimming pools are definitely safer without the high boards, they still aren't as safe as they could be. "They're filled with water," he tells a meeting of the board of directors. "You can drown in that." By early July most pools are drained, and Americans are somewhat reluctantly adopting the new pastime of "dry swimming," which consists of going through the motions of aquatic sport in an empty pool. "How does it feel?" asks a TV reporter kneeling at the side of a dry pool filled with sweaty, irritable children. "It's not so bad," says one boy. "You can do a lot of the same things you could when the pool was filled." By way of demonstration he pushes the head of a smaller boy about a foot under where the water's surface would have been. "Hey, no ducking!" shout 12 of the 65 lifeguards required by insurance regulations.

Meanwhile, a shock wave passes through the food industry as the first malpractice verdict is handed down against a pizza delivery man. "The pizza was cold by the time we got it, which was directly responsible for the termination that very evening of one of the best relationships I'd ever had," says the plaintiff. The jury agrees, awarding her $1.8 million after deliberating only 25 minutes. "Less time," the judge remarks, "than it took to deliver that pizza."

Soon all pizza and Chinese places have stopped delivering. Then restaurants begin to find it difficult to get insurance unless a waiter stands at the table and cuts the diner's meat into little pieces for him. Supermarkets become increasingly wary of the potential for litigation in their products and tend more and more to carry only pureed foods in tamper-proof containers.

Most large gatherings in America are banned because of the high cost of insurance, and television programs become increasingly bland and inoffensive lest they be accused of stimulating someone out of his TV-room torpor and into a litigable action. Bored and homebound in their own land, afraid to travel abroad because of terrorism, Americans find that their only outlet in the summer of '86 is a night at the ballpark, the national game having been inexplicably spared the ravages of the liability crisis. Then a delegation from the insurance industry visits the commissioner of baseball.

"You're setting yourself up for real trouble playing the national anthem before every game," says one of the insurance men. "The stuff about 'the land of the free' is kind of an incitement, but the real problem is the part about the 'home of the brave.' somebody's going to walk out of the stadium all puffed up with that business and pick a fight in a bar with the first guy he thinks is questioning his bravery. He gets beat up and then comes back and sues you for $50 million."

"So what do we do to keep from getting our rates boosted?" asks the commissioner.

"Simple enough. Just change it to 'the land of the not-responsible-for-theft-damage-or-injury and the home of the very prudent.' "●

SALUTE TO ALFRED PETERSAM

● Mr. SARBANES. Mr. President, I want to bring to our colleagues' attention the long record of dedicated public service of Frederick Alfred Petersam—know to his many friends as "Al" or "Pete"—who is retiring after more than 43 years of commitment to the people of Maryland and the Nation.

Al Petersam entered the Immigration and Naturalization Service as an inspector in December 1942. He has served in a variety of increasingly responsible positions in both Baltimore and Washington, becoming Deputy District Director in 1971. It is from this important position that he is soon retiring.

Mr. President, for these 43 years Al Petersam has served the citizens of this Nation, and those who sought to become citizens, with skill, dedication, and integrity. His career has reflected his commitment to public service as an instrument for improving the public welfare.

As a naturalization examiner, and later as general attorney and Deputy District Director, Al has administered and enforced the immigration and naturalization laws effectively and evenhandedly. Marylanders and all Americans have been well served by his efficient management, sensitivity, fairness, and spirit of compassion.

Al Petersam has also served as a leader in a wide variety of professional and community activities, including service as president of the Baltimore Federal Bar Association, president of the Maryland Law Enforcement Officers Association and president of the Federal Criminal Investigators Association. His community service includes leadership in the Federal Executive Board, the Combined Federal Campaign and as chairman of the U.S. Savings Bond Drive.

Mr. President, his associates and friends will soon be honoring Al Petersam as he steps down as Deputy District Director. I ask my colleagues to join me in saluting this outstanding public servant and in wishing him well in the future.●

HIGHER EDUCATION AMENDMENTS

GRADUATE EDUCATION

● Mr. WEICKER. Mr. President, I believe that this bill, the higher education bill, provides for some enhancements in the Federal support for higher education. However, there are many in the academic community who are concerned about the continuing needs in graduate education. This Nation's future strength in science and technology depends in large measure on the quality of our graduate education. In spite of growing competition from abroad, there is reason to believe support for graduate education in this country is declining in both quantity and quality. Recent information indicates:

Federally funded fellowships and traineeships dropped from approximately 60,000 in 1969 to fewer than 13,000 in 1981.

Between 1980 and 1983, the number of full-time science and engineering students receiving Federal support declined by approximately 10 percent.

Between 1974 and 1984, the percentage of Federal support for graduate and professional students that comes as loans increased from 26 to 73 percent.

Ninety percent of financial assistance for graduate and professional students provided through the Department of Education is provided as loans; less than 2 percent of the Department's nonloan assistance is provided to graduate students.

By the mid-1990's, an increase in college enrollments and an unusually high rate of faculty retirements will create a sharp demand for new faculty. Our economic competitiveness, the health and security of our citizens, and the quality of our intellectual and cultural life depends in part on the Nation's capacity to sustain the quality of both its undergraduate and graduate education enterprises.

I hope we will keep in mind such concerns as we continue to shape the future of higher education programs for now and in the future.

● Mr. PRESSLER. Mr. Chairman, I strongly endorse the comments of my colleague from Connecticut on the importance of graduate education to the Nation. On February 27, I introduced the "Strategic Defense Education Act of 1986." S. 2117, which calls for inclusion in the Higher Education Act of H.R. 2199, introduced by Representative COLEMAN and adopted in the House version of the Higher Education Amendments of 1985. This bill would provide competitively funded graduate fellowships in areas of national need such as engineering, computer and mathematical sciences, and language and area studies.

This type of graduate student assistance program is called for in the recently released report of the White House Science Council, "A Renewed Partnership." As noted in that report, the proportion of foreign students in our graduate programs has increased dramatically in a number of critical fields. By 1983, foreign students represented 42 percent of all full-time graduate enrollments in engineering, 40 percent in mathematics, 38 percent in computer sciences, and 29 percent in the physical sciences; by 1984, over half of the doctoral recipients in engineering were foreign nationals.

This trend is due not so much to an increase in numbers of foreign students but rather to a marked decrease in the number of U.S. students pursuing graduate degrees in these fields. Simply put, we are failing to attract talented U.S. students into graduate science and engineering programs in sufficient numbers.

Providing graduate fellowships in areas of national need will help reverse the increasing dependence on loans cited by Senator WEICKER and encourage talented students to pursue careers in teaching and research in these critical fields. I hope that the final bill reauthorizing the Higher Education Act will include such a program.

● Mr. STAFFORD. I share my colleagues' concern for graduate education. Given the budgetary strictures under which we worked in putting together this bill, we were unable to do all I would have liked to do in graduate education. I should point out that we have strengthened support for students underrepresented in graduate education through improvements in the GPOP Program and have made some administrative changes in the National Graduate Fellows Program that should facilitate its operation. But we have not been able to provide any new grant programs that address the documented needs in graduate education. I agree that this should be a priority concern.●

● Mr. DURENBERGER. Mr. President, the Senate just passed legislation reauthorizing the Higher Education Act of 1965, and strengthening and improving the Federal programs which benefit post-secondary students, colleges, and universities. During a time of severe budgetary constraints, the chairman of the Subcommittee on Education, Arts, and Humanities, Senator STAFFORD, and the ranking member, Senator PELL, have crafted a bill which includes increases in a variety of higher education programs. However, the Federal Government's limited resources have prevented us from fully addressing our country's needs in graduate education.

I am confident that our commitment to graduate education will not allow current Federal programs to fall by the wayside. However, we must renew that commitment to ensure that the stream of top-notch scholars, engineers, scientists, and researchers continues to flow from our universities. As we seek to refocus limited education dollars, we must examine where the public role in graduate education lies, as well as the public benefit received for those dollars.

Through my chairmanship of the Senate Finance Subcommittee on Health I have examined and offered reforms in the relationship between teaching hospitals and Medicare. Clearly, however, graduate training of tomorrow's professionals does not only affect the Federal Government's role in health. The Federal Government will continue to look to colleges and universities for research in every facet of American life, ranging from agriculture to our national defense.

A group in my State has already started studying some of the questions I have raised. The Minnesota Higher Education Coordinating Board has undertaken a study of graduate education in Minnesota to determine not only how graduate degrees are being financed, but to determine who benefits, as well.

I encourage this sort of study as well as a commitment on the part of our universities to attracting the top students into graduate fields which have dwindled in the past 15 years. During his term as acting president of the University of Minnesota 2 years ago, Kenneth Keller produced a blueprint for the university's future, "A Commitment to Focus." A major effort was begun to strengthen the university's already excellent graduate programs. President Keller looked to the future and saw the shrinking numbers in graduate education dollars and students.

Today, President Keller calls for a concerted focus on graduate education. The University of Minnesota already provides the State, the country, and many foreign countries with qualified scientists, engineers, and scholars. In order to continue competing in an international marketplace, however, the United States and the University of Minnesota alike will have to maintain high quality graduate programs. These programs must offer the incentives necessary to continue drawing the best students from each undergraduate crop. This is quite a tall order for the University of Minnesota and other great graduate institutions, and they cannot do it alone.

Our financial and philosophical commitment to graduate education should mirror the needs of the public and the needs of the universities. Often those needs are the same. Federal involvement in graduate education should be in those areas of national need. Scarce public resources should be directed to graduate education in areas which will have the greatest return on the public dollar. Let us commit ourselves to edu-

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cating our country's future scientists and scholars. Our international competitiveness depends on them.●

UNITED STATES BECOMING MORE SECRETIVE

● Mr. SIMON. Mr. President, Francis Bacon said, "knowledge is power," a saying that still rings true today. But knowledge is a precious commodity, especially if it is information which affects peoples' lives.

The recent nuclear plant disaster at Chernobyl brought to my attention the disturbing possibility that the U.S. Government is becoming more secretive. We are keeping some things secret from the American people that don't need to be.

In a weekly column that I write for the papers in my State, I focused on that problem and I ask that it be printed in the RECORD.

The column follows:

"TOP SECRET": NATIONAL SECURITY OR SELF-INTEREST?

(By Paul Simon)

The unwillingness of the Soviet government to promptly disclose details of the Chernobyl nuclear disaster has caused genuine concern in the family of nations, and I hope it also causes us to stop the slow move toward non-disclosure that our own government is now following.

We are an infinitely more open society than the Soviets'. People in Peoria knew more about the nuclear disaster than did people in Kiev, 70 miles from the nuclear meltdown.

So we were critical, as were the people of other nations. Poland, suffering the most from radiation, learned about the accident through *Tass*, the Soviet news agency. How much needless exposure there was in Poland no one knows, but it is clear that thousands of lives may have been shortened by it.

Also troubling is the gnawing uncertainty that now hangs over so many millions of people.

Our free system would have required much earlier disclosure, much more detailed disclosure.

But before we get too enamored with ourselves, let me add that we are slowly but measurably slipping down the path toward excessive secrecy.

When I go to a Top Secret briefing in the specially designed room on the top of the Capitol—designed so that it cannot be "bugged" by electronic devices—I almost always come away with the feeling that our government is keeping secret some things we should not keep secret.

For example, after the Chernobyl nuclear accident, I was shown pictures of the damage taken by our satellite. Great pictures. Amazingly clear and rich in detail. But they are labelled "Top Secret." We cannot show these pictures to the American public. Why not? The Soviets obviously have the information. The Soviets know that we have satellite cameras. They know that our cameras have amazing detail ability, that we can get the number of a Soviet license plate and can tell if a man crossing the street in the Soviet Union has a mustache. Then why not let the American public see the pictures?

In the defense budget, most Americans don't know that this year the Pentagon has asked for $22 billion to work on projects that are so secret they are not labelled. These are given code-names and sometimes we are not even given a budget figure.

In 1981, $5.5 billion was buried beyond congressional reach in these programs. Now it is $22 billion. Congressman Les Aspin of Wisconsin and William Dickinson of Alabama—the top Democrat and Republican in the House on defense matters—say that two-thirds of these super-secret projects should be put into the budget openly.

I served in the Army in the old Counter-Intelligence Corps, cleared for Top Secret information. So I have had almost three decades of observation of this problem of keeping things secret. Here are my general observations:

1. By classifying too much information as secret, we make it more difficult to keep the things that really should be kept secret under wraps. It is not uncommon to read "secret" information on the front pages of newspapers.

2. Frequently what is classified as secret is just embarrassing to an administration.

3. Things that are genuinely secret are available to too many people. The recent spy trials show that. Common sense tells me the same.

4. We use secrecy to cover things we should not be engaged in. When the CIA mined the harbor in Nicaragua, the United States violated international law and common sense. If the CIA had not had the shelter of thinking it could get by with this without anyone knowing it, the mining probably would not have happened.

Administrations of both political parties have the same tendency to overclassify. It will take a tough president to turn that around. But it should be done.●

PUBLIC MEETING ON SHOREHAM NUCLEAR POWERPLANT

● Mr. D'AMATO. Mr. President, I rise today to provide my colleagues with further evidence, as if they needed any, of how hard it sometimes is to get the Federal bureaucracy to deal sensibly with even the most important of issues—in this case, the safety of our citizenry. To do this, I ask unanimous consent to insert into the RECORD a series of letters I have sent to the Federal Emergency Management Agency and the Nuclear Regulatory Commission regarding the Shoreham nuclear powerplant on Long Island. I have been extremely frustrated, as a representative of the people living near Shoreham, regarding FEMA's refusal to hold a public meeting following the February 13 evacuation pseudodrill. I have expressed my opinion on several occasions that FEMA should hold such a meeting in accordance with part 350 of their regulations so that the residents near the plant may have an opportunity to express their views on this drill. FEMA has refused this request. In followup correspondence to the NRC, I have indicated my belief that the NRC should not even consider FEMA's postexercise assessment without the benefit of a public meeting.

Mr. President, it is an insult to the people on Long Island for FEMA to refuse them the same right afforded citizens living near other nuclear facilities. I ask that my letters to FEMA dated March 27, 1986, and April 3, 1986, FEMA's reply of April 21, 1986, and my letter to the NRC dated June 4, 1986, be inserted in the RECORD.

The letters follow:

U.S. COURT,
Washington, DC, March 27, 1986.

Hon. JULIUS W. BECTON, Jr.,
Director, Federal Emergency Management Agency,
Washington, DC.

DEAR GENERAL BECTON: I am writing as a follow-up to the question I submitted for the record at your fiscal year 1987 appropriations hearing on March 5. Specifically, I ask for your assurance that FEMA will conduct a public meeting concerning LILCO's February 13 exercise before reaching conclusions on the exercise. Your reply was as follows:

FEMA regulation 44 CFR 350 provides for the conduct of a meeting after an exercise, involving the exercise participants, Federal agencies, and the public and media. Such a meeting was held on February 15, 1986, at the Holiday Inn used as the Joint News Center for the Shoreham exercise. Members of the press and public were present. The purpose of the meeting was so that FEMA could share its initial impressions on how the exercise went. After FEMA's presentation, made by the Chairman of the Regional Assistance Committee, members of the press asked questions informally. At least one member of the public also asked questions.

While I appreciate that FEMA held the February 15 meeting, that meeting is not the "public meeting" to which my question refers. The February 15 meeting was required by subsection 9 of the regulation you cite, 44 CFR 350, which provides: "Within 48 hours of the completion of the exercise, a briefing involving the exercise participants and Federal observers shall be conducted by the Regional Director to discuss the preliminary results of the exercise."

The "public meeting" addressed by my question is required by a separate subsection of the same regulation. Section 350.10(a) requires that, prior to the evaluation of the exercise, the FEMA Regional Director "shall assure that there is at least one public meeting conducted in the vicinity of the nuclear power plant." The purpose of the meeting shall be (1) to acquaint the members of the public with the conduct of the exercise; (2) to answer any questions about the exercise; (3) to receive suggestions from the public concerning improvements or changes that may be necessary for emergency preparedness; and (4) to describe to the public the way in which the emergency plan is expected to function in the event of an actual emergency.

Section 350.10(b) underscores the importance of the public meeting:

This meeting shall be noticed in the local newspaper with the largest circulation in the area, or other media as the Regional Director may select, on at least two occasions, one of which is at least two weeks before the meeting takes place and the other is within a few days of the meeting date . . .

Public input from the meeting is considered by FEMA to be so important that Section 350.10(b) further states that no FEMA approval of an emergency plan can be made unless such a public meeting is held. And, under Section 350.11(c), the Regional Direc-

tor must include "a summary of the deficiencies identified during the public meeting" in the evaluation of the exercise he transmits to FEMA Headquarters.

The facts are as follows:

FEMA has complied with only a part of the regulation cited in your letter by conducting on February 15 the briefing required by Section 350.9;

FEMA has not complied with a more important requirement of the regulation you cite: the public meeting mandated by Section 350.10. Indeed, FEMA has still not even issued the advance notice of such a public meeting required by Section 350.10(b);

Before the Regional Director can conclude his evaluation of the February 13 exercise, he must consider input from the public meeting required by Section 350.10. (See Section 350.11(a)); and

In the evaluation of the February 13 exercise that the Regional Director will transmit to FEMA Headquarters, he must summarize the deficiencies identified during the public meeting. (See Section 350.11(c)).

There is no justification for FEMA to ignore or discriminate against the people who live near Shoreham or to deny them the same treatment that FEMA gives to people living near other nuclear power plants. The reason FEMA has held a public meeting after every other exercise is to gather information from the public that can improve emergency preparedness. The people of Long Island have just as much to offer FEMA as people living elsewhere; and FEMA should seek them out as it has done with local residents in every other case. A refusal by FEMA to do this here would be a slap at Long Island's citizens and a violation of the regulation you have cited in your reply to me.

In the case of Shoreham, where a utility is attempting to supplant the emergency response function of State and County governments which have a good faith determined not to adopt emergency plans, it is even more compelling for FEMA to reach out for the public's views and insights. It is significant that you cite and acknowledge the control of 44 CFR 350, but what is even more important is that you be willing to acknowledge the vulnerability of the public at Shoreham and not shortchange them on procedures which have become standard for FEMA everywhere else. Indeed, this is a case where FEMA should take every reasonable measure to gather practical information and insights from the public so as to assure that it is not imperiling the safety of the people who live near the Shoreham plant.

Therefore, I ask that you instruct your Regional Director to hold a public meeting with the people of Long Island in accordance with FEMA's standard practice and regulations. Until that meeting is held and FEMA receives and meaningfully considers the public's input, the Regional Director should withhold judgments concerning the February 13 exercise.

Thank you for your attention to this matter

Sincerely,

ALFONSE D'AMATO,
U.S. Senator.

U.S. SENATE,
Washington, DC, April 3, 1986.

Hon. JULIUS W. BECTON, Jr.,
Director, Federal Emergency Management Agency, Washington, DC.

DEAR GENERAL BECTON: This is a follow-up to my letter to you dated March 27, 1986. In that letter, I requested that you direct FEMA's Region II Director to conform to FEMA's standard practice by holding the normal post-exercise public meeting regarding Shoreham, and to withhold judgment on LILCO's February 13 exercise until the public's input is received and meaningfully considered.

I am writing today in reference to statements of FEMA's spokesman, William McAda, quoted in Newsday of April 2. Mr. McAda said that FEMA's regulations (i.e., 10 CFR 350) requiring a post-exercise public meeting do not apply at Shoreham because this situation is "unique." I am outraged by that statement.

First, your own response to the Senate Appropriations Subcommittee on HUD and Independent Agencies to my March 5 question for the record applied 10 CFR 350 to the Shoreham situation. You not only cited this regulation, but went so far as to contend that FEMA dutifully complied with it on February 15. It is inappropriate for your spokesman now to try to back away from what you told me in a considered written response. I trust that you will back up your own words.

Second, Mr. McAda's position that the "uniqueness" of the Shoreham situation justifies cutting the citizens of Suffolk County out of FEMA's normal public meeting process is insulting. Congress has funded FEMA to help protect the public, not to use the Agency's resources to run roughshod over them. Unfortunately, it is becoming clear that the major "uniqueness" at Shoreham is FEMA's unwillingness to treat the people who live near Shoreham the same way FEMA treats people living near every other nuclear power plant. I remind you that at both Indian Point and Ginna in New York, FEMA's Regional Office held public meetings following the emergency preparedness exercises and prior to concluding the evaluations. Suffolk's residents have the same concerns for the safety of their families as the people near Indian Point and Ginna. FEMA cannot treat them as second-class citizens.

Mr. McAda's efforts to undo your written response to me is particularly disturbing in light of the importance FEMA has placed on having a public meeting following the exercise at every other plant. For example, after the Indian Point exercise, FEMA's spokeswoman told the press that public meetings are held, not only because they are required, but also because "frequently, people have offered valid criticism and good suggestions. Then the plan is modified accordingly." This is precisely what happened at Ginna, where the plan was adjusted to accommodate public input concerning the need to sound sirens earlier than was done in the exercise.

Finally, it is unconscionable that Mr. McAda would even attempt to justify denying Suffolk's citizens the public meeting that FEMA routinely offers people everywhere else. I remind you that, when FEMA adopted 10 CFR 350, FEMA specifically rejected a proposal to eliminate public meetings. FEMA stated at page 44335 of the September 28, 1983, Federal Register:

Despite the deficiencies of public meetings as evidenced by poor attendance in some cases, FEMA believes that it is essential to provide an opportunity to the public living around or near a nuclear power plant to be informed about specific emergency response plans and preparedness as well as to discuss specific concerns with responsible officials. Therefore, the public meeting requirement should be retained. Also, in order to make public meeting more meaningful, the language in the rule has been revised in order to have public meetings held after the initial exercise. Thus, in addition to discussions on the emergency response plans, the opportunity is provided to the public to also discuss the exercise.

Suffolk County residents are concerned with safety issues surrounding Shoreham. Given this fact, and given the intense commitment by FEMA to the concept of post-exercise public meetings and, indeed, FEMA's practice of holding such public meetings everywhere else, I ask for your prompt assurance that FEMA will hold the standard public meeting in Suffolk County, and that you will instruct your Region II Director in accordance with the request set forth in my letter dated March 27, 1986.

Sincerely,

ALFONSE D'AMATO
U.S. Senator.

FEDERAL EMERGENCY MANAGEMENT AGENCY,
Washington, DC, April 21, 1985.

Hon. ALFONSE D'AMATO,
U.S. Senate, Washington, DC.

DEAR SENATOR D'AMATO: Director Becton has asked me to respond to your letters of March 27, 1986 and April 3, 1986, concerning your request that the Federal Emergency Management Agency (FEMA) conduct a public meeting in connection with its evaluation of LILCO's February 13 exercise at the Shoreham nuclear power plant.

At the outset it should be emphasized that the requirements of Part 350 of 44 CFR, Review and Approval of State and Local Radiological Emergency Plans and Preparedness, are not applicable to this case.

Under FEMA rule 44 CFR 350.10 the only provision for a public meeting on offsite planning and preparedness relates to a meeting (in practice normally sponsored by a participating State) held to explain State and local government emergency plans to the public and to receive public comments on those plans. In the case at hand, State and local governments have no plans to explain and have opted not to participate in a 44 CFR 350 process.

The exercise evaluation conducted by FEMA for the Shoreham fixed nuclear generating facility has been conducted pursuant to the Memorandum of Understanding (MOU) between FEMA and the Nuclear Regulatory Commission (NRC) which governs such activities.

A "public meeting" on the exercise conducted by FEMA similar to the type specified in 44 CFR 350.10 to explain State and local plans would not be consistent with FEMA's role in the licensing process in this case. FEMA's evaluation and report have been prepared at the NRC's request for use in that Agency's licensing proceedings. In light of the pending litigation, it would be inappropriate for FEMA to discuss its report outside the context of the NRC licensing process. Indeed, to do so would be an unprecedented act.

It is anticipated that the hearings before the ASLB will be extensive. Every legitimate issue will be open to litigation by the parties. Hearings normally are preceded by extensive discovery. Under NRC rules, the right of the parties to explore the basis for the evaluation and report is extensive. Key FEMA staff involved in the evaluation will be made available for cross-examination under oath. There will thus be ample oppor-

tunity for the State, Suffolk County, and Long Island Lighting Company (LILCO) to examine the basis for the FEMA evaluation.

Further, under NRC procedures, the ASLB has considerable discretion to accommodate the expression of local public interest and the desires of local citizens to be heard during its licensing proceedings.

I regret that FEMA's response to the Senate Appropriations Subcommittee on the HUD-Independent Agencies Appropriation Act concerning a hearing for Suffolk County on the Shoreham exercise was somewhat confusing. Our answer explaining that the meeting FEMA held for the benefit of the public and the participants after the February 13 exercise was similar to those held shortly after exercises of State and local plans at other nuclear facilities could be construed as saying that 44 CFR 350 procedures applied to FEMA's evaluation of the Shoreham exercise. As I explained above, this is not so.

Please be assured that FEMA is committed to carrying out its assigned role in these licensing proceedings in a responsible manner. If I can be of further assistance, please advise.

Sincerely,

SPENCE W. PERRY,
Acting General Counsel.

U.S. SENATE,
Washington, DC., June 4, 1986.

Hon. NUNZIO J. PALLADINO,
Chairman, Nuclear Regulatory Commission, 1717 H Street, NW., Washington, D.C.

DEAR MR. CHAIRMAN: As you know, an issue of ongoing concern to Long Island, New York, residents has been FEMA's recent actions with respect to the Shoreham nuclear power plant. FEMA has refused to hold a public, post-exercise meeting to receive citizen input regarding the evacuation plan required to be developed, tested, and certified before the Shoreham nuclear power plant can begin full-scale operation. I ask that the Commission intervene to request that FEMA conduct this public meeting in accordance with Part 350 of their regulations.

By letters dated March 27, 1986, and April 3, 1986, I requested General Becton, Director of FEMA, to conduct this public meeting. Copies of my letters and FEMA's reply are enclosed for your convenience. You will note that FEMA has refused this request. I do not believe that FEMA should be permitted to deny residents living near Shoreham the same rights it has afforded citizens living near Ginna, Indian Point, and other nuclear facilities. I believe this is an insult to those living near Shoreham.

Currently, FEMA's Post-Exercise Assessment is before the NRC. I ask that the NRC not consider FEMA's Assessment until the standard public meeting is held. I ask that the NRC return FEMA's Assessment with the direction that a new Assessment be prepared after the required public meeting is held and the essential public input received. Nothing short of that can fulfill the Commission's responsibility to the public on Long Island.

When FEMA's Region II Director, Frank Petrone, resigned from FEMA, he expressed concern over FEMA headquarters' failure to permit him to hold a public meeting at Shoreham. Public participation is not something to be used by FEMA only when it serves that agency's convenience or some public relations purpose. In the Soviet Union, the people of Chernobyl did not have the chance to participate as our Constitution guarantees United States citizens. In the wake of Chernobyl, the value of the right of public participation is more evident than ever.

Finally, I have reviewed the supplementary motion filed on June 3 by New York State, Suffolk County, and the Town of Southampton. There is no conceivable reason why the Commission should not grant their reasonable request for FEMA to conduct its standard public meeting. The fact is that FEMA's stubborness has put the NRC in the position of having to make an important decision without proper input and information. The only proper course for the NRC is to face FEMA's omission squarely and to correct it promptly.

Thank you for your attention to this matter.

Sincerely,

ALFONSE D'AMATO,
U.S. Senator.●

TO RESTORE 1987 FUNDING TO USDA MARKET DEVELOPMENT COOPERATOR PROGRAM

● Mr. WILSON. Mr. President, I wish to express my strong support for the Department of Agriculture's foreign market development programs. The cooperator program is one of the oldest Foreign Agricultural Service market development efforts abroad. Projects are conducted by FAS, in cooperation with 55 nonprofit commodity trade associations, to promote a wide range of American food and agricultural products, such as soybeans, raisins, and wine.

The purpose of these cooperator projects is to acquaint potential foreign customers with U.S. agricultural products and to show them how these products might be used to their benefit. This creates and stimulates demand for U.S. agricultural exports. The private sector cooperators carry out these market development projects under FAS supervision.

The program has evolved over 30 years into a productive partnership for opportunity and market growth. It combines the efforts—and investments—of individual producers, the Federal Government and so-called third party contributors, often private importers in the targeted countries.

Cooperator programs benefit farmers in every State. FAS cooperators are a diverse group, including the USA Poultry and Egg Export Council, the U.S. Meat Export Federation, the American Soybean Association, the National Sunflower Association, the U.S. Feed Grains Council, the U.S. Wheat Associates, the Cotton Council International, the Leaf Tobacco Exporters Association, and the National Forest Products Association.

Additionally, many of the cooperators who receive Federal dollars to match their own expenditures for export promotion are California farm organizations. The products they promote—including grapes, raisins, peaches, avocados, citrus, pistachios, walnuts, and almonds, among others—are unsubsidized commodities that wisely rely upon market development, not government subsidies, for future growth.

Mr. President, let me describe a few success stories from the cooperator program's achievements. In 1984, the California Pistachio Commission received a $30,000 market development award from USDA that it matched with $30,000 contributed by my State's pistachio growers. California's only competitor for pistachio exports is the Government of Iran. As you know, our Government has determined that Iran has a 240 percent export advantage because of its predatory dumping practices. The California pistachio industry could not have competed alone against these unfair Iranian trade practices.

But with the help of matching funds from the market development program in Singapore, California pistachio exports there increased by 500 percent (from 10 to 55 metric tons) in 1 year!

The California Cling Peach Advisory Board, a long-time cooperator, informed me recently of several success stories in the Japanese market. Earlier this year, the canning peach industry established a retail program with the largest chain store in Japan. In just 6 months, 40,000 cases, worth over $600,000, have already been merchandised. Peach exporters have also begun to freeze their product for remanufacture in Japan, while going to smaller can sizes. These kinds of new market developments hold long term potential.

Peach growers and canners in California assure me that FAS cooperator funds have enabled them to develop markets in the Pacific Rim to offset markets that they have lost due to unfair trading practices by the European Community. Indeed, without the industry's participation in the FAS cooperator program and its work with USDA's representatives in the Orient, U.S. canned peach exports in the past 2 years would have been zero.

The 1984 Wine Equity and Export Expansion Act helped the wine industry establish foreign market promotion activities under the cooperator program. Matching FAS funds of about $600,000 were used in 1985 to promote wines in four countries. The majority of these funds has been used in Japan, increasing sales of our wines by 138 percent from 1984 to 1985. In dollar terms, the FAS seed-money of less than $400,000 resulted in additional sales of almost $3 million, or $7.50 in increased exports for every $1 spent. And that was in the startup year of the program. Imagine the sales potential if we could break down the Japanese trade barriers to wine imports!

The California Avocado Commission, an advertising and promotional organization created in 1976 by the California State Legislature, exemplifies successful market development through the FAS cooperator program. In 1976, the Commission began a major marketing program in Japan. 500,000 pounds of avocados were shipped that year. Over the next 9 years, the industry and FAS each spent $1 million developing the Japanese market. The result is that in 1985, total avocado shipments to Japan reached 4.4 million pounds. This represents an 800 percent increase!

The Cotton Council International [CCI] was established by the National Cotton Council of America in 1956 as the first FAS cooperator. CCI supervises activities in 45 countries, including market research, sales promotion, advertising, trade servicing, publicity, and fashion campaigns. Combined with the new tools in the 1985 farm bill and the activities of CCI, the U.S. share of the world cotton market could triple, to about 36 percent during this crop year compared to about 10 percent last year. CCI, through market research and trade servicing is developing new markets for U.S. cotton. With the help of GSM credit and Public Law 480, this FAS cooperator is opening new markets in African countries such as Egypt, Zaire, and Ghana. Last year, these new markets imported 165,000 bales of U.S. cotton, compared to 18,000 the year before, more than an 800 percent increase.

The U.S. Feed Grains Council, another FAS cooperator, has conducted many projects over the past decade to increase exports of feed grains through increased demand in the importing countries. In its Taiwan Duck Project, the Council and Taiwanese participants have worked for 8 years to develop the domestic duck industry. The increase in U.S. feed grain exports due to increased consumption by ducks in Taiwan went from 1,000 metric tons in 1977 worth $123,000 to nearly 45,000 tons in 1985 worth over $6 million in 1985. That particular project produced a $399 return for every dollar invested!

These examples clearly demonstrate to me that the cooperator program is a sterling example of successful, and minimal, government involvement in agriculture.

Regrettably, the administration's fiscal year 1987 budget proposes a 32-percent reduction in funding for these highly successful and cost-effective foreign market development programs. The FAS cooperator program, specifically, faces a 50-percent funding cut in 1987 to $18.7 million from the $37.5 million it receives in fiscal year 1986. By way of comparison, other USDA programs, on average, will be cut by only 18 percent.

Although I am a strong advocate of reducing the Federal deficit, I fail to understand why the administration is proposing a disproportionately large cut in a relatively small program with one of the best track records in Government. While the proposed $18.8 million cut is not a significant amount in dealing with the budget deficit, it will cost the United States many more millions of dollars in lost agricultural exports in the years ahead. This appears to be a short-sighted decision, which contradicts the stated goal of the Agriculture Department to increase American exports.

This 50-percent-funding reduction also contradicts the emphasis on promoting exports in the 1985 farm bill. Conferees specifically included section 1126 to express the sense of the Congress:

> That the Cooperator Market Development Program of the Foreign Agricultural Service should be continued to help develop new markets and expand and maintain existing markets for United States agricultural commodities . . . with emphasis on funding an export market development program for value-added farm products and processed foods at a higher funding level than that provided during fiscal year 1985.

I certainly share the views of the administration that every item in the budget requires careful scrutiny at this time. I do not propose exemptions for these programs from the Gramm-Rudman-Hollings law. I simply do not understand why this program—which supports one of the basic goals of the new farm bill as well as of the administration's trade policy—has been targeted for a disproportionately large budget cut.

Market development is a long-term process. Largely as a result of the competitive tools that Congress included in the trade title of the new farm bill, as well as the decline in the value of the dollar, American agricultural exports may finally begin to recover this year. In my view, now is not the time to jeopardize a program that brings substantial long-term returns to the American economy and to our Nation's farmers through increased agricultural exports.

For these reasons, I urge the Department of Agriculture and the Office of Management and Budget to review carefully the costs and benefits associated with the FAS Cooperator Programs. Similarly, I believe that the congressional appropriation committees should restore funding to the fiscal year 1986 level. Indeed, I have already conveyed that recommendation to the distinguished chairman of Agricultural Appropriations Subcommittee, Senator COCHRAN.

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. Thurgood Marshall, Jr., a member of the Governmental Affairs Committee staff of Senator ALBERT GORE, Jr., to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from May 23-30, 1986.

The committee has determined that participation by Mr. Marshall in the program in Taipei, Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Leonard Weiss, a member of the Subcommittee on Energy, Nuclear Proliferation, and Government Processes staff of Senator JOHN GLENN, to participate in a program in the People's Republic of China, sponsored by the Chinese Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from June 29-July 17, 1986.

The committee has determined that participation by Mr. Weiss in the program is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Phillip P. Upschulte, a member of the staff of Senator JOHN GLENN, to participate in a program in the People's Republic of China, sponsored by the Chinese Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from June 29-July 17, 1986.

The committee has determined that participation by Mr. Upschulte in the program is in the interest of the Senate and the United States.●

S. 2513—WORK OPPORTUNITIES AND RETRAINING COMPACT OF 1986

● Mr. MOYNIHAN. Mr. President, yesterday, June 4, 1986, I introduced S. 2513, the Work Opportunities and Retraining Compact of 1986. I was joined by my colleagues Senators BRADLEY, KENNEDY, and KERRY.

The text of the bill was inadvertently omitted from the CONGRESSIONAL RECORD on June 4.

I ask that the text of S. 2513 be included in the CONGRESSIONAL RECORD.

The text follows:

S. 2513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ["Work Opportunities and Retraining Compact (WORC) of 1986".]

SEC. 2. STATEMENT OF PURPOSE.

It is the purpose of this Act to establish a comprehensive and flexible work, training, and education opportunities program for AFDC recipients so that they may be prepared for entry into the labor force where they can earn an adequate income and thus no longer be dependent on welfare.

SEC. 3. STATE PLAN REQUIREMENTS; REGISTRATION OF AFDC APPLICANTS AND RECIPIENTS FOR WORK-RELATED COUNSELING, ASSESSMENT, AND ASSIGNMENT.

(a) REQUIREMENT OF REGISTRATION.—Section 402(a)(19) of the Social Security Act is amended—

(1) in subparagraph (A)—

(A) by striking out "shall register" and all that follows down through "regulations issued by him," in the matter preceding clause (i) and inserting in lieu thereof "shall register with the State agency, in accordance with regulations issued by the Secretary, for work-related counseling, assessment, and assignment to manpower services, training, employment, and other employment-related activities as described in section 416(b),";

(B) by striking out clause (iii) and inserting in lieu thereof the following:

"(iii) a person so remote from any available employment or training project that his or her effective participation in such a project is precluded;";

(C) by inserting ", unless the State otherwise provides" immediately before the semicolon at the end of clause (v);

(D) by striking out "to participate under a work incentive program or accept" in clause (vi) and inserting in lieu thereof "to participate in good faith in counseling and assessment with the State agency under section 416 and in employment, training, or education pursuant to an assignment under that section, or to accept"; and

(E) by striking out "any individual referred to in clause (v)" in the matter following clause (ix) and inserting in lieu thereof "any individual exempt from registration under the preceding provisions of this subparagraph";

(2) in subparagraph (B), by striking out "or the individual's certification" and all that follows and inserting in lieu thereof "or the individual's certification to the State agency under subparagraph (G) of this paragraph, or by reason of an individual's participation in employment, training, or education pursuant to an assignment made by such agency under section 416(b)(6);";

(3) in subparagraph (C), by striking out "a non-Federal contribution to the work incentive programs" and all that follows and inserting in lieu thereof "a non-Federal contribution by appropriate State and local agencies and private organizations to the work incentive programs established by part C, and to any other work-related programs to which individuals are assigned by the State agency under section 416, equal to the portion of the cost of such programs not specifically financed by Federal contributions;";

(4) in subparagraph (D), by striking out "under section 434" and "a program established by section 432(b)(2) or (3)" and inserting in lieu thereof "under a program to which individuals are assigned by the State agency under section 416" and "such a program", respectively;

(5) in subparagraph (F)—

(A) by striking out "that if" and all that follows down through "purposes of part C" (in the matter preceding clause (i)) and inserting in lieu thereof "that if (and for such period as is prescribed under regulations of the Secretary) any child, relative, or individual required to register under subparagraph (A) has been found by the Secretary to have refused without good cause to so register, or has refused without good cause to participate in good faith in counseling and assessment with the State agency under section 416 or in employment, training, or education pursuant to an assignment made by such agency under section 416(b)(6),"; and

(B) by adding after and below clause (v) the following:

"and for purposes of this subparagraph a refusal by an individual to accept employment shall be considered to have been made with good cause if the acceptance of such employment would result in a net loss of income by such individual;".

(6) in subparagraph (G)—

(A) by striking out "for the administration of programs established pursuant to section 432(b)(1), (2), or (3)" and inserting in lieu thereof "by the State agency established or designated under section 416";

(B) by striking out "the order of priority listed in section 433(a)" and inserting in lieu thereof "any order of priority which may apply under the work-related program involved";

(C) by striking out "under section 432(b)(1), (2), or (3)" each place it appears and inserting in lieu thereof "under the work-related program involved";

(D) by striking out "the Secretary of Labor" each place it appears and inserting in lieu thereof "the State agency";

(E) by striking out "accepts employment" and "retain such employment" and inserting in lieu "accepts employment, training, or education" and "retain such employment or continue in such training or education", respectively; and

(F) by striking out clause (iii) and redesignating clause (iv) as clause (iii); and

(7) in subparagraph (H), by striking out "under section 432(b)(1), (2), or (3)" and inserting in lieu thereof "under section 416".

(b) REQUIREMENT OF CONSOLIDATED ADMINISTRATION OF WORK-RELATED PROGRAMS.—Section 402(a) of such Act is further amended.—

(1) by striking out "and" after the semicolon at the end of paragraph (38);

(2) by striking out the period at the end of paragraph (39) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (40) the following new paragraph:

"(40) consolidate the administration of the State's work-related functions under this part, by providing for the assignment of registered individuals by the State agency to employment and training programs as described in section 416 and for the performance by such agency of its other duties under that section and under paragraph (19) of this subsection.".

SEC. 4. CONSOLIDATED ADMINISTRATION OF WORK-RELATED PROGRAMS.

Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"CONSOLIDATED ADMINISTRATION OF WORK-RELATED PROGRAMS

"SEC. 416. (a)(1) The State agency administering or supervising the administration of the plan approved under this part shall perform the functions specified in this section and in section 402(a)(19).

"(2) It shall be the general purpose of the State agency, in carrying out its duties under this section and section 402(a)(19), to assist applicants for and recipients of aid to families with dependent children in finding gainful employment and in obtaining any training and education which may be necessary to enable them to perform such employment, with the objective of reducing the number of individuals on the welfare rolls by providing such applicants and recipients with a realistic opportunity to become self-sufficient.

"(b) In carrying out the purpose described in subsection (a)(2), the State agency (in addition to performing its other duties under this part) shall—

"(1) establish a single intake and registration process for all applicants for and recipients of aid to families with dependent children, consistent with section 402(a)(19);

"(2) assess the employment capabilities of each registered applicant and recipient in order to determine whether immediate employment is a realistic possibility or whether training or education is needed in order to prepare such applicant or recipient for employment;

"(3) provide in-depth counseling for each such applicant and recipient with respect to his or her potential for such immediate employment or such training or education and with respect to the program or programs (Federal, State, local, or private) which might be available to such applicant or recipient and most appropriately serve his or her interests;

"(4) administer, or enter into arrangements with administering authorities for, the participation of such applicants and recipients in appropriate employment, training, and education activities in furtherance of the objective stated in subsection (a)(2), including activities authorized in—

"(A) the work incentive program under part C of this title,

"(B) the work incentive demonstration program under section 445,

"(C) the State's community work experience program under section 409,

"(D) the State's work supplementation program under section 414,

"(E) a work demonstration program under section 1115;

"(F) any program under the Job Training Partnership Act,

"(G) any program of job search and related services, including services offered by vocational education agencies and the public employment offices of the State, and

"(H) any other program (Federal, State, local, or private) which could be made effectively available to such applicants and recipients and participation in which would further such objective;

"(5) develop an employment plan for each such applicant and recipient, in partnership with the administering authorities of the programs with respect to which arrangements have been entered into under paragraph (4);

"(6) assign each such applicant or recipient to one or more of the programs with respect to which arrangements have been entered into under paragraph (4) and which are determined by the State agency, on the basis of the assessment made under paragraph (2) and the counseling provided under paragraph (3), to be appropriate for such applicant or recipient, and provide all possible assistance to such applicant or recipient in preparing for, enrolling in, and participating in such program or programs; and

"(7) take all other actions, not inconsistent with the provisions of this section or of the law governing the program or programs involved, which may be necessary or appropriate to achieve the objective stated in subsection (a)(2).

"(c)(1) The terms and conditions of participation in employment, training, and education activities as described in subsection (b)(4), and the manner in which the provisions of the programs involved are to apply with respect to applicants and recipients registered under section 402(a)(19), shall be determined (subject to the specific requirements of this title and of such programs) by the State agency in consultation with the administering authorities of such programs.

"(2) To the maximum extent possible, the steps taken in providing for participation in employment, training, and education activities as described in subsection (b)(4) shall include coordination of the services furnished and activities conducted under the various programs involved with respect to registered applicants and recipients in order to avoid inefficiency and duplication of effort and to assure the widest possible availability to such applicants and recipients of services and activities which will further the objective stated in subsection (a)(2).

"(d) The State agency shall provide registered applicants and recipients who are assigned for employment, training, or education under subsection (b)(6) with such child care services and transportation, and such other assistance not inconsistent with law, as may be necessary or appropriate to achieve the objective stated in subsection (a)(2).

"(e)(1) Notwithstanding any other provision of law, the Federal contribution to the costs incurred by the State agency in counseling, assessing, and assigning individuals under this section in any fiscal year, and to the costs incurred by any other State agency or entity in carrying out a program referred to in subparagraphs (A) through (G) of subsection (b)(4) with respect to individuals assigned to that program under subsection (b)(6) (other than costs described in paragraph (7)) in any fiscal year, shall be equal to the applicable percentage of such costs as determined under this subsection.

"(2) For purposes of paragraph (1) (but subject to paragraph (3)), the applicable percentage of the costs described in that paragraph which are incurred by any agency or entity in any fiscal year shall be 70 percent.

"(3) In any fiscal year after the fiscal year 1987, the applicable percentage of the costs described in paragraph (1) which are incurred by agencies and entities in any State shall be increased to 75 percent if such State, in carrying out the program or programs involved in such fiscal year with respect to registered individuals assigned under subsection (b)(6), meets or exceeds the performance standards which are developed and prescribed as provided in paragraph (4) and applied in the State in accordance with paragraph (6).

"(4) The performance standards referred to in paragraph (3) shall be developed and prescribed by the Office of Technology Assessment in consultation with the Secretary of Health and Human Services, the Secretary of Labor, appropriate State officials designated for purposes of this paragraph by the Governors of the several States, and other appropriate experts. Such performance standards (which shall be coordinated with the corresponding performance standards under the Job Training Partnership Act)—

"(A) shall be measured by outcomes and not by levels of activity or participation, and shall be based on the degree of success which may reasonably be expected of States (in carrying out their work-related programs with respect to registered individuals assigned under subsection (b)(6)) in helping such individuals to achieve self-sufficiency and reducing welfare costs,

"(B) shall take into account job placement rates, wages, job retention, reduced levels of aid under the State plan, case closures, improvements in registered individuals' educational levels, and the extent to which registered individuals are able to obtain jobs providing health benefits,

"(C) shall encourage States to give appropriate recognition to the greater difficulties in achieving self-sufficiency which face individuals who have greater barriers to employment, and

"(D) shall include guidelines permitting appropriate variations to take account of the differing conditions (including unemployment rates) which may exist in different States.

"(5) Measures for the performance standards referred to in paragraph (3) shall be established within 6 months after the date of the enactment of this section; and the standards themselves shall be established, prescribed, and published no later than 18 months after the establishment of such measures.

"(6) The performance standards developed and prescribed under paragraph (4) shall be varied in any State, to the extent permitted under paragraph (4)(D), to the extent necessary to take account of specific economic, geographic, and demographic factors in the State, the characteristics of the population to be served, and the types of services to be provided.

"(7) The Federal contribution to the administrative costs incurred by any agency or entity of a State in performing its duties under this section and to the costs of providing child care, transportation, and other support services, with respect to individuals for whom work-related services are being provided by the State agency or by an agency or entity administering a program to which such individuals have been assigned pursuant to subsection (b)(6), shall be 50 percent.

"(f) Under regulations prescribed by the Secretary, this section and all functions performed by State agencies and entities under this section shall be coordinated with the work and training requirements which apply to applicants for and recipients of benefits under the Food Stamp Act of 1977.".

SEC. 5. TECHNICAL, CONFORMING, AND MISCELLANEOUS AMENDMENTS.

(a) AMENDMENTS TO PART A OF TITLE IV.—(1) Section 402(a)(8)(A)(iv)(II) of the Social Security Act is amended by striking out "under the programs established by section 432(b)(2) and (3)" and inserting in lieu thereof "under any training, education, or public service employment program to which such child or relative has been assigned pursuant to section 416(b)(6)".

(2) Section 403(c) of such Act is amended by striking out "certified to the local employment office of the State as being ready for employment or training under section 432(b)(1), (2), or (3)" and inserting in lieu thereof "assigned by the State agency for employment, training, or education pursuant to section 416(b)(6)".

(3) Section 407(b)(2)(C)(i) of such Act is amended by striking out "for the work incentive program" and all that follows and inserting in lieu thereof ", and".

(4) Section 407(d)(1) of such Act is amended by striking out "a community work experience program under section 409, or the work incentive program established under part C" and inserting in lieu thereof "a program with respect to which the State agency has provided under section 416(b)(4) for participation by registered individuals in employment, training, and education activities".

(5) Section 407(e) of such Act is amended—

(A) by striking out "and the Secretary of Labor shall jointly" and inserting in lieu thereof "shall";

(B) by striking out "for the work incentive program" and all that follows down through "or in connection" and inserting in lieu thereof "and in connection"; and

(C) by striking out "both the work incentive program" and inserting in lieu thereof "both the programs referred to in section 416(b)(4)".

(6) Section 414(h) of such Act is amended by striking out "or part C".

(b) AMENDMENTS TO PART C OF TITLE IV.—(1) Part C of title IV of such Act is amended—

(A) in section 431, by striking out the text of the section and inserting in lieu thereof the following:

"SEC. 431. There is hereby authorized to be appropriated to the Secretary for each fiscal year a sum sufficient to carry out the purpose set forth in section 430 with respect to individuals assigned to the work incentive program pursuant to section 416(b)(6). The sums made available under the preceding sentence shall be used for making payments to States in accordance with this part.";

(B) in section 432(a), by striking out "The Secretary of Labor (hereinafter in this part referred to as the Secretary)" and inserting in lieu thereof "The Secretary";

(C) in section 436(b), by striking out "prescribed jointly by him and the Secretary of Health and Human Services" and inserting in lieu thereof "prescribed by him";

(D) in section 439—

(i) by striking out "and the Secretary of Health and Human Services" where it first appears, and

(ii) by striking out ", jointly by the Secretary and the Secretary of Health and Human Services," and inserting in lieu thereof "by the Secretary";

(E) in section 441, by striking out "(jointly with the Secretary of Health and Human Services)";

(F) in section 443—

(i) by striking out "of Health and Human Services" in the first and second sentences, and

(ii) by striking out "and shall be paid by the Secretary of Health and Human Services to the Secretary" in the fourth sentence;

(G) in section 444(a), by striking out "by the Secretary of Health and Human Services"; and

(H) in section 445—

(i) by striking out "of Health and Human Services" each place it appears in paragraphs (1) and (2) of subsection (b) and in subsection (e), and

(ii) by striking out paragraph (3) of subsection (b).

(2) Section 433(a) of such Act is amended—

(A) by striking out "certified to him by a State, pursuant to section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)"; and

(B) by striking out "certified to him under section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)".

(3) Section 433(b)(3) of such Act is amended by striking out "certified to him pursuant to section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)".

(4) Section 433(g) of such Act is amended by striking out "certified to the Secretary pursuant to section 402(a)(19)(G)" and inserting in lieu thereof "assigned to the work incentive program pursuant to section 416(b)(6)".

(5) Section 435(a) of such Act is amended by striking out "shall not exceed 90 per centum of the costs of carrying out this part" and inserting in lieu thereof "shall be equal to the applicable percentage of the costs of carrying out this part as determined under section 416(e)".

(6) Section 444(a) of such Act is amended by striking out "individuals certified" and all that follows and inserting in lieu thereof "individuals assigned to the work incentive program pursuant to section 416(b)(6).".

(7) Section 444(d) of such Act is amended by striking out "certified to the Secretary by such agency under section 402(a)(19)(G)" and inserting in lieu thereof "assigned to such agency under section 416".

(8) Section 445 of such Act is amended—

(A) by striking out "Not later than June 30, 1984, the" in subsection (b)(1) (in the matter preceding subparagraph (A)) and inserting in lieu thereof "The";

(B) by striking out ", and shall be required to participate in," in subsection (b)(1)(B); and

(C) by striking out "shall be in force for a three-year period" in subsection (d) and inserting in lieu thereof "shall be in force for such period as may be specified in the letter of application submitted under subsection (b)(1), and may be renewed (upon the submission by the Governor of an appropriate letter of application, subject to approval in the manner described in subsection (b)(2)) for an additional period or periods".

(c) RELATIONSHIP WITH OTHER WORK-RELATED PROGRAMS.—Whenever a provision of section 416 of the Social Security Act, or any other provision of such Act which is amended by the preceding provisions of this Act, is determined to be inconsistent with a provision of any of the work-related programs referred to in section 416(b)(4) of such Act or of any other work-related program which may involve or affect individuals who have registered under section 402(a)(19) of such Act and are assigned to such program under section 416(b)(6) of such Act, the provision of section 416 of the Social Security Act (or other provision of such Act as amended by this Act) shall govern.

SEC. 6. EFFECTIVE DATE.

Except to the extent otherwise specifically provided, the amendments made by this Act shall take effect October 1, 1986.

SID ABEL RETIRES

● Mr. LEVIN. Mr. President, one of the beauties of sport is the way fans can watch a player mature as an athlete and as a person. As a fan of the Detroit Red Wings—who once were and will be again one of the great teams in the National Hockey League—I had the opportunity to observe Sid Abel go through that process of maturation. I saw him as a player: over a 12-year career, he scored 184 goals, had 279 assists, played on three Stanley Cup winning teams, was elected to the NHL Hall of Fame. After his playing days were done, I saw him as a coach: He coached the Red Wings for all or part of 12 seasons; his teams won 340 games and made the Stanley Cup finals four times. Then, in 1976, he left the bench and went to the broadcast booth, and I saw and heard him as a member of the Red Wings' broadcast team. Paired with the great Bruce "He shoots; he scores" Martyn, Sid Abel shared his knowledge and love of the game with the fans who followed the Wings.

And now, after an association with the Wings which has spanned six decades, 1938–85, Sid Abel is hanging them up and retiring. I admire him enough to forgive him for leaving Michigan and moving down South where he "can roam the beaches," as he recently put it.

Well, maybe Sid Abel wants to go to Florida and walk with the waves—and maybe I ought to see that decision as just another stage in the maturation process. But, to tell the truth, maybe I have not matured enough to accept it, because I do not see Sid Abel on the beaches; I see him on the ice. I see his skates flashing and his stick moving and the puck rising over yet another goalie who has gone down too soon. I see Sid Abel as he was: as a young man centering Howe and Lindsay on the production line. And, perhaps, I also see myself as a kid again, hanging over the rail in the upper reaches of Olympia Stadium, thinking that there was magic in the world and a moral mandate for a Red Wing victory.

So I join thousands of others who thank Sid for the memories and wish him well.●

IN CELEBRATION OF ITALIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, June 2, 1986, marked the 40th anniversary of Italy's transition to a democratic republic. In the four decades since the Italian nation emerged from the destruction of fascism and achieved its independence, the world has witnessed Italy's emergence as one of the world's great democracies.

This anniversary gives us the opportunity to celebrate the enormous contributions the Italian nation has made to human progress. Dante, Alighieri, Michelangelo, Giotto, Leonardo da Vinci, Galileo, Guiseppi Verdi, Guglielumo Marconi, and Machiavelli all made outstanding contributions to the development of mankind. The Renaissance, one of the most creative eras in human history came to its earliest and fullest fruition on the Italian peninsula.

Honoring 40 years of the strong and resilient Italian democracy also provides us with an opportunity to acknowledge the important contributions which more than 12 million Italian-Americans have made in building and strengthening our own Nation. The story of the voyages of hundreds of thousands of Italians to America during the late 19th and early 20th century is a familiar one. Many of these immigrants endured significant hardships and difficulties in search of a new future for themselves and for their children. Supported by a strong value system, centered on their families and a commitment to hard work, Italian immigrants have used their special talents to make their vision of a better life a reality.

Today, we continue to benefit from the contributions of Italian-Americans. Lee Iaccoca brought the Chrysler Corp. from the brink of bankruptcy and has admirably chaired the Statue of Liberty/Ellis Island restoration effort. Geraldine Ferraro charted unexplored territory by becoming the first woman in American history to run on the national ticket of a major political party. Governor Cuomo of New York has made his State a model in efficient administration and has become a national leader in his own right.

Just as the Italian culture provides a link for Italian-Americans to their homeland, so too can it provide a bridge for others seeking a better understanding of the Italian people and their past. Italian-Americans are anxious to share their heritage with others, and are doing so through activities such as those sponsored by the Italian-American Cultural Society in Warren MI.

The United States and all the world owes a great debt of gratitude to the Italian people for the many ways in which they have enriched our lives. In appreciation, I offer congratulations on their magnificent achievements and on Italy's well-earned prosperity, stability, and international respect.●

SENATOR LEVIN ADDRESSES THE ALLIANCE FOR JUSTICE

● Mr. LEVIN. Mr. President, recently I had the privilege of addressing the Alliance for Justice, an organization with a great interest in the process by which judicial candidates are nominated by the executive branch and considered by the legislative. My remarks focused primarily on the advice and consent process and in them I attempted to explain the way I view the Senate's role in the process.

The Senate may soon be asked to consider a series of judicial nominations. Many of them have already received a fair amount of press coverage and promise to produce some heated debate here on the floor. Clearly, our deliberations need to be based on an evaluation of the qualifications of the candidates—but that evaluation needs to be conducted in the context of an overall understanding of the Senate's role in the advice and consent process. We must, then, have a clear understanding of the criteria which ought to be used in considering any nomination.

In the hope that my remarks to the Alliance for Justice may help identify some of those criteria, I ask that they may appear in the RECORD.

The remarks follow:

(By Senator Carl Levin)

ALLIANCE FOR JUSTICE

Thank you. Its a pleasure to be with you today.

For years, the advice and consent power conferred on the Senate was just a subject for polite scholarly disputes; now it is a topic for sharp political debate. That debate focuses on the role of ideology in the advice and consent process. And that, in a moment, is what I want to talk about today. But let me, if I may, begin with a few more general observations.

Since my favorite president was Franklin D. Roosevelt, I always look around for some statement of his which is appropriate for a speech. When I was getting ready for these remarks, I remembered something he once said about the role of ideology in the courts. As a young man hoping to become a lawyer, I was impressed with FDR's claim that "in our courts we want a government of laws and not of men." I forget if he said that just before or after he proposed a plan to pack the Supreme Court, to make sure that his laws would be the government policy no matter what nine old men thought. Regardless of the circumstances, though, even we might all agree that it expresses a noble sentiment. We would also agree that it is pretty naive and perfectly unrealistic.

No, as much as I respect and revere FDR, I'm afraid that if we want more realistic wisdom on this topic, we have to turn to another Roosevelt. It was the Republican Theodore, who once observed that "the decisions of the courts on economic and social questions depend on their economic and social philosophy." Or, if that is too bald for your taste—though I am rapidly approaching a state where I think that nothing should be too bald for anybody's taste—you might want to consider this more restrained observation from Justice Stone: "While unconstitutional exercise of power by the executive and legislative branches is subject to judicial restraint, the only check upon our own exercise of power is our own sense of self-restraint."

Now, the point of all that is to demonstrate—yet again—that while The Law exists as a body of knowledge and series of precedents, individual human beings apply that knowledge and interpret those precedents. As a result, there is an inherent link between—and an inherent interest in—the "economic and social" philosophy of a judge and his or her legal inclinations.

In that context, I believe it is important for us to understand the factors considered by the President and the Senate in the nomination process. They are not, I want to suggest, always the same.

Clearly, the President, of the United States is free to attempt to find judicial candidates who share his general philosophy. That has been common practice since the founding of our Republic and it is a fact of life and human nature which we ought to accept. It may not always work out the way the President expects it to—witness Earl Warren and Dwight Eisenhower—but, within certain bounds, the President is free to make that effort.

But there are bounds. For example, the President should not ignore the concept of competence in the search for an acceptable ideological inclination.

Yet under this administration, that is precisely what is happening.

President Reagan has been blessed with a number of opportunities to make judicial nominations. But his blessing may damn the rest of us for decades. Too many of his nominees have had mediocre records at best: a recent study indicated that since January of 1985, one-half of his nominees were given a rating of just "qualified"—the lowest passing rating available—by a majority of the members on the ABA's Standing Committee on the Federal Judiciary. And in three quarters of the cases where the candidate was able to skim through with a "qualified," a minority of the Committee was unwilling to be that generous—they voted to label the nominee "unqualified." The reports I have seen indicate that this is the largest of merely "qualified" judges who have ever been nominated.

Now, I am not suggesting that record results from the President's desire to get philosophically compatible people on the bench. Surely there are some intelligent members of the legal community somewhere who have found some respectable reason to share the President's policy orientations. But no matter what the reason, I find that record disturbing.

However, what I find just as disturbing is this: of those candidates presented to the full Senate for consideration all were confirmed and all are now serving—for life—on the federal bench.

There are indications that efforts are under way now to change that record. Increasingly, members of the Judiciary Committee, on both sides of the aisle are demanding more. They seem to recognize that the men and women we put on the bench, for life, ought to have demonstrated some personal and professional qualities which justify their elevation and give us some reason to believe—rather than hope—that they will discharge their responsibilities with distinction. We are moving, correctly I believe, toward a new standard of competence. There may be mediocre people in the world, as former Senator Hruska once said, and they may deserve representation. But they'll just have to find it in the Congress rather than the courts. The power we give to judges is too pervasive to permit us to accept mediocrity on the bench. We can and should require judges to meet a higher standard.

But in addition to looking at the traditional "qualifications" of a nominee, there is, as I mentioned before, also an increasing amount of attention being focused on their ideology.

Interestingly enough, when the ABA evaluates judicial nominees, it considers only competence, integrity and judicial temperament. It does not look at his or her political philosophy, nor does it seek to assign an ideological score to their prior conduct or views. The ABA is not a "rating group" in the sense that Americans for Democratic Action or the AFL-CIO or the Taxpayer's Union are; it does not make judgments based on the bottom line of how a judge ruled or will rule, but rather on whether his or her reasoning and views reflect an appropriate judicial temperament, approach and style.

In recent years, that had been the standard accepted by the Senate. The Senate seemed to recognize the fact that a President would look at a candidate's ideological orientation, while rejecting any claim that we should. Now, however, that position is being challenged by people on both the right and the left of the political spectrum.

On the right we have had several Senators circulate questionnaires designed to elicit the views of nominees—prior to confirmation—on issues ranging from abortion to capital punishment to prayer in the schools. While that specific practice has now been discontinued, we should remember just how far it went. For example, one question directed to nominees was phrased this way: "Do you believe that there should be any limits placed on the use of he Exclusionary Rule? If so, do you believe that S. 1764 or this type of limitation is appropriate?" Clearly, the attempt here was to give Senators a sense of how a judge would rule once on the bench. And, just as clearly, that is unacceptable.

In fact, everyone seemed to recognize that. After the effort was publicized, it was discontinued. But a new type of test for purity soon replaced it. Now we have Senators requesting that potential candidates be eliminated from consideration because they had—in a wild moment of madness, no doubt—made a contribution to Planned Parenthood or some other subversive group. Of course, at the same time, I suspect that contributions to—and membership in—approved groups, like the John Birch Society, would not be seen as disqualifying factors.

All that activity from the Right, of course, produced a response. Some public interest groups as well as some scholars are suggesting that perhaps "the other side" also ought to create some ideological tests for confirmation. For some, the test is a general one, an attempt to determine if a nominee's views are in the "mainstream." Other groups, however, are moving toward a more detailed definition of what constitutes an acceptable river of thought. And, in that context, they see efforts to determine a nominee's views on a number of specific issues as a legitimate area of inquiry and a legitimate factor in the confirmation decision.

The issue of ideology, then, is before us. And we need to address it.

In general terms, I approach the issue of ideology from a dual perspective. To begin

with, I recognize that there are ideological extremes on both the left and the right which are repugnant to the values of our society and the principles of our law. Nominees who hold such views cannot be rewarded by elevation to the bench. If a nominee indicates that he or she believes that blacks are inferior to whites, or Jews to Christians, or women to men and, as a result, are less worthy of protection under the law, then that nominee ought not be confirmed and obviously ought not to have been nominated.

When ideology, then, offends the basic values of our system or is inconsistent with the basic principles of American law, then ideology is clearly a disqualifying factor in the advice and consent process.

That, it seems to me, is an easy decision to make. But what are we to do when a nominee is "in the mainstream"—but not moving with the current the way we would like?

Assume, for example, that we determine that a nominee's values fall within the acceptable parameters of American values. Are we entitled to try to understand and predict how those values might shape specific decisions?

Discussing the kind of questionnaires I quoted from a moment ago, Chief Justice Burger once said that if he had been asked to answer such questions when he was up for confirmation, he would "decline to answer." And Justice O'Connor said that "I do not believe that as a nominee I can tell you how I might vote on a particular issue which may come before the Court, or endorse or criticize specific Supreme Court decisions presenting issues which may well come before the Court again. To do so would mean that I have prejudged the matter, or have morally committed myself to a certain position."

Indeed, I would say, if a nominee answered a questionnaire asking about their views on specific issues likely to be central in decisions before the court, I'd be inclined to vote against them on that basis. A response would indicate to me that he or she did not understand that decisions should be driven by specific facts and arguments. A response would also indicate that the candidate is so driven by ideology or ambition that he or she could not give fair and impartial hearing to facts and arguments presented to them on certain issues.

You see, in my mind, once it is established that a nominee's beliefs fall within the reasonable norms of American life, there are real limits about how far we can or should push our inquiry. Given the conditions I have described, a nominee's beliefs are their own business—as long as they keep them their business.

I began this speech by recalling Theodore Roosevelt's honest assertion that judicial decisions reflect the personal philosophies of judges. I believe that is true—and I believe it is inherent. But there is, I would submit, a difference between decisions which are controlled by ideology and those which are merely influences by it.

That is a crucial distinction for me and I want to try to draw the difference as clearly as I can. We have seen judges and politicians who personally do not sanction abortion but who, as a matter of law or public policy, believe that option must remain open. Those individuals have an ideological orientation; they are influenced by it; but their judgments are not controlled by it.

On the other hand, there are some individuals whose personal views do control their public judgments. For example, consider the case of Daniel Manion, who is now being considered for a position on the 7th Circuit Court of Appeals, In my view, Mr. Manion's behavior indicates that he is an individual who is controlled by ideology to the exclusion of being able to give opposing points of view a fair and open-minded hearing. The fact that he cosponsored a bill to allow for prayer in schools does not disqualify him for service on the court; but the fact that he did so after the Supreme Court had ruled such legislation unconstitutional, does. Neither his claim of "legislative protest" or "legislative prerogative" can withstand scrutiny—not when the Supreme Court held in Cooper v. Aaron that "compliance with decisions of this Court . . . depend on active support by state and local authorities. It presupposes such support. To withhold it, and indeed, to use political power to paralyze the supreme Law, precludes the maintenance of our federal system. . . ."

Mr. Manion's ideological values seem to prevent him from valuing the law. And that should prevent him from serving on the bench.

Mr. Manion's case illustrates my point. He appears to display an ideological fervor which distorts judicial temperament. That kind of fervor can result in actions and judgments which either violate or ignore Constitutional principles. It can result in a situation in which judges are so controlled by ideology that they are unable or unwilling to look at all the facts, listen fairly to all arguments, evaluate critically all the legal precedents, and finally, decide cases judicially. The harmful impact of such ideological control cannot be ignored or rewarded. And that is why we should not give our consent to nominees who come before us more as captives of ideology than creatures of reason.

My point is certainly not that Senators ought to look for nominees who agree with us on substance. Instead, it is that we should look for someone we can agree with on process; someone who will share our desire to see a judiciary which is fair, open-minded, patient and learned.

If nominees demonstrate that their ideological orientations do not prevent them from being fair and open minded, if they are demonstrable men and women of character and competence, if their public and professional lives demand our respect, even if their private political beliefs demand our disagreement, then they deserve our consent if not our support.

If you agree in principle with my position, let us recognize that its application is difficult. For example, I have placed some emphasis on the Senate's right to reject candidates who are "controlled by ideology" or whose beliefs are "repugnant to the values of our society and the principles of our law." But I have also placed some limits on the reasonable right of the Senate to try to get nominees to spell out their beliefs. In that context, I agree with former Congressman and current Circuit Court Judge Abner Mikva who said that while "Senators may have understandable curiosity about the candidate's views on the hot issues of the day, they can look but they better not touch."

The problem is clear. If we allow nominees to take a sort of "judicial fifth amendment" during the confirmation process, how do we determine if their ideology is either repugnant or controlling?

Well, we may suspect that any individual with a dominating ideological fervor will have demonstrated it at some point: he will have said or done something which illustrates the influence of ideology on their behavior. And that is why the nomination process must involve an investigatory process. We have to search, we have to dig, we have to examine the record of each nominee—we need to look at their public record and remarks, we need to get a sense of how they have acted so we are better able to evaluate how they may act on the bench. To achieve that goal, we need the help of all interested parties—including organizations like yours.

While behavior can give us a sense of the degree to which ideology controls action, we also need to remember that most behavior is subject to multiple interpretation. It is possible for reasonable people to see the same action and reach different conclusions about what it means in terms of the qualifications of a candidate.

I well remember one situation where Senator Eagleton and I—two members who I hope you would think do our homework and study issues carefully—came down on different sides in a judicial nomination fight. He looked at the facts and concluded that the candidate did not display the sort of character required to serve on the bench; I looked at the same facts and drew a different conclusion. My point is that it is not easy to apply abstract standards to real people—judging the judges is not a simple task. No set of standards will yield Absolute Truth. As a result, we should seek to be as open minded in the confirmation process as we hope judges will be in the judicial process.

I'm a lawyer. I was brought up to respect the law and honor the judges who interpret it. I have one cousin who sits on the Michigan Supreme Court and another serving on the federal bench. I have former clients who are on the streets—or in jails—because of rulings made from the bench. I have seen the sort of decisions that judges have to make and I know that the only way they can make those decisions fairly is if they are free and independent actors. The Constitution created the judiciary as a co-equal branch of government. Politicians may stray from the Constitutional path—and many have—but as long as the courts are there to show us the way, then the road will be followed and the destination will be reached. The key, though, is an independent judiciary.

That's why the Constitution does not ask us to "go along" with the President's choices—it asks us, it requires us, to give our informed advice and consent to his selection. given the lifetime tenure of his nominees, given the extraordinary power they hold over the lives of individuals and the integrity of the Constitution, we have no choice but to subject them to the most rigorous of examinations.

We cannot give our consent to nominees simply because they have not violated any laws nor seriously transgressed any ethical standards. We have to demand more than that. And in addition to looking at character, competence and temperament, we can also look at ideology in the context of "mainstream" compatibility and in terms of the "control/influence" dichotomy I have tried to draw.

I know that this approach is not definitive and that other criteria can be proposed. I know that organizations like yours are attempting to develop standards. I know that the Senate Judiciary Committee is informally exploring the possibility of formulating a new set of measuring standards.

These are important initiatives. A constant reexamination of the way we evaluate judicial nominees is healthy and helpful. The Senate and the country and the courts need your continued assistance in that process, and we are in your debt for it.●

TRIBUTE TO ROCHESTER PUBLIC LIBRARY 75TH ANNIVERSARY

● Mr. D'AMATO. Mr. President, I rise this afternoon to pay tribute to an institution that has served the Rochester community well since shortly after the turn of the century. I speak of the Rochester Public Library, which, on June 15, 1986, will celebrate 75 years of dedicated service to the people of Rochester, NY.

On the 15th of June, 1911, the hope that Rochester could provide its citizenry with home reading, which was then not available in the existing institutional and private libraries, became a reality. Incorporated into the Rochester City Charter was a provision to create a municipally supported library as part of the city government. Moving quickly on this action, the then Mayor Hiram Edgerton, whose dream it was to create a public library system, was able to secure an immediate appropriation of necessary funding.

The first branch library was opened in October 1912. By 1936, the Rochester Public Library had grown to include 12 branches equipped with 150,000 books. That same year saw the opening of the Rundel Memorial Building: the home of the long-awaited Central Library.

Now, as part of the Monroe County Library System and the Pioneer Library System, a multicounty library network, the Central Library serves a population nearing 1 million, circulating approximately one-half million items annually, and is used by more than 560,000 people every year.

Mr. President, I am certain that we, the Members of Congress, are united in our respect for, and admiration of, the Rochester Public Library on its 75th anniversary. It is my sincere desire that this milestone in the history of the Rochester Public Library marks the beginning of an additional 75 years of dedicated service to the people of the Rochester community.●

THE TAX BILL

● Mr. LAUTENBERG. Mr. President, this week, the Senate began a historic debate on broad reform of our tax laws. It is a debate that many said would not happen. The average American taxpayer has long complained that our tax laws are unfair and unduly complex. Reform has long been promised. But, never delivered.

This week, Mr. President, the Senate moved closer to delivering on the promise. The fact that we have come so far is a tribute to the persistence and the persuasiveness of my distinguished colleague from New Jersey [Mr. BRADLEY]. He has pursued the goal of tax reform vigorously and relentlessly with a consistency of principle that has won him great credit.

Mr. President, my colleague's contribution to tax reform has not gone unnoticed. He is receiving well-deserved credit for his work in this area and the credit comes in some cases from quarters that often do not share the Senator's political bent.

But, they recognize the universality of appeal of the reform that the Senator has brought to this point. They recognize the significant contribution he has made to the general public's interest in a fair tax law, a simple tax law, and a tax law that promotes efficiency and growth in our economy.

Mr. President, I will ask unanimous consent that two articles be inserted in the RECORD, one from the Wall Street Journal, and one a commentary by George Will. I would, Mr. President, take issue with the one negative comment in Mr. Will's column. While it pays well-deserved credit to Senator BRADLEY's contribution to tax reform, it does call preposterous Senator BRADLEY's observation that New Jersey is pastoral. Mr. President, let Mr. Will travel along the Delaware, let him canoe through the Pine Barrens, let him hike in the Highlands in the northwest part of our State, let him travel in the marshes of the Delaware Bay and he will see pastoral New Jersey. He will see the State that my colleague loves so much. And he will become a believer in New Jersey, just as he has become a believer in Senator BILL BRADLEY.

Mr. President, I ask that the two articles be inserted in the RECORD.

The articles follow:

PROGRESS OF THE TAX BILL ENHANCES REPUTATION OF SENATOR BILL BRADLEY

(By Jeffrey H. Birnbaum)

WASHINGTON.—During a private drafting session that would determine the fate of tax overhaul, Senate Finance Committee Chairman Bob Packwood surprised his colleagues by handing out Democratic Sen. Bill Bradley's original Fair Tax Plan and urging that it help guide their actions. "This," he explained, "is how Bill did it."

In the House last year, Sen. Bradley had an equally influential role, quietly promoting the legislation to scores of wavering members. At one point, in the House gym, he played his first serious game of basketball since ending his Hall-of-Fame professional career. His opponents were Ways and Means Committee Democrats. Taking care to avoid humiliating his less-athletic colleagues, he wound up popping a leg muscle during the competition. Still, he says, it was worth the price: He scored some points for tax overhaul.

Perhaps more than any other individual—even President Reagan—the 42-year-old Sen. Bradley is the driving force behind the sweeping tax changes the Senate begins to debate today and is likely to approve later this month. It was his vision of a broad-based low-rate system that launched the tax-overhaul movement in 1982, and it is his relentless commitment to that once-derided notion that has brought it to the threshold of becoming law.

"I don't feel any reservations about giving him a lot of credit; I kind of enjoy pointing out how well he's done," says House Ways and Means Chairman Dan Rostenkowski. The main thrust of the measure unanimously approved by the Senate Finance Committee last month, Sen. Packwood says, "is really Bill Bradley's." (A story on the roots of tax revision appears on page 62.)

A MAJOR FIGURE

Such accolades make Sen. Bradley a major figure in the Senate, where he is serving only his second term, and in the Democratic Party, in which he stands out as one of the very few politicians to both develop and propel forward any type of new idea. "He is one of the real leaders in the Democratic Party and the Senate," says Democratic Sen. Sam Nunn of Georgia. "In a very short time, he has acquired the reputation as thorough, thoughtful and innovative." His accomplishments are opening new vistas. He appears on most lists compiled by political professionals of potential 1988 presidential candidates. Another possibility is a run for majority leader, should the Democrats regain control of the Senate in this year's election.

The senator shrugs off such suggestions. "I like what I'm doing; I love my committee assignments," he says. His interest, he claims, isn't to chart personal advances, but "to play a role in setting a substantive agenda."

The New Jersey lawmaker is a force on more subjects than taxes. He and Republican Rep. Jack Kemp of New York, another figure in the tax-revision effort, have held a symposium on international monetary policy. Sen. Bradley also discourses frequently on using U.S. economic strengths to lure Soviet arms concessions and on taking a more sympathetic tack on the Latin American debt crisis.

INVITING CONTROVERSY

Some of his views invite controversy. For example, he is among a minority of Democrats who this year supported President Reagan's plea for military aid to insurgents fighting the leftist government in Nicaragua. He argues that Contra pressure keeps the Sandinista regime from exporting its revolution to neighboring nations; "We have to give some time for fledgling democracies in Latin America to develop," he says.

But for now, he is obsessed with promoting his brainchild, tax revision. "I'm fiercely committed to the idea becoming law," he says. "That is my ambition."

It is rare for one lawmaker to play such a key role on a bill in both the House and the Senate. It was at the behest of Chairman Rostenkowski that he devoted so much time last year to lobbying with House members to support tax overhaul. In a break with the snobbish traditions of his chamber, he made appointments to meet House members in their offices.

Most of his efforts were aimed at Democrats, including one hour-long meeting with the Democratic Study Group, whose liberal members had threatened to oppose the measure because they believed deficit reduction was more pressing than tax overhaul. "Bradley impressed everyone with his knowledge of and commitment to tax reform," recalls study-group leader Matthew McHugh of New York. "We don't

often meet with a senator." Members of the group ultimately pledged their votes for the bill, even though it didn't raise more revenue.

At Rep. Rostenkowski's invitation, Sen. Bradley also gave a pep talk to a crucial, closed-door meeting of Ways and Means Democrats on the eve of the panel's drafting sessions last fall. The senator's message was highly partisan. Tax overhaul, he argued, is a natural Democratic issue, promoting equity by eliminating tax breaks and promoting economic growth with lower rates. If the Democratic-controlled House passed a bill, he reasoned, it would be labeled a Democratic initiative no matter what the Republican-controlled Senate did. And, he added pointedly, "Republicans in the Senate don't want to have to deal with the issue."

His message hit home. "He was most persuasive," says Democratic Rep. Thomas Downey of New York. The pitch, adds Democratic Rep. Marty Russo of Illinois, "definitely had influence on us."

Three months later, after the House passed the bill by voice vote, Rep. Rostenkowski was presented with an enlargement of the cover of the historic document. The only non-Ways and Means signature on the poster, besides House Speaker Thomas P. O'Neill's, is Sen. Bradley's. When asked in private, Rep. Rostenkowski has said his top three candidates for president in 1988 are "Bill Bradley, Bill Bradley and Bill Bradley."

In contrast to his role in the House debate, Sen. Bradley seemed odd man out when the Senate took up the measure. Sen. Packwood and a clear majority of the panel were more interested in retaining tax breaks than in cutting them back to lower tax rates. When Sen. Bradley moved to repeal tax breaks for oil-and-gas drillers, timber firms and miners, for example, he was crushed by a coalition secretary formed by Chairman Packwood himself. "It's getting lonelier and lonelier," he mused at the time.

But Sen. Packwood's methods led to crisis for the bill, as members proved unwilling to give up any breaks to get rates down. On the verge of disaster, Sen. Packwood abruptly changed course and decided, to the surprise of almost everyone, to take the route prescribed four years ago by Sen. Bradley. The chairman gambled that the lure of sharply lower tax rates would tempt even the most adamant senators to relinquish cherished subsidies.

"I came full circle," Sen. Packwood acknowledges. "Bradley was right."

More surprising, even to Sen. Bradley, was how enthusiastically the panel embraced the concept of the bill he had introduced with Democratic Rep. Richard Gephardt of Missouri. Just weeks before the 20-member committee unanimously approved a package closely modeled on his own proposal, he had predicted: "If you look at the committee there are not 20 votes for tax reform; you have to work to get your 11."

As the bill comes to the Senate floor, Sen. Bradley now is a key member of the so-called core group of lawmakers trying to get the measure through the Senate without major amendment. To this end, he plans to sacrifice his own interest in seeing a special break for the oil-and-gas industry excised from the bill. But he will be in the front ranks of those wielding the populist tax rhetoric he helped invent—railing against changes that favor "greedy," narrow groups at the expense of higher tax rates for the middle class, "the backbone of America."

His role in the debate has earned him a gusher of praise from both parties. Republican Sen. Charles Grassley of Iowa says that when he makes his own decisions on tax policy, there's always "another factor to consider: How does Bradley look at this?" Adds Democratic Sen. David Pryor of Arkansas: "It does show that knowledge is power."

"He's impressive and he's knowledgeable and he can put his finger on the buttons in a dark room." Rep. Rostenkowski says of his ally. "He has embellished the great respect that members already had for him."

SOME RESERVATIONS

Still, Sen. Bradley has detractors. Some of his colleagues consider him aloof, and his iconoclastic views and voting patterns sometimes put him at odds with farm- and oil-state blocs within his own party. While acknowledging that he is respected, some fellow senators doubt he would stand much chance of being elected Democratic leader over more popular colleagues like Daniel Inouye of Hawaii and J. Bennett Johnston of Louisiana.

Sen. Bradley, a former top Finance Committee aide says, sometimes views his own initiatives as "intellectually superior works of art, but then doesn't do the work to convince others to support them, and they go down in flames."

And for a reformer, critics add, some of his ideas are retrograde. In 1984, Sen. Bradley championed an effort by Mercedes-Benz, which exports its cars to New Jersey, to maintain generous write-offs for buyers of luxury autos. The compromise that eventually emerged included an onerous record-keeping requirement for business use of auto travel that caused one of the biggest public uproars of 1985, and was quickly changed. In addition, in this year's bill, he is one of the foremost backers of special tax-free bonds for certain waste-disposal facilities.

When it comes to national politics, though, Sen. Bradley's resume is one any presidential candidate would envy. A Rhodes scholar, he has been in the public eye for more than two decades, first at Princeton University as one of the greatest players in college basketball and later as the highly paid mainspring of the pro New York Knicks. He was raised in the Midwest (St. Louis), now represents the Northeast and has name recognition almost everywhere.

Much like John Glenn of Ohio, the senator and former astronaut, Mr. Bradley is the stuff of American heroes. He is the kind of public personality that parents want to introduce their children to as a role model, and that even ideological adversaries might vote for.

Two years ago, Democratic Party elder Robert Strauss worried about a dinner he was host of for 100 Dallas businessmen where Sen. Bradley was to speak. To his surprise, the senator was a big hit, even among those whose interests he had voted against. "There are two or three names that consistently are brought up as excellent Democratic presidential candidates," Mr. Strauss says. "Bill Bradley is almost always near the top of the list."

PRACTICE, PRACTICE

And though Sen. Bradley isn't the most scintillating speaker, his backers contend his appeal is still great. "He's able to deal very effectively with complicated and arcane material, and, at the same time, he's a very attractive campaigner," says Kirk O'Donnell, a former top aide to Speaker O'Neill. "No way does he lack charisma from my point of view."

His approach to legislating is as dogged and deliberate as was his preparation for becoming a world-class athlete. As a youth, he would devote hour upon hour to perfecting his basketball shooting. As a lawmaker, he digs deeply into subjects that interest him, reading widely, conferring broadly, trying to treat the causes of policy problems rather than their effects.

At the same time, he plays down his own part in the tax-overhaul drama, acknowledging that more-senior lawmakers have more power over its outcome than he does. "There's plenty of credit to go around," he says. "In my previous profession, I always got as big a kick out of giving an assist as making a basket."

LISTEN TO BILL BRADLEY

(By George F. Will)

The cloister-like stillness of American life will soon be shattered by a presidential election campaign and, as usual, the list of those who are running, but should not be, is longer than the list of those who are not running but should be. The latter includes Republican Rep. Richard Cheney of Wyoming. It includes Democratic Sen. Bill Bradley of New Jersey, whose star, already well-risen, rose farther in the firmament when the Finance Committee, of which he is a member, threw up its hands, threw in the towel and did tax reform his way.

The committee abandoned the traditional use of the tax code as an instrument for micro-managing distributive justice. It decided to simplify the code, killing many benefits to pay for lower rates for individuals. The hope is that this will mean more economic decisions made for reasons other than tax advantage, and that that will enhance economic growth. Improved growth presumably will mean not perfect justice but more justice than is produced by a political auction in which society's big battalions bid for advantages from tax-code nuances written for them.

A paradox of post-New Deal politics is that "big government," meaning government regulating economic activity in order to promote equity and efficiency, has been defended by liberals as a protector of the weak, but has been used by the strong. The well-heeled (which means big labor as well as big business, and big business includes agribusiness) are well represented in Washington by people skilled at bending public power to private advantage.

Because statism in the nation's economic life has been rationalized by liberals and exploited by nonliberal interests, it is fascinating that Bradley, a Democrat from a Northeastern industrial state, has shaped a tax bill that is a large step back from statism.

In a symposium, "Left, Right and Baby Boom" published by the Cato Institute, William Schneider says one Democratic problem is "the identification of the Democrats with the government and the identification of government with the establishment and the status quo." Another participant in the symposium, Michael Barone, notes that, "Liberals have a fairly basic problem right now: No substantial bloc of voters wants a substantially larger role for government in the economy."

Terry Nichols Clark says this trend began locally in 1974, when half of the cities reversed or slowed the growth of expenditures. To an increasing number of Americans, fiscal issues are more important than

government-services issues. Paul Weaver says this trend amounts to (he will suffer for this in the next life) "protoneoliberalism." That means decreasing belief in paternalism, increasing belief in individual discretion.

The Bradleyesque tax bill, which decreases government supervision of economic choices and increases individuals' discretionary income, fits the political analysis above.

Bradley's success suggests that the Democratic Party is regaining its intellectual equilibrium. Ten years ago, important Democratic circles gave respectful hearing to nonsense like the Club of Rome report, with its suggestion that "zero growth" would be beneficial. Ten years ago, the Democratic presidential nominee promised to slash U.S. defenses. Today Bradley sums up the necessary Democratic message in two words: "growth" and "strength."

Bradley says there is "a group of Democrats who are waiting for the next recession. If it comes, they've got the answer." The answer would be the usual pump-priming spending, jobs programs, etc. What Democrats must think about, Bradley says, is "governance of a prosperous society with problems." Democrats must learn to "credibly talk about growth to people making investments."

Bradley is not a one-note siren, calling out to entrepreneurs. Sitting in the sumptuous squalor (the description fits) of the new Hart Senate Office Building, on a hard wooden chair that creaks ominously beneath the weight of his substantial frame, Bradley speaks with passion about "the land." He says our "relationship to the land is linked to our self-conception as a nation as well as our prosperity."

Because of this belief, Bradley has taken an active interest in American Indian affairs. And he says interesting but (to anyone who has driven through northern New Jersey—Elizabeth, Secaucus and all that) preposterous things about how pastoral New Jersey is. You thought it was wall-to-wall refineries and chemical plants? Wrong. Bradley says New Jersey is pastoral. On the evidence of recent events, Bradley should be listened to.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ORDERS FOR FRIDAY

RECESS UNTIL 9:30 A.M.

Mr. HATFIELD. Mr. President, I have a list of unanimous-consent requests for today's session I will offer now on behalf of the leadership.

I ask unanimous consent that once the Senate completes its business, it stand in recess until 9:30 a.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESERVATION OF LEADERSHIP TIME

Mr. HATFIELD. Mr. President, I ask unanimous consent that the two leaders' time for this morning be reserved for their use at a later time today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. HATFIELD. Mr. President, I ask unanimous consent that there then be a period for the transaction of routine morning business not to extend beyond 9:45 a.m., with Senators permitted to speak therein for not more than 2 minutes each.

PROGRAM

Mr. HATFIELD. Mr. President, at the conclusion of routine morning business, the Senate will resume consideration of Calendar No. 653, H.R. 4515, the supplemental appropriations bill. A unanimous-consent agreement was entered into earlier limiting the number of amendments that may be offered during the remainder of the Senate's consideration of the bill. Therefore, votes can be expected prior to the hour of 10:30 a.m. today, and the Senate could be asked to remain in session past the normal Friday adjournment time, in order for the Senate to complete action on the supplemental appropriations bill prior to the weekend.

Mr. President, I believe that does complete the business of the day.

RECESS UNTIL 9:30 A.M. TODAY

Mr. HATFIELD. Mr. President, I move that the Senate stand in recess until 9:30 a.m. today.

The motion was agreed to; and at 2:14 a.m. the Senate recessed until 9:30 a.m. Friday, June 6, 1986.

NOMINATIONS

Executive nominations received by the Senate June 5, 1986:

DEPARTMENT OF STATE

Ann Barbara Wrobleski, of Maryland, to be Assistant Secretary of State for International Narcotics Matters, vice Jon R. Thomas, resigned.

Robie Marcus Hooker Palmer, of Vermont, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

DEPARTMENT OF THE TREASURY

Donna Pope, of Ohio, to be Director of the Mint for a term of 5 years, reappointed.

DEPARTMENT OF JUSTICE

Saundra Brown Armstrong, of Virginia, to be a Commissioner of the U.S. Parole Commission for a term of 6 years, vice Helen G. Corrothers, resigned.

DEPARTMENT OF AGRICULTURE

Kenneth A. Gilles, of Virginia, to be an Assistant Secretary of Agriculture, vice Raymond D. Lett, resigned.

Kenneth A. Gilles, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation, vice C.W. McMillan, resigned.

Robert W. Beuley, of Virginia, to be inspector general, Department of Agriculture, vice John V. Graziano, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Ronald F. Docksai, of Virginia, to be an Assistant Secretary of Health and Human Services, vice John F. Scruggs.

OFFICE OF PERSONNEL MANAGEMENT

James E. Colvard, of Virginia, to be Deputy Director of the Office of Personnel Management, vice Loretta Cornelius.

IN THE FOREIGN SERVICE

The following-named career member of the Senior Foreign Service of the Department of Commerce for promotion in the Senior Foreign Service to the class indicated:

Career member of the Senior Foreign Service of the United States of America, class of Minister-Counselor:

John W. Bligh, Jr., of Florida.

The following-named career members of the Foreign Service of the Department of Commerce for promotion into the Senior Foreign Service as indicated:

Career members of the Senior Foreign Service of the United States of America, Class of Counselor:

Samuel J. Cerrato, of Florida.
David C. Lacey, Jr., of Florida.
Melvin W. Searls, Jr., of Colorado.

IN THE FOREIGN SERVICE

The following-named persons of the Agency for International Development for appointment as career members of the Senior Foreign Service of the classes stated, and also for the other appointments indicated herewith:

For appointment as career members of the Senior Foreign Service, class of Minister-Counselor, and Consular officers and secretaries in the Diplomatic Service of the United States of America:

Charles L. Gladson, of California.
William P. Fuller, of California.

For appointment as a career member of the Senior Foreign Service, class of Counselor, and a Consular officer and a secretary in the Diplomatic Service of the United States of America:

Frederick Majette Perry, of the District of Columbia.

The following-named persons of the agencies indicated for appointment as Foreign Service officers of the classes stated, and also for other appointments indicated herewith:

For appointment as Foreign Service officers of class 1, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Richard Baca, of Texas.

DEPARTMENT OF COMMERCE.

Charles W. Buck, of Michigan.
Peter G. Frederick, of Delaware.
Ricardo Villalobos, of Virginia.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Raymond Cohen, of Virginia.
Niel A. Dimick, of Texas.
Edward A. Dragon, of California.
David W. Joslyn, of Virginia.
David Henry Mandel, of Virginia.
J.J. Naponick, M.D., of Florida.
David L. Painter, of the District of Columbia.
Dennis Lee Smith, of California.

For appointment as Foreign Service officers of class 2, Consular officers, and secretaries in the Diplomatic Service of the United States of America.

DEPARTMENT OF STATE

Arnold Noe Muñoz, of Arizona.
Bernardo Segura-Girón, of Virginia.

DEPARTMENT OF COMMERCE

Charles A. Ford, of Virginia.
Frederic J. Gaynor, of Illinois.

Ying Yeh Price, of Maryland.

AGENCY FOR INTERNATIONAL DEVELOPMENT

John B. Flynn, of Alabama.
Sonia Hammam, of the District of Columbia.
Barry K. Primm, of Missouri.
Emmy B. Simmons, of Virginia.
Mark A. Smith, of Virginia.
F. Wayne Tate, of Virginia.
John Havemeyer Thomas, of Florida.
James William Widdows, of Florida.

For appointment as Foreign Service officers of class 3, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Clyde Bishop, of Pennsylvania.

DEPARTMENT OF COMMERCE

David A. Hughes, of Washington.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Linda C. Brown of Texas.
Ronnie G. Daniel, of Kentucky.
Alan L. Davis, of Florida.
Lee Folsom Jewell, of Florida.
Virgil Dean Miedema, of North Dakota.
Richard Dwight Newberg, of California.
Steve Ike Osagbue, of Florida.

For appointment as Foreign Service officers of class 4, Consular officers, and secretaries in the Diplomatic Service of the United States of America:

DEPARTMENT OF STATE

Timothy Duane Andrews, of Missouri.
Kathleen Williamson Barmon, of Florida.
Leslie A. Bassett, of California.
Robert I. Blau, of Ohio.
Phillip Carter III, of the Virgin Islands.
Robert Scott Dean, of Minnesota.
David Tannrath Donahue, of Indiana.
Charles William Evans, of North Carolina.
Daniel Volmer Friedheim, of Virginia.
Elaine Lawson Garland, of Virginia.
Daniel Campbell Peter Grossman, of California.
Ann Wing Hamilton, of the District of Columbia.
Robert Porter Jackson, of Tennessee.
Judith A. Jones, of Florida.
John Brady Kiesling, of California.
Hans George Klemm, of Indiana.
Sharon S. Lavorel-Rutherford, of Hawai.
Benjamin Lowe, of Florida.
David Michael Marks, of Maryland.
Wendela Moore, of New York.
David R. Ostroff, of California.
Andrew C. Parker, of Pennsylvania.
Barbara Anne Presgrove, of Florida.
Robert Glenn Rapson, of Pennsylvania.
Thomas S. Reichelderfer, of California.
Eric William Running, of Washington.
Thomas Franklin Scaletta, Jr., of California.
Stuart M. Seldowitz, of New York.
Daniel Bennett Smith, of California.
Edmund Keith Sutow, of Texas.
William Patrick Syring, of Ohio.
Eugene P. Tadie, of Connecticut.
Alyce J. Tidball, of South Dakota.
Thomas Joseph Tiernan, of Illinois.
Alan D. Troxel, of California.
Jeffrey Stewart Alexander Tunis, of Massachusetts.
Frank C. Turley, of the District of Columbia.
Susan Marie Wagner, of Florida.
James M. Young, of Florida.
Susan Weir Zelle, of Florida.

DEPARTMENT OF COMMERCE

Charles R. Kestenbaum, of the District of Columbia.

The following-named members of the Foreign Service of the Departments of State, Agriculture, and Commerce, to be Consular officers and/or secretaries in the Diplomatic Service of the United States of America, as indicated:

Consular officers and secretaries in the Diplomatic Service of the United States of America:

Thomas J. Affinito, of Connecticut.
Frederick L. Ahr, of Virginia.
Susan Linda Barnes, of California.
Beryl Leone Bentley-Anderson, of Maryland.
Richard S. Berkey, Jr., of California.
Mark Bezner, of Pennsylvania.
Henry Louis Bisharat, of California.
Rodolfo A. Bladuell, of Massachusetts.
D. Mark Blanchard, of Virginia.
Anne Christy Bodine, of Oregon.
Judith F. Brown, of Pennsylvania.
Denise N. Burgess, of Massachusetts.
Paul C. Carlsen, of California.
Sandra Cecchini, of Florida.
Sandra Eliane Clark, of New York.
Nancy Lynn Corbett, of California.
Cheryl Eileen Coviello, of Florida.
Dennis Lackey Curry, of New York.
Nicholas Julian Dean, of Virginia.
John Albert Playle Dyson, of Georgia.
Ann Melinda Evans, of Texas.
David Richard Fetter, of Virginia.
Richard Alexander Figueroa, of Puerto Rico.
Randolph Howard Fleitman, of Virginia.
Sheila Marie Flynn, of Virginia.
Gerry William Fuller, of Pennsylvania.
Hope I. Gottlieb, of New York.
Lana I. Gradasoff, of California.
Richard J. Harvey, of Ohio.
Kathleen Marian Heffron, of the District of Columbia.
Nicholas Manning Hill, of the District of Columbia.
William R.G. Hill, of Virginia.
Penelope M. Kalogeropoulos, of New York.
Steven B. Kashkett, of Maryland.
Edward Wesley Kaska, Jr., of Texas.
Athena Katsoulos, of Florida.
Carole Kraemer, of New York.
Alison Krupnick, of the District of Columbia.
Susan E. Lane, of Pennyslvania.
Timothy Edward Leahy, of Michigan.
J. Fred Leonard, of Indiana.
Michael G. Lytton, of Florida.
John Patrick Maher, of the District of Columbia.
Eileen Martin, of Maryland.
V.J. Maury, of South Carolina.
Mary Grace McGeehan, of Virginia.
Karen A. McGrath, of Virginia.
Anne Marie Kremidas McIlvain, of New Hampshire
Samuel T. Mok, of Maryland.
John K. Naland, of Louisiana.
Christopher Nicholson, of Virginia.
Martha A. Nicholson, of Virginia.
Jerry G. Prehn, of Michigan.
John L. Priamou, of the District of Columbia.
Michael Dean Pucetti, of New Mexico.
Nani Suzette Pybus, of Oklahoma.
Lisa M. Rennie, of California.
Richard Henry Riley, IV, of Maryland.
Ricardo Antonio Roberto, of California.
Michael Kevin St. Clair, of Arizona.
Philip William Savitz, of Virginia.
Sandra J. Shipshock, of Florida.
Nancy S. Simon, of Virginia.
Hilarie G. Slason, of Louisiana.
Adrian R. Smith, of Virginia.
Stephanie Sanders Sullivan, of Massachusetts.
Thomas Timothy Turqman, of the District of Columbia.
Michael M. Uyehara, of Texas.
William Weinstein, of California.
Todd W. Weston, of New York.
Cynthia Whittlesey, of Colorado.
Robert Sherman Wing, of New Jersey.
Marie L. Yovanovitch, of Connecticut.
Teresa K. Zaleski, of Virginia.

Consular officers of the United States of America:

Lyn W. Edinger, of New Hampshire.
Jane A. Florence, of Arizona.
Margaret K. Ting, of Florida.

Secretaries in the Diplomatic Service of the United States of America:

David M. Buss, of Texas.
Joan J. Edwards, of Pennsylvania.
Lloyd J. Fleck, of Tennessee.
Joseph W. Harrison, of Virginia.
Richard L. Johnston, Jr., of New York.
David K. Katz, of Virginia.
Thomas M. Kelsey, of New York.
Alan R. Turley, of Connecticut.

The following-named career members of the Foreign Service of the Department of State for promotion into the Senior Foreign Service to the class indicated, effective October 14, 1984:

Career member of the Senior Foreign Service of the United States of America, class of Counselor:

Arnold M. Isaacs, of Virginia.
Joel S. Spiro, of Virginia.

The following-named career member of the Foreign Service of the Department of Agriculture for promotion into the Senior Foreign Service to the class indicated, and also for the other appointments indicated herewith, effective December 22, 1985:

Career member of the Senior Foreign Service of the United States of America, class of Counselor, and a Consular officer and a secretary in the Diplomatic Service of the United States of America:

Edward Ayers, of Texas.

IN THE ARMY

The following-named officers for appointment under automatic integration in the Regular Army of the United States, in their promotion grades, under the provisions of title 10, United States Code, sections 531, 532, and 533:

To be colonel

Don C. Breland, [redacted]
Charles R. Savely, [redacted]

To be major

Michael A. Alden, [redacted]
David Bobbey, [redacted]
Jon B. Christopher, [redacted]
David J. Enriquez, [redacted]
Frank J. Gunning, [redacted]
Jasper Johnson, [redacted]
Rodrick L. Jones, [redacted]
Gary K. Long, [redacted]
Scott D. MacGarvey, [redacted]
Patrick T. McDevitt, [redacted]
Charles D. Moore, [redacted]
Richard D. Murdock, [redacted]
Gerald L. Savage, [redacted]
Michele E. Simmons, [redacted]
James B. Stalker, [redacted]
Roger W. Todd, [redacted]
Peter G. Tuttle, [redacted]
John H. Viehe, [redacted]
William G. Waters, Jr., [redacted]

The following-named distinguished honor graduate of Officer Candidate School for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 531, 532, and 533:

Emma K. Coulson, [redacted]

The following-named cadets, graduating class of 1986, U.S. Air Force Academy, for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 531 and 541:

Kelly J. Barlean, xxx-xx-xxxx
Richard P. Prior, xxx-xx-xxxx

IN THE MARINE CORPS

The following-named officers of the Marine Corps and Marine Corps Reserve for permanent appointment to the grade of major, under title 10, United States Code, section 624:

Adamiec, Raymond, xxx-...
Albrecht, Bruce A., xxx-...
Andersen, David W., xxx-...
Anderson, David A., xxx-...
Anderson, Frederick E., Jr., xxx-...
Antosh, Steven J., xxx-...
Arms, Linda C., xxx-...
Arseneau, Karen, xxx-...
Bach, Brian J., xxx-...
Bacon, David R., xxx-...
Bailey, Allen T., xxx-...
Bailey, Cozy E., xxx-...
Baird, Stephen W., xxx-...
Baldwin, Ralph A., xxx-...
Bales, James D., xxx-...
Banigan, Bruce H., II, xxx-...
Barkley, William S., Jr., xxx-...
Barnes, Albert xxx-...
Barraclough, David L., xxx-...
Barrows, Robin H., xxx-...
Bartels, Dennis T., xxx-...
Bass, John A., xxx-...
Bates, John R., xxx-...
Bausch, Dan O., xxx-...
Bearce, Maynard P., xxx-...
Bearor, Jeffery W., xxx-...
Beck, James C., xxx-...
Becker, Christopher L., xxx-...
Bedar, George R., xxx-...
Bell, Wayne C., xxx-...
Bell, Bennie H., III, xxx-...
Belleman, Guy M., xxx-...
Benedict, Paul L., xxx-...
Bergeron, Kathleen G., xxx-...
Berquist, Larry W., xxx-...
Biggs, Robert J., xxx-...
Bishop, Larry K., xxx-...
Bissett, Bruce E., xxx-...
Bleak, Robert A., xxx-...
Blumel, Raymond H., Jr., xxx-...
Boeke, Gerald A., xxx-...
Boekenkamp, Edward J., xxx-...
Bonner, Kenneth D., xxx-...
Bonwit, David F., xxx-...
Borgatti, Robert J., xxx-...
Born, Timothy B., xxx-...
Botizan, David G., xxx-...
Bowman, James A., xxx-...
Boyd, Charles E., xxx-...
Boylan, Thomas E., xxx-...
Bozelli Robert J., xxx-...
Brady, Bruce F., xxx-...
Bragdon, Gary W., xxx-...
Branch, Richard C., xxx-...
Brehm, Thomas P., xxx-...
Brennan, Dennis J., xxx-...
Bretz, Donald J., Jr., xxx-...
Brewington, Emmitt D., xxx-...
Brisbois, Gary R., xxx-...
Broeckert, Germain B., Jr., xxx-...
Bronars, Bruce E., xxx-...
Brown, Eugene M., xxx-...
Brown, John D., xxx-...
Brown, Terrence D., xxx-...
Buchanan, John R., xxx-...
Buchinger, Philip E., xxx-...
Budimier, Jeffrey L., xxx-...
Bulawka, Michael xxx-...
Buranosky, Joseph F., xxx-...
Burgess, William M., xxx-...
Burgin, Joe C., III, xxx-...
Burnett, Whit D., xxx-...
Cagiano, Mark A., xxx-...
Card, William A., xxx-...
Cariker, Paul S., xxx-...
Carlsen, James, xxx-...
Carmo, Mario V., xxx-...
Carroll, John K., Jr., xxx-...
Carter, Jack P., Jr., xxx-...
Casey, Fred R., xxx-...
Chambers, Jesse W., Jr., xxx-...
Chappell, Frankie D., xxx-...
Chasney, Frederick E., xxx-...
Cheney, Roxanne W., xxx-...
Chinn, Courtney D., xxx-...
Chlebik, Michael G., xxx-...
Christian, Paul C., xxx-...
Christie, Larry G., xxx-...
Cipriani, Louis J., Jr., xxx-...
Clark, Robert B., xxx-...
Claytor, William D., xxx-...
Coble, Henry J., xxx-...
Coleman, John C., xxx-...
Collins, Raymond S., Jr., xxx-...
Collinsworth, Larry D., xxx-...
Colman, Russell W., Jr., xxx-...
Conant, Thomas L., xxx-...
Conaway, William R., xxx-...
Connell, Joseph E., II, xxx-...
Connick, James E., xxx-...
Cope, Richard C., xxx-...
Copley, Steven H., xxx-...
Corbett, Karen L., xxx-...
Cornell, Timothy J., xxx-...
Cosmos, Charles P., xxx-...
Cotten, Rodney M., xxx-...
Courson, Leonard A., xxx-...
Court, James H., xxx-...
Cowan, John W., Jr., xxx-...
Craig, Michael S., xxx-...
Cramer, John S., xxx-...
Cramer, Joseph F., xxx-...
Crawford, James A., Jr., xxx-...
Cryan, William M., xxx-...
Cuff, James J., Jr., xxx-...
Curlin, Frederick H., Jr., xxx-...
Curry, David H., xxx-...
Curtis, Robert F., xxx-...
Czech, Thomas J., xxx-...
Dailey, Theodore E., Jr., xxx-...
Darling, Douglas A., xxx-...
Davis, James R., xxx-...
Deal, Arthur L., xxx-...
Dearing, Jeffery L., xxx-...
Dechaineau, Richard A., xxx-...
Defranco, Joseph J., xxx-...
Dempsey Thomas L., xxx-...
Derdeyn, James E., xxx-...
Dick, Marvin D., xxx-...
Dimarco, Frank P., xxx-...
Dixon, William H., Jr., xxx-...
Donato, John P., xxx-...
Doster, David L., xxx-...
Douglas, Doyle G., xxx-...
Drake, Marion A., III, xxx-...
Dunnivan, Richard H., xxx-...
Durden, Donald L., xxx-...
Dyroff, Stephen J., xxx-...
Easterly, Arnoldo R., xxx-...
Edwards, Randy L., xxx-...
Eisiminger, Richard C., xxx-...
Elder, Eddie R., xxx-...
Ellis, Alfred W., III, xxx-...
Erwin, James A., xxx-...
Evans, Joseph, xxx-...
Evans, Lloyd, xxx-...
Evans, Jacob, Jr., xxx-...
Evans, Judge N., Jr., xxx-...
Eve, Russell A., xxx-...
Fabrizio, Joseph, xxx-...
Ferral, Timonthy, K., xxx-...
Fetzer, Barry R., xxx-...
Fife, Gary W., xxx-...
Fitzsimmons, Patrick J., xxx-...
Fleming, Wayne T., xxx-...
Fletcher, Edward R., xxx-...
Flotte, Gerold J., xxx-...
Forr, James R., xxx-...
Frick, Andrew P., xxx-...
Fromularo, John D., xxx-...
Fulford, John E., III, xxx-...
Gaffney, Steven J., xxx-...
Gaffney, William H., xxx-...
Galt, Michael A., xxx-...
Gant, Jon L., xxx-...
Garcia, Javier, xxx-...
Georgariou, Philip N., xxx-...
Giacoma, Gary A., xxx-...
Gibbs, Donald R., xxx-...
Gibson, Michael, xxx-...
Gilbert, Joseph B., xxx-...
Gimm, Robert C., xxx-...
Godfrey, Michael J., xxx-...
Golike, Timothy R., xxx-...
Gordon, Kevin L., xxx-...
Gordon, Terrence M., xxx-...
Gorman, Arthur V., Jr., xxx-...
Gough, Richard J., xxx-...
Gould, Stanton R., xxx-...
Grant, Terry L., xxx-...
Griffin, Terry W., xxx-...
Guevremont, John J., xxx-...
Guy, Janice P., xxx-...
Haggett, Stephen M., xxx-...
Hamilton, Larry K., xxx-...
Hammes, Gerald M., xxx-...
Hampton, Myron L., xxx-...
Hanaway, Michael J., xxx-...
Harding, Terry R., xxx-...
Harkins, Jack R., Jr., xxx-...
Harris, William M., xxx-...
Haskell, Thomas L., xxx-...
Haworth, Daniel S., xxx-...
Head, Samuel J., xxx-...
Heffner, Thomas A., xxx-...
Hegna, Duane V., xxx-...
Held, Raymond B., xxx-...
Helgeson, Mark S., xxx-...
Hennessey, John T., xxx-...
Hernandez, Horacio M., xxx-...
Herrington, Douglas C., xxx-...
Hicklin, Michael S., xxx-...
Hiett, James E., xxx-...
Higgins, James M., xxx-...
Higgins, Robin L., xxx-...
Hill, Patrick E., xxx-...
Hill, Paul R., xxx-...
Hill, Richard L., xxx-...
Hinzman, William L., xxx-...
Hipsher, Max S., xxx-...
Hodges, Charles A., xxx-...
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EXTENSIONS OF REMARKS

UNITED STATES CAN HELP STUDENTS WORK THROUGH COLLEGE

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. FOGLIETTA. Mr. Speaker, I want to call to the attention of every Member of the House a column by the Reverend William K. Byron, which appeared in the Philadelphia Inquirer May 26, 1986. Reverend Byron, a native of Philadelphia, is president of the Catholic University of America.

Reverend Byron writes on a restructured system of Federal aid to higher education; the restructured system would be based on the principle of working your way through college.

Reverend Byron's column is both timely and stimulative. I urge my colleagues to read and consider Reverend Byron's comments. Following is his column:

UNITED STATES CAN HELP STUDENTS WORK THROUGH COLLEGE

(By Rev. William K. Byron)

It is time to rethink our complex system of federal aid to higher education. It is also time to adopt a "working-your-way-through-college" principle as the rationale for the federal role. Only the sequence would be reversed—college first, work later.

The cost of college would be paid through withheld earnings over one's working lifetime.

The system of federal aid to students, in my judgment, should undergo radical change. The "working-your-way-through" principle, if adopted, would put the ultimate financial responsibility on the one who receives the educational service—the student. The federal government's role would be that of enabler and facilitator.

Only the federal government is capable of organizing a revolving fund large enough to meet the national need for student aid. A revolving fund would provide an advance (as distinguished from an outright expenditure).

The recipient of the advance spends it, of course, but also incurs an obligation to replenish the revolving fund. The amount of the advance would meet all or part of the cost-justified price that the college or university sets on its educational services. The advance also would extend to room and board.

Replenishment of the fund (i.e., a return of the advance) would occur by means of a withholding tax on gross earnings whenever the student works before or after graduation. The sum to be returned via the withholding mechanism could carry a surcharge that would cover the "cost of money" expense or "opportunity cost" for choosing to use its capital this way.

The income-contingent payback, together with the surcharge, would guarantee the replenishment of the capital and the "perpetual motion" of a fund designed to finance the intellectual development, at the costly higher education level, of the nation's young. (It is tempting to raise the possibility of eliminating the surcharge, repaying principal only. But this suggestion rings with enough echoes of Social Security to stir up political discomfort and actuarial doubts capable of scuttling the whole idea.)

Those who earn high salaries shortly after graduation would meet the replenishment obligation in a relatively few working years. Those who have low-paying professions or occupations might never repay fully, even over the course of a long, working lifetime. Those who decide to stay out of the work force (e.g., homemakers) might conceivably never repay).

Beneficiaries of this system who die during college or shortly after graduation, of course, would never repay. (Participants could be required to carry low premium life insurance policies during their college years with the fund as the sole beneficiary.) A point worth emphasizing is that no one other than the student—no parent, no survivor—would be responsible for repayment. And the repayment would be both automatic and passive—therefore, no defaults, collection agencies and the like.

Should the children of the wealthy be permitted to participate? Congress may want to designate levels of family income and assets that would bar dependent children from drawing the advance. Presumably, they would have access by virtue of those assets and income, to higher education without federal assistance.

When Boston University President John Silber advocated elements of this idea in print ("The Tuition Dilemma: A New Way to Pay the Bills," The Atlantic, July 1978) and in public at meetings of educational associations in the late 1970s, his proposal geneated anxiety among educators over the possible problems associated with the introduction of the Internal Revenue Service into federal student aid and thus into the internal operations of colleges. In my view, this need not be a problem, and even if it were would be a much more manageable problem than the one faced by tuition-dependent schools.

Not to be ignored or underrated, of course, is the bureaucratic burden this procedure would place on the IRS, which is already plagued, according to current estimates by a $100 billion tax compliance gap.

The big problem in all of this, however, is the injection of sufficient capital into the revolving fund. How much would be needed? How long would it take for a typical advance to be repaid? What, in a word, is the arithmetic of the federal role in a radically restructured student aid program?

To the best of my knowledge, this revolving-loan-fund form of federal aid, repaid by means of an income-contingent withholding mechanism, originated in 1967 with a federal advisory panel headed by Prof. J. Zacharias of the Massachusetts Institute of Technology.

The "Zacharias Plan" called for the establishment of an Educational Opportunity Bank that would loan money for higher educational expenses to students who would agree to repay a fixed percentage of their personal incomes once they went to work.

A decade later John Silber recast the educational bank idea into TAF (Tuition Advance Fund). Silber's TAF would be available to students only after successful completion of freshman year. The payback obligation would equal the amount "advanced" plus a 50 percent surcharge. The withholding rate was set at 2 percent of gross income.

I would favor freshman eligibility, a lower surcharge, and a higher withholding rate. I would also like to see explored the possibility of including in the plan a mandatory life insurance policy for all participants with the fund/bank designated as a sole beneficiary.

It is time for the nation to consider adopting the "work-your-way-through-college" principle but to reverse the sequence by permitting college first and work later. Consistent with that policy would be a requirement to insure the borrower, not the loan, if that device would lower the surcharge without complicating the administration of the plan. In any case, the obligation to pay would rest with the student, not the parent, once a student decides to participate in the plan.

At that point, his or her Social Security number, and the amount and date of the "advance" would be registered with the IRS. The debt would be collected by means of a schedule of income-contingent and, wherever possible, automatically withheld paybacks.

With the federal government functioning as facilitator and enabler, any student would be free to enroll in the school of his or her choice, subject only to that institution's admissions standards, and thus "bet" on his or her ability to succeed in the collegiate years and, in the post-collegiate years, to meet the financial obligation by his or her earning power.

It would be a serious mistake to dismiss this idea by pointing to the deficit and saying, "We don't have the resources." We do have the resources. The point at issue is the place of higher education on our ladder of priorities.

A radical restructuring of student aid will not require a radical restructuring of priorities, just an adjustment. It also will mean the introduction of new discipline in the defense budget.

According to a Business Week editorial (May 27, 1985), the "leaky bucket" at the Pentagon (i.e., waste and fraud in procurement) would siphon off $23 billion in just one year from the taxpayers and from the defense their taxes were supposed to buy. Most of us will never notice the loss.

It seems to me that $23 billion would be more than enough to put this restructured student aid plan into place. The resources are there. We continue to misapply them because we forget that an educated citizenry is, the fact, our first line of defense.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

JORDANIAN-PLO NEGOTIATIONS AND MIDDLE EAST PEACE EFFORTS

HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues some correspondence I had recently with the Department of State regarding three proposals advanced by the Palestinian Liberation Organization [PLO] during PLO negotiations with the Jordanian Government earlier this year for the purposes of trying to find a basis for Middle East peace talks. The Jordanian Government found these proposals insufficient and King Hussein announced February 19, 1986, that efforts to restart a Middle East peace process had collapsed, at least temporarily.

This correspondence was initiated following an oversight hearing of the Subcommittee on Europe and the Middle East and was intended to examine more carefully precisely what happened in February 1986 and what were the U.S. views of the PLO proposals.

The three PLO proposals as well as the exchange of letters with the State Department follow:

[First Proposal]

PROPOSAL FOR A LEGAL FORMULA TO CONVENE THE INTERNATIONAL CONFERENCE FOR PEACE IN THE MIDDLE EAST

If an invitation is extended to the Palestine Liberation Organization to attend an international conference with effective powers to find a peaceful solution to the Palestinian Question and to resolve the Middle East conflict in which the permanent members in the Security Council participate and which is attended by the concerned Arab parties, the Palestine Liberation Organization accepts to participate on an equal footing in this conference within a joint Jordanian-Palestinian Delegation on the basis of ensuring the legitimate rights of the Palestinian people including their right to self-determination through a confederation with the Hashemite Kingdom of Jordan as stated in the Jordanian-Palestinian Accord signed in February, 1985, and on the basis of the United Nations and Security Council resolutions relevant to the Palestinian Question including Resolutions 242 and 338.

In this context, the Palestine Liberation Organization reaffirms its denunciation and rejection of terrorism which it had confirmed in the Cairo Declaration.

[Second Proposal]

ORIGINAL FOR THE SECOND FORMULA

The Palestine Liberation Organization (PLO), the sole legitimate representative of the Palestinian people, holds the strong belief that the peace process should lead to a just, comprehensive and durable peace in the Middle East and should secure the legitimate rights of the Palestinian people, including their right of self-determination within the context of a Jordanian-Palestinian confederation.

On the basis of the Jordanian-PLO Accord of the 11th of February, 1985, and in view of our genuine desire for peace, we are ready to negotiate within the context of an International Conference with the participation of the permanent members of the Security Council, with the participation of all concerned Arab parties and the Israeli Government, a peaceful settlement of the Palestinian problem on the basis of the pertinent United Nations resolutions, including Security Council resolutions 242 and 338.

The PLO declares its rejection and denunciation of terrorism, had been assured in the Cairo Declaration of November, 1985.

[Third Proposal]

PROPOSAL FOR A LEGAL FORMULA TO CONVENE THE INTERNATIONAL CONFERENCE FOR PEACE IN THE MIDDLE EAST

The invitation to convene an international conference to resolve the conflict in the Middle East and to solve the Palestinian Question should be under the aegis of the United Nations because it is the international organization which was established after World War II to put an end to the sufferings of the peoples, to prevent aggression, and to maintain justice and respect for human rights. The Preamble of the United Nations Charter adopted in 1945 calls for the realization of international cooperation to resolution of international problems, realization of basic human rights and the rights of peoples to self-determination.

Since the Palestinian Question is the quintessence of the Middle East problem, the call to convene an international conference to resolve the conflict and to establish peace in the region, should ensure the execution of resolutions and measures, and should include the participation in the conference of the permanent members of the Security Council and be attended by all concerned Arab parties, including the Palestine Liberation Organization on an equal footing within a joint Jordanian-Palestinian delegation.

In accordance with the United Nations Charter which reaffirms and confirms the respect for basic human rights and the right of peoples to self-determination and on the basis of United Nations resolutions relevant to the Palestinian Question and the Arab region including resolutions 242 and 338, the PLO will participate in the international peace conference in its capacity as the sole legitimate representative of the Palestinian people, which is recognized on the Arab and international levels and has an observer membership status in the United Nations since the year 1974.

The participation of the PLO in the international conference will be on the basis of safeguarding the legitimate rights of the Palestinian people including their rights to self-determination through a confederation with the Hashemite Kingdom of Jordan as stated in the Jordanian-Palestinian Accord signed in February, 1985.

In this context, the PLO reaffirms its denunciation and rejection of terrorism which it confirmed in the Cairo declaration.

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 14, 1986.

Hon. GEORGE P. SHULTZ,
Secretary, Department of State, Washington, DC.

DEAR MR. SECRETARY: During a recent appearance of Assistant Secretary Murphy before the Subcommittee on Europe and the Middle East, there were several questions asked about the three attached proposals which were apparently the subject of negotiations between the Jordanian government and the PLO in February, 1986 shortly before the collapse of Jordan's efforts to find a basis for starting peace talks with Israel.

I would like the following questions answered carefully and fully:

When did the United States receive knowledge of any or all of these three documents?

What knowledge did the United States have of them prior to King Hussein's speech of February 19th, 1986?

Precisely what is the United States position on these documents and how do you characterize them?

In what respects are they consistent with, or contrary to, U.S. policy?

Are they in any respect an advance or a retrogression on previous PLO positions and statements?

How close do these statements come to meeting the U.S. conditions for dealing with the PLO?

What can you support in them and what can you not support?

Specifically, how could they be made acceptable?

Which of them do you consider the best?

Is the reference to the renunciation of terrorism within the context of the Cairo Accords unacceptable to the United States? If so, why?

Is the reference to all pertinent UN documents, but specifying UN Resolutions 242 and 338, unacceptable? If so, why?

Is the reference to Palestinian right of self-determination within the context of a Jordanian/Palestinian confederation consistent with stated U.S. policy or not?

Secretary Shultz has called for the need for creative ambiguity in the Middle East if a peace process is to be advanced: in what ways do the documents meet that criteria or fall short of it?

Could any of them form the basis for further efforts to resolve procedural problems should the Jordanian government seek to revive the process or are these proposals dead?

I appreciate your consideration of these questions and trust that you agree that it is useful for these questions to receive a frank and thorough reply.

With best regards,

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

U.S. DEPARTMENT OF STATE,
Washington, DC.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives.

DEAR MR. CHAIRMAN: Your letter of May 14 contains a set of questions concerning three proposals presented by PLO Chairman Arafat to King Hussein in February 1986. I trust the following responses will clarify to your satisfaction the various points you have raised.

It should be noted that the texts contained in your letter are not identical to those provided to us by King Hussein, in that the proposals we received contain an additional section entitled "steps". This section, identical in each case, outlines the actions whereby the PLO would make a "conditional" acceptance of 242 in return for a U.S. "affirmation" of Palestinian self-determination. A copy of this statement is attached.

For the record, the U.S. expects a clear PLO acceptance of 242, not one conditioned on simultaneous U.S. acceptance of self-determination for the Palestinians.

When did the United States receive knowledge of any or all of these three documents?

What knowledge did the United States have of them prior to King Hussein's speech of February 19th, 1986?

While we were aware of drafts similar to the second proposals, we were shown the three as they are worded for the first time by King Hussein on February 6, after they had been rejected by him.

Precisely what is the United States position on these documents and how do you characterize them?

We were not asked to take and have taken no formal position on these proposals as worded. They were presented to and rejected by King Hussein. We share the King's conclusion that, as received by him, they did not meet his requirement for a clear, unequivocal response to his demand that the PLO accept Resolution 242, endorse negotiations with the State of Israel, and renounce the use of violence.

In what respects are they consistent with, or contrary to, U.S. policy?

How close do these statements come to meeting the U.S. conditions for dealing with the PLO?

They do not meet the long-standing requirements of U.S. policy regarding the PLO: They do not contain unequivocal acceptance of UNSC Resolutions 242 and 338 and Israel's right to exist.

In all three cases acceptance of 242 and 338 is in the context of "relevant" or "pertinent" United Nations resolutions.

Only in the second proposal is Israel even mentioned, as a prospective participant at an international conference.

Finally, reference to the Cairo Declaration, given its publicly stated interpretation by the PLO, is deficient as a renunciation of violence.

Are they in any respect an advance or a retrogression on previous PLO positions and statements?

Explicit references to 242 and 338 and to Israel (in the second proposal) are new. Overall, however, they still do not represent acceptance of either the King's challenge or U.S. conditions.

What can you support in them and what can you not support?

Specifically, how could they be made acceptable

These statements do not unconditionally accept 242 and 338 and Israel's right to exist; therefore, we cannot accept them as a basis for U.S. recognition of or negotiations with the PLO.

Also, they do not contain a clear renunciation of the use of violence. This was one of King Hussein's demands. Another was that the PLO endorse negotiations with the State of Israel. The King's third demand was clear acceptance of Resolution 242 as the basis for negotiations. If the proposals had been amended so as to meet these conditions, we assume they would have been acceptable to King Hussein.

For our part, we would not object if the PLO wished to state its own positions, as long as its doing so did not impose conditions on or dilute the statement as a whole.

Which of them do you consider the best?

The second proposal comes closest to meeting our and King Hussein's needs.

Is the reference to the renunciation of terrorism within the context of the Cairo Accords unacceptable to the United States? If so, why?

As authoritatively and publicly interpreted by senior PLO officials, the Cairo Declaration does not rule out acts of violence in Israel and in the West Bank and Gaza. Such selective renunciation of violence is inadequate.

Is the reference to all pertinent UN documents, but specifying UN resolutions 242 and 338, unacceptable. If so why?

Resolutions 242 and 338 must be accepted on their own, without reference to other UN resolutions, as the basis for negotiations. The phrase "all pertinent UN resolutions" encompasses a very mixed bag of documents, some objectionable to the U.S. and to Israel. The PLO may cite its preferred resolutions, but not in such a way as to place them on a par with 242 and 338 or to dilute its acceptance of these resolutions.

Is the reference to Palestinian right of self-determination within the context of a Jordanian/Palestinian confederation consistent with U.S. policy or not?

The term "self-determination" has in the Middle East context come to connote the establishment of a Palestinian state. (Reference to a "Jordanian/Palestinian confederation" in no way changes this fact, given that the February 11 agreement between Jordan and the PLO refers to a confederation of two states.) The United States does not support the establishment of an independent Palestinian state. Therefore, such a reference is not consistent with U.S. policy.

Secretary Shultz has called for the need for creative ambiguity in the Middle East if a peace process is to be advanced: in what ways do the documents meet that criteria or fall short of it?

Creative ambiguity can indeed be usefully applied to Middle East peace-making, with all its complexities, codewords and historical precedents. However, we are addressing here a very specific U.S. assurance to Israel. Its terms are either clearly and unequivocally met, or they are not: there is no room here for ambiguity.

Could any of them form the basis for further efforts to resolve procedural problems should the Jordanian Government seek to revive the process or are these proposals dead?

Were the Jordanian Government to decide to revive political coordination with the PLO, it is not clear that the process would simply pick up from where it left off in February. For in the end, the issue is not whether this or that ingenious text can be crafted; it is one of political will and intent.

Sincerely,

JAMES W. DYER,
Acting Assistant Secretary,
Legislative and Intergovernmental Affairs.

Enclosure: Final Section of PLO Drafts.

FINAL SECTION OF PLO DRAFTS

Steps:

A. This plan is to be delivered to his Majesty the King;

B. The PLO will request from the Majesty the King that he obtain a pledge from the United States of America to support the right of self-determination as provided for in the Jordanian-Palestinian Accord; and

C. Simultaneous statements will be issued by the PLO of its conditional acceptance of 242, and by the U.S. Government of its pledge to affirm the right of self-determination of the Palestinian people.

THE UNITED STATES AND THE EUROPEAN COMMUNITY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BEREUTER. Mr. Speaker, I want to endorse most enthusiastically the following statement on trade relations between the United States-European Community by Ambassador Rozanne Ridgway. Ambassador Ridgway succinctly describes the trade problems we and the Community must together solve. Most importantly, she makes it clear that it is the Community which has the greater obligation to correct past mistakes. I judge this to be one of the most clear and firm recent administration statements on our policy vis-a-vis the EC and thus consider it to be right on the mark.

I commend the reading of this speech to my colleagues as a means of quickly informing themselves of the current state of trade affairs between the Economic Community and the United States of America.

THE UNITED STATES AND THE EUROPEAN COMMUNITY

(By Ambassador Rozanne Ridgway)

INTRODUCTION

It's good to be here to share some ideas with men and women who have long thought seriously about the U.S.-EC relationship. I am grateful for the invitation extended by Tom Hughes on behalf of the Carnegie Endowment to address the Middle Atlantic Club. This is an excellent opportunity to take a hard look at how we and the EC work together . . . or don't, as the case may be.

I would like to give you a perspective on the U.S.-EC relationship, from the viewpoint of someone concerned with its political, as well as economic aspects. This is not a statement of policy but a personal appreciation and attempt to encourage constructive reflection. Let me try to set out as frankly as possible what I see as the basic consideration and choices.

You all know the beginning. The United States has strongly supported the EC since its inception in the 1950's. We have applauded every enlargement up to and including the accession of Spain and Portugal. Bringing these two new democracies into The Community is good for them, for the EC, the Alliance and the West. Our policy of fostering the closest relationship with Europe, and encouraging Europe's own unity, has been constant and unchanging. The political and security benefits are compelling.

Moreover, economics alone would dictate the same close relationship. One measurement often cited, but always startling to me, is that together the U.S. and the EC account for slightly over half of total world GNP. Trade between the United States and EC-12 is $120 billion annually. Foreign direct investment between us is staggering. In 1985, U.S. firms had direct investments of $81.5 billion in the EC and these subsidiaries are producing goods and services worth over $400 billion annually. EC firms increased their investment in the United States from $40 billion in 1980 to $95 billion in 1985. These European-owned subsidiaries

produce products worth over $300 billion annually.

Thus, there can be no doubt of the two-way commitment to the trans-Atlantic partnership. Logically, this should dictate dynamic cooperative and effective problem-solving in our day-to-day relations. The reality has been otherwise.

The U.S.-EC relationship has been dogged by institutional walls, by misunderstandings, by brinksmanship in negotiating, and by isolation of economic and commercial issues from the broader cooperative context. There are those on both sides of the Atlantic who seem to lose sight of the overriding fact that freer and fairer trade practices will benefit not only ourselves but the rest of the world. We must continue to oppose unwise efforts to protect domestic production or to exacerbate trade disputes in search of unilateral advantage.

I do not mean to say that problems can be eliminated in the real world. With two way trade of $120 billion there are bound to be bilateral disputes. Moreover, U.S.-EC competition in third markets creates further possibilities for conflict. And, we have philosophical differences over the role of the state, the use of subsidies and the pace of structual change.

If trade disputes are inevitable then, the question is why haven't we managed them better? Was a "chicken war" necessary? Or a "pasta war"? We now face an "enlargement war," which potentially could dwarf the other two. Let's hope it won't.

How do we do better henceforth? Let me suggest three key elements: (1) A greater respect for the international rules we already have, namely the GATT; (2) Greater realism about each other's concerns; and, (3) Less "dialogue of the deaf", more genuine communications.

FIRST THE INTERNATIONAL RULES

The United States, the European Community and the EC Member States are contracting parties of the General Agreement on Tariffs and Trade or "GATT". Admittedly imperfect and in need of strengthening—which we hope to do in the new trade round—it constitutes the basic rules of international trade. With this global trade now at an annual level of $4 trillion, let us all pay tribute to those wisemen who witnessed the disastrous results of the tariff wars of the 1930s, and in the immediate post World War II period brought order out of chaos. In addition to rules of trade, the GATT founders created a forum for debate, mechanisms to settle trade disputes, and an enduring institution—whose membership has expanded to 90 nations. Under its aegis we have seen 7 rounds of tariff cutting and the negotiation of vital new codes of conduct in areas of non-tariff barriers.

Articles XXII and XXIII of the GATT deal with dispute settlement. As most of you may know, the articles tell two parties to a dispute to try to settle the issue between themselves. If the parties can't do that, they can seek a dispute settlement panel of trade experts from the membership. After hearing arguments from both sides, the panel gives its opinion on the validity of the disputant's positions under the appropriate GATT rules, and offers suggestions for a settlement. The panel's conclusions must be approved by the contracting parties before the parties are required to follow them.

Over the past several years the U.S. has been unable to resolve disputes bilaterally with the EC, and we have then brought the cases to GATT. We have had GATT panel findings in our favor for example in the cases of pasta, citrus and canned fruit. In virtually every case, however, the EC effectively blocked approval of the panel's findings. The EC has also brought cases against the U.S.—what is our record of compliance? Our policy is to support the process. In some cases, existing legislation has blocked us and we have sought to terminate the legislation. One well-known instance is the "manufacturing clause" to U.S. copyright law, which does not allow the entry of books published by U.S. authors abroad if copyrighted in the U.S. Congress overrode an earlier Presidential veto of an extension of the clause. The Administration is now making every effort to prevent the passage of legislation continuing the manufacturing clause beyond June 30, its date of expiration.

So, we aren't perfect, but we are trying to support a consistent acceptance of the rules of the road. My point is less to criticize the EC, than to suggest that arbitrated dispute settlement doesn't mean much if the results of arbitration are persistently ignored. The repeated failure of the process has eroded domestic support in the U.S. for the GATT, and undercuts the battle against protectionism.

Let me illustrate further with the now famous citrus-pasta cycle. We began talks with the EC in 1969 over the losses to our citrus industry from the EC's Mediterranean preferences. After some 12 frustrating, and, pardon the pun, fruitless years of bilateral negotiations, in 1981 we decided to take the case to the GATT.

In 1984 the GATT panel found that the United States was suffering injury in the cases of oranges and lemons. The EC then blocked GATT Council approval of the finding. After a year we had had enough and retaliated by increasing tariffs on EC pasta. Why pasta? As you know, a GATT panel had found that the EC's subsidies on pasta violated the GATT but, as I mentioned earlier, the EC blocked adoption by the contracting parties. In response to our increase in pasta tariffs the EC retaliated against U.S. exports of lemons and walnuts. I am glad to report that after 16 years we are finally engaged in serious negotiations.

The citrus problem illustrates another way the international trade order can be weakened, namely by thinking up one's own rules and unilaterally imposing them. The EC has argued that since the purpose of its Mediterranean preferences is to promote stability in North Africa, and since the U.S. supports this goal, the U.S. should accept without question any trade loss Americans suffer as a consequence of the preference. We were neither consulted nor offered any mechanism for redress. The approach is a unilateral imposition of an artificial trade barrier.

Does the U.S. do any better when its own backyard is at stake? Yes, in the case of the Caribbean Basin Initiative (CBI), we obtained a formal GATT waiver, and moreover we provided for consultation on trade losses that third countries might suffer from preferences given by the U.S. to the CBI countries.

THE REQUIREMENTS OF REALISM AND SENSITIVITY

This leads to my second point: the U.S.-EC relationship demands a reciprocal and realistic apprecation of each other's interests. We in the U.S. know that EC enlargement is a very positive thing. We also know that it comes at the cost of income transfers from the EC-10 to Iberia, as well as increased competition for weaker elements of the Community's southern agricultural sectors.

We recognize the political benefits and understand the economc costs. What we reject is the unilateral effort to take advantage of the event to push the U.S. out of its major agriculture markets in Spain and Portugal. Ultimately, we see the probable loss of corn and sorghum sales in Spain of perhaps some $600 million, and grain sales in Portugal of some $350 million. As we see it the EC has in effect ducked advance consultation and imposed a set of measures which not only strike at our most sensitive sectors but do so in a way that pays little attention to the principles of the international order I have mentioned above.

What is the EC position on the economic balance sheet? It tells us to swallow the loss of agriculture markets because ultimately we stand to gain industrial sales through lower Iberian industrial tariffs.

Aside from the question of principle involved in counting industrial trade benefits as offsets for agricultural trade losses, the fact seems to be that the U.S. stands to lose on both counts. Our analysis shows that our overall tariff disadvantage on the industrial side will grow significantly.

In the case of Spain and Portugal, two-thirds of current U.S. non-agricultural exports compete against German, French and other EC companies. In Spain, for example, the trade-weighted duty on U.S. manufactures before enlargement was about 11 percent, or 3 percent worse than EC competitors who were paying about 8 percent. After enlargement U.S. firms will be paying about 5 percent versus 0 percent for EC competitors—we thus go from a 3 percent comparative disadvantage to a 6 percent short end of the stick.

Moreover, a potentially even larger cost to U.S. manufactured exports will occur as the new EC-12 common tariff is implemented. This change—which is a weighted average of duties of the old EC-10 and of Spain and Portugal—will likely increase industrial duties from the old EC-10 level of about 4.7 percent to a new average of 6 percent. In some cases, it will be much larger, for instance duties on U.S. machine tools stand to go from 5 to 12 percent.

Those are serious trade disadvantages for U.S. firms. Whatever the final figures may be, the Commission has handled the issue by making assertions without advancing serious analysis backed by hard data.

Let us look at another part of the enlargement dispute in the context of sensitivity. It is a secret to no one that the EC's zero duty on soybeans, which was duly negotiated in previous trade rounds, is of vital importance to the U.S. agricultural sector. Everyone who follows trade also knows that the U.S. soybean industry is a bastion against protectionism. More than once the soybean industry has gone to bat to try to prevent legislation that would adversely effect EC exports to the U.S.

Nevertheless, the enlargement treaty imposes consumption and import controls on oilseeds in Portugal. The Commission's initial response to our protest was that we should not worry, the measures are only transitional. They would terminate in five years. Furthermore, Portugal, says the EC, already had restrictions on oilseeds.

These EC arguments finesse the principles involved. Just because the impact will be initially small doesn't make a GATT illegal move less illegal. Moreover, the previous Portuguese monopoly quota system had become moribound and unused. Given our

major soybean market throughout Europe, the EC's measures which begin to erode that market in violation of the GATT can only raise questions in our minds about ultimate EC intentions. Early consultations would have been extremely useful.

COMMUNICATION

Let me now turn my attention to the problem of communication; how to avoid the "dialogue of the deaf" that we engaged in leading up to enlargement. The fact of the matter is that we said regularly for many, many months that we welcomed enlargement, but had concerns on the economic side which we looked forward to discussing with the EC. We expected the EC to invite us to the table when it had the necessary data and information in hand. The invitation never came. Now the EC says it's our fault that we didn't drag them to the table. May I also note that the information needed for GATT negotiations is, I believe, still not in.

Enlargement aside, what can we do for the future? First, the U.S. and the Commission have to work together to deal with issues well before they become full-blown conflicts. We've both said this but we haven't done it. One upcoming example is the common internal market. The EC, under the leadership of Lord Cockfield, will, over the next several years, be removing barriers to the free movement of goods and services throughout the Community. This process has some potential concerns for external trading partners, not the least of which is that common standards can either facilitate trade or hinder it as a non-tariff barrier. By close consultations early on we should be able to avoid serious problems in the future.

In this category of resolving issues before they become conflicts, I must also place the big agricultural questions of access to markets and export subsidies. Our problem is with the enormous growth of EC agriculture based on high support prices, protected markets and massive export subsidies. Both the U.S. and the EC have serious difficulties in their farm sectors that must be dealt with. The U.S. is adjusting to the realities of the world market at some considerable pain to our farmers. We are not yet persuaded that the EC is doing the same. My point is that when the dialogue on agriculture is opened in the New Trade Round, the U.S. and the EC will be on center stage. If the New Round does not bring forth new rules on trade in agricultural products, which take into account market realities and comparative advantage, U.S.-EC conflicts could dwarf any we have seen up to now.

Second, because we are so important to each other, one side should not try to slip something by the other. I place the 15.5% grain set-aside in Portugal in this category. We were presented as a fait accompli a GATT-illegal measure. In such major questions, however, there will always be a day of reckoning and neither the U.S. nor the EC can be "winners" against each other.

A third and final point: the U.S.-EC dialogue is too important to be handled solely as an adversarial process conducted by technicians and lawyers arguing conflicting historical analysis, and differing interpretation of GATT principles. By the nature of the animal, such a process addresses problems as a zero-sum game. A broader engagement is necessary to factor in other, relevant interests and strive for cooperative solutions.

I have tried to tell it like it is. We see a lot of difficulty that shouldn't be there. Let me close by saying that we can do better—through consultation, negotiation, and mutual accommodation based on long term self-interest, the U.S. and the EC can move the world toward increasingly liberal trade and greater prosperity. To do otherwise insures conflict and a weakening of the trans-Atlantic alliance that is crucial not only for our own continued well-being and security, but also to point the way for the rest of the world.

FOCUS ON EXCELLENCE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. STOKES. Mr. Speaker, I would like to call to your attention the accomplishments of the Focas/Scope Elementary School of East Cleveland located in the 21st Congressional District of Ohio, which I represent. An article from the May 18, 1986, Cleveland Plain Dealer offers an interesting and informative profile of the background, mission, purpose, and method of this outstanding learning institution.

The article follows:

EAST CLEVELAND SCHOOL PUSHES KIDS TO EXCEL

(By Tracey L. Robinson)

"Bonjour" (clap, clap). "Buenos dias" (clap, clap).

To the rhythm of claps, dance steps and snapping fingers, fifth-graders sang "good morning" in French and Spanish.

With a nod from the teacher, the class stood in unison to recite catchy phrases like "I am: the power of self-knowledge"; "I believe: the power of adventurous faith"; and "I can: power to act and skill to accomplish."

If that's not enough morning inspiration, pupils memorize famous quotations. Standing tall like a miniature soldier, pupil Brian Coates eloquently recited a quote from Abraham Lincoln: "I'll study and get ready and then my chance will come."

The fifth-grade class filled up on the daily diet of positive thoughts before digesting a main course of math, computer sicence, literature and social studies.

The class is a sample of the kind of learning occurring at the Facas/Scope Elementary School in East Cleveland.

Principal Andrea Tiktin said the school was anything but typical. Even parents sometimes find it rather intense.

Parent participation is mandatory. They are encouraged to devote no less than 20 minutes a day to helping children and must sign all homework assignments.

One school administrator said parents were even graded on how well they participated. Tiktin said one parent transferred her child from the school because she felt that it expected too much of parents.

"From the beginning, we wanted a different approach to schooling," Tiktin said.

The district's approach was to set up an experimental school six years ago that would relieve overcrowding and teach the poor urban children classical studies, creative programs and discipline to increase their chances for success.

East Cleveland is one of the county's poorest school districts. Its tax valuation per pupil is the lowest in the county. One mill in East Cleveland yields only about $17 per pupil, vs. $87 per pupil in South Euclid-Lyndhurst, which is the median district in the county, according to district figures for 1985.

Still, East Cleveland schools traditionally have enjoyed phenomenal community support. No bond issue or tax levy has ever been voted down in the district's history.

"Achieving has nothing to do with how poor you are," Tiktin said. "Having the desire to excel makes the difference."

The school offers two alternative programs called Focas—Focus on Cooperative Action and Skills—and Scope—Selected Curriculum for Optimum Performance and Enrichment—in grades two through six.

Focas devotes more hours to basic academic skills than the average school. Scope grooms gifted children in advanced subjects, foreign languages and assignments tailormade to their interests and needs.

The result has been improved standardized test scores. Tiktin said Focas/Scope pupils generally performed above national norms.

Focas/Scope, housed in St. Philomena's former church school on Euclid Ave., was modeled after the Major Work gifted program in the Cleveland public schools. Elizabeth Clarke, a former Major Work teacher who is a consultant for Focas/Scope, said a strong principal and commitment from teachers and parents made the program special.

Both programs insist on strict discipline, dress codes, daily homework and parent involvement. No jeans, gym shoes or spiked hairdos are allowed. Manners are a must. Too many tardies, absences and missed assignments are grounds for a transfer to the neighborhood school.

Despite the strict requirements, the waiting list grows. Focas pupils are accepted by first-come, first-served. Scope takes gifted pupils based on standardized test scores and teacher recommendations.

DeVonne Paris, a Focas fifth grader said, "It's a challenge here. The best thing is that the teachers are strict when they have to be, but most of them are friends."

A classmate, Takia Daniel, said, "We stand out when we go on trips because we have manners." But Takia wanted to make one thing perfectly clear. "We're not angels, but it pays to behave."

Beaming over her pupils' comments, teacher Barbara Finch added, "As long as I am the teacher, they are going to be well behaved. I don't expect them to always be quiet, but I do expect them to keep busy."

Carolyn Cockfield, mother of two Focas/Scope pupils, was looking for a regimented learning environment for her children. "I also knew that they took the best teachers and put them there," she said.

Teachers volunteer to teach at the school, and one school administrator admitted that "teachers are hand-picked here."

School officials denied that Focas/Scope created a two-tiered school system, taking the top pupils and teachers and leaving the others to a second-rate education.

Cockfield said one of her daughters in the Focas program had not done so well since she graduated from the school. She misses the extra enrichment since returning to a more traditional classroom.

"We need some follow-up programs in the secondary schools," said Cockfield, an educational program developer for a community center in Glenville.

While Scope pupils have opportunities to participate in gifted programs after elementary school, Cockfield said many parents were concerned that children from the

Focas program lose some of their advantage and "get lost in the sauce when they get into the regular program in junior high school."

Tiktin observed that a high percentage of pupils came from stable, two parent homes. Many parents are professionals who generally have higher expectations for their children.

With an enrollment of 360 pupils, space is limited. One of the third-floor bathrooms is used for speech therapy. Teachers cram into a small room designated as the lounge. But few teachers leave. Several said they didn't mind the inconvenience.

"I wanted to come here," said fourth-grade Scope teacher Judy Dorer, who has taught at the school since it opened. Dorer said she looked at other schools for work, but found an overall commitment from teachers and parents in making the East Cleveland school work.

"We didn't get all good children. We have our problems and underachievers," Dorer said. "But in most cases the support is there for making a difference."

Some inventive teachers use creative class projects to make learning fun. In a second-grade gifted class, pupils busily worked on their classroom newspapers which have personalized names like "Taquoia's Telecast" or "Amy's Daily Bugle."

Pupils speak in complete comprehensible sentences. No "yeahs" or "nopes."

During a literature class, gifted fifth graders critique each other—politely. They don't blurt out comments. Rather, each waits his turn and constantly uses words like "please" and "excuse me."

Their teacher, Terry Lipford, said, "We know that our children have to have more to make it in this world."

SALUTING EASTERWOOD AIRPORT AND ARIANNE WIESE

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BARTON of Texas. Mr. Speaker, during the recent district work period, I had the opportunity to join Texas A&M University officials and representatives of the cities of Bryan and College Station in dedicating new facilities at Easterwood Airport.

Using funds from special dedicated accounts, the Federal Aviation Administration provided $1.7 million for a runaway extension at the airport, which serves one of the Nation's fastest growing areas. These long-term improvements will provide better air service for the public and private sectors.

I invited a very special guest that day, a fifth-grade student at Lamar School in Bryan, Arianne Wiese. She recently won the Southwest regional competition in the Federal Aviation Administration's essay contest and will take part in the national essay competition.

In her award-winning essay, she discussed the important services that Easterwood provides to Bryan and College Station and Brazos County. I am impressed with her account of this vital transportation facility and want to share it with you:

AVIATION IN MY COMMUNITY

Aviation has a considerable effect on any community. The presence of an airport provides the opportunity for the population and economy of the community to grow. The Bryan-College Station area has grown because of the services and related industries of Easterwood Airport.

Easterwood Airport has provided many jobs for the people of our community. Some of the jobs provided by airports are pilots, mechanics, ticket agents, air traffic controllers, ground traffic controllers, security guards, baggage handlers, food service persons and housekeepers. The people employed by Easterwood are residents of our community. Therefore, they pay taxes, buy homes, cars, food and clothing in our community. As a result more jobs are created to serve these people.

Easterwood Airport provides many special services for the Brazos Valley. People are able to travel quickly from our community to other cities across the nation. This saves both time and money over other means of transportation. General cargo, mail service and special delivery of medical and industrial supplies are transported to and from our area.

Airports require very thorough weather information for safe flying. This information is made available for the community. Another service offered is hanger storage for private planes. Also, mapping services and aerial photos are available to the community.

People with the desire to fly their own planes may do so at Easterwood Airport. Flying lessons are available. Air shows provide recreation and entertainment for not only the pilot but for spectators too.

There are very few drawbacks to a community airport. There is always the risk of crashing. Although this rarely occurs, this could result in injury or death. Another possible disadvantage is that noise made by the planes may bother the people who live near an airport.

The few dangers in flying are far outweighed by the community growth that Bryan-College Station receives from its airport. We are able to transport, receive and ship goods more rapidly and economically because of aviation. Our population and industries have grown and that growth is a strong contributor to a thriving community.

TRIBUTE TO JOSEPH H. SHERICK

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. FOGLIETTA. Mr. Speaker, I rise in recognition of an outstanding public servant. The Honorable Joseph H. Sherick, Inspector General of the Department of Defense, retired on June 3, 1986, after 40 years of Government service. A native of Philadelphia, Joe Sherick started his civil service career at Frankford Arsenal in Philadelphia. Throughout his distinguished career, Joe Sherick established a record for dedication and performance which exemplifies what the American public expects from the civil service.

I need not remind any in this body of the difficulty involved in bringing the Department of Defense under the mantle of the Inspector General Act of 1978. Even after the new organization was legislated, a number of us doubted that an Inspector General could operate effectively within the Department of Defense.

Joe Sherick put those doubts to rest. His aggressive implementation of the congressional mandates, combined with unquestioned integrity, has earned him the respect of the Department of Defense, the Congress, and the business community.

Some of Joe Sherick's more impressive accomplishments include:

Reorienting the Office of the Secretary of Defense audit program to focus on the Defense acquisition process. Before Joe became Inspector General, only about 11 percent of audit time was directed at the acquisition process. Currently, that figure is over 60 percent.

Putting in place an audit followup oganization which sets the standard for the Federal Government. Since 1982, over a quarter of a million corrective actions have been documented as a result of General Accounting Office reports and Department of Defense internal audit reports and reviews, resulting in $11.6 billion in savings and cost avoidance.

Creating a criminal investigative organization to focus on white-collar crime, a capability which simply did not exist previously and can be credited with bringing persistent pressure on Defense contractors to perform to the letter of the law. Last year, with 4 percent of the Department's investigative assets, the Inspector General investigators were responsible for over half the indictments and monetary recoveries resulting from Defense referrals to the Department of Justice.

Revitalizing the Department of Defense hotline as a vehicle for Defense employees, contractors, and the public to report fraud, waste, and mismanagement. The effectiveness of the hotline was recently validated by the General Accounting Office and currently evaluates or processes nearly 1,000 calls a month.

Establishing an inspection capability for Defense agencies and smaller components that have never before been subject to inspection. Over 165 entities have been identified for inspection, and a functional approach has been instituted to look for systemic problems.

Prior to his Presidential appointment as Inspector General, Joe Sherick served as Deputy Assistant Secretary of Defense [Program/Budget]; Deputy Comptroller of the Army; Comptroller of the Defense Atomic Support Agency; and as a staff member in the Executive Office of the President during the Johnson, Kennedy, and Eisenhower administrations.

These are just the highlights of Joe Sherick's accomplishments as Inspector General which cap an impressive career recognized by his election to the National Academy of Public Administration; elevation to the rank of Distinguished Executive in the Senior Executive Service; receipt of the Secretary of Defense Distinguished and Meritorious Civilian Service Medals; and the Army Exceptional Civilian Service Medal.

Joe Sherick's career has clearly been characterized by the motto he established for the inspector general organization—competence, courage, and compassion.

ABC UNIFIED SCHOOL DISTRICT HONORS EMPLOYEES WITH OVER 25 YEARS OF SERVICE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House to join me in honoring the employees of the ABC Unified School District.

On June 4 the school district will honor the service and devotion of their employees at a special reception. The employees being honored have given over 25 years of service to the students and people of the ABC Unified School District.

These individuals are being honored for their commitment and dedication to education. They are to be commended for their contributions to the needs of the students in the school district. The welfare and future of our young are well cared for and safety secured by these outstanding employees. It takes special people to take care of and educate our Nation's students. I am proud that these fine people have chosen to work in my community.

Mr. Speaker, the ABC Unified School District is one of the finest school districts in the State of California. The loyalty of the people being honored today reflects the district's outstanding relationship with its employees. I want to recognize two individuals for exceptional service. Virginia P. Dilley has been a teacher in the district for 38 years and Deputy Superintendent Charles C. Vernon served for 37 years. I want to congratulate and thank them for adding something special to education.

A TRIBUTE TO MAJ. GEN. ANDREW H. ANDERSON

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. DYSON. Mr. Speaker, it is with great pride that I rise today to pay tribute to a distinguished friend and gentleman whose high sense of duty and commitment to the U.S. Army has won him scores of accolades as well as the love and respect from both the military and civilian communities. I speak of Maj. Gen. Andrew H. Anderson, who recently retired while serving as commanding general of the U.S. Army Test and Evaluation Command and the Aberdeen Proving Grounds in Maryland.

With brilliance and valor, General Anderson recently reached the zenith of a storied military career that spanned nearly four decades. Indeed, at every step up the Army's chain of command, General Anderson administered his duties with distinction and precision. It can well be said that without people such as General Anderson our ability to defend peace, freedom, and democracy worldwide would be greatly diminished.

General Anderson's more recent assignments include four tours for the U.S. Army, Europe. In 1970, he served as commander, 4th Battalion, 35th Armor, 1st Armored Division.

He became Chief of the Weapons Branch in the Doctrine and Weapons Systems Division Office, Deputy Chief of Staff, Operations, in February 1972 and was appointed Commander of the 1st Armored Division Support Command in May 1973. He held the position of Chief of Staff for the 1st Armored Division from December 1974 through June 1976.

He then returned to the United States to assume duties as Director for Combat Systems, Office of the Deputy Chief of Staff for Combat Development at the U.S. Army Training and Doctrine Command, Fort Monroe, VA, in August 1976.

General. Anderson was promoted to brigadier general in August 1977 and was stationed in Warren, MI. He was the Deputy Commanding General, U.S. Army Tank-Automotive Materiel Readiness Command [Tarcom] from September 1977 to May 1979 and Commanding General, U.S. Army Tank-Automotive Research and Development Command [Taradcom], from May 1979 to November 1980.

His next assignment, from November 1980 through August 1981, was Deputy Inspector General, U.S. Army, Washington, DC. He was subsequently promoted to major general in July 1981.

He then served as Deputy Commanding General, VII Corps, U.S. Army Europe, from September 1981 through April 1984. He assumed command of the U.S. Army Test and Evaluation Command on April 30, 1984, and of the U.S. Army Aberdeen Proving Ground in July 1984.

General Anderson is also the distinguished recipient of a staggering array of awards and decorations: the Silver Star, the Legion of Merit with 2d Oak Leaf Cluster, the Distinguished Flying Cross, the Bronze Star with 1st Oak Leaf Cluster, and 2 V Devices, the Purple Heart, the Air Medal with 6th Oak Leaf Cluster and V Device, the Army Commendation Medal with 2d Oak Leaf Cluster and V Device, the National Defense Service Medal with one star, the Vietnam Service Medal with 4 campaigns, the Army Service Ribbon, the Overseas Service Ribbon (4th award), the Republic of Vietnam Campaign Medal, the Vietnam Cross of Gallantry with Palm, the Presidential Unit Citation, the German Armed Forces Honor Cross in Gold, the Combat Infantryman Badge, the Expert Infantryman Badge, the U.S. Army Parachutist Badge, the German Army Parachutist Badge, the German Army Proficiency Badge, the General Staff Identification Badge, and the Aircraft Crewman Badge.

General Anderson is indeed a man of remarkable talents and achievements. His tireless, unbounded efforts on behalf of our national defense is a model to all who would follow in his footsteps. His compassion and eternal optimism continually fueled morale throughout the ranks of his many commands.

So, Mr. Speaker, I proudly salute Maj. Gen. Andrew H. Anderson for a brilliant, sparkling career that stands as a great source of pride to his family, friends, and Maryland's First Congressional District.

WE NEED TO ESTABLISH PRIORITIES IN SPACE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BROWN of California. Mr. Speaker, the Nation's space program has probably never been at such a critical juncture. At a time when technology could soon enable us to take monumental strides in the development and exploration of space, our space launch capability has been severely crippled. The Nation's budget pressures place additional constraints on our space efforts. It seems clear that the time has come for establishing national priorities for space.

What is it that we want to do in space? This is the question that we, as a nation, must answer in the coming years as we face the tough choices of how to allocate both our space budget and our existing space resources. We simply cannot afford to let our space program coast along without a clear sense of direction. We need to set some hard priorities.

Over the past decade, the space shuttle has been the central focus of our space program, although a number of space exploration missions have captured considerable short-term attention. But now we have a host of major new projects on the horizon. And we have no option but to make choices regarding which of these should go forward and according to which time frames.

A number of ambitious space programs will soon be competing for support within the Nation's overall space budget. A partial list includes: a replacement shuttle orbiter; the national aerospace plane, also known as the Orient Express; the space station; a new fleet of expendable launch vehicles; a huge new cargo rocket for military payloads, primarily related to the strategic defense initiative [SDI]; and the SDI itself, which, if ever deployed, would consume enormous resources. The National Commission on Space has recommended many of these programs, in addition to some more far-reaching efforts such as establishing permanent bases on the Moon and Mars.

How will we weigh these projects against each other? Which will get top billing? These are questions that must be answered through a thorough analysis of what our space priorities are. Many of the projects listed above are extremely exciting, and could provide valuable breakthroughs in science, commerce, and industry. It seems clear, however, that we cannot afford every space project that we come up with. For this reason, we need to make sure that we endorse the space projects that provide the benefits we are seeking through such investments. We also want to make sure that we make the choices that really guide us to where we want to be in 10, 20, and 50 years from now.

What balance do we want between civilian and military space programs? This question needs immediate attention. The Pentagon's space budget is already well over twice the size of NASA's—nearly $18 billion for the

Pentagon, compared to $7.5 billion for NASA. Is this the spending mix that we want? If so, are we willing to see important scientific and commercial space programs suffer due to military space priorities?

We have already heard that the Pentagon expects almost complete control of the shuttle program once it is flying again. While many of the backlogged military space missions are essential for our national security, others may not be. A building backlog of scientific and commercial spacecraft will also occur during the next few years. How will these programs fare in the competition for slots on the space launch schedule? This will depend on the priority we place on such missions versus others, including SDI experiments involving tests of weapons in space.

Many of us are strong supporters of the U.S. space program. I, for one, want NASA to have a strong research and development effort, and I support the space station, the aerospace plane, and a replacement for the shuttle *Challenger*. These rank as the highest priorities on my space agenda, but others certainly have different priorities.

The setting of national priorities in space will take time. It will require considerable discussion and debate over the coming years. But this debate is essential. Space provides us with immense opportunities for the expansion of knowledge and the benefit of humanity. Space is one of our final frontiers, and we want to chart it in a fashion that gives us continued pride and excitement.

With these concerns in mind, I commend the following article from Business Week, which stresses the need for establishing priorities in the U.S. space program:

[From Business Week, May 5, 1986]

THE U.S. IN SPACE: IT'S TIME TO GET THE PRIORITIES STRAIGHT

(By Evert Clark and Dave Griffiths)

Never before has the nation's space program been in such trouble. First the Challenger shuttle tragedy cast a pall over the manned space effort. Then on Apr. 18 a Titan 34D rocket—the only other U.S. launch vehicle capable of lofting large intelligence satellites into space—exploded in California.

Now tough choices are inevitable. The cost of restoring those two workhorse programs is enormous. But it pales beside monumental demands for new space projects that are just over the horizon. Growing skepticism about the disarray in the current programs will make Congress reluctant to shell out billions of dollars for new space ventures. And clearly, some ambitious projects will have to be slowed.

The list of space projects vying for federal dollars is lengthening rapidly. The U.S. is already committed to building a permanent space station in the early 1990s and has just embarked on the multibillion-dollar aerospace plane, which could provide both a successor to the shuttle and super-high-speed commercial airlines. Soon a National Aeronautics & Space Administration Defense Dept. study group is expected to urge development of a huge cargo rocket to deploy Star Wars weapons in space. In addition, the National Commission on Space appointed by the President will propose a $700 billion program that envisions manned bases on the moon and on Mars.

RESTORATION

Even the space advocates in the Administration concede that moon bases may be a bit much for now. Worry that the commission's proposal would stir too much opposition on Capitol Hill has prompted the Administration to delay release of that report. But remaining proposals will cost a staggering amount—underscoring the urgent need to set some hard priorities for future space projects.

Clearly, the first task must be to fix what's broken—the shuttle and the Titan, which have already cost taxpayers billions of dollars. An interagency space group is about to tell the President that it will cost at least $5.5 billion to restore the shuttle program, including building a new shuttle and covering the cost of scouring the sea bottom for clues to the Challenger disaster.

The interagency group used notable restraint in reaching that figure. It struggled to stay within the budgetary strictures of the Gramm-Rudman Act, rather than seek a special exception. It decided not to argue that replacing the Challenger is a national emergency, because three shuttles remain in the fleet and some unmanned rockets are available. That means the money will have to come out of other NASA and Defense Dept. programs.

Beyond replacing the shuttle, the group will call for the military to double the number of unmanned rockets it will buy and speed up their production. Since the shuttle program began in the early 1970s, the Pentagon has insisted on keeping some unmanned boosters, both to ensure instant access to space and to protect itself against problems with the shuttle. After the Challenger tragedy, Pentagon officials bragged about their foresight.

The Titan explosion—the second in a row—and the loss of an important military satellite change that picture, however. "Now all the guys who gloated when the shuttle blew up have a problem," observes a Capitol Hill defense expert. The trouble is, no one is sure how much it will cost to get the Martin Marietta Corp. Titan 34D fleet back into service and replace the top-secret satelite that was lost. The explosion occurred eight months after another Titan exploded in flight. Worse, the Air Force knows that the accidents had different causes. That gives the service another riddle to solve—and more questions to answer on Capitol Hill. "I think the Air Force is in a world of trouble," says one congressional aide.

LITTLE CHOICE

The Air Force is acutely aware of the liabilities of the latest Titan explosion. One official says the rocket had been checked out especially thoroughly because the U.S. couldn't afford another space disaster. "We knew how important this was—for political reasons, for image, and because of the payload itself," he says.

Still, the Pentagon has little choice but to ask Congress to throw more money at the problem. The Air Force is already spending $2.1 billion for 10 new Titan 34D7s—a larger version of the type that exploded. Even though the interagency group wants to accelerate production of those rockets, they will not be ready for many months. And Congress is already starting to question the decision. "Should we really go ahead with the D7s before we fix the 34Ds?" asks one space expert.

Other legislators are sure to raise still more pointed questions as they begin to realize how costly it will be to rebuild the shattered space program. For now, there is no question that ambitious leaps toward colonizing space should be tabled. And since the decision on whether to put Star Wars weapons into space is a long way off, there is no need to give a green light quickly to a new cargo rocket.

There is still no question, either, that the U.S. presence in space must continue. The fledgling space-station program is vital to scientific and industrial exploitation. And further down the road, the aerospace plane is the best answer to both military and civilian transportation needs. But those critical programs may be jeopardized unless the Administration offers a credible—and affordable—plan for the future of the American space program.

MILLERSBURG FIRE COMPANY CELEBRATES 100 YEARS

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. GEKAS. Mr. Speaker, I will have the great pleasure of participating in the celebration of the 100th anniversary of the Millersburg Fire Company on Monday, June 9, 1986 at the Millersburg Area High School cafeteria. I would like to take this opportunity to extend the personal commendation of the U.S. House of Representatives to the Millersburg Fire Company and the entire community on this special occasion.

The Millersburg Fire Company has always relied on voluntarism to facilitate the needs of the community. Voluntarism dates back to colonial America when the survival of our newly born Nation relied on volunteers who were willing to give freely of their time in order that their community would be a better and safer place to live. Millersburg, tucked away in central Pennsylvania, refused to give up the bond that is formed when volunteers join forces to serve the needs of the local community. The fire company was founded in January 1886 and was under the direction of the first fire chief, Mr. Campbell. It was originally named the Citizens Fire Company and in 1901 was given its current name.

After a century of existence, the fire company maintains an impressive roster of 100 volunteer fire fighters and 60 ambulance personnel. The volunteer fire fighter occupies a special place in both the history of our Nation and in the esteem bestowed upon him or her by fellow citizens. Every community in the Nation takes great pride in the men and women who risk their own lives to protect the welfare of each and every individual.

Volunteers not only fight fires and give medical attention but also organize numerous fund raisers held throughout the year to maintain the fire company's operations. In addition, the fire company is grateful for the generous donations given to them by members of the community. One gentleman who deserves special mention is Mr. Daniel Jury who is currently serving as president of the fire company and has served the Millersburg Fire Company for 45 years.

Mr. Speaker, please join me in congratulating the Millersburg Fire Company for 100

years of faithful community service. The Millersburg Fire Company has truly demonstrated that the institution of voluntarism is still alive and well in America.

A TRIBUTE TO H.T. STEVE MORRISSEY OF BENSALEM

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. KOLTER. Mr. Speaker, it is always with great respect that I refer to volunteers who, after serving their Government in the military or civilian sector, give unselfishly of their time and effort to further the welfare of their fellow Federal retirees.

In this respect, I specifically mention Mr. H.T. Morrissey, of Bensalem, PA, who is a most active member of the National Association of Retired Federal Employees [NARFE]. He currently serves as president of the Pennsylvania Federation of chapters, NARFE, and has been instrumental in protecting the entitlements of his State's 30,000 membership.

In serving his country with the U.S. Combat Engineers in World War II, and as a member of the 1952 Michigan State University championship football team, and with years of Federal service as chief enforcement officer with the Bureau of Alcohol, Tobacco and Firearms, of the Department of the Treasury, he gave devotedly to his country and his university.

Upon retiring, he immediately entered into the Federal service, this time not as an employee or a soldier, but as a volunteer member of NARFE dedicated to the service of his fellow Federal retirees on behalf of protecting their currently hard-earned future benefits.

As president, Mr. Morrissey soon initiated actions that reflected his deep concern for fellow retirees. Upon his awareness of certain detrimental aspects relative to cost-of-living-adjustments [COLA] impacting the Federal retiree, he was immediately in the forefront and served as a plaintiff in legal proceedings against the U.S. Office of Personnel Management in an attempt to reverse those threats. He was also in the forefront to counter the unfair stigma placed against Federal retirees in an inference by the Grace Citizens Against Waste movement. He also foresaw the Gramm-Rudman Act as unfair to the entire Federal sector.

Suffice to say, Mr. Speaker, that H.T. Steve Morrissey rose through the grass roots ranks of NARFE to the position he now holds, serving 30,000 members in Pennsylvania. It is of this dedicated material that champions are made, and that is why I honor him today before my colleagues in the U.S. House of Representatives.

VIOLATING SALT II

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mrs. COLLINS. Mr. Speaker, last week President Reagan embarked on dangerous new policy, the abrogation of SALT II. Arms control is the foundation of U.S. security. Beginning with the Anti-Ballistic Missile Treaty in 1972, the stability of the world has rested on negotiated weapons limitations. Now, the President intends to destroy this carefully built structure and throw us back to the brink of war.

By violating SALT II, the administration will demolish not just one treaty, but the entire basis for arms limitation. This will leave us facing a renewed arms race, super heated by an atmosphere of distrust—a race that no nation can win. Resources will be drained from vital social programs into wasteful defense spending. And what will the United States gain for this sacrifice? An increase in security? No, only a greater chance of nuclear annihilation.

Our NATO allies recognize the dangers of rejecting of SALT II. They understand the threat of an arms race and the horrors of war. The Europeans have only to look at their history. They saw the First World War foreshadowed by a weapons buildup. They remember the appalling bloodshed and destruction of World War II. Europeans tremble at the thought of another arms race; the threat of another war. They know the value of negotiations and wonder why the American President does not.

President Reagan does not understand the dangers of nuclear weapons. Time and time again he has demonstrated his intention to destroy arms control agreements, deploying the destabilizing MX missile and embarking on the bankrupt policy of Star Wars. These are not programs of peace, they are strategies for war. They do not protect the American people, but only fill the coffers of arms manufacturers.

Congress must oppose this misguided policy. We must act now to reverse this dead-end race into the abyss of war. I urge my colleagues to join in the fight to save SALT II. The futhre of the world rests on our shoulders. If the President will not support a sane military policy, then the Congress must. We must save SALT II, for the future of our Nation and of the world.

REPORT ON TRIP TO "U.S.S. AMERICA"

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. MURTHA. Mr. Speaker, I recently returned from a 2-day inspection trip (Friday night to Sunday night) to the Mediterranean where I met with the sailors and marines of the 6th Fleet. I spent one night aboard the U.S.S. *America*, which is one of the aircraft carriers that participated in the airstrike against Libya.

As a member of the Defense Appropriations Subcommittee, I am interested in all aspects of defense. The purpose of my brief inspection trip was to discuss the airstrike against Libya firsthand with the personnel actually involved, and to get the perspective of our troops deployed overseas as to what their priorities are in terms of the fiscal year 1987 defense budget.

First, I want to offer my praise to the 6th Fleet for the professionalism and precision with which they carried out a most difficult and challenging mission. I discussed the specifics of the Libyan raid with Rear Adm. Henry Mauz, who is the commander of Task Force 60, with Capt. R.C. Allen, the captain of the aircraft carrier, with the pilots who were involved in the airstrike, and with the officers and enlisted personnel who participated in a support role for the planning and actual operations of the attack against Libya. Some observations I made were.

First, piloting an aircraft which takes off from, and lands on, an aircraft carrier is a feat in itself.

Second, conducting those operations at nighttime is an even greater challenge.

Third, taking off from an aircraft carrier at night, flying hundreds of miles, carrying out a precision bombing mission under intense enemy fire, and then returning to the carrier for a nighttime landing is a tremendous accomplishment of technology, human skill, and bravery.

In meeting with the pilots, I was struck by their youthfulness and enthusiasm. Of all the pilots from the U.S.S. *America* who participated in the raid, only one had any combat experience. The average age of the pilots was 25. The average age of the enlisted personnel on the U.S.S. *America* is just 19½.

I was impressed with the complexity of the operation regarding the attack on Libya. In addition to the Navy bombers in the strike, there were dozens of support aircraft which participated, such as tankers, electronic jamming aircraft, and fighters. A total of 38 aircraft took off from the U.S.S. *America*. Often planes would take off only seconds apart. The attack of the aircraft from the two aircraft carriers had to be coordinated timewise with each other and with the Air Force planes flying from England. It was a job well done and I congratulate all of the participants.

HI-TECH

"Hi-Tech" in various weapon systems has come in for a lot of criticism in recent years. I recognize that there have been cases of "goldplating" where excessively sophisticated or too expensive technology have been incorporated into weapon systems. As a member of the Defense Appropriations Subcommittee, I resist funding programs where, in my judgment, hi-tech is excessive or not cost-effective.

However, the "other side of the coin" is the great success that various hi-tech systems have had in the recent events involving Libya. During the "Freedom-of-the-Seas" naval exercise, the Libyans sent a gunboat out toward our ships. The gunboat was traveling at 35 knots at night and the naval aircraft fired two

Harpoon missiles at the gunboat when it was 12 miles away. The first Harpoon crippled the gunboat and the second one sank it, and this was the first harpoon missile ever fired by this crew.

Another example of hi-tech systems making a valuable contribution was the pilots being able to plan for their precise targets through the availability of satellite imagery of the intended target. Of course, there are many other examples of how hi-tech systems aided in carrying out the raid, such as the jamming of radar. Clearly the great success of these operations shows that hi-tech systems play an invaluable role in combat.

RESPONSE OF EUROPEAN CITIZENS TO LIBYA RAID

Mr. Speaker, subsequent to the raid on Libya, the U.S.S. *America* made a port call at Cannes, France. A number of the officers and enlisted personnel on the U.S.S. *America* commented to me about how warmly they were greeted by the French people. One senior officer on the ship said it was the best port-call he had made in 22 years. Another officer said it seemed like V-E Day because they were greeted so enthusiastically by the French people. It's clear to me that the people of France fully and enthusiastically supported America's action. In a discussion I had with the commanding officer at the naval base at Sigonella, he mentioned to me the warm response he and the other Americans have received from the Italian people regarding the airstrike against Libya. He also mentioned how cooperative the Italian Government has been with the United States in matters of defense and counterterrorism.

FISCAL YEAR 1987 DEFENSE BUDGET

Mr. Speaker, I would like to relate my impressions of the 2-day inspection trip to the upcoming debate on the fiscal year 1987 budget for the Department of Defense. I recognize, as well as any Member of this legislative body, that the requested defense budget for fiscal year 1987 will be reduced quite substantially by the Congress. I recognize that some painful decisions are going to have to be made in that process.

However, as the authorizing and Appropriations Committees begin their deliberations on the pending defense budget, I believe that they must be extremely careful in their decisions so that readiness is not adversely effected. I believe that adequate levels of flying hours and steaming hours are essential for our troops to maintain appropriate levels of readiness. Last year, the Air Force had its safest flying record in history and part of that fine record can be largely attributed to training. As I mentioned earlier, I spoke to the pilots of the U.S.S. *America* who were involved in the Libyan airstrike. They stressed to me the vital role that having adequate flying hours for training played in preparing them for their mission.

As a combat veteran of the Vietnam war and a Member of Congress since 1974, I have observed many situations where the military morale was low, equipment was run down, spare parts were not available, pay was low, and housing conditions were often substandard. The executive and legislative branches have worked together to significantly improve Readiness of our Armed Forces: Pay has increased substantially; morale is high; new, improved equipment is rapidly coming on line; housing is improving; and the supply of spare and repair parts has increased substantially.

As I mentioned, I fully recognize that substantial reductions will be made in the fiscal year 1987 defense budget request. A combination of competition for Federal funds, the deficit, Gramm-Rudman, and the disillusionment because of the outrageous prices paid for variable spare parts are all factors in making a reduction in defense inevitable. However, the size and the mix of programs that are involved in that reduction will be extremely important. In my brief 46-hour trip, I observed firsthand the great capability, enthusiasm, partiotism, and courage of our frontline troops. The support of the American people and the American Congress is an essential ingredient for maintaining that high morale and capability.

IN MEMORY OF DAVID ANTHONY ROBISON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. RANGEL. Mr. Speaker, I want to bring to the attention of my colleagues the untimely death of David Anthony Robison, 48, who was the dedicated leader of the Committee for Employment Opportunities. His tireless and forceful efforts were instrumental in the development of grassroots support for the targeted jobs tax credit [TJTC] which is designed to provide employers with a tax incentive to hire the structually unemployed.

While David devoted the last 8 years of his life to human resource development, he had a rich and fulfilling career even before turning to politics. A native New Yorker, he graduated from Bard College and went on to study international affairs at Columbia on a fellowship grant, where he received his M.A. He then became one of the first foreign correspondents in Biafra, his moving photographs from that region were credited with arousing worldwide awareness of the tragic situation there and won him the 1969 overseas press club award for photography. David also covered guerilla warfare in southern Sudan and Nagaland on the Indo-Burmese border, writing for the London Observer, the New York Times, Life, and Newsweek.

David's experience as a foreign correspondent prompted what was to become a lifelong interest in providing employment for the underprivileged sectors of our society. He became a human resources consultant to such corporations as RCA, Control Data, Gulf Oil, and to the Ford Foundation, the National Governors Association, and the U.S. Department of Labor. He provided important recommendations to Vice President Walter Mondale's Task Force on Youth Employment, and he wrote Jobs and Training Programs in Action for the Committee for Economic Development in addition to five other books on business employment.

David's expertise, devotion, and energy cumlinated in his work for the Committee for Employment Opportunities, where he served as executive director. Under his leadership, the Committee for employment Opportunities became the primary organization responsible for grass-roots mobilization on behalf of TJTC. One of David's proudest achievements was his successful TJTC study in Chicago, where the TJTC issue garnered widespread media coverage as a result of David's efforts. He also worked in Oregon, where he prompted newspaper editors throughout the State to focus their attention on TJTC.

What clearly emerges from this brief account of David Robison's life is his unwavering commitment to bringing employment programs and opportunities to the local level. He felt that unemployment problems could be best solved by small businesses and the endeavors of the neighborhoods most affected by chronic unemployment. David put faith in people, and it showed. He was at his best when he was dealing with individuals—he believed that they rather than the government bureaucracy, were the ones who could provide effective solutions. In short, David Robison embodied the best of what we now nostalgically call "the idealism of the 1960's." With single-minded determination, he wanted only to help people, eschewing the trappings of wealth and power.

David died of cancer on May 27, 1986. He is survived by his wife, Phyllis Bernard-Robison, by two children, Marie Antonio, 3, and from a previous marriage, Matthew Leon, 12, and by his sister, Nina Robison Dorfman of Laguana Beach, CA. David did not have a chance to fulfill his final dream—to travel to West Africa, where he wanted to work on projects that would relieve the terrible drought problems. But he did fulfill his ultimate dream—to help people lead a better, more productive life.

THE ETHIOPIAN GOVERNMENT'S RESETTLEMENT PROGRAM

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mrs. ROUKEMA. Mr. Speaker, recent press reports indicate that the Ethiopian Government is contemplating resumption of its controversial resettlement program. Only a few months ago the government of Colonel Mengistu assured Western donor nations, including the United States, that it had suspended resettlement activities for the duration of the drought. This was interpreted by us to mean that no people would be moved for the remainder of 1986. This Congress, in concert with the international community, must continue to make clear to Ethiopian authorities that we object to the resumption of this program unless the inhumane and coercive way it was carried out is discontinued.

For some time, the Ethiopian Government has been moving people from the depleted land in the northern Provinces to other regions of the country. The stated goal of the program is to take volunteers from overused agricultural areas and resettle them on more productive land. Last year reports by independent sources alleged that Ethiopians were

forced into the program, held in unsanitary and overcrowded transit camps that resulted in needless suffering and death, and then moved to ill-prepared resettlement sites in malaria infested areas of the country.

At a time of continuing famine and drought, it is an offense to humanity that the Ethiopian Government does not place a higher priority on relieving the suffering of its own people. This is a priority the international donor community views as paramount under the present famine conditions which continue to grip that region of Africa.

On February 6, 1986, I introduced a resolution in the House of Representatives, House Concurrent Resolution 285, that called for a halt to the program of resettlement being carried out by the Ethiopian Government. Over 100 of my colleagues in the House from both parties joined me in cosponsoring House Concurrent Resolution 285. All of us were concerned that the Ethiopian authorities have not devoted enough of their resources to the famine relief effort.

This resolution stated that three very simple and straightforward conditions should be met. First, it called upon the Ethiopian Government to suspend the resettlement program for the duration of the drought, so that much-needed resources could be channeled into the famine relief effort. Second, it called for an end to any coercion in the resettlement program and requested that the United Nations monitor the situation. Third, it called for free access both to and from the resettlement camps for the participants, international observers, and the news media. This is the only way we can hope to get accurate reports of the conditions which exist in this controversial program.

I am not suggesting that we seek to intervene in the domestic politics of a sovereign nation. If Ethiopia is to proceed with an agricultural development program, there may be credible reasons for relocating people to more fertile regions. Whatever the need may be in the future for some type of resettlement program, it is clear that for the duration of the current drought at least, resources should be used for famine relief and not for resettlement. It is also clear that any resettlement program should not be coercive and should not separate families.

At present, all the moral weight of the international community has not been brought to bear on the Government of Ethiopia. Peter McPherson, Administrator of the Agency for International Development, has made a tremendous effort to get the Ethiopian Government to respond to our concerns. Sadly, his voice and the voices of others have not led to assurances from the Ethiopian Government that they will carry out a more humane program and that they will allow international observers to monitor the situation. The Congress must now call upon other donor countries and the United Nations to use all diplomatic means possible to ensure that a new resettlement program does not continue the abuses of the past.

Millions of starving Ethiopians depend on the contributions of the international donor community and on the actions of their own Government for their survival. By responding to the concerns I and other Members of Congress have expressed, Colonel Mengistu can eliminate much unneeded suffering of the Ethiopian people.

THE FAMILY HAD THREE SONS

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. MYERS of Indiana. Mr. Speaker, several months ago I was pleased to submit for the RECORD an article by Major General Mohr, Retired, entitled "The Problems With Battlefield Medicine."

The article by General Mohr raised some serious question regarding the wartime medical readiness of our country:

Must six out of seven wounded GI's die because of a shortage of combat medical specialists? Will it be said that the people of this great Nation sent their sons to battle without medical care needed to save the lives of the wounded?

The article also suggested a solution to this serious readiness problem.

In what constitutes a major national security issue, the Selective Service System lacks authority to deal with medical personnel shortages.

Recently, a senior member of the Armed Services Committee, Congressman SONNY MONTGOMERY, introduced legislation (H.R. 4346), calling for the registration of health care personnel. The legislation provides the means of calling specific health care personnel rapidly in response to Department of Defense needs.

Today, I am again pleased to submit for the RECORD a more recent statement by General Mohr on this most important subject. I hope that all the Members of this body will read General Mohr's statement and that you will give Congressman MONTGOMERY's initiative the support needed to ensure no American GI's ever die due to the lack of adequate medical care.

The article by General Mohr is entitled "The Family Had Three Sons."

THE FAMILY HAD THREE SONS

Suppose you have three sons who volunteered for military service. And suppose heavy fighting erupts in the Middle East, spreading to Europe. Shortly thereafter, North Korea launches an assault across the DMZ into the South. Both are dangerously real possibilities.

You receive the first dreaded notice say "The Secretary of the Army regrets to inform you that your son has been killed in action . . ." Then comes a heartbreaking notice about your second son. A third message informs you that your last remaining son has been wounded—but he is recovering in a hospital.

As families often do, you write to ask what happened. Replies say all three were wounded. But only one received the timely lifesaving medical care needed to survive.

You are shocked to learn that your other two sons died while waiting for surgery and treatment. There weren't enough military field hospitals, doctors, nurses and health care specialists available to treat the casualties.

You find this hard to believe, remembering that in Vietnam, where adequate medical care was available, 98 percent of the wounded survived. But it's true. The Armed Forces today don't have enough medical units and adquately equipped field hospitals. Most are in the Reserves where longstanding equipment and health care professional personnel shortages remain to be solved.

This great nation has no mechanism in place to identify and classify civilian doctors and nurses to assure their timely availability for ANY major emergency at home or abroad which involves great numbers of casualties.

It is also difficult to imagine that the American Medical Association and other health professional organizations are against legislation to register health professionals with the Selective Service System. Complicating matters is that most nurses are women.

The bill proposed by Rep. G.V. (Sonny) Montgomery, D-Miss., does not suggest a peacetime draft of women or anyone else. It proposes only that the government should know the names and addresses of men and women having those lifesaving skills. Realistically, however, that isn't enough. The proposed law should also call for the identification of doctors, nurses and other professionals by their specialties for use only if they are needed in an emergency.

The Defense Department has notified Congress it does not support legislation to register doctors and nurses and health professionals—that measures it has taken to improve combat medical care should be given time to work. It's a fair guess that political pressures from professional health care organizations was a factor.

The Defense Department does deserve credit. The Assistant Secretary of Defense for Health Affairs was the first to call attention to the problems of battlefield medical care. DOD has put a high priority on correction of the deficiencies.

Improvements are under way, but it is a slow process and there is a long way to go. There is no assurance that the next crisis will wait for a prolonged and uncertain solution.

The dimensions of this problem are shown by casualty estimates for a NATO conflict. Casualties could total 50,000 a day (for all NATO countries) according to a report in the April issue of Jane's Defense Weekly. Existing staffs and medical facilities would quickly be overwhelmed. The report said France had not cooperated with NATO in planning for treatment of wartime wounded.

The Defense Department continues to say that, as matters now stand, it could only care for about three of every ten battlefield wounded in a major conflict. Unspoken is the dreadful statistic that the other seven—two of every three—may not receive the lifesaving medical care and treatment needed to survive.

ARE THE CONTRAS EXPENDABLE?

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. COURTER. Mr. Speaker, William Safire recently wrote a column on the likelihood of a

Reagan administration abandonment of the Contras, which my colleagues should read.

How many times have we in Congress and administration spokesmen called for a bipartisan foreign policy? And how many times have Senator Vandenberg's words been quoted, that "politics stops at the water's edge"? Yet we are now embarrassed by an administration that cannot even agree with itself on a uniform, coherent foreign policy approach to the Soviet-supplied Government of Nicaragua and the freedom fighters opposing it, even though the freedom fighters are fighting our fight. Mr. Habib from the State Department is busily trying to persuade Commandante Ortega to sign an agreement that will get the United States out of supporting the freedom fighters even as the Defense Department is publishing a report predicting major U.S. military action as the result of such an agreement.

"Open negotiations openly arrived at" was a Wilsonian diplomatic ideal, but it was never meant to refer to an American administration negotiating with itself. The left in Congress has been courting a U.S. military response in Central America by denying our Government the tools for a nonmilitary solution; it has not been joined by a State Department that seems to have more in common with congressional opponents of the President's policy than it does with the President. Whether the Defense Department's predictions are correct or not, the administration's internal disarray is inviting intensified Soviet/Cuban-inspired adventurism in Central America and elsewhere around the globe. I am compelled to believe that President Reagan, who has specifically said that he would never abandon the Contras' fight for freedom, is simply, sadly unaware of the long-run implications and potential danger presented by the Habib mission.

THEY WERE EXPENDABLE

(By William Safire)

WASHINGTON.—"Can we renounce the good and worthy ideals for which these Nicaraguan patriots shed their blood," rhetorically asked Ronald Reagan last week as he urged support for the contras, "and believe the freedom lost there may not one day be lost here as well? Some say yes. I say never."

Bombast. If the President believes his Administration is united behind him in setting and espousing a clear policy to stop Communism in Nicaragua, he is living in a dream world.

We are coming to the moment of truth in Central America. Up to now, only the trouble the contras have been causing in Nicaragua's backyard has stopped Communist expansion. But in a couple of weeks, the Contradora compromisers are scheduled to offer Nicaragua a treaty that will call on the U.S. to end all military pressure on the Communists—in return for the easy reiterations of a set of promises the revolutionaries in Managua have broken before.

The Soviet-supported Communists would be crazy not to sign: the cutoff of aid to the pesky resistance is real, while honest elections with press freedom and an end to subverting neighbors are promises that fall trippingly from the tongue.

At that moment, Mr. Reagan would need to commit all his resources of popularity, and marshal all his dwindling support in the Congress, to strengthen the anti-Communist contras. Is he getting to do that?

Consider: last week, the pro-contra side of the Reagan Administration, led by the Pentagon's Fred Iklé and supported by the C.I.A.'s William Casey, issued a report casting doubt on the likelihood of the Managua dictatorship's suddenly going into the promise-keeping business, and predicting that the withdrawal of support to the contras now would result in the need to commit 100,000 U.S. troops in years to come.

But the anti-contra wing of the same Administration is led by career super-diplomat Philip Habib. In a schism that exceeds the worst Brzezinski-Vance dissension in the Carter Administration, Mr. Habib's State Department announced that the Pentagon study, issued to Congress and the public under a Department of Defense seal, "has no standing as a United States Government document."

What caused this war between State and Defense? The root reason is a dispute, allowed to fester by the increasingly remote President, over whether our sponsorship of continuous military pressure is needed to stop and reverse Communist expansion in our sphere of influence.

The immediate cause was the written statement by Mr. Habib that "on signature" of a pact, U.S. aid to Nicaragua's rebels would cease. That caused alarm and dismay among hardline Congressmen, led by Representative Jack Kemp, who have been fighting in the House for what they thought was the President's policy; they remember the Nixon-Kissinger sellout of the foolishly trusting Kurds in Iraq, and do not want this allied force to be treated as expendable in an amoral power game.

The White House tried to build a paper bridge over the chasm, praising our State Department envoy while having a disembodied voice off stage call the formulation of Ambassador Habib "imprecise." We will delay our abandonment of the contras, according to the senior official afraid to affix his name to the statement, until the treaty is "implemented."

That weaseling is supposed to reassure the hawks. It does not. Mr. Reagan's ringing rhetoric no longer obscures his interminable waffling on contra policy. Because he is unwilling to try to win, he will lose: by muddying the waters with his indecision, the President has already undermined his chances of winning support for the contras in the House. Nothing is less inspiring than a seemingly certain trumpet playing an uncertain tune.

This all means that on using the contras as bargaining chips, George Shultz and George Bush have won, and Caspar Weinberger and William Casey have lost. And not for the first time: though alliances shift on summitry, responses to terrorism and on trade policy, Mr. Shultz rarely loses and Mr. Weinberger rarely wins.

Perhaps that explains why Mr. Reagan encourages the Pentagon and the C.I.A. to charge about claiming that leaks are doing them in, to play with polygraphs to intimidate whistle-blowers, and to harass the press with threats of prosecution. Having lost on the central internal battles, the Weinberger-Casey set is left to put up the pretense of policy power with a display of angry repression.

Will Mr. Reagan see this split as the start of the disintegration of his leadership, knock heads within his official family to reassert long-term support of the human beings he likes to call freedom fighters, and in so doing, invigorate the remainder of his term? Some say yes. I say never.

HONORING DR. ERWIN N. JONES, SUPERINTENDENT OF THE COVINA VALLEY UNIFIED SCHOOL DISTRICT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House to join me in honoring Dr. Edwin N. Jones.

On June 30, 1986, after 19 years, Dr. Jones will be retiring as superitendent of Covina Valley Unified School District. His retirement will bring to a close involvement in California education that has spanned 36 years and has been characterized by distinguished and diverse service.

Upon receiving his undergraduate degree at the University of California at Santa Barbara in 1950, Dr. Jones entered the field of education. After earning his master's, from the University of Southern California in 1956, he pursued a lifetime of commitment to improve the lives of those around him. Within the Covina Valley Unified School District, Dr. Jones held several different administrative posts that demanded different responsibilities and challenges before he was named superintendent in 1967.

His record of service is comprehensive and a model for those who pursue a career in education. He held the office of principal at the elementary, junior high, and high school levels. In addition to his service at particular schools, he has met the needs of the district as a whole, serving as an administrative assistant, director of elementary schools, and assistant superintendent of instruction. Dr. Jones epitomized his role as an educational leader by returning to the University of Southern California in 1968 to receive his doctorate in education.

His dedication and commitment to serving others is also evident in his active participation for the past 30 years in civic affairs. His contributions have been most visible in his involvement in local organizations such as the Covina United Way, Covina Chamber of Commerce, Covina Rotary Club, and board of trustees of the Inter-Community Medical Center.

Mr. Speaker, I want to commend Dr. Jones on his commitment and service to others and their needs. He has been an involved citizen and his leadership in education has provided an inspirational model for us all. I wish him my best on a well deserved retirement.

A TRIBUTE TO MARYLAND STATE SENATOR JAMES CLARK

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. DYSON. Mr. Speaker, I rise today to pay tribute to a man who has announced that he will not seek reelection after serving 28 brilliant years in the Maryland General Assembly. I speak of Senator James Clark, Jr., who

has compassionately and courageously committed years of his life to ensure that his constituents were well represented.

However, Mr. Clark said he did not rule out running later for another office. "Just say I am leaving the Senate," he said on the front porch of his farmhouse nestled in rolling fields across the road from Columbia, MD. "It is time for me to leave the legislature. I don't rule anything out in the future."

A fiscal conservative who says he was "born a Democrat and will always be one," Mr. Clark has dominated the political scene in Howard County for the past two decades. He played a national role in pressing for a constitutional amendment requiring a balanced Federal budget, and he headed Jimmy Carter's 1976 Presidential campaign in Maryland.

Mr. Clark was elected to the House of Delegates in 1958 and served one term before moving to the State senate, where he has been a fixture since 1962. He was favored to win another term if he chose to run again. Mr. Clark was president of the senate from 1979 to 1983, when he was ousted in a bitter party fight by Senator Melvin A. Steinberg of Baltimore.

Mr. Clark said he had thoughts about running for county executive but gave them up. "I thought it would be more confining," he said. "It takes working a 16-hour day to do that job right."

Looking back on his career in the legislature, Mr. Clark said he was "most proud of his early stand for civil rights" before it became popular.

"I thought it was the right thing to do and I did it," he recalled. "In the mid-1960's, I was the only white senator to put my name on a fair-housing bill."

He also led the drive to reform the State pension system, which led to a restructuring of teachers' and State employees' pensions that made them less costly to the State.

Mr. Clark also took the lead in sponsoring legislation providing tax support for acquiring park land and preserving farmland. He said it is important to control growth in once-rural Howard County, MD, which during his time in office has been transformed by Columbia and other suburban development.

"I think we are growing too fast, and we will have all sorts of road problems," Mr. Clark said. "There is a need to slow growth down. Soon we will be as bad as Montgomery County, and we will not be able to move on the roads in a couple of years."

The senator, who speaks with a rural twang and is apt to start a sentence with "Well, * * * " has been known for his quiet, low-key manner and gentlemanly, polite approach to politics. "I wielded a lot of power, but I always did it quietly," he said.

So, Mr. Speaker, I proudly salute Senator James Clark, who stands as a source of great pride to his constituents and all in Maryland's First Congressional District.

SALT II DECISION FATALLY FLAWED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BROWN of California. Mr. Speaker, in making the decision to abandon the SALT II Treaty limits, the President and his close advisers have demonstrated that they prefer an arms race to arms control. The decision has been justified on the grounds that SALT II was "fatally flawed." But the flaws that should concern us more are in the administration's arguments in defense of scrapping the treaty.

The administration's first line of attack on SALT II has been that the treaty, and the entire SALT process, was a failure since it simply codified increases in nuclear forces rather than imposing reductions in arms. "Deep cuts" is what President Reagan has said arms control is all about. And over the past 5 years, the Nation has spent $1.3 trillion on defense on the grounds that such spending was essential in order to get "deep and equitable reductions."

But deep cuts are nowhere in sight. There has been no progress in the Geneva arms control talks and there is no sign of progress for the foreseeable future. The administration may extol the virtues of deep cuts, but it shows no willingness to accept such cuts. The SALT limits that Mr. Reagan denounces as being too high, have, in reality, proven to be not high enough.

If the United States exceeds SALT, then the Soviets will do likewise. Yet the Soviets are in a far better position to rapidly increase their offensive forces than is the United States. Intelligence estimates indicate that the Soviet Union could double or triple its nuclear forces in the next 10 years. The United States, however, couldn't possibly match this force growth. Our existing missiles are much smaller than the Soviets', thus cannot carry as many additional warheads, and we do not have anywhere near the missile production base of the Soviets. Removing the SALT limits, therefore, would leave the United States at an extreme disadvantage during a new offensive arms race. Calls for "deep cuts" are fine, but accelerating the arms race, and doing so in a fashion such that the United States is at a inherent disadvantage, is on way to achieve such cuts.

According to the administration, however, abandoning SALT is justified due to Soviet treaty violations. Two specific violations of SALT II are cited: construction of a second ICBM and encoding of electronic signals during missile tests.

On the first charge, it is true that the Soviets have deployed a new mobile single-warhead missile—the SS-25. SALT II limits each superpower to only one new type of land-based missile, which the Soviets previously indicated would be the SS-24. The Soviet position is that the SS-25 is simply a modification of an earlier version, the SS-13, and thus is permitted under SALT. The administration counters with the claim that the SS-25 is not simply a modification of the SS-13, since it differs from the SS-13 by more than the 5 percent allowed by SALT II.

Whether or not the SS-25 is a violation remains uncertain, and may never be resolved since the dispute rests on 1960's U.S. intelligence information regarding the SS-13. Questions remain as to whether this data is accurate. But the case of the SS-25 must also be looked at from a broader perspective. Specifically, the SS-25 is very similar to the U.S. Midgetman missile now under development, which would constitute a second new missile type for the United States (the first being the MX). And development of Midgetman, we must recall, has been promoted all along as being essential in order to stabilize the arms race.

Remember the Scowcroft Commission of 1983? That panel concluded that the superpowers should move away from multiple warhead silo-based missiles in favor of single-warhead mobile missiles. The latter, it was argued, would be less tempting targets than large silo-based missiles and would be far more difficult to attack. The Commission recommended Midgetman, claiming it would provide the Soviets with an example of the direction the arms completion should be heading. The group also called for the MX on the grounds that it would force the Soviets to make a similar shift toward single-warhead missiles.

Barring the MX endorsement, the Scowcroft recommendations make sense. A move toward single-warhead missiles should help reduce incentives for either superpower to ever launch a first strike. What does not make sense, however, is this sudden attack on the Soviets for doing precisely what we said we wanted them to do. First, we announce that both nations should move toward single-warhead mobile missiles, then we respond to Soviet deployment of such a missile with threats that we will abandon all existing limits on offensive forces unless they stop deployments. The mind boggles at this incredible inconsistency.

The second alleged Soviet violation of SALT II has to do with the encoding of missile test data. The administration accuses the Soviets of encoding, or "encrypting," data transmissions during missile tests to such an extent that the United States cannot gather sufficient information on Soviet missile performance. Although SALT II allows some encryption, it forbids it to the extent that verification of treaty compliance is impeded.

Here again, the charge may be difficult to resolve. The Soviets contend that the United States should be more precise regarding which electronic signals are being excessively encrypted. The United States refuses to do so on the grounds that intelligence capabilities might be revealed in the process.

While occurrences of Soviet encryption should not be overlooked, they should not be seen as blocking the only means of ensuring compliance with SALT II. Intercepting electronic signals from missile tests is only one of the many means available to the United States to monitor Soviet weapons activities. One need only glance at the Pentagon's annual publication, "Soviet Military Power," to see that the United States has gathered unbe-

lievably extensive details regarding Soviet forces. Yet that document reveals simply what is in the open literature. Classified materials go into such excruciating detail regarding Soviet forces that the problem of encryption seems far less significant than the administration would lead us to believe.

This is not to say that Soviet activities should not be constantly scrutinized to make sure that they remain in compliance with existing treaties. Such scrutiny is essential for the arms control process to work. But alleged violations must also be weighed against the risks and dangers of abandoning those treaties. And they should be analyzed in the context of steps that are being taken to stay within the treaties. This is something the administration has consistently failed to do.

Although the President will wax endlessly about Soviet treaty violations, not once have we heard Mr. Reagan speak of the actions the Soviets have taken to honor their treaty obligations. The President has never spoken of the 50 Soviet SS-11 launchers destroyed to compensate for replacements; of the 30 Bison bombers dismantled in clear view of U.S. intelligence satellites to make way for Bear bombers; or of the decommissioning of 14 submarines as newer ones went to sea. All told, the Soviets have permanently dismantled 500 operational missile launchers (compared to 16 for the United States) in order to stay within the limits of SALT. And an additional 300 missiles would have to be dismantled over the next 18 months alone for the Soviets to remain in compliance with SALT, according to the Congressional Research Service. But these dismantlements will probably never occur if the United States carries through with its decision to break out of SALT.

The administration doesn't seem worried; they argue that SALT is "obsolete." But the defense ministers of the 15 other NATO nations all disagree. All have expressed deep concerns about the administration's decision. All have said they see value in preserving SALT. They feel the treaty places useful limits on Soviet forces and that it creates a framework for future, more ambitious constraints.

The administration's response is that restraint will take place without SALT. "We will continue to exercise the utmost restraint," concludes the White House SALT II statement. But what is this restraint they speak of? The only pattern that the administration has demonstrated is one of refusing restraint. In terms of nuclear warhead testing, antisatellite (ASAT) testing, and ballistic missile defense developments, the administration has shown nothing but comtempt for restraint. And now the President and his advisers have decided to abandon the only existing constraints on offensive nuclear forces. The administration may speak of restraint, but its actions reveal a fundamental opposition to the concept.

The administration claims to be interested in new arms control, but its real interest seems to be liberation from existing arms control. Yet such liberation on the part of the Soviets is not something we should relish. As mentioned above, the Soviets are in a far better position than we are to rapidly increase their offensive forces. Without SALT II, U.S. national security would decline as we were confronted with an even larger Soviet nuclear arsenal. The arms control process would become even more difficult to manage and shape new tensions would emerge within the NATO alliance. It's the administration's policy that is fatally flawed—not the treaty.

Even though SALT II has not been ratified by the United States, it remains in our interests to abide by the treaty. Doing so could help prevent a precarious new spiral of the arms race and save us from having to make monumental new investments in nulcear arms. I appeal to my colleagues to study this issue closely and to take actions that will help preserve SALT II.

BLUE RIDGE COUNTRY CLUB MARKS 50TH ANNIVERSARY

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. GEKAS. Mr. Speaker, I would like to take this opportunity to congratulate the Blue Ridge Country Club on its 50th anniversary this year. This member-owned clubhouse has suffered some setbacks over the years but has overcome these obstacles to enjoy its golden anniversary.

It was in the summer of 1936 that a gentleman named Dr. Ben Sainsburg along with Jacob Miller and Edward Schleisner pooled their resources together in order to save the Country Club. They now have a place for their group, their own land, their own haven for only $33,000 sum total.

They called a meeting with all their friends and explained the good news and expressed their future plans for the club. At this time, they made a promise to all those in attendance that should the time come, they could gladly turn over the ownership to the members at their cost. Twenty years later, they tendered their promise and the club now belongs to its members.

Over the years, the clubhouse has been altered and various additions were made. In 1980, an extensive renovation was completed only to be completely destroyed in an arson fire just 2 years later. Not to be defeated, the members joined forces and rebuilt its own personal institution which was dedicated on August 16, 1983.

Today the Blue Ridge Country Club boasts 368 members strong. It serves as a great recreational asset to its people and has helped form many long-lasting friendships. I invite my colleagues to join me in congratulating this club on its 50th anniversary and wishing them continued success.

A TRIBUTE TO BEN LAMBERT AND PENCO LODGE 726

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. KOLTER. Mr. Speaker, today I rise to honor an individual and an organization which have served the workers of Pennsylvania's Conway community, addressing the needs and concerns of the workers in that Fourth District area. First, I would like to pay tribute to Mr. Ben Lambert, who is retiring after 22 years of leadership in the AFL-CIO Penco Lodge 726. Mr. Lambert has faithfully served the lodge as local and division chairman.

I have mixed feelings, however. I join the lodge members who will be saddened by Ben's retirement. But I share their joy in celebrating the 50th anniversary of the founding of the Penco Lodge. With the leadership and sacrifices of Mr. Lambert and others like him, I am certain that the lodge will be able to look forward to a bright future.

It always gives me great pleasure to honor such fine individuals and the worthwhile organizations they serve and represent. But above all, I want to join the members of Penco Lodge 726 in giving a personal "thank you" to Mr. Ben Lambert. His 22 years of loyal service comprise an accomplishment that stands as a monument to the hard work of those he has represented, and that is why I stand before the full U.S. House of Representatives and honor him today.

COMPETITIVENESS OF AMERICAN INDUSTRY

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. WOLPE. Mr. Speaker, the competitiveness of American industries has become an issue of vital national importance. The economic strength of our Nation and the well-being of our people depend upon the ability of our basic industries to adapt to new technologies, adjust to changing world markets, and produce quality goods and services that satisfy consumer demand. The global competitiveness of American industries is a primary source of our national wealth and a key to our high standard of living. If our industries continue to lose market share to foreign competition and fail to produce high-quality goods that meet global demand, all Americans suffer.

The U.S. economy today is facing increasing foreign competition, accelerating technical change, and consumer markets that demand increasingly sophisticated products. Product lifecycles are shortening, mature industries are faltering, and American workers are learning the true meaning of "long-term" unemployment. This changing economic environment has made industrial competitiveness an issue of paramount importance to the United States.

In January 1985—following an exhaustive, 15-month-long study of the new realities facing American industry—the President's Commission on Industrial Competitiveness issued its final report. Warning that our Nation's ability to compete in world markets was being seriously jeopardized by rapidly changing economic pressures, the Commission urged that immediate action be taken to bolster our Nation's present and future performance in the global marketplace. The bipartisan commission offered a volume of recommendations for cooperative public-private sector action designed to restore America's competi-

tive edge. Today, however, despite the urgency of the Commission's call for action and the potentially tragic consequences of inaction, little if any identifiable progress has been made.

Today, I am introducing a resolution with a bipartisan group of 25 of our colleagues, calling upon the President to prepare and submit to Congress a report outlining what action has been taken with respect to the Commission's recommendations and detailing future plans for implementation. It is my hope that the President's report will give greater focus and new energy to congressional efforts aimed at restoring America's competitive position in the global marketplace.

The Commission on Industrial Competitiveness has warned us all that "Americans must take on the challenge of competitiveness as the economic agenda of the next decade." I think the Commission is right. It is time to ask ourselves if we are up to the challenge.

PRESIDENT'S COMMISSION ON INDUSTRIAL COMPETITIVENESS

[Summary of Commission Recommendations]

RESEARCH AND DEVELOPMENT AND MANUFACTURING

Create a Federal Department of Science and Technology

A Cabinet-level Department of Science and Technology should be created to promote national interest in and policies for research and technological innovation. Comprising major civilian research and development (R&D) agencies, the Department would increase the effectiveness of R&D in meeting long-term national goals by making clear the national importance of science and technology in enhancing industrial competitiveness; establishing an authoritative voice within Government to deal with science and technology issues; improving the management of Federal R&D in included laboratories and agencies; and coordinating the management of Federal science and technology policy with other organizations.

Increase tax incentives for research and development

R&D conducted by industry is critical to competitiveness and should be encouraged through enhanced incentives: making permanent the R&D tax credit of the current tax law; broadening the definition of R&D qualifying for the tax credit; implementing a tax credit based on total R&D as a substitute for the incremental R&D tax credit; permanently repealing the research allocation rules to remove the incentives in the present law to shift R&D overseas (Treasury Regulation section 1.861-8); and creating a preferential tax credit to encourage further industry investment in university research.

Remove antitrust barriers to joint research

Existing disincentives to joint research arrangements should be removed. Legislative action is needed to require that the legality of joint R&D ventures be judged by a "rule of reason," which assesses whether any possible anticompetitive effects outweigh any potential procompetitive effects. Action is also needed to limit damages that a private litigant can recover in an antitrust suit to actual damages.

Commercialize new technologies through improved manufacturing

Private sector, educational, and Government organizations should initiate actions to improve the development and use of manufacturing technologies to transform R&D results into competitive products and services for U.S. firms.

Within industry, firms must give increased management attention to the need to improve their manufacturing capabilities and should increase support for university-related and joint industry cooperative research activities.

Money managers, bankers, accountants, stockholders, and business leaders should be challenged to deemphasize simply short-term financial measures, utilizing instead measures more consistent with long-range competitiveness and profitability.

Universities, industry, and Government must work together to improve both the quality and quantity of manufacturing-related education. Educational organizations must initiate (with industry and Government support) research to increase our understanding of the management of technological innovation.

The Federal Government should expand support for manufacturing-related activities in universities. The R&D tax credit should be strengthened and clarified to include expenses involved in developing and implementing innovative manufacturing processes, machinery, and facilities. Aggressive Federal support should continue for research and assistance with interface and data exchange standards for manufacturing automation. Finally, Federal agencies should undertake special efforts to facilitate U.S. manufacturers' use of advanced manufacturing technologies developed by the agencies.

Strengthen protection of intellectual property rights

The strengthening of intellectual property rights at home and abroad should be a priority item on the Nation's policy agenda and, together with industry, the Federal Government should commit itself to a detailed strategy of actions to achieve this goal. Among the specific actions suggested are the following:

Deter product counterfeiting by making the trafficking in counterfeit trademarks with intent to deceive or defraud a criminal offense. Support international efforts to implement an anticounterfeiting code.

Amend the Freedom of Information Act to protect the rights of private firms to maintain the confidentiality of information of potential commercial applications that they are required to disclose to the Government.

Support legislation that would restore patent life lost during the Government approval process.

Streamline patent laws and procedures so that patent laws continue to be a major mechanism to encourage R&D and the commercial development of new technology.

Balance regulation with the needs of industrial competitiveness

Existing regulations should be reexamined and the full consequences of proposed regulations carefully examined to assure that health and safety concerns are balanced with the needs for innovation and industrial competitiveness. This issue should be placed high on the national agenda in 1985. The President should expand the role of the Office of Science and Technology Policy (and transfer this role to the new Department of Science and Technology if created) to require it to take actions in the regulatory process to balance the needs of science and technology with concerns about health, safety, and the environment.

CAPITAL RESOURCES

Reduce the deficit

The supply of capital should be increased by reduction of the Federal deficit, particularly through actions that emphasize steady, noninflationary economic growth and that strictly curb spending growth. Immediate legislative action should be taken to implement policies that would substantially cut the Federal deficit over the next 3 or 4 years.

Restructure the tax system

Productive investment should be stimulated by restructuring the tax code so that the efficiency with which resources are allocated is improved and the cost of capital is lowered (whether or not the overall level of revenues is charged). Restructuring should include.

Reduction in the bias against savings and investment, in particular through greater reliance on taxation of consumption (but without abandoning progressivity) and ending double taxation of corporate profits when received as either dividends or capital gains;

Reduced variations in effective tax rates on different industries' corporate income, which results from their receiving varying credits and depreciation schedules on different kinds of assets;

Extension of indexing to capital income and expenses or loss items;

Reduction in the disincentives to venture and other risk capital investment, for instance by allowing individuals to claim fuller deductions for capital losses; and

Selective base broadening to reduce distortions and preferences in the personal income tax, provided this does not increase current disincentives for savings and investment.

Pursue a stable monetary policy

The Federal Reserve should foster stable, moderate growth of the money supply. In conjunction with spending restraint and a tax system that is less biased against productive investment, a steady monetary policy should lower the cost of capital by lowering inflation premiums caused by excessive money growth and risk premiums caused by sudden policy swings.

Remove barriers to the efficient flow of capital

Regulatory policies should be designed and administered to accomplish their legitimate goals in ways that do not excessively interfere with the free market flow of capital. For example, growth of small companies has been aided by relaxation of the rules governing private placements and public issuance of new securities.

HUMAN RESOURCES

Increase effective dialogue among government, industry, and labor

Mechanisms should be developed for building consensus among key sectors of society to better respond to our competitive challenges. In this regard the Department of Commerce, Labor, and Treasury and the Office of the U.S. Trade Representative should undertake a review of existing advisory committee charters and membership to assess their usefulness in providing such mechanisms, and to recommend means of enhancing their effectiveness to address competitiveness issues.

In addition, a position in the Executive Office of the President (possibly in the Council of Economic Advisers) should be created to study the competitive dynamics

of our economy and advise the President on these matters.

Labor-management cooperation

American labor and management must move boldly to establish new cooperative relationships that will maximize productivity by involving employees and their elected representatives in decisionmaking in the working place, as well as encouraging participative management throughout the organization.

In addition, the President should publicly recognize those cooperative labor-management efforts already under way, which are characterized by trust, open communications, and worker participation.

Strengthen employee incentives

American management is urged to make use of the broad array of incentive mechanisms, including compensation plans, Incentive Stock Options (ISO's), and Employee Stock Ownership Plans, to reward the effort of individual employees and to strengthen the linkage between pay and performance.

The Internal Revenue Code should be amended to eliminate as a tax preference item the spread between exercise price and fair market value that exists at the time of exercising ISO's; to remove the ceiling limiting the granting of ISO's; and to delete the rule requiring ISO's to be exercised in sequential order. Current accounting treatment of ISO's should be preserved.

Displaced workers

Employers should be encouraged to provide early notification of plant closings and to strengthen commitment to employment security. The unemployment insurance system should be revised to allow benefits to be converted into reemployment/retraining vouchers. Federal assistance should be provided for a comprehensive range of services to further the goal of reemployment. Responsibilities of the U.S. Employment Service should be refocused on its labor exchange functions and its use by employers encouraged.

Improve work force skills

Employer investment in employee training should be encouraged through macroeconomic strategies designed to maintain economic expansion and reduce unemployment; balanced tax treatment of employer investments in human and physical capital; strengthened capacity of vocational education institutions and community colleges to provide customized training programs; and removal of tax disincentives for individuals being trained through employer-financed education programs. Employers should also be encouraged to take a more systematic approach in their training activities.

Engineering education

A program of stipends should be provided for engineering graduate students and the Presidential Investigators Award program should emphasize areas of engineering that face faculty shortages. In addition, States should be encouraged to provide adequate support for faculty salaries; emphasis should continue on engineering research, equipment, and instrumentation; and support should be increased for maintenance of that equipment. The new National Science Foundation program of on-campus, cross-disciplinary engineering research centers should be expanded to include up to 25 centers.

Business school education

Business schools are challenged to undertake a systematic and comprehensive academic response to the changing competitive environment. In support of their efforts, the Business-Higher Education Forum should continue its work in articulating the role of American business schools in responding to America's competitive challenge.

Partnerships in education

To counter the high dropout rate in schools, a national partnership between the Federal Government and the private sector should be established. The purpose of this partnership would be to replicate the approach of integrated services delivery in schools, utilized by Cities in Schools. To implement the partnership, the President should establish a task force consisting of representatives of relevant Federal agencies, interested corporations, and private sector organizations to implement the partnership.

Education technology

Sustained Federal support for a program of basic and prototype research in educational software should be funded through the National Science Foundation and the U.S. Department of Education.

Teachers should be trained in the use of computers and the capabilities of quality software. States should be encouraged to provide such training, while the Federal Government should aid in these efforts by disseminating information on the capabilities of available software.

INTERNATIONAL TRADE

Improve trade and investment policy

The President should pursue initiatives to make trade a permanent national priority; seek Congressional advice and enactment of legislation establishing a Cabinet-level Department of Trade; improve the trade policy-making process through a more effective coordinating mechanism for balancing domestic and international policies; and direct all executive branch and regulatory agencies to analyze the effects of all proposed policies on international trade.

Domestic trade law revisons

A public-private sector task force should be established to examine U.S. trade law remedies that will facilitate industry adjustment of increased global competition, respond to the trade effects of the industrial policies of foreign governments, and strengthen U.S. statutes governing unfair trade practices of foreign governments.

Reform U.S. antitrust policy

Section 7 of the Clayton Act and other antitrust statutes should be modified to recognize the potential efficiency gains from business combinations and to reflect the reality of global competition and global market definitions where appropriate. In addition, specific antitrust exemptions should be considered for mergers that promote national objectives. Treble damage liability should be restricted to behavior explicitly prohibited by law.

The Administration should create a procedure under which interested Government agencies have the opportunity to work with the Department of Justice in setting antitrust policy particularly with respect to mergers and other types of business combinations.

Renewal of the Export Administration Act

Renewal of the Export Administration Act should occur with full recognition that national security and successful foreign policy are dependent on maintaining U.S. industrial competitiveness and noting that export restrictions are generally antithetical to competitiveness.

Minimize impact of controls on competitiveness

Where comparable products or technologies are available from other sources, the U.S. Government should seek mutual agreements and consistent application of national security export controls by all allied countries that have joined the Coordinating Committee for Multilateral Export Controls (COCOM). In addition, COCOM should be encouraged to establish a specific goal of upgrading member nation enforcement practices.

Foreign policy controls should be used only after applying all feasible diplomatic remedies. In addition, the U.S. Government should develop the capability to identify quickly sources of foreign availability and to seek multilateral consensus among such potential suppliers to restrict exports to achieve foreign policy goals.

Future imposition of foreign policy controls should recognize the principle of contract sanctity and refrain from extraterritorial application except in cases of national emergency. The existing licensing process for all export controls should be streamlined and automated to provide timely responses competitive with other nations such as Japan, France, and the United Kingdom.

Export expansion

The Secretary of Commerce should lead an effort to unify the export support functions of appropriate executive branch departments—State, Defense, Export-Import Bank, and the Small Business Administration—by coordinating their local export assistance systems.

Legislation should be enacted to clarify the Foreign Corrupt Practices Act (such as liabilities created by foreign agent actions, conflicting foreign legislative and accounting provisions) and to eliminate conflicting aspects of the two antiboycott statutes by statutory establishment of a national policy of noncooperation by U.S. firms with foreign boycotts.

U.S. ambassadors should submit annual reports to the President on their embassies' accomplishments in helping U.S. industry improve its market position relative to overseas competitors. A review team of leading business executives should be appointed by the President to visit U.S. embassies in our principal trading partners' countries and to evaluate export promotion activities.

The Secretaries of Commerce and State should strengthen the personnel programs and lengthen tenures of the Foreign Commercial Service to increase their ability to support U.S. exports.

Trade information dissemination

The Department of Commerce should take the lead in an interagency effort to improve the capacity of the Federal Government to collect and distribute relevant market information. Such initiatives should include consultation with private sector users and vendors of information.

Export financing

The Office of Management and Budget should reduce nonfinance-related limitations of the operating authority of the Export-Import Bank (Eximbank). Eximbank itself should devise a competitive approach to the mixed credit financing offered by other nations until negotiations result in a satisfactory reduction of this practice. Creation of a new congressional authorization

for Eximbank for mixed credit funding on a contingency basis should be considered. Eximbank should stimulate greater private sector lending for exports by expanding its working relationship nationwide with commercial banks and State export banks.

A new U.S. export promotion campaign should be launched in 1985 that includes a Presidential conference on trade and increased Presidential emphasis on recognition for the Nation's exporters, reinforced by an extensive public service advertising campaign.

A semiprivate, nonprofit U.S. export promotion organization should be established that is managed by representatives from the business community, with the support of State and local governmental trade development organizations, and financed by public and private contributions, subscriptions, and user fees.

Foreign sales corporation

Legislation should be enacted to establish foreign sales corporations to replace the existing domestic sales corporations.

Strengthen the multilateral trading system

The U.S. Government, with industry, labor, and agricultural participation and consultation, should intensify preparatory work for a future round of General Agreements on Tariffs and Trade (GATT) negotiations aimed at addressing the key trade-distorting issues of the coming decade. Pursuit of plurilateral agreements could serve as a basis for spurring a new round of multilateral GATT negotiations, extending the GATT code coverage, and increasing developing country commitment to the multilateral trading systems.

OTHER COMMISSION ACTION

Entrepreneurship and innovations at the State level

State and local governments and entrepreneurs play an important role in improving the competitiveness of industry. States should continue to exercise initiatives in this regard with Federal encouragement.

THE NATIONAL ORGAN AND TISSUE DONOR PROTOCOL ACT

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. GEJDENSON. Mr. Speaker, today I am introducing a new and slightly revised version of the National Organ and Tissue Donor Protocol Act which I originally introduced on April 29, 1986. This legislation, which was subsequently introduced in the other body by Mr. GEORGE J. MITCHELL of Maine, will increase the number of human organs and tissues available for transplantation.

The National Organ and Tissue Donor Protocol Act provides that the Secretary of Health and Human Services shall encourage and assist States in enacting and implementing State laws to require hospitals to establish protocols for identifying and assisting potential human organ and tissue donors. The protocols developed by the hospitals shall encourage discretion and sensitivity to family circumstances and take into account the known religious beliefs of the patient and the patient's family.

This new version makes two key changes from H.R. 4697 which clarify the intent of the original legislation and ensure adequate congressional oversight over the actions of the Secretary of the Department of Health and Human Services with regard to implementing this legislation.

Specifically, the revised bill I am introducing today clarifies how tissue donations will be handled by State organ and tissue donor protocol legislation. The revised version of the National Organ and Tissue Donor Protocol Act will ensure that those who facilitate the transplantation of human tissue will be treated on the same basis as those who deal with human organs. The achievements made in the transplantation of human corneas and skin are truly a miracle of modern medicine, and I feel that any State legislation encouraged by the National Organ and Tissue Donor Protocol Act should guarantee that all human tissue made available by a donor will find a needy recipient.

Second, the revised version of H.R. 4697 asks the Secretary of Health and Human Services to annually submit a report to Congress on the progress States are making with organ and tissue donor protocol legislation and the Department's efforts to encourage such legislation. The Secretary is also asked to recommend to Congress further specific steps it can take to promote further State action on human organ and tissue donor protocol legislation.

A nationwide movement is underway to get human organ and tissue donor protocol laws on the books in every State. The results in States which already have such laws are amazing: California alone has experienced a 50 percent increase in donations since it passed its required request law. When the families of potential organ and tissue donors are asked whether they would like to make a donation, 70 percent respond in the affirmative. I firmly believe Congress has a responsibility to encourage hospitals to ask such an important and life-saving question.

I am submitting for the RECORD a recent column by Ellen Goodman on this important subject. It is further testimony for the need for quick passage of this legislation.

I would like to invite my colleagues to cosponsor the new and revised version of the National Human Organ and Tissue Protocol Act and work for its expedient passage.

LIFE FROM DEATH

(By Ellen Goodman)

BOSTON.—Sometimes they come to public attention: Alex Girard's parents in Massachusetts get a sympathy call from the White House. Lisa Conklin's neighbors in New Jersey hold an I Love Lisa Day. But for the most part, the people waiting for organ transplants do just that, they wait.

They wait—this is the morally uncomfortable truth—for someone young and healthy, someone who is a good match, to die and to die suddenly, even traumatically. Today 500 of them wait for livers, 480 for hearts, 200 for pancreases, 100 for both hearts and lungs.

It does not take much to imagine the complicated emotions of the family whose hope depends on another family's despair, or someone whose life depends on another's death. It doesn't take much to imagine the family of someone just declared dead.

But one of the most remarkable side effects of two decades of transplants can be seen in the changing attitudes of people toward donating organs. Chalk it up to the success stories of transplant patients, chalk it up to altruism if you prefer. We are much less likely to be chilled by the old taboos. We are more likely to think of transplanting a liver, heart, kidney, as a way to harvest some good out of death.

Today about one-quarter of Americans have signed one form of donor card or another. In the polls, 50 percent of Americans say they are willing to donate their organs, and 75 percent are willing to donate the organs of a family member.

Despite all this change, about 25,000 Americans suffer brain deaths every year, and only 2,500 become donors. On one side are the potential donors, on the other side the people who need organs, and in between there is a deadly gap.

In the past years, any number of policymakers have probed this gap, trying to figure out how to close it. Some favored a greater push for donor cards; others said that we need the kind of "presumed consent" laws that give doctors in France the right to harvest organs. But it turns out that the answer is much simpler: we just need to ask.

One of the most telling studies on this subject has shown that 70 percent of families that are asked to donate organs say yes. The reality is that not enough are asked. The understandable reluctance of hospitals to intrude on mourning, the difficulty doctors feel in changing roles, the inexperience of many in dealing with this delicate subject means that most families never get the chance to make the decision.

This simple and frustrating fact has provided the current push for "required request" laws. These laws require that someone in the hospital—not necessarily a doctor—talk to families about donation. Seven states so far, four within the past month alone, have passed such laws: California, New York, Oregon, Wisconsin, Kentucky, Georgia and Maine. There are various versions of the bill in 10 or 15 other legislatures, two awaiting signature of governors.

Some doctors dislike this regulation, but as Arthur Caplan of the Hastings Center (which deals with questions of medical ethics) says, "We've had 15 years of education, and it's not working." By contrast, in just these few months of "required request" in California, there has been a 50 percent increase in donations.

Bills such as these won't alone fill the gap. "We want hospitals to learn how to ask," says Caplan. "We don't want doctors to go in and say, 'According to New York state law 4925, we have to ask you about organ donation.' We want them to be sensitive."

We also need a national computerized network for organ retrieval and distribution, so that the system will work smoothly and fairly. Such a network, and a program for helping hospitals learn to deal with families, are parts of a law passed nearly unanimously by Congress in 1984. The law, opposed by the White House, has yet to be effectively implemented.

Under even the best of systems, there will be people who wait, some who will die waiting. There will be others like 9-month-old Alex Girard who get off the waiting list and onto the operating table too late to survive.

But they should have a better chance, and so should those who feel compassion even in their most acute moment of mourning, and

find comfort in saving a life with a death. At the very least, somebody should ask.

CHILD PROTECTION ACT OF 1986

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. SILJANDER. Mr. Speaker, today I am reintroducing for myself and Mr. STENHOLM the "Child Protection Act of 1986."

Law enforcement officials estimate that more than 1.5 million children ranging from the age of 1 year to age 16 are sexually molested, filmed, or photographed each year for the use of sexual abusers either for their own recreational purposes or for the profits of the child pornography industry. For this reason, I am reintroducing legislation to address the critical problem of child exploitation. Although I still endorse the death penalty provision of our previous legislation, I have decided to omit this measure because I believe that the remaining provisions of our bill are extremely important and worthy of full congressional support.

The most important aspect of our bill is that it adds the sexual exploitation of children as a provision under the RICO statutes. This means that investigators and prosecutors could begin using wire-taps, special grand juries and expanded subpoena authority for the arrest and conviction of child molesters. The increase in investigative powers is only a minor part of what this first provision will do. Current statutes require penalties for the sexual exploitation of children to be up to 10 years in prison. By placing this under the RICO statutes, penalties will be increased up to 20 years. My bill also places the "sexual exploitation of children" under Civil RICO which would give victims authorization to bring civil suits to courts for personal injury relating to child sexual abuse. With better law enforcement tools, more children can be protected.

For too long, sexual molesters and abusers have escaped with light sentences and moderate punishment. For this reason, the second provision of our bill requires a mandatory life sentence for the murder of a kidnapped child. It also requires a mandatory minimum sentencing for a person with a prior conviction of sexual exploitation of children to be raised from 2 years to 5 years. The repeat offender will not be eligible for probation, suspended sentence or parole until he has served 5 years. The Federal Government lacks sufficient enforcement tools to combat concerted efforts to exploit children, and exploitation victims lack effective remedies under Federal law. These penalties will serve as an effective deterrant for child sexual offenses and greatly reduce recidivism.

A third provision of our bill recognizes the physiological, psychological, and emotional harm caused by sexual acts perpetrated against children and thereby requires the Attorney General to report to Congress on possible changes in Federal rules of evidence, rules of criminal procedure, civil procedure, and other courtroom proceedings that would constitutionally facilitate the testimony of child victims of sexual abuse. Changes to be studied would include consideration of closed-circuit cameras, two-way mirrors, out-of-court statements, videotapes, and no harassment of child witnesses.

A certain amount of sexual victimization of children involves individuals who know their perpetrators. We are also aware that grandfathers, fathers, mothers, and stepfathers assault, victimize, and molest children. If a 5- or 6-year-old child decides to prosecute, it would be extremely difficult for him to testify against someone he has known for a long period of time. Therefore, a fourth provision of this bill extends the statute of limitations for certain offenses involving the sexual exploitation of children to 18 years old.

A fifth provision of the bill requires a detailed FBI offense classification system to keep records of convicted child molesters to prevent these offenders from attaining positions related to children. The greatest number of molesters and pornographers are discovered where the largest concentration of children may be found. Positions like Boy Scout leaders, summer camp instructors, ministers of churches and teachers in our school system attract many child sexual offenders. To prevent these offenders from acquiring positions related to children, this fifth provision requires the Attorney General to modify the classification system used by the National Crime Information Center in its interstate identification index, and by the Identification Division of the FBI in its criminal file. The current Federal files contain insufficient information to identify crimes involving the sexual exploitation of children.

A sixth provision of the bill and the newest addition authorizes the Postal Service to conduct civil administrative seizures and forfeitures from those people convicted of certain offenses involving the use of mail for child sexual abuse or child pornography.

The FBI reports that 1 in 4 females now living will be sexually molested or raped before reaching age 20. I hope you will join with us in taking a stand against the atrocity of sexual exploitation, so we can prevent this from coming true.

H.R. —

A bill to protect the rights of victims of child abuse

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Protection Act of 1986".

SEC. 2. FINDINGS.

The Congress finds that—

(1) child exploitation has become a multimillion dollar industry, infiltrated and operated by elements of organized crime, and by a nationwide network of individuals openly advertising their desire to exploit children;

(2) Congress has recognized the physiological, psychological, and emotional harm caused by the production, distribution, and display of child pornography by strengthening laws proscribing such activity;

(3) the Federal Government lacks sufficient enforcement tools to combat concerted efforts to exploit children proscribed by Federal law, and exploitation victims lack effective remedies under Federal law;

(4) child molesters and others who prey on children frequently seek employment in or volunteer for positions that give them ready exposure to children;

(5) Congress has encouraged background checks to prevent individuals with a record of child abuse from attaining such positions; however, current Federal files contain insufficient information to identify crimes involving abuse of children;

(6) mandatory sentences for kidnaping of children would provide an effective deterrent for such offenses and reduce recidivism; and

(7) current rules of evidence, criminal procedure, and civil procedure and other courtroom and investigative procedures inhibit the participation of child victims as witnesses and damage their credibility when they do testify, impairing the prosecution of child exploitation offenses.

SEC. 3. INCLUSION OF SEXUAL EXPLOITATION OF CHILDREN UNDER RICO.

Section 1961(1)(B) of title 18, United States Code, is amended by inserting after "section 1955 (relating to the prohibition of illegal gambling businesses)," the following: "sections 2251 and 2252 (relating to sexual exploitation of children),".

SEC. 4. AUTHORIZATION OF CIVIL SUITS UNDER RICO FOR PERSONAL INJURY.

Subsection (c) of section 1964 of title 18, United States Code, is amended to read as follows—

"(c) Any person injured—

"(1) personally by reason of a violation of section 1962 of this chapter if such injury results from an act indictable under sections 2251 and 2252 of this title (relating to sexual exploitation of children); or

"(2) in his business or property by reason of any violation of section 1962 of this chapter,

may sue therefor in any appropriate United States district court and shall recover threefold the damages he sustains and the cost of the suit, including a reasonable attorney's fee.".

SEC. 5. MANDATORY LIFE IN KIDNAPING OFFENSES INVOLVING THE MURDER OF A MINOR.

Section 1201 of title 18, United States Code, is amended—

(1) in subsection (a) by inserting ", except as provided in subsection (g) of this section," before "be punished"; and

(2) by adding at the end thereof the following:

"(g) If the victim of an offense under subsection (a) is a person who has not attained the age of 18 years, the punishment shall be imprisonment for life. Notwithstanding any other provision of law, the court, in imposing a life sentence under this subsection, shall not sentence the defendant to probation, nor suspend such sentence, and the defendant shall not be eligible for release on parole.".

SEC. 6. MANDATORY MINIMUM SENTENCE.

(a) SECTION 2251 AMENDMENT.—Section 2251(c) of title 18, United States Code, is amended—

(1) by striking out all that follows the fifth comma and that precedes the first period, and inserting in lieu thereof "such person shall be imprisoned not less than five years nor more than 25 years, and may also be fined not more than $200,000"; and

(2) by adding at the end thereof the following:

"Notwithstanding any other provision of law, the court, in imposing sentence for a person with a prior conviction under this section, shall not sentence the defendant to probation, nor suspend such sentence, and

the defendant shall not be eligible for release on parole until such defendant has served five years in prison.".

(b) SECTION 2252 AMENDMENT.—Section 2252(b) of title 18, United States Code, is amended—

(1) by striking out all that follows the fifth comma and that precedes the first period, and inserting in lieu thereof "such person shall be imprisoned not less than five years nor more than 25 years, and may also be fined not more than $200,000"; and

(2) by adding at the end thereof the following:

"Notwithstanding any other provision of law, the court, in imposing sentence for a person with a prior conviction under this section, shall not sentence the defendant to probation, nor suspend such sentence, and the defendant shall not be eligible for release on parole until he has served not less than five years.".

SEC. 7. EXTENSION OF STATUTE OF LIMITATIONS FOR CERTAIN OFFENSES INVOLVING SEXUAL EXPLOITATION OF CHILDREN.

(a) SECTION 2251 AMENDMENT.—Section 2251 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(d) The period of any applicable limitation for the commencement of prosecution under this section shall not begin until the minor has reached the age of eighteen years.".

(b) SECTION 2252 AMENDMENT.—Section 2252 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) The period of any applicable limitation for the commencement of prosecution under this section shall not begin until the minor has reached the age of eighteen years.".

SEC. 8. ATTORNEY GENERAL REPORT.

(a) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Attorney General shall submit a report to Congress detailing possible changes in the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, the Federal Rules of Civil Procedure, and other Federal courtroom, prosecutorial, and investigative procedures which would facilitate the participation of child witnesses in cases involving child abuse and sexual exploitation.

(b) CHANGES TO BE CONSIDERED.—In preparing the report, the Attorney General shall consider such changes as—

(1) use of closed-circuit cameras, two-way mirrors, and other out-of-court statements;

(2) judicial discretion to circumscribe use of harassing, overly complex, and confusing questions against child witnesses;

(3) use of videotape in investigations to reduce repetitions of interviews;

(4) streamlining investigative procedures; and

(5) improved training of prosecutorial and investigative staff in special problems of child witnesses.

SEC. 9. REQUIREMENT OF DETAILED FBI OFFENSE CLASSIFICATION SYSTEM.

The Attorney General shall modify the classification system used by the National Crime Information Center in its Interstate Identification Index, and by the Identification Division of the Federal Bureau of Investigation in its Criminal File, with respect to offenses involving sexual exploitation of children by—

(1) including in the description of such offenses the age of the victim and the relationship of the victim to the offenders; and

(2) classifying such offenses by using a uniform definition of a child.

SEC. 10. POSTAL SERVICE AUTHORITY WITH RESPECT TO CERTAIN FORFEITURES.

(a) SECTION 2254 AMENDMENT.—Section 2254(b) of title 18, United States Code, is amended by inserting "or the Postal Service" after "the Attorney General".

(b) DEPOSIT OF AMOUNTS FROM FOREITURES IN REVOLVING FUND.—Section 2003 of title 39, United States Code, is amended—

(1) in subsection (b)(5), by striking out "and";

(2) in subsection (b)(6), by striking out the period at the end and inserting "; and" in lieu thereof;

(3) by adding at the end of subsection (b) the following:

"(7) amounts from any civil forfeiture conducted under section 2254 of title 18 by the Postal Service."; and

(4) in the first sentence of subsection (e)(1), by inserting ", including expenses incurred by reason of civil forfeitures under section 2254 of title 18," after "title" the first place it appears.

NATIONAL NHS WEEK

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mrs. COLLINS. Mr. Speaker, I rise today because a miracle is taking shape right in our own backyards. "Old houses are getting a facelift. Old streets are once again safe to walk. And that old feeling of neighborhood pride is back." These marvels are totally due to the work of Neighborhood Housing Services.

To my delight, House Joint Resolution 492, which designates the week of June 1, 1986 as "National NHS Week," was recently passed by Congress. This commemorative will strengthen the neighborhood revitalization effort by increasing public awareness and support for services provided by NHS. Furthermore, the thousands of volunteers who contribute their time and work toward the success of their local NHS will finally get the national recognition they so deserve.

NHS Week is a celebration of a community effort of residents, businesses, and governments taking an active role in the rehabilitation of their communities. I am proud to be a part of the NHS celebration and would like to give an exuberant toast to those committed men and women responsible for breathing new life into once decrepit neighborhoods. My gratitude and faith in NHS have led me to boldly speak out in support of this vital program which is why I have written to the Illinois Delegation urging their support for National NHS Week.

When Congress acted to expand NHS in 1978 through the Neighborhood Reinvestment Corporation Act, the Nation realized the potential of NHS to stop the cycle of depreciation and misery in neighborhoods across the country. At that time, NHS was expected to prevent the further decline of deteriorated neighborhoods; however, NHS went beyond these initial expectations by not only thwarting additional deterioration but by turning once depreciated communities into "neighborhoods of choice." This national network of hardworking men and women had a vision which surpassed that of anyone else's.

Today, NHS's are at work in 41 States and the District of Columbia. They are active in 136 cities, serving over 200 neighborhoods which house over 2 million people. More than $3.5 billion has been reinvested in neighborhoods as a result of NHS. The primary source of these funds come from local governments, community businesses, and residents themselves who have invested their own savings with the confidence of knowing that their neighborhoods—once written off as too deteriorated—could once again be healthy, vibrant communities.

As the facades of buildings and homes are restored, a new spirit of confidence and pride rekindles in the minds of the people living in the community. NHS has been a steady beacon of hope to those lost in the dark yearning for a nice, safe home. Please join me in the celebration of "National NHS Week."

DON TRAUTLEIN RETIRES FROM BETHLEHEM STEEL

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. MURTHA. Mr. Speaker, I want to reflect for a moment and make some observations about the recent retirement of Don Trautlein after his decade with Bethlehem Steel, the last 6 as chairman, and his 25 years of observing the American steel industry.

First, I want to make a personal note. As chairman of the House Steel Caucus it was my pleasure to work with Don over the past years. As chairman of Bethlehem, as head of the American Iron and Steel Institute, and in his comments surrounding his retirement, Don has always been a gentleman. He brought an inquisitive mind to government issues, a determination to act on behalf of the entire steel industry, and a deep commitment to solving the problems that have plagued the industry. I will miss working with Don as someone who was very perceptive, honest, and dedicated.

Second, I would like to comment on the record of Don Trautlein. It would be hard to find many people—in any profession or any element of life—who walked into a tougher job at a tougher time. The changes in the steel industry have been among the most immense in American corporate history. I think Don Trautlein can be viewed as a man who faced the situation, who realized a number of tough decisions that had to be made, and who had the strength to make them and carry them out. From a national standpoint, I can say from working with him that quite frankly there would never have been a voluntary restraint program on steel imports without the work of Don Trautlein. Let the record note that in all the talk and discussion about trade, the steel industry is the only one to have the Federal Government adopt and carry out a trade program. And also let the record show that in the tenure of Don Trautlein at Bethlehem Steel that productivity is at least 30 per-

cent higher, quality has improved by 75 percent, and service has improved significantly.

Don remarked at the time of his retirement that "despite facing the most hostile business climate in steel business history, we stayed the course and reacted as best we could under the circumstances. We did not give up! We kept driving ahead, even though we could not be certain of success. . . . Looking at Bethlehem Steel today, I am confident that although the company is smaller than it was 5 years ago, it is also much more competitive."

It is impossible to judge completely Don Trautlein's chairmanship at this stage. Typically, when asked the question of history's decision on himself, Don answered by stressing the company.

Would history be kind to Don Trautlein? "I don't know," he replied. "I hope so, not only from my standpoint, but more importantly from the standpoint of Bethlehem Steel and our employees and community. I hope that history will say that we took the tough actions, did the necessary things that had to be done to strengthen the company and save the company, and made the investments that we could make, and that out of that the company was preserved and grew."

As I mentioned, it has been a tough time for the steel industry, and it must take its toll professionally and emotionally. I wish Don well in his retirement, and much relaxation and enjoyment. On behalf of the Steel Caucus and myself I would like to thank Don for all his help, and say for myself that I believe history will note he is a man who faced the tough times and took the tough decisions and contributed greatly to his company, his industry, and his Nation.

ISRAEL'S STEADY PROGRESS IN AFRICA

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. WOLPE. Mr. Speaker, months of careful diplomatic and political work by Israel and the governments of several African nations, whose orientations and outlooks span the ideological spectrum, is leading to a series of new relationships for Israel on the continent. In coming weeks, Israel and the Ivory Coast will open Embassies in Abidjan and Tel Aviv. This follows the renewal of relations between Israel and Zaire and Liberia. It is anticipated that further diplomatic breakthroughs may be evident in the next several months.

Each agreement between Israel and an African government is a quiet celebration of reason, moderation, and civility. In the 1960's, Israel enjoyed a resonant political, economic and social dialog throughout Africa. This was disrupted by the Six-Day War of 1967, and the OPEC politics that followed the Yom Kippur war. Although it has taken years, those tensions have subsided, permitting an exploration of ties and agreements of mutual benefit to all involved. Aid, trade, development resources, intellectual and cultural interchange: These are weapons of peace that can help promote good will in a continent that deserves and needs so very much.

The restoration of diplomatic relations by any African nation with Israel hardly means a blank check endorsement of Israeli policies, or an elimination of political differences. It means something much more important: recognition of Israel's right to exist, the establishment of a measure of trust, and a repudiation of the pariah status that the enemies of Israel—the champions of rejectionism, terrorism, and aggression—attempt to perpetuate against Israel at all costs.

As chairman of the House Foreign Affairs Subcommittee on Africa, I applaud these developments, and will continue to encourage further progress. In the past, I have taken every opportunity, in every African capital I have visited, to encourage rapprochement with Israel. In Jerusalem last August, I reviewed at length, with the highest officials, Israel's diplomatic profile in Africa, and the opportunities that existed. It is appropriate at this time to recognize what has occurred, and to rededicate ourselves to its furtherance.

A recent article on these developments follows:

[From the New York Times, Mar. 2, 1986]

ISRAELI MOVES TO NORMALIZE ITS LINKS TO AFRICA

(By Henry Kamm)

JERUSALEM.—Senior Israeli officials dealing with Africa have expressed confidence that Israel's resumption of diplomatic relations with the Ivory Coast will be followed by major advances in normalizing African links this year.

A Foreign Ministry specialist said the agreement last week to open embassies in Tel Aviv and Abidjan was virtually certain to be followed before the end of the year by a renewal of full relations with three or four more countries, as well as partial diplomatic links with two or three others.

The director general of the Foreign Ministry, David Kimche, returned this week from a trip to "two or three" African nations. An official said the purpose of the visit was to forge diplomatic links with the countries, which he did not name.

Some of the countries with which Israel expects to normalize relations are among six in whose capitals it has diplomatic representatives attached to embassies of other countries, the official said. They are Kenya, Guinea, Ghana, Cameroon, Gabon and Togo.

He added, however, that these were not the only African nations with which discussions are in an advanced stage. Government sources reported that two Marxist countries—Ethiopia and Mozambique—had shown discreet signs of warming toward Israel. These moves are assumed to be a result of their economic plight and waning faith that Communist countries will supply sufficient help.

Chad and Mauritius were also reported to be moving toward a reconciliation.

Most of Africa broke relations with Israel in 1973, citing the occupation of the Sinai Peninsula, which they declared part of the African continent. Isareli officials noted that these objections were advanced six years after the conquest of Sinai, and only after Arab oil producers invoked the "petroleum weapon" in a campaign against Israel's diplomatic links.

With the return of Sinai to Egypt and the decline in the price of oil, Israel's road back to Africa has been made easier.

ZAIRE AND LIBERIA RENEW TIES

Three countries in southern Africa—Malawi, Swaziland and Lesotho—were the only exceptions to the wave of diplomatic breaks. Since 1982, Zaire and Liberia have renewed full relations, followed by the Ivory Coast.

Announcing the latest exchange of embassies, Foreign Minister Yitzhak Shamir said Africa nations had been showing diminishing readiness to join with Arab and Communist countries in voting against Israel in the United Nations and its agencies.

Officials in Israel attribute what they consider a shift in African attitudes "first and foremost" to disillusionment with expectations of Arab rewards. "The Arabs used a carrot and a stick and delivered on neither," said Benad Avital, director of the Africa division of the Foreign Ministry.

He said the oil producers did not provide free oil or oil on soft credit terms as a reward for the African nations' alignment with the Arab world, nor did they punish those in Africa or eslewhere that maintained ties with Israel.

CONTACT WITH AFRICANS

Israeli officials said their contacts had shown that African nations felt Arab nations discriminated against them. Africans were reported to resent having been put under heavy pressure to act against Israel while Western nations continue such ties.

President Félix Houphouët-Boigny of the Ivory Coast took a critical Arab journalist publicly to task at a news conference last October by accusing Arab nations of investing their oil revenue in Europe despite its Israeli links and failing to invest in Africa.

The activities of Col. Muammar el-Qaddafi, the Libyan leader, are also reported by Israelis to have heightened disenchantment with the Arab world. An official said an African President whose country has no relations with Israel had complained to him that Colonel Quddafi "bought" people to kill African leaders.

IN HONOR OF STANLEY SHEINBAUM

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today to honor Stanley Sheinbaum, a strong, effective and compassionate leader, who will be honored with the prestigious Social Concern Award by the American Jewish Committee on June 10, 1986. I have been privileged to know Stanley for many years and I cannot think of a more deserving person to receive this award. Stanley is an inspiration to those who know him and I would like to share a few of his many accomplishments with my colleagues in the U.S. House of Representatives.

Stanley was born June 12, 1920, in New York. He came to California to attend Standford University where he did graduate and undergraduate work. Stanley graduated summa cum laude and was a member of the Phi Beta Kappa honors fraternity.

The early years of Stanley's career were spent educating others in the field of economics at such well-established schools as Stan-

ford University, Michigan State University, and the University of California at Santa Barbara.

During his career as an academician Stanley was awarded many grants and fellowships. He was a Fullbright economics fellow and studied in Paris for 2 years. He was a fellow at the Hoover Institution at Stanford University. And he served as campus director, Vietnam Project, Technical Assistance Project in Public Administration and Economic Development, Michigan State University. He was also a senior fellow, Center for the Study on Democratic Institutions, Santa Barbara, CA. And most recently he has been serving as a regent of the University of California since 1977.

Stanley's political activities have varied from candidate for Congress, Democratic Party in Santa Barbara, to the board of governors of the California Democratic Council. He has served as a delegate to the Democratic convention and as the southern California finance chairman during the McGovern Presidential campaign.

As a man of concern and passion his public interests have ranged from educational matters as in holding the position of executive director, Committee to Improve Teacher Education, to legal concerns as founder of the Legal Defense Center of Santa Barbara. He organized and coordinated legal defense team, Pentagon papers trial, Los Angeles, CA. He is on the board of directors of the Committee for Public Justice, the Bill of Rights Foundation, New York, and chairman—now emeritus—of the board of directors, ACLU Foundation of Southern California, Los Angeles. He is currently a member of the board of directors of the Center for Law in the Public Interest and the board of directors of the American Jewish Committee, Los Angeles, and board of trustees, International Center for Peace in the Middle East, Tel Aviv.

Stanley's business activities have ranged from board of directors, Presido Savings & Loan Association, Santa Barbara, in 1964 through 1969 to currently president of Fairtree Enterprises.

He finds additional time to participate as a consulting editor to Ramparts magazine, as a trustee to the Federation of American Scientists Fund, Washington, DC; board of directors, People of the American Way; board of directors, Helsinki Watch and Americas Watch, New York. He is also the publisher of New Perspective.

Stanley is married to Betty Warner, whose warmth and charm are apparent to everyone she meets, and who along with Stan, I am proud to call my friend. They have four children.

It is a honor to share Stanley's accomplishments with my colleagues in the U.S. House of Representatives. I ask that my colleagues join me in saluting this outstanding American.

STAR WARS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. DIXON. Mr. Speaker, this past January the Los Angeles Herald Examiner ran an editorial that I think offers another interesting perspective to the Star Wars debate. I would like to share this editorial with my colleagues, and submit it for the RECORD accordingly.

[From the Los Angeles Herald Examiner, Jan. 17, 1986]

BARGAINING WITH STAR WARS

WHAT'S THE SYSTEM WORTH TO U.S. DEFENSE?

Soviet leader Mikhail Gorbachev has raised the ante in the arms-control poker game with his offer to cut and ultimately eliminate nuclear weapons. The Reagan administration must once again determine whether America's cards are good enough to keep our chips on the table.

Some of what the Soviets are offering isn't exactly new. The idea of eliminating atomic weapons from Earth, for example, and the call for both sides to cut their strategic arsenals to 6,000 warheads in the next few years have been around for some time. What is new—and significant—is Gorbachev's unwonted openness to on-site inspections, plus his offer to eliminate Soviet intermediate-range missiles aimed at Western Europe if the U.S. scraps the comparable weapons it has aimed at the Soviets. As to the latter, Moscow had earlier insisted on keeping enough intermediate weapons to match the British and French arsenals. The new offer apparently drops that demand (although the Soviets will probably seek compensation for the British and French weapons.)

There is, of course, a price for all this: Specifically, the U.S. must not develop, test or deploy space-based weapons. The Reagan administration has rejected that price. But if the Soviets are sincere—a big if—the U.S. must start asking some difficult questions, such as how much is the Strategic Defense Initiative—a.k.a. Star Wars—worth?

SDI is wonderful as a bargaining chip. The longer the U.S. refuses to use it as such, however, the more the Soviets are going to invest in matching our efforts, thereby only adding to the very need for them. Influential contractors, scientists and laborers—a powerful constituency (as we note in the editorial below)—are already hard at work on the project, which, before they are through, may require tests that violate the U.S.-Soviet anti-ballistic missile treaty.

We should at least consider playing the Star Wars chip. If Moscow allows adequate inspections and then violates a new arms agreement anyway, we should have enough warning to allow us to resume development. (SDI-type research could continue in any case.) By contrast, bullheadedness in Washington could, willy nilly, doom President Reagan's goal of arms reduction.

THE HENRY J. KAISER FAMILY FOUNDATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BROWN of California. Mr. Speaker, I would like to bring to the attention of my colleagues an initiative undertaken by the Henry J. Kaiser Family Foundation. The foundation has begun a program entitled the Community Health Promotion Grant Program. Through this effort, the foundation will promote greater preventive health care.

The burden of poor health is great in terms of personal disability, premature deaths, and the economic impact of disease. But the potential for improving health through preventive measures is also great. It has been estimated that 67 percent of all disease and premature death is potentially preventable. A full 52 percent of the total economic costs of illness in 1980 resulted from tobacco use, alcohol misuse, drug abuse, automobile crashes and other injuries, all clearly preventable.

At present, however, the potential of prevention is not being fully realized. Although current knowledge of preventable causes for major health problems is substantial, less than 0.3 percent of health expenditures in the United States is applied to prevention.

The above rational has prompted the Kaiser Foundation to embark on an ambitious 3 year, $15 million national effort to substantially reduce five major health problems by encouraging changes in personal behavior and societal practices. I applaud their initiative, and wish them the best for a successful outcome.

The program is detailed well in an article printed in the Fontana Herald-News. It follows:

PREVENTING NEEDLESS DEATHS

One would think that, with all the resources, money and education Americans have, we would be the healthiest people on the face of this planet.

Yet, every year, nearly 1.3 million of us die from illnesses and injuries which health officials say we could prevent.

We don't think that's a good record.

Neither does the Henry J. Kaiser Family Foundation, named after the late millionaire industrialist who brought Kaiser Steel to Fontana and who began the Kaiser Permanente health care system—California's largest—here.

So the health foundation has announced that it is beginning a three-year, $15-million nationwide effort to stop us from killing ourselves.

The "bold new program" will fund community projects on five major health problem areas: heart disease, drug and alcohol abuse, teenage pregnancy, cancer and injuries.

In addition to losing 1.3 million lives a year, we lose more than $300 billion in health care costs related to the deaths and injuries we inflict upon ourselves needlessly.

"This is a health problem of immense proportions," one foundation official said. That's putting it mildly; it also is inexcusable.

"We have the knowledge and the technology to keep Americans alive and well," the official said. "But we lack the national commitment to be healthy."

The foundation has shown its commitment by putting its money where its mouth is.

Now we need to commit ourselves to better health.

One way we can do this is to take better care of ourselves.

In addition to reducing the occurrence of the health problems, the main focus of the program will be to change our poor behavior in such areas as tobacco use, poor physical fitness and nutrition, alcohol and drug abuse, teenage sex, murders and suicides.

Another method would be for our local agencies to apply for the grants the foundation is making available.

California will be one of the first states to get grants of up to $150,000 per year. The

money must be matched by funds from public, corporate or other local agenices.

Those interested in applying for the grants must submit letters of intent to the foundation in Menlo Park by May 12.

We hope our local agencies jump on the bandwagon to better health.

And we hope you, or readers, take better care of yourselves. We need you. We need each other.

MORE ACID RAIN RESEARCH RESULTS FROM NAPAP

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mrs. LLOYD. Mr. Speaker, on an almost monthly basis, research findings regarding causes and effects of acid rain are brought to light. One of the most recent was disclosed by scientists at the Argonne National Laboratory who have concluded that hydrogen peroxide, which is naturally present in the air in low concentrations, may be a major factor in causing acid rain. Research scientists at Argonne have found that 40 percent or more of sulfate acidity in summer rains in the Northeast is a result of reactions of sulfur dioxide with hydrogen peroxide. If hydrogen peroxide, a naturally occurring element, is indeed a major factor in acid rain, then to what extent can we attribute its acidity role to manmade causes?

The findings are very illustrative of why it is imperative to continue our research efforts before we regulate additional emission reductions from fossil fuel-fired powerplants. Their research results are also timely since one of our congressional committees is attempting to move an acid rain control bill to the House floor.

The bill, H.R. 4567, as introduced, would mandate a 10-million-ton reduction in sulfur dioxide [SO_2] emissions and a 4-million-ton reduction in nitrogen-oxide [NO_x] emissions by 1997. The bill uses this phased approach to reduce emissions by 1997 and allows the States to make decisions on how to achieve the necessary reductions.

However, as I have repeatedly stated, if we in the Congress mandate these reductions now, there are many utilities which will be forced to install expensive wet flue gas scrubbers. There are some estimates which put the cost of this legislation as introduced at from $3.5 to $6.2 billion annually for the electric utilities to come into compliance with the emission reduction requirements. It would be far more prudent to wait several years for additional research data to get a better idea of control and benefits while also allowing for documentation of clean coal technology alternatives to wet scrubbers.

The Argonne research results which will be included in a portion of a report to the Environmental Protection Agency, were funded as part of the National Acid Precipitation Assessment Program [NAPAP]. These results are just one example of the excellent research benefits we continue to receive from the national program.

NAPAP which has just passed the midpoint of a 10-year mandate continues to provide us with results which confirm that our initial faith in this coordinated Federal research effort was welll founded. As our research efforts progress, our knowledge as to the real cause and effects of acid rain is steadily increasing. It is no longer, for instance, scientifically tenable to label SO_2 as the acid rain "villain" and its net direct contribution is still difficult to assess. I submit that the recent Argonne results suggest that H.R. 4567 at this time is too much, too soon, given our limited knowledge on cause and effects.

IN MEMORY OF FELIX "DAN" BROUSSARD

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BREAUX. Mr. Speaker, the passing of Mr. Felix M. "Dan" Broussard at his home in Lafayette, LA, on Tuesday, June 3, 1986, marks the end of an era in Louisiana history and tradition, and, at the same time, heralds a continuation of ideals that this Carencro, LA, citizen visualized and brought into being in the Nation's Capital.

As World War II came to a close, Dan Broussard, Clarence Bourg, and a handful of others felt that Louisiana should bring its bill of fare to Washington in the form of creole customs, conviviality, and feminine pulcritude. Dan was selected as the first president of the Louisiana State Society and chairman of the first Mardi Gras ball which was held in the Washington Hotel in 1945.

That first ball was somewhat small, but it laid the groundwork for what would follow. Dan conceived the idea that the beautiful festival queens elected by those who run the State-approved festivals of Louisiana should be invited to participate in the pageant in Washington. That custom was started and is going strong today. At this year's ball, more than 70 gorgeously gowned festival queens and princesses carefully selected by the Louisiana congressional delegation paraded before more than 3,000 people at the Washington Hilton Hotel.

Dan was chairman of the ball he started for 8 years. In 1953, it was decided that a different member of the delegation should be chairman each year. Congressman F. Edward Hebert took over the baton and the practice has continued. In 1957, as chairman, Senator RUSSELL LONG introduced a krewe—a krewe that started very small and increased in size and stature until it passed the 400 figure this year.

Throughout all those years, Dan Broussard continued to be the president of the Louisiana State Society, elected unanimously every year until he retired and returned to Louisiana not too many years ago. Dan's wife, Kay, ruled as first lady of Louisiana's land of make believe for many years. His son, Joe Broussard, today serves as a senior lieutenant of the krewe and contributes greatly to putting on the annual show.

As we bid au revior to Felix Boussard, we thank him for starting and nurturing the breath of Louisiana air the Louisiana congressional delegation brings to Washington with each Mardi Gras. We will continue to keep the Mardi Gras of the Mystic Krewe of Louisianians the biggest and best show on the Potomac.

CONGREGATION BETH SIMCHAT TORAH

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. WEISS. Mr. Speaker, I rise today to honor the 13th anniversary of Congregation Beth Simchat Torah, the gay synagogue of New York City, located in Greenwich Village.

Thirteen is a very special anniversary in Judaism. It represents a rite of passage in an individual's life. On the 13th birthday, a Jewish child celebrates the Bar/Bat Mitzvah, signifying that individual's maturity and entrance to adulthood. On June 8, Congregation Beth Simchat Torah will be celebrating its Bar/Bat Mitzvah as a place of worship for Jewish gay men and lesbians. For its members, this synagogue provides more than just a place of devoted observance—it offers a welcoming and loving home, a sense of Jewish community.

For many gay men and lesbians, Jew and non-Jew, their lives bear a tragic resemblance to the period in Jewish history when Jews in Spain were forced to pretend to have converted in order to survive. They were "hidden" Jews because the alternative meant certain persecution. The gay synagogue in New York provides a comfortable and religious environment for Jewish gay men and lesbians who wish to retain their gay and Jewish identities in an open and honest fashion.

Founded in February 1973, the synagogue thrived and struggled for 2 years before locating to its current residence in Greenwich Village. In 1976, it acquired its first Torah. Since that time, it has become a vital religious institution, offering religious courses in Talmud, Hebrew, Yiddish, and Jewish history. It raises money for the United Jewish Appeal, the Ethiopian Jewish community and other Jewish charities. The synagogue has planted two groves of trees in the Bicentennial Forest in Israel. In addition, the members of the synagogue have marched in behalf of Soviet Jewry and diligently supported efforts to obtain their freedom.

Mr. Speaker, I invite my distinguished colleagues to join me in wishing Congregation Beth Simchat Torah future successes and rewards as it endures from this important milestone to others.

THE RETIRED SENIOR VOLUNTEER PROGRAM

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. COLEMAN of Texas. Mr. Speaker, I would like to take the opportunity to recognize the Retired Senior Volunteer Program—a program for Older Americans which exemplifies

what Congress declared as an objective in the Older Americans Act: the pursuit of meaningful activity within the widest range of civic, cultural, and recreational opportunities.

RSVP will celebrate its 15th anniversary this year—15 years of demonstrating that the human potential to be involved and to serve others never dies.

In El Paso, the oldest RSVP volunteer is 102 years old. She is one of 1,200 retired people who are serving our community. Many RSVP's have taken leadership roles; they are chairpersons, presidents, officers, and board members of all of the major boards and councils representing senior citizens in El Paso.

El Paso has been chosen by the American Association of Retired Persons [AARP] for two pilot projects. RSVP volunteers head up both projects: one for Medicare assistance and one for health promotion for minorities.

RSVP's advocate for their peers, serving in programs that range from the Silver Haired Legislature to tort reform for liability claims. They work to improve the lives of nursing home residents and provide health services like blood pressure readings. They conduct citizenship and language classes, and teach arts and crafts courses of all kinds.

They serve the younger generation by acting as role models for teenaged mothers, by teaching adult illiterates, working in a child-crisis nursery, working with retarded children and with kids in schools who just need a little extra help. One volunteer has opened up a storefront called Angels in Disguise, where he provides free food, clothing, and medical equipment to anyone in need.

El Paso RSVP's read and edit material for the blind; some volunteers are blind themselves. Some are in wheelchairs or use walkers or canes. Some are homebound, but they are all contributing to a better life in the community.

Mr. Speaker, the 1,200 RSVP volunteers of El Paso serve with more than 100 different organizations—ranging from city hall to the city jail, from the university to day care centers, from schools to senior centers, hospitals, nursing homes, and health clinics—and I commend their efforts to this House, and offer them our best wishes in the future.

Thank you very much.

IN HONOR OF GEORGE SLAFF

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today to present to my colleagues a fine and compassionate man, George Slaff as he is honored by the American Jewish Committee at their Social Concern Award Dinner on June 10. George will receive the prestigious Social Concern Award for his vast contributions in the field of human rights. He is most deserving of this special tribute.

Born and educated through high school in Passaic, NJ, George continued his education at Harvard where he received his A.B. in 1926, and at Stanford where he received his J.D. in 1929.

Admitted to the New York Bar in 1930, he practiced law in New York from 1930 to 1938, except for a year and a half, 1935–37, when he was special counsel to the city of Louisville in a rate case against Southern Bell Telephone & Telegraph Co. During 1937 to 1938, in addition to private practice, he was cocounsel to Workers Defense League, New York, pro-bono, and in courts in Oklahoma, Tennessee, Mississippi, and Alabama, on behalf of the Southern Tenant Farmers Union, a sharecroppers union—the first integrated union in the South and perhaps in the United States.

George went from there to become Special Counsel at the Public Utilities Division of the Securities & Exchange Commission, Washington, DC, and a senior attorney to the Federal Power Commission also in DC.

From 1942 to 1945, George was stationed in various countries in North Africa and Europe where he served in several capacities for the American Red Cross. Due to a physical disability, George was classified by his draft board as a 4–F and was refused entrance into three branches of the Armed Services in which he sought to enlist. As a result of *George Slaff, Petitioner,* v. *Commissioner of Internal Revenue Service*, 220 Fed.2d 65, 66 (U.S. Court of Appeals, 9th Circuit, 1955), George sought overseas service with the American Red Cross. He served as the ARC Club director in Scotland, assistant to ARC delegate to North Africa in Algeria and Tunisia and director of Food Supplies in Italy and France.

From 1945 to 1946 he was the chief counsel to the Federal Power Commission. From 1946 to 1965 he served as general counsel to Samuel Goldwyn Productions. In 1947 he was admitted to the California Bar and from 1945 to 1981 he served as partner at the law firm of Slaff, Mosk and Rudman.

George's commitment to fighting for human rights was put to work in 1965 when he traveled to Mississippi as part of "The Mississippi Challenge" to the right of the five white Mississippi Congressmen to sit in Mississippi, since black voters were virtually universally denied the right to vote. George gathered evidence and examined voter registrars, district attorneys, mayors, and so forth, as well as black would-be voters who had been denied the right to register and vote. George was based in Panola County, MS, where prior to 1891 approximately half the registered voters were black, but from 1891, when Mississippi revised its constitution, to 1984 only a few blacks had been permitted to register to vote.

In 1981, George became counsel to Slaff, Mosk & Rudman.

George has always been civic minded and has taken leadership roles in countless organizations. He has served as president and as a board member of the American Civil Liberties Union. He served on the Beverly Hills City Council and served as mayor from 1968–69 and again in 1976. He is a member of the National Advisory Committee of the ACLU, a member of the executive board of the American Jewish Committee, a member of the board of regents for Mount St. Mary's College, a member of the board of trustees for the Marianne Frostig Center for Educational Therapy, a member of the board of directors of Samuel Goldwyn Foundation, and Planned Parenthood/World Population. He is a member of the National Advisory Council for the Coalition Against Censorship and the American-Israeli Civil Liberties Coalition and a member of the New Jewish Agenda. He has also been a member of the Permanent Charities of the Entertainment Industry since 1955 and remains active today as chairperson.

In addition to all of George's other accomplishments, he is a published author with articles in the the Nation, the New Republic, Public Utilities Forthnightly, the National Lawyers Guild Review, and the Saturday Evening Post.

Throughout his career, he has been guided and strengthened by his wife, Eve, who has worked with George as a partner on so many endeavors. I have been honored to know and work with George and Eve on many occasions. I am privileged to call them friends as I so much admire their work, commitment, and aspirations.

It is a pleasure to share the outstanding accomplishments of George Slaff with my colleagues in the U.S. House of Representatives. I ask that the Members of this body join me in saluting this extraordinary American.

IN TRIBUTE TO DR. LARRY JOSEPH STRAWN

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. DIXON. Mr. Speaker, I want to take this opportunity to pay tribute to a man who has been an inspiration to his family, friends and community. The late Dr. Larry Joseph Strawn was a prominent Los Angeles dentist from 1969 until his untimely death in March of this year. In addition, he served as clinical instructor in the College of Dentistry at the University of California, Los Angeles and as the staff dentist at Los Angeles' Sybil Brand Correctional Institute.

A member of the Inglewood Chamber of Commerce, Dr. Strawn was deeply committed to his profession. He received his dental degree, with honors, in 1966 from the Howard University School of Dentistry, where he received the trustee tuition scholarship, the Mosby Scholarship Book Award, and the Ewell T. Neil Prize for excellence in operative dentistry. Dr. Strawn also served as student council vice president and president of his dental class, and he was a member of the Omicron Kappa Upsilon Fraternity—symbolic of academic excellence.

Dr. Strawn's quest for academic excellence and advancement in his profession resulted in numerous hours of continous education which culminated with his induction as a fellow of the Academy of General Dentistry.

However, the most enduring commitment Dr. Strawn made to his profession and to his fellowman was his serivce as mentor to young dentists. He helped many young people get into dental school and prepare for board examinations. He also provided work opportunities for new dentists embarking on their careers.

Dr. Strawn was also an enthusiastic participant in many civic activities. In addition to his work with the Inglewood Chamber of Commerce, Dr. Strawn also was a dedicated member of the NAACP whose exemplary involvement with the organization received deserved recognition. He was also a catalyst for the successful coordination of the Second Annual Scholarship Awards Banquet for the California chapter of the National Dental Association, and the 20th year class reunion of the Howard University School of Dentistry.

Born July 10, 1938, in St. Joseph, MO, Dr. Strawn was a pillar of the Los Angeles community for the past 20 years. He was actively affiliated with the Howard University School of Dentistry Alumni Association, Western Dental Society, Angel City chapter of the National Dental Association, the American Dental Association, and the Golden State Dental Society.

A devoted husband, caring father, inspirational community leader, and outstanding dentist, Dr. Strawn will be deeply missed. I extend my sincerest condolences to his wife, Mamie, and his children, Larry, Jr., Leslie, and Tanya. He will always be a cherished memory for all of us whose lives have been enriched by his generosity, dedication, and integrity.

A SALUTE TO MRS. EVELYN ALEXANDER, 30 YEARS OF LIBRARY SERVICE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BROWN of California. Mr. Chairman, on June 20, 1986, Mrs. Evelyn Alexander will mark 30 years of faithful service to the San Bernardino Public Library. Currently the library's administrative assistant, Mrs. Alexander began her career with the library as a temporary junior clerk for summer relief and progressed through the ranks to become one of the ranking management officers of the library and the city of San Bernardino.

Mrs. Alexander has served as secretary to the city librarian, office manager and bookkeeper, Rowe Branch Library supervisor, Eureka/Microquest project manager, circulation supervisor, and automation coordinator for the San Bernardino Public Library.

Mrs. Alexander has served the city of San Bernardino as coeditor of the employees newsletter, a member of the training committee, a member of the City Employees Credit Union supervisory committee from 1966 to 1971 and president of its board of directors in 1971. Mrs. Alexander serves on the San Bernardino Employees Charitable Organization board of directors.

Mrs. Alexander has been an active member of Soroptimists International from 1970, has filled the post of president and was honored by that organization as the Soroptimist of the Year in 1980. She is an active participant in the Toastmasters organization, completing their communication and leadership program in 1984.

As the past president of the Delta Lambda Chapter of Beta Sigma Phi, Mrs. Alexander received the Beta Sigma Phi annual award in both 1971 and 1973. She was awarded the Outstanding Executive Award by San Bernardino Valley College in 1960, and Staff Achievement Award in 1965 from the San Bernardino Public Library Staff Association.

During her career, Mrs. Alexander has served under four city librarians, seen the creation of two central libraries, and the development of the city of San Bernardino's system of modern branch libraries. She has been an active participant in the conversion of the library's basic manual operations to the fully automated programs provided by the technology of today.

I am proud to salute Mrs. Alexander's accomplishments of the past 30 years. We all look forward to many more years to come.

HUMAN RIGHTS IN THE BALKANS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. YATRON. Mr. Speaker, I want to take this opportunity to discuss an important event regarding human rights. On May 21, 22, and 23, 1986, the Research Center for Religion and Human Rights in Closed Societies—publishers of Religion in Communist Dominated Areas [RCDA]—held its annual conference at Marymount College in Arlington, VA. The conference, entitled "The Balkans (Albania, Bulgaria, Greece, Romania, and Yugoslavia): Religious Freedom, Human Rights and International Relations," was the third such event and proved to be extremely successful, and stimulating. The organization also holds 1-day activities in New York in late January.

The focus of this conference was timely because of the controversy surrounding most Favored Nation status for Romania, leadership changes in Albania, economic problems in Bulgaria, and other developments regarding the Balkans. As chairman of the House Foreign Affairs Subcommittee on Human Rights and International Organizations, I am deeply interested in this region and have conducted investigations and hearings on some of these countries. I have also recently introduced legislation regarding human rights in Romania.

The conference was chaired by the Honorable Richard T. Davies, former U.S. Ambassador to Poland, and president of the Research Center. The speakers consisted of eminent scholars, clergymen, and diplomats including: Ambassador Monteagle Stearns, Ambassador and Assistant Secretary of State for Human Rights Richard Shifter, Prof. Zachary Irwin, Mr. Wallace Littell, Prof. Nicholas Stavrou, Prof. Charles Ford, Mr. Richard G. Johnson, Rev. Stefan Mihailov, Prof. Frederick de Jong, Dr. Albert Boiter, Rev. James Corgee, Prof. Pedro Ramet, Rev. Vasilije Tomic, Rev. Blahoslav Hruby, and many others.

The conference was most educational and informative. The subjects included enlightened discussions on the politics of religious persecution in Albania, persecution of the Turkish minority in Bulgaria, persecution of the Hungarian minority in Romania, the Orthodox Church, the Catholic Church and the persecution of Protestants and Muslims in Romania, the situation of Jews, Turkic nations and human rights in the Balkans, Yugoslavia and the Soviet Union, and other crucial issues.

The Research Center has made extremely valuable contributions to the cause of human rights. Its conferences, publications, and other activities have been a great asset to me in my work and have greatly increased public awareness of the human rights problems in repressive countries. Its most recent conference was indeed an enlightening and worthwhile presentation of the human rights situation in the Balkans. I am encouraged by the center's continued success and look forward to their next conference and other activities. I have learned a great deal from the organization and welcome any opportunity to work with it in the pursuit of our mutual goal to promote justice, freedom, liberty, democracy, and basic human rights.

IN HONOR OF THE 100TH ANNIVERSARY OF ST. JOHN'S SCHOOL OF NURSING

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. DURBIN. Mr. Speaker, I rise today in honor of the 100th anniversary of the School of Nursing at St. John's Hospital in my hometown of Springfield, IL. I join many of my friends and neighbors in congratulating the faculty and administration of the school, both past and present, as well as its alumni and students. They have all contributed greatly to the quality of health care in our community and beyond.

It is difficult today for us to imagine what it must have been like for the first students who attended the school when it opened in 1886. Not long after the time of Abraham Lincoln, a small handful of young women in the Springfield area sought to practice nursing. St. John's Hospital was the first Catholic hospital in the country to open a nursing school, which became a source of great pride to the hospital's founders, the Sisters of the Third Order of St. Francis.

The school started small—graduating only three students in its first class. But over the years, the school grew and expanded its role in the surrounding community. The students not only studied in order to serve as nurses in the community, but also were prepared to volunteer during World War I to provide services in the war effort.

The life of the school was symbolized by a 9-story dormitory in Springfield, which housed more than 2,500 nursing students over 62 years. While the dorm closed to students in 1981, its lower floors still accommodate classrooms, and the building remains a landmark in honor of those who have chosen to serve the community through nursing.

Mr. Speaker, we often take for granted the essential role of nurses in our health care system. As St. John's celebrates its 100th anniversary, it's appropriate for us to take time out to remember those who have dedicated

themselves to this field—to the long, often thankless hours of caring for the sick and the injured. This nursing school enriched the lives not only of those who studied there over the past century, but also the larger community which those nurses served. I want to commend St. John's and its nurses, and congratulate them on this important anniversary.

WHY THE CONGRESS SHOULD AGAIN SAY NO TO BINARY NERVE GAS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. FASCELL. Mr. Speaker, for 3 consecutive years, 1982–84, Congress wisely rejected the Pentagon's persistent requests to produce binary nerve gas chemical weapons. When the Pentagon again requested funding for these weapons last year, that proposal again met with considerable opposition. Congress ultimately prohibited all funding for the Binary Chemical Weapons Production Program during fiscal year 1986 and made such funding after fiscal year 1986 dependent upon the satisfaction of four major conditions. In other words, binary production under current law is not final or automatic.

Specifically, Congress mandated that U.S. binary production could begin after October 1, 1986, only if environmental, safety, and testing requirements were satisfied. In addition, another key condition, impacting directly on our European allies, specifically stipulates allied acceptance of these new binary chemical weapons as an integral part of our chemical deterrence in Europe.

Based on recent events, two of the four key conditions—testing and allied acceptance—cannot be satisfied this year.

In the testing area, ongoing GAO investigations continue to uncover testing failures, technical deficiencies, and structural flaws within the Binary Weapons Program that demonstrate that binary chemical weapons are not even ready for operational tests, let alone production.

As to the condition requiring allied acceptance of binary chemical weapons as a part of the chemical deterrence in Europe necessary to deter the Soviet threat, that condition not only cannot be satisfied, but was in effect rejected by our allies last month at the NATO defense ministerial meeting.

Under the terms of the force goal agreed to by NATO allies last month, all existing U.S. chemical weapons in Europe would be withdrawn. None of the U.S. binary chemical weapons proposed for production in the United States would replace chemical weapons now in Europe. This all has the net effect of a total unilateral withdrawal by the United States of all chemical weapons now in Europe.

In its persistent efforts to have the Congress fund the billion dollar Binary Production Program, the administration's plan contributes to the fulfillment of a longstanding Soviet foreign policy objective: The creation of a chemical weapons free zone in which the West withdraws its chemical deterrent from Europe while the Soviets keep their stockpile of deadly chemical weapons in Europe, only miles from NATO troops.

There is no doubt that the administration's plan contradicts the intent and the will of Congress as expressed in current law. We never intended that the funding for new binary weapons would lead to the unilateral withdrawal of all U.S. chemical weapons from Europe. Rather, our intent was to pursue a negotiated agreement that requires both sides to eliminate all chemical weapons thereby avoiding the necessity of the United States producing new binary chemical weapons.

If there ever was a defense program that should not be authorized or funded this year and next it is the Binary Chemical Weapons Production Program. Not funding the administration's fiscal year 1986 and 1987 Binary Production Program will mean an immediate savings of over a quarter-of-a-billion dollars now plus billions-of-dollars over the next 5 years.

We simply should not embark on a multibillion-dollar Binary Production Program that has not been proven to be satisfactory from a technical performance standpoint, necessary from a defense standpoint, desirable from a foreign policy standpoint, or productive from an arms control standpoint.

I commend to the attention of my colleagues two recent editorials: The first entitled "Bad Bargain for Chemical Weapons" which appeared in the June 3 edition of the New York Times; the second entitled "NATO's Chemical Dilemma" by Elisa E. Harris which appeared in the May 29 edition of the Christian Science Monitor. The editorials follow:

[From the New York Times, June 3, 1986]

BAD BARGAIN FOR CHEMICAL WEAPONS

Unilateral disarmament is not usually a policy President Reagan favors, but he has chosen just such a course on chemical weapons. Apparently he has privately agreed to withdraw America's chemical weapons from West Germany by 1992, an astonishingly inopportune decision that seems to undercut recently promising negotiations with the Soviet Union to ban these dreadful weapons altogether.

"Warfare employing lethal toxic chemicals is a subject abhorrent even to contemplate," a Presidential commission led by Ambassador Walter Stoessel reported last year. Therefore, as it notes American policy has been to seek a ban on chemical weapons, and meanwhile to deter possible Soviet use by maintaining a large stockpile of chemical-laden artillery shells in West Germany.

According to Chairman Dante Fascell of the House Foreign Affairs Committee, Mr. Reagan agreed with Chancellor Kohl at the recent Tokyo summit conference to withdraw existing chemical weapons from West Germany in return for German approval in NATO of the plan to build new ones. But the new weapons will be stored in the United States, not Germany, and even in crisis would be sent there only with West German approval. That would leave no chemical weapons in Europe to deter Soviet first use.

What induced this strange approach? The desire of the Army to build new chemical weapons for which there is no proven need. The proposed weapons are called binary shells because they contain two ingredients that mix in flight to make nerve gas. It's the same nerve gas that is carried by existing weapons, but the binary shells would be arguably safer to transport.

Congress reluctantly approved binary shell production last year on condition that NATO went along. That gave the West Germans an opportunity to get rid of the stockpiled nerve gas shells without having to accept the new ones. The deal's effect is to abandon America's chemical deterrent in Europe. Even if a German government agreed in an alert to accept chemical weapons, that would intensify the crisis and burden the transport of critical military supplies to Europe.

This illogical policy illustrates how the interests of the uniformed services can conflict with those of military commanders in the field. A commander's worst nightmare is that his ammunition won't be at hand when he needs it. But the procurement bureaucracies pursue their own agenda. To get binary shells into production, the Army is willing to deprive commanders of effective weapons at hand and to substitute a distant stockpile of more complex, perhaps inferior weapons that have never been realistically tested. It has fostered the canard that existing shells are leaking. But the Stoessel commission reported that "rumors of the stored munitions being dangerous or leaking appear to be exaggerated and inaccurate" and that "all the weapons in Europe are serviceable."

Only nuclear weapons are more abhorrent and destructive than chemicals. Chemical weapons could devastate Europe, and they are proliferating to other countries, like Iraq. Recent concessions by the Soviet Union on means to verify a ban suggest a treaty could be within reach. But how can Mr. Gorbachev persuade his generals to give up weapons that Mr. Reagan has already traded away?

The Administration had better buy back its storage rights from Mr. Kohl as fast as possible and drop its unnecessary plan to build binaries. It might assuage Mr. Kohl by noting that a treaty banning Soviet as well as American chemical weapons in Europe would serve him even better.

[From the Christian Science Monitor, May 29, 1986]

NATO's CHEMICAL DILEMMA

(By Elisa D. Harris)

It now appears that the recent Tokyo summit provided President Reagan with an opportunity to gain allied support not only for the US position on international terrorism, nuclear accidents, and trade, but also on chemical weapons. The President apparently persuaded West German Chancellor Helmut Kohl to support American production of new chemical weapons at two recent NATO meetings in return for the eventual removal of existing US chemical stock from German soil. This agreement may serve each leader's short-term domestic interests, but it will be a disaster for NATO's long-term security interests.

In December 1985, the US Congress stipulated that the Pentagon could not begin to produce binary chemical munitions until, among other things, NATO's North Atlantic Council had concurred with US plans for the production of these new chemical weapons, and NATO's supreme allied commander had developed contingency plans for the deployment of these munitions to the European theater. Congress insisted upon these conditions because it believed that America's allies had an obligation to share both

the political and the military burdens of new chemical weapons production.

On May 22, NATO's Defense Planning Committee endorsed the American chemical production plans, despite strong opposition from several NATO member states (including Norway, Holland, and Denmark). Chancellor Kohl's support for the binary program was the decisive factor in this approval of the US chemical weapons plan. This controversial decision by NATO's defense ministers thus brings the US one step closer to the production of new chemical weapons.

Memories of the use of poison gas at Ypres and on other battlefields during World War I have faded slowly in Europe. Discussions of US plans to produce binary chemical munitions and their possible deployment on European soil have consequently been highly controversial in many allied countries. Nowhere is this more true than in many allied countries. Nowhere is this more true than in Germany, the only NATO country where US chemical weapons are now stored, and where, because of simple geography, the vast majority of casualties from the use of such weapons would occur. Chancellor Kohl's success in obtaining a promise from President Reagan to withdraw all of these chemical munitions will therefore be greeted with great enthusiasm in the Federal Republic.

Yet, if the US does carry out its side of the Tokyo bargain and removes its existing chemical stocks from West Germany by 1992, NATO will be left in the extraordinary position of having *no* US chemical weapons on European soil—a dramatic weakening of its chemical deterrent posture. In the past, both Reagan and Kohl have opposed the various proposals for a chemical weapons-free zone in Central Europe. But now they have agreed to carry out a unilateral withdrawal of US chemical weapons from Western Europe without obtaining the corresponding withdrawal of Soviet chemical weapons from Eastern Europe that such a zone would require. In the final analysis, both leaders have agreed to nothing less than unilateral chemical disarmament.

Of course, Chancellor Kohl also promised at the Tokyo summit to consider accepting binary deployments in a crisis situation. But the West Germans have the final word on whether chemical weapons will be deployed in their country. In a crisis, they could very well refuse to accept these weapons, on grounds that such a step would be highly provocative. But even if the West Germans, or any other NATO member, were willing to take the binaries in a crisis situation, the US would be hard pressed physically to move the chemical munitions across the Atlantic, given the sorry state of its sea- and airlift capabilities.

When looked at closely, it is clear that the Reagan-Kohl agreement on chemical weapons can only produce trouble for the US, West Germany, and all of NATO. It is not too late for both leaders to extricate themselves from the bad bargain they made in Tokyo. Mr. Reagan should retract his ill-considered promise to remove existing US chemical weapons from West Germany, even at the price of losing Chancellor Kohl's continued support for the US chemical warfare program. To do otherwise is to engage in unilateral chemical disarmament and thus severely damage a key aspect of NATO's deterrent posture.

ILLINOIS HOUSE RESOLUTION NO. 1065

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. FAWELL. Mr. Speaker, the State of Illinois has recognized the need for persons to use their seat belts when operating their automobiles and recently passed a law requiring motorists to "buckle up." The Illinois House of Representatives has taken their concern one step further and has passed a house resolution which urges those in the television and motion picture industries to portray characters as using their seatbelts.

Mandatory seatbelt laws have a proven track record for saving countless lives throughout the Nation. I commend the Illinois House of Representatives for their insightful and unwavering commitment toward protecting the lives of the citizens and visitors of the State of Illinois.

The Illinois House resolution follows:

HOUSE RESOLUTION No. 1065

Whereas, Illinois' enactment of a mandatory seat-belt law has already saved many lives and will continue to do so; and

Whereas, Movies and television have a tremendous impact upon society and play a role in forming the habits and tastes of our citizens; and

Whereas, If actors and actresses "buckled up" whenever they were shown in the front seats of motor vehicles, it would be a reminder to all of us to do likewise; and

Whereas, This House wishes to recommend that film makers regard public safety as a priority when they plan for new production; therefore, be it

Resolved, by the House of Representatives of the Eight-Fourth General Assembly of the State of Illinois, that we urge those involved in film making to always show people in motor vehicles using seat belts, so that the public may be encouraged to adopt this life-saving practice; and be it further

Resolved, That a suitable copy of this preamble and resolution be sent to representatives of the television and movie industries and their trade associations; to the Department of Commerce and Community Affairs' Film Office; and to the Illinois Congressional Delegation.

Adopted by the House of Representatives on March 5, 1986.

VOGELS CELEBRATE THEIR 50TH WEDDING ANNIVERSARY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. PURSELL. Mr. Speaker, it is my privilege and pleasure to have this opportunity to ask my colleagues in the House of Representatives to join me in extending our heartiest congratulations to Gil and Veda Vogel as they celebrate their 50th wedding anniversary on June 6, 1986.

Veda and Gil are Americans who get involved. Their life-long commitment to improve the quality of life for all Americans is commendable and admired by all who know them. Gil's political involvement includes elected precinct delegate, member of congressional district committees and member of the electoral college from Michigan.

Veda's involvement as a volunteer in politics is just as impressive as vice president of the Livonia GOP Women and board member of the Republican Women's Federation of Michigan.

The Vogels volunteered their services of untold hours performing any task requested for many candidates that ran for office in Michigan from the local level to the President of the United States. We all owe them gratitude and appreciation for their many hours of devoted service. Seen at every Republican State convention, these two dedicated souls gave unselfishly of their money, time and efforts.

Mr. Speaker, and colleagues please join me in congratulating these two fine Americans, Gil and Veda Vogel, on their 50th wedding anniversary and wishing them many more happy and healthy years together.

PUBLIC/PRIVATE PARTNERSHIP AN EXAMPLE IN THE "WAR ON POVERTY"

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BROWN of California. Mr. Speaker, I would like to take this opportunity to recognize a unique public/private sector venture that has benefited the low-income community of San Bernardino County.

The community services department [CSD] of San Bernardino County has weatherized three thousand [3,000] low-income dwellings under an energy program sponsored by the Southern California Gas Co. Weatherization helps conserve energy and lowers utility bills for the poor. This community services department/Southern California Gas Co. effort has also created good paying jobs for low-income citizens providing the opportunity to break the "poverty cycle."

The community services department staff who have contributed to this remarkable performance record are: Maria Y. Juarez; Leonard Ramirez; Charles Thaxton; Eva Gomez; Linda Palazzolo; Dorothy Goggin; Annette Clarke; Harley Green; Rosetta Watson; Toni Carrion; Carolyn Scales; Gwen Huff; Calvin Gorschboth; Donald Heningburg; Ross Foreman; Fletcher Terrell; Bobby White; Brandon White; Angel Ogando; Chris Lamar; Sebastian Carrion; Ronald Rabon; Norma Castro; Arnold Zavala.

Additional staff that should be recognized are: Jackie Wilson; Sharon Parker; Rodolfo H. Castro; Kathy Richardson; Andrea Adams; Carolyn Debevec; Delia Mendoza; Charlesetta Jacobs; Arlene Escobar; Jim Valassis.

This joint public/private sector partnership has created opportunities for the poor from the recent national energy crisis. I congratulate the Southern California Gas Co. and community services department for their creativity

and initiative and I wholeheartedly wish them continued success.

AMERICA IS COMMITTED TO OBTAINING THE FULLEST POSSIBLE ACCOUNTING OF THE POW'S AND MIA'S FROM THE VIETNAM WAR

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. McEWEN. Mr. Speaker, today I introduced a resolution expressing the sense of the House of Representatives regarding the 2,435 American servicemen still unaccounted for from the Vietnam war. I have provided the text of this measure for the consideration of my colleagues and urge their support for this important effort.

The resolution follows:

H. RES. 466

Resolution expressing the sense of the House of Representatives regarding the resumption of technical meetings with the Government of the Socialist Republic of Vietnam on the issues of the repatriation of remains of American servicemen, joint excavations of crash sites, and investigations of "live sighting" reports

Whereas 2,435 American servicemen from the Vietnam war are still unaccounted for in Southeast Asia;

Whereas the American people are committed to obtaining the fullest possible accounting for the families of these servicemen who are prisoners of war or missing in action;

Whereas significant progress has been made in the ongoing talks between the United States Government and the Vietnamese Government toward the resolution of issues surrounding the American servicemen who served in Southeast Asia during the Vietnam war and are still listed as missing in action;

Whereas both the United States Government and Vietnamese Foreign Minister Nguyen Co Thach have agreed that such talks should proceed as a humanitarian effort, apart from all other political issues;

Whereas during the past five years, the Government of Vietnam has steadily increased the level of its cooperation in resolving the prisoner of war-missing in action issue and, during 1985, the Government of Vietnam agreed to increase the number of technical meetings to at least six per year, has repatriated more remains than during any year since 1973, has carried out the first United States-Vietnamese joint crash site excavation, and has announced its intention to resolve the prisoner of war-missing in action issue "within two years";

Whereas in April of 1986 the Vietnamese Government unilaterally suspended the technical meetings on the prisoner of war-missing in action issue; and

Whereas the level of the United States-Vietnamese cooperation must be accelerated, not suspended, if the prisoner of war-missing in action issue is to be resolved within two years: Now, therefore, be it

Resolved,

SECTION 1. PRISONER OF WAR-MISSING IN ACTION ISSUE.

It is the sense of the House of Representatives that—

(1) the Government of Vietnam should not suspend any future technical meetings on the prisoner of war-missing in action issue with the Government of the United States after the new round of technical meetings resumes during the month of June 1986;

(2) the Goverment of the United States should continue to stress to the Government of Vietnam the importance of proceeding on an accelerated track to pursue the resolution of the prisoner of war-missing in action issue as a humanitarian effort, apart from all other issues;

(3) the Government of Vietnam should understand that its cooperation in resolving the prisoner of war-missing in action issue in an expeditious manner is in their national interest and would be received by the people of the United States as a demonstration humanitarian concern; and

(4) the Government of the United States should continue to devote its highest priority resources and attention to resolving all aspects of the prisoner of war-missing in action issue and should continue stressing to the Government of Vietnam the importance separating the resolution of this humanitarian issue from all other issues, as both governments have agreed.

SEC. 2. TRANSMITTAL OF RESOLUTION.

The Clerk of the House of Representatives shall transmit a copy of this resolution to the President of the United States, the Secretary of Defense, and the Secretary of State. The President is requested to transmit a copy of this resolution to the Government of the Socialist Republic of Vietnam.

ABBAS INTERVIEW UNDERSCORES NEED FOR NETWORK SUMMIT

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. LUKEN. Mr. Speaker, on May 5, NBC News aired a clandestine interview with Abu Abbas, the man who admits directing last October's seajacking of the Italian liner, Achille Lauro. The Abbas interview demonstrates that, though America is fighting terrorism on many fronts, our networks have not yet learned the lessons of the past. Television continues to play a vital role in terrorists' plans.

Abbas is a fugitive from American justice as well as from Italian and Israeli authorities. Most Americans would consider him "Public Enemy No. 1." Most Americans would turn him in immediately upon locating him. NBC News, however, admitted in its coverage that it made a deal with Abbas to refrain from disclosing his whereabouts in exchange for the interview, reporting only that he is "in an Arab-speaking country, the name of which we agreed not to disclose."

NBC's cynical deal with Abbas reflects the white-hot competition among the networks and has provoked a furor that is well justified. Since the interview, Robert Oakley, head of the State Department's counterterrorism office, has accused the networks of becoming the accomplice of terrorists. Chicago Tribune Editor James Squires denounced the interview, saying "They [NBC] missed the news. We're in the news business and the news is 'Where is Abbas?' " NBC defends its interview, claiming that the other news agencies have a sour grapes attitude. "I sense a lot of competitive jealousy here," said Timothy Russert, NBC News vice president.

NBC's journalistic excess is certainly not the first time TV has played a role in terrorist activities. In last year's TWA hijacking, the networks broadcast live interviews of hostages at gunpoint. In the aftermath of the TWA incident, 11 other Congressmen and I suggested to the network that they hold a summit and adopt voluntary guidelines regarding the broadcast of terrorist events.

Our plea was supported by many commentators within the communications industry. Ron Powers, in a July 7, 1985 CBS commentary, said, "It's time for a broadcast summit. Time to find ways of neutralizing television as a terrorist weapon." Fred Friendly, former president of CBS News and currently Edward R. Murrow Professor Emeritus at the Columbia School of Journalism, also supported the idea of a summit and predicted that competition among the networks to outscoop one another would be even greater next time. Their words were prophetic. The next time was the Abbas interview. "What next?" Is the frightening question now.

Our call for action was not received warmly by the networks. NBC News President Lawrence Grossman said that journalistic restraint could be achieved "without [the networks] coming together on a single set of guidelines." He further said that a network summit "would not be in the interest of good journalism." Van Gordon Sauter, executive vice president, CBS/Broadcast Group, actually went so far as to say that whenever the networks interviewed hostages, they "served them and the American people."

TV coverage provides terrorists with the forum they desire. Fred Friendly has said that "the television spotlight is the real ransom the terrorists usually demand and get." Furthermore, TV coverage can humanize the terrorists, even while they are in the act of committing a heinous crime. The Abbas interview is only a natural development of the broadcast policy followed in the TWA incident and suggests that there may be no limits to the cooperation between TV and terrorists, foreign and domestic.

Among the specific guidelines suggested after the TWA incident in Beirut were:

One, no cash pay-offs for interviews with hostages' families.

Two, no more on-air dialogues between anchormen and terrorists, giving free campaign commercials to America's enemies.

Three, arranging network pools to restrict the terrorists' access to the airwaves.

After the Abbas interview, I would add:

Four, no TV interviews with fugitives from American justice wherein the consideration for granting the interview is the agreement by the network not to disclose the hiding place of the fugitive.

I am again calling on the networks to establish guidelines designed to discourage events such as the Abbas interview.

UNITE THE PYATETSKY FAMILY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. LIPINSKI. Mr. Speaker, I rise today with a strong desire to see the Pyatetsky family united in America. Mark Pyatetsky and his mother, Sarah, have already emigrated to this country and live in my home State of Illinois, but Mark's brother, Alexander Pyatetsky, his wife and two children are still waiting in Kiev.

In May 1975, Alexander applied for a visa and was refused on the grounds that he knew State secrets; yet, in his capacity as an electrical engineer, he never once used his security clearance. Because of his desire to unite his family with his brother and mother, Alexander was forced to change jobs a number of times. Then, in April 1978, he was promised a review of his case and met with numerous Soviet officials who informed him that a decision would soon be forthcoming. This charade went on until December of the same year when Alexander was told that his request had been definitely rejected—but this time, not even a pretext was given. Since that episode, the Pyatetskys have lived without the hope of ever living in a free land or of ever seeing their relatives again.

Mark Pyatetsky will speak today at the annual Call to Conscience Vigil for Soviet Jews on behalf of his brother and his family and the many refuseniks who remain in the Soviet Union. It is hoped that his words and the whole concept of the vigil will draw attention to the plight of individuals like Alexander Pyatetsky. Clearly, there is no reason for the Soviet Union to hold this man. He possesses no State secrets, something even the Soviets implicity recognize by not formally charging him in their review of his case. Let Alexander Pyatetsky, his wife, Sophia, and their two children Dmitri and Julia leave.

JAPANESE AMERICAN CITIZENS LEAGUE HONORS ACADEMIC EXCELLENCE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. MATSUI. Mr. Speaker, it is a distinct pleasure to call to the attention of the House of Representatives the outstanding contributions made to the Sacramento community by the Sacramento Chapter of the Japanese American Citizens League.

Over the years, the fine organization has dedicated both time and resources not only to the Japanese American community in the Sacramento area, but to the general community as well. An excellent example of the invaluable contributions made by the League is evident in the upcoming presentation of academic scholarships to 20 deserving young students in Sacramento.

On May 30, 1986 the Japanese American Citizens League will present these awards to assist students with their college education. In light of the unprecedented challenges arising from the vast changes taking place in our society, the importance of an advanced education is greater now than ever before. These scholarships, which are being made available through the League by private citizens, civic organizations, and local businesses, will certainly help young scholars to meet those challenges.

I wish to commend the League on this act of public service and extend congratulations to these students for their academic excellence. Being honored with scholarships are:

Michael K. Matsumoto, Katherine H. Acki, Kelli Koshiyama, and Lisa M. Kuramoto of Rio Americano High School; Nell B. Shimasaki and Martin T. Fujitani of Luther Burbank High School; Kathy Y. Kubo and Kristle Honda of John F. Kennedy High School; Lisl K. Shodo of Del Campo High School; John S. Inouye, Ryo Ueda, Gail M. Tsujita, and Clifford Shiomoto of C.K. McClatchy High School; Mary E. Curler of Cordova High School; David T. Oda and Robin D. Satow of Sacramento High School; David E. Yomogida, Scott E. Yomogida, and Tonia M. Hashimoto of Hiram Johnson High School; and Ann E. Okamoto of Cosumnes River College.

OREGON SHAKESPEAREAN FESTIVAL ASSOCIATION

HON. ROBERT F. SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. ROBERT F. SMITH. Mr. Speaker, I rise today to congratulate the Oregon Shakespearean Festival Association, located in my district, on their recent selection as a 1986 President's Volunteer Action Award recipient. The association's volunteers were one of the 19 national winners out of over 2,300 nominees. I am proud to represent them in the Congress.

The President's Volunteer Action Awards were created in 1982 to call attention to the contributions of our Nation's volunteers and to demonstrate what can be accomplished through voluntary action. The festival volunteers are a true representation of the volunteer spirit. These 800 volunteers, along with a paid staff of approximately 20, operate three threatres from a large outdoor Elizabethan theatre to a intimate theatre seating less than 200 on a February to November performance schedule. Almost 400,000 people annually see plays performed by the festival's actors and actresses in Ashland, OR, a community of less than 12,000. The festival's economic impact on the community is approximately $47 million per year.

In addition, to the individual community volunteers, several local organizations provide groups of volunteers to the theatre such as the Ashland High School Band who provides ushers during the theatre summer season. The Ashland Garden Club provides decorations for special events and maintains the Shakespearean herb garden at the theatre. Members of Beta Sigma Phi maintain the refreshment booth and over 80 Chamber of Commerce volunteers take turns staffing the information booth. Volunteers from Job's Daughters assist with ushering during the summer, and Soroptomists rent blankets and pillows for lawn visitors. OSFA relief volunteers are trained in a variety of duties to help out during busy periods. I urge my colleagues to visit Ashland and see this fine example of public spirit and volunteerism in action. I can assure you that the theatre productions are always performed at the same high standard that helped the festival win a Tony Award a couple of years ago.

The President's Awards, now in their 5th year, are the most prestigious awards ever presented for volunteer service. Even more than a way of recognizing outstanding volunteers and volunteer groups, the President's Volunteer Action Awards Program presents a unique opportunity to celebrate annually the American spirit of volunteering and citizen involvement. Again I commend the festival on receiving this reward. I know they earned it.

REPEAL OF IRS REVENUE RULING 86-63

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. DICKS. Mr. Speaker, today I am introducing legislation which would repeal the provisions of revenue ruling 86-63, published by the Internal Revenue Service on April 28, 1986.

Revenue ruling 86-63 claims to be an improvement over an earlier ruling, 84-132, which held that donations to college athletic programs cannot be deducted if preferential seating is offered to donors. But it is just as flawed as the previous ruling in its impact: I am convinced that it will seriously impact the abilities of colleges and universities throughout the Nation to raise scholarship funds for student athletes.

Revenue ruling 86-63 puts colleges in a quandary, almost a catch-22 situation. It is, of course, exceedingly difficult to attempt to assign a "value" to the opportunity to purchase a ticket, and I note that the IRS is unclear as to how that process would work. A spokesman quoted in the Washington Post on May 2, 1986 said that "Somebody, somehow would have to determine what a willing buyer would pay to a willing seller for that." Such statements clearly do not give us much confidence that revenue ruling 86-63 is at all enforceable.

When asked about the impact of 86-63 on the largest university in Washington State, the University of Washington in Seattle, the conclusion of the dean of the law school was that it would be "very difficult to live with." The university provides seating for contributors, with the hope that everyone who contributes a specific amount will be seated together. Since there are no more available seats in the U.W.'s Husky Stadium, it obviously cannot work that way. We then may be faced with a situation in which two taxapayers make exactly the same contribution, with one receiving a better seat. It is even possible that the larger contributor would receive the inferior seat. Obviously the impact of revenue ruling 86-63 is

not limited to the University of Washington—it affects many of the Nation's largest universities.

There are substantial tax policy questions involved here, but I am also deeply concerned about the effect of the ruling and the effect of the uncertainty surrounding this ruling on all charitable donations to colleges and universities. Expecially with the prospect of shrinking Federal participation in postsecondary education, I believe that the Federal Government should not be seeking to discourage donations to colleges for scholarship programs.

For this reason, I believe Revenue Ruling 86–63 is bad policy, with a devastating impact. I hope my colleagues will join me in reversing the effects of this ill-advised ruling.

ACADEMY APPOINTMENTS

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. GEKAS. Mr. Speaker, on Wednesday, June 11, 1986, I will be hosting a luncheon in the Rayburn Building to honor the young people chosen from my congressional district to attend our U.S. service academies. Accompanied by family members, these outstanding young adults will be greeted by representatives from their respective academies, providing insight and moral support for the difficult, yet exciting 4-year program that begins in July.

I would like the CONGRESSIONAL RECORD to reflect my own personal best wishes to this fine group of young people and ask my colleagues in the U.S. Congress to join me in recognizing their great achievement. The names and hometowns of those who will attend their respective academies are as follows:

Air Force Academy—John Mateer, Elizabethville; Michael Kosco, Harrisburg;

Merchant Marine Academy—Michael E. Murphy, Harrisburg; Michael Perloski, Harrisburg;

Military Academy—John Silvers, Harrisburg; Jared E. Daum, Marysville;

Naval Academy—Tawnya Petrick, Loysville; Matthew Berra, Linglestown; Robert Keller, Harrisburg; Stephen Kline, Williamsport; and Ronald Surfield, Williamsport.

A TRIBUTE TO MRS. LOU YERKES

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. SAXTON. Mr. Speaker, I would like to take this opportunity to pay tribute to Mrs. Lou Yerkes of Pemberton Borough, NJ, a woman whose voluntary work and genuine concern for the welfare of others cannot be overstated.

Now in her eighties, and better known to her friends and acquaintances simply as "Lou," this incredible gentlewoman takes the time to transport others to church services, doctors, and grocery stores.

She helps serve meals at the local nutrition center and visits the sick and shut-ins—whether they be in the hospital or at home. And, she sees to it that the altar flowers from her church are delivered to those who are ill.

The garden she keeps at home is a source of flowers and vegetables which she shares with others. And, much of the produce from that same garden is used to make relishes, jams, and jellies, which she gives to others.

Mr. Speaker, this fine lady, who resides in Pemberton Borough with her husband, Ralph, is truly a good neighbor, always looking to share a helping hand to those around her. She has done this without seeking special recognition. Her efforts, however, will not go unrecognized.

Tomorrow, the Pemberton Rotary Club will award Mrs. Yerkes its Daniel S. Thompson Memorial Citizen of the Year Award. I'm sure that my fellow colleagues in the House will agree that Lou is most deserving of this honor, and will want to join with me in congratulating her.

A SALUTE TO VICTOR WEI-JEN HU

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. RICHARDSON. Mr. Speaker, it has come to my attention that the Director of the Public Affairs Division for the Republic of China in Washington, Victor Wei-Jen Hu, will be leaving his post in the United States to take a new assignment as the consulate for the Republic of China in South Africa. I know that many of my colleagues join with me today in special recognition of the outstanding job that Victor has done in representing his Government over the past 3 years in Washington. He will be sorely missed—both professionally and personally.

Victor Hu has had an impressive career as a public servant for the Republic of China. Prior to serving in Washington as the Director of the Republic of China's Public Affairs Division, Victor was a political counsellor at the Embassy of the Republic of China in the Republic of South Africa. He served on the delegation of the Republic of China during negotiations with the American delegation following the U.S. rerecognition of the Republic of China in 1978. Victor has held impressive posts in the Ministry of Foreign Affairs, was part of a special envoy from the Republic of China to the United States, Japan, South Korea, and Singapore from 1975 to 1977, has been an instructor at the National Normal University in Taipei and participated in the United Nations Intern Program. He received additional recognition for his outstanding work in 1977 when he was named the best public servant of the Ministry of Foreign Affairs in the Republic of China and received the highest grade in the special civil service examination for foreign service and counsular personnel in 1978. In 1972, Victor received his masters degree from Georgetown University.

Mr. Speaker, I know that those of us on Capitol Hill who have come in contact with Victor Hu have come to appreciate the professionalism he has displayed in his role of keeping us informed on the issues of concern to the people of the Republic of China. I know that my colleagues join with me today in taking this opportunity to wish Victor Hu the best of luck in his new assignment. Thank you.

A TRIBUTE TO THE DISTINGUISHED WOMEN OF CALVERT COUNTY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. DYSON. Mr. Speaker, it is with great pride that I rise today to pay tribute to the distinguished women of Calvert County, MD, whose outstanding contributions to their community will be recognized by the Calvert County Commission for Women on June 8, 1986.

In stride with the tremendous achievements and inroads made by women across this land, the women of Calvert County have made a profound impact on the quality of life in their community. Clearly, the deeds of these honored women will serve to remind all Americans that only by opening the doors of free competition in the workplace can we maximize the productivity of our Nation's spirited and enterprising citizens. The women of Calvert County have domonstrated that the vitality of their community and, indeed, that of the Nation is dependent on their continued contributions in all fields; whether it be science or government, art or literature.

It is in this vein that I read to my distinguished colleagues the honor role of women to be recognized by the Calvert County Commission for Women: Dr. Ruby C. Alonzo, Ms. Elizabeth Bullard, Ms. Margaret Moran, Ms. Mary Frances Parish, Ms. Mary Marvin Breckinridge Patterson, Ms. Irene Priddy, Ms. Jean Rose, Ms. Gracie Rymer, Dr. Daung Silpasuvan, Ms. Margaret A. Smith, Ms. Helen Thomas, Ms. Elizabeth Anne Wilson, and Dr. Mahin S. Yazdani.

So, Mr. Speaker, on behalf of Calvert County and all of Maryland's First Congressional District, I would like to extend my heartfelt gratitude to these remarkable women for their great contributions to our community.

LEGISLATION TO AUTHORIZE CERTAIN ELEMENTS OF THE YAKIMA RIVER BASIN WATER ENHANCEMENT PROJECT

HON. SID MORRISON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. MORRISON of Washington. Mr. Speaker, the Yakima Irrigation project located in my

district, provides irrigation water for approximately 464,000 acres in the Yakima River basin. For decades, the major problem facing the Bureau of Reclamation and Irrigators has been the lack of adequate water storage in the system to meet irrigation needs during short-water years. Droughts experienced in the basin in 1977 and 1979 served to highlight the fact that the waters of the Yakima River have been overappropriated and that the Bureau of Reclamation cannot deliver on its contractual obligations. The problem has become even more acute in recent years due to a Federal court ruling that mandated the release of stored water to maintain fish flows within the Yakima basin.

In 1979, the Bureau of Reclamation was given the authority to conduct a major feasibility study of the Yakima basin in conjunction with the Washington State Department of Ecology for the purpose of finding a comprehensive solution for meeting the competing claims for water from the Yakima River. In 1982, the first phase of the study, which documented the need for a detailed study and identified possible elements of a solution, was completed. One of the recommendations of that study was that the fish passage facilities on the river be improved in order to maximize the use of existing water in the river. In 1984, Congress acted on that recommendation and provided funding for these facilities. In January of this year, the second phase of the study was completed and the study team issued a report narrowing the range of solutions to four alternatives and recommending that they be used as the focus of a formal Bureau of Reclamation planning report/draft environmental statement. The report also recommended that work being done by the Yakima Indian nation to identify an on-reservation storage site continue and that the site ultimately selected be included as one of the elements in the final enhancement plan.

The four alternatives in the study team report include a storage and nonstorage element. Additional study of the storage element is needed, but work on the nonstorage element, which is common to all four alternatives, has been concluded.

The legislation that I am introducing today in the House of Representatives and Senator EVANS and Senator GORTON are introducing in the Senate would allow work on the nonstorage element to begin. The construction of the projects contained in the nonstorage element would make additional water available to the Yakima project during water short years through improvements in the operational efficiency of the system. While these projects cannot by themselves provide the solution to the water problem in the Yakima basin, they, like the fish passage improvements, will provide some relief prior to the construction of additional water storage.

I am pleased to be able to introduce this legislation today. It is not only an important step in addressing the critical water supply problem in the Yakima basin, but also serves notice that the time for study is over and that the time for working on the solution has begun.

CONGRATULATIONS TO LeCLAIRE COURTS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. LIPINSKI. Mr. Speaker, I rise before my colleagues today in strong support of the amendment to the Housing Act which will encourage public housing tenants to become self-managing.

The state of public housing is one which has been an embarrassment for the Federal Government for many years. The original intent of providing adequate shelter for all citizens has been overshadowed by the problems that have developed in public housing. Many of these problems can be attributed to the fact that public housing tenants feel little control over their living conditions. They are not able to take responsibility for the upkeep of their housing because they do not have control of the home they live in. Given the opportunity to shape the conditions of their housing, I believe the tenants will respond with pride and concern for their living conditions.

In the Fifth Congressional District of Illinois, which I represent, there is a model program of tenant management being set in motion of which I am very proud. The LeClaire Courts Resident Management group is involved in an experiment in privatizing the management of public housing. A group of residents took an early step in leadership a few years back when they began making inquiries as to how they could get better service from the Chicago Housing Authority. With progressive steps, the residents of LeClaire Courts worked with the Chicago Housing Authority and other groups to acquire the tools necessary for self-management. Through their determination and enthusiasm, the residents were able to recieve public and private aid to help train them in management skills. Today they are prepared to take on the responsibility of self-management so that they can better control their housing conditions. Tomorrow they will be preparing for home ownership and thus experiencing the pride that goes with the realization of a part of the American dream.

This amendment will help allow tenants of public housing to shape their own futures. In the District of Columbia, the Kenilworth-Parkside tenants will save millions of Federal dollars through the years because of improved conditions that began with self-management. It is my sincere desire that LeClaire Courts in my district follow this path of success. It is also my sincere desire that this idea might spread throughout the Nation.

ROY C. KETCHAM

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. FISH. Mr. Speaker, today I rise in recognition of one of the finest and most respected community servants in New York's Hudson Valley, Roy C. Ketcham. For more than 50 years, Roy has devoted his time to nearly every area of the public interest in an effort to help his fellow man and better the community. This is a man with the talent and motivation to get things done, and done well.

The Roy C. Ketcham High School in Wappingers Falls, NY, stands as a testimony to Roy's deep dedication to the ideals of education. He served on the Wappingers Central School Board for 31 years. For 18 of those years, Roy held the position of board president. He now currently serves as a board member of Marist College, Poughkeepsie, NY, as he continues to bring his valuable insight to the field.

Roy has served on the board of directors of the United Way of Dutchess County for 14 years, serving on the executive committee for half of those years. Last year this chapter helped over 90,000 Dutchess County residents, with an overall budget of $3 million.

Because local health care needs were also a concern of his, Roy served on the board of directors of Highland Hospital in Beacon, NY, for 28 years. For 20 years, he was president of the hospital.

In addition to a plethora of organizational memberships and volunteer positions, Roy is an astute and successful businessman. He is chairman of the board of Ketcham Motors, with over 50 years in the automobile business. He is chairman of the board of Fishkill National Bank, and past president of Fishkill Savings as well. He also served as Dutchess County Republican chairman.

Fishkill Republicans have chosen to honor Roy Ketcham for his lifetime commitment to the well-being of others. His work with schools, hospitals, community service organizations, and local businesses is a model of excellence. I consider it a privilege to be counted among Ketcham's friends.

REUNITE THE FAMILY OF INDA MARGULIS-SHKOLNIK

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1986

Mr. BROWN of Colorado. Mr. Speaker, I was very glad to have an oppportunity to meet with Inda Margulis-Shkolnik today at the Congressional Fast and Prayer Vigil for Soviet Jewry. Inda emigrated from the Soviet Union several years ago.

I have been very interested in her family since July 1983 when I was informed of their interest in emigrating from the Soviet Union. Inda's parents and brother: Pichos, Maya-Bluma and Uladimir Margulis have applied to emigrate from Russia every 6 months since 1975. Their address is U.S.S.R. Moldavia, Tiraspol 278000. Odesskaya 57/7. Her sister, brother-in-law, and nephew: Alla Margulis, Michael and Alexandr Uvarov have also been seeking to leave the U.S.S.R. The Uvarovs' address is U.S.S.R. Leningard 193148, Cimbalina 46/43.

Her parents are elderly and in need of medical care. Inda's grandparents and aunts and uncles were killed during World War II. This

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Her parents are elderly and in need of medical care. Inda's grandparents and aunts and uncles were killed during World War II. This

of communism. Most Sikh people are hard working and productive citizens, as is witnessed by the fact that Sikhs only account for 2 percent of the Indian population, but account for 26 percent of the Gross National Product. Token appointments won't work. It is time for peace. It is time for freedom.

The international news media has not been permitted into the Punjab region. No foreigners are allowed to travel to the Punjab region. Why not? As a result, the world receives a biased report on the happenings in that important region of the world. A book entitled "Report to the Nation: Oppression in Punjab," published by Citizens for Democracy, can be obtained through the Library of Congress—it has been banned in India—and substantiates the claims of the Sikh people. Mr. Ghandi, please allow objective observers to enter the area to report to the people of the world. We are told in the media that the Sikhs are radicals or extremists. They say they are fighting for liberty and freedom from discrimination. BARRY GOLDWATER once said:

I would remind you that extremism in the defense of liberty is no vice. And let me remind you also that moderation in pursuit of justice is no virtue.

If what the Indian Government says is true, there is no reason to prevent objective reporters from entering the region. If it is not true, Senator GOLDWATER's statement is fitting.

Mr. Ghandi, please consider the special condition of your Sikh community and let us work together to find a peaceful solution toward a permanent and real freedom for the Sikh people.

SENATE—*Friday, June 6, 1986*

(Legislative day of Monday, June 2, 1986)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, on this anniversary of D-day, we thank You for peace. Help us to preserve it.

God of mercy and love, the destiny of nations, the welfare of millions, even the survival of humanity, ride on decisions made in this Chamber. Yes or no in a rollcall vote may mean the difference between life and death for many. Thank You, Lord, for men and women who take seriously the responsibility laid upon them by the preference of the people. Thank You for those who recognize that they are part of this powerful and influential body by divine appointment. Desperately, Lord, in these critical, dangerous times, Your wisdom and strength, Your providence and guidance are essential as Senators process information, debate, and decide. Grant to each of Your servants the wisdom to judge fairly and the will to do what is right. Your will be done in this place as it is in Heaven. Amen.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished assistant majority leader is recognized.

Mr. SIMPSON. I thank the President pro tempore.

I also thank the Chaplain. He does share with us much of himself, in his very pungent way, as he serves us and ministers to us.

THE LONGEST DAY

Mr. SIMPSON. Mr. President, I was thinking of June 6, 1944. I was just a boy, 12 or 13 years old, when D-day happened. I shall never forget it. I had it charted very carefully on my bedroom wall, all the pincer movements and all the rest of it.

I also remember that the great volume by Cornelius Ryan about D-day was called "The Longest Day." I certainly hope we do not repeat that today, because we might. The longest day—it will be a long one, unless we drop a few amendments here and there.

SCHEDULE

Mr. SIMPSON. Mr. President, we have abbreviated our usual morning routine today so that we can go right to work on the supplemental appropriations bill.

I thank the Democratic leader and the acting Democratic leader this morning, Senator PROXMIRE. We have disposed of some of the matters of a mechanical nature. It is important that we do that, because several agencies will literally be shutting down unless they receive funds in this bill.

We were in session last night until 2:30 a.m., working on this measure. I want to sincerely commend Senator HATFIELD and Senator JOHNSTON—they have been superb and patient—and many others for staying here last night, after most of us had retired for a short period of time anyway. During that time, they were able to process about 10 amendments without the necessity of a rollcall vote.

Despite their nocturnal efforts, there are still about 3 dozen amendments remaining to be dealt with, from a list originally of 48. I earnestly encourage Members to be available today for prompt action on their amendments so that we can move swiftly. Perhaps some amendments will simply not be offered.

We need to finish this bill, and the leadership—Senator DOLE and Senator BYRD—are committed to that; because the Appropriations Committee has to take this bill to conference yet and get these appropriations enacted as soon as possible, and that will take time. It is difficult to conference on a weekend, but they must begin their work.

Again, I especially commend the efforts of all Members, the floor managers, those who are assisting us with progress. I thank them for that. I feel confident that we will continue that progress today; but if we do not and we seem to gum up, we will know in midafternoon and be able to tell our colleagues whether we will be here tomorrow. This is a measure that must be finished.

Then the track opens for tax reform, and I think there is a very fine bipartisan surge there, ready to proceed with that. We could deal with that next week, and it is the intention of the leadership to conclude that.

The leader time for this morning has been reserved for their use at a later time today, and mine will be deducted from that.

We will have routine morning business, not to extend beyond 9:45 a.m., with Senators permitted to speak therein for not more than 2 minutes each.

Following morning business, the Senate will resume consideration of H.R. 4515, the supplemental appropriations bill. A unanimous-consent agreement was entered into with respect to the number of amendments that may be offered to the supplemental.

Votes will occur throughout today's session, and the first vote could occur prior to 10:30 a.m.

I alert my fellow colleagues who may yet be resting that we are going to have a vote, perhaps by 10:30; so, as someone said colloquially, they should get out of the rack. I said: "We ought to put some of them on the rack."

[Laughter.]

The Senate will be asked to remain in session beyond our recently normal time of adjournment on Fridays in order to complete action on the supplemental.

I yield the remainder of my time to the Senator from Minnesota, and we will come right back to Senator PROXMIRE, and I appreciate his patience.

The PRESIDING OFFICER (Mr. ANDREWS). The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I appreciate very much the indulgence of the acting majority leader.

I particularly appreciate his comments about Cornelius Ryan's book and its applicability to this weekend. I made my small contribution by not being on the list of 48 amendments to this bill.

□ 0940

COPING WITH CHANGE: RURAL AMERICA AND THE FARM CRISIS

Mr. DURENBERGER. Mr. President, since 1981, ominous headlines describing a deepening farm crisis have filled the Nation's newspapers.

Thus far, attention has been rightly focused on the direct, often dramatic impacts of this crisis on individual farmers, their families, and on the small businesses that depend on them in rural communities across America.

Yet, there is another dimension of the farm crisis that has been largely overlooked—the growing threat which that crisis, coupled with simultaneous cuts in Federal and State aid, poses to the future financial viability of rural local governments.

To explore this dimension in more detail, the Subcommittee on Intergovernmental Relations has conducted a study entitled "Governing the Heartland: Can Rural America Survive the Farm Crisis?" which was researched and prepared by Dr. Tom Stinson of the University of Minnesota and by the subcommittee staff.

The bottom line of this indepth report is bleak. If a response is not made now, while there is still time, local governments in rural areas are in danger of losing one-fifth of their per capita revenues due to falling land values and cuts in State and Federal aids. That amounts to $1,000 per family of four.

At the same time, service demands on many rural governments are increasing as unemployment rises and financial and emotional stress takes a human toll. Unless we act soon, this revenue and service squeeze could permanently change the quality of life in rural America.

Mr. President, I ask unanimous consent to have printed a detailed summary of this study in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DURENBERGER. Mr. President, now let me mention a few of the most striking highlights of the report:

Between 1982 and 1985, farm land values fell $146 billion nationwide—that's equal to the total assets of 11 of America's largest corporations, or the loss of every single farm in the States of Illinois, Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, and Nebraska.

This massive decline in land values has already eroded taxable valuations by 25 percent in some States, and the worst is yet to come.

Since 1980, property tax delinquencies more than doubled in the Iowa, Kansas, Minnesota, and Montana communities surveyed, and they jumped several hundred percent in Nebraska.

Half of the farm States examined suffered absolute declines in State revenues in 1985 or 1986, half were forced to cut State education aids, and six of the eight made emergency midyear budget reductions in fiscal year 1986.

Mr. President, these alarming trends bear directly on our current discussions of tax reform and the budget resolution. Rural communities have already been hard hit by past budget cuts, and the scheduled elimination of GRS will hit them twice as hard as the average locality. Over the coming months, I will be urging my colleagues to consider a streamlined program of no-strings grants targeted to our most distressed communities.

As we debate tax reform over coming days and weeks, I believe we also need to guarantee continuation of those provisions of the Tax Code which enable rural States and rural communities to help themselves during these trying times. That means preserving full deductibility of all State and local taxes and maintaining adequate access to tax exempt bond financing.

Can rural communities survive the farm crisis? I believe they can, but only if governments at all levels act swiftly and creatively to address the growing revenue and service squeeze and help rural America meet the challenges which now threaten its very survival.

EXHIBIT 1

GOVERNING THE HEARTLAND: CAN RURAL COMMUNITIES SURVIVE THE FARM CRISIS?

By the end of this decade, entire communities risk falling victim to the farm crisis unless federal and state policies are fashioned which respond to their growing needs. In the absence of appropriate policy responses, local government revenues in many rural states may fall 20% below the amounts needed to continue current services. At the same time, many rural communities will face increased service demands as financial and emotional stress takes its toll among farmers and main street businessmen. Left alone, such communities will have little choice but to hasten their own decline by raising taxes from a dwindling tax base and by cutting the services needed to promote longterm economic development.

Can rural communities survive the farm crisis? Yes, but only if federal and state governments act creatively to address this growing revenue and service squeeze and help rural America cope with the transition to a more stable agricultural economy.

INTRODUCTION

For three years ominous headlines describing an expanding farm crisis have filled the nation's newspapers. The public has learned of the serious financial problems facing America's farmers, and of the massive drops in farm income and farm land values which have occurred during this decade. Attention has been focused on the direct, often dramatic impacts on individual farmers, their families, and on small businesses in rural communities throughout America.

Another dimension of the farm crisis has been largely overlooked—the growing threat to the financial viability of rural local governments. Declining farm income and farm property values erode the local tax base. At the same time, demands for many publicly provided services increase, creating a squeeze between falling revenues and higher costs. In many communities, the financial vise is being tightened further by cuts in federal and state aid.

If these trends continue, rural local governments cannot avoid cutting services and raising taxes. In the absense of such actions, local government revenues will fall short of existing expenditure levels by an average $106 per capita in the eight multi-county regions examined. (figure 1) Under more pessimistic assumptions about futher drops in land values and cuts in intergovernmental aids, per capita revenue shortfalls of $250 or more were estimated for some areas. (figure 18) The higher taxes and reductions in services necessary to overcome such shortfalls have the potential to permanently change the quality of life in the rural America.

THE TROUBLED AGRICULTURAL ECONOMY

Since 1980, net farm incomes have fallen precipitously. From 1980 through 1984, real farm incomes averaged only $25 billion in 1982 dollars, down nearly 40 percent from the average of the seventies and down more than 25 percent from the average of the sixties.

When farm incomes decline, main street spending also falls, eliminating jobs and reducing incomes in the local commercial sector. The size and scope of those impacts was estimated for a nine-county region in southwestern Minnesota. Assuming that the average farm income levels of the early 1980s continue, there are 3650 fewer commercial sector jobs (about 15 percent) than there would have been had the relatively high-income years of the mid-1970s continued.

VANISHING WEALTH

The decline in agricultural income since 1981 has produced an enormous drop in the value of farm land. (figure 4) Nationwide, agricultural land values fell by more than 30 percent, or $227 per acre, during the past four years. Farm land values declined only one other time in the postwar period, in 1954, when they fell by one dollar.

When viewed in constant dollars, the results are even more sobering. Nationwide, between 1982 and 1985, farm land values fell by $146 billion—a loss of wealth for farm land owners equal to the combined assets of IBM, GE, Kodak, Proctor & Gamble, 3M, Dow Chemical, McDonald's, RCA, Upjohn, Weyerhauser, and CBS.

IMPACTS ON LOCAL PROPERTY TAXES

Over time, this massive devaluation in farm assets will significantly erode the local tax base of rural communities. The impacts are already evident in Minnesota where taxable valuations dropped about 25 percent between 1983 and 1985. In other states, agricultural assessed values have remained relatively stable when measured in current dollars because assessment systems based on agricultural productivity are slow to adjust to changes in market values. Nevertheless, taxable valuations have already dropped an average of 20 percent since 1981 in inflation adjusted dollars. (figure 8) With land values continuing to fall, it is only a matter of time before declines in assessed valuations in current dollars are observed.

Dramatically increased rates of property tax delinquencies are a leading indicator of future problems. Between 1980 and 1985, annual delinquencies jumped severalfold in the Nebraska localities examined—rising from $.75 million to over $5.5 million. Delinquencies also more than doubled in the Iowa, Kansas, Minnesota, and Montana communities surveyed. (figure 10)

THE SERVICE SQUEEZE

Rural governments are being squeezed by increased service demands as well as falling revenues. Many of the new demands for services are a direct response to increasing unemployment in the agriculturally dependent regions. Although national unemployment rates fell 9 percent from January, 1985, to January, 1986, unemployment rose an average of 10 percent in five of the states studied and fell in only two.

Rising unemployment and financial stress are taking their toll on rural Americans and straining social service facilities. A regional mental health center in southwest Minnesota reports outpatient services up 30 percent since 1984; 24-hour crisis intervention activities are up over 300 percent; and substance

and family abuse consultations are up 67 percent. Similarly, overall social service demands are up 30 percent in northern Iowa, despite declining population.

DIM PROSPECTS FOR STATE AID

Rural local governments can expect little immediate assistance from their states. State tax bases also depend on the health of the agricultural economy, and many states are under serious budgetary stress. Six of the eight study states and tax revenues grow more slowly than the national average in fiscal 1985, 1986, or both. There were absolute declines in revenues in four of the eight states in one of those two years. Six of the eight states surveyed were forced to take the extreme step of making mid-year reductions in their fiscal 1986 budgets.

FEDERAL AID CUTS COMPOUND THE FISCAL SQUEEZE

Federal aid reductions, past and prospective, are compounding the effects of the farm crisis on rural governments. Between 1982 and 1984, federal aid to general purpose local governments, excluding General Revenue Sharing, rose by .1 percent nationwide. In the eight agriculturally dependent regions examined in this study, federal aid actually declined by 18 percent during that same period.

The proposed elimination of revenue sharing will hit rural local governments twice as hard as the average locality. Revenue sharing comprised 44.5 percent of all federal aid received by agriculturally dependent local governments, but only 21.8 percent of the federal aid received by all general purpose local governments.

POLICY RESPONSES: COPING WITH CHANGE

The fiscal bind confronting rural governments is both immediate and long term. In the short run, the difficulties stem from the rapid rise in property tax delinquencies. The resulting cash flow problems are being compounded by reductions in state and federal aid.

Ultimately, the most serious problems are posed by the dramatic declines in farm land values. But, because assessed values in most states have only begun to reflect the steep fall in market values, serious long-term erosion in public services can still be avoided if prompt actions are taken at all levels of government. For local governments, this means continuing efforts to "do more with less," although there is evidence that many have already exhausted the efficiency gains from cutback management. For state governments, it means diversifying and broadening the tax base and attempting to maintain a constant level of state aids through tough fiscal times. For the federal government, it means preserving a leaner, more targeted version of general aid to local governments and maintaining those portions of the tax code that support local economic development and self-help.

The farm crisis ranks among the most severe regional economic recessions since the 1930s. If left unchecked, it has the potential to seriously—and in some cases permanently—undermine the fiscal foundations of many rural communities. But intelligent policy decisions, made before the situation worsens, can ease the impacts of transition to a more stable agricultural economy, and rural local governments can avoid becoming another victim of the farm crisis.

FULDA, MINNESOTA—A SMALL TOWN FEELS THE FARM CRISIS

Fulda, a town of 1300 in southwest Minnesota, underscores how the effects of the farm crisis have spread beyond farm fields to small towns across the midwest. Outside the city limits, the story is a familiar one: farmland values in the surrounding county have declined by more than 50% since 1979, the county's population is down, and property tax delinquencies are skyrocketing.

In Fulda, these agricultural problems have affected local business sales and employment, real estate values, property tax rates, and service demands.

Retail sales declined 55% between 1979 and 1984, falling from $7.5 million to $3.4 million;

Six businesses closed in 1985 alone, eliminating 21 jobs;

A local bank failed;

Five homes were foreclosed in 1985;

City lots declined in market value from $10,000 in 1979 to $3,500 today;

From 1984 to 1985, property tax delinquencies more than doubled, rising from $6,700 to $14,905;

City revenues declined nine percent between 1982 and 1984 (falling from $463,178 to $421,953);

An $80,000 rise in local government expenses during this same period required an 8% increase in local taxes last year and a projected increase of 15% next year, along with automatic increases in state school foundation grants;

Free and reduced price school lunches rose 35%.

D-DAY, LIBERATION OF ROME REMEMBERED

Mr. DOLE. Mr. President, 42 years ago today the Free world held its breath as the forces of freedom hit the beaches at Normandy. It was the turning point in the Second World War as 3 million men and history's greatest armada crossed the English Channel to deliver a hammerblow to the Nazi nightmare on the European Continent.

The invasion began at dawn with a brief but stirring message from its commander, Gen. Dwight David Eisenhower:

The tide has turned. The free men of the world are marching together to victory.

A PRECIOUS FOOTHOLD

Awaiting that "march" was Hitler's "fortress Europe"—mile after mile of barbed wire, tank traps, minefields, and concrete bunkers brimming with savage firepower. But even that terrifying deterrent could not stop the Allies as they waded ashore into the teeth of German resistance.

The Normandy beaches had been given code names for the invasion and those names quickly became synonomous with unrivaled heroism—Omaha, Utah, Gold, Juno, and Sword. These were the sandy battlefields where life expectancy was measured in minutes. But somehow, someway the forces of freedom gained a precious foothold on those bloody beaches. Despite the full fury of the entrenched enemy, the Americans, the British, and the Canadians were there to stay. By the end of June, more than 1 million troops would land on French soil. It was the beginning of the end for Nazi Germany.

REMEMBER THE ITALIAN CAMPAIGN

Mr. President, while we honor D-Day this week, we also mark another 42d anniversary: June 4, 1944, the liberation of Rome. It was on that date that Gen. Mark Clark and his 5th Army marched into Rome signaling to all the world that Hitler's deadly grip on Italy was ending.

Although the events at Normandy knocked this long-awaited triumph off the front pages, let us remember that Rome was the first Axis capital to be liberated. Like D-Day, the liberation extracted a terrible price. The "soft underbelly" of Europe—as Winston Churchill described Italy—was anything but soft. For 11 long months, American and British troops fought their way across Sicily and up the Italian Peninsula until they finally broke through into Rome. Along the way, they faced murderous gunfire on the beaches and were forced to slug their way up and down the rugged Italian mountainsides. Indeed, "sunny Italy" proved to be a muddy and icy hell. There were many more months of fighting left to be done before the Germans were driven out of Italy, but with the grace of God, the GI got the job done.

Mr. President, let us remember the brave men and women from many nations who gave so much 42 years ago to free the world from Nazi tyranny.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

Mr. PROXMIRE. Mr. President, I understand the minority leader's time will be used later on.

I shall take a minute or so since we have very little time before we have to go into the pending business.

SOVIET PROPOSAL FOR LONG-TERM COMMITMENT TO ABM—A TOUGH ONE FOR THE UNITED STATES

Mr. PROXMIRE. Mr. President, yesterday on Thursday, June 5th, the New York Times reported that the Soviet Union has offered to negotiate a mutual superpower reduction of strategic nuclear weapons, if the United States agrees to abide by the ABM treaty for 15 or 20 years. What does this mean? It means that the United States would modify the ABM treaty in two respects. At the present time the Anti-Ballistic Missile treaty is permanent. But either side can withdraw on 6 months' notification if its "supreme interests" are jeopardized. The Soviet Union is obviously concerned that 4 or 5 years from now, the

United States might decide to exercise the "supreme interest" clause, escape from the treaty, and proceed to produce, test, and deploy the star wars system.

Why should that be a serious problem for the Soviet Union? Here's why: Suppose that U.S. repudiation of the ABM treaty is preceded by an agreement by the Soviets to reduce their offensive missiles by 50 percent? Suppose they also agree to end development and testing of new offensive missiles including missiles that would be specially useful in penetrating an antimissile defense system. Couldn't that bring the end of the credibility of the Soviet nuclear deterrent? It surely could. And couldn't that mean the end of the Soviet Union as a superpower? Absolutely—end—finis—bye-bye Soviet nuclear threat.

On the other hand, if the United States agrees to abide strictly by the ABM Treaty for the next 15 or 20 years as the Soviets request, the Soviets and the United States could both sharply reduce their offensive nuclear arsenal. They could agree to forgo the development, production, or deployment of new offensive nuclear weapons. The superpower arms race could stop. Both countries could save $1 trillion or more. The prospect of nuclear peace in the world would greatly advance. Of course, this also means that the great dream of President Ronald Reagan, the top priority of his military program, would at least go into cold storage for a generation or so. And it more likely would be all over for star wars.

The Soviet Union is making an appealing offer. They also are making an offer they know will almost certainly be rejected.

Oh, sure, some say that the United States can abide—even strictly abide—by the ABM Treaty and carry on antiballistic missile research. That is true. It is also probably true that it will take 15 or 20 years of painstaking laboratory research to determine whether there is any genuine practical possibility that we can develop a missile defense that we can rely on. So, theoretically, star wars can proceed at a measured pace with essential research while the United States complies with the Soviet proposal that we live within the limits of the ABM Treaty. Federal spending would be greatly reduced; we might even have a fighting chance to comply with Gramm-Rudman.

This is what makes the Soviet suggestion an appealing ploy for our allies and even for much of the American public. But wait a minute. If the President should accept this suggestion, his favorite star wars program would lose its economic and political momentum.

Why is that important? It is important because star wars does not have much time. It can only proceed as long as it has an all-out champion in the President of the United States. President Reagan has a bare 2½ years in office ahead of him. Whoever succeeds him is very unlikely to have anything like the all-out dedication to this immensely costly program that is so vigorously challenged by scientific and military experts. Star wars could survive President Reagan only if, when he leaves office, it has a massive economic momentum behind it. It can survive if industry and labor can see a convincing demonstration of the huge Government sales that will bring years of good business and jobs. Star Wars must build a big constituency before January 20, 1989, when a new President takes office. The Russian proposal for the United States to make a commitment to abide by the strict requirements of the ABM treaty for 15 or 20 years would make the development of such a constituency impossible.

Mr. President, whenever the Russians negotiate as they have in this case in public, we can be sure they are negotiating for propaganda without much hope for a serious result. In this case, the Russians know their proposition will be turned down. Then why did they make it? They have made it because it is a Soviet proposal that cannot lose. If we accept it, the threat to the Soviets of a United States deployed antiballistic missile system is ended. If we refuse it, the Soviets can enjoy a propaganda field day. This is just the latest price this Nation pays for President Reagan's insistence on going so far out with the star wars impossible dream.

THE MYTH OF THE DAY: THE WORK ETHIC IS DEAD IN OUR SOCIETY

Mr. PROXMIRE. Mr. President, the myth of the day is that the work ethic is dead in our society.

As I have argued in the past, nothing could be further from the truth. Recent workfare experiences in West Virginia with welfare recipients and the new job opportunities program for the unemployed in Massachusetts are proving the case as well.

But we now have evidence that the work ethic is alive and well even among that minority of Americans whose ship has come home.

Yes, Mr. President, the work ethic is still alive for lottery winners.

Think about it. After waiting a lifetime, and buying countless lottery tickets, this small group of lucky winners have the chance of a lifetime.

A future of travel. Pursuing their hobbies. Giving up the day-to-day tedium of commuting to work. The life of Reilly has finally arrived. Or has it?

In fact, most lottery winners keep right on working by a resounding majority, according to the Journal of the Institute for Socioeconomic Studies.

Just look at this chart.

While it is not surprising that no one who won less than $50,000 quit their jobs, the fact is that very few individuals quit no matter how high their winnings.

Only 4 percent of those winning $50,000 to $199,999 quit their jobs.

Only 13 percent of those winning $200,000 to $499,999 quit.

And 9 percent winning $500,000 to $999,999 left their jobs.

Even the million dollar plus winnings only induced 1 out of 4 to leave their jobs.

Overall only 11 percent quit their jobs within a year of winning, 13 percent retired, 8 percent reduced their hours, 5 percent changed jobs, and 2 percent quit a second job. Surprisingly, 3 percent of lottery winners ended up working longer hours than before.

Just one more bit of evidence that the work ethic is alive and well.

DO THE SOVIET VIOLATIONS OF SALT II AMOUNT TO A HILL OF BEANS?

Mr. PROXMIRE. Mr. President, I hope Members of the Senate will read an article by Charles Mohr in today's New York Times on violations of the SALT Treaty by the Soviet Union. Here at last is a competent report of precisely what case there is or is not for the administration's allegations of Soviet violations of SALT II. Any objective reading of this article will convince Senators that on the basis of all we know to date, the Soviets have not engaged in militarily significant violations of the treaty.

Why is the extent of Soviet violations important? Mr. President, it is absolutely crucial. The entire case made by the administration against pursuing arms control with the Soviet Union hinges squarely on Soviet violations. If the Soviets have not significantly violated the SALT II Treaty, there is no case, none, for the United States nullifying the treaty as the administration now proposes. So how about it? Let us examine the administration charges in detail. Each of the alleged violations are based on the administration's interpretation of the treaty provisions.

The administration charges the Soviets with three areas of violation. First, they claim the Soviets have been concealing the test flight signals that transmit engineering data to Soviet ground stations. The Soviets do this by coding the transmission of these signals. Is this so-called encoding of telemetry a violation of SALT II? Not necessarily. SALT gives each nation the right to use coding except when it "will impede verification" of compliance with the treaty. Has the encoding impeded the United States verification of Soviet compliance with SALT II?

Keep in mind that the only information needed is information to verify such treaty provisions as the number of reentry vehicles, the number of rocket stages, the launch weight, and throw weight. Some of this information can be gathered regardless of Soviet encoding. American telemetry can pick it up. In fact, the Soviets have asked American officials to specify what verification information they need that is being denied. Our officials refuse to say, on the grounds that this would reveal too much about what information the United States is gathering.

The second SALT II violation allegation against the Soviet Union charges that the Soviets have been flight testing a second new type of light land-based missile in violation of the treaty provision that permits only one such new missile. The Soviets deny the charge. They claim the missile—the SS-25—is simply a modification of their older SS-13. Who is right?

Secretary of State George Shultz conceded more than a year ago that "there are questions about whether in a purely technical sense the SS-25 fits within treaty language as might be interpreted by a lawyer." Mr. President, if our American Secretary of State admits there is a legal case for the Soviet position on the SS-25, it is difficult to see what kind of case we have for proving an overt, deliberate violation of SALT II in the deployment of the SS-25.

The third and final allegation of Soviet violations refers to the total number of delivery vehicles. American officials accuse the Soviets of exceeding the total of 2,504 land-based and submarine missile launchers and bombers that the Soviet Union had when the 1979 pact was signed. The United States claims the total rose to 2,540 in 1985, or by 36. But now an American official argues that since the Russians took certain types of action the total is down to 2,520, or 16 over the limit. This may, indeed, be a violation. But it obviously has virtually no military significance.

Mr. President, I ask unanimous consent that the article to which I have referred by Charles Mohr be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 6, 1986]

SOVIET ARMS PACT BREACHES: CHARGES QUESTIONED

(By Charles Mohr)

WASHINGTON, June 5.—The Soviet Union has not breached key provisions of the 1979 arms pact, according to data cited by critics of President Reagan's announced policy of ending adherence to the treaty terms.

According to Government figures cited by the critics, the Soviet Union dismantled or replaced more than 1,200 launchers of nuclear weapons to remain within the limits of a 1972 interim agreement and the 1979 treaty.

There is general agreement that the even more significant detailed limits on missiles carrying multiple warheads and on aircraft with the flying bombs called cruise missiles have not been breached by the Soviet Union.

The critics, who include members of Congress and former officials, contend that if the President carries out his intention to end adherence to the terms of the unratified 1979 treaty, the nuclear balance may shift in Moscow's favor.

U.S. ACCUSED SOVIET OF BREACHES

The treaty was signed at the end of a second series of strategic arms limitation talks, known as SALT II. Although neither side has ratified the treaty, they said they would keep within its provisions as long as the other side did.

Mr. Reagan recently decided to abandon the treaty, on the ground that the Soviet Union has been breaking key provisions. The Soviet Union has denied the American charges.

According to the critics of President Reagan's decision, a mutual abandonment of treaty restraints could degrade the United States' ability to gather intelligence on Soviet forces and give the Russians enough nuclear warheads to threaten the ability of a proposed United States mobile missile to survive attack when it becomes operational in the early 1990's.

NO CONVINCING CASE, CRITIC SAYS

The critics believe that most of the purported Soviet breaches are ambiguous or of marginal importance to American national security, and that greater efforts should be made to resolve them through negotiations.

One of the critics of the new American policy, Jack Mendelsohn, a former arms negotiator who is now a deputy director of the Arms Control Association, a private group, said:

"I believe the Administration has not made a convincing case and could not attack SALT II on the central core provisions."

Senator Albert Gore Jr., Democrat of Tennessee, said the Soviet Union has "scrupulously abided by the numerical limits with a few marginal exceptions." He said that in complaining of increases in warheads permitted by the treaty, the Administration did not explain that new launchers displaced older weapons on a one-for-one basis.

He and other critics such as Paul C. Warnke and Gerard C. Smith, former arms negotiators, and Representative Les Aspin also say that abandonment of the 1979 treaty provisions would be disadvantageous to the United States in the near term.

ARITHMETIC SAID TO FAVOR SOVIET

They reason that the Soviet Union's heaviest missile, the SS-18, is limited by treaty to 10 warheads. Intelligence specialists believe it can now accommodate four more. If the 308 SS-18 missiles are refitted with four more warheads each, the warhead total would rise by 1,232.

The United States, on the other hand, plans to deploy 50 10-warhead MX missiles starting in late 1986. But the MX must be deployed in silos now used by three-warhead Minuteman 3 missiles, for a net increase of only 350 warheads.

"It seems to me," Mr. Smith says, "that this decision does not reflect any cost counting."

The critics are especially disturbed by two passages in President Reagan's statement announcing the new policy.

One was that he did not "anticipate any appreciable numerical growth in U.S. strategic forces," which may be an admission that no pragmatic response to an accelerated arms race is available.

The other is that the United States "will not deploy more strategic ballistic missile warheads than does the Soviet Union." Since that sentence did not mention submarine-carried missiles or bomber forces in which the United States is superior, the critics fear that it threatens a move to match the Soviet Union in its strong suit of land-based missiles and may thus mean an effort to substitute American superiority for nuclear parity.

THREE ISSUES BEING DISPUTED

The issue of whether the Soviet Union has breached provisions of the 1979 arms pact involves three basic issues—encryption, or the coding of missile test-flight signals; the provision allowing for one new type of land-based missile, and the total number of delivery vehicles.

The test-flight signals transmit a variety of engineering data to ground stations of the testing nation, and can be monitored by the other nation. The 1979 treaty gives each party the right to use coding, except when it will "impede verification" of adherence to treaty provisions.

The signals include such information as combustion, temperatures of the rocket fuel, fuel consumption per second, missile acceleration and speed. From this information, it is possible to estimate the accuracy of missiles.

The treaty gives the other side no right to uncoded access to the data. Only information needed to verify such treaty provisions as the number of reentry vehicles, each of which carries a warhead, the number of rocket stages and the launch weight and throw-weight should be unimpeded.

OTHER SOURCES OF INFORMATION

Such information as the number of reentry vehicles can be gathered by American radars and by other means independent of telemetry.

The critics of the Administration say that Soviet negotiators asked the United States to specify what data it needs that is being denied, but that American officials refuse to do so on the ground that this would reveal too much about the information the United States is gathering.

An official of the Arms Control and Disarmament Agency said, "We have enough data to make the accusation of noncompliance, but there is additional data we would like to have that involves treaty verification."

He declined to be specific, calling it a "Catch 22 situation" in which the Government feels it cannot offer detailed proof of its accusation.

Richard N. Perle, an Assistant Secretary of Defense who has been critical of arms control agreements, said in an interview that the Russians "don't necessarily encrypt the same thing on every flight." He said that this might be a "mistake" on their part and that "sometimes we get lucky."

The implication seemed to be that while he was convinced that much of the coding was contrary to 1979 treaty provisions, the United States had been able to gather evidence of still other purported infractions concerning the capabilities of new Soviet weapons.

THE NEW MISSILE ISSUE

On the issue of new missiles, the 1979 treaty permits each nation to deploy only one new light intercontinental ballistic missile. The MX is the new United States missile. The Soviet Union has been flight-testing and will soon begin to deploy a 10-warhead missile called the SS-24, and it has told the United States that this is the new Soviet missile.

But the Soviet Union has also been flight-testing—and is now in the process of deploying—a solid-fuel, three-stage missile with a single warhead, which the United States calls the SS-25. The Russians contend that this is simply a modification of the older SS-13 missile and is thus permitted. The Americans contend that it is a second new missile, and not permitted.

The treaty defines a new type of missile as one that differs from the older model in the type of fuel or number of stages or by more than 5 percent in length, weight, largest diameter, launch weight or throw-weight.

SECOND CRITERION FOR NEW MISSILE

Another provision is that any missile modification may not have a re-entry vehicle that is more than 50 percent lighter than the missile throw-weight. This provision was included to prevent development of a single warhead missile that could easily be modified to carry multiple warheads.

The Administration contends that it has evidence the SS-25 violates both of these provisions, and is thus a second new type of missile.

According to an article by Mr. Mendelsohn, the Soviet Union reportedly told the United States that the SS-13 has no separate "post-boost vehicle," or "bus," which is the device that dispenses warheads after separation from the last rocket stage. Instead, the Russians say, part of the post-boost throw-weight was on the third rocket stage.

By not taking this into consideration, the Russians contend, the United States assumes too low a throw-weight for the SS-13 and erroneously concludes that the throw-weight of the SS-25 exceeds that of the SS-13 by more than 5 percent. The Russians apparently also contend that the throw-weight of the SS-25 is even less than that of the SS-13.

Secretary of State George P. Shultz seemed to concede some merit to the Soviet argument when he said in a television interview on March 18, 1985 that to him the SS-25 "is a clear new missile," but that "there are questions about whether in a purely technical sense it fits within treaty language as might be interpreted by a lawyer."

As for the American argument about the low weight of the SS-25 re-entry vehicle in ratio to throw-weight, the Russians have reportedly told the Americans that a heavy instrumentation package in the test payload had reduced the re-entry vehicle's apparent percentage of the throw-weight. In operational SS-25's, the Russians said, the re-entry vehicle will be more than half the throw-weight.

Critics contend that Gen. Richard H. Ellis, the delegate to the Soviet-American consultative panel that handles such disputes in Geneva, has not been getting instructions from the Pentagon on how to handle the issue.

"He is authorized to complain, but is not authorized to resolve the issue," one expert said.

JOINT CHIEFS FAVORED ADHERENCE

General Ellis and the Joint Chiefs of Staff have been backing the 1979 treaty terms on the ground that they set an upper limit on Soviet weapons.

Senator Gore and Mr. Mendelsohn contend that the SS-25 is being deployed to replace single warhead SS-11 missiles and that it will not increase the size of the Soviet strategic missile forces. Because it can be mobile, it is more survivable than a silo missile, but may be less accurate. So it is not clear that it constitutes a qualitative improvement, in their view.

On the total size of nuclear forces, the United States accused the Soviet Union last February of a build-up beyond 2,504 delivery vehicles, the combined number of land-based and submarine missile launchers and bombers that the Soviet Union had when the 1979 pact was signed. The United States contended that the total rose to 2,540 during 1985, or by 36.

The arsenal totals used by the Joint Chiefs of Staff in their annual military posture statement this year made clear that the discrepancy actually involved 30 nearly obsolescent Soviet bombers that Moscow says have been converted to refueling tanker planes.

Now an arms control official says that since the Russians have taken "certain actions" with some of these planes, the total is down to 2,520 or 16 over the limit.

Some officials acknowledge that this issue is of no real significance and that it was raised to put another purported Soviet violation on the record. They say the planes converted to tankers are included because they may easily be reconverted to bombers.

Representative Aspin, who is chairman of the House Armed Services Committee, said this spring that the purported Soviet violations "don't amount to a hill of beans" in military terms and that President Reagan was in danger of "shooting himself in the foot" over them.

Mr. PROXMIRE. I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 9:45 a.m., with statements therein limited to 2 minutes each.

The Senator from California.

SPACE

Mr. CRANSTON. Mr. President, I am bullish about space.

This spring has been a watershed for the U.S. Space Program. Supporters of our space efforts have had reason for frustration and disappointment. We have been eyewitnesses to tragedy.

But there are many reasons for hope—and for a rededication to the principles that made the United States first in space.

With the release of the Rogers Commission report on the *Challenger* loss and with the circulation of the report of the National Commission on Space, the American people and their representatives here in Congress have a clear challenge ahead.

Our sights must be set on the future, not the past. We must again dare to dream dreams and not resign ourselves to the timid, to the tentative, to the status quo.

Our No. 1 priority should be to restore the confidence of the American people in NASA's ability to lead in the peaceful development of space. The American people must feel confident that sound leadership is in place to restore the agency prestige and to improve NASA's capabilities.

The Rogers Commission outlines many of the steps which need to be taken. And Dr. Fletcher brings to the agency the experience necessary to make prompt and bold decisions.

Clearly, quality control within NASA must be improved, internal lines of communication reopened, and the input of both industry contractors and professional astronauts given greater weight. I am confident that these reforms can and will be undertaken swiftly.

Second, we need to get the shuttle back in service. Every precaution should be taken to implement the necessary safety improvements—and to insulate launch decisions from political pressures. But with the enormous backlog of missions and satellites awaiting deployment, efforts to improve the shuttle must be adequately funded and proceeded with rapidly.

We also need full funding of a fourth shuttle to replace *Challenger.* We should ensure that shuttle missions move forward soon in a manner competitive with alternative delivery services such as Ariane.

Third, we need to expand our unmanned launch capabilities—our Titan and Delta and Atlas/Centaur rockets, which can take some of the burden off the shuttle for delivering our backlog of satellites. We need all the satellite delivery capabilities we can get.

And as we begin to make necessary corrections in our Titans and Deltas, we should look to private contractors to play a far greater role in delivery services.

Fourth, NASA should pay greater heed to its original mission: To press ahead on space science and exploration while simultaneously promoting the commercialization of proven technological capabilities.

The Government should not have a monopoly on space travel forever. NASA should accelerate the process of turning activities over to private enterprise—the engine of America's economic growth over the centuries.

The role that the Government can best perform in space is as a pioneer at the riskiest edges of emerging technology—for example by funding the development of an American space station. It is important for us to renew our commitment to this landmark effort at this time.

We also must expand NASA's involvement in the type of exploration pursued by the historic Voyager mission. It's a shame that that mission—launched 9 years ago in 1977—was our last major planetary probe.

Finally, the Government must carefully balance the sometimes conflicting demands of our military and scientific communities. We should support, with prudence, research into the promise of various technologies associated with missile defense. But we must not permit it to shortchange other aspects of our space program so vital to America's national interest.

We should not overlook the fact that our national security interests require steady improvement of our ability to monitor from space military developments in the Soviet Union.

Moreover, "spy satellites" are crucial for the verification—and hence the achievement—of mutual arms reductions by the United States and the Soviet Union.

We need the shuttle to deploy commercial satellites, for communications, for weather tracking, and for space science. And we need to make sure that the knowledge and information we obtain from space are used to improve life and the quality of life for all of us here on Earth.

We should correct the defects in the shuttle and in NASA's procedures, build a fourth shuttle to replace *Challenger,* adequately fund a space station, and push ahead harder on space science and planetary exploration.

Such a program of rebuilding and renewal will be costly.

One obvious place to look for offsetting budget reductions is star wars. I support responsible growth in missile defense research to keep abreast of technology and to guard against a possible Soviet breakout.

But I agree with the emerging Senate consensus that 7 percent growth in the enormous star wars budget—to a $2.9 billion annual level—is more than adequate, and that President Reagan's $4.8 billion request for fiscal year 1987 is too much.

I have already held a series of meetings with the heads of some of America's leading aerospace companies on the future of America in space.

I now plan to explore, with my colleagues and with industry leaders, the feasibility of amendments to transfer some of the funds we are pouring into a nuclear arms race in outer space and use them instead to support NASA in the peaceful development and commercialization of space.

That is the bright future that beckons to us.

PROHIBITING THE SALE TO SAUDI ARABIA OF CERTAIN DEFENSE ARTICLES—VETO

(NOTE.—In the RECORD of yesterday, June 5, 1986, beginning on page S6794, the remarks of Mr. EXON contain typographical errors in the third from the last paragraph. In the permanent RECORD the remarks of Mr. EXON will be printed as follows:)

Mr. EXON. Mr. President, I thank my colleague from Indiana.

Mr. President, the proposal to authorize further arms sales to Saudi Arabia is before us again, this time in the different form of sustaining a Presidential veto and absent the previous request for approval of the troublesome option of Stinger missiles.

This Senator has felt it was in America's interest to send a clear message to the Saudi's and through them to the world that we were not pleased by the outspoken condemnation of our actions to forcefully oppose terrorism. In my view, that was necessary and advisable. It has been done. Both the House and Senate delivered such an unmistakable signal, without equivocation and by overwhelming majorities. The world and the terrorists were listening and I hope they heard and believed.

Today, we have the President of the United States, the leader of the free world, laying his national and international prestige on the line. That makes this a considerably different proposition, in the view of this Senator.

I concede that this is a judgment call. The judgment in this instance is how strongly each Senator feels, pro or con, as to what is at this time in the best security interest of the United States to the exclusion of all others.

Many of my colleagues, on a bipartisan basis, genuinely believe our security interests will be best served by a veto override. I have no quarrel with them; they may be right after all.

President Reagan and former President Carter have both contacted me in support of the veto. I was surprised to learn that President Reagan had not contacted his predecessor seeking his help. Sometimes I wonder if President Reagan knows who his likely compatriots are on vital security matters.

If we ever have a measure of sustained peace in the Middle East, I am convinced history will eventually record it happened primarily because of President Carter's remarkable achievement in bringing about the Camp David accords. Absent Camp David, there would not be the fleeting chance for a resolution there.

The President is always entitled, when one can give it in considered conscience, to support on his clearly defined important foreign policy matters. With the exceptions of sending marines into Beirut, which turned out to be a disaster, and unrestrained military aid to the Contras before other possible peaceful alternatives were exhausted, I have always given Presidents the benefit of any doubt on vital foreign policy issues.

It is my best judgment that in this instance, the security interest of America rests with sustaining the veto.

I reserve and yield back any time remaining to the Senator from Indiana.

MOUNT SINAI CONFERENCE ON MODERN BIOLOGICAL THEORIES OF AGING

Mr. PRESSLER. Mr. President, a very important scientific conference is taking place in New York this week. The Nation's leading scientists in gerontology and biomedical research have convened at the Mount Sinai Medical Center for a landmark symposium, "Modern Biological Theories of Aging." Dr. Robert Butler, founding Director of the National Institute on Aging and currently professor and chairman of Mount Sinai's Department of Geriatrics and Adult Development is directing the symposium.

Mr. President, I had planned to address this conference earlier today. Obviously, I was unable to honor this commitment because of our Senate business today. Therefore, I would like to take this opportunity to stress to my colleagues the importance of support for aging research.

Medical research that helps elderly people to remain independent, active, and free of disease should be a top priority for the United States. Therefore, both private sources and the Federal Government should increase their support for research on the aging. Funding for biomedical research is cost-effective. Approximately 26 percent of the Federal budget is currently spent on programs benefiting the elderly. Twenty-nine percent of that is for elderly health care expenditures. A relatively small investment in aging research now, will save society billions of dollars in health care expenditures in the long run. As our elderly population grows at an incredible rate, societal costs of caring for the elderly will sharply rise as well.

Simple demographics show an incredible growth in the so-called "graying of our Nation:"

Over the past two decades, the older population grew twice as fast as the rest of the U.S. population.

Current demographic projections indicate that the elderly will be the only age group to experience significant growth in the next century. In 1984, 50.2 million Americans were age 55 or older.

The "oldest old", those age 85 and older make up the fastest growing age group in the Nation. This part of the population is expected to triple between 1980 and 2020, and increase seven times by the year 2050.

By the year 2000, nearly two-thirds of all elderly males will be veterans, compared to one-fourth today. This will pose a considerable strain on the veteran's health care system.

This tremendous increase in life expectancy is primarily due to advances in medical research and health care. However, to help meet the needs of this boom, a substantial investment in medical research is necessary. Increased funding for aging research at such institutions as the National Institute on Aging is imperative. In fact, an increase in funding at the National Institute on Aging of only $50 million would make a substantial difference.

A true understanding of the aging process will be the key to unlocking the mysteries of several diseases such as cancer, osteoporosis, diabetes, and Alzheimer's disease and other dementias. As third ranking member of the Senate Special Committee on Aging, I have worked a great deal on Alzheimer's disease, and have introduced legislation which would provide additional funding for research, education, and care for this insidious disease. The Senate Committee on Labor and Human Resources' Subcommittee on Aging has agreed to hold hearings on this legislation.

The cost to society of caring for elderly people afflicted with these devastating diseases is already overwhelming. We currently spend approximately $25 billion caring for patients with Alzheimer's disease alone. Yet, we spend less than $50 million a year on research for a cure. These costs are far more than a drain on Social Security and Medicare funds. We need to make the necessary investment now, so that as the graying of America continues, our elderly will be healthy, active, independent, and dignified.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

URGENT SUPPLEMENTAL APPROPRIATIONS ACT, 1986

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 4515, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4515) making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Oregon, the distinguished chairman of the Appropriations Committee, is recognized.

Mr. HATFIELD. Mr. President, third reading.

The PRESIDING OFFICER. Third reading?

Are there further amendments?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 0950

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, to recapitulate, we have about 39 amendments left to complete on the supplemental appropriations bill. I realize that Members who have amendments, many of them were here until the 2:15 hour this morning when we adjourned. But I must urge Members to come to the floor so that we might be able to dispose of their amendments. There is no reason to convene at this hour in order to do the business of the Senate if Members do not arrive on the floor. That is not necessarily an admonition, but an invitation to come to conduct business.

A moment ago, I requested the third reading of the bill, knowing that that was but a signal that we are ready to do business. We have a number of amendments that will take a very short time. I think, frankly, if we can get this matter underway shortly that we could probably finish by early afternoon. This being Friday, I think most Members are anxious to get on to the activities of the weekend. And as I indicated early this morning, we must finish this bill today. Even if we get involved in unexpected lengthy discussions about amendments that might take us into the evening hour or into Saturday morning or early morning hour, we must complete this bill this weekend in order to be ready to go to conference and request a conference with the House of Representatives next week.

We have about four or five agencies that are running out of money, or have run out of money. In order to keep those agencies going, this supplemental appropriations bill must be adopted. I know that there have been those instances in the past where agencies have said they were running out of money and yet when that day came they seemed to be able to cripple along at least until we finished some kind of an appropriation bill. But I would also indicate that I do not think we should put the institution of the Congress into the situation where statements can be made and the public focus is upon the failure of the congressional process to function.

The so-called dynamic tension that exists between the three-branch Government system that we have always lends itself to pointing fingers as to who has been less than fully responsive in their constitutional duties. And I need not remind Members that the executive branch is usually most anxious to point to the Congress as either the big spenders, when they are talking about deficit problems, or that they caused the discharge of Federal employees or temporary layoff of Federal employees when there was not sufficient money in the Treasury to continue those agencies' activities. We need not let ourselves get into that situation.

I do not think our rating is that high in the public polls that we can afford any erosion on things that we can avoid, such as the discharge or temporary layoff of Federal employees, the closing of offices, or the lack of checks arriving on time for recipients of Federal programs. That all lends itself to unnecessary criticism falling upon the institution of the Congress, in this situation the institution of the Senate where this bill is still to be completed.

I am really not here for early morning devotion in making these remarks. I have already conducted those devotions. I much prefer now to have my colleagues arrive on the floor to conduct the business.

So, Mr. President, I will not hesitate at some time later in the day, if we reach another hiatus as we appear to be in now, after having completed some of these amendments, to call for third reading. I just feel that if people have enough interest in their amendments, if they have sufficient interest in their amendments, they ought to be here on the floor to handle the amendments. We convened at 9:30, we went on the bill at 9:45, and we have yet to have someone offer an amendment.

I could call the amendments up on behalf of my colleagues and table them. We could be acting on that as another alternative. That is not one which I am likely to take. I am trying to list this now for the viewing audience so that they can see the dynamics of the U.S. Senate on television. I think they ought to understand some of the options we have when we reach a point of not being able to conduct business. One such option is for the manager of the bill to call up amendments that we know about or have copies of and take action on them in the absence of the author. We do not do that very often in the U.S. Senate, but it is still the prerogative of the leadership or the manager of the bill to do this.

I am delighted to see the arrival of some of our dear brethren. I trust that they have arrived with their amendments.

Mr. President, I suggest the absence of a quorum. In a very few moments, I will ask to lift that quorum call. But at

this moment, as we prepare for the first amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I take it we are in a parliamentary status where I can offer an amendment.

Mr. HATFIELD. The Senator is correct.

AMENDMENT NO. 2014

(Purpose: To amend the authorization of the construction of the Engineer's District Office of the Army Corps of Engineers in Walla Walla, Washington to provide for the acquisition of real estate)

Mr. GORTON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself and Mr. EVANS, proposes an amendment numbered 2014.

Mr. GORTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the appropriate place in the bill, insert the following: "The authority to acquire new buildings and facilities, including necessary real estate, for the U.S. Army Engineer District, Walla Walla, Washington, as provided for in Public Law No. 99-88, 99 Stat. 293, 316, may be implemented by lease purchase contract or by any other appropriate means."

Mr. GORTON. Mr. President, today I am offering an amendment to clarify the language in Public Law 99-88, the supplemental appropriations bill of 1985. Last year, the manager and minority manager were kind enough to agree to an amendment which had been adopted by the House of Representatives which authorized the construction of an office building for the Army Corps of Engineers District in Walla Walla, WA.

Although the project was authorized and approved last year, a technical problem with the authorizing language is preventing the corps from moving ahead on the project on schedule.

The corps needs to construct a district engineer's building to replace the building the corps presently occupies. The GSA has inspected the present building and found numerous fire and safety deficiencies that would total $4 to $5 million to correct. The need for this project to be authorized was addressed by Congress last year and the project was approved.

Subsequently, the corps revised its plans for the construction of the building. The corps originally intended to construct the building through a lease purchase contract. A cost comparison of the lease purchase contract versus construction by the corps revealed that the corps could save over $8 million over the 25-year lease purchase period by constructing the building rather than acquiring it.

The corps needs the change I am proposing in the authorizing language to be able to purchase the land on which the building will sit and to initiate construction. The building has been targeted in the President's 1987 budget for construction under the corps' Plant Replacement and Improvement Program. The design phase of the project will be completed in August. The language I am proposing will clarify the corps' authority for the project and enabling construction to proceed on schedule.

Mr. President, this amendment will not add to the budget. Indeed, it will save over $8 million over time. I strongly urge the support of my colleagues.

(Mr. D'AMATO assumed the chair.)

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. GORTON. I fervently thank both of my distinguished colleagues.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 2014) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2036

(Purpose: To provide additional funds for State and local payments for costs associated with the distribution of commodities by emergency feeding organizations under the temporary emergency food assistance program)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON] proposes an amendment numbered 2036.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, between lines 2 and 3, insert the following:

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

For an additional amount for State and local payments for costs associated with the distribution of commodities by emergency feeding organizations under the temporary emergency food assistance program in accordance with section 204(c) of the Temporary Emergency Food Assistance Act 1983 (7 U.S.C. 612c note), $2,440,000, to remain available until expended: *Provided*, That such funds shall be derived by transfer from the Commodity Credit Corporation.

Mr. JOHNSTON. Mr. President, the temporary emergency feeding assistance program distributes surplus Government commodities that primarily are dairy products to low-income persons throughout the country. This program began in January 1982 as part of the administration's decision to reduce the level of Government-held surplus dairy commodities in addition to providing a degree of hunger relief to low-income families.

The problem now, Mr. President, is that this program, which has distributed from 1983 to 1985 over 2 billion pounds of commodities valued at $2.4 billion has run out of money. The shortfall is stark in my State. We have a shortfall of between half a million dollars and $600,000. There is a shortfall in Oregon of $45,000 to $55,000. There is a shortfall in Mississippi of a quarter of a million dollars and so on down the line throughout the country.

This amendment proposes to take $2,440,000 from the Commodity Credit Corporation and distribute it to the States under this program.

Mr. President, I think there is an appreciation of the fact that in my State and in other oil States and as well, as some of the agricultural States, we have what is best described as a depression. It is not a recession, Mr. President. It is a depression. Unemployment officially in my State is at 13.4 percent, which translates into about a quarter of a million unemployed persons who are on the unemployment rolls in the sense that they are eligible to be counted, and in the sense that they have their name in to apply for other jobs.

Many, many other unemployed persons, Mr. President, have run out of unemployment compensation and know they are not going to find any jobs through the State employment agency. So their names are off of that list. The State employment commission tells me that actual unemployment in my State is above 20 percent, and growing. We have another $500,000 or more, probably 600,000 dollars' worth of personnel to cut from

the State budget in this very session, which is probably tens of thousands of people—State employees who must be fired.

Mr. President, when I tell you the situation is desperate, I mean it is desperate in Louisiana. And surplus commodities can mean the difference between hungry families—and I mean really hungry families—and families who at least have something to eat.

It is not true, Mr. President, that all hungry families are being fed in Louisiana. It is just not true because there is too much unemployment. In most States if you lose a job, or you get fired, you can go somewhere else. You can at least cook the hamburgers. All the hamburger cooking jobs are long gone in Louisiana, Mr. President.

So I ask that this lifeline program which is very modest in amount be approved.

Mr. HATFIELD. Mr. President, I would like to merely comment that we have been informed that Senator HELMS is on his way to the floor and is interested in this particular bill as chairman of the Agriculture Committee.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Johnston amendment be temporarily laid aside in order to consider an amendment by the Senator from Arkansas, Mr. BUMPERS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2022

(Purpose: To provide funds for reimbursement for meals served under the elderly feeding program during fiscal years 1985 and 1986 at a level of 56.76 cents per meal.)

Mr. BUMPERS. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. BURDICK, Mr. SASSER, Mr. FORD, Mr. EXON, Mr. ROCKEFELLER, Mr. JOHNSTON, Mr. STENNIS, Mr. BINGAMAN, Mr. GLENN, Mr. LEVIN, Mr. KERRY, Mr. KENNEDY, Mr. RIEGLE, Mr. SARBANES, Mr. MELCHER, and Mr. PRYOR, proposes an amendment numbered 2022.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, between lines 17 and 18, insert the following:

ELDERLY FEEDING PROGRAM

For an additional amount for reimbursement at a level of 56.76 cents per meal during fiscal years 1985 and 1986, determined under section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), for meals served under section 311 of such Act in such fiscal years, $8,500,000, to remain available until expended. *Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Secretary of Agriculture;

Provided further, That such transfer of funds shall be sufficient to reduce by $8,000,000 fiscal year 1986 outlays which would otherwise occur in the account or accounts from which such funds are transferred.

Mr. BUMPERS. Mr. President, I will be as brief as possible to explain what could be a fairly complicated amendment. The U.S. Department of Agriculture reimburses the Offices on Aging in the various States for all the meals that are served in those States at senior citizen centers. I doubt that there is a Senator in this Chamber who has not visited a number of senior citizen centers where the elderly go for warm, nutritious meals 5 days a week at noon.

The second part of that program is where meals are carried to people who are unable, because of their physical condition, to get to one of these centers. If I may say so, I consider the funds spent on these meals the very best money that the U.S. Government spends. The senior citizen meals programs are not important only because they offer warm, nutritious meals for people who otherwise might not get them, but also because they relieve the loneliness that so many people of the elderly experience.

Senator STENNIS told me last night that he had visited one, and that this woman told him, "Senator, it is not just the warm meal I get." She said, "I am very lonely." He said it tore his heart out to hear her talk about it.

Here is the purpose of my amendment. As I say, we appropriate a certain amount of money to the Department of Agriculture, and the Department of Agriculture in turn sends the money to these senior citizen centers to reimburse them on a per meal basis. In the fiscal year 1985 we started out reimbursing them at a little over 58-cents per meal based on the assumption that a certain number of meals would be served that year.

In the year the reimbursement was reduced, I believe, to 56.7 cents per meal. And then at the end of the fiscal year, because so many more meals had been served than had been anticipated, the Department of Agriculture went back and did a recomputation for the entire year, and concluded that they could only reimburse the Offices on Aging roughly 53.6 cents per meal, or 3-cents less per meal than all of the senior citizen centers across the country had anticipated.

That comes to a reduction of about $7 million nationwide, and they took the entire $7 million out of the last quarter, even though it was a recomputation for the entire year based on 53.6 cents.

Bear in mind that the item I am talking about goes through the Commodities Program at the Department of Agriculture, and it only represents 25 to 35 percent of the total cost of operating the senior citizen meals programs. Nevertheless, because these centers had anticipated and budgeted on the basis of 56.7 cents per meal, they then had to start using their 1986 fiscal year money to pay their 1985 debts.

My amendment does two things. No. 1, it reimburses the senior citizen centers of the Offices on Aging in the various States $7 million, which will allow them to disburse funds to the senior citizen centers on the basis of 56.76 cents per meal for meals served in fiscal year 1985 and it adds $1.5 million for fiscal year 1986 meals reimbursement because that is what will be required, according to CBO projections, to pay 56.76 per meal for 1986.

□ 1010

That is a total of $8.5 million; $8 million of it has a budget impact and in order to keep this amendment budget neutral, I have stated that it will come out of other appropriated funds at USDA.

The Department of Agriculture has a $70 billion budget and I would not want this $8 million to come out of certain of the Department's programs. I would not want it to come out of any farm programs. But the Department of Agriculture also has a huge amount of money in their Roadbuilding Program for the National Forest Service. While I am not saying to them categorically that that is where the funds should come from, I am simply saying that that would be a prime place to find this $8 million.

Mr. President, I think it is an extremely meritorious amendment. I want to repeat, I think what we get for the money we spend in these senior citizen centers is probably the best bargain the U.S. Governments buys.

Mr. President, I am prepared to yield the floor. I yield to the Senator from Louisiana.

● Mr. COCHRAN. Mr. President, I rise in support of the amendment offered by the Senator from Arkansas. It would provide $8.5 million for the Elderly Feeding Program of the Department of Agriculture. This program supplements the feeding programs for the elderly which are ad-

ministered by the Department of Health and Human Services. It provides commodities, or cash-in-lieu of commodities, for meals which are served in senior citizen centers or delivered to the homebound elderly. These commodities, or cash, are distributed through State agencies to local meal sites at a specific rate provided by law. The amendment now before the Senate would provide sufficient funds to provide reimbursement at the rate of about 57 cents per meal, which is the rate prescribed in the law.

Mr. JOHNSTON. Mr. President, I rise in enthusiastic support of this amendment. I have been to the senior citizen centers and observed the supplemental feeding programs. They are terrific programs.

Mr. President, on the few cents involved in each meal here, if we allowed them to upset these senior citizens and the scheduling of their meals, I think would be a shame.

I am glad the Senator became aware of this problem and has it here for a solution on the floor. I enthusiastically back him.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I will, if the Senator will indulge me for a moment.

Mr. President, when I offered the amendment last night, I neglected to say that this amendment is offered on my behalf and on behalf of Senators BURDICK, SASSER, FORD, EXON, ROCKEFELLER, JOHNSTON, STENNIS, BINGAMAN, GLENN, LEVIN, KERRY, KENNEDY, RIEGLE, SARBANES, MELCHER, and PRYOR.

I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to ask the Senator from Arkansas one question that bothers me a little bit on the first paragraph of his amendment, "Provided that such funds shall be derived by transfer from funds previously appropriated or made available to the Secretary of Agriculture."

I am a little bothered by the fact that the Secretary is given pretty carte blanche authority to transfer as offsettings from other programs. I wonder if the Senator would consider wording that in such a way as to provide for approval back at the Appropriations Committee. It might be programs that are very, very important that we would not want to see the offset made from.

It seems to me we ought to keep that check.

Mr. BUMPERS. I would like to say to the Senator from Oregon I think that has been proven. Therefore I modify my amendment so that on line 11 we would add "subject to the prior approval of the Appropriations Committee."

The PRESIDING OFFICER. The Senator may modify his amendment.

The amendment, as modified, is as follows:

On page 9, between lines 17 and 18, insert the following:

ELDERLY FEEDING PROGRAM

For an additional amount for reimbursement at a level of 56.76 cents per meal during fiscal years 1985 and 1986, determined under section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), for meals served under section 311 of such Act in such fiscal years, $8,500,000, to remain available until expended: *Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Secretary of Agriculture; subject to the prior approval of the Appropriation Committees; Provided further, that such transfer of funds shall be sufficient to reduce by $8,000,000 fiscal year 1986 outlays which would otherwise occur in the account or accounts from which such funds are transferred.

Mr. HATFIELD. Mr. President, with that modification, we accept the amendment. So far as I know, the matter has been cleared on this side of the aisle.

The PRESIDING OFFICER. If there be no further debate, without objection, the amendment is agreed to.

The amendment (No. 2022) as modified, was agreed to.

Mr. HATFIELD. Mr. President, the Senator from Utah is prepared to go forward.

AMENDMENT NO. 2037

(Purpose: To provide for a short-term extension of expiring authorization for the FHA and miscellaneous programs)

Mr. GARN. Mr President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Louisiana will be temporarily set aside.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. GARN] for himself and Mr. THURMOND proposes an amendment numbered 2037.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, after line 10, insert the following new paragraph:

Each provision of law amended by Public Law 99-289, is amended by striking out "June 6, 1986" wherever it appears and inserting in lieu thereof "July 25, 1986."

URBAN DEVELOPMENT ACTION GRANTS IMPROVEMENTS

(a) PROJECT QUALITY CRITERIA.—Section 119(d)(1) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting a dash before "(A)";

(2) by indenting subparagraphs (A) and (B) in the same manner as subparagraph (C) and (D), as inserted by this subsection;

(3) in subparagraph (A), by striking out "as the primary criterion,";

(4) by striking out "and" at the end of subparagraph (B); and

(5) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs;

"(C) the following other criteria:

"(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

"(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

"(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

"(iv) the extent to which the project will retain jobs that will be lost without the provision of a grant under this section;

"(v) the extent to which the project will relieve the most pressing employment or residential needs of the applicant by—

"(I) reemploying workers in a skill that has recently suffered a sharp increase in unemployment locally;

"(II) retraining recently unemployed residents in new skills;

"(III) providing training to increase the local pool of skilled labor; or

"(IV) producing decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the area of the applicant, except that an application shall be considered to produce housing for low- and moderate-income persons under this clause only if such application proposes that (a) not less than 51 percent of all funds available for the project shall be used for dwelling units and related facilities; and (b) not less than 30 percent of all funds used for dwelling units and related facilities shall be used for dwelling units to be occupied by persons of low and moderate income, or not less than 20 percent of all dwelling units made available to occupancy using such funds shall be occupied by persons of low and moderate income, whichever results in the occupancy of more dwelling units by persons of low and moderate income;

"(vi) the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested;

"(vii) the extent to which State or local Government funding or special economic incentives have been committed; and

"(viii) the extent to which the project will have a substantial impact on physical and economic development of the city or urban county, the proposed activities are likely to be accomplished in a timely fashion with the grant amount available, and the city or urban county has demonstrated performance in housing and community development programs; and

"(D) additional consideration for projects with the following characteristics:

"(i) projects to be located within a city or urban county which did not receive a preliminary grant approval under this section during the 12-month period preceeding the date on which applications are required to be submitted for the grant competition involved; and

"(ii) twice the amount of the additional consideration provided under clause (i) for projects to be located in cities or urban counties which did not receive a preliminary grant approval during the 24-month period preceding the date on which applications under this section are required to be submitted for the grant competition involved.

If a city or urban county has submitted and has pending more than one application, the additional consideration provided by subparagraph (D) of the preceding sentence shall be available only to the project in such city or urban county which received the highest number of points under subparagraph (C) of such sentence.".

(b) SELECTION LIMITATIONS AND CRITERIA WEIGHT.—Section 119(d) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(3) The Secretary shall award points to each application as follows:

"(A) not more than 35 points on the basis of the criteria referred to in paragraph (1)(A);

"(B) not more than 35 points on the basis of the criteria referred to in paragraph (1)(B);

"(C) not more than 33 points on the basis of the criteria referred to in paragraph (1)(C); and

"(D)(i) 1 additional point on the basis of the criterion referred to in paragraph (1)(D)(i); or

"(ii) 2 additional points on the basis of the criterion referred to in paragraph (1)(D)(ii).

"(4) The Secretary shall distribute grant funds under this section so that to the extent practicable during each funding cycle—

"(A) 65 percent of the funds is first made available utilizing all of the criteria set forth in paragraph (1); and

"(B) 35 percent of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C) and (D) of paragraph (1).

"(5)(A) For each fiscal year, the Secretary shall hold—

"(i) 3 competitions for grants under paragraph (1) for cities not described in the first sentence of subsection (i) (relating to small cities) and urban counties; and

"(ii) 3 competitions for cities described in the first sentence of subsection (i) (relating to small cities).

"(B) Each competition for grants described in any clause of subparagraph (A) shall be for an amount equal to the sum of—

"(i) approximately ⅓ of the funds available for such grants for the fiscal year;

"(ii) any funds available for such grants in any previous competition that are not awarded; and

"(iii) any funds available for such grants in any previous competition that are recaptured.".

(c) ADDITIONAL CONSIDERATION.—Notwithstanding any provision of section 119 of the Housing and Community Development Act of 1974, for purposes of funding decisions made before October 15, 1986, the Secretary of Housing and Urban Development shall give additional consideration, equal to the points otherwise awarded under section 119(d)(1)(C) of the Housing and Community Development Act of 1974, as amended by this section, in the case of a project to be located in a city or urban county to which no grant under section 119 of such Act was made and not terminated since October 15, 1984, if such project has met the criteria for preliminary approval in 3 consecutive funding cycles including the current cycle. If a city or urban county has submitted and has pending more than one application, the additional consideration provided by the preceding sentence shall be available only to the project in such city or urban county which received the largest number of points under section 119(d)(1)(C) of the Housing and Community Development Act of 1974.

(d) USE OF REPAID GRANT FUNDS.—Section 119(f) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "In any case in which the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for economic development activities that are eligible activities under this section or section 104. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with a report acceptable to the Secretary on the use of such funds during the most recent proceeding full fiscal year of the applicant.".

(e) NONDISCRIMINATION.—Section 119(r) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(r) In utilizing the discretion of the Secretary when providing assistance and applying selection criteiia under this section, the Secretary may not discriminate against applications on the basis of (1) the type of activity involved, whether such activity is primarily housing, industrial, or commercial; or (2) the type of applicant, whether such applicant is a city or urban county.".

(f) REPORTS OF COMPTROLLER GENERAL.—

(1)(A) Not later than the expiration of the 6-month period following the date of enactment of this Act and every 3 years thereafter, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report evaluating the eligibility standards and selection criteria applicable under section 119 of the Housing and Community Development Act of 1974.

(B) Such report shall evaluate in detail the standards and criteria specified in such section that measure the level or comparative degree or economic distress of cities and urban counties and the effect of the grants awarded on the basis of such standards and criteria on stimulating the maximum economic development activity.

(C) Such report shall also evaluate in detail the extent to which the economic and social data utilized by the Secretary in awarding grants under such section is current and accurate, and shall compare the data used by the Secretary with other available data. The Comptroller General shall make recommendations to the Congress on whether or not other data should be collected by the Federal Government in order to fairly and accurately distribute grants under such section based on the level or comparative degree of economic distress. The Comptroller General shall also make recommendations on whether or not existing data should be collected more frequently in order to ensure that timely data is used to evaluate grant applications under such section.

(2) Not later than the expiration of the 3-month period following the date of the final competition for grants for fiscal year 1986 under section 119 of the Housing and Community Development Act of 1974, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report describing the effect of the amendments made by this section on—

(A) the targeting of grant funds to cities and urban counties having the highest level or degree of economic distress;

(B) the distribution of grants funds among regions of the United States;

(C) the number and types of projects receiving grants;

(D) the per capita funding levels for each city, urban county, or identifiable community described in subsection (p) of such section 119, receiving assistance under such section 119; and

(E) the stimulation of the maximum economic development activity.

(g) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 60 days after the date of enactment of this Act. The provisions of subsection (d), and of section 119(d)(1)(D), section 119(d)(3), and section 119(d)(4) of the Housing and Community Development Act of 1974, shall take effect on the date of enactment of this Act.

(h) APPLICABILITY.—The amendments made by this section shall be applicable to the making of urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date on which final regulations issued by the Secretary under subsection (h) become effective. For the fiscal year in which the amendments made by this section become applicable, such amendments shall only apply with respect to the aggregate amount awarded for such grants on or after such effective date.

(i) FISCAL YEAR 1986 COMPETITIONS.—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall hold—

(1) 2 competitions for grants under section 119(d)(1) for cities not described in the first sentence of subsection (i) of such section and urban counties; and

(2) 1 competition for such grants for cities described in the first sentence of subsection (i) of such section,

between April 15, 1986, and October 1, 1986.

Mr. GARN. Mr. President, this is a very simple amendment. Unfortunately, last evening the authority for FHA to make mortgage loan guarantees expired. We have been in a continual discussion and battle with the House of Representatives for more than 9 months on a housing bill. Unfortunately, FHA authority is being used in an attempt to produce a housing bill. We have extended it four or five times in the last few months. The last time was on April 15 until June 6, today.

Unfortunately, Mr. President, we have not been able to come to an agreement with the House of Representatives. So the main part of this amendment is simply another extension of the FHA authority until July 25 to give us more time to work on the housing bill.

I have also incorporated, however, an amendment by Senator THURMOND that would change the UDAG formula. that is part of our housing bill. This is not totally noncontroversial. However, no matter how hard I try in conference with the House of Representatives, they simply will not accept it. I want to make that clear, that even though I will give it my best effort, they are not going to allow me to extract one provision of our housing bill and pass it separately when we are not

in going negotiations on the housing bill.

That is the extent of the amendment. I know of no objection to it. I have cleared it and I move its adoption.

● Mr. SASSER. Mr. President, I support this amendment which would extend the authority for Federal Housing Administration loan insurance and would put in place a revised formula for the Urban Development Action Grant Program. The formula change is the result of nearly 2 years of negotiations among many of our colleagues, and it should be enacted.

UDAG is a program with a proven track record and, with this revised formula, a promising future. A tremendous amount of time and effort has gone into assuring that future. I want to make it clear how the new way of implementing the goals of the UDAG Program will insure its continued success.

When the UDAG Program was created, its mission was twofold: to provide a chance for distressed urban communities to stop the spiral of decay, and to do it with a unique public-private partnership approach. UDAG's purpose was restated in legislation in 1981: "To assist cities and counties which are experiencing severe economic distress to help stimulate economic development activity needed to aid in economic recovery."

A UDAG project was visualized as a leveraging mechanism for expanded private-sector development. A UDAG project, with its combined commitments from the public and private sectors, would represent a renewed commitment to a city in economic trouble. The renewed commitment would come from its own citizens, its own businesses, its own State and local governments. The Federal role would be to set the process in motion.

The program has realized its potential. For several fiscal years, it was funded at an annual level of $440 million. At that level, the program generated an average of 50,000 new permanent jobs for each annual appropriation of $440 million. At that level of funding, UDAG also created an average 100,000 construction jobs, stimulating $2 billion in private investment and $40 million in local tax revenue. UDAG projects leveraged, on the average, nearly $6 of private capital for every UDAG dollar. It made the critical difference for cities and neighborhoods all across this country.

The problem that arose, which this amendment would resolve, was attributable to the program's very success. UDAG had made such an important contribution to local efforts that eventually the applications exceeded the program's ability to fund all the eligible projects.

That is a key point: there were inadequate funds to grant awards to all the eligible projects. Applicants have to document significant economic distress in order to be able to apply. And not just any project is eligible for funding. Projects have to meet productivity standards. UDAG is therefore targeted to need and to productive projects.

The Department of Housing and Urban Development then attempted to allocate those limited funds, but in so doing, they lost the partnership concept. Many excellent projects went unfunded, and many less-productive projects received grants. The future of the program was threatened.

Those involved in resolving these problems wanted to preserve the careful targeting to distressed communities, while restoring the importance of each project's productive potential.

The amendment before us reflects those priorities. According to the new formula, UDAG would devote one-third of available funds to a competition based solely on project factors. Applications in this so-called project pot would be ranked in order of the productive capacity of the project—how much private capital would be leveraged in relation to UDAG expenditures, how many jobs would be created or maintained, and so on. The remaining two-thirds of available funds would be allocated basically as they are now, with rankings ordered according to a blend of economic and project criteria. Minor changes have been made in the impaction and distress criteria in order to target the program more accurately toward distressed areas.

Mr. President, the UDAG plan in this amendment marks the culmination of nearly 2 years of effort. This compromise has also been endorsed by the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, and the National Association of Housing and Redevelopment Officials.

Mr. President, the new formula has the potential to revitalize the UDAG Program, returning it to its original mission of reversing economically dangerous trends of decay, and doing so in a way that is reflective of the best in public-private partnerships. I urge its adoption.●

UDAG FORMULA CHANGE

Mr. THURMOND. Mr. President, for some time now, a number of my Senate colleagues and I have been concerned with the geographically biased and blatantly unfair, Urban Development Action Grant [UDAG] selection criteria. We have proposed several similar means to modify this current wasteful expenditure of scarce Federal resources. Most recently, S. 1730. The 1985 budget reconciliation bill, passed the Senate with a provision that would improve the UDAG Program by placing more emphasis on the merits of a particular project. Unfortunately, that provision was dropped in conference.

The UDAG Program was designed to be a national program, yet the current formula allocates the vast majority of money to just a few States. For instance, since its inception in 1978, four States have not received any UDAG funds. Twenty-five States have received less than $40 million of the $4 billion total funds appropriated during the 7-year history of UDAG. New York State alone has received more UDAG money than the combined awards made to those same 25 States. In addition, the top 6 UDAG recipient States have received about the same amount of money as the total received by the remaining 44 States. The skewed distribution under the current formula necessitates changes before any more UDAG funds are allocated.

The amendment I could have offered today is similar to language that has already passed the Senate as part of the reconciliation bill. In addition, it is almost identical to a provision contained in comprehensive housing bills which have passed both the House and Senate Banking Committees. This amendment is the result of many months of consultation with private sector experts and local officials across the country. The time has come to either correct the gross inequities in the current distribution or to terminate the entire UDAG Program.

Mr. President, this amendment would improve the current measures of UDAG project quality by giving added recognition to the ability of a project to bring new capital into a local economy, to help the most distressed neighborhoods in a city, and to relieve their most pressing residential or employment needs. Extra weight would be given to projects from cities that have not received a UDAG grant in recent months.

The amendment would give these improved measures of project quality more weight by dividing the UDAG money into two areas. Two-thirds of the funds would be awarded according to impaction, distress and project merit. Within this area, pre-1940 housing would get less weight than it currently receives and project merit would get less weight than it currently receives and project merit would get more—both changes would help cities that have recently been at a disadvantage in the competition. The remaining one-third of the funds would be awarded according to project merit alone.

Mr. President, given the difficult financial situation facing the Federal Government today, it is essential that we closely review and scrutinize all federally funded programs in order to ascertain whether they are cost-effective and worthy of continued funding. Unfortunately, the current UDAG Program fails to pass inspection. I urge my Senate colleagues to support

this amendment to make the UDAG Program fairer and more equitable.

Mr. NICKLES. Mr. President, today, we are faced with, once again, the renewal of the authority for the operation of the Federal Housing Administration. This will be the sixth time an extension will be required for FHA this fiscal year. We simply cannot allow the lack of congressional action to stall the current home financing market, both first-time financings and refinancings.

I am cosponsoring this amendment along with Senator GARN to provide an extension of the FHA operating authority through July 25, 1986. While this is an urgent short-term extension, we need to put into place a long-term extension of the FHA's operating authority. To solve this problem, Senator GARN and I have introduced Senate Joint Resolution 353 to extend the operating authority through September 30, 1987. This will end, once and for all, the stop-and-go operations of the FHA which has contributed to the backlog of financing and refinancing of FHA loans during this extraordinarily busy period.

Unfortunately, the House of Representatives simply wants to make another temporary extension until early July. This is the same old philosophy of putting off until another day something which could be resolved today. We need to put an end to this crisis management and enact a long-term solution.

I credit Senator GARN for his efforts to provide a long-term solution and get the issue behind us. I wholeheartedly support the resolution and call for its immediate passage.

Mr. HATFIELD. Mr. President, if the Senator will yield, as I understand from the Senator from Utah, this relates not only to his initial amendment extending the FHA, but it does include the second-degree amendment that was to be offered by Senator THURMOND on the UDAG amendment. In other words, it is a combination of those two amendments.

Mr. GARN. That is correct.

Mr. HATFIELD. Mr. President, it has been cleared on this side of the aisle.

Mr. JOHNSTON. Mr. President, I had told the distinguished senior Senator that his amendment was cleared on this side. I have just been advised that Senator LEAHY has some question about it. I would suggest, if suitable to the distinguished Senator from Utah, if he will give me assurance we can bring it up to reconsider, we can go ahead and adopt it at this point.

Mr. GARN. I will certainly be agreeable to that.

Mr. JOHNSTON. Mr. President, subject to that understanding, we will allow it to be adopted at this time. If Senator LEAHY has a problem, he can come and raise it and we will bring the matter up again.

The PRESIDING OFFICER. If there be no further debate, without objection, the amendment is agreed to.

The amendment (No. 2037) was agreed to.

Mr. GARN. Mr. President, I ask unanimous consent that Senator ABDNOR and Senator THURMOND be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I will not ask for a reconsideration at this point in deference to the Senator from Louisiana.

Mr. HATFIELD. Mr. President, if I could have the attention of the comanager of the bill, last night or early this morning we announced each amendment that was to be considered, both by author and by subject, to alert everyone as to what the amendments were. Then we had a unanimous consent agreement that only those amendments that were so listed would be considered today.

We are reaching a situation here where Members other than on the Appropriations Committee would naturally be concerned about certain amendments because they involve their subject field as authorizing chairmen.

But, Mr. President, we cannot hold this whole procedure up waiting for Senators who might have amendments because of the subject matter if they have not indicated enough interest to either be here at present or to give us some message through the telephone communication system.

I just want to say that I hope everyone will be on notice that when we take up these subjects, and we are going to take them up in the order of the presence of the Senator on the floor to ask that they be called up, if there are authorizing committee members who are interested in that subject field they either should telephone us to let us know they have an interest or be present on the floor.

We are not going to continue to wait until someone might have an interest will show up or that we might track them down. It is not our responsibility to track Members down.

I just want to say that we are dealing with one related to agriculture. The Senator from Louisiana has offered this amendment. We have set it aside. It relates to emergency feeding.

We have had no information at this point directly from any Senator whether they have any problems with this amendment.

I think we will move ahead to adopt the amendment. We will move ahead on the same basis, if it is all right with the Senator from Louisiana, with the understanding that there may be a motion to reconsider, as we have with some other amendments. But I want to check these off. There is no reason for Senators to have to hold their amendments in abeyance until by some kind happenstance we may find out that someone has a slight interest.

□ 1020

I think the message has been received.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2038

(Purpose: To strike section 204)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. HATFIELD. Mr. President, we shall have to lay aside temporarily the pending amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Louisiana No. 2036 is set aside.

The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 2038.

On page 70, strike out lines 6 through 9.

Mr. GRAMM. Mr. President, I think I can be brief on this subject and I am hopeful that this amendment will not be controversial. We have had, since 1950, growing Federal funding for university research. Those of us who believe that the best way we can yield a high return on our investment dollar is to invest in our research universities have applauded this activity. Unfortunately, Mr. President, we have seen a recent trend which is alarming to those of us who support primary and applied research through the universities. This trend has been in the charge that has been imposed by universities for overhead which moved money out of research into overhead financing at universities. I think I can show the trend very easily by simply looking at the figures.

In 1950, every dollar of research funding that was given by the Federal Government to the universities produced 93 cents being spent on research and 7 cents going to university overhead. By 1960, that had grown in terms of overhead to 13 cents out of every dollar going to overhead, only 87 cents going to research.

By 1970, overhead had grown to 22 percent and research had declined to 78 percent. By 1980, overhead had grown to 29 percent and research had declined to 71 percent. By 1985, overhead had grown to 31 percent and research had declined to 69 percent and in our current fiscal year, 32 percent of all funding is going not for funding but to overhead at our research universities. Only 68 cents out of every dollar that we spend on research trying to deal with problems facing the Nation and the world in agriculture, defense, or medicine, is going to

fund research and 32 percent is going to pay university overhead.

I speak with some experience as a former college professor in bringing to the attention of my colleagues this very real problem. The truth is that we have seen a growth in overhead far beyond the cost to the university hosting the research. The truth is, if we passed a law here saying that we would pay no overhead, there would be no decline in the amount of research proposals coming to the Senate.

Mr. JOHNSTON. Mr. President, If the Senator would allow me to interrupt to take yes for an answer, we shall accept the amendment.

Mr. GRAMM. Mr. President, I always believe in stopping when you hear yes. I thank my distinguished colleague. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2038) was agreed to.

● Mr. CHILES. Mr. President, I oppose deleting the language of section 204. This section, which prohibits the spending of money in fiscal 1986 to implement changes to OMB Circular A-21 is identical to language proposed by the House and deserves a little explanation.

According to the Office of Management and Budget's own pronouncements, Circular A-21 constitutes a regulation. It is a regulation which establishes what are and what are not allowable expenditures for federally sponsored basic research at our Nation's colleges and universities.

It is a regulation which is a major factor in determining what the appropriate Federal role should be in how research gets done at colleges and universities when Federal dollars are used.

I do not need to remind Members of this body the importance, the infrastructure character, of federally sponsored basic research to a growth economy, to an American society that can compete internationally with new technology innovations. Let me add, however, that while A-21 sounds innocuous—just like a lot of other bureaucratic terms—this regulation says a lot about how basic research in this country gets done.

How the Federal Government goes about changing the regulatory structure set out in the circular is an important issue for that fundamental question of what the Government's relationship to research institutions should be.

It is the recognition of this point that gave rise, first in the House, and then in the Senate Appropriations Committee, to the language the Senator from Texas proposes to delete.

Last February, OMB announced a proposed change to the circular in the Federal Register. The university community felt the proposal precipitous and had serious questions. The chancellor of the Florida university system raised a number of questions to me about what the Government's purpose behind the changes was.

I wrote the Director of OMB, Jim Miller, last March and asked him to answer a few questions I had. I understand Senator HATFIELD, Senator WEICKER, and most other Senators wrote similar letters. The entire House Appropriations Committee wrote similar letters. There were a lot of letters along with mine. The idea was to encourage OMB to do its homework. That feeling that they had not done their homework is what led to the language the Senator is trying to delete.

I want the Senator from Texas to know I have not gotten a formal answer to my letter. I don't know whether others have been responded to. I did read in a newspaper that OMB has announced what it plans to do—a formal announcement is to put in the Federal Register next week.

To be honest. I still don't feel comfortable with the idea that the executive branch, and in this case, the OMB, has done its homework before bringing about this kind of change.

Let me indicate the points I raised to Director Miller which have not yet been responsed to:

I asked whether this regulatory change was in compliance with the President's Executive order on improving regulations.

OMB stated that there were $100 million worth of savings in the first year of implementing the proposed changes. I believe a regulatory analysis and look at the alternates is called for with this kind of regulatory change as a result of the Executive order. I am one of those who have supported the idea that the Government should go through a cost-effectiveness discipline when regulations have this kind of economic consequence.

I suspect the Senator from Texas also supports this principle. My question was, why didn't this proposed change comply with the President's Executive order?

My second question related to the Paperwork Reduction Act, a law I sponsored. That law requires changes in regulatory reporting and recordkeeping requirements go through a cost-effectiveness and practical utility test. Agencies have to justify proposed changes. If they don't, then the change is legally unenforceable.

My request to the Director was to assure himself and me that OMB was complying with the spirit and letter of the law. The idea is that the Federal Government has a positive responsibility to see to it that information-related regulatory changes make sense.

I have not yet gotten an answer to this question either.

One of the purposes of the language of section 204 is to give the Director of OMB time to respond to these sort of questions.

I think the points I raise are reasonable.

If we were to approve of the Senator's amendment, we would, among other things, send OMB a signal that the Director can avoid fulfilling his responsibilities under the Paperwork Act and the President's Executive order on improving regulations.

That is not the way Government should go about establishing policy about the Federal role in basic research or any other policy area.

That is not a signal the Senate should send to the Director.

That is not a signal Congress or the Executive should send the university and college community which performs this important role in our society.

For those reasons, I believe the amendment is unwise.●

AMENDMENT NO 2036

Mr. JOHNSTON. Mr. President, I move that we return to the Johnston amendment previously laid aside.

The PRESIDING OFFICER. The Johnston amendment is the pending business.

Mr. JOHNSTON. Mr. President, I have a modification of my amendment at the desk. I ask for its adoption.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment was modified as follows:

On page 6, between lines 2 and 3, insert:

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

For an additional amount for State and local payments for costs associated with the distribution of commodities by emergency feeding organizations under the temporary emergency food assistance program in accordance with section 204(c) of the Temporary Emergency Food Assistance Act 1983 (7 U.S.C. 612c note), $2,440,000, to remain available until expended: *Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Secretary of Agriculture subject to approval of the Committee on Appropriations of the House and Senate; *Provided further*, That such transfer of funds shall be sufficient to reduce by $1,800,000 fiscal year 1986 outlays which otherwise occur in the account or accounts from which such for are transferred.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 2036), as modified, was agreed to.

Mr. JOHNSTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, was the amendment of the Senator from Louisiana that was adopted the temporary feeding program?

Mr. JOHNSTON. That is correct, Mr. President.

Mr. COCHRAN. Had that been cleared on this side?

Mr. JOHNSTON. The Senator is correct. Senator HELMS just cleared it.

Mr. COCHRAN. I thank the Senator.

Mr. GRAMM. Mr. President, since I do not see anyone else on the floor who wants to offer an amendment right now, and given that we were up until 3 a.m. this morning and that we shall probably be here a few more hours today, I thought I would take this time to explain to my colleagues why I am going to vote nay on this bill's passage and why I am going to urge the President to veto it.

We went to great lengths yesterday talking about the REA action we are taking here and therefore, I am not going to go into it again. I think anyone who was convinced that we ought not to be, on an appropriations bill, adding an innocent-sounding rider that costs $2.4 billion this year so the taxpayer understands that if every other borrowing institution that borrows from the Federal Financing Bank were given equal treatment, it would cost the American taxpayer $30 billion this year. That is more spending than the President proposed saving in this year's budget. I think the taxpayers heard that message and I am not going to drag that dead cat back across the table here. I do, Mr. President, however, want to focus on one other thing in this bill which makes me very concerned and which induces me to oppose it.

I ask my colleagues to look at how we are funding all these new add-on spending programs. Where is the money coming from? Let me read where the money is coming from: $950 million from receipts from lending on the Federal Housing Administration and $300 million that is coming from allowing REA loans to be paid off without a penalty in violation of existing contracts, something that is really going to cost the taxpayer $2.4 billion.

We have a $72.5 million saving for intergovernmental interest payments. Then we have $28 million we are taking away from naval shipbuilding and we are taking $28 million away from Air Force procurement. Then we have a bunch of little things.

The point I want to make is that this money that we are spending on flood control, grants to universities, and 1,001 other add-ons, is really coming from funds derived from the Federal Housing Administration.

□ 1030

I would like to ask my colleagues for a moment to give me an opportunity to explain how this is totally fraudulent and is totally irresponsible.

Now, where is this money coming from? How are we getting this $950 million? Well, in 1983, we changed existing law so that rather than paying one-half of 1 percent a year on the outstanding balance as insurance for default on FHA, we converted that into present value and had each borrower pay 3.8 percent of his loan up front as a premium against default.

Now, that is where this $950 million is coming from. This $950 million is not a revenue flow in the conventional sense, but it is in fact an insurance premium that is being paid on the $132 billion worth of loans that are being guaranteed by the Federal Housing Administration. So when we are listing in outlay savings $950 million, we are not saving $950 million. We are not getting $950 million worth of revenues. We are collecting on new loans that are being guaranteed a premium of 3.8 percent, which is an insurance premium against default. So what we are doing here is taking insurance that is being paid against default on these loans and we are spending that money.

Mr. GARN. Will the Senator yield?

Mr. GRAMM. I would be happy to yield.

Mr. GARN. The Senator is correct; in the scoring you are getting what appears to be income to the Federal Government. In scoring it helps on the deficit, but there are a lot of things that OMB and others use for scoring.

I want to correct one thing so that there is not a misunderstanding here. The 3.8-percent insurance premium is not transferred. That is real money. That stays in the insurance fund. As I was listening, I just wanted to make sure that my colleagues did not think that we were taking the insurance money and actually spending it. We are talking about a paper transaction or accounting procedure. The only money that is actually transferred in cash out of that 3.8 percent is administrative expenses to run the FHA program. I appreciate the Senator yielding. I just did not want anybody to think that we were taking the insurance premiums and spending them. We are not.

Mr. GRAMM. I thank the distinguished chairman of the Banking Committee, and let me clarify that to be certain that everybody understands what we are doing here. We are receiving a 3.8-percent insurance premium against defaults, and under the Budget Act that counts as an offsetting receipt of the Federal Government. And of course we pay out defaults against that money. Now, we are counting that as a revenue and against that revenue we are undertaking $950 million worth of expenditures. Technically, we are not spending out of the insurance fund but we are counting the insurance fund as if it were general revenue for the purpose of this expenditure to be one budget.

Now, let me clarify that there is nothing in terms of the Budget Act that is wrong with this process. When these insurance premiums are paid in against defaults, they count as offsetting receipts. My problem is not with the technical compliance with the Budget Act. My problem is that we are in essence counting as general revenues what is an insurance premium.

Now, when we come to August 15 and we look forward into fiscal year 1987, or we come to fiscal year 1988 and this hurdle is a little bit higher because we used an insurance premium to offset spending, I do not want my colleagues to be standing up and saying, "That Gramm-Rudman-Hollings law, those unreasonable people have imposed a constraint and they are shutting down the Library of Congress; there is not enough toilet paper at Fort Hood, the potholes are not being repaired in the middle of the street." It will not be Gramm-Rudman-Hollings. It will be bills like this that technically conform to the budget but do it in essence by taking insurance premiums to offset spending or by allowing people to repay at a discount. This will cost the Government money but in terms of bookkeeping will show money in the first year. So nothing technically is wrong with this. It complies with the budget. It is in order. But I want my colleagues to understand that the adoption of this bill will under any reasonable circumstances raise the actual deficit at least $1 billion.

Somewhere over the next 2 years somebody is going to have to pay the piper for it. If in fact it is one of the things that puts us over the threshold and gives us an automatic cut, let us realize that we did it in terms of our decision. It was not this mindless Gramm-Rudman-Hollings process. It set up constraints. We agreed to them. We are finding clever ways to get around them now. But ultimately insurance premiums are paid out in defaults, and I just wanted to remind my colleagues of that. That is why I intend to oppose this bill on final passage.

Mr. JOHNSTON addressed the Chair.

Mr. GRAMM. Mr. President, I move to reconsider the vote related to OMB Circular A-21.

Mr. HATFIELD. I move to lay that motion on the table.

Mr. JOHNSTON. Mr. President, will the Senator withhold that just a moment. If the Senator would withhold, I am just advised that Senator CHILES would like to come over and

look at the amendment. I do not know that he has a problem with it, but if the Senator would withhold that, I would appreciate it.

Mr. HATFIELD. I would withhold my motion to table.

Mr. President.

The PRESIDING OFFICER. The Senator from Oregon.

□ 1040

Mr. HATFIELD. I would like to comment about the amendment offered by the Senator from Texas relating to A-21 regulation. There has been a long growing battle between OMB and the universities relating to this question of how much of the research overhead should be handled by Federal contribution.

The OMB had taken a strong position in trying to repeal basically any role for the Federal Government in this, or at least a very minimal role.

The universities had maintained a rather adamant position in wanting to maintain the current level of funding for such overhead expenses.

I sought to bring together the two groups and asked the universities to appoint a representative committee, which they did, to sit down and begin discussing and negotiating the matter with the people of OMB. They have been in that process now. In fact, there is a draft of a compromise which has not been signed off on but has been proposed by OMB to the universities, and the representatives of the universities will be reviewing that.

I did not oppose the amendment offered by the Senator from Texas for that simple reason, because the matter will be in conference, in that the House bill does contain the so-called Yates amendment, which has been stricken from the Senate bill, and it might provide sufficient leverage to the universities and OMB to come back with a mutually agreed compromise so that the matter can be decided in conference.

Because of that understanding, Senator WEICKER, the subcommittee chairman of the Appropriations Committee handling this particular subject and I—who also happen to be a member of that subcommittee and am deeply concerned and interested in university research—acquiesced to the adoption of this amendment.

It is hoped that the matter will be ultimately settled by this compromise and can reflect itself in the conference committee.

Mr. President, I would like again to read the amendments which we have to consider, the subject as well as the author, urging the authors to come to the floor, and to alert all other Members of the Senate of the subjects we are going to consider.

Again let me emphasize that we are not going to wait around and take a chance that someone might be interested in something, unless they take the time to give us a signal on the telephone or in person.

An amendment by Mr. GRASSLEY to take excess profits from the sale of Conrail and put them into agricultural programs.

An amendment by Mr. MATTINGLY to remove reverter clause in deed to small property clause in Georgia.

Two amendments by Mr. MCCLURE—one relating to Park Service and one relating to Compact of Free Association.

Mr. MURKOWSKI, provide funds for BIA construction in Alaska.

Mr. ABDNOR, one amendment on impact aid; another, to change USDA regulations on interest buy-down program.

Mr. WILSON, an amendment to eliminate congressional newsletters; another amendment on congressional newsletters.

Mr. STEVENS, $2 million transfer in OPM retirement trust fund.

Mr. KASTEN, a second-degree amendment to Mr. GRASSLEY's amendment.

Mr. SPECTER, an amendment relating to EDA funds for Hazleton, PA; another amendment dealing with extension obligations data for EDA grant for Philadelphia.

Mr. DOLE, a peer review amendment.

Mr. JOHNSTON, a trade adjustment amendment.

Mr. KENNEDY, a nutrition amendment, transferring from SDI account; another amendment on Coast Guard.

Mr. MELCHER, an amendment on Philippine aid.

Mr. GORE, an organ transplant amendment.

Mr. GLENN, duty suspension on importation of bike parts.

Mr. LEAHY, microbiological research project at the University of Vermont.

Mr. BENTSEN, alcohol and drug abuse; another amendment on low-income energy assistance.

Mr. ZORINSKY, combustion engine research.

Mr. METZENBAUM, natural gas.

Mr. EXON, natural gas.

Mr. HOLLINGS, health planning.

Mr. BYRD, an unidentified amendment.

This indicates not only the author but also the subject field.

So I urge any Senator who has an interest in these amendments to come to the floor or to signal the cloakroom that he or she has an interest. Otherwise, we will proceed with these amendments when the authors arrive and will dispose of the amendments, without wondering whether someone might be interested, by sending out a hotline inviting people to be interested.

Mr. JOHNSTON. Mr. President, I thank the Senator for his statement. I fully support him in that statement.

I might add that I will also fully support him in motions to table where the result appears to be foregone and debate is unnecessary, because we have heard the message of the Senate with respect to quality of life. We think it is important for Senators to get out of here in time to make their Friday evening engagements.

AMENDMENT NO. 2039

(Purpose: To amend the Trade Act of 1974 to make workers and firms that supply parts and services for the oil and gas industry eligible for trade adjustment assistance)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], on behalf of himself, Mr. BENTSEN, Mr. LONG, Mr. BOREN, Mr. STEVENS, Mr. NICKLES, Mr. MURKOWSKI, and Mr. SIMPSON proposes an amendment numbered 2039.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. —. (a) Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended to read as follows:

"SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.

"(a) The Secretary shall certify a group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that—

"(1) a significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated,

"(2) sales or production, or both, of such firm or subdivision have decreased absolutely, and

"(3) increases of imports of articles like or competitive with articles—

"(A) which are produced by such workers' firm or appropriate subdivision thereof, or

"(B) for which such workers' firm, or appropriate subdivision thereof, provides essential parts or essential services,

contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

"(b) For purposes of subsection (a)(3)—

"(1) The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

"(2) Natural gas shall be considered to be competitive with crude oil and refined petroleum products.

"(3) Any firm, or subdivision of a firm, which—

"(A) engages in the exploration for oil or natural gas,

"(B) produces or extracts oil or natural gas,

"(C) processes or refines oil or natural gas, or

"(D) provides essential parts, or essential services, to another firm that conducts activities described in any of the preceding subparagraphs and such parts or services are uniquely suited to such activities,

shall be considered to be a firm providing essential services for such oil or natural gas and for the processed or refined products of such oil or natural gas.".

(b) Subsection (c) of section 251 of the Trade Act of 1974 (19 U.S.C. 2341(c)) is amended to read as follows:

"(c)(1) The Secretary shall certify a firm (including any agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that—

"(A) a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated,

"(B) sales or production, or both, of such firm have decreased absolutely, and

"(C) increases of imports of articles like or competitive with articles—

"(i) which are produced by such firm, or

"(ii) for which such firm provides essential parts or essential services,

contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

"(2) For purposes of paragraph (1)(C)—

"(A) The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

"(B) Natural gas shall be considered to be competitive with crude oil and refined petroleum products.

"(C) Any firm which—

"(i) engages in the exploration for oil or natural gas,

"(ii) produces or extracts oil or natural gas,

"(iii) processes or refines oil or natural gas, or

"(iv) provides essential parts, or essential services, to another firm that conducts activities described in any of the preceding clauses and such parts or services are uniquely suited to such activities,

shall be considered to be a firm providing essential services for such oil or natural gas and for the processed or refined products of such oil or natural gas.".

The provisions of this amendment shall be effective on September 30, 1986.

Mr. EXON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. EXON. The Senator from Nebraska has only one amendment. I do not think I am holding up anything.

Mr. JOHNSTON. There is an amendment pending at the present time.

Mr. EXON. I just wanted to reply with respect to some conversations I had earlier with the leader.

Senator METZENBAUM and I have an amendment we thought we would be able to go into this morning. I did not know that at 11 o'clock Mr. METZENBAUM had an important press conference on the tax bill. We will be prepared sometime around noon, if that fits in with the schedule.

I just want to say that neither Mr. METZENBAUM nor this Senator wants to hold up anything. We realize the difficult position the leaders are in. It just happens that the press conference cannot be canceled.

Mr. JOHNSTON. Mr. President, several weeks ago this body passed a resolution, and I will read some of the paragraphs of it, which will make clear what this amendment is about.

It stated that whereas in the last 6 months the Government of Saudi Arabia has more than doubled its export of petroleum and petroleum products, and whereas these increased export volumes have resulted in a surplus of petroleum and petroleum products within the world marketplace, and whereas this surplus has directly resulted in a dramatic reduction of the weighted average price of international crude from $20.10 on January 7, 1986, to $13.08 on April 15 of this year, and whereas the United States has increased its import by 26 percent The resolution goes on to say that employees of these oil and gas industries have been directly impacted by tremendous imports. Therefore, we resolve that employees of the U.S. oil and gas industry and the oil and gas service industry are directly injured by this dramatic increase, and that the administration should immediately broaden its interpretation of the Trade Adjustment Assistance Act so as to allow employees of the U.S. oil and gas industry and oil and gas service industry to qualify for certification under the act. Finally, the resolution said that if the administration does not act immediately to resolve this matter, the Senate will address this issue on the first appropriate vehicle to be considered by the full Senate.

Mr. President, the resolution was passed. It was communicated to the White House.

□ 1050

The response has been that while they have sympathy they will not so interpret the Trade Adjustment Act to allow this relief.

Mr. President, the present interpretation of the Trade Adjustment Act makes no sense at all. Some employees of oil companies are able to qualify for trade adjustment assistance. If they have connections with an integrated oil company, they can qualify. If they do not, they do not qualify.

Mr. President, when you put a quarter of a million unemployed people suddenly out of a job market in a State like mine, there is nothing for them to do. They do not have other skills. I mean, we are talking about people who were roughnecks on oil wells. If my colleagues have ever seen an oil well drilled it is a skill of a certain kind and it is tough work, but it is a skill that is not translatable to any other activity that I know of in the world.

What is roughneck going to do when he loses his job? All he can do is get retrained.

Mr. President, if there ever was an industry that was directly impacted by predatory pricing policies of a foreign power, it is oil and gas. As I have said in connection with another amendment here on this floor, Mr. President, we are in a depression in Louisiana. The same thing holds true of Oklahoma. The same thing holds true of Texas. People who are unemployed there need help. They need time. And what the Trade Adjustment Assistance Act does is grant up to an additional 26 weeks of unemployment compensation and give them retraining funds.

Mr. President, if you are in a State like New York, Massachusetts, California, or elsewhere, where there is a lot of robust economic activity and you lost your job, you could go find a job doing many other things. It may not be a great job but at least you can hold body and soul together. If nothing else, you go pick fruit in California. You can cook hamburgers. You can work in fast food. You can do other things. They may not be great jobs, but there are jobs available.

Mr. President, the impact of this amendment is very great in the impacted State. The cost is not very great. The cash benefit portion for fiscal year 1987 would only be $40 million, the job search funds would only be $4 million, for a total of $44 million.

Mr. President, if this Nation in all its riches is not able in our hour of need to help States that are, as I say, in a depression, then I say shame on this country.

We need help, Mr. President, in Louisiana, in Oklahoma, in Texas. We are sounding the clarion call as clearly and as strongly as we know how to do to the Nation. The White House says thanks but no thanks.

This body has already adopted a resolution saying the White House ought to do it. If they do not do it, which they are not going to, we are going to.

All this amendment does, Mr. President, is breathe life into the resolution previously adopted on this floor.

I ask for adoption of the amendment.

Mr. COCHRAN. Mr. President, I am advised that there are a number of Senators who wish to be heard on this amendment. To give an opportunity to those Senators who do want to speak, unless the chairman of the committee wishes to speak at this time, we may suggest the absence of a quorum to permit those Senators to come to the floor to speak.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. COCHRAN. I am happy to yield to the distinguished Senator.

Mr. HATFIELD. Senators have been on notice since last night. Senators have been put on notice as of 9:30 this morning, 9:45 this morning. We have read the amendments. We have read the names of authors. I have indicated that we will move to table the amendments if they are not here to offer them.

I urge the Senator not to put in a quorum call because it only encourages this kind of delay. I really feel,

frankly, that we ought to start down the list now, and we have not even had the courtesy of a telephone call indicating that there is an interest in offering an amendment let alone the presence of Senators.

I would like to start. If the Senator will withhold, I would like to move to table an amendment here to indicate the seriousness of our purpose to conduct the Senate's business and the Senate's business is here for any Members who have an amendment, and maybe if we tabled one it would alert everyone else that we really are serious about doing business.

Mr. COCHRAN. Mr. President, I have no problem with moving along to consider or vote on this amendment, but there is an amendment offered by the distinguished Senator from Louisiana pending. That was the amendment that I was advised as a member of the committee was the subject of some concern from other Senators and that there needed to be some discussion or that there might be some discussion by other Senators about it. I do not wish to speak on the subject of the amendment.

I am prepared to yield the floor.

Mr. HATFIELD. I wonder, Mr. President, if we could temporarily lay aside the amendment so I may move to table the amendment.

Mr. JOHNSTON. Mr. President, if my distinguished chairman feels that way I certainly will go along with him, but I must say that we have invited Senators. We have put them on notice. The Senator read through the list of amendments which gave Senators further time to come to the floor. Furthermore, we adopted a resolution here a few weeks ago saying that the President ought to do this, and if he did not, we would do it on the first available piece of legislation.

So certainly the concept is no surprise.

Mr. HATFIELD. Mr. President, I thank the Senator for his support as comanager of the bill.

I will withhold tabling the first Grassley amendment which shall be the first one I shall move to table if Mr. GRASSLEY is not here or some other Senator in order to keep the business rolling. Because there will be a point of order that is being suggested by the Senator from Texas, I withhold that.

After we dispose of this amendment if there is no other Senator here on the floor to do business, I am going to start down the list to table the amendments, and the first one is Mr. GRASSLEY's, the second one is Mr. MATTINGLY's, and that is where we will begin to table.

Mr. GRAMM. Mr. President, I raise a point of order against this amendment under section 303 of the Budget Act.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1100

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I note that the amendment has been changed from the version I had seen, moving the effective date from October 1 to September 30. I, therefore, withdraw my point of order under section 303 of the Budget Act and make a point of order under section 401 of the Budget Act.

Mr. JOHNSTON. Mr. President, I move to waive the Budget Act.

The PRESIDING OFFICER. The motion is debatable.

Mr. JOHNSTON. Mr. President, I want my colleagues to understand what is happening here. We passed a resolution on this floor without objection in which we pointed out the terrible situation in my State, and in the State of Texas, and the State of Oklahoma, and other States. We are suffering, Mr. President. We are suffering. We are desperate.

Senators come on this floor and talk about the Budget Act as if it is some sacred principle that cannot be violated, as if we were talking about the very Constitution of this country. We are not, Mr. President. We are talking about dollars—dollars that help suffering people, people that are hungry, people that are unemployed. There are a quarter of a million of them in my State, Mr. President.

We have been raiding that budget up and down the line. Oh, we have had a glorious time, Mr. President, funding everything in the world. But when you want to have 26 weeks of unemployment for people who are down and out, who have been serving this country producing energy, and suddenly, because of the action of predatory pricing of the Saudi Arabians, the price is down too much to drill any more and they are out of work, we are told, "No, the Budget Act is sacred. The Budget Act is sacred."

Well, it is not sacred, Mr. President. This body knew what it was doing when it passed that resolution before. The White House has turned a deaf ear. I wonder if the Republican Party is going to turn a deaf ear.

Let me put my colleagues on notice, if they turn this down, it is going to be heard across this country, at least it is going to be heard in the oil producing States. I hope they will not do it, because it is wrong, Mr. President.

I just heard one of my colleagues say, "Well, it is a bad program; it is a dole." Well, maybe it is a dole. But, Mr. President, we need a dole. These people are out of work and they cannot get another job—there are no jobs to be had. There are a quarter of a million of those people in my State and they do not know how to do anything else. They have worked on the oil rigs all their lives and they cannot do anything else. What are they supposed to do? Are they supposed to go to work in the high-technology industries? Are they supposed to move to another part of the country? What are they supposed to do?

Well, Mr. President, we have a program called trade adjustment assistance and it ought to cover these people anyway. This body adopted a resolution saying that it ought to cover these people. And the White House said, "Sorry, we have to have money for something else."

Oh, we can spend $20, or $30, or $40 billion extra on star wars and all these other kinds of boondoggle programs, wasteful as they could be. But when we want $44 million for unemployed people who are down and out, who are in a depression, the answer is "No, we have got this sacred Budget Act." Well it is not sacred, Mr. President. It was meant to be waived and it can be waived by a majority vote.

Mr. President, I implore my colleagues to rethink this. We really do need help. We are asking for help. We need it and we deserve it.

Mr. President, it may be a dole, just like that program where we give free commodities away to people may be a dole. And sometimes very proud people have to swallow their pride and accept a dole. These are proud people, Mr. President. They do not like to apply for unemployment assistance, and they sure do not like to have it called a dole. But sometimes you have to do that.

We are having to do that in Louisiana, Mr. President. We need help. I hope my colleague will help.

Mr. GRAMM. Mr. President, the comment about the dole is not my comment. But let me get something clear. The Senator from Louisiana could offer this amendment if he were willing to take the money away from somebody else. So what we have here is a case in point of where a real need has been discussed, where a program has been proposed as a solution, but our colleague has not abided by the Budget Act in taking the money away from another use.

Instead, we hear the same old tired siren song that has put us in the position we are in with a $200-billion deficit—and I have heard it over and over and over again on everything from agriculture to energy—and that is:

We could waive the Budget Act. Don't worry about the deficit. Forget a recovery that has created 10.3 million new jobs. Forget the progress we made in bringing down interest rates that have brought housing starts to the highest level in American history.

□ 1110

So my response to the Senator from Louisiana who is talking about a problem that I certainly am aware of because my State is affected is, if we want to deal with that problem, let us set out a priority and take the money away from somebody else. But let us not violate the Budget Act, add to the deficit, and send interest rates and inflation rates back up.

Let us take money away from some lower-priority program. But let us not come in and say cavalierly there is a problem so forget the working people of America, forget the deficit, forget interest rates, forget inflation, forget the progress that we have made over the last 5 years, and forget the Budget Act.

We are talking about people—not dollars. Let me remind my colleagues that $200 billion deficits hurt real people. We have made great progress. Things are on the move in America again, and if we want to spend money, let us comply with the Budget Act and take the money away from another use.

Mr. HATFIELD and Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I rise in strong support of the motion of my colleague from Louisiana, Senator JOHNSTON.

Time and time again we have tried to respond to the needs, legitimate needs of the people in other parts of the country. I remember when the trade adjustment assistance proposal was debated in the Finance Committee, of which I am a member.

We were told at that time that those in the Northeastern part of the United States and Upper Midwest were suffering through no fault of their own. Workers were being thrown out of work because of inability of those companies to compete with overseas competitors, many of whom we have later learned were dumping products onto the world market even below the cost of production in some cases. So the appeal was made. There are people being thrown out of work in the shoe industry; there are people being thrown out of work in the textile work; there are people being thrown out of work in the steel industry. These are people who have homes to pay for and children to educate. There are no other jobs in the immediate area, or even within a reasonable distance of where they live. They need to have some time to be carried through a very difficult economic circumstance. They need to have a chance to learn a new skill, to get training, so that they can continue to be productive members of the society.

We were told at that time, we are one country. When some Americans hurt, we should all be concerned about it. We cannot be an oasis of prosperity when there are pockets of severe economic trouble in our country.

I remember there were those who, in our part of the country at that time when we were having prosperity while others were suffering, questioned whether or not we should be taking care of those in need in other parts of the economy.

Mr. President, we have come to learn that you cannot allow a severe situation to exist in part of the economy that is finally spilling over and affecting the rest of us. That was true at that time, and it is true now.

The Senator voted to try to get help to those parts of the counry that were suffering at that time. I believe that those people who were thrown out of work through no fault of their own, people who wanted a chance to work, people who wanted to be productive, should have some understanding shown to them.

I do not understand. There seems to be some double standard when it comes to the oil industry. You mention the word "oil" and all of a sudden people who are normally reasonable, compassionate and understanding people turn a deaf ear if a worker is employed in the oil industry as opposed to some other industry.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. BOREN. I am happy to yield.

Mr. JOHNSTON. If these were workers in the shoe industry, for example, which you have in the Northeast, if you had a flood of Italian imports, and they were put out of a job, they would get trade adjustment assistance, would they not?

Mr. BOREN. Absolutely. If I may say you could have the additional point that the prices were not being dictated by world market conditions but were being manipulated by the people in other parts of the world so the cost of the product would be kept artificially below our cost of production in the United States, there would even be a greater outcry about it.

I have just been to my State for 10 days. I wish my colleagues could have walked up and down the streets with me and talked with the number of people, men who have calluses on their hands who have worked hard all of their lives came up to me and said "I have never been in the situation before of being unemployed. I don't know what to do about it. It keeps me awake at night. It eats away at my pride."

These are people that deserve some compassion and help.

In my hometown we just finished a utility survey. It indicates that in this 12-month period we have probably lost 10 percent of our population in a town of less than 9,000. I live in a State that had it not changed its revenue base over the last 3 years would have lost 45 percent of all of its revenues under the State taxing system. There has not been those kinds of catastrophic drops in any States in the Union since the time of the Great Depression.

If you could have a steel industry State or a textile industry State, or a shoe industry State that had that kind of problem, we would hear cries of compassion and understanding all across this Chamber. We ought to think about what is going on.

I looked at the rig count this week. I do not know if my colleagues have been following it as we do in our part of the country. For the first time since March of 1942, the rig count in this country is below 750. It had been above 4,000.

In my State 3 years ago there were 1,100 rigs operating. Today, there are 114. This has tremendous national security implications for the future of this country. But again, because it involves oil and some other commodity, my colleagues appear to turn a blind eye and not see what is going on right under their own noses. They do not seem to understand that we are creating a situation for the consumers of this country and all of the States of the Union, all 50 States where they are going to be captives of the OPEC cartel in the future, and where that cartel is creating additional conditions under which that cartel will be able to demand any price for oil they want to demand.

But when you go from 1,100 drilling rigs in a State like mine down to 114, I can tell you there is massive unemployment. I have been in countries that have unemployment well above 20 percent. My own home county where I live and maintain a home has unemployment well above 13 percent at the present time, and there is no work for these people.

I ask my colleagues, what is more virtuous about a shoe worker who is thrown out of work through no fault of his own, who is worried about saving his home, who is worried about educating his children, who wants to learn another skill so he can become a productive citizen again and get another kind of job, than the person who has worked long hours under sometimes very dangerous conditions working on a drilling rig is a State like Louisiana or a State like Oklahoma?

I submit, Mr. President, that there is no difference, that we are all Americans, and it is time for us to act as Americans together without regard to regional differences.

I supported the Trade Adjustment Assistance Program for other regions of the country, and for other affected industries. Our people are now being thrown out of work clearly because of price manipulation, and not because of legitimate economic forces.

The average cost of production of a barrel of oil in my State is well above $10 a barrel. Most of the production is in stripper wells, and the cost of production in those wells which produce less than 10 barrels a day is in the neighborhood of $15 a day.

So, of course, wells are being plugged, people at work to maintain those wells and to pump them are being thrown out of work and with prices manipulated so artificially, of course there is no incentive to go out and explore and drill for new production.

I hope my colleagues will remember that we are talking about a program that was designed to help people who are in trouble through no fault of their own. When we designed this program we did not say this is a program for people in Ohio, Indiana, Michigan, New York, or New Jersey who are in trouble. They said we designed this program for Americans who are in trouble. We did not say we designed this program for steelworkers who are in trouble. We did not pick and chose between the virtue of industries. We said this is for Americans who want a chance to work who are thrown out of work through no fault of their own.

I think it only fair that the Senate now go on record as supporting its earlier expression and the resolution referred to by the Senator from Louisiana.

I urge my colleagues to vote for the motion that has been lodged by Senator JOHNSTON.

□ 1120

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I speak in opposition to the motion of the Senator from Louisiana. The first point of order raised on the Budget Act by the Senator from Texas is correct. The question is are we going to waive it? I hope not, from a procedural standpoint, one. But more importantly, substantively because this amendment of the Senator from Louisiana is saying let us go back to the old tried and true efforts that did not work.

Of all the parts in the Trade Adjustment Assistance Act that have not worked, retraining is the most egregious. We have used trade adjustment assistance as a supplement to unemployment compensation. But do not pretend that unemployed oil workers are going to be retrained to be lumberjacks or electronic technicians. It has not worked in the past. More importantly, Mr. President, this represents an effort to try what we tried in 1965, 1970, 1975, and 1980. What it got us was 18 or 19 percent interest rates and 13 and 14 percent inflation. At least, this country is trying to do something.

Under the leadership of my colleague from Oregon we have been paring and paring and paring spending in an attempt to get our deficits down and down. Under the leadership of the Senator from Texas and others we passed the Gramm-Rudman-Hollings Act in trying to do it. Instead of saying let us spend $400 million or $4.5 billion on it, we are trying to say let us make the economy better and let us try to produce jobs by narrowing the deficit, try to produce jobs by cutting taxes instead of raising them. My own State of Oregon suffered from the old policy of spend and spend and watched the interest rates go up and the housing starting down. We suffered unemployment in 1981, 1982, and 1983 because we followed the old policies of deficit upon deficit and deficit and let the devil take the hindmost.

Mr. JOHNSTON. Will the Senator yield?

Mr. PACKWOOD. No.

Now we are going from lower deficits to lower taxes to lower interest rates and putting people back to work.

Mr. President, it is starting to work. We are creating jobs. We are seeing housing starts that we have not seen in a decade. We are seeing people going back to work in the woods products industry because of policies that we have been following for the last 3 or 4 years that are starting finally to have an effect. This amendment of my good friend from Louisiana is simply a throwback to another era. It did not work; it will not work. I would hope that this amendment would not be considered. I would indeed hope that the budget will not be waived.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, while I support the Senator from Oregon in results, I come at it from a different standpoint.

I have always supported trade adjustment assistance. In fact, I have led the battle for trade adjustment assistance in the Senate. I think it is fair to say that we would not have it today at all but for my efforts. We have just extended trade adjustment assistance by 6 years. It was a fight. But, Mr. President, if we want to get into trouble with the whole program, if we want to create a situation where we will not be able to maintain the program in the future, then let us take the lid off of it. That is what the Senator from Louisiana would do.

Right now, there is a process for getting trade adjustment assistance. How do you do it? You make an application to the Department of Labor. An employee who is affected by imports, who has lost his job because of imports, can make an application for trade adjustment assistance. He can do it right now.

An oil field worker who is affected by imports right now can make an application to the Department of Labor for trade adjustment assistance. The Department of Labor can make that decision now.

Mr. JOHNSTON. Will the Senator yield?

Mr. DANFORTH. Of course.

Mr. JOHNSTON. As we pointed out in the resolution adopted on April 30, we understand they can make the application, but the answer is always no, if it is the oil industry. What we said in our resolution on this floor is that oil workers ought to be included, not just because they are unemployed and need help but because they are impacted by imports. Surely, the Senator knows that oil workers are impacted by imports. They have gone up by 40 percent just since the Saudis raised their production from 2 million barrels to 5 million barrels per day. The Senator knows that.

Mr. DANFORTH. Mr. President, I am confident that the oil industry is affected by imports. I am also confident that there are a lot of Americans who are affected by imports. A lot of people who are not only in the oil industry but in related industries are affected by imports. A lot of people not only in the auto industry but in related industries, the suppliers of the auto industry, are affected by imports.

Increasingly, we are hearing from the American farmer that they are affected by imports as well.

A $150 billion trade deficit with the rest of the world has created tremendous economic dislocations in this country.

We have been able to maintain a Trade Adjustment Assistance Program in order to provide at least some hope of helping some people who are affected by imports. But the maintenance of the Trade Adjustment Assistance Program has been a tremendous difficulty. We have been hanging on by our fingernails to keep some trade adjustment assistance programs.

The way to wreck the whole program, the way to make it impossible for us to maintain it in the future, is to blow the lid off of it.

My response to the Senator from Louisiana is that by waiving the Budget Act and by specifically designating an industry, not by the Labor Department going through some process for particular workers but by the Congress of the United States designating industries one at a time, the effect of that is that we have created a totally open-ended program. When we create a totally open-ended program,

particularly at a time of budgetary restraint, the practical effect of doing that is that the program eventually is going to lose whatever support it has today.

We have already heard today from the chairman of the Finance Committee on his position. His position is he does not like the program at all. That is the view of the administration, they do not like the program at all.

Make this into an open-ended program, make it into a program where Congress, one industry at a time, can designate industries, designate people for relief, create that kind of situation and then proceed appropriations bill after appropriations bill after appropriation bill, industry after industry to waive the Budget Act, and there are no more restraints on trade adjustment assistance. That, I believe, is the death knell of the program.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

□ 1130

Mr. JOHNSTON. Mr. President, I find it most difficult to believe that I am hearing some of the arguments I am hearing. We are told that if we adopt this amendment which provides, according to CBO, in fiscal year 1987, $44 million, that interest rates are going to go up. Can you believe that argument, Mr. President? Forty-four million dollars out of $1 trillion and we are told by the chairman of the Finance Committee that interest rates are going to go back up, that we are going to go back to the old tax and tax, spend and spend.

Mr. President, I have never heard such an illogical argument on the floor of the Senate. It is not true and I think my colleagues know it is not true.

Second, Mr. President, we are told the program will not work. Will not work? It will not work to give unemployment insurance to an unemployed man? Why, of course, it will work. That is what $40 million of the $44 million is, to give money to unemployed people. It is not going to cure the problem. It is not going to give them an instant job. It is not going to cut off the flow of imports from Saudi Arabia; but, Mr. President, they will not be hungry. I think that is not a problem worth solving, Mr. President, it is a problem worth solving.

This country has always been big enough to rise to the occasion when we have had natural disasters, when we have had hurricanes, when we have had tornados. Oh, we send in aid and the President flies down and inspects and offers his condolences. We have, we have a disaster in our part of the country, Mr. President. It is not just another industry, it is a natural disaster.

We are asking for a measly $44 million out of $1 trillion. It is not going to run the deficit up. It is not going to hurt this budget process, but it is going to feed some hungry people and help some needy families.

Next, we are told, Mr. President, our policies are working. You can make that argument in a lot of places in this country. You can go up on Route 128 in Massachusetts, to the Research Triangle in North Carolina, maybe to the Silicon Valley—maybe not quite as much in the Silicon Valley right now; maybe down to Austin, TX. You can go to a lot of places in the country where, maybe, the policies are working, or at least where things are good. You can go on Wall Street and things are great. But, Mr. President, in the next year or two, there is no hope of those policies having any effect in the State of Louisiana and the State of Oklahoma, or, I might say, in many parts of the State of Texas.

To tell those people down in the oil fields, "Lift yourself up by your own bootstraps; do not worry, the invisible hand of the free market is going to solve it"—will not work, Mr. President. That is political pap as far as those people are concerned. That is a false balm that will not soothe any suffering at all.

It may not work. The retraining funds, which are only one-tenth of the funds here, may not retrain them and give them a job they can take; I do not know. But I do know, Mr. President, that oil field work is a special skill. These are energetic people. They want to work. They are willing to work. These are not drones who are marginal. These are people who have been the most productive in the world in their field. They are energetic and they want to work. They are asking for a little help and a little hope. And that $14 million of retraining funds will give them that.

Next we are told, Mr. President, that we are going to take the lid off or blow the lid off; that we are going to make this, from a tight little program, into an open-ended program—Pandora's box. Whoever you are, if this amendment passes, you will be able to come in and raid the Treasury. Mr. President, we know that is not so. This is a specialized disaster and we have a specialized disaster area called the oil patch. We are not asking to blow the lid off.

Before the lid was put on, you had steelworkers, you had shoe employees, you had textile workers, you had a lot of suffering people. At the time that we adopted this program, we did not have those problems in Louisiana, but I voted for it because I knew they had problems and I knew it would help. I can tell you, it worked to feed those hungry people and to give them a little hope and a little transition while they tried to do something else.

Mr. President, what we are now asking for is a little help, not much—$44 million. What is that as a percent of a trillion-dollar budget? Not much, miniscule. It gets lost in the background noise. But it will not get lost in the background noise of some homes where people are hungry, of some areas where unemployed people—a quarter million in number in my State—are desperate, where they do not have a job, where they do not have hope of a job, where they are looking for a skill, any skill. They are moving out of the State, they are doing whatever they can do, and they need help.

I hope the country and I hope the Senate will respond.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my good friend and colleague from Louisiana [Mr. JOHNSTON] for bringing this amendment to the floor and to the attention of our colleagues and, really, to the country as well. We have some very serious economic problems in some regions of this country, particularly in the oil and gas regions.

A lot of people are talking about how great the economy is, and I heard one of our colleagues saying that now things are finally working. But in certain parts of the country the economy is not so well. The Trade Adjustment Act was basically set up to assist those industries and those employees who lost their markets and their jobs due to Government actions in other countries. Perhaps that country was subsidizing exports into this country, giving a competitive advantage to its workers in various industries, whether it be textiles or whether it be steel.

We had a tire manufacturer in our State that did receive some assistance. Part of the rationale for this assistance was that they lost some of their jobs due to the amount of imports that were coming into this country. They lost their jobs so they were able to receive some trade adjustment assistance.

What we have today in the oil and gas industry, and Senator JOHNSTON knows it as well as anyone, is that some countries' governments have taken actions to increase their percentage of world exports. A prime example is Saudi Arabia, who doubled their production from 2.2 million barrels per day to about 4.5 or 6. That was not a free market action, and, as a result, they have driven prices down. Prices have plummeted by over 50 or 60 percent just in the past 4 months. Their actions have wreaked economic havoc on the entire industry.

If you read the paper the other day, Exxon laid off 6,000 people, Phillips Petroleum 2,500 people. Those are just the larger companies and they stand

out, but they will be survivors. There are a lot of service companies and other industry support companies, though, that are not as well known on the floor of the Senate, and they have had to release a lot of people as well. We have had a reduction in our State of over 60,000 jobs just in the last couple of years alone. So employment is at stake.

We do have some very serious economic problems—again, not caused by natural market forces, but by Government entities that are trying to manipulate the marketplace—and the pain is very real. Economic recovery, maybe nationwide, is doing fine, but it is not doing fine in many areas because of the activities of the Saudis and OPEC countries.

Cartels work two ways: they can drive prices up and they can drive prices down. They are doing the latter today.

Today, too, Members of the Senate should know that we only have 714 active drilling rigs in the country today. Five years ago, we had 4,500. The American consumer will pay a price for the increasing dependency that we are going to have on foreign oil, probably not too far in the future. But let us try to alleviate some of the pain that is now being caused by this manipulation of markets. I hope my colleagues will support Senator JOHNSTON's amendment. I hope it will pass.

Mr. BENTSEN. Mr. President, I congratulate my distinguished colleague, the Senator from Louisiana, for the amendment he has proposed. I intend to support it.

Look at the figures detailing what has happened in my own State. The unemployment rate in Texas reached 9.6 percent in May, up from 8.5 percent in April and 6.4 percent at the beginning of the year. That is a 50-percent jump in 5 months. The actual number of unemployed people is also up sharply. There were 779,000 Texans unemployed last month, up 269,000, or 55 percent, since January. Much of this unemployment is in the oil and gas industry.

At one time, we were up to about 4,500 rigs. That was the maximum, as I recall, in operation. Now we are talking about new figures—just over 700 rigs.

The incredible thing to me is that we will say for the steel industry or for the footwear industry, "When you have foreign competition, we are going to help you. We are going to help your workers make the transition into some other industry. We are going to give you that kind of assistance." But the energy industry—oh, no, that is something different. That industry does not really experience the impact of foreign competition. Mr. President, this point of view could not be more wrong, and it could not be more unfair.

It is amazing to me the kind of discriminatory action that is taken against oil and gas in this Chamber and in the executive branch. We have oil and gas industry people who want to work. We have people who want to be productive. They do not want to be on welfare. They want some kind of trade adjustment assistance so that they can find new occupations.

We have taken a real hit is Texas. We have taken it in Louisiana, and we have taken it in Oklahoma. To say that is not because of foreign competition does not make any sense. It is because of foreign competition. We have seen the Saudis open their wells and drive down the price of oil as they try to whip the cartel into line.

□ 1140

We are seeing this country, which last year was importing 29 percent of its oil, getting hooked on foreign oil again. We will soon be back where we were before the oil shocks of the 1970's when we were taking in 47 percent of our oil from abroad. Then we saw the OPEC countries turn off the valves. Then we saw the long lines at the gas pumps. Then we saw our country become vulnerable from a national security standpoint. Can we not learn anything from the past? Can we not try to plan to protect ourselves and encourage drilling in this country so that we will find the new reserves and avoid the vulnerability?

Until these steps are taken, give the oil and gas States the same kind of assistance that was given to Ohio, that was given to Michigan, when imports rolled in and dislocated workers in valuable industries in those States. Let us try to find a new way to take care of our families. Let us try to find a new way to create employment in our States. That is what we are asking. That is what the Senator from Louisiana is asking.

I join with the other oil and gas State Senators who are asking for this kind of assistance. Here is a chance to do something about high unemployment in a legislative way on the floor of the Senate. I am strongly supportive of the efforts of the Senator from Louisiana. I hope that this body will consider our request sympathetically.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I will take about 1 minute. There is nothing in the present law that restricts an oilfield worker from applying and receiving trade adjustment assistance. It can be done. There are three restrictions today on the receipt of trade adjustment assistance, three practical restictions. One is that there is an obvious limit, there is a limit to the amount of money that we are going to spend on trade adjustment assistance.

The second restriction is that trade adjustment assistance is available to industries that are immediately impacted by imports but not to industries that are secondarily impacted by imports. For example, an auto worker who is out of work can apply for trade adjustment assistance. A worker for a manufacturer of a component part in an automobile is not under current law qualified to receive trade adjustment assistance.

The third restraint is that the decisions on trade adjustment assistance are not made purely on the basis of who represents whom in Congress but they are made instead by the Department of Labor.

Those are the three restrictions on trade adjustment assistance.

This amendment, this approach that is being offered and debated today removes all three of those restictions on trade adjustment assistance. It waives the Budget Act, thereby removing budgetary restraint. It applies to secondary suppliers of the oil industry and other industries, I take it. And it says that the decision as to who gets the aid is not made by the Department of Labor but made by the Congress of the United States.

Again, I repeat, I think if you want to kill the trade adjustment assistance in the long run turn it into an unrestricted, open-ended program as this amendment does.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Senator LONG is on his way over and should be arriving momentarily. In the meantime I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HATFIELD. Mr. President, will the Senator withhold?

Mr. JOHNSTON. Yes, I will withhold.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I ask unanimous consent to temporarily lay this amendment aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. We can take up another amendment in a very short order. I ask unanimous consent that we may temporarily lay aside this amendment so the Senator from Georgia may offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2040

(Purpose: To clear title to 55 acres of realty located in Brantley County, Georgia)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. MATTINGLY] proposes an amendment numbered 2040.

Mr. MATTINGLY. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

"Sec. . (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall, within funds made available by this Act or any other appropriations Act, release on behalf of the United States the condition described in subsection (b) of this section with respect to the tract of land described in subsection (c) of this section: *Provided*, That—

(1) the State of Georgia, acting by and through the Georgia State Properties Commission, enters into an agreement with the Secretary of Agriculture stating that the State of Georgia will convey the described tract of land to Brantley County, Georgia, for consideration determined adequate by the Commission, and which consideration shall, if withdrawn from the account, be used exclusively for public purposes; and

(2) the State of Georgia shall pay into the Treasury of the United States as miscellaneous receipts a sum of money which the Secretary of Agriculture deems is sufficient to reimburse the administrative costs of releasing the condition pursuant to this subsection.

(b) The condition to be released pursuant to subsection (a) of this section is the condition found in that certain deed dated March 30, 1955, which conveys from the United States to the State of Georgia, Georgia Forestry Commission, certain real property in Ware and Brantley Counties, Georgia, and which deed was recorded on May 17, 1955, in the Office of the Secretary of State, State of Georgia, providing that the land conveyed be used for public purposes and that title to said land revert to the United States if it is not used for public purposes.

(c) The parcel of land to which the release provided for in subsection (a) of this section is described as follows:

All that tract or parcel of land, situate, located and being in Land Lot No. 128 in the 9th Land District of Brantley County, Georgia, being 55.04 acres, more or less, and being more particularly described as follows: Beginning at the point where the centerline of the SCL Railroad tracks from Waycross to Brunswick intersects the centerline of that certain Brantley County paved road known as County Road No. 15, and thence N 08 degrees 54' 00" W a distance of 97.72 feet to a point; thence, N 79 degrees 40' 50" E a distance of 40.02 feet to a point; thence, N 79 degrees 40' 50" E a distance of 260.03 feet to a point; thence, N 68 degrees 30' 00" E a distance of 390.0 feet to a point, this point being the point or place of beginning of the tract to be released from the described condition; thence, N 13 degrees 15' 00" W a distance of 701.15 feet to a point; thence, S 73 degrees 10' 00" W a distance of 647.09 feet to a point; thence, N 17 degrees 13' 50" W a distance of 304.91 feet to a point; thence, N 61 degrees 23' 03" E a distance of 2452.76 feet to a point; thence, S 06 degrees 09' 26" E a distance of 275.29 feet to a point; thence, S 07 degrees 17' 36" a distance of 442.26 feet to a point; thence, S 00 degrees 30' 41" E a distance of 183.67 feet to a point; thence, S 12 degrees 11' 06" E a distance of 160.31 feet to a point; thence, S 05 degrees 13' 46" E a distance of 390.62 feet to a point; thence, S 34 degrees 53' 42" W a distance of 201.01 feet to a point; thence, S 75 degrees 01' 09" W a distance of 1371.18 feet to a point; this point being the point or place of beginning of the tract.

For a more complete description of the tract, reference is hereby made to that certain plat prepared on August 4, 1985, by Harry Strickland, Brantley County Surveyor, entitled "Survey for Brantley County" which plat is on file with the Georgia State Properties Commission.

(d) Section 32(c) of the Bankhead-Jones Farm Tenant Act of 1937, as amended (7 U.S.C. 1011), shall not apply to the release provided for in subsection (a) of this section.

(e) The conveyance made pursuant to subsection (a) of this section shall reserve to the United States all gas, oil, coal and other mineral deposits as may be found in the lands conveyed by this section.

Mr. MATTINGLY. Mr. President, the amendment I send to the desk is a very simple one which will allow for the final transfer of clear title to 55 acres of real estate to Brantley County, GA. This property was conveyed in 1955 to the State Forestry Commission in Georgia from the U.S. Forest Service. Recently, the commission found that the property was of no further use for their purposes, but that Brantley County needs the land to create an industrial development park in an attempt to bring jobs into the area. The U.S. Forest Service does not want the property back because the costs of managing such a small, isolated tract would be far in excess of any values it might ever contribute to the Forest System.

However, in order to effect this transfer it is necessary to remove through congressional action a reversionary clause contained in the original deed from the Forest Service to the State of Georgia. It is important to note that the clause requires the property be used for public purposes. This amendment also requires that the money paid by Brantley County to the State for the property be spent for public purposes. In addition, Mr. President, I can hardly think of any more valid public purpose than to create new job opportunities and bring new industry and businesses to a location such as this county which will be receiving the clear title to the property. I urge the adoption of the amendment.

Mr. President, I understand this amendment has now been cleared by both the majority and minority side.

Mr. HATFIELD. The Senator is correct on the majority side.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

Mr. MATTINGLY. I thank both Senators. I move its acceptance.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment (No. 2040) was agreed to.

Mr. MATTINGLY. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GARN AMENDMENT NO. 2037

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment (No. 2037) offered by the Senator from Utah (Mr. GARN) was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1150

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOHNSTON AMENDMENT NO. 2039

Mr. LONG. Mr. President, this amendment, I am told, would cost about $44 million, and it would make eligible for adjustment assistance under the Trade Adjustment Assistance Act persons who desperately do need help. Let me give an example.

I was in Morgan City, LA, recently. In this oil and gas industry we had 4,500 rigs working in the United States. Now there are only about 800 rigs working, and it is predicted to go down to 500 rigs. That means you will have, in short order, less than 1 rig working for every 9 you had working a while back.

The people working there were making $12 an hour and working 60 hours a week, because the tradition was that in working on these rigs, they would work a week on and a week off. They were on duty 24 hours around the clock and would work about 12 hours a day out of the 24.

If you make that comparison, those workers were making $720 a week. Now, if they can get the employment, somebody might put them to work for $6 an hour, for 32 hours a week, which is about $192, compared to $720—less than one-third. That is for those that can get work, and most cannot. Most have used up their unemployment benefits.

This is clearly a case where world market conditions have caused all these people, on whom we rely to provide our energy in time of emergency,

to suffer and be out of work, because of this Nation's trade policies.

These people will be needed when Mr. Khomeini shuts off the oil in the Persian Gulf. At this moment, they are necessary workers, and they suffer. They should be included under the trade adjustment assistance.

I hope the amendment of Mr. JOHNSTON will be sustained.

Mr. BENTSEN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BENTSEN. I say to the distinguished Senator from Louisiana that I know how tough it has been in Louisiana and Oklahoma. But let me give some additional new figures that we have received from my State.

We have seen the seasonally adjusted unemployment rate in May reach the highest level in history—a total of 779,000 unemployed. That is the highest figure we have ever had.

Since December, 150,000 jobs in Texas have been lost, 40,500, of those from the oil and gas sector.

Falling oil prices have a ripple effect in other industries in our State. Since the beginning of the year, Texas has lost 15,000 jobs in manufacturing, 6,000 jobs in the entertainment sector, and 39,000 jobs in retail sales.

The oil and gas industry nationwide saw 28,000 jobs lost in May—May alone. Over the last year, the oil and gas industry nationally has lost 136,000 jobs. That is a decline of over 20 percent. Since January, the loss in oil and gas jobs has been 95,000.

Mr. President, the numbers are not going down. The problem keeps accelerating and compounding. That is what we are up against. So we are asking to enlarge the Trade Adjustment Assistance Program. It does not make any sense to say that you are going to take care of steel and footwear and textiles because of imports, and then go on to say that you are not going to give the same kind of attention to an industry of this size that is critical to the security and well-being of our country. That is what we are trying to address here.

Mr. LONG. Mr. President, the State of Louisiana has no choice. The legislature has raised taxes as much as they can. They are now compelled to cut spending far beyond the point of wisdom. They are in the process of cutting spending, for that one average size State, by $100 million. We already have more unemployment than any other State in the Union.

I hope the Senate will support the position taken by the committee and that the point of order will be voted down, because here is a case where a State did its fair share and perhaps did as much as any other State in the Union, perhaps more, to meet the energy crisis, and finds itself in trouble because of international conditions, the low price on the world market.

If the Nation wants this industry in times of emergency, it should do what it can to relieve the suffering in the industry.

I hope the point of order will be rejected.

Mr. GRAMM. Mr. President, I remind my colleagues that the issue before us is not trade adjustment assistance but a point of order that was raised under the Budget Act.

The Senator from Louisiana is talking about trade adjustment assistance, but he has not chosen to take the money away from another program to pay for it, to keep it within the Budget Act. He has, instead, taken that old, tired position that any time there is a problem, let's just hit the budget, raise the deficit, and impose the cost on the economy and the working people of America.

Mr. President, obviously I am concerned about Texas. The figure that the senior Senator from Texas announced, that the unemployment rate today has hit the highest level in the history of our State, is alarming. I would love for this amendment to help my State. I would vote for this amendment to help my State if the distinguished Senator from Louisiana had offered an amendment terminating some portion of the existing, ongoing program and setting this provision as being a higher priority. But that is not what he has done. What he has done is to say, let us increase the deficit. That is exactly the principle that got the Nation into the problem from which we are only now recovering.

If you are going to write budgets, you have to live up to them. As a result, I remind my colleagues that what is at issue here is a motion to appeal the ruling of the Chair on a point of order.

If we believe in the budget process, if we want to balance the budget, if we want to strengthen the economy, let us force the process to remain within the budget. If people want to help a particular region or industry, as they have every right to do, let them propose to take the money away from somebody else. That is the proper procedure, and I ask my colleagues to stand by that procedure.

Mr. JOHNSTON. Mr. President, very quickly, to correct the record: First of all, this does not require an offset. It is subject to a point of order because it is an entitlement program and the budget resolution has been adopted for the current year. It does not require an offset.

Also, we are not seeking to overrule the ruling of the Chair. We are seeking to waive the Budget Act, which requires only a majority vote.

This is a procedure which is built into the act to provide for such a circumstance. We are not violating the Budget Act at all. We are not overruling the Chair at all. We are simply saying, in a period of emergency, we need some help and the Budget Act should be waived to cover a small amount of money for a desperately needy area of the country.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Florida [Mrs. HAWKINS], and the Senator from Maryland [Mr. MATHIAS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

The PRESIDING OFFICER (Mr. GRASSLEY). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 40, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—55

Abdnor	Glenn	Mitchell
Andrews	Gore	Moynihan
Baucus	Harkin	Murkowski
Bentsen	Hart	Nickles
Biden	Hatfield	Nunn
Bingaman	Heflin	Pell
Boren	Heinz	Pryor
Bradley	Johnston	Riegle
Bumpers	Kennedy	Rockefeller
Burdick	Kerry	Sarbanes
Byrd	Lautenberg	Sasser
Chiles	Laxalt	Simon
D'Amato	Leahy	Simpson
DeConcini	Levin	Specter
Denton	Long	Stennis
Dixon	Matsunaga	Stevens
Dodd	McClure	Thurmond
Domenici	Melcher	
Ford	Metzenbaum	

NAYS—40

Boschwitz	Gramm	Proxmire
Chafee	Grassley	Quayle
Cochran	Hatch	Roth
Cohen	Hecht	Rudman
Cranston	Helms	Stafford
Danforth	Hollings	Symms
Dole	Humphrey	Trible
Durenberger	Kassebaum	Wallop
East	Kasten	Warner
Evans	Lugar	Weicker
Exon	Mattingly	Wilson
Garn	McConnell	Zorinsky
Goldwater	Packwood	
Gorton	Pressler	

NOT VOTING—5

Armstrong	Hawkins	Mathias
Eagleton	Inouye	

So the motion to waive section 401 was agreed to.

□ 1220

The PRESIDING OFFICER. The question is on the amendment of the Senator from Louisiana. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Louisiana.

The amendment (No. 2039) was agreed to.

Mr. JOHNSTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD addressed the Chair.

Mr. JOHNSTON. Mr. President, will the Senator withhold long enough for me to thank sincerely Senators on both sides of the aisle who really rose to the occasion in an hour of need. We appreciate it very much.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Maybe the Senator should suspend for just a moment because the Senate is not in order.

The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, a number of Senators have asked for some kind of an estimate. We now have 26 amendments remaining. I would make a general assessment that probably there are not more than three to four rollcall votes which I would anticipate for the types of amendments as we understand them to be.

We are now moving further in the process of accepting a number of amendments that have already been cleared. We are going to clear them as rapidly as possible in order to expedite. So I just merely want to say I hope we can complete this by midafternoon, and maybe earlier depending on the length of time the Senators decide to talk about these amendments.

Mr. President, there are two amendments that have been cleared and we are ready to act upon. They are by the Senator from South Dakota and the Senator from South Carolina.

Mr. ABDNOR addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 2041

(Purpose: To make a technical modification in the impact aid provision)

Mr. ABDNOR. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR] proposes an amendment numbered 2041.

Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 52, between lines 20 and 21, insert the following:

The first sentence of section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "increase the amount" and inserting in lieu thereof the following: "increase the actual payment to be made pursuant to the amount".

On page 53, beginning with the word "The" in line 3, strike out through the period the first time it appears in line 8.

Mr. ABDNOR. Mr. President, I have sent to the desk a technical amendment pertaining to the Impact Aid Program.

Mr. STENNIS. Mr. President, may we have order so that we may hear the Senator speak?

The PRESIDING OFFICER. Will the Senator from South Dakota withhold for a moment? The Senate is not in order. The senior Senator from Mississippi raised a point that the Senate is not in order.

Mr. ABDNOR. The committee agreed to an amendment pertaining to the calculation of payments made under section 3(d)(2)(B) of Public Law 81-874. Since our committee markup, I have been made aware of a potential technical problem with that language. This amendment simply makes the necessary technical change in the bill.

Mr. President, I understand the distinguished chairman of the subcommittee, Senator WEICKER, is prepared to accept the amendment.

I thank my friend for his help in this matter.

Mr. President, the committee adopted language to clarify the intent of section 3(d)(2)(B) of Public Law 81-874, which provides assistance to several of our Nation's most heavily impacted school districts. It is my understanding that this provision, which is being modified today through a technical amendment, will serve to ensure that the Secretary of Education calculates payments made under section 3(d)(2)(B) pursuant to the actual payment to be made to eligible LEA's—local educational agencies—under section 3(a), 3(b), or both—as opposed to calculating section 3(d)(2)(B) payments on the basis of what eligible districts are entitled to receive under section 3(a), 3(b), or both.

Mr. WEICKER. The Senator from South Dakota is correct. Since the Senator's previous efforts to clarify this matter have not produced the desired result, the committee has agreed to make this change so as to provide the Secretary with more explicit direction concerning the calculation of section 3(d)(2)(B) payments.

Mr. ABDNOR. I thank the distinguished chairman of the Labor-HHS, Education, and Related Agencies Subcommittee for his assistance in clarifying the intent of the committee's language, as modified by a technical amendment, with respect to section 3(d)(2)(B) of the impact aid statute.

Mr. HATFIELD. Mr. President, the Senator from South Dakota is correct. Since the Senator's previous efforts to clarify this matter have not produced the desired result, the committee has agreed to make this change.

So it provides the Secretary with more explicit direction concerning the calculation of section 3(d)(2)(B) payments. Therefore, the amendment is cleared.

Mr. JOHNSTON. Mr. President, the amendment is cleared on this side.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 2041) was agreed to.

Mr. ABDNOR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2042

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I thank the Chair.

I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS] proposes an amendment numbered 2042.

On page 50, line 23, strike all after "permits" through "1986" on line 25.

Mr. HOLLINGS. Mr. President, the legislation before us, H.R. 4515, contains a provision that I authored which permits health planning agencies to continue operating as long as their unobligated fiscal year 1986 funds will allow them. Simply stated, my provision permits the planning agencies to operate until their fiscal year 1986 appropriation is spent. This gives health planning agencies time for the more orderly phaseout of Federal assistance if Congress decides not to reauthorize this program in fiscal year 1987.

The Federal Government has supported State and local health planning activities for over 20 years to ensure

that States and citizens are involved in, and aware of, changes in the health care system. Health planning is aimed at making the health care system more effective and efficient. Health planning agencies offer a process for deciding, primarily at the State and local levels, what services are needed and will be encouraged in each community. This local input and coordination is critical in spending health care funds wisely and prudently.

The fiscal year 1986 appropriations bill provided partial-year funding to continue each planning agency until September 30, 1986. Mr. President, Congress provided partial-year funding so that a compromise could be reached on the reauthorization of this important program. For the past 3 years, Congress has debated, but not resolved, how the planning program should be reshaped as the health care system changes. Because a compromise has not been reached, the health planning program has operated on a series of continuing resolutions.

Regardless of the legislative effort underway, the Department of Health and Human Services is attempting to force all health planning agencies to spend down their grant funds so that all Federal support is terminated by September 30, 1986. Mr. President, this action is a direct contradiction of both the authorizing statute, which allows agencies to carry over into the subsequent fiscal years unobligated funds, and the specific language in the fiscal year 1986 continuing resolution which prohibits the Department from causing agencies to anticipate closing out prior to August 15, 1986.

Mr. President, let me emphasize that the provision I added to the bill before us does not seek to reauthorize health planning agencies, nor does it seek to continue funding the program beyond fiscal year 1986. The purpose of this provision is straightforward—to allow health planning agencies to continue operating as provided in section 15 of the Public Health Service Act and to achieve a more orderly phaseout should Federal support be discontinued in fiscal year 1987. To do otherwise, Mr. President, is in my opinion, unwise, violates congressional intention, and is not the most cost-efficient approach we can take to resolve this matter.

Mr. President, there was one phrase at the end of the provision I authored on page 50, that no health planning agency shall be required to take action to terminate financial assistance in fiscal year 1986. This phrase caused concern to several of my colleagues, so I am now offering a clarifying amendment which will allow the Department of Health and Human Services to terminate a health planning agency should it expend its funding for fiscal year 1986 before the end of the fiscal year. But, as long as they have unobligated funds there, it is still the intent of Congress to allow them to continue operating with these particular funds until they are expended.

I talked with Senator QUAYLE of Indiana and Senator HATCH of Utah, and I have allayed their particular concerns and offered them the opportunity to present this clarifying restriction by knocking out the last three lines on page 50.

Mr. President, health planning agencies are very, very worthy organizations. During their 20 years of existence, they have saved the Government billions of dollars in the allocation of health facilities in the various States across America, and have done an outstanding job. But there has been a dispute at the authorizing level. While my amendment does not attempt to resolve this particular dispute, I am hopeful the Senate will soon consider the Health Planning Reauthorization Act.

Mr. HATCH. It is my understanding that the amendment contained on page 50 lines 17-23 merely provides for the expenditure of health planning funds for fiscal year 1986 which may be unobligated on September 30, 1986. In addition, it is my understanding that it is not the Senator's intention through this amendment to reauthorize or provide new funding for fiscal year 1987?

Mr. HOLLINGS. Yes.

Mr. HATCH. In addition, does this provision release the Federal Government from any liability for phaseout costs if they occur after the end of fiscal year 1986?

Mr. HOLLINGS. I have technically corrected the amendment to allow existing fiscal year 1986 health planning dollars to be expended until they are deleted. It is not my intention, through this amendment, to require any additional liability for the Federal Government for health planning programs.

□ 1230

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side of the aisle.

Mr. HOLLINGS. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2042) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I thank the distinguished chairman of the committee.

PROHIBITION OF ROCK FREEBASE HOUSES

Mr. CHILES. Mr. President, I am pleased that the urgent supplemental appropriations bill (H.R. 4515) includes my amendment which directs the Attorney General as Chairman of the National Drug Enforcement Policy Board to develop a model statute for States to use in prohibiting freebase houses where rock and crack cocaine are processed, sold, and smoked.

The availability of rock or crack cocaine has increased tremendously over the past few years. Crack cocaine is cocaine in crystal or nugget form and is made by "cooking" powdered cocaine over a kitchen stove or a Bunsen burner. The base of the cocaine, hydrochloride is released. This purified cocaine is then mixed with common baking soda and water to form nuggets or crack cocaine. This crystal cocaine is then mixed often with marijuana or tobacco and smoked in a water pipe. Rock cocaine is absorbed into the body's system faster than powdered cocaine and has a more potent psychological impact.

Much of the activity around crack cocaine takes place in what is commonly called a "rockhouse" or "freebase house." My freebase amendment would call upon the Attorney General to develop a model statute for States to outlaw these houses and the various activities that take place inside.

Over the past few months, I have had numerous conversations with State and local law enforcement officials who are very frustrated about their inability to clamp down on freebase houses. They are frustrated because unless they apprehend persons inside of the house with drugs in their possession, they cannot arrest these persons.

Managers and operators who run freebase houses are currently safe from arrest and prosecution unless they have illegal drugs on them.

Salaried employees who take admission fees, sell the drugs, and process the powdered cocaine into crack cocaine cannot be arrested unless they have drugs on their person.

I would like to thank Senator HOLLINGS and Senator RUDMAN for their strong support on this amendment and for recommending that this amendment be included in the bill.

Persons who frequent such houses with only one intent in mind—to smoke crack cocaine—are not apprehendable unless they have drugs in their possession.

Narcotics officers tell me that usually "we get the dope. But, its on a table or in a water pipe." Therefore, the drugs are confiscated but often no one is arrested.

My amendment directs the Attorney General as Chairman of the National Drug Enforcement Policy Board to work with State and local law enforce-

ment agencies in developing a model statute for States to use in prohibiting freebase houses. Included in such a statute should be prohibitions against owning, operating and/or managing a freebase house. It should also be illegal to work in such freebase houses and to frequent such houses. My amendment also directs the Attorney General to make recommendations on procedures for allowing law enforcement officials to notify owners and managers of buildings where freebasing enterprises are taking place.

Six months ago, I did not know about rock or crack cocaine or what it was.

Then I had meetings with Florida law enforcement from all over the State and discovered it was their number one problem.

They educated me about their frustration and their inability to deal with rock or freebase houses where the drug is processed, sold, distributed, and smoked.

So, I came back to Washington, and introduced a bill to direct the Attorney General to develop a model statute to assist States in prohibiting freebase houses and the activities which take place in the house.

That is the legislation included in the supplemental.

During the Memorial Day recess, I held further meetings with law enforcement officials on rock cocaine in Sarasota, West Palm Beach, and Orlando.

These sessions enlightened me even further on the major problem rock cocaine is in Florida.

Seasoned, experienced law officials told me time and time again, that rock cocaine is the most frightening drug they have encountered in years. They described rock as "spreading like wildfire in Florida" and its impact is "tearing us up." Most sheriff offices and police departments have had to assign more and more manpower and resources to deal with cocaine.

State law enforcement officials report that crime increased in Florida last year and the primary impetus was cocaine—that the "criminality that surrounds cocaine" has caused crime to increase tremendously.

Customs officials report that the availability of cocaine in Florida has increased twice as much in 1986 as in 1985.

Florida Department of Law Enforcement Crime Law reported to me that cocaine is available in every county in Florida. This drug is just not present in the metropolitan areas of Orlando, Fort Lauderdale, Miami, and Tampa—but it's been confiscated in major amounts in small communities such as Inverness, Winter Park, Immokalee, Dade City, and Palmetto.

The sheriff of Sumter County with only 27,000 citizens, reports that there are at least 40 known rock dealers in his county.

In Fort Pierce, during the past 5 months there have been 292 arrests compared to 180 during the same 5 months last year. In May, Fort Pierce has had 90 drug arrests and all were related to rock cocaine.

Orlando police report that of 106 robbery cases prosecuted in their area in the last few months, 35 percent of those accused of grand larceny or robbery were cocaine users. Of these cocaine users, 85 percent resort to crime to buy drugs.

In Collier County, the sheriff's office has had to assign seven people to deal with nothing but rock cocaine and the whole staff is strained because of increase in crime associated with the cocaine.

Mr. President, you can see at this point that this is an avalanche of the problems that are coming from this drug.

At this point, you might be wondering why this drug is becoming so available.

Florida law enforcement's answer is: it is so easy to make; it is so potent; and, it is so cheap.

It only takes $15 to $20 worth of equipment to make rock cocaine. Glass beakers, baking soda, and water—as well as the cocaine, of course.

It is 5 to 10 times more potent than other drugs and has a far greater addiction and dependency character. The rocks are 90 percent cocaine while the powdered, flake version is only 30 percent pure cocaine.

Rock and crack cocaine can be purchased for as little as $4 or $5 a nugget, depending on the size of the rock.

We must put a stop to these insidious dens of dope. Freebase houses are attracting more and more of our youth because the price is cheap—only $5 or $10 a hit or puff. It is a lethal drug. Drug experts say that health hazards of crack cocaine are the most destructive seen in years. Yet, our youth are flocking to the drug.

Fort Pierce police told me about a young man who sold a $12,000 computer for $70 to finance his habit.

The police in Naples told me about a 14-year-old boy who stole $14,000 from his parents to pay for his habit.

I believe that rock cocaine has become of crisis proportions in Florida, if not the entire Nation. I am pleased that the Senate is acting now to aid law enforcement in combating this growing epidemic of rock cocaine.

AMENDMENT NO. 2043

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 2043.

On page 68 after line 10 insert:

TRANSFER OF FUNDS

For necessary expenses of the Office of Personnel Management in implementing the provisions of the Federal Employees' Retirement System Act of 1986, as authorized by section 207(j) of such Act, not to exceed $2,000,000, to be derived by transfer from the Civil Service Retirement and Disability Fund, to be in addition to funds previously made available to the Office of Personnel Management from such Fund.

Mr. STEVENS. Mr. President, this afternoon the President will sign the new retirement act for Federal employees which has been passed in this year of 1986. The Office of Personnel Management has already had available to it some $50 million for administering the existing Civil Service Retirement Act.

This $2 million to be transferred from the fund to OPM is for the purpose of administering the new act, an act that will save the taxpayers some $9 billion over a 5-year period.

Mr. President, it is absolutely essential that we get going on this as quickly as possible with the new act. There is a lot of money involved. As I say, it is absolutely essential to the proper administration of the act, which the President has put into effect today.

Mr. President, this amendment has been cleared. It has been cleared with the Budget Committee and with my good friend from South Dakota who manages the subcommittee in our committee. I believe it has been cleared all around.

Mr. President, I urge adoption of the amendment.

□ 1240

The PRESIDING OFFICER. Is there any further discussion? The Senator from Connecticut.

Mr. WEICKER. Mr. President, this amendment has been cleared on this side. We are ready to accept it.

Mr. CHILES. It has been cleared on our side, also, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2043) was agreed to.

Mr. STEVENS. I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I want to take this opportunity to describe the budgetary status of the supplemental appropriations bill now pending before the Senate.

On behalf of the Budget Committee, I want the Senate to know that the bill as reported by the Appropriations Committee meets the deficit neutrality test for fiscal year 1986 spending legislation, and is not subject to a section 311 point of order under the Budget Act.

Section 311, I would remind the Senate, prohibits the consideration of legislation which would cause the spending and revenue limits in the fiscal year 1986 budget resolution (S. Con. Res. 32) to be exceeded, or would cause the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act to be exceeded.

Any amendment to H.R. 4515 that would increase the outlays or decrease the savings in the reported bill would be subject to a section 311 point of order, which can only be waived by a three-fifths vote.

The Senate should be advised that these rules are newly strengthened under the Gramm-Rudman-Hollings Deficit Control Act, and that the Senate must now conform to very strict criteria on amendments that increase spending.

H.R. 4515 as reported in the Senate, provides $3.9 billion in budget authority. The gross outlays associated with this new budget authority are $1.3 billion, reduced by outlay savings or $950 million associated with the increase in the FHA mortgage insurance limitation, and outlay savings of $300 million associated with an REA refinancing proposal. The net outlays of the reported bill total $0.1 billion in fiscal year 1986.

When adjustments for entitlement and other mandatory items are taken into account, the Senate-reported bill would reduce the aggregate current level by $1.9 billion in budget authority and $0.4 billion in outlays.

In order to arrive at the necessary offsets to new spending that make this bill deficit neutral, the Appropriations Committee took advantage of devices that would score as savings, but in no way can be considered program reductions in the way most of us think of budgetary reductions.

Let me give some examples. Fees collected in conjunction with higher FHA guaranteed loan ceilings are counted as savings in fiscal year 1986, but there is no accounting under present rules for the inevitable claims against these guarantees in future years when some mortgages go bad. I would also note that the Budget Committee only takes these fees into account to the extent that the Congressional Budget Office concurs that the demand for the guarantee increase actually exists.

The bill would also allow rural electrical cooperatives to refinance loans now held by the Federal Financing Bank, to allow those cooperatives to take advantage of lower interest rates. Under current accounting rules, this would count as savings toward this appropriation bill, even though it will lose money over the long run.

In one instance, the committee attempted to rescind housing funds that had already been rescinded in the fiscal year 1986 HUD appropriations bill and the Consolidated Omnibus Budget Reconciliation Act of 1985. We should not count such rescissions as savings.

I am concerned that some of the actions taken in this fiscal year 1986 bill will put added pressure on the fiscal year 1987 deficit. Should some of the savings used to make the bill deficit neutral not materialize, we can be certain that most of the program supplementals will result in outlays in fiscal year 1987 and future years.

I am hopeful that the conference report on this supplemental will be deficit neutral in fiscal year 1986, have little impact on fiscal year 1987 outlays, and will not be subject to a section 311 point of order.

Mr. President, I ask unanimous consent that tables showing the relationship of the reported bill to the current level for fiscal year 1986, and to the maximum deficit amount for fiscal year 1986 under the Balanced Budget and Emergency Deficit Control Act, be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

CURRENT LEVEL SCORING OF H.R. 4515: URGENT SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1986

[Senate-reported—in billions of dollars]

	Fiscal year 1986	
	Budget authority	Outlays
Total current level as of June 2, 1986	1,057.1	980.3
H.R. 4515, Senate-reported	3.9	.1
Adjustments for entitlement and other mandatory items in bill: [1]		
Veterans compensation	.3	.2
Veterans readjustment benefits	.1	.1
Compact of free association	.2	.2
Subtotal	.5	.5
Adjustment for CCC	−5.3	
Total effect of H.R. 4515, Senate-reported, on current level	−1.9	.4
Estimated current level	1,055.2	979.9
Fiscal year 1986 budget resolution Senate Concurrent Resolution 32	1,069.7	967.6
Current level over (+)/under (−) budget resolution targets [2]	−14.5	+12.3
Senate bill over (+)/under (−) House-passed bill	−3.1	−1.5

[1] These are amounts for entitlements and other mandatories estimated to be required in fiscal year 1986 and already included in the current level.
[2] As of June 2, 1986, the current level is under the budget authority ceiling by $12.6 billion and over the outlay target by $12.7 billion.
Note.—Details may not add to totals due to rounding.

Current level compared to maximum deficit amount

[Fiscal year 1986—in billions of dollars]

Current level outlays, including H.R. 4515, as reported in the Senate	979.9
Current level revenues	778.5
Current level deficit	−201.4
Gramm-Rudman-Hollings maximum deficit amount [MDA]	171.9
Amount over MDA	29.5

Note.—Details may not add to totals due to rounding.

ASSISTED HOUSING RESCISSION

Mr. DOMENICI. Mr. President, I would like to clarify a provision in the pending supplemental appropriations bill.

The Senate-reported supplemental appropriations bill includes a rescission of $3 billion for fiscal year 1986 for annual contributions for assisted housing. The committee report indicates that this rescission is prior-year budget authority that the Department of Housing and Urban Development can expect to recapture due to the forgiveness of debt held with public housing authorities.

Mr. President, the rescission of these funds has already been enacted in previous legislation, and this action is not necessary.

If the distinguished chairman of the Appropriations Committee will allow, I will outline why I believe this rescission is not necessary. First of all, Public Law 99-160, the fiscal year 1986 HUD Appropriation Act, specifies that amounts of budget authority and contract authority for assisted housing recaptured during fiscal year 1986 shall be rescinded. Second, Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1986 [COBRA] provides that any amount of budget or contract authority that becomes available during any fiscal year as a result of the forgiveness of any loan, note, or obligation for the assisted housing program shall be rescinded. Mr. Chairman, the Congress has already provided for the rescission of assisted housing authority that is being recaptured in fiscal year 1986 or is the result of the forgiveness of a debt.

Because the Appropriations Committee was unaware of the Budget Committee's scorekeeping treatment of these funds under COBRA, I would propose to score the $3 billion in the bill, which will be reflected in the table I will insert in the RECORD showing the relationship of this bill to the fiscal year 1986 budget resolution ceilings. However, because such amounts are being rescinded by authority already enacted into law, I fail to see how the Budget Committee could score, nor will it score, any further rescission above the $3 billion in this bill. Nor will the Budget Committee score in any subsequent bill as an offset to new budget authority, the re-

scission of any funds recaptured in any fiscal year under the provisions enacted in COBRA. Such scoring is consistent with the 302(a) crosswalk to the Appropriations Committee under the fiscal year 1986 budget resolution.

Mr. President, I hope this statement clarifies the Budget Committee's position with reference to scoring rescissions associated with contributions for assisted housing. This issue has to do with a fiscal year 1986 rescission that is in this bill and its relationship to previous congressional action to rescind these funds in the reconciliation bill—COBRA—adopted earlier this year.

This is the Budget Committee's indication of how it intends to score that action and any further attempts to rescind assisted housing funds recaptured pursuant to the 1985 Reconciliation Act.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceed to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2044

(Purpose: To eliminate provisions specifying that the lump-sum appropriation for official mail costs shall be deemed full payment for all matter mailed under the frank)

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 2044.

On page 74, after line 25, insert the following:

SEC. 212. Section 3216(c) of title 39, United States Code, is amended by striking out "(a) or".

Mr. WILSON. Mr. President, the portion of the code to which the amendment makes reference indicates that in trying to have a legal fiction, I think there is nothing worse than when, even with the best intentions, Congress legislates in a way that encourages some contempt for the law. An instance of that kind, unwittingly, I think, has occurred.

Recently, the junior Senator from Indiana was on the floor to offer the solution of his task force to the problem we have been facing with regard to diminishing funds for the purpose of financing our franking privilege. My colleagues will recall that he and the junior Senator from Oklahoma [Mr. NICKLES] and some others and I had submitted an inquiry to the General Accounting Office to determine whether or not the Postal Service would simply continue or could legally continue to deliver mail bearing the frank when Congress had appropriated an insufficient amount of funds to cover the real cost of the franking privilege. The response we recieved from the General Accounting Office was that virtually any amount of money which Congress appropriated—be it $1—would be deemed sufficient for the purpose. That, plainly, Mr. President, is a fiction and no amount of effort to disguise it as anything else will change the fact that it is a fiction and that what we are saying is that for whatever purpose Congress employs the frank, it will be able to send, postage-free through the mail whatever it wishes.

I think that is wrong and in a second matter after we have dealt with this, we will address that one, I hope definitively.

At the very least, Mr. President, I think that what we should realize is that when we in Congress send mail, for whatever reasons, good or ill, it costs money. It may not cost us money, but it is costing someone. In the times when the Postal Service was not in its present status, it clearly cost the taxpayer. Now what we are seeing is that to a perhaps greater degree than in the past because of the change in status of the Postal Service to something like a quasi-private institution, more and more of its funding comes from the charges which it makes for the services which it gives.

The cost of postage stamps has gone up from time to time. I am sure that has not escaped the Members' notice; it clearly has not escaped the notice of the public. Obviously, Mr. President, if we underfund what we appropriate by way of payment for congressional mailing costs, then, in order to make up the difference, the Postal Service is going to have to charge someone else more.

Guess, Mr. President, whom they are going to charge? They are going to charge the American people, the users of the Postal Service.

I do not think that is fair. I might think it fair if the frank were confined to very specific purposes of the kind that were envisioned by the framers of that franking privilege, those who, in the early days of this Republic, thought it important and were right in thinking it important that Congress face no impediment in terms of our ability to communicate with our constituents on matters of interest to them. What we are seeing in the present day is the use of the franking privilege in a way that abuses the privilege. It is indeed just that, a privilege, and those in the early days of the Republic who wanted to assure that Members of Congress, whatever their personal fortunes, would have adequate access to the Postal Service in order to communicate with those constituents who had communicated with them never, never dreamed that the abuse would assume the dimensions which it has. I refer to the kind of unsolicited mass mailings sometimes called newsletters but perhaps better defined in the law as an unsolicited mass mailing that has become commonplace in this institution.

As the Chair is well aware, earlier efforts that I have made in conjunction with well over a dozen of my colleagues on both sides of the aisle have borne at least some symbolic fruit. When the budget resolution was before us, the Senate voted, 95 to 2, to reallocate funds from one account to another. They took money from the legislative account and transferred it to the health account. Indeed, the distinguished manager now present on the floor was present at the time and kindly supported that effort. What we were doing was preparing the way for the use of the amount of money that Congress has in the past appropriated or, more accurately, the amount that Congress intends to appropriate over the next 3-year period for the purpose of funding those unsolicited mass mailings, and transferred it instead to be applied to research to find cures for the viruses that are attacking America's health in the form of Alzheimer's disease and AIDS.

What the amendment that I have pending at the desk proposes, Mr. President, is that, first, we end that fiction that whatever amount of money Congress appropriates is sufficient to the purpose of paying for the franking privilege as it is used to send out those mass mailings which no one asks for, few read, and most of which are put into the ashcan. It is not an insignificant sum, Mr. President, or I would not have troubled the Senate or taken its time on the many occasions that I have. Indeed, when we were last considering this question and did seek to transfer funds from this purpose to AIDS and Alzheimer's disease research, the amount of money we were able to prospectively allocate to that purpose was the tidy sum of $280 million.

So what we are doing is eliminating from the law that legal fiction that said that whatever amount Congress appropriates for the purpose of financing its own mailing costs will be sufficient regardless of whether the fact is that the actual costs enormously exceed what is appropriated. It is a very simple thing.

Mr. President, I am informed that there may be some who wish to contest this change in the law. I am personally prepared to allow the measure to go forward but I do not wish to foreclose anyone's right to debate or to venture a different opinion.

While we are waiting, I ask unanimous consent to add Senator NICKLES as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I cannot, on behalf of the committee or on behalf of its chairman, agree at the present time to accepting this amendment. It obviously is a substantive change in the law. It clearly is legislation on an appropriations bill. More particularly, the matter being addressed by the Senator from California is properly the province of the Committee on Government Operations. Senator ROTH is chairman of that committee and is not present at this time.

□ 1250

For all those reasons, I must, at least at this juncture, oppose the amendment of the distinguished Senator from California, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I rise in support of the Wilson amendment. I believe that this goes to the heart of a basic idea that you ought to pay your own bills. The fact is that Congress right now can simply send a dollar sum of money down to the Post Office to pay for all the mailings that have gone on in Congress throughout the whole year. It does not matter what that amount is.

Whatever the amount is, the Post Office has to accept that as payment in full. This is an outrageous situation that has occurred. I congratulate the Senator from California for bringing this to the attention of the Senate.

The way this all started was an inquiry that was made by Senator NICKLES, Senator WILSON, myself, and others, to the GAO asking them if a little antideficiency statute would apply to the Congress if the Congress did not make full payment to the Post Office for their bills. The antideficiency statute said that when in fact you do not pay the full amount, of course, there is a deficiency and you would have to pay the rest of it. Much to our shock and surprise, the GAO came back to our inquiry and said, "Senators, the Congress really does not have to pay their bill. Whatever Congress sends down to the Post Office will be considered payment in full."

□ 1300

This amendment just strikes that nonsense out of the statute. It says that what bills Congress incurs for mailings, whatever that may be, Congress is going to have to pay for it. What will happen if we do not pay the bills is that the Post Office has to pay them for us. If the Post Office pays them, they are going to run up expenses and obligations that will not be met, and there will be a time when they will say, "How much should we have to charge our first-class customers?" They will say, "The 22-cent rate really is not good enough. We have this little deficiency. We have this overhead because Congress has not paid its bill."

So what could happen is that the first-class mailers in this country will be paying more for first-class postage, simply because Congress does not want to pay its bills.

It is not a good situation. It could happen to second class, third class, bulk mail, whatever entities the Post Office pays for.

Mr. President, this is a very simple and straightforward proposal, an idea that I am sure the Senator from California arrived at after finding, much to our chagrin, that Congress really did not have to pay its bill.

I think this is a pay-your-own-bill amendment. It is one that the Senate ought to accept.

I am sure that if we do have a vote, it will be voted overwhelmingly. I cannot imagine any Senator opposing the idea that Congress should pay whatever obligation it has to the Post Office. I believe that the situation has gotten out of hand. We should pay our bills, and I think this amendment forces us to do so. We should have been doing it all along.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1310

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon may proceed.

Mr. HATFIELD. Mr. President, what is the pending question before the body?

The PRESIDING OFFICER. The pending question is the amendment by the Senator from California [Mr. WILSON].

Mr. HATFIELD. Mr. President, I believe that amendment has been cleared on both sides of the aisle.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. Is there any further discussion? Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, is this the amendment that deals with the question of the franking privilege, or does the amendment deal with the newsletter?

Mr. WILSON. Will the Senator repeat the question?

Mr. STEVENS. Which amendment is this?

Mr. WILSON. This is the first of the two. This is the one that relates to the appropriation of funds for the support of the franking privilege.

The second amendment that will be offered is one that relates to a ban on unsolicited mass mailing.

Mr. JOHNSTON. The first amendment has been cleared.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 2044) was agreed to.

Mr. WILSON. Mr. President, I thank the Chair and the distinguished managers.

AMENDMENT NO. 2045

Mr. WILSON. Mr. President, I have a second amendment just described, which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 2045.

Mr. WILSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . (A) No member of, or member-elect to, Congress may mail any mass mailing as franked mail to any person who has not, prior to the date on which such mass mailing is mailed or delivered to a postal facility, made an oral or written communication to such Member or member-elect.

(B) Subparagraph (A) does not apply to any prepared notice which solely specifies that a Member or member-elect of Congress will be available at a specific time and place to meet with constituents.

(C) The term "mass mailing" is a mass mailing (as defined in Section 3210(a)(6)(E) of title 39, United States Code) which is to be mailed as franked mail.

● Mr. LEVIN. Mr. President, I will somewhat reluctantly vote "nay" on the question of whether the Wilson amendment to the supplemental appropriations bill is germane. I say "reluctantly" because I support limiting the use of the frank for newsletters. But this amendment is a total prohibition rather than a moderating influence.

Because of budgetary pressures, the Senate Rules Committee has already adopted strict temporary limitations on the use of the franking privilege for all Senate mailings. I would sup-

port adopting permanent limits on the use of the frank because of the importance of controlling and reducing Federal spending in the face of tremendous budget deficits. However, I do not believe we should completely outlaw mailing newsletters to the citizens of our States. I believe it is important for Senators to be able to communicate directly with the voters to describe their positions on the public policy issues of the day. Without any use of direct mailings sent out under the frank, we would have to rely only on responding to those people who have already written to us, or on the oftentimes vain hope that the news media will report our views in actions in detail. We should restrict but not ban in this area.

I have one other concern with the amendment. I am afraid that if it were to be adopted in its present form, we would be setting up two classes of Senators: Those who are bound by the prohibition on mailing newsletters using the frank, and those who are able to use personal wealth or excess campaign contributions to pay for newsletter postage. This amendment would not prohibit the use of such funds to continue mass mailings, and we would then have a class of Senators with an advantage over the other class of Senators. That would be detrimental to the interests of this institution.●

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. JOHNSTON. Mr. President, a point of order. I believe the Senator gave up the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. I thank the Chair.

Mr. President, I make the point of order that this is legislation on an appropriations bill.

Mr. WILSON. Mr. President, I raise the test of germaness.

The PRESIDING OFFICER. Under the precedents of the Senate the question of germaneness of the amendment will be submitted to the body.

Mr. WILSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Is the amendment germane?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Florida [Mrs. HAWKINS], the Senator from Maryland [Mr. MATHIAS], the Senator from Texas [Mr. GRAMM], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON], the Senator from Hawaii [Mr. INOUYE], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. SPECTER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 40, nays 52, as follows:

Rollcall Vote No. 119 Leg.]

YEAS—40

Abdnor	Evans	Nickles
Andrews	Garn	Nunn
Bingaman	Glenn	Pressler
Boren	Grassley	Proxmire
Boschwitz	Hatch	Rudman
Chafee	Hecht	Simpson
Cohen	Heinz	Specter
D'Amato	Helms	Thurmond
Danforth	Kassebaum	Trible
Denton	Kasten	Wallop
Dixon	Laxalt	Warner
Dodd	Mattingly	Wilson
Dole	Metzenbaum	
East	Mitchell	

NAYS—52

Baucus	Hart	Murkowski
Bentsen	Hatfield	Packwood
Biden	Heflin	Pell
Bradley	Hollings	Pryor
Bumpers	Humphrey	Quayle
Burdick	Johnston	Riegle
Byrd	Kennedy	Rockefeller
Chiles	Kerry	Roth
Cochran	Lautenberg	Sarbanes
Cranston	Leahy	Sasser
DeConcini	Levin	Simon
Domenici	Long	Stafford
Durenberger	Lugar	Stevens
Exon	Matsunaga	Symms
Ford	McClure	Weicker
Gore	McConnell	Zorinsky
Gorton	Melcher	
Harkin	Moynihan	

NOT VOTING—8

Armstrong	Gramm	Mathias
Eagleton	Hawkins	Stennis
Goldwater	Inouye	

□ 1340

The PRESIDING OFFICER. On this vote, the yeas are 40, the nays are 52. The judgment of the Senate is that the amendment is not germane.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, while the distinguished Senator from Oregon, the distinguished Senator from Mississippi, and the distinguished senior Senator from Vermont are here, there is a matter we have discussed and if they are able to stay for a moment we can probably dispense with it.

Mr. President, I had stated earlier that I would bring up an amendment regarding the George D. Aiken Center for Microbiology and Agricultural Science. I have been discussing this with my senior colleague, who is far more knowledgeable in this area, a man who had the privilege of serving with Senator Aiken, and with the distinguished chairman of the appropriate Appropriations Subcommittee, the Senator from Mississippi.

What I would be inclined to do, Mr. President, is not to bring up my amendment on this bill, because of the complexity and urgency of this bill. I would be more inclined to go to the subcommittee, Senator COCHRAN's subcommittee, and ask for planning money in the regular appropriations bill when it comes through.

Mr. COCHRAN. Mr. President, I will be happy to respond to the Senator.

The PRESIDING OFFICER. The Senate is not in order. The distinguished Senator from Mississippi cannot be heard.

Will those Senators carrying on conversations please retire to the Cloakrooms?

Mr. COCHRAN. I thank the Chair.

Mr. President, the distinguished Senator from Vermont indicated support for an amendment to provide funding for a research center at the University of Vermont.

Indeed, as the Senator stated, this is a memorial tribute to former Senator George Aiken.

Mr. President, we are hoping that this bill could be kept free of new moneys for research activities because we just have the remainder of the fiscal year to work with. On October 1, the appropriations bill, which will be enacted sometime this summer, will provide funding for new starts, planning money, and other activities under the cooperative section of the bill. So we are hoping that Senators will be able to hold off their requests for funding on this vehicle with the assurance that as chairman of the subcommittee, I will use my best efforts to try to help ensure that we do have funds for planning in the regular appropriations bill.

Mr. WILSON. Mr. President, will the Senator yield?

Mr. LEAHY. I yielded to Senator COCHRAN for a response. I really had not intended to hold the floor for but a few minutes. I would like to be able to yield to the distinguished senior Senator from Vermont, Senator STAFFORD.

The PRESIDING OFFICER. The senior Senator from Vermont.

Mr. STAFFORD. Mr. President, I thank my colleague for yielding to me.

I just want to say that the concept of the memorial to one of Vermont's most beloved former Senators is very dear to Vermonters, and to Senator LEAHY and myself.

Having listened to the distinguished Senator from Mississippi, the chairman of the subcommittee, I am convinced that the route he suggests is the appropriate way to go. Speaking for myself, we would be satisifed if we could approach the matter in the orderly way he has laid out.

Mr. LEAHY. Mr. President, with the assurance of the best efforts of the distinguished Senator from Mississippi

that we will be able to get this planning money I will not press forward with my amendment today.

What I shall do is submit an amendment on behalf of myself and Senator STAFFORD in the Appropriations Committee on the regular appropriations bill for the planning money for the George D. Aiken Center for Microbiology and Agricultural Science.

I thank the distinguished Senator from Mississippi for his consideration, I thank always the distinguished Senator from Vermont [Mr. STAFFORD] for his leadership and advice in this matter.

I yield the floor.

Mr. COCHRAN. Mr. President, I thank the distinguished Senators from Vermont for their cooperation and assistance in this matter and in the passage of this bill.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I shall take just a moment. I want to be fair to my colleagues and put them on notice that when we have an opportunity to discuss the matter we just voted on, not in the context of germaneness but on the merits, I hope that it will allow them to enjoy the opportunity to cast the same kind of vote they cast a few weeks ago when we were dealing with it on its merits.

A measure of this sort passed the Senate 95 to 2. It may be an explanation for the discrepancy today that the vote was on germaneness. I would like to think it was the procedural integrity of the body that accounts for the difference. In any case, I think the matter is important. I am simply giving notice that it will be back before us when the opportunity presents itself.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I would like to respond to the Senator from California that it certainly will prevail on its merits. We have allocated mailing amounts to each Senator and now we want to restrict what each Senator can do. I think we have gone that extra mile of what we expect of each individual in the U.S. Senate. If it is the integrity of this body that is going to be debated, I look forward to debating that with the distinguished Senator from California.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 2046

(Purpose: To provide full funding necessary to implement the Compact of Free Association)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes an amendment numbered 2046.

On page 43, line 25, linetype after "in" through but not including "the".

On page 43, line 26, linetype "$178,750,000" and insert "$201,550,000".

Mr. McCLURE. Mr. President, the purpose of this amendment is to provide the full funding necessary to implement the Compact of Free Association as approved by Congress under Public Law 99-239. As you know, the compact will establish the basis for future relations between the United States and the newly emerging governments of Micronesia following the termination of the United Nations trusteeship for the Trust Territory of the Pacific Islands. The compact provides funding to these new governments to, among other things, assume program and service responsibilities previously offered by the United States and to assume the full responsibilities of self-government as sovereign nations in free association with the United States.

Section 105(c)(2) of the law approving the compact continues the authorization for the trust territory for the purpose of meeting transition expenses, including the completion of projects and the fulfillment of commitments or obligations. Unfortunately, in its request for funding to implement the compact, the administration has not included funding to meet all of these obligations. The Congressional Budget Office has estimated U.S. obligations under Public Law 99-239 at $205 million, yet the administration has requested only $178 million.

Mr. President, my amendment would add a total of $22.8 million to this measure for implementation of the Compact of Free Association and the fulfillment of three unmet obligations. With the amendment, the account would still be below the CBO estimate and thus does not require an offset.

First, the amendment adds a total of $12.05 million to complete the construction of capital facilities for each of the new governments. As administering authority, the United States established a trust territory government that was headquartered in the Northern Mariana Islands. When the Congress of Micronesia was created in 1966, it also was based in the Northern Mariana Islands. However, the peoples of the trust territory, as they developed the institutions for self-government, chose to divide into separate political entities. The Northern Mariana Islands requested a separate status and the United States agreed to assist the Congress of Micronesia in relocating their capital facilities elsewhere in Micronesia. The administration has stated that its view of the commitment to these facilities was $21.8 millio,n of which $7.2 million has been appropriated. Although the administration requested fiscal year 1983 funding to meet the balance of this commitment in fiscal year 1983 and fiscal year 1984, the administration did not request this funding for fiscal year 1985 or fiscal year 1986. This is a commitment which has existed for 12 years and it is one which should be fulfilled so that these governments will have the necessary facilities to operate.

Second, my amendment would provide $8 million to the Department of the Interior to fund a Prior Service Benefits Program as contemplated by section 105(m) of Public Law 99-239. This program would continue payments to Micronesians now made under the Trust Territory Prior Service Benefits Program which will terminate along with the trust territory government. The Micronesian beneficiaries of this program were hired by the United States, as administering authority for the Trust Territory of the Pacific Islands, and the United States has been providing their retirement benefits under the Prior Service Benefits Program. I believe that the United States has an obligation to these individuals notwithstanding the termination to the trust territory government. I do not believe that it would be consistent with the termination of the trusteeship and the assumption of sovereignty and self-government for the United States to continue annual payments. I believe that it is better for us to fulfill our obligation by a one-time payment to capitalize a retirement fund which the Micronesian governments will then manage for their citizens.

Finally, my amendment would provide $2.75 million for payments to Micronesian landowners for land use by the United States and the trust territory governments. Because of the circumstances under which the United States entered Micronesia and because of the complexity of Micronesian land ownership customs, there remains some uncertainty as to unpaid and unresolved claims for payment by the United States for land use. The attorney general of the trust territory estimates the total unpaid obligation of the United States for land use is $2.75 million. I understand that the final resolution of unresolved claims is expected within 1 year, so that it is now appropriate to provide the funds needed to meet this final obligation.

Mr. President, I would like to stress the importance of beginning our new relationship with the Micronesians by meeting our unfulfilled obligations. This amendment will meet those obligations, as anticipated by the Compact of Free Association and Public Law 99-239, and will promote continued close and friendly relations between our people and governments. I urge the support of my colleagues and adoption of the amendment.

Mr. President, I believe this amendment has been cleared on both sides of the aisle. I know of no objection to the amendment.

Mr. JOHNSTON. Mr. President, the amendment has not only been cleared but is fully and thoroughly supported on this side of the aisle. This is putting in that last important piece of the Compact of Free Association for which project the Senator from Idaho is entitled to great credit.

Mr. COCHRAN. Mr. President, I am advised by the chairman of our full committee on Appropriations, Mr. HATFIELD, that the amendment has been cleared on the majority side. We recommend its acceptance.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 2046) was agreed to.

Mr. McCLURE. I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2047

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] proposes an amendment numbered 2047.

On page 41, line 14, insert the following before the period:

Provided further, That for expenses necessary to defray the costs of employing additional National Park Service personnel for a period of time not to extend beyond fiscal year 1986, the Secretary of the Interior is authorized to charge park entrance fees for all units of the National Park system of an amount not to exceed $3.00 for a single visit permit as defined in 36 CFR 71.7 (b)(2) and of an amount not to exceed $7.50 for a single visit permit as defined in 36 CFR 71.7 (b)(1): *Provided further*, That the cost of a Golden Eagle Passport as defined in 36 CFR 71.5 is increased to $40.00 until September 30, 1986: *Provided further*, That for units of the National Park system where entrance fees are charged the Secretary shall establish a summer season entrance pass for each individual park unit which cost shall not exceed $25.00, and that purchase of such summer season entrance pass for a unit of the National Park system shall relieve the requirement for payment of single visit permits as defined in 36 CFR 71.7 (b): *Provided further*, That funds derived from increasing National Park Service entrance fees pursuant to this Act shall be credited to the Operation of the National Park System account for the purpose of employing additional personnel at individual units of the National Park system during the months of June through September, 1986, to defray the cost of collection of such entrance fees and to provide for other services made necessary by increased use of the National Park system: *Provided further*, That to the extent practicable, such additional employees shall perform duties which will provide for the general enjoyment, maintenance, enhancement, and future well-being of the National Park system: *Provided further*, That any funds derived from increasing National Park Service entrance fees pursuant to this Act shall be allocated only to the unit of the National Park System from which such funds were derived: *Provided further*, That to the extent that the allocation pursuant to the previous proviso exceeds the need of the unit for such funds, such excess funds may be allocated to other units of the National Park System: *Provided further*, That not more than 50 per centum of any funds allocated to a unit of the National Park System from which such funds were derived may be allocated to other units of the National Park System: *Provided further*, That for a period of time not to extend beyond the end of fiscal year 1986, when authorized by the head of the collecting agency, volunteers may sell permits and collect national park system unit entrance and user fees authorized or established by law, and funds appropriated or otherwise available to the collecting agency shall be available to cover the cost of any surety bond as may be required of any such volunteer in performing such authorized services.

Mr. McCLURE. Mr. President, the amendment which I am offering to the supplemental appropriations bill is designed to respond to the crisis which will face the National Park Service this summer as a result of increased visitation to our units of the National Park System. Partially as a result of concern over safety in foreign countries and partially as a result of the reductions which have occurred in the price of gasoline, the National Park System will experience a massive increase in visitors. The amendment would permit the Secretary of the Interior to implement a modest increase in entrance fees at units of the National Park System but would provide that those fees may be used only to employ additional personnel at individual units during the summer season to collect the fees and provide for the services which will be required as a result of the increased visitation.

The amendment provides authority to raise fees and utilize the revenues for the remainder of this fiscal year only. It is designed to be a specific short-term solution to a specific problem. Legislation proposed by the administration to provide generic fee authority will be considered in the normal legislative process after hearings and thorough review.

I have spoken in the past with respect to various proposals emanating from the executive branch to impose fees on the use of Federal lands and my feelings with respect to those ill considered ideas have not changed. I want to make clear that there is no slush fund being created here nor will there be any skimming by the Office of Management and Budget. This is a strictly limited and tightly drawn provision which is revenue neutral to permit the National Park Service to employ for the summer those additional personnel who will be needed to meet the needs of visitors and preserve and protect the irreplaceable resources of the National Park System.

Lest there be any misapprehension, I want to make clear that the increase authorized for an individual visit is less than the cost of a ticket to see a movie. The amendment specifically provides for a season permit for individual units of the system and for continuation of the Golden Eagle Passport which permits unlimited entry to all units of the system. There is also nothing in this language which would alter current Service practice at certain units where a single entrance fee is charged for several sites. For example, the National Park Service presently charges a single fee for both Tetons and Yellowstone. That would not be altered. I also want to make clear that this amendment does not require any increase at any unit. The language is discretionary and simply puts limits on the amount of any increase. I fully expect that the Service will use its judgment in setting any increase within the limits set in the amendment. No one will be denied entry to a unit of the System and the National Park Service will be able to employ the personnel who will be needed to accommodate the increased visitation.

In all honesty I can say that the issue of Federal recreation fees is one of my least favorite issues. It is almost impossible to have a rational discussion of the issue without someone, usually from the caverns under OMB, deciding that we are going to balance the budget with the fees by skimming a percentage or that we are going to start charging for access to the public lands or watching the Sun set. I wish that were not so. I think that the American people would support reasonable fees for specialized services where the Federal Government incurs costs. I know of no one who does not believe that the National Park System must be protected and preserved for future generations. I think the American people also fully understand the severe budget problems which face this Nation. As responsible land managers we have an obligation to the American people to safeguard their heritage. We also have an obligation to make that heritage accessible to them. This amendment is designed to meet that need.

I know that there are a raft of proposals floating around downtown to deal with other Federal recreation lands administered by the Fish and Wildlife Service, the Corps of Engineers, and the Forest Service. I do not dispute that those agencies will likewise face grave problems this summer. I wish that they had done the careful review which the National Park Service had done which formed the basis

for this amendment. If they had, and if I could be confident that similar authority would not be abused, then it might have been possible to have addressed them as well. To date, what I have seen does not give me any confidence that the proposals are being drafted from the standpoint of responsible land management as opposed to OMB's desire to make a quick buck.

Again, in all honesty, I must say that this is not an administration proposal but rather my amendment based on the careful and comprehensive work which the National Park Service has done. OMB would like to skim a percentage of fees and use a far greater increase to displace current operations—a classic have your cake and eat it too. While this is not an amendment offered by the administration, I do want to congratulate Secretary Hodel and the Department for their concern. Their comprehensive study of each unit of the National Park System provided the basis for the drafting of this amendment and their concern for the health and safety of park visitors and the preservation of park resources have convinced me that this amendment must be offered and enacted. The National Park Service must have the ability to hire additional employees this summer. That conclusion is inescapable. We also must restrain Federal spending. That conclusion is also inescapable. This amendment will provide for the additional personnel needed in a responsible fashion without a budget impact. All increased fees must be used, and can only be used, to meet the additional demands placed on our park managers by increased visitation.

Mr. President, the fundamental purpose of the National Park System and the National Park Service has remained unaltered since 1916. That purpose is to "conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations." If we are to remain faithful to that charge which the Congress enacted, we must provide the Service with the means and the personnel necessary to accommodate the increased visitation this summer. This amendment will do that. I also want to make it abundantly clear that these funds may only be used to hire additional employees in the units of the Park System. These funds will not be available to hire additional personnel in the Washington office, or in Denver, or in the regional offices, or for additional budgeteers in the Department or elsewhere. These funds derived from the fees are to be used solely and exclusively to hire the additional personnel needed in the parks to meet the requirements placed on the parks by the increased visitation.

Mr. President, I think all Members are aware of the fact that I intended to offer this amendment today. We have had some discussion with interested Members with respect to specific questions. I am willing to answer any question that may be asked of me with relation to this amendment, but the thrust of the amendment is simply this: The parks are going to be inundated with an unprecedented influx of people this summer. In order to deal with that number of people, it is necessary to get some funding from some source for additional personnel and supplies adequate to deal with the number of people who come to those parks.

The administration has requested permanent fee increase legislation. This is not a permanent fee increase. This is a temporary measure dealing only with this fiscal year to allow them to make adjustments in the fees charged for admission to units of the national park and to use that money to take care of the flood of people which is expected in the National Park System this summer.

Mr. President, this is not an easy issue for me, because I do not like to come onto the floor with an amendment of this kind and ask Congress to permit us to increase fees without going through the ordinary legislative process, but there simply has not been time to conduct that kind of orderly process in time to make it available to them for the flood of people which will arrive this year. I could have come in instead with an amendment to increase the appropriation to the Park Service but, as every Member knows without my telling them, there is a requirement that that be revenue neutral.

I would have to find somewhere else to offset that expenditure. This is a modest and a temporary action to deal with what I believe will be a real emergency. I shall give just a couple of examples, or perhaps just one.

Because of terrorism, because of the fear of foreign travel, at least one airline has changed its package tour that it is advertising and promoting to say, "Don't go the Mediterranean, come to Alaska, instead. And we are going to fly you to Alaska on a packaged vacation tour." That leads the people in the Park Service in Alaska to believe and to project that at McKinley National Park, they will have a 200-percent visitation increase. I mention McKinley because it is unique. You do not drive into McKinley National Park; You walk in or you take a Park Service bus. That is the only way to get there.

If you put a few hundred more people there than they have capacity on their buses, you are going to have people flying into Anchorage who expect to go visit the park who will be totally unable to get there. I do not believe we can permit that to happen if there is an alternative. They will need some additional money to lease, hire, rent, or get the use of some additional transportation to move some people from Anchorage out to the park and back to the overnight facilities that exist only in Anchorage.

Mr. JOHNSTON. Will the Senator yield?

Mr. McCLURE. That is just one example of the kind of problem we will have that this amendment seeks to meet. I would be pleased to yield to my friend from Louisiana.

Mr. JOHNSTON. I thank the Senator. As my distinguished chairman knows, I have worked with him on these issues very closely and want to on this one. As a matter of fact, I am not aware of any philosophical resistance on our side of the aisle with an increase in park fees. In fact, I have personally met with Assistant Secretary Bill Horn and pledged my help in the administration's bill which would in turn raise fees. As a matter of fact, I understand that on June 12 we have a hearing set up in the Energy Committee. Now, I am not an expert on these park fees, but I am advised that this is a reasonably complicated thing. It is not overwhelmingly complicated but it is reasonably complicated in the sense that I think we really ought to have a hearing.

Now, I fully agree with my distinguished colleague that we are going to have an influx, a big influx in the parks this summer. Of course, I think even putting this on the appropriation bill may be a bit late. I do not see this bill being signed before—if we are lucky, we will get it signed.

Mr. McCLURE. This month.

Mr. JOHNSTON. Well, if we get it signed and not vetoed. I understand we have some things in here the President does not like, particularly the REA stuff. I do not know what the conference committee will do with that. I hope we can work it out and get it signed, but if we are very lucky, we will get it signed July 1. I think that is really a bit late in the summer to be hiring people. I would rather try to find a few dollars elsewhere. We are not talking about many dollars in the total scheme of things. It would give us a chance to work out some of these problems.

I have a whole list of questions here from staff that I cannot answer, at what parks would the fees be charged——

Mr. McCLURE. Will the Senator yield?

Mr. JOHNSTON. Yes, indeed.

Mr. McCLURE. I thank the Senator. I understand the concerns many have. I do not believe it is as complex as some are trying to make it. I had a dis-

cussion earlier with the distinguished Senator from New Jersey [Mr. BRADLEY] with respect to concerns that he had. One of the specific concerns was about Gateway East. Gateway East is a park, a unit at which no fee is now charged. I am able to assure the Senator from New Jersey that under this proposal no fee would be charged at Gateway East. I think there are a number of concerns of that kind, all of which will prove to be unfounded concerns in application.

Mr. JOHNSTON. May I ask the Senator this.

Mr. McCLURE. Certainly.

Mr. JOHNSTON. What are the criteria for deciding how much to charge and at which parks to charge it?

Mr. McCLURE. There is an extensive legislative history behind the current fee schedule and the discretion which the Park Service can use in establishing fees under the current law. This would allow them to make increases as outlined in the amendment but the criteria would be the same as the existing law with the new ceilings established in this amendment. The best guarantee, by the way, against an abuse of this authority is the fact that they want permanent authority. If they use the authority granted under this amendment and abuse that authority or run wild with it, they are not likely to get a permanent bill passed.

Mr. JOHNSTON. This is 3 months, is it not?

Mr. McCLURE. Yes, the balance of this fiscal year. I think the very fact that they want the permanent bill passed is the best guarantee that they are not going to do bad things under this one.

Mr. JOHNSTON. Mr. President, my own feeling about this is that I really have some resistance to it because I think a hearing, which would be held June 12, could elucidate these issues, which I support equally with the distinguished chairman.

Mr. McCLURE. Will the Senator yield on that point? Again, the Senator from Louisiana is nearly always supportive, and I very much appreciate that support, and I also understand the concerns he is expressing. I think the Senator from Louisiana earlier suggested to me that indeed we go ahead and have this hearing; that if the hearing exposes difficulties that make it just an absolutely untenable situation, the conferees could under instruction from the committee drop this provision in the conference if it is adopted now, and we will have that opportunity. We will have the hearing before we go to the conference, and we will have the opportunity to look at those issues.

Mr. JOHNSTON. Mr. President, that sounds like a reasonable offer. I wonder if my colleague from New Jersey would be willing to accept that commitment, as I heard it, that we would accommodate this legislation in the conference to whatever problems arose in the June 12 hearing. I wonder if that would be agreeable to the distinguished Senator from New Jersey.

Mr. BRADLEY. I say to my distinguished colleague from Louisiana that that still leaves me with a philosophical problem. As the Senator knows, we have not really had a hearing on this issue, which is fees being charged entrants to national parks, since 1981. We are going to have another hearing as the Senator points out on June 12. My guess is that if we were going to operate as we normally would, that is, the authorizing committee write legislation that has to deal with the interests of national parks and fees on entrance to national parks, that that would take longer than the time conference is going to be arrived at. Indeed, the Senate might decide it did not want to increase fees on entrance to national parks. I think we prejudge the Senate's ultimate view of whether we should put an increase on fees in national parks by appropriating this now. So I would still have an objection to it, and depending on how the floor manager or the Senator who offered the amendment want to proceed, we can debate the merits of this particular proposal.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER (Mr. SYMMS). The Senator from Idaho.

Mr. McCLURE. Let me say to the Senator from New Jersey, my concern is not to meet what I believe to be a crisis situation at the park units this summer. I am open to any suggestions that anyone may have. If somebody wants to find $8 million somewhere else and offer it, that might be a better solution. I do not know where to find that $8 million, I say to the Senator. I do not intend to try, so far as I am concerned, to subtract $8 million from some other function in my area of the bill, and so I elected because of that difficulty to try to find this means to meet what I believe will be a crisis.

Now, the procedure is not perfect. It may well be the amendment is not perfect. And it may not perfectly match the problem that we will have in the parks this summer. But I believe it is incumbent upon me, I belive it is incumbent upon the Senate, to try to meet that problem because I do not think we can blink at it, wink at it, or wish it to go away. I think we either meet that problem or our failure will be all too evident before the summer is over.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Let me say to the distinguished chairman of the Energy and Natural Resources Committee, and also to the Parks Subcommittee chairman, whom I see on the floor now, and the ranking member from Louisiana, that I understand the urgency with which he brings this issue to the consideration of the Senate. I understand that he sees the National Park System this summer being inundated by visitors. I happen to think that is a good thing. They are being inundated by visitors for a number of reasons. One is that gasoline prices have dropped. Another is the interest rates on cars and recreational vehicles have increased the purchase of those vehicles. Another is that some Americans are reluctant to travel abroad this summer. The net effect of this is that we will have more people in the National Park System this summer than in previous summers. I do not deny that fact.

□ 1410

The disagreement I have with the chairman is this: How do we deal with this increase in entry? I would prefer simply to appropriate an additional $8 million. We are in tough budget times; no question about that. But in tough budget times, why do we want to solve a budget crisis by essentially raising the price of entry to a lot of people to our National Park System who cannot afford that entry?

I am thinking here of the family which earns perhaps $15,000 or $20,000. Their idea of entertainment is not the three-martini lunch. It is not Disney World. It is not a high-priced vacation. Their idea of entertainment is going to a public park.

By definition, a public park is one in which entry is either free or at a very low cost and in which the operations of the park are supported by taxpayers' dollars.

We have gotten ourselves into a very serious dilemma in the last several years with a high budget deficit, and we have locked ourselves into Gramm-Rudman targets that require the deficit to be at a certain level, and that does indeed require choices to be made.

The point I would make is that I believe parks should be higher on the list and that another $8 million to deal with this emergency is well worth it.

I also happen to believe that the idea of increased fees has not been thought out. How much money can we realistically expect to be raised? How many employees are actually going to be hired with this money? What about notice and other administrative procedures that have to be complied with? How fast do the parks expect to be geared up to charge fees where they have never charged before? How much money will have to be paid for the cost of collection? These are just a few of the many questions that this proposal raises.

What about multiple-entry parks? The second half of the amendment the chairman has sent to the desk, the part that has been modified, says that funds that will be collected by the increased fee will be returned to that park. Well, that puts a real advantage for those parks which have a specific entryway, which could increase the fee. What about multiple-entry parks in which it is very difficult to collect a fee but which will also receive a dramatically increased visitation this year by the public? They will be inundated, without adequate revenues to take care of their increased visitation, while parks that are constituted in such a way that there is an entry point where you can collect a fee will be better taken care of.

I find it difficult to go along with the suggestion that has been offered by the chairman. I think that if we are talking about public parks, we ought to talk about increased appropriations. If you do not want to increase appropriations for the park system of the country, then it clearly says that you are puting the park system of the country at a lower priority than you are other ways to spend taxpayers' dollars. That is not a choice I am happy about having to make in the budget, but that is where we are.

Therefore, I would hope that we would appropriate another $8 million to $10 million to take care of this crisis that is about to emerge, instead of putting it off on certain elements, certain people in the population who visit—say, a $2-entry fee at Zion National Park, perhaps a $7.50-entry fee. That is basically an unfair way to deal with it.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. BRADLEY. I yield for a question by the subcommittee chairman, who comes from a State in which there are some of the country's finest national parks.

Mr. WALLOP. I thank the Senator from New Jersey.

It is not that sort of framework. The problem is really rather simple: Are the national parks for the benefit of all Americans? The answer is yes. Will all Americans pay for them, whether they use them or not? I am not sure how all Americans pay for the services, other than parks, that the country provides—whether they use them or not. All of us pay for highways through gasoline taxes and all of us use them. This concept is not so bad.

The other thing I ask my friend is this: If you have enough money to drive an automobile to Grand Teton National Park or Zion National Park, it seems almost inconceivable that a car full of people or a family of two would find $7.50, or an increase of $5.50, an unbearable addition to their vacation costs.

I think what we are trying to do—what the Senator from Idaho is trying to do, and this may not be the time to do it, is talking about the principle of charging fees for the use of those parks in which they can be charged.

Clearly, you cannot charge it on the George Washington National Park. You cannot charge it on the canal or the mall and some places in the Senator from New Jersey's State. But in those where we can, why should not the using population contribute at least some portion of the cost of operation of the parks through imposition of fees?

We already have the principle of fees here. They are not free universally in the country.

Some people in an automobile are going to pay more than $7.50 for the pizza they eat on the way to the park. They are going to pay more than that for the rental of a video movie. They are going to pay more than that for all kinds of entertainment. They get the absolutely supreme entertainment experience this country has to offer in the national parks. Nothing like it exists anywhere else in the world. A reasonable fee for it does not seem like an unfair thing to ask of the using population.

Whether this is the time to decide that, I do not know. My own feeling is "Yes." Already, there is the 17-percent increase in park visitation. Already, there are signs all over the place that this country's national parks are going to have record numbers of visitors. Would it not be a good idea to have that record number of visitors enjoy a quality experience at the park?

My own feeling is that the $8 million revenue result of this amendment is probably small; and it would not be enough, at any rate, if we were to appropriate it.

There are going to be maintenance problems that the parks have not had. There are going to be control problems that the parks have not had. There are going to be a lot of things.

To put some relationship on those revenues to the increased number of visitors would seem like an element of commonsense, especially in that it is only this one season, and it would give us a fair idea as we look at the fee structure in general for the future of the National Park System.

Mr. BRADLEY. I say to my distinguished friend that while it does not sound as though it is a small increase for a family that drives from New Jersey to Utah, to go to Zion National Park, it was a $2 entrance fee and now $7.50.

Mr. WALLOP. An increase to $7.50.

Mr. BRADLEY. My question relates, also, to how do we know which parks are going to have an increase in entrance fee? We have had no list provided to tell us which parks will have an entrance fee and which will not and which will have the entrance fee increase. I think that relates to the fact that we have not had a hearing.

Mr. WALLOP. May I respond to that?

Mr. BRADLEY. Certainly.

□ 1420

Mr. WALLOP. Earlier this year when the Park Service was examining the possibile increase in entrance fees there was one set of figures as to who could sustain a fee. They were not talking about distributing to the park of collection, any reserved proportion of that fee. There was quite another list as soon as the parks in the country and the parks' superintendents felt that they were going to have some return on this extra effort at collection because, as the Senator knows—he sits on our committee—it is not within the intelligent management perspective of a park superintendent to man that gate at the entrance of a park because it is not worth the cost of collection at the present fee schedule, because it takes manpower away from trail maintenance, campground maintenance, police and crowd control, and other things.

The national parks have an obligation to try to provide a well-run park. There is this small increase, plus the fact that a portion of it would stay there for the purpose within that park. I am talking again about the general proposition that the Park Service presented this year which this fairly reflects on. Those park superintendents who could reasonably provide the means to collect fees would, because it would benefit their parks and the people who they serve in those parks. That is why the fee structure now is so inadequate.

My feeling is we should not abandon our parks. It seems a little unfair on that segment of America. We ought to go to something reasonable in this short summer period.

This, I think the Senator would agree, is an emergency. It is a wonderful laboratory test and should not be offensive to those who are going to visit the park this summer.

You can still buy season passes in the park under the provision of this amendment. It has a provision for the disabled, the blind, the handicapped and the senior citizens.

Mr. BRADLEY. As I understand the bill the season pass also increases up to $40 for a multiple-entry pass. So we would not only be increasing the entrance fee for the family that is driving to the park but we are also increasing the fee of those people who live around the park or near the State area who would want to come to the park a number of times.

I guess my problem with this is, as the Senator points out, a $2 fee for Zion National Park or a $1 fee for

Crater Moon National Park or those that have a fee that hardly takes care of the bureaucracy that it takes to collect the fee.

Mr. WALLOP. Worse still, it takes needed manpower away from other internal park departments.

Mr. BRADLEY. That is an argument that we abolish the fee.

Mr. WALLOP. No, it is not.

Mr. BRADLEY. Let it deal with the public's needs within the park and have Congress appropriate the money necessary to run our national parks instead of treating each national park as if it were a small business and had to pay for itself.

Mr. WALLOP. If the Senator will yield again. One of the things that would be possible under this park legislation is the use of volunteers to collect those fees. It is important, I say to the Senator, it is really important, for some of these parks to be able to cope with the increased numbers of people through an enhancement of their internal operating budget.

This is precisely what this amendment intends to do—increase the quality of the experience within the park by making available to the parks a little extra operating money without adding to the American taxpayer's burden.

The Senator and I have been working on reducing the American taxpayer's burden, but we have not reduced it enough. I suspect that not everyone, who is a taxpayer in this country, is willing to shoulder the recreation expenses for everyone else.

Mr. BRADLEY. Let me say we have found in the bill before us $900 million related to the Federal Home Administration. We have additional money in other parts of the bill. We are talking about a very small amount of money here. It could very well be after we have hearings that we would like to go to a fee approach and when we go to a fee approach we list all of those parks. We do not discriminate against multiple entry parks. We say very explictly that no park at this time that does not have a fee will have to have a fee, or we would take care of a lot of the problems in authorizing legislation.

Mr. WALLOP. Let me say to the Senator one thing. I hope he did not infer by that as there are other things in this bill that have a great deal of expense, that I am in support of those. I find most of the supplemental entirely offensive. But this fee amendment could be one of the responsible things we might be able to do.

Mr. McCLURE. Mr. President, will the Senator from New Jersey yield?

Mr. BRADLEY. I yield.

Mr. McCLURE. I thank the Senator for yielding.

Our difficulty as we look for additional moneys that might be put into this account to meet this problem is not primarily a budget authority problem. It is an outlays problem.

You can look at any number of things within the Department of the Interior appropriations accounts that have not been or will not be totally spent this fiscal year and it looks like a good opportunity then to just take some of that unspent, unobligated money and transfer it into this account. But as Senators know we are constrained by the practices in the Senate to be outlay neutral in this amendment or any other amendment. So in order to be able to put money into this account we have to find some money that would otherwise be spent this year on some other program and take that money away from the other program to put into this. Very honestly, I just do not know where that is.

Since I do not know where that is I have to do the next best thing that I know of to do which is the amendment which I have offered.

Mr. GLENN. Mr. President, will the Senator yield for a question?

Mr. McCLURE. Has the Senator from New Jersey yielded the floor?

Mr. BRADLEY. Yes.

Mr. McCLURE. Mr. President, I am happy to yield to the Senator from Ohio.

Mr. GLENN. Just a couple of questions here. I am really looking for information here. I believe in the current fare structure at the parks that a special fare or a special reduced fee is provided for senior citizens and for the blind and handicapped, and so on. Is that correct?

Mr. McCLURE. The Senator is correct.

Mr. GLENN. What is the rate of that or at what level? Is it half price or quarter price or what?

Mr. McCLURE. Excuse me.

Mr. GLENN. Is it half price or one-fourth the normal price?

Mr. McCLURE. There is no arbitrary ceiling annual fee for those people in that category who can buy. It is an annual pass at a fixed reduced rate for all Park Service units.

Mr. GLENN. I read through the Dear Colleague letter which explained the intent of this. I have not decided how I will even vote on it yet but I read also through the actual amendment itself and I did not see anything in there that referred to this. I wonder if there was any intent to cut out the protection of senior citizens, the blind, handicapped, those people who get reduced fee now, because I would not want to see that changed. I do not think it was the intent of the author to do that.

Mr. McCLURE. It is not the intent of the author to eliminate that program. The older aged program and golden access passport program will remain.

Mr. GLENN. OK. Perhaps the legislative history of this bill will indicate whatever happens to the vote on this bill. I don not know how it will come out. There was no intent to do away with reduced rates for the handicapped or for senior citizens, or whatever.

Mr. McCLURE. The Senator from Ohio is correct and, as a matter of fact, I should reflect this in the oral statements. I have a colloquy with the Senator from Wyoming that makes the same point. That is part of the legislative history as well.

Mr. GLENN. I thank the Senator very much.

Mr. BRADLEY. Mr. President, will the Senator yield for a question?

Mr. McCLURE. I am happy to yield to the Senator from New Jersey for a question.

Mr. BRADLEY. Again as we move toward resolution of the issue, I think it is important for the record to try to clarify what the Senator's intent is. First, how is this going to work? If the money is collected over 4 months in the summer, I mean how long will the parks have to collect fees before there is enough money available to do anything that makes a difference?

Mr. McCLURE. I would suspect that the moment this provision became law, the Park Service would be in a position to make an estimate of the fees that would be collected during the fiscal year, and at that very moment, start hiring the people and buying the supplies that are necessary in anticipation of that revenue during the balance of this fiscal year. I think they could use unobligated funds within the Department for that purpose with the knowledge and expectation that the fees would yield that amount of money during the balance of the fiscal year.

□ 1430

Mr. BRADLEY. So no one would be hired until the fees had been put into place and money was collected?

Mr. McCLURE. No; no one would be hired until the law was in effect—had been passed, and signed by the President.

Mr. BRADLEY. And that is probably around July 1?

Mr. McCLURE. I guess anybody could make their estimate. The Senator from Louisiana has said July 1. I had said sometime this month. I suspect that is as good an estimate as anybody could make.

Mr. BRADLEY. It seems to me, if it was going to be July 1 before we even begin to hire people, by the time you get the money and you start the hiring, we would be a long way down through the summer.

Mr. McCLURE. If the Senator will yield, again I want to be very clear on this point. The moment the law is signed, I believe they can start making expenditures. They do not have to wait

until the fees are in place and collect the money. The moment the law is signed, they could start to make the expenditure. So, in that sense, it would be precisely the same time and timing as would a direct money appropriation be available to them.

Mr. BRADLEY. So you are saying they can hire without putting them on the payroll until July 1?

Mr. McCLURE. No; they could hire them and put them on the payroll the moment the law was signed in anticipation of the collection of the fees during the balance of the fiscal year.

Mr. BRADLEY. I see.

Mr. President, let me say that I appreciate the explanation offered by the distinguished chairman. I continue to resist the idea of an increase in fees. I think, over the last 5 years, we have appropriated about $1 billion for park rehabilitation that, I think, has made a significant improvement in national parks.

I think, at this moment, in an appropriation for another $8 million to handle the crunch of this summer, the crunch of this summer's visitation that is the result of lower oil and gasoline prices, more purchases of recreational vehicles and reluctance to travel abroad, that that increase in appropriation is simply the more appropriate way to go than to increase entrance fees to our national parks.

So I would make a point of order that the Senator's amendment is legislation——

Mr. WALLOP. Will the Senator withhold on that for just 1 minute?

The PRESIDING OFFICER. Does the Senator withhold?

Mr. BRADLEY. I withhold.

Mr. McCLURE. Mr. President, will the Senator from New Jersey yield?

Mr. BRADLEY. Yes.

Mr. McCLURE. I will not attempt to obstruct the Senator in whatever action he wishes to take, and it may well be that this will be found by the Chair to be legislation on an appropriation. But I would appeal to the Senator from New Jersey not to make that point. I think the Senator from New Jersey is entitled to whatever position he wishes to take. I will not question his judgment.

But I will say this to the Senator from New Jersey: when people arrive at units of the national park and cannot be served, I hope they write you.

Mr. DeCONCINI. Will the Senator yield?

Mr. BRADLEY. Yes.

Mr. DeCONCINI. Mr. President, I listened to some of this debate off the floor and I know what the Senator from Idaho is interested in achieving here. I have some great interest, having one of the seven great wonders of the world in my State, the Grand Canyon Park, about raising these fees.

I realize that the fee increases or the fees in many cases have not kept pace with inflation. But I think the Senator from New Jersey raises a good point. I heard him say a little bit ago that we have not had hearings and is it not much better to go through a process there and see what they are going to be.

Will the Senator from Idaho engage in a colloquy with me?

Mr. McCLURE. I am happy to yield to the Senator.

Mr. DeCONCINI. I know what the Senator from Idaho is trying to do here, and I am sympathetic, in trying to raise some revenues for these parks. But I am deeply concerned that the discretion—if I understand this correctly—is solely in the Secretary; is that correct?

Mr. McCLURE. Will the Senator yield?

Mr. DeCONCINI. I yield.

Mr. McCLURE. I have attempted to make legislative history as clear as possible that the Secretary would be constrained by the limitations of existing law and policy with respect to where and how fees are charged and collected, with the exception of the changes that are specifically legislated by the amendment. To the extent the amendment gives the Secretary greater discretion than exists under existing law, there would be an increase in discretion. I said earlier that I think the best protection against an arbitrary or abusive use of that discretion is the fact that they seek permanent legislation. And if they misuse the authority under temporary legislation, they are certainly not going to get permanent legislation.

Mr. DeCONCINI. Will the Senator Yield?

Mr. McCLURE. I am happy to yield.

Mr. DeCONCINI. Can the Senator just speculate what he anticipates would happen in the Grand Canyon National Park with its fee? It is $2 now. It is my understanding, if I read the Senator's amendment correctly, that it could go to $7.50.

Is that totally discretionary with the Secretary; and how would he arrive at making that judgment? Just whatever he felt like doing?

Mr. McCLURE. The Senator is correct in that instance. This would establish a maximum of $7.50 per carload. That would be discretionary with the Secretary, and that is, by definition, discretionary.

Mr. DeCONCINI. If the Senator will yield further, the authority to raise it, say, if he did let it go to $7.50, would only be through the balance of this existing year?

Mr. McCLURE. The Senator is correct.

Mr. DeCONCINI. Then, if we do not do something on a permanent basis, if the Senator will yield further, the fee would go back to $2?

Mr. McCLURE. The Senator is correct. As a matter of fact, the administration proposal to us for permanent legislation suggests establishing that fee at $10.

Mr. DeCONCINI. Yes, if the Senator will yield further, I am aware of that.

Let me just ask the Senator—I do not want to belabor this too long. I did not get here at the beginning of the Senator's amendment.

The $8 million that is going to be raised from this, that is, I presume, in the opinion of the Senator from Idaho, going to play an instrumental part of being able to provide the necessary personnel for these parks.

Mr. McCLURE. Will the Senator yield?

Mr. DeCONCINI. I yield.

Mr. McCLURE. The Park Service estimates that, if this provision were to be passed and be effective by the end of this month, they would hire an additional 1,000 temporary summer employees to handle the problems that increased numbers bring to the parks. It would also give them sufficient money to buy the additional supplies and things of that nature that go along with increased visitors.

Mr. DeCONCINI. I thank the Senator.

Would the Senator yield for one other question?

Mr. McCLURE. I am happy to yield.

Mr. DeCONCINI. Does the Department of the Interior have any estimations of what would be the reduction in the volume, say, at the Grand Canyon National Park if, indeed, this was implemented by raising the fee to any increase, double or $7.50.

□ 1440

Mr. McCLURE. Senator, I think that is a hard question to answer because what they do not know yet, obviously, is where the increases in visitation will occur. It has already started at Grand Canyon, and I think the Senator would be aware that the big number of visitors at that national park are already above last year substantially. It is believed as the weather changes with the beginning of the summer that pattern will move north following the weather, and that we will begin to get the increased visitation at the parks that are farther north.

The constraints that will come will be the limits of their ability to handle the crowds. But it will also come in such things as longer lines at parking lots, longer lines at entrance points, and inadequate materials at nonconcession operated facilities.

Mr. DeCONCINI. Will the Senator let me interrupt? Does not also the Senator agree that we are apt to see a lessening of people coming to the parks that cannot afford to pay the difference between $20 now and $7.50

in the case of the Grand Canyon? Is it clear and pretty obvious that we should assume that the volume is going to taper off at least with that dramatic increase in that one park?

Mr. McCLURE. The Senator asks a question upon which the Park Service has made some estimates. I will share those estimates with him. That is based upon earlier projections that did not factor in such things as increased gasoline prices, or decreased gasoline prices. They estimated that everything else being equal based upon past history you might reduce expected visitations by as high as 20 percent at some units of the national park.

Mr. JOHNSTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. DeCONCINI. If the Senator from Idaho will answer one other question.

Mr. McCLURE. Surely.

Mr. DeCONCINI. Would the Senator at least consider a colloquy of not amending his amendment to say the fee to the Grand Canyon at least would not be increased by almost four times?

It seems to me on a trial basis that is a severe burden to place on the public going to this canyon, park, and maybe many others. That is my deep concern here. I would take the risk even on a temporary basis of increasing those fees, maybe double, but to have them go up almost four times seems a bit step when we are not ready to put together a whole program.

Mr. McCLURE. Will the Senator yield?

Mr. DeCONCINI. I yield.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I suppose with anything there is an arbitrary limit. Any limit is an arbitrary one. The Senator from Wyoming I think addressed himself to that question a moment ago by posing a rhetorical question as to whether anybody really believed that a family from the east coast of the United States that was driving west across the country and going to visit the Grand Canyon National Park in this instance would find it impossible to visit that national park if they had to increase the amount of their cost for that trip by $5.50.

Mr. DeCONCINI. If the Senator will yield on that point, what about the family in a very low income that lives in Phoenix, AZ or Los Angeles that can buy gasoline and drive over and for $2 they can go through the park and find a place to camp for a night? Not all of them are going to come from the Midwest.

Mr. McCLURE. I did not assume people from the Midwest or east coast had more money than people from Los Angeles. I do not make that assumption. But I do really believe that a $2-entrance fee for a carload of people is a bargain by any test on today's market.

How much does it cost that same family to go to Disneyland? I cannot believe in my own mind that the addition of cost for a family trip of $5.50 is going to mean they cannot take the trip.

Mr. DeCONCINI. Nobody knows. That is the problem. It seems to me like when you are increasing something like almost four times we might be a little prudent on a trial basis to try doubling the fee instead of quadrupling the fee.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. DeCONCINI. I think the Senator has the floor.

Mr. McCLURE. Let me illustrate one comparison. This is one of many.

The average price to a baseball game in 1976 was $3.45 per ticket—not per carload, per ticket. In 1977, it went to $3.75 per ticket. In 1986—and I have the table if anybody wishes to go through it by year—it shows in 1986 that has risen to $6.70 per ticket, not per carload. That is per ticket.

I just cannot believe that people really believe that a carload entrance fee increase of $5.50 is going to make or break the visitation opportunity for people that are going to travel some distance to go visit a national park.

I ask anybody, I do not know what the entrance fee is to Disneyland or Disney World or any of the other amusement parks across this country. But it is far more than the increase that we are talking about here per carload.

Mr. WALLOP. I understand this amendment does not require an increase in entrance fees at any unit, but rather gives the Secretary of the Interior the authority to increase fees.

Mr. McCLURE. The Senator is correct.

Mr. WALLOP. I note that the Secretary has a limit on the amount of the increase in entrance fees for each unit of $7.50 per vehicle. He can set limits less than $7.50. Do you anticipate that the Secretary will set fees at the maximum allowable?

Mr. McCLURE. I doubt that would happen. The $7.50 is a limit. I assume for convenience and to avoid having to make change, the fee will be set at a whole dollar figure if there is any increase.

Mr. WALLOP. In Wyoming, a single fee is charged for both Grand Teton and Yellowstone National Park. This will not change in your amendment?

Mr. McCLURE. The amendment does not affect that at all.

Mr. WALLOP. For those who travel often through the two parks, can the Secretary of the Interior offer them a single season pass permit for both parks that would complement the joint single visit fee?

Mr. McCLURE. Yes.

Mr. WALLOP. Does this legislation affect the Golden Access permit allowing free entry to the National Park System by the blind, disabled, and the senior citizens?

Mr. McCLURE. Absolutely not.

Mr. DURENBERGER. Mr. President, I want to take a moment to share my thoughts regarding the amendment offered by the Senator from Idaho. I appreciate his offering this amendment because it focuses attention on the serious problems facing the National Park Service.

Increased visitor use this summer, further straining staff and resources in an already tight budget environment, begs for a responsible policy response.

The good Senator from Idaho has responded to this need by offering this amendment which allows the Park Service to raise entrance fees from $3 to $7.50 for a single visit, $40 for the yearly Golden Eagle Passport, and establishing a $25-season pass for individual parks, 100 percent of which are returned to the Park Service and a minimum of 50 percent of whatever is collected is retained at the collecting park.

This is a good starting point. However, I do have some concerns. The first of which is the size of the increase. And the second is that there is legislation pending which raises entrance fees and addresses how those fees are used for the benefit of our national parks. Hearings have not been held. We do not know how the general public feels about raising entrance fees—especially as high as this amendment will allow—nor do we have a clear record on how these fees should be used.

I would suggest to this body that when we address this issue later this year we go beyond using entrance fees for basic operation and maintenance and reinvest these revenues for the resources for which the parks were established.

It has become increasingly clear that Congress must address the natural and cultural resource problems facing the National Park System. We have known since 1980, with the publication of the "State of the Parks Report," that our parks were in trouble. Not only were the scenic and cultural resources threatened, but park facilities were deteriorating. Congress responded by spending $1 billion in 5 short years to address facility-related problems—we've only spent a fraction on natural an cultural resource problems and management activities.

Legislation which I have sponsored, S. 2130, is a long-term—$50 million per year for 10 years—resource counterpart to the $1 billion PRIP Program. The National Park System Resources Preservation and Revitalization Act es-

tablishes a four-part program designed to restore damaged resources and provide protection against future damage; to increase monitoring and research to alert the Service to emerging resource pressures and promote a timely response; to require periodic, system-wide reports on resource conditions along the lines of the 1980 report; and to increase staffing and training in natural and cultural resource management. It also provides that a portion of the entrance fees be targeted to carry out the requirements of the act.

A vacation to one of our national parks for $7.50 under this amendment, or for $5 under my legislation, is a bargain. I share Senator MCCLURE's conviction that the American people will be willing to pay a little extra if they know their money will be returned to the park.

The question which we must resolve is not do we raise entrance fees, rather by how much and how will they be spent?

Congress must address this issue this year in order to protect and conserve our national parks for the enjoyment and use of present and future generations.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the chairman offers us a false choice. The choice is not between chaos or entrance fees. The choice is between entrance fees or appropriations. I believe the public park system should be supported by public dollars that are appropriated.

If the Senator wanted entrance fees, we should have had a hearing earlier. The bill for entrance fees has been before the committee since March 18. The hearing has just been scheduled June 12. The appropriate way to deal with this is through appropriations, and I do not think we should be stampeded into entrance fees.

Therefore, I beg a point of order that this is legislation on appropriations.

The PRESIDING OFFICER. The amendment does grant new authorities to the Secretary of the Interior. It is therefore legislation on an appropriation bill. The point of order is sustained. The amendment falls.

The Senator from Idaho.

Mr. McCLURE. Mr. President, I do not intend to attempt any parliamentary maneuvering to get around the ruling of the Chair. I regret the action taken by the Senator from New Jersey. Again, I hope when people get to that park but cannot get in or they find the facilities and services inadequate they do not write me.

I also say the Senator did not have the same philosophical objection to a fee when it was necessary to raise the fees in order to get some beach erosion improvement at Sandy Hook and the Gateway East National Park.

Mr. BRADLEY. If the Senator will yield. It is not an entrance fee. It is a parking fee.

Mr. MELCHER. I do not think people who paid that fee really knew it was a parking fee instead of an entrance fee.

Mr. BRADLEY. We might just end up with an entrance fee being increased to $7.50 and then have parking fees increased as well which only makes the point that I think I did in opposing this amendment.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the hour now is almost 3 o'clock. I will give a report to the body that we are now within sight. We have 16 more amendments to dispose of. At the rate we are going, I should suppose we hopefully can dispose of that about maybe 1 a.m. tomorrow morning.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I am a bit more hopeful than my distinguished colleague about how quickly we can finish this because I have just talked to my leader who is the Senator from Oregon, the floor manager. He has told me that he has met with the quality of life committee, and that the quality of life committee intends to see that there are points of order made on all amendments which are legislative in nature which have not been cleared. And while I recognize that is an extreme position, it is not quite so extreme when you consider it is 3 o'clock on Friday afternoon. We think that is likely to get this bill on its way sooner.

So I think all Senators should keep in mind the intention that is going to take place. I urge Senators to back up the distinguished chairman of the Appropriations Committee, and we ought to be able to get out of here in short order with that intention.

Mr. HATFIELD. I thank the Senator from Louisiana.

I want to say that is the plan that I hope to follow to begin to dispose of these a little more rapidly rather than going through the whole argument of pro and con and then determining a point of order. I plan to make a point of order much earlier from now on.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 2048

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. METZENBAUM, Mr. ABDNOR, Mrs. KASSEBAUM, Mr. ZORINSKY, Mr. HARKIN, Mr. DANFORTH, Mr. EAGLETON, Mr. SIMON, and Mr. PRESSLER, proposes an amendment numbered 2048.

At the end of the bill, add the following:

No funds appropriated or made available under this act shall be expended by the Federal Energy Regulatory Commission to process, promulgate, or implement a final rule under FERC Docket No. RM 86-3-000 (ceiling prices: old gas pricing structure).

□ 1450

Mr. HATFIELD. Mr. President, I make the point of order that the amendment is legislation on an appropriations bill.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska proposes a limitation on appropriations. Therefore, it is not legislation on an appropriations bill. The point of order is not well taken.

Mr. HATFIELD. I thank the Chair.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I am joined in this amendment by Senator ZORINSKY, Senator HARKIN, Senator EAGLETON, Senator SIMON, Senator ABDNOR, Senator DANFORTH, Senator KASSEBAUM, Senator METZENBAUM, and Senator PRESSLER.

Mr. President, this is a matter which has been before this body before and I think possibly we can dispose of it in a relatively short period of time. I will try to be as brief as I can be. I know there are some others who want to speak on it at least briefly. I do know that Senator METZENBAUM has worked very closely with me on this matter.

Let me see if I can sum this up in some sort of fashion so that we can have an understanding. If the managers of the bill do wish to accept the amendment, which I think they should, based upon the arguments that I am going to advance, and based upon the previous votes in this body on this very same issue, possibly we can move expeditiously ahead, which I think is the desire of all of us.

Mr. President, we are talking once again about the continued determined effort by the administration to force the decontrol of old natural gas.

What would this do? Working through the Federal Energy Regulatory Commission, the administration has threatened time and time again, and is now moving expeditiously forward on this occasion, to allow an increase on old natural gas.

Old natural gas, I would remind my colleagues, was specifically exempted from the Gas Act of 1978. That was done because old gas and the exploration of old gas was basically paid for a long, long time ago. It was the deter-

mination of the Congress of the United States in 1978 that there should be no windfall for old gas that was discovered and was being pumped into the gas distribution system many, many years ago.

So what the Congress did in 1978 was basically to say that old gas under existing contracts could not and should not be raised. "Do not violate those contracts," unless there is a significant change of some kind in the cost of bringing that gas to the market.

There has not been any reason for doing that.

I see that my good friend and colleague, Senator KASSEBAUM of Kansas, has just come to the floor. She represents a State which is a producer of natural gas and also has consumers. She knows first hand about the production and cost of the old gas issue, being a State that produces it, than this Senator from Nebraska. I am delighted Senator KASSEBAUM is here.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. EXON. Does my colleague wish to ask a question?

Mr. JOHNSTON. No, I thought the Senator has completed his remarks.

Mr. EXON. No; I have just begun. I thank my colleague.

The Federal Energy Regulatory Commission recently adopted in principle a rule that amounts to de facto decontrol of old, cheap natural gas; a move repeatedly rejected by the Congress and one which will cost consumers, farmers, and small businessmen of this country billions and billions of dollars.

With the depression that we all know is ravaging rural agricultural America today, and the people who make their living on that even though they might not be on the farm, the very thought of hitting them with billions and billions of additional dollars in cost for the production of food—and that already is below cost of production in most instances—and to raise the prices of such things as heating homes in large sections of this Nation is something that should be rejected forthwith.

Incredibly, the FERC rule could permit old gas prices to soar as high as $2.57 per 1,000 cubic feet, while the current spot market prices for new gas is only $1.50. In short, the proposal raises the ceiling for old gas to a level in excess of those prevailing in the market today.

The rule would transfer billions of dollars from captive consumers, including farmers, small businessmen, and home owners, to the major producing companies who own the vast majority of old gas reserves.

This back door approach to old gas decontrol could easily amount to an increase of $85 per year for many natural gas users. That may not sound like too much of an increase, but to a majority of those who must live with higher-priced gas, the burden could be very heavy.

The Commission's old gas decontrol rule seems even more troublesome given its refusal in recent years to address the problem of high-priced, nonmarket responsive take-or-pay contracts. Inexplicably, the Commission has embraced the free market when it comes to raising gas prices to consumers, but ignores the free market when it involves lowering prices.

Consumers are the clear losers in any scheme where cheap gas is allowed to rise while high-priced gas is protected from the forces of the free market.

In 1978 the Congress explicitly decided not to decontrol old gas. Since then, there have been repeated efforts by producers to reverse this policy. On each occasion, Congress has reaffirmed its original decision against the decontrol. Indeed, as recently as 1983 the Senate voted 67 to 28 against a bill decontrolling old gas. Thus, the FERC rule stands in bold defiance of clear congressional policy on this important energy issue.

It is nothing more than an obvious attempt to accomplish through the regulatory process what Congress has refused to do through the legislative process.

Regardless of individual feelings about old gas decontrol, Congress should not sanction this regulatory usurpation of congressional authority.

Mr. President, there was recently an article printed in the Omaha World Herald that I think better than anything else sums up the present activities of FERC in this regard. The headline was, "Commissioner: Efforts to Raise Natural Price Ceiling Continue. Washington, Associated Press."

A government regulator responsible for controlling natural gas prices told industry lobbyists to pay attention to Reagan Administration efforts to bypass Congress and administratively raise Federal prices on some supplies. Charles Trabandt, one of our members of the Federal Energy Regulatory Commission, said the Federal climate for totally decontrolling gas prices is not favorable. But Trabandt told gas industry representatives they should take seriously the administration's efforts to accomplish much the same results by allowing the price of all "old" gas supplies to rise to the ceiling price for the most expensive categories.

Mr. JOHNSTON. Will the Senator yield?

Mr. EXON. I am happy to yield.

□ 1500

Mr. JOHNSTON. Mr. President, I thank the Senator for yielding. I am advised that the amendment is subject to a point of order on germaneness. That point of order will be made. While I know the Senator would like to make his statement, I am wondering if he would yield. I think the Senator from Oregon would like to make that point of order.

The reason I say that is, that if it is a good point of order, we will be voting on that sooner or later. I know the Senator from Rhode Island wanted to catch a plane and some others do, too. I think the Senator has made his point very well—maybe not as fully and completely as he had hoped to. I wonder if he would be willing to yield for the purpose of having that point of order made and having that vote.

Frankly, if he wins on that point of order, then I think perhaps we could proceed to vote. I think we could perhaps accept the amendment, because, frankly, I think the amendment is not efficacious anyway because there are no funds in this act for implementing the FERC rules.

For my part, at least, if we lose that point of order—in any event, we ought to have that vote first, then maybe we can get along with it.

Mr. EXON. I shall not yield for that purpose at the present time, Mr. President.

Mr. JOHNSTON. I thank the Senator.

Mr. EXON. I shall be glad to yield for questions.

Mr. METZENBAUM. Mr. President, the Senator from Louisiana, I think, just indicated something about accepting the amendment because it would not be germane vis-a-vis the House. I wonder if that does not have a lot of merit.

I think it is germane. It is my understanding that the Chair would not rule that it is not germane. The matter would be submitted to the Senate. The question I therefore have is if he is thinking about accepting it and let the Senator from Louisiana and the conferees work it out, that is one thing. If there is any chance of doing that, it would certainly eliminate a lot of debate this afternoon to accept the amendment.

Mr. EXON. I certainly appreciate the request of my friend from Louisiana. I think this Senator has a record of trying to be considerate in these matters. As the Chair knows, I was here shortly after we opened this morning ready to bring this up. I know other Senators are ready to talk on this subject and I am certainly not going to foreclose my cosponsors on their right to get up and have something to say on a matter that is very important to my State.

Therefore, Mr. President, let me proceed for a very short period of time and possibly we can work something out.

I hope that the same appeal will be made that was just made by the Senator from Idaho when parliamentary tactics were brought up to stop

something he thought was very important; and if it is true that the managers of the bill want to proceed quickly with this, I hope that they will not pursue avenues of trying to focus out of the box, so to speak, on a parliamentary maneuver on something as important as this is to the consumers that are affected.

Let me finish reading, if I may, the newspaper story that I was referring to.

Mr. President, we do not have order in the Senate.

The PRESIDING OFFICER. The Senator from Nebraska has the floor. The Senator shall suspend until the aisle is clear and the Senate is in order.

Mr. EXON. I thank the Chair.

I also add that I, too, Mr. President, want to accommodate those who have to catch a plane today. I do not, so I will be here until 2 or 3 o'clock in the morning again if necessary, but I am not going to delay this unnecessarily.

The administration's legislative and administrative decontrol strategies are not mutually exclusive, Trabandt said in a speech before the Natural Gas Roundtable, an organization composed primarily of gas industry lobbyists.

Energy Secretary John Herrington filed a formal rulemaking proposal in November that would require the commission to consider "de-vintaging" the 40 percent of the nation's "old" gas drilled prior to 1978 and still under price controls. This would put all "old" gas in the most expensive category.

At the same time, Herrington said the administration again this year would ask Congress to remove those controls entirely. A similar legislative effort was overwhelmingly defeated in 1983.

Under the current partial controls, gas drilled since 1978 has no federal price ceilings. The "old" gas is divided into several categories, with ceilings ranging from about 78 cents to $1.60 per 1,000 cubic feet.

Spot-market prices for uncontrolled gas have fallen in recent years and in some parts of the country are now below $2.

Mr. METZENBAUM. Mr. President, will the Senator from Nebraska yield for a question?

Mr. EXON. I am happy to yield for a question to the Senator from Ohio.

Mr. METZENBAUM. There are many Members who are trying to leave and get away and do wish to vote on this matter. As the Senator from Nebraska knows, I have spoken on this issue for days on end in prior years. I have very strong feelings about it and I am in total support of his position and am coauthor of the amendment.

If the managers of the bill were inclined to agree to a unanimous-consent request that there be an up-or-down vote at 3:20 to 3:30, would that be agreeable to the Senator from Nebraska?

Mr. EXON. It would be perfectly acceptable to me if it is acceptable to my cosponsors.

Mr. METZENBAUM. It is acceptable to me as a cosponsor.

Mr. EXON. Before I agree with that, I would like to pose a question to my cosponsors, if I might, in that regard.

Mr. METZENBAUM. Of course, Mr. President.

Mr. EXON. The Senator from Kansas [Mrs. KASSEBAUM] heard the question raised by the Senator from Ohio. I would like to ask if I could yield for the purpose of asking the Senator from Kansas and the Senators from South Dakota and any others who might wish to ask questions on this. I yield to the Senator from Kansas for a question.

Mi. HATFIELD. Will the Senator yield for just a moment? It is a moot issue because I have an objection on my side to an up-or-down vote. I have an objection to the proposal made by the Senator from Ohio to have an up-or-down vote at 3:20 or whenever.

Mr. METZENBAUM. Mr. President, I wanted to say, and the Senator from Nebraska still has the floor, that there are many Members leaving this body who are anxious to vote on this issue. I hope we will not find ourselves in the position where we have to debate the subject interminably in order to protect their rights until some point next week. I do not want to be in that position. I am willing to have an up-or-down vote. If we have the votes, fine. If we do not have the votes, so be it. I gather that my colleagues who are cosponsors are in agreement on that. I hope that the manager of the bill might be able to work that out, because I say without any reservation that in previous years, I have not hesitated to hold the floor on an issue about which I feel so strongly. I have no desire to do that. I would like to vote.

Mr. EXON. I think we could work something out along that line, but before agreeing to that, I insist on hearing from my cosponsors.

I yield to the Senator from Kansas.

Mr. JOHNSTON. A point of order, Mr. President. The Senator may yield the floor but may not yield to another Senator.

The PRESIDING OFFICER (Mr. GORTON.) The Senator from Nebraska has the right to yield for a question only.

□ 1510

Mrs. KASSEBAUM. Mr. President, I have been trying to be recognized to make a request of the Senator from Nebraska, if he will yield for just one moment.

Mr. EXON. I yield to the Senator from Kansas for a question, which is routine except under certain substances and circumstances as of today.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. Has the Senator from Nebraska yielded?

Mr. EXON. I yield to a question from the Senator from Kansas.

Mrs. KASSEBAUM. Will the Senator yield?

I say to the Senator from Nebraska I certainly would agree with his observations on this and with the methods propounded by another of the cosponsors, Senator METZENBAUM. Time is short. We have debated this issue before on the floor. I feel strongly about it and admire the leadership that has been brought to this issue by Senator EXON and Senator METZENBAUM and the other cosponsors.

Mr. President, on May 29 the Federal Energy Regulatory Commission [FERC] voted in principle to significantly raise the ceiling prices on old natural gas. The FERC rule would accomplish this price increase by discarding the method used to set such ceilings. This method which FERC seeks to disregard has been in place since the 1950's and was reaffirmed by Congress in 1978 and again in 1983. In short, Mr. President, this ruling is a clear attempt to circumvent the intent of Congress and decontrol the price of gas through agency action.

In the State of Kansas this ruling will cost consumers at least $138 million. This translates into an increase of $85 a year for a typical residential customer. Although this ruling will inevitably cost consumers, farmers, and small businesses on the national level well over $1 billion, it will not increase the supply of natural gas. Moreover, it will not directly address the current market distortions that exist from take-or-pay contracts for artificially high new gas which were signed on the basis of the 1978 price controls and projected supplies.

Mr. President, in 1978 Congress decided to continue in effect the just and reasonable price ceilings previously established by the Federal Power Commission for old gas. Since 1978 Congress has not deviated from that determination. In 1983, Congress overwhelmingly rejected attempts to abolish these ceilings.

Any action to increase the price of old gas which is not based on costs under the just and reasonable standard of the Natural Gas Act must be taken by Congress and not by FERC. To the extent that there may be market distortions caused by old gas prices, that fact must be considered in the overall context of gas issues generally.

Marketing restrictions imposed by the Powerplant and Industrial Fuel Use Act, the incremental pricing provisions of the Natural Gas Policy Act, and the issue of take-or-pay contracts must be assessed in conjunction with the issue of old gas pricing. Only Congress, based upon its judgment of the overall public interest on gas matters, can change the authority of FERC with regard to the raising of old gas prices in the manner proposed by the

rule. The fact that Congress has not heretofore chosen to act cannot be interpreted as a delegation to the agency to act in its stead. Congress must stop this end run attempt to circumvent its intent. I therefore support this amendment to prohibit the implementation of the FERC rule.

I would be prepared certainly, I say to the Senator from Nebraska, to have a vote up or down.

Mr. EXON. I thank my friend from Kansas. The answer to her question is yes.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. EXON. I yield for a question from the Senator from South Dakota [Mr. PRESSLER].

Mr. PRESSLER. Mr. President, I rise today as a cosponsor of the amendment to disallow the implementation of the recent FERC rule which would, in effect, decontrol prices for old natural gas. This is nothing short of an effort to bypass Congress and administratively do what we have consistently refused to do many times in the past. We should not allow this to happen. Both from a substantive and institutional perspective, it would be wrong for us to allow this rule to go into effect.

I have seen estimates indicating that natural bills for residential consumers would increase as much as $30 to $85 per year. Those customers would get nothing in return. It should be remembered that there is a myriad of extremely complicated issues in the natural gas area which should be addressed as a package. To allow this kind of piecemeal approach which helps no one but the gas producer is patently unfair. This issue, if it is addressed at all—and I do believe it should be addressed—should be addressed as a package.

Natural gas consumers in this country deserve protection. Any action on natural gas should be balanced. It should come from Congress, the elected representatives of the people. It should be openly and adequately debated. And most importantly, the best interests of the natural gas residential consumers must be foremost in the deliberations. I am not satisfied that any of these requirements were satisfied by the FERC rule.

I therefore strongly urge my colleagues to join me in support of this important amendment, and stop the implementation of the rule.

Mr. EXON. I thank my colleague. I still have the floor.

Are there any other cosponsors of the legislation who wish to ask a question at this time.

Mr. NICKLES. Will the Senator yield?

Mr. EXON. If the Senator from South Dakota wishes to ask a question of me, I will yield to him for that purpose.

Mr. ABDNOR. If it is permissible with the Senator, I would ask him to yield.

Mr. EXON. It normally would be except under these extreme circumstances.

Any other sponsor on the floor who wishes to answer my question?

My answer to the Senator's question is yes.

Mr. ABDNOR. Mr. President, I rise in support of the pending amendment which would prohibit the Federal Energy Regulatory Commission from implementing bureaucratic decontrol of old natural gas.

My concerns about the action of FERC are based on the severe economic impact this decision will have on the consumers of my State. At a time when economic relief in the form of lower fuel costs are finally coming to the farmers and consumers in South Dakota, we are suddenly faced with Federal action which would increase the price of natural gas.

I want to point out that Congress has time and again made it clear that old gas was not to be decontrolled. Our amendment simply carries out this congressional mandate and I urge my colleagues to reiterate this point by supporting this amendment.

Mr. METZENBAUM. Will the Senator from Nebraska be willing to yield for a question from the Senator from Oklahoma, who is an opponent but wishes to ask a question relative to the matter of a tabling motion and a time certain? Would the Senator be willing to yield for that kind of question?

Mr. EXON. Let me see if we cannot arrange it this way. We are trying to have a vote, as I understand, within the next 10 minutes. I would certainly propound, if I might, a unanimous-consent request that we divide the time between now, which is about 13 minutes after the hour, and 25 minutes after the hour, about 12 minutes, to 6 minutes on each side, controlled by the Senator from Oklahoma and the Senator from Nebraska and agree to some kind of a rollcall vote at 3:25. Is there objection?

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. NICKLES. Mr. President, reserving the right to object, just a comment.

The Senator from Nebraska said some kind of a vote. This Senator was objecting to an up or down vote. I want to make it very, very clear that we are talking about very substantive proposals that the Senator is trying to stop. Now, it is debatable whether or not the amendment does it or not. But it is very, very substantive and this Senator is not going to allow it to happen in 20 minutes on a Friday afternoon when not 5 Senators know what they are talking about. And so if we are going to get into the substance of the issue, that is fine, but it is going to take a while. If we are just talking about a procedural vote, which I think can happen in the near future, and it is a move to table and the tabling motion is successful, that is fine with this Senator. But I do not want it to be misread. Senator METZENBAUM said that he did not want it to go on for some time. This Senator has some very strong feelings on this legislation as well.

Mr. HATFIELD. Mr. President, will the Senator yield for the purpose of propounding a unanimous-consent request?

Mr. EXON. I yield for that purpose.

The PRESIDING OFFICER. Does the Senator from Nebraska withdraw his unanimous-consent request?

Mr. EXON. Without losing my right to the floor.

The PRESIDING OFFICER. Without losing his right to the floor?

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senator might yield to me for the purpose of propounding a unanimous-consent request without losing his right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I propound the following unanimous-consent agreement: That there be a period of time allocated to the proponents of the amendment, the Senator from Nebraska, and the opponents, the Senator from Oklahoma, for a period of 6 minutes to a side, at the end of which a tabling motion would be offered by the Senator from Oklahoma.

Mr. JOHNSTON. A what motion?

Mr. HATFIELD. A tabling motion.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BOREN. Mr. President, reserving the right to object, I ask the distinguished chairman, would that mean, if the tabling motion did not prevail, there would then not be a time limitation constraint on debating the amendment after that?

Mr. HATFIELD. If the tabling motion fails, then we are back where we are now without any limitations.

Mr. BOREN. Without any time limitation.

I thank the distinguished chairman. Mr. President, I would not object.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Idaho reserves the right to object.

Mr. McCLURE. Mr. President, I would like to inquire of the Chair if

entering into the unanimous-consent agreement, or entering the vote with respect to the motion to table would in any way prejudice the opportunity to raise the point of germaneness?

Mr. METZENBAUM. What?

Mr. EXON. The right of germaneness. I think that decision has already been made.

The PRESIDING OFFICER. It would preclude raising the question of germaneness prior to the disposition of the motion to table but not thereafter.

Mr. McCLURE. I thank the Chair and I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Oregon? If not, it is so ordered. There are 6 minutes under the control of the Senator from Oklahoma and 6 minutes under the control of the Senator from Nebraska.

Who yields time?

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield to the Senator from Alaska 2 minutes.

Mr. MURKOWSKI. I thank my colleague from Oklahoma. I wish I could share in the enthusiasm of my colleague from Nebraska for his amendment, but I must rise in strong opposition to the amendment from the Senator from Nebraska. If we reflect on what we are attempting to do in energy today in the United States, it is to deregulate energy.

I think two important points need to be made, Mr. President, in regard to this amendment. It prevents the Federal Energy Regulatory Commission from properly exercising the authority granted to it by Congress. FERC has been charged with regulating the natural gas industry in a manner which promotes the best interests of the Nation as a whole. Congress created the Commission to do a job, and we ought to let FERC do that job.

The amendment is aimed at a decision by FERC which will not result in an overall increase in gas prices, as some of my colleagues fear. Rather, the order will allow the marketplace to set the price of natural gas. Since partial decontrol of gas in January 1985, the marketplace has lowered the spot price of gas by over 50 percent, and that is important. There is no reason to believe that the same thing will not occur as a result of the FERC order.

The order will not hurt gas consumers, as the proponents of the amendment profess. Rather, it will significantly increase competition in all segments of our natural gas industry. Increased competition will continue to lower natural gas prices, as it has in every instance when applied to energy.

The bottom line is that FERC has issued an order which will eliminate artificial restrictions on natural gas prices. The price of some gas could go up and the price of other gas could go down under the order.

But my point is, Mr. President, the sooner we get to averaging out the price of our energy, as we can under this proposed deregulation of old gas, the better the consumers of this country will be.

My attitude, Mr. President, is simply the sooner the better.

I thank my colleague from Oklahoma for yielding time.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, will the Senator yield me 1 minute?

Mr. NICKLES. I am happy to yield the Senator 1 minute.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I have been now on the Energy Committee and the Interior Committee for going on 14 years. I was one of the key players on the conference that came up with the Natural Gas Policy Act. I can tell you this is a vastly, vastly complicated subject. I, frankly, have not had time to study this FERC rule. Maybe the proponents have studied it in some depth. If they have, they have devoted many, many hours to it because it is vastly complicated.

Just two points. No. 1, my staff tells me that this rule adopted by FERC affords substantial consumer protection because one-third of the high-priced gas now flowing is under the multivintage contracts which would be open to review. If the Senate thinks they understand that and are ready to vote on that complicated subject, that is fine. I do not think they are.

□ 1520

It is the wrong time to bring this vastly complicated thing up—which, by the way, would have no effect anyway, because there is not 1 cent in this bill for this purpose.

The PRESIDING OFFICER. Who yields time?

Mr. BOREN. Mr. President, will the Senator yield to me?

Mr. NICKLES. I yield 1 minute to the distinguished Senator from Oklahoma.

Mr. BOREN. I thank my colleague from Oklahoma.

Mr. President, as the Senator from Louisiana has just said, this is a very complicated matter. To bring it up on this bill is a disservice to the body. We need time to discuss this.

We are talking about vital energy security issues for the Nation. We are talking about interests of consumers all across this country.

One thing we know for sure: Artificial controls of energy prices have not worked. The present system with its 15 different categories of prices has brought higher prices to the consumers and shut-in gas to producers, and it has created the potential for greater energy shortages in this country in the future.

We need to realize that when we had gas partially decontrolled, prices went down by nearly 50 percent instead of up. That was to the long-range benefit of the consumers.

I urge my colleagues to learn all about this, if they can, before they vote; because the present artificial system retains lower prices for certain utility systems at the expense of higher consumer prices for most of the rest of the country.

If you approve this amendment, what you will do is set in motion forces that will cause many consumers in the majority of States to continue to pay higher prices under an artificial regulatory system. The entire country will benefit if we allow the FERC rule to come into place.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. EXON. Mr. President, I yield 2 minutes to the Senator from Iowa.

Mr. HARKIN. Mr. President, I support the amendment of the Senator from Nebraska, of which I am a cosponsor.

Frankly, Mr. President, this is an outrageous rule that has been issued by FERC. There is absolutely no justification for it on the merits. It will not increase gas production significantly. It will simply increase the amount of profits by the gas producers. However, it will cause a massive increase in prices to consumers.

The Iowa Commerce Commission estimated that if the FERC rule were allowed to go into place, our residential users of gas in Iowa would see an increase of 15.9 percent in price. That is before taking into account the fact that many large industrial users of gas will switch from gas to oil, thus again increasing the price of gas to our residential customers.

So what we have here is an amendment to keep in place the fair and equitable pricing of old gas to residential customers.

I agree that this is a question of national security, but it is the security of the elderly on fixed incomes, the farmers, the people in Iowa who are perhaps without jobs, seeking to heat their homes this winter. That is where the real security issue lies.

I ask those who support the FERC rule and those who oppose the amendment offered by the distinguished Senator from Nebraska whether they are willing to give a 16-percent increase in Social Security payments to the elderly in Iowa so they can heat their homes. I will bet not. I will bet there would be a Gramm-Rudman point of order invoked. We should not allow FERC to increase the price of gas to the elderly in Iowa or the Nation.

It is not fair or equitable, and that is why this amendment should be adopted.

Mr. EXON. Mr. President, I yield to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, it is rather interesting that it is the distributor States that are telling us how the decontrol of old gas is going to help the consumers. But the fact is—and it should be pointed out—that most major distribution companies, most major pipelines, and all consumer groups are opposed to FERC decontrolling the price of old gas. The reason is that it means the consumers will pay millions of dollars additional in their gas bills if the FERC bill becomes effective. The rule is one-sided. It does virtually nothing to alleviate the pressing problem of highpriced, nonmarket responsive take or pay gas contracts.

What this is, in simple terms, is an effort to have an end-run around the action and the efforts of Congress.

In the past, Congress was the one that dealt with the question of decontrolling the price of old gas. Now what we see is FERC and the administration attempting to impose this heavy burden upon the consumers of this country, doing nothing with respect to the take-or-pay contracts that may increase the prices for the consumers, but playing totally into the hands of the major oil companies and major gas producers in this country.

I believe it is imperative that this amendment, sponsored by Senator EXON, myself, and several Senators on the other side of the aisle, become law. It will not change the actual effect, but it sends a loud and clear message to FERC as to where Congress stands on this issue.

Mr. EXON. Mr. President, I have 2 minutes remaining. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON. Mr. President, so far, we have heard opposition only from those States which produce gas. That should tell the Members of this body something.

The amendment being offered addresses an issue which is vitally important to this body. I have two straightforward reasons for opposing the rule that FERC has proposed.

No. 1, the Commission does not have the authority to do what it proposes to do.

No. 2, even if the Commission did have the authority, it is bad policy.

Some Members may recall that Congress specifically chose to regulate the price of gas being produced prior to 1977 and deregulate that which has come into production since. Yes, we gave the Commission authority to make adjustments in old gas prices when those adjustments are based on the cost of producing gas. But this rule goes beyond the Commission's authority. They are writing the legislation on their own, and they should be stopped.

In conclusion, Mr. President, let me say that even if the Commission had the authority to do what they propose, it is still wrong-headed policy. The whole issue is a smoking gun aimed at consumers. It is a smoking gun, if I have ever seen one. It highlights the bold defiance embodied in the Commission's ruling.

Regardless of whatever perspectives we hold on natural gas control, we cannot allow the Department of Energy or the Federal Energy Control Commission to rule the Congress of the United States by implementing this rule.

I urge Congress to vote on the side of those of us who are trying to protect the consumers.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. EXON. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 12 seconds.

Mr. EXON. I yield 12 seconds to the Senator from Illinois.

Mr. SIMON. I just want to add one issue that we sometimes forget, which is inflation, which can rise like a monster among us.

This amendment should be supported.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. There is no motion before the Senate on which to ask for the yeas and nays.

□ 1530

Mr. NICKLES. Mr. President, one, I hope that individuals and Members of the Senate realize that hardly anybody knows what we are talking about.

We have a very complicated issue that deals with the FERC ruling that has not even been made yet. It is not even final. There are a lot of people who would like to know what it is, but we do not know exactly what it is. They have not finalized it.

We have over 180 days, if they did issue the rule, before the greater part of the rule would go into effect. So, we have a lot of time.

This is not the time, and this is not the place, not at 3:30 p.m. on a Friday afternoon when most Members do not know really that much about this issue.

But it is an awfully important issue and one that this Senator feels very strongly about and one I do not think we can afford to lose.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter from the Secretary of Energy, Secretary Herrington, stating his total, complete opposition to the amendment of the Senator from Ohio and the Senator from Nebraska for what they are trying to do.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, June 5, 1986.

Hon. JAMES A. MCCLURE,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCLURE. It is my understanding that an amendment may be offered to the Urgent Supplemental Appropriations Act for Fiscal Year 1986 (H.R. 4515) to, in effect, bar the Federal Energy Regulatory Commission (FERC) from implementing the old gas price rule which it voted, in principle, to adopt on May 29, 1986. As you know, this rule will reform the current old gas pricing system by "devintaging" old gas.

The Administration is strongly opposed to this amendment, and it is my hope that you will take whatever action is necessary to prevent its adoption.

The FERC rule will save the average American gas consumer approximately $20 in his home heating bill over the first year, and result in $15 billion in benefits to the U.S. economy. Further, the rule would bring additional quantities of low-cost, old gas into the economy which would otherwise go unproduced thereby assisting the hard-pressed domestic petroleum industry, and lead to less imports of foreign oil. Passage of this amendment would withhold these important benefits. Accordingly, I urge the Senate to oppose this amendment.

The Office of Management and Budget advises that enactment of the amendment would not be in accord with the President's program.

Yours truly,

JOHN S. HERRINGTON.

OPPOSITION TO THE AMENDMENT TO PREVENT FERC FROM PROCEEDING WITH ITS GAS PRICING RULE, RM86-3

Mr. MCCLURE. Mr. President, I rise in opposition to the amendment offered by the Senator to prevent the Federal Energy Regulatory Commission from promulgating a final rule pursuant to its pending rulemaking in Docket RM86-3.

What the Commission is proposing in its rule is not what has been characterized by some as the administrative, or backdoor, deregulation of natural gas. The Commission has no statutory authority to deregulate natural gas.

What the Commission is proposing to do is a responsible exercise of the statutory authority that Congress explicitly gave the Commission to change Federal wellhead ceiling prices for certain categories of natural gas. This authority is tightly prescribed by the Congress, and it can be exercised by the Commission only in full accordance with existing law and regulations, including all applicable procedural requirements.

The action that the Commission is proposing to take was specifically authorized by the Congress in the Natural Gas Policy Act of 1978. Section 104, 106, and 109 of the Natural Gas Policy Act give the Commission the authority to increase wellhead ceiling

prices if such increases can be shown to be "just and reasonable" within the meaning of the law.

I want to make it perfectly clear that the Commission cannot simply claim that whatever changes it may want to make to wellhead ceiling prices are just and reasonable, and therefore allowable under law. The Commission must be able to justify that proposition based on the evidence presented to it during the rulemaking process; if that showing cannot be made, the Commission will undoubtedly be challenged in court.

As with any other rulemaking it undertakes, the Commission must follow all of the requirements of the Administrative Procedure Act, as well as the Commission's own rules. Notice and opportunity to comment has to be, and has been, offered to all interested parties. The Commission has held a public hearing on the rule they are proposing, receiving literally thousands of pages of written comments and hearing many hours of oral testimony from dozens of witnesses. Once the rule is issued, there will be an opportunity for all interested parties to file a petition for rehearing with the Commission, by which they can request changes to be made to the final rule. By law, the Commission must carefully and completely consider all of these petitions before proceeding.

If, after the petitions for rehearing are dealt with, people are still dissatisfied with the rules, or feel that the Commission has not faithfully discharged its responsibilities pursuant to law, they can challenge it in court. Clearly, there already are a number of built-in procedural safeguards which provide adequate protection to all interested and affected parties.

In this Senator's opinion, it is premature to legislatively strike down a proposed rule that has not even been issued. To start out with, we do not know the full scope and nature of the rule. It may be the case that the rule the proponents of this amendment are seeking to strike down is, in fact, in consumers' best interests. I say "may be in consumers' best interests", because, as the rule has not been issued, we simply do not fully know what it proposes to do.

Moreover, even if Congress ultimately concludes that the rule is not in the public interest, there is no need to act right now. After the rule is issued, we will have an opportunity to review it, and Congress always retains the right and opportunity to legislatively overturn it, or modify it in any way we deem to be in the public interest.

But based on the discussion and information presented at the Commission's May 29 open meeting, it would appear that the rule may, in fact, be in the public interest. In my opinion, it would be unfortunate to prematurely overturn a rule based on incomplete or misleading information. I would therefore like to take a moment and describe what is known about the rule because once we understand what it proposes to do, I am convinced that it will be obvious that the rule's promulgation will probably materially benefit natural gas consumers.

The Commission voted 4-0 at its May 29 public meeting to adopt "in principle"—with several significant modifications—that portion of the Department of Energy's proposal dealing with the pricing of old gas. It deferred action on the second part of the DOE proposal to establish an incentive price for production enhancement, new infill wells, and marginal wells.

As explained at the Commission's open meeting, under the rule, producers will not automatically receive higher prices for their forever-regulated gas; the pipeline purchaser must first expressly agree to it. This means, in effect, that as a result of this rule, producers would receive for their old gas, at most, the lower of the prevailing market price or the Federal ceiling price.

The rule, which becomes effective 30 days after publication, replaces the myriad of wellhead ceiling prices with a single price—sort of the moral equivalent of tax reform.

Old gas under new and renegotiated contracts will be eligible immediately for the price that the contract so specifies, so long as it does not exceed the new maximum lawful price—and again, only so long as the purchaser agrees to pay that price.

The rule does not automatically allow old gas that is now being sold under existing contracts to increase to the new Federal wellhead-price ceiling. The producer and pipeline must first invoke the rule's "good-faith negotiation" process.

The good-faith negotiation process established by the Commission's rule cannot be invoked until 150 days after the effective date of the rule. Under the negotiation process, a producer can ask the pipeline purchaser to nominate a higher price for old gas. In this connection, I might note, the renegotiation process cannot be used to raise the price of old gas that is now being sold pursuant to a fixed-price contract.

Although only producers can initiate the "good-faith negotiation" process, once the process begins, the pipeline is free to ask the producer to renegotiate all of the above market-price old gas which it is purchasing from that producer, or any new gas subject to that contract on which the producer invokes the renegotiation process. In other words, all high-cost new gas within the contract and all expensive old gas outside of the contact that the producer sells to the pipeline becomes subject to the renegotiation process once the process is triggered.

This ability to renegotiate high-cost gas will give pipelines the opportunity to reduce the cost of above-market priced gas that they are now purchasing from the producer, and that will act as a counterweight to whatever price increases may be negotiated for old gas.

In this connection, it is interesting to note that some forever-regulated gas now sells for far above market clearing prices. For example, section 102(d) natural gas, which is forever regulated, currently sells for about $3.77 per thousand cubic feet. I might point out that $3.77 is about three times the going spot market price for natural gas, and is about two-thirds higher than average price producers receive at the wellhead for their natural gas. Pipelines continue to purchase that gas from producers at above-market prices because they do not now have any opportunity to renegotiate those contracts, just as producers have little, if any, incentive to renegotiate. If renegotiation were allowed and encouraged, both on high-cost and low-priced gas, as would be provided by the Commission's rule, pipelines would be able to get their gas purchases in line with current market conditions—and that would mean lower prices for consumers.

While this is not a complete description of what is contained in the final rule—and cannot be complete because the Commission has not yet issued its final rule—I think that it does indicate that the rule is not one-sided; it is not all proproducer and anticonsumer; and that, overall, the rule will likely be a very balanced and responsible step in straightening out our natural gas regulatory morass.

But even if one makes the presumption that the rule is unbalanced and bad energy and economic policy, if we do not act now, has the Congress lost the opportunity to speak on the issue? Certainly not. First, keep in mind that the rule will not go into effect until 30 days after the date on which it is issued in the Federal Register. During that period, there will be ample opportunity to review what has been proposed, and to react accordingly. And even if Congress is unable in that period of time to deal with the matter, we always retain the constitutional right to change the laws of the Nation, including those laws that provide the Commission the statutory authority to undertake this action.

Mr. President, I would like to inform my colleagues that I have received a letter from the Secretary of Energy expressing the administration's strong opposition to this amendment. The letter indicates that the Commission's rule, if not blocked by this amendment, will save the average American gas consumer approximately $20 in his home heating bill over the first year,

and result in $15 billion in benefits to the U.S. economy. The Secretary's letter also notes that the rule would bring additional quantities of low cost gas into the economy which would otherwise go unproduced, thereby assisting the hard-pressed domestic petroleum industry and result in less imports of foreign petroleum.

Mr. President, it is for these reasons that I oppose the amendment and urge my colleagues to do likewise.

I ask unanimous consent that the letter be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, June 5, 1986.

Hon. JAMES A. MCCLURE,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCLURE: It is my understanding that an amendment may be offered to the Urgent Supplemental Appropriations Act for Fiscal Year 1986 (H.R. 4515) to, in effect, bar the Federal Energy Regulatory Commission (FERC) from implementing the old gas price rule which it voted, in principle, to adopt on May 29, 1986. As you know, this rule will reform the current old gas pricing system by "devintaging" old gas.

The Administration is strongly opposed to this amendment, and it is my hope that you will take whatever action is necessary to prevent its adoption.

The FERC rule will save the average American gas consumer approximately $20 in his home heating bill over the first year, and result in $15 billion in benefits to the U.S. economy. Further, the rule would bring additional quantities of low cost, old gas into the economy which would otherwise go unproduced thereby assisting the hard-pressed domestic petroleum industry, and lead to less imports of foreign oil. Passage of this amendment would withhold these important benefits. Accordingly, I urge the Senate to oppose this amendment.

The office of Management and Budget advises that enactment of the amendment would not be in accord with the President's program.

Yours truly,

JOHN S. HERRINGTON.

● Mr. CHAFEE. Mr. President, I am pleased to join with Senators METZENBAUM and EXON as a cosponsor of this amendment to block implementation of a Federal Energy Regulatory Commission rule to decontrol the price of old natural gas. The effect of the FERC rule would be to permit old gas prices to zoom as high as $2.57 per Mcf, while the current spot market price is only $1.50 per Mcf.

Rhode Island would suffer greatly from such a decontrol of old gas. Like the rest of New England, Rhode Island lacks indigenous petroleum resources and must pipe in its gas from other parts of the country. Decontrol would transfer billions of dollars from homeowners and small businessmen to the large producing companies, which own the vast majority of old gas reserves. For many residential users of natural gas, decontrol would amount to an increase of $85 per year.

It is ironic that FERC, while taking precipitous action to decontrol old gas, has not addressed the problem of very expensive new gas that is sold under high-priced take-or-pay contracts. For consumers, FERC ruling would be the worst of all possible solutions: the cost of cheap gas goes up, while expensive new gas stays high. FERC should instead encourage market forces to push the price of new gas down to the current spot market level.

Congress explicitly decided not to decontrol old gas in 1978. Since then, Congress has reaffirmed several times its original decision against decontrol. FERC ruling would accomplish through regulation what Congress has refused to do through the legislative process.

I urge may colleagues to support this amendment that would forestall an ill-considered FERC ruling to decontrol old gas and impose new burdens on consumers.●

Mr. NICKLES. Mr. President, a couple points:

We heard the Senator from Illinois mention inflation. I will tell the Senator that in all the deregulated categories of gas prices have been falling, and they have been falling substantially. We are looking at producer prices of gas that are about 50 percent of what they were a few years ago in every category, except for the regulated categories in which they have continued to escalate, in other words, totally oblivious to what is going on in the marketplace.

When the Senator talks about old gas, I hope Senators are aware that in their proposed rule they say, yes, if the producer makes an initiation to increase some prices on old, they also have to be willing to renegotiate any of the higher priced contracts at the same time. So we are also looking at increasing gas supplies, as much as 2 years of gas supplies, if we allow deregulation of gas.

Mr. President, again this is a very complicated issue. There is no way in the world that this Friday afternoon we are going to be able to educate everybody on it. The facts are in the marketplace the prices are coming down.

Mr. President, I hope we reject the amendment.

Mr. HATFIELD. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a suficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to lay on the table the amendment.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Florida [Mrs. HAWKINS], and the Senator from Nevada [Mr. LAXALT] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON], and the Senator from Hawaii [Mr. INOUYE], are necessarily absent.

I further announce that, if present and voting, the Senator from Missouri [Mr. EAGLETON], would vote nay.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 47, as follows:

[Rollcall Vote No. 120 Leg.]

YEAS—48

Andrews	Hatch	Murkowski
Baucus	Hatfield	Nickles
Bentsen	Hecht	Packwood
Bingaman	Heflin	Quayle
Boren	Heinz	Roth
Burdick	Helms	Rudman
Cochran	Humphrey	Simpson
D'Amato	Johnston	Stennis
Denton	Long	Stevens
Dole	Lugar	Symms
Domenici	Matsunaga	Thurmond
East	Mattingly	Trible
Evans	McClure	Wallop
Garn	McConnell	Warner
Goldwater	Melcher	Weicker
Gramm	Moynihan	Wilson

NAYS—47

Abdnor	Ford	Metzenbaum
Biden	Glenn	Mitchell
Boschwitz	Gore	Nunn
Bradley	Gorton	Pell
Bumpers	Grassley	Pressler
Byrd	Harkin	Proxmire
Chafee	Hart	Pryor
Chiles	Hollings	Riegle
Cohen	Kassebaum	Rockefeller
Cranston	Kasten	Sarbanes
Danforth	Kennedy	Sasser
DeConcini	Kerry	Simon
Dixon	Lautenberg	Specter
Dodd	Leahy	Stafford
Durenberger	Levin	Zorinsky
Exon	Mathias	

NOT VOTING—5

Armstrong	Hawkins	Laxalt
Eagleton	Inouye	

So the motion to lay on the table Amendment No. 2048 was agreed to.

Mr. HEINZ. Mr. President, I voted to table the Exon amendment, not because I disagree with what may be its intent, but because an urgent supplemental appropriation bill is not the place to deal with complicated natural gas issues.

It is absolutely essential for the Senate to live up to its responsibility and pass this supplemental appropriations bill today. Let me give you an example of why we call this supplemental urgent. Parts of western Pennsylvania were devastated last weekend by flash floods. I fully expect the affected areas to be given disaster status in the very near future by the President. But if we haven't passed this bill, if it hasn't cleared the House-Senate conference procedure and been signed by the President, there will not be any money available to the people who

desperately need it. That's why this bill is urgent.

As another example, I remember standing down here last December and offering an amendment to provide funds for the Internal Revenue Service. I was told at that time that there was no need for my amendment—everyone agreed that it was essential to provide additional fiscal year 1986 funding to the IRA—but I was assured that there would be a supplemental appropriations bill to take care of that. Well, here we are Mr. President. This bill does contain additional funding for the IRS. I don't know about my colleagues, but this Senator has not forgotten the horror stories from the Philadelphia Service Center in 1985 when thousands upon thousands of returns were lost or thrown away, when taxpayers called as many as 200 times to get a question answered—I'll tell my colleagues one thing—this Senator is not anxious to repeat that experience. And if we do not pass this supplemental, and pass it soon, let there be no mistake, we will repeat that experience.

As I said at the outset, I am sympathetic to the goal of the Exon amendment, but I am constrained to point out that it is also, in my view, largely symbolic. The Natural Gas Policy Act clearly gives the authority to Congress alone to decontrol natural gas. The Exon amendment seeks to prevent implementation of a rule proposed by the Federal Energy Regulatory Commission, and FERC has not even issued the final rule. If the final rule does, indeed, decontrol natural gas the law is clear and the rule will be struck down. In addition, I might make the general point that the Exon amendment is aimed at proposed rulemaking that may ultimately result in a significantly different rule. It therefore seems to me that the Senator's effort is premature. As a general principle, we should not prevent the implementation of rules until we know what it is we are seeking to prevent.

Mr. President, because, this bill is so vitally important to my State I simply cannot be party to a largely symbolic move which would delay not only final Senate action, but would also be an extremely contentious issue in the House-Senate conference. There is plenty of time, Mr. President, and there will be plenty of opportunities to keep FERC from overstepping its bounds if indeed there is any danger of that.

□ 1550

Mr. HATFIELD. Mr. President, we are now at a point where I would like to recite the remaining amendments because a number of Senators have indicated that they will not plan to raise their amendments. I would like to therefore on behalf of the managers of both sides get an update. We have an amendment from Mr. GRASSLEY and a second-degree amendment by Mr. KASTEN to Mr. Grassley's amendment. We have an amendment by Mr. ABDNOR, two by Mr. SPECTER, one by Mr. DOLE, two by Mr. KENNEDY, one by Mr. MELCHER, one by Mr. ZORINSKY, and one by the Democratic leader. The one by Mr. ZORINSKY can be taken up and disposed of very quickly.

We are working on trying to clear some of the others. Therefore, it would appear, unless there are rollcalls requested on some points of order which I shall make against some of these amendments if we do not have those rollcall votes on such a point of order, we can conceivably be moving to third reading within the hour.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question? Is it the intention of the Senator from Oregon——

The PRESIDING OFFICER. The Senator will withhold. Will the Senate be in order?

Mr. JOHNSTON. Mr. President, I wonder if it is the intention of the Senator from Oregon to seek a rollcall on final passage?

Mr. HATFIELD. Mr. President, I have been so informed that there will be a request for rollcall on final passage.

Mr. JOHNSTON. I thank the Senator.

Mr. BUMPERS and Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield the floor?

Mr. HATFIELD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 2049

Mr. ZORINSKY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. ZORINSKY] proposes an amendment numbered 2049.

Mr. ZORINSKY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 10, change the period to a colon and insert the following: "*Provided*, That, during fiscal year 1986, the Corporation shall use not less than $4,000,000 worth of surplus agricultural commodities owned by the Corporation in establishing and carrying out a research and development program on external combustion engines under section 4(m) of the Commodity Credit Corporation Charter Act, as amended by the Food Security Improvements Act of 1986 (Public Law 99-260, approved March 20, 1986.".

Mr. ZORINSKY. Mr. President, under the Commodity Credit Corporation Charter Act, the Corporation is authorized—in the exercise of its power to remove and dispose of surplus agricultural commodities—"to export, or cause to be exported, not to exceed such amounts of commodities owned by the Corporation as will enable the Corporation to finance research and development of external combustion engines using fuel other than that derived from petroleum products." The program contemplates research and development that uses as fuel coal as well as agricultural commodities or products, including wheat straw, corn stalks, and wood chips. In carrying out such research and development, the total value of commodities exported annually may not exceed $30 million.

The amendment I am offering would simply require the Commodity Credit Corporation to establish the research and development program on external combustion engines that the Corporation is already authorized to carry out. This new authority of the Corporation and mission was added by the Food Security Improvements Act of 1986, which was approved on March 20, 1986.

Under the amendment, not less than $4 million worth of surplus agricultural commodities owned by the Corporation would be used by the Corporation during fiscal year 1986 in establishing and carrying out the program.

The development of external combustion engines holds great promise for dramatically reducing the costs of power to American farmers. A prototype engine has been designed by a Nebraska company to deliver economical, reliable power to pump irrigation water. Two other companies—from other States—have expressed interest in the research and development program authorized by the Commodity Credit Corporation Charter Act.

I would emphasize that the research and development program would be financed with surplus agricultural commodities owned by CCC. Outlays for these commodities would be made under the price support programs.

The research and development program on external combustion engines under the Charter Act would, therefore, provide for an alternative use of surplus commodities at little or no additional cost to the Federal Government.

□ 1600

This amendment has been cleared on both side of the aisle, and I thank the distinguished floor managers. Senator MCCLURE has informed me that there is another external combustion engine upon which research is being done that is Federally-funded. There are, however, major differences between that engine and the prototype engine designed by the Nebraska company.

Mr. MCCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

The only concern I have about the amendment is that Members should know that there is a Stirling Engine Program, a basic R&D program, in the Department of Energy. This is the Stirling engine design, with a different kind of application in some respects, but a Stirling design.

Mr. President, I wanted Members to know that although I have no objection to the amendment of the Senator from Nebraska, it will either preempt the one that we already have on track or will duplicate in some respects that engine.

Mr. ZORINSKY. Mr. President, in reply, I would like to inform my colleagues that the engine to which Senator McCLURE refers is a movable engine, and is like an automobile engine. The prototype engine designed by the Nebraska company is stationary. In my judgment, the research and development of the two engines would not be duplicative.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this matter was considered by the Committee on Agriculture last year and was authorized as part of the farm bill. This is a small amount of money to get the project under way. We recommend the amendment be agreed to.

Mr. JOHNSTON. Mr. President, we have no objection.

Mr. HATFIELD. Mr. President, it has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2049) was agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2050

(Purpose: To improve the interest rate reduction program for guaranteed FmHA loans)

Mr. ABDNOR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. ABDNOR], for himself, Mr. ZORINSKY, Mr. BURDICK, Mr. ANDREWS, Mr. FORD, Mr. BOSCHWITZ, and Mr. GRASSLEY, proposes an amendment numbered 2050.

Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, between lines 17 and 18, insert the following:

INTEREST RATE REDUCTION PROGRAM FOR GUARANTEED FMHA LOANS

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (b)(1)—

(A) by inserting "and" after the semicolon at the end of subparagraph (A);

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) by adding at the end thereof the following new subsections:

"(f) The total outstanding amount of all guaranteed loans made to a borrower that may qualify for interest rate reduction payments under this section may not exceed $300,000.

"(g)(1) Subject to paragraph (2), the Secretary shall permit a borrower of a loan made by a lender to participate in the program established under this section if—

"(A) under the terms of the loan agreement entered into between the borrower and the lender, the borrower is permitted to make a balloon payment not earlier than the seventh year on the loan as provided in current regulations for guaranteed loans;

"(B) the borrower has a 110 percent or less of cash-flow position at the time the borrower makes application for assistance under this section, but participation in the program would strengthen his financial position; and

"(C) the borrower and lender otherwise meet the eligibility requirements provided for under current regulations.

"(2) To be eligible to participate in the program in accordance with paragraph (1), the borrower of a loan must—

"(A) provide adequate security for repayment of the loan, as determined by the Secretary; and

"(B) in the case of a loan with a balloon payment due, be required to provide a balloon payment that does not exceed 50 percent of the original amount of the loan.".

Mr. PRYOR. Mr. President, the Chamber is not in order. None of us can hear.

The PRESIDING OFFICER. The Senator is correct.

Mr. PRYOR. Mr. President, I ask if the Senator will yield for a question I have of the chairman of the committee.

Mr. ABDNOR. I yield.

Mr. PRYOR. Mr. President, for the last several hours and even in the night session last night, we heard about the possibility, with the large number of Members we were having before the Senate at this time, of a time limitation upon those amendments. We have now heard that that is not possible. This Senator does not actually know if the Senator from Oregon has yet posed the question to the body. I am wondering if it might not be in order to see if there might be a way to have a 15-minute time limit on each amendment, and also a limitation on each rollcall.

I am not suggesting how the distinguished chairman shepherd this bill through the Senate, but I would suggest that there are some of us who would certainly be supportive should the chairman make such a request.

Mr. HATFIELD. Mr. President, let me divide the question into two parts. First, taking the latter part first, the 10-minute rollcall, that is a prerogative of the leadership. I will check to find out what the response would be.

Second, as far as getting time agreements, we are moving more rapidly now without time agreements than if we had them. Sometimes we find there are those who feel they ought to take all the time under a time agreement.

At the moment, I will say to the Senator I am going to make a point of order against a number of amendments as quickly as I can be recognized by the Chair and expedite it that much more, getting to the basic question of germaneness or legislation on an appropriations measure, or whatever the point of order might be.

We may have one other amendment which may be better served with a time agreement, which we are now working on.

Mr. PRYOR. I thank the chairman. I thank him for responding. Also, I hope the leadership will take notice that many of these rollcalls are running far beyond 15 minutes. We could save a lot of time if we would agree to a 10-minute rollcall. We are all here. We have all canceled out everything we had planned to do anyway. I hope the distinguished leadership might be listening to that.

The PRESIDING OFFICER. The Chair would appreciate it if conversation on the floor could cease so that the Member who has the floor could be heard.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. ABDNOR. I will.

Mr. HATFIELD. Mr. President, I am going to raise a point of order on the amendment of the Senator, and I wonder if it would expedite matters if I raised the point of order and get that determined before we proceed with an involvement with the amendment.

Mr. ABDNOR. I would like very much to present my brief statement since I have not had the amendment read.

Mr. HATFIELD. I would be very happy to listen to the brief statement and then make my point of order.

Mr. ABDNOR. Mr. President, today, along with my colleagues Senators ZORINSKY, BURDICK, ANDREWS, BOSCHWITZ, FORD, and GRASSLEY, I am offering an amendment to make desperately needed changes in the interest rate reduction program being administered by the Farmers Home Administration [FmHA].

As my colleagues are aware, the Interest Rate Reduction Program was included in the 1986 farm bill. Pursuant to section 1320 of the Food Security Act of 1985, farm borrowers can

reduce the interest rates they pay on loans guaranteed by FmHA through a maximum 2-percent interest buy-down by the Government and an equal write-down by the borrower's lender. A total of $490 million was authorizated for this 3-year program—$114.84 million in fiscal year 1986 and $185 million in fiscal year 1987 and fiscal year 1988.

Unfortunately, the program as implemented by the administration, has not been used by hard-pressed farmers. As of June 3, 1986, only 574 applications had been approved for a total of $3.2 million. Needless to say, this is a major disappointment.

Why has this program not been used by farm borrowers and lenders? Farmers and lenders who have tried to qualify cite two major problems.

First, the eligibility requirements are too restrictive. In order to qualify, a farmer must be unable to cash-flow prior to the interest rate reduction. Thus, a farmer having a positive cash-flow of only a few thousand dollars or less is not eligible. There are many farmers who just barely cash-flow without the program but who are experiencing severe financial strains and cannot take advantage of the interest rate reduction.

Second, in writing the regulations for this program, FmHA mandated that a farmer's principal payments must be made in "equal installments," thereby eliminating balloon payments which are allowed under FmHA's regular Guaranteed Loan Program. Without the use of balloon payments, the Interest Rate Reduction Program is rendered almost useless to farmers.

The amendment we are offering today would improve the Interest Rate Reduction Program by changing it in three ways.

First, the amendment changes the program so that debt-stressed farmers who have a cash-flow of 110 percent or less at the current time can qualify for the program and strengthen their financial position through an interest rate reduction. By making this change, farmers who truly need a reduction in interest rates in order to survive could be helped.

Again, let me emphasize, a farmer who is only a few hundred dollars above an even cash-flow cannot benefit from the program. Truly this is not very equitable.

Second, the amendment allows for balloon payments by farmers.

FmHA has agreed that balloon payments should be allowed to help make the program work. With balloon payments, farmers will be able to make scheduled payments for 6 years, schedule a balloon payment for the seventh year, and then reamortize the loan during the seventh year and stretch that balloon payment over a maximum of an additional 15 years. In order to protect the interests of FmHA and guard against abuse, however, the size of the balloon payment is limited to a maximum of 50 percent of the original loan amount. As far as I know, everyone thinks that is a fair proposition.

Third, the amendment limits the amount of new or existing loan funds which could qualify for an interest rate reduction under this program to $300,000 per borrower. The intent is to better target this program to family-sized farmers and to help as many needy farm and ranch borrowers as possible. This limit will not be unduly restrictive because a borrower would continue to be able to reduce his interest expenses by $12,000 per year or $36,000 over the life of the program.

Let me point out we are cutting the upper limit to $300,000 so that the program is better targeted to small farmers.

Mr. President, these changes are needed to make the Interest Rate Reduction Program work and to provide the relief to hard-pressed farmers that Congress intended. Unless these changes are made, the program will continue to be a failure and many needy farm borrowers will go unassisted and may end up in bankruptcy or worse.

For these reasons, I urge the support of all Senators for this amendment.

Mr. President, again let me say this program has been authorized. I think it was the intent of all Senators to see this program help our needy farmers who need an interest rate reduction. This is not a giveaway program and I think we ought to make up our minds: If our intent really is to have a workable program, then we should certainly adopt my amendment.

Mr. ZORINSKY. Mr. President, the Interest Rate Reduction Program was established by an amendment which I offered during the consideration of the 1985 farm bill. As implemented by the administration, the program has been less than successful. In fact, as of the first part of June 1986, only $3.2 million has been used, out of a total authorization of $490 million over the next 3 years. Clearly, some changes are needed if this program is to have its intended effect of alleviating interest rate pressure on our already financially distressed farmers.

The amendment being offered would broaden eligibility while at the same time focusing on family-size farms, and would eliminate unworkable repayment requirements that were implemented administratively.

These technical changes should contribute significantly to the proper and successful implementation of the Interest Rate Reduction Program.

I urge my colleagues to support the amendment.

Mr. GRASSLEY. Mr. President, I rise in support of the amendment offered by the distinguished Senator from South Dakota. This amendment makes necessary changes in the regulations for the Interest Rate Buydown Program.

I've heard many complaints from Iowa farmers and bankers that the program does not work as well as it should. Any loan that has a balloon payment on the end is not eligible for the interest rate buydown program. This requirement makes no sense. It knocks out many borrowers who could benefit from the buydown program. The Abdnor amendment remedies this defect in the interest rate buydown regulations.

Another problem with the Buydown Program is that the cash flow requirements are too restrictive. A borrower must have a negative cash flow before the buydown and a positive cash flow after it. A borrower who has the misfortune of having a very small positive cash flow cannot qualify for the buydown. This amendment modifies the cash flow requirements so that more borrowers will qualify.

As of May 15, 207 Iowa farmers had received interest rate buydowns. There certainly should be a lot more farmers in my State who are able to qualify for the Buydown Program. The Interest Rate Buydown Program is a simple, effective way to encourage debt restructuring. This amendment removes some unreasonable regulations so more borrowers will be able to participate. I urge my colleagues to support the amendment.

Mr. ZORINSKY and Mr. HATFIELD addressed the Chair.

Mr. HATFIELD. Mr. President, I make the point of order that this amendment is legislation on an appropriations bill.

The PRESIDING OFFICER. The point of order is well taken.

Mr. ABDNOR. I raise the defense of germaneness, Mr. President.

The PRESIDING OFFICER. Once the Chair has ruled on the point of order, it is too late to raise the question of germaneness.

Mr. ABDNOR. I wish to appeal the ruling of the Chair. I ask for the yeas and nays.

Mr. HATFIELD. Will the Senator withhold for a moment? I wonder if the Senator will allow a division of the body or show of hands or voice vote to occur as against a rollcall for the appeal from the ruling of the Chair.

Mr. ABDNOR. Let me say to the distinguished chairman of the Appropriations Committee, I would like to accommodate his wishes to save time but I do not dare. Many of my supporters are not on the floor. It would not be a fair situation to do that under those circumstances.

Mr. ZORINSKY addressed the Chair.

Mr. HATFIELD. Mr. President, I move to table the appeal.

The PRESIDING OFFICER. The question is on the motion to table the appeal.

Mr. ZORINSKY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ZORINSKY. At the time Senator ABDNOR had the floor and yielded the floor to me, did he have control of the floor?

The PRESIDING OFFICER. The Senator did not have the right to yield the floor to another Senator.

Mr. ABDNOR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the appeal on the table.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS], the Senator from Nevada [Mr. LAXALT], and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON], the Senator from Hawaii [Mr. INOUYE], the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "yea."

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 44, as follows:

[Rollcall Vote No. 121 Leg.]

YEAS—46

Bentsen	Hecht	Packwood
Bingaman	Heinz	Proxmire
Cochran	Helms	Quayle
Cohen	Humphrey	Rockefeller
D'Amato	Johnston	Roth
DeConcini	Kassebaum	Rudman
Dodd	Kennedy	Sarbanes
Dole	Levin	Simpson
Domenici	Long	Stafford
East	Lugar	Stennis
Evans	Mathias	Trible
Garn	Matsunaga	Wallop
Gorton	Metzenbaum	Warner
Gramm	Mitchell	Weicker
Hatch	Moynihan	
Hatfield	Murkowski	

NAYS—44

Abdnor	Byrd	Glenn
Andrews	Chiles	Gore
Baucus	Cranston	Grassley
Biden	Danforth	Harkin
Boren	Denton	Hart
Boschwitz	Dixon	Heflin
Bradley	Durenberger	Hollings
Bumpers	Exon	Kasten
Burdick	Ford	Kerry
Leahy	Nunn	Specter
Mattingly	Pressler	Symms
McClure	Pryor	Thurmond
McConnell	Riegle	Wilson
Melcher	Sasser	Zorinsky
Nickles	Simon	

NOT VOTING—10

Armstrong	Hawkins	Pell
Chafee	Inouye	Stevens
Eagleton	Lautenberg	
Goldwater	Laxalt	

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

□ 1630

The PRESIDING OFFICER. The Senator from Massachusetts. Is the Senator from Massachusetts seeking recognition?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

□ 1640

Mr. HATFIELD. Mr President, will the Senator yield for just a question?

Mr. KENNEDY. Yes.

Mr. HATFIELD. I understood the Senator was going to send an amendment to the desk relating to some lighthouses.

Mr. KENNEDY. I thought we would address this one first or I will make the statement and then do the Coast Guard. Let me make my statement and then do the Coast Guard, or I can do the statement.

Mr. HATFIELD. We are ready to accept the amendment on the Coast Guard. That has been cleared. I would like to keep order here as to what we are really handling.

Mr. KENNEDY. Fine.

AMENDMENT NO. 2051

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 2051.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At appropriate place insert: "Of the approximately $750,000 in savings available from the Great Point Light, Nantucket, Massachusetts project, such sums as necessary shall be applied to the maintenance, sealing and preservation of other lighthouses in the Commonwealth of Massachusetts owned by the Coast Guard."

Mr. KENNEDY. Mr. President, this particular amendment does not add any additional appropriations. What it does is provide that approximately $750,000 in savings from the Great Point Lighthouse project on Nantucket, approved by Congress in 1984, shall be devoted to the maintenance and preservation of other lighthouses in the Commonwealth of Massachusetts owned by the Coast Guard.

I have talked over this amendment with the chairman of the subcommittee, Senator ANDREWS, the ranking minority member of the subcommittee, Senator CHILES, the chairman of the Appropriations Committee, and I believe the ranking minority member.

Mr. JOHNSTON. Mr. President, this amendment has been clared on this side.

Mr. HATFIELD. Mr. President, the amendment has been cleared on this side of the aisle.

Mr. KENNEDY. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 2051) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. I thank the chairman and the members of the committee.

AMENDMENT NO. 2052

(Purpose: To provide additional funds for certain nutrition programs)

Mr. KENNEDY. Mr. President, I understand that the chairman of the Appropriations Committee intends to make a point of order on my amendment which increases nutrition funding by transferring funds from the Department of Defense that had been for use by the Department of Energy for SDI research. My amendment proposes to transfer those funds over to nutritions programs under the Older Americans Act for the home delivered meals and delivery of meals in congregate settings for the elderly.

I would like to make a brief statement and then I will offer the amendment, and I am very much aware of the proposed action by the chairman of the Appropriations Committee. He was good enough to indicate what parliamentary procedure he was going to follow. I am grateful for that, although I would have hoped we would have had an opportunity to vote on this particular amendment.

Mr. President, I will not take much time but I would like to make the case in support of the amendment. Then I will send the amendment to the desk and then we will see what the decision of the Senate will be on this extremely important matter.

Several years ago, the Administration on Aging reported that thousands of the oldest, poorest, most frail elder-

ly Americans were in need of food and were not getting it. Since then, hundreds of thousands more have joined their need.

They had the same options then that they have today; they can starve, go to nursing homes, or be cared for by the home delivered and congregate meal programs.

As the Aging Subcommittee has recently disclosed, nursing homes have in many, many jurisdictions become a form of institutionalized neglect, malfeasance, and bedridden death. And this grotesque parody of long-term health care comes at a high tax on our social resources.

Starvation is expensive too. The elderly are vulnerable, and malnutrition sharply increases chronic and acute disorders for them; it makes disease happen sooner, last longer, and cut more deeply into their reserve of remaining years. The malnourished elderly need more emergency care, hospital stays, and doctor visits than those who are well fed.

There is a way to break through the Hobson's choice between institutionalization and starvation. The home delivered and congregate meal programs provide food to the elderly in their homes and communities.

For the elderly who cannot leave their homes, the Meals on Wheels Program delivers food to the elderly who care for themselves at home, rather than force them out of their homes and into nursing facilities. Congregate meals, for the elderly who can leave their homes, provide food and also prevent loneliness and isolation.

Unlike so many of the challenges we work to overcome in this body, the starvation and malnutrition of the elderly is one we can conquer. Hunger is the problem, food is the answer. Malnutrition is the disease, food is the cure.

A recent Texas statewide survey of congregate and home delivered program recipients revealed the following:

That 34 percent of participants surveyed said they would go hungry if it were not for the meals received in these programs.

That 58 percent reported that the program provided the complete meal they ate during the day.

Many program administrators reported that many elderly participants split up the meals they received at nutrition sites, saving one half for later. Still others said they rely on cereal and milk for the evening meal.

I am sure that similar surveys in other States would produce the same tragic story and evidence of need. The waiting lists for elderly nutrition programs are growing daily and yet less is being done. Last year, 3.5 million elderly citizens participated in congregate and home delivered meal programs. There are still 1.6 million more poor elderly in this country who need these services, yet, because they cannot receive them, go hungry. That tragic situation is part of what my amendment intends to remedy.

Two weeks ago Ronald Reagan declared his belief that the hungry in America go without food because they are unaware of available help. I criticized that statement because I believe that millions of Americans are denied access to the programs of which they are fully aware—many know of the programs because they used to be served by them.

But there are many who are not aware of what can be done. For them, outreach programs are the answer. The Advertising Council has begun a campaign, through the private sector, to tell Americans what the public sector can do. They have received a thousand phone calls a day on their hotline. There are thousands and thousands more who suffer needlessly and who can be helped by information. My amendment today proposes to do that.

The Community Food and Nutrition Program, before its elimination in 1981, supported a variety of public education, access, planning and direct delivery approaches to antihunger work nationwide. Congress recently recognized the importance of the antihunger programs by reauthorizing CFNP.

My amendment would provide $2.5 million in funding, substantially less than $26 million in funding provided before its elimination. Through the Community Food and Nutrition Program, essential assistance will be provided to communities to help bring nutrition programs to underserved and unserved areas, to assist in the coordination of existing public and private food assistance resources and to increase public awareness of hunger in their communities.

The Community Food and Nutrition Program will once again provide necessary nutrition education and information about Federal food programs and hunger prevention to the millions of Americans who are living in poverty and who suffer because of their ignorance of the aid that is available.

Since 1981, these and other Federal food programs have been cut dramatically, at a time when tragic increases in the number of Americans who are poor and hungry have occurred. CBO reports that congregate and home delivered meals alone have been cut by 23 percent since 1981 when adjusted for inflation.

And since 1981, the Harvard Physician's Task Force on Hunger in America reports that hunger has swept across this country faster than at anytime in the last half century.

And they report that though hunger had been largely eliminated in this country by the end of the 1970's, as many as 20 million Americans are now without enough food.

These programs are a step forward against hunger. The Nation showed its solid opposition to hunger and neglect on May 25th in the Hands Across America event.

Millions joined hands to end hunger in this country, and that effort was supported by those of us in this body and by the White House as well. Now it is time to make more than a gesture.

It is time to make a stand against hunger, not just to take a place standing in line. This is the first place where we will draw a line in the dirt: no more hunger for America's elderly—not now, not tomorrow, never again.

I propose to fund this commitment with the $62 million identified in the House urgent supplemental to be transferred from the Department of Defense appropriations research, development, testing, and evaluation to the Department of Energy for atomic energy defense activities.

This $62 million was earmarked to accelerate testing of nuclear powered directed energy weapons concepts. This is $62 million that General Abrahamson thinks DOD can do without.

The Senate Appropriations Committee has decided that the transfer of money for research on a nuclear defense to nuclear weapons is a sad approach and refused the transfer—but they forgot to get rid of the money.

The $62 million remains in the DOD appropriation. The Senate should transfer its $62 million to aid the war against hunger and not to bring war to the skies.

Star wars is a progam that failed before it began. Thousands of scientists have condemned it. Strategic experts in droves have warned us of its doomsday dangers, and now it stands in the way of providing the funds we need here, at home, on Earth, to feed our people. At the same time that we have slashed spending on programs to relieve hunger among our elderly, the strategic defense initiative budget was doubled between 1985 and 1986, and the 1987 fiscal year request nearly doubles again the funding made available for that program.

I want to stress that this amendment does not require my colleagues to vote against star wars. We are only taking away money that is a glitch—a $62-million glitch—in the star wars budget.

We can debate another day whether there should be any money at all in the star wars program. But today the only question we face is whether to give money to DOD that DOD thinks it doesn't need.

The only thing increasing faster than the star wars budget appears to be the tide of hunger in America. This

misguided ambition—to look for war in the heavens while ignoring suffering on Earth—is a mark of martial ambition and moral bankruptcy.

Mr. President, the judgment of history is the voice of moral truth, and a thousand years from now they will regard us as savage if we let our elders starve while we squander billions to disarm our opponents by ringing the skies with lasers and steel.

They would believe that we were precocious monsters who had unlocked the secrets of the atom and ignored the sermon of the mount. This amendment is a proven weapon in the war against hunger; star wars is a backward step in the march toward peace, and I urge my colleagues to vote the adoption of the amendment.

Mr. President, I know the Members are familiar with this issue and this question.

● Mr. KERRY. Mr. President, this has been a year of choices—very difficult choices between programs which would accelerate the arms race or improve the lives of our people. Choices between increasing nuclear instability or strengthening our economy. Choices between spending $62 million on a dangerous program called star wars or providing hot meals programs for our Nation's elderly population.

Today we have the opportunity to make one of these very difficult choices and that is the choice to transfer $62 million for research on nuclear-powered SDI systems, or use these vitally needed funds for nutrition programs for older Americans. The Kennedy amendment before us is a most eloquent example of where our Nation's resources should be directed. This amendment transfers $62 million to the Elderly Congregate Meals Program, the Home-Delivered Meals Program, and the Community Food and Nutrition Program to ensure that our Nation's senior citizens receive the food and nutrition they so desperately need. These meals programs provide meals as well as a link with the world and an opportunity for fellowship with others.

A 1983 administraton report revealed that lack of funds was the most significant barrier to providing these services, particularly for the Home-Delivered Meals Programs, which serves the most frail, the oldest, and the poorest of all elderly. The Congressional Budget Office that combined the Congregate and Home-Delivered Meals Programs were cut by 23 percent since 1981. Demand for meals has grown as the older population increases and the aged grow older and this $62 million will be quickly utilized in communities nationwide where they have waiting lists of 100 or more for these meals programs. I believe the choice is clear.

Simply said, this is a choice between putting missiles first or people first. The past 40 years of action and reaction has surely taught us that star wars is a choice that we have already made and we should have learned that we cannot end the arms race by seeking superiority over the Soviet Union. However, we can seek superiority over the sickness and loneliness that preys upon our Nation's elderly by placing our tax dollars in these most needed nutrition programs. Let's support the Kennedy amendment.●

Mr. President, I send the amendment to the desk at this time.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] for himself and Mr. KERRY proposes an amendment numbered 2052.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, between lines 17 and 18, insert the following:

NUTRITION PROGRAMS

For an additional amount for certain nutrition programs, to be derived by transfer from the Department of Defense appropriation "Research, Development, and Test and Evaluation, Defense Agencies", to be merged with this amount, $62,000,000 of which—

(1) $52,500,000 shall be made available for grants for congregate nutrition services under subpart 1 of part C of the Older Americans Act of 1965 (42 U.S.C. 3030e);

(2) $7,000,000 shall be made available for grants for home delivered nutrition services under subpart 2 of part C of such Act (42 U.S.C. 3030f et seq.); and

(3) $2,500,000 shall be made available for grants for community food and nutrition programs under section 681A of the Community Services Block Grant Act (42 U.S.C. 9910a).

Mr. KENNEDY. Mr. President, I outlined in my statement the purpose of the amendment and how there would be an offset.

I understand, Mr. President, that a point of order will be made, but I would like to make a parliamentary inquiry.

The PRESIDING OFFICER. The senator will state his inquiry.

Mr. KENNEDY. Is this amendment germane?

The PRESIDING OFFICER. The Chair cannot rule on germaneness but if the point is raised the Chair will submit it to the Senate.

Mr. KENNEDY. As I understand the Chair can either make a determination that the measure is not germane or it can submit the measure to the Senate. Am I correct on that?

The PRESIDING OFFICER. The Chair must make a determination whether or not there is House legislative language with which the amendment could be germane. There is such language.

□ 1650

Mr. KENNEDY. Did I understand the Chair to say there is such language?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. I thank the Chair.

Mr. QUAYLE. Mr. President, I want everyone to know that I stand foursquare for nutrition programs in this country. The chairman of the committee and the ranking member and others have certain amount of moneys for these programs. I do not think any kind of a vote to see whether this amendment is germane or not should be construed in any other way.

But, this is legislation on appropriations. This amendment I think is unnecessary and it certainly is unnecessary at this particular time on this supplemental appropriations bill.

Therefore, I make the point of order that this is legislation on an appropriations bill.

Mr. KENNEDY. Mr. President, I raise the defense of germaneness.

The PRESIDING OFFICER. The issue of germaneness has been raised by the Senator from Massachusetts. The Chair now submits to the Senate the question, Is the amendment germane?

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Is the amendment germane? The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Florida [Mrs. HAWKINS], and the Senator from Nevada [Mr. LAXALT] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON], the Senator from Hawaii [Mr. INOUYE], the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "yea."

The PRESIDING OFFICER (Mr. HECHT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 45, nays 47, as follows:

[Rollcall Vote No. 122 Leg.]

YEAS—45

Andrews	Bumpers	DeConcini
Baucus	Burdick	Dixon
Bentsen	Byrd	Dodd
Biden	Chiles	Exon
Boren	Cohen	Ford
Bradley	Cranston	Glenn

Gore	Long	Pryor
Harkin	Mathias	Riegle
Hart	Matsunaga	Rockefeller
Hatfield	Melcher	Sarbanes
Johnston	Metzenbaum	Sasser
Kennedy	Mitchell	Simon
Kerry	Moynihan	Specter
Leahy	Packwood	Weicker
Levin	Proxmire	Zorinsky

NAYS—47

Abdnor	Grassley	Nunn
Bingaman	Hatch	Pressler
Boschwitz	Hecht	Quayle
Cochran	Heflin	Roth
D'Amato	Heinz	Rudman
Danforth	Helms	Simpson
Denton	Hollings	Stafford
Dole	Humphrey	Stennis
Domenici	Kassebaum	Stevens
Durenberger	Kasten	Symms
East	Lugar	Thurmond
Evans	Mattingly	Trible
Garn	McClure	Wallop
Goldwater	McConnell	Warner
Gorton	Murkowski	Wilson
Gramm	Nickles	

NOT VOTING—8

Armstrong	Hawkins	Laxalt
Chafee	Inouye	Pell
Eagleton	Lautenberg	

□ 1710

The PRESIDING OFFICER. On this vote, the yeas are 45, the nays are 47. The amendment is not germane and, therefore, falls.

Mr. HATFIELD. Mr. President, at this time, I would like to ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. JOHNSTON. Mr. President, would the Senator withhold? Has there been a definite request for that?

Mr. HATFIELD. Yes, by the Democratic leader.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Mr. President, we have three amendments left on our list: An amendment by Mr. GRASSLEY, an amendment by Mr. DOLE, and an amendment by Mr. MELCHER. I am not aware of a rollcall on these three. I do not have that information. I believe Mr. DOLE has indicated that his will not necessitate a rollcall. In fact, the amendment by Mr. DOLE will take about 1 minute.

The amendment by Mr. MELCHER, I understand, will not require a rollcall. I will make a point of order against the amendment at the proper time that it is legislation on an appropriations bill. I am not sure whether the Senator from Montana would want a rollcall on that or not.

Mr. MELCHER. Will the chairman yield?

Mr. HATFIELD. I will be happy to yield.

Mr. MELCHER. If that point of order is made, I will withdraw the amendment and see what can be worked out. It would be helpful to those of us who have been working on this amendment in the Agriculture Committee on both sides of the aisle if we can be made aware during the debate exactly what would trouble anyone that they would want to raise a point of order.

Mr. HATFIELD. In other words, I think it is conceivable that we might finish within the hour.

Mr. President, I yield the floor.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 2053

(Purpose: To provide for additional assistance to the Philippines.)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 2053.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, strike the period at the end of line 2, and insert in lieu thereof the following: ": *Provided further*, That $1,500,000 of these funds shall be transferred to the 'Agriculture, Nutrition, and Rural Development Assistance' account and shall be available for private and voluntary agencies and cooperatives to establish one or more financial intermediaries, the purpose of which shall be to carry out a pilot rural lending program in the Philippines under the authorities of section 1111 of the Food Security Act of 1985 and, for the fiscal year ending September 30, 1986, section 416(b) of the Agricultural Act of 1949: *Provided further*, That of the minimum amounts of eligible commodities required to be made available under section 416(b) during the fiscal year ending September 30, 1986, the Secretary of Agriculture shall make available to the intermediary or intermediaries, to carry out the pilot lending program in accordance with section 108 of the Agricultural Trade Development and Assistance Act of 1954, wheat, dairy products, and other eligible commodities in amounts sufficient to generate, when sold within the Philippines, local currencies in (1) an amount equivalent to $10,000,000 to be used to defray the capitalization and startup costs of such intermediary or intermediaries and (2) an amount necessary to reimburse the United States for costs, including but not limited to transportation expenses, incurred in making the commodities available: *Provided further*, That (1) funds and commodities shall not be made available if the Government of the Philippines requests, in writing, that the rural lending pilot program not be carried out, or (2) the amount of commodities made available shall be reduced if the Government of the Philippines requests, in writing, that the amount of commodities made available be reduced.

"It is the sense of Congress that the pilot rural lending program be funded during each of the fiscal years ending September 30, 1987, 1988, and 1989, with not less than $10,000,000 in foreign currency generated from the sale of commodities under an agreement entered into under section 101(a)(3) of the Agricultural Trade Development and Assistance Act of 1954, with such currency to be used under section 108 of the Agricultural Trade Development and Assistance Act of 1954.

"It is further the sense of Congress that, during the fiscal year ending September 30, 1986, the Secretary of Agriculture—upon the request of eligible private and voluntary agencies and cooperatives—make available for disposition under section 416(b) of the Agricultural Act of 1949 eligible commodities in an amount of not less that $30,000,000 in value for emergency feeding, nutrition, and other assistance programs to be carried out in the Philippines."

Mr. HATFIELD. Mr. President, I make the point of order that the amendment is legislation on an appropriations bill.

Mr. MELCHER. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HATFIELD. Mr. President, I thank the Senator from Montana. I would be very happy to work with the Senator from Montana in an attempt to resolve this problem.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I want to take this opportunity to briefly describe what is involved in this amendment.

This amendment deals with canning $10 million in food commodities; namely, milk and wheat, and the $100 million in cash that is being provided within the appropriations bill for economic security funds for the Philippines.

It is my belief that the economic security funds are needed, the $100 million, but it is also true that it is my belief, and I believe the belief is equally shared by many in this Chamber, that it would be wise to augment that cash with about $10 million from our stocks, our huge stocks, of surplus wheat and milk.

Mr. President, that is exactly what this amendment does. I hope when we get back to the amendment we can have a clear understanding on what there is in it which is objected to by anybody wanting to raise a point of order.

Mr. President, the chairman of the Committee on Agriculture, Senator HELMS, and I have been working on this for the past week, as well as other members of the Agriculture Committee.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. MELCHER. I yield without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, it has been my pleasure to work with the Senator from Montana on this propos-

al. His amendment represents a creative approach toward providing aid to the people of the Philippines.

This amendment would call for the President to establish a rural lending pilot program in the Philippines utilizing authorities provided for in section 1111 of the Food Security Act of 1985, and—for fiscal year 1986, utilizing authorities provided for in section 416(b)(10).

Specifically, under the pilot program, commodities would be made available—during this fiscal year—to cooperatives and nonprofit and voluntary agency financial intermediary or intermediaries under section 416(b)(10).

These commodities would be sold within the Philippines, with the generated currencies used to defray the capitalization and startup costs of the intermediary or intermediaries, and to compensate the Commodity Credit Corporation for costs incurred in transporting and otherwise making the commodities available.

In subsequent years, it would be the sense of Congress that the President would enter into contracts with the Government of the Philippines under section 101(A)(3) of Public Law 480 for the sale of agricultural commodities, with the currency to be used under section 108 of that act. The currency would then be loaned to the financial intermediary or intermediaries in accordance with section 108.

I understand that it is the intent of this amendment that the President will require any participating financial intermediary to have some investment from local sources. Such an arrangement might call for loan recipients to maintain a portion of their loans on deposit in the intermediary.

Mr. MELCHER. That is indeed the intent. The purpose of local investment in the intermediary is to create a sense of ownership and responsibility, and to assure the soundness of its lending practices.

Moreover, several PVO's and cooperatives should be afforded the opportunity to participate in the establishment and operations of such an intermediary or intermediaries.

Mr. HELMS. I also understand that it is intended that the use of section 108 to finance this pilot program not be construed to preclude the use of this section for other programs in the Philippines.

Mr. MELCHER. I agree with the Senator's assessment. I thank him for his support and appreciation for the importance of this amendment.

In regards to the outyears, the amendment envisions the use of section 108 to finance the financial intermediary or intermediaries selected for the pilot lending program. Let me make clear that under current authorities, section 416 commodities could be used for this purpose as well.

Mr. HELMS. I thank the Senator from Montana for clarifying these points.

Mr. President, food assistance can help create future markets for our farmers—but only if our assistance recognizes that the key to development lies not in central government planning, but in private enterprise.

This amendment makes such a recognition by calling for the provision of loans to private enterprise in the Philippines. I urge my colleagues to support it.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I know my colleagues are anxious to conclude our business. I will not take long. I simply wanted to call to the attention of my colleagues the fact that in the supplemental appropriations bill there is an additional $35 million for the Veterans' Job Training Act. I wanted to publicly and personally express my appreciation to Senator DECONCINI for his role as a member of the committee in assisting so much in obtaining that money and, most expecially, I would like to thank Senator ROCKEFELLER for his role because, both as Governor prior to joining us here in the Senate as well as here in the Senate, he has proven himself to be a consistent and important friend of Vietnam veterans.

Mr. President, I would like to simply comment that, as all of us know, this Memorial Day additional names were placed on the monument here in Washington.

□ 1720

Now, in 1986, we are still constantly recalling the sacrifices and cost of that war. For many, many Vietnam veterans that cost has been multifaceted—not only agent orange, not only drug problems, not only split families but, a recurring unemployment problem. There is no more significant problem, really, than the recurring unemployment problems that exist today of a group of veterans who still find it extremely difficult to find employment.

I would like also to express appreciation to Senator MURKOWSKI, Senator CRANSTON, and Senator PRESSLER for their roles in making it possible for this money to be made available in the bill. I hope my colleagues will recognize that in passing this bill, which I trust we will do today, they are paying an important debt to Vietnam veterans and fulfilling an important promise.

Again, I am particularly grateful to Senator ROCKEFELLER for his very important role in making that happen.

Mr. ROCKEFELLER addessed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, the Senator from Massachusetts has been more than kind. I wish to start by pointing out that the Veterans Job Training Program could have died. The $35 million in this urgent supplemental bill which is now being considered might not have been included. Some felt the prospects for obtaining these funds were very poor. The junior Senator from Massachusetts took hold of the matter led the effort to reauthorize the program and then worked with Senator DECONCINI and others to ensure that funds were included in this bill. I commend the Senator from Arizona in particular for his leadership in seeking these funds.

It is not a large amount of money. More costly programs have been discussed on this floor in recent days, but not many have been addressed which have such significant implications.

The Senator from Massachusetts has indicated some of the employment-related problems that Vietnam veterans and Korean veterans have faced. The Veterans Job Training Program is small in scope but nevertheless very effective. Because of the funds included in this bill, some 25,000 Vietnam and Korean veterans who have applied for the program's assistance, now have an opportunity to become productive citizens by gaining skills and training needed to obtain jobs in the private sector. This is a notable achievement. Senator KERRY, Senator DECONCINI, Senator MURKOWSKI, and Senator CRANSTON should be very proud indeed of their role in accomplishing this.

I certainly found it a pleasure to work with my colleagues in renewing this very important program.

I thank the Chair.

AMENDMENT NO. 2054

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 2054.

At the appropriate place in Chapter III of this Act insert the following new section:

"SEC. ( ). Of the funds made available for university research in Title IV of the Department of Defense Appropriations Act, 1986, Public Law 99-190, $13,500,000 for Northeastern University in Massachusetts and $11,100,000 for the Rochester Institute of Technology at Rochester, New York, are hereby rescinded."

Mr. DOLE. Mr. President, let me briefly explain this amendment. We spent about an hour and 40 minutes last night debating eight projects that are in the Senate bill. By a rather decisive vote, the Senate decided that we were using the wrong procedure. The only problem with that is that there are still provisions in the House bill. I am willing to abide by what the Senate had to say with reference to our projects.

I must say I was silent last evening because two of those projects, two very small projects—one $2 million, one $5 million—happen to be in the State of Kansas. So I said nothing.

The purpose of this amendment is to rescind the funds previously made available for the two university projects that are specifically earmarked in the House bill. If earmarking is bad in the Senate bill, it is equally bad in the House bill.

The reason for this is that we might to to conference with at least some leverage to try to work out something—maybe not earmarking, maybe some procedure that should be followed in the future. It seems to me that if we were bold enough last night to deprive a number of Senators—maybe properly so, I am not certain. I may eventually agree with the distinguished Senator from Missouri and others because it is a very sensitive, delicate question. That is why this Senator had nothing to say at that time.

It is my hope, however, that by rescinding the funds for these projects, we can force a discussion with the House—and the Department of Defense, who, I might add, just flatly said, we are not going to fund these projects—in the conference and come up with some procedure on how such projects should be handled.

We believe these projects deserve serious consideration which, in fact, they have not gotten to date. Regardless of whether or not a final decision is made to earmark in the future, it seems to me the issue must be addressed. It was addressed in the committee one way, was addressed on the floor of the Senate last night decisively in another way.

I have no quarrel with the two projects in the House-passed bill and I hope that those who have some interest know and understand that what we are attempting to do in this effort is to go to conference with something. I hope that the amendment will be accepted. As far as I understand, the distinguished chairman of the committee has no objection to the amendment. I do not know about the distinguished ranking member.

Mr. KERRY and Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I shall not delay the process at all, but in the interest of understanding, and the majority leader suggested we ought to understand, I wonder if I might suggest the absence of a quorum so we can discuss it.

I suggest the absence of a quorum.

Mr. STEVENS. Will the Senator from Massachusetts withhold that?

Mr. KERRY. Yes, I will.

Mr. STEVENS. Mr. President, I addressed myself on this subject last night. I still feel the Senate made a mistake. I do not question the Senate's judgement in terms of the action last night.

When I started this process off, it was to provide $100 million to the peer review group and $60 million to the nonpeer review group. By virtue of what happened, we ended up with $75 million in the peer review group and about $85 million in the nonpeer review group as an add-on. As a result of what the Senate did last night, there is now $155 million in the peer review group. What the Senator does is take some of the more nonpeer review group. I understand what he is doing and I think it will raise the issue in Congress and therefore, I shall suport his amendment.

As far as this Senator is concerned, Mr. President, I am not going to initiate any more money for the peer review group. From now on, they can come in and get budget money and prove to us when they ask for the money where the money is going to go. Unless we know where it is going to go, what university is going to get it, and who made the decision, I am going to oppose money for peer review group university grants in the future. I think that is what the Senator from Kansas is trying to get to, to get the conference to set up a procedure for handling these matters not only in the future but now. If we can agree to that, I shall try to work on it.

I still think it is a mistake to add on to the defense budget moneys to fund the university sector of the research programs related to defense and find that as a result of doing so, the peer review groups have come in and convinced the Congress, "Oh, it is perfectly all right to add on, but we control the money." They control the money after appropriations. We never know where the money is going until we put the money up under the current procedure.

I have tried to start a procedure whereby half the money would go under their peer review group and half the money would go through the political process. I still believe that was right.

□ 1730

I still believe that was right. Just so there is no mistake about it, I still intend to work for that and work for that still within the confines of this bill as long as I can.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, if I might take a moment to support the position of my good friend from Alaska, I have had a little time to scrutinize the other peer review groups and their history, the Academy, NIH, you keep right on going. And you hear the grand old statements that this peer review group is going to have more competition, we are going to have a lot of competition and they are going to make this decision. What I find is that peer review group gets much smaller and only certain people or certain universities or colleges arrive on that peer review group. Then what we find is that you vote for me and I will vote for you and we have all this money budgeted. Now you have doubled the money, after the vote last night.

We have done two things here that I think are to our deteriment. One, we have said to the Senate, "You don't need to take any more interest in it, just make a budget item and that is all you do. You don't care where the money goes, what university gets it, with the scrutiny that we ought to have."

And second, "You haven't broadened the base of other universities to be involved in research and development." And the only way that those other universities are going to be involved, the only way we can broaden that base, have more interest by the Members of this institution is the process we had prior to last night. So I encourage those who will be on the conference committee that they attempt to return to the procedure that the distinguished Senator from Alaska is trying to propose, 50 percent for the peer review group—that seems to be fair; you know where it is going—and 50 percent in the other or political process.

So, Mr. President, I think that we ought to have that broader base, we ought to have more interest, and I know that we are going to get holier than thou, we are going to put the halo on and say the peer review group is the only way to go, but just let me say this. Once you take it out of our hands, the only thing we have to do is to put up some money. Then we lose our interest and that base is not broadened so we can have more interest in research and development. I yield the floor.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I appreciate at least part of the comment made by the majority leader when he stated that yesterday the Senate acted decisively on this question. Indeed, the Senate did act decisively on this question. We debated, as the majority leader pointed out, for well over an hour, over an hour and a half, the basic fundamental question of how research money is to be spent. Both sides were debated. Those on our side argued that research money should be spent on the basis of merit, that scientists should make the decision and that those institutions that could do the best job of furthering the cause of research for this country

should be selected. Those on the other side disagreed with that position and believed that Congress should be in the act. It was thoroughly debated. Many Senators entered into that discussion, and by an overwhelming vote of, I think, 58 to 40, we decided to strike the earmarking from this bill. We took a fundamental, philosophical position against earmarking. We took a fundamental position on the merits of earmarking, and we took a position precisely with respect to the 10 projects that had been written into this bill by the Senate Appropriations Committee. The earmarking was struck from the bill. That is all there is to it.

I further appreciate the comment from the majority leader when he said, and I think this is pretty close to an exact quote, "I am willing to abide by what the Senate said for these projects." I would hope that when the Senate makes a decision, when we act on legislation all of us would abide by it, whether we agree with it or not.

Now, my friend from New Mexico leaned over to me and whispered in my ear as this discussion was going on, "DANFORTH, you are going to be snookered." Mr. President, maybe DANFORTH is going to be snookered yet again, maybe that is possible. But I would simply like to say I am not going to oppose this amendment; if they want to strike out earmarked funds for specific projects, I agree with that. But if the idea is to somehow go beyond the scope of the conference when this gets into conference, if the idea is to somehow attempt to add back specific projects that the Senate expressly deleted last night that are not in the House bill at all, then the Senator from Missouri is strongly opposed to that kind of process. I do not know what the Senator from Kansas and the Senator from Alaska have in mind about working something out in conference. But the compromise—and that is what conferences are all about—between nothing and nothing is nothing. That is what the Senator from Missouri would expect to come back in the conference report.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from Kansas.

Mr. BUMPERS. Could the distinguished floor leader tell me how many amendments are left following this one?

Mr. HATFIELD. There is one amendment left after the disposition of this amendment and a possibility of a return to the Melcher amendment. That will depend upon the Senator from Montana, but it is eligible to be raised again before the body.

Mr. BUMPERS. It seems to me that I would be very wise to cancel a 6:10 flight then.

Mr. HATFIELD. I would say to the Senator I would make that 6:10 unless I were managing the bill.

Mr. BUMPERS. I appreciate the Senator's admonition and advice.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent we temporarily lay aside the amendment of the Senator from Kansas in order that we may consider an amendment by the Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2055

(Purpose: To make certain Conrail funds available for agricultural deficiency payments and FmHA direct operating loans)

Mr. GRASSLEY. Mr. President, Members of the Senate, I have waited until the tail end of this debate to bring up this amendment because I was speaking to the Senator from Ohio throughout the day, and he was suggesting that he was going to filibuster it. I was hoping that we could persuade him to not do that. But we have reached the point where if I am going to offer this amendment I must do it now. Before I send my amendment to the desk I would like to ask you, Mr. President and Members of the Senate, to consider the situation.

My amendment, first of all, is going to deal with the restoration of pre-Gramm-Rudman deficiency payments for agricultural commodities. We had a farm bill passed by the Congress prior to Christmas of last year. We had in that farm bill that contracts signed by March 1 would be exempt from Gramm-Rudman-Hollings for the crop year 1986. The feeling was following the history of contracts being signed in previous years that most contracts would be signed by March 1 and consequently then there was no concern on our part that there would be any Gramm-Rudman-Hollings application to the Commodity Credit Corporation programs. But it happens after the legislation was signed the USDA did not institute the programs as rapidly as we anticipated they would and there were no contracts signed before March 1. Consequently, the deficiency payments were reduced and the loan rates were reduced:

□ 1740

If you will look at all the income maintenance programs in the Federal budget, you will find few that were cut. In fact, probably only agriculture programs, were cut. There were a lot that did not get raises, and without any change in law, income maintenance programs and agriculture programs would not have been raised. But because of Gramm-Rudman-Hollings and things we did not anticipate, those deficiency payments and loan rates were actually cut. That is where we are now so far as agricultural programs are concerned.

However, it is necessary under Gramm-Rudman to submit to the Senate a fiscally neutral amendment, and I do that now by taking the money from the profits of Conrail, which now has more than $1.3 billion in the banking account—I would take $530 million of that money and divide that up: $400 million for pre-Gramm-Rudman-Hollings deficiency payments, $80 million for dairy programs, and $50 million for direct operating loans for the Farmers Home Administration.

Also, consider the plight of American agriculture today. If there is any segment of the economy that is in depression, it is agriculture. There was a time when the railroads of Eastern America were in considerable trouble. At that particular time, the taxpayers of this country diverted money to preserve jobs and to preserve railroads in the Eastern United States. Throughout the country, we met the needs of those workers who were going to be unemployed because the railroads were going bankrupt.

Now there is prosperity enough in Conrail so that they are showing a profit. This body decided recently that now is the good time to sell that railroad. At the time that sale went through this body, the estimated price, was $1.2 billion $1.3 billion. Now, that issue is before the other body, and there is a strong belief, that that railroad is now worth close to $2 billion. That is a large increase in value.

In the meantime, there is more than $950 million in the bank accounts of Conrail and close to $400 million, in excess funds sitting idle in pension accounts.

I believe that a profitable railroad, which in the very quarter just ended shows more profit than what was anticipated, and which has been helped by the taxpayers of this country to profitability for the maintenance of jobs—return at least part of that money, which will end up in the Treasury anyway, to the government, and that that money be used to help the financially distressed and depressed

areas of the country which are suffering from the worst agricultural depression in 40 years.

That is where we are. We are at a point where this is an opportunity to help, there is an opportunity to do it in a fiscally responsible manner, and there is an opportunity to have the income maintenance program in agriculture at the level we anticipated it would be when we passed the agriculture bill last year.

Mr. President, I sent to the desk an amendment. The cosponsors, besides myself, are Senator ABDNOR, Senator SYMMS, Senator KASTEN, Senator BUMPERS, Senator DURENBERGER, and my colleague from Iowa, Senator HARKIN.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), for himself and others, proposes an amendment numbered 2055.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, between lines 17 and 18, insert the following:

PAYMENT OF CONRAIL FUNDS FOR AGRICULTURAL PROGRAMS

(a) The Consolidated Rail Corporation, in consideration of and in advance of the exercise by the United States of the authority set forth in section 402 of the Regional Rail Reorganization Act of 1973 to reduce its interest in any debt or preferred stock of the Consolidated Rail Corporation to the interest which attaches to such debt or preferred stock in the event of bankruptcy, substantial sale, or liquidation of the assets of the corporation, and to subordinate such debt or preferred stock to securities issued by the Consolidated Rail Corporation in the future, shall redeem $530,000,000 in principal amount of debentures and, if all of the outstanding debentures will be redeemed, Series A preferred stock from the United States Railway Association. The Consolidated Rail Corporation shall also pay any interest accrued and unpaid on the debentures redeemed.

(b) The Secretary of Transportation, in her capacity as holder of the government's common shares of Consolidated Railroad Corporation stock or as a director of the United States Railway Association (USRA), the Comptroller General of the United States as a director of USRA, the Chairman of the Interstate Commerce Commission as a director of USRA, and the United States Railway Association, shall vote, consent to, agree to waive, and take whatever other action is required to effectuate the redemptions specified by subsection (a) of this section. Any action necessary to effectuate this section by the Secretary of Transportation, or a director of USRA, or a director of the Consolidated Railroad Corporation is deemed not to be in a personal capacity and shall not give rise to personal liability of such person in connection with such action. If any provision of this section, or the application of that provision to any person or circumstance, is held invalid, the remainder of this section, or the application of the section to persons or circumstances other than those as to which it is held invalid, is not affected thereby.

(c) Upon redemption by the Consolidated Rail Corporation of its debentures and preferred stock, the United States Railway Association shall immediately pay all of the funds received from the Consolidated Rail Corporation to the Treasury of the United States, of which——

(1) $400,000,000 shall be made available to the Secretary of Agriculture to make deficiency payments, not later than September 30, 1986, for the 1986 crop of wheat, feed grains, upland cotton, and rice under sections 107D (c)(1), 105C (c)(1), 103A (c)(1), and 101A (c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3 (c)(1), 1444e (c)(1), 1444-1 (c)(1), and 1441-1 (c)(1)), respectively, to the extent practicable, in the full amounts required under such section; and

"(2) $80,000,000 shall be made available to the Secretary of Agriculture to reduce the amount of the reductions required to be made by the Secretary under section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)), or under any other provision of law, in the price received by producers for milk produced in the United States and marketed by producers for commercial use; and".

(2) $50,000,000 shall be made available to the Secretary of Agriculture to make operating loans under subtitle B of the consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) during the fiscal year ending September 30, 1986.

Mr. METZENBAUM. Mr. President, this is quite an amazing amendment. Earlier on, I had understood that my distinguished colleague from Iowa was proposing to take from the proceeds of the sale of Conrail certain hundreds of millions of dollars in order to use those dollars for farm programs in which he has an interest.

I want to say right up front that I have no quarrel with his interest in those farm programs. I am not familiar with the specifics. But I rise to oppose his amendment because of the source of the funding.

He is talking about taking, I think, $531 million. Am I correct? I ask the Senator from Iowa: Is it $531 million he is proposing to take from Conrail?

Mr. GRASSLEY. I am sorry—I was busy talking with the Senator from Minnesota, and I did not hear the Senator.

Mr. METZENBAUM. Is the Senator proposing to take $531 million from Conrail?

Mr. GRASSLEY. No; it is $530 million and it comes out of money in their bank accounts that they have in their possession right now—not contingent upon any sale or anything.

Mr. METZENBAUM. It comes out of their treasury? It comes out of their operating funds?

Mr. GRASSLEY. Yes.

Mr. METZENBAUM. I understand.

Let us understand what we are talking about. Conrail is a railroad that came out of a very bad negative situation, and it was saved by the infusion of some Federal dollars; and now it is operating and doing a good job, so good a job that there is a proposal to pay $1.9 billion for it. When the Senate passed it, the proposal was to pay $1.2 billion for it, and this body knows that I opposed that.

I am concerned that Conrail be a viable railroad. I am concerned that it be able to provide the 33,000 jobs that are presently provided. Those employees who are working have sacrificed. They have worked for 3 years at wages 12 percent below the industrial average to make Conrail the profitable company it is today. Now my good friend from Iowa suggests that Conrail become a cash cow and that it be used to be milked in order to take care of some other Government program.

The fact is that Conrail cannot afford to do that, because you cannot run a railroad unless you also provide for capital expenditures. This has been a tremendous, Herculean effort on the part of the employees and the management to try to make it an operating railroad that can serve its customers and provide jobs for its employees.

□ 1750

It is doing a good job.

But if the railroad becomes underfinanced, as it indeed would by the extraction of this $531 million, then it will no longer be a viable railroad. The employees own 15 percent of Conrail. This amendment would result in an unfair reduction in the value of the employees' ownership interest, and as a matter of fact, I have no doubt that were it to become law, the employees would sue the Government for confiscation of their property.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. Let me just finish.

The Office of Management and Budget opposes this amendment. Conrail opposes it. The employees oppose it. And it is unquestionably illegal because there is a contract entered into between the Government and Conrail which spells out for what the money may be used. And certainly there is nothing contemplated by the Grassley amendment that would make that possible. They are bound by that contract.

Mr. President, I want to be fair with my colleagues. Each of us standing on the floor this evening undoubtedly have other commitments. We did not expect to be here at 6 o'clock on Friday night. But if the Senator from Iowa sees fit to press his amendment we will be here at 6 o'clock on Saturday night, we will be here at 6 o'clock on Monday night, and we will be here at 6 o'clock on Tuesday night. We are not going to pass an amendment at this hour or at any other hour to totally destroy a railroad that is serving hundreds of thousands of people, that

is employing 33,000 people, and there is not any logical reason under the Sun why this raid should be made upon the treasury of Conrail.

It was originally described to me as an attempt to get these funds from the proceeds of the sale of Conrail. Since I do not anticipate the sale of Conrail any time in the immediate future, I did not become concerned about that.

But if we are going to dig into the treasury of Conrail and make it financially not insolvent, but certainly financially less able to conduct its business, then this Senator has no alternative but to debate this subject until I have convinced my colleagues that Conrail cannot be raided in this manner or in any other manner.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I oppose the pending amendment because it would do great damage to Conrail as an existing entity at a time when Conrail perform a vital service for this country. It is especially important to the Northeast-Midwest part of the United States and of critical importance to the Commonwealth of Pennsylvania. This is an especially important time for Conrail because there is pending at the present time a proposed sale of Conrail to Norfolk Southern, a sale that this Senator totally opposes.

It was a matter for argument and consideration by this body very extensively earlier this year. It has been opposed in the House of Representatives by Chairman DINGELL. The proposed sale of Conrail to Norfolk Southern has been characterized in the public media as dead in the water. And we are now looking for the future of Conrail where this Senator hopes that it will maintain its existence as an independent stand-alone railroad ultimately to be sold as a public stock offering.

It is vital that Conrail not be sold to Norfolk Southern in order to maintain necessary competition in this country. Norfolk Southern is an 18,000-mile railroad; Conrail a 15,000-mile railroad. And it is necessary that Conrail's independence be maintained.

There would be an upset of this very delicate balance if a substantial sum of money of $450 million, which I understand is the subject matter of the pending amendment, were to be taken from Conrail.

Conrail has established itself as a stand-alone entity and has done an outstanding job in revitalizing its own operations. It has enjoyed very substantial profits moving from $39 million in 1981, to $174 million in 1982, $313 million in 1983, $500 million in 1984, and $442 million in 1985.

As good as this financial picture has been, if a substantial sum of money were taken from it, its vitality and its stability would be jeopardized.

When Secretary of Transportation Elizabeth Dole has made the argument for the sale to Norfolk Southern, she has done so on the basis that Conrail cannot survive as a stand-alone entity.

My view is the evidence is compelling that Conrail can stand as a stand-alone entity, but not if it is to be the subject of taking very substantial money such as that proposed by the distinguished Senator from Iowa.

If you strip the amendment to its essentials, Mr. President, I do not think it conforms to the requirements of the Budget Act that there be some offset. This is really the same thing as selling some asset which is hardly an offset in terms of current revenues balancing against current expenditures.

I think it is a matter which is mostly unsatisfactory for the country to take this money from Conrail. Certainly it would be devastating to my State, the Commonwealth of Pennsylvania, putting in jeopardy some 15,000 employees, railway repair yards in Hollidaysburg, in Conway, and corporate headquarters in Philadelphia, the port of Philadelphia. The transportation of coal from western Pennsylvania would be greatly increased if Conrail were not available.

So this amendment should be defeated for many reasons.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. SPECTER. I do.

Mr. JOHNSTON. Mr. President, one may or may not disagree with the logic of what the distinguished Senator from Pennsylvania has to say or what the distinguished Senator from Ohio has to say.

One thing comes through loud and clear here and that is this amendment "hain't" going to pass today. Representing the quality of life committee, I wonder if we might put it off to another day when it might pass when discussion might be more appropriate and where there might be more time for that discussion because my colleagues are telling me they have planes to catch and things to do and some even have a party to go to. I wonder if we might put it off to another day.

Mr. SPECTER. I have yielded to the distinguished Senator from Louisiana for a question and my answer to the question is "yes." I do know I do not have final power to pull down the amendment.

I join my colleague from Louisiana in urging our distinguished colleague from Iowa to save this issue for another day, much, much later.

Mr. HEINZ. Mr. President, will my colleague from Pennsylvania yield?

Mr. SPECTER. I do yield to my distinguished colleague from Pennsylvania who I know is very deeply involved in this issue and I am sure has a great deal to say.

Mr. HEINZ. Mr. President, I just want to thank my colleague for yielding and also to associate myself with his remarks and those of the Senator from Ohio.

I am prepared to join with both of them in debating this matter for as long as it takes to dispose of it. I hope it will not be necessary.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I yield to my distinguished colleague from Iowa for a comment which I would hope would be that he would withdraw the amendment so we will not have to debate. I am not losing my right to the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I know that the hour is late, yes. And I know that there are a lot of people who would just as soon not vote on this. I know there are a lot of people who want to catch planes. I have been in that boat myself, and I have missed some planes as well.

There is only one reason that I would hesitate to not have the entire bill go through at this time, and that is the condition of the CCC replenishment.

Because I know Senator METZENBAUM is sincere in his approach and probably in the sense that he fought so hard on Conrail originally, and probably wants to see the situation maintained as is, and since we have reached the point here at this late hour, I am going to respond positively to the request. But I hope that you will understand that in my talking this down I do not wish to distract from the fact that we have a situation in agriculture where, as I said in my opening remarks, their income maintenance programs are the only ones that have been cut. I know some have not been increased but these are the only ones that have been actually cut.

□ 1800

I know that it is important that we get the supplemental on the road. I know that there are some things in it that are very important for agriculture. And, because of the record that the Senator from Ohio has made on keeping his word on extended debate—I will now withdraw an amendment—Mr. President.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JOHNSTON. Mr. President, I would just like to say on my own behalf and for other Senators, thank you very much. That is what we call in Louisiana a classic move.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. Mr. President, does the question recur on the Dole amendment?

The PRESIDING OFFICER. The question does recur on the amendment of the majority leader.

If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2054) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, third reading. We have completed our amendments.

I would say to the distinguished Senator from Washington that I would be very happy to remain for the colloquy we are going to engage in and permit our colleagues to go ahead with final passage. I would remain for whatever time was necessary and we could have our colloquy inserted into the RECORD, if that is all right with the Senator from Washington, as if before actual final passage.

Mr. EVANS. Whatever, the chairman would like to do. The colloquy would take probably 2 minutes.

Mr. HATFIELD. Whatever the pleasure of the Senator from Washington is. I am trying to accommodate colleagues who are anxious to catch planes. We can always do a colloquy after the final passage. If the Senator would like to proceed, why does he not proceed?

Mr. EVANS. Mr. President, I hesitate to do so with my colleagues sitting here looking so anxiously at me. With the knowledge that I will gain extremely in their esteem and will call upon them on future occasions for their help and assistance, I will delay, then, until after the passage.

Mr. HATFIELD. I thank the Senator from Washington.

Third reading.

Mr. MELCHER. Mr. President, the amendment that I had offered, which has been worked out and discussed for more than 1 week, has still not been considered. I have withdrawn it out of courtesy to the other side, where there might have been one or two objections. I will call it up whenever we can work out whatever will satisfy the other side.

Mr. President, I suggest the absence of a quroum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded in order that we may now have a colloquy with the Senator from Washington State.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIRCULAR A-21

Mr. EVANS. Mr. President, this morning an amendment was adopted. I believe somewhat inadvertently and through no fault of anyone's, I was not able to be here. I would have objected at that time to the amendment.

The Senator from Texas, who introduced the amendment, kindly said that he would be willing to rescind and to start again on the amendment. Rather than doing that, I have asked the chairman if a colloquy, which would set forth, I think, adequately the procedures that he intends to follow, would substitute for that.

As a result, Mr. President, last year the conference report on Labor, HHS and Education for fiscal year 1985 stated that Circular A-21 could be renegotiated and revised in careful consultation with the biomedical research community.

I would like to quote from that report:

> Arbitrary percentage reductions in indirect and direct costs should not substitute for careful management * * * the White House Office of Science and Technology Policy has recently released a draft report on the subject of indirect costs. The conferees believe that the recommendations in this report should be given careful consideration by all Federal agencies supporting research, in cooperation with the entire grantee community.

This consultation process has begun. However, the major issues have not yet been resolved. Although OMB has circulated a final rule through a recent transmittal memorandum, this latest proposal still has technical problems that have not yet fully been assessed.

The purpose of section 204 of the supplemental stricken by an amendment offered earlier this morning was to provide an additional few months, the remainder of this fiscal year, for OMB and the university community to resolve these technical questions.

For example, the proposed final rule includes the phrase "professional staff" under reimbursement for academic departments. This phrase has never been used before and it is not certain what exactly it covers.

These are the types of technical issues which should be resolved prior to promulgation of final revisions of A-21.

Therefore, if I might ask the distinguished chairman of the committee, is it the distinguished chairman's intent, therefore, to recede to the House language preventing OMB from changing A-21 for the remainder of this fiscal year unless OMB and the university community reach a mutually acceptable agreement?

Mr. GORTON. Mr. President, would the distinguished chairman of the committee permit me to add my asking of the same question before he answers?

Mr. HATFIELD. Mr. President, I say to the Senators from Washington State that, having been on the firing line of this particular issue for the last 5 years in the Appropriations Committee, where the Senator from Connecticut [Mr. WEICKER] is chairman of our subcommittee on HHS, where this matter has arisen, that we have fought this on behalf of the universities and we have had to do it each year.

I, along with others, had urged OMB to withhold, after discussing it with the university representatives, to withhold the A-21 policy until the universities could meet with them and attempt to work out some kind of a compromise.

I want to state for the record that the universities, at least representatives of these universities—Stanford, Columbia, and others—indicated that they were willing to sit down and were willing to reach a compromise, work out a solution to this so we did not have to fight it every year. Those meetings have taken place based on an ad hoc group that came out of the research universities by some selection method and with the OMB.

There is a draft that the OMB has made of a potential change in their policy, a compromise, as they would call it, but has not been agreed to by the universities, and I am not sure whether they will agree to it. My view was to get them together to work out a mutually agreed solution or compromise.

Now, the strategy that was in place today when the Senator from Texas offered his amendment and the failure for me to oppose it, was, simply, if we had gone to conference, the issue would have been moot because the same language that Congressman YATES put in the House bill we retained in the Senate bill.

Mr. GRAMM's motion struck the Yates language. That puts the issue into conference.

Now, I can say that I did not want the leverage or the pressure on either the universities or the OMB to be lessened in reaching a mutually agreed compromise. So, now we are in a position, hopefully, that that pressure will be returned to the negotiating table and that they will reach a mutually agreed policy of compromise.

Now, the question was put: What will happen if they fail to do so by the time we go to conference? Well, I think it is very obvious that I speak for myself—and I believe I speak for Senator WEICKER, I know of his long battle in this area—that we are certainly not going to adopt the present unacceptable draft that has not been mutually agreed to.

□ 1810

I suppose our options at that point would be either, first, to yield to the House position, which, in effect, is the Yates amendment, or to attempt to establish the Senate position of no policy which, in turn, would, in effect, adopt the current unacceptable OMB policy.

So knowing of our position, I can say at least as far as we are concerned, we would push for the Yates position in that conference but, hopefully—and I am still hopeful on this—we will have a compromise worked out that we can then adopt as a position in lieu of the Yates position in the House.

Mr. GORTON. Will the Senator Yield?

Mr. EVANS. I thank the Senator for his response. I join with him in hoping that the parties at interest here do in fact sit down and reach what will be a very important, mutually acceptable solution.

Mr. GORTON. Will the Senator from Oregon yield?

Mr. HATFIELD. I am happy to.

Mr. GORTON. I am greatly relieved by the candid and thoughtful answer of my distinguished colleague from Oregon as to the goal of his acceptance this morning. Of course, it will be most desirable that we reach a permanent solution to this controversy between the university research community and the Office of Management and Budget. I think it is likely that we can reach such a mutually satisfactory agreement as against the unilateral propositions which the Office of Management and Budget has forwarded which are not acceptable if the Senator from Oregon keeps the whip hand in being able to accept the Yates language if that agreement is not met. I most greatly appreciate his willingness to do just that.

Mr. HATFIELD. I thank the Senators from Washington State, both Senators EVANS and GORTON for the colloquy. I hope that this clarifies any question they may have had.

AMENDMENT NO. 2053

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I think we worked out an agreement on the Melcher amendment. I think the Senator from Montana is willing to go with a 5-minute time limit, 2½ minutes on each side, followed by a vote up and down on his amendment.

Did I state that correctly?

Mr. MELCHER. Yes. That is correctly stated, if it is agreeable to the other side.

Mr. JOHNSTON. Mr. President, would the leadership like to put the request?

Mr. HATFIELD. If the Senator will delay just a moment, and let me check with the subcommittee chairman, Mr. KASTEN.

I say to my colleague, it is satisfactory on this side.

Mr. President, I propound the unanimous-consent agreement, that 2½ minutes be given to each side on the Melcher amendment, at which time there would be an up or down vote on that Melcher amendment; a voice vote at the end of that 2½ minutes per side. I propound that as a request.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I would hesitate to say that we could order by unanimous consent a vote. Would the distinguished chairman and the majority leader allow me to ask the yeas and nays on final be initiated? I would be happy to have the majority leader do it or someone else.

Mr. HATFIELD. Mr. President, I request respectfully the Democratic leader withhold that request until after we get a unanimous-consent agreement with the Senator from Montana.

Mr. BYRD. I do not know of anyone who wants a rollcall vote on the Senator's amendment.

I have no objection to the time agreement.

Mr. MELCHER. I have no objection. A voice vote is all right.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection on the time agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, very briefly, this amendment would add $10 million in commodities to what is already in the bill: $100 million for economic security funds for the Philippines, $10 million in milk and wheat to be sent to the Philippines to be sold on the markets there to capitalize cooperatives under an existing program of the Department of Agriculture.

It has the bipartisan backing of the Senate Agriculture Committee. It is something that we believe should be done. It utilizes some of the surplus milk and wheat, and other surplus commodities of the United States that we already own to augment the economic recovery in the Philippines.

I think it is a good amendment. I hope it can be accepted.

Mr. President, if I have any time, I reserve the balance of my time.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, while there are a number of elements of the amendment being offered by the Senator from Montana which may be worthwhile, I regret the amendment cannot be supported for several reasons.

First of all, this amendment will take $1.5 million of the urgent economic assistance for the Philippines and transfer it to the development accounts of AID to be used for United States co-ops and private voluntary organizations to establish financial intermediaries or foundations.

This amendment would also provide commodities under section 416 to be made available to this foundation which would then sell the commodities and use the proceeds for rural lending programs.

I believe this amendment ought not to be adopted. We are concerned about the establishment of a foundation into which the money in the bill would go to and through which the commodities would flow.

I am not prepared at this time to make the informed judgment on such a financial intermediary. I would want to know a lot more before I agreed to the formation of such a foundation.

The State Department informs me that the Aquino government as represented by the finance minister is opposed to this foundation or financial intermediary, and opposed to this subtraction of $1.5 million for its economic support fund program as well.

Additionally, the three leading cooperative organizations in the United States oppose legislating a financial intermediary or a foundation of this type at this time and believe that the concept deserves further study.

Mr. President, I agree with the Senator from Montana that the provision of additional food assistance is a worthwhile effort, indeed I strongly support the provision of additional commodities under section 416—especially dairy products. I will work with the Senator from Montana not only to provide more section 416 dairy products and wheat to the Philippines but to other countries as well.

I ask unanimous consent, Mr. President, that a statement made by the National Co-op Business Association, the National Rural Electric Cooperative Association, and the Overseas Cooperative Development Committee appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

We strongly agree with the concept contained in the Melcher amendment creating a foundation for the Philippines which would provide a lending source for PVOs and cooperatives in rural areas and which would utilize Section 416 and P.L. 480 surplus commodities. However, we believe that the concept needs much further study and it is premature to attempt to legislate a foundation of this type for the Philippines at this time. Therefore, we believe every effort should be made by A.I.D. and Congress to continue to give it serious consideration. We do hope additional resources can be made available to the Philippines, includ-

ing the use of P.L. 480 and Section 416 for developmental purposes.

NATIONAL COOP BUSINESS ASSOCIATION (formerly CLUSA).

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION (NRECA).

U.S. OVERSEAS COOPERATIVE DEVELOPMENT COMMITTEE.

Mr. KASTEN. Mr. President, I hope the Senate will defeat his amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, while I can understand some reluctance to get the surplus commodities moving in the right direction by the AID officials and some other officials in the Department of State, really this is the right thing for the Philippines. It is the right thing for any country that needs economic aid out of our foreign aid fund. If we can give them some milk and wheat that is in surplus in lieu of cash, it helps them and it helps us.

So I hope we can have a resounding aye vote so we can pass this amendment and get this aid started.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MELCHER. I do not think I have any left. If there is, I yield it.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2053) was rejected.

CHILD ABUSE PREVENTION PROGRAMS

● Mr. DODD. In 1984 Congress passed the "Child Abuse Prevention Federal Challenge Grant Act" I had introduced encouraging States to establish and augment children's trust funds or other funding mechanisms for community-based prevention activities.

Under your leadership, $5 million was provided for these child abuse prevention challenge grants as part of the 1985 supplemental appropriations bill. And, it was our intention that the $5 million be available for spending through fiscal year 1986 if the Department of Health and Human Services was not able to disperse the money to States in the short time remaining in fiscal year 1985.

● Mr. WEICKER. That is correct.

● Mr. DODD. As the author of the "Child Abuse Prevention Federal Challenge Grant Act," I am pleased that HHS is finally making the $5 million we appropriated available to the States. However, I am disturbed that the May 2, 1986 announcement of the challenge grants in the Federal Register would have the effect of short-changing a number of States that should be eligible.

The Department is basing eligibility on what States' appropriated or raised in children's trust funds in 1984. The authorizing legislation, however, mandates that challenge grants be based on funds appropriated or raised in the previous fiscal year. Since we are well into the second half of the 1986 fiscal year, challenge grants should be based upon the amount States appropriated for child abuse prevention programs or raised in children's trust funds in fiscal year 1985, not fiscal year 1984.

● Mr. WEICKER. Yes; with the $5 million we appropriated for distribution through fiscal year 1986, HHS should consider 1985 as the base year for eligibility as the law stipulates.

● Mr. DODD. I hope HHS amends at once their May 2 announcement so that it reflects adherence to congressional intent by basing the eligibility for prevention challenge grants obligated in fiscal year 1986 upon funds States raised in fiscal year 1985.

To date some 36 States have enacted bills establishing children's trust funds, many having been spurred on by the promise of Federal challenge grants. It is my hope that these States will receive the challenge grants they are eligible for immediately, to further their critically important efforts in preventing the tragedy of child abuse.

● Mr. WEICKER. I concur with you in conveying this message to the Secretary of HHS as I am anxious to see the $5 million we appropriated support child abuse prevention efforts in the greatest number of States.●

● Mr. GORTON. Mr. President, I am deeply concerned with the Department of Labor's recent announcement that it intends to close six Job Corps centers on November 30, 1986. While the Secretary of Labor's efforts to reduce the costs associated with running Job Corps centers to laudable, I have reservations about closing centers to meet deficit reduction goals.

One of the centers slated for closing by the Department is the Curlew Job Corps Center at Wauconda, WA. Yet during 1985 this center received an award from the Department of Labor for superior performance, and was recognized by the Forest Service for its fine programs. Since 1971, over 1,200 disadvantaged youths have earned their General Education Diploma at Curlew. Since July 1, 1985, the center has placed 124 students in job, higher education, and advanced training programs.

The Curlew Job Corps Center also has been an integral part of the Ferry County community. During 1985, for example, members of the Curlew Job Corps Center were instrumental in putting out 24 forest fires that burned over 62,313 acres in the forests of Washington State. The center also has helped improve community and forest service facilities. Activities have included building fireplaces in National Forest campgrounds, trail construction in the National Forest, building erosion dams, and helping restore county buildings.

In sum, the Curlew Job Corps Center is a training program that has earned the respect and support of the surrounding community. I was surprised to hear that the Curlew center was placed on the Department of Labor's six most wanted list.

Upon examining the criteria used by the Department in reaching its decision on which centers to close, I find serious problems with the Department's decisionmaking scheme. First, while the Department recognizes that the construction and forestry training provided by some centers will lead to a disparity in the cost per student, no allowance was made in their model for this factor. Unless the goal of Job Corps is to provide training only for those skills that are inexpensive to teach, an adjustment should be made for the higher cost of some types of training.

Additionally, the Department's model apparently used a single year, 1985, in measuring Job Corps center performance. This fails to take into account the year to year changes that are bound to occur in this kind of education program. A 3 year average would have been a much better measure of center performance.

Some Department measures were extremely subjective. For example, the Department awarded the Curlew center a score of 30 points out a possible 50 points in its evaluation of community relations. The center received this relatively low score because it did not regularly convene its community relations council. On the other hand, at least one center that had completely disbanded its community relations council received a score of 40 points.

Mr. President, the Department of Labor's decision to close Job Corps centers will save only $8.5 million in program year 1986. It is important to note that the Department has other options available for meeting an immediate operating budget shortfall. The Department, for instance, could delay temporarily some capital improvement projects and reprogram these construction funds for operating expenses.

In approving this urgent supplemental, the Appropriations Committee struck a House amendment that would have placed a moratorium on closing Job Corps centers. The committee report, however, suggests that the committee plans to seriously address this issue in the meeting of the conference committee on this bill. I urge the committee of conference to prohibit the Department of Labor from proceeding with its plan to close centers at this time.

● Mr. McCONNELL. Mr. President, I share some of Senator GORTON's perceptive questions and concerns that he

raised in regard to the Labor Department's study. I fully believe that adequate resources exist to keep all of the centers open until fiscal year 1987 funding is available. In Kentucky, the Job Corps centers not only provide much needed training for disadvantaged youth, but they also provide jobs and income to the community in which they are located. In the case of the Frenchburg Center in Menifee County in eastern Kentucky, there are approximately 60 people employed at the center. These are extremely important jobs in an Appalachian county which has a recent unemployment rate of 23.5 percent. In addition, the center of spends over $2 million in the county. Our other five centers are equally significant to the State and need to remain open. I hope that we will be able to work out a solution which will insure the future of Job Corps.

● Mr. NICKLES. Mr. President, I share the concerns of the Senators from Washington and Kentucky. The Talking Leaves Job Corps Center, located in Tahlequah, OK, is the only center operated by American Indians, the Cherokees, and one of only two centers devoted to training American Indians.

Talking Leaves is presently training 233 youngsters, most of them Indian, and employs 85 persons, of which 63 are Indian who come from the Cherokee Nation area. This center is an important part of the community and is probably the only hope for a successful future many of these young people have.

While I am concerned about the efficiency and cost savings, I have serious reservations about the Labor Department's evaluation of the Tahlequah Center and believe it needs further evaluation because of its uniqueness.

I join the Senator from Washington's request to forestall closing job corps centers at the present time.

● Mr. WEICKER. We are faced with the fact that the administration claims it must close Job Corps centers to comply with the fiscal 1986 Gramm-Rudman-Hollings cutbacks. After developing a criterion for rating the effectiveness and efficiency of all 106 centers, the Labor Department announced plans to close the 6 lowest-rated centers. Although I object to selectively restoring Gramm-Rudman cuts, I am aware of questions that have been raised about the Labor Department's rating system, as well as arguments that the Gramm-Rudman cutback could be achieved without closing centers at this time. Still, I have reservations about guaranteeing the perpetual existence of low-quality training facilities, especially if this mortgages future appropriations or requires diverting money from pilot projects aimed at demonstrating how Job Corps can better serve more youth for less money. Obviously, this is an issue we will have to resolve in conference, and I appreciate my colleagues bringing their concerns to my attention.

● Mr. HATFIELD. Mr. President, I appreciate hearing the concerns of my colleagues on the Job Corps situation. As they know, my home State of Oregon also has a Job Corps center targeted for closing by the Department of Labor. The Angell Center in Oregon has served as a valuable training program for disadvantaged youth and has been well supported by local residents.

I share the Senators' concern with the Job Corps issue, but I find the amendment adopted by the House to be far too restrictive in dealing with the problem. The House's amendment would prevent the Department of Labor from ever closing Job Corps centers, no matter how inefficient or ineffective. It also would prevent a reduction in enrollees for future years in advance of knowing if appropriations were sufficient to sustain current service levels.

I am reluctant, however, to see Job Corps centers closed without the clearest showing that the centers are inefficient and ineffective. My colleagues have raised valid questions regarding several aspects of the Department's decisionmaking process.

I believe that a satisfactory resolution can be achieved in conference.

● Mr. GORTON. Mr. President, I thank my colleagues for their remarks and appreciate their attention to this important issue.

● Mr. McCONNELL. Mr. President, I certainly appreciate my colleague's willingness to take this issue to the conference committee. I am in complete agreement with the concept of keeping all centers open for the remainder of the program year and am extremely grateful for their interest and help.

● Mr. NICKLES. Mr. President, I thank my colleagues for their assistance with this matter.●

● Mr. FORD. Mr. President, I am pleased to be able to join in this colloquy concerning the decision by the Department of Labor to close six Job Corps centers to implement the savings required under the Emergency Deficit Reduction Act.

One of the centers targeted for closing is the Frenchburg Civilian Conservation Center in Mariba, KY. This center has a capacity of 168 corps members and has approximately 60 employees, contributing close to $2 million to the area economy.

While I recognize the responsibility the Department has to carry through the sequestration order under the act, I do not agree that the best way to achieve these savings is by closing individual centers. I am particularly concerned about the method the Department used to determine which centers to close.

The Department developed a rating system based on seven factors. The Frenchburg Center received a rating of 298 points out of 1,000 possible points. This rating, however, does not accurately reflect the need for this center. The Labor study gave the Frenchburg Center only 15 out of 100 possible points for location, and stated that the center was not located close to any substantial local concentration of poverty youth. Mr. President, this center is located in eastern Kentucky, at the edge of Appalachia, completely surrounded by one of the highest concentrations of poverty youth in this Nation. I must seriously question a study which would reach this conclusion.

The Senate Appropriations Committee deleted language added by a floor amendment in the House which would have placed a moratorium on the closing of these centers. While I regret that the committee did not include this language in the bill before us, I am pleased that they have recognized some potential problems with the Labor study and are willing to give consideration to our concerns.

I thank the chairman of the Appropriations Committee and the chairman of the Subcommittee on Labor, Health and Human Services, and Education for their consideration and assistance.●

CUSTOMS INSPECTORS IN PHILADELPHIA PORTS

Mr. LAUTENBERG. Mr. President, I wish to engage my friends Mr. ABDNOR from South Dakota and Mr. DECONCINI of Arizona in a colloquy.

Mr. President, I would like to call attention to a serious problem at the Port of Philadelphia. Since 1980, Philadelphia has lost 40 percent of its customs inspectors. Currently, there are only 50 inspectors working at the port who handle 66,744 entries per year. Nearby Baltimore, on the other hand, is allocated 45 inspectors who handle 45,643 entries per year. This is not to say that Baltimore is overstaffed, but that, by comparison, Philadelphia is significantly understaffed.

Mr. DECONCINI. Mr. President, I join my friend from New Jersey in urging Customs to reconsider their allocation of inspectors. This bill restores funds for additional inspectors which were cut under Gramm-Rudman-Hollings. Clearly the Port of Philadelphia deserves serious consideration for additional agents considering the volume of cargo they handle.

Mr. ABDNOR. Mr. President, my good friend from Arizona is right. Philadelphia handles over 30 percent more cargo than a neighboring port but only has 10 percent more inspectors. I join Senators LAUTENBERG and DECONCINI in urging Customs to re-

consider its staffing allocation. I would ask my good friend from New Jersey if he has any information on the number of additional inspectors necessary?

Mr. LAUTENBERG. Yes, Mr. President, I have been informed by the port community in Philadelphia that an additional six inspectors would make a start at alleviating the understaffing problem. I thank my friends for their time.

MSHA INSPECTOR MONEYS

● Mr. METZENBAUM. Mr. President, since the Reagan administration took office in 1981, the Mine Safety and Health Administration [MSHA] has cut the number of field inspectors by 25 percent.

MSHA has failed to meet mandatory inspection requirements in our Nation's metal/nonmetal mines for several years. Last year, over 27 percent of the metal/nonmetal mines in this country were not inspected the required number of times.

Congress, and in particular the Senate Appropriations Committee and its chairman, Senator WEICKER, repeatedly has expressed concern about this failure to meet the requirements of the law.

The inadequate number of mine inspectors also threatens the health and safety of our coal miners. Fatalities from roof collapses in coal mines in the first quarter of 1986 are at their highest level since 1982. Many of our country's smaller coal mines are uninspected or underinspected disasters waiting to happen.

The Appropriations Committee has been trying to correct this alarming situation since 1983. Toward this end, Congress in its fiscal year 1986 MSHA appropriation ordered MSHA to restore 90 mine inspector positions that had been cut by this administration in prior years.

But once again, MSHA has defied the express intent of Congress. Rather than spend the money as Congress directed, MSHA has used it to absorb Gramm-Rudman-Hollings cuts. At an Appropriations Committee hearing in February, the Assistant Secretary for Mine Safety Health boldly stated that he had no intention of using the money to hire new inspectors.

Mr. President, it is intolerable for MSHA to jeopardize the health and safety of our Nation's miners in definance of the expressed will of Congress.

Accordingly, I plan to offer an amendment that will add $843,750 to this year's MSHA enforcement amount. The additional funds must be used for 45 inspectors to be hired by July 1 and 45 more to be hired by August 1. MSHA would then absorb these 90 inspectors into its budget for next year.

● Mr. WEICKER. I share Senator METZENBAUM'S concern over MSHA's failure to hire the 90 mine inspectors that Congress directed should be added as part of 1986 operations. But this supplemental appropriation is the wrong place to address that concern.

Moreover, there are barely 4 months left in the current fiscal year. I believe the cause of mine safety and health would be better served by providing that 90 slots for additional mine inspectors be included as part of MSHA's regular appropriation for fiscal year 1987.

I would be willing to work with Senator METZENBAUM to insure that money is available for these 90 inspector positions in the next fiscal year, and that the MSHA appropriation makes absolutely clear the agency's obligation to add field inspectors and to use the specified funds for no other purpose.

● Mr. METZENBAUM. I thank the Senator from Connecticut. As he knows, I would like to be able to address this problem immediately. However, based on your assurance, I am willing to forego offering my amendment to the 1986 supplemental appropriation. I look forward to working closely with you Senator WEICKER and his staff in resolving the mine inspector shortage as part of MSHA's 1987 appropriation.

● Mr. BYRD. I support the Senator from Ohio [Mr. METZENBAUM] and, as a member of the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, I will be happy to work with him and with the distinguished chairman of the subcommittee, Senator WEICKER, to provide adequate funding for the 90 inspector positions.●

HEALTH PLANNING AGENCIES

● Mr. SPECTER. Mr. President, I would like to engage in a discussion with my good friend from Connecticut, Senator WEICKER, on funding for health planning agencies. I stand in support of the language in H.R. 4515 which directs the Secretary of Health and Human Services to immediately renew all designate agreements and contracts for such period after September 30, 1986 as each agency's budget permits; and which directs that no health planning agency shall be required to take action to terminate financial assistance in fiscal year 1986. Important health planning activities would be terminated on October without this language.

Authorized under the National Health Planning and Resources Development Act of 1974 and Amendments of 1979, health planning agencies nationwide have operated to provide all people with equal access to quality health care at a reasonable cost. An April 30 Allentown Morning Call article states that according to Federal Health and Human Services Department estimates, health system agencies saved approximately $36 billion in the period 1979-1982. I would not want to see such savings eliminated in the future by shortsighted termination actions today.

Organized community health planning embodied in health systems agencies, provides a broader focus than is possible for an individual hospital's board, provider association, voluntary health agency or community interest group. With its unique placement between those who provide health care, those who set the policies, those who are served, and third party payers, local health planning is able to influence the actions of all affected parties without becoming captive of any.

Over the past several years, health planning has been one of the constant forces concerned with escalating health care costs. Although health planning certainly cannot do the job alone, it is an essential part of any serious, long-range health care effort.

A network of health planning agencies already exist and health care coalitions are appearing in most parts of the country. Coalition efforts complement the role of health planning agencies. Together, this unique combination of private and semipublic sectors can accomplish much toward the goal of containing rising health care costs.

What will happen if a funding extension is not granted? The Allentown Morning Call article raises this question. The article stated that "if Federal money is withdrawn, there will be two alternatives: The first is termination of the program and dissolution of the local councils; the second has the State picking up the check." The likelihood of the loss of Federal money is quite strong. The probability of State funding is significantly less certain. Considering the demonstrated worth of the oversight function of the health systems agencies, and the local council's benefit to Lehigh Valley residents, the agency's life should be extended beyond September. To do otherwise would be to put the consumer at unnecessary risk. Mr. President, I ask unanimous consent that the news article entitled, "Closing Doors on Health Councils" be printed in the RECORD in its entirety.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLOSING DOORS ON HEALTH COUNCILS?

They began life as the offspring of 1974 federal legislation with the goal of protecting the consumer. It was the age of consumer awareness, and the individual this law sought to safeguard was the purchaser of health care—its services, its products. That was the beginning of the bodies that have come to be known as Health Systems Agencies or, on the local level, Health Systems Councils. Today, in the shadow of the federal deficit-cutting cleaver, these groups are in danger of having their doors permanently closed in September.

The Health Systems Council of Eastern Pennsylvania has been a vigilant monitor of potential costly abuses and/or duplication

of services or equipment in the rapidly expanding area of Lehigh Valley health care. The role of the HSC has been to review major new building, expansion, purchasing plans developed by local hospitals and other medical entities and to decide whether the respective projects will be beneficial to those who will eventually foot the bill—the consumers. The council then recommends to the Pennsylvania Department of Health that the project be approved or disapproved. The staff and administration of the local council have pursued this mandate with vigor, although they have not always spoken with one voice in formulating points of view on certain projects. Nor, of course, has there been automatic approval by the state of the HSC recommendations.

Officials involved in the business of the councils argue that their sharp pencils and independent stance have saved Lehigh Valley health-care consumers hundreds of thousands of dollars in recent years. Charles K. MacKay, of the Lehigh Valley Business Conference on Health Care, quotes federal Health and Human Services Department figures that estimate these review agencies have, on a national basis, saved approximately $36 billion in the period 1979–1982. MacKay and others argue that the Health Systems Councils provide the only meaningful protection for the consumer from the ever-increasing costs of medical care. He argues that consumers, including such bulk purchasers of health care as major businesses, do not have proper access to information that would inform them of the comparative costs and quality of regional health care and the facilities and individuals who provide it. MacKay, and other HSC advocates, also believe that there is no natural marketplace force that would prevent, in the absence of the councils, hospitals and related health-care providers from embarking on a frenzy of spending—thereby significantly increasing the cost of health care.

How valid are those concerns? Federal controls on medical costs seem to have proven their worth in the short term. The business of providing health care is just that—a large, growing and highly complex business. The validity of perceived needs such as expensive new medical equipment or physical plants must be proven. During this period of federal clampdown on excessive costs, proving those needs may be more difficult than in the past for health-care providers. The public perception of hospitals and physicians as omniscient and uncontradictable authority figures is changing.

The mandate given the health systems agencies was a good one, one that was necessary at the time. But the times have changed. These agencies are at a crucial intersection, where there are several alternative routes. Perhaps the agencies have served their intended purpose and are no longer necessary. Perhaps it is time to change that purpose and the subsequent function, as one public health official suggested, based on changes in the area of health-care delivery that have developed in the past few years.

If federal money is withdrawn, there will be two alternatives: The first is termination of the program and dissolution of the local councils; the second has the state picking up the check. The likelihood of the loss of federal money is quite strong. The probability of state funding is significantly less certain. Considering the demonstrated worth of the oversight function of the Health Systems Agencies, and the local council's benefit to Lehigh Valley residents, the agency's life should be extended beyond September. To do otherwise would be to put the consumer at unnecessary risk.

● Mr. SPECTER. Mr. President, on Wednesday, May 14, 1986, I spoke with members of the Pennsylvania health systems agencies about the effectiveness of these programs which, by the way, are predominately volunteer based, and the urgent need of securing level funding to maintain the operation of these agencies.

Dr. Roger Decamp, president of the Pennsylvania health systems agencies said during this meeting that absent adequate Federal support for health planning programs, the people in Pennsylvania will witness a drastic increase in medical costs and the diminishing of the quality and types of health care that are available. This, he said, is particularly damaging to the indigent population.

In summation, Mr. President, it is clear that while the Federal Government continues to shift the financial burden to the State and local levels, those governments find themselves without sufficient financial resources to address some of the problems, such as health planning, which were originally conceived as being national goals and objectives. Therefore, as we in Congress continue to strive toward our goal of eliminating the Federal deficit, we must remember that we have a duty to tailor the Federal budget to the real needs of the country and the diverse circumstances of the States.

I knew that Senator WEICKER strongly supports the bill language to which I have referred and that we want to relay a vote of confidence to our Nation's health planning agencies and the vital roll that they play in America's health system.

● Mr. WEICKER. I thank the Senator for his statement in support of health planning agency funding and think that he is correct.●

HOSPITAL CAPITAL COSTS

● Mr. DECONCINI. Mr. President, I rise to commend the distinguished Senator from Connecticut, the chairman of the Labor Health and Human Services Subcommittee, for the fine job he once again has done in addressing health and human services needs. I do have a concern which I want to raise with the Senator from Connecticut. My concern deals with the issue of hospital capital cost reimbursement under Medicare.

The hospitals in my State have contacted me about the regulations which have been proposed by the Department of Health and Human Services which will bring about an abrupt and overwhelming change in the way hospitals are reimbursed for the costs of their facilities. The distinguished subcommittee chairman, I am sure, understands this matter.

While the bill being considered by the Senate does not address the issue, the House-approved bill does contain a provision which delays the date on which the hospital capital reimbursement would be brought into the prospective payment system. Congress intends to devise a system to bring capital costs reimbursement into PPS within this year. The House provision will give Members of this body who have proposed more moderate reforms in this area an opportunity to have input into any changes which must be made in the present system of reimbursement. I want to urge the chairman to consider the House provision in conference.●

● Mr. WEICKER. I understand the concerns of the Senator from Arizona and assure him that they will be fully considered during the supplemental conference.●

SUMMER YOUTH EMPLOYMENT PROGRAM

● Mr. DIXON. I would like to take a few minutes to discuss with the distinguished chairman of the Appropriations Subcommittee for Labor-Health and Human Services a problem which we seem to grapple with nearly every year. That is, a shortfall for the Summer Youth Employment Program, title IIB of the Job Training Partnership Act.

As my friend from Connecticut is well aware, I have a great interest in this program and have attempted to assure adequate funding for it for several years. The distinguished chairman has done his best to accommodate this Senator's interest and I appreciate his efforts.

However, our efforts have not been good enough. We have been whittling away at this program for the past few years. Last summer was an exception to the rule in that we did not have to perform our usual "rite of spring" in funding a supplemental appropriation for the Summer Youth Employment Program. The committee included adequate funding in the regular appropriation. $825 million was provided and 803,000 job slots were funded last summer.

This summer, there is $725 million appropriated, and 785,000 job slots funded. Because of some carryover funds, the shortfall is really only about $48.5 million. I had intended to offer an amendment to the supplemental to cover the shortage. However, the program has been operating for over a month, and because of a hold-harmless provision, each service delivery area will receive at least 92.3 percent of last year's funds. I have received assurances from the Department of Labor that no area will be cut more than 7.7 percent.

● Mr. WEICKER. The Senator from Illinois is correct. There is a hold-harmless in effect, and no area will be cut more than 7.7 percent. It is a cut,

but certainly not as deep as some that are being experienced.

● Mr. DIXON. Would the Senator from Connecticut clarify for me what the status of next summer's program is?

● Mr. WEICKER. To maintain 785,000 enrollments in the 1987 Summer Youth Program, it appears an additional appropriation of $175 million will be needed. This amount would provide for an enriched educational component as requested by the administration, and can be addressed in the regular fiscal 1987 Labor-HHS-Education appropriations bill.

● Mr. DIXON. What about the summer of 1988? What would be necessary in order to maintain 785,000 job slots?

● Mr. WEICKER. $811 million is the figure we believe would cover that.

● Mr. DIXON. Is the committee prepared to address these matters in the regular appropriations which we will consider later this year?

● Mr. WEICKER. We have adequate time in which to address both of these problems with the 1987 regular appropriation and I intend to do so.

However, the Senator from Illinois should be aware that there may not be sufficient latitude in the budget to address both years in the 1987 appropriation. I would like to assure the Senator that we will take care of his concerns in the regular bill, but it may not be possible.

● Mr. DIXON. Would the chairman be amenable to at least assuring that the necessary $175 million in additional funds for next summer are included in the fiscal year 1987 bill? Given the cuts experienced this summer, there is no way that any carry-in funds would be able to cover a shortfall of this magnitude next summer.

● Mr. WEICKER. I will certainly do my best to see that the program is able to operate at effective levels for next summer.

● Mr. DIXON. Although I would like to guarantee level funding for both summers, we will have another opportunity to revisit the summer of 1988's needs on future legislation. If our Nation's cities are to be able to prepare effectively for next summer, they really need to have the assurance of that additional $175 million in the 1987 appropriation. A 2-year guarantee would be ideal. However, I am prepared to discuss the summer of 1988 later in the process.

I appreciate the chairman's willingness to discuss this issue. It is, of course, of great interest to many areas of the country. So many disadvantaged young people depend on this program. We cannot let them down.●

THE DAIRY INDEMNITY PROGRAM

Mr. BUMPERS. Mr. President, this urgent supplemental appropriations bill contains $9 million for the Dairy Indemnity Program. I want to take this opportunity to express my appreciation to Chairmen COCHRAN and HATFIELD and to the members of the Appropriations Committee for their support on this critically important issue.

I cannot overstate the importance of adequate funding for this program. I have spoken on the Senate floor before about dairy farmers and processors in Arkansas, Oklahoma and Missouri who have suffered absolutely devastating losses due to the contamination of milk and milk products with an EPA-banned pesticide, heptachlor. On March 27, I introduced S. 2252 along with Senators PRYOR, BOREN, NICKLES, EAGLETON, and DANFORTH to provide $10 million for the Dairy Indemnity Program to cover these losses.

I would like to briefly review the history of this crisis. In February, it was first discovered that some milk produced in these three States contained traces of heptachlor, a suspected carcinogen. The source was determined to be a by-product mash sold as feed by the J.E.W. Inc. ethenol operation through its subsidiary, Valley Feeds, in Van Buren, AR. Through no fault of their own, farmers unknowingly fed this contaminated feed to their cows. Although testing of the mash on area farms had been conducted approximately one month earlier after reports of aflatoxin contamination, the FDA claims that heptachlor contamination was not detected until nearly 4 weeks later.

Since this discovery, 144 dairy herds in Arkansas, Missouri and Oklahoma have been quarantined at one time or another. One hundred twenty-two of those have been in Arkansas. Right now, 53 herds are still under quarantine. Thirty-three of those herds are in Arkansas and include 1,938 producing cows.

Because heptachlor collects in the tissues, it takes up to 2 years before it is completely removed from a cow's system. Therefore, during the course of this crisis, these dairy farmers are required to continue feeding and milking their herds to aid in the removal of the contaminant. However, they have no income with which to feed their cows or support their families without milk revenues. They cannot sell cows for slaughter because the meat is tainted. They also have had to carefully dispose of thousands of pounds of milk. Now these farmers are in the most severe financial straits and are continuing to lose money daily because they have no income.

None of the dairymen involved are to be blamed for their plight. J.E.W., Inc., the company that sold the contaminated feed, used heptachlor-treated seed corn in its ethanol operation. This corn is dyed red or pink to denote the contamination, but by the time the grain has gone through the fermentation process and been rendered to mash, there is no trace of the dye. However, the heptachlor remains. J.E.W., Inc. did not inform the farmers of any potential problems, and the farmers had no reason to be suspicious. Now they are facing devastation through no fault of their own and have no place else to turn. Unfortunately, the Dairy Indemnity Program, which was designed precisely for this purpose, only contains $95,000, and that small sum is grossly inadequate to compensate for the tremendous losses suffered. For that reason an adequate appropriation is absolutely essential.

The Department of Agriculture made an early estimate that 62 million pounds of milk would eventually be dumped in Arkansas alone. At a fair market value of $12 per hundredweight, that milk loss in Arkansas alone would require an indemnity of $7.44 million. Additionally, the very significant losses to processors in both products and associated expenses must be considered, as well as losses experienced by those producers who were quarantined, required to dump their product, and later found to be uncontaminated. All calculations currently indicate that these severe losses will reach $9 million and will possibly exceed $11 million.

Those of us from the affected States have been following this issue on a daily basis. We have met with USDA, FDA and EPA officials and have been in constant contact with milk producers, processors and officials. We are convinced that adequate funds must be appropriated to cover the losses. It has already been very difficult to explain the delay in passing these urgently needed funds, and it would be impossible to justify a failure to appropriate a sufficient amount. I am very pleased that the Appropriations Committee has approved $9 million, which is $3 million above the administration's request. Senator COCHRAN has given me his assurances that he will be willing to work with us further if additional funds should be required, and I am grateful for his assistance. I am pleased that we can report to these dairy farmers and processors that Congress is committed to reimbursing them fully for their losses.

Mr. President, the enactment of this legislation is of utmost importance, and I hope my colleagues will take swift action to pass it so that these critical payments may be made with no further delay.

Mr. PRYOR. Mr. President, today I urge my colleagues to join Senator BUMPERS and me in supporting an urgent supplemental appropriation for the Dairy Indemnity Program. This program is designed to help producers who have an economic emergency through no fault of their own.

For the past several months, 144 dairy herds in Arkansas, Missouri, and Oklahoma have been affected by the contamination of feed grain with heptachlor, an EPA-banned pesticide. Today, 53 herds are still under quarantine. These producers unsuspectingly bought feed from a co-op to feed their animals, unaware that it had been labeled for industrial use only.

This feed was a byproduct of ethanol production and should never have been sold for animal consumption. However, farmers unknowingly fed this contaminated feed to their cows and have since faced a disaster of tremendous proportion.

Mr. President, the dairy business requires a lot of extraordinary hard work and a very stable cash flow. A producer's econoimc well-being totally depends on the sale of one product—milk. When these producers' herds were contaminated and ultimately quarantined, the producers were required to dispose of the heptachlor-tainted milk; therefore, they absorbed substantial economic loss. Because heptachlor collects in the tissues, it takes up to 2 years before it is completely removed from a cow's system. Therefore, during the course of this crisis, these dairy farmers have been required to continue feeding and milking their herds in an effort to remove the contaminant and to calculate their losses for the purpose of indeminification. Now, these producers are facing economic stress of the severest magnitude.

And now on top of everything else, Mr. President, the Dairy Indemnity Program, which was designed precisely for these crisis situations, only contains $95,000, which is grossly inadequate to compensate those affected for their losses.

In 1983 a simiar incident in Hawaii was addressed through economic assistance from the Dairy Indemnity Program to those producers and processors who also unknowingly processed and packaged tainted products and were required to remove them from our food chain. It is our hope, Mr. President, that today's crisis can be handled in the same manner 1983's crisis was addressed.

Mr. President, time is of the essence. The economic survival clock for these producers is ticking. Action must come now. Therefore, I urge your support for the supplemental appropriation to adequately fund the Dairy Indemnity Program.

ADDITIONAL FUNDS FOR DAILY INDEMNITY PROGRAM

Mr. BOREN. Mr. President, I commend the action by the Appropriations Committee to include $9 million in the supplemental for the Dairy Indemnity Program. I want to thank the distinguished Senator from Arkansas, Mr. BUMPERS, for his leadership in the Appropriations Committee for getting this provision included.

As my colleagues are aware, the Dairy Indemnity Program was reauthorized by the Food Security Act of 1985. This program makes indemnity payments to farmers and manufacturers of dairy products who have been directed to remove their milk from commercial markets because it contained residues of chemicals. It also provides indemnity payments for dairy cows producing milk contaminated with pesticide residues.

The supplemental is necessary due to the contamination of milk supplies with heptachlor in Oklahoma, Arkansas, and Missouri. The problem was discovered in mid-March and affected dairymen have been caught in a devastating situation through no fault of their own. For the past several months, 144 dairy herds have been affected by the contamination of feed grain with heptachlor, an EPA-banned pesticide. Farmers unknowingly fed this contaminated feed to their cows and have since been faced with a disaster of tremendous proportion. Fifty-three herds are still under quarantine.

During the course of this crisis, these dairy farmers have been required to continue feeding and making their herds to aid in the removal of the contaminant and to calculate their losses for the purpose of idemnification. At present, these dairymen have no source of income. The Diary Indemnity Program which was set up to handle these types of problems currently has only $95,000, and that is grossly inadequate to compensate the producers for the losses they have suffered.

I am pleased that the committee chose to provide $3 million more than the administration requested for this program. It is possible that more than $9 million may be needed and I understand that the chairman of the Subcommittee on Agricultural Appropriations, Mr. COCHRAN, has indicated a willingness to work with us if additional funds are necessary.

Mr. President, as my colleagues may recognize, the dairy industry is dependent upon adequate cash flows. The producers affected by this incident have been operating without any income for 2 months. The agricultural economy has been undergoing severe stress and the addition of this problem to dairymen in my State has made the situation extremely serious.

I urge my colleagues to support this provision and hope that the supplemental will be enacted without delay. It is critical that these payments be made available immediately.

Mr. NICKLES. Mr. President, the supplemental appropriations measure before us today contains $9 million in needed funding for a program to provide financial relief for dairy producers and handlers in Oklahoma, Arkansas, and Missouri, who have been adversely affected by the use of heptachlor-contaminated feed.

The Dairy Indemnity Program, first established in 1968, contains only $95,000 in funding, an inadequate amount to address the severity of the recent heptachlor incident. Along with my colleagues Senator BOREN, Senator BUMPERS, Senator PRYOR, Senator DANFORTH, and Senator EAGLETON, I recently introduced legislation to provide funding for the indemnity program.

This program makes payments through the U.S. Department of Agriculture, at fair market value, to farmers and manufacturers of dairy products who have been directed to remove their milk from commercial markets, because it contained chemical residues. The Department is also authorized under current law to indemnify dairy herd owners for contaminated cows rather than pay them for lost income due to the disposal of contaminated milk. The Senate committee report includes language which directs the Department to evaluate the cost/benefit analysis of herd indemnification and amend its regulations as needed. This is important as providing payments to producers for their herds, rather than their lost milk production, may result in a cheaper and quicker resolution of the problem.

The Department is also directed to consider the cost savings and benefits to producers of a proposal I have advanced which would substitute contaminated cows with "clean" cows that are a part of the Dairy Termination Program. The Dairy Indemnity Program could be used to pay the slaughter price to those dairy farmers who participate in the Termination Program or payments could be made to owners of contaminated herds who in turn could purchase "clean" cows from termination program participants.

Mr. President, this is an important provision of this supplemental appropriations measure. To many unsuspecting producers and handlers, this provision is crucial to their ability to maintain an economically viable operation. I strongly urge my colleagues, support.

COUNTERTERRORISM R & D

● Mr. SPECTER. Mr. President, I had intended to offer an amendment at this time to transfer $10 million from funds available to the United Nations Department of Public Information to fund a coordinated, carefully targeted Interagency Program of Counterterrorism Research and Development. This program was funded in the House bill but deleted in the Senate Appropriations Committee. However, I believe I have worked out an accommodation with the chairman of Appropriations Subcommittee on Commerce, State, Justice, and Related Agencies

that will make it unnecessary for me to offer the amendment. Nevertheless, I would like to explain why I think this program is so important.

The Technical Support Group of the Interdepartmental Group on Terrorism, formed at the recommendation of the Inman Commission, has identified major deficiencies in development funding for new techniques to identify and counter potential terrorist attacks. Accordingly, the administration requested an urgent appropriation of $10 million to fund priority programs.

Because of the wide diversity of terrorist threats, as well as the traditional differences in the missions of various Federal agencies, there are significant gaps in technological programs which no individual agency now has responsibility for addressing. For example, the Federal Aviation Administration is currently developing an explosive detection device for airport use to combat contemporary bombs that defy traditional airport x-ray machines, such as that likely used in the recent TWA flight 840 tragedy in which four Americans lost their lives. With some modification, this same technology could be adapted for use in Federal buildings such as the White House, Capitol, State Department, embassies, and so forth. Yet, FAA's responsibility is airport security, and no agency is charged with taking a broader perspective on interagency needs, so that this potentially lifesaving explosive detection device is not being developed for other uses. I recently wrote to Secretary of State George Shultz urging him to evaluate this technology and its potential application to Embassy security because it is my understanding this kind of advanced technology is not currently being pursued at the State Department, or any other agency outside FAA. Funding of the Counterterrorism Research and Development Plan proposed in this amendment will provide for a focused and coordinated interagency effort to fill these kinds of gaps in combating terrorism. The funds will be utilized by various agencies according to agreed interagency research priorities for advanced technology applicable to countering terrorism and I understand that $400,000 of the $10 million would go to fund development of a technical plan to meet interagency needs for explosive detection using demonstrated thermal neutron activation technology.

It is extremely important that we develop the ability to anticipate potential terrorist tactics and develop suitable countermeasures before serious incidents occur. The scientific and technical know-how exists, but we lack a funded interagency structure to coordinate these activities and assure that all major technological areas are being addressed. Without this central coordination, there is no certainty that technological evolutions in the terrorist threat will be adequately addressed, or that research areas currently being neglected will be identified and pursued.

I would have proposed that the offset for these urgently needed funds come from the United Nations Department of Public Information. A recent General Accounting Office report that I requested indicates that about half of the media pieces put out by the United Nations Department of Public Information [UNDPI] on topics designated by the Department of State to be important to U.S. interests took positions contrary to U.S. policies and contained biases against the United States. Only one of the items produced during 1983-85 which GAO studied supported our interests. On May 2, 1986, I wrote Secretary Shultz urging him to withhold U.S. funding for UNDPI until the materials it produces and distributes are less biased against America.

Clearly, our national interests are better served by a coordinated counterterrorism R&D effort than by subsidizing anti-American publications.

International terrorist violence has been largely limited to Europe and the Middle East, but the threat of terrorism within the United States grows more serious each day.

Members of this body in 1984 will not soon forget the explosion that ripped through the wall of the Senate Republican Cloakroom in the Capitol late one evening. The Senate had been scheduled to meet late that night, but had unexpectedly adjourned early. As a result, no one was in the cloakroom at the time of the explosion, but the near-miss provided dramatic evidence of the reality of the threat even in the U.S. Capitol and the need for more effective security.

I ask that copies of my letters to Secretary Shultz on the explosive detection technology, May 8, 1986, and on the UNDPI, May 2, 1986, be printed in the RECORD.

The letters follow:

U.S. SENATE,
Washington, DC, May 2, 1986.

HON. GEORGE P. SHULTZ,
Secretary of State,
Washington, DC.

DEAR GEORGE: I am writing to urge the withholding of United States funding for the United Nations Department of Public Information (DPI) until the materials it produces and distributes more significantly represents American interests.

A recent General Accounting Office Report that I requested, entitled "United Nations: Analysis of Selected Media Products Shows Half Oppose Key U.S. Interests," has provided important evidence that our positions are being ignored in DPI's literature and productions. DPI is the principal U.N. body engaged in public information activities and is responsible for producing and distributing a variety of media around the world.

The Report indicates that about half of the DPI materials analyzed on areas identified by the Department of State as being important to U.S. interests opposed our interests because they took political positions contrary to U.S. policies and/or contained elements of bias against the United States. The Report also concludes that only one of the items the study used supported U.S. interests.

Given that the United States' contribution to DPI is roughly 25% of its budget, it is critical that our national interests be served by this investment. The GAO study has clearly shown that our interests are not being furthered by DPI and I strongly urge that all U.S. funding for this program be withheld until DPI produces unbiased and fair materials that do not undercut our vital interests.

Sincerely,

ARLEN SPECTER.

U.S. SENATE,
Washington, DC, May 8, 1986.

HON. GEORGE P. SHULTZ,
Secretary of State,
Washington, DC.

DEAR GEORGE: I am concerned that advanced technologies capable of comprehensive explosive detection are not being included in the State Department's Embassy Security program. I strongly urge you to investigate Thermal Neutron Activation (TNA) explosive detectors and incorporate them into this program.

As the Inman Commission concluded, security at many of our embassies overseas is very much in doubt, especially in high-risk areas of the Middle East, Europe and Africa. While the Federal Aviation Administration has made important advances in this field, the State Department currently has no in-house development program underway to study TNA technology for inclusion in a comprehensive system of embassy security.

In January of this year, I was able to view a TNA detector which has been demonstrated to be effective in detecting the presence of all known types of explosives in luggage at four major U.S. airports. I understand from the Westinghouse Corporation, one of the companies presently engaged in TNA research, that this technology can be modified for embassy or car bomb detection and will serve as an effective deterrent against today's sophisticated terrorists.

I also understand from Westinghouse that the Physical Security Division of the State Department is aware of the capabilities of TNA in identifying explosive compounds, but there has been no effort to utilize this technology.

I strongly urge you to evaluate TNA and implement this potentially life-saving system into the State Department's plans to enhance embassy security.

My best.

Sincerely,

ARLEN SPECTER.

● Mr. RUDMAN. I appreciate knowing of the Senator's interest in this issue. I will certainly keep his views in mind when we are in conference with the House of Representatives. As the committee stated in its report accompanying the urgent supplemental appropriations bill, we were concerned that much of this work is already being done in other parts of the Government. However, the Senator has made a good point about the need for

interagency cooperation in the area of counterterrorism research and development. While I am not in a position to agree to a figure at this time, I fully expect funding will be made available for at least a portion of this request in 1986. At the same time, I understand his interest in pursuing research and development of explosive detection using demonstrated thermal neutron activation technology and I expect the interagency task force will give every consideration to a research proposal in this area.

● Mr. SPECTER. I thank the Senator from New Hampshire, for indicating his support for funding of a program for interagency counterterrorism research and development and his expectation that at least a portion of the $10 million can be included in the urgent supplemental for fiscal year 1986. Moreover, I appreciate his positive statement about pursuit of demonstrated thermal neutron activation technology for interagency explosive detection needs. In light of these remarks, I am withholding this amendment.●

THEODORE ROOSEVELT NATIONAL HISTORIC SITE

● Mr. D'AMATO. Mr. President, I rise today with my colleague from New York, Senator MOYNIHAN, to bring before the Senate a matter which needs our immediate attention. The Theodore Roosevelt National Historic Site in Buffalo is in financial jeopardy and may be forced to suspend operations in just 3 to 5 weeks. The inaugural site urgently needs an additional $50,000 for operating expenses to sustain its operations for the balance of this fiscal year.

This site has been operated for about 4½ years through a cooperative agreement between the National Park Service and a private foundation, the Theodore Roosevelt Inaugural Site Foundation.

The foundation has always worked closely with the Park Service and has been given every reason to believe that adequate funding would continue to be available. However, the foundation recently learned that $50,000 in anticipated supplemental funds from the Park Service will not be provided.

● Mr. MOYNIHAN. I share my colleague's concern regarding this situation, and I thank him for joining me today to bring this issue before the Senate.

● Mr. McCLURE. What has been the financial arrangement between the Park Service and the Theodore Roosevelt Inaugural Site Foundation?

● Mr. D'AMATO. Mr. President, the Park Service is authorized to provide up to two-thirds of this site's budget, yet since 1981 the Park Service has never provided more than 50 percent. Now we're only asking for the same level of support they've given us in the past. This site is owned by the Park Service. We're only asking them to maintain operations at their own facility. Without these funds, employees will soon be laid off.

● Mr. MOYNIHAN. Sine 1970, countless hours of volunteer time and hundreds of thousands of dollars from private and public sources have been donated and spent to restore and maintain the inaugral site. With the Park Service's continued support, the operation of the site can and will continue. I should mention that this is the site where then-Vice President Theodore Roosevelt was inaugurated President on September 14, 1901, after the assassination of William McKinley. Over 22,000 people visit the site each year, and the Theodore Roosevelt National Historic Site is now facing its busiest season. Ceasing its operations would mean the termination of many cultural and educational programs which benefit those who use or visit this historic site.

● Mr. D'AMATO. Mr. President, I would like to ask the National Park Service to make the necessary $50,000 available so that this site can continue its operations.

● Mr. MOYNIHAN. I join in this request. I do hope the National Park Service will find the funds to cover this expense.

● Mr. McCLURE. I agree that the National Park Service should ensure that there is no interruption in the operations of the Theodore Roosevelt Inaugural Site. I urge the Service to meet with members of the foundation and to provide up to $50,000 out of funds available to the Service to continue the valuable program offered at this site.

● Mr. D'AMATO. I think it is also critical that we avoid this problem in the future, and I would like to ask that the committee provide a base-funding level of $80,000 for this site in fiscal year 1987 in order to avoid a similar crisis next year. This is in keeping with the level of funding provided in the past, but I ask that the committee provide the full amount at the beginning of the fiscal year rather than depending on supplemental money.

● Mr. McCLURE. We will give every consideration to that request.

● Mr. D'AMATO. Thank you, Mr. Chairman.●

THE AGENCY FOR INTERNATIONAL DEVELOPMENT RESEARCH GRANT

● Mr. BUMPERS. Mr. President, I am pleased that the supplemental appropriation bill as reported by the Appropriations Committee contains my amendment—section 210—to prevent American tax dollars from being used to help foreign countries who are trying to take our agriculture export markets. Specifically, my amendment would prevent U.S. foreign assistance from promoting the agriculture export capability of countries with whom the United States faces direct agricultural export competition. This is an issue that I have been concerned about for some time, and I believe it is necessary to ensure that the U.S. Government is not assisting other countries to produce agricultural commodities if those very same countries are beating us on the world agricultural market. I secured Senate passage of this proposal as an amendment to the 1985 farm bill, but, unfortunately, it was dropped in conference.

The amendment would apply only to agricultural commodities, as there continues to be large surpluses of these commodities in the United States and in global markets. U.S. agricultural exports have plummeted in recent years. Agricultural exports have fallen from a peak of $43.8 billion in 1981 to an estimated $30.2 billion this year. The United States accounts for 20 percent of the world's agricultural exports and nearly 2 out of 5 acres is harvested for export.

Yet, the Agency for International Development has awarded grants for research and development of export crops from foreign countries with whom we directly compete for agricultural products. Certainly, the United States needs to provide strong support to less-developed nations for food security and subsistence agriculture. But the United States should not provide assistance for countries to better their export capability and undercut the ability of U.S. farmers to compete effectively.

Why should battered U.S. farmers, paying hard earned taxes, see their Government actively work to promote a competitor's ability to export in the world market? How can we get control of the deficit if we send money overseas which works toward lowering global commodity prices and causes Commodity Credit Corporation and price maintenance programs to rise?

With U.S. agriculture facing such a critical situation, we can no longer be so generous regarding research and technical assistance programs for foreign export competitors.

The amendment states that no funds shall be expended under U.S. AID or other foreign assistance programs for research, development, and training in connection with growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States.

The amendment would not prohibit activities designed to increase food security in developing countries where such activities have a negligible impact on the export of agricultural commodities of the United States, or research activities intended primarily to benefit American producers.

The continuing resolution for fiscal year 1985 (Public Law 98-273) con-

tained a similar provision that extended to all U.S. commodities. Section 522 of the fiscal year 1985 continuing resolution prohibits U.S. foreign assistance from:

> Establishing or expanding production of any commodity for export for any other country other than the U.S., if there is likely to be a surplus on world markets . . ., [or if] the assistance will cause substantial injury to U.S. producers of the same, similar, or competing commodity.

Allow me, Mr. President, to cite three examples of grants by the Agency for International Development that may have caused injury to our farmers. These relate to soybean production in Brazil, cotton production in Paraguay, and rice production in Thailand.

Brazil exported close to 8 million tons of soybean meal in 1985. From 1960 to 1985, Brazilian soybean production has grown from 1 percent of the world's supply to over 15 percent. By comparison, U.S. soybean meal exports reached only about 4.5 million tons in 1985. The United States has lost 39 percent of the world's soybean meal export trade, and 40 percent of the world's soybean oil export trade—most of this to Brazil.

The Agency for International Development, however, awarded a $6 million grant to a midwestern university to aid the development of better tropical soybean varieties. The research was applied in Brazil, Paraguay, and Argentina, all of which directly compete with United States farmers in the global agricultural commodity market.

Paraguay is expected to have exported up to 400,000 bales of cotton in 1985. When 1985 loans on cotton for U.S. farmers became due, over 5 million bushels of cotton wound up in Commodity Credit Corporation warehouses, an increase from the 1.7 million bushels for 1984. Yet another university received a $962,000 grant to identify and respond to the technology needs of small farmers in Paraguay. The result was a greater emphasis on export crops, namely cotton. Paraguay is the main competitor with the United States in cotton exports.

While the USDA has sought to limit such assistance programs in recent years, AID pushes for expansion. The question is not whether the United States should aid small farmers in Paraguay, but whether they should be encouraged by the U.S. Government to produce commodities that are in surplus and compete with U.S. producers.

Approximately 90 percent of the world's rice is produced in Asia, and four Asian countries—Thailand, Burma, Pakistan, and the PRC—are major rice competitors with the United States. Yet, United States AID awarded a $12.3 million grant to the International Rice Research Institute in the Philippines to support research in production programs on the rice plants for the developing world.

If the research was limited to developing nations trying to maintain subsistence farming in rice production to feed their people, the U.S. assistance would be beyond reproach. But world rice production has nearly doubled since 1960, mostly due to higher yields. The fact is that this research also benefits countries that have reached subsistence level and directly compete against U.S. exports.

Not only do the exports of competitor nations reduce U.S. export commodities, they also increase Government costs when the domestic price for a commodity is sharply driven downward and the Government must make larger import support payments or take over forfeited commodities. Commodity Credit Corporation ownership of some crops doubled between the end of the 1984 and 1985 marketing years. For example, at the end of the 1985 marketing year, nearly 90 percent of an annual year's usage of cotton can be met with either in CCC storage or free storage. Foreign assistance to promote agricultural commodity exports can only exacerbate the situation.

Again, I am proud of all the United States has done in our foreign assistance programs to combat hunger in the world and address the problem of food security for all nations. However, we cannot allow U.S. foreign assistance policy to work against our Nation's farmers. This provision is extremely important to our farmers. I hope that the conference committee will retain this important provision and that it will be enacted into law.●

Mr. DECONCINI. Mr. President, I am deeply concerned that the bill before us does not include one vital provision contained in the House urgent supplemental appropriations: A $20 million supplemental appropriation for the highly effective WIC Program.

The Senate committee report for this bill before us today includes language that defends the omission of the $20 million by asserting that the funds are unnecessary. In fact, Mr. President, this relatively small supplemental is essential if we are to avoid having 50,000 to 100,000 low-income pregnant women, infants, and children, who have been found by medical professionals to be at nutritional risk, removed from this important program in the months ahead. Unfortunately, a number of States have already started removing women and children from the program because current funding levels are inadequate, including my own State of Arizona.

How has this happened, Mr. President? There seems to be some misunderstanding on this issue, and I would like to correct some apparent misconceptions.

The original fiscal year 1986 agriculture appropriations bill passed by the Senate and the House provided $1.57 billion for WIC—the current services level needed to maintain current participation levels according to CBO. Yet the final appropriation is $10 million less than that figure due to an across-the-board cut made in the agriculture portion of the continuing resolution in December.

This $10 million reduction led to a funding shortfall, which was exacerbated in February when the infant formula companies unexpectedly raised their prices in tandem by 5 to 6 percent, well above the inflation rate. As a result of the higher-than-expected price increases, the cost of maintaining WIC participation levels has now risen. States could not have foreseen either this development or the $10 million cut made in December in the continuous resolution. Without a $20 million supplemental appropriation, numerous States will be forced to remove poor women and children from their caseloads.

The $20 million supplemental would rectify this problem by distributing funds, according to USDA formula, to some 30 States with smaller-than-average WIC Programs.

A statement in the committee report implying that the funds would go only to a few States that have requested them and would unfairly treat other States is not accurate. States across the country and the National WIC Directors Association dispute this assertion, which appears to be based on a misunderstanding of how the funding distribution would be made.

I would note that even with the House-passed $20 million supplemental for WIC, the funding levels will still be below those assumed in the fiscal year 1986 budget resolution. This is $70 million above the current appropriation and $50 million more than the appropriation level will be if the supplemental funding is approved.

This is hardly the time to remove low-income women and children from such a highly effective program, Mr. President. In January, USDA released the results of a comprehensive medical evaluation of WIC that Congress had requested some years ago. The findings are stunning. The evaluation found that WIC reduces fetal deaths, reduces prematurity, increases head circumference, which means brain size, in infants born to WIC mothers, improves children's cognitive abilities, increases the number of pregnant women seeking prenatal care early in their pregnancies, and improves the diets of participants. In addition, I remind my fellow Senators that a Harvard Public Health School study found that for every $1 invested in the prenatal care portion of WIC, $3 are

saved in long-term health care and other related costs.

Quite simply, this is an investment that the Congress cannot afford not to make. At this point, the WIC Program is serving about 3.3 million low-income pregnant women, infants and children who are at nutritional risk—less than half of those eligible for WIC nationwide. If the $20 million supplemental is not approved, participation will be reduced to 3.2 million and thousands of persons will be cut off the rolls. It is unconscionable, in my view, to remove women and children from this important health care program.

It is my intention to work to ensure that the final urgent supplemental appropriation bill for fiscal year 1986 contains the $20 million supplemental included in the House-passed bill for the WIC Program, Mr. President. I strongly believe that we can and must afford this additional funding in order to avoid depriving low-income women and children of vital nutrition assistance which has such an important impact on the long-term health of this at-risk population.

Mr. COCHRAN. Mr. President, the Agriculture, Rural Development, and Related Agencies section of this bill includes $5,364,380,000 in new budget authority for activities of the Department of Agriculture.

COMMODITY CREDIT CORPORATION [CCC]

The major portion of this amount is $5.3 billion to reimburse the Commodity Credit Corporation for its net realized losses. This appropriation is urgently needed because the CCC has once again exhausted its available funds, and has stopped making loans and payments to farmers for programs authorized in the farm bill. This appropriation is expected to be sufficient enough to fund CCC activities through the remainder of this fiscal year.

As Senators may recall, the Senate last year included a provision in its version of the fiscal year 1986 agriculture appropriations bill, which would have allowed CCC to operate with a current, indefinite appropriation. If the Senate position had been adopted in conference, there would have been no emergency CCC supplemental appropriations bills this year. Instead, we have already been forced to enact two emergency appropriations bills for CCC, which included $6.5 billion in supplemental funding. The authority included in the bill now before the Senate would preclude the necessity of any further action this fiscal year.

RURAL HOUSING DEFERRAL

Another vitally important provision in this bill is the disapproval of the proposed deferral of $700 million in rural housing loan funds. The release of these funds will ensure that Farmers Home Administration loans will be available for construction of single-family and multifamily homes in rural areas and for housing repair loans for the very low-income elderly in rural areas.

SOIL TILTH CENTER

Mr. President, due to the continuous efforts of the distinguished Senators from Iowa, Senator GRASSLEY and Senator HARKIN, the Appropriations Committee included $11.1 million for the National Soil Tilth Center at Ames, IA. This is not a new project which we are funding in this bill. The Congress has provided appropriations for both the design stage and the construction stage of this facility in previous years. Earlier this year, the Secretary of Agriculture transferred the construction moneys to an account which provided indemnification for citrus producers for damages caused by citrus canker. The appropriation in this bill will simply restore the construction account so that plans may proceed as scheduled. I make that point so that other Senators will not view this action as funding of a new project in an urgent supplemental appropriations bill, which, in my view, would be inappropriate.

OTHER ITEMS

Mr. President, there are other provisions in this bill which are very important, but in the interest of time, I will only briefly mention some of them.

There is $36.7 million for urgent flood relief measures, primarily in the Western United States; $4.5 million to allow meat and poultry inspection services to continue for the remainder of the year, which will include inspection services to new and expanding plants, and will preclude the necessity for any furlough of employees; $9 million to indemnify dairy producers and manufacturers for milk contaminated with the pesticide heptachlor; a transfer of funds among some small programs for rural housing in order to fully utilize appropriated funds; a legislative provision allowing Rural Electrificiation Administration borrowers to prepay their Federal Financing Bank [FFB] loans without penalty; and a legislative provision allowing farmers to keep their 40-percent advance deficiency payment if they are located in a disaster area, and if they had signed up for a commodity program but were prevented from planting a crop due to flooding, heavy rains, or excessive moisture.

Mr. President, I urge Senators to vote for this bill.

VETERANS JOB TRAINING

● Mr. PRESSLER. Mr. President, I rise in support of H.R. 4515, the supplemental appropriations bill. This bill contains an amendment providing $35 million for the Veterans Job Training Act which the full Appropriations Committee adopted during a recent markup.

The Veterans Job Training Act provides employers up to $10,000 per individual veteran to employ and train unemployed Vietnam era and Korean war veterans for permanent and stable careers. In the past, veterans employment programs have fallen short of meeting the aspirations, potentials, and income needs of these veterans and their families. A recent survey by the Bureau of Labor Statistics has shown that disabled veterans and veterans who served in the Southeast Asia theater suffer from an inordinately high rate of unemployment. The $35 million contained in this bill for the Veterans Job Training Act can make a significant contribution to alleviating this situation.

Mr. President, I hope that employers and veterans who might be watching this debate and for the first time become aware of the Vets Job Training Act, will contact the Veterans Administration or their local Veterans Employment representative for further information on this worthwhile program.

I have led efforts in this body on this issue since 1979. My belief is the same now as it was then. This is truly an outstanding program that benefits the veteran, the employer and the national economy as a whole.

I wish to thank the distinguished chairman of the Appropriations Committee and the committee for their cooperation. I also wish to express my sincere appreciation to many of our colleagues here in the Senate who made the extension of the Veterans Job Training Act possible.●

● Mr. BRADLEY. Mr. President, one measure contained in the supplemental appropriations bill deserves special recognition as an example of responsible and timely public policy. I refer to the expression of clear disapproval of the deferral by the President of over $600 million in funds earmarked by Congress for the expansion and fill of United States Petroleum Reserve in 1986. This deferral has certainly been ill-advised and counter to the economic and strategic interests of the Nation.

Time after time, I have spoken out in support of a substantial SPR. I have worked to build up the SPR, since it remains the only real defense against a major disruption in world oil markets. In spite of the recent collapse in world oil prices, the threat of a disruption—and hence the rationale for the SPR—persists. The vast bulk of world oil reserves are still situated in the Middle East, and that region is still a political hotbed.

On April 28, I offered an amendment to the budget resolution which was unanimously adopted by the Senate. It expressed the Senate's intentions to disapproved this deferral of funds from the SPR accounts and called for the immediate commitment of these funds for oil purchases. With passage

of this supplemental bill, the Senate will have fulfilled this pledge.

I have considered overturning this deferral to be good energy policy, sound national security policy and prudent budget policy. The last point is especially apparent today. Although the price of oil per barrel fell almost 80 cents yesterday, the price is nevertheless over $2 higher today than in mid-April—a significant amount when contracting for the over 50 million barrels of oil that the deferred funds would buy for the SPR.

Mr. President, I hope with this supplemental bill we can finally lay to rest the question of funding in 1986 for the SPR. The message from Congress is clear. Let us get moving again with the Strategic Petroleum Reserve.●

FUNDING FOR NAS CONFERENCE ON CLIMATE CHANGE

● Mr. STAFFORD. Mr. President, several members of the Committee on Environment and Public Works, as well as the distinguished other Senator from Vermont, Mr. LEAHY, are asking the National Academy of Sciences to convene a workshop on a subject of great importance not only to our country, but the entire world. That subject is the effect which man's activities are having on the Earth's atmosphere.

We have had preliminary discussions on this subject with officials at NAS and they are quite enthusiastic. The academy has already conducted several studies on this subject and is ideally suited to convene a workshop which would bring together the most qualified members of the scientific community.

My question is whether there is money available in the budgets of one of the several Federal agencies involved in this subject to provide to the academy for this purpose. Funding could come from any one or a combination of several agencies including the Department of Energy, the Environmental Protection Agency, NASA, the National Oceanic and Atmospherics Administration or even the National Science Foundation. Academy officials have said that such a meeting would cost no more than $100,000. Does the distinguished Senator from Vermont, the ranking minority member of the HUD-Independent Agencies Subcommittee, believe the funding could be found for this purpose?

Mr. LEAHY. Yes, I do. I was very pleased to join with Senator STAFFORD and other members of the Committee on Environmental and Public Works in the letter to Dr. Press because this is such an important subject. While $100,000 is by no means a small sum of money, I am confident that we can find that amount and direct that it be provided to the National Academy of Sciences.

I am correct in assuming that we are not talking about new money, is that so?

Mr. STAFFORD. Yes. I think that the type of workshop we are discussing is part on the ongoing responsibilities of these agencies and, therefore, no new money should be necessary.

As an aside, I might observe that this is an area where the contribution of NASA has been absolutely invaluable. Although the space agency is taking some harsh criticism from the press and the public right now, NASA is almost single-handedly responsible for the explosion of knowledge on this subject in the last 5 years. I wanted to make that point because I believe the Agency and its officials deserve a great deal of praise for their remarkable achievements in this area.

Mr. GARN. As chairman of the subcommittee responsible for the NASA budget, I am very familiar with the valuable research accomplishments of our Nation's Space Program. Your observation on how much we have learned about oceanography, meteorology and atmospheric science through the efforts of NASA well illustrate the point that the focus of planetary exploration in the Space Program is indeed our own planet, Earth.

Another agency within the subcommittee jurisdiction which plays a pivotal role in this area is the National Science Foundation, which operates the National Center for Atmospheric Research [NCAR] as well as the U.S. Antarctic Program. Research activities of these programs are at the leading edge of our understanding of the fundamental nature of the atmosphere of our planet.

The Environmental Protection Agency is also within the subcommittee jurisdiction and is also clearly involved in assessing the impact of human activities and pollution on our environment. Finally the subcommittee is responsible for oversight over the White House Office of Science and Technology Policy.

This Agency is charged with coordination of Government-wide policies, including activities of other Federal agencies like the Department of Energy which has a substantial role in handling terrestrial activities which impact on the atmosphere, as well as NOAA.

I certainly concur that recent findings on ozone depletion in the upper atmosphere as well as continuing concerns on carbon dioxide generation relating to the "greenhouse effect," warrant a concerted research program to better assess the implication of human activities on the atmosphere. The proposed workshop under the auspices of the National Academy of Sciences makes eminently good sense to me, and I will be glad to assist in identifying the resources necessary to permit expeditious initiation of this effort.

Mr. STAFFORD. I appreciate that commitment and again congratulate the Senator for the excellent job he is doing as the chairman of the HUD-Independent Agencies Subcommittee.

Mr. President, if there is no objection, I ask a short summary of recent developments in this field be printed in the RECORD.

The summary follows:

RECENT UNEXPLAINED ATMOSPHERIC AND RELATED PHENOMENA

1. Ground instruments have measured and satellite observations have confirmed a Springtime "hole" in the ozone layer over Antarctica the size of the Continental United States. Measurements show a 60 percent reduction in the layer.

2. Other satellite observations have detected a worldwide decrease in the stratospheric ozone layer.

3. Scientific back-calculations and comparisons indicate that the Earth's atmospheric temperature has increased one degree Fahrenheit since the mid-1800's. A further increase of at least one degree Fahrenheit is predicted as a result of past human activities.

4. Ocean sea level is rising at a rate of 0.4 inches per decade, which some scientists attribute to the melting of smaller glaciers combined with expansion of water due to an ocean warming trend.

5. The three hottest years in recorded history in the world's Southern Hemisphere have occurred since 1980.

6. During the past 150 years, mountain glaciers have shown a worldwide retreat. Such glaciers are extremely vulnerable to local warming, such as that induced by a global temperature increase.

7. A recent report of the U.S. Department of Energy, *Atmospheric Carbon Dioxide and the Global Carbon Cycle*, stated that—

"Human effects on atmospheric composition and the size and operations of the terrestrial ecosystems represent major excursions that may yet overwhelm the life-support system crafted in nature over billions of years."

8. "Supercomputer" models indicate that if the predicted 3 to 5 Centigrade degree atmospheric temperature increase is realized, the prime agricultural regions of North America, Europe, and the Soviet Union will experience soil moisture and precipitation comparable to the "dustbowl" conditions of the 1930's.

9. A January 1986 draft assessment of climate change and ozone modification concluded that—

"Due to the long residence time of certain trace gases in the atmosphere, if there are changes in either ozone or climate "the recovery of the system will take centuries"; and,

"Given what we know about the ozone and trace gas chemistry climate problems we should recognize that we are conducting one giant experiment on a global scale by increasing the trace gases in the atmosphere without knowing the environmental consequences."

This report was prepared jointly by the World Meteorological Organization, the United Nations Environment Program, the Commission of the European Community, the United States National Aeronautics and Space Administration (NASA) and other national and international organizations.●

THE COMBINED FEDERAL CAMPAIGN

Mr. LEVIN. Mr. President, I am speaking today in support of an important provision in the fiscal year 1986 urgent supplemental appropriations bill under consideration by the Senate. This amendment, originally put forward by Congressman STENY HOYER, would require the Office of Personnel Management [OPM] to operate the 1986 Combined Federal Campaign [CFC] under the 1985 rules.

The CFC is the $120 million annual charity drive among Federal employees. I believe every Member of Congress would agree that this campaign, which reflects the generosity and charitable spirit of over 2 million civil servants, should be run in an orderly and effective way. The CFC amendment in the urgent supplemental appropriations bill will accomplish this. By requiring OPM to operate the CFC under last year's rules until the courts settle the controversial questions surrounding the CFC, this amendment will ensure that there will be no last minute, disruptive changes in the way the CFC is run. Both the Senate and House Appropriations Committees have recognized the merit in this argument and have supported this important provision.

In related action, a Federal district court has recently issued an injunction forbidding OPM from excluding certain groups from this year's CFC pending the outcome of a case set for consideration by that court later this year. This injunction is a welcome development and may serve to minimize disruption in the CFC. However, it does not obviate the need for this amendment.

The CFC has been the subject of debate and controversy in Congress and in the courts for several years. In 1983, OPM proposed regulations to limit the kinds of groups eligible for inclusion in the CFC to traditional health and welfare organizations. Lobbying groups and legal defense funds would not have been permitted to seek contributions through the CFC. Several organizations which would have been excluded from the CFC under OPM's proposal contested the regulations in court.

In July 1985, the Supreme Court overturned a lower court and ruled that OPM has the authority to limit participation in the CFC. However, the Court remanded to Federal district court the question of whether OPM was "impermissibly motivated by a desire to suppress a particular point of view." A tentative court date on this issue has been set for September 24 of this year.

Although the courts have not resolved whether there is impermissible "viewpoint-based discrimination" on OPM's part, OPM has proceeded to finalize rules for the fall, 1986 campaign which are also almost the same as the 1983 rules now at issue in Federal district court. Since a ruling by the district court against OPM in September could affect the operation of the CFC this year, OPM should not have issued these questionable rules prior to the court's decision.

In the preliminary injunction issued by the district court on May 30, 1986, the court ruled that OPM could not exclude the eight groups bringing suit from the 1986 campaign, pending the outcome of the case. In a telegram to local CFC's, OPM has stated that all affected groups, not just the eight who brought suit, should be considered eligible for inclusion in the campaign.

The court's ruling is helpful because it may minimize confusion among nonprofit organizations about who can participate in the CFC. However, since OPM may appeal the injunction, the amendment in the urgent supplemental appropriations bill is still necessary. The amendment would require OPM to operate the 1986 CFC under the 1985 rules. This would give affected charities more certainty as to the rules they must follow for the fall campaign and would avoid any confusion as a result of pending judicial action. It is important to all parties involved that the CFC be run in an orderly and timely manner.

When OPM jumped the gun by finalizing rules on this controversial issue prior to the district court's decision, I, along with Senators GORE and MATHIAS, wrote to the chairman of the Senate Appropriations Committee to express our concern with OPM's action and to stress the merit in operating the CFC under existing rules with which all CFC participants are familiar. I am pleased the Senate Appropriations Committee voted 15 to 7 to keep in the CFC amendment. I hope the full Congress will also see fit to retain this important and needed provision.

Mr. DOMENICI. Mr. President, I would like to congratulate the distinguished chairman of the Appropriations Committee, Senator HATFIELD, and Senator JOHNSTON who have done a masterful job in carrying forward this very difficult piece of legislation. This was a controversial bill and both Senator HATFIELD and Senator JOHNSTON made extraordinary efforts to see that the many amendments were handled fairly and expeditiously.

I say this because I want my colleagues to know that the fact that I have voted against this measure in no way reflects on them on the overall bill. There was in issue in this bill about which I felt very strongly—the committee amendment which forgave the prepayment penalty that the Rural Electric Cooperatives would have ordinarily paid to the Federal Government in advance of refinancing their loans with the FFB. These cooperatives are free to refinance their loans with the full benefit of their Federal guarantee and yet ignore their obligation to pay the prepayment penalty now provided under existing contracts.

I strongly oppose this provision on budget grounds. The administration strongly opposes this provision and has indicated that it has serious opposition to this bill because of this provision. Therefore, I urge my good friends, the chairman of the Appropriations Committee and Senator JOHNSTON to reconsider the action taken today and delete this provision in conference.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Maine [Mr. COHEN], the Senator from New York [Mr. D'AMATO], the Senator from Florida [Mrs. HAWKINS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Nevada [Mr. LAXALT], the Senator from Vermont [Mr. STAFFORD], the Senator from Virginia [Mr. TRIBLE], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. WALLOP] would vote "nay."

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from North Dakota [Mr. BURDICK], the Senator from Florida [Mr. CHILES], the Senator from Missouri [Mr. EAGLETON], the Senator from Tennessee [Mr. GORE], the Senator from Hawaii [Mr. INOUYE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK] and the Senator from Rhode Island [Mr. PELL] would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced: yeas 71, nays 8, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—71

Abdnor	Harkin	Nickles
Baucus	Hart	Nunn
Biden	Hatch	Packwood
Boren	Hatfield	Pressler
Boschwitz	Hecht	Pryor
Bradley	Heinz	Quayle
Bumpers	Hollings	Riegle
Byrd	Johnston	Rockefeller
Cochran	Kasten	Roth
Cranston	Kennedy	Rudman
Danforth	Kerry	Sarbanes
DeConcini	Levin	Sasser
Dixon	Long	Simon
Dodd	Lugar	Simpson
Dole	Mathias	Specter
Durenberger	Matsunaga	Stennis
East	Mattingly	Stevens
Evans	McClure	Symms
Exon	McConnell	Thurmond
Ford	Melcher	Warner
Garn	Metzenbaum	Weicker
Glenn	Mitchell	Wilson
Gorton	Moynihan	Zorinsky
Grassley	Murkowski	

NAYS—8

Denton	Gramm	Humphrey
Domenici	Heflin	Proxmire
Goldwater	Helms	

NOT VOTING—21

Andrews	Cohen	Lautenberg
Armstrong	D'Amato	Laxalt
Bentsen	Eagleton	Leahy
Bingaman	Gore	Pell
Burdick	Hawkins	Stafford
Chafee	Inouye	Trible
Chiles	Kassebaum	Wallop

So the bill (H.R. 4515), as amended, was passed.

□ 1840

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I wish to make a brief statement of appreciation for the extraordinary assistance Senator JOHNSTON of Louisiana rendered in the handling of this bill and particularly to the Senator from Mississippi [Mr. STENNIS], who is the ranking member of the committee, for his outstanding work in helping bring about an agreement between the Armed Services Committee and the Appropriations Committee.

Mr. President, just one additional comment and that is after 20 hours and 15 minutes of activity on this bill, 12 rollcalls, 59 amendments, appeals and questions, we have but a $1 million difference in this bill from what was reported to the floor, a bill that came to the floor of $3.874 billion. In light of all this activity, the difference or change is but $1 million. I think that is a bit of historical trivia that may find itself into some kind of game in the years to come. To my knowledge, this is the first appropriation bill that had such a net small difference in its shape from when it came to the floor.

I thank my colleagues on the committee. There have been some great stalwarts, two here yet at this late hour, the Senator from Mississippi [Mr. COCHRAN] and the Senator from Connecticut [Mr. WEICKER], who have assisted along with Senator STEVENS from Alaska in managing this bill over these 20 hours. I am very grateful to each of them.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I thank the Senator from Oregon, being a member self-appointed of the Quality of Life Committee of the Senate, which I think has about 70 members when we met, that we did not stay up all night last night. I know it caused some consternation here on the floor but I am glad we went home. Though it is 7 o'clock tonight, we better serve when we operate on a 10- or 12- or 16-hour day rather than 24-hour day and I compliment the Senator from Oregon.

Mr. COCHRAN. Mr. President, I rise to compliment Senator HATFIELD for his wonderful leadership in the passage of this bill.

Mr. President, I think this legislation should be entitled "Urgently, Very Urgently Needed Appropriations" because as of yesterday the Commodity Credit Corporation exhausted its funds and the $5.3 billion contained in this bill to reimburse that agency and permit it to make loans and payments to farmers is definitely needed. So I hope that we can work quickly in conference to work out the differences between the House and the Senate to get this bill to the President for his signature.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. Mr. President, I associate myself with the remarks of others who have congratulated the very distinguished Senator from Oregon [Mr. HATFIELD] on his skillful handling of the supplemental appropriations bill. It was a difficult bill, as supplemental appropriations bills usually are. But the chairman's characteristic forebearance and patience and congeniality have always stood him in good stead. I could not ask for a chairman to be more courteous to members of the committee, more deferential to their needs and to the needs of their constituents, and more fair than Senator HATFIELD has been always certainly to me and other Democrats. I would not want this moment to pass without expressing not only my commendations but also to express my gratitude to him.

I also express my admiration for the distinguished ranking member, Senator JOHNSTON, who is always courteous to me and helpful to all of us. Mr. HATFIELD and Mr. JOHNSTON have both done a splendid job. I thank them and I thank the members of the committee.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, that series of remarks by the Democratic leader is characteristic of his generosity, and I would join in that and say that indeed working with Senator MARK HATFIELD has always been a tremendous pleasure, as has it been working with Senator BENNETT JOHNSTON. They have done a splendid job for us in a very tough piece of legislation. There were indeed those last night who wanted to withdraw their membership in the Quality of Life Club. Now they are back in the fold because it is Friday once again.

We have much to do and the Democratic leader knows that. Indeed, these next weeks will be pressed full of business. We have recess periods and much to do. I look forward to doing it with the leadership on the other side of the aisle as we have in the past. We do in the Senate do our work. I think that that is good. And Democrats assist us. Republicans, even though the majority, cannot carry that load without thoughtful work from the Democratic side. I always appreciate that very much.

Mr. BYRD. Mr. President, I thank the able Senator.

□ 1850

Mr. SIMPSON. I commend all those who have been involved in moving the measure in such splendid fashion. We have done that.

Now I believe that Senator WEICKER has a bill that has been cleared.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. I thank the distinguished majority whip.

EDUCATION OF THE HANDICAPPED

Mr. WEICKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 667, S. 2294.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection on this side.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2294) to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Education of the Handicapped Amendments of 1986".

DEFINITION OF HANDICAPPED CHILDREN

SEC. 2. Section 602(a)(1) of the Education of the Handicapped Act (hereafter in this Act referred to as the "Act") is amended by inserting before the period at the end thereof a comma and the following: "and for children aged three to five, inclusive, includes developmentally delayed children".

ALLOCATIONS

SEC. 3. (a) AGE CATEGORY LIMITATION REVISION.—Section 611(a)(5)(A)(i) of the Act is amended by inserting before the semicolon a comma and the following: "except that the age category for the number of all children subject to the per centum limitation under this clause shall, in the case of a State which actually provides free appropriate public education for a different age category, be the age category which the State actually serves".

(b) SUPPORT SERVICES.—Section 611(c)(2)(A)(ii) of the Act is amended to read as follows:

"(ii) the remainder shall be used by such State to provide support services and direct services, in accordance with the priorities established under section 612(3), and for the administrative costs of monitoring and complaint investigation, but only to the extent that such costs exceed the costs of administration incurred during fiscal year 1985.".

ELIGIBILITY

SEC. 4. (a) GENERAL RULE.—Section 612(2)(B) of the Act is amended by striking out "aged three to five and".

(b) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendment made by subsection (a) of this section shall take effect three years after the date of enactment of this Act with respect to States which, in order to comply with the amendment made by subsection (a), have to qualify under State laws.

(2)(A) The amendment made by subsection (a) of this section shall not apply in any fiscal year in which the appropriations for subpart 1 of part B of the Education of the Handicapped Act do not equal or exceed $1,300,000,000.

(B) The provisions of subparagraph (A) are repealed on September 30, 1990.

AUTHORIZATION FOR EVALUATION

SEC. 5. Section 618(g) of the Act is amended to read as follows:

"(g) There are authorized to be appropriated $3,800,000 for fiscal year 1987, $4,000,000 for fiscal year 1988, and $4,200,000 for fiscal year 1989 to carry out the provisions of this section.".

EARLY INTERVENTION PROGRAM FOR HANDICAPPED INFANTS

SEC. 6. (a) GENERAL AUTHORITY.—The Act is amended—

(1) by inserting after the heading for part B the following:

"SUBPART 1—EDUCATION OF ALL HANDICAPPED CHILDREN";

(2) by redesignating sections 621 through 628 as sections 631 through 638, respectively;

(3) by redesignating sections 631 through 635 as sections 641 through 645, respectively;

(4) by redesignating sections 641 through 644 as sections 651 through 654, respectively;

(5) by redesignating section 651 through section 654 as sections 661 through 664, respectively; and

(6) by adding after section 620 the following:

"SUBPART 2—EARLY INTERVENTION FOR HANDICAPPED INFANTS

"PROGRAM AUTHORIZED

"SEC. 621. (a) The Secretary shall make grants, in accordance with the provisions of this subpart, to States to carry out an early intervention program for handicapped infants.

"(b)(1) There are authorized to be appropriated $100,000,000 for the fiscal year 1987, and for each succeeding fiscal year ending prior to October 1, 1989, to carry out the provisions of this subpart other than section 628.

"(2) There are authorized to be appropriated $6,870,000 for fiscal year 1987, $7,270,000 for fiscal year 1988, and $7,710,000 for fiscal year 1989, to carry out the provisions of section 627.

"(c) During any fiscal year in which the amount appropriated for this subpart is less than $50,000,000 each State shall be entitled to receive its allotment under this subpart if the Secretary determines that the State is making a good faith effort to comply substantially with the provisions of this subpart.

"ALLOTMENT TO STATES

"SEC. 622. (a)(1) From the sums appropriated to carry out this subpart for any fiscal year, the Secretary shall reserve 1 per centum for payments to Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs.

"(2)(A) For each of the fiscal years 1987 and 1988 from the remainder of such funds, the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the number of eligible infants in the State bears to the number of eligible infants in all States, except that no State shall receive less than 0.5 per centum of such remainder.

"(B) For the purpose of subparagraph (A)—

"(i) the term 'infants' means children from birth to age two, inclusive; and

"(ii) the term 'eligible infants' means two percent of the infants in a State and in all States.

"(C) For each fiscal year after September 30, 1988, from the remainder of such funds the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the number of eligible handicapped infants served to the number of such infants served by all States, except that no State shall receive less than 0.5 per centum of such remainder.

"(D) For the purpose of this paragraph, the term 'State' does not include the jurisdictions described in paragraph (1).

"(b) If any State elects not to receive its allotment under this part, the Secretary shall reallot, among the remaining States, amounts from such State in accordance with subsection (a) of this section.

"ELIGIBILITY

"SEC. 623. In order to qualify for assistance under this subpart in each fiscal year, a State shall demonstrate to the Secretary that the State has—

"(1) met the eligibility requirements of section 612;

"(2) a State plan approved under section 613;

"(3) a State Early Intervention Council which meets the requirements of section 624(a) for the purpose of ensuring that the State provides a comprehensive system of early intervention for handicapped infants;

"(4) beginning three years after the date of enactment of this subpart, a comprehensive early childhood plan for services to handicapped children from birth to age five, inclusive, which address service delivery to all handicapped infants and includes the transition to services under subpart 1;

"(5) beginning three years after the date of enactment of this subpart, a statewide comprehensive system of early intervention services available to serve all handicapped infants; and

"(6) a State agency administration which meets the requirements of section 624(b).

"EARLY INTERVENTION COUNCIL; STATE ADMINISTRATION

"SEC. 624. (a)(1) The Governor shall appoint, or designate an existing agency as, an Early Intervention Council which shall be composed of members who represent each public agency within the State providing services to handicapped infants including the grant recipient under section 627, one member representing the Governor, and at least two individuals involved in or concerned with the needs of handicapped infants, such as members of the State Advisory Council on Special Education, members of the Developmental Disabilities Council, or representatives of the Parent Training Center established under part D of this Act.

"(2) The Early Intervention Council shall—

"(A) identify the sources of fiscal and other support for services for early intervention programs and ensure that each State agency is making a financial contribution to support;

"(B) promote the development of formal interagency agreements for services for handicapped infants;

"(C) assist the State agency in the development of and approval of the comprehensive early childhood plan and the application for assistance under this subpart;

"(D) ensure that the application for assistance under this subpart is coordinated with grants awarded in the State under section 627;

"(E) disseminate information regarding early intervention programs; and

"(F) prepare and submit an annual report to the Governor and to the Secretary on the status of early intervention programs operated within the State for handicapped infants.

"(3) The report required by clause (F) of paragraph (2) of this subsection shall include recommendations on the appropriate use of Federal and State funds, together with a statement of statewide policy for the early intervention program for handicapped infants within the State.

"(4) A summary of the data required by this section shall be included in the annual report of the Secretary under section 618 of this Act.

"(5) The Early Intervention Council required by this section shall meet at least quarterly in each fiscal year.

"(b)(1)(A) Subject to the provisions of subparagraph (B), the Governor shall establish or designate a State agency for the purpose of administering this subpart in accordance with the provisions of this subsection. In carrying out this paragraph, the Governor may designate the State educational agency, the mental health agency, the mental retardation agency, a State health or social service agency, or a State Early Intervention Council.

"(B) In any State in which there is a State agency administering a program which is

substantially the same as the program authorized by this subpart on the date of enactment of the Education of the Handicapped Amendments of 1986, the Governor shall designate that agency for the purpose of administering this subpart pursuant to subparagraph (A).

"(2) The agency designated under paragraph (1) shall have responsibility for the general administration, supervision, and monitoring of the comprehensive system of early intervention services for handicapped infants within the State including the delivery of services to such infants. The State agency shall also be responsible either directly or by contract or other agreement with other agencies or organizations for coordinating multidisciplinary referrals of handicapped infants, conducting indepth assessments of such infants, and coordinating early intervention services for handicapped infants within the State.

"PROGRAM COMPONENTS

"SEC. 625. (a) Each State shall develop and carry out a comprehensive plan to serve handicapped infants in accordance with the provisions of subsections (b), (c), and (d).

"(b) The State has or will establish an early intervention services program serving all handicapped infants from birth to age two, inclusive, within the State.

"(c) Each handicapped infant shall have—

"(1) a multidisciplinary assessment of individual needs and services required to meet such needs;

"(2) a written individualized program plan developed by a multidisciplinary team, including the parent or guardian describing necessary services which may include but is not limited to—

"(A) special education;

"(B) speech and language pathology/audiology;

"(C) occupational therapy;

"(D) physical therapy;

"(E) psychological services;

"(F) health services;

"(G) parent and family support services; and

"(H) social services; and

"(3) access to all services described in the early intervention program plan without cost, to the extent not inconsistent with Federal or State law, to the parent or guardian.

"(d)(1) Each individualized program shall be reviewed at least annually.

"(2) Services under the individualized program shall be provided by qualified personnel.

"(3) The individualized program shall include provisions which support the transition of handicapped infants to services provided under subpart 1 of this part.

"PROCEDURAL SAFEGUARDS

"SEC. 626. (a) Any State agency which receives assistance under this subpart shall establish and maintain procedures to assure that handicapped infants and their parents or guardians are guaranteed procedural safeguards with respect to the provision of early intervention services.

"(b)(1) The procedures required by this section shall include, but shall not be limited to—

"(A) an opportunity for the parents or guardian of a handicapped infant to examine all records relating to the assessment of that infant's need for early intervention services, and the development of that infant's individualized program plan;

"(B) procedures to protect the rights of the infant whenever the parents or guardian of the child are not known, unavailable, or the child is a ward of the State, including the assignment of an individual (who shall not be an employee of the State agency or local service program funded under this subpart) to act as a surrogate for the parents or guardian;

"(C) written prior notice to the parents or guardian of the infant whenever the State agency or local service program funded under this subpart—

"(i) proposes to initiate or change, or

"(ii) refuses to initiate or change,

the assessment of such infant's need for early intervention services or the provision of such services.

"(D) procedures designed to assure that the notice required by clause (C) fully inform the parents or guardian, in the parents' or guardian's native language, unless it clearly is not feasible to do so, of all procedures available pursuant to this section; and

"(E) an opportunity for the parents or guardian to present complaints with respect to any matter relating to the assessment of the handicapped infant's need for early intervention services or the provision of services to such infant.

"(2) Whenever a complaint has been received under paragraph (1) of this subsection, the parents or guardian shall have an opportunity for an impartial due process hearing which shall be conducted by the State agency. No hearing conducted pursuant to the requirements of this paragraph shall be conducted by an employee of such agency directly involved in the provision of early intervention services to the handicapped infant who is the subject of the hearing.

"(c) Any party to any hearing conducted pursuant to subsection (b) shall be accorded (1) the right to be accompanied and advised by counsel and by individuals with special knowledge or training with respect to early intervention for handicapped infants, (2) the right to present evidence and confront, cross-examine, and compel the attendance of witnesses, (3) the right to a written or electronic verbatim record of such hearing, and (4) the right to written findings of fact and decisions (which findings and decisions shall also be transmitted to the Early Intervention Council established pursuant to section 624(c)).

"(d)(1) A decision made in a hearing conducted pursuant to paragraph (2) of subsection (b) shall be final, except that any party involved in such hearing may appeal such decisions under paragraph (2) of this subsection.

"(2) Any party aggrieved by the findings and decision made under subsection (b) shall have the right to bring a civil action with respect to the complaint presented pursuant to this section, which action may be brought in any State court of competent jurisdiction or in a district court of the United States without regard to the amount in controversy. In any action brought under this paragraph, the court shall receive the records of the administrative proceedings, shall hear additional evidence at the request of a party, and, basing its decision on the preponderance of evidence, shall grant such relief as the court determines is appropriate.

"(3) During the pendency of any proceedings conducted pursuant to this section, unless the State agency and the parents or guardian otherwise agree, the infant shall receive early intervention services not subject to dispute.

"(4) The district courts of the United States shall have jurisdiction of actions brought under this subsection without regard to the amount in controversy.

"APPLICATION

"SEC. 627. (a) Each State meeting the eligibility requirements set forth in section 623 and desiring to participate in the program under this subpart shall submit an application to the Secretary through the Early Intervention Council at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require.

"(b) Each such application shall—

"(1) specify the role and financial contribution of each State agency providing services to handicapped infants;

"(2) identify and describe the services which shall be available to handicapped infants and their families;

"(3) describe the procedures used to identify and serve handicapped infants;

"(4) set forth policies and procedures designed to assure that, to the extent consistent with the number and location of handicapped infants in the State, provision is made for the participation of such infants in the program assisted or carried out under this subpart by providing for such children community based early intervention services;

"(5) provide assurances that Federal funds made available under this subpart (A) will not be commingled with State funds, and (B) will be so used as to supplement and increase the level of State and local funds expended for the purposes described in this subpart and in no case to supplant such State and local funds; and

"(6) provide assurances that the State will not expend more than 10 per centum of its allotment on administrative costs of carrying out the early intervention services for which assistance is sought.

"PLANNING, DEVELOPMENT, AND IMPLEMENTATION GRANTS

"SEC. 628. (a) The Secretary shall make one of the following types of grants to each State through the State agency for services for which handicapped children aged birth through 5 are eligible. Grants under this section may be made to any State which submits an application which meets the requirements of this section:

"(1) PLANNING GRANT.—A grant for a maximum of two years for the purpose of assessing needs within the State and establishing a procedure and design for the development of a comprehensive early childhood State plan which includes parent participation and training of professionals and others.

"(2) DEVELOPMENT GRANT.—A grant for a maximum of two years for the purpose of developing a comprehensive early childhood State plan, and gaining approval of the plan from the State educational agency, the Secretary of Education, or other designated official of the appropriate State agency.

"(3) IMPLEMENTATION GRANT.—A grant for a maximum of one year for the purpose of implementing and evaluating the comprehensive early childhood State plan.

"(b) Each State educational agency or other State agency desiring to receive a grant under this subsection shall submit an application at such time, in such manner, and containing or accompanied by such information as the Secretary considers necessary. Each such application shall contain assurances and evidence that—

"(1) The State agency receiving the grant will coordinate with other appropriate State agencies (including the State educational agency) in carrying out the grant.

"(2) The State plan will address the early intervention and the special education and

related service needs of all handicapped children from birth through five years of age with special emphasis on children who are often not identified and children who are not now served.

"(3) The State plan will be closely coordinated with child-find efforts under section 612(2)(C) and with preschool incentive grant activities under section 619 of this Act.

"(c) The Secretary shall include in the annual report under section 618 of this Act the following:

"(1) The States and State agencies receiving grants under this subsection and the types of grants received.

"(2) A description of the activities in each State being undertaken through grants under this subsection.

"(3) Beginning in fiscal year 1987, in consultation with the National Council on the Handicapped a description of the status of early intervention programs for handicapped children from birth through five years of age (including children receiving services through Head Start, Developmental Disabilities Program, Maternal and Child Health Services, Mental Health/Mental Retardation Agency Services, and State child-developmental centers and private agencies under contract with State agencies or local schools).

"(d) Any planning or development grant application submitted pursuant to section 623(b) prior to the date of enactment of the Education of the Handicapped Amendments of 1986 shall qualify for a grant under this section.

"RESTRICTION

"SEC. 629. Nothing in this subpart shall be construed—

"(1) to permit the State to reduce medical assistance available, or to alter eligibility, under title XIX of the Social Security Act, relating to medicaid, for handicapped infants within the State; and

"(2) to encourage the reduction in benefits paid under other public or private insurance coverage.

"APPLICABILITY OF CERTAIN PROVISIONS OF LAW

"SEC. 630. The provisions of sections 616, 617, 618, and 620 of this Act shall, to the extent not inconsistent with this subpart, apply to the program authorized by this subpart, except that—

"(1) any reference to a State educational agency shall be deemed to be a reference to the State agency established or designated under section 624(b);

"(2) any reference to the education of handicapped children and the education of all handicapped children and the provision of public education to all handicapped children shall be deemed to be a reference to the provision of services to handicapped infants in accordance with this subpart; and

"(3) any reference to local educational agencies and intermediate educational units shall be deemed to be local service providers under this subpart.".

(b) STUDY OF SERVICES.—(1) The Comptroller General shall conduct a study of the services provided for under subpart 2 and the extent and manner in which such services are available in the States.

(2) Not later than 18 months after the date of the enactment of this Act, the Comptroller General shall prepare and submit a report to the Congress describing the findings of the study required under paragraph (1) of this subsection.

(c) CONFORMING AMENDMENTS.—(1) Section 601(c) of the Act is amended by inserting before the period at the end thereof a comma the following: "and to assure that all handicapped infants have available to them a free appropriate early intervention program designed to meet their unique needs".

(2) Section 602(a) of the Act is amended by inserting after paragraph (1) the following new paragraph:

"(2) The term 'handicapped infants' means individuals from birth to age two, inclusive, who are substantially developmentally delayed or children with specific congenital or acquired conditions who by reason thereof require early intervention.".

(3) Section 602 of the Act is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) For the purpose of subpart 2 of part A of this title—

"(1) the term 'early intervention' means a program of services including special education integrated services as specified in section 625;

"(2) the term 'Early Intervention Council' means the Council established in accordance with the provisions of section 624(a);

"(3) the term 'Governor' means the chief executive of any State; and

"(4) the term 'State agency' means the State agency established or designated in accordance with section 624(b).".

(4)(A) Section 611(a)(1) of the Act is amended by striking out "part" and inserting in lieu thereof "subpart".

(B) Section 611(g)(1) of the Act is amended by striking out "part" and inserting in lieu thereof "subpart".

(C) Section 612 of the Act is amended—

(i) by striking out "part" in the matter preceding paragraph (1) and inserting in lieu thereof "subpart"; and

(ii) by striking out "part" in paragraph (6) and inserting in lieu thereof "subpart".

(D) Section 613 of the Act is amended by striking out "part" each time it appears and inserting in lieu thereof "subpart" each such time.

(5)(A) Section 618(b) of the Act is amended by inserting "0-2," before "3-5" each time it appears.

(B) Section 618 of the Act is amended by inserting "infants," before "children and youth" each time it appears.

(C) Section 618(f)(1) of the Act is amended by striking out "and the National Advisory Committee on the Education of Handicapped Children and Youth".

(D) Section 618(f)(3)(B) of the Act is amended to read as follows:

"(B) data reported under sections 631, 632, 633, 637, 644, 651, and 663.".

(6) Section 619(c) of the Act is amended by striking out ", and for providing special education and related services for handicapped children from birth to three years of age".

REGIONAL RESOURCE CENTERS

SEC. 7. (a) PHYSICAL EDUCATION INCLUDED.—Section 631(a) of the Act (as redesignated by this Act) is amended—

(1) by inserting after "special education" in clause (1) a comma and the following: "including physical education,"; and

(2) by inserting after "special education" in clause (2) a comma and the following: "including physical education,".

(b) DISSEMINATION OF SUCCESSFUL TRANSITION ACTIVITIES.—Section 631(a) of the Act is further amended—

(1) by striking out "and" at the end of clause (3);

(2) by inserting at the end of clause (4) a semicolon and the word "and"; and

(3) by adding at the end thereof the following new clause:

"(5) gather and disseminate information to State educational agencies within the region on successful activities developed under section 636 relating to transitional services for handicapped youth.".

SERVICES FOR DEAF AND BLIND YOUTH

SEC. 8. Section 632(a)(2)(ii) of the Act is amended by inserting after "education" the following: "including physical education".

EARLY INTERVENTION AND PRESCHOOL SERVICES FOR HANDICAPPED CHILDREN

SEC. 9. (a) GENERAL AUTHORITY.—Section 633(a)(1) of the Act (as redesignated by this Act) is amended to read as follows:

"SEC. 633. (a)(1) The Secretary is authorized to arrange by contract, grant, or cooperative agreement with appropriate public agencies, institutions of higher education (including university affiliated facilities program under the Developmental Disabilities Act of 1984 and the satellite network of the developmental disabilities program and the research and training centers under the Rehabilitation Act of 1973 specifically designed to address the needs of handicapped infants), and other appropriate nonprofit organizations for—

"(A) the development and operation of programs of experimental early intervention for traditionally unserved handicapped infants and children and their families;

"(B) preservice and inservice training of personnel including volunteers and paraprofessionals as well as physicians, nurses, occupational and physical therapists, educators, psychologists, social workers, speech and language pathologists, and administrators in early intervention practices; and

"(C) research pertaining to the intellectual, emotional, physical, social, and language development of handicapped children including investigations of the cost effectiveness of various approaches to service delivery.".

(b) SPECIAL RULE.—Section 633(a)(3) of the Act is amended by adding at the end thereof the following: "In carrying out the provisions of this Act the Secretary shall, due to the overrepresentation of native Americans, including native Hawaiians, in statistical reports of children with handicaps, make one grant under paragraph (1) of this subsection within the State of Hawaii to address the needs of native Hawaiian children with handicaps, and make an additional grant to address the needs of native American children with handicaps. The grant made under the previous sentence shall be in addition to any other grant which may be made to Hawaii under this section.".

(c) RESERVATIONS.—(1) Section 633(b) of the Act is amended to read as follows:

"(b)(1) Not less than 10 per centum of the funds available in any fiscal year for purposes of this section shall be available for the provision of training and technical assistance for States preparing to receive or receiving grants under subsection (a)(1)(A) of this section, and under part B.

"(2) Not less than 10 per centum of the funds available in any fiscal year for the purposes of this section shall be used for research pertaining to the intellectual, emotional, physical, social, and language development of handicapped infants and children, including studies providing information on various cost-effective approaches to service delivery as well as the impact and effectiveness of early intervention programs.".

(2) Subsection (c) of section 633 of the Act is repealed.

(d) TECHNICAL AMENDMENT.—The heading of section 633 of the Act is amended to read as follows:

"EARLY INTERVENTION AND PRESCHOOL SERVICES FOR HANDICAPPED CHILDREN".

RESEARCH, INNOVATION, TRAINING, AND DISSEMINATION ACTIVITIES

SEC. 10. Section 634(c) of the Act is amended by inserting before the period the following: "including severely handicapped native American, including native Hawaiian and other native pacific basin children and youth".

SECONDARY EDUCATION AND TRANSITIONAL SERVICES FOR HANDICAPPED YOUTHS

SEC. 11. (a) NEW ACTIVITIES.—Section 636(b) of the Act (as redesignated by this Act) is amended—

(1) by redesignating clauses (5), (6), and (7) as clauses (6), (7), and (8), respectively, and

(2) by inserting after clause (4) the following new clause:

"(5) specifically designed physical education and therapeutic recreation programs to increase the potential of handicapped youths for community participation;".

(b) CONDITIONS FOR PROJECTS.—Section 636(d) of the Act is amended to read as follows:

"(d) Projects funded under this section shall—

"(1) be coordinated with other State agencies providing services for which the student is eligible;

"(2) provide individual transition plans for students served by projects funded under this section; and

"(3) to the extent appropriate provide for the direct participation of handicapped students and the parents of such students in the planning, development, and implementation of such projects.".

AUTHORIZATION OF APPROPRIATIONS FOR PART C

SEC. 12. Section 638 of the Act (as redesignated by this Act) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 638. (a) There are authorized to be appropriated to carry out the provisions of section 631 $6,700,000 for the fiscal year 1987, $7,100,000 for the fiscal year 1988, and $7,500,000 for the fiscal year 1989.

"(b) There are authorized to be appropriated to carry out the provisions of section 632 $15,900,000 for the fiscal year 1987, $16,800,000 for the fiscal year 1988, and $17,800,000 for the fiscal year 1989.

"(c) There are authorized to be appropriated to carry out the provisions of section 633 $17,600,000 for the fiscal year 1987, $18,600,000 for the fiscal year 1988, and $19,700,000 for the fiscal year 1989.

"(d) There are authorized to be appropriated to carry out the provisions of section 634 $5,300,000 for the fiscal year 1987, $5,600,000 for the fiscal year 1988, and $5,900,000 for the fiscal year 1989.

"(e) There are authorized to be appropriated to carry out the provisions of section 635 $5,900,000 for the fiscal year 1987, $6,200,000 for the fiscal year 1988, and $6,600,000 for the fiscal year 1989.

"(f) There are authorized to be appropriated to carry out the provisions of section 636 $7,300,000 for the fiscal year 1987, $7,700,000 for the fiscal year 1988, and $8,100,000 for the fiscal year 1989.".

GRANTS FOR PERSONNEL TRAINING

SEC. 13. (a) PRIORITY.—Section 641(a) of the Act is amended—

(1) by inserting "(A)" after paragraph (4);

(2) by adding at the end thereof the following new subparagraph:

"(B) Whenever possible, the Secretary shall give priority to applications from States with areas where shortages exist or where problems of implementation remain.".

(b) PARENTAL TRAINING SPECIAL RULES.—(1) Section 641(c)(1) of the Act (as redesignated by this Act) is amended by inserting at the end thereof the following new sentence: "Two such grants shall be made to nonprofit organizations serving the needs of native Americans, including native Hawaiians. The grant to Hawaii shall be in addition to and not in place of any other parent training grant made to an agency in the State of Hawaii.".

(2) Section 641(c)(4) of the Act is amended by adding at the end thereof the following new sentence: "The Secretary shall give priority to grants under this subsection which involve unserved geographic areas.".

(3) Section 641(c)(6) of the Act is amended by adding at the end thereof the following new sentence: "Staff personnel of parent training and information programs may assist parents directly in activities under part B.".

(c) SPECIAL TRAINING DEMONSTRATION PROJECTS.—Section 641 of the Act is amended by adding at the end thereof the following new subsection:

"(d)(1) The Secretary is authorized to make grants to institutions of higher education and other appropriate public agencies and private nonprofit organizations to conduct demonstration projects which—

"(A) replicate model programs designed to train transition resource teachers who will serve the handicapped in secondary school classes and in adult service programs in the community; and

"(B) are designed to address the need to fill critical shortages of special education personnel.

"(2) No grant may be made under this section unless an application is made to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.".

GRANTS FOR TRAINEESHIPS

SEC. 14. Section 642 of the Act (as redesignated by this Act) is amended—

(1) by striking out "to State educational agencies" and inserting in lieu thereof "to each State educational agency";

(2) by striking out "teachers of" the first time it appears and inserting in lieu thereof "personnel serving"; and

(3) by striking out "teachers" the second time it appears and inserting in lieu thereof "personnel".

GRANTS TO IMPROVE RECRUITMENT OF EDUCATIONAL PERSONNEL

SEC. 15. (a) PHYSICAL EDUCATION.—Section 643(a)(2) of the Act is amended by inserting after "education" a comma and the following: "including physical education,".

(b) TRANSITIONAL SERVICES.—Section 643(b) of the Act is amended by inserting after "available" the following: "transitional services and programs as well as".

AUTHORIZATION OF APPROPRIATIONS FOR PART D

SEC. 16. (a) GENERAL.—Section 645(a) of the Act (as redesignated by this Act) is amended to read as follows:

"(a) There are authorized to be appropriated to carry out the provisions of this part (other than section 643) $70,400,000 for fiscal year 1987 and $74,500,000 for fiscal year 1988, and $79,000,000 for fiscal year 1989. There are authorized to be appropriated to carry out the provisions of section 643, $1,200,000 for fiscal year 1987, $1,400,000 for fiscal year 1988, and $1,500,000 for fiscal year 1989.".

(b) RESERVATION.—Section 645 of the Act is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) Of the funds appropriated pursuant to subsection (a) for any fiscal year, the Secretary shall reserve not less than 65 per centum for activities described in clauses (A) through (E) of section 641(a)(1).".

(c) TECHNICAL AMENDMENT.—Section 645(c) of the Act (as redesignated by subsection (b) of this section) is amended by striking out "section 631(c)" and inserting in lieu thereof "section 641(c)".

RESEARCH AND DEMONSTRATION PROJECTS

SEC. 17. (a) USES SPECIAL RULE.—Section 651 of the Act (as redesignated by this Act) is amended by—

(1) redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively, and

(2) by adding after subsection (a) the following new subsection:

"(b) Not less than 5 per centum of the funds made available in any year for the purpose of this section shall be used to address the needs of underserved secondary school-aged handicapped youth.".

(b) ADDITIONAL ACTIVITIES.—Section 651(a) of the Act is amended by adding after paragraph (5) the following new paragraph:

"(6) The development of program models and demonstrations for native Hawaiian handicapped children and youth by an educational agency providing comprehensive elementary and secondary educational services to native Hawaiians. A grant contract or cooperative agreement under this section shall be in addition to and not in place of any other grant made to other Hawaiian public or private agencies under this part.".

AUTHORIZATION OF APPROPRIATIONS FOR PART E

SEC. 18. Section 654 of the Act (as redesignated by this Act) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 654. For the purpose of carrying out this part, there are authorized to be appropriated $18,000,000 for fiscal year 1987, $19,000,000 for fiscal year 1988, and $20,100,000 for fiscal year 1989.".

INSTRUCTIONAL MEDIA

SEC. 19. (a) THEATER.—(1) Section 661(a)(1)(A) of the Act (as redesignated by this Act) is amended by inserting after "films" the following: "and through theater".

(2) Section 661(a)(1)(B) of the Act is amended by inserting after "films" the following: "and through theater".

(b) MEDIAN TECHNOLOGY.—Section 661(a)(2) of the Act is amended by inserting after "media" each time it appears a comma and the following: "material and technology".

(c) NATIONAL THEATER OF THE DEAF.—Section 662 of the Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary is authorized to make grants to or enter into contracts or cooperative agreements with the National Theater of the Deaf for the purpose of providing theatrical experiences to—

"(1) enrich the lives of deaf children and adults,

"(2) increase public awareness and understanding of deafness and of the artistic and intellectual achievements of deaf people, and

"(3) promote the integration of hearing and deaf people through shared cultural experiences.".

AUTHORIZATION OF APPROPRIATIONS FOR PART F

SEC. 20. Section 664 of the Act (as redesignated by this Act) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 664. For the purpose of carrying out this part, there are authorized to be appropriated $18,500,000 for fiscal year 1987, $19,600,000 for fiscal year 1988, and $20,800,000 for fiscal year 1989.".

REPEAL

SEC. 21. Section 604 of the Act is repealed.

Mr. WEICKER. Mr. President, in a few minutes, when I leave this Chamber and I go home, I will go home to my two children—Sonny, age 8, and Trey, age 7.

Sonny has spent a full day at school with his seven classmates at the Woodley Hills Elementary School in Fairfax County; with his two teachers—Elaine Monahan and Trish Jesse; and he has gotten an education that is going to enable him to take his place in the mainstream of American life when he gets a little older. He has gotten that start thanks in large measure to two men who sit in this Chamber: Senator ROBERT STAFFORD of Vermont and Senator PAUL SIMON of Illinois, who 10 years ago drafted and had passed the Education of Handicapped Children Act which made available to all the handicapped children in this Nation the education my son is now getting.

A week or so ago, the reauthorization of this legislation passed the Committee on Labor and Human Resources, of which ORRIN HATCH is chairman and TED KENNEDY is the ranking minority member. It passed unanimously and now is on the floor of the U.S. Senate.

Ten years ago, we gambled on the fact that education would unlock the future for handicapped children. The state of the art is such now that we know that the earlier education begins, the greater the possibility for participation in the mainstream of life. The one significant change in what we have before us is that this bill authorizes services for handicapped children to start at birth.

I owe a personal thanks to those legislators who had the foresight to pass the original legislation 10 years ago; and I want to make sure, along with my colleagues in the Senate, that even greater opportunities lie ahead.

The old stereotype of a mongoloid child sitting in a corner in an institution is gone. These are the children we now see throughout the course of our daily lives. These are the children who will be doing things every bit as exciting, every bit as rewarding, as our other children.

Nothing in the course of my Senate career gives me greater satisfaction and a greater thrill than the passage of this legislation. It is my understanding that on the House side there seems to be some thought of a simple 1-year extension of the discretionary programs under the Education of the Handicapped Act. I hope that does not come to pass. It has to be said that this legislation is bipartisan, and will be passed here today over the objections of the Secretary of Education, who did not want the new reauthorization. That is why 100 minds are sometimes better than just one or two.

So I hope that at the executive level and in the House, with our Democratic friends, the new legislation, which has important new features, will pass, and will pass rapidly, in order that that opportunity will not be denied to those very special citizens in this Nation.

Mr. President, I urge the passage of S. 2294, the Education of the Handicapped Amendments of 1986, to amend and extend the discretionary programs under the Education of the Handicapped Act for an additional 3 years, and to create a new program of early childhood intervention for handicapped children. This legislation was unanimously ordered reported by the Labor and Human Resources Committee on May 20.

The new early childhood initiative contained in this legislation will bring Federal law up to date with the state of the art in the field of special education. Experts in the field have known for some time—and the administration itself acknowledges—that the earlier handicapped infants receive intensive intervention services—the greater the educational, emotional, and intellectual benefits that child will reap as he or she grows up. Handicapped children who receive these early childhood services have the opportunity to maximize their potential for growth in ways undreamed of, even a short time ago.

Yet, even though the Department of Education's own research and analysis supports the need for these early childhood services, I want my colleagues to know that, shortly before the full committee met to consider this legislation, Secretary of Education William Bennett wrote a lengthly letter objecting to this bill.

In this letter, Secretary Bennett opposes the new State Grant Program proposed in S. 2294 to provide services for handicapped infants from birth through age 2, stating that it "would be unduly prescriptive, burdensome, and costly." Specifically, he states that the $100 million authorization for this program "is clearly excessive." I must strongly disagree with him.

First of all, the new State Grant Program was designed to give participating States maximum flexibility in determining the appropriate services for each child. The bill lists a variety of services that may be provided, ranging from speech, language, and physical therapy, to special education and family support services. Far from being "unduly prescriptive", there is no mandate in the bill to provide any of those services specifically, as that determination can best be made by the multidisciplinary team which will evaluate each child's needs and develop an educational program for that child.

Further, I must disagree with his statement that the program is too costly, when educators, parents, and advocates alike agree that it is far more expensive in the long run not to provide early educational services for handicapped children. The savings to be derived from providing such services are far greater than the actual costs of this program.

Experts in special education believe that this approach will result in lower special education costs over the time that child is in the educational system. I would call Secretary Bennett's attention to the Department's 1984 report to Congress, citing evidence to indicate that "If intervention began at birth, education costs to age 18 were projected to be $37,272. If, however, intervention was delayed to age six, the cost was projected to be $53,350." Even the fiscally prudent can see that a savings of $16,000 per handicapped child makes good economic sense and is clearly cost effective in the long run. And, the more we can do for these handicapped children, the greater the likelihood that child will become a fully participating member of society, and a taxpayer, rather than a tax user. This is a program from which everyone benefits: The handicapped person whose opportunities for self-improvement and fulfillment are greatly enhanced, and society, on both humane and economic terms.

Secretary Bennett further opposes the bill because it "Would compel participating States to provide a free appropriate public education to 3- to 5-year-old handicapped children. It would, in our view, be a serious encroachment on the longstanding right of States and local communities to control the education of their children."

Surely, the Secretary is aware that Public Law 94-142 already guarantees a free appropriate public education to all children, beginning at age 3. The only reason that some 240,000 3- to 5-year-olds who should be receiving special education services are being deprived of those services is that a loophole exists allowing States whose State laws do not require the provision of such services to get out from under this mandate. Why should any handicapped child have to do without these essential services just because he happens to reside in one State rather than another? It is clear that, while some States are doing the job, many are not—to the detriment of thousands of handicapped youngsters.

Further, I am sure Secretary Bennett must remember that the reason for passage of Public Law 94-142 was that the States were not all providing needy handicapped children with special educational services.

Our educational system for these children has come a long way since the passage of Public Law 94-142 over 10 years ago. The 1986 amendments will ensure that gains made since that time will continue, and it represents a significant step toward ensuring that all handicapped children have the opportunities they need to make the most of their abilities.

I urge the adoption of the legislation.

Mr. STAFFORD. Mr. President, I am delighted that the Senate is about to approve this legislation so important to the future of countless young Americans. I am also delighted that I have had the opportunity to join with the Senator from Connecticut [Mr. WEICKER] to sponsor this legislation.

The bill we are about to pass extends the landmark coverage of Public Law 94-142 to a generation of younger Americans. This is an action I have been urging for many years.

This bill provides a new State Grant Program of $100 million to provide an early intervention program for handicapped children beginning at birth and running through the age of 2, thus seeking to close a gap that exists at present.

In addition, the bill lowers the age of eligibility for educational and health services under this law to the age of 3. The current law sets that threshold at the age of 5.

In so doing, we are extending the coverage under this vitally important law to 250,000 additional young Americans in need.

In extending the scope of this program to 250,000 young Americans, we are responding to the best of our national instincts.

Why are we doing this? We are doing it because we have always known that all Americans have the right to equal educational opportunities.

Indeed, over the years, court decisions have directed our attention to the fact that all handicapped individuals, along with all other Americans:

Have the right to public education, regardless of the degree of disability.

Have the right to appropriate treatment at public institutions.

Have the right to just compensation for labor.

Have the right to fair protection from harm.

There is also another important reason we must press for continued effort to provide programs for the handicapped. The use of tax money by the Government to finance educational programs represents more than simple spending. It represents an investment. And, this is particularly true when we allocate our tax money for the education of the handicapped.

Good educational programs yield both human and economic dividends. The human dividends are apparent. But, for those interested in getting dollar returns on their dollar investments, I offer the point that even the most severely handicapped child can be made less dependent through education.

And, of course, failure to invest in education for these children always results in dependency, often at the expense of the community.

We are told it costs taxpayers more than $500,000 to support a totally handicapped person over his or her lifetime. All of which makes the choice a simply one from both the humanitarian and economic standpoint.

The Senate today is about to affirm that commonsense action, and we are all ennobled by that decision.

Mr. KERRY. Mr. President, I rise today to urge my colleagues to join with me and pass the Education of the Handicapped Act Amendments of 1986, which when enacted, will enhance the quality of educational services to handicapped students throughout the Nation. This legislation represents a true bipartisan effort resulting from the diligent efforts by my distinguished colleague from Connecticut [Senator WEICKER] who worked closely with all members of the Labor and Human Resources Committee in developing a package which enjoys overwhelming support. On May 20, the full Labor and Human Resources Committee unanimously voted out this package which provides for and expands educational services for handicapped children across America.

Since Public Law 94-142 passed 10 years ago, its clear intent has been to improve educational systems throughout the country in order to maximize the developmental and learning potential of handicapped children, thus contributing to their full growth into a more independent adulthood. The education of the handicapped amendments represent a true success story. This law has offered handicapped children an opportunity to achieve a new independence and become active in the mainstream of daily American life in a way that 10 years ago seemed like a mere dream.

The reauthorization package before us today, significantly increases this goal through a new childhood initiative which mandates educational services starting at age 3 and expands services to disabled infants beginning at birth. Research has overwhelmingly indicated that timely assistance makes a critical difference in the educational progress of physically and emotionally challenged youth. Early childhood intervention represents both an investment into the well-being of this Nation's handicapped children, and is a fiscal investment as well. According to a recent House report, for every $1 spent on handicapped preschooler programs, $3 are saved down the road in special educational costs.

Not only does the legislation establish an early intervention system, but it also amends the current allotment formula so that States will no longer be penalized for serving this additional population of disabled infants and youth. Public Law 94-142 mandates services for all handicapped children, however, under current law, we have witnessed a tragic inequity in the availability of services. Handicapped children outside the traditional school-age range have not had universal access to special educational services. This essential change in the formula, will in fact give States the necessary added incentive to serve those handicapped youth who can ultimately benefit from proven, critical educational services that Congress has historically supported.

The discretionary programs in the act provide the necessary support system to ensure that special educational services are available to the more than four million handicapped children nationwide. This legislation builds upon the existing system; it targets personnel prep programs to areas of shortage, gives priority status to the establishment of new parent training centers, allows parent training staff to assist parents in due process, and grants new authority to early childhood research—to name but a few of the very valuable changes in the act.

Mr. President, one issue surrounding the reauthorization of the Education of the Handicapped Act gives me great concern. The Reauthorizing Committee in the House of Representatives is sending us a strong signal that they are not going to reauthorize this vital legislation this year. They are merely going to extend the program for 1 year. Well, I find this action—or lack of action unconscionable. We as lawmakers have a responsibility to the American public, and in this case a responsibility to all disabled American children, to reauthorize programs when they expire, and to improve upon existing Federal law when possible. The amended act before us today does just that—and it does it with overwhelming support from the disability community. But most importantly the legislation before us today includes innovative changes that will enhance the quality of life for handicapped kids. It is my conviction, that today we in the U.S. Senate will send a very clear message back to the House of Representatives by unanimous passage of this legislation—and that is that we care—we care about improving the quality of education for handi-

capped children today not next year, not the following year but right now.

Embodied in our legislation is the same spirit that 10 years ago allowed the United States Congress to pass Public Law 94-142. The same essential principle that guided the Congress to pass this historic act, is present in our legislation, and that is, the basic tenet that the Federal Government has a critical role in devising a progressive and responsive approach to ensuring that a decent education is available to all handicapped children. Over the past decade America has traveled a long road to attain this goal. As a matter of fact, today approximately 10 percent of all children attending public schools receive special educational services. Although impressive, we still have a significant distance to go in order to provide adequate educational services to all physically and mentally challenged youth. The Education of the Handicapped Amendments of 1986 strive towards this end. Mr. President, over the years Congress has made a tremendous commitment to educating handicapped children. I am proud to be a party to a piece of legislation which improves the educational opportunities to so many. And I urge my colleagues to join with me today and pass this meritorious legislation which will continue that commitment in a manner that enhances the lives of disabled youth throughout society.

Mr. DOLE. Mr. President, it has been 10 years since the enactment of the Education for All Handicapped Children Act. The 1975 law, which guaranteed a "free and appropriate" public education to all handicapped children serves as a model for advocacy for handicapped individuals in all facets of their lives. Its successful implementation has formed the cornerstone to our efforts and commitment to equal opportunity and full social participation for all Americans.

There has been an 18-percent increase since the 1976-77 school year in the number of school-aged handicapped children served, and a 19-percent increase in the number of preschool children served in our public school system. The Department of Education reports that 633,000 more disabled children are now receiving a public education than prior to the enactment of this law. And, because of the educational and social skills learned by these disabled students, increasing numbers of them, upon graduation, are able to enter the competitive employment market.

Throughout this great country there are millions of disabled persons whose lives are now different and whose futures will be fuller and more rewarding as a result of the passage of the Education for All Handicapped Children Act. Lest I lead my colleagues to believe that the law has been a panacea, I am compelled to point out that the cost of providing special education services remains a major difficulty. Federal funding has never neared the funding levels anticipated in the law, many feel that all eligible children are not being served, and increasingly coming into question is the quality of education that we can and will be able to continue to provide given an insufficient number of qualified teachers in many parts of the country as compared to the growing numbers of handicapped students.

Through the efforts of the Subcommittee on the Handicapped, we continue to make strides in improving special education for those children served; and, in these amendments, authorization for a new initiative which encourages States to make available a free appropriate public education to every disabled child from birth is included.

In our efforts to gain control over our burgeoning deficit, it is perhaps difficult for us to come to grips with spending increases for any special population. But let us not lose sight that the additional moneys allocated in support of this bill are an investment—an investment in America's children—an investment that will increase the likelihood that handicapped children will become self-sufficient adults.

Mr. WEICKER. I would like to clarify for the chairman of the Budget Committee, my good friend Senator DOMENICI, the intent of two provisions in S. 2294, the Education of the Handicapped Amendments of 1986. With respect to the first provision, on page 30, line 19, the intent of the bill language is to allow the Secretary of Education to make allotments from sums appropriated to States under subpart 2 of part B of the act even if appropriations fall below $50,000,000, assuming the States are making good faith efforts to comply with the provisions of this subpart. The language is not intended to imply that States are entitled to receive allotments beyond any amounts appropriated by Congress. With respect to the second provision, the bill language on page 59, lines 1 and 2, the language authorizes the Secretary to make grants or enter into contracts or cooperative agreements with the National Theater for the Deaf. Again, it is not the intent of the bill to create any form of new contract authority prohibited by the Budget Act. The authority to enter into contracts is intended to be subject to appropriations.

Mr. DOMENICI. I thank my good friend from Connecticut for clarifying the intent of the committee that both the provision on page 30, line 19 and the provision on page 59, line 1, are subject to the decisions of the Appropriations Committee and therefore do not create new entitlement authority or new contract authority.

The PRESIDING OFFICER. Is there further debate? If not, the question is on argeeing to the committee substitute.

The committee substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2294), as amended, was passed.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. President, I thank the Senator from Connecticut for a very moving presentation.

I have had the good fortune to meet that young man, who is a very special young person. The love and attention that flows both ways in that situation is very moving to us all. That young man is a special child.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield.

Mr. BYRD. Mr. President, I, too, have listened with great interest and a feeling of tenderness and compassion as I have listened to Senator WEICKER. I have always seen Senator WEICKER as a man of great courage, a big man, a strong man, fearless, with strong convictions. Today, I have seen, as I have seen before—but even more so today—that he is also a man who has a big heart.

I have heard him as he has conducted hearings in the Appropriations Committees, I have heard him on the floor, and always I have found him eager to listen to the concerns of those who are not as fortunate as most of us, and always he has been willing to lend assistance and a helping hand.

I do not think we need have fear for our country and its future as long as we have men who are courageous, who speak from conviction, who are honest in their approach, who do not look up to anyone and who look down on no one, and who have a feeling of compassion and sympathy for others who, as I say, have not been so well blessed.

Mr. SIMPSON. Mr. President, I thank the Democratic leader.

I would add one parenthetical note: That the size and girth and height of the Senator from Connecticut are all matched by what is inside, that you just heard. I have found that to be true. He is a delightfully sensitive man. So it was touching.

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TECHNICAL CORRECTIONS TO THE JUDICIAL IMPROVEMENTS ACT OF 1985

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that the Senate turn to House Concurrent Resolution 340, making technical corrections to the Judicial Improvements Act of 1985, H.R. 3570.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 340) to correct technical errors in the enrollment of the bill H.R. 3570.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 340) was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELIEF OF KENNETH DAVID FRANKLIN

Mr. SIMPSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1027.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1027) entitled "An Act for the relief of Kenneth David Franklin", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. WAIVER OF EMPLOYEE STATUS REQUIREMENT FOR DEPOSIT OF RETIREMENT CONTRIBUTIONS.

Notwithstanding the requirement of section 8334(d) of title 5, United States Code, relating to status as an employee, Kenneth David Franklin of Raleigh, North Carolina, or his spouse, may make a deposit under such section.

SEC. 2. WAIVER OF TIME LIMITATION FOR CLAIMING DISABILITY RETIREMENT BENEFITS.

Notwithstanding the time limitation of section 8337(d) of title 5, United States Code, on filing a claim for disability retirement benefits, Kenneth David Franklin may file a claim, after making the deposit allowed in section 1, for disability retirement benefits under subchapter III of chapter 83 of such title.

Mr. SIMPSON. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR PATENT AND TRADEMARK OFFICE

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate turn to Calendar Item No. 656, H.R. 2434, the Patent and Trademark Office Authorization.

Mr. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2434) to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes.

There being no objection, the Senate proceeded to consider the bill (H.R. 2434) which had been reported from the Committee on the Judiciary, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

(a) PURPOSES AND AMOUNTS.—There are authorized to be appropriated to the Patent and Trademark Office—

(1) for salaries and necessary expenses, $101,631,000 for fiscal year 1986, $110,400,000 for fiscal year 1987, and $111,900,000 for fiscal year 1988; and

(2) such additional amounts as may be necessary for each such fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law.

(b) REDUCTION OF PATENT FEES.—Amounts appropriated under subsection (a)[(1)] shall be used to reduce by 50 per centum each fee paid *on or after October 1, 1985*, under section 41(a) or 41(b) of title 35, United States Code, by—

(1) an independent inventor or nonprofit organization as defined in regulations prescribed by the Commissioner of Patents and Trademarks, or

(2) a small business concern as defined under section 3 of the Small Business Act (15 U.S.C. 632).

SEC. 2. APPROPRIATIONS AUTHORIZED TO BE CARRIED OVER.

Amounts appropriated under this Act and such fees as may be collected under title 35, United States Code, and the Trademark Act of 1946 (15 U.S.C. 1051 and following) may remain available until expended.

SEC. 3. OVERSIGHT AND INCREASES OF TRADEMARK AND CERTAIN PATENT FEES [PROHIBITED.]

(a) TRADMARK FEES.—The Commissioner of Patents and Trademarks, may not, during fiscal years 1986, 1987, and 1988, increase fees established under section 31 of the Trademark Act of 1946 (15 U.S.C. 1113) except for purposes of making adjustments which in the aggregate do not exceed fluctuations during the previous three years in the Consumer Price Index, as determined by the Secretary of Labor. The Commissioner also may not establish additional fees under such section during such fiscal years.

(b) PATENT FEES.—The Commissioner of Patents and Trademarks may not, during fiscal years 1986, 1987, and 1988, increase fees established under section 41(d) of title 35, United States Code, except for purposes of making adjustments [as described in section 41(f) of such title. *which in the aggregate do not exceed fluctuations during the previous 3 years in the Consumer Price Index, as determined by the Secretary of Labor.* The Commissioner also may not establish additional fees under such section during such fiscal years.

(c) REPORT TO CONGRESS.—The Commissioner of the Patent and Trademark Office shall, at the time of the President's annual budget submission to the Congress, provide the Committees on the Judiciary of the Senate and the House of Representatives a list of patent fee collections; a list of activities supported by patent fec expenditures, trademark fee expenditures, and appropriations; significant planning assumptions including out-year funding estimates, and any proposed disposition of surplus fees as well as any other information the Committees deem necessary.

SEC. 4. FEES FOR USE OF SEARCH ROOMS AND LIBRARIES PROHIBITED.

The Commissioner of Patents and Trademarks may not impose a fee for use of public patent or trademark search rooms and libraries. The cost of such rooms and libraries shall come from amounts appropriated by Congress.

[SEC. 5. USE OF PATENT AND TRADEMARK FEES PROHIBITED FOR PROCUREMENT OF AUTOMATIC DATA PROCESSING RESOURCES.

[Fees collected under section 31 of the Trademark Act of 1946 (15 U.S.C. 1113) and section 41 of title 35, United States Code, may not be used during fiscal years 1986, 1987, and 1988 to procure by purchase, lease, transfer, or otherwise automatic data processing resources (including hardware, software and related services, and machine readable data) for the Patent and Trademark Office.]

SEC. 5. CONGRESSIONAL REVIEW OF PROPOSED PURCHASE OF AUTOMATED DATA PROCESSING SYSTEMS.

(a)(1) SUBMISSION OF AUTOMATION PLAN.—The Commissioner of Patents and Trademarks shall submit to the Committees on the Judiciary of the Senate and the House of Representatives the revised master automation plan (including a detailed cost benefit analysis), approved by the Secretary of Commerce and the Director of the Office of Management and Budget, by February 28, 1986. Such revised plan shall specify the key deployment decision to be made in implementing the plan, as well as such other information as the appropriate Committees may deem necessary.

(2) REPORT BY COMMISSIONER.—The Commissioner shall report to the Committees on the Judiciary of the Senate and the House of

Representatives, at least 90 calendar days in advance of the date of implementation of each key deployment decision provided for the revised master automation plan. Each pre-deployment decision shall be approved by the Department of Commerce's designated Senior Official for Information Resources Management prior to submission. Reports of such decisions shall include the cost and method of financing the deployment decision proposed to be implemented including, where appropriate, a comparision with the cost benefit analysis contained in the revised automation master plan, as well as such other information as the committees may consider necessary to carry out such oversight authority.

(b) PROHIBITIONS ON NEW OBLIGATIONS.—The Patent and Trademark Office may not enter into any new contract nor obligate any funds to implement a key deployment decision involving automated data processing systems as specified in subsection (a) prior to the expiration of the 90 calendar days following the submission of each of the applicable reports required in such subsection.

SEC. 6. USE OF EXCHANGE AGREEMENTS RELATING TO AUTOMATIC DATA PROCESSING RESOURCES PROHIBITED.

The Commissioner of Patents and Trademarks may not *enter into new agreements for the* exchange *of* items or services (as authorized under section 6(a) of title 35, United States Code) relating to automatic data processing resources (including hardware, software and related services, and machine readable data) during fiscal years 1986, 1987, and 1988, *nor continue existing agreements for the exchange of such items or services after April 1, 1987.* This section shall not apply to any agreement relating to data for automation programs entered into with a foreign government or with [a bilateral or]*an* international intergovernmental organization.

Mr. SIMPSON. Mr. President, I move adoption of the committee amendments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 205

(Purpose: To make technical and conforming amendments)

Mr. SIMPSON. Mr. President, I send an amendment to the desk on behalf of Senator MATHIAS and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON] for Mr. MATHIAS, proposes an amendment numbered 2056.

Mr. SIMPSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 3(c), strike out "the Patent and Trademark Office" and insert in lieu thereof "Patents and Trademarks".

In section 3(c), before "fee collections;" insert "trademark".

In section 3(c), strike out "patent fee expenditures" and insert in lieu thereof "patent fee collections".

In section 3(c), strike out "trademark fee expenditures" and insert in lieu thereof "trademark fee collections".

In section 5(a)(1), strike out "decision" and insert in lieu thereof "decisions".

In section 5(a)(2), after "decision provided for" insert "in".

In section 5(a)(2), strike out "Each pre" and insert in lieu thereof "Each key".

In section 5(b), before "90" strike out "the".

Mr. MATHIAS. Mr. President, in "A Connecticut Yankee in King Arthur's Court," Mark Twain noted the importance of a patent system, "* * * country without a patent office and good patent laws was just a crab, and couldn't travel any way but sideways or backways."

Mr. President, the passage of H.R. 2434 as unanimously passed by the Senate Judicial Committee will help the Patent and Trademark Office move forward. H.R. 2434 authorizes the appropriations for the Patent and Trademark Office for the next 3 years and reduces patent fees for small business, independent inventors, and nonprofit organizations. In addition, H.R. 2434 as passed by the Senate Judiciary Committee, provides the needed congressional oversight for agency funding and expenditures.

The vitality of the U.S economy is increasingly dependent on protecting the tangible expressions of new and innovative ideas. Undeniably, an effective and efficient Patent and Trademark Office is a necessary prerequisite.

A few years ago when the Congress examined the PTO, we found that Office using a document filing system that was over 160 years old. Twenty-six million documents were stored in shoe boxes. These were hardly acceptable recordkeeping practices for the Agency in charge of promoting technological change and innovation through the administration of patent and trademark law.

Congress responded by authorizing the PTO to automate its records and the Agency got the increased funding it needed through a greater reliance on user fees. However, despite efforts to improve office operations, problems have developed that threaten to undermine these congressional objectives.

During hearings before the House and the Senate, testimony from the General Accounting Office and outside private parties, as well as a report from the Department of Commerce, found significant problems with the Office's trademark automation efforts.

We were told that the PTO did not: First, thoroughly analyze the needed requirements for its trademark systems; second, adequately assess the costs and benefits of trademark automation; third, fully test its largest system before accepting it from a private contractor; and finally fourth, properly manage its exchange agreements in acquiring some of the automation services.

While the trademark automation is very nearly complete, the much more expensive patent automation project is still in progress. The preliminary results of a GAO inquiry into patent automation indicate problems similar to those encountered in trademarks. Both the House and the Senate Judiciary Committee are quite concerned that the old problems be corrected and potential problems be identified. Both bills are similar in their restrictions on user fees and their termination of exchange agreements. However, while both bills recommend increased oversight for automation, H.R. 2434 as passed by the House takes a different route than the Senate Judiciary Committee recommends.

In an effort to increase automation oversight the House bill would require that funding for automation—both for patents and trademarks—come solely from appropriations, totally to the exclusion of fee revenues. This rigid restriction is not only unnecessary to strengthen oversight, but may have undesirable side effects.

Currently, the PTO receives the majority of its funding through user fees from patent and trademark processing. Automation is funded through a mix of both fees and appropriations. To require that all automation be funded through the appropriations process, would mean substantial and arbitrary reprogramming of funds. Some activities that are currently supported by appropriations would have to be funded by fees. The Senate Judiciary Committee is not convinced that other Agency activities now funded with appropriations are necessarily more appropriately funded by fees. Nor should other PTO activities receive less congressional oversight, which is implied by the House bill.

There should be no distinction in the level of oversight between activities that are funded by user fees and activities funded by appropriations. No matter how the automation project is funded, the goal is more effective oversight, a more direct approach is necessary. This is what the Senate Judiciary Committee adopted. Instead of restricting the type of funding, the committee establishes a procedure to examine the automation effort at each of its key stages. The Judiciary Committee believes that allowing the PTO to use user fees to pay for automation increases both the amount and flexibility of funding for this essential project, and enhances the Office's capacity to achieve its automation goals.

H.R. 2434 is absolutely necessary if Congress is to maintain its traditional

oversight responsibilities and respond to the serious concerns raised during this authorization cycle. I urge its adoption.

Mr. SIMPSON. Mr. President, I move the adoption of the Mathias amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2056) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 2434) was read the third time, and passed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTIONS IN THE SAFE DRINKING WATER ACT

Mr. SIMPSON. Mr. President, again after conferring with the Democratic leader, I ask unanimous consent that the Senate turn to House Concurrent Resolution 346, making corrections in the Safe Drinking Water Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. BYRD. Mr. President, there is no objection on this side. The matter has been cleared.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 346) to correct technical errors in the enrollment of the bill S. 124.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PERMANENT BOUNDARY FOR ACADIA NATIONAL PARK

Mr. SIMPSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 720.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 720) entitled "An Act to establish a permanent boundary for the Acadia National Park in the State of Maine, and for other purposes", do pass with the following AMENDMENT:

Strike out all after the enacting clause and insert:

TITLE I

SEC. 101. BOUNDARIES OF ACADIA NATIONAL PARK.

In order to protect and conserve the land and water resources of Acadia National Park in the State of Maine (hereinafter in this title referred to as "the Park"), and to facilitate the administration of the Park, the boundary depicted on the map entitled "Acadia National Park Boundary Map", numbered 123-80010, and dated April 1986 (hereinafter in this title referred to as "the map") is hereby established as the permanent boundary for the Park. The map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, and it shall be made available to the Registry of Deeds for Hancock and Knox Counties, Maine.

SEC. 102. LANDS WITHIN BOUNDARIES.

(a) The Secretary of the Interior (hereinafter in this title referred to as "the Secretary") is authorized to acquire lands and interests therein within the boundaries of the Park by donation, exchange (in accordance with this section), or purchase with donated or appropriated funds, except that—

(1) any lands or interests therein owned by the State of Maine or any political subdivision thereof may be acquired only by donation or exchange; and

(2) privately owned lands or interests therein may be acquired only with the consent of the owner thereof unless the Secretary determines that the property is being developed or proposed to be developed in a manner which is detrimental to the scenic, historical, cultural, and other values for which the Park was established.

(b)(1) Not later than 6 months after the enactment of this Act, the Secretary shall publish specific guidelines under which determinations shall be made under subsection (a)(2). The Secretary shall provide adequate opportunity for public comment on such guidelines. The guidelines shall provide for notice to the Secretary prior to commencement of any proposed development within the boundaries of the Park. The Secretary shall provide written notice to the owner of the property of any determination proposed to be made under subsection (a)(2) and shall provide the owner a reasonable opportunity to comment on such proposal.

(2) For purposes of this section, except as provided in paragraph (3), development or proposed development of private property within the boundaries of the Park that is significantly different from, or a significant expansion of, development existing as of November 1, 1985, shall be considered by the Secretary as detrimental to the values for which the Park was established.

(3) Reconstruction or expansion of a private or commercial building shall not be treated as detrimental to the Park or as an incompatible development within the meaning of this section if such reconstruction or expansion is limited to one or more of the following:

(A) Reconstruction of an existing building.

(B) Construction of attached or accessory structural additions, which do not exceed 25 per centum of the square footage of the principal structure.

(C) Construction of reasonable support development such as roads, parking facilities, water and sewage systems, and dock facilities.

(c)(1) The owners of any private property within the Park may, on the date of its acquisition by the Secretary and as a condition of such acquisition, retain for himself and his successors or assigns a right to use and occupancy for a definite term of not more than 25 years, or ending at the death of the owner, or his spouse, whichever is later. The owners shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value, of the right retained by the owner.

(2) Any such right retained pursuant to this subsection shall be subject to such terms and conditions as the Secretary may prescribe and may be terminated by the Secretary upon his determination and after reasonable notice to the owner thereof that such property is being used for any purpose which is incompatible with the administration of the Park or with the preservation of the resources therein. Such right shall terminate by operation of law upon notification to the owner by the Secretary and tendering to the owner the amount equal to the fair market value of that portion which remains unexpired.

(d)(1) In exercising his authority to acquire lands by exchange pursuant to this title, the Secretary may accept title to non-Federal property located within the the boundary of the Park and may convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary which lies outside said boundary and depicted on the map. Properties so exchanged shall be approximately equal in value, as determined by the Secretary, except that the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the value of the properties exchanged.

(2) Federally owned property under jurisdiction of the Secretary referred to in paragraph (1) of this subsection which is not exchanged within 10 years after enactment of this Act, shall be conveyed to the towns in which the property is located without emcumbrance and without monetary consideration, except that no town shall be eligible to receive such lands unless, within 10 years after enactment of this Act, lands within the Park boundary and owned by the town have been acquired by the Secretary.

(e) Notwithstanding any other provision of this section, lands depicted on the map referenced in section 101 and identified as 10DBH and 11DBH known as the "Bar Harbor Sewage Treatment Plant"; 14DBH known as the "New Park Street Ballfield"; and 15DBH known as the "Former Park Headquarters"; shall be conveyed by the Secretary, without monetary consideration, to the town of Bar Harbor, Maine, within 180 days following the enactment of this Act. The real property conveyed pursuant to this subsection shall be used and retained by the town for municipal and public purposes. Title to the properties conveyed pursuant to this subsection shall revert to the United States if such property or any portion thereof is conveyed by the town to another party or used for purposes other than those specified in this subsection.

(f) Notwithstanding any other provision of this section, land depicted on the map identified as 4DBH, located in the village of Town Hill, Maine, shall be conveyed by the Secretary without monetary consideration, to the town of Bar Harbor, Maine, as soon as practicable following the enactment of this Act, subject to such terms and conditions, including appropriate reversionary provisions, as will in the judgment of the Secretary provide for the development and use of such property by any town which so desires as a solid waste transfer station in accordance with a plan that is satisfactory to the town and the Secretary. The Secretary shall (subject to the availability of prior appropriations) contribute toward the cost of constructing such transfer station the lesser of—

(1) $350,000, or

(2) 50 per centum of the cost of such construction.

(g) Notwithstanding any other provision of this section, the Secretary is authorized to acquire by donation or exchange lands or interests therein in the area identified on the map as "Schooner Head". The Secretary is further authorized to acquire conservation easements on such lands by purchase with donated or appropriated funds if he determines after written notice to the owner and after providing a reasonable opportunity to comment on such notice, that the property is being developed or proposed to be developed in a manner which is significantly different from or a significant expansion of development existing as of November 1, 1985, as defined in subsection (b) of this section.

(h)(1) The Secretary is authorized to acquire conservation easements by purchase from a willing seller or by donation on parcels of land adjacent to the Park on Schoodic Peninsula, the islands of Hancock County, and the islands of Knox County east and south of the Penobscot Ship Channel, except such islands as lie within the town of Isle au Haut, Knox County. Parcels subject to conservation easements acquired or accepted by the Secretary under this subsection must possess one or more of the following characteristics:

(A) important scenic, ecological, historic, archeological, or cultural resources;

(B) shorefront property; or

(C) largely undeveloped entire islands.

(2) Conservation easements acquired pursuant to this subsection shall—

(A) protect the respective scenic, ecological, historic, archeological, or cultural resources existing on the parcels;

(B) preserve, through setback requirements or other appropriate restrictions, the open, natural, or traditional appearance of the shorefront when viewed from the water or from other public viewpoints; or

(C) limit year-round and seasonal residential and commercial development to activities consistent with the preservation of the islands' natural qualities and to traditional resource-based land use including, but not limited to, fishing, farming, silviculture, and grazing.

(3) In determining whether to accept or acquire conservation easements pursuant to this subsection, the Secretary shall consider the following factors:

(A) the resource protection benefits that would be provided by the conservation easement;

(B) the public benefit that would be provided by the conservation easement;

(C) the significance of the easement in relation to the land planning objectives of local government and regional and State agencies;

(D) the economic impact of the conservation easement on local livelihoods, activities, and government revenues; and

(E) the proximity of the parcel to the boundary of the Park and to other parcels on which the Secretary maintains conservation easements.

(4) For purposes of this subsection, the term "conservation easement" means a less-than-fee interest in land or a conservation restriction as defined in section 476 through 479-B inclusive, as amended, of title 33 of the Maine Revised Statutes of 1964, as in effect on the date of the enactment of this Act.

(5) No easement may be acquired by the Secretary under this subsection without first consulting with, and providing written notification to, the town in which the land is located and the Acadia National Park Advisory Commission established by section 103 of this title. In providing such notification, the Secretary shall indicate the manner and degree to which the easement meets the criteria provided in this subsection.

(i) Nothing in this section shall be construed to prohibit the use of condemnation as a means of acquiring a clear and marketable title, free of any and all encumbrances.

(j)(1) Notwithstanding any other provision of this section, the Secretary shall accept an offer of the following from the Jackson Laboratory (a not-for-profit corporation organized under the laws of Maine):

(A) Lands depicted on the map as 55 A ABH which are held in fee by the Jackson Laboratory.

(B) A conservation easement on lands depicted on the map identified as 55 ABH (the developed property known as "Highseas"). The easement shall prohibit subdivision of such land or any further significant development on such lands, except as permitted by the guidelines published under section 102(b)(1).

(2) Upon receipt of the lands and easement described in paragraph (1), the Secretary shall transfer to the Jackson Laboratory the lands depicted on the map as 8 DBH and 9 DBH. Any disparity in the fair market value of the lands and easement referred to in paragraph (1) and the lands described in the preceding sentence shall be equalized as provided in section 102(d)(1).

(k) For purposes of subsection (a)(2), the construction of one single family residence on Burnt Porcupine Island by the owner of the Island shall not be treated as detrimental to the scenic, historic, cultural, or other values for which the park was established if, before such construction commences, the Secretary has reviewed and approved plans for the size, location and architectural design of the structure.

SEC. 103. ADVISORY COMMISSION.

(a) There is hereby established an Acadia National Park Advisory Commission (hereinafter referred to as "the Commission"). The Commission shall be composed of 16 members appointed by the Secretary as follows:

(1) 3 members at large.

(2) 3 members appointed from among individuals recommended by the Governor of Maine.

(3) 4 members, appointed from among individuals recommended by each of the four towns on the island of Mount Desert.

(4) 3 members appointed from among individuals recommended by each of the three Hancock County mainland communities of Gouldsboro, Winter Harbor, and Trenton.

(5) 3 members, appointed from among individuals recommended by each of the three island towns of Cranberry Isles, Swans Island, and Frenchboro.

(b) The terms of the Commission members shall be 3 years except that, for initial appointments under each paragraph, one member shall serve for a term of one year, and one member shall serve for a term of 2 years.

(c) The Commission shall elect its own chairman and adopt its own bylaws. Any vacancy on the Commission shall be filled in the same manner in which the original appointment was made.

(d) Members of the Commission shall serve without compensation as such, except that the Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this title.

(e) The Secretary shall consult with the Commission on matters relating to the management and development of the Park, including but not limited to each of the following:

(1) The acquisition of lands and interests in lands (including conservation easements on islands).

(2) Termination of rights of use and occupancy.

(f) The Commission established under this section shall terminate 20 years after the enactment of this Act.

SEC. 104. BEAR ISLAND.

(a) Notwithstanding any other provision of law, Federal property located on Bear Island in the town of Cranberry Isle shall, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of the title. Such Federal property shall not be developed by the Secretary in a manner which would provide for or encourage intensive visitor use.

(b) The Secretary is authorized to make improvements to the Federal property on Bear Island as he deems appropriate for the protection of adjacent private property.

SEC. 105. TOWN OF ISLE AU HAUT.

The provisions of this title shall not apply to those portions of the Park lying within the Town of Isle au Haut, Maine, which lands shall continue to be governed by the provisions of Public Law 97-335.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

(a) Effective October 1, 1986, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, but not to exceed $9,100,000 for acquisition of lands and interests therein.

(b) For the purposes of paragraph 7(a)(3) of the Land and Water Conservation Fund Act of 1965, as amended, (16 U.S.C. 460 1-9), the statutory ceiling provided in subsection (a) shall be deemed to have been enacted prior to the convening of the Ninety-fifth Congress.

SEC. 107. PAYMENTS TO LOCAL GOVERNMENTS.

(a) Notwithstanding the limitation in subsection 3(d) of the Act of October 20, 1976 (90 Stat. 2662) payments in the manner provided in section 3 of that Act shall be made to the appropriate units of local government having jurisdiction over lands with the boundary of the Park. Such payments shall be made only for a period of 12 years.

(b) Payments received by the units of local government pursuant to this section shall be used only for fire protection, police protection, solid waste management, and road maintenance and improvement.

(c) Payments pursuant to this section may be made only from funds appropriated therefor. Such payments shall be in addition to and not in place of any other funds or form of Federal assistance to which the units of local government are entitled.

TITLE II

SEC. 201. CAPE COD NATIONAL SEASHORE ADVISORY COMMISSION.

Section 8(a) of the Act of August 7, 1961 (Public Law 87-126; 75 Stat. 292) is amended by striking out "ten years" and substituting "30 years".

AMENDMENT NO. 2057

Mr. SIMPSON. Mr. President, I move that the Senate concur in the House amendment with a further amendment which I send to the desk on behalf of Senator WALLOP.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON] for Mr. WALLOP, proposes an amendment numbered 2057.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

S. 720, as amended, is further amended as follows:

1. On page 13, line 10, strike the phrase "numbered 123-80010, and dated April 1986" and insert "numbered 123-80011, dated May 1986".

2. On page 18, line 12, strike the phrase "'Schooner Head.'" and insert "'Schooner Head', which is outside the boundary of the Park."

3. On page 20, line 17, strike "(4)" and insert "(4)(A)".

On page 20, after line 22, insert the following new paragraph:

"(B) The conveyance of any such interest in land in accordance with this subsection shall be deemed to further a Federal conservation policy and yield a significant public benefit for purposes of section 170(h) of the Internal Revenue Code of 1954."

Mr. COHEN. Mr. President, I want to urge my colleagues once again to support passage of S. 720, legislation I cosponsored with Senator MITCHELL to establish a permanent boundary for Acadia National Park in my home State of Maine. The Senate is sending the bill back to the House with two amendments which I support and which I trust will be accepted by the other body. With final passage of this legislation by the Congress, a longstanding and terribly divisive matter will be brought to a close. I am most appreciative of Senator WALLOP and his staff, and Senator MCCLURE, as well as the leadership on both sides of the aisle, for expediting the Senate's consideration of this important bill.

In securing the passage of S. 720, it is our intent to achieve a lasting resolution of a longstanding problem which has negatively affected both the park and the local towns and area residents.

Acadia National Park is a spectacularly beautiful place and a lasting testament to the philanthropic nature of those familiar with Mount Desert Island and its environs. Its natural beauty is treasured by both the casual visitor and the professional conservationist, and the island is also considered a wonderful place to live. Many of those charmed by Acadia's beauty have responded by donating their land to the Park Service for inclusion into the park itself.

Herein lies the root of the problem addressed in S. 720. The original charter of Acadia National Park allows the Park Service to acquire land for the park only through donation. It can neither purchase specific parcels nor take those threatened by development through eminent domain. The evolution of the park has certainly been unique, and it has created complex problems.

The Park Service has been forced to administer a jigsaw puzzle of a park, with acreage scattered around Mount Desert Island. In addition, it has been prohibited from acquiring parcels of land it considers crucial to the maintenance of the character of the park, unless they are donated. On the other side of the issue, the towns on Mount Desert Island and on the mainland of Hancock County where park land is located have found themselves with no means of controlling the loss of extremely valuable property to the park. The specter of a continually eroding property tax base in something all town managers fear. And this is the situation which continues to exist today, to the detriment of both the towns and the park and with the effect of exacerbating the emotionalism of this longstanding controversy.

S. 720, therefore, draws a permanent boundary around Acadia Park and provides for the exchange of certain key parcels identified by the Park Service as desirable for inclusion in the park and by the towns as important to their needs. The Park Service is given eminent domain authority over all parcels within the park's boundary, subject to certain conditions of use. In sum, in exchange for the loss of 1,900 acres of taxable land to the Park Service, the towns receive the assurance that the park will not expand indefinitely in the future.

I want to commend my colleague, Senator MITCHELL, for his work on this legislation, and I join him in recommending to the Senate the passage of legislation which makes sense for Acadia National Park and the residents of Mount Desert Island. Acadia's many visitors, some 4 million in 1984, know of the park's unique beauty—a combination of rugged cliffs and mountains, churning seas, peaceful spruce forests, and placid lakes. It is clearly in our best interests to preserve this land for the enjoyment of future generations, and we will share with the Park Service the benefits of a clarified charter for Acadia. At the same time, we must recognize the unusual constraints within which the park management must operate. In doing so, we come to the realization that area residents and town managers have legitimate concerns regarding the future of their tax base and their ability to meet their responsibilities for road management, sewage treatment, and other administrative tasks.

There is no doubt in my mind that both the Park Service and the local towns should benefit from the existence of Acadia Park in the area. The ability to make this a mutually beneficial relationship has been hampered by the terms of the park's charter and both parties have suffered as a result. The need to achieve a compromise in the interest of future cooperative planning is at hand, and passage of this legislation demonstrates our commitment to such a future.

I am pleased to see the Senate recommend the removal of the Schooner Head properties from within the park boundary, as the House-passed language caused considerable anguish on the part of Schooner Head residents. It is unfortunate that all of the original Senate-passed provisions will not be included in the final bill, but we are working in the name of compromise and I believe it is in our best interests to get the bill passed now with no further discussion.

Once again, I want to express my thanks to Senator WALLOP and the staff of the Public Lands Subcommittee, especially Tony Bevinetto and Tom Williams. Without their interest and support, the Acadia affair might have lingered on for many more years.

Mr. MITCHELL. Mr. President, I am very pleased that the Senate is considering this measure, the Acadia National Park Boundary Act. The legislation would provide congressionally established boundaries for Acadia National Park in Maine.

The need for this bill arises from the manner in which the park was established. Acadia was created by private donations of land in the early years of this century. Its charter authorizes further expansion of the park through donations of land in all of Hancock County and Knox County east and south of the Penobscot River ship channel. However, the park is not authorized to purchase land.

This combination, the inability to purchase desirable areas for inclusion in the park, and the ability to accept donations of property with little constraint, poorly serves the interests of both the local towns and residents, and the preservation of the park's unique resources.

The park's open-ended authority to acquire land by donation creates un-

certainty and instability for surrounding communities which face continuing erosion of the local tax base. For each acre of land which is donated to the park, regardless of the value of that land, the local government receives 75 cents annually in-lieu-of-taxes. In many cases this represents a serious loss of tax revenue.

Limitations on the park's authority to purchase property has resulted in haphazard land acquisition. Key parcels have been omitted from park property and in-holdings abound. Consolidation of park land is essential for the protection and sound management of its important resources.

This legislation represents a compromise solution to these problems that is intended to serve both the long-term interests of the park itself and the future needs of the communities who are the park's neighbors.

Like any compromise, this bill asks both sides to give and to take. In exchange for deleting 700 acres it currently owns, and limiting the area in which it may exercise its charter right to accept donated lands, the park is given the right to purchase from willing sellers, or accept donations, of designated parcels equaling approximately 2,000 acres.

The towns, in exchange for this limited incursion into tracts that might otherwise remain on town tax rolls, gain the assurance that the boundaries of the park will not expand indefinitely. Without that assurance, it is difficult for the towns to plan for the future.

This bill largely reflects the mediated agreement of 1979. This agreement was the product of years of effort to reach consensus on the necessary components of Acadia legislation. While there was not unanimous support for the agreement, it was endorsed by most of the parties interested in resolving the difficult Acadia issues and provides a sound basis for this legislation.

As my colleagues in the Senate examine the provisions of this bill it is likely that they will find the controversies which it addresses familiar:

First, how much land should be included in the park boundaries in order to satisfy national interests in a way that is fair to local residents? Acadia was the first national park created east of the Mississippi. It is an area of great beauty which received over 4.2 million visitors last year alone. This legislation must protect the park for future generations.

However, the bill must also reflect the realities presented by the area in which the park is located. This is not an undeveloped pristine area. Indeed, much of the charm of Acadia derives from its coexistence with fishing villages and towns which have existed since the beginnings of European settlement on the North American continent. This point should be stressed. A visit to the park is a great experience, made even more so by the ability to visit the several towns in which the park is located.

Local as well as national needs must be met. Congressionally established boundaries for the park must strike a careful balance. The boundaries in this measure largely reflect those agreed to in the medicated agreement. Long negotiations and many compromises resulted in the boundaries presented by this measure.

Second, how can important park resources be protected while ensuring private owners whose homes are located within park boundaries reasonable use of their property. Under this legislation, homeowners can continue existing use of property. In addition reasonable improvements and additional construction of up to 25 percent of the square footage, or usable floor space, of the principal existing structure is expressly authorized provided such activities are consistant with State and local laws and regulations.

Third, to what extent should local towns be compensated for the loss of tax revenues resulting from park property within their borders? Clearly, there are benefits to towns in close proximity to a national park. Parks are magnets for visitors who contribute to local economies.

However, the coast of Maine is itself an attraction in summer months and most coastal communities swell with summer vacationers. Yet, for areas that have Acadia as a neighbor, an acre of property worth $10,000 which might normally be expected to contribute $200 per acre in tax dollars, instead brings in 75 cents in-lieu-of-taxes. For some areas this loss of tax revenues represents as much as one fifth of the town budget and the total loss of tax revenues may be as high as $1 million annually for all of the towns that share their borders with Acadia.

The Acadia legislation would partially compensate local towns for this loss. The bill would extend for 7 additional years the section 3 payments to local governments made pursuant to the Payments-In-Lieu-of-Tax Act. Under section 3 of PILT, local governments receive 1 percent of the fair market value of private lands acquired for inclusion in national parks. This payment cannot exceed the amount of property taxes levied the previous year.

In addition, interested towns and the Park Service would join together in constructing a waste transfer station, a facility which the park would benefit from using. Also, limited areas would be transferred to Bar Harbor for municipal uses.

These provisions, while only partially compensating the towns for their tax losses, will further the cooperative spirit necessary for making the towns and park good neighbors.

I am pleased that Jackson Laboratory has embraced an exchange of a portion of its highseas parcel for three parcels of Park Service land contiguous to the laboratory's Maine campus. It was not possible to fully implement this exchange in this legislation. However, Jackson Laboratory wishes a quick and final resolution of this issue and I agree. I will closely monitor the progress of negotiations between the Park Service and Jackson Laboratory to ensure a timely resolution.

This measure is based on the efforts of many individuals who have worked long and hard to find a fair resolution of the problems confronting Acadia. Local officials and residents, successive park superintendents, local and national conservation groups—particularly the National Parks and Conservation Association—and former and present members of the Maine congressional delegation have all contributed to its provisions.

I especially want to thank MALCOLM WALLOP, chairman of the Senate Subcommittee on Public Lands for his help on this important issue. In addition, I greatly appreciate the efforts on behalf of the bill by BRUCE VENTO, chairman of the House Subcommittee on National Parks. I am also grateful for the staff assistance of Tony Bevinetto and Tom Williams in the Senate, and Rick Healy and Lori Stillman in the House.

Controversy over the boundaries of Acadia National Park has lasted for decades. It has prevented consolidation of park lands in a way that best serves the interests of local residents, the interests of the millions of park visitors, and the interests of future generations, for whom we have a responsibility to maintain the park and its resources. I hope that this legislation will finally resolve the Acadia dispute.

The PRESIDING OFFICER. The question is on agreeing to the motion to concur.

The motion was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

ORDER FOR STAR PRINT OF REPORT 99-303

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Report 99-303, extension of the manufacturing clause, be star printed to reflect the following changes, which I send to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE EXECUTIVE CALENDAR

Mr. SIMPSON. Mr. President, I would like to inquire of the Democratic leader if he is in a position to confirm any or all of the following nominations on the Executive Calendar: Calendar Item No. 766, William F. Martin; Calendar Item No. 767, David B. Waller; Calendar Item No. 778, Walter J. Shea; Calendar Item 824, Christopher Hicks; Calendar Item 827, under the Coast Guard; Calendar Item 828, Alan E. Norris; Calendar Item 829, Alfred J. Lechner, Jr.; Calendar Item 830, Patricia C. Fawsett; Calendar Item 831, John G. Davies; Calendar Item 832, David Hittner; Calendar Item 833, Nicholas Tsoucalas; Calendar Item No. 834, J. Michael Fitzhugh; Calendar Item 835, Hinton R. Pierce; Calendar Item 836, Joe B. Brown; Calendar Item 837, Brent D. Ward; Calendar Item 838, John Perry Alderman; Calendar Item 839, Joseph P. Stadtmueller; Calendar Item 840, William H. Ewing, Jr.; Calendar Item 841, William S. Vaughn; Calendar Item 842, Frederick N. Falk; Calendar Item 843, Robert T. Keating; Calendar Item 844, Bruce R. Montgomery; Calendar Item 845, Lynn H. Duncan; Calendar Item 846, Warren D. Stump; Calendar Item 847, Edward C. Aldridge, Jr.; Calendar Item 848, George S. Dunlop; Calendar Items 849–852, under the Army—that would be Calendar Nos. 849, 850, 851, and 852 under the Army; Calendar Item 853, under the Marine Corps; and all nominations placed on the Secretary's desk with the exception of Edwin G. Corr.

Mr. BYRD. Mr. President, if the distinguished majority whip will indulge me just momentarily. May I inquire, just to make sure I have heard accurately, if these are the matters identified by the distinguished acting Republican leader: Calendar No. 730, Department of Commerce——

Mr. SIMPSON. No.

Mr. BYRD. Very well, then may I begin again:

Calendar No. 766, Calendar No. 767, Calendar No. 778; Calendar Order No. 823, under the Department of State, on page 5 of the Executive Calendar.

Mr. SIMPSON. No. I say to the Democratic leader, I had not mentioned that one.

Mr. BYRD. I thank the distinguished majority whip. I guess that matter has been cleared on my side of the aisle, so I will not include that one.

Calendar Order No. 824, and then on nominees under the Coast Guard; under the judiciary, new reports on page 6; all under the judiciary and Department of Justice on page 7 of the Executive Calendar; and continuing through the Department of Justice on page 8; and with specific and very particular reference to Calendar Order No. 847, Edwin C. Aldridge, Jr., of Virginia, to be Secretary of the Air Force, Vice Russell A. Rourke, resigned; Calendar No. 848, under the Department of Agriculture; and all the nominees identified on page 9, on page 10, and on page 11. Am I tracking the distinguished assistant Republican leader accurately at this point?

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Mr. SIMPSON. Mr. President, I would say even though the nomenclature may be slightly different, the minority leader did indeed keep track with the exception of Edwin G. Corr.

Mr. BYRD. Mr. President, there is no objection on this side, the nominees having all been cleared as enumerated by the distinguished majority whip.

EXECUTIVE SESSION

Mr. SIMPSON. With that being so, I ask unanimous consent that the Senate go into executive session in order to consider the nominations just identified. and that they be considered en bloc and confirmed en bloc.

There being no objection, the Senate proceeded to the consideration of executive business.

The nominations considered and confirmed are as follows:

DEPARTMENT OF ENERGY

William F. Martin, of the District of Columbia, to be Deputy Secretary of Energy.

David B. Waller, of the District of Columbia, to be an Assistant Secretary of Energy (International Affairs and Energy Emergencies).

PANAMA CANAL COMMISSION

Walter J. Shea, of Maryland, to be a member of the board of the Panama Canal Commission.

DEPARTMENT OF AGRICULTURE

Christopher Hicks, of Maryland, to be general counsel of the Department of Agriculture.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to rear admiral (lower half):

Capt. George D. Passmore, Jr., USCG.

Capt. Ernest B. Acklin, Jr., USCG.

THE JUDICIARY

Alan E. Norris, of Ohio, to be U.S. circuit judge for the sixth circuit.

Alfred J. Lechner, Jr., of New Jersey, to be U.S. district judge for the district of New Jersey.

Patricia C. Fawsett, of Florida, to be U.S. district judge for the middle district of Florida.

John G. Davies, of California, to be U.S. district judge for the central district of California.

David Hittner, of Texas, to be U.S. district judge for the southern district of Texas.

Nicholas Tsoucalas, of New York, to be a judge of the U.S. Court of International Trade.

DEPARTMENT OF JUSTICE

J. Michael Fitzhugh, of Arkansas, to be U.S. attorney for the western district of Arkansas for the term of 4 years.

Hinton R. Pierce, of Georgia, to be U.S. attorney for the southern district of Georgia for the term of 4 years.

Joe B. Brown, of Tennessee, to be U.S. attorney for the middle district of Tennessee for the term of 4 years.

Brent D. Ward, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years.

John Perry Alderman, of Virginia, to be U.S. attorney for the western district of Virginia for the term of 4 years.

Joseph P. Stadtmueller, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin for the term of 4 years.

William H. Ewing, Jr., of Tennessee, to be U.S. attorney for the western district of Tennessee for the term of 4 years.

William S. Vaughn, of Missouri, to be U.S. marshal for the eastern district of Missouri for the term of 4 years.

Frederick N. Falk, of Wisconsin, to be U.S. marshal for the western district of Wisconsin for the term of 4 years.

Robert T. Keating, of Wisconsin, to be U.S. marshal for the eastern district of Wisconsin for the term of 4 years.

Bruce R. Montgomery, of Tennessee, to be U.S. marshal for the eastern district of Tennessee for the term of 4 years.

Lynn H. Duncan, of Georgia, to be U.S. marshal for the northern district of Georgia for the term of 4 years.

Warren D. Stump, of Iowa, to be U.S. marshal for the southern district of Iowa for the term of 4 years.

DEPARTMENT OF DEFENSE

Edward C. Aldridge, Jr., of Virginia, to be Secretary of the Air Force.

DEPARTMENT OF AGRICULTURE

George S. Dunlop, of North Carolina, to be an Assistant Secretary of Agriculture.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. William R. Richardson, [redacted], age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Carl E. Vuono, [redacted] U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Edward C. Peter II, [redacted], age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Frederic J. Brown, [redacted], U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Robert W. RisCassi, [redacted], U.S. Army.

The following-named officer for appointment to the position indicated under the provisions of title 10, United States Code, section 711:

To be senior Army member of the Military Staff Committee of the United Nations

Lt. Gen. Robert W. RisCassi, [redacted], U.S. Army.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be lieutenant general

Lt. Gen. David M. Twomey, [redacted], U.S. Marine Corps.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, MARINE CORPS, AND NAVY

Air Force nominations beginning Averett M. Allen, and ending Larry S. Walter, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1986.

Marine Corps nomination of James J. Justice, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1986.

Navy nominations beginning Michael J. Warden, and ending Mary C. Shen, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 14, 1986.

Navy nominations beginning David B. Adams, and ending Walter John Pratt, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1986.

THE NOMINATION OF PATRICIA FAWSETT TO BE U.S. DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF FLORIDA

Mrs. HAWKINS. Mr. President, I would like to ask my colleagues to join me in supporting Mrs. Patricia Fawsett, who has been nominated by President Reagan to serve as U.S. district judge for the middle district of Florida. Her nomination was unanimously passed by the Senate Judiciary Committee yesterday. Patricia Fawsett has the attributes of an outstanding Federal judge—and admirable legal education and an excellent reputation as a practicing attorney.

Patricia Fawsett's achievements demonstrate her talent and expertise in law, and I greatly admire her for her abilities. She currently is a partner in the law firm of Akerman, Senterfitt & Edison in Orlando where she heads the law firm's civil litigation section. She is a member of the American Bar Association and an elected member of the Florida Bar Board of Governors. Her legal activities include serving as president of the Orange County Bar Association, 1981–82; membership in the Association of Trial Lawyers, and an executive of the Florida Council of Bar Association Presidents. Her involvement in legal associations and related activities is much too extensive for me to elaborate on each one, but she has worked at both the local and the State level demonstrating consistently her ability to serve today as a strong and effective Federal judge.

Patricia Fawsett knows the law and understands human beings, their frailties, and an individual's responsibility under the law. Above and beyond her legal involvement, she actively participates in community affairs. She is involved in a number of civic organizations including serving as Commissioner of the Greater Orlando Crime Prevention Association, Director of the Orlando Area Chamber of Commerce, a trustee of Loch Haven Art Center, and a member of the Children and Youth Network Advisory Council. She was awarded Business Woman of the Year, 1981, by Orlando Business and Professional Women and the Downtown Orlando Business District voted her Outstanding Professional Woman, 1982.

Patricia Fawsett graduated from the University of Florida College of Law where she graduated first in her class. While at law school she served as editor of the Law Review, wrote two published works and received various awards for her academic achievements. She is also a member of Pi Beta Kappa.

Mr. President and my fellow colleagues, we have in Patricia Fawsett an exceptionally qualified woman, perfectly suited for this Federal judgeship. I feel honored to know such a capable and hard working woman and I am pleased to recommend her to you today.

NOMINATION OF ALFRED J. LECHNER TO THE U.S. DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

Mr. LAUTENBERG. Mr. President, I rise in support of the nomination of Alfred J. Lechner, Jr., a judge on the Superior Court of the State of New Jersey, and a nominee to serve on the Federal district court in New Jersey.

Judge Lechner is a young man. He is 38 years old. But he has the legal skills and experience necessary to serve on the Federal bench.

Since January 1984, Judge Lechner has served as a trial judge in the Law Division of the Superior Court of New Jersey. Judge Lechner has developed a reputation, in the short time he has sat on State bench, as a smart, hard-working and well-prepared jurist.

Before his elevation to the bench, Judge Lechner was engaged in the private practice of law in New Jersey for 9 years. Almost all of that time, he practiced in Elizabeth, NJ. Before that, he was an associate for 2 years at a large Wall Street law firm.

Judge Lechner has tried cases in the State and Federal courts. He has had a varied commercial civil practice. He is a skilled and experienced advocate. He is a certified civil trial attorney by the Supreme Court of New Jersey. His service on the State court has given him a grounding in criminal law that he did not have in private practice.

Judge Lechner also has a responsible academic career. He served as a member of the editorial board of the Law Review at Notre Dame, where he graduated. He has published a number of articles on banking law issues, as well as other topics.

It was the unanimous view of the American Bar Association panel reviewing Judge Lechner's nomination that he was qualified to serve on the Federal district court.

Mr. President, Judge Lechner clearly appears to have the legal skills and experience to be a fine member of the Federal court.

But that is not all that is required. A Federal judge must earn the respect of the public. He must maintain the appearance and the reality of fairness and impartiality. He must treat with courtesy and understanding those who appear before him. That includes the advocates, whether they are private attorneys or Government advocates. That includes the parties, whether they are rich or poor. The public's respect for the judicial system depends on those qualities in our judges.

For that reason, I was concerned when charges came to me that Judge Lechner lacked the temperature we all want and expect from a judge. Most of the comment, but not all, centered around Judge Lechner's decision to jail a defense attorney for contempt.

Mr. President, I looked into the case. Attorneys in New York Jersey whom I respect looked into the charges as well. They conducted interviews. They read the transcripts. In the final analysis, there is insufficient cause to oppose this nomination.

Independently, the Association of the Federal Bar of New Jersey conducted its own investigation. It wrote a letter of endorsement of Judge Lechner's nomination.

Mr. President, my review of the concerns raised about Judge Lechner highlighted the importance of the matter of judicial temperament. We want Federal judges who are not only learned and skilled lawyers, but who have the demeanor and the temperament that win the public's respect. That is a continuing concern. It is a continuing concern of mine. And I trust, it will be a continuing concern for Judge Lechner.

It is my expectation that Judge Lechner will become a respected member of the Federal judiciary in New Jersey. He has the skills and experience. He has the intelligence. I urge the Senate to confirm him.

NOMINATION OF JUDGE ALFRED J. LECHNER, TO THE FEDERAL DISTRICT COURT OF NEW JERSEY

Mr. BRADLEY. Mr. President, I am pleased that the Senate will confirm tonight the nomination of Judge Alfred J. Lechner to serve on the Federal District Court of New Jersey. Based on the assessment of those who are familiar with Judge Lechner's record on the New Jersey Superior Court, both Senator LAUTENBERG and I have concluded that Judge Alfred J. Lechner does, indeed, have the necessary qualifications to serve on the Federal District Court in New Jersey.

Because neither Senator LAUTENBERG nor I was familiar with Judge Lechner we took the time to inquire perhaps more exhaustively about this nomination than prior judicial nominees from New Jersey who were already known to us. The results of that inquiry have led me to conclude that there is no reason to object to this nomination. In fact, the Federal Bar Association of the State of New Jersey has sent to Senator LAUTENBERG and me a letter of support for this nomination which was effusive in its praise of Judge Lechner's credentials and capabilities. Similar comments have been sent to me by a number of other attorneys in our State.

I have every reason to hope to expect that Judge Lechner will live up to the fine traditions of excellence, commitment to due process and justice for all citizens, and impartial enforcement of the law which have characterized the Federal District Court of New Jersey.

NOMINATION OF GEORGE S. DUNLOP TO BE ASSISTANT SECRETARY OF AGRICULTURE FOR NATURAL RESOURCES AND ENVIRONMENT

Mr. HELMS. Mr. President, I have mixed feelings about placing before the Senate the name of George S. Dunlop who has been nominated by President Reagan to the important post of Assistant Secretary of Agriculture for Natural Resources and Environment. I regret to lose George as chief of staff of the Senate Agriculture Committee, but I am pleased that the President recognizes George's exceptional qualifications for such an important post.

As I mentioned at the committee hearing yesterday morning, the worst thing I could do to George would be to risk being maudlin in describing my affection for him. I hope I can avoid that. But George Dunlop has occupied a very special place in Mrs. Helms' and my hearts for a long time. He is, in a very real way, our second son.

Mr. President, since that day in 1972 when I first met George Dunlop—he was fresh out of the Marine Corps—he has been very important to me in a highly personal way.

Most Members of the Senate are aware of the remarkable service George has rendered to the Agriculture Committee since 1979, when he became its minority staff director, and since 1981 when he became chief of staff.

So I will not recite the details of the enormous contribution he has made except to say that I have never known anyone more dedicated, more committed, or more willing to work hard and effectively. In short, he is extraordinary. He is a real pro.

Mr. President, on Wednesday evening, I recalled something written by Macaulay a long time ago, and I looked it up to get the precise words. It seems to me that Macaulay was describing George Dunlop's philosophy and principles when he wrote:

> Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment; by maintaining peace, by defending property and by observing strict economy in every department of the state. Let the Government do this—the people will assuredly do the rest.

Macaulay did not include the most important facet in George's being so let me do it—his unwavering religious faith—not the kind of commitment that some wear on their lapels, but indelibly upon his heart.

Mr. President, I know of no finer public servant than George Dunlop, and I urge that the Senate proceed to confirm his nomination as Assistant Secretary of Agriculture for Natural Resources and Environment.

NOMINATION OF EDWARD C. ALDRIDGE, JR. TO BE SECRETARY OF THE AIR FORCE

Mr. DOLE. Mr. President, this afternoon we will confirm Edward C. Aldridge, Jr. as Secretary of the Air Force. Mr. Aldridge has been Undersecretary of the Air Force since 1981, has done an outstanding job in that position, and deserves our endorsement and our support.

Mr. Aldridge brings to this position a wide-range of experience in both the private and public sector. After receiving a bachelor degree in aeronautical engineering from Texas A&M and a masters in the same area from the Georgia Institute of Technology, he worked in several capacities for Douglas Aircraft. Later in his career he worked for the L.T.V. Aerospace Corp.

In 1967, Mr. Aldridge joined the Defense Department as a staff assistant to the Assistant Secretary of Defense for Systems Analysis, and was the Director of Strategic Defensive Review until 1972.

Mr. Aldridge's additional government service includes a stint at the Office of Management and Budget, and involvement as an adviser to the SALT talks in both Helsinki and Vienna.

Mr. President, Mr. Aldridge has compiled an excellent record of service inside government and out. He is a real professional, eminently prepared to assume the duties of the Secretary of the Air Force.

Mr. BYRD. Mr. President, if I may, I wish to associate myself with the remarks of the distinguished Republican leader in support of the nomination of Edward C. Aldridge, Jr. of Virginia, to be Secretary of the Air Force.

Mr. SIMPSON. Mr. President, a brief personal reference of my own with regard to George S. Dunlop, Calendar No. 848. I know both the Democratic leader and all of us in the leadership have watched his fine service. He has had a very steady hand for Senator HELMS as chief of staff of the Senate Agriculture Committee since 1981, and I think he has served the Senate very well. His new position will place him in charge of many aspects of the U.S. Forest Service, which is of great interest to my State and to the Western States. I look forward to continuing to work closely with him in his new position. He has proven to be a very fine staff person.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW YORK STATE DEMOCRATIC CONVENTION

Mr. MOYNIHAN. Mr. President, "The Empire State," according to New York State Democratic Committee Chairman Laurence J. Kirwan, "is striking back." His words summed up the mood in Albany early this week, where he joined other party leaders speaking to the New York State Democratic Convention.

Chairman Kirwan, who is a personal friend, spoke to the delegates about the proud history Democrats in New York have shared, and about the strength Gov. Mario M. Cuomo has brought to party and State since his election in 1982. Yesterday, of course, Governor Cuomo accepted the Democratic nomination for a second term. It

should also be noted that our colleague in the House of Representatives, STANLEY N. LUNDINE of Jamestown, NY, is the party's nominee for the office of Lieutenant Governor.

Mr. President, Chairman Kirwan's eloquence was obvious to all those in attendance Monday, but surely deserves the attention of a wider audience, and I would ask unanimous consent that the text of his remarks be printed in the RECORD. I was fortunate enough to be on hand for much of the convention, but did have to return to Washington Monday prior to the time I was scheduled to speak, and accordingly I ask that the text of my speech prepared for delivery Monday be printed in the RECORD following those of Mr. Kirwan.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS: LAURENCE J. KIRWAN, NEW YORK STATE DEMOCRATIC CONVENTION, MONDAY JUNE 2, 1986

New York Democrats, welcome to your convention. Welcome to the 2-day event that some may regard as a mere political ritual, but we regard as an honored, privileged tradition of participatory democracy.

Forty years ago, at another State democratic convention in 1946 in Albany, Erastus Corning was nominated for Lt. Governor of New York. Four years ago, because he was too sick to join us in Syracuse, he barely missed nominating another great man for Governor, Today, as we gather in this capital city he so dearly loved—it is only fitting that we take a moment to honor Erastus Corning—a Democrat of legend.

On that occasion in Syracuse, 4 years ago. I stood at the podium in Mayor Corning's stead, to nominate Mario Cuomo for Governor. I did so with humility and high hope.

Now, in 1986, the Nation knows that the people of New York made a wise choice that year. Governor Cuomo, since that election, took this State from recovery to resurgence. Because of the force of his governing, "the Empire State is striking back."

We see in his leadership all that this party stands for—compassion, consistency, and a conscience. We, Democrats, have been reminded as have all of New York's citizens that we must reach back to the basic values of family. As in the family, this party demonstrates that there is room for all.

We are the party of inclusion. Our ranks comprise the spectrum of humanity, and we can be proud that among us are blacks, hispanics and whites: upstaters and downstaters. Men and women who dedicate themselves to work on behalf of all people. Much the same as family members who stretch to their capacity and reach beyond the family core, but keep their original bonding and ties.

We are the party of the future. Young people are excited about what the Democratic Party stands for and are joining us in promoting the common good for all. As testament to our growing strength, there are almost one half million more Democrats enrolled today than there were 4 years ago.

The young and our newly registered are attracted by hope. The Democratic Party is the party of hope and vision. There is an energy in this party that has come from demonstrated action toward progress and good will. Actions that have made the weak, stronger—the sick, better cared for—and the child, better educated. Those are just some of the democratic actions that have earned the respect of those who have joined us so that we may do even more.

This is a turning point in the political history of New York. I truly believe that all of your hard work and those who have lead us so ably, serve as an example for our democratic colleagues across the country. We've shown that we are not a party of regionalism, factionalism or any negativ"isms". What is remarkable about us is our diversity the lifeblood of our party. It is this diversity that breeds lively discourse when we discuss issues and decisions. Over the next few weeks and months our differences will show, but after we've had the good, honest and healthy debate, I'll ask you to put the differences behind and understand that unity is as important as diversity.

We'll have much to be proud of at the conclusion of our party's convention, and we can be assured that the people of New York will be well served by our candidates who appear on the November ballot. Don't, however, fail to recognize the hard work you have ahead of you in making sure that every eligible voter knows to vote for our best.

I'm reminded now of all the hand wringing that went on 2 years ago about all the soul searching that the Democrats would have to do in reevaluating what their party stood for and how mired we were in the politics of the past. Not one hint of that pain is apparent in this room today, and I'd say we're "back to the future" and New York Democrats are ready to show just how alive and vigorous our party really is.

So let's get on with the business at hand. Let's demonstrate to the 3.8 million members of the party in New York that we are here to do their work—to serve their hopes and aspirations—and lead this party to meet their needs.

Thank you.

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

I first took part in a New York State Democratic Convention just a third of a century ago, in 1954, in the Old Armory on Lexington Avenue and 26th Street in Manhattan. It wasn't much of a part. In the floor demonstration for Franklin D. Roosevelt, Jr., I carried a Cattaraugus County standard, albeit Cattaraugus County was firmly committed to Averell Harriman, but the rules were somewhat more relaxed in those days, and besides the nomination was already settled.

The first time I addressed a Democratic State Convention was in 1976, again in Manhattan, after Joe Crangle had the lonely distinction of putting my name in nomination as our candidate for the United States Senate.

We went from there to a five way primary contest. It was hard fought and narrowly won. But we thereupon closed ranks, as Democrats can do, and we went on to win the Senate seat.

Six years later the convention was unanimous, and the election outcome even more decisive.

I am not sure these numbers are well enough known, even within the party. As they have some relevance this year, let me restate them.

With your help I won by a margin of 1,535,385 votes. This was the largest in the history of the Senate.

I carried 50 of the 62 counties, and lost Orleans by six votes. The previous record was set by Robert F. Kennedy in 1964, when he won 21 counties. Herbert H. Lehman, who was the Democatic Senator at the time of the 1954 Convention never carried more than 5 counties.

This is something new for us.

We can properly claim to be the oldest political party in the nation and the world, and indeed the history of the world.

But it has been a struggle all the way. Martin Van Buren at his best could only carry 46 counties, and this was before there were any Republicans about.

Franklin D. Roosevelt swept the state in 1930 in the depths of the depression, but we would do well to recall he'd only won by 25,608 votes two years earlier, and in all his four races for President never so much as carried his home county of Dutchess.

The point is there has been a realignment.

This commenced in 1964, when the Johnson-Goldwater Presidential campaign changed the political geography of New York State that had been in place since the Civil War. The event is not all that difficult to explain. At their 1964 convention, the national Republican party, specifically, vociferously, and at times viciously repudiated the Republican party of New York, its leaders and its traditions.

That year, for the third time in the Century we carried the State Assembly, where we now have a regular majority. Our candidate for United States Senate carried 21 counties, a new record. Soon upstate congressional districts began electing Democrats for the first time since the age of Jackson.

For a century we were a party of the great city and a few smaller ones. For the first time, really, since the age of Jackson and Van Buren, we are competitive statewide, and should think of ourselves as the majority party of the second most populous state in the nation.

While other states have become less Democratic we have become more Democratic.

This entitles us to a place in party counsels we have not known of late: have not really known in my third of a century as a working New York Democrat.

This happened on your watch. You have a right to be proud.

And you—we—have the responsibility that goes with this new position.

I think we have been discharging them, and I would cite two examples from the 1982 campaign which other state parties, and the national party, could usefully keep in mind in this coming campaign.

First, the extraordinary effort by the radical Republican right to subvert the electoral system by massive and assertive violation of the election law.

The symbol of this effort was NCPAC, the National Conservative Political Action Committee. Having first usurped the honorable term conservative, these criminals undertook to show that they could violate the election laws with impunity, and for a period they seemed to succeed. In 1980, they ran nominally "independent" campaigns against a dozen or so Democratic Senators, which campaigns were in fact designed solely to the Republican challenger.

In that year, NCPAC claimed credit for defeating such Democratic Senators as George McGovern, Frank Church, Birch Bayh, John Culver, and Gaylord Nelson.

We lost the Senate. Clearly what they had done was illegal, but no one knew how to

stop them. It was Mr. Terry Dolan's pleasure to declare that by the time any court got to them the election was over anyway.

They then decided to go after me in 1982. I was their single most important target. In 1980 we lost in States that were arguably Republican. To beat a Democrat in New York was the prize that would ensure the Right a generation of power in the United States Senate.

We saw them coming and knew there was no hope of stopping them in the Federal Election Commission or even the Federal courts so we stopped them our own way. The NCPAC candidate, Mr. Bruce Capuo, withdrew from the race.

At that point we were supposed to forget about the whole thing.

We didn't.

From the first, the State Democratic Committee, with our incomparable counsel, Melvin Schweitzer, filed formal complaints. After the election, he and our campaign counsel, Thomas Schwarz assembled a two hundred page deposition, proving, as it turned out, NCPAC's guilt beyond any doubt. And that of their minions.

It took the Federal Election Commission two years to face this fact: but our presentation gave no choice.

Mr. Caputo paid his fine. NCPAC would not. And so two years later, May 15, 1986, U.S. District Judge Gerard Goettel ruled in a summary judgment—no trial was necessary—that NCPAC was in gross violation of the election law and would be fined.

It appears that NCPAC is broke, and it may be they will not be able to pay their fine. Which is just fine by me. Let Mr. Dolan and his associates go to prison. Not forever. But long enough to let it be known that the American democracy protects its processes and punishes those contemptuous of them.

If NCPAC in fact was responsible for the victories it claimed in the Senate races of 1980, it can now be argued that the Senate majority was stolen.

But it should also be noted that we let it happen. Democrats nationally let it happen.

New York Democrats stopped it.

Our record is not quite that solid with respect to another great challenge our party has faced in recent years, the infiltration into our ranks of Lyndon LaRouche.

In the 1981 Mayoral primary in New York City, a LaRouche candidate was allowed to run as a Democrat. Party officials could have challenged but did not.

That is a lot to answer for. This gave them their start in the big time.

Following the Syracuse convention in 1982, we suddenly learned that the LaRouchites were starting a write-in campaign to get a candidate for Senate on our ballot.

Now there was no way this man was going to win the nomination from me. As Tim Russert, our campaign manager put it, the National Democratic Policy Committee, their organization, was "a fanatical sect" attempting to use the Democratic primary "as a forum to preach blatant anti-Semitism."

We fought them every inch of the way. They filed 29,857 signatures. We challenged them down to 10,047. In ordinary times this would have been half the needed number but the Legislature had cut the required number in half.

And so we proceeded to spend every penny of our campaign funds in the primary election. $1,332,903. We ended up without a nickel. In the General election that followed, we depanded on what we could raise from day to day, and only managed to raise $712,307.

We won alright, but even if we'd lost, we would have lost with honor.

We set an example other state parties could well have followed. They haven't always done, but at least we have shown that it can be done.

Don't suppose it is easy. They go after you on the most personal basis. They go after your family. And they don't stop.

Still, they don't always prevail either. Following the 1982 campaign, NBC television prepared a documentary on this proto-fascist, conspiratorial sect. I was asked to be on the show and agreed. LaRouchites tried to prevent the interview. After the documentary was aired, LaRouche sued as is his wont. NBC filed a countersuit asking damages for the attempt to keep me off the show. LaRouche lost, NBC won. He owes $200,000 under Federal court order. We read that he now pleads impecuniousness. So does Mr. Dolan. The court order stands withal.

Let them and those like them think twice about taking on New York Democrats.

Of course there is a LaRouche candidate seeking a place on the primary ballot in the coming Senate campaign. I would hope the State Committee will resist this with all its powers. If these people ever secure a place in our party, no matter how marginal, it could be our ruin and we would deserve it. The law gives us the right to protect ourselves from subversion. Let us then use the law. And show the nation that we will.

We shall have other candidates of course. I know two of them, and I know them to be wholly honorable and qualified candidates. May I simply put it that I gave Ralph Nader his first job in Washington, and I Love New York.

So much is at stake. The Senate is at stake. We can win it back. If we do, we can preserve the standards of the Supreme Court and some part at least of the Federal Judiciary.

Five of the nine justices of the Supreme Court are over 72 years of age. The median age of the Court is 77, eclipsing the previous high of 74, attained in 1937. FDR's "Nine Old Men." There were so many vacancies in the Roosevelt era that FDR was able to fill seven vacancies in four years (1937-41). The Roosevelt imprint lasted until Justice William O. Douglas left the Court in 1975.

Ronald Reagan, with the consent of the Republican Senate, has been handed a similarly historic opportunity: not only by naming a majority of the justices of the Court—perhaps even naming the Chief Justice—but, by selecting as many as 400 judges presiding in federal courthouses across America. That's more than half of them! So far 280 have been confirmed by our reconstructed Senate. Half of the nominees to the Court of Appeals secured the American Bar Association's lowest acceptable rating of "qualified." That's akin to the item marked "irregular" at Cohoes Manufacturing. What's worse—and Cohoes doesn't have anything this bad—three-quarters of these marginally-qualified nominees were rejected as "not qualified" by a minority on the ABA's review panel.

After 1980, a dozen new Republicans sat in Senate seats formerly occupied by Democrats. The COPE rating of the new Republicans—their voting average on issues of importance to labor—15.5 percent to date. Their Democratic predecessors had a cumulative rating of 75 percent.

But you know these things. Our task is to get the people of New York to know them. If they do we will do well. And if we don't it will be our doing.

There are worse things in life than being responsible for such high matters. From Governor Clinton to Governor Cuomo we have shown ourselves a party capable of governing and worthy of doing so. The nation will not fail to note how well we sustain that tradition in the Senate election of 1986. A generation of national politics is at stake.

ANNIVERSARY OF PATRICK HENRY'S DEATH

Mr. TRIBLE. Mr. President, I rise today to pay tribute to a great American statesmen and orator, for on this date in 1799, Patrick Henry, "The Trumpet of the American Revolution," passed away at his Red Hill Estate near Appomattox. His death stilled the voice that fanned the flames of revolution and defied both Tory and tyrant.

In his illustrious career, Patrick Henry served as a delegate to both the First and Second Continental Congresses, and served as commander in chief of Virginia's forces during the War for American Independence. After independence was achieved, he was elected the Old Dominion's first Governor, and subsequently served four more terms in that office.

But it was for his rhetoric that Henry holds a special place in America's pantheon, for Henry's words gave life to the American Revolution. His oratory, described by fellow Virginian Thomas Jefferson as "torrents of sublime eloquence," embody the very spirit of American patriotism, honor, and courage.

As the "spiritual leader" of the American Revolution, Patrick Henry was among the first of the colonists to urge resistance to England's King George III. At the first Virginia convention in 1765, Henry challenged the tyrannical monarch: "Caesar had his Brutus; Charles the First, his Cromwell; and George the Third may profit by their example." As the Tories shouted treason, Henry declared, "If this be treason, make the most of it."

On March 23, 1775, at St. John's Church in Richmond, Patrick Henry delivered before the revolutionary convention the immortal speech that remains today as our country's preeminent declaration of republican faith. Urging the assembly to arm the Virginia militia for the defense of the colony against Great Britain, Henry cried, "Is life so dear, or peace so sweet as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take, but as for me, give me liberty or give me death!"

Thomas Jefferson was to reflect in his later years, "It is not now easy to say what we should have done without Patrick Henry." Upon his completion of public service, Henry retired to his

Red Hill estate in the valley of Staunton near Appomattox. It was at this country plantation, which he called "one of the garden spots of the world," that the "Noble Patriot" died on this date in 1799.

The President, to coincide with the celebration of this patriot's 250th birthday, recently signed legislation designating Red Hill as a National Memorial.

Today, Mr. President, I urge my colleagues to reflect on the life of this unequaled orator whose consuming love of liberty made it more precious than life itself. As we reflect on his life and profit by his example, let us remember the words emblazoned on his tombstone, "His fame his best epitaph."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3292. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance offer to Denmark; to the Committee on Armed Services.

EC-3293. A communication from the Acting Chairman of the National Transportation Safety Board transmitting a draft of proposed legislation to authorize appropriations for the Board for fiscal years 1987, 1988, and 1989; to the Committee on Commerce, Science, and Transportation.

EC-3294. A communication from the Director of the USIA transmitting a draft of proposed legislation providing authority to the President to appoint the Chairman of the Cultural Property Advisory Committee; to the Committee on Finance.

EC-3295. A communication from the General Counsel of the USIA transmitting, pursuant to law, an independent evaluation of Cuba Service programming; to the Committee on Foreign Relations.

EC-3296. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the semiannual report of the Inspector General; to the Committee on Governmental Affairs.

EC-3297. A communication from the Secretary of Defense transmitting, pursuant to law, the semiannual report of the Inspector General; to the Committee on Governmental Affairs.

EC-3298. A communication from the Attorney General of the U.S. transmitting, pursuant to law, the annual report on objectives and priorities of Federal juvenile delinquency programs and activities; to the Committee on the Judiciary.

EC-3299. A communication from the Secretary of Education transmitting, pursuant to law, final regulations for the Magnet Schools Assistance Program; to the Committee on Labor and Human Resources.

EC-3300. A communiction from the the Chairman of the Federal Election Commission transmitting, pursuant to law, the 11th annual report of the Commission; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment:

S. 1827: A bill to amend the Act entitled "An Act granting a charter to the General Federation of Women's Clubs" (Rept. No. 99-319).

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 1300: A bill to provide for antitrust law violators to be subject to individual responsibility for treble the amount of damages attributable to their violations, and to assure fairness in the allocation and award of antitrust damages (Rept. No. 99-320).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HUMPHREY:

S. 2523. A bill to increase the fiscal responsibility and accountability of the Tennessee Valley Authority; to the Committee on Environment and Public Works.

By Mr. BIDEN (for himself and Mr. COHEN):

S. 2524. A bill to facilitate U.S. compliance with the numerical limitations of the SALT II treaty governing strategic nuclear weapons; to the Committee on Armed Services.

By Mr. THURMOND (for himself, Mr. BIDEN, Mr. MATHIAS, Mr. LEAHY, Mr. LAXALT, and Mr. DENTON):

S. 2525. A bill to encourage innovation, promote research and development, and stimulate trade by strengthening the protection given intellectual property rights by making necessary and appropriate amendments to the intellectual property rights laws; to the Committee on the Judiciary.

By Mr. DENTON:

S. 2526. A bill to amend section 673(b) of title 10, United States Code, relating to the authority of the President to order members of the Selected Reserve of the reserve components of the Armed Forces to active duty during period other than war or national emergency; to the Committee on Armed Services.

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. MOYNIHAN and Mr. KERRY):

S. 2527. A bill to amend title XIX of the Social Security Act to permit States the option of providing home and community-based services to low-income individuals with acquired deficiency syndrome (AIDS) or AIDS-related complex (ARC); to the Committee on Finance.

By Mr. SPECTER:

S. 2528. A bill to establish clearly a Federal right of action by aliens and U.S. citizens against persons engaging in torture or extrajudicial killing, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 2523. A bill to increase the fiscal responsibility and accountability of the Tennessee Valley Authority; to the Committee on Environment and Public Works.

TENNESSEE VALLEY AUTHORITY FISCAL RESPONSIBILITY AND ACCOUNTABILITY ACT

● Mr. HUMPHREY. Mr. President, today I am introducing legislation which, if enacted, will effect major, and in my opinion, long overdue reforms at the Tennessee Valley Authority [TVA].

As chairman of the Subcommittee on Regional and Community Development, which has oversight responsibilities for TVA, I have long been concerned about fundamental institutional flaws incorporated in TVA's authorizing legislation, the Tennessee Valley Authority Act of 1933. During a series of oversight hearings held last summer, the subcommittee explored a number of problems at the agency, both past and present, and heard proposals for reform. The bill I am introducing today proposes a series of amendments to the act that I believe could go a long way in helping the Tennessee Valley Authority, and the 7 million people it serves, face the substantial challenges of the months and years to come.

Specifically, my bill proposes the following:

First. Reduce terms of members of TVA Board of Directors: Presently, the three members of the Board of Directors serve for a term of 9 years. This bill proposes to reduce the term of Directors to 3 years. By reducing the length of the terms of members of the Board, accountability at the Agency will be increased considerably. Under this plan, a new Board member would have to be nominated by the President, and confirmed by the Senate every year. As the nomination process offers the Congress one of the few opportunities to directly effect policy at TVA, this change will offer the opportunity to increase that accountability to Congress.

Second. Limit number of terms a Board member can serve to two: Pres-

ently, members of the Board of Directors can serve an unlimited number of 9-year terms. This has the potential to lead to even more removed accountability. With the reduction of length of terms to 3 years, it will be particularly important that no member would be able to serve more than two terms or 6 years.

Third. Reduce TVA's bond ceiling to $18 billion: Presently, the TVA bond ceiling is $30 billion. This will enable the Agency to borrow heavily, and thus accumulate more debt, for several additional years. By reducing the bond ceiling to $18 billion, TVA would be required to come before Congress to request an increase before it could embark on any major new construction program.

Fourth. Restrict TVA's access to the Federal financing bank: By forcing TVA to borrow exclusively from the private markets, the Agency will be subjected to the same investment scrutiny in the private marketplace as other utilities in the Nation.

Fifth. Require TVA to repay outstanding debt owed to the Federal Government: At present, TVA owes more than $14 billion in obligations to the U.S. Treasury. By requiring TVA to repay the debt, the taxpayer will be guaranteed that the investment in TVA will be recouped.

Sixth. Codify Office of Inspector General: In January 1986, the TVA Board established the Office of Inspector General. This provision would establish the Office of Inspector General under the terms of the Inspector General Act of 1978, the same terms which apply to all other Federal Inspector Generals.

Seventh. Mandate that TVA power decisions be subject to regulatory review: State utility boards would have the power to review all utility related decisions made by the TVA Board of Directors.

Eighth. Remove TVA's self-authorizing powers: By removing TVA's present exemption from the authorization process, TVA will be subject to the same scrutiny as other agencies of the Federal Government.

Mr. President, I am also placing in the RECORD a letter of support for my legislation which was sent to me by Mr. Brent Blackwelder, who is president of the Environmental Policy Institute.

The past year has been trying for the Tennessee Valley Authority. All of TVA's operating nuclear reactors have been shut down for months. Construction at other planned reactors has been suspended indefinitely. Events were so desperate that TVA had to pay hundreds of thousands of dollars to hire an outside expert to attempt to bail out the fast sinking TVA nuclear program.

The failures of the TVA Nuclear Program is another black mark on an agency that has made many costly mistakes over the years. How much the mistakes associated with the Nuclear Program will cost is not clear. What is clear, however, is who will pay: The 7 million ratepayers of the Tennessee Valley Authority. Yet, those same ratepayers who must foot the huge bills for costly mistakes are denied any direct voice in the decisionmaking process at the Tennessee Valley Authority. Indeed, TVA's enacting legislation, the Tennessee Valley Authority Act of 1933 and subsequent amendments to that legislation, have created a wall around seven States of the Tennessee Valley. Though the U.S. Government holds title to the Nation's largest electric utility, it is not clear who is really in charge.

The wall around the seven States of the Tennessee Valley is a wall of unaccountability which has effectively shielded the agency from congressional scrutiny, regulatory review or marketplace discipline. Under the TVA Act, the agency was given an enormous mandate to lift the States of the region from economic depression. Three members of the board of directors, appointed by the President and confirmed by the Senate to serve 9-year terms, were endowed with extraordinary powers under the act.

Indeed, there are very few things that the board cannot do under the law. For instance, the board has the total authority to set the rates for electricity, without being subject to any independent review or scrutiny. The board also makes all decisions regarding construction and investments, again without independent review or scrutiny. Thus, if the board makes an ill-advised investment decision, then they can simply raise their rates and force their ratepayers to pick up the tab. This has actually happened: In the early 1970's, the TVA Board decided that it was going to construct the largest nuclear power system in the free world. Seventeen reactors were planned. Eventually, eight were canceled because of escalating costs, erroneous demand projections, and poor management. As I indicated earlier, the five operating reactors have been shut down and work at four reactors under construction has been suspended indefinitely.

Whom can the ratepayers hold accountable for this mess, and the increased electric bills which are sure to follow? No one. They had no direct voice in the selection of the board of directors, the individuals who made the key decisions, and there is no formal means for the public to seek their removal. They had no voice in any regulatory proceeding, because there were none. They had no direct means to effect the decisions of the board members. Even their directly elected Members of Congress can have no voice in the decisions which the agency makes since it is exempt from the congressional authorization process. And, through the relationship with the Federal financing bank [FFB], TVA has effectively cut itself off from the discipline of the Private marketplace.

It is this wall of unaccountability which my bill seeks to begin to break down. Each of the provisions which I have described will create a new window of citizen, congressional and marketplace accountability for the agency. These are important reforms that were needed long ago, and I am hopeful that Senators from both the Tennessee Valley and beyond will agree.

There being no objection, the earlier mentioned letter was ordered to be printed in the RECORD, as follows:

ENVIRONMENTAL POLICY INSTITUTE,
May 16, 1986.

Senator GORDON HUMPHREY,
Chairman, Senate Environment and Public Works Committee, Banking, Housing and Urban Affairs Subcommittee, Washington, DC.

DEAR MR. CHAIRMAN: The Environmental Policy Institute is in strong support of your legislation to reform the operations of the Tennessee Valley Authority. It is time to put a check on the accumulation of inordinate amounts of power in the Board of Directors which are then not responsive to either the citizens of Tennessee or to general national policies. Of special importance is the provision in your bill to bring TVA's operations under the standard authorizing process in the Congress, a process which other federal agencies have to follow.

These reforms are long overdue and will help make the Tennessee Valley Authority a better agency. The Environmental Policy Institute commends you for your conduct of oversight hearings on the operations of the TVA and believes that those hearings provide the basis for taking some decisive action as you and your legislation suggest.

One final comment we would like to make about TVA is that we have been impressed with some of the small scale projects which TVA has helped design in Portugal and the Philippines. In contrast to some of the more grandiose development schemes and unnecessary dams, these projects illustrate the direction in which foreign assistance should go.

Sincerely,

BRENT BLACKWELDER,
President.●

By Mr. THURMOND (for himself, Mr. BIDEN, Mr. MATHIAS, Mr. LEAHY, Mr. LAXALT, and Mr. DENTON) (by request):

S. 2525. A bill to encourage innovation, promote research and development, and stimulate trade by strengthening the protection given intellectual property rights by making necessary and appropriate amendments to the intellectual property rights laws; to the Committee on the Judiciary.

INTELLECTUAL PROPERTY RIGHTS IMPROVEMENT ACT

Mr. THURMOND. Mr. President, today at the request of the Depart-

ment of Justice and the Department of Commerce, I am introducing the Intellectual Property Rights Improved Act of 1986. Joining me as original cosponsors of this bill are Senator JOSEPH R. BIDEN, JR., the ranking minority member of the judiciary Committee; Senator CHARLES MCC. MATHIAS, JR., chairman of the Patents, Copyrights, and Trademarks Subcommittee; Senator PATRICK J. LEAHY, ranking minority member of the Patents, Copyrights, and Trademarks Subcommittee; Senator PAUL LAXALT; and Senator JEREMIAH A. DENTON.

Intellectual property owners today are encountering problems in protecting their ideas and inventions both in the United States and abroad. This legislation proposes changes in our laws in order to provide more protection to intellectual property owners. We are hopeful that by protecting intellectual property, research and innovation will be encouraged which will ultimately benefit all Americans. I wholeheartedly support the concept embodied in this package. However, each title of this legislation should be carefully scrutinized on its merits.

The bill that I am introducing today is a part of a comprehensive strategy proposed by the President's Trade Strike Force and endorsed by the Economic Policy Council. I urge each one of my colleagues to carefully consider the proposals contained in this legislation.

Mr. President, I ask unanimous consent that a copy of the bill I am introducing at the request of the administration, the letter of transmittal from the Department of Justice and the Department of Commerce, and their section-by-section analysis be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intellectual Property Rights Improvement Act of 1986".

TITLE I—TECHNOLOGY LICENSING UNDER THE ANTITRUST LAWS

SEC. 101. The Clayton Act (15 U.S.C. 12 et seq.) is amended by redesignating section 27 as section 28 and by adding after section 26 the following:

"AGREEMENTS TO CONVEY RIGHTS

"SEC. 27. Agreements to convey rights to use, practice, or sublicense patented inventions, trade secrets, or know-how, or rights in a mask work subject to protection under chapter 9 of title 17, United States Code, shall not be deemed illegal per se in actions under the antitrust laws.".

TITLE II—ELIMINATION, IN CERTAIN SECTION 337 CASES, OF REQUIREMENT OF INJURY TO A UNITED STATES INDUSTRY

SEC. 201. Subsection (a) of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337(a)) is amended by—

(1) striking out "Unfair" and inserting in lieu thereof "(1) Unfair", and

(2) adding at the end thereof the following new paragraph:

"(2) The lawfulness under this section of the following acts shall be determined without regard to whether such acts have the effect or tendency to destroy or substantially injure an industry which efficiently and economically operated in the United States, or to impair the establishment of such an industry:

"(A) importation of an article into the United States which infringes a valid and enforceable United States patent or the sale of such an imported article;

"(B) importation of an article into the United States which—

"(i) was made, produced, processed, or mined under, or by means of, a process covered by a valid and enforceable United States patent, and

"(ii) if made, produced, processed, or mined in the United States, would infringe a valid and enforceable United States patent, or the sale of such an imported article;

"(C) importation of an article into the United States which infringes a valid and enforceable United States copyright, or the sale of such an imported article;

"(D) importation of an article into the United States which infringes a valid and enforceable United States registered trademark, or the sale of such an imported article; and

"(E) importation of an article into the United States which infringes a valid and enforceable United States mask work right protected under chapter 9 of title 17, United States Code, or the sale of such an imported article.".

SEC. 202. Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended—

(1) by striking out "If" in the first sentence of subsection (e) and inserting in lieu thereof "(1) If",

(2) by adding at the end of subsection (e) the following new paragraph:

"(2)(A) Any person may petition the Commission for the issuance of an order under this subsection.

"(B) If a petition is filed under subparagraph (A) prior to the date on which the Commission's notice of investigation is published in the Federal Register, the Commission shall make a determination with regard to such petition by no later than the date that is 90 days (135 days in cases declared more complicated) after the date on which the Commission published such notice of investigation in the Federal Register.

"(C) If a petition is filed under subparagraph (A) after publication of the Commission's notice of investigation in the Federal Register, the Commission shall make a determination with regard to such petition by no later than the day which is 90 days (135 days in cases declared more complicated) after the date on which the petition is filed.

"(D) Any petition filed under subparagraph (A) must be filed by no later than the date that is 30 days after the date on which the Commission's notice of investigation is published in the Federal Register.

"(E) The Commission may require any person filing a petition under subparagraph (A) to post a bond as a prerequisite to the issuance of an order under this subsection.",

(3) by striking out "In lieu of" in subsection (f)(1) and inserting in lieu thereof "In addition to, or in lieu of,",

(4) by inserting "twice" after "of $10,000 or" in subsection (f)(2),

(5) by striking out "Except" in subsection (h) and inserting in lieu thereof "(1) Except", and

(6) by adding at the end of subsection (h) the following new paragraph:

"(2) If any person who has previously been found by the Commission to be in violation of this section petitions the Commission for a determination that the petitioner is no longer in violation of this section, or for a modification or rescission of an order issued under subsection (d), (e), or (f), the burden of proof in any proceeding before the Commission regarding such petition shall be on the petitioner.", and

(7) by striking out "patent" each place it appears in subsection (i) and inserting in lieu thereof "patent, copyright, registered trademark, or mask work right".

SEC. 203. The Act of July 2, 1940 (54 Stat. 724, chapter 515; 19 U.S.C. 1337a) is hereby repealed.

TITLE III—PROCESS PATENTS

SEC. 301. Section 154 of title 35, United States Code, is amended by inserting after "United States," the following: "and, if the invention is a process, of the right to exclude others from using or selling products directly produced thereby throughout, or importing products directly produced thereby into, the United States,".

SEC. 302. Section 271 of title 35, United States Code, is amended by—

(1) inserting "(1)" after "(a)" in subsection (a); and

(2) adding at the end thereof the following:

"(2) If the patented invention is a process, whoever without authority uses or sells within, or imports into, the United States during the term of the patent therefor a product directly produced by such process infringes the patent.".

SEC. 303. Section 287 of title 35, United States Code, is amended by—

(1) inserting "(a)" before "Patentees"; and

(2) adding at the end thereof the following:

"(b) No damages shall be recovered by the patentee for infringement under section 271(a)(2) from an infringer who did not use the patented process except on proof that such infringer knew of or was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such knowledge or notice. Filing of an action for infringement shall constitute such notice.".

SEC. 304. (a) Chapter 29 of title 35, United States Code, is amended by adding at the end thereof the following new section:

"§ 295. Presumption: product directly produced by patented process

"In actions alleging infringement of a process patent based on use, sale, or importation of a product directly produced by the patented process, if the court finds (1) that a substantial likelihood exists that the product was directly produced by the patented process and (2) that the claimant has made a reasonable effort to determine the process actually used in the production of the product and was unable so to determine, the product shall be presumed to have been so produced, and the burden of establishing that the product was not produced by the patented process shall be on the party asserting that it was not so produced.".

(b) The table of sections for chapter 29 of title 35, United States Code, is amended by adding after the item relating to section 294 the following:

"295. Presumption: product directly produced by patented process.".

TITLE IV—PATENT TERM RESTORATION FOR CERTAIN AGRICULTURAL AND CHEMICAL PRODUCTS

SEC. 401. (a) Chapter 14 of title 35, United States Code, is amended by adding at the end thereof the following new section:

"§ 158. Restoration of patent term for certain agricultural and chemical products

"(a)(1) The term of a patent which claims a product subject to a regulatory review period or a method for using such a product or a method for manufacturing such a product shall be extended, in accordance with this section, from the original expiration date of the patent if—

"(A) the product sponsor notifies the Commissioner in compliance with the provisions of subsection (b)(1);

"(B) the product has been subject to a regulatory review period before its commercial marketing or use;

"(C) the term of the patent has never been extended under this section; and

"(D) the patent to be extended has not expired prior to notification of the Commissioner under subsection (b)(1).

"(2) The rights derived from any claim of any patent extended under paragraph (1) shall be limited in scope during the period of any extension as follows:

"(A) in the case of any patent, to the scope of such claim which encompasses the product subject to regulatory review;

"(B) in the case of a patent which claims a product or a method of using a product—

"(i) which is subject to regulatory review under the Federal Food, Drug, and Cosmetic Act, to the uses of the product which may be regulated by the chapter of such Act under which the regulatory review occurred, but not including any such uses which were previously authorized under such statute, or

"(ii) which is subject to regulatory review under any other statute, to the uses of the product which may be regulated by the statute under which the regulatory review occurred, but not including any such uses which were previously authorized under such statute; or

"(C) in the case of a patent which claims a method of manufacturing a product, to the method of manufacturing as used to make the approved product.

"(3)(A) Subject to subparagraph (B), the term of a patent shall be extended by the time equal to the regulatory review period which occurred after such patent was granted.

"(B)(i) In determining a regulatory review period for purposes of subparagraph (A), if an application or notice described in paragraph (4)(B)(ii) or (4)(C)(ii) of subsection (c) was rejected and returned to the product sponsor because of insufficiency of data or other required information, the period beginning on the date the application was rejected for insufficiency of data or other required information and ending on the date the application was subsequently accepted shall be excluded, except that if during such period the product sponsor conducts a major health or environmental effects test, the period during which such test is conducted shall not be excluded. In determining the regulatory review period for purposes of subparagraph (A) with respect to a new animal drug, if the Secretary of Health and Human Services refuses to approve an application submitted under section 512 of the Federal Food, Drug, and Cosmetic Act on the grounds that the application contains insufficient information, the period beginning on the date the Secretary issues an order under subsection (d)(1) of such section refusing to approve such application and ending on the date a subsequent application is approved shall be excluded.

"(ii) In no event shall the term of any patent be extended for more than five years. No term of any extended patent may exceed twenty-five years from the date of filing of the earliest United States patent application which provides support under section 120 of this title for any claim of the patent to be extended. If the regulatory review period for a product began before the date of enactment of this section and if on such date the regulatory review period had not ended, it shall be measured from the date of enactment and the period of extension for the patent shall not exceed three years. If the regulatory review period for a product began before the date of enactment of this section and if on such date the regulatory review period had been completed, there shall be no extension of the patent.

"(C) In no event shall more than one patent be extended for the same regulatory review period for any product.

"(b)(1) To obtain an extension of the term of a patent under subsection (a), the product sponsor shall notify the Commissioner within sixty days after the termination of the regulatory review period for the product to which the patent relates, that the regulatory review period has ended. If the product sponsor is not the owner of record of the patent, the notification shall include the written consent of the owner of record of the patent. Such notification shall be in writing and shall—

"(A) identify the Federal statute under which regulatory review occurred and, if the regulatory review occurred under the Federal Food, Drug, and Cosmetic Act, the chapter of the Act under which the review occurred;

"(B) state the dates on which the regulatory review period commenced and ended, and identify the event which caused such period to commence;

"(C) identify the product for which regulatory review was required;

"(D) state that the requirements of the statute under which the regulatory review referred to in subsection (a)(1)(B) occurred have been satisfied and commercial marketing or use of the product is not prohibited under the Federal statute identified in accordance with subparagraph (A);

"(E) identify the patent and any claim thereof to which the extension is applicable; identify any uses previously authorized; identify the filing date of the earliest United States application referred to in subsection (a)(3)(B)(ii); and state that the term of the patent has never been extended under this section and that no other patent has been extended for the regulatory review period for the product; and

"(F) include such patent or other information as the Commissioner may require.

"(2)(A) Within sixty days after the submittal of the extension notification under paragraph (1), the Commissioner shall notify—

"(i) the Secretary of Agriculture if the patent claims a veterinary biological product subject to the Virus-Serum-Toxin Act or a method of using or manufacturing such a product,

"(ii) the Secretary of Health and Human Services if the patent claims an animal drug product or animal antibiotic product subject to the Federal Food, Drug, and Cosmetic Act or a method of using or manufacturing such a product,

"(iii) the Administrator of the Environmental Protection Agency if the patent claims a pesticide subject to the Federal Insecticide, Fungicide, and Rodenticide Act, a chemical substance or mixture subject to the Toxic Substances Control Act, or a method of using or manufacturing such a pesticide, substance, or mixture,

of the extension notification and shall submit to the Secretary or the Administrator who is so notified, a copy of the extension notification. Not later than thirty days after the receipt of the extension notification from the Commissioner, the Secretary or the Administrator receiving the extension notification shall review the dates contained therein pursuant to paragraph (1)(B), shall determine the applicable regulatory review period, and shall notify the Commissioner of the determination.

"(B) The Secretary, the Administrator, and the Commissioner may establish such fees as appropriate to cover the costs of carrying out their respective duties and functions under this section.

"(3)(A) The Commissioner shall determine that a patent is eligible for extension under subsection (a) and that the requirements of subsection (b)(1) have been complied with. A determination that a patent is eligible for extension may be made by the Commissioner solely on the basis of the representations contained in the notification under subsection (b)(1). If the Commissioner determines that the patent is eligible for extension and upon receipt of a determination of the applicable regulatory review period under paragraph (2), he shall issue to the owner of record of the patent a certificate of extension, under seal, stating the length of the extension, identifying the product and the statute under which regulatory review occurred, and specifying any claim to which such extension is applicable. Such certificate shall be recorded in the official file of the patent and shall be considered as part of the original patent. The Commissioner shall publish in the Official Gazette of the Patent and Trademark Office a notice of such extension.

"(B) If the term of a patent for which a notification has been submitted under subsection (b)(1) would expire before a certificate of extension is issued or denied under subparagraph (A) respecting the notification, the Commissioner shall extend, until such determination is made, the term of the patent for periods of up to one year if he determines that the patent is eligible for extension. Such periods shall not exceed the period calculated from the information provided in the notification submitted under paragraph (1).

"(4) If information submitted by a product sponsor during a regulatory review period is considered a trade secret or confidential commercial or financial information under the law under which such regulatory review occurred, such information may only be disclosed under this section in accordance with such law. This paragraph does not prohibit the Commissioner, the Secretary, and the Administrator from identifying the patent owner, the product sponsor, the product, the patent, and any other information necessary to identify, describe, and calculate the regulatory review period in any notification, publication, or public record required by this section.

"(c) As used in this section:

"(1) The term 'product' means any machine, manufacture, or composition of matter for which a patent may be obtained and is limited to the following:

"(A) any new animal drug or animal antibiotic subject to regulation under the Federal Food, Drug, and Cosmetic Act;

"(B) any veterinary biological product subject to regulation under the Virus-Serum-Toxin Act;

"(C) any pesticide subject to regulation under the Federal Insecticide, Fungicide, and Rodenticide Act; and

"(D) any chemical substance or mixture subject to regulation under the Toxic Substances Control Act.

"(2) The term 'major health or environmental effects test' means an experiment or study to determine or evaluate health or environmental effects which requires at least six months to conduct, not including any period for analysis or conclusions, and the data from which it is submitted to receive permission for commercial marketing or use.

"(3) The term 'product sponsor' means any person who, with the consent of the patent owner, initiates testing or investigations, claims an exemption, or submits an application, petition, protocol, request, or notice described in paragraph (4) of this subsection.

"(4) The term 'regulatory review period' means—

"(A) with respect to a product which is a new animal drug, animal antibiotic, or veterinary biological product, such period is the sum of—

"(i) the period beginning on the date—

"(I) an exemption under subsection (j) of section 512 of the Federal Food, Drug, and Cosmetic Act, or

"(II) the authority to prepare an experimental biological product under the Virus-Serum-Toxin Act,

became effective for the approved product and ending on the date an application was submitted for such product under section 512 of the Federal Food, Drug, and Cosmetic Act or the Virus-Serum-Toxin Act, and

"(ii) the period beginning on the date the application was submitted for the approved product under section 512 of the Federal Food, Drug, and Cosmetic Act or the Virus-Serum-Toxin Act and ending on the date such an application was approved;

"(B) with respect to a product which is a pesticide, such period is the sum of—

"(i) the period beginning on the earlier of the date the product sponsor (I) initiates a major health or environmental effects test on such pesticide, or (II) requests, in accordance with regulations issued by the Administrator, the grant of an experimental use permit for the pesticide under section 5 of the Federal Insecticide, Fungicide, and Rodenticide Act, and ending on the date an application is submitted for registration of such pesticide pursuant to section 3 of such Act, and

"(ii) the period beginning on the date an application is submitted, in accordance with regulations issued by the Administrator, for registration of such pesticide pursuant to section 3 of such Act and ending on the date such pesticide is first registered, either conditionally or fully, under such section; or

"(C) with respect to a product which is a chemical substance for which notice is required under section 5 of the Toxic Substances Control Act or which is a mixture which contains a substance for which such notice is required and—

"(i) which is subject to a rule requiring testing under section 4(a) of such Act, the term means a period commencing on the date the product sponsor has initiated the testing required in such rule and ending on the expiration of the notice period for such chemical substance under section 5 of such Act, or if an order or injunction is issued under section 5(e) or 5(f) of such Act which prohibits the use of the product, the date on which such order or injunction is dissolved or set aside; or

"(ii) which is not subject to a testing rule under section 4 of such Act, such period is a period commencing on the earlier of the date the product sponsor—

"(I) submits, in accordance with regulations issued by the Administrator, a notice under section 5 of such Act, or

"(II) initiates a major health or environmental effects test on such chemical substance or mixture,

and ending on the expiration of the notice period for such substance under section 5 of such Act, or if an order or injunction is issued under section 5(e) or 5(f) of such Act which prohibits the use of the product, the date on which such order or injunction is dissolved or set aside.

"(5) The term 'Virus-Serum-Toxin Act' means the Act of March 4, 1913 (21 U.S.C. 151-158).".

(b) The table of sections for chapter 14 of title 35 of the United States Code is amended by adding at the end the following:

"158. Restoration of patent term for certain agricultural and chemical products.".

SEC. 402. Section 512(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(b)) is amended by adding at the end thereof the following new sentence: "Clause (1) of the previous sentence shall not apply in the case of an application for a drug for which a previous application has been approved in accordance with subsection (c), if the drug for which such subsequent application is filed meets appropriate standards of identity, strength, quality, purity, stability, and bioequivalence in relation to the drug approved in the previous application, except that in the case of an application for a drug for which a previous application was approved in accordance with subsection (c) within three years prior to enactment of this sentence, clause (1) of the previous sentence shall apply for ten years following enactment of this sentence.".

TITLE V—PATENT MISUSE

SEC. 501. Section 282 of title 35, United States Code, is amended by—

(1) inserting "(a)" before "A patent"; and

(2) adding at the end thereof the following:

"(b) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following, unless such conduct, in view of the circumstances in which it is employed, violates the antitrust laws: (1) licensed the patent under terms that affect commerce outside the scope of the patent's claims, (2) restricted a licensee of the patent in the sale of the patented product or in the sale of a product made by the patented process, (3) obligated a licensee of the patent to pay royalties that differ from those paid by another licensee or that are allegedly excessive, (4) obligated a licensee of the patent to pay royalties in amounts not related to the licensee's sales of the patented product or a product made by the patented process, (5) refused to license the patent to any person, or (6) otherwise used the patent allegedly to suppress competition.".

TITLE VI—LICENSEE CHALLENGES TO PATENT VALIDITY

SEC. 601. (a) Chapter 29 of title 35, United States Code, is amended by adding at the end thereof the following new section:

"§ 296. Licensee challenges to patent validity

"(a) A licensee shall not be estopped from asserting in a judicial action the invalidity of any patent to which it is licensed. Any agreement between the parties to a patent license agreement which purports to bar the licensee from asserting the invalidity of any licensed patent shall be unenforceable as to that provision.

"(b) Any patent license agreement may provide for a party or parties to the agreement to terminate the license if the licensee asserts in a judicial action the invalidity of the licensed patent, and, if the licensee has such a right to terminate, the agreement may further provide that the licensee's obligations under the agreement shall continue until a final and unappealable determination of invalidity is reached or until the license is terminated. Such agreement shall not be unenforceable as to such provisions on the grounds that such provisions are contrary to Federal patent law or policy.".

(b) The table of sections for chapter 29 of title 35, United States Code, is amended by adding after the item relating to section 295 the following:

"296. Licensee challenges to patent validity.".

SEC. 602. Titles I, II, III, IV, V, and VI shall take effect on the date of enactment. Titles I, II, III, and VI shall apply to all actions commenced on or after the date of enactment. Title III shall not apply to any product imported into or made in the United States before the date of enactment.

THE SECRETARY OF COMMERCE,
Washington, DC, May 5, 1986.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: We are enclosing the Administration's proposed "Intellectual Property Rights Improvement Act of 1986" which makes a number of important improvements to the laws protecting patents, copyrights and trademarks.

This initiative is a part of a comprehensive strategy that was proposed by the President's Trade Strike Force and endorsed by the Economic Policy Council to ensure adequate protection of U.S. intellectual property rights at home and abroad. Several of the proposals contained in this initiative are refinements of legislation introduced on behalf of the Administration during the 98th Congress. This initiative reflects the principle that without worldwide respect for these property rights, the international trading system cannot work properly. Nations that permit counterfeiting of American products are not engaging in fair trade. As the President has put it, they are stealing our future.

Recent years have brought us rapid technological change, structural changes in the nation's economy, and the emergence of lesser developed nations as potent competitors in world markets. To compete in this environment, research and innovation must be encouraged. Protectionism is no answer.

We in the Administration believe that Americans have the ingenuity and creativity to face up to these challenges. This means that what they create must not be stolen from them.

Not all nations share this view. Some blatantly ignore intellectual property rights. Some do not allow patents for certain kinds of inventions or do not permit certain forms of authorship to receive copyright protection. Others simply fail to enforce what laws they do have or enforce them inadequately.

This is intolerable. Talented people must be assured that the law will not tolerate theft of their ideas. People will not invent new products or proceses or take the risks of commercializing them without strong patent protection. Companies will not develop new markets for their particular goods or services if their trademarks or service marks can be exploited by others without authority. Artists cannot be expected to create, and printers and publishers cannot be expected to produce and distribute the works they create, if there is insufficient copyright protection.

There is much the Administration and Congress can do. A number of important bilateral and multilateral initiatives are under way or are planned. They proceed on the fundamental principle that lack of intellectual property protection distorts international trade. These initiatives are important, but they are by no means all we can do to encourage a climate of international respect for intellectual property. We must start by improving our own laws.

A good example of an innovator harmed by unfair trade is the owner of a process patent who discovers that somebody has used his or her process abroad to manufacture products that were subsequently shipped to the United States. This practice robs the patent of its full value. Because the use of the process occurred abroad, there is no "infringement" within the meaning of our patent laws. These patentees are dependent for protection on their ability to maintain a successful suit abroad. The only domestic remedy currently available is an order from the International Trade Commission barring the import as an unfair trade practice under Section 337 of the Tariff Act of 1930. This affords the patentee no monetary damages for goods already sold. Title IV will remedy this unfair situation by allowing the process patentee to sue for patent infringement in federal district courts in such cases in addition to a Section 337 administrative proceeding.

Unfair trade practices involving intellectual property can exist in other situations as well and are by no means confined to patents. Accordingly, we must make certain that Section 337 does not present unnecessary barriers to owners of intellectual property seeking to protect themselves against infringing imports. These owners can now obtain an order from the International Trade Commission barring infringing imports only if they can demonstrate that the imports injure an American industry. We see no reason to retain requirements that can make it easier for pirates to do business here. A person's ability to enforce an intellectual property right should not depend on injury to an industry. Title III will eliminate the requirement to demonstrate injury to a domestic industry in these cases.

Not all of our initiatives stem from problems in international trade. In some cases our own laws, seeking to protect perfectly valid social interests, have placed unnecessary restrictions on the ability of an inventor to derive the full benefit of an invention. When they do this, they can discourage research and development and retard the introduction of new technology into the marketplace just as effectively as piracy.

In some cases, our statutes have operated to make it harder for patentees to develop satisfactory arrangements with potential licensees. Licensing is often the best, and sometimes the only, way of ensuring that consumers get the full advantage of a new product or service. Limitations are appropriate in some cases to protect legitimate antitrust or other objectives but we must make sure that we do not sweep more broadly than necessary.

Licensors will benefit in several ways. Title VI will clarify the law by specifying that certain licensing practices do not render a patent unenforceable on the ground that it has been "misused," unless they also violate the antitrust laws. Title II will ensure that courts apply the "rule of reason" to licensing arrangements challenged under the antitrust laws. That approach ensures that the procompetitive benefits of these arrangements will be considered in determining their validity and that they will not be condemned out of hand. Title VII clarifies the rights and obligations of patent owners and licensees with respect to royalty payments in a dispute regarding a patent's validity.

Health and safety laws can also harm patent owners. Products which may be harmful to the public cannot, and should not, be marketed until they have been reviewed by proper authorities. Nevertheless, we have to recognize that this reduces the patent life and makes it harder for innovators to recoup their substantial investments when the product is finally approved. The interests of the patent owner and the general public can be accommodated. Title V will enable owners of patents on certain agricultural and chemical products, such as animal drugs or pesticides, or patents on methods of using or manufacturing any of them, to obtain up to five years of additional patent life to compensate for some portion of the patent life that was lost while the product underwent these regulatory review procedures. This proposal is based on the Drug Price Competition and Patent Term Restoration Act of 1984 (Public Law 98-417) and will partially restore the incentive for research and development that the patent system was designed to provide. This should stimulate the introduction of new agricultural and chemical products and methods of making or using them. It will also make it easier for generic versions of certain products to win expedited regulatory approval.

Taken together, these proposals should greatly enhance the value of patents, copyrights and trademarks and reaffirm to the world our commitment to strong intellectual property protection. In the final analysis, if we want to encourage other nations to enact meaningful intellectual property protection, we have the obligation to make sure that our own laws do the job properly and set the right example. For these reasons, the Administration urges the Congress to give these proposals its immediate attention.

The Office of Management and Budget has advised us that there is no objection to the submission of these proposals and that their enactment would be in accord with the program of the President.

Sincerely,

MALCOLM BALDRIGE,
Secretary of Commerce.

EDWIN MEESE III,
Attorney General.

SECTION-BY-SECTION ANALYSIS—"INTELLECTUAL PROPERTY RIGHTS IMPROVEMENT ACT OF 1986"

The first (unnumbered) section of the bill provides that the Act may be cited as the "Intellectual Property Rights Improvement Act of 1986."

TITLE II—TECHNOLOGY LICENSING UNDER THE ANTITRUST LAWS

Section 201 adds a new section 27 to the Clayton Act, providing that "[a]greements to convey rights to use, practice, or sub-license patented inventions, trade secrets, or know-how, or rights in a mask work subject to protection under Chapter 9 of Title 17, United States Code, shall not be deemed illegal per se in actions under the antitrust laws." This ensures that such licensing arrangements and their terms and conditions will be evaluated under the "rule of reason" in antitrust cases, which requires a realistic economic analysis of the actual competitive effects of a challenged practice. Under section 201, courts will consider the business justifications and procompetitive aspects of licensing arrangements and their terms and conditions in cases brought under the antitrust laws. Only arrangements that are proven to be anticompetitive will be held unlawful.

New section 27 will not allow anticompetitive behavior to escape condemnation under the antitrust laws. Proscription of a per se approach merely obliges the court to hear evidence on the probable economic effects of a challenged practice before ruling upon the antitrust legality of the practice. Truly anticompetitive conduct will remain illegal.

TITLE III—ELIMINATION IN CERTAIN SECTION 337 CASES, OF REQUIREMENT OF INJURY TO A U.S. INDUSTRY

This title would amend section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) by eliminating the injury and industry requirements in intellectual property cases, making cease and desist orders available in addition to exclusion orders and increasing the penalty limit for their violation, and extending the Government use exception for patents to other forms of intellectual property. It also makes procedural and technical changes in the Trade Act.

Section 301 adds a new subsection (a)(2), which eliminates the need for intellectual property holders to show that an importation or sale has the "effect or tendency . . . to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry." This will improve access by owners of U.S. patents, copyrights, trademarks, or mask work rights to remedies under the Tariff Act.

This amendment changes the findings which the International Trade Commission (ITC) must make before a petitioner may be granted relief under section 337 of the Tariff Act. To obtain relief under previous law, a petitioner was required to establish the existence of an industry consisting of U.S. operations directly related to the intellectual property at issue and to present evidence of economic injury to that industry. The efficiency and economic operation of the petitioner could also be introduced to block a remedy under the Tariff Act. Where some operations are conducted offshore, or where injury is attributable to several causes, such as technological change and unfair practices in import trade, a petitioner might be unable to make the requisite showing and would therefore be denied relief.

Eliminating the need for economic arguments in intellectual property cases will simplify ITC proceedings. With these revisions, a petitioner would only need to show the existence of a U.S. patent, trademark, copyright, or mask work right and the importation of an infringing article or the sale of that article. The owner, importer, or consignee, or an agent, may be named as respondent. The defenses of invalidity and non-infringement would remain available to a respondent, and sale of a domestically produced infringing article would continue to be addressed through a civil action in U.S. District Court. This section is not intended to change existing law or practice regarding parallel imports or gray market goods.

Section 302 amends subsection 337(e) of the Tariff Act of 1930 (19 U.S.C. 1337(e)) by clarifying procedures and setting time limits on petitions for exclusion of articles during an investigation. If the ITC determines there is reason to believe that there is a violation of section 337, it may direct that the articles be excluded from entry into the United States except under bond. Section 302 permits initiation of this process by a petition filed no later than 30 days after publication of the notice of investigation in the Federal Register. The ITC must act on a petition under this section within 90 days, or 135 days for ocmplicated cases, of publication of the notice of investigation or the date of filing the petition, whichever is later.

Section 302 of the bill also makes changes concerning cease and desist orders, procedures for changing the period or effect of ITC orders, and the United States use exception. Cease and desist orders are made available in addition to other remedies rather than as an alternative. The limit on the penalty for violating a cease and desist order is raised from the greater of $10,000 or the domestic value of the articles entered or sold to the greater of $10,000 or twice the domestic value of the articles.

When an exclusion of cease and desist order is issued, it continues in effect until the ITC finds that the conditions which led to the order no longer exist. Section 302 clarifies that the burden of persuasion is with the person petitioning the ITC for such a finding.

Finally, section 302 extends the exemption for articles imported by or for the United States, with the authorization and consent of the Government, to include cases based on trademark, copyright, or mask work infringement as well as those based on patent infringement. The intellectual property holder's remedy does not include exclusion from entry or a cease and desist order against the Government or against one acting with authorization and consent of the Government but is limited to a claim for compensation under 28 U.S.C 1498.

Section 303 repeals 19 U.S.C. 1337a, concerning importation of the product of a patented process. This section is made redundant by the provisions of sections 401 and 402 revising the patent law to extend the exclusive rights of a process patent to include its direct product and to make it an infringement to import, use or sell such a product, and of section 301, which amends 19 U.S.C. 1337 specifically to provide for articles made by a patented process. Including this provision specifically under 19 U.S.C. 1337 is not intended to deprive a process patent holder of any rights, remedies, or procedural benefits under previous law or practice or under the amendments to title 35, United States Code.

TITLE IV—PROCESS PATENTS

Section 401 and 402 amend 35 U.S.C. sections 154 and 271 to extend the exclusive rights of the holder of a process patent to include products made by the patented process. The amendment to section 154 grants to process patentees the right to exclude others from using, selling or importing such products. Under the complementary amendment to section 271, the use, sale, or importation of such products after the effective date of this Act would constitute infringement. This is consistent with the treatment of process patents in many foreign countries. The word "directly" is intended to exclude as an infringement the importation, use, or sale of a product which is materially changed by subsequent steps or processes from the product resulting from patented process. However, this term would not exclude from infringement a product made by a patented process simply because the product was altered in shape or used without significant change in a commercial application.

Under these amendments, the use or sale in the United States, or importation into the United States, of products made by patented processes will constitute infringement regardless of where such products were made. Since a process patentee can already prevent the use of the patented process by domestic manufacturers, the primary effect will be on foreign-made goods. These amendments will not give extraterritorial effect to U.S. law. U.S. patents will not prevent foreign manufacturers from using abroad the process covered by the U.S. patent, so long as the products they make thereby are sold and used abroad. But the amendments will prevent circumvention of a U.S. process patentee's rights through manufacture abroad and subsequent importation into the United States of products made by the patented process.

Section 403 amends 35 U.S.C. section 287 to provide that damages for infringement of a process patent based on use, sale, or importation of a product produced by the patented process may not be recovered from an infringer who did not use the process except on proof that the infringer knew of or was notified of the infringement, in which event damages may be recovered only for subsequent infringement. Section 403 also provides that the filing of an action for infringement will constitute the requisite notice. This is consistent with the notice requirements for process patents.

Section 403 protects an innocent importer, user, or subsequent seller of an infringing article since it may be very difficult to ascertain the process by which a product has been produced. Where the infringer actually used the patented process, the patent itself provides notice. By prohibiting damages for infringing activities which occurred before the infringer had knowledge or notice of potential infringement, section 403 strikes an appropriate balance between protecting the rights of process patentees and those who innocently use or trade in products produced by patented processes.

Section 404 adds a new section 295 to Title 35, to establish, in carefully defined circumstances, a rebuttable presumption that a product that could have been made by use of a patented process was in fact so made. This presumption addresses the great difficulties a patentee may have in proving that the patented process was actually used in the manufacture of the product in question where the manufacturer is not subject to service of process in the United States. The burden of overcoming this presumption will be on the alleged infringer, regardless of whether the infringement charge is based on use, importation, or subsequent sale of the infringing article. While the defendant may not necessarily have in its possession the means necessary to rebut the presumption, it is likely to be in a far better position than the patentee to obtain them. Importers, for example, because of their relationships with foreign manufacturers, may be able to exert pressure on such manufacturers to produce the necessary information. Users and sellers who purchase possibly infringing articles from importers may be able to exert similar pressure on those importers, who would in turn influence foreign manufacturers. Of course, purchasers would retain whatever rights to indemnification they may have under contract or applicable state law.

Presumptions of manufacture by a patented process, however, should not be casually established. Importers and subsequent purchasers may be unable to obtain the information needed to overcome such presumptions when the products in question were not made by patented processes. At a minimum, the existence of the presumption will require a party who uses, sells, or imports a product that might have been made by a patented process to exercise greater care in business dealings to avoid increased liability. To minimize the risk of litigation intended to discourage firms from carrying competing products, the presumption will be available under section 295 only when two conditions are satisfied.

First, the patentee must demonstrate on the basis of the evidence that is available that a "substantial likelihood" exists that the product was made by the patented process. Such evidence could include chemical analysis of the product or indications or "marks" on the product itself, as well as expert testimony regarding known methods of production at costs that would justify sale of the product at the prices being charged. Exactly how much evidence will be needed in particular situations to satisfy the "substantial likelihood" condition will depend on the circumstances. A patentee's burden would be less than that of proving successfully at trial that a product in question was in fact made by the patented process but would be more than a slight possibility that the product was so made. Second, the patentee must show that he or she has made a reasonable effort to determine what process was used in the manufacture of the product in question and was unable to do so. The reasonableness of the effort will depend on the circumstances. These initial, good-faith efforts would include the use of discovery procedures under the Federal Rules of Civil Procedure or other good-faith methods, such as requesting the information from a manufacturer who may not be subject to U.S. jurisdiction. These limitations on the availability of the presumption should make it available to patent holders who might otherwise be left with no remedy against an infringer and also adequately safeguard the rights of competitors.

TITLE V—PATENT TERM RESTORATION FOR CERTAIN AGRICULTURAL AND CHEMICAL PRODUCTS

Section 501(a) adds a new section 158 to title 35 of the United States Code, to extend the principle of patent term restoration, now contained in section 156 of title 35 for

human drug products, also to patents which claim certain agricultural and chemical products, methods for using such products, or methods for manufacturing such products. In this respect, section 158 seeks to restore patent terms to those patentees who must submit agricultural and chemical products, and methods of using or producing such products, for Federal regulatory review prior to marketing and, therefore, are not able commercially to exploit patented products and methods during portions of their patent terms.

Section 158(a) provides in paragraph (1) thereof that the term of a patent will be extended in accordance with this section from the original expiration date of the patent if certain prerequisites are met. These are, (A) that in accordance with other provisions of the bill, the Commissioner of Patents and Trademarks is notified by the product sponsor of facts supportive of a request for patent term restoration, (B) that the regulatory review period for the product in question occurred prior to commercial marketing or use of the product, (C) that the patent term was not previously extended under this section, and (D) that the patent has not expired prior to the above discussed notification to the Commissioner. The prohibition of subparagraph (C) is qualified since, for example, a patent claiming a new chemical entity may have been previously extended under another section which limits the rights during the extended term to the specific approved use in humans. This should not preclude a patent owner from obtaining extension of the patent term for new uses of the product as animal drugs, if the patent is otherwise eligible for extension.

Paragraph (2) of section 158(a) limits the rights derived from any claim of an extended patent to the "scope of such claim which encompasses the product subject to regulatory review". Regarding generic claims, extension would apply only to the specific part or species of the claim which was the subject of regulatory review. Further, in the case of product claims or method claims for using a product, the scope of the extended patent would be limited to "the uses of the product which may be regulated" by a relevant statute. Extension of the patent term regarding those claims would, therefore, apply to analogous uses of the product even if they had not specifically been the subject of the original premarketing regulatory review on the basis of which extension is claimed. However, extension of the patent term would not apply to uses of the product which were authorized prior to the regulatory review period for which the patent term is restored. This would prevent continuing patent exclusively past the original expiration of the patent for uses which already enjoyed exclusivity at the time subsequent uses were subject to regulatory review. Lastly, this paragraph would limit the scope of the extended patent in the case where a method of manufacturing a product is claimed, to the method used to make the approved product.

Paragraph (3)(A) of section 158(a) provides that the term of a patent be extended by the time equal to the regulatory review period which occurred after the patent was granted. This extension, however, is subject to several additional limitations enumerated in paragraph (B). First, any regulatory review period which is to be applied for purposes of extending the patent shall be reduced by certain periods during which applications for premarket approval were made under relevant statutes, but not accepted by the relevant agencies because the applications did not contain sufficient data or information.

Paragraph (B) further provides that no patent term may be extended for more than five years, nor that the term of any extended patent can exceed twenty-five years from the filing date of its earliest related U.S. patent application. Other limitations to patent term extension concern situations in which the regulatory review period for a product began before the date of enactment of this section. In those cases in which regulatory review had not ended at the date of enactment, the period of extension for the patent would be measured from the enactment date, not to exceed three years. If, however, the regulatory review period had ended before enactment of this section, no patent term extension would be permitted.

Paragraph (C) provides that not more than one patent may be extended for the same regulatory review of a specific product.

Section 158(b)(1) elaborates the procedure to be followed in seeking and obtaining extension of a patent term, and specifies the information which must be submitted to the Commissioner of Patents and Trademarks. This section requires that within sixty days after termination of a regulatory review period, the product sponsor seeking extension of the patent term must notify the Commissioner that the regulatory review period has ended, by providing him with written information pertaining to the request for patent term extension. Specifically, the product sponsor must identify the particular statute under which the regulatory review occurred, state the dates on which the regulatory review period began and ended and identify the event which caused such period to commence. This last requirement is necessary for identifying whether the period began with the initiation of a major health or environmental effects test or whether it began through another starting point identified in section 158(c)(4). He must also identify the product reviewed, state that the requirements of the statute were satisfied so that commercial marketing or use of the product is not prohibited under the statute which provided for the regulatory review in question, identify the patent and any claims thereof to which the extension is applicable, and identify any uses previously authorized. Further, the product sponsor must identify the filing date of the earliest related patent application to which reference is made in subsection (a)(3)(B)(iii) in connection with the limitations on patent term extension. He must also state that the term of the patent has never been extended under this section, and that no other patent has been extended on the basis of the same regulatory review period. Lastly, the product sponsor must supply any other information which the Commissioner may require.

Section 158(b)(2)(A) specifies that when the Commissioner of Patents and Trademarks receives the notification from the product sponsor containing the prescribed information for patent term extension, he shall notify various individuals, depending upon the claimed subject matter of the patent to be extended, and submit to them a copy of the extension notification. If the patent claims a veterinary biological product subject to the Virus-Serum-Toxin Act, or a method of using or manufacturing such a product, the Secretary of Agriculture must be notified. If the patent claims an animal drug product or animal antibiotic product subject to the Federal Food, Drug, and Cosmetic Act, or a method of using or manufacturing such a product, the Secretary of Health and Human Services must be notified. Should the patent claim a pesticide subject to the Federal Insecticide, Fungicide, and Rodenticide Act, a chemical substance or mixture subject to the Toxic Substances Control Act, or a method of using or manufacturing such pesticide, substance or mixture, the Commissioner must notify the Administrator of the Environmental Protection Agency.

Not later than thirty days after receipt of the copy of the extension notification from the Commissioner, the Secretary or Administrator is required to review the dates enumerated in the notification and determine the applicable regulatory review period for the particular product in question. In determining the total length of the relevant regulatory review period, the Secretary or Administrator is required also to take into account the provisions of subsection (a)(3)(B)(i). This subsection provides for the exclusion of certain time periods during which insufficient information or data was available to support the filing of an application which normally would have started the running of the regulatory review period, as defined in subsection (c)(4). After having determined the applicable regulatory review period, the Commissioner of Patents and Trademarks is notified of the determination.

Subparagraph (B) provides for the establishment of appropriate fees by the Secretary, the Administrator and the Commissioner to cover the costs of the various reviews, determinations, proceedings, hearings and all other functions and duties carried out by them pursuant to section 158.

Section 158(b)(3) contains two subparagraphs. Subparagraph (A) specifies that the Commissioner determines a patent's eligibility for extension in accordance with the requirements of subsections (a) and (b)(1). Such determination may be based solely on the information contained in the notification provided by the product sponsor. After having determined that a patent is eligible for extension and upon receipt of a determination of the applicable regulatory review period, the Commissioner issues a certificate of extension of the patent, stating the length of extension, identifying the product and the statute under which regulatory review occurred, and specifying to which claim such extension is applicable. The Commissioner determines the length of patent extension by taking into account the applicable regulatory review period and applying the limitations provided by subsections (a)(3)(A) and (a)(3)(B)(ii). The certificate of extension is recorded in the official file of the patent and considered part of the original patent. A notice of such extension is also published in the Official Gazette of the Patent and Trademark Office.

Subparagraph (B) provides for the possibility that the original term of the patent for which extension is sought, could expire before a final decision by the Commissioner to issue a certificate of extension. In this case, the Commissioner is required to determine whether the patent is eligible for extension and if it is, to issue a certificate of extension for a period of up to one year. The length of this interim extension is discretionary with the Commissioner, but is intended to provide time for the completion of any outstanding requirements. If the Commissioner determined that subsequent inter-

im extensions were necessary and consistent with the objectives of this subparagraph, they could be granted as well. In no event could these interim extensions be longer than the maximum period of extension to which the applicant is thought to be eligible.

Section 158(b)(4) specifies that information submitted during a regulatory review period by a product sponsor which is considered a trade secret, or confidential commercial or financial information under the law which mandates such regulatory review, may only be disclosed to the public under this section in accordance with such law. However, this does not prohibit the Commissioner, the Secretary, and the Administrator from identifying any information necessary for the purpose of patent term restoration and to transmit this information to others, or to publish it, as required by this section.

Section 158(c) defines the operative terms used in section 158. Paragraph (1) defines the term "product" partially in accordance with section 101 of title 35, United States Code, which details the subject matter for which patent protection is granted. Thus, a "product" is any machine, manufacture or composition of matter. However, the term "product" is limited to animal drugs or animal antibiotics subject to regulation under the Federal Food, Drug and Cosmetic Act, veterinary biological products subject to regulation under the Virus-Serum-Toxin Act, pesticides subject to regulation under the Federal Insecticide, Fungicide and Rodenticide Act and chemical substances or mixtures subject to regulation under the Toxic Substances Control Act. Methods for using or producing a product are not defined. Although the term "product" is limited to the items subject to statutory regulation as enumerated in subparagraphs (A) to (D) of section 158(c)(1), it is not limited only to the product as a whole. For example, the patent to be extended does not have to claim the animal drug or pesticide in its entirety, i.e. all active and inert ingredients, fillers, coatings, dosages, surfactants, etc. It is sufficient that the product which underwent regulatory review contains an active ingredient which is encompassed by the claims of the patent to be extended, or contains any salt or ester of that ingredient, as a single entity or in combination with another active ingredient.

Paragraph (2) defines the parameters of a major health or environmental effects test and paragraph (3) defines the term "product sponsor."

Paragraph (4) defines the meaning of the term "regulatory review period." Depending on the statute under which regulatory review is conducted, the regulatory review period is computed in a different manner. Due to the fact that the regulatory statutes of prime concern operate differently, and their periods of regulation begin and end with different events, it has been found necessary to specify in detail those events which will commence a regulatory review period and end it under each of these statutes. The length of any such period defines the amount of time which is available for patent term extension, subject to other limitations in this section.

In accordance with subparagraph (A), for animal drugs or animal antibiotics regulated by the Federal Food, Drug, and Cosmetic Act, the period begins on the date an exemption for investigation of an experimental drug or the like becomes effective. For veterinary biological products regulated by the Virus-Serum-Toxin Act, the period begins on the date authority was requested to prepare an experimental biological product. The first phase of the regulatory review period for these products ends on the date an application for product approval was submitted to the relevant agency. The second phase of the regulatory review period begins on the date the application was submitted for the approved product and ends on the date such application was approved. The termination date for the "regulatory review" will then be that date on which commercial marketing is permitted under these statutes.

Subparagraph (B) defines the regulatory review period with respect to pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). In this respect, two alternative events are provided which commence the running of a regulatory review period. When a product sponsor initiates a "major health or environmental effects test" on a pesticide ultimately for the production of data to be submitted under FIFRA, the regulatory review period will begin. A test is initiated when the product sponsor begins actual testing. Secondly, FIFRA provides for the grant of an experimental use permit, and the date on which the grant of such a permit is requested alternatively provides the beginning of the regulatory review period. The first phase of the regulatory review period ends on the date an application is submitted for registration of the pesticide. The second phase of the regulatory review period begins on the date on which such an application was submitted and ends on the date on which the pesticide is first registered under FIFRA. It is possible that such registration can be either conditional or permanent. Either event will provide the termination date of the regulatory review period.

Subparagraph (C) defines the regulatory review period for chemical substances and mixtures subject to regulation under the Toxic Substances Control Act (TSCA). With respect to these products, notification to the Administrator of the Environmental Protection Agency (EPA) is required under section 5 of TSCA before manufacture or import of a "new chemical substance", or before manufacture, import, or processing of a substance for a "significant new use". It is only these products to which the present legislation is applicable.

Certain of the products or methods requiring notification may be subject to a rule requiring testing under section 4(a) of TSCA, while other products and methods might not be subject to testing according to criteria set by that statute. With respect to those products which are subject to a testing requirement, the beginning date of the regulatory review period will be that on which the product sponsor has initiated testing required by the EPA Administrator's ruling with respect to the specific product. When testing is not required, the regulatory review period will begin on the earlier of the date on which the product sponsor submits a premanufacturing notice under TSCA, in accordance with regulations issued by the Administrator of EPA, or initiates a major health or environmental effects test on the product, which data are then included in the previously mentioned premanufacturing notice.

The end date of the regulatory review period under this provision of TSCA will usually occur when the statutory notification period expires, usually 90 to 180 days after the notice is submitted. At that time, the product sponsor will normally be free to manufacture and sell the product. However, manufacture and other activities may be prohibited or limited under section 5(e) or 5(f).

If the EPA Administrator determines that there is insufficient information to evaluate the risks of the activities described in the notice, EPA can issue an administrative order, or seek an injuction in a U.S. district court, to prohibit or limit the activities pending submission of the information. If there is sufficient information to determine that the activities will present an unreasonable risk of injury to human health or the environment, EPA can issue an administrative order, or seek an injunction in a U.S. district court, to prohibit the activities, or promulgate an immediately effective rule under section 6 to limit the activities. In either event, if the administrative order or injunction prohibits the use of the product subject to the patent, the regulatory review period will end on the date that the order or injunction is dissolved or set aside. The regulatory review period would not include any time period during which the use of the product is limited or subjected to conditions if the limitations and conditions do not prevent its use.

Subsection 158(c)(5) defines the term "Virus-Serum-Toxin Act" to be the Act of March 4, 1913 (21 USC 151-158).

Section 501(b) adds the title of section 158 to the analysis of chapter 14 of title 35, United States Code.

Section 502 amends the Federal Food, Drug, and Cosmetic Act to authorize abbreviated applications for generic versions of veterinary drugs, by exempting such applications from the requirement of section 512(b)(1) of that Act for data regarding safety and effectiveness. Thus, the prospective generic drug manufacturer must show in the application for marketing approval only that he is capable of making the drug. The manufacturer need not duplicate and submit the results of safety and effectiveness tests already conducted and submitted by the pioneer. The amendment further provides that for a transitional period of ten years from enactment of this provision, the FDA may not make effective the approval of abbreviated applications for generic versions of those veterinary drugs which were approved within three years prior to enactment of this amendment.

TITLE VI—PATENT MISUSE

Title VI is a modest but significant reform of the doctrine of patent misuse, which can be invoked to deprive a patentee of his rights under the patent. Section 601 amends 35 U.S.C. section 282 by designating the existing language of that section as subsection (a) and adding a new subsection (b), which lists several patent licensing practices that cannot provide the basis for a finding of misuse or illegal extension of a patent unless such practices, in the circumstances in which they are employed, violate the antitrust laws. These practices include the following:

(1) licensing the patent under terms that affect commerce outside the scope of the patent's claims (e.g., requiring a licensee to purchase unpatented materials from the licensor, requiring a licensee to assign to the patentee a patent that may be issued to the licensee after the licensing arrangement is executed, restricting a licensee's freedom to deal in products or services outside the scope of the patent, requiring the licensee to become a licensee of a second patent);

(2) restricting a licensee of the patent in the sale of the patented product or in the sale of an unpatented product made by the patented process;

(3) obligating a licensee of the patent to pay royalties that differ from those paid by another licensee or that are allegedly excessive;

(4) obligating a licensee of the patent to pay royalties in amounts that are not related to the licensee's sales of the patented product or an unpatented product made by the patented process;

(5) refusing to license the patent to any person; or

(6) otherwise using the patent in a manner that allegedly suppresses competition.

New section 282(b) carefully limits the patent misuse doctrine but does not eliminate it. Courts will still have the discretion to refuse to enforce a valid, infringed patent on competitive grounds whenever the challenged conduct violates the antitrust laws, as well as on grounds not related to competition (e.g., fraud on the Patent and Trademark Office). New section 282(b) will give patentees greater flexibility in realizing the full value of their patents and thereby encourage investment in research and development. New section 282(b) would not in any way alter existing law with respect to whether or when the conduct it specifies violates the antitrust laws. It is intended to deal exclusively with the evaluation of such conduct under the patent misuse doctrine.

TITLE VII—LICENSEE CHALLENGES TO PATENT VALIDITY

Section 701 adds a new section 296 to title 35, United States Code, dealing with the ability of licensees to challenge the validity of patents they have licensed, and the rights of patent holders in such circumstances. New section 296(a) provides that a licensee shall not be estopped from asserting the invalidity of a patent to which it is licensed, and that any provision in an agreement between the parties that purports to bar such an assertion shall be unenforceable. New section 296(b) provides that a patent license agreement may contain provisions allowing termination if the licensee challenges validity in a judicial proceeding, and further that if the licensee has a right to terminate, the agreement also may provide for the licensee's obligations under the agreement to continue until the patent is finally declared invalid, or until the license is terminated. Under new section 296(b) such provisions will not be unenforceable on the ground that they are contrary to federal patent law or policy.

New section 296(a) codifies the holding of *Lear, Inc.* v. *Adkins*, 395 U.S. 653 (1969), that a licensee cannot be estopped, by agreement or otherwise, from contesting the validity of a patent to which it is licensed. New section 296(b) addresses issues over which courts have differed in the years since the Lear decision; namely, the rights of the parties with respect to termination of a license and payment of royalties if the licensee challenges the validity of the licensed patent. New section 296(b) would give the parties broad discretion to define these rights during the license negotiation process. It makes clear that the parties may provide for termination by licensor and/or licensee in the event of such a challenge, and, if the licensee has a right to terminate, for the licensee's obligations to continue pending adjudication of validity. In this way, patent licensors can bargain for provisions they feel necessary to assure the realization of their rights in an invention, while licensees can bargain for provisions they feel necessary to protect their interests if they choose to challenge validity.

● Mr. MATHIAS. Mr. President. Today I join with the chairman of the Judiciary Committee, Senator THURMOND, to sponsor the "Intellectual Property Rights Improvement Act of 1986." This bill, which we introduce at the request of the administration, would make a number of changes in our law aimed at improving intellectual property protection.

Over the past few years two trends have emerged that require a careful reexamination of our intellectual property laws. The first is the growing importance of trade to our domestic economy. One out of every seven U.S. jobs is dependent upon our export sector. The second trend is the explosion in technology that is changing the face of our entire economy. This rapid growth in technology makes American intellectual property one of our most important assets in world competition. Our laws must keep pace with these changes in order to protect patents, copyrights, trademarks, and other intellectual property rights.

We have seen some of these initiatives before; what is new is that they are combined in a single package. This package contains six proposals to improve the protection of intellectual property rights.

The first strengthens process patent protection by closing a loophole in our present law that permits the importation, use and sale in this country of products made overseas by means of a process patented here.

The second proposal provides patent term restoration to agricultural chemicals. These chemicals lose from 5 to 7 years of their 17-year patent term because of required health and safety tests. This bill would restore up to 5 years of time lost in regulatory review. I have introduced two pieces of legislation (S. 1543 and S. 1093) similar to these proposals; both have been approved by the Subcommittee on Patents, Copyrights and Trademarks and are pending before the Judiciary Committee.

The third section of this bill proposes amendments to the International Trade Commission statute, section 337 of the Tariff Act. Currently, intellectual property owners cannot obtain an ITC order barring the import of products which violate their ownership rights unless they can demonstrate injury to a domestic industry. This bill would remove this burdensome requirement from section 337, thus strengthening enforcement of intellectual property rights.

The last three provisions of this bill are patent-related antitrust proposals. In essence, they would declare that patent licensee agreements are not per se antitrust violations; reform the patent misuse doctrine; and codify the decision in *Lear* against *Adkins*, the leading case on the right of a patent licensee to challenge the validity of the patent.

American innovators and developers lead today's technological revolution. We must act to keep it that way. The growing importance of intellectual property gives new urgency to its protection. This bill is another effort to ensure that our laws enhance, not endanger, intellectual property rights. I commend the administration for its initiative, and look forward to working with my colleagues to strengthen legal protection for intellectual property.●

By Mr. DENTON:

S. 2526, A bill to amend section 673(b) of title 10, United States Code, relating to the authority of the President to order members of the Selected Reserve of the reserve components of the Armed Forces to active duty during periods other than war or national emergency; to the Committee on Armed Services.

EXECUTIVE MOBILIZATION AUTHORITY ACT

● Mr. DENTON. Mr. President, I am today introducing a bill to broaden the chief Executive's authority to utilize our Reserve Forces in time of crisis or national emergency. I introduce the Executive Mobilization Authority Act not specifically in response to current and pressing problems on the world scene, although such problems are not in short supply, but rather with a firm conviction that its consideration will serve both out short-term and long-term national security needs.

Today, we are seeking to stimulate and implement a national resolve to eliminate the Federal deficit and reduce the overall national debt. That is a commendable goal, and one that is essential to our national welfare.

But I caution my colleagues that we must be careful, as we conduct our fiscal housekeeping, not to convey the wrong message to any nations, large or small, that seek to use force, violence, and aggression against the interests of our country, against the interests of freedom.

Yes, reduction of the national debt must have a high priority, but not at the expense of our international responsibilities and obligations, and never at the sacrifice of our national interest. The big question, therefore, is: How do we cut spending and still continue to do all that we know we can and must do to preserve freedom and peace?

During the past few years, the Armed Forces, in the face of increased costs and mounting criticism about waste, have had to devise a new strategy to meet their mission requirements. With a ceiling on manpower, the military services reorganized their forces to meet world-wide commitments.

One principal decision was to keep a limited active military presence overseas and build a strong active and reserve force at home. America's total force could then respond within a few days to acts of aggression around the globe.

The key to that strategy is increased reliance on National Guard and Reserve soldiers, sailors, and airmen. Today, more than ever before, citizen soldiers are assets in the exercise of national policy. And the decision has been cost-effective.

Let me explain. The single biggest cost in the defense budget is for manpower—pay and allowances, benefits and incentives, housing, medical care, retirement—all the costs associated with having both national and international commitments.

Pay and allowances alone comprise 24 percent of the proposed 1987 Department of Defense authorization. Twenty-one of that twenty-four percent is for an active military force totaling 2,181,000 persons. Only 3 percent more of the DOD request—3 percent, mind you—pays for 1,186,000 reservists and guardsmen.

Today, more than at any other time in our Nation's history, our total military force is reliant on both its active and reserve component personnel to accomplish its peacekeeping and war-deterring mission.

Our ability effectively to defend our vital security interests rests largely on our ability to mobilize and deploy on a timely basis. Without a declaration of war or national emergency, current statute limits Presidential authority to mobilize our Reserve Forces by restricting the call-up to a maximum of 100,000 selected Reserves for a period not to exceed 90 days. What we must realize is those limits, in light of the total force reliance on its reserve components, prevent the timely and effective use of America's military in time of crisis. That, in turn, weakens the use of our Armed Forces in their primary role as a deterrent.

The bill that I introduce today will modify current authority in three ways. First, it amends title X to double the time restriction from 90 to 180 days. Second, it increases the number of reserve personnel who may be ordered to active duty from 100,000 to 200,000. Third, it requires the President to notify Congress if he, because of national security reasons, determines that the period allowed for the retention of reserve personnel on active duty is not long enough.

It is my firm belief that, by enhancing the authority of the President to use Reserve Forces, we vastly increase our ability to bring a crisis under control before actual conflict. Peace with security is the aim of this bill. Should conditions require, the new authority would enable early and decisive reinforcement of friendly forces before a conflict escalates, or before it is resolved unfavorably to U.S. interests.

The current state of world affairs bears ominous similarities to the unstable situation that existed before World War II. Continued Soviet conflict in Afghanistan, active Cuban intervention in neighboring nations, Communist-sponsored insurrection and military presence in many Central and South American countries, the general instability that persists in the Middle East, and open use of terrorism by radical groups and leaders collectively underscore that fact.

It is imperative that friend and foe alike know beyond doubt that we understand the threats, that we have the national will to address them, and that we have the weapons and manpower available to overcome them.

This legislation would make adequate numbers of skilled manpower available to the President in time to moderate a crisis. In essence, it would allow the total force concept to become reality.

Mr. President, none of us would welcome the possibility of conflict. I propose the Executive Mobilization Act in order to increase the changes for peace, not through submitting to threat and blackmail but by firmly demonstrating our national resolve.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY OF PRESIDENT TO ORDER MEMBERS OF THE SELECTED RESERVE TO ACTIVE DUTY OTHER THAN DURING WAR OR NATIONAL EMERGENCY.

(a) INCREASE IN PERIOD FOR WHICH MEMBERS OF RESERVE MAY BE ORDERED TO ACTIVE DUTY.—Section 673b(a) of title 10, United States, is amended by striking out "90 days" and inserting in lieu thereof "180 days".

(b) INCREASE IN NUMBER OF RESERVE MEMBERS THAT MAY BE ORDERED TO ACTIVE DUTY.—Section 673b(c) of such title is amended by striking out "100,000" and inserting in lieu thereof "250,000".

(c) NOTIFICATION TO CONGRESS.—Section 673b of such title is further amended by adding at the end the following new subsection:

"(i) In any case in which one or more units of the Selected Reserve or members not assigned to a unit organized to serve as a unit have been ordered to active duty under this section and the President, because of national security reasons, determines that the limit specified in subsection (a) on the period for which any unit or member may be ordered to active duty under this section is not long enough, the President shall promptly notify the Congress of that determination and shall submit concurrently with that notification a statement of the reasons why such period should be extended.".●

By Mr. CRANSTON (for himself, Mr. KENNEDY, Mr. MOYNIHAN, and Mr. KERRY):

S. 2527. A bill to amend title XIX of the Social Security Act to permit States the option of providing home and community-based services to low-income individuals with acquired immune deficiency syndrome [AIDS] or AIDS-related complex [ARC]; to the Committee on Finance.

MEDICAID AIDS AMENDMENTS

Mr. CRANSTON. Mr. President, today I am introducing legislation S. 2527, to amend the Medicaid-waiver authority to allow States to offer home and community-based health services to Medicaid-eligible individuals with AIDS or AIDS-related complex [ARC] who would otherwise need inpatient hospital care. Joining me in introducing this bill are the distinguished Senators from Massachusetts Mr. KENNEDY and Mr. KERRY and New York Mr. MOYNIHAN.

Mr. President, this legislation is the companion to H.R. 4915, which was introduced on May 22 by my good friend and colleague from California, Representative HENRY WAXMAN.

THE CONTINUING AIDS EPIDEMIC

Mr. President, the United States is now in the sixth year of the AIDS epidemic. More than 20,000 people have developed AIDS. Over half have died. As of January 1986, close to 4,000 cases of AIDS had been reported in my own State of California alone, and 4,000 more are projected for 1986. The California State Department of Health Services estimates that 12,000 individuals in California have ARC—a condition which comprises a spectrum of symptoms resulting from the HTLV-III/LAV infection but which do not meet the Centers for Disease Control definition of AIDS. And, about 1.5 million persons nationwide—300,000 in California—are infected with the AIDS virus.

These numbers indicate clearly that the AIDS crisis is still escalating and will be with us for years to come. The scope of the epidemic is far greater than many envisioned just a few years ago.

One of the greatest challenges in our fight against AIDS is how to assure the availability of appropriate and necessary health care and treatment for AIDS patients. The Centers for Disease Control has estimated that the cost of caring for the first 10,000 AIDS patients has been in excess of $1.25 billion—over $125,000 per patient. The AIDS epidemic is placing enormous and rapidly increasing burdens upon the health-care system.

The average hospital bill nationwide for an AIDS patient is currently $140,000. In San Francisco, however, the average cost is one-third to one-half less because the city has developed a model network of outpatient

services for AIDS patients—including home health care, support services, and hospice care—that has resulted not only in lowered costs, but more compassionate and humane care.

Unfortunately, AIDS patients on Medicaid often do not have access to home health or other community-based services. This legislation would provide that they could receive these services under Medicaid under certain conditions.

BACKGROUND

The Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, established the Home and Community-Based Services [HCBS] waiver authority, under which the Secretary of Health and Human Services may waive certain Medicaid requirements in order to allow States to provide a variety of home and community-based services—including, for example, homemaker/home-health-aid services, adult day health care, and case-management—to individuals who would otherwide require nursing home care.

The waiver authority was enacted because, when possible, it is generally both preferable and less expensive for the patient to remain at home than to move into a nursing facility. In order to receive approval for a waiver, a State must satisfactorily demonstrate that the estimated expenditures for services under the waiver would not exceed costs for those patients in the absence of the waiver.

This year, section 9502(b) of the Consolidated Omnibus Reconciliation Act of 1985 [COBRA], Public Law 99-272, expanded the HCBS waiver to provide eligibility to ventilator-dependent indviduals who would otherwise continue to receive inpatient hospital services. This provision also explicitly identified ventilator-dependent individuals as also categorically eligible for the waiver as an alternative to nursing home care.

PROPOSED ELIGIBILITY FOR HCBS WAIVERS FOR AIDS PATIENTS

Mr. President, in recent testimony before the House Energy and Commerce Committee's Subcommittee on Health and the Environment, the Health Care Financing Administration estimated that $50 million in Federal Medicaid funds was expended during fiscal year 1985—or about $100 million in total Medicaid dollars—for the care and treatment of AIDS patients. These amounts will likely double in fiscal year 1986.

The California Department of Health Services estimates that, under Medic-Cal, California's Medicaid Program, over 90 percent of all AIDS-related costs are associated with acute hospital care. Utilization of nursing home facilities by AIDS patients is very limited in California as well as throughout the country. So, the present HCBS waiver, which applies only as an alternative to nursing home care, would be of almost no help for AIDS patients.

Yet, there is a great need and there are strong reasons for AIDS patients to be able to receive health services and assistance outside of the hospital and in lieu of hosptial care.

Our bill would permit a State to offer these services under an HCBS waiver to Medicaid-eligible individuals with AIDS or ARC who would otherwise continue to receive inpatient hospital care. A State applying for a waiver would have the option, as under current law, to decide which populations and areas of the State to target and what noninstitutional services to offer to the target population.

As is the case with all HCBS waivers under current law, a State would have to show that the costs for these services under the waiver would not exceed costs that would be incurred in the absence of the waiver.

As with the COBRA provision for ventilator-dependent patients, this legislation would also explicitly identify persons with AIDS or ARC as categories eligible for the waiver as an alternative to nursing home care.

Mr. President, in light of the requirement for States to certify that the waiver would not result in increased costs, enactment of this legislation should not result in any increased cost—and could possibly result in savings. Indeed, San Francisco's model system involving alternatives to hospitalization has substantially reduced the average length of hospital stays for AIDS patients and the costs of their care—without sacrificing quality of care.

CONCLUSION

Mr. President, maintaining AIDS patients in the community through the use of special support services is more cost effective than hospitalization and can produce a better quality of life for the patient. Enactment of this legislation would be a good first step toward helping AIDS patients receive the necessary and appropriate health care and services that they need. I urge my colleagues to join me in cosponsoring this measure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2527

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicaid AIDS Amendments of 1986".

SEC. 2. PERMITTING STATES TO OFFER HOME AND COMMUNITY-BASED SERVICES TO LOW-INCOME INDIVIDUALS WITH ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) OR WITH AIDS-RELATED CONDITIONS (ARC).

(a) PERMITTING HOSPITAL LEVEL OF CARE.—Section 1915(c)(1) of the Social Security Act (42 U.S.C. 1396n(c)(1)), as amended by section 9502(b)(1) of the Consolidated Omnibus Budget Reconciliation Act of 1985, is amended by inserting before the period the following: "or because they have been diagnosed as having acquired immune deficiency syndrome [AIDS] or AIDS-related complex [ARC] the cost of treatment with respect to which is reimbursed under the State plan".

(b) COMPUTING EXPENDITURES FOR CERTAIN AIDS AND ARC PATIENTS.—Paragraph (7) of section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)(7)), as added by section 9502(d) of the Consolidated Omnibus Budget Reconciliation Act of 1985, is amended—

(1) by inserting "(A)" after "(7)", and

(2) by adding at the end the following new subparagraph:

"(B) In making estimates under paragraph (2)(D) in the case of a waiver which applies only to individuals with acquired immune deficiency syndrome [AIDS] or with AIDS-related complex [ARC], or with either, who are inpatients in hospitals or in skilled nursing or intermediate care facilities, the State may determine the average per capita expenditure which would have been made in a fiscal year for those individuals under the State plan separately from the expenditure for other individuals who are inpatients of those respective facilities."

(c) PROVIDING CASE MANAGEMENT SERVICES TO AIDS AND ARC PATIENTS.—Subsection (g) of section 1915 of the Social Security Act (42 U.S.C. 1396n(g)), as added by section 9508(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985, is amended in paragraph (1) by adding at the end the following: "A State may limit the provision of case management services under this subsection to individuals with acquired immune deficiency syndrome [AIDS], or with AIDS-related complex [ARC], or with either."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to applications for waivers (or renewals thereof) approved on or after the date of the enactment of this Act.

By Mr. SPECTER:

S. 2528. A bill to establish clearly a Federal right of action by aliens and U.S. citizens against persons engaging in torture or extrajudicial killing, and for other purposes; to the Committee on the Judiciary.

TORTURE VICTIM PROTECTION ACT

● Mr. SPECTER. Mr. President, today I am introducing the Torture Victims Protection Act of 1986 to clearly establish a Federal right of action by both aliens and U.S. citizens against persons engaging in torture or extrajudicial killing under actual or apparent authority of any foreign nation.

While virtually every nation now condemns torture and extrajudicial killing in principle, in practice more than one-third of the world's governments engage in, tolerate, or condone such acts. A report issued by the

United Nations the week of March 3, 1986, indicates that torture remains widespread worldwide and may become "the plague of the second half of the 20th century."

Reported methods of torture included beating, burning, electric shock, rape, extraction of fingernails, toenails and teeth, suffocation in water or excrement, suspension by the testicles, forced administration of drugs, and denial of sleep. Psychological tortures included mock executions and threats to torture or kill relatives.

These systematic and institutional violations of human rights occur in countries of every political persuasion and in every region of the world. The U.N. report involved 33 countries, including Chile, South Africa, the Soviet Union, Iran, El Salvador, Guatemala, Afghanistan, Uganda, Ecuador, Honduras, Indonesia and the Comoros, a group of islands in the Indian Ocean off Africa. Although national laws may ban torture, the report said, "this moral awakening has not yet had tangible results for everybody."

Mr. President, this bill is designed to provide "tangible" results—a cause of action for damages for violation of the law of nations condemning torture and extrajudicial killing.

Because of its longstanding commitment to individual rights and the rule of law, the United States has assumed a special responsibility in promoting respect for human rights throughout the world. We have long recognized that if international human rights are to be given legal effect, adhering nations must make available domestic remedies and sanctions to address abuses regardless of where they occur.

When the United Nations Convention Against Torture was adopted in December 1984, without a dissenting vote in the General Assembly, Ambassador Richard Schifter, former Alternative U.S. Representative to the U.N. General Assembly, and now Assistant Secretary for Human Rights and Humanitarian Affairs, stated that—

> The mere setting of standards, as we all know, is not enough. There is ample evidence of a wide gulf between lofty words and the unacceptable practices which continue unabated in many parts of the world. One of the most flagrant continuing violations of human rights is torture—a crude violation of everything that we understand by the word "human." As long as torture persists further steps are needed to translate our words into action to eliminate this abhorrent practice.

Respect for human rights has been an integral part of our foreign policy for over a decade. In 1974, Congress amended the Foreign Assistance Act to require that security assistance be terminated if the receiving country's government was engaged in human rights violations. Torture is specified as one of those violations. In 1975 the same act was amended to include section 116 which applied restrictions to economic assistance. Then, in 1977, the sale of agricultural commodities under section 112 of the Agricultural Trade Development and Assistance Act was also restricted.

In 1984, after a series of hearings before the House Foreign Affairs Committee and the Senate Foreign Relations Committee on the phenomenon of torture, Congress adopted and the President signed a joint resolution on torture. In reaffirming the U.S. abhorrence of the use of torture under any circumstances, the resolution calls upon the Congress to develop concrete mechanism by which the United States can combat the use of torture throughout the world. Specifically, the joint resolution calls for the "enactment and vigorous implementation of laws to reinforce the U.S. policies with respect to torture." Passage of the Torture Victims Protection Act would begin to fulfill that mandate.

The landmark case of *Filartiga* v. *Pena-Irala*, 630 F.2d 876 (2d Cir. 1980), confirmed that official torture is in fact a violation of the law of nations—a universal crime, like piracy, punishable by any nation on behalf of the world community; a status I have urged for the crime of international terrorism. In that case Dr. Joel Filartiga, a Paraguayan living in the United States, brought a tort action against Pena-Irala, a Paraguayan police official visiting the United States, alleging he had kidnaped and tortured to death Filartiga's son in retaliation for the father's political activities. In holding that the court had jurisdiction over this suit, Judge Irving Kauffman reviewed the accepted sources of international law—the usage of nations, judicial opinions and the works of jurists—and concluded that official torture of both aliens and citizens violates the law of nations and raises a cause of action for damages under the Alien Tort Claims Act, 28 U.S.C. section 1350.

Since that holding, several recent decisions have questioned whether this statute provides a clear basis for future suites in U.S. Federal courts. In *Tel-Oren* v. *Libyan Arab Republic*, 726 F2d 774 (D.C. Cir. 1984), for example, the judges dismissed an action brought under section 1350 and noted the lack of clear congressional guidance on the subject.

The legislation I am introducing today, in keeping with the mandate of the torture resolution, seeks to clarify this area of the law. Section 2 of the bill clarifies and expands existing law by clearly establishing a Federal right of action against violators of human rights and authorizing suits by both aliens and U.S. citizens who have been victims of gross human rights abuses.

Significantly, this legislation contains several important limitations. Only persons acting "under actual or apparent state authority" would be liable for damages; the courthouse door would not be opened wide to suits based upon any type of violent international crime. In addition, the courts could decline jurisdiction over such suits if it were shown by "clear and convincing evidence" that the claimant had not exhausted "adequate and available remedies" in the nation where the alleged violations took place. Thus, only a limited number of cases are likely to be adjudicated under the proposed statute each year. The legislation, therefore, would have a minimal effect on the caseload of U.S. Federal courts.

The definition of "torture" contained in the bill is derived from the widely recognized definition contained in the U.N. Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. The United States joined the consensus of other nations from around the world in adopting this Convention.

The definition of "extrajudicial killing" is specifically derived from common Article 3 of the Geneva Conventions of 1949. Several international instruments incorporate the international consensus that the right to life may not be breached by extrajudicial means. See, for example, American Convention on Human Rights, Article 4; European Convention for the Protection of Human Rights and Fundamental Freedoms, Article 2; International Covenant on Civil and Political Rights, Article 6.

While human rights violators seldom present themselves to their victims while in the United States, providing victims of gross human rights abuses access to the courts is of both practical and symbolic importance. This provision would add a new dimension to U.S. human rights policy by serving notice to individuals engaged in human rights violations that the United States strongly condemns such acts and will not shelter human rights violators from being held accountable in appropriate proceedings. The legislation also would encourage other nations to develop and apply meaningful domestic remedies, clearly the most effective deterrent to continued human rights abuses. Finally, the proposed legislation provides individual victims with the possibility, however remote, of obtaining some measure of justice.

This legislation is based on the principle that human rights violations are not an abstract problem upon which the United States can have little effect. This country can and should become a model for other nations by extending practical remedies to victims of human rights abuses.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Torture Victim Protection Act of 1986".

LIABILITY; LIMITATIONS ON REMEDIES

SEC. 2. (a) Every person who, under actual or apparent authority of any foreign nation, subjects any person to torture or extrajudicial killing shall be liable to the party injured or his or her legal representatives in a civil action.

(b) The court shall decline to hear and determine a claim under this section if the defendant establishes that clear and convincing evidence exists that the claimant has not exhausted adequate and available remedies in the place in which the conduct giving rise to the claim occurred. The court shall not infer the application of any statute of limitations or similar period of limitations in an action under this section.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "torture" means any act by which severe pain or suffering (other than pain or suffering arising only from or inherent in, or incidental to, lawful sanctions), whether physical or mental, is intentionally inflicted on a person for such purpose as obtaining from that person or a third person information or a confession, punishing that person for an act that person or a third person has committed or is suspected of having committed, or coercing that person or a third person, or for any reason based on discrimination of any kind; and

(2) the term "extrajudicial killing" means a deliberated killing without previous judgment pronounced by a regularly constituted court affording all the judicial guarantees which are recognized as indispensable by civilized peoples.●

ADDITIONAL COSPONSORS

S. 1300

At the request of Mr. THURMOND, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1300, a bill to provide for antitrust law violators to be subject to individual responsibility for treble the amount of damages attributable to their violations, and to assure fairness in the allocation and award of antitrust damages.

S. 1322

At the request of Mr. HECHT, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1322, a bill to amend the Geothermal Steam Act of 1970.

S. 1542

At the request of Mr. MCCLURE, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 1542, a bill to amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System.

S. 1562

At the request of Mr. GRASSLEY, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of S. 1562, a bill to amend the False Claims Act, and title 18 of the United States Code regarding penalties for false claims, and for other purposes.

S. 1654

At the request of Mr. STEVENS, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1654, a bill to amend title 18, United States Code, to provide for criminal forfeiture of proceeds derived from espionage activities and rewards for informants providing information leading to arrests in espionage cases.

SENATE JOINT RESOLUTION 196

At the request of Mrs. HAWKINS, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of Senate Joint Resolution 196, joint resolution designating September 22, 1986, as "American Business Women's Day."

SENATE JOINT RESOLUTION 244

At the request of Mr. DECONCINI, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of Senate Joint Resolution 244, joint resolution to designate October 8, 1986, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of Senate Joint Resolution 314, joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE JOINT RESOLUTION 322

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Joint Resolution 322, joint resolution to designate December 7, 1986, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor.

SENATE JOINT RESOLUTION 357

At the request of Mr. THURMOND, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of Senate Joint Resolution 357, joint resolution to designate the week of September 15, 1986, through September 21, 1986, as "National Historically Black Colleges Week."

SENATE CONCURRENT RESOLUTION 131

At the request of Mr. HART, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from Tennessee [Mr. GORE], the Senator from South Dakota [Mr. PRESSLER], the Senator from Maryland [Mr. SARBANES], the Senator from Massachusetts [Mr. KERRY], the Senator from Maine [Mr. COHEN], the Senator from Maine [Mr. MITCHELL], the Senator from New Jersey [Mr. BRADLEY], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Concurrent Resolution 131, concurrent resolution expressing the sense of the Congress that the Soviet Union should immediately provide for the release and safe passage of Naum Meiman and Inna Kitrosskaya-Meiman.

SENATE CONCURRENT RESOLUTION 136

At the request of Mr. GRASSLEY, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Concurrent Resolution 136, concurrent resolution entitled "Volunteers Are the Importance of Volunteerism."

SENATE RESOLUTION 297

At the request of Mr. DIXON, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of Senate Resolution 297, resolution to call for an International Congress on Terrorism.

SENATE RESOLUTION 392

At the request of Mr. DECONCINI, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Resolution 392, resolution expressing the sense of the Senate that the people of the Republic of Korea should be allowed to petition for a constitutional amendment to allow for the direct election of their president.

AMENDMENT NO. 1823

At the request of Mrs. KASSEBAUM, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of Amendment No. 1823, intended to be proposed to S. 100, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

AMENDMENT NO. 2022

At the request of Mr. BUMPERS, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. SASSER], the Senator from Kentucky [Mr. FORD], the Senator from Nebraska [Mr. EXON], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Mississippi [Mr. STENNIS], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Ohio [Mr. GLENN], the Senator from Michigan [Mr. LEVIN], the Senator from Massachusetts [Mr. KERRY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. RIEGLE], the Senator from Maryland [Mr. SARBANES], the Senator from Montana [Mr. MELCHER], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of Amendment No. 2022, proposed to H.R. 4515, a bill making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes.

AMENDMENTS SUBMITTED

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1986

JOHNSTON AMENDMENT NO. 2036

Mr. JOHNSTON proposed an amendment, which was subsequently modified, to the bill (H.R. 4515) making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 6, between lines 2 and 3, insert:

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

For an additional amount for State and local payments for costs associated with the distribution of commodities by emergency feeding organizations under the temporary emergency food assistance program in accordance with section 204(c) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note), $2,440,000, to remain available until expended: *Provided*, That such funds shall be derived by transfer from funds previously appropriated or made available to the Secretary of Agriculture, subject to approval of the Committee on Appropriations of the House and Senate; *Provided further*, That such transfer of funds shall be sufficient to reduce by $1,800,000 fiscal year 1986 outlays which otherwise occur in the account or accounts from which such funds are transferred.

GARN (AND OTHERS) AMENDMENT NO. 2037

Mr. GARN (for himself, Mr. ABDNOR, Mr. THURMOND, and Mr. NICKLES) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 39, after line 10, insert the following new paragraph:

Each provision of law amended by Public Law 99-289, is amended by striking out "June 6, 1986" wherever it appears and inserting in lieu thereof "July 25, 1986."

URBAN DEVELOPMENT ACTION GRANTS IMPROVEMENTS

(a) PROJECT QUALITY CRITERIA.—Section 119(d)(1) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting a dash before "(A)";

(2) by indenting subparagraphs (A) and (B) in the same manner as subparagraphs (C) and (D), as inserted by this subsection;

(3) in subparagraph (A), by striking out "as the primary criterion,";

(4) by striking out "and" at the end of subparagraph (B); and

(5) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

"(C) the following other criteria:

"(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

"(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

"(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

"(iv) the extent to which the project will retain jobs that will be lost without the provision of a grant under this section;

"(v) the extent to which the project will relieve the most pressing employment or residential needs of the applicant by—

"(I) reemploying workers in a skill that has recently suffered a sharp increase in unemployment locally;

"(II) retraining recently unemployed residents in new skills;

"(III) providing training to increase the local pool of skilled labor; or

"(IV) producing decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the area of the applicant, except that an application shall be considered to produce housing for low- and moderate-income persons under this clause only if such application proposes that (a) not less than 51 percent of all funds available for the project shall be used for dwelling units and related facilities; and (b) not less than 30 percent of all funds used for dwelling units and related facilities shall be used for dwelling units to be occupied by persons of low and moderate income, or not less than 20 percent of all dwelling units made available to occupancy using such funds shall be occupied by persons of low and moderate income, whichever results in the occupancy of more dwelling units by persons of low and moderate income;

"(vi) the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested;

"(vii) the extent to which State or local government funding or special economic incentives have been committed; and

"(viii) the extent to which the project will have a substantial impact on physical and economic development of the city or urban county, the proposed activities are likely to be accomplished in a timely fashion with the grant amount available, and the city or urban county has demonstrated performance in housing and community development programs; and

"(D) additional consideration for projects with the following characteristics:

"(i) projects to be located within a city or urban county which did not receive a preliminary grant approval under this section during the 12-month period preceding the date on which applications are required to be submitted for the grant competition involved; and

"(ii) twice the amount of the additional consideration provided under clause (i) for projects to be located in cities or urban counties which did not receive a preliminary grant approval during the 24-month period preceding the date on which applications under this section are required to be submitted for the grant competition involved.

If a city or urban county has submitted and has pending more than one application, the additional consideration provided by subparagraph (D) of the preceding sentence shall be available only to the project in such city or urban county which received the highest number of points under subparagraph (C) of such sentence.".

(b) SELECTION LIMITATIONS AND CRITERIA WEIGHT.—Section 119(d) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(3) The Secretary shall award points to each application as follows:

"(A) not more than 35 points on the basis of the criteria referred to in paragraph (1)(A);

"(B) not more than 35 points on the basis of the criteria referred to in paragraph (1)(B);

"(C) not more than 33 points on the basis of the criteria referred to in paragraph (1)(C); and

"(D)(i) additional points on the basis of the criterion referred to in paragraph (1)(D)(i); or

"(ii) 2 additional points on the basis of the criterion referred to in paragraph (1)(D)(ii).

"(4) The Secretary shall distribute grant funds under this section so that to the extent practicable during each funding cycle—

"(A) 65 percent of the funds is first made available utilizing all of the criteria set forth in paragraph (1); and

"(B) 35 percent of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C) and (D) of paragraph (1).

"(5)(A) For each fiscal year, the Secretary shall hold—

"(i) 3 competitions for grants under paragraph (1) for cities not described in the first sentence of subsection (i) (relating to small cities) and urban counties; and

"(ii) 3 competitions for cities described in the first sentence of subsection (i) (relating to small cities).

"(B) Each competition for grants described in any clause of subparagraph (A) shall be for an amount equal to the sum of—

"(i) approximately ⅓ of the funds available for such grants for the fiscal year;

"(ii) any funds available for such grants in any previous competition that are not awarded; and

"(iii) any funds available for such grants in any previous competition that are recaptured.".

(C) ADDITIONAL CONSIDERATION.—Notwithstanding any provision of section 119 of the Housing and Community Development Act of 1974, for purposes of funding decisions made before October 15, 1986, the Secretary of Housing and Urban Development shall give additional consideration, equal to the points otherwise awarded under section 119(d)(1)(C) of the Housing and Community Development Act of 1974, as amended by this section, in the case of a project to be located in a city or urban county to which no grant under section 119 of such Act was made and not terminated since October 15, 1984, if such project has met the criteria for preliminary approval in 3 consecutive funding cycles including the current cycle. If a city or urban county has submitted and has pending more than one application, the additional consideration provided by the preceding sentence shall be available only to the project in such city or urban county which received the largest number of points under section 119(d)(1)(C) of the Housing and Community Development Act of 1974.

(d) USE OF REPAID GRANT FUNDS.—Section 119(f) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "In any case in which the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for economic development activities that are eligible activities under this section or section 104. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with a report acceptable to the Secretary on the use of such funds during the most recent preceding full fiscal year of the applicant.".

(e) NONDISCRIMINATION.—Section 119(r) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(r) In utilizing the discretion of the Secretary when providing assistance and applying selection criteria under this section, the Secretary may not discriminate against applications on the basis of (1) the type of activity involved, whether such activity is primarily housing, industrial, or commercial; or (2) the type of applicant, whether such applicant is a city or urban county.".

(f) REPORTS OF COMPTROLLER GENERAL.—

(1)(A) Not later than the expiration of the 6-month period following the date of enactment of this Act and every 3 years thereafter, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report evaluating the eligibility standards and selection criteria applicable under section 119 of the Housing and Community Development Act of 1974.

(B) Such report shall evaluate in detail the standards and criteria specified in such section that measure the level or comparative degree of economic distress of cities and urban counties and the effect of the grants awarded on the basis of such standards and criteria on stimulating the maximum economic development activity.

(C) Such report shall also evaluate in detail the extent to which the economic and social data utilized by the Secretary in awarding grants under such section is current and accurate, and shall compare the data used by the Secretary with other available data. The Comptroller General shall make recommendations to the Congress on whether or not other data should be collected by the Federal Government in order to fairly and accurately distribute grants under such section based on the level or comparative degree of economic distress. The Comptroller General shall also make recommendations on whether or not existing data should be collected more frequently in order to ensure that timely data is used to evaluate grant applications under such section.

(2) Not later than the expiration of the 3-month period following the date of the final competition for grants for fiscal year 1986 under section 19 of the Housing and Community Development Act of 1974, the Comptroller General of the United States shall prepare and submit to the Congress a comprehensive report describing the effect of the amendments made by this section on—

(A) the targeting of grant funds to cities and urban counties having the highest level or degree of economic distress;

(B) the distribution of grants funds among regions of the United States;

(C) the number and types of projects receiving grants;

(D) the per capita funding levels for each city, urban county, or identifiable community described in subsection (p) of such section 119, receiving assistance under such section 119; and

(E) the stimulation of the maximum economic development activity.

(g) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section. Such regulations shall be published for comment in the Federal Register not later than 60 days after the date of enactment of this Act. The provisions of subsection (d), and of section 119(d)(1)(D), section 119(d)(3), and section 119(d)(4) of the Housing and Community Development Act of 1974, shall take effect on the date of enactment of this Act.

(h) APPLICABILITY.—The amendments made by this section shall be applicable to the making of urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date on which final regulations issued by the Secretary under subsection (h) become effective. For the fiscal year in which the amendments made by this section become applicable, such amendments shall only apply with respect to the aggregate amount awarded for such grants on or after such effective date.

(i) FISCAL YEAR 1986 COMPETITIONS.—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall hold—

(1) 2 competitions for grants under section 119(d)(1) for cities not described in the first sentence of subsection (i) of such section and urban counties; and

(2) 1 competition for such grants for cities described in the first sentence of subsection (1) of such section,

between April 15, 1986, and October 1, 1986.

GRAMM AMENDMENT NO. 2038

Mr. GRAMM proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 70, strike out lines 6 through 9.

JOHNSTON (AND OTHERS) AMENDMENT NO. 2039

Mr. JOHNSTON (for himself, Mr. BENTSEN, Mr. LONG, Mr. BOREN, Mr. STEVENS, Mr. NICKLES, Mr. MURKOWSKI, and Mr. SIMPSON) proposed an amendment to the bill H.R. 4515, supra; as follows:

At the end of the bill, add the following:

SEC. . (a) Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended to read as follows:

"SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.

"(a) The Secretary shall certify a group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) as eligible to apply for adjustment assistance under this chapter if the secretary determines that—

"(1) a significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated,

"(2) sales or production, or both, of such firm or subdivision have decreased absolutely, and

"(3) increases of imports of articles like or competitive with articles—

"(A) which are produced by such workers' firm or appropriate subdivision thereof, or

"(P) for which such workers' firm, or appropriate subdivision thereof, provides essential parts or essential services,

contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

"(b) For purposes of subsection (a)(3)—

"(1) The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

"(2) Natural gas shall be considered to be competitive with crude oil and refined petroleum products.

"(3) Any firm, or subdivision of a firm, which—

"(A) engages in the exploration for oil or natural gas,

"(B) produces or extracts oil or natural gas,

"(C) processes or refines oil or natural gas, or

"(D) provides essential parts, or essential services, to another firm that conducts activities described in any of the preceding subparagraphs and such parts or services are uniquely suited to such activities,

shall be considered to be a firm providing essential services for such oil or natural gas and for the processed or refined products of such oil or natural gas.".

(b) Subsection (c) of section 251 of the Trade Act of 1974 (19 U.S.C. 2341(c)) is amended to read as follows:

"(c)(1) The Secretary shall certify a firm (including any agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that—

"(A) a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated,

"(B) sales or production, or both, of such firm have decreased absolutely, and

"(C) increases of imports of articles like or competitive with articles—

"(i) which are produced by such firm, or

"(ii) for which such firm provides essential parts or essential services,

contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

"(2) For purposes of paragraph (1)(C)—

"(A) the term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

"(B) Natural gas shall be considered to be competitive with crude oil and refined petroleum products.

"(C) Any firm which—

"(i) engages in the exploration for oil or natural gas,

"(ii) produces or extracts oil or natural gas,

"(iii) processes or refines oil or natural gas, or

"(iv) provides essential parts, or essential services, to another firm that conducts activities described in any of the preceding clauses and such parts or services are uniquely suited to such activities,

shall be considered to be a firm providing essential services for such oil or natural gas and for the processed or refined products of such oil or natural gas.".

The provisions of this amendment shall be effective on September 30, 1986.

MATTINGLY (AND NUNN) AMENDMENT NO. 2040

Mr. MATTINGLY (for himself and Mr. NUNN) proposed an amendment to the bill H.R. 4515, supra; as follows:

At the appropriate place in the Bill, add the following new section:

"SEC. . (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall, within funds made available by this Act or any other appropriations Act, release on behalf of the United States the condition described in subsection (b) of this section with respect to the tract of land de-

scribed in subsection (c) of this section: *Provided*, That—

(1) the State of Georgia, acting by and through the Georgia State Properties Commission, enters into an agreement with the Secretary of Agriculture stating that the State of Georgia will convey the described tract of land to Brantley County, Georgia, for consideration determined adequate by the Commission, and which consideration shall, if withdrawn from the account, be used exclusively for public purposes; and

(2) the State of Georgia shall pay into the Treasury of the United States as miscellaneous receipts a sum of money which the Secretary of Agriculture deems is sufficent to reimburse the administrative costs of releasing the condition pursuant to this subsection.

(b) The condition to be released pursuant to subsection (a) of this section is the condition found in that certain deed dated March 30, 1955, which conveys from the United States to the State of Georgia, Georgia Forestry Commission, certain real property in Ware and Brantley Counties, Georgia, and which deed was recorded on May 17, 1955, in the Office of the Secretary of State, State of Georgia, providing that the land conveyed be used for public purposes and that title to said land revert to the United States if it is not used for public purposes.

(c) The parcel of land to which the release provided for in subsection (a) of this section is described as follows:

All that tract or parcel of land, situate, located and being in Land Lot No. 128 in the 9th Land District of Brantley County, Georgia, being 55.04 acres, more or less, and being more particularly described as follows: Beginning at the point where the centerline of the SCL Railroad tracks from Waycross to Brunswick intersects the centerline of that certain Brantley County paved road known as County Road No. 15, and thence N 08 degrees 54' 00" W a distance of 97.72 feet to a point; thence, N 79 degrees 40' 50" E a distance of 40.02 feet to a point; thence, N 79 degrees 40' 50" E a distance of 260.03 feet to a point; thence, N 68 degrees 30' 00" E a distance of 390.0 feet to a point, this point being the point or place of beginning of the tract to be released from the described condition; thence, N 13 degrees 15' 00" W a distance of 701.15 feet to a point; thence, S 73 degrees 10' 00" W a distance of 647.09 feet to a point; thence, N 17 degrees 13' 50" W a distance of 304.91 feet to a point; thence, N 61 degrees 23' 03" E a distance of 2452.76 feet to a point; thence, S 06 degrees 09' 26" E a distance of 275.29 feet to a point; thence, S 07 degrees 17' 36" E a distance of 442.26 feet to a point; thence, S 00 degrees 30' 41" E a distance of 183.67 feet to a point; thence, S 12 degrees 11' 06" E a distance of 160.31 feet to a point; thence, S 05 degrees 13' 46" E a distance of 390.62 feet to a point; thence, S 34 degrees 53' 42" W a distance of 201.01 feet to a point; thence, S 75 degrees 01' 09" W a distance of 1371.18 feet to a point; this point being the point or place of beginning of the tract.

For a more complete description of the tract, reference is hereby made to that certain plat prepared on August 4, 1985, by Harry Strickland, Brantley County Surveyor, entitled "Survey for Brantley County" which plat is on file with the Georgia State Properties Commission.

(d) Section 32(c) of the Bankhead-Jones Farm Tenant Act of 1937, as amended (7 U.S.C. 1011), shall not apply to the release provided for in subsection (a) of this section.

(e) The conveyance made pursuant to subsection (a) of this section shall reserve to the United States all gas, oil, coal and other mineral deposits as may be found in the lands conveyed by this section.

ABDNOR AMENDMENT NO. 2041

Mr. ABDNOR proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 52, between lines 20 and 21, insert the following:

The first sentence of section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "increase the amount" and inserting in lieu thereof the following: "increase in the actual payment to be made pursuant to the amount".

On page 53, beginning with the word "The" in line 3, strike out through the period the first time it appears in line 8.

HOLLINGS AMENDMENT NO. 2042

Mr. HOLLINGS proposed an amendment to the bill H.R. 4515, supra; as follows:

On Page 50 line 23 strike all after "permits" through "1986" on line 25.

STEVENS AMENDMENT NO. 2043

Mr. STEVENS proposed an amendment to the bill H.R. 4515, supra; as follows:

On Page 68, after line 10 insert:

TRANSFER OF FUNDS

For necessary expenses of the Office of Personnel Management in implementing the provisions of the Federal Employees' Retirement System Act of 1986, as authorized by section 207(j) of such Act, not to exceed $2,000,000, to be derived by transfer from the Civil Service Retirement and Disability Fund, to be in addition to funds previously made available to the Office of Personnel Management from such Fund.

WILSON (AND NICKLES) AMENDMENTS NO. 2044

Mr. WILSON (for himself and Mr. NICKLES) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 74, after line 25, insert the following:

SEC. 212. Section 3216(c) of title 39, United States Code, is amended by striking out "(a) or".

WILSON AMENDMENT NO. 2045

Mr. WILSON proposed an amendment to the bill H.R. 4515, supra; as follows:

At the appropriate place, insert the following:

SEC. (A) No member of, or member-elect to, Congress may mail mass mailing as franked mail to any person who has not, prior to the date on which such mass mailing is mailed or delivered to a postal facility, made an oral or written communication to such Member or member-elect.

(B) Subparagraph (A) does not apply to any prepared notice which solely specifies that a Member or member-elect of Congress will be available at a specific time and place to meet with constituents.

(C) The term "mass mailing" is a mass mailing (as defined in Section 3210(a)(6)(E) of title 39, United States Code) which is to be mailed as franked mail.

McCLURE AMENDMENT NOS. 2046 AND 2047

Mr. McCLURE proposed two amendments to the bill H.R. 4515, supra; as follows:

AMENDMENT No. 2046

On page 43 line 25 linetype after "in" through but not including "the"

On page 43 line 26 linetype "$178,750,000" and insert "$201,550,000"

AMENDMENT No. 2047

On page 41, line 14, insert the following before the period:

: *Provided further*, That for expenses necessary to defray the costs of employing additional National Park Service personnel for a period of time not to extend beyond fiscal year 1986, the Secretary of the Interior is authorized to charge park entrance fees for all units of the National Park system of an amount not to exceed $3.00 for a single visit permit as defined in 36 CFR 71.7 (b)(2) and of an amount not to exceed $7.50 for a single visit permit as defined in 36 CFR 71.7 (b)(1): Provided further, That the cost of a Golden Eagle Passport as defined in 36 CFR 71.5 is increased to $40.00 until September 30, 1986: Provided further, That for units of the National Park system where entrance fees are charged the Secretary shall establish a summer season entrance pass for each individual park unit which cost shall not exceed $25.00, and that purchase of such summer season entrance pass for a unit of the National Park system shall relieve the requirement for payment of single visit permits as defined in 36 CFR 71.7 (b): Provided further, That funds derived from increasing National Park Service entrance fees pursuant to this Act shall be credited to the Operation of the National Park System account for the purpose of employing additional personnel at individual units of the National Park system during the months of June through September, 1986, to defray the cost of collection of such entrance fees and to provide for other services made necessary by increased use of the National Park system: *Provided further*, That to the extent practicable, such additional employees shall perform duties which will provide for the general enjoyment, maintenance, enhancement, and future well-being of the National Park System: *Provided further*, That any funds derived from increasing National Park Service entrance fees pursuant to this act shall be allocated only to the unit of the National Park System from which such funds were derived: *Provided further*, That to the extent that the allocation pursuant to the previous proviso exceeds the need of the unit for such funds, such excess funds may be allocated to other units of the National Park System: *Provided further*, That not more than 50 per centum of any funds allocated to a unit of the National Park System from which such funds were derived may be allocated to other units of the National Park System: *Provided further*, That for a period of time not to extend beyond the end of fiscal year 1986, when authorized by the head of the collecting agency, volunteers may sell permits and collect National Park System unit entrance and user fees authorized or established by law, and funds appropriated or otherwise available to the collecting agency shall be available to cover the

cost of any surety bond as may be required of any such volunteer in performing such authorized services.

EXON (AND OTHERS) AMENDMENT NO. 2048

Mr. EXON (for himself, Mr. METZENBAUM, Mr. ABDNOR, Mrs. KASSEBAUM, Mr. ZORINSKY, Mr. HARKIN, Mr. DANFORTH, Mr. EAGLETON, Mr. SIMON, and Mr. PRESSLER) proposed an amendment to the bill H.R. 4515, supra; as follows:

At the end of the bill, add the following:

No funds appropriated or made available under this act shall be expended by the Federal Energy Regulatory Commission to process, promulgate, or implement a final rule under FERC Docket Number RM 86-3-000 (ceiling prices: old gas pricing structure).

ZORINSKY AMENDMENT NO. 2049

Mr. ZORINSKY proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 6, line 10, change the period to a colon and insert the following: "*Provided*, That, during fiscal year 1986, the Corporation shall use not less than $4,000,000 worth of surplus agricultural commodities owned by the Corporation in establishing and carrying out a research and development program on external combustion engines under section 4(m) of the Commodity Credit Corporation Charter Act, as amended by the Food Security Improvements Act of 1986 (Public Law 99-260, approved March 20, 1986).".

ABDNOR (AND OTHERS) AMENDMENT NO. 2050

Mr. ABDNOR (for himself, Mr. ZORINSKY, Mr. BURDICK, Mr. ANDREWS, Mr. FORD, Mr. BOSCHWITZ, and Mr. GRASSLEY) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 9, between lines 17 and 18, insert the following:

INTEREST RATE REDUCTION PROGRAM FOR GUARANTEED FMHA LOANS

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (b)(1)—

(A) by inserting "and" after the semicolon at the end of subparagraph (A);

(B) by striking out subparagraph (B); and

(C) by redesignating subparagrah (C) as subparagraph (B); and

(2) by adding at the end thereof the following new subsections:

"(f) The total outstanding amount of all guaranteed loans made to a borrower that may qualify for interest rate reduction payments under this section may not exceed $300,000.

"(g)(1) Subject to paragraph (2), the Secretary shall permit a borrower of a loan made by a lender to participate in the program established under this section if—

"(A) under the terms of the loan agreement entered into between the borrower and the lender, the borrower is permitted to make a balloon payment not earlier than the seventh year on the loan as provided in current regulations for guaranteed loans;

"(B) the borrower has 110 percent or less of cash-flow position at the time the borrower makes application for assistance under this section, but participation in the program would strengthen his financial position; and

"(C) the borrower and lender otherwise meet the eligibility requirements provided for under current regulations.

"(2) To be eligible to participate in the program in accordance with paragraph (1), the borrower of a loan must—

"(A) provide adequate security for repayment of the loan, as determined by the Secretary; and

"(B) in the case of a loan with a balloon payment due, be required to provide a balloon payment that does not exceed 50 percent of the original amount of the loan.".

KENNEDY AMENDMENT NO. 2051

Mr. KENNEDY proposed an amendment to the bill H.R. 4515, supra; as follows:

At the appropriate place, insert:

Of the approximately $750,000 in savings available from the Great Point Light, Nantucket, Massachusetts project, such sums as necessary shall be applied to the maintenance, sealing and preservation of other lighthouses in the Commonwealth of Massachusetts owned by the Coast Guard.

KENNEDY (AND KERRY) AMENDMENT NO. 2052

Mr. KENNEDY (for himself and Mr. KERRY) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 9, between lines 17 and 18, insert the following:

NUTRITION PROGRAMS

For an additional amount for certain nutrition programs, to be derived by transfer from the Department of Defense appropriation "Research, Development, Test and Evaluation, Defense Agencies", to be merged with this account, $62,000,000, of which—

(1) $52,500,000 shall be made available for grants for congregate nutrition services under subpart 1 of part (c) of the Older Americans Act of 1965 (42 U.S.C. 3030e);

(2) $7,000,000 shall be made available for grants for home delivered nutrition services under subpart 2 of part (c) of such Act (42 U.S.C. 3030f et seq.); and

(3) $2,500,000 shall be made available for grants for community food and nutrition programs under section 681A of the Community Services Block Grant Act (42 U.S.C. 9910a).

MELCHER AMENDMENT NO. 2053

Mr. MELCHER proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 32, strike the period at the end of line 2, and insert in lieu thereof the following: ": *Provided further*, That $1,500,000 of these funds shall be transferred to the 'Agriculture, Nutrition and Rural Development Assistance' account and shall be available for private and voluntary agencies and cooperatives to establish one or more financial intermediaries, the purpose of which shall be to carry out a pilot rural lending program in the Philippines under the authorities of section 1111 of the Food Security Act of 1985 and, for the fiscal year ending September 30, 1986, section 416(b) of the Agricultural Act of 1949: *Provided further*, That of the minimum amounts of eligible commodities required to be made available under section 416(b) during the fiscal year ending September 30, 1986, the Secretary of Agriculture shall make available to the intermediary or intermediaries, to carry out the pilot lending program in accordance with section 108 of the Agricultural Trade Development and Assistance Act of 1954, wheat, dairy products, and other eligible commodities in amounts sufficient to generate, when sold within the Philippines, local currencies in (1) an amount equivalent to $10,000,000 to be used to defray the capitalization and startup costs of such intermediary or intermediaries and (2) an amount necessary to reimburse the United States for costs, including but not limited to transportation expenses, incurred in making the commodities available: *Provided further*, That (1) funds and commodities shall not be made available if the Government of the Philippines requests, in writing, that the rural lending pilot program not be carried out, or (2) the amount of commodities made available shall be reduced if the Government of the Philippines requests, in writing, that the amount of commodities made available be reduced.

"It is the sense of Congress that the pilot rural lending program be funded during each of the fiscal years ending September 30, 1987, 1988, and 1989, with not less than $10,000,000 in foreign currency generated from the sale of commodities under an agreement entered into under section 101(a)(3) of the Agricultural Trade Development and Assistance Act of 1954, with such currency to be used under section 108 of the Agricultural Trade Development and Assistance Act of 1954.

"It is further the sense of Congress that, during the fiscal year ending September 30, 1986, the Secretary of Agriculture—upon the request of eligible private and voluntary agencies and cooperatives—make available for disposition under section 416(b) of the Agricultural Act of 1949 eligible commodities in an amount of not less than $30,000,000 in value for emergency feeding, nutrition, and other assistance programs to be carried out in the Philippines."

DOLE AMENDMENT NO. 2054

Mr. DOLE proposed an amendment to the bill H.R. 4515, supra; as follows:

At the appropriate place in Chapter III of this Act insert the following new section:

"SEC. ( ). Of the funds made available for university research in title IV of the Department of Defense Appropriations Act, 1986, Public Law 99-190, $13,500,000 for Northeastern University in Massachusetts and $11,100,000 for the Rochester Institute of Technology at Rochester, New York, are hereby rescinded."

GRASSLEY AMENDMENT NO. 2055

Mr. GRASSLEY (for himself, Mr. ABDNOR, Mr. SYMMS, Mr. KASTEN, Mr. BUMPERS, Mr. DURENBERGER, and Mr. HARKIN) proposed an amendment to the bill H.R. 4515, supra; as follows:

On page 9, between lines 17 and 18, insert the following:

PAYMENT OF CONRAIL FUNDS FOR AGRICULTURAL PROGRAMS

(a) The Consolidated Rail Corporation, in consideration of and in advance of the exercise by the United States of the authority set forth in section 402 of the Regional Rail Reorganization Act of 1973 to reduce its interest in any debt or preferred stock of the Consolidated Rail Corporation to the interest which attaches to such debt or preferred stock in the event of bankruptcy, substantial sale, or liquidation of the assets of the corporation, and to subordinate such debt or preferred stock to securities issued by the Consolidated Rail Corporation in the future, shall redeem $530,000,000 in principal amount of debentures and, if all of the outstanding debentures will be redeemed, Series A preferred stock from the United States Railway Association. The Consolidated Rail Corporation shall also pay any interest accrued and unpaid on the debentures redeemed.

"(b) The Secretary of Transportation, in her capacity as holder of the government's common shares of Consolidated Railroad Corporation stock or as a director of the United States Railway Association (USRA), the Comptroller General of the United States as a director of USRA, the Chairman of the Interstate Commerce Commission as a director of USRA, and the United States Railway Association, shall vote, consent to, agree to waive, and take whatever other action is required to effectuate the redemptions specified by subsection (a) of this section. Any action necessary to effectuate this section by the Secretary of Transportation, or a director of USRA, or a director of the Consolidated Railroad Corporation is deemed not to be in a personal capacity and shall not give rise to personal liability of such person in connection with such action. If any provision of this section, or the application of that provision to any person or circumstance, is held invalid, the remainder of this section, or the application of the section to persons or circumstances other than those as to which it is held invalid, is not affected thereby."

(c) Upon redemption by the Consolidated Rail Corporation of its debentures and preferred stock, the United States Railway Association shall immediately pay all of the funds received from the Consolidated Rail Corporation to the Treasury of the United States, of which—

(1) $400,000,000 shall be made available to the Secretary of Agriculture to make deficiency payments, not later than September 30, 1986, for the 1986 crop of wheat, feed grains, upland cotton, and rice under sections 107D (c)(1), 105C (c)(1), 103A (c)(1), and 101A (c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3 (c)(1), 1444e (c)(1), 1444-1 (c)(1), and 1441-1 (c)(1)), respectively, to the extent practicable, in the full amounts required under such section; and

"(2) $80,000,000 shall be made available to the Secretary of Agriculture to reduce the amount of the reductions required to be made by the Secretary under section 201(d)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(2)), or under any other provision of law, in the price received by producers for milk produced in the United States and marketed by producers for commercial use; and".

(3) $50,000,000 shall be made available to the Secretary of Agriculture to make operating loans under subtitle B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941 et seq.) during the fiscal year ending September 30, 1996.

PATENT AND TRADEMARK OFFICE AUTHORIZATION

MATHIAS AMEMDMENT NO. 2056

Mr. SIMPSON (for Mr. MATHIAS) proposed an amendment to the bill (H.R. 2434) to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes; as follows:

In section 3(c), strike out "the Patent and Trademark Office" and insert in lieu thereof "Patents and Trademarks".

In section 3(c), before "fee collections;" insert "trademark".

In section 3(c), strike out "patent fee expenditures" and insert in lieu thereof "patent fee collections".

In section 3(c), strike out "trademark fee expenditures" and insert in lieu thereof "trademark fee collections".

In section 5(a)(1), strike out "decision" and insert in lieu thereof "decisions".

In section 5(a)(2), after "decision provided for" insert "in".

In section 5(a)(2), strike out "Each pre" and insert in lieu thereof "Each key".

In section 5(b), before "90" strike out "the".

ACADIA NATIONAL PARK BOUNDARY

WALLOP AMENDMENT NO. 2057

Mr. SIMPSON (for Mr. WALLOP) proposed an amendment to the bill (S. 720) to establish a permanent boundary for the Acadia National Park in the State of Maine, and for other purposes; as follows:

S. 720, as amended, is further amended as follows:

1. On page 13, line 10, strike the phrase "numbered 123-80010, and dated April 1986" and insert "numbered 123-80011, and dated May 1986".

2. On page 18, line 12, strike the phrase "'Schooner Head.'" and insert "'Schooner Head', which is outside the boundary of the Park."

3. On page 20, line 17, strike "(4)" and insert "(4)(A)".

On page 20, after line 22, insert the following new paragraph:

"(B) The conveyance of any such interest in land in accordance with this subsection shall be deemed to further a Federal conservation policy and yield a significant public benefit for purposes of section 170(h) of the Internal Revenue Code of 1954."

NOTICES OF HEARINGS

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. ROTH. Mr. President, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs will hold a hearing on Bank Secrecy Act Enforcement.

The hearing will be held on Thursday, June 12, 1986, at 10 a.m. in Senate Dirksen 342. For further information, please contact Daniel Rinzel of the subcommittee staff at 224-3721.

ADDITIONAL STATEMENTS

A BILL TO OUTLAW CERTAIN FIREARMS

● Mr. CHAFEE. I am pleased to join with my distinguished colleagues, Senators KASSEBAUM and DANFORTH, as a cosponsor of S. 2401, which would outlaw guns that are not readily detectable as a firearm by the standard security equipment used at U.S. airports.

This legislation will buy the time to close a dangerous gap that modern technology has opened between our ability to manufacture firearms and our ability to detect them. Gun manufacturers are now able to produce nonmetallic, or plastic firearms that could slip undetected through the metal detectors and x-ray machines in use at most airports. While the FAA and the Customs Service are actively working to develop screening devices that could detect this new generation of firearms, it may be as long as 2 years before they are available for use. In the meantime, no law prevents the manufacture, import, or marketing of nonmetallic guns in the United States. Our fear, of course, is that a terrorist or a madman will take advantage of this loophole to carry a weapon onboard a passenger plane.

The legislation is simple and clear. It would make it unlawful for any person to manufacture, distribute, or import into the United States any firearm that the Secretary of the Treasury, in consultation with the Administrator of the FAA, determines is not readily detectable as a firearm by the standard security equipment commonly in use at airports in the United States.

The intent of the bill is not to control guns; it is to deny terrorists a new weapon. The law would not impinge in the slightest on traditional metal guns. Even plastic guns would be permissible provided they are modified so that they would be detectable by standard security equipment.

A wide variety of distinguished organizations concerned about terrorism have endorsed this legislation.

Among them are: The Air Transport Association, the Fraternal Order of Police, the Airline Pilots Association, the Federal Law Enforcement Officers Association, and the U.S. Conference of Mayors.

Technology has opened a gap in our antiterrorism laws that must be closed before tragedy occurs. We all know too well what terrible harm a terrorist can inflict with a loaded pistol. That is why I call on my colleagues to support this legislation and to act quickly.●

SOMETIMES WE WIN ONE

● Mr. MURKOWSKI. Mr. President, I am pleased to report that the last of

200 Montagnard have been safely moved away from the Cambodian border. For these particular refugees, movement to safety was a long time coming and much deserved.

During the Vietnam war, the Montagnards were among our most loyal supporters, fighting the Communists in Vietnam and Cambodia. They had a close association with the American military, particularly the Green Berets and the Marines. After Saigon fell, the Montagnards continued the fight on their own. During the past 5 years, the Montagnard tribesmen were repeatedly attacked by the Vietnamese and the Communist Cambodian regime supported by Vietnam.

Over a year ago, 2,000 Montagnards—led by their high school principal—began a long march to freedom. From the central highlands of Vietnam they fought their way over Cambodia to a refugee camp in Thailand. Of the 2,000 who began the journey only 192 survived the ordeal.

In January, while leading a fact-finding mission on the MIA/POW issue to Thailand with Representative MICHAEL BILIRAKIS, the plight of our most loyal allies was brought to my attention. They were living in a refugee camp 1 kilometer from the border. Vietnamese troops could literally look down from the nearby mountaintop on their former enemies.

Mr. President, Vietnamese troops cannot harass or endanger the Montagnards anymore. I am pleased to announce that all 192 have been accepted for resettlement in the United States. after medical examinations in their camp in Thailand, they will receive training in English and cultural orientation for 6 months preceeding their move to the United States.

The Montagnards were persecuted by the Vietnamese because of their loyality to the United States during the Vietnam war. Their dedication to us during the war and the extreme danger they faced makes them deserving of the chance to begin a new life in the United States.

Mr. President, the success of this effort came about through the efforts of a number of people who should be commended. Representative MICHAEL BILIRAKIS of Florida who joined the fight early and stayed the course; Mr. John Crowley of the International Rescue Committee in Bangkok who brought this to my attention; Attorney General Edwin Meese and his INS District Director in Bongkok, John Schroeder; Ambassador William Brown and his Counselor for Refugee Affairs Lacy Wright in Bangkok; finally, I would like to commend former National Security Advisor William P. Clark and former California Lieutenant Governor John Harmer for their diligent efforts on behalf of the Montagnards.

It is heartening to know that a group of people who fought for so long and so hard against communism will finally find peace in a new home. Sometimes, Mr. President, we win one.●

FRED SCRIBNER

● Mr. COHEN. Mr. President, it gives me great pleasure to bring to the attention of the Senate an article about a prominent Maine citizen and good friend of mine, Fred Scribner.

Fred Scribner, now 78 years old, has been an icon in the fields of politics, law, and religion in Maine for many years. His service to his country, his profession and his faith is detailed in a well-written article by Maine columnist Bill Caldwell, and I commend the article to the attention of my colleagues.

Fred has been a selfless man, offering encouragement to young lawyers and would-be elected officials. When I ran for Congress back in 1972, Fred was generous with his time and advice, and I know he has provided invaluable counsel to a great many others.

I ask that the article be printed in the RECORD.

The article follows:

[From the Maine Telegram, June 1, 1986]

MAN OF TWO WORLDS—HOMETOWN BOY, BIG-TIME LAWYER

(By Bill Caldwell)

Fred Scribner is 78 now and a Portland patriarch: the good and grand old man of the GOP, the Episcopal church and the lawyers of Maine.

Well, maybe of the nation. As a Republican, Scribner has wielded the deciding power, as parliamentarian and general counsel, at more presidential nominating conventions of the Republican party than any man. As a churchman, Scribner served as chancellor of the Episcopal diocese of Maine and was 12 times elected delegate from Maine to national church conventions. As a lawyer, Scribner has been president of the American Bar Association and in Maine helped his law firm grow from five lawyers and three secretaries to the biggest law firm north of Boston, with 70 lawyers, 12 paralegals and 100 in supporting staff.

Along the way, Scribner also held national political office. Under his friend President Eisenhower, Scribner was successively general counsel, assistant secretary and finally undersecretary of the Treasury—No. 2 man in the No. 2 department, second only to the State Department in the federal government.

And Fred Scribner, Portland citizen, has done the ordinary good chores too—Boy Scout leader and church vestryman; as a husband (in 1935 he married a girl from his Portland neighborhood, Barbara Curtis Merrill) and the father of three sons. In the course of it all, Scribner became very well-to-do financially too.

After all that, most sensible men would be long retired at age 78. But not Scribner. He is at his law office daily at One Monument Square. And despite all the high positions and big successes, Scribner is an unpretentious companion, a comfortable old-shoe of a man.

As we went to lunch he said, "I don't belong to any of those fancy Portland clubs. Want to go to the Chinese place or to Reidy's?"

We set out walking to "the Chinese place," with Scribner using a black cane, more for insurance than support. A major illness and long hospitalization last year seem to have left only the cane as a visible after-effect. Eating Chinese vegetables, Scribner looks so benign with his round face, jowls and moon-shaped gold glasses, it's hard to match this amiable, smiling patriach with the fierce jobs he has filled.

From his desk at Treasury, Scribner had control of the Internal Revenue Service for four years; supervised the Secret Service; the alcohol, drug and firearm operations of Treasury; the U.S. Customs and the Bureau of Engraving, which prints all our money. He sat in White House meetings of the National Security Council and thus was privy to the nation's highest secrets.

He's been offered—and refused—chairmanship of the national Republican Party. When Eisenhower said at a news conference that there were a dozen Republicans who'd make good presidential candidates to succeed him, the White House press corps immediately drew up their lists. Three names were on all if them: Nixon, Rockefeller and Scribner.

Now he talks about the law, politics and the church.

The law: "When I started, no Maine lawyer was rich from the law. Leonard Pierce, one of the great lawyers, said my earnings would never top $25,000, but I might make judge. That was in 1940. There were not more than six real legal partnerships in Maine then.

"When Horace Hildreth was governor of Maine, there were not enough lawyers in Waldo County to fill the vacancies for judge of probate and registrar of deeds. Now everything involves litigation, and Portland has more lawyers per capita than any city except Washington. But in my early days, there was no Maine income tax, no sales tax and the federal income tax was simple. . . ."

Politics: "I started early and local. Three years out of Harvard Law School, I was chairman of the Portland Republican City Committee and worked up slowly through local and state ranks . . . . It helps when you go to Washington to have been trained at the local organization level of party politics. You learn lots about people and problem-solving at the local level. A lot of Cabinet appointments suffer greatly because the appointees lack that experience. They think they can run a government department like a business. They can't. The methods are very different. In politics, you can't command. You have to persuade and compromise. Lots of people, very successful in business, fail in high political posts because they don't know how to persuade and compromise in order to get results. That's true of many government bureaucrats too.

"When I was running the IRS I had agents who went 100 percent by the regulations, by the book, without common-sense compromises. They wanted to arrest the hero Sergeant York from Tennessee and seize his car because he was behind on his income tax!"

The church: Scribner sees a parallel between the rise in fundamentalist churches and the rise in individuals in politics; a similarity between the decline in established religion and the decline in organized political parties.

"People seem disenchanted in organized churches—Episcopal, Catholic, Greek Orthodox and so on. They see too much emphasis on doctrines and theological jealousy and too little on personal feeling toward the teachings and power of Jesus. So they welcome the fundamentalists.

"But the difficulty is that fundamentalist leaders develop more and more of a personal following—and then they die or move away or their clay feet show—for instance, Buddy Frankland in Bangor. That can leave their followers in the lurch."

After lunch, we walk in the sunshine. Scribner seems to be the friend of everyone on the sidewalks and roads. I think it may be because Scribner at 78 has a lot of Scribner at 24. Behind the Cabinet level politician there is still the local organization man; behind the man on the National Council of the Boy Scouts, there is still the troop leader; behind the partner in a huge law firm is still the young lawyer who had a desk in the bullpen; behind the prestigious church leader, there is still the vestryman passing the plate in this local church.

Success has not spoiled Fred Scribner; it has sweetened him.●

MESSAGE TO MEXICO

● Mrs. HAWKINS. Mr. President, over the last several weeks Mexico's dramatic role as a key exporter of illegal drugs into the United States has become part of the public record. This issue has generated considerable controversy. Once again we set those who do not view illegal narcotics trafficking as a legitimate foreign policy issue coming out of the woodwork to criticize the open discussion of Mexico's role in this ugly business.

Out of all this hubbub has come a few well-considered thoughts. One of these was expressed by Philip Geyelin on the May 29, 1986 Op-Ed page of the Washington Post.

Mr. President, I commend this article to the attention of my colleagues, and ask that the article be printed in the RECORD.

The article follows:

MESSAGE TO MEXICO

First the U.S. Customs commissioner and an assistant secretary of state whacked the Mexicans for their inability to control their end of drug trafficking to the United States. Then a wrathful Mexican government whacked back. Whereupon the two administration officials were blind-sided by an unlikely authority on administration foreign policy, Attorney General Edwin Meese.

It was an unseemly slap-fest. But it was also an explosion waiting to happen. Perhaps both governments can now sit down in the spirit of thanks-I-needed-that and face the magnitude of the problem.

To the extent that the export of illegal drugs is countenanced as a consequence of official corruption, it has at least something in common with state-supported terrorism. It is just as lethal, in ways impossible to quantify (death by overdosing; drugged-driving accidents; drug-related crimes of violence). But you don't need to quantify precisely to know (a) that Mexico is our largest supplier of illegal drugs of all kinds and (b) that far more Americans die either directly or indirectly at the hands of illegal drugs than at the hands of international terrorism (a total of 23 terrorist-related deaths last year).

The difference, of course, is that drug trafficking would dry up without a market. "It's your problem," the Mexicans keep telling U.S. authorities. In theory, they're right. In practice, our own experience with Prohibition is a reminder of the difficulty of stamping out chemical dependency.

The point is not that the U.S. government couldn't do better. It's that the Mexican problem is overwhelming. A decade ago, the Mexicans seemed to be winning the war against illegal drugs. But the tide turned during the last five years when Mexico's oil bonanza collapsed, its economy crumbled and improverished peasant farmers turned to the lucrative business of growing poppies and marijuana.

Almost overnight, illegal drugs have come to constitute what may be Mexico's biggest business, presided over by wealthy drug lords, aided and abetted by corrupt government officials. Result: drug-enforcement officials rate Mexico as the largest supplier of heroin to the United States, a close second to Colombia as a supplier of marijuana, and a conduit for perhaps one-third of the cocaine moving north from South America.

Like terrorism, this deadly threat may be controllable to some extent by security measures. But it is dealt with most effectively at the source. And unlike the U.S. efforts to stamp out the markets, the efforts of the Mexican government to deal with the source are so shot through with official connivance that even an intensified U.S. drug-enforcement effort could not be expected to have a decisive effect.

There lies the value, such as it may be, of the Reagan administration's retaliatory diplomatic strike. At the very least, the Mexicans can no longer doubt that some responsible officials in the U.S. government and influential members of Congress are up and ready to go public with a case they have been making with increasing vigor but with somewhat more discretion for some time.

There was no blurring of the gut question when U.S. Customs Commissioner Willian von Raab and Assistant Secretary of State for Interamerican Affairs Elliott Abrams testified before the Senate Foreign Relations Subcommittee on Western Hemisphere Affairs two weeks ago. Von Raab spoke of "an ingrained corruption in the Mexican law-enforcement establishment," He said it was "massive . . . all the way up and down the ladder." Abrams said he was aware that the Mexicans would be "angered by this kind of discussion in public [but] they have got to get organized to stop this before it gets too late."

That the administration's performance was calculated for its shock effect is confirmed by the appearance of the same two officials at a closed-door session of the Foreign Relations subcommittee the previous day. The chairman is North Carolina's Jesse Helms, who is not exactly a bellwether of public or congressional concerns. But the full committee's chairman, Richard Lugar, was sitting in, and in no way surprised by what von Raab and Abrams later said publicly. "They had already rehearsed the testimony," says Lugar, and he had to "presume" that they were speaking in a "thoughtful, diplomatic way."

The two witnesses were also speaking in full knowledge of the Mexican government's efforts to pressure Helms into canceling the public testimony. As Helms tells it, he received "three or four calls" from the Mexican Embassy warning that a public hearing would "fracture relations—that this is too sensitive." Sure enough, the Mexican foreign ministry replied to the administration blast with a formal protest: Mexico "categorially rejects the accusations and calumnies" and demands an explanation for this "libelous" interventionism.

Good. What's needed is plain talk from both sides. One way or another Mexico has to be persuaded that corruption and/or indifference on the part of Mexican authorities is increasingly going to be taken by the United States as an unfriendly—if not hostile—act.●

DR. JOHN BRADEMAS

● Mr. MOYNIHAN. Mr. President, Dr. John Brademas needs no introduction in this body. A distinguished Member of the House for 24 years, and president of New York University for the last 5, he is a man remarkable both for his personal successes and his outstanding record of service to this Nation. Indeed, John Brademas is one of that rare genus of men of whom it will one day be said: The world is a far better place for his having been in it.

John recently testified before the House Ways and Means Committee on a subject of considerable importance to the future of higher education: The tax treatment of university provided faculty housing. I share John's interest in this matter, and have worked closely with him and the Treasury Department over the past few years to devise a fair tax rule. With BOB PACKWOOD's help, we were able to include this rule in the Senate tax reform bill and now seek to persuade the House of its merit. It is this case that John took before the Ways and Means Committee, with his customary force and clarity.

Mr. President, I am proud to call John Brademas a friend, and even more proud to be among those he calls friends. I urge my colleagues to take a few minutes to consider his thoughts on this matter, and ask that his testimony before the Ways and Means Committee be printed in the RECORD.

The statement follows:

TESTIMONY OF DR. JOHN BRADEMAS, PRESIDENT, NEW YORK UNIVERSITY

INTRODUCTORY REMARKS

Mr. Chairman and members of the Subcommittee, I should like at the outset of my testimony to extend a warm greeting to the distinguished Chairman, Congressman Charles Rangel. A former colleague of mine in *this* institution, a devoted alumnus of the institution I *now* lead, and a fellow New Yorker who so ably represents the people of his district and state—Charlie Rangel has fashioned an impressive record of leadership in this Committee, and indeed, in this body, and I always welcome the opportunity publicly to salute him.

I want also to greet other members of the Subcommittee, with most of whom I served in this body.

Indeed, it is a source of great pleasure for me to return to Washington and to the House which was my home for twenty-two years. Throughout that time, as my former

colleagues know, I served on the Committee on Education and Labor and, if you will allow me to say so, I continue to take pride in having played a part in shaping the policies of our national government in support of education and other areas of American life.

Now for nearly five years I have had the privilege of serving as president of New York University, one of the foremost urban universities in the nation and, with almost 47,000 students enrolled in 14 schools and colleges, one of the largest private universities in the world.

My years at NYU have coincided with a time of challenge for higher education generally and for private college and universities in particular.

I have, therefore, been greatly heartened to see over the last few years a renaissance of Capitol Hill of the bipartisan coalition in support of higher education that characterized all my time in Congress. Both Democrats and Republicans in both the House of Representatives and the Senate have by their voices and their votes indicated their awareness of how crucial to the economic strength of our country, the security of our nation and the quality of life of the American people is a vigorous and vibrant system of colleges and universities.

TAXATION OF FACULTY HOUSING: BACKGROUND

It is in this context that I address the issue which brings me before you this morning: the tax treatment of faculty housing. For here we have one of several areas in which colleges and universities face a threat that is unwarranted, unfair and, to my mind, potentially were damaging to their fundamental missions: teaching, scholarship and research.

The history of this issue is familiar to all of you. In 1982, the Internal Revenue Service signalled its intention, based on its interpretation of the tax code, to subject college and university faculty living in on-campus housing provided by employer educational institutions to income taxation to the extent that the actual rents paid by such faculty were exceeded by what the IRS calls "fair market" rental rates.

The IRS position was that the difference between a rent charged a faculty member and the hypothesized rent that could be obtained if the educational institution chose to rent its housing to the general public constituted "income" to the faculty member.

The IRS further announced that such income would also constitute "wages" on which the employer institutions must withhold taxes.

Various tax measures approved by Congress over the last several years have contained a "moratorium" prohibiting the IRS from implementing changes involving taxation of faculty housing and giving the universities, the Treasury Department and Congress time to consider this matter and work out a reasonable and equitable solution.

THE CASE AGAINST TAXATION OF FACULTY HOUSING

Simply put, the taxation of faculty members on the difference between so-called "fair market" rents and the actual rents they pay to a college or university would deal a devastating blow to urban institutions like NYU. The arguments against such a practice are several and, I believe, persuasive.

First, the notion of *taxing* faculty housing rests on two distinct yet related presumptions, both of which are open to question.

Imposing such an added tax burden on certain members of a university faculty presumes that the housing provided by a university to its faculty is solely of benefit to the employee. This is not true.

The benefits of providing faculty housing extend to the entire educational enterprise by enabling the college or university to attract and retain a *resident* faculty and workforce to serve the needs of the institution. A resident faculty available for consultation and advisement with students and involved in the life of the institution, is a crucial component in the activities of teaching and learning. If we are to take seriously our lofty words about the importance of creating a vibrant intellectual community on our nation's campuses, we must look to the real-life issues this goal involves.

A second presumption underlying the taxation of faculty housing is that, in providing housing, a university subsidizes its resident faculty, that is to say, that a university loses money in providing housing for its faculty. Again, this is not true, certainly not at New York University.

NYU fully recovers through the rents it charges, the operating costs of its housing facilities. In fact, the rentals charged at NYU could not, by any stretch of the imagination be considered low; they commonly fall in the range of $600 to $1,000 per month, depending on the size of the unit.

These prices reflect the high costs of construction, maintenance and other services involved in providing housing in New York City.

New York University, moreover, does not consider the housing it rents to its faculty as income. Let me make clear that those faculty members who do *not* live in NYU-owned housing do *not* receive any additional income or benefit as offsetting compensation. Neither is housing offered in lieu of salary. Faculty and staff who apply for university housing are placed on a waiting list and assignments made as apartments become available.

There are other reasons to oppose taxation of faculty housing.

First, let us look at the group of people who would be most affected by this change. Faculty members at colleges and universities are not, compared to other professionals with similar skills and responsibilities, highly compensated. Yet who would deny that college and university teachers perform work of the highest value to the nation: the discovery and transmission of new knowledge, and the training of the next generation of scholars and researchers.

To place an added tax burden on college and university faculty could discourage entry by talented young people into academics—a trend already causing concern among leaders of American higher education—or force them to forego job opportunities in urban areas where housing is in short supply and extremely expensive.

In this respect I should also note that many of the tenants of university-owned faculty housing are instructors and researchers, who are pursuing advanced degrees often at substantial financial hardship. National tax policy should encourage, not discourage, pursuit of graduate studies and research. If taxation of faculty housing holds damaging consequences for the academic profession, it would also work great hardships on the colleges and universities themselves.

In urban areas like New York City, educational institutions like NYU have labored, at great financial cost, to construct, renovate and maintain adequate facilities including housing. This investment has in many instances helped enhance entire urban neighborhoods. Greenwich Village is today considered one of the most desirable and safe communities in New York City largely because of the presence of New York University. To place a tax on university-owned rental housing would penalize the very institutions which have contributed most significantly to the revitalization of urban areas.

Taxation of faculty housing would ultimately force colleges and universities which own housing in high rent areas to operate such housing not for academic purposes, but for commercial profit, that is, to rent housing to persons not affiliated with the institutions who could afford higher rents. But colleges and universities like NYU are not in the real estate business; they are non-profit, public purpose educational institutions.

There is a final set of reasons to oppose taxation of faculty housing, and that is the sheer unworkability of the scheme in the context of a city like New York.

How does one arrive at a "fair market" figure in a city where rent control and rent stabilization laws have resulted in a crazy-quilt pattern of housing values?

In New York City, I should point out, apartments in the same building may draw different rents depending on the floor on which they are located.

In New York City, and particularly in Manhattan, only a small proportion of the rental housing stock is subject to "fair market" or "free market" rents. The great majority of housing units is either rent controlled, rent stabilized, has been converted to condominiums or cooperatives or is operated by the goverment as public housing. The remaining apartments are typically newly constructed luxury units for which rents are extremely high, in the range of $2,000 per month for a 2-bedroom unit.

Is it fair to accept this last type of apartment as a "free market" standard for determining the rent to be charged to faculty at non-profit institutions?

Let me underscore this point: The housing that New York University operates is neither new nor luxurious, yet a typical 2-bedroom apartment in NYU housing rents for $700 a month. If all types of rentals are taken into account, the *average* rent for a comparable apartment in New York City is $400 per month.

TAXATION OF FACULTY HOUSING: THE SOLUTION

Although my colleagues and I at New York University have long opposed the taxation of faculty housing, we do recognize the responsibility of Congress to protect against possible abuses. Therefore, during the moratorium period, we at New York University have worked closely with the Treasury Department and members of Congress to arrive at a standard of taxation that is both fair and workable. We believe we have devised such a standard.

Under the proposal we are recommended, a faculty member would not be subject to additional taxation for his or her university-owned housing if *either* of two conditions is met: 1) if the annual rent charged for the unit is equal to at least five percent of the appraised value of that unit; *or* 2) if the rent charged to a faculty member is at least the average rent charged in comparable units owned by the university but rented to tenants who are *not* affiliated with the institution.

This standard seeks to assure that faculty are not subjected to additional taxation on

account of their housing if the university is charging them a reasonable rent, as determined *either* by the relationship between rent and appraised value of the unit *or* by the fact that the university charges nonaffiliates the same rent it charges persons employed by the institution.

This standard, I am pleased to report, has been endorsed pubicly and repeatedy by the Department of the Treasury during several congressional mark-up and conference sessions. And this standard has also been incorporated in legislative proposals on three separate occasions:

1. In the Senate-approved Consolidated Omnibus Budget Reconciliation Act (S. 1730) (passed by the Senate on November 14, 1985 by a vote of 93–6);

2. In the original extender bill reported by the House Ways and Means Committee in December, 1985; and

3. In the draft tax reform proposal offered on March 18, 1986 by Chairman Packwood of the Senate Finance Committee and contained in the bill reported unanimously on May 7, 1986 by that Committee.

I should like at this point to thank Deputy Secretary of the Treasury, Roger Mentz for his outstanding effort to work with us to reach what we consider an equitable approach.

Mr. Chairman, I urge the distinguished members of this Subcommittee to support the standard I have this morning described. The standard is relatively easy to administer, will settle a prolonged and unnecessary dispute between the Federal government and the nation's colleges and universities; and, most important of all, is reasonable and fair.●

TERRORISM IS NEITHER NEW NOR GROWING

● Mr. MATHIAS. Mr. President, I recommend to my colleagues a recent article in the Outlook section of the Washington Post. Written by the Outlook editor, David Ignatius, it cites some interesting statistics and makes some important points about our perceptions of this problem. In the belief that the article deserves broad circulation as our debate on this complex problem continues, I ask that it be printed in the RECORD.

The article follows:

TERRORISM BY THE NUMBERS: THE THREAT HAS CHANGED LESS THAN OUR PERCEPTIONS OF IT

(By David Ignatius)

Terrorism, hardly a sudden crisis of the mid-1980s, has been a fact of life for decades. The situation certainly isn't getting any better, but it isn't getting much worse, either. Tough antiterrorism measures may help curb the problem, but probably not very long or very much.

That's the analytical picture that emerges from statistics on terrorism compiled by the State Department's Office for Counter-Terrorism and Emergency Planning and the Federal Aviation Administration. The good news is that the United States isn't facing a new or unique threat from terrorism; the bad news is that terrorism is a serious problem and is likely to remain so as long as there are people in the world with grievances and access to weapons.

The statistics don't capture some changes, like the growing sponsorship of terrorism by such nations as Libya, Syria and Iran. But it's likely that the most profound change isn't in the nature or frequency of terrorism, but in our perception of it. Thanks largely to television, the terrorism war has entered our living rooms.

Consider some of the surprising statistical findings:

The terrorism danger to Americans hasn't increased significantly compared to the early 1970s. More Americans died in terrorist incidents in 1974 (42) than last year (23), and more Americans died in 1972 (23) than in 1984 (11), according to the State Department statistics.

The Middle East isn't the leading venue for terrorist attacks involving Americans; the real hotspots are Latin America and Europe. There were 369 terrorism incidents involving Americans in Latin America from 1980 to 1985 and 458 in western Europe, compared with only 84 in the Middle East. Moreover, in all but three of the past 18 years, Latin America had more terrorism incidents involving Americans than the Middle East; Europe had more such incidents than the Middle East every year but one. (The geographical lines are blurred, to be sure, by the fact that a Libyan terrorist can operate as easily in Paris as in Cairo.)

American diplomats and military personnel aren't the main targets of terrorists; businessmen are. From 1981 to 1985, there were more attacks each year against U.S. business representatives than diplomats. In every year but one during that period, there were more incidents involving American business people than military personnel.

Bomb explosions aboard commercial aircraft aren't a new problem; they have been a continuous danger since the advent of international air travel. Indeed, FAA statistics show that the threat of mid-air explosions has been declining slightly in recent years, FAA statistics show that during the 1970s, there were 44 incidents in which bombs exploded aboard airplanes; from 1980 to 1984, there were only 11 such incidents. The death toll from such bombings during the 1970s was 650; the death toll from 1980 through 1984 was 115.

The number of international terrorist bombings around the world has been fairly constant over the past 18 years. There were 404 bombings last year, according to the State Department—high, but still less than the 452 recorded in 1972. In every year since 1969, there have been at least 120 terrorist bombings, and in most of those years there have been over 200 bombings.

Terrorism takes a much higher toll among non-Americans than Americans. Last year, international terrorism produced 2.223 casualties, of which only 162 were Americans. During the last five years, Americans have accounted for less than 10 percent of the total 7,260 casualties attributable to international terrorism.

The State Department statistics on "international" terrorism include only incidents that involve citizens or territory of more than one country. Thus, they don't measure the growth of strictly internal political violence. A broader calculation used by Risks International Inc., a consulting group based in Alexandria, Va., shows a steeper increase in terrorism, from 293 incidents in 1970 to 3,525 in 1984. But even their numbers show a slight drop last year, to 3,010.

The statistics paint a depressing picture of the havoc wrought by terrorists and the diversity of causes invoked by them. The numbers also show that while Mideast terrorism has tended to get the headlines over the past two decades, the terrorism problem is global.

Take the problem of aircraft explosions. The FAA has recorded 80 such incidents aboard commercial aircraft since 1949. The nationality of the aircraft that were bombed gives some idea of the range of asserted causes: 22 American planes, eight from the Phillipines, six French, four British, four from South Vietnam, two from South Yemen, two from India, two from Ethiopia, two from Switzerland, and so on.

A State Department report titled "Patterns of Global Terrorism: 1984," tells the same story of a world bursting with terrorist grievances, some of them dating back centuries. A chronology of "significant terrorist events" for that year lists 47 incidents; of this total, 19 incidents in Europe and the Mideast appeared to involve Arab terrorists. The rest represented the range of global extremism: Irish provos, Spanish antifacists, Namibian guerrillas, Peruvian leftists, Indian Sikhs, Belgian communists and Sri Lankan separatists.

If this mass of statistical evidence offers any lesson, it's that the United States shouldn't look for any quick fixes to the terrorism problem. We may succeed, through good intelligence and a policy of reprisal, in putting out today's terrorism fire in Libya or Iran, and that's all to the good.

But recent history teaches that the fire is likely to erupt somewhere else before long. And in this long and frustrating struggle, the best weapons are likely to patience, resolve and commonsense.●

SALT TREATY LIMITS

● Mr. DANFORTH. Mr. President, I support the continued observance of the limits contained in the SALT II Treaty.

President Reagan and members of his Cabinet have made clear that this administration considers the SALT II Treaty a dead letter. Sometime next fall, the United States will equip its 131st B–52 bomber with cruise missiles. That bomber will put us over a SALT II ceiling on ballistic missiles and long-range bombers. Unless the Soviet Union radically alters its nuclear arms policies, the President has announced that he will not make the offsets required to remain in compliance with the treaty. Such an action would have dangerous implications both for our military security and for our political stance in the world. There are more effective ways to respond to Soviet violations than the wholesale scrapping of SALT.

It is also important, however, to point out that the United States has not yet violated this agreement. At the same time he made that announcement, President Reagan also ordered the dismantling of two Poseidon submarines as the Trident sub U.S.S. *Nebraska* first went to sea, thus avoiding a violation of the ceiling on launchers of MIRV'ed ballistic missiles. The United States and the Soviet Union both still have the opportunity to address areas of concern and to avoid the pitfalls that simply scuttling the treaty would create.

Chief among these concerns is the Soviet record of noncompliance with these and other agreements. The United States cannot allow Soviet violations to erode the intent and aims of these treaties. I commend President Reagan for his strenuous efforts to bring Soviet behavior into line with the letter of the agreements they have signed.

These violations, however, do not yet merit the abandonment of SALT II. It remains in our national interest to resolve these differences rather than to scrap the whole process altogether.

Abandoning the SALT II Treaty would leave us with no restrictions on the arms race. Both the United States and the Soviet Union have been required by the treaty to dismantle older nuclear weapons as certain newer weapons are deployed. The value of compliance with this requirement by both sides should not be dismissed. The Soviet Union, for example, has retired over 800 SS-9 and SS-11 intercontinental ballistic missiles as they were replaced by newer missiles. Later this year, the Soviets are expected to begin deployment of the SS-24 missile, replacing SS-17's. If the United States has scrapped the treaty, however, the Soviets will be under no obligation to retire those older missiles.

The military benefits to the United States of exceeding the limits are marginal. In contrast, the military threats that the abandonment of these limits could generate are great indeed. The Soviet Union is in a much better position to exploit an open competition. The Soviets have four open production lines for ballistic missiles compared to our one. They have excess lift capacity on their large ICBM's, which would enable them to add thousands of deliverable warheads without increasing the size of their missile force. Such an increase would pose severe threats to the survivability of certain of our strategic forces and even greater threats to crisis stability. It would also further complicate the already difficult pursuit of strategic defensive weaons.

President Reagan has indicated that the United States will not exceed the number of strategic nuclear delivery vehicles or strategic ballistic missile warheads deloyed by the Soviet Union. In effect, this approach attempts to define equaliy of nuclear forces through symmetry. Such a policy ignores the history of the development of nuclear forces and of efforts to control them. United States and Soviet forces are not symmetrical. The Soviets, for example, rely much more heavily on land-based missiles than the United States. For our own reasons, we have emphasized the development of submarine missiles and our bomber force. If we were simply to take the larger number of forces deployed by either the Soviet Union or the United States in each area of strategic weaponry, cap it and allow the other side to build to that level, we would allow a vast growth in nuclear weapons without any meaningful correlation to existing forces, geography, or strategic stability.

There are other reaons for maintaining the treaty limits. It is difficult enough to negotiate arms control agreements. We owe our negotiators in Geneva a stable and predictable base to begin work toward true reductions. Existing agreements, though imperfect, provide that framework. If our negotiators are forced to work with the moving target of uncertain developments by both sides, their job will be immensely more difficult.

We can also help our negotiators, Mr. President, by taking strong action to respond to Soviet violations of arms control agreements. That action, however, should be consistent with strengthening those agreements, not eliminating them. We should address violations on a case-by-case basis, taking appropriate and proportionate action in response. The Senate overwhelmingly supported such a policy in recent years. We should continue that support.●

PRESIDENT'S NATIONAL DEFENSE STOCKPILE "MODERIZATION" PROPOSAL FOUND UNSUPPORTED BY THE U.S. GENERAL ACCOUNTING OFFICE

● Mr. McCLURE. Mr. President, as my colleagues will recall, I took issue with the President's July 8, 1985, national defense stockpile "modernization" proposal shortly after it was announced. I was joined in my criticism of that proposal by Congressman CHARLES E. BENNETT, chairman of the Subcommittee on Seapower and Strategic and Critical Materials, of the House Armed Services Committee. Together, we offered amendments to legislation fiscal years 1985 and 1986 that were adopted which prevented the President from implementing that proposal. In addition, Congressman BENNETT and I requested the General Accounting Office [GAO] to conduct an indepth review of the metholdology and planning factors used by the National Security Council in its study that was the basis for the President's modernization proposal.

In the absence of our requested report from GAO, Congressman BENNETT and I introduced legislation to address the questionable policies of past administrations that have plagued the national defense stockpile for over four decades. Such questionable policies have resulted in using the stockpile for purposes other than national defense—for example, fighting inflation, reducing deficits, stabilizing prices, supporting foreign policy objectives, and so forth. Congressman BENNETT introduced H.R. 3743 on November 13, 1985, and I introduced S. 2102 on February 26, 1986, in an attempt to bring order and stability to stockpile management. While our bills were different, they were not mutually exclusive in their purpose. Subsequent to introducing our two bills, Congressman BENNETT and I have worked closely together on merging our two proposals.

I am happy to announce that we have achieved that end. Our merged proposal is currently before the House and Senate Armed Services Committees. While there has been some action on our proposal in the House Armed Services Committee, there has been no movement to date in the Senate Armed Services Committee. I am hopeful that expeditious consideration of our proposal will be forthcoming.

As I stated earlier Mr. President, GAO is currently undertaking an indepth look at the National Security Council's stockpile study that was used as a basis for the President's July 8, 1985, stockpile proposal. While that study has not been completed, GAO has provided Congressman BENNETT and I with a letter today that reflects there progress to date and provides us with a preliminary assessment of their findings. I ask unanimous consent that this letter be printed in the RECORD in full following my statement. Mr. President, the bottom line of this letter is that GAO has found the National Security Council's study not to be a sufficient basis for setting stockpile goals or as a basis for other U.S. mobilization planning. Thus, it appears that this administration is attempting to do what other administrations have attempted in the past—manipulate the stockpile for purposes other than national defense.

Mr. President, I ask that the attached letter from Mr. Frank C. Conahan of the General Accounting Office appear in the RECORD.

The letter follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, June 6, 1986.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In July 1985, you and the Honorable Charles E. Bennett asked us to evaluate the National Security Council's (NSC's) study of national defense stockpile goals, and to obtain participating agencies' views on the study. In a recent discussion with your office, we were asked to provide an interim response as to whether we believe the NSC stockpile study is a sufficient basis for U.S. mobilization planning, including the proposed changes in national defense stockpile goals. This letter, also being sent today to Chairman Bennett, responds to your request for an interim response. As discussed with your office, a detailed response would involve classified information, requiring a security review by

NSC. This will not be possible until we have finished our study and issue a final report.

Although still in process, our work raises questions about whether the NSC study supports its recommendations to (1) reduce stockpile goal levels, and (2) use the study's planning assumptions for other mobilization preparedness areas. Further, in classified correspondence and in subsequent discussions with us, key NSC study participants and other experts have voiced serious concerns about study assumptions, methodology, and results. For example, study participants said that assumptions were not adequately tested in the NSC study. Our initial tests confirmed this, and showed that stockpile goal levels can vary widely in response to assumption changes.

The NSC study initially computed a stockpile goal of $230 million. Then NSC, based on limited sensitivity tests, increased the goal to $691 million. For example, NSC's tests made across-the-board adjustments to increase defense and industrial sector material requirements and reduce world supply. However, the study's sensitivity tests were limited. For example, (1) study participants reported no tests for factors such as oil availability and essential civilian requirements; and (2) the reported tests for some factors (such as defense sector requriements) covered only part of the factors' possible ranges.

There are several additional sensitivity tests that we feel are warranted and which could show the need for a much different goal than the $691 million proposed in the NSC study. Plausible changes in even just one of the study's many factors could cause computed stockpile goals to vary widely. For example, outside experts have suggested that, in a major conventional war, the U.S. wartime economy and associated defense expenditures could far exceed the levels assumed in the NSC study. If the increased expenditures caused a 50-percent increase in defense-sector material requirements, our analyses show that this one change alone could cause overall stockpile goals to increase well beyond the $691 million goal proposed in the NSC study.

We are further exploring the above and other issues, such as some categories of defense requirements which were not included in the study, and the impact and likelihood of assumed supply increases, including the NSC's much greater reliance on foreign sources of supply compared with prior stockpile studies.

Thus, while our conclusion is qualified because we have not yet completed our analyses and still require additional data from NSC and the agencies to do so, our preliminary assessment is that the NSC study does not appear to be a sufficient basis for setting stockpile goals or as a basis for other U.S. mobilization planning.

We hope that this letter meets your immediate needs. As requested by your office, we are preparing an unclassified interim report, which will address these issues further by July 15, 1986, and are also continuing field work to complete our overall evaluation of NSC study methodology and planning factors by the end of this year. If you have any questions, please call Martin M. Ferber, Associate Director for Manpower, Reserve Affairs, and Logistics, at 275-5140.

Sincerely yours,

FRANK C. CONAHAN,
Director.●

A SLOW TORTUROUS DEATH

● Mr. SIMON. Mr. President, a gracious, wonderful woman who lives in Moscow recently was hospitalized because she is suffering from unbearable pain. She has a cancerous tumor on her neck but after four operations Soviet doctors say they can do no more for her.

The dear woman is Inna Meiman, who is convinced that cancer breakthroughs in the United States offer her real hope. But she fears she may lose her battle against cancer if the Soviet Government does not allow her to travel to the West for that treatment.

Inna Meiman and her husband Naum are seeking to emigrate. They only ask to live their final years in peace and free of pain.

Naum's daughter, Olga, lives in Colorado. She has not seen her father for many years.

The Soviets could offer a wonderful, humanitarian gesture if they would let Inna and Naum emigrate. They could save a life. I ask them to do so now before it is too late.●

ADVICE AND CONSENT IN JUDICIAL NOMINATIONS

● Mr. PRYOR. Mr. President, if the Senate had not stayed in session so long today, the junior Senator from Delaware [Mr. BIDEN] would have delivered a very important speech to the bar association from my State concerning the role of advice and consent in judicial nominations.

Even through the Arkansas Bar will not be able to hear the sentiments of our colleague, I wanted to make his remarks available to the Senate.

I ask that they be printed in the RECORD.

The remarks follow:

THE ROLE OF ADVICE AND CONSENT IN JUDICIAL NOMINATIONS

(By Joseph R. Biden, Jr.)

At the conclusion of the Constitutional Convention in 1787, a Philadelphia woman asked Benjamin Franklin what form of government the convention had devised for the union of the states.

"A republic," Franklin replied, and then added, "if you can keep it."

We have managed to preserve that republic for nearly two centuries, but its survival has remained perpetually in doubt, as Franklin knew it would. Our form of government is still threatened in our own day, and it is that threat that I propose to discuss with you this morning.

A republic—that is, a government of laws, not men—can not survive unless two essential qualities characterize the people to whom we entrust power. We must insist upon both the highest qualities of excellence and a genuine reverence for integrity in the men and women who serve government.

These two qualities of intellect and integrity are intimately related, because what we should seek in Washington is not simply great expertise—the "best and the brightest," if you will—but also a commitment on the part of every officer of government that rigid, dogmatic approaches are invariably destructive to the public interest.

Too often in the past two decades, we have settled for less than that kind of excellence and integrity in Washington, and slowly but surely the levers of power have slipped into the hands of the ideologues—and the result has been public policy distorted by the demons and the dogmas of both the Left and the Right. In a nation emerging from a century of turbulence, in a nation about to encounter the challenges and the opportunities of a new millenium, that's not good enough.

We could say today, as Abraham Lincoln said on the eve of the Civil War: "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew."

Americans intuitively understand the importance of these two qualities that characterize effective governance and a strong and vibrant America. They understand that we can do better than we have in the last two decades—that we can and must educate our children better, a goal your governor, to his credit, has made a centerpiece of his administration; that we can and must make excellence our consistent standard in the products and services we offer to an ever more competitive world; and that only if we once again demand that kind of excellence in our classrooms and our production lines, in our union halls and our board rooms—and above all, in our executive offices, our legislative chambers and our courtrooms—can we ever hope to regain our rightful leadership among the nations of that world.

That is the central challenge we face as a nation today, and Americans know it. They understand that the Challenger disaster need not have happened, and their dismay extends to the dismal revelations still unfolding about the declining commitment to excellence in NASA. They understand how this Administration has effectively dismantled the Environmental Protection Agency that had earned our admiration for its skillful and dedicated defense of our natural heritage. They understand that public service in Washington no longer attracts the best and the brightest to our national administration.

They understand that the principle of public service has all too often been displaced by the pursuit of personal profit—They have seen too many government officials abandon their commitment to serving their country, preferring instead to auction off to the highest bidders, at home and abroad, their privileged access to the White House.

But the American people understand that the ultimate expression of excellence in this country is the commitment of private citizens to public service.

And they also understand how ideologues endanger both our foreign and domestic policies. In recent years, this nation's policy making has been held hostage by blind ideologies from both Left and Right. The Right in this country is mobilized by simplicity—they are energized by the idea that there is one set of right answers for all problems. The Left in this country is immobilized by complexity—they are paralyzed by the idea there are no first principles or primary values that demand decisive action.

But Americans are not ideologues, and they reject any role for dogmatism in either

foreign or domestic policy. Americans are by nature a practical and pragmatic people—but they are pragmatists with values. That's why they deplore racial discrimination in our schools, whether it's in Arkansas or Delaware, but they reject court-ordered busing. That's why they value religious freedom, but they reject mandatory school prayer.

These two simple but essential qualities—excellence and impartiality—are important in all phases of our society and to all three branches of government, but they are of peculiar importance to the judicial branch, and it is to that branch that I wish to direct your attention this morning.

The question most critical to the governance of a democratic society has always been, "Who will keep the keepers?"

It was just that sort of skepticism—a skepticism that grew both out of their knowledge of history and out of their own personal experience with the imperfections of government—that moved the writers of our Constitution to construct a form of government that was by design at odds with itself. They intended that the three co-equal branches of our federal government should keep watch over each other, and that none should dominate.

That historic innovation is cited in a significant joint statement addressed just this week to the Senate Judiciary Committee by two of the nation's most distinguished Constitutional scholars—Phillip B. Kurland, William R. Kenan Distinguished Service Professor at the University of Chicago; and Laurence H. Tribe, Ralph S. Tyler, Jr., Professor of Constitutional Law at Harvard University.

They point out that the role of the Senate in advising and consenting to Presidential nominations is not simply a senatorial courtesy, but rather a direct expression of the basic structure of American government. They remind us that the Constitutional Convention of 1787 originally proposed to leave the choice of federal judges to the Senate alone. The "advise and consent" language was a compromise and, as Kurland and Tribe point out, "It is clear that those who agreed to the compromise did not view the Senate's role as merely ceremonial or ritualistic."

Kurland and Tribe also make the point that the role of the Senate is especially critical when it comes to the appointment of federal judges, who serve for life and who are charged with interpreting the meaning of the Constitution in its application to our daily lives. Federal judges can be removed from the bench only through the cumbersome process of impeachment by the House of Representatives and conviction by the Senate. Such a convoluted system is, in fact, usable only in cases of clearly outrageous conduct. The result, Kurland and Tribe say, is that "the only practical opportunity to consider the merits of a judicial candidate is before that appointment is made."

The Senate is, therefore, where the buck stops on judicial nominations. The function of advice and consent has always been, and was meant to be, a point of stress in American governance—because it imposes upon the Senate the responsibility of agreeing or disagreeing with the will of the President.

That uneasy Constitutional obligation is once more at issue today with President Reagan's nominations of Mr. Daniel Manion and Mr. Jefferson Sessions to serve as federal judges. The issue turns on the question of their qualifications and their disqualifications.

No one disputes the right of a President to nominate to federal judgeships men and women he believes will interpret and enforce the law in a manner he sees as consistent with the Constitution. That is both the right and the obligation of Presidents. Likewise, there can be no principled dispute over the right and the obligation of the Senate to exercise its own independent and responsible judgment on a President's judicial nominations. For the Senate to simply acquiesce to such nominations would be to subvert the most fundamental principle of our government—the separation of powers.

Unfortunately, the Manion and Sessions nominations have generated just such a dispute over the roles of the President and the Senate in appointing federal judges, and the resolution of that dispute is one of the most important questions before the nation today, not only because of the questionable qualifications of these particular nominees, but also because of the more general and more critical question of the quality of the federal judiciary as a whole. For on that latter question turns the future quality of American life under the law as interpreted by those judges.

It is at precisely that point that the issue of excellence and integrity on the federal bench becomes crucial—because we ask a great deal of our judges. We expect them to deal competently with complicated legal analysis and to bring a broadly informed intelligence to fundamental Constitutional questions. They must ensure the basic rights protected by the Constitution, respect the roles of both the national and state governments within our federal system, enforce the vast multiplicity of federal statutes and regulations, and oversee both commercial and criminal litigation. It is a task that might challenge Plato's philosopher kings, yet we impose it upon mortal men and women.

It is a task, therefore, demanding the most intellectually and morally well qualified men and women we can find within the ranks of the legal profession. When a nominee can not meet that high standard, a President should expect that candidate to be challenged vigorously by the Senate Judiciary Committee and by the Senate itself. And neither the President nor his nominee should expect the nominee's testimony at a committee hearing to outweigh the evidence of his life and his record of fidelity to the Constitution and to our great tradition of Constitutional law.

As Professors Kurland and Tribe put it, "Respect for the institution of the federal courts—and for the onerous responsibilities of the federal bench—requires nothing less."

The Constitutional duty of the Senate is to assure that nominees' views and values fall within the bounds of acceptability—that they do not represent the lunatic fringe of either the Left or Right, that they do not disdain the Bill of Rights or the 14th Amendment, but that the record of their lives and works demonstrates beyond a doubt that they fall within the broad main stream of American jurisprudence. And if the Senate perceives any substantial doubts as to a candidate's commitment to the Bill of Rights or to Constitutionally commanded equality, those doubts must be resolved in favor of the Constitution rather than the candidate. In such circumstances, it is not the reputation of the candidate which is at stake. What is at stake is the reputation—and the independence—of the Judiciary itself.

That's why it has been understood since the founding of this republic that it is totally improper for a president to set pre-conditions before making a nomination. For the same reason, the Senate must not apply litmus tests of its own. No party to the process of naming federal judges has any business attempting to foreclose upon the future decisions of the nominees. Senators, therefore, have no more right to their own "short list" of preferred candidates than a president has to pre-conditions. But the Senate is Constitutionally obliged, as Kurland and Tribe put it, "to provide advice and consent—rather than perfunctory obeisance—to the will of the President."

But I must tell you—and I believe a majority of the Senate Judiciary Committee would agree with me—that even bearing that obligation in mind, it is becoming more and more difficult to consent to the judicial nominations coming to Capitol Hill from the second Reagan White House. Fewer than half of the second-term nominees have had prior judicial experience. More than half have had neither judicial nor prosecutorial experience. Fully half have been accorded only a rating of "qualified"—the last stop before outright rejection—by the American Bar Association. Among recent administrations, even the first Reagan Administration, candidates receiving such lukewarm endorsement never accounted for much more than a third of the nominees.

The Manion and Sessions nominations put the issue of excellence and impartiality sharply into focus.

Mr. Manion was given the lowest possible ABA approval. In fact, some ABA committee members rated him as "not qualified," and the Chicago Council of Lawyers declared that he is "unqualified." He never argued a case on federal law or a Constitutional question. As an Indian state senator, he sponsored legislation he knew beforehand to be unconstitutional. He even argued publicly that the states should not be required to uphold the Bill of Rights. He made public statements that citizens protesting the Vietnam War should be "penned up," that they should not be "allowed to run free." And he wrote in praise of the John Birch Society as "the front line of the fight for Constitutional freedom!"

In a Senate Judiciary Committee report to be issued next Tuesday, the members who oppose the Manion nomination cite his lack of experience and technical skills, his failure to understand the Constitution and the role of the federal courts in enforcing it, and his failure to convince us that he had repudiated his past actions and statements as sufficient cause for refusing to confirm him as judge of a United States Court of Appeals. As that report points out, "The federal appeals courts are the courts of last resort for the overwhelming majority of litigants. They are too vital to be endangered by the appointment of persons whose qualifications are subject to serious doubt."

Mr. Sessions was also given the lowest possible ABA approval rating, again with some committee members saying he is "not qualified." He called the NAACP, the National Council of Churches and the Southern Christian Leadership Conference "unAmerican," and he labeled a prominent white civil-rights attorney a "disgrace to his race."

Both of these nominees appeared before the Senate Judiciary Committee and recanted their previous public statements about ideology, personal beliefs and affiliations—as candidates can be expected to do under those circumstances. The White House and

the Wall Street Journal seem to think such predictable protestations should satisfy the Committee and the Senate, but I believe such uncritical acceptance offers short shrift to the Constitution. We are asked to accept such recantations at face value—to ignore the totality of an individual's career, including past actions and statements—as we attempt to determine whether their solemn pledge to uphold the Constitution is, in fact, a credible promise. But to allow them, and ourselves, such an easy out would be to fail in our Constitutional responsibility.

A federal court judge will spend a lifetime making rulings that can not be revised over and over again, and those rulings will directly affect the lives of many individuals and sometimes life itself. A federal court is not a forum which allows for such vagueness or uncertainty as these nominees have exhibited in their confirmation hearings.

In these cases, in my judgment, inadequate credentials and unpersuasive personal credibility intersect to clearly disqualify the nominees. Their hearings raised a reasonable question of "Will they follow the Constitution rather than their own demonstrated instincts?"—"Will they regard the decisions of the Supreme Court as the supreme law of the land, or will they grasp every opportunity to distinguish the facts and precedents in order to substitute their own personal views of what the law should be?" In both cases, the answer was, at best, dubious.

In fact, in the case of Mr. Manion, on one occasion, in the Indiana legislature, where he had a clear conflict between his fidelity to the Constitution and his ideology, he chose his ideology.

It is clear to me that neither Mr. Manion nor Mr. Sessions has demonstrated the excellence and the integrity required for a lifetime appointment to the federal judiciary. Fortunately, that was also clear to the members of the Senate Judiciary Committee when it reached the moment of decision on these two nominations—despite pressure from the White House, the Committee did its duty and refused to approve either the Manion or the Sessions nomination.

Unfortunately, in the second term of the present Administration, the Manion and Sessions nominations come closer to representing the rule rather than the exception. Perhaps never, certainly not in recent memory, have so many such poorly qualified candidates been nominated to the federal courts—not under President Johnson, not under President Nixon, not under President Ford, not under President Carter—not even under the first-term President Reagan! What has been a clear bi-partisan consensus among the American presidents of the past 20 years—that the traditional criteria of excellence and integrity should apply with special emphasis to judicial nominations—has been abruptly and irresponsibly violated during the second term of the Reagan presidency.

We are entitled to ask—in fact, we are *obliged* to ask—what's really going on here? Well, clearly, what's really going on is that the Administration and the Radical Right are determined to win in the courts what they have failed to win in the Congress—where policy should be made—a restriction of the civil rights and the civil liberties enjoyed by all Americans.

Early in the first term of the present Administration, the Radical Right decided to change its legislative tactics. They were losing the battle on their social agenda, in each case because they had run head-on into disciplined constituencies organized around those issues—the women's movement, the civil-rights movement and the mainline religious groups. So the Radical Right shifted tactics and turned instead to a "procedural" attack. Among other things, they set out to repeal the incorporation doctrine, federal question jurisdiction and the exclusionary rule.

In pursuing this course, the Radical Right was acting upon a shrewed political insight—It's a lot easier to win on civil liberties issues than on civil rights issues, especially if you shift the scene of battle from the Congress to the courts. The dismal parade of second-rate second-term judicial nominees is the first step in that changing tactic. What we are seeing today is a blatant departure from the longstanding presidential practice of nominating qualified judicial candidates—this Administration has substituted a system where ideological reliability is proposed as a pre-condition, rather than regretted as a result.

But this radical second-term agenda is *not* what the American people voted for. In 1980 and 1984, the American people knew they were voting for a conservative president, but they did not vote for a new federal judiciary composed of a pack of ideologues obediently responding to the whip of the Radical Right. Instead of the best and the brightest, the second-term Reagan is sending us the youngest and the Rightest! Such nominations are clearly motivated by something other than a search for excellence and impartiality.

And this single-minded application of ideology to executive nominations has not been confined to the courts. A similar pattern is clearly visible in this Administration's appointments to the Civil Rights Commission, the Consumer Product Safety Commission, the National Labor Relations Board and the Legal Services Corporation, among others. That pattern reveals an obvious intention to implement the agenda of the Radical Right by populating the executive departments and agencies, as well as the courts, with ideologues who will remain in place long after this Administration has passed into the pages of history.

The courts are crucial to this attempt to mortgage the future of American government because a key element of that radical agenda is the outright repeal of the Incorporation Doctrine and the effective overturning of the post-Civil War amendments providing for equal protection and due process.

Where Justice Frankfurter once called for judges who will put their passion *behind* their judgment, instead of in front of it—we see nominees who have been selected to promote their passions. Instead of the "dominating humility" Frankfurter said should characterize the judicial process—we are faced with a dominating arrogance that means to extend its power far beyond the Constitutional limits of a two-term presidency. What we are seeing, in fact, is a deliberate, determined, long-range program to undermine the constitutional basis of the modern jurisprudence that protects our basic freedoms as Americans.

In Robert Bolt's great play, *A Man for All Seasons*, Sir Thomas More is urged by Roper, a dogmatic young courtier, to strike beyond the law to reach an enemy.

When More refuses, Roper exclaims, "So now you'd give even the Devil benefit of Law!" More asks him, "What would you do? Cut a great road through the law to get after the Devil?"

But Roper, undeterred, cries out, "I'd cut down every law in England to do that!"

And with that, More comes round on Roper with a shout—"Oh? And when the last law was down, and the Devil turned round on you—where would you hide, Roper laws being flat?

This country's planted thick with laws from coast to coast—Man's laws, not God's laws—and if you cut them down—and you're just the man to do it—do you really think you could stand upright in the winds that would blow then?"

There are too many Ropers in our national administration today. There are to many "true-believers" who would level our laws and our liberties in pursuit of the devils they perceive among us. But we can not wait upon history to produce a Thomas More to mount our defenses for us.

For that, we who serve in Washington and you who have devoted your lives to serving the law must make a common cause of the Constitution, the Bill of Rights, and the great body of our jurisprudence. That is our sworn obligation, and we must not fail it.

After two centuries, our republic still stands.

It remains to be seen if we can keep it.●

JUNE IS DAIRY MONTH

● Mr. McCONNELL. Mr. President, most Americans, indeed most of my colleagues, probably do not think of Kentucky as a traditional dairy State. But I would like to point out that almost 10,000 dairies are currently operating in the State of Kentucky and most are operated by family farmers whose main source of income is farming. June is National Dairy Month and I want to publicly salute these farmers who are, without a doubt, some of the hardest workers in America.

Many Members of this body have visited dairy farms in their States to have their pictures taken in a dairy barn. Literally thousands of youngsters annually visit "petting farms" to milk a cow or pet a calf. Yet, the cold realities of dairying are quite different from the glamourous picture of the typical dairy farm that is painted for most Americans.

Dairy farmers usually do not take vacations, and even when they do, the dairymen I have talked to spend most of the time worrying about the situation back home. Cows do not take a vacation either and very few of the dairy cows I have seen recognize July 4 as a national holiday. The typical dairyman is in the dairy barn before daylight every morning and is usually still hard at work when the sun goes down at night. Whether it is hot or cold; raining or snowing; June or January, the cows are milked everyday. It is not unusual for a dairy farmer to spend a cold January night in the barn waiting for a cow to calve and then see the calf unable to survive the rigors of birth. This is the glamourous life of the American dairy farmer.

Things are not always necessarily this grim. There are some revolutionary successes within the dairy industry

which deserve the attention of my colleagues. The American dairyman is probably one of the greatest innovators in agriculture. The use of modern breeding techniques and biotechnology are not two of the tools of the modern dairyman that have enabled him to double productivity per cow in just the last 15 years.

Even today in an era of unprecedented dairy surpluses, dairymen are finding ways to become even more efficient to better cope with decreasing Government price supports. Imagine if a family-owned-and-operated hardware store in Anytown, America, were forced to absorb a 7-percent price reduction while input costs increased by 15 percent. That hardware store probably would not be around very long, but that is the very dilemma which has faced dairy farmers in the last 5 years. Yet by increasing efficiency, the family dairyman survived. And I would be willing to bet the family farm, so to speak, that he will be around for a long time to come.

The dairy industry has taken a lot of heat over recently enacted dairy policy. But to examine the situation a little closer, I think it is significant that dairy farmers are themselves willing to accept financial responsibility for these programs in an effort to bring the supply of dairy products more in line with consumption. Dairy farmers voluntarily fund a promotional and research program that will go a long way toward discrediting much of the negative and incorrect publicity regarding the use of milk products. Taxpayers and consumers alike benefit from these kind of self-help efforts.

In closing Mr. President, here is one Senator who takes his hat off to the American dairy farmer. He labors on farms in Kentucky, Wisconsin, Minnesota, and just about every other State, and goes quietly about his business. He does not really ask us for too much; just the chance to make a living for himself and his family.

I applaud these tireless American workers and suggest to my colleagues that perhaps the American dairy program may not be in as bad a shape as we have been led to believe. I have every confidence that today's dairy farmer will make the program work, despite our best efforts to mess it up.●

REV. RANDALL ROBINSON

● Mr. LEVIN. Mr. President, earlier today I was pleased that 14 of our colleagues joined with Randall Robinson of TRANSAFRICA to extend a welcome to Rev. Allan Boesak, a leader in the fight for freedom in South Africa. As we expected, Reverend Boesak brought with him a passionate message of hope and fear—hope for freedom and human dignity for all South Africans, fear that the government in Pretoria will not allow that freedom or dignity to be achieved without even more bloodshed and violence.

While we do not yet have a transcript of Reverend Boesak's comments, I do want to share with my colleagues some remarks prepared for my introduction of him. I hope that they communicate a sense of the stakes in the current struggle. And I hope they suggest even a fraction of the admiration and respect I have for the men and women—both here and in South Africa—who have joined with Reverend Boesak in fighting for change in that troubled land. Mr. President, I ask that the text of my remarks may appear in the RECORD.

The remarks follow:

INTRODUCTION OF REVEREND ALLAN BOESAK

Reverend Boesak, I want to welcome you and thank you for being here today. Your presence demonstrates, I hope, your belief that the Congress cares; the presence here of members and staff demonstrates, I believe that we are determined to do what we can to deal with the crisis in South Africa and improve American policy in both the state and region.

I would like to thank Randall Robinson of TRANSAFRICA who was gracious enough to accommodate my office and 13 of my colleagues in the Senate, and Congressman Gray and a number of his colleagues in the House in making Reverend Boesak's visit here today possible. Our efforts in the Congress are strengthened and supported by the fine work that he and his organization have done to make the public aware of the problems in South Africa.

Allan Boesak, of course, has long been aware of those problems. He has lived with them for all of his 40 years. As a young man, he found a refuge from the inhumanity of the system by turning to religion. His mind moved by words of love and visions of understanding, he studied theology at the Theological University in Bellville, South Africa. In time, he left South Africa to pursue advanced degrees. He studied at the Union Theological Seminary in New York City, and at Colgate-Rochester Divinity School. In 1976 he was awarded a Doctorate in Theology at the Theological Academy of Kampen in the Netherlands, and in 1984 he received a Doctor of Divinity degree from Yale University.

Since 1976, Reverend Boesak has been in the forefront of the fight for freedom and racial justice and harmony in South Africa. It hasn't always been easy. And recently it has gotten harder.

Reverend Boesak is a prominent theologian in the Dutch Reformed Mission Church in the Repbulic of South Africa. He is Chaplain at the University of Western Cape, the Peninsula Technical College, and Bellville Training college for teachers, and serves as pastor of the Mission Church in Bellville. In August, 1982, Dr. Boesak was elected President of the World Alliance of Reformed churches, an organization representing 150 member churches in more than 75 countries, with a total membership of over 70 million people. He also is Senior Executive Vice President of the South Africa Council of Churches.

Dr. Boesak is founder and patron of the United Democratic Front (UDF), a board, multiracial coalition of South African Civic associations, student bodies, youth, labor, and church groups, formed in 1983 to oppose the South African government's new constitution. The UDF has become the most prominent vehicle of peaceful protest in South Africa.

Through his work in the church, Dr. Boesak has emerged as "the articulate new theological voice for the Black people of South Africa." He has played a leading part in defining a meaningful role for the Church in South African society. Consider just one example of Dr. Boesak's and the Church's role in attempting to promote social change. On August 27, 1985, one day prior to a planned march by thousands of South Africans to deliver a message of solidarity to imprisoned Nelson Mendela, Reverend Boesak was detained by the police in Cape Town, under Section 29 of the Internal Security act, which provides for interrogation of people suspected of involvement in, or having knowledge of, the planning or commission of an act of "terrorism."

Dr. Boesak knew that might happen. Before he was detained, while the demonstration was still being planned, he sent a message to the Minister of Law and Order stressing that the march was conceived as a peaceful demonstration of a "deepfelt conviction." Reverend Boesak ended his message with these words: "Please restrain the police and give non-violent action a chance."

Since that plea, since that request to give non-violence a chance, more than 1,600 people have been killed, at least 8,000 have been detained, including over 2,000 children younger than 16—hundreds between the ages of 8 and 12.

As a theologian and as an activist, Reverend Boesak has struggled with the problem of evil and the need to confront it, to defeat it, without being overcome by it. Here is what he has said:

". . . the problem with non-violence is if it does not bring tangible results that the people can see and that can actually give them hope, then this very philosophy which can be such an incredible contribution to a more human and meaningful society even in South Africa, this very philosophy becomes an ally of the oppressor."

"Inevitably, there's going to be much more repression, there's going to be much more bloodshed. I only hope that even in the midst of this there will be people in my country who will cling to the dream of a society where reconciliation will still be possible and where something that is human and worthwhile can still be salvaged from the mess in which we find ourselves. I, for one, refuse to give up hope."

I too refuse to give up hope. But I must confess to being discouraged from time to time. We have become so used to using terms like "crisis" to describe conditions in South Africa that the word loses its force. But we now have a scheduled confrontation due to take place later this month.

One June 16, we will mark the tenth anniversary of the Soweto uprising. Ten years since 600 young blacks were killed. Ten years since the police shot into a crowd of human beings who had gathered in an effort to secure their rights as human beings. Ten years.

And what has changed in those years? Blacks are seeking the right to commemorate that slaughter; and the government reacts by banning all public meetings and protest demonstrations.

But I know, and you know, and Reverend Boesak knows, and the government in Pretoria knows that those demonstrations will take place. And all their ban does is give them a "legal" cover for an illegal and immoral restraint on human freedom.

But that is what happens all too often. Look at another example.

For years many of us have called for freedom for Nelson Mandela. Artists wrote songs calling for it; politicians filed resolutions demanding it; the Senate voted for it. And now there are stories circulating which suggest that the government in Pretoria is considering it.

The government may free Nelson Mandela—while awaiting events on June 16th and passing new laws prohibiting public demonstrations?

The government may free Nelson Mandela—without requiring him to sever his connections with the ANC while, at the same time, the same government bombs suspected ANC centers in neighboring lands?

The government will hopefully free Nelson Mandela. But how will they try to use Nelson Mandela.

We know—we know—that if Mandella is freed there will be ceremonies, there will be speeches, there will be mass meetings—and there will be violence if the government wishes it.

We have seen it before. The Philippines freed Benito Acqino—and killed him when he used that freedom to return to his homeland. How will a similar government—the South African government—respond when Mandella uses his freedom?

Would any answer to that question—even a violent answer—really surprise us? Could it shock us coming from a government whose police forces have killed—killed—over 200 black children in the last year and have tortured and maimed thousands more? Could it be unexpected when that government has introduced legislation granting itself the authority to detain people for up to six months without bringing any charges against them?

No, we ought not be surprised if freedom is linked to repression. But we ought to be ready to try to prevent it.

Those of us who have fought for Mandella have an obligation to continue to seek his freedom and a responsibility to do everything we can to make sure that his life as a free man is long, peaceful and prosperous.

One person who may help us discharge those twin responsibilities—both in regard to Mandella and the context of our larger policy toward South Africa is Reverend Allan Boesak. Like us, he too has a twin responsibility—the responsibility of a Christian theologian and a charismatic politician.

Those are never easy burdens to bear—ask Martin Luther King or Bishop Tutu—but Reverend Boesak has born them with dignity and effectiveness. He has born the burden of jail, born the personal attacks on his character, born the brutal treatment which is the reward for seeking freedom in South Africa.

He will not be jailed for speaking today. He will be listened to. We welcome him here and want to hear his views on the situation in South Africa and how he thinks America ought to respond to those needs.●

□ 1920

REMOVAL OF INJUNCTION OF SECRECY—PROTOCOL TO THE TAX AGREEMENT WITH THE PEOPLE'S REPUBLIC OF CHINA (TREATY DOCUMENT 99-26)

Mr. SIMPSON. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from a Protocol to the Tax Agreement with the People's Republic of China (Treaty Document 99-26) transmitted to the Senate yesterday by the President of the United States.

I also ask that the protocol be read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the May 10, 1986, Protocol Concerning the Interpretation of Paragraph 7 of the 1984 Protocol to the Agreement Between the Government of the United States of America and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Tax Evasion with Respect to Taxes on Income, signed at Beijing on April 30, 1984. I also transmit the report of the Department of State on the new Protocol.

Senate consideration of the Agreement, which was transmitted for advice and consent to ratification by letter dated August 10, 1984, has been delayed in light of the concern expressed that it lacked strong "anti-treaty shopping" provisions. The 1986 Protocol remedies the situation by providing rules designed to prevent residents of third countries from investing through China in order to get the benefits of the income tax treaty.

It is most desirable that this Protocol, together with the Agreement, the 1984 Protocol thereto, and the related exchange of notes, be considered by the Senate as soon as possible and that the Senate give advice and consent to ratification of these instruments.

RONALD REAGAN.

THE WHITE HOUSE, *June 5, 1986.*

ORDERS FOR MONDAY, JUNE 9, 1986

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, June 9, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators THURMOND, HUMPHREY, CRANSTON, PROXMIRE, GORE, KASTEN, and QUAYLE to be followed by a period for the transaction of routine morning business not to extend beyond the hour of 2 p.m., with Senators permitted to speak therein for not more than 5 minutes each; provided further that the morning hour be deemed to have expired.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, let me recap Monday, June 9, 1986: The Senate will convene at 12 noon on Monday, June 9, 1986, following an adjournment. There will be time for the two leaders under the standing order of 10 minutes each.

There are special orders, as I have stated previously, in favor of the following Senators for not to exceed 5 minutes each: Senators THURMOND, HUMPHREY, CRANSTON, PROXMIRE, GORE, KASTEN, and QUAYLE.

Following the execution of the special orders, there will be a period for the transaction of routine morning business, not to extend beyond the hour of 2 p.m., with Senators permitted to speak therein for not more than 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of H.R. 3838, the tax reform bill.

The majority leader wishes to indicate that votes could certainly occur on amendments to the tax bill between the hours of 3:30 and 6 p.m.

Mr. BYRD. May I ask, if the distinguished acting Republican leader will yield, is the prospect for rollcall votes on Monday real? Is the distinguished acting leader saying that there likely will be rollcall votes or that there may be rollcall votes? In any event, the Senators are on notice that there could be rollcall votes.

Mr. SIMPSON. Mr. President, I left that sufficiently vague so that all of those particular interpretations could be brought into it.

There is a possibility of votes. I think, as the Democratic leader knows, the majority leader would like to process that legislation next week. I would say that there is a possibility of votes and, of course, no votes after 6 p.m. I have nothing more I can add to what the majority leader had indicated, just that they could occur.

Mr. BYRD. Mr. President, it is my understanding that the only business that is anticipated at the moment to be before the Senate on Monday will be the tax reform legislation, and that if rollcall votes occur, they would be on that legislation or in relation thereto, with respect to amendments, and so on.

Mr. SIMPSON. Mr. President, that is the intention of the leader, that any votes would be, indeed, on part of the tax reform bill.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his pa-

tience, characteristic understanding, and forbearance.

Mr. SIMPSON. And I thank the Democratic leader.

ADJOURNMENT UNTIL MONDAY, JUNE 9, 1986

Mr. SIMPSON. Mr. President, I thank the Democratic leader for his fine cooperation, his usual cooperation and courtesies to me, something I have come to greatly appreciate.

Mr. President, unless the Democratic leader has further business, I move that the Senate stand in adjournment until the hour of 12 noon Monday, June 9, 1986.

The motion was agreed to, and the Senate, at 7:19 p.m., adjourned until Monday, June 9, 1986, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate June 6, 1986:

THE JUDICIARY

Charles R. Simpson III, of Kentucky, to be U.S. district judge for the western district of Kentucky, vice Charles M. Allen.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned in his current grade to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Gen. John T. Chain, [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert H. Reed, [redacted] FR, U.S. Air Force.

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Thomas H. McMullen, [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. George L. Monahan, Jr., [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601 and additional duty as senior U.S. Air Force member, Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711:

To be lieutenant general

Maj. Gen. Carl R. Smith, [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. William E. Thurman, [redacted] FR, U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 6, 1986:

DEPARTMENT OF ENERGY

William F. Martin, of the District of Columbia to be Deputy Secretary of Energy.

David B. Waller, of the District of Columbia, to be an Assistant Secretary of Energy (International Affairs and Energy Emergencies).

PANAMA CANAL COMMISSION

Walter J. Shea, of Maryland, to be a member of the board of the Panama Canal Commission.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to rear admiral (lower half):

Capt. George D. Passmore, Jr., USCG.

Capt. Ernest B. Acklin, Jr., USCG.

DEPARTMENT OF DEFENSE

Edward C. Aldridge, Jr., of Virginia to be Secretary of the Air Force.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF AGRICULTURE

Christopher Hicks, of Maryland, to be general counsel of the Department of Agriculture.

THE JUDICIARY

Alan E. Norris, of Ohio, to be U.S. circuit judge for the sixth circuit.

Alfred J. Lechner, Jr., of New Jersey, to be U.S. district judge for the district of New Jersey.

Patricia C. Fawsett, of Florida, to be U.S. district judge for the middle district of Florida.

John G. Davies, of California, to be U.S. district judge for the central district of California.

David Hittner, of Texas, to be U.S. district judge for the southern district of Texas.

Nicholas Tsoucalas, of New York, to be a judge of the U.S. Court of International Trade.

DEPARTMENT OF JUSTICE

J. Michael Fitzhugh, of Arkansas, to be U.S. attorney for the western distict of Arkansas for the term of 4 years.

Hinton R. Pierce, of Georgia, to be U.S. attorney for the southern district of Georgia for the term of 4 years.

Joe B. Brown, of Tennessee, to be U.S. attorney for the middle district of Tennessee for the term of 4 years.

Brent D. Ward, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years.

John Perry Alderman, of Virginia, to be U.S. attorney for the western district of Virginia for the term of 4 years.

Joseph P. Stadtmueller, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin for the term of 4 years.

William H. Ewing, Jr., of Tennessee, to be U.S. attorney for the western district of Tennessee for the term of 4 years.

William S. Vaughn, of Missouri, to be U.S. Marshal for the eastern district of Missouri for the term of 4 years.

Frederick N. Falk, of Wisconsin, to be U.S. Marshal for the western district of Wisconsin for the term of 4 years.

Robert T. Keating, of Wisconsin, to be U.S. Marshal for the eastern district of Wisconsin for the term of 4 years.

Bruce R. Montgomery, of Tennessee, to be U.S. Marshal for the eastern district of Tennessee for the term of 4 years.

Lynn H. Duncan, of Georgia, to be U.S. Marshal for the northern district of Georgia for the term of 4 years.

Warren D. Stump, of Iowa, to be U.S. Marshal for the southern district of Iowa for the term of 4 years.

DEPARTMENT OF AGRICULTURE

George S. Dunlop, of North Carolina, to be an Assistant Secretary of Agriculture.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. William R. Richardson, [redacted], age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Carl E. Vuono, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Edward C. Peter II, [redacted], age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Frederick J. Brown, [redacted], U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Robert W. RisCassi, [redacted], U.S. Army.

The following-named officer for appointment to the position indicated under the provisions of title 10, United States Code, section 711:

To be senior Army member of the Military Staff Committee of the United Nations

Lt. Gen. Robert W. RisCassi, [redacted], U.S. Army.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. David M. Twomey, [redacted] U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning Averett M. Allen, and ending Larry S. Walker, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1986.

IN THE MARINE CORPS

Marine Corps nomination of James J. Justice, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1986.

IN THE NAVY

Navy nominations beginning Michael J. Warden, and ending Mary C. Shen, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 14, 1986.

Navy nominations beginning David B. Adams, and ending Walter John Pratt, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 21, 1986.

HOUSE OF REPRESENTATIVES—*Monday, June 9, 1986*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 6, 1986.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, June 9, 1986.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O gracious God, that You would open our eyes to the wonders of Your created world. As we are so involved in the details of life and the administration of each day, so may Your Word remind us of the glory of creation, the wonder of the universe, the potential You have given each person for celebration and joy, and the opportunities to be lifted by Your spirit into the brightness of each new day. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate having proceeded to reconsider the bill (S.J. Res. 316) "Joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services," returned by the President of the United States with his objections, to the Senate, in which it originated, it was

Resolved, That the said bill do not pass, two-thirds of the Senators present not having voted in the affirmative.

The message also announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 340. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 3570; and

H. Con. Res. 346. Concurrent resolution to correct technical errors in the enrollment of the bill S. 124.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1027) "An act for the relief of Kenneth David Franklin."

GOOD ENOUGH FOR HITLER—GOOD ENOUGH FOR UNCLE SAM?

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, irredeemable currency is the instrument of totalitarian governments. Hitler, following the example set by Lenin, proudly announced to the world that the reichsmark would never, ever be convertible into gold. Hitler, of course, was right—but what was there to brag about?

Here is a report by a contemporary observer of Nazi jubilation over the demise of the gold standard in 1941:

In a recent "funeral oration" delivered before the Chamber of Deputies in Paris, one of the highest functionaries of the Nazi Party declared "with deep inner satisfaction" that "the gold standard is as remote from the realities of life as the philosophy of the French Revolution"—the Liberty, Fraternity, and Equality of men • • •. There were • • • men in Germany at the time who believed in the gold standard. Some became hypnotized by the "new order"; others—born opportunists—were swimming in the broad stream of opportunities opened on a conquered continent; others became frightened or tired during the years of daily menace and compromise. But there are still many men who, in the small hours between night and dawn, will see the grey shadows of the men and the ideals they have betrayed. (The Gold Standard, by W. Redelmeier, Toronto, Canada, 1941.)

There are those politicians and economists who brag that the dollar will never ever be convertible into gold. They may or may not be right. But what is there to brag about?

KURT WALDHEIM'S "MEMORY DISEASE" SPREADING

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Kurt Waldheim's mysterious memory disease is spreading.

Kurt Waldheim forgot that he committed war crimes against Jews as a junior officer in the German Army during World War II.

Then, Ed Meese forgot, that on April 27, his own Office of Special Investigation recommended that we had enough evidence of Waldheim's wrongdoings to put him on the "watch list," making him ineligible for admission to the United States.

Finally, the Austrians forgot the lessons of World War II.

Mr. Speaker, I fear there is an epidemic of Waldheim's disease going around. The Reagan administration should be ashamed that it did not squelch it in its earliest stages, but waited until Mr. Waldheim became a head of state who would be immune from being barred entry.

Instead, Attorney General Meese stuck his head in the sand and muttered, "I forgot."

INTRODUCTION OF LEGISLATION REMOVING YUCCA MOUNTAIN FROM CONSIDERATION AS RADIOACTIVE WASTE REPOSITORY SITE

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, today I am introducing legislation to have Yucca Mountain in Nevada removed from consideration as a site for the high-level radioactive waste repository.

In addition, my bill will immediately halt all further funded expenditures, authorizations, and future appropriations for site characterization of the Yucca Mountain site.

My action was prompted by clear violations of the Nuclear Waste Policy Act by the Department of Energy in abruptly and indefinitely terminating consideration of a site for a second high-level waste repository.

This sudden and arbitrary action by the Department of Energy has fundamentally undermined both the intent and the directive of Congress in the Nuclear Waste Policy Act, passed by this body in 1982.

This is not the first time that the Nuclear Waste Policy Act has been modified without congressional notification or approval, and I believe it is time to halt the process of site characterization immediately.

The fact that 23 lawsuits from more than 10 States are presently pending against the methodology or site selection process used by the Department

of Energy shows that their methods have been not only controversial but are basically improper and flawed.

Although it was clearly the intent of Congress that site characterization studies be completed prior to the announcement of preliminary determination of suitability, the Department of Energy made its preliminary determination on only three sites last week, before any characterization work has been done.

Public health and safety should be the prime concern in any siting of a high-level repository, and this has, clearly, been a secondary priority for DOE, well below cost and decisions that are politically convenient.

My State cannot be targeted for a decision that even optimists are now calling "The best of a bad situation."

The recent nuclear catastrophe at Chernobyl serves as a very clear and timely lesson that our responsibilities for nuclear activities are not only to be taken with utmost seriousness, but are global responsibilities.

Let us not be accused by future generations of treading the line of least resistance and allowing a bad process to continue, when it will fall to them to undo the irreparable harm that has been created.

Yucca Mountain must be removed from consideration now, for it is only by halting the process immediately that better solutions can be sought.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4567

Mr. REID. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 4567.

The SPEAKER pro tempore. (Mr. BARNARD). Is there objection to the request of the gentleman from Nevada?

There was no objection.

CONGRESS FORGETTING ITS PLEDGE TO END DEFICITS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, there is a lot of forgetfulness here in the House of Representatives, too. We tend to forget that we pledged ourselves just a few months ago to a balanced-budget law called the Gramm-Rudman bill.

That law was supposed to be met by doing several things. It was supposed to be met, for instance, by our having our budget in place by April 15 and beginning to work from there. Then by June 10 we were supposed to have passed all the appropriation bills relative to that budget. By the end of June we were supposed to have completed the whole budget process or not take a July recess.

Fat chance, Mr. Speaker, fat chance. We did not meet the April 15 deadline. We were told that that was a mere technicality, and that we do not have to meet the April 15 deadline like all taxpayers in the country do.

We are certainly not going to meet the June 10 deadline. We do not even have any appropriation bills scheduled on the calendar this week, so once again we are just ignoring the law or forgetting it, and certainly by the end of this month we are not going to have the budget process complete, and you can bet that we are going to go on our recess anyway.

We are forgetting the pledge we made to the American people that we are going to try to end deficits and move toward a balanced budget. We do not care. When it comes to spending money, Congress simply does not care. It does not obey the laws it puts in place.

I have said before that this is an outlaw Congress. Every day we prove more and more that we are an outlaw Congress. We could care less about the law we pledged ourselves to for a balanced budget. I think it is high time that the American people begin to hold this body responsible for its irresponsibility.

□ 1210

AUTHORIZING CONTINUED USE OF CERTAIN LANDS WITHIN THE SEQUOIA NATIONAL PARK

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 382) "to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project," with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "two renewals" and insert "one renewal".

Page 1, line 11, strike out "sixty" and insert "one hundred and twenty".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. LAGOMARSINO. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, House Joint Resolution 382 was passed by the House on November 14, 1985.

The resolution provided congressional authorization to the Secretary of the Interior to issue a 10-year permit with the option of two additional 10-year terms to the Southern California Edison Co. for continued operation of hydroelectric diversion facilities within the boundary of Sequoia-Kings Canyon National Park in California. The resolution also required that the Secretary submit the permit to the Congress 60 days prior to execution.

The other body acted on House Joint Resolution 382 on May 21, 1986, and made two amendments. The first would allow only one 10-year renewal option instead of two as contained in the original House version. The second amendment would require the Secretary to submit the permit to the Congress 120 days prior to execution rather than 60 days as required in the House version.

Mr. Speaker, I have no objection to the bill as amended and urge its adoption.

Mr. LAGOMARSINO. Mr. Speaker, further reserving the right to object, this legislation would simply authorize the Southern California Edison Co. to continue its use and occupancy of Federal lands in the Sequoia National Park necessary for the operation and maintenance of an existing hydroelectric project known as the Kaweah project. The current authorization expired last year.

Hydroelectric development has existed in the park since the late 1800's without any serious adverse impacts on the park's resources. However, due to National Park Service concerns regarding possible future impacts of the Kaweah project on the resources of Sequoia National Park, the bill previously passed by this body limited the permit to 10 years with two optional 10-year renewals. In addition, the bill required the Secretary to submit the permit renewals to the appropriate congressional committees for 60 days prior to execution. Since House passage of the bill, these provisions have been modified to permit only one, instead of two, 10-year renewals and require submission of the renewals to Congress for 120, rather than 60 days prior to execution. These provisions will definitely allow for careful review of the project's impacts by the Park Service and Congress prior to renewal of the permit.

As the ranking member of the National Parks and Recreation Subcommittee, I strongly support this legislation. Furthermore, I commend Chairman VENTO and Representative PASHAYAN for their efforts to resolve the minor problems which have arisen with regard to this legislation. I believe the agreement embodied in this bill satisfies all of the concerns and I urge my colleagues to support this measure.

Mr. Speaker, I yield to the gentleman from California [Mr. PASHAYAN], the author of the legislation.

Mr. PASHAYAN. Mr. Speaker, I should like to associate myself with the remarks of the chairman of the Subcommittee on National Parks and

Recreation, Mr. VENTO, and the ranking member, Mr. LAGOMARSINO, regarding House Joint Resolution 382 and the amendments made by the other body.

It has been noted that only two items differ. One is to reduce the number of renewals from two to one. The other is to require that any renewal permit lay before the Congress for 120 rather than 60 days. As the sponsor of this legislation in the House of Representatives, I am pleased to accept those amendments and to endorse the bill as it has evolved. Not only is the legislation bipartisan in its development in the House, but also in its present form as passed by the other body.

I should like to take this opportunity to thank the gentleman from Minnesota for his patience and cooperation, and to thank as well the ranking member, the gentleman from California, for his counsel. Further, Mr. Speaker, I want to thank Mr. Dale Crane and Mrs. Lori Stillman of the Committee on Interior and Insular Affairs, and to thank the Southern California Edison Co. and the National Park Service whose guidance and support was so necessary in the development of this legislation.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, June 11, 1986.

AWARDING CONGRESSIONAL GOLD MEDALS TO JAN SCRUGGS, ROBERT DOUBEK, AND JACK WHEELER

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2591) to award special congressional gold medals to Jan Scruggs, Robert Doubek, and Jack Wheeler, as amended.

The Clerk read as follows:

H.R. 2591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the President of the United States is authorized to present, on behalf of the Congress, to Jan Scruggs, Robert Doubek, and John Wheeler, one gold medal each of appropriate design in recognition of their tireless efforts to give the Vietnam Veterans Memorial to the Nation. The Vietnam Veterans Memorial symbolizes for the Veterans the concern the American people have for them and the respect they feel for their service and their sacrifice, and for all Americans the Memorial expresses a spirit of reconciliation that preserves us as a Nation.

(2) For the purpose of this section, the Secretary of the Treasury is authorized and directed to cause to be struck three gold medals with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There is authorized to be appropriated not to exceed $25,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, overhead expenses, and the gold medal. The appropriation made to carry out the provisions of subsection (a) shall be reimbursed out of the proceeds of such sales.

The SPEAKER pro tempore. Is a second demanded?

Mr. HILER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. ANNUNZIO] will be recognized for 20 minutes and the gentleman from Indiana [Mr. HILER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2591 authorizes the presentation of a special congressional gold medal to Jan Scruggs, Robert Doubek, and John Wheeler. These medals will be presented, on behalf of the Congress, to these three men who are responsible for erecting the Vietnam Veterans Memorial.

The bill is cosponsored by 260 Members, far more than a majority of the House. I am proud to be one of the cosponsors.

In 1979, Jan Scruggs conceived the idea of erecting a memorial to Vietnam veterans. He had served and had been wounded in Vietnam, and saw a memorial as a way of recognizing the veterans and healing the deep divisions caused by that war. He was the founder of the Vietnam Veterans Memorial Fund, and served as its president from its inception. He worked tirelessly for the memorial and his efforts inspired others to join in the effort. Throughout the years of work, he never lost sight of his concern for veterans and the goal of a memorial to heal the wounds of the war.

Robert Doubek joined Jan Scruggs as a cofounder of the Vietnam Veterans Memorial Fund. The fund was established as a nonprofit, privately supported foundation to erect the memorial. A successful attorney at that time, he took a great risk and a 50-percent pay cut to become the full-time project director of the fund. He coordinated the efforts to secure support from veterans organizations. He organized the fundraising for the memorial. He was responsible for verifying the completeness and accuracy of the names inscribed on the wall. He organized and managed the dedication ceremonies in November 1982.

John Wheeler first heard of the efforts to build a Vietnam Veterans Memorial when he saw a report of Jan Scruggs' problems in raising money for the memorial. He quickly volunteered to help. Since 1979, he has served as chairman of the fund's board of directors. He has given thousands of hours of volunteer time for which he received no compensation. He repeatedly made the proper decision to keep the project from foundering in the face of harsh opposition when a single misstep would have ended all hope of building the memorial.

The Vietnam Veterans Memorial serves not only as a moving remembrance to those who sacrificed their lives at the request of their Nation, but also as a symbol of national reconciliation. It has helped heal the bitter legacy of the Vietnam war. It has helped the Nation confront the divisiveness of the Vietnam war and moved us toward reconciliation. The memorial recognizes the sacrifices made by our Vietnam veterans and served as a reminder for the need for national unity.

The memorial would not have been built without the hard work, faith and determination of Jan Scruggs, Robert Doubek, and John Wheeler. The memorial has helped this Nation achieve peace with our past.

H.R. 2591 recognizes those who have helped accomplish the healing process. Without the efforts of Jan Scruggs, Robert Doubek, and John Wheeler there would be no Vietnam Veterans Memorial and the wounds of that war

would continue to fester. For this, they deserve congressional gold medals.

Mr. Speaker, in closing, let me make a few comments about the role that the gentleman from Pennsylvania, my distinguished friend and colleague, Mr. RIDGE, a member of the subcommittee, has played in this legislation.

The gentleman from Pennsylvania [Mr. RIDGE] is opposed to the legislation, and as an enlisted combat veteran of Vietnam, he has the credentials to support his opposition. I want to commend the distinguished gentleman from Pennsylvania for the outstanding manner in which he has conducted himself during the legislative journey of this bill. He has engaged in honest dissent, and at no time has he engaged in any delaying tactics or has he engaged in anything except the highest level of the legitimate dissent.

Although I do not agree with the position of the gentleman from Pennsylvania on the legislation itself, I agree with his right to dissent, for although as a Member of this body he has a right to such dissent, he earned that right long before under enemy fire in Vietnam.

Mr. Speaker, I want to urge my colleagues today to vote "aye" on this legislation, because regardless, the criteria of the committee has been met. There are 260 cosponsors.

This memorial has served as a healer in healing the Nation and it has brought the Nation back together after a terrible, terrible ordeal.

I urge my colleagues to vote "aye" on the legislation.

Mr. HILER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with some reluctance that I stand in opposition to H.R. 2591, legislation to award congressional gold medals to three individuals in recognition of their tireless efforts to give this Nation a Vietnam Veterans Memorial, because I fear that my position might be misunderstood.

I want to make it clear today that my opposition to this medal has nothing to do with my feelings about either the Vietnam war or those men and women who served in that conflict. Although our Nation's involvement in Vietnam was controversial, those who served their country in that war deserve our fullest respect, recognition, praise, and thanks.

I am pleased to say that Congress has seen fit to pay tribute to the veterans of Vietnam with the authorization of a national medal in their honor. In the 98th Congress, both the House of Representatives and the other body recognized the members of the Armed Forces of the United States who served in the Vietnam conflict by adopting legislation authorizing the production of a Vietnam veterans national medal. On October 30, 1984, President Reagan signed this bill into law, and the medal is now available for purchase by the general public.

I am proud to say, Mr. Speaker, that I was a cosponsor of the Vietnam Veterans National Medal Act, despite the fact that I rarely put my name on a medal bill. And I was not alone in giving strong support to this particular bill; 246 Members of this body joined the sponsor of the legislation, the distinguished chairman of the Consumer Affairs and Coinage Subcommittee, Congressman FRANK ANNUNZIO, in attaching their names to the bill. Moreover, on October 18, 1983, 410 Members of this body voted to adopt the Vietnam Veterans National Medal Act. Not a single Representative voted against it.

I also want to make it clear that my opposition to the medal bill before us today has nothing to do with the existence or design of the Vietnam Veterans Memorial. The memorial is a wonderful and moving tribute to those who gave of themselves so valiantly in service to their country. Moreover, the memorial has contributed immensely to healing the wounds suffered by our Nation as a result of the Vietnam experience.

Nor does my opposition to this medal reflect a lack of respect for the efforts of Messrs. Scruggs, Doubek, and Wheeler to ensure that a memorial was erected in honor of Vietnam veterans. Certainly, these three men contributed substantially to the construction of this fine tribute, and should be recognized for their efforts.

Rather, my opposition to this medal bill has to do with the appropriateness of awarding a congressional gold medal to any individual simply for his role in erecting a monument, no matter how significant and emotionally charged that monument may be.

Mr. Speaker, the congressional gold medal has a long and for the most part, illustrious history. The very first such medal was awarded to George Washington, the father of our country. Other recipients through the years have included individuals of such distinguished service and contributions as Jonas Salk, Thomas Edison, Robert Frost, Hubert Humphrey, Robert Kennedy, and Winston Churchill.

According to historians on the subject, when Congress instituted the congressional gold medal during the first years of our Nation, its Members intended the medal to be awarded only in recognition of the highest achievements. As such, they designed the medal to be awarded only sparingly, as they were convinced that the value of reward is enhanced by its rarity.

Unfortunately, Congress in recent years has strayed from this original intent. This is reflected in both the relative numbers of such medals awarded in recent years and the level of achievement of some of the individuals who have been so honored. In the first 100 years of our Nation, only 53 congressional gold medals were awarded. In the little more than 100 years that have passed since our Nation's centennial, 68 congressional gold medals have been authorized; 27 of these have been awarded in the last decade, and 16 of them have been authorized since 1981. In the 97th, 98th, and 99th Congresses alone, nine congressional gold medal bills have been enacted into law, authorizing a total 11 gold medals. Although some of these 11 medals were certainly deserved, others of them are of questionable merit.

The bill before us today is of concern, not because the three designated recipients are underserving of respect and recognition, but because their accomplishments to date do not appear to be of sufficient stature to warrant a congressional gold medal. I am not sure their contribution to building a memorial compares to the lifetime contributions made by such past honorees as George Washington, Jonas Salk, Thomas Edison, Robert Frost, Hubert Humphrey, Robert Kennedy, and Winston Churchill. Moreover, Congress has never before deemed it appropriate to award a medal for the administration, designing or building of a memorial or monument, of which there are many significant ones in our country.

Mr. Speaker, I ask my colleagues to carefully consider their vote on the congressional gold medal bill before this body today. A vote against H.R. 2591 is not a vote against the Vietnam veteran, nor is it a vote against the contribution made by three individuals who along with countless others worked hard to bring a Vietnam Veterans Memorial to our country. Rather, a vote against H.R. 2591 is a vote to restore and maintain the significance and meaning of the congressional gold medal as a medal awarded to individuals in recognition of the highest of achievements and a lifetime of service.

□ 1225

Mr. ANNUNZIO. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. BONIOR], who is also a veteran of the Vietnam war.

Mr. BONIOR of Michigan. I thank the gentleman for yielding this time to me.

Mr. Speaker, I am proud to appear here today in strong support of H.R. 2591, a measure introduced by the gentlewoman from Nevada [Mrs. VUCANOVICH] and myself.

This is a bipartisan measure cosponsored by more than 250 Members of this House. I want to commend the gentlewoman from Nevada for the energy and the leadership she has

shown in advancing this bill. I also want to pay tribute to the chairman of the subcommittee, the gentleman from Illinois [Mr. ANNUNZIO], who has been fair and understanding and has done, I think, an excellent job in handling this issue which has not at all times had smooth sailing, to say the least.

Mr. Speaker, for over 20 years this Nation revered its warriors who joined battle against those who sought through force to alter our chosen way of life. Today, places like Yorktown and Omaha Beach are pilgrimages for those who never experienced the glory, yet they feel a sense of intangible gratitude for those who actually did.

The soldiers of the Vietnam war met our Nation's highest standards of service, the house-to-house battle for Hue, the murderous shellings that were absorbed by our soldiers at Khe San, tested the courage of our soldiers no less than the battles of World War II and Korea. Yet, if the courage was the same, the war was not. It was hard to separate the war from the divisive debate over the Vietnam war and separate that war from the warrior and the Nation was slow to recognize the Vietnam veteran.

Today, a new attitude is moving across the Nation. Our country has begun to remember and to honor those who served their Nation during one of the most difficult periods in our history. In November 1982, the Nation paused to mark the dedication of the Vietnam Veterans Memorial. Tens of thousands veterans joined in their own parade down Constitution Avenue during that memorable week. Thousands crowded into a small chapel in the National Cathedral to listen to veterans. Friends and relatives read the names of those who fell in battle or who are still missing in action, more than 57,000 in all.

More than any other single event, the Vietnam Veterans Memorial forged our Nation's new willingness to honor Vietnam veterans and to reconcile the emotional wounds, the deep emotional wounds, this country incurred from the Vietnam war. More than any other single event, the Vietnam Memorial has allowed this Nation the opportunity both to honor the individuals who sacrificed their lives for us and to finally welcome home the soldiers who returned.

This week we have an opportunity to honor the three Vietnam veterans who gave this Nation the Vietnam Veterans Memorial, who gave this Nation a chance to remember and to change: Jan Scruggs, John Wheeler, and Robert Doubek. Building the Vietnam Veterans Memorial was not easy. The very idea of the memorial itself was controversial, and its striking design even more so. There is only a Vietnam Veterans Memorial today because these three men stood tall against tremendous pressure.

Great changes never come easily, Mr. Speaker. The decision to forget the war and its veteran made by the entire Nation reinforced for a decade could not be reversed in one day, and without controversy. It required discipline and commitment over the years. Let those who wander by the Vietnam Veterans Memorial pause to look at the statue, then read from the names, and to remember—to remember those who served in the sorrow of a nation that turned away. But I think it is also important that they should remember that despite the years of delay, we came together as one people to honor our dead, to praise the living, and to plant this memorial forever in the memory of our people.

Because of the devotion and dedication of Jan Scruggs, John Wheeler, and Robert Doubek, this country has been given the opportunity to heal the wounds left by the Vietnam war and to reconcile a part of our history that we too easily try to forget.

The congressional gold medal is indeed one of the highest honors this Nation may bestow, but I believe we all know that the award of these medals cannot compare to the gift that these three men have already made to our country.

Mr. Speaker, I am deeply honored for this opportunity to gratefully acknowledge the achievements of these three outstanding individuals and I urge support for H.R. 2591.

Mr. HILER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. I thank the gentleman for yielding this time to me.

Mr. Speaker, I am pleased to have the opportunity to say a few words about H.R. 2591. First, I would like to take this opportunity to thank the gentleman from Illinois [Mr. ANNUNZIO], the distinguished chairman of the Subcommittee on Consumer Affairs and Coinage, for bringing this bill to the floor and for his leadership during the consideration of this legislation. He has been extremely gracious and understanding of all of the Members' feelings and any objections to the bill, as well as of those of us who support the bill.

Mr. Speaker, on May 22, 1985, I introduced H.R. 2591 with Mr. BONIOR, Mr. KASICH, Mr. DASCHLE, Mr. BILIRAKIS, and Mr. EVANS of Illinois as original cosponsors. Since that time the legislation has gained a clear majority of bipartisan support, for a total of 260 cosponsors.

As you know, this legislation, which passed the other body by a voice vote on November 14, 1985, provides for a gold medal in honor of Jan C. Scruggs, president of the Vietnam Veterans Memorial, Robert W. Doubek, executive director of the Vietnam Veterans Memorial, and John Wheeler, chairman of the board of the Vietnam Veterans Memorial.

It is through the tireless efforts of these caring and dedicated individuals that the Vietnam Veterans Memorial became a reality, thereby creating a tangible symbol of recognition of the sacrifices of the Vietnam veteran.

Under their leadership and direction the necessary funds to establish the memorial were raised entirely through contributions from corporations, foundations, unions, civic organizations, veterans, and more than 275,000 individual Americans.

Since the dedication of the Vietnam Memorial on November 13, 1982, it is estimated that 25 million Americans have visited the memorial, often drawing over 20,000 visitors a day.

It is altogether fitting that these three men be recognized for their efforts in seeing this dream become a reality—a dream that has been a major step in healing the wounds of a country pained by the Vietnam war. The Vietnam Veterans Memorial is the single most important step in honoring those who served in the Vietnam war and uniting our Nation in recognizing those men and women who gave their lives for our country. It is fitting that we honor the three individuals who have made this tremendous contribution to our veterans and their families, and thus, our country.

I am proud to be a member of a military family, which includes Vietnam veterans, who served their country and made sacrifices for its citizens. I urge the positive consideration of this legislation to recognize these Americans for their relentless determination to honor our Vietnam veterans.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. HILER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

□ 1235

Mr. GILMAN. Mr. Speaker, I am pleased to rise in strong support of H.R. 2591, and I urge my colleagues to offer their support. This legislation authorizes the U.S. Treasury to strike three gold medals for Jan Scruggs, Robert Doubek, and John Wheeler, in honor of their tireless efforts to provide a Vietnam Veterans Memorial for our Nation. As a cosponsor of his measure, I thank the bill's sponsor, the gentlelady from Nevada [Mrs. VUCANOVICH], and the chairman of the Subcommittee on Consumer Affairs and Coinage, the gentleman from Illinois [Mr. ANNUNZIO], for their efforts in allowing us to pay tribute to these three brave, committed men.

Anyone who has had an opportunity to visit the Vietnam Veterans Memori-

al can attest to the significant impact that tribute has upon its visitors. For those of us who remember the Vietnam conflict, and those who only know of the tortured history of Vietnam through books; for those who served and returned and those who never served at all; and especially for those others, too many others, who lost loved ones in Southeast Asia; a visit to the Vietnam Memorial is a tremendously moving, emotional experience. The Vietnam Veterans Memorial has allowed the citizens of this Nation to pay tribute to United States citizens who served in Vietnam and to unite our Nation in recognition of their efforts. Since its dedication in 1982 it is estimated that over 20 million Americans have visited the memorial. None of this would have been possible, however, without the vision, commitment and unrelenting fortitude of its founders, Jan Scruggs, Robert Doubek, and John Wheeler.

A wounded and decorated former infantryman, Jan Scruggs conceived the idea of the Vietnam Veterans Memorial Fund [VVMF] in 1979, recognizing the need for families, servicemen, and the Nation as a whole, to reconcile our involvement and subsequent withdrawal from the Vietnam conflict. As founder and president of the Vietnam Veterans Memorial Fund, Jan Scruggs worked tirelessly with Members of Congress and other Federal officials to realize his goal, often against the odds, of erecting a memorial to honor all who lost their lives in the Vietnam conflict.

Robert Doubek left a profitable law practice to become the first full-time employee of the VVMF and serve as the foundation's executive director. In his capacity Mr. Doubek coordinated the authorizing legislation, direct mail fundraising efforts and verified the completeness and accuracy of all the names inscribed on the memorial. John Wheeler volunteered countless hours as chairman of the VVMF Board and recruited volunteers who have served as directors and advisers.

Without the extraordinary contributions made by these three men I believe that today there would not be a Vietnam Veterans Memorial. Honoring these three leaders with congressional gold medals is fitting, appropriate and most timely. We must not forget those who sacrificed their lives for us, nor can we forget the 2,400 servicemen that still remain unaccounted for in Southeast Asia as a result of the Vietnam war. As vice chairman for the task force of POW's/MIA's I commend these outstanding Americans for their efforts to heal the emotional scars brought about by the Vietnam war and I urge my colleagues to adopt this important measure.

Mr. HILER. Mr. President, I yield 3 minutes to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, as the original sponsor of the bill (H.J. Res. 431) October 25, 1979, that authorized the construction of the Vietnam Veterans Memorial on Federal property, I want to inform my colleagues about a draft letter I have received from a number of combat veterans of the Vietnam war.

I will read from that letter:

We the undersigned, all being combat veterans of the Vietnam war, believe it would demean the traditional standards for the congressional gold medal if it were awarded to these three men.

Our quarrel is not with the memorial itself. While we are pleased with it as it now exists, we hope our colleagues would understand that the award of the congressional gold medal is not being proposed for the 58,000 war dead honored at that site, nor for the myriad of well-intentioned Americans who gathered together, often despite the failed leadership of the Vietnam Veterans Memorial Fund, to produce the memorial. It is being proposed for three individuals who have already benefited greatly from their association with this project, in financial and other ways, and whose conduct before, during and after the consideration of the memorial project has not measured up to the historical standards for the congressional gold medal. It occurs to us that perhaps many of those who have signed onto this legislative proposal as cosponsors have not separated their view of the memorial from a deserved analysis of these three individuals.

The congressional gold medal has traditionally been awarded for such contributions as "valor or extraordinary bravery," "lifetime philanthropy," "lifelong service," "extraordinary achievements for humanity," "lieftime public and patriotic service," and "selfless dedication," as described in typical recent citations. Prominent individuals whose achievements have been historic, such as George Washington, Winston Churchill, Douglas MacArthur, John Paul Jones, Hubert Humphrey, and Dr. Jonas Salk are examples of the only 116 people who have received this honor in the last 200 years. We would ask our colleagues to consider whether the conduct of those who have conducted the affairs of the Vietnam Veterans Memorial Fund, partially addressed below, meets such historic standards.

I will not read the entire letter because I do not have enough time allocated, but the main point they make is that these individuals received financial and other benefits from their association with this project beyond what one might normally associate with an effort of this sort. I realize that certainly the chairman of this committee Mr. ANNUNZIO, and Mr. HILER, are acting in good faith in bringing this measure to the House floor as is Mrs. VUCANOVICH, the chief sponsor. I think that the other side needs to be heard and I am pleased to have this opportunity to make known the views of these combat veterans of Vietnam.

I plan to vote against H.R. 2591.

Mr. HILER. Mr. Speaker, I yield 6 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Speaker, I am a Vietnam veteran and count among my friends others who served honorably and well in Southeast Asia, many of whom still bear the physical and psychological scars of that experience, some who are listed among the rollcall of dead inscribed on the wall of the Vietnam Veteran's Memorial, some with whom I trained, some whom I trained, and some with whom I served in Vietnam.

It is therefore with a deep personal and, admittedly, an emotional perspective that I approach any matter related to Vietnam veterans; particularly those actions or events which reflect directly on the integrity of those who gave their blood and, too often their lives, in the service of their country.

Therefore, Mr. Speaker, I rise in reluctant but strong opposition to this measure. I am mindful of the contributions these three men made to the Vietnam Veterans Memorial, particularly the wall. I am also aware of the efforts of several other veterans who worked for the VVMF without compensation who prevailed over the objection of these three to include a pathway for our disabled veterans, the statue and the flag. As a Vietnam veteran, I am grateful for all their efforts, but I cannot support the awarding of this honor to any of them.

In the past—for more than a decade—Vietnam veterans, as a group, were among the most reviled in our society. Routinely portrayed in the press, television, books, and motion pictures as an assortment of criminals, addicts, sociopaths, and barbaric mercenaries, it is little wonder that Vietnam veterans were considered outcasts in the very country they had selflessly served.

In recent years, those characterizations—quite frankly, slanderous portrayals—have abated somewhat and with that, has come a shift in public perception of the Vietnam veteran. Few will argue that this change in attitude is due largely to the quiet assimilation of Vietnam vets in every quarter of American society where their achievements, frequently remarkable successes, have earned for them the respect and admiration of those who once viewed them with suspicion, if not outright contempt. Today, we see Vietnam vets holding important leadership positions in business, government, law, medicine and any number of other occupations.

As any Vietnam vet will tell you, Mr. Speaker, these gains in public confidence did not come easily; nor, were they the result of any sweeping change in media attitudes toward Vietnam or those who fought there. These gains were earned by veterans in the communities where they live, work, and play.

Napoleon's cynical observation that "history is nothing more than lies agreed upon" is a bitter lesson most

Vietnam veterans were forced to learn firsthand. But through that experience they also found that with diligence, tenacity and quiet courage they could set the record straight and become the custodians of not only their own place in history but the honor of their fallen brothers as well.

It's this responsibility—to vigilantly preserve the integrity and dignity of those who served—that causes me to question both the propriety and wisdom of singling out any Vietnam veteran for the honor which we are considering here today.

Briefly, Mr. Speaker, I'll summarize my concerns.

There is the matter of qualifications. A review of the history of the congressional gold medal and its recipients reveals a pattern of criteria which would be difficult to ignore.

From George Washington to John Paul Jones to the Wright brothers, Thomas Edison and Dr. Jonas Salk, the prerequisities for such an honor are "distinguished service," "valor," "humanitarian activities." Many past gold medal recipients, great Americans like President Truman, Robert Kennedy and Senator Hubert Humphrey were cited posthumously, and only after a lifetime of "public service and selfless dedication."

The language of the bill characterizes the memorial as a symbol of the concern and respect of the American people for the service of veterans and, for all Americans, the spirit of reconciliation "which preserves us as a nation." The respect and reconciliation that is referred to in the legislation language has a dimension far beyond the memorial which I believe needs recognition today. Most Vietnam veterans returned from their tour at peace with themselves. Vietnam veterans had earned that respect by their performance on the battlefield. Admittedly, it was not immediately forthcoming. While the memorial may have raised the level of consciousness of this Nation. The actions of individual veterans in their own communities has done as much, and some might argue more, to nurture the respect and reconciliation attributed exclusively to the memorial. Most Vietnam veterans have returned home and in a quiet, productive, and patriotic way contributed to their communities and their country in full view of the Nation that was initially critical and at times unwilling to recognize their sacrifice and commitment as soldiers.

Throughout this country, we have Vietnam veterans serving in public office, in the sciences, factories, shops, professions. I could name many, but only recount briefly the stories of a few men, who continue to serve their fellow veterans and their communities in northwestern Pennsylvania.

Gary Orlando, a totally disabled veteran, worked feverishly to establish and to administer a Vietnam veterans leadership program in Erie, PA, in between frequent visits to the VA medical center in that community. Jack Erhardt and Elmer Smith, both wounded combat veterans, are involved daily in outreach efforts to assist veterans. Mike Rossi, another veteran, has done volunteer casework for veterans of all wars for years and his friend, Charlie Schmitz, another totally disabled veteran, has spent hundreds of volunteer hours working with other Vietnam veteran volunteers in support of a variety of veteran and community-based activities. Wayne Stratos, has overcome numerous obstacles and with his tenacity and commitment has finally established a veterans outreach program in his community. These selfless contributions of veterans helping veterans and helping others within their community in northwestern Pennsylvania are magnified thousands upon thousands of times throughout all 435 congressional districts. These men and women work without recognition and without reward. They seek none.

For those of us who are Vietnam veterans, or for that matter combat veterans of any war, we share the knowledge that but for the grace of God, we may have been the ones to die. But for the grace of God, we are the ones whose names might be etched in stone on the memorial. For that reason, we bear greater responsibility to live honorably, we bear greater resonsibility to our fellow veterans and to our community. Each of the lives that were lost in Vietnam makes each one of ours all the more valuable. The contributions of the men and women who work quietly in their communities, as well as the nameless volunteers whose energy and commitment to the establishment of the memorial went equally unnoticed, have all significantly contributed not only to the symbol, but also to the actual spirit of reconciliation and respect that exists in this country today.

I am not casting aspersions on the three nominees here today. Rather, my question is how do we justify these three single citations in this instance and ignore all the rest. What do we say to the hundreds of good men and women who selflessly gave of their time and talents to see that the memorial was built so that those who died defending this country would not be forgotten. How do we justify these citations when there are tens of thousands of Vietnam veterans whose daily lives, whose very existences are literally profiles in courage; some are confined to wheelchairs, some are strapped to artificial limbs. Still others continue to struggle with invisible, but no less disabilitating wounds. In war, all sacrificed much for a country who showed little or no gratitude. Now, in peace, many quietly continue to contribute to their families, communities and Nation without regard for reward or recognition. In my mind, the contribution of all of these people to the spirit of respect and reconciliation identified in the legislation, is as genuine, significant, noteworthy, and, in my mind, as laudable, if not more so, than the three we seek to honor today.

Which brings me to my final point.

Most Vietnam veterans, and probably all combat veterans, carry memories of the sacrifices, heroism and death of those men and women whose names appear upon the wall. They are aware of the circumstances involved in the 300,000 soldiers who were wounded in battle as well.

Every one of those veterans is an individual story. Every one who has died in battle, fighting for the United States of America, and in our history there are over 1 million men and women, has made a sacrifice upon which future generations have been able to build. Those men and women whose names appear on the memorial and their individual stories, acts of bravery and sacrifice are very much a part of the foundation upon which our generation was built. Our lives are that much more valuable because of their sacrifice. Our responsibility to our families, communities and country are greater because of their sacrifice.

While many of my colleagues, as well as other Vietnam veterans respect the efforts of the three nominees, in my mind, nothing, absolutely nothing that they have done is comparable to the sacrifice of their slain comrades. Duty, honor, country—valor, dedication, patriotism—by any standard, each of these men, those who died and those who were wounded, and those who quietly go about their personal and professional business in their communities today would more than qualify for the congressional gold medal.

Mr. Speaker, those men and women who worked on the Vietnam Veterans Memorial fund assumed an obligation and sacred trust the likes of which they never had nor will have again. They were the custodians of the most cherished and revered gift our generation had to offer this Nation. The blood and lives of our brothers.

Whatever their reasons for doing so, they carried out those responsibilities and brought home America's bravest sons. That, it seems to me, is an honor that no man can come close to duplicating, a tribute to the heart and spirit which they will carry with them always. A wise and honorable man would be grateful for that and ask for no more. The singling out of these three men, whose actions were indeed commendable, mocks the notion of self-sacrifice and does a disservice to all. It is inappropriate to honor those who build monuments. It is only appropriate to honor those whose names appear on the wall. What is the memo-

rial supposed to honor, Mr. Speaker, those who built it or those for whom it was built. I urge my colleagues to vote "no."

□ 1245

Mr. HILER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I would agree with my friend from Pennsylvania, Mr. RIDGE, that the people whose names appear on that wall went into combat, some making $100 a month, some $200, $300, $400 a month, and went through a lot of sacrifice.

The builders of monuments have made hundreds of thousands of dollars. Mr. Scruggs and Mr. Doubek have made, my estimate is in excess of $300,000. Mr. Scruggs gets honorariums of $1,500 a whack to talk to people about building the monument, and I can remember trying to get the American flag put in the middle of that monument. It was a very difficult thing, and it appeared to me that the VVMF was the most violent opposition to the placing of the American flag at the apex of the monument and ultimately, they succeeded in moving the flag out of the monument to the position near the Lincoln Memorial where it now stands.

I agree very strongly with the gentleman from Pennsylvania [Mr. RIDGE] that we should be honoring the people whose names appear on the wall, and not the builders of the monument.

Mr. ANNUNZIO. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. BONIOR], to close the debate.

Mr. BONIOR of Michigan. Mr. Speaker, I would like to address some of the arguments that have been raised here on the floor. It has been argued that somehow, by granting these gold medals to these three individuals that we take away somewhat the honor that the country has bestowed on those who gave their lives in that war; yet the truth is that the Gold Star Mothers of America really are the strongest advocates of this bill.

Those who find insult, I think, in these gold medals do so over the very, very strong objections of the mothers of more than 58,000 men and women whose names grace the two long walls of the Vietnam Veterans Memorial.

A letter was read earlier by some Vietnam combat veterans in opposition to these medals. I should point out clearly here that there are tens of thousands of Vietnam veterans who stand in support of this piece of legislation.

The Nation's largest Vietnam veterans organization, which was just given a charter recently, the Vietnam Veterans of America, are in support of this, as well as, I believe, the Veterans of Foreign Wars. Both strongly endorse these gold medals for these three individuals.

Now, finally, in the remaining time that I have, it has been argued that there has been financial gain by these three gentlemen. It should be understood that Jan Scruggs' highest salary was $35,000 a year. Mr. Robert Doubek's average salary, over 43 months, was $38,000 a year. Those are not exorbitant salaries given the scope and the magnitude of what these three outstanding individuals had to cope with to erect this memorial.

So in every way I think these people have passed the test over a period of time, and it seems to me that they have healed this Nation in a way no legislation could have healed this Nation in that divisive war, and they are certainly deserving of these medals, and I urge a "yes" vote.

Mr. SYNAR. Mr. Speaker, I became acquainted with Jan Scruggs as did many Americans—through the media coverage of his efforts to recognize Vietnam Veterans and build the Vietnam Veterans Memorial.

The May 1985 National Geographic article on the Vietnam Veterans Memorial which also featured Jan and his heroic efforts, inspired me to nominate him for the National Jaycees Ten Outstanding Young Americans Award.

The Jaycees agreed with me that Jan should be recognized for his valuable service—bringing recognition to veterans who fought for our country and helping a nation come to terms with the war in Vietnam.

Jan, Robert, and John deserve this Nation's honor and respect for their efforts. Their task was a difficult one. Few could match their dedication and I can't think of a better way to say thanks to these three men than by awarding them a gold medal of honor.

Mr. HOYER. Mr. Speaker, I would like to congratulate our colleague, Congresswoman BARBARA VUCANOVICH of Nevada, for honoring three Vietnam veterans for their inspired leadership in the construction of the Vietnam Veterans Memorial. In addition, Congressman FRANK ANNUNZIO of Illinois, the chairman of the Subcommittee on Consumer Affairs and Coinage of the Committee on Banking, Finance, and Urban Affairs, is to be commended for his stewardship of this legislation. I am proud to be a cosponsor of H.R. 2591.

As Jan Scruggs, the president of the Vietnam Veterans Memorial Fund [VVMF], noted:

The Vietnam Veterans Memorial will provide a special tribute from the people of this country to those who served. The memorial will make no political statement about the war, as is proper, because in coming to grips with the history of Vietnam, our nation must separate the issue of the war itself from the issue of how the veterans served their country.

Regardless of one's position on American involvement in Vietnam, all must agree that the men and women who answered their country's call—and in particular the more than 55,000 Americans who did not return—deserve their country's respect and recognition. Mr. Scruggs' words will continue to stand as eloquent testimony to the emotional impact of the Vietnam Veterans Memorial. No one who visits that polished, black granite memorial can come away unmoved.

Mr. Scruggs, a resident of the State of Maryland, grew up in Bowie, MD, a town within the Fifth Congressional District, which I represent. By his diligent and dedicated work on behalf of his comrades-in-arms from Vietnam, Mr. Scruggs has demonstrated that he is much more a resident of a particular town or of a particular State. In the truest sense of the word, Jan Scruggs is an American, and I am proud to know him.

By authorizing the President to present gold medals to Jan Scruggs, as the president of the VVMF; Robert Doubek, as the project director; and John Wheeler, as the chairman; the House of Representatives will have acted appropriately to honor the memory of those who died in Vietnam. Scarcely anyone does not know someone who died in Vietnam, who was wounded in Vietnam, or who served in Vietnam. The "Wall" provides a moving reminder of their sacrifices and service.

The 99th Congress, in honoring the three Vietnam veterans who played such a pivotal role in the establishment of the memorial, will be honoring all the men and women who served their country during a difficult period in American history. Jan Scruggs and his colleagues from the VVMF are richly deserving of their country's gratitude and tribute.

Mr. MCCAIN. I rise in opposition to H.R. 2591. Initially, when I signed on as a cosponsor to this legislation, I felt that rewarding Jan Scruggs, Robert Doubek, and John Wheeler was a good idea for all the hard work it took in establishing the Vietnam Veterans Memorial. However, since that time, I have obtained information that Messrs. Scruggs and Doubek received remuneration in excess of $300,000 for their efforts. And consequently, this bill no longer merits my support, nor that of anyone here in Congress.

Let me make one thing absolutely clear, we owe a debt of gratitude to these individuals. As well as all the others who were involved in making the Vietnam Veterans Memorial a reality. I would fully support a congressional resolution acknowledging and expressing our appreciation for their contributions in organizing and ultimately establishing the Vietnam Veterans Memorial. But awarding these three the congressional gold medal is not an appropriate tribute for their efforts.

Traditionally the gold medal has been awarded for contributions such as "valor or extraordinary bravery," "lifetime public and patriotic service," or "lifetime philanthropy." Prominent individuals whose achievements have been historic. Such as George Washington, Winston Churchill, Douglas MacArthur, John Paul Jones, Hubert Humphrey, and Dr. Jonas Salk are examples of the only 116 people who have received this honor in the last 200 years. I ask my colleagues to consider whether these three individuals should be placed in the same category as these men whose legendary efforts have altered mankind's destiny.

I have known many people whose efforts and achievements warranted their admission to this select group. And I am sure everyone of my colleagues is aware of someone whose extraordinary commitment and accomplish-

ments could justify their receipt of a congressional gold medal. But, are we going to award this prestigious award to everyone whose efforts are appreciated. Or are we going to maintain some semblance of historic perspective and regard only those whose selfless dedication and lifetime public and patriotic service profoundly impacted our Nation and our world?

We, as a nation, have redressed the years of neglect toward those who served proudly in Vietnam. The Vietnam Veterans Memorial is now in place and healing wounds. Thanks to the efforts of many. Many people, including several who in the best tradition of public service declined publicity. Financial payments, and other benefits for their assistance. I urge all of my colleagues to oppose H.R. 2591. And perhaps, we can show our gratitude through the introduction and passage of a congressional resolution.

Mr. FRENZEL. Mr. Speaker, H.R. 2591 awards Congressional Gold Medals to three individuals who were stellar performers in the creation of the Vietnam Memorial.

Like most Americans, I am grateful for the splendid efforts of the three. I liked the memorial from the start. I like it today.

But I believe we have let the medal program get away from us. In a sense, nearly every American has performed good service to the Republic. But not all should receive a gold medal from Congress. It should be awarded only for extraordinary service, achievement, or action.

In the last 5 years, we have spread a lot of medals around. Each of the recipients has performed admirably, but there have been too many of them. The gold medal is losing its luster. The product is being cheapened.

I shall vote no because I want this very special award to be given on a more carefully planned basis to truly extraordinary recipients. I don't want medals which have been given to George Washington, Winston Churchill and Hubert Humphrey, all of whom have been extraordinary recipients, to be awarded at random, even though, like the three builders of the memorial, the recipients' services have been great.

If one-third more of my colleagues agree with me, and the bill fails, the failure will not reflect on the three individuals honored by the bill. It will be a signal to the House leadership that it is time to rationalize the program.

The Congressional Gold Medal is not an award by a committee, a caucus, or even one House. It ought to be an award that all of Congress wants to give, and is proud of.

The Speaker should, in consultation with the minority leadership devise a new plan to restore the lost luster of the gold medal. My preference is to establish lifetime achievement criteria, limit the award to one or two per biennium, require a unanimous leadership recommendation and a two-thirds vote.

Mr. SHUMWAY. Mr. Speaker, I am strongly opposed to H.R. 2591, to provide special congressional gold medals to the three gentlemen who built the Vietnam Veterans Memorial.

This is the Nation's highest civilian award. It has previously been bestowed on such patriots and pioneers as George Washington and Dr. Jonas Salk. I do not believe that it is appropriate for us to present such a coveted award to individuals who build monuments, particularly in light of the fact that they were paid several hundred thousand dollars for their effort. More importantly, if we are of a mind to bestow awards, why are we not extending them to the more than 58,000 men and women who gave their lives? It would be far more fitting to honor those whose names appear on the monument, rather than the three men who constructed it.

I believe that this effort diminishes the value and tribute which should be represented by the medal, and I strongly oppose this legislation.

Mr. ANNUNZIO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ANNUNZIO] that the House suspend the rules and pass the bill, H.R. 2591, as amended.

The question was taken.

Mr. RIDGE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2591, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

IT'S THE CELTICS—AGAIN

(Mr. BOLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLAND. Mr. Speaker, in the National Basketball Association, it seems the more things change, the more they stay the same.

Yesterday, at home in Boston Garden, the Boston Celtics offered a basketball primer to the Houston Rockets, and in the process won yet another NBA championship. No one who watched yesterday's game, in fact no one who watched the Celtics amass 67 regular season victories and 15 more in the playoffs, could doubt their supremacy. The 16 championship banners which now hang proudly above the Garden's parquet floor are a testament to the fact that, in Massachusetts, where basketball was invented, the game is played on the professional level with a skill unmatched anywhere.

The key to the success of the Celtics over the years has been their ability to blend the skills of individuals with superior ability into a cohesive, team effort. Their guiding force for the last 30 years has been Red Auerbach. This year he, general manager Jan Volk, and coach K.C. Jones assembled a team that may very well be recognized as the best in NBA history. In Robert Parish, Danny Ainge, Kevin McHale, Dennis Johnson, the rejuvenated Bill Walton, and the incomparable Larry Bird, the Celtics had the nucleus of a juggernaut that pursued the championship with single-minded determination. To them, and to all Celtics, I want to extend my congratulations on a well-deserved triumph. To the rest of the league, I offer condolences; the new season starts in just 5 months, and the Celtics will be back with the same brand of hustle, skill, and spirit that produces victories, delights their millions of fans, and makes life miserable for their opponents.

REQUIRING UNITED STATES COMPANIES TO CEASE PARTICIPATION IN PRODUCTION, MARKETING, OR DISTRIBUTION OF LIBYAN OIL

Mr. LEVINE of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4847) to require that United States companies cease their participation in the production, marketing, or distribution of Libyan oil, as amended.

The Clerk read as follows:

H.R. 4847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL SUPPORT FOR PRESIDENT'S ANNOUNCED INTENTION TO TERMINATE LICENSES.

The Congress supports the announced intention of the President to terminate, effective June 30, 1986, licenses issued under Executive Order 12543 of January 7, 1986, and Executive Order 12544 of January 8, 1986 (imposing sanctions with respect to Libya), which currently allow certain United States persons to participate in production, marketing, or distribution activities with respect to crude oil produced in Libya.

SEC. 2. REVOCATION OF AUTHORITY FOR UNITED STATES COMPANIES TO PARTIPATE IN THE PRODUCTION, MARKETING, OR DISTRIBUTION OF LIBYAN OIL.

(a) REVOCATION.—No regulation, ruling, instruction, license, or other authority issued under Executive Order 12543 or Executive Order 12544 shall be effective which would allow any United States person to participate in production, marketing, or distribution activities with respect to crude oil produced in Libya.

(b) EFFECTIVE DATE.—This section shall take effect on June 30, 1986, except that if the date of enactment of this Act is after June 30, 1986, this section shall take effect 30 days after such date of enactment.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. LEVINE] will be recognized for 20 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4847. Before talking about the specifics of this bill, I want to take a moment to thank Chairman FASCELL and Chairman BONKER for considering this bill so expeditiously in committee and subcommittee. I especially appreciate this speedy consideration because time is of the essence.

The bill before us, which has over 40 cosponsors from across the political spectrum, including many members of the full Foreign Affairs Committee and Trade Subcommittee, would require United States oil companies still operating in Libya to cease their participation in the production, marketing, or distribution activities with respect to crude oil produced by Libya, by June 30, 1986, or 30 days after enactment of the bill. The effect would be to prohibit the five United States companies now operating in Libya—Amerada Hess Corp., Conoco, Inc., W.R. Grace & Co., Marathon Oil Co., and Occidental Petroleum Corp.—from continuing their operations there.

Mr. Speaker, the U.S. Government has become increasingly concerned about the murderous terrorist activities instigated by, and carried out with, the help of Libya and its erratic, outlaws dictator, Mu'ammar Qadhafi. In response to this increased terrorism, and in an attempt to isolate Libya, President Reagan on January 7 and 8, 1986, issued Executive Order Nos. 12543 and 12544 respectively, which prohibit United States persons—"persons" includes both United States citizens and companies—from participating in any transaction involving Libyan assets. This means, among other things, that imports and exports must cease between the United States and Libya, as must United States credits and loans to Libya, as well as "performance by United States persons of contracts in support of projects in Libya."

After Executive Orders 12543 and 12544 and their implementing regulations were issued, the five oil companies mentioned above applied for and were granted licenses by the Department of Treasury to continue their operations in Libya. These licenses were issued solely for termination activities, to enable the companies to attempt to obtain a fair market value for their assets in Libya.

According to Henry Shuler of the Georgetown University Center for Strategic and International Studies, the 100 million barrels of oil these companies sold last year on behalf of Qadhafi produced some $2 billion in revenues for Libya—$2 billion in revenues that subsidize Qadhafi's terrorism.

During a press conference held at the May economic summit in Japan, President Reagan firmly stated that after June 30, 1986, the five United States oil companies will not be allowed to operate in Libya. The President felt constrained to take this action with respect to United States oil companies operating in Libya because of the difficulty United States involvement created in negotiations with our European allies who we are asking to level economic sanctions against Libya. They rightly point out the inconsistency in our own policy with respect to the operation of United States oil companies in Libya.

The United States has no business engaging in activities which add revenues to the coffers of one of this globe's premier terrorists. This bill would help further isolate Libyan dictator Qadhafi in the Middle East, and remove some of the inconsistency from our policy with respect to that country. Although the administration has announced that the oil companies must cease all operations in Libya by June 30, 1986, this bill would put Congress on record as supporting this policy, and would mandate compliance by the companies.

Section 1 was added during full committee consideration at the initiative of members who wished to express support for the President's decision to terminate by Executive order the oil companies' activities in Libya. As I explained, this bill would mandate compliance by the companies.

Section 2 of this bill, which is identical to the original version and which contains the substantive provisions, revokes the authority of United States companies to participate in activities in Libya.

Again, Mr. Speaker, I want to thank both the chairman of the Foreign Affairs Committee and the chairman of the Trade Subcommittee for their cooperation and for acting so expeditiously on this bill, and I want to thank you for allowing this bill to be considered today by the full House.

This bill makes an important statement, and I urge my colleagues to support it.

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Mr. BROOMFIELD. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in reluctant support of the bill that is before us at this time. I have been informed by the White House that the President is going to carry out, using his own authority, actions called for by this legislation. Thus, this bill is not really necessary.

I want to compliment the gentleman from Wisconsin [Mr. ROTH] for his amendment to the bill before us (H.R. 4847) in which he says that the Congress supports the announced intention of the President to terminate effective June 30, 1986, licenses issued under Executive Order 12543 of January 7, 1986, and Executive Order 12544 of January 8, 1986, which currently allows certain United States persons to participate in the production, marketing or distribution activities which respect to crude oil produced in Libya.

President Reagan made this agreement and announced it during the economic summit meeting in Tokyo earlier this year.

While the bill obviously would do no harm, my point is that it is not necessary because it is going to be accomplished by Executive order.

Mr. Speaker, this bill, H.R. 4847, would terminate, by law, the existing regulatory exemptions which permit five United States oil companies to continue taking part in the production, transportation, or marketing of Libyan oil effective June 30, or on the date of enactment, whichever is later.

The legislation also explicitly states Congress' support for the President's announced parallel intention to end those licenses exempting the five, Amerada Hess, Conoco, W.R. Grace & Co., Marathon, and Occidental Petroleum, from the United States economic sanctions imposed on Libya.

American companies reportedly pump 42 percent of Libya's oil. They control in their own right some 16½ percent of Libya's total oil exports. However, it is estimated that more than 90 percent of the revenues earned on their share of the oil exports goes to Libya in the form of royalties and taxes.

This legislation deserves our support for several reasons. There is some disagreement about how important the marketing expertise of the United States companies is in enabling Libya to sell more of its oil at better prices. Nevertheless, however significant the contacts and business expertise of the American companies are, Colonel Qadhafi would no longer benefit from them in his efforts to earn hard currency to fund massive arms purchases and terrorist activities.

Second, ending the exemptions of these five companies from compliance with our economic sanctions would help us to persuade our European friends and allies to join us in imposing such sanctions on Libya's vicious outlaw regime. The Europeans will no longer be able to point to the embarrassing and inconsistent example of the five American companies continu-

ing to participate in the most important sector of Libya's economy. We need to use every effort to convince our European friends to apply economic sanctions because they are Libya's most important oil market. Last year Libya reportedly exported 914,000 barrels per day to Western Europe.

Third, the bill, by ending American companies' participation in Libya's oil business, would stop the United States Government's indirect subsidy of Libyan oil exports inherent in the United States tax deductions the five American corporations get for the high taxes they pay to Libya on the profits earned from their share of Libyan oil exports.

Finally, we hope that the enactment of this legislation will result in fewer Americans being in Libya, and thus, being potentially in danger of one day becoming hostages of the regime in whose oppressive grip Libya is held.

I urge my colleagues to pass H.R. 4847. It is a helpful medicine against the festering sickness which Qadhafi represents.

Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. I thank the gentleman for yielding time to me.

Mr. Speaker, the bill before us today affirms Congress' support for President Reagan's unequivocal condemnation of Libya's state-sponsored international terrorism.

On January 7 and 8, President Reagan imposed comprehensive economic sanctions against Libya. United States imports of Libyan products or services were prohibited; United States exports to Libya were halted; United States public or private loans to the Libyan Government were banned; Libyan Government assets were frozen; travel to and from Libya was restricted; Americans were prohibited from entering into contracts for Libyan industrial projects; and United States companies were required to divest of their assets in Libya by February 1.

After the early January announcement, several United States companies—notably five United States oil companies—sought authorization from the Treasury Department to close out their Libyan operations through an orderly winddown extending beyond February 1. Given that the United States objective was to maximize economic pressure on Libya without causing excessive and unnecessary harm to United States business, guidelines were drawn up to cover special situations. Where it was likely that the immediate abandonment of contracts would result in a substantial economic windfall to Libya, limited extensions of the deadline were granted.

Five United States oil companies—Conoco, Amerada Hess, Occidental, Marathon, and W.R. Grace—were given 5 additional months to close out their operations in Libya. These companies were ordered by President Reagan to terminate their operations in Libya by June 30.

Today, we in Congress join in supporting the President. Last year, Colonel Qadhafi gained in $2 billion in oil revenue taxes. For every dollar earned by U.S. oil companies in Libya, 92 cents go for tax and royalty payments of Qadhafi's coffers.

Questions remain over whether or not other countries will simply swoop in to fill the void left by the departure of American oil operations in Libya. Questions remain over whether or not the Libyan Government itself will simply step in to produce and market its oil resources. And questions remain whether United States long-term oil supply interests are well served by divesting our assets in this part of the world.

Nonetheless, the United States has demonstrated to the world that we are willing to sacrifice our own economic interests for the greater good and safety of the world's people. Our actions speak louder than words. Our actions have demonstrated our resolve. And our actions have spurred others to confront the principal source of today's unconscionable tragedy.

State-sponsored terrorism is a euphemism for unconventional war. Its attractiveness as a weapon of warfare increases every year as its effectiveness in achieving end-goals is increasingly demonstrated. Let us hope that our actions, taken alone and in concept with our allies, demonstrate to terrorists like Colonel Qadhafi that crime in the end doesn't pay.

The bill before us puts Congress solidly behind the President in his commitment to isolate Libya's Qadhafi. I urge my colleagues to support this bill.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from New York, [Mr. GILMAN] a member of the committee.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Michigan for yielding time to me.

Mr. Speaker, I rise in support of this legislation, H.R. 4847, requiring that United States companies cease their participation in the production, marketing, or distribution of Libyan oil.

After the terrorist attacks of the 1985 Christmas season, President Reagan imposed strict economic sanctions on Libya in January 1986. Included in the sanction list was a requirement that American oil companies still operating there cease their operations by February 1.

It became clear, as January progressed, that such an immediate termination of operations could lead to "windfall profits" to Libya. Under its earlier contracts with the oil companies, Libya can confiscate abandoned assets and entitlements to oil extraction. Accordingly, the administration granted licenses to some American companies allowing them to remain in Libya while negotiating for the disposition of their properties. Profits from those properties have been placed in escrow.

These licenses will expire on June 30 and President Reagan has said that they will not be renewed.

This legislation provides for the mandatory application of a policy the administration has already announced, and provides that no licenses providing for further operations will be valid after June 30, or 30 days after enactment, whichever is later.

Mr. Speaker, I certainly support the intent of this legislation. The sponsor, the gentleman from California [Mr. LEVINE] has been keenly interested in this issue. He accepted an amendment by the gentleman from Wisconsin [Mr. ROTH] which has the effect of clarifying that the Congress is aware of and supports the administration's intent to end these licenses on June 30 by executive order.

Accordingly, I urge my colleagues to support this bill.

Mr. LEVINE of California. Mr. Speaker, I yield myself such time as I may consume.

First of all, Mr. Speaker, I would like to thank the representatives of the minority party from the committee for their support. I very much appreciate the support of the gentleman from New York [Mr. GILMAN], I very much appreciate the support of the gentleman from Wisconsin [Mr. ROTH], and I even very much appreciate the reluctant support of the gentleman from Michigan [Mr. BROOMFIELD]. Even though he is not on the floor, if he is listening, I would like to advise him that I welcome even his reluctant support on any of my legislation.

Mr. Speaker, I believe that the gentlemen have all made valid points. I do think one point needs to be made for the RECORD. That is that in the absence of the input from our European allies and perhaps in the absence of the likelihood of legislation such as this, I, and I know a number of my colleagues, having a sneaking suspicion that the termination date that has been imposed by the administration now, as of June 30, might not have been such a quick termination date.

That having been said, I do welcome the amendment of the gentleman from Wisconsin [Mr. ROTH] that was included in the bill in the full committee last week, and I do welcome the initiative of the administration in closing the loophole that was placed in the legislation in the executive orders through the waiver. I do think that the waiver initially was unfortunate in the absence of an early termination date. Now that we do have an early

termination date, I think it is appropriate that the executive branch and legislative branch act in concert to indicate that there will be no additional waivers and no additional loopholes and that the June 30 date will in fact be the date that our companies are required to wind up their operations.

So I do welcome the support of the minority from the committee and am pleased that this bill is here before us with the type of bipartisan support that it enjoys.

Mr. FASCELL. Mr. Speaker, I rise in strong support of H.R. 4847, requiring that United States companies cease their participation in the production, marketing, or distribution of Libyan oil.

Mr. Speaker, terrorism is the scourge of the modern age. The headlines of the last year have too often been a bitter litany of death and destruction. To America's credit, we have sought to take the lead in bringing international terrorism under control.

Today we are considering H.R. 4847, as amended, which would prohibit United States companies or citizens from participating in the production, marketing or distribution of crude oil produced by Libya. The effective date of this legislation is June 30, 1986, or 30 days after enactment.

H.R. 4847 tightens the sanctions imposed in Libya earlier this year by President Reagan. On January 7 and 8 of this year, President Reagan responded to the persistent involvement of Libya in terrorist activities by imposing a ban on trade and other economic relations with Libya.

Some of the sanctions were effective immediately and others were to become effective February 1, 1986. Prior to the February 1 date, the Department of the Treasury permitted United States companies to seek a temporary extension of their activities in Libya. Five United States oil companies—Marathon Oil, Amerada Hess Corp., Conoco, Inc., W.R. Grace & Co., and Occidental Petroleum Corp.—sought and received temporary extensions.

The continued operation of the United States oil companies in Libya has given United States policy the appearance of inconsistency. It has complicated our efforts to secure broader support for our sanctions in Europe and elsewhere.

The original rationale for the extension was to avoid giving the Libyan Government the oil assets as windfall by giving the companies an opportunity to negotiate a settlement. It would be a mistake to exaggerate the extent or likelihood of a windfall. First, the companies will continue to own the assets in Libya and are free to continue negotiations. Second, the bulk of the oil revenues generated by the sale of Libyan oil—about 88 cents out of every dollar—already goes to the Libyan Government. In any case, Mr. Speaker, if Libya continues to support and foster international terrorism, its oil assets could well become a target for more economic sanctions.

At the recent economic summit in Tokyo, the administration announced that after June 30, 1986, the five oil companies could no longer operate in Libya. Mr. Keeting, the Assistant Secretary of the Treasury for Enforcement affirmed the administration's intentions at hearings held on May 20 by the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs. In addition to eliminating the licensed exceptions for the five oil companies, H.R. 4847 also supports the President's announced intention of canceling the licenses as of June 30, 1986. H.R. 4847 is a clear expression of congressional support for that policy.

Mr. Speaker, I would like to commend my distinguished colleague from California, Mr. LEVINE, who took the lead in formulating H.R. 4847, along with colleagues Mrs. SNOWE and Mr. SOLARZ. Once again, I urge unanimous adoption of this legislation.

Mr. ROTH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEVINE of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from California [Mr. LEVINE] that the House suspend the rules and pass the bill, H.R. 4847, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEVINE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2591

Mr. SUNDQUIST. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2591.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

INTRODUCTION OF DEPOSITORY INSTITUTIONS INSIDER FRAUD PREVENTION ACT OF 1986

(Mr. BARNARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNARD. Mr. Speaker, most Members of Congress would be shocked to learn that more than one-half of our Nation's recent bank and thrift failures have been due in substantial measure to the criminal misconduct of bank officers, directors, and insiders. Losses from such failures in a recent 2½-year period totaled almost $1 billion. What is equally shocking is that many individuals responsible for such insider abuse escape criminal prosecution and civil enforcement action.

The Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair, has conducted an extensive investigation, including numerous hearings, into the failure of the Federal law enforcement agencies to effectively prosecute criminal misconduct by bank officials and insiders, often resulting in bank failures.

I have drafted a comprehensive bill which reflects the findings and recommendations of several reports by the Committee on Government Operations emanating from the subcommittee's hearings and includes, as well, FDIC and FHLBB proposals to improve their ability to prevent insider abuse in the Nation's financial institutions.

My bill would: First, strengthen and standardize the civil enforcement powers of the Federal banking agencies (including prohibition orders against insiders who move from institution to institution); second, allow the agencies to directly penalize appraisers for fraudulent appraisals; third, require agency investigations and public comment for new owners of banks under the change in control acts; fourth, create an exception to the notice provisions of the Right to Finance Privacy Act for possible criminal misconduct by insiders; fifth, require adequate fidelity insurance to cover fraud by financial institution insiders; and sixth, provide more information to the Congress and the public on how the banking agencies are dealing with insider abuse.

I have attached a section-by-section analysis of the bill, and I would hope for its expeditious consideration by the House Banking Committee.

SECTION-BY-SECTION ANALYSIS

A. TITLE I—CIVIL ENFORCEMENT PROVISIONS

Section 101: Scope of enforcement authority includes first- and second-tier affiliates and subsidiaries. The banking agencies have been frustrated by lack of authority to issue civil enforcement orders against persons, usually officers, associated with bank "subsidiaries" and "affiliate service corporations" or with second-tier subsidiaries of thrifts. Important insiders who abuse their roles or perpetuate frauds in financial institutions are often positioned as officers or insiders of such affiliated companies. This section of the bill grants the banking agencies uniform authority to reach these service corporations/subsidiaries and asscciated persons.

Section 102: Employees and agents of a financial institution subject to removal for improper conduct. Presently the banking agencies can suspend and remove only officers and directors, but not employees or

agents, from a financial institution if warranted. The bill expands this authority to "any other person participating in the conduct of the affairs of" an insured bank or thrift, and specifically includes employees, agents, and stockholders.

Section 103: Industry-wide prohibition orders. Under existing law, a banking agency can prohibit an insider from participating in the affairs of only the financial institution in which he or she is presently located, unless the insider consents to a broader prohibition. Often, a culpable insider leaves one financial institution and goes to work for another, sometimes for an institution falling under another agency's jurisdiction. The second agency is not likely to be aware of the misconduct or abuse preceding the insider's departure from his or her prior employer. This section responds to the problem by, first, conferring on each banking agency authority to prohibit an insider from "participating in the conduct of the affairs of any federally regulated financial institution (including subsidiaries/affiliates) without the prior written approval of the relevant agency, and second, by it requiring that such industry-wide prohibition orders issued by one agency (such as the FDIC) be enforced by another agency (such as the Home Loan Bank Board) against an individual who seeks to switch to a financial institution regulated by this other agency.

Section 104: Prohibition orders allowed after an insider's separation from a financial institution. This section would authorize each banking agency to impose industry-wide prohibition orders against culpable insiders who resign or otherwise depart from an institution before the agency was able to initiate civil enforcement action.

Section 105: Financial gain from improper conduct with respect to another financial institution as ground for removal or prohibition order. At present, a banking agency can remove an officer or director from a financial institution for specified categories or misconduct in that institution, including "financial gain" resulting from the misconduct. However, if the misconduct takes place at another financial institution or other business enterprise, substantial damage to that other entity must be proven in order for an agency to issue a removal of prohibition order against the individual involved. The bill would add "financial gain" to an insider from improper conduct in another business as grounds for removal or prohibition.

Section 106: Disciplinary authority over persons who prepare real estate appraisals for financial institutions. The subcommittee's December 1985 hearings highlighted serious abuses by independent real estate appraisers who submitted inflated and sometimes fraudulent appraisals to financial institutions on loans secured by real estate. This section authorizes the banking agencies to directly discipline appraisers who have willfully or through gross negligence misrepresented the value of real property as collateral for a loan made by any federally insured institution. The agencies could fine (through civil penalties) or suspend or prohibit such appraisers from submitting future appraisals in connection with loans by insured banks or thrifts.

Section 107: Clarification of existing law by specifying that cease and desist orders may include restrictions on specific activities. This section clarifies present Cease and Desist authority by expressly sanctioning the common agency practice of placing limitations on the specific activities of the institution or its employees (for example, restricting an individual's lending authority over certain amounts or over certain industry sectors). Although agency C&D orders frequently contain such provisions, their authority to impose them has not been tested in the courts.

Section 108: Incompleteness of records as grounds for temporary order. This section authorizes the issuance of temporary Cease and Desist orders whenever an institution's records are so incomplete or inaccurate that the supervisory agency is not able to determine its financial condition.

Section 109: Civil money penalties. This section increases the maximum amount for civil penalties and expands the grounds for imposing them. Different civil money penalty provisions are found throughout the banking statutues, most imposing per day maximum fines of $1,000, with some as low as $100. The bill would increase almost all of these maximum amounts to $5,000 (per day). Moreover, except for the OCC, the banking agencies can impose civil money penalties only for violations of prior supervisory orders. Therefore, consistent with OCC's present authority, the bill would enable all the banking agencies to impose such penalties for unsafe or unsound practices or violations of law absent a prior order, provided the agencies publicly give notice of the types of unsafe or unsound practices that could give rise to civil money penalties.

Section 110: Broadening of provisions prohibiting involvement of convicted criminals in banking. At present, persons who have been convicted of a crime involving dishonesty or breach of trust can be penalized if they serve as directors, officers, or employees of financial institutions without the prior written consent of the relevant banking agency. This section would extend this prohibition to any person participating in the conduct of the affairs of the financial institution, including significant stockholders and managing agents. It would also increase the civil penalty from $100 to $5,000 for each day of violation.

Section 111: Public disclosure of enforcement actions required. This section requires public disclosure of the existence of final civil enforcement orders, together with a summary, unless such disclosure would threaten the safety and soundness of an institution, in which case the agency may delay disclosure for a reasonable amount of time. Disclosure of final civil enforcement orders, particularly against insiders, could serve as a deterrent to future insider abuse and alert financial institutions, depositors and investors.

Section 112: Information required to be made available to outside auditors. This section mandates that all federal banking agencies directly furnish to the external auditors of financial institutions copies of examination reports and all proposed and final civil enforcement actions. The subcommittee's investigations have revealed instances (such as United American Bank/Ernst & Whinney) where an institution's external auditor was unaware of the problems in the institution because it did not have direct access to such information.

B. TITLE II—RIGHT TO FINANCIAL PRIVACY ACT (RFPA) AMENDMENTS

Title II is a revision of the bill which you introduced last year. These narrowly-drawn amendments address primarily the inability of financial institutions and supervisory agencies to share with law enforcement agencies sufficient financial information bearing on insider misconduct, because of RFPA.

Section 201: Disclosure of records involving insiders. This provision would exempt from the Act's notice requirements, insiders or co-conspirators who may be guilty of criminal misconduct against a financial institution. Under existing law, the individual under investigation often has access to vital bank records and can alter, destroy, or conceal them if notified that some information has been transferred to a law enforcement agency, usually by way of a criminal referral.

Section 202: Technical amendment relating to production of subpoenaed records. This provision simplifies Justice Department procedures for production and review of financial records subpoenaed by grand juries. The Act's present novel requirement that financial records acutally be returned to a sitting grand jury makes no sense, nor is it the customary practice for other types of subpoenaed records.

Section 203: Exchange of information among supervisory agencies. This amendment would clarify that the Act does not prevent the banking agencies from sharing examination reports and other supervisory information with the SEC as to those institutions owned by SEC-regulated holding companies. Some of the banking agencies conveniently invoke the RFPA as an excuse not to share such information with the SEC.

Section 204 and 205: Technical amendments clarifying (1) the duty of financial institutions to deliver records and (2) the good faith defense available to financial institutions. These two sections address concerns by financial institutions about their duties to furnish information covered by one of the eleven exceptions to the Act's notice requirements; and they expand the scope of a financial institution's good faith defense to any civil liability in providing such information.

C. TITLE III—CHANGE OF CONTROL ACT AMENDMENTS

Section 301: Extension of time to consider change of control notice. This section would clarify current statutory language which is ambiguous concerning time periods for agency review of change of control notices. It would specifically authorize one 30-day extension of time (after the initial 60-day period), at an agency's discretion, with two successive 45-day extensions of time if the notice filed contains incomplete or inaccurate information.

Section 302: Duty to investigate applicants. With the exception of the Federal Home Loan Bank Board, the banking agencies do not conduct thorough investigations of individuals who file change of control notices. (They do request FBI "name checks," but that is all.) As we discovered in the Ranchlander case in Texas (where a convict and his girlfriend obtained a OCC-regulated bank), even a minimal investigation could uncover crucial facts. Accordingly, this section requires the banking agencies to conduct thorough investigations of each acquiring person and to closely scrutinize the factual representations in the notice-application.

Section 303: Public comment on change of control notices. This section requires agencies to make change of control notices public (unless an institution's safety and soundness could be seriously threatened) and to solicit public comment, particularly

from the geographical area affected, on the proposed change of control.

Section 304: Civil money penalty provisions. Willful violations of the change of control acts would give rise to maximum penalties of $10,000 per day, while violations not shown to be willful would be subject to the existing $5,000 per day provision.

Section 305: Investigations and enforcement. This provison would authorize the agencies (1) to conduct investigations, including subpoenaing witnesses and documents, and (2) to seek injunctions or other relief in U.S. district court, in response to violations of this section, particularly by those who acquired control of a financial institution without notice to and approval from a banking agency.

D. TITLE IV—REQUIREMENTS FOR FIDELITY BOND COVERAGE

Section 401: Fidelity bonds required for all insured institutions. Current Federal statutes do not require that banks or thrifts carry fidelity bonds to insure them against employee dishonesty, fraud, or other types of fidelity losses. This section would require (1) that all federally insured institutions maintian fidelity coverage, (2) that the FDIC and the FSLIC set mandatory minimum amounts of such, (3) that the two agencies obtain replacement coverage if an institution fails or refuses to maintain adequate coverage, and (4) that such failure or refusal constitutes grounds for termination of an institution's deposit insurance. These proposed requirements would enable the FDIC and the FSLIC to reduce their losses and help protect the solvency of the deposit insurance funds.

E. TITLE V

Section 501: Annual report to Congress. Each banking agency would report annually to Congress the following information: (1) statistics on its civil enforcement actions (including amounts of civil money penalties), (2) the number, nature, status, and disposition of criminal referrals to State and Federal authorities, and (3) a description of other enforcement initiatives against insider abuse. With few exceptions, we found such information to be incomplete and rarely aggregated, hindering oversight.

□ 1310

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEVINE of California) to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 60 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FRANK, for 60 minutes, on June 11.

Mr. WOLPE, for 60 minutes, on June 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. NIELSON of Utah) and to include extraneous matter:)

Mr. DANNEMEYER.

Mr. BADHAM.

Mr. COURTER in three instances.

Mr. MOORHEAD.

(The following Members (at the request of Mr. LEVINE of California) and to include extraneous matter:)

Mr. ATKINS.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN OF California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. HAMILTON.

Mr. LEVINE of California in five instances.

Mr. LEVIN of Michigan.

Mr. CHAPPELL.

ADJOURNMENT

Mr. LEVINE of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 10, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3661. A communication from the President of the United States, transmitting a proposal to withdraw a request for supplemental appropriations for fiscal year 1986 for the Department of Labor, fiscal year 1987 appropriation language for the Environmental Protection Agency, and amendments to the request for appropriations for fiscal year 1987 for the Veterans' Administration, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-232); to the Committee on Appropriations and ordered to be printed.

3662. A letter from the Acting Secretary of the Air Force, transmitting additional information on the IR Maverick Program, which has exceeded its baseline unit cost by more than 15 percent, pursuant to 10 U.S.C. 139(b)(3)(A); to the Committee on Armed Services.

3663. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a listing of contract award dates for the period July 1, 1986 to August 31, 1986, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

3664. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter of offer to Japan for defense articles estimated to cost $50 million or more (Transmittal No. 86-36), pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

3665. A letter from the Chief, Program Liaison Division, Office of Legislative Liaison, Department of the Air Force, transmitting notification of Air Force plans to deactivate the 6594th Test Group, Hickam Air Force Base, HI, by September 30, 1986, pursuant to 10 U.S.C. 2687(b); to the Committee on Armed Services.

3666. A letter from the Secretary of Energy, transmitting the quarterly/test sale report on the strategic petroleum reserve (first quarter of calendar year 1986), pursuant to 42 U.S.C. 6245(b) and 42 U.S.C. 6241(g)(8); to the Committee on Energy and Commerce.

3667. A letter from the General Counsel, Department of Energy, transmitting a draft of proposed legislation to terminate certain energy-related requirements, to reduce Federal spending, to ease the regulatory and paperwork burden, and for other purposes; to the Committee on Energy and Commerce.

3668. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to require the Secretary of Health and Human Services to impose fees under the Federal Food, Drug, and Cosmetic Act for the review of applications for marketing approval for new human drugs, antibiotics, and biological products, and for other purposes; to the Committee on Energy and Commerce.

3669. A letter from the Secretary of Health and Human Services, transmitting the fiscal year 1985 report on the National Cancer Program, pursuant to PHSA section 404(a)(9); to the Committee on Energy and Commerce.

3670. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter of offer to Japan for defense articles and services estimated to cost $55 million (Transmittal No. 86-36), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3671. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a copy of the original report of political contributions for Robie Marcus Hooker Palmer, of Vermont, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3672. A letter from the General Counsel and Congressional Liaison, U.S. Information Agency, transmitting a copy of the independent 1986 evaluation of the Cuba Service-Radio Marti Program, pursuant to Public Law 98-111, section 9; to the Committee on Foreign Affairs.

3673. A letter from the Secretary of Housing and Urban Development, transmitting the semiannual report on the activities of the Office of Inspector General (October 1, 1985, through March 31, 1986), pursuant to 5 U.S.C. app. (Inspector General Act of 1978) 5(b); to the Committee on Government Operations.

3674. A letter from the Chairman, Federal Election Commission, transmitting a copy of the Commission's 1985 annual report, which includes a number of legislative recommendations adopted by the Commission, pursuant to Public Law 92-225, sections 307(d)(2) and 311(a)(9); to the Committee on House Administration.

3675. A letter from the Assistant Attorney General, Department of Justice, transmitting a draft of proposed legislation to implement the International Convention on the Prevention and Punishment of the Crime of

Genocide; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on June 5, 1986, the following report was filed on June 6, 1986.]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 4613. A bill to reauthorize appropriations to carry out the Commodity Exchange Act, and to make technical improvements to that act; with an amendment (Rept. No. 99-624). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARNARD:

H.R. 4956. A bill to deter abusive, fraudulent, and criminal misconduct by officers, directors, and other insiders of federally insured and regulated depository institutions by strengthening and standardizing the civil enforcement powers of the Federal banking agencies, by strengthening the change in control provisions, by clarifying and improving certain provisions of the Right to Financial Privacy Act of 1978, and by improving private sector fidelity insurance coverage of depository institutions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GINGRICH:

H.R. 4957. A bill to provide for the preservation of and public access to the broadcast recordings of the proceedings of the House of Representatives; to the Committee on House Administration.

By Mr. LEVINE of California:

H.R. 4958. A bill to provide a one-time amnesty from criminal and civil tax penalties for taxpayers who notify the Internal Revenue Service of previous underpayments of Federal tax and pay such underpayments in full with interest, to increase by 50 percent all criminal and civil tax penalties, and for other purposes; to the Committee on Ways and Means.

By Mrs. VUCANOVICH:

H.R. 4959. A bill to remove the Yucca Mountain site in the State of Nevada from consideration as a repository for high-level radioactive waste; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

By Mr. CHAPPELL:

H.J. Res. 649. Joint resolution to designate the week beginning April 12, 1987 as "National Telecommunicators' Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

403. The SPEAKER presented a memorial of the House of Representatives of the State of Mississippi, relative to Mr. Joseph W. Newman's patent application; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. YOUNG of Alaska:

H.R. 4960. A bill for the relief of David A. Burns; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 580: Mr. FISH.

H.R. 1917: Mr. SAXTON, Mr. VALENTINE, Mr. MORRISON of Connecticut, Mr. FUSTER, Mr. GARCIA, Mr. MCGRATH, Mr. RALPH M. HALL, Mr. NICHOLS, Mr. HOPKINS, and Mr. ECKART of Ohio.

H.R. 3429: Mr. RAHALL, and Mr. SCHEUER.

H.R. 3865: Mr. SCHUETTE, Mr. JONES of North Carolina, Mr. BLILEY, Mr. DAVIS, and Mr. LATTA.

H.R. 4014: Mr. WORTLEY and Mr. SMITH of Iowa.

H.R. 4025: Mr. MCCOLLUM and Mr. DONNELLY.

H.R. 4260: Mr. MCKINNEY.

H.R. 4487: Mr. EDWARDS of Oklahoma.

H.R. 4567: Mr. CARPER.

H.R. 4671: Mr. FRANK, Mr. GEJDENSON, Mr. MANTON, Mr. BATES, Mr. STAGGERS, Mr. HEFTEL of Hawaii, Mr. WOLF, Mr. RAHALL, Mr. HUTTO, Mr. HAYES, and Mr. DE LUGO.

H.R. 4860: Mr. COURTER.

H.R. 4879: Mr. SILJANDER, Mr. APPLEGATE, Mr. SYNAR, Mr. TAUKE, and Mr. JEFFORDS.

H.J. Res. 381: Mr. NIELSON of Utah.

H.J. Res. 555: Mr. DORNAN of California, Mr. HUGHES, Mr. KASICH, Mr. SAVAGE, Mr. BLAZ, and Mr. BEDELL.

H.J. Res. 619: Mr. WAXMAN.

H.J. Res. 638: Mr. MATSUI, Mr. ROWLAND of Georgia, Mr. GILMAN, Mr. TRAFICANT, Mr. VANDER JAGT, Mr. RINALDO, Mrs. LLOYD, Mr. HENRY, Mr. CROCKETT, Mr. BONER of Tennessee, Mr. LEHMAN of California, Mrs. HOLT, Mr. NEAL, Mr. LANTOS, and Mr. GARCIA.

H. Con. Res. 333: Mr. DAUB, Mr. SWIFT, Mr. RITTER, Mr. MCCURDY, Mr. EDWARDS of Oklahoma, Mr. LAGOMARSINO, Mr. HENRY, Mr. NICHOLS, Mr. REID, and Mr. PENNY.

H. Res. 461: Mr. COBLE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2591: Mr. SUNDQUIST.

H.R. 4567: Mr. REID.

SENATE—*Monday, June 9, 1986*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

As the heart panteth after the water brooks, so panteth my soul after thee O God. My soul thirsteth for God, for the living God: when shall I come and appear before God?—Psalm 42:1-2.

Like the psalmist Father God, our hearts cry out for You—for the living God—but we ignore the cry and our hearts languish for the most basic reality in life, the exquisite touch of God. We starve our souls while we satiate our bodies. We immerse ourselves in the temporal, and deprive our spirits of the eternal. We who are made to live forever deprive ourselves of the breath of God and suffocate our souls in the smog of the transitory. Quicken us to our need of You, O Lord, and make us wise to respond for the sake of our spiritual health and our moral strength. In His name who is virtue incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

Mr. DOLE. Mr. President, I thank the distinguished President pro tempore, Senator THURMOND.

SCHEDULE

Mr. DOLE. Just to recap what will happen today, the leaders have 10 minutes each. I shall reserve any time I do not use.

That will be followed by special orders in favor of Senators THURMOND, HUMPHREY, CRANSTON, PROXMIRE, GORE, KASTEN, and QUAYLE for not to exceed 5 minutes each.

Following that, there will be a period for routine morning business not to extend beyond the hour of 2 p.m. with Senators permitted to speak therein for not more than 5 minutes each.

Following morning business, the Senate will resume its unfinished business, H.R. 3838, the tax reform bill. Rollcall votes could occur—I do not have any idea what the distinguished chairman [Mr. PACKWOOD] or the distinguished ranking member [Mr. LONG] have in mind, but there are still opening statements to be made on the tax bill. Somebody could come and offer an amendment or ask for a rollcall, but not after 6 p.m. We shall keep the 6 o'clock curfew in that no rollcall votes begin after 6 p.m. If one starts before 6, we will obviously conclude it. That decision will be made by Senator PACKWOOD and Senator LONG.

I assume it will take all week to dispose of the tax reform bill. Hopefully, we can dispose of it this week. We have a very crowded calendar before the June 27 recess begins. So it is my hope that we might complete action on the measure, say, Thursday night. I assume Senator PACKWOOD would like to push on. I am not certain at this point how many amendments have been filed. I am advised only one as of Friday. If that would continue, we might set a new record here. I doubt that will hold.

It seems to me that many people have had an opportunity to study the tax bill, and I assume there will probably be additional amendments. I agree with the distinguished minority leader, this is a legislative body, and we have a right to offer amendments. We cannot flat out say there will be no amendments adopted. There might be some accepted. I think what Senator PACKWOOD is attempting to underscore is as far as major amendments, that is where he will try to draw the line. I hope that will be met by bipartisan support.

(Mr. STEVENS assumed the chair.)

BACK TO TAX REFORM

Mr. DOLE. Mr. President, whoever said that television cameras would revolutionize the way the Senate does business must be rethinking his assertion after last week's marathon session on the supplemental appropriations bill. Some of last week's viewers may have concluded that this distinguished body represents the ultimate talk show.

In fact, the supplemental bill, while not perfect, is a good one. And now that we've addressed it, there's an even more timely issue requiring our attention. We stepped up to the matter of tax reform last week. We circled it warily, declared our broad support for broad concepts, raised some questions, hoisted a few trial balloons. We heard from the President. No less important, we continue to hear from the American people.

Let me read to you a few paragraphs from letters I've received. A man in Wichita urges immediate action to reduce the Federal deficit and balance the budget without resorting to additional taxes. He goes on to urge a third priority: "Tax reform that is fair and simple without strangling our economy. The present unfair, complicated income tax is terrible, wasteful, expensive, and cannot be described adequately using good language."

A woman from Eureka, KS, is no less outraged. "We recently went to a seminar," she writes, "And the investment speculator giving it bragged about not paying any taxes because of the loopholes in the tax laws. It made me furious. Why has Congress made this possible?"

And finally, there is the Wichita woman who signs herself a "Concerned and upset citizen:"

> Once again, I have had my taxes figured, and feel that I and everyone else that is not rich are paying too much in Federal taxes. If you're rich, you can afford an accountant that knows all the loopholes. If you have lots of money you can afford to pay a brokers' commission and buy tax-exempt bonds and such.

Mr. President, it is no wonder the American people are ready for real tax reform. We are talking about the average American man and woman who are out there every day working and trying to pay their tax bill and trying to figure why somebody else down the street or in the next town who can afford tax shelters will pay less than people who work every day.

They work 2 hours and 39 minutes of every 8-hour day just to pay off their taxes. That is twice as long as he or she will work to pay his or her housing bill and three times as long as it takes to feed the family, a family of four or five people. So I suggest that it is not just the level of taxes which makes our constituents a little upset; it is the inequality built into the current system, inequality that we seek to remove on this bill on a bipartisan basis.

Let me underscore, as I am certain we should in every moment, that this is not a partisan effort. This bill passed the Senate Finance Committee unanimously, 9 Democrats, 11 Republicans. The distinguished minority leader has projected there might be 100 votes for this bill in this Chamber. That is everyone if they are all here—every Democrat, every Republican.

I know that some would like to restore full deductibility for IRA's. That may be the first assault on the bill. I do not quarrel with those. I think IRA's are a good program, but so are lower tax rates and so are some of the other provisions that are in the bill now. We shall come to that and I assume Senator PACKWOOD and Senator LONG are prepared with overriding

logic that will defeat any such amendment.

□ 1210

We also have those who would like to restore full sales tax deductibility but again I urge my colleagues that both of these matters can also be addressed in the conference, where they keep the IRA's as is in the House bill and you have full deductibility of the sales tax.

It would be my hope that we can make those choices if necessary or make certain modifications, and I believe some should be made in the IRA's. But I believe they can be made in a conference setting without depriving anyone in this legislative body of having their rights impaired, depriving anybody of the right to offer the amendments, debate the amendments, whatever.

In the first spring I ever spent in this city I heard John Kennedy declare that "To govern is to choose." Now we, too, must choose. We must choose between satisfying a wealth of special interests or serving the public interest, between genuine reform and some half-hearted tinkering with a system universally regarded as too costly, too complex, and too much the captive of sharp operators like those complained about in my constituent letters.

In both statute and spirit, we claim to embody democratic values. The time has come for us to practice some economic democracy as well. That means everyone paying a fair share, no more, no less. It means a system simplified and a government ordered to live within its own means. That is what the people want and that is what we should deliver, not only in our discussions but in the final product of the tax reform bill, the final product on the budget resolution and anything else we seek to accomplish in the U.S. Senate.

As I indicated earlier, sometimes there are partisan differences, sometimes there cannot be bipartisan support for certain legislation, but I will accept marginal bipartisan support. It seems there are some people who do not care a hoot about politics, but we have a rare opportunity to speak with one voice in the Senate, one strong bipartisan voice. In my view that is all going to happen. We are going to finish this bill, finish the conference report, and have it on the President's desk by Labor Day as he expressed we might have in his radio message on Saturday. If we can accomplish that and a few other things this year, we will have a good year in this second session.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

FAIR TAX REFORM FOR THE MIDDLE CLASS

Mr. BYRD. Mr. President, I join with the distinguished majority leader in not only predicting that this will be a vote of 100 to nothing, if every Senator is in attendance, but in also working for that kind of outcome. I want to see a vote of 100 to zero. I will certainly do everything I can to that end.

I think we have to keep our eye on the middle class as we debate this bill. Six million taxpayers have been taken off the tax rolls in the Finance Committee. That is at the lower income levels.

Now, the wealthy will get some reductions. But it is my understanding that the take-home pay of the middle class will be proportionately less than is accorded to the very high-income levels—I am talking about the wealthy in particular—in this bill.

Now, if that is the case, then we ought not to just give this bill a lick and a promise and say let the conference handle it. I am not on the Finance Committee, but I do believe that the middle class in this country has borne the tax burden in the heat of the day and over the years: The middle class sends its own kids to college; the middle class helps the lower income people to send their children to college; the middle class pays the bills for rental programs; welfare programs, health programs, food stamps. The great middle class is the backbone of the Nation, and it has shouldered the main individual tax burden.

This bill is a good bill. It is a tax reform bill. It is real reform, if I may underline the word "real" as I use it in a descriptive sense. But we must just be doubly sure that the middle class gets the fair shake which it deserves in this bill. If the middle class, indeed, is not getting its share, if it is, indeed, taking home a disproportionate share, if its take-home pay is disproportionate to that of the very wealthy, then if that is the case, let us do what we can to fix it.

I think we ought to examine the bill. I do not feel that if the bill is not passed by Thursday or Friday of this week anybody has suffered a defeat. I presently have no amendment that I intend to offer, I do not say, I will not offer one, but I have no intention at the moment because I have not heard enough of the debate.

I feel that it is our duty to take a good look at the bill. I want to hear the debate on the bill. The debate will be enlightening. I hope—now that we have televised coverage of Senate debates—the American people will be able to have a much better understanding of the important step that is being taken here toward reforming the tax system. The American people know that the Tax Code is complex, they know it is unfair in some ways, and they want reform. The tax bill will probably be the most important piece of legislation that will come out of the 99th Congress. I do not find fault with the distinguished majority leader's continued beseeching that we pass this bill and pass it quickly, but I am constrained to find some minor disagreement at least in the idea that we need to do it by Thursday of this week. More so do I find myself in some lack of accord on the idea that we ought to pass it as quickly as possible here, get it down to the conference, and let the conferees resolve all the issues.

There will be a House bill in conference. There will be a Senate bill in conference. But I do not subscribe to the idea, never have I subscribed to the idea, nor will I ever subscribe to the idea, that the Senate ought to simply roll over and play dead, make a few good speeches and just leave it up to the conferees to rewrite a bill and do our work for us.

Of course, I agree that the conferees will write the final product. That is what I call the third House.

We have the House of Representatives, which some of us like to refer to as the lower House. I suppose that reference may come out of history and out of the fact that when Congress first met in 1789, the other body was on a lower level. The Senate was on the second floor and was referred to as the upper body.

But there are the two Houses. And then the third house is when the conferees from both Houses meet to resolve the differences in the two bills, because those differences have to be resolved so that the product that is sent to the President is agreed on between the two Houses precisely in every word, comma, semicolon and dash, every punctuation mark, that on every jot and title both Houses are in full agreement. That is done in the conference committee. Of course, there will also be big issues resolved there.

But to say that 100 Senators should just gloss over this bill, let us roll it on, let us get through by Thursday and possibly be out on Friday, let the conferees handle the work at the other end, that is not my idea of legislative responsibility.

I will not be a conferee. Normally, a whole committee is not chosen by the Senate to act as conferees on the part of the Senate. But the Senate makes that decision by order of the Senate and should the Senate in its wisdom decide that all members of the Finance Committee should act as confer-

ees on the part of the Senate, fine, that might be a good idea. That is not for me to say. In the event that were to happen, however, there would only be 20 Members of the Senate in conference. In other words, one out of every five Senators would be in conference with the other body.

Now so much for that. I am for a 100-to-nothing vote on this bill. It is bipartisan. It came out of the Finance Committee by a vote of 20 to nothing. That is like Lindbergh's flight over New York City in 1927 when he was on his way across the Atlantic, the Spirit of St. Louis came across New York City, according to the newspapers, "at the terrific speed of 100 miles per hour."

Well, this bill came out of the Finance Committee at about that speed, 100 miles per hour, and I say let us pass it.

I do not envision any amendment, Mr. President, as being a "killer" amendment on this bill. Whether an amendment is "major" or "minor" does not make any difference. It is what the content of the amendment is. If it is "major" and the content is such that the Senate should adopt the amendment, it should do it. If it is "minor," and the Senate should adopt the amendment, that is fine. It is up to the will of the Senate.

My main interest in this bill is to see what happens to the middle-class citizens in West Virginia, for example, the smoke stack industries in West Virginia. How do those people come out?

It is the middle-class Americans who are the people who are entitled and who deserve some tax relief at this time, and I believe they are going to get it under this bill.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The distinguished Democratic leader has 2 minutes remaining.

Mr. BYRD. I thank the Chair. I will use these last 2 minutes to make reference to a very important matter that I think needs some attention.

THE SALT II ACCORDS

Mr. BYRD. Mr. President, President Reagan announced on May 26 that there would be no undercutting of the SALT II accords. I think the President made the right decision at this time, because as to the central systems that are included in the SALT II accords, if we are going to undercut the limits on those central systems, and the Soviet Union, from everything I can hear, is living up to the limits, then it is in our interest from a national security standpoint that we not undercut those accords, certainly at this time. I would hope we do not even talk about undercutting the accords before a summit, hopefully, which will occur in this country subsequent to the elections, I would suppose. But it is surely not in our interest militarily at this point to see those ceilings broken because the Soviet's production lines are geared up; they are ready to go.

Our production lines are not geared up; we are not ready to go. And if we are just going to summarily throw these SALT II accords into the trash basket and say, "We will have no more to do with it; we are all done with this," why, then, I think we are being very unwise from a number of standpoints because the Soviets can break out quickly from the central systems. I am talking about the intercontinental ballistic missiles, the submarine-launched missiles, and land-based missiles. I am talking about all these things, because all of them are in the ceilings. Once the Soviets break out from under the accords whereas they are allowed to put only 10 warheads on a single missile, they could then put 30 on their SS-18's. The ceilings also apply to launchers. It is certainly not in our interest, because over the next 3 or 4 or 5 years, the Soviets' production lines are geared up now and ready to go. For us to say at this time, "Let us abolish the ceilings; let us forget about the accords; we are not going to live up to the limits," would just be cutting our nose off and not helping the looks of our face because the Soviets are ready to break out immediately. As long as they are living within the ceilings, it would not be in our interest to make such an unwise and hasty decision.

Second, and finally, I would say that it is very symbolic for the positive atmosphere which developed in the first summit to continue. I think the summit at Geneva was good. I believe that the President did himself well. I think that it was good for our side, good for the other side, and I would hope that we would not just cast cold water, as it were, on the possibility of another summit later this year.

After all, if we are going to have a summit, what are we talking about from the standpoint of benchmarks? If we are going to lower the ceilings in another summit, we lower the ceilings from what? We are talking about the SALT II accords. If we have another summit, we would hope to be able to lower those SALT II ceilings. We would lower the future ceilings in any future accord or in any future treaty from those ceilings that are set forth in the SALT II accords. We have to have a benchmark and that is the only benchmark of which I know. If we are going to just go helter skelter at this point and say the accords are off, all bets are off, and engage in an arms race, what is the benchmark if we have a summit later? Let us hope for a second summit and let us hope that the Soviets will stop waffling and agree to a summit date. Let us hope that we will not poison the chances for a summit late this year by all this talk about ditching the SALT II accords.

Mr. President, I thank the Chair and, of course, all of us will have more about these matters later.

□ 1230

RECOGNITION OF SENATOR THURMOND

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina, the distinguished President pro tempore, is recognized for 5 minutes.

TEXTILE EMPLOYMENT AND IMPORT FIGURES

Mr. THURMOND. Mr. President, the bad news for the American textile and apparel industry continues to pour in as foreign imports continue to flood our country. The latest figures released by the Department of Commerce show that imports of textiles and apparel were up 28.3 percent this April over April of 1985. For the first 4 months of 1986, imports of these products are up an astonishing 26.4 percent over the first 4 months of the record-setting year of 1985. Unfortunately, it looks like the 1986 imports will break all previous import records.

Mr. President, these figures are convincing evidence that imports are running wild. For months we have been hearing that steps were being taken to bring the situation under control. Yet, the figures speak for themselves—foreign companies and foreign workers steadily increase the flow of textile products into our Nation, apparently without fear that we will enforce our rights to stop them.

Mr. President, these unrestrained imports are shattering the hopes and dreams of many American families. Throughout the country, hard working people are losing their jobs because of the influx of foreign goods. It almost seems as if jobs have become our largest export item. A recent article in the Charleston Evening Post reported the latest Labor Department textile employment figures. They show that in seven southeastern States employment in the textile industry has declined by 9,300 jobs in the past year. My home State of South Carolina alone showed a drop of 4,400 jobs from the first quarter of 1985 to the first quarter of 1986. The April figures reflect a loss of 600 more textile jobs in South Carolina. These losses have placed textile employment in the State at a record low since recordkeeping on textile jobs began after World War II.

During the past 5 years over 25,000 South Carolina textile workers have lost their jobs. It does not take a genius to figure out the reason for these job losses. Without a doubt, the

culprit is the unimpeded growth of imports.

Mr. President, the textile and apparel industry has been ranked by the Defense Department as second only to steel in importance to national defense. One out of every 10 manufacturing jobs in America is in this industry. We cannot and will not stand idly by and watch the demise of one of our Nation's most important industries. Last month 70 Senators and 302 House Members signed a letter to President Reagan supporting a stronger Multifiber arrangement to deal with the past 5 record years of textile and apparel imports. Swift, decisive action is necessary to stop the flow of unfair imports and preserve American jobs. Two million Americans still employed in this industry are depending on it.

Mr. President, I ask unanimous consent that an article from the Evening Post of Charleston, SC, dated June 2, 1986, entitled "South Carolina Leads Region in Textile Decline" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOUTH CAROLINA LEADS REGION IN TEXTILE DECLINE

ATLANTA (AP).—Textile employment in the Southeast dropped in the first quarter of 1986, with the sharpest drop in South Carolina, the U.S. Labor Department reported.

The government counted 481,500 textile jobs in Florida, Georgia, Alabama, Tennessee, Kentucky, South Carolina and North Carolina. The total was 1,600 less than the figure for the fourth quarter of 1985 and 9,300 below the first quarter 1985 level.

South Carolina showed the biggest drop compared to the same period a year earlier, dropping 4,400 jobs to a total of 102,200.

The April unemployment figures for South Carolina showed that the state lost 600 more textile jobs. Those losses placed the state's textile employment to 101,500, a record low job total since record-keeping on textile jobs in the state began after World War II.

Robert David, executive director of the South Carolina Employment Security Commission, said the April losses were further evidence of the need to control textile imports into the country.

Textile plant production workers averaged 40.7 hours of work per week, down 2.4 hours from the first quarter of 1985. The average gross hourly wage of $6.75 was up 21 cents from the previous year.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire is recognized for not to exceed 5 minutes.

Mr. HUMPHREY. Mr. President, other Members have been waiting longer than I. I would be happy to yield to them if either are in a hurry this afternoon.

Mr. CRANSTON. If the Senator would not object, I would appreciate it if I could be recognized.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I might be recognized following Senator CRANSTON.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. The Senator from California is recognized for not to exceed 5 minutes, after which the Senator from New Hampshire will be recognized.

Mr. CRANSTON. I thank the Senator from New Hampshire for his graciousness.

NO INCREASE IN FEDERAL EXCISE TAX

Mr. CRANSTON. Mr. President, the best kind of tax is a tax that never gets imposed. One tax that fortunately never was imposed is a 54-percent increase in Federal excise taxes on a host of commonly consumed products. The Senate Finance Committee actually had seriously considered such a proposal during its deliberations over tax reform.

As we all know, an excise tax on consumer goods, like a sales tax, falls most heavily on families in the middle and lower income brackets. Over a period of 5 years, the tax hike the committee considered would have extracted up to $75 billion from those families. And they would not have known what hit them!

A Federal excise tax on consumers—the technical form of the Federal sales tax—would hit the poor consumer with a double-whammy: It not only would be unfair, it would be secret.

In the case of a State or local sales tax, at least the consumer knows what is being charged: The sales clerk or the sales slip tells you the amount of the tax.

Not so with a Federal excise tax on consumer purchases. It is included in the basic price of the product. Not even the clerk knows how much tax is being charged. Only the manufacturer and the Treasury know.

Moreover, the manufacturer—under the committee's original proposal—would have had to pay income tax on the excise taxes he was collecting from his customers for the Treasury! How is that for a bummer of an idea?

The committee finally thought so too. To its credit, the Finance Committee dropped the excise tax proposal and went on to a much better idea: The Packwood tax bill.

The Packwood bill is defective in a number of ways which I hope to be able to correct. But by and large, the committee did a noteworthy job in lowering rates, closing some insupportable tax loopholes, and removing millions of low-income workers from the tax rolls. And one of the best things they did was not increasing excise taxes on consumers.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR HUMPHREY

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire is now recognized for a period not to exceed 5 minutes.

AMENDMENT TO ELIMINATE TAX EXEMPTION FOR ABORTION CLINICS

Mr. HUMPHREY. Mr. President, during the debate on the tax bill which will soon commence, Senators are going to be asked to make some very important decisions. But I daresay that no decision will be more important than that which Senators will be asked to make when Senator ARMSTRONG, Senator HELMS, and I offer an amendment that seeks to eliminate the tax-exempt status of abortion clinics.

I speak now in advance of the bill, Mr. President, to alert Senators and interested parties in the hopes that they will have a greater opportunity to familiarize themselves with this important amendment before it is pending.

Mr. President, Congress has long exempted from taxation certain nonprofit organizations. Engaging in certain types of activities entitles organizations to tax-exempt status. Those exempt from taxation are organizations operated exclusively for charitable purposes, religious purposes, educational purposes, scientific purposes, literary purposes, for purposes of testing for public safety, for purposes of fostering national or international amateur sports competition, or for purposes of preventing cruelty to children or animals.

Organizations which qualify on the basis of these criteria enjoy a privileged status in our society. They are privileged because they pay no taxes on their income. It may come as a surprise to some Senators and to many of our citizens to learn that among the many organizations which enjoy this privileged status of paying no tax on their income are many which perform abortions.

□ 1240

Congress has granted tax exemption to certain activities, Mr. President, as a way of encouraging those activities. Let us remember what kind of encouragement that constitutes. It is a subsidy. Congress has chosen to subsidize certain organizations who perform certain kinds of activities as a way of encouraging those activities. It is a subsidy. It is just as much a subsidy as a cash disbursement in the like amount from the Treasury. It would have the same bottom-line effect that the Treasury would have with a cash disbursement—or that a tax exemption of the same value has which is exactly the same effect on the bottom line at Treasury. And more importantly may I point out it would have exactly the same effect on the organization which benefits by such privilege—namely, a subsidy, and namely an encouragement to continue engaging in that kind of activity.

Mr. President, I hardly need remind my colleagues that the Congress on many occasions over the last 7 or 8 years has refused to provide for taxpayer financing of abortions. We have adopted Hyde amendment language to many, many pieces of legislation. In other words, the Congress has said if its citizens want to procure an abortion that is their business, but Congress and the taxpayers have no obligation to subsidize it.

Not only has Congress repeatedly refused the subsidization but the Supreme Court has upheld our refusal to subsidize abortion. Nonetheless, Mr. President, as I have pointed out, abortion today continues to enjoy a very real and concrete form of subsidization at the expense of the taxpayers which incidentally or not incidentally applies approval by the taxpayers and by Congress of that activity.

Of course, we all know, irrespective of our views on the fundamental issue of abortion, that the overwhelming majority of American citizens do not want their dollars used to pay for their abortions, and I suggest by the same logic they do not want any other kind of subsidy at their expense extended to the providers of abortion.

How does it happen, Mr. President, that the Congress and the taxpayers are subsidizing abortion through tax-exempt status for such organizations? Did Congress pass a law authorizing the tax exemptions for abortion providers? No. Did the IRS through its own regulations provide for that kind of granting of tax-exempt status? No. It happened by virtue of a 1976 internal memorandum, Mr. President, that enormously important social policy was set by an internal memorandum.

Now, we seek to overthrow that memorandum and to tell the Treasury that the Congress does not consider performing of abortion as an activity to be encouraged by the Congress or subsidized by the people of the United States.

Mr. President, I note my time is about to expire. I ask the courtesy of my colleagues to permit me to seek unanimous consent to continue for 2 minutes that I might complete this important statement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Chair. I thank my colleagues for their indulgence.

Mr. President, without question Congress has the authority, indeed—the responsibility—to determine which activities are fit to be subsidized, and which are not.

Now it is time to make it clear to the IRS that we do not deem performing of abortions an activity fit to be subsidized by the Congress, and by the Treasury, and by the taxpayers.

Mr. President, I began by suggesting that among all of the important amendments which we will be considering over the next week or so in connection with the tax bill, none will be more important than this amendment because by the kinds of activities that we encourage, by the kinds of activities that we subsidize, and Mr. President, by the nature in which our society is defined.

I believe—I am certain in my mind—the American people do not want abortion subsidized either with cash disbursements or with the equivalent tax-exempt status for abortion providers.

Mr. President, I will be speaking further on this amendment in advance of offering it. I solicit the support of my colleagues not on any question of the fundamental nature of abortion, though that is an important question, but on the question of whether we should be subsidizing this, and whether our constituents want us to subsidize this activity.

I thank the Chair.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is now recognized for a period not to exceed 5 minutes.

HOW SALT II INCREASES U.S. MILITARY SECURITY

Mr. PROXMIRE. Mr. President, a recent edition of Current News, a publication prepared for the Defense Department, raises some serious questions about the future of SALT II.

The name of the study was "Will SALT II Survive?" The author, Leo Sartori, is a professor of Political Science and Physics at the University of Nebraska—Lincoln. Sartori credits experts at the Stanford Center for International Security and Arms Control for much of his information.

After reading Sartori's article this Senator comes to the conclusion that whatever SALT II does to advance the cause of arms control and peace is greatly surpassed by its contribution to U.S. military strength vis-a-vis the Soviet Union. We all know SALT II hangs by a feeble, unraveling thread. We know SALT II was recommended by the Senate Foreign Relations Committee to this body by a 9-to-6 vote in 1979. It was never sent to the floor of the Senate.

Until 1981 the United States and the Soviet Union were obligated under international law to abide by the treaty because it carried the status of a signed treaty awaiting ratification. That obligation ended in 1981 when President Reagan said the United States would not ask the Senate to ratify SALT II. But in May of 1982 the President announced in an ambiguous statement that we would abide by the terms of the treaty as long as the Soviets did likewise. About 4 months ago on December 31, 1985, SALT II expired. Professor Sartori concludes that in the period between 1981 and 1985, compliance with SALT II cost the United States exactly nothing. The Reagan administration was able to advance every phase of its military buildup without encountering any restraining pressure from this treaty. In Sartori's words, "the administration would have been hard put to find a way to violate the SALT restraints if it had sought to do so." In 1985 and continuing into 1986 the situation changed but only slightly. Here is how: SALT II more recently imposed some modest restraints. In October of 1985 with the commissioning of the seventh *Ohio* class Trident submarine, the United States was scheduled to exceed the SALT II ceiling of 1,200 MIRV'd launchers. To continue to comply with the treaty the United States would have to eliminate 14 MIRV'd launchers. Moreover as each succeeding Trident boat entered the fleet, the United States would have to eliminate another 24 MIRV'd launchers. The next Trident is scheduled for this summer. Second, this summer the United States will reach the ceiling of 1,320 combined MIRV'd launchers and airlaunched cruise missiles [ALCMS]. Also, coming up 2 years from now is flight testing of Midgetman. This would violate the new-type limitation of SALT II because the MX is the one allowed American new type.

Whereas the United States suffered literally no weapons constraints in the first 5½ years of SALT II from 1979 to late 1985, SALT II substantially limited the Soviets from the beginning.

Some of the limitations could have made a substantial difference in in-

creased strategic power for the Soviets. When the SALT II Treaty was signed the Soviets had 608 MIRV'd ICBM's. They continued to add to their total until they reached the SALT II limit and stopped. Sartori concludes:

> There is no reason to believe that absent the commitment to SALT II, the Soviets would have stopped at just 818.

They did. Sartori also concludes that absent SALT II the Soviets could and would have pushed the deployment of MIRV'd—submarine launched ballistic missiled significantly above their current level.

And here was the most significant restraint SALT II has imposed on the U.S.S.R. Without the limitation of SALT II, the Soviets could and probably would have increased by several thousand the number of nuclear warheads on their strategic missiles. It would be a cheaper and more efficient way of deploying their nuclear arsenal than building more launchers. The Soviets without their SALT II agreement could have increased the rate of production of their backfire bombers. As Sartori concludes:

> From the beginning, the burden of adhering to the treaty has fallen almost exclusively on the Soviet side.

On Friday this Senator called to the attention of the Senate a meticulous analysis of the alleged violations by the Soviets of SALT II in an article written in the New York Times by Charles Mohr. The article convincingly demonstrated that any Soviet violations of this treaty are of no real military significance.

It is easy to see why only 1 of the 5 Joint Chiefs of Staff has been reported to hold the view that dropping all restraints of the SALT II Treaty would be militarily advantageous to the United States. Mr. President from a strictly military standpoint as well as for the future of arms control and world peace, we should not permit SALT II to die. We should revive it. We should ratify it. We should extend it.

MYTH OF THE DAY: DAIRY PRICE SUPPORT PROGRAM IS A FAILURE

Mr. PROXMIRE. Mr. President, the myth of the day is that the Dairy Price Support Program is a failure.

Since June is Dairy Month, I think now is an especailly appropriate time to lay this myth to rest.

The Dairy Price Support Program was established in 1949 to help ensure that American consumers enjoy dependable supplies of dairy products throughout the year at reasonable prices.

Does the Dairy Price Support Program work to achieve these goals? You bet it does. Let us look at the facts.

The Dairy Price Support Program provides a market stability which has enabled U.S. dairy farmers to make continuous gains in productivity. Since 1950, dairy farmer productivity—as measured by man-hours required to produce 100 pounds of milk—has increased—not doubled, not tripled—but twelve-fold.

Prices for dairy products have stayed consistently below increases in the overall Consumer Price Index. In the 1982-1985 time period, for example, the CPI increased by 11.4 percent, compared to a 4.5-percent increase for dairy products.

The average national retail price for a half-gallon of milk was less than a penny higher in 1985 than in 1982. And, as I said, it actually takes less than half the time today—as compared to 1950—for the typical American worker to earn the money needed to make purchases like a half-gallon of milk, a pound of butter, and a half-gallon of ice cream.

Americans spend about 15 percent of their disposable income on food. This is the lowest percentage of any major nation in the world. About 12 percent of that figure goes for dairy products.

The successful operation of the Dairy Price Support Program over the years means that American shoppers can walk into their grocery stores every day in every city across the country and find the shelves stocked with fresh milk and dairy products.

Mr. President, it is very important to note, too, that dairy farmers themselves take responsibility for helping to pay for the Dairy Price Support Program when there is a serious imbalance between milk supply and demand. Recent examples include the Milk Diversion and Dairy Termination Programs, where dairy farmers financed substantial portions of the costs of these programs designed to help bring supply more evenly in line with consumption.

Dairy price support cuts have been shown not to serve a useful purpose. Faced with two 50-cents-per-hundredweight price support reductions in 1985, dairy farmers were forced to produce more in an effort to maintain their cash flow and preserve their farms. From October 1980 through 1985, there were three price support cuts totaling $1.50 per hundredweight. During this time, farm milk prices dropped 7 percent, while farmers' costs increased 15 percent. And what about the average retail price of whole milk? It increased 8 percent.

Taxpayers, consumers, and farmers alike benefit from keeping a viable Dairy Price Support Program intact. To say that this program has been a failure is truly a myth. The data I have cited portray the reality of the Dairy Price Support Program, which richly deserves the continuing strong support of the Senate and the American people.

RECOGNITION OF SENATOR KASTEN

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. KASTEN] is recognized for a period not to exceed 5 minutes.

Mr. KASTEN. Mr. President, I thank the Chair.

THE TAX BILL

Mr. KASTEN. Mr. President, the bill before us today is truly revolutionary. It takes power away from Washington, and gives it back to the American people. The tax policy will no longer be used to dictate the economic life of our country.

□ 1250

Mr. President, this legislation allows every American to keep more than 70 percent of every dollar earned. Only 6 years ago, Uncle Sam claimed up to 70 percent for himself.

It reaches the goals of simplicity and fairness we set out when some of us embarked on this path, embarked upon this direction, more than 2 years ago. Now this is real tax reform!

I listened to the Democratic leader earlier speaking in favor of tax reform. I listened to the words of the Senator from Louisiana, Senator LONG, the ranking Democrat on the tax-writing committee, last week, saying that he believed it was possible we could have near unanimous support.

Mr. President, I believe today it is possible to predict that this tax bill may pass the Senate with the unanimous vote of the Senate. This would, indeed, be historic.

This bill embraces many of the principles of the "fair and simple tax" plan that Congressman KEMP and I introduced earlier in this Congress.

Like Kemp-Kasten, this bill recognizes the need to reduce tax rates dramatically and the beneficial effect such a bold move will have on our economy.

Like Kemp-Kasten, this bill removes thousands of low-income Americans from the tax rolls, and gives them a boost up to reach that first rung of the ladder of economic progress and success.

Like Kemp-Kasten, this bill eliminates hundreds of tax loopholes in the current Tax Code, ensuring that every corporation and every individual pays their fair share.

This proposal is good for families, it is good for working people, and it is good for our Nation.

Yet, it is not perfect, and I believe it can be improved here on the Senate floor. I am concerned about the impact of the IRA changes on savings, the loss of the deductibility of charita-

ble contributions for nonitemizers, and the change in the treatment of capital gains.

But I commend the chairman of the Senate Finance Committee for getting such a historic tax package out of committee.

The chairman is a true believer and a real leader on tax reform, and the American people are the ones who will gain.

Now the Senate has a chance to complete the revolution. I urge my colleagues to join me in supporting this package and fighting any attempt to increase the tax rates.

I believe we will prove ourselves equal to the task and maybe even achieve a unanimous vote on tax reform in the U.S. Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR QUAYLE

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana [Mr. QUAYLE] is recognized for not to exceed 5 minutes.

SALT II

Mr. QUAYLE. Mr. President, I would like to discuss the President's decision last week to not extend the SALT II Treaty.

Last week there was a barrage of criticism of the President. That criticism will be studied and debated. It is being debated in the House of Representatives. It is being debated around the country.

Many have said that this decision, in effect, kills the arms control process or has set it back considerably. I disagree. In fact, if we really want to have a genuine arms control process and see an arms control agreement reached, we simply are going to have to begin with a new arms control foundation.

I believe that that foundation is the one that the President has put forward over these years to see a reduction rather than an increase of nuclear weapons that we've ver seen under SALT.

That is the direction that the President wants to take this country—toward real reductions and I strongly support it.

Let us look at some of the specific considerations that are going to be debated on the continuation of the SALT II Treaty.

First of all, everybody in the Senate, and the American public, knows full well that this treaty was never ratified by the Senate. The treaty was not ratified by the Senate because it did not have the support of the Senate. The reason it did not have the support of the Senate was because by and large this treaty gave a clear advantage to the Soviet Union. It gave a clear advantage to the Soviet Union in first strike, hard target kill weapons. They have that advantage now. The treaty insures that advantage.

It is also disadvantageous to the United States because we are trying to move toward second-strike missiles, like the cruise missiles carried on our bomber force. We are limited to 120 long-range cruise missile-carrying bombers under SALT II. That is a position that the President will not comply with later on this year.

Many people in this Senate have argued that we ought to get away from first-strike destabilizing weapons like the MX and go to destabilizing missiles like the cruise missile. I have heard the merits of cruise missile debated for a long time. I am a strong proponent of both deploying and improving such weapons. But now, no, we can only have approximately 130 cruise missile-carrying bombers. Even conventional cruise missiles that could be substituted for nuclear weapons are severely restricted under SALT II, Mr. President, as the Presiding Officer knows full well, being the head of our delegation to Geneva. You cannot tell the difference between a nuclear tipped and a conventional tipped cruise missile. Therefore, they are counted the same.

SALT II also is a disadvantage to the United States because, under SALT, we cannot have a sound mixture of offensive capability and defensive capability in our forces. SALT in fact, is premised on MAD, and MAD on there being no missile defenses.

If people are really serious about continuing SALT II, though, I suggest that perhaps at some time, the majority leader might just want to bring it up for discussion, for debate, and see where the votes are. If two-thirds of the Senate vote for the SALT Treaty, then obviously, the United States has to be bound by that. But if two-thirds do not vote for it, obviously, the treaty fails for insufficient support. I think it is a rather disingenuous argument that has been going around this Capitol for the last few days that, somehow, we are going to impose SALT II requirements not by the constitutional route of treaty ratification, but by a 51-percent vote in the House and a 51-percent vote in the Senate that will deny the President this opportunity and this flexibility. I believe that would be a serious mistake, and I assume that Senators would see this as an intrusion on their constitutional responsibility to try to ratify treaties.

An additional concern that I have about our continuing to adhere to SALT is that we know full well that the Soviet Union has failed to comply with the basic requirements of this treaty. The Soviets have violated SALT time and time again. Yet, for some strange reason, many people want to have unilateral compliance with this treaty. In other words, the United States of America would have to comply with this treaty but the Soviet Union would be operating under whatever interpretation they want to give to it and they would be able to continue to violate the treaty—to establish a double standard.

Where would our credibility be in negotiating treaties, not only with the Soviet Union but with any country, were we to come down and say, well, we are going to live up to the obligations and concerns of a treaty, but you do not have to?

That would be utter nonsense. Yet many are advocating just this when they call for compliance for the United States to SALT without the Soviet Union having to comply. Basic contract law tells us that if you are going to have a contract, if you are going to have an agreement, if you are going to have a treaty, then you had better have compliance and it had better be a two-way street.

But focusing on our behavior rather than the Soviets' is not unusual. For some strange reason, it seems that we are always in the wrong. Blame us first; we are the ones that are somehow responsible for the problems in the breakdown in the arms control processes. Yet, we are the ones who have been pushing for a genuine arms reduction proposal. The Soviet Union is the one that has been the obstructionist in that process. They are the ones who have, in fact, put sand in the gears to prevent a genuine arms control proposal by this administration from going forward.

Mr. President, it also has been argued that somehow, the SALT Treaty will restraint the Soviet Union and if we take the SALT limits off, the Soviet Union will just go like gangbusters in the development of ICBM's MIRV'ed warheads, SLBM's fighter planes, you name it; that strategically, they will just go forward and there is no way in the world the United States could even come close to catching up. I think that is not a valid argument for a number of reasons.

One, we will do what is in our best interest. Two, the Soviets do not need any more first-strike hard-target weapons to target our fixed assets. They already have thousands of these weapons that put all of our fixed assets at risk. If they want to go ahead and spend more and more, fine, let them.

It is not going to do any good. They already have such capability to put at risk our fixed targets with their first-strike hard-target killer weapons. We do not have that capability; they do.

In fact, Mr. President under the terms of the treaty itself, the Soviet Union, if it wanted to, could produce several thousand more warheads—several thousand more warheads could be produced if they wanted to under the SALT II Treaty. The reason that is the case is that SALT II focused primarily on launchers, rather than on the missiles' ability to carry warheads. And we know full well that the missiles' warheads are what impose and inflict the nuclear disaster that we are trying to prevent. So even by the terms of SALT alone, you can have escalation of thousands more warheads.

The Soviet Union has decided not to do this for a number of reasons. If, in fact, the treaty is now no longer complied with by the United States as it is not being complied with by the Soviet Union, I dare say they will not do what they could already have done in the past. So, make no mistake that SALT is somehow imposing a restraint on the Soviet Union. They selectively violate what they want to. If they want to violate the launcher limits, they would violate that if they found it not in their best interest to go ahead and comply.

Finally, Mr. President, I believe it is really just time that we cleared the decks and offered the Soviet Union an incentive to have negotiations for sound arms control. There is very little incentive right now as long as the United States will stick with an unratified treaty that, even if it had been ratified, would have expired in 1985. If in fact they think it is to their advantage and if in fact compliance with SALT II is to the Soviet Union's advantage, what incentive do they have to negotiate a new treaty when, under a new treaty, you would have a reduction of weapons rather than an increase in weapons that we have had for this past decade and a half?

So I believe it is simply time that we cleared the decks and put our arms reduction proposals forward as we have, that we continue to push them and the Soviet Union will push their proposals without having to rely upon a treaty which, the Secretary of State has said quite correctly, is obsolete. Then we can go forward. Certainly, at some time in history, this treaty would be obsolete. I concur with the Secretary of State that it is obsolete now. It was negotiated back in the mid-seventies. Technology has changed since then, military and political theories have changed since then, alliances have changed since then. It is time we changed our approach to try to come up with an arms control proposal that will provide for peace and deterrence that the Nation wants.

So, it is time, Mr. President, to establish a new foundation for arms control. We cannot rely upon an unratified and violated treaty. We must have a new beginning that will focus on reduction of these weapons, a beginning that will provide for greater deterrence and security, a beginning that will provide for peace and stability in this world. Those are sacred issues with the American people, as they should be.

The American people believe in a strong and secure national defense, and they want to have adequate security, because they know that security is essential to peace and prosperity. So, Mr. President, the time to begin is now, to establish a new foundation for arms contrrol, to get a legitimate treaty that, in fact, can be ratified by this body and put into law that will work, that will be fair, will be equitable, and will provide for peace.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURKOWSKI). Will the Senator please withhold?

Mr. QUAYLE. Yes; I will, Mr. President.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of routine morning business not to extend beyond the hour of 2 p.m., with statements therein limited to 5 minutes each.

AFGHANISTAN

Mr. THURMOND. Mr. President, I rise today, as I have in the past, to commend the Afghan people for their struggle to rid their nation of Soviet domination. Since 1979 the Soviets have tried military to crush the Afghan freedoms, but have not succeeded. Furthermore, the Soviets have attempted to destroy the native Afghan culture and educational system. Afghan children are being relocated to the Soviet Union to be indoctrinated with Soviet propaganda and to subvert native Afghan culture and national pride. This insidious invasion is too difficult to combat. Less courageous people would succumb to this aggression, and allow their culture to be annihilated. However, the Afghans are continuing their efforts not only with weapons, but also by educating their people.

In the June 2, 1986, issue of Insight magazine, James Morrison reported on methods that members of the Afghan resistance are utilizing to counter Soviet attempts to destroy the Afghan culture and educational system.

Mr. President, I ask unanimous consent that the full text of this informative article be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXILES FIGHT FOR CULTURAL SURVIVAL

(By James Morrison)

In the Afghan capital of Kabul, Najibullah, the new leader of the Soviet-backed government, promises to wage an even bloodier war against the anticommunist resistance. But in the rebel-held countryside, another war is being fought with books and tape recorders—against illiteracy, against the destruction of the country's culture and educational system by the Soviet occupation.

Its voice is that of a 3-year-old girl sending her tape-recorded blessings to the mujahideen, the Muslim "holy warriors" of the resistance who—vastly outgunned by superior Soviet weaponry—are fighting the invaders to a standstill. "Greetings to you," she says. "Go and fight the infidel Russians. When I grow up, I will have a gun and kill the Russians myself. God be with you."

Its voice is also that of a talking tree, in a storybook written for the children of the war. The tree speaks of the importance of preserving trees in a countryside being devastated by the Soviets' scorched-earth policy. "My most vicious enemy today is the Russians," the tree says.

Since the Soviets invaded Afghanistan in 1979 to prop up a faltering communist government that took power in a coup a year earlier, they have waged one of the most brutal wars in Afghan history, creating some 5 million refugees, according to the U.S. State Department's annual human rights report. "The Soviets' central and long-term objective appears to be to absorb Afghanistan into the socialist system by reshaping that country's traditional Islamic society into the Soviet mold as they did in central Asia in the 1920s," the report said.

"The Russians are teaching the children to hate the mujahideen," Sabahuddin Kushkaki, head of the Afghan resistance's literacy campaign, said at a recent Washington news conference. Because of that, he explained, a group of educated Afghan exiles has launched a counterattack, intent on building an educational infrastructure for a new Afghanistan after the mujahideen victory they are convinced will come.

Afghanistan has often been the target of foreign invaders, from Alexander the Great to Genghis Khan, from the British to the Soviets. "They feel if they can sustain this war for seven years, they can sustain it for as long as there is one Afghan left to fight," Kushkaki said of the rebels. "History has taught them they cannot be defeated.

"We feel the people who are running the war will be the people who will run the country. We want to teach them to read and write and teach them about the war," Kushkaki said.

Armed with a $180,800 grant last year from the U.S. National Endowment for Democracy and with the help of educators at the University of Nebraska's Center for Afghanistan Studies, Kushkaki and his colleagues have so far distributed 75,000 books, trained teachers and opened 10 schools in guerrilla territory. "They are not buildings where bells ring and children come to school," he said. "Classes could be in a mosque, under a tree or in someone's house."

Operating from headquarters in Islamabad, Pakistan, they wrote or rewrote 60 textbooks, some of which were in use before

the communist takeover. The books are smuggled into Afghanistan by the rebels along the same routes they use to bring arms and supplies to their camps. "The subjects in many of the old textbooks were no longer relevant. You cannot isolate yourself from your environment," Kushkaki said. "They will not accept books that do not teach the children how to survive."

The messages from the little girl on the tape recorder and the talking tree in the storybook are part of a larger campaign, he said. It is designed to reflect the realities of war and preserve an Afghan culture threatened by the Soviets' policy of Russification—the systematic destruction of the Afghans' ancient ways and the indoctrination of Afghan children in Soviet schools.

The government closed all but 50 of the 1,900 village schools operating before the communist coup and is sending many children to the Soviet Union for instruction. About 1 million children in Afghanistan are without any schooling, according to Kushkaki. Along with opening their own elementary schools and training teachers, Kushkaki's Cultural Council of Afghanistan Resistance is distributing cassette tapes to counter Soviet propaganda, which runs 18 hours a day on the radio and five hours a day on television.

The center has also acquired six video cameras and trained Afghans to operate them. The group wants to record the war for the outside world and to create a documentation center. "Its significance cannot be overstated," Kushkaki said. "Most of the published materials in Afghanistan, whether it be textbooks, historical documents, religious books, museum articles or other materials representing Afghan society, culture, values and tradition have been systematically destroyed."

VENICE CONSULATE BUILDING

Mr. PRESSLER. Mr. President, several weeks ago I placed in the RECORD a letter I wrote to the State Department asking for comment on certain information I had been given regarding the sale of the former U.S. consulate building in Venice, Italy.

I have received a response from the department and ask that it be printed in today's RECORD. Wake Forest is a fine university, and I am pleased to see that the department has determined that all aspects of its acquisition of this property satisfy the highest standards of public accountability.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF STATE,
Washington, DC, May 15, 1986.

Hon. LARRY PRESSLER,
Chairman, Subcommittee on European Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: The Secretary of State has asked that I reply to your letter of April 9, 1986, inquiring concerning the sale of the former United States Consulate property in Venice, Italy to Wake Forest University. You express your concern that this property is being sold for a fraction of its market value, and ask that the Department consider taking steps to prevent completion of the sale. We believe the transaction should go forward for the following reasons.

The United States Consulate in Venice was closed in 1963, and the premises were unoccupied until 1971, when Wake Forest entered under a lease arrangement. Wake Forest has occupied the premises continuously since that time, using the premises for its overseas study program in Italy.

Sale of the former United States Consulate property in Venice, Italy to Wake Forest University for a sales price of $250,000 was specifically authorized by the Congress in Public Law 93-264 of April 12, 1974 (Attachment A). To carry out this authorization, the Department entered into a sales contract with Wake Forest in November 1974 (Attachment B), providing for payment of the sales price of $250,000 in installments. Wake Forest completed these payments in 1978.

Final transfer of title to the property from the United States Government to Wake Forest University has been delayed for a considerable period, due initially to now-resolved uncertainties over tax liabilities and then to the need to satisfy various requirements for Italian Government approvals. When the tax questions were resolved in 1983, all the documents required under Italian law to transfer title were completed and executed by the parties before an Italian notarial official, but registration of the title in the property to Wake Forest has been suspended under an escrow-type arrangement pending receipt by Wake Forest of authorization from the Italian Government to complete the purchase. The Italian Government's file on Wake Forest's request to purchase is in the Foreign Ministry for final review prior to the issuance of the final authorization required to complete the title transfer.

The former Consulate property is considered an historic building under Italian law. The Department understands, however, that this designation arises principally from its location on the Grand Canal and not from its historic importance of architectural significance. The valuation estimate cited in your letter, suggesting that the property may be worth as much as $40 million, appears greatly excessive. The Department's Office of Foreign Buildings appraised the property in 1973 at approximately $250,000 to $350,000. The Department is informed that a reasonable current estimate might range from one to four million dollars. But in view of the use and alienation restrictions imposed by Italian law on Grand Canal properties, any attempt to estimate market value would be necessarily speculative.

The Department has no information to support the allegation that was reported to you that the sale is opposed by any Italian entity, private or public. In the course of the reviews required by Italian law, certain preliminary objections were raised to the sale, notably by the Venice municipal government, which initially felt that use of the premises for educational purposes by Wake Forest might be inconsistent with the city's intended reservation of Grand Canal properties for residential use. The city's plans were subsequently modified, and its objection withdrawn. To the Department's knowledge, there is no current opposition to the sale on the part of any agency of the Italian Government, nor are we aware of any private Italian opposition to the sale.

The Department has received letters from private Americans suggesting that the property be reserved for use as consulate premises. The Department has no current plans to reopen a consulate in Venice, and in fact severe budget constraints have required us to move to close seven consular posts, including Trieste.

From a legal standpoint, the Department equitably relinquished ownership of the former Consulate property when Wake Forest completed payment of the purchase price in 1978. Neither the 1974 sales contract nor the 1983 title transfer documents reserved to the United States any right to revoke or terminate the agreement to sell. In the absence of compelling noneconomic concerns, any effort by the United States Government to frustrate the sales contract through diplomatic communications with the Italian Government would raise grave legal issues.

It should be noted that this sale in no way provides a windfall to Wake Forest. Both the legislation authorizing the sale and the sales contract provide that Wake Forest must give the Department a right of first refusal to repurchase the property for the $250,000 sales price if Wake Forest should cease to use the property.

I hope this information satisfies your inquiry.

With best wishes,
Sincerely,

JAMES W. DYER,
Acting Assistant Secretary, Legislative and Intergovernmental Affairs.

PUBLIC LAW 93-264

An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of State is hereby authorized to sell, by quitclaim deed, to Wake Forest University the former consulate office building and residence at Rio Torre-Selle and Canal Grande, in Venice, for the sum of $250,000, subject to such terms and conditions as the Secretary shall prescribe not inconsistent with the provisions of the Foreign Service Buildings Act, 1926. Such $250,000 shall be applied or held pursuant to section 9(b) of such Act of 1926.

(b) Wake Forest University shall not lease or otherwise alienate this property except in accordance with the terms of this Act.

(c) If the university determines that the property is no longer required and wishes to dispose of it, the university will offer the property, by quitclaim deed, to the Secretary of State at a price of $250,000, granting a one-year option at that price, and may only dispose of the property to a third party after written notice from the Secretary of State that he does not wish to exercise the option, or after the expiration of the year's option without its being exercised by him. In the event the Secretary shall exercise the option, he shall have one year from the date of exercise in which to make settlement. If the university has made capital improvements to the property during its ownership, such improvements shall be evaluated by the Secretary, and paid to the university in addition to the $250,000 price stated above in compensation therefor.

(d) Wake Forest University shall provide suitable office space for United States Government employees on official business in Venice at any time such space is requested by the American Embassy in Rome or the American Consulate in Milan, in accordance with arrangements to be determined by the parties prior to transfer of title under this act.

CONTRACT FOR SALE OF THE AMERICAN CONSULATE PROPERTY IN VENICE, ITALY

This Contract is made the —— day of ——, 1974 between the Government of the United States of America, through the Secretary of State of the United States of America, acting by Orlan Clemmer Ralston, Deputy Assistant Secretary for Foreign Buildings, hereinafter called "the Vendor", of the one part, and Wake Forest University of Winston-Salem, North Carolina, acting by James Ralph Scales, its President, hereinafter called "the Vendee", of the other part.

Witnesseth: The parties hereto, for the considerations hereinafter mentioned, and in compliance with the authorities granted by Public Law 93-264, dated April 12, 1974, agreed as follows:

1. The Vendor agrees to sell and the Vendee agrees to buy, upon the terms hereinafter appearing, all that piece or parcel of land located in the Commune and city of Venice, Sestiere Dorsoduro, at S. Gregorio, Calle S. Cristoforo Nos. 699-699/A-699/b-700, all recorded as follows in the cadastral records:

"Comune and Section of Venice—Sheet No. XIV, Map 2081 (Two thousand and eight one) house with storage place consisting of three floors and twelve rooms, at Calle S. Cristoforo, Nos. 699-699/A-700, taxable income 11,900 lire."

2. The purchase price is U.S. $250,000, payable as follows:

$70,000 within ten days following signature of this contract by both parties; at which time the lease held by the University is considered terminated.

$45,000 per annum, together with 8 percent interest on the unpaid balance, payable annually in advance on the anniversary date of the $70,000 payment, or, at the option of the Vendee, the unpaid balance may be paid in full in advance at anytime without prepayment penalty.

3. The Vendee shall not lease or license this property to a third party unless the Vendor is advised of the proposed disposition of the property at least 6 months in advance of such disposition in writing, through the American Embassy in Rome.

4. It is understood and agreed that if the Vendee determines that the property is no longer required and wishes to dispose of the property, the Vendee will offer the complete property, by quit claim deed, to the Secretary of State, at a price of $250,000, on a one year option to repurchase at that price. In the event the Secretary of State shall exercise the option, he shall have one year from the date of exercise in which to make settlement. If the Vendee has made capital improvements to the property during its ownership, such improvements, excluding normal maintenance and repair, provided they are documented by description and amount of expenditure by the Vendee, shall be evaluated by the Secretary of State, acting thru the American Embassy at Rome, and the total current value of such improvements will be paid to the Vendee in addition to the $250,000 sales price, in compensation therefor. The Vendee may only dispose of the property to a third party after written notice from the Secretary of State that he does not wish to exercise the option or after the expiration of the year's option without it being exercised by the Secretary of State.

5. The Vendee hereby agrees to provide suitable office space, rent free, to United States Government employees on official business in Venice, at any time upon reasonable advance notice by the Consulate at Milan or the American Embassy at Rome, in accordance with arrangements to be determined by the parties within two months following signature of this agreement.

6. The Vendee hereby assumes all maintenance and repair and operating expenses, including charges for utilities, gas, heat, oil, electricity and water. The Vendee also agrees to the payment of all legal fees, notorial charges, registration charges, taxes of any kind on the property and any other fiscal charges incurred in connection with this sales agreement and with the conveyance of the property to the Vendee.

7. All insurance premiums and all taxes or assessments levied or assessed on the said property and accruing before title transfer hereunder shall be paid by the Vendee.

8. When full payment of the $250,000 is made by the Vendee, the U.S. Government will transfer to the Vendee a quitclaim deed and all previous title documentation on the property. The title transfer must take place in Venice, Italy, and will be subject to all local laws and requirements. The title transfer must include the rights on repurchase as expressed in paragraph 4, above. The title transfer must also include the mode of payment expressed in paragraph 2, above.

9. The risk of loss or damage to the premises by force majeure or other causes until the conveyance of title is assumed by the Vendee.

SHUTTLE REPORT

Mr. DOLE. Mr. President, today members of the Presidential Commission on the Space Shuttle *Challenger* accident present their report to the President. At a White House ceremony this afternoon, several Senators, including our distinguished astronaut colleagues JOHN GLENN and JAKE GARN, join the President at this important event. We are certainly pleased the Commission has completed its work and we look forward to reviewing it. It is an indepth report that will require detailed study by the experts. And the Senate is doing just that.

I must say I was caught in traffic and missed the report but I arrived in time to congratulate the members of the Commission for their oustanding job.

I do believe it is a very good report. There will be hearings starting tomorrow, I understand, in the Commerce Committee. Senator DANFORTH, the chairman of that committee, will preside over those hearings.

But I believe that we should withhold judgment until we have all the facts available. There are some conclusions drawn in the report. It is my understanding the President responded to a reporter that he supported the report. It will lead to a number of major changes at NASA. So I primarily wish to congratulate members of the Commission, particularly the chairman, Bill Rogers. Many of us have known Bill Rogers over the years. He was an outstanding public servant, and certainly this is an act of public service that will affect not only the future of the space program but, I think, will certainly be a matter of great interest to all Americans.

Mr. President, we all, of course, were deeply saddened by the loss of the *Challenger* and its crew on that fateful day. It was a personal loss to all of us, and particularly to the dedicated men and women directly involved in the shuttle project. Since that time, NASA has taken some hard knocks.

But it would seem to me this is sort of maybe hanging in the balance at this point and, before we rush to judment and everybody starts pouncing on NASA and our finding fault with that person, we want to keep in mind that this is an outstanding program and it is a matter, I think, of great pride to all Americans over the years and we need to move ahead as quickly as we can. NASA, with the support of Congress, should move very quickly to correct the problems—and there are problems—outlined in the Presidential Commission and get the shuttle program moving again.

In my view, until we have time to digest it, and until we hear from the experts, we should hold our fire—let us not rush to judgment. Our space program is hanging in the balance. The Commission indicates that the Nation's worst space disaster was a combination of faulty space age hardware and poor management at the Nation's space agency. The report contains about a dozen major findings and recommendations concerning the agency and the shuttle program and will say that *Challenger's* seven astronauts died because hot gases escaped from the seam of the shuttle's right booster rocket, triggering a chain reaction that ended in a gigantic fireball. These are grim accounts that demand the most careful deliberations we can muster.

Mr. President, all Americans were deeply saddened by the loss of the *Challenger* and its crew on that fateful day. It was a personal loss to all of us, and particularly to the dedicated men and women directly involved in the shuttle project. Since that time, NASA has taken some hard knocks; there have been numerous charges aimed at NASA. Some of them may be deserved, others may be just the product of political rhetoric. That's why today's report is important. It gives us the opportunity to develop an unbiased evaluation of what really happened on January 28.

But, Mr. President, as devastating as the *Challenger* loss was, it should not be allowed to blur our vision of the future, nor should it sour our taste for discovery. We have come a long way—together—to become the world leader in space exploration. NASA has helped fill the Nation with pride and has helped give us the practical benefits of technological advances. I believe that NASA should, as soon as possible,

begin production of a fourth orbiter to replace the *Challenger*; a project incorporating the recommendations of the Commission, but also embodying the high expectations of a nation ready and willing to push into outer space. The space shuttle is the Nation's door to outer space; long launch delays will only mean that important commercial, military, and scientific payloads will also be delayed. NASA, with the support of Congress, should move quickly to correct the problems outlined by the Presidential Commission and get the shuttle program moving again.

The grief over the loss of the *Challenger* seven will be with us always, but the best tribute we can make is to reach again for the heavens.

Mr. QUAYLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. GORE] is recognized for not to exceed 5 minutes.

Mr GORE. Thank you, Mr. President.

THE STRATEGIC DEFENSE INITIATIVE

Mr. GORE. Mr. President, this is the 10th in a series of floor speeches that I have been making on the strategic defense initiative.

In earlier comments I have discussed the importance of the so-called Nitze criteria—especially the concept of cost effectiveness at the margin—for assuring that rational of economic standards will be applied before any defense is actually deployed.

In theory, cost effectiveness is a method for estimating whether it would be more expensive for us to sustain a strategic defense against Soviet countermeasures than it would be for the Soviets to pay for the countermeasures themselves. What this technique allows us to do is watch out for a situation in which the Soviet Union could undermine a vast United States investment in SDI for a relatively small investment of their own in countermeasures.

Typically, the administration has yet to decide what cost effectiveness would mean in practice when applied to SDI, and is already looking for an easy out. The name of that easy out is "affordability," which in plain language means that we should be prepared to pay any amount within our means for SDI given its transcendent importance.

Well, transcendent or not, there are limits past which we cannot afford to pay for SDI if we want the rest of our military forces to be kept up properly, and if we intend to get the national debt under control.

In this speech, therefore, I will take up the more earthbound question of how much SDI might actually cost and whether it is by any stretch of the imagination within the means of this Government.

□ 1400

The only figure with any solidity at all, and therefore the logical starting point, is $27 to $30 billion, which is the administration's estimate of the cost of strategic defensive research over a period of about 7 years. Indeed, this is the cost of SDI, since that program will not actually produce a defense, but merely the scientific and technological wherewithal to decide if such a defense is feasible. Or at least, so we are told by the administration.

This sum of $30 billion alone rivals the cost of developing, producing and operating many big ticket weapons. It already—that is, at current levels—is pressing very hard on funding for any other kind of military research and it is going to press much harder in the future.

It is very important to understand, however, that even this enormous sum only applies to those forms of research pertinent to defense against intercontinental missiles. Moreover, within this category, what we would be paying for is primarily work addressing, in the first instance, what I have been calling "SDI 2;" that is, a defense of limited capacity, as compared to the promised final product—an ultimate defense.

Even so, the figure is grossly misleading, because it excludes other forms of research indispensible for SDI, which the administration is getting under way elsewhere.

There is, to begin with, the NASA Program for development of a TAV, transatmospheric vehicle. Granted, that this program is being presented as the Orient Express—the next great leap in passenger transportation. But the fact is that 80 percent of its funding comes from the military, because this project is a fundamental necessity for SDI. Why? Because at existing costs per pound of placing objects in orbit, there is no possible way the United States can afford even the transportation costs for emplacing the equipment and fuels required for SDI. The estimated cost to devise a test vehicle is $3 billion.

Then there is the air defense initiative, whose precepts are still being worked out. ADI, as it is called, will have much the same relationship to Soviet air-breathing weapons, the SDI has to their ballistic missile forces. In other words, ADI will have as its goal, the objective of finding the means to shoot down any Soviet bomber or cruise missile before it can reach targets in the United States. That includes, I presume, an ability to deal even with Soviet applications of Stealth technology.

This is truly a formidable—one would rather say, preposterous—objective. But it is also unavoidable within the context of SDI, for two reasons: first, because without it, SDI cannot fulfill its pledge to protect the population; and second, because without it, SDI cannot even undertake to protect itself. What the costs will be is purely a matter of conjecture, even for research alone. One omits here the possible costs for actually procuring and operating the kinds of equipment required to do the job.

Further on, but clearly present in the shadows, is work on antitactical ballistic missile technologies; for dealing with the kinds of shorter range weapons that threaten our forces in Europe, and, of course the Europeans themselves. An ATBM capability would be for NATO, what SDI is for the continental United States. Conceptually, the development of such a capability is not needed for SDI. Politically, however, it is likely to be unavoidable unless we wish to do without Allies in the future. No ones knows what research for such systems might cost.

Final, and even further out, one can anticipate the need to develop counter-counter measures, including elaborated antisatellite systems for defeating any anti-SDI weapons the Soviets might put into orbit.

We then come to the threshold of the reality of producing, deploying and operating all of this hardware. Thus far we have just talked about research. And again, there are virtually no numbers worthy of consideration. Except perhaps for some of the estimates now beginning to emerge as to the type and number of satellite battle stations, monitoring systems, ground-based interceptors, and the like, needed to realize one or another defense architecture, as it is called.

The architectures themselves are still classified, and in any event, one can only make guesses as to cost, based on the costs of such things as intelligence collection systems—again, a classified number. But former Secretary of Defense Harold Brown has said that a grand total on the order of $1 trillion might well be what we find at the bottom of the bill. And I do not think he is exaggerating for effect: He is estimating with some care.

What can one conclude from all this? First, that the costs for this kind of research will likely impoverish

other aspects of our defense work. Second, that vitally needed investment in conventional forces will be drained away. Third, that the scale of these costs will ultimately threaten the substance of this Nation.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

TAX REFORM ACT OF 1986

The PRESIDING OFFICER (Mr. SYMMS). Under the previous order, the Senate will now resume consideration of the pending business, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 3838) to reform the Internal Revenue laws of the United States.

The Senate resumed consideration of the bill.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The chairman of the committee is recognized.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, we had many opening statements, last Wednesday. I was encouraged to see that in this Chamber both liberals and conservatives, Republicans and Democrats, those representing principally rural States and those representing principally urban States all spoke in favor of the bill in its general concept and preferred to have no amendments.

I was very encouraged when we were at the White House for breakfast last week with the President that both Senator LONG and Senator BYRD indicated that they hoped this bill might pass 100 to nothing. It is very encouraging to have those statements coming from the Democratic minority leader, Senator BYRD, and the ranking member on the Finance Committee, Senator LONG.

Since it has been 5 days since we have had the opening statements, I would like to review briefly why the Finance Committee has attempted to come forth with the bill which is now before us.

We should go back and trace the history of the income tax. We did not have one in this country for the better part of a century and a quarter. It was initally held to be unconstitutional by the Supreme Court. We then passed a constitutional amendment which allowed an income tax to be levied. Most people are really unaware that up until almost World War I the bulk of the Federal revenues in this country were raised from either excise taxes or tariffs. We managed to run the whole Federal Government on those two sources of money. No income tax, no nationwide sales tax, other than a few of these excises, no real property tax at the national level, no personal property tax at the national level, no income tax, corporate or individual.

Then in 1913, we passed a corporate and an individual income tax. The rate for corporations was 1 percent. The rate for individuals, for most individuals, was 1 percent, but if you had an income of $500,000 or above, the rate was 7 percent.

Well, it is no wonder, therefore, at that stage, apart from deductions for State taxes paid and one or two other very minor deductions, we had no personal dependent deductions, no medical deductions, no charitable deduction, no differentiation for capital gains, because, frankly, nobody cared. If you made $1 million, and very few Americans did, but assuming you did, you were in the 7-percent tax bracket. You paid $70,000 to the Federal Government and you had $930,000 left. From that you could make whatever donations to charity yo wanted or whatever investments you chose.

An interesting thing happened in 1917. When World War I started, we suddenly had a great need for money that we never had before. We raised the rate rather significantly. The top individual rate in 1917 went to 67 percent. Bear in mind it had been only 7 percent 4 years earlier, but because we were trying to win World War I and we needed the money, and we did not believe in excessive debt financing in those days, we raised the rates.

□ 1410

A 67-percent rate is high enough to make a world of difference. If a person made $1 million and he paid $670,000 of it to the Federal Government, he might be less inclined to be generous to charity than if he paid only 7 percent to the Federal Government. So we put in the charitable deduction. It said you could deduct your contribution to charity before you figured your tax.

World War I ended. We kept the rates relatively high, did not bring them down. So in 1921, we added the capital gains tax. The rate was 12.5 percent for capital gains.

Then, during the 1920's, interestingly, we started to lower the rate of tax. It had actually reached a high of 73 percent. We started to lower it, but even though we started to lower it again, we did not get rid of the deductions.

As a matter of fact, we started adding other deductions.

What happened over the years is that people eventually got hooked. They began to think that they could not live without the deductions: Charities could not exist unless people could deduct the charitable contribution from their tax; venture capital would not invest in risky ventures unless they had a capital gains differential.

Each group has their own special tax interests, and they are perfectly well-meaning groups—when you go through the list of witnesses that appeared before our committee, by any stretch of the imagination, they do not fall into the normal definition of what people think of as the greedy special interests. The National Conference on Catholic Charities? I have never heard of them referred to as a greedy special interest. They appeared.

The League of Theater Producers in New York were worried about continuation of legitimate theater in this country.

The National Association of School Boards were worried we would take away the deduction for real property taxes. The National Collegiate directors were worried that, at an 80 percent level on entertainment allowance, many college town businesses would not buy as many tickets as they had been buying and that the colleges would not have as much money to spend on men's sports and women's sports. These are organizations that no one in his right mind calls greedy or a special interest. But in every case, they were worried about something.

Again, none of these interests is evil or greedy. Most of them are trying to further what most Americans would say is good. We think it is good if you give to your church; we think it is good if you join the YMCA or play basketball there each week. We think it is good that you support the Boy Scout camp that you enjoyed when you were a child. We encourage health insurance, we encourage charitable deductions, we encourage everything through the code.

We got to the point where we were making all kinds of business deductions through the code. And we were worried about the kind of business deductions we should continue to make. As you look at the code, you will see preferences existed at one time for real estate, then dropped off, then increased a little.

Senator LONG, our distinguished minority leader on the committee, who has been in the Senate since 1948, will tell you that in his career, he has voted three times to put in the investment tax credit and three times to take it out. Every time, it was done at the request of a President in a tax

reform bill. He loves to humorously say, "Now, you just tell me: When was it tax reform and when was it not tax reform?" He even says in one particular situation he voted to put the investment tax credit in and voted to take it out under the same President.

So we have had these fluctuations of favoritism, whether it be for social policies like health insurance or for business investment policies.

Last summer, however, we had 36 days of hearings in the Finance Committee, and those hearings went from 2 to 6 hours a day. At the end of those hearings, I asked one of the staff to put together for me a list of the witnesses and the groups they represented. Not the testimony; I had had an opportunity to read the testimony. I just wanted their names and whom they represented. I tried to go through that list to see if I could find any interest group—and I mean that in the best sense, not the worst—in America that was not represented. I could not find one.

Sometimes you could not have everybody testify, so rather than having somebody from General Motors, somebody from Ford, somebody from Chrysler, and somebody from American Motors, you might have one person representing the automobile industry. But I could not find an interest group that was not represented—not low-income women, not high-income tax shelters, not bankers, not labor, not charities, or ballet societies—they were all there.

What we discovered is, first, the interest groups were afraid of losing their preference because they have had it so long they cannot imagine what it would be like to be without it. Second, they would be afraid that they might lose their tax preference but their competitor might keep its preference. A good example—coal and oil and nuclear and hydro and natural gas are all alternative methods of generating electricity. All of them in one form or another have some preferences in the Tax Code. Sometimes they are identical preferences for all the industries, but on other occasions, they are not. Each business within any particular industry is afraid that they might lose their tax preference which would put them at a competitive disadvantage. So first, they fight tooth and nail to keep every preference they have. They are used to it, they like it, it is the devil you know rather than the devil you do not. So they fight to keep it. Second, they fear they might lose theirs but somebody else who is a competitor does not lose his.

The general public, who we are trying to help, is inclined to more or less say, "Sure, sure, when the bill is all done, I will look at it and see if it helps me or not." So as we are going along passing amendments one at a time, trying to knock down privileges, so people of immense wealth will pay more tax. However, when you are trying to knock out those special privileges in the law that allow the General Dynamics and General Electrics, that make billions of dollars and pay no taxes—those groups that we are attempting to bring into the tax system to have them pay taxes are naturally reluctant to be brought in. You start to do it and immediately out go the telegrams to your constituents from the Washington office of whatever group you may be offending. Back come the letters, telephone calls, and telegrams from these people and none from the general public.

What we hoped to find was a method of changing the code that would allow us to lower the rates so far but to lower it principally by closing loopholes.

□ 1420

The only way we could finally do it at the end was to almost close all loopholes on individuals. I mean almost all, whether it is passive losses in real estate, which is a tax accountant's term for artificial losses, paper losses, as they call them, or investing in cattle feeding operations or investing in greyhounds. They have wonderful ads; you can own your own greyhound. I do not know if people investing have ever seen a greyhound race or not, but you can own your own greyhound and get an up-front advantage and set it off against your income.

We closed almost all of those. And by hitting them all, some were not able to say, "We are losing our advantage but you are letting other tax shelters keep theirs." By bringing them all down, we raised almost $50 billion in this bill which we could use to then lower individual rates.

Second, we looked at the business side and we shifted taxes that are currently on individuals to business to the amount of about $100 billion. The shift of income is especially notable in the minimum tax. Under current law, the corporate minimum tax over a 5-year period will raise about $2.5 billion. Under the Senate bill, over a 5-year period it will raise about $35.5 billion. That gives you a rough idea of the magnitude of the loopholes we closed on the corporate side.

With that we are able to take roughly $150 billion and use it to reduce individual rates. And here is where I want to be careful so that everyone who is listening to this debate understands. First I am going to talk about averages, and you want to be careful because no one is exactly average. If you have ever spoken to an audience and you were to say, "Will everybody here who is average please raise their hands," nobody raises their hand. Nobody thinks they are average. Averages are aggregate numbers where you add everybody together. I suppose in theory if you stand with one foot on a block of ice and one foot in some hot coals, on average the temperature is all right. But that is only on average.

On average, every individual tax group classification—and that means zero to 10, 10 to 20, 20 to 30, 30 to 40—that is the way the Internal Revenue Service and Treasury break them down—every single group gets somethings of a tax cut. The lowest income groups get the highest percentage tax cut. It is greatest for those in the zero to 10, next greatest in 10 to 20, next greatest in 20 to 30, next greatest in 30 to 40. But every group on average gets some cut.

There are two exceptions that you can say without any question do not get a tax cut. The first are corporations that have been paying no taxes and making profits. They will pay taxes. And that is not even an average. You can simply say now under this bill it is impossible, if you are a profitmaking corporation, to escape taxes. If you are a corporation and you are making profits, we do not care what the law has been in the past; you will pay taxes now.

Second very, very wealthy individuals who have been sheltering their income in a variety of legal, and I want to emphasize legal, tax dodges that have been put into the law over the past 20, 30, 40, 50 years will pay tax. If they have been sheltering their income, if they have been making $100,000, $150,000, $200,000 $250,000 and paying less taxes frequently than somebody that makes $20,000 or $25,000 or $30,000, those wealthy individuals' taxes will go up. But for the rest of the Americans on average this bill is a boon.

First, about 6.5 million working poor are taken off the tax rolls altogether. These are people who are making about $12,000 a year, $12,500, $13,000. They are right at the poverty line. It is absolutely outrageous that people making that amount of money should be paying Federal income tax. They will be off the tax rolls. And I want to emphasize these are not people on welfare. These are people who are working. They are more often women than men. They are often doing household work and they are making $12,000, $13,000 a year. They are often heads of households with children. They will be taken off the tax rolls.

Second, I have already talked about the effective corporate minimum tax that guarantees that never again will we see stories about multimillion dollar profit corporations paying no taxes.

Third, we have closed down $50 billion in individual tax shelters.

Fourth, we have been able to lower the rates to two rates for individuals, 15 percent and 27 percent. And again I am going to speak in terms of averages

and I am going to speak in terms of how much income you make, not what tax lawyers call taxable income or adjusted gross income.

If you go out and you ask somebody who is working at the mill, "How much do you make?" they might say, "$6.50 an hour," or they might say, "$18,000 a year." They do not say, "Well, my taxable income is." So for a family of four that does not itemize, that takes their personal exemptions, which we now raise to $2,000 under this bill, $2,000 for the man, $2,000 for the wife, $2,000 for each of the children—and we raise the standard deduction for that family to $5,000—for the average family of four that does not itemize, they will have to be making $42,500 before they go above the 15 percent bracket. That is roughly 85 percent of all the taxpayers in this country who will be at the 15-percent level. People who are now paying 25, 30, 35 percent are going to have their taxes go down to 15 percent.

Fourth, as far as the tax rate for corporations is concerned, the maximum rate is now 46 percent. The maximum rate under this bill drops to 33 percent. The way we were able to do that is with the investment rax credit. It is almost a dollar-for-dollar exchange. We eliminated the investment tax credit for business. We used the money that that produces for the Government to offset the lowering of the rates from 46 to 33 percent. And most businesses think that that is a fair tradeoff.

Next in terms of simplicity, because we have wiped out many deductions and because we have lowered the rate to 15 percent, many more people will now find it more advantageous to just take the short form, the standard deduction and their personal excemptions, than to itemize. Currently about 60 percent of the taxpayers do not itemize. They just take the short form. It is estimated that under this bill about 80 percent of the taxpayers will not itemize; they will file the short form. So that is a move toward simplicity.

So overall what I can say about this bill is that, one, it is fair on average to every working person.

Two, it closes the loopholes for those individuals who for years have escaped paying any or very much in the way of taxes by using tax shelters.

Three, it lowers the rates dramatically for individuals and corporations.

Four, it insures that those great corporations of extraordinary wealth and immense profits that have paid no taxes will pay taxes.

Now, Mr. President, that is a good bill. It is a bill that I am proud the Finance Committee reported. It is a bill that I am proud the Senate is considering but, more importantly, this is a good, this is a fair, this is an equitable bill for America. I hope that the Senate will pass it unscathed and let us go to conference with the House, with the most dramatic, probably the most radical but without question the most fair piece of legislation that has gone through this Congress in the last half-century. I yield the floor.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota [Mr. BOSCHWITZ].

Mr. BOSCHWITZ. Mr. President, I just appeared on the floor and I listened to my friend and colleague from Oregon speak about the tax bill, for which he has such great responsibility, and a tax bill that I intend to vote for when it comes to final passage in the Senate. As he knows, and as I have said to him privately, I have joined the vast number of people who have congratulated him for bringing this bill to the floor because I must say that I never expected, as a Senator, to vote for a bill that had just two tax brackets, that had just two rates, that had a maximum rate of 27 percent.

□ 1430

Having been an entrepreneur and a taxpayer for many years, together with my family, if the tax law is supposed to make the entrepreneur and the citizen just bring his pants up a little faster and draw them up and hit the floor running a little harder in the morning, I think this tax bill is going to achieve that.

If the tax bill is to really make the wheels of industry and the wheels of the economy turn and flow so that, as Jack Kennedy used to say of the economy, as it gets better, all ships ride with the tide, I think they never had an opportunity to participate in a tax bill that will do more of that than the tax bill that the distinguished Senator from Oregon, together with his colleague from Louisiana and their colleagues, have brought to the floor of the Senate.

If it does go through the Senate unscathed, the Senator from Oregon knows that I would hope that in the area of capital gains, it would get a little scathed, either in conference or perhaps here on the floor; because, as he has indicated, the history of taxation in the United States is that capital gains, except, I think, at the very beginning, when the rate on all income was very low, 6 or 7 percent—except at that very beginning, capital gains have always been given, for good cause, a different kind of treatment.

This particular bill does not distinguish between a long-term capital gain or investments that are made for the creation of new businesses and new jobs—it does not distinguish between that and an exchange that might take place on a futures contract on a commodities exchange in Chicago or on a stock exchange elsewhere. I think certain preferences should be given them.

While this particular bill lowers the rates for individual taxpayers and for corporations, except, as the distinguished chairman has pointed out, for those who have been able to have tax preferences, tax shelters, tax loopholes—call them what you will—who have been able to protect or shelter all their income, they will pay more, and justifiably so. Frankly, I do not think that a top of 27 percent will particularly injure them. As a matter of fact, I think they will be energized by that rate.

Nevertheless, in the case of capital gains, the rate goes up from 20 percent to 27 percent, which is a 35-percent rise. For a married person with an income between $75,000 and $145,000, the rate goes to 32 percent, which is a 60-percent increase in the capital gains rate, with no distinction being made for a capital gain of a long-term or short-term duration, wherever that is made.

I say to the chairman that I think that is not so bad. I think it would not be so bad in the event that the asset were over a period of time so that in the event the asset was lowered in value by inflation, that would not be taxed as ordinary income, or in the event there be an exclusion of 25 or 26 percent, so that the 20 percent we presently have on capital gains would be retained.

I will talk to the chairman and to the other Senators about that as we proceed on this tax bill, because I think that is a particularly good tax policy.

The chairman stated at the beginning of his speech that people began to think—I believe those were the words—that they could not exist without these tax preferences; and I agree that they can exist very well without those preferences. Many thought that certain types of activities would not change unless those tax preferences existed. I share the chairman's opinion that those kinds of economic activities will be oiled, will be heightened, because of lower tax rates.

Every time we have had tax rates lowered, people in the highest brackets have paid more dollars in taxes. Every time we have had tax rates lowered, people in the highest brackets have paid a larger share of their income and a larger share of the total tax take of the Federal Government than they did under higher rates.

When I went into business as a young entrepreneur in 1963, the top tax rate was 91 percent. Ninety-one cents of every dollar, after you got to a certain bracket, went to the Federal Government. Then the State government took a little nick.

In the case of Minnesota, they took 14 percent of the remaining 9 percent.

So that the taxpayer who was particularly productive, kept about 6.5 percent or 7 percent of everything he earned. Anyone who would not shelter his income to take advantage of whatever loophole he could find would be a fool under those circumstances. So the idea of using loopholes really was brought about by the higher tax rates.

In 1963, at the suggestion and proposal of then President John Kennedy, rates came down to 70 percent on unearned income and 50 percent on earned income.

Interestingly, in an article that appeared in the Wall Street Journal in 1978, they traced the collections in dollars from the people in income brackets of $100,000 and above, and the increase in dollars paid by those folks was really remarkable.

The same thing happened again in 1981, when this President lowered the rates from 70 percent to 50 percent.

I know that probably the Joint Tax Committee and its computers have not factored this in, but I would suggest that we are going to receive a very large increase in revenues from the people in the highest brackets and that many of them, as the Senator from Oregon pointed out, who have not assumed their fair share of the tax burden will now do so. I suggest that they will do so very willingly; that is, it no longer will be in their interest to shelter their income.

Twenty-seven percent—and it goes all the way back to dollar No. 1, with the exception of deductions—but 27 percent plus the 14 percent for the remainder, in the case of a Minnesotan, would amount to approximately 37 percent. I suppose that Minnesota, like other States, will now lower its rates in response to this bill, so that perhaps 35 percent will be the total income tax take.

The experience over the years, as reported by the Treasury, indicates that people simply do not shelter or do not shelter as much. So I think that is a very positive aspect of this Tax Code.

I know there will be amendments with respect to the IRA's. I know there will be amendments or discussions about lengthening the transition period for the deductibility of passive losses, losses that were incurred by taxpayers who operated under the scope of the code as they then found it.

I know there will be some suggestions about capital gains. I will be particularly active with respect to capital gains and the deductibility of passive losses, seeking to get a little longer transition period for those losses. But, win or lose on those issues, I am going to vote for this tax bill.

I see in the Chamber the three principal actors in the business of taxation: the Senator from Louisiana [Mr. LONG], who has had the longest association with this; Senator PACKWOOD; and the majority leader. They have brought us the truest tax reform within my experience as a legislator, which is of relatively short duration, or as a businessman.

As I look back on my career as a businessman and entrepreneur, I think this would have energized me and would energize others like me.

□ 1440

I say, in conclusion, that if the tax law is to energize investment, if the tax law is to energize the taxpayer to go out and make the wheels of the economy turn, indeed, I have seen no finer piece of legislation than this piece of legislation that has been brought to the floor by the distinguished chairman of the Finance Committee and his associate, Senator LONG, and the majority leader and others. So I congratulate them.

While I will discuss with them the ideas of passive losses and phasing in of those and the ideas of capital gains and perhaps also the retirement accounts, nevertheless, in the final analysis this is the finest tax bill that I have ever seen. This is the first real tax reform measure that I will have had the occasion to vote upon in the 7½ years that I have been here in the Senate, and I am very pleased to be part of the Senate at this time with this bill before us.

I yield the floor.

Mr. PACKWOOD. Mr. President, I thank my good friend from Minnesota. He had a few comments about capital gains.

Let me talk about capital gains for a moment because we had a fair number of witnesses talk about it and the need for what they call the differential, that the people will not invest in risky business if the return is no greater than investing in a safe business.

One witness testified many times on behalf of the capital gains differential. He has also testified over the years in favor of consumptions taxes, value-added taxes, which I oppose. It is neither here nor there. He favored lowering the individual rates.

I said to him let us say Mr. Jones: "Mr. Jones, you favor a value-added tax?"

"Yes."

"And you are in favor of using it to lower the individual rates?"

"Yes."

"But no matter how low we lower them you think there has to be a differential between the regular and capital gain rate in order to get people to invest?"

He said, "Yes."

I said: "What would happen if we got the individual rates down to zero? Would there then be a differential if you had no income tax at all? Why would people invest in risky ventures rather than safe ventures?"

What did they do prior to 1921? There was no capital gains tax prior to 1921 in this country. You want to know what the risky ventures were? Andrew Carnegie said "I can make steel rail cheaper than it is being made." He formed United States Steel with no capital gains and in a very short time cut the cost of steel rail by 88 percent. It was probably the key that allowed Mr. Hill and Mr. Harriman to race across the country competing with each other to build those great railroads. Or the original John Rockefeller when he said, "I can cut the cost of kerosene" and managed to cut it in 18 months by 63 percent. That was a venture capital operation as was Ford Motor.

Why would anybody put money in Ford or United States Steel or Standard Oil of America in those days when they were risky and you could just as well put your money in the local bank or haberdashery or something else where you assumedly would be guaranteed a safe return?

I think the reason you put in those ventures is because, first, you had a trust and a faith in the person who was managing them that they were going to make money; second, you knew that if you hit you would make great money and so you were willing to run the risk that you might hit, you might lose, in the hopes that if you hit it big you won big.

As a matter of fact, the railroads are a good example. More people lost money in this country on the railroads than made money. The Hills and the Harrimans made it by the pot full. But all of our States, and especially the Western States, because that is where the great race was to go across the continent, are strewn with old tracks and old locomotives and narrow-gauge railroads and people that went bust and people that lost their shirts because they hoped to hit it big and hit nothing.

So, can we do without a capital gains tax in this country? I think we can if the rates are kept low enough and this is a pledge to the Senate. There was a tipping point. And you could see it in the committee. We started out trying to get a rate of 25 percent. We could not because to get that rate we would have to put a limit on the deductions of State income taxes or State and local real property taxes, and we would not and did not do that. You gradually see it going up—25, 26, 27.

When we hit 27, that was the point at which a number of members said, "You go up one more point and I have to insist upon a differential for capital gains." If you put in the differential then you lose money and you have to raise the rates to get more money and you raise the rate so you have to raise the capital gains differential, and it goes up like this.

I noted in the Wall Street Journal on Friday that Martin Feldstein, who previously had been somewhat critical of this bill, now says this bill will be better for capital formation than either the current law or the House bill, and that makes almost 100 percent in accord of what we call the principal economists of this country today. They think this bill will be great for capital formation overall. You balance off the loss of the capital gains, on the one hand, versus the reduction in the corporate rate and better depreciation than we have under current law. I do not mean just the House bill. I mean better depreciation under the current law.

So from the standpoint of business venture in this country this bill will work and it will work without a capital gains differential so long, and this is critical—there is going to be an amendment offered on the floor—as we do not go above that 27-percent rate.

If we do, if we go to conference, we have to stand firm on that rate because if we do not, if we go above 27, we are going to unwind not just the capital gains elimination but dozens of other things in this bill that are premised on the fact that people will be best motivated when they invest in enterprises they know or in managers they trust and invest in things that will return a profit on their money, not just return a tax loss.

So I am deeply appreciative of the comments of my good friend from Minnesota and delighted to have his support. I will be happy to talk with him about the issues he is concerned with, but I hope we can pass this bill as it is, with no amendments, get it to the House and see what we can do in conference.

Mr. DOLE. Mr. President, I would just like to thank all of our colleagues on the floor today, and I would hope—and I think it is the hope of the managers—we might complete action on the bill this week.

I do not think that is an exceptional request because if we start early tomorrow and stay not late but get in a full day tomorrow, Wednesday, Thursday, and, if necessary, Friday, it seems to me we might be able to complete action on this bill, and it would really help the leader in working out the schedule for the balance of the period before the June 27 recess.

Mr. PACKWOOD. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PACKWOOD. Will the Chair tell me to date how many amendments we have on file on this bill?

The PRESIDING OFFICER. The Chair will state there is one amendment currently on file.

Mr. PACKWOOD. That is very encouraging. We filed this bill during the recess. We have not been in session all last week. We started discussion on this bill on Wednesday, and only one amendment has been filed.

I know that Senator LONG, who worked these bills much longer than I have, is surprised there is only one amendment filed to date.

Another thing our reading clerk told me last week it is very significant not only is there only one amendment filed, but when he went out in the anteroom there were no lobbyists. They are gone. They by and large have given up on this bill and they realize the Senate is serious in trimming loopholes and making sure corporations pay taxes and those of wealth pay taxes.

In response to the majority leader, I think there is a good chance we will finish it relatively soon and, speaking for myself, I am ready for amendments.

Mr. DOLE. I certainly thank the distinguished chairman.

As I indicated earlier this morning, we would honor no record votes after 6 o'clock, but if there are Members who have amendments, I am certain both Senator PACKWOOD and Senator LONG will be perfectly willing to entertain those amendments.

□ 1450

Mr. KENNEDY. Mr. President, I do not want to interfere with the orderly consideration of the tax reform legislation but, anticipating that there is just one pending amendment and no one is prepared to speak on it, I would like to take just a moment of the Senate's time on a different matter.

COMMENDING THE BOSTON CELTICS ON WINNING THE NATIONAL BASKETBALL ASSOCIATION CHAMPIONSHIP FOR 1986

Mr. KENNEDY. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? If there is no objection, the clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 422) commending the Boston Celtics on winning the National Basketball Association Championship for 1986.

Whereas, on June 8, 1986, the Boston Celtics won the National Basketball Association Championship for 1986;

Whereas, since 1946, under the leadership of Red Auerbach, the Boston Celtics have won 16 World Championships, three times as many as any other team in the history of the National Basketball Association.

Mr. KENNEDY. Mr. President, I ask unanimous consent, as wonderful as it is, that further reading of the resolution be dispensed with.

Mr. LONG. Mr. President, I object.

[Laughter.]

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to read the resolution.

The assistant legislative clerk resumed reading as follows:

Whereas, in winning forty home games and losing only one home game during the 1986 regular season, the Boston Celtics have set a new National Basketball Association record for regular season home court victories;

Whereas, K.C. Jones, in his third season as coach of the Boston Celtics, has won his second world championship and has won more than sixty games in each of his three seasons;

Whereas, Larry Bird of the Boston Celtics was named the Most Valuable Player in the National Basketball Association in 1986 for the third consecutive season;

Whereas, K.C. Jones, Larry Bird, Dennis Johnson, Robert Parrish, Kevin McHale, Danny Ainge, and Bill Walton have made the Boston Celtics of 1986 one of the greatest professional sports teams of all time: Now therefore be it

Resolved, that the Senate of the United States of America joins with basketball fans in Massachusetts and across the nation in honoring the Boston Celtics for winning the National Basketball Association Championship for 1986.

Mr. KENNEDY. Mr. President, in my 24 years in the U.S. Senate, I have had numerous occasions to congratulate the Celtics on their many championships, and I am as pleased and proud today for the Celtics and for all their fans as I have ever been.

Through the years, we have seen great Celtics teams with great players such as Bill Russell, K.C. Jones, Bob Cousy, John Havlicek, and Dave Cowens.

But this 1986 Celtics team will rank in history with the best of the Celtics and with the greatest professional sports teams of all time.

Only an outstanding team could have beaten the Houston Rockets in this champship series. The Rockets deserve great credit for their own highly successful season, and they have extraordinary promise for the future.

Basketball fans around the world are well aware how Celtics President Red Auerbach lights up a victory cigar at the end of each Celtic win to let the world know that the Celtics are in command. Yesterday, Red lit up another championship cigar. The Celtics are champs again, and I commend them for their incredible season.

I hope that the Senate, in its good judgment and sound wisdom, will accede to passing this resolution this afternoon.

Mr. DOLE. Mr. President, I watched the game. Is there any way I could be included in that resolution. [Laughter.]

Mr. KENNEDY. This, like the tax bill, is nonamendable.

Mr. DOLE. Mr. President, I was advised the Senators from Texas might want a rollcall, so we better vote before they arrive.

Mr. LONG. Mr. President, I am satisfied that the Senator is entirely correct in what he said. The Celtics are truly one of the great teams of all time and they deserve a commendation in the resolution to be heaped upon them. I am happy to vote for the resolution.

● Mr. MITCHELL. It gives me enormous pleasure to join in cosponsoring this resolution to commend the magnificent Boston Celtics for a superbly won victory in the NBA championship series.

Maine joins in celebrating the performance of New England's team. Regardless of the differences that may divide New Englanders on other issues, we are a region united when it comes to the Celtics.

Sunday's victory over the Houston Rockets vindicated New England's faith in the Celtics. It gave us an unmatched performance by Larry Bird. It was a fitting finish to a recordmaking series of wins for the Celtics this season.

As a dedicated Celtics fan, I salute Larry Bird, the most valuable player; Kevin McHale; Robert Parish; Dennis Johnson; Danny Ainge; Bill Walton; K.C. Jones; Red Auerbach; and all of the Celtics—past and present—for the 16 flags which fly over the parquet floor of the Boston Garden. This may be the best one yet. Long may they reign.●

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the resolution.

The resolution (S. Res. 422) was agreed to.

The preamble was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TAX REFORM ACT OF 1986

Mr. PACKWOOD. Mr. President, I could not resist noting that we have just congratulated, justifiably, the Celtics. It brings to mind a wonderful story that BILL BRADLEY, one of the principal sponsors of the tax reform bill, tells about when he started to play basketball for the New York Knicks some time ago, and it illustrates how the tax law affects everything. In BILL BRADLEY'S younger days as a great player for the New York Knicks during their championship season, he said that when he went to work, as he called it, all he wanted to do was to be paid well to play basketball. And the first thing his agent—he said, "I didn't know you had to have an agent"—the agent said was: "How do you want to be paid?" He said, "Well, I want to be paid well." "No, do you want to be paid up front or in deferred compensation or a retirement plan or with a whole host of tax shelters?"

BILL said that that was his first experience in realizing how you could shelter what was then a relatively good-sized income. So I guess we all learn, in one way or another, the Tax Code and its intracacies and its favoritism.

Senator BRADLEY was humorous in the Finance Committee one day when we were talking about retirement plans, how many different ones exist—Keough plans, 401(k)'s, Social Security, IRA's. He said, "I will go you one better. How many people here have an NBA pension plan." And he has an NBA pension plan. I did not ask him how much it was, but my hunch is it may dwarf all the other pension plans he has put together.

But it just shows that the Tax Code involves everything every place, even the Boston Celtics.

Mr. BOSCHWITZ. Mr. President, what a shame to return the Senate to more mundane considerations than basketball. I certainly hope that my friend, the Senator from Massachusetts, does not bring all those basketball players here. I am about 6 feet 2 inches, but I always feel somewhat set back when I see these guys come along and they are about 6 feet 10 inches or 7 feet, and even more these days.

I did not follow the basketball series, the tournament. Unfortunately, Minnesota teams, in recent years, have not participated in virtually any tournaments, but our time is coming.

□ 1500

If I may, I will return for a moment to the more mundane issue of capital gains, and the differential that the Senator from Oregon spoke of, and noted risky ventures prior to 1921 were taken despite the fact that there were no capital gains tax and no differential. There were no taxes at all prior to 1913, and back in the last century when Harriman took those two streaks of rush across the prairies with the Union Pacific. He did so in the spirit of entrepreneurship.

I think whether one is a basketball player or railroad builder, under present circumstances, 27 percent is going to look a great deal better. I venture to say the taxpayer who gets those contracts are going to shelter a great deal less. That, of course, is what we are all about.

But yet will people invest in those risky businesses, the Senator from Oregon asks. I would suggest that people, of course, will continue to invest in risky businesses whatever the rate of tax is simply because they are entrepreneurial by nature. But the question is, where? And we both know people not only shelter their income but will move for the sake of sheltering their income. Many Minnesotans certainly show up in Florida, particularly in their older years because we have such a high rate of tax in Minnesota, and there is none at all in Florida.

I would suggest to my friend from Oregon that this bill really does not intend to raise tax rates but yet, in the case of capital gains, it does, and the rates have to be competitive not only with other parts of this code, but with other nations. I think the bill makes us very competitive internationally as far as the individual is concerned.

As I understand it, there is no country in the world other than perhaps Hong Kong that has a lower rate of taxes for the individual. However, with respect to capital gains, there are many countries that have no tax at all, or have a tax that is substantially lower, and most of the large industrial nations would be included in that—that have either no capital gains tax or have a capital gains tax of 5, 6, or 7 percent, and that certainly the emphasis could well be placed to some degree in those nations as well.

There are other considerations—political considerations, considerations as to stability, and so forth. But the incentive could be well placed to invest elsewhere, and our code cannot just be looked at within the scope of our 50 States. The incentive to invest elsewhere is being heightened because again I say the capital gains tax, while all other rates are coming down, are going up 35 percent with the 27-percent level, and are going up 60 percent at levels when they reach 32 percent.

I agree that Marty Feldstein feels—I have talked to him about this bill on a number of occasions—it is a stimulative bill. I believe he would vote for it if he were a Member of the Senate on the floor and looked at in final passage. The question is, though, whether or not it can be improved. I think that he feels in this area as he has written also—I did not see the one last Friday, but I have seen other articles that he has written suggesting that in the case of long-term capital gains, we should have some preference, which is the word I am trying to get away from, but that we should have some advantage, perhaps.

So while I do not think capital investment will end at 27 percent or 37 percent or at any percent because people want to invest their money—as long as the spirit of competition is out there, they are going to do that. Yet, if we want them to take the kind of risks that will create a job or have a long-term impact on our economy, we have to consider that in this economy, we want them to invest; and, that it is this economy on the long-term basis even where those gains are eroded by inflation over the years—and when you take that into account, the tax is even higher—where those gains should

occur—in this country to the benefit of this economy—and that investors should be encouraged to invest here.

I think there is a good purpose foq having long-term capital gains provisions, and I will continue to talk about that on the floor of the Senate.

Again, I think no matter what we say about this bill, Packwood II, Packwood bill, whatever it happens to be called, that it is my kind of legislation.

I thank the Chair.

If I may, before yielding the floor, I will say to my good friend, the Senator from Oregon, do not issue any challenges to lobbyists about not being here because we may have more of them around than you want in that case.

Mr. PACKWOOD. That is good advice. I would withdraw the remark from the RECORD if that were possible.

I really in all seriousness, I see the Senator from West Virginia is on the floor, and he is about to speak. But I think just based upon the comments we have had on Wednesday, comments that I have received, phone calls and messages over the 5 days that this bill has been introduced, we may have one or two close amendments. I am not even sure of that. But I do expect this bill to be passed in a shorter time than a normal tax bill, and I think it will be passed relatively unscathed or unscarred from the way it has come to the floor.

I yield the floor, Mr. President.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, the two certainties of life are taxes and death, they say which constantly face us. The only difference between the two is that death does not get worse every time the Congress meets. [Laughter.]

Mr. President, I do not believe that any Member of this august body will disagree with the observation that our present Tax Code has turned this great society of ours into would-be tax avoiders and evaders. There was a time when American workers used to invest their savings in business to share in the profits; today investments are made in tax shelters to avoid the payment of Federal taxes. This trend must be reversed if we are to realize the full potential of this greatest system of government ever devised by the minds of man. It is high time that we, the elected leaders of the American people did something in this regard.

The pending measure, H.R. 3838, as amended by the Finance Committee, offers us that opportunity and challenge. Its adoption will mean that American taxpayers will once again be investing in business for profit, not to avoid the payment of taxes.

Mr. President, the bill before us, as reported by the Finance Committee, represents tax reform in its truest sense, it meets the tripartite tests of simplicity, fairness, and efficiency.

It meets the test of simplicity by eliminating the 14-brackets in individual tax rates and replacing them with only 2 brackets, removing a hodgepodge of deductions and preferences and lowering the maximum corporate tax rate from 46 to 33 percent.

It meets the test of fairness by removing from the tax rolls 6 million taxpayers who are struggling to earn a living wage, lowering the tax on the individual taxpayer from a maximum of 50 to 27 percent and one lower bracket of 15 percent, and by imposing that 15 percent lower rate on 80 percent of the individual taxpayers.

□ 1510

It also shifts the tax burden from the individual taxpayer to the corporate taxpayer by imposing a minimum tax of 20 percent on corporations which would otherwise pay no taxes as under our present law.

As has been pointed out earlier by the chairman of the committee, we would be taking $100 billion off the shoulders of the individual taxpayers and shifting it to the corporate taxpayers, principally on corporations which, although making billions of dollars in profits, paid no taxes in the immediate past years.

H.R. 3838, as amended by the Finance Committee, meets the third test of efficiency by eliminating loopholes to the extent that it will be much easier to administer and enforce.

All in all, Mr. President, passage of the tax reform bill as reported by the Finance Committee will mean that business decisions will once again be made on the premise of making a profit, not to avoid the payment of taxes. I believe this will tend toward making this great free enterprise society of ours develop its full potential. For that reason alone, Mr. President, I believe the tax measure before us deserves the support of this body.

Mr. President, I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, the Senate begins debate on tax reform with a great deal of resolve and momentum. The measure approved by the Finance Committee is truly a remarkable achievement. And the enthusiastic response it has received all across the ideological spectrum reflects an understanding of just how much has been accomplished.

For decades, despite widespread public dissatisfaction with the tax system, efforts at genuine "reform" got nowhere. And the idea that the Finance Committee would produce a landmark tax reform bill would, until recently, have been dismissed as wishful thinking.

But the Finance Committee—with a stunning unanimous vote—proved the cynics wrong. Dismayed by the prospect of a bill that would live up to the fond expectations of the lobbyists and the worst expectations of the public, the committee decided to start over. Instead of a bill that protected all sorts of special tax breaks, the committee embraced the option of fundamentally changing the system.

I support this bill and consider it a vast improvement over the tax system we now have. The current tax system deserves both the frustration and the anger people feel about it. It is riddled with provisions for special treatment that produce enormous inequities.

We do not have a system that treats people with similar incomes, with similar family and economic circumstances, alike. We do not have a system that forces the wealthy to pay a fair share. What we have is a system that is a plaything for tax lawyers and accountants, and a nightmare for everyone else; and a system that is inordinately concerned about easing the tax burden on the wealthy few.

Thanks to the Finance Committee's work, the Senate now has the chance to answer questions that have troubled tax paying Americans for years:

Why should we stand for a system that treats you better if your income comes from investments, rather than from working?

Why should we stand for a system that encourages wealthy people to seek out tax shelters, to put their money into deals that give them tax breaks without necessarily producing anything this country needs?

Why should we stand for a system that can be manipulated if you have hired the right lawyers and accountants?

If we cannot defend such a system—and we cannot; no one can—it is time that we change it.

History shows that we cannot change it in a piecemeal fashion. Going after one loophole at a time is self-defeating; the loophole would not be there in the first place if it did not represent an interest powerful and single-minded enough to protect it. Tinkering with the Tax Code has occassionally produced benefits for a large part of the public: the child care credit, for instance; or the favored treatment of IRA's. But for the most part, tinkering with the code has simply opened the door to new forms of special treatment—leaving the code more complex and more unfair. Change will only occur through radical surgery, and that is what the Finance Committee has performed.

I support this bill because of who stands to gain:

It provides badly overdue relief for low-income Americans, allowing 6 million Americans at the poverty level to escape the Federal income tax burden. Most working and middle-income people, whose income comes from wages, should benefit. People who do not itemize their deductions—as three-fourths of all taxpayers in my State do not—will be much better off: they'll get a higher standard deduction, higher personal exemptions, a lower tax rate—and they will not miss the loss of deductions they were not taking anyway. People whose major deductions are their mortgage, and their State and local income and property taxes, should also come out ahead. And anyone in the 15-percent tax bracket—which is expected to include 80 percent of all taxpayers—should find that their tax cuts are worth more than the loss of a particular deduction.

And I support this bill because of who stands to lose:

More than 30,000 Americans who earn over $250,000 a year pay less than 5 percent in taxes—less than people earning the minimum wage. The profitable corporations—including General Electric and General Dynamics—who have paid no taxes in recent years. A tough minimum tax, coupled with the eradication of many tax shelters and loopholes, will insure that wealthy individuals and corporations pay their share of America's tax bill.

The Finance Committee bill produces far more winners than losers. But ultimately, I support this legislation because our country stands to be the biggest winner.

Taxes are the price we pay for running our government, for doing the things that we have decided we need to do. But under the current, unfair system, people are increasingly angry and reluctant to pay for what our country needs. The system hinges on voluntary compliance, but its stunning inequity has produced enormous cynicism, widespread evasion, and a growing underground economy beyond the reach of the IRS. People who pay their fair share of taxes feel like suckers, knowing so many people do not. A simpler, fairer tax system will be a breath of fresh air for our country; it can only enhance public confidence in our Government and the support for the important functions it performs.

Our country wins in another way as well. The main impetus for this tax reform effort has been the quest for fairness. But we need more than fairness from a tax code, as fundamental as that is. In my view, the major thrust of the Senate bill will improve economic efficiency and make our industrial performance more competitive.

It is essential to the health of our economy that investments be productive ones. A tax system that prompts people to look for tax shelters—to make investments based on their immediate tax advantages rather than their future value—is a serious competitive disadvantage that we cannot afford. We have all deplored the loss of productivity attributable to what Robert Reich has termed "paper entrepeneurialism"—where money is made by shuffling assets, and manipulating the tax laws, rather than through productive activity.

For far too long, we have neglected our industrial strength, too often choosing instead to build unneeded office buildings and shopping malls because there was a tax advantage to doing so. In my view, this bill should lead to improved investments—and should stop the drain of our energies and resources into ventures which really do not contribute to our Nation's wealth.

The Senate bill's approach to tax reform does not, candidly, make the income tax structure more progressive. While striving for more equivalent treatment of taxpayers at the same income level, the bill does not explicitly seek improvements in the vertical equity of the tax system, and I wish that it had.

Arguments over progressivity tend to ignore the point that the present system—even with its set of graduated tax rates—is not really progressive. While the top tax rate of 50 percent currently applies to taxable incomes $172,250—joint returns—the effective rates of tax paid by the wealthy are often much lower. As I noted earlier, by one estimate, at least 30,000 taxpayers with earnings of at least $250,000 a year paid no more than 5 percent of their income in Federal taxes—a smaller percentage than many of those earning only the minimum wage would have to pay.

The Senate tax proposal to compress the rate structure to just two brackets does not, actually, make the system less progressive than it is now. At the same time, it would improve the fairness of a proportional rate structure by making it much tougher for wealthy people to reduce their taxable incomes and avoid paying anything close to a reasonable share.

With corporate taxes, the Senate bill generally takes a less sweeping approach. But, reflecting the elimination of the investment tax credit and some other changes, the top corporate rate is brought down—from 46 to 33 percent. And new provisions for a tougher minimum tax would prevent profitable corporations from escaping taxes altogether.

Naturally, I have been concerned about what particular corporate tax changes could mean to West Virginia's industries—especially while the State's economy remains so distressed. But compared with both the House-passed bill and the Reagan administration's tax proposals, the Senate Finance Committee has been sensitive to the situation of our basic industries: It did not alter the depletion allowance which is vital to the coal industry. In general, the depreciation schedules, which matter a lot to capital-intensive industries, are more generous than current law.

There is also a very important provision that will help the steel industry adjust to the loss of the investment tax credit. Since the Senate bill represents an overall shift of roughly $100 billion of taxes from individuals to corporations, many businesses will wind up paying more tax. But there is no reason to think that the bill would harm West Virginia's dominant industries or otherwise burden sectors on which we have placed our hopes for future growth.

Undeniably, there will be problems with any comprehensive measure. I have questions about parts of the tax bill and difficulties with particular provisions. But on balance, I am very impressed with the package—and do not want to see it torn apart by amendments on the Senate floor.

The risk, I think, is that tax reform will unravel and encounter the same sort of resistance from affected interest groups which has doomed such efforts in the past. Those with the strongest stakes in the status quo tend to like the tax system the way it is. That is natural. They are the natural enemies of tax reform and can be counted upon to fight off change. Previously, piecemeal attempts to rid the Tax Code of particular loopholes have simply crumbled once the interest groups began to press their case.

To me, the lesson from the past is not to start down the road of picking and choosing among special privileges to protect in the Tax Code. As my colleague from New Jersey [Mr. BRADLEY] has so powerfully argued, the success of tax reform depends on a thorough weeding out of the preferences in the system in exchange for genuine reductions in tax rates. While those who stand to lose their tax breaks will protest, the promise of a better deal for most other taxpayers makes it much harder for interest groups to gang up and defeat the bill.

Consequently, I do not favor amendments that would appreciably alter the composition of the Senate bill. Although I disagree with particular provisions—such as the repeal of the deduction for State and local sales taxes, or the full taxation of unemployment insurance benefits—I think the potential for damage from amendments is much greater than the potential for improvement. Specifically, I do not plan to support amendments which seek to restore various provisions of existing law—which typically benefit a

minority of taxpayers—at the expense of higher taxes on everyone else.

It is somewhat ironic that we should be moving toward truly meaningful tax reform with the partnership of the Reagan administration. This, after all, is the administration responsible for the massive tax cuts enacted in 1981—which both shredded the revenue base of the country and were totally devoid of fairness. The big beneficiaries of the Reagan tax cuts were those who needed them least: Wealthy people saw their taxes slashed as the administration fought hard to bring the top marginal rate down.

But far from trying to broaden the tax base and remove preferences available primarily to the rich, the 1981 act prompted even greater manipulation of the tax system. Spurred by liberalized depreciation rules for real estate, for example, tax shelters have actually proliferated since 1981. These are big deals, to which well-to-do people make large annual payments in order to reap the advantages of the tax writeoffs. The writeoffs, in most of these cases, represent paper losses: The investors have not really lost money, but can use the writeoffs to keep their taxable income way down.

Since 1981, inequality in America has been on the rise. We have seen budget cuts for the poor; stiff payroll tax increases for working people; but a lower top rate and an abundance of new tax shelters for the wealthy. Altogether, under the Reagan administration, effective tax rates on the wealthy have fallen while average Federal tax rates on families at the poverty level have quintupled. Corporate income taxes, meanwhile, dropped drastically from 12.5 percent of Federal receipts in 1980 to 9 percent in 1985.

But I am convinced the Senate tax bill does more than patch up the damage to the income tax structure that has occurred under President Reagan, and the administration deserves credit for reversing course. Under the Finance Committee's bill, for example, the estimates of corporate taxes would once again reach 12.5 percent. I have already spoken of the advantages to low-income and working Americans, and the greater degree of equity that will result from this package. The legislation before us is ambitious: it does not balk at sacred cows and settle for tinkering with the Tax Code.

The chairman of the Finance Committee, Mr. PACKWOOD, deserves enormous credit for shepherding this bill through the committee to options for fundamental reform and for having the courage to come forth with a superb product.

As so many others have, justifiably, I should like to pay a special tribute to the extraordinary efforts of our colleague from New Jersey, BILL BRADLEY. Ralph Waldo Emerson once wrote that "if a single man himself indomitably on his instincts, and there abide, the huge world will come round to him." Emerson's famous student, Henry David Thoreau, later observed that one man plus the truth makes a majority. Those observations describe as well as any that I can think of the remarkable impact the Senator from New Jersey has had on this issue which touches all Americans.

I am under no illusions that this bill can pass the Congress entirely unscathed. But I honestly think our position will be stronger if this package can be held together, and would hope, as far as possible, that necessary modifications and adjustments can be made in conference. Looking ahead, I am excited about the prospects of this bill—and fully expect the result to be a substantial improvement over the tax laws we have now. And I think all of us who move this bill forward can take pride in helping to transform a much-disliked system into one that is fair and simple and worthy of widespread public support.

I thank the Chair. I yield the floor, Mr. President.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1530

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Idaho.

Mr. SYMMS. Mr. President, my position on tax reform has been very clear from the outset. When the committee went to Berkeley Springs, when the distinguished chairman got us all together to get away from everyone where we could really talk about what is it we were trying to do, trying to accomplish for the country and the American people, my suggestion to the chairman was that we should start out on the basis of integrating the entire Tax Code, corporate and individual side, very similar to the bill that Senator DECONCINI and myself introduced 2 or 3 years ago that we have had pending before the Congress. It is patterned after the Hall-Rabushka plan that was developed at the Hoover Institute at Stanford University in Palo Alto, CA. It has a lot of work into it, a lot of economists have worked on it, in order to simplify the code, integrate the code, and have an income tax system in this country that got it right down to below 20 percent. So that we could really start out with a code. I recall at Berkeley Springs I suggested to the committee in a closed room that we could put a thermometer on the wall in the Finance Committee, kick out all the preferences, simplify the code, have an income tax code that we could do on one page what the American people want. Every time one of us came up with a preference that we thought was best for our State—the distinguished Presiding Officer might look at oil and gas production and this Senator might look at deep hardrock mines and there might be another preference some other Senator would think was the single most important one—if he offers that amendment we paint on the thermometer how much higher the tax rate has to go to all Americans as we put preferences back in the code. I recall that the Secretary of the Treasury at the meeting quipped, in a one-liner, "If we did it that way, we might get up even above 50 percent," if we let everybody think what he thought the most important preference in the code is.

However, the point I wanted to make is that my idea of how this should be done was to start at the lowest point possible and try to restrict exceptions and keep the tax rates at an all-time historic low, which would be below 20 percent.

Now, when the committee's first draft came out, I immediately became outspoken in my opposition to it because I did not think it met President Reagan's criterion of fairness. It certainly did not appear to me that it was going to add to growth, and to call that simplification was stretching the English language at best, Mr. President, and would come close to not having truth in labeling if we tried to call that simplification. It was a business-as-usual pattern of tax reform which would have disrupted, in my view, the lives of the American people unnecessarily and done very little good toward the goal of fairness, of equity, of a tax system that was more easily understood and of lower tax rates.

Now, I think the chairman of the committee, the distinguished Senator from Oregon, saw the light and deserves the commendation of not only his colleagues in this body but Americans from one end of this country to the other for his willingness to strike out on a more bold and more dramatic path than was business as usual here in Washington. With the support he received from the distinguished ranking member from Louisiana, he tried to make a real effort at tax reform, what could truly be called tax reform.

When they came out with the suggestion to reduce the rates and have just two levels on the individual side and the corporate of 33 percent with the old battle cry of 15-27-33, it had a siren call to it that caught the attention of the American people. I find in my State people are much, much more favorable to the words "tax reform" now with the little bit of information that has gotten out over the Packwood

proposal than they were in the last 2 or 3 years of Treasury I, of Treasury II, of H.R. 3838. This bill, this Packwood proposal that I am happy to have helped vote out of the Senate Finance Committee, has truly attracted the enthusiasm and excitement of the people in my State and other States around the country, and I commend the chairman for doing something that we can actually say is tax reform.

Now, that does not mean there has not been some complaints about certain areas of the bill. There is a little misunderstanding in some cases, and part of it is a sincere concern on the part of the taxpayers and the citizens of my State and other States.

One of those that we hear the most of and had more phone calls on than any other issue since I have been in this body was on the IRA.

Now, I have long been a supporter of savings through IRA's and for an effort for people to be able to supplement their pension program, whether it be solely Social Security or working in some other pension program, but to give the American people the opportunity, the liberty, the security to be able to save for their own future and save for their own pension and, so to speak, allow for a private funded pension for each American.

I am happy that we were able to retain the deduction in the committee for those people who only have Social Security and no other pension form, that they are able to keep their IRA as their sole retirement so they have that in addition to Social Security.

It is important that people understand that. We have a lot of people in Idaho who work for either small businesses or they are self-employed farmers, small business people who have no pension program in the company they work for or in the businessplace where they work, so they will still be able to retain their IRA's. All other people will be able to keep the inside buildup in their IRA's.

I hope, Mr. President, that we will be able to figure out a way that some IRA deduction will be maintained so we can keep that savings investment. But the problem the chairman has stated very well on the floor. There is no Santa Claus. How are we going to pay for it? We have a problem, if we want to keep the rates down to 15 and 27 percent on the individual side, of where to come up with the money. But the people in my State like the IRA's, and if there was some way we could keep it within this envelope and have a small deduction for the first 5 years and then go back to the full $2,000 after the 5-year envelope of the bill, this Senator would be inclined to look at ways we might support that. It would cost a lot less money if we could do it that way.

Mr. President, the farmers and the loggers and the miners in my State have not shared in the recovery that is evident throughout much of the rest of the country. Business in my State is more depressed than at any other time in my memory. Nevertheless, people are being asked to give up important preferences like investment tax credit, capital gains rate, income averaging, and so forth.

But in spite of this, the basic industries in the State of Idaho in general support the bill and are generally favorable to what we are trying to do because they believe, as I, that we need a tax system that is fair, that is equitable, more easily understood, and will encourage work, savings, and investment. They, like many Americans, support the bill for one simple reason. They think this bill is truly historic tax reform. Most persons that you talk to—and I am sure the distinguished Senators on the floor have had the same experience I have when they go home to their constituents or talk to people around the country—do not object to paying some taxes as long as they believe they are paying taxes under a system where everyone is paying their fair share. That is key to what it is we are trying to do, that we have a system where everyone is allowed the privilege of participating in helping pay for those necessary items of Government.

Now, if we could restrain the spending habits of Congress, it would be a lot easier to accomplish the other, but we have enormous pressures put on us to spend money for this and spend money for that. If we could restrain the spending side of this equation, the tax reform side could come along a lot easier because there would not be the demand for the revenue. But the American people see the rates of 15 percent and 27 percent and they think, no matter how high an income they could reach, they will be able to keep 73 cents of every dollar they earn. People view that as generally fair. They see people making decisions for economic reasons, not for tax reasons. People tell me that this is going to stimulate a lot of growth, not only in Idaho but other States. They see it as fair.

□ 1540

They see high-income taxpayers in the future not going to be able to shelter their income, that those people will also be paying taxes like everyone else. People tell me they see that as fair.

For people with a similar income paying a similar tax, they see that as fair.

Mr. President, last week when I was home, I was in Glenns Ferry, ID, where there is a new potato dehydrating plant. They have over 100 people working in that plant—good people, hard workers, as good workers as you can find anywhere in the world and they are working for minimum wage, of $8,000 a year, for 40 or 45 hours a week. That is low pay. There are a lot of people like that in some of the Western States where economies are depressed, working for minimum wage or slightly over minimum wage. Those people will not be asked to pay any Federal income taxes, only their Social Security tax. They will not be asked to pay income taxes.

I think that is an important point in this bill: that the people at the bottom end of the income scale, who are very glad to have those jobs, want that company to make it. They are giving extra effort to see that they put out a good product, which they are. But those people will not be paying taxes at all, and I think that is encouragement. They see that as fair.

The increased standard deduction will reduce by one-third the number of people itemizing deductions. People think this would be much more simple and much more fair. People see credibility returning to our tax system because everyone will be paying their fair share.

Mr. President, there are several areas with which I think we will have some problems, and I do not have the answers to those problems at this time.

The distinguished Senator from Minnesota mentioned the problem of the differential on the capital gains rate, and I thought the distinguished chairman made a very good point: that at a 27-percent tax rate, it may be about the breaking point. If I had my "druthers," I would have a tax system where we had a differential between the capital gains rate and the highest rate. But, as the chairman pointed out, compared to what?

We have a historic opportunity here to pass a tax bill that will reduce the tax rates from where they were just a few years ago, on the top end at 70 percent, to the top end of 27 percent; and, probably more important, 85 percent of the American people will be paying 15 percent of their income in taxes and will get to keep 85 cents of every dollar. That is worth a considerable tradeoff.

Maybe, as the chairman says, at the 27-percent rate the capital gains differential is not quite so much. I would like to study those numbers a little more, and I hope we will have a good debate on that issue when the distinguished Senator from Minnesota brings it to the floor, as to where those numbers are going. The Finance Committee and the Joint Tax Committee gave us numbers showing that the capital gains portion of this bill, changing the rate from 20 to 27 percent, will raise $220 billion over the next 5 years. Whether that is true or not will remain to be seen, but it is the best estimate. I have gone down those

numbers, and I am looking at them, and I think that needs exploration, but we have time to work that out.

Mr. President, I have mentioned the IRA's and the capital gains differential. Another issue of great concern is the issue of retroactivity. We need to look at it more carefully. At the last hour, before the Finance Committee finally got together, some of us were objecting to the question of retroactivity and passive losses because of a matter of equity. We had encouraged people to make investments in a certain fashion under the tax bill, and now we are changing the rules in the middle of the game. We did get a 4-year transition rule, which did some good—maybe not enough, but it did some good to ease the crash from the current set of rules by which people are doing business. It will soften the blow, I should say. But I think it is changing the rules in the middle of the game, and that is a serious problem.

There again, in the last decade we have had five major changes in the Tax Code that have had a substantial impact on American business, on investment, and on savings. The matter of retroactivity is a case in point. The retroactive aspect of this provision is a problem in that we are again changing the rules of the game before the ink is dry from the old rules.

I listened to the distinguished Senator from Minnesota's discussion of this. It is not easy to try to come to the conclusion that the chairman of the committee has come to, to finally get to where we are now, and not have someone help to pay the way for this. There is no Santa Claus, as the committee chairman has said.

Perhaps there is some way this committee can come out with some form, in the conference or even here on the floor, to ease the transition rule, yet not upset the apple cart, so that we might at least have some consideration to how it could be worked out. I think the distinguished chairman has gone around this merry-go-round, up and down, back and forth, and looked at ways to pay for it, and each time he has come to the conclusion that there is not a Santa Claus.

I think there are some items in the bill that are drastically important, in my view, to my State: the timber and natural gas portion of this bill; the agriculture portion of this bill; the fact that the committee bill has an amendment, which was my amendment, that does not include exploration and development costs in developing mines into the category of a preference that would go under the minimum tax.

That is very important in my State. It is important to employment in the State. It is important to the national security of the United States of America, so that we can try to encourage a hard-rock mineral industry in this country and preserve the ability to be able to produce some of these critical minerals in this country.

Those items are also very important, and I would hate to see us come on the floor and start offering amendments and all of a sudden find out that some of the reasons why we had a 20-to-0 vote in the committee are being dealt away in a process of trying to pay for it.

So, as one Senator, I compliment my friend from Oregon. I think he did a remarkable job. He turned apathy for tax reform across this country into enthusiasm for tax reform across this country. I think it was a bold approach. It was an approach I advocated at the outset; but if we are going to do it, let us do it so that it is dramatic enough so that we can have a rate reduction which people will be able to recognize as truly a rate reduction across the board, that will remove a lot of problems people have with the Tax Code.

A lot of the problems people back home have is in making decisions based on tax-motivated ideas rather than on profit motivation and actual return on investment.

□ 1550

If we continue to reduce tax rates in this country, the question of the so-called tax shelters will eventually take care of themselves because at a certain point people will simply invest money based on the market, based on profitability, based on future expectations, based on efficiencies, and they will not be investing money based on tax motivation. So I think we have gone a long way toward that. It is true that it is always difficult to make the transition, to jump from this side of the river to the other side of the river. But this bill makes a good first step that I think the Finance Committee, which I am happy and proud to be on, can be very proud to this point.

I hope our colleagues will think very carefully about the ways that they have tried to alter the bill. The distribution in the bill is very good and I have to compliment the staff of the Senate Finance Committee and the chairman and others on the committee for working out the distribution the way it is.

Every time you change one of these points, if we change the capital gains differential, which I personally have a preference to do that I would like to see, it will change the distribution and it upsets the balance of this bill. So every one of these things have the other side of the point. There is no easy way to make any major substantial alterations to this bill.

I hope that our colleagues will study this carefully. I hope we can have a very good, expeditious, and a lively debate on many of these issues in this coming week, or however long it takes to act on this bill, and then have a very strong vote for it from the Senate's position that the chairman will be able to go to conference and give the American people what I think they want, which is fairness, equity, and a step closer toward simplicity.

I yield the floor.

Mr. PACKWOOD. Mr. President, I thank my good friend from Idaho.

There are indeed many parents of victory. I think everyone on the Finance Committee regards this a victory. Senator SYMMS is one of them.

He talked about the Hall-Rabushka plan for the better part of 2 years, I would say.

He was the first one who got me interested in this with that little book they put out on the plan.

Mr. SYMMS. If the chairman will yield, I compliment the chairman. He is one of the few people I got interested enough to read the book. I compliment him for that.

Mr. PACKWOOD. It is a good simple plan. The concept is easy to understand. Indeed it would make tax forms simpler than they are now, without in any way saying where we may end up years hence, although I would like to think if we pass this we will get a good code and we will keep that code for 5 or 10 years and not be tinkering forever. But Senator SYMMS has been a principal progenitor on the Finance Committee of the Hall-Rabushka plan. He deserves credit for many of the ideas in that plan. Senator SYMMS put forth many ideas. We moved forward much faster in tax reform than we would have without his presence.

I think the Senate ought to know of the extraordinary contribution he made.

Mr. SYMMS. I thank the chairman.

Mr. BAUCUS. Mr. President, I am proud to be 1 of the 20 Senators on the Finance Committee who voted for this bill. Under the leadership of the chairman of the committee, Senator PACKWOOD, we developed a bill which I think is very worthy and deserves the support of American people.

The last time the Senate considered comprehensive tax reform was during the summer of 1954, when Dwight D. Eisenhower was President, Joe DiMaggio was married to Marilyn Monroe, and there was no major league baseball team west of Kansas City.

Since then, America has changed many times over. The baby boom has come and gone. And we have become a computerized, high-tech society, measuring time in nanoseconds.

Congress has responded to a changing America by constantly adjusting the tax system.

We have passed a steady stream of 17 major tax bills, from the Small Business Tax Revision Act of 1958 to other tax legislation, with strange

sounding names like "ERTA," "TEFRA," and "DEFRA."

We have piled exemptions on deductions on credits.

As a result, the Tax Code has become a flabby mass of overlapping incentives, covering everything from accelerated depreciation to zero coupon bonds. And we have become loophole junkies, afraid to start a business or make an investment without first consulting a tax advisor.

It is no wonder that other countries are increasing their productivity faster than we are.

In Japan, for example, the brightest students become engineers and build better products. In America, they become tax lawyers and build better tax shelters. If this continues, the Japanese will corner the market on machine tools, computers, and cars, and we will corner the market on empty high-rise office buildings.

But the problem does not end there.

The tax system has become so complex that the average taxpayer feels like a sap. He is not only paying taxes for himself. He is also paying for the guy down the street who has discovered some fancy new loophole, and for the giant corporation downtown that is not paying any taxes at all.

THE FINANCE COMMITTEE BILL

It is obviously time for an overhaul.

It is time to slim the Tax Code down and bring it into line with the priorities of the 1980's and 1990's.

The Finance Committee bill does this.

It cuts individual and corporate tax rates sharply.

It reduces tax preferences by $423 billion.

It takes millions of the working poor off the tax rolls.

It tightens the individual and corporate minimum taxes so that every wealthy individual and profitable corporation pays.

It imposes tougher reporting and enforcement rules to catch tax cheats.

It reduces incentives to invest in counterproductive tax shelters.

And it makes it possible, once again, for most Americans to figure out their own taxes at their kitchen table.

All-in-all, the bill finally gives us a tax system that looks like it was designed on purpose, rather than one that looks like it was thrown together like a junk heap.

Essentially, it will begin to restore lost public confidence in our tax system and in our Government.

THE IMPACT ON MONTANA

When we consider such sweeping legislation, we must consider its impact on the Nation as a whole.

But we also must consider its impact on the States we represent.

In Montana, the average taxpayer has an adjusted gross income of $17,000 per tax return. Under this bill, a family of four earning $17,000 gets a 20-percent tax cut. Overall, Montanans' individual Federal taxes will decline by 11 percent. At a time when our economy is depressed and many Montana families are struggling to survive, that lower tax bill is good.

But what about our State's basic industries?

First and foremost, Montana is an agricultural State. Agriculture produces most of our income and most of our jobs.

On balance, the Finance Committee bill will have a positive effect on agriculture.

For example, according to the Congressional Research Service, the bill will reduce the effective tax rate on agriculture.

At the same time, it will drive out many of the tax shelters that have distorted the agricultural economy. For example, several corporations in our State have engaged in tax-motivated sodbusting that destroys fragile Montana rangeland. Several provisions of the Finance Committee bill eliminate the incentive for sodbusting.

Montana also depends heavily on timber, mining, oil, and gas.

The House tax bill would have had a devastating impact on these industries, by repealing long-standing tax provisions like the deduction for timber maintenance expenses and for mine depletion.

The Finance Committee bill rejects the House approach and retains these long-standing provisions so important to the development of natural resources.

Finally, Montana is a small business State.

Only 13 businesses in our State employ more than 500 people. But over 18,000 businesses employ 50 or fewer people.

Small businesses today pay high taxes. They will benefit from lower individual and corporate rates in this bill. In addition, they will benefit from provisions that double the amount of business equipment that can be expensed each year. They will benefit from provisions that simplify payroll taxes. They will benefit from provisions that reform the rules for recovering attorney's fees in IRS lawsuits. And they will benefit from provisions that permit self-employed people to deduct one-half of their health insurance costs.

Simply put, the Finance Committee bill is the best small business tax bill ever written.

IMPROVING THE BILL

However, even a bill as good as this one can be improved.

I hope that we can make two modest improvements.

The first is to retain an adjustment for people with volatile incomes, such as farmers and ranchers.

□ 1600

The Finance Committee bill repeals income averaging, on the theory that the flatter rate schedule eliminates the need for averaging. Well, that is true. But some taxpayers with volatile incomes still will pay a much higher tax than taxpayers with steady incomes. For example, a family of four with an adjusted gross income of zero the first year, and $50,000 the second, would pay almost twice as much tax as a family of four earning $25,000 a year.

This problem could be solved by permitting taxpayers who meet current income averaging tests to carry unused standard deductions and personal exemptions forward against the 27-percent bracket.

The second improvement is to restore a broadbased savings incentive. The Finance Committee bill repeals the universal IRA deduction. I understand the committee's concern about IRA's. But I think that the committee's decision was unwise.

For America to compete with Japan and other foreign competitors we need more investment capital for business expansion. However, our personal savings rate so necessary for the investment pool, is the lowest of any industrialized country.

The universal IRA can be a powerful device for increasing savings. We should give it a chance to work.

Therefore, I urge that we retain the universal IRA, but convert it into a tax credit. The necessary revenue could by raised by a scaled-back version of the House bill's floor under itemized deductions. That way, we can retain a broad-based savings incentive while making the bill more progressive than it currently is.

CONCLUSION

I hope that we can make these improvements.

But even if we are unable to, I still will strongly support the bill. It is not perfect. After all, in a representative democracy with majority rule, by definition, no bill is ever perfect.

But it is a monumental achievement. It makes the tax system much more simple. It makes it much more fair. And it makes the wealthy and the wealthy corporations pay their share.

I applaud Senator PACKWOOD and Senator LONG for their leadership. I applaud the other Senators who have worked so diligently in this direction, particularly Senator BRADLEY, from New Jersey. For years all of them and many of us have been talking about this kind of true tax reform. For years. Now we finally have a chance to vote for it.

Mr. President, I strongly support this bill and I urge Senators to support this bill as aggressively as they possibly can.

Mr. PACKWOOD. Mr. President, I also thank my good friend from Montana. In the year-and-a-half I have been chairman of the Finance Committee, I think he has been the most diligent member of the committee in terms of committee attendance. When we sat through those 36 hours of hearings last month, I do not think Senator BAUCUS missed very many days or very many hours. We both had discovered that it was an extraordinary way to actually learn the bill and learn the issues. And he did not miss, I do not believe, a markup in all the markups we have had, either public markup or some of the private meetings we had with Members.

I want to thank you very much for everything you did to get us this far.

Mr. BAUCUS. Mr. President, I thank the Senator from Oregon. The Senator from Oregon actually did attend all the hearings, and heard all of the witnesses. As he has said, that is one of the reasons we have this bill. After listening to all of the entreaties and all of the various groups that came before our committee asking for their share of Federal revenue, it became apparent to all of us, and particularly to the chairman of the committee who knew much more about the Tax Code and had listened to more of the witnesses, that the best way to solve the problem was to dramatically simplify the code, dramatically lower the rates, dramatically broaden the base, and quite dramatically cut back on those tax shelters and paper losses that are the primary reason a lot of Americans have begun to lose faith in our Tax Code and to some extent in our Government.

I think that the chairman of our committee has done a first-rate job. A lot of credit can be spread around here, but the primary credit goes to the chairman of the committee. Were it not for his bold change in direction—we would not be here today.

Mr. PACKWOOD. Mr. President, I thank my friend. I will accept those compliments, with the appreciation that all of us in this business get blamed oftentimes for things that are not our fault, so, on occasion, I think we get credit for things that are totally not of our doing.

I know every man—there are no women on that Finance Committee—but every man on that committee, to a lesser or greater extent, deserves some portion of the credit for the success. Because, in the end, every one of them was pulling in the same direction, and that is how we got to where we are.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1610

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. MCCONNELL). Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I rise today first to make a couple of comments on the tax bill. But initially I would like to compliment the chairman of the Finance Committee for the outstanding work that he has done in putting together a very complicated, and I think a very good, tax reform proposal. I use that word "reform" guardedly because I have seen a lot of proposals that have that as a label but would be hard pressed to be called reform, and would be certainly hard pressed to be known by any type of nomenclature of simplicity in any regard whatsoever.

I also compliment the chairman, Senator PACKWOOD, because of his knowledge in this area. He, like very few Senators—and I would add to that list Senator LONG of Louisiana—have a great deal of knowledge about the Income Tax Code. I think a lot of times part of the problems that we have developed over the years is that the Tax Code is very complicated, it is very difficult to understand, it takes a great deal of study, a great deal of time, and a great deal of effort to be able to comprehend a lot of the issues that are involved.

Senator PACKWOOD especially I have noticed when I have talked to him on several issues did not need to go to his staff. He was able to respond immediately about what was in the bill, what was in the proposal, what are the pluses and minuses, and on a lot of these issues there are pluses and minuses.

There are two sides to a lot of these issues. But he has had the personal dedication to this issue to learn about it enough on his own that he does not need to refer to staff, and he has actually made a very strong commitment. I think he has done a very good, if not an outstanding, job of putting together a very positive program.

Mr President, it was not too many years ago, in fact 1980, when we had income rates that ranged from 14 to 70 percent. I remember making the statement prior to coming to the Senate that I personally did not think that we should have tax rates that exceeded 50 percent. I did not think that the Federal Government was ever entitled to take over half of what anybody made in peacetime. Actually, if the Government took over half of what an individual is making, they were confiscating that persons freedom. They were actually requiring by law that you would, work for the Government more than you would actually work for yourself. I think certainly that is an infringement on personal freedom.

We have made some positive changes in the 1981 tax bill. We reduced the maximum tax rates back down to 50 percent. We reduced the rates, if I remember, from 14 percent to 70 percent down to about 11 to 50 percent. That was a positive move. We made a lot of other changes in the tax bill in 1981 that were also positive. We eliminated the inheritance tax between spouses so if an individual passed away their surviving spouse would not have to pay one dime of Federal inheritance tax. That was probably in this Senator's opinion one of the most positive aspects of any of the tax changes that have been made in the last 6 years.

I learned about that personally the hard way. My father passed away some time ago, and we had a small manufacturing company. We had to sell part of it just to pay the inheritance taxes. I thought that was wrong. I thought Government policy was to protect our property, and not to confiscate it. That is exactly what the inheritance tax did.

We created the exemption level for inheritance tax. I believe next year it will be up to $600,000. A person's property could be up to this amount before their survivors would have to pay any inheritance tax whatsoever; a very positive change for small business, a very positive change for agriculture, and for farms because we had lots of cases where individual properties had to be sold so their survivors could pay inheritance taxes. We changed that in 1981. Those were good changes.

I think the changes that we are looking at in the tax bill that we have before us has some very positive changes as well. Again, I compliment those on the Finance Committee who worked long hours, and went through some difficult trials. I think they overcame those trials and ordeals, and came up with a very positive bill.

Whether it could go under the title of tax reform, I say yes; tax simplification, I would question. The present tax bill that we have before us is over 1,500 pages. We look at the committee report which is 1,100-plus pages.

So, yes; it is positive reform. It brings the rates down 15 to 27 percent. I think that is positive. The 15-percent rate, Mr. President, is for most Americans. Most people are aware of where the cutoff was, 29 to 30, but that is adjusted gross income. Actually, when you add back the standard deduction of $5,000 and $2,000 personal exemption for a family of four, the maximum tax rate, or before you would get into the 27-percent tax bracket, would be $42,300.

Again, I go back to my days prior to coming to the Senate, and I ran a manufacturing company, a small machine corporation. We had a lot of people who were making maybe $5 an

hour, or $8 an hour, $9 an hour, whatever. Almost all of those people unless they had significant outside income, their maximum tax bracket will be 15 percent. As a matter of fact, for married families I think, or family of four I think, over 80 percent of those families will have a maximum tax bracket of 15 percent. Again, that is a very, very positive initiative.

The people who are working and receiving $8 an hour know exactly what the marginal tax brackets are, because when they work an extra hour, they work overtime. They are paid time and a half, and they know exactly what the marginal rates of taxation are. Fifteen percent is less than what they are presently paying.

So they are going to like this tax bill. It is going to restore their incentive to work more. It is going to restore their incentive to save. It is going to restore their incentive to produce.

The same thing for the corporate level. We had a corporate rate of 46 percent. This bill moves that corporate rate down to 33 percent. In other words, instead of telling corporations trying to make decisions, well, for every dollar of profit that you make, the Federal Government is going to be taking 50 cents of it, or 50-some percent of it, now the corporation is going to be able to keep two-thirds of it.

I cannot help but think that is going to restore a lot of incentives for corporations to get out, expand, and grow. I ran a corporation not too many years ago when we were looking at a timetable and thought, well, do we want to expand, or do we want to build another plant. At the time it was not worth it. At the time we were saying "No." If we made any money, the Government is going to take half of it right off the top. On the personal level they would take up to 70 percent of it. It was not worth it, after-tax-wise. Why mess with it? Your headaches could double but your after-tax take-home certainly did not double.

So, again, a lot of incentive, and a lot of initiative was just stifled if not suffocated by an overburdensome Tax Code.

The Tax Code presently is over 18,000 pages. The IRS regulations implementing that Tax Code is over 10,000 pages. So certainly, we have a lot of work to do. I think we can make some positive moves in the right direction.

I was a manufacturer in trade before coming to the Senate. We used to take advantage of investment tax credits. Anybody buying machinery or equipment took advantage of investment tax credits. I stated it then. I will state it today: To give those businesses a shorter time to write off their investment would mean they would trade that. I would trade it. And you do not need investment tax credit. That helps you when you are making money. But if you are not making money—and right now we are in some difficult times in our State—and you are wondering when you will, again we should give that lower rate. And I think it will offset it.

Also it eliminates some of the inequities. Those who have not made money do not really need to take advantage of it. For those who do they do.

Again, I think we have made some positive steps in this bill. I compliment the authors of it. That does not mean there are not some problems still in the bill. I mentioned investment tax credits and dates. I look at the effective dates. I see we repealed the investment tax credit on January 1, 1986. But the corporate tax rates are not reduced until July 1987.

□ 1620

So we take away one of the benefits but it is 18 months later before we give the lower rate. I personally would hope that we would be able to make the tax rate reduction for corporations from 46 to 33 at the same time we make the repeal of the investment tax credit. Whether the investment tax credit date is moved back to July or maybe January 1 of 1987, or the rates are adjusted accordingly, I do not know, but I think they should be done at the same time.

I am also concerned about some of the other retroactive provisions in the bill. I would hope that we would look at those. There have been legitimate business decisions made on the previous code and this is going in and taking some of those away. At the same time, we need to be able to make sure that individuals and some corporations are able to deduct real out-of-pocket losses.

I am also concerned about a possible provision, and we are working trying to get more information on that, which concern retirees and the retirees possibly having to pay taxes on their retirement income when, in effect, their retirement income had to have their contributions after taxes to their pensions. Now we are talking about, or at least I am interpreting some of the law, through I will work on this with Senator PACKWOOD and others, we are talking about them paying taxes on their initial dollars received from their retirement plan.

Take, for example, an individual who contributes to a pension plan and he has paid taxes on his pension. In other words, those were after-tax dollars that he used to contribute to the pension plan. Now we are talking about possibly making him pay taxes on the receipt of his after-tax dollars again.

The only way he would get all of his money back, if I understand it, is he would have to live out whatever the actuarial age might be.

You might have a situation where—the Senator from Oregon might understand me better—an individual might begin retirement and begin his retirement pay at age 65. He may have contributed to his retirement system for several years, again using after-tax dollars. He may have personally put in $10,000 and he might be receiving $5,000 a year. That person might die at age 67 and only have received $10,000 back. I think it would be unfair for that individual to have to pay taxes on his retirement benefits until after he has received all of his pretaxed retirement earnings. In other words, I think he should be able to receive his money back that he has already paid taxes on before he is mandated by law to pay taxes on his retirement income.

One other thing that was left out of the Senate bill, which I think needs to be added and which I plan to add on the Senate floor, is the repeal of the windfall profit tax. Again, we are talking about a major overhaul of the tax bill. We are trying to make more industries more equal. There is only one industry in the United States that has a windfall profit tax. This Senator was not here when it was passed and I think had I been here we would have been able to stop it. It is a bad tax, a bad policy, a bad energy policy. It is probably the most anti-free-enterprise piece of legislation that has passed in congressional history. It has nothing to do with profits whatsoever. It is only on domestic production, not on imports. So we encourage imports and discourage domestic production. That is not fair.

It is not based on profit. It is based on whatever the dollar increment prices are and right now the prices are so low nobody is paying. But if the price increases above the threshold of $19.40, for every dollar increase the Federal Government gets 70 cents. That makes no sense. Certainly now is the time to repeal it. It should have been repealed before. Now is the time to do it and I hope we will be successful in an amendment to do so.

Compared to the House bill, and comparing this bill to the House bill as it relates to the national resources industry, this is a very positive bill. The House-passed tax bill would be disastrous for the oil and gas industry. It did away with percentage depletion oil and gas except stripper wells. It did away basically with stretched-out intangible drilling costs over a much longer period of time, 26 months. The present law allows nonrecoverable expenses, as it should. This is a very positive bill.

I will conclude with one final comment. I heard the chairman echo this.

In talking to the American people about taxes, and I have had several business forums and tax forums across

my State in the last several months, and I have had a lot of people tell me that they do not need a tax break but what they need is a break from Congress passing more tax changes. I hope we will be able to follow up on that and give the taxpayers some rest from the continual year after year after year of tax changes. We changed the Tax Code in 1981, in 1982, in 1983 and in 1984, and we were working on it in 1985 but did not quite get through it because it is such a complicated piece of legislation. I think people do need a break away from continual changes and massive overhaul of the Tax Code. I am hopeful we will be successful.

In conclusion, we are passing a very good, comprehensive proposal which includes the repeal of the windfall profit tax and I hope we can give the people a break from further changes in the Tax Code. I yield the floor.

Mr. PACKWOOD. In response to the Senator's remarks, basically, if this bill passes in the form that it is, it will remain relatively inviolate for a period of time. It is such a radical change that I think many people will say, "Whew, I never thought we would get here. Let's try it a while and see what happens." So I am encouraged.

I think probably the de facto result of what the Senator wants will indeed occur when we pass it.

Before concluding, I want to say to the Senator from Oklahoma I do not know of any Senator who is so tenacious in representing his State as he has been, in talking to me, writing to me, talking to me on the floor involving problems in Oklahoma, whether it is windfall profits, tax credit for a particular company, or anything else. If anybody can be called paying attention to the details of his State, it is the Senator from Oklahoma.

Mr. NICKLES. I thank the Senator.

Mr. HUMPHREY. Mr. President, I, too, want to offer my congratulations to the chairman of the Finance Committee and its members for doing what appeared to be the impossible as of a few weeks ago.

While the bill may not be perfect, it certainly goes a long, long way toward rationalizing our Tax Code, rationalizing the blow on economic resources in our economy. That is all to the good. I think it will prove to be very beneficial medicine, and I hope 2 or 3 years down the road when we have some emperical evidence on which to base decisions that will go even further, that we will further close and eliminate these loopholes and even further reduce personal tax rates.

Mr. President, the bill is not perfect, as everyone knows, although I suppose we all have a different opinion on why it is not perfect.

One of the omissions which troubles this Senator is that the bill does not propose to address an egregious wrong which, in the opinion of this Senator, exists in the Tax Code as current law. Of course, there is no real fault on the committee that the original bill before us did not address the matter. It simply was not raised in the committee. But I and a number of Senators intend to raise it on the floor by means of an amendment which we will be offering later this week. Senator ARMSTRONG, Senator HELMS, and I hope to have other original cosponsors in that effort.

Mr. President, I am not now offering an amendment, but I do want to ask unanimous consent that the amendment be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. HUMPHREY. Mr. President, I stated that in my opinion there exists in the Tax Code an egregious wrong. What is that?

It is this, Mr. President: Presently, certain organizations which perform abortions enjoy tax exempt status under the Tax Code. Why is that wrong? Because Congress should not be encouraging abortions.

Yes; we see it in various ways. Some see it as a necessary evil that abortions are available and the Supreme Court says it is a right. We are not contesting that point. The point we are contesting is that Congress should not be subsidizing the performance of abortions. The American taxpayer should not be made to subsidize the performance of abortion.

We have been over and over this point many, many times in the past. The Senate, over and over again, has adopted language in various bills that make it clear that Congress does not want taxpayers' dollars used to pay for abortions; that is to say that Congress does not want abortions subsidized at the expense of American taxpayers.

It is no secret at the same time that the overwhelming majority of American taxpayers, while they may disagree on the fundamental issue of abortion, by and large do not want their taxpayers' dollars by any means used to pay for abortions. So we have cut off the flow of Federal dollars to abortion in a sense, but there still remains a large loophole in the Tax Code that permits the subsidization of a performance of abortion. That loophole is the granting of tax-exempt status to certain organizations that perform, finance, or make facilities available for the performance of abortion.

Consistent with the Senate and consistent with the position of Congress on this issue in seeking to cut off Federal subsidies for abortion, several of my colleagues and I shall offer an amendment that will do just that.

Mr. President, there are some 3,000 providers of abortion in the Nation. Incidentally, about 82 percent of abortions are performed in clinics. The rest, of course, are in hospitals. Of all of the abortion providers, some 3,000, somewhere between 30 and 50 percent are tax exempt. It is very difficult to get the exact number, but somewhere between 30 and 50 percent are tax exempt. The amendment would apply to these.

There are, of course, other abortion providers. Many hospitals and clinics are owned by State and local governments. State and local governments do not pay taxes to the Federal Government, so our amendment would not apply to State and locally owned hospitals. Other hospitals and clinics are for-profit institutions. They pay taxes. But our amendment is not directed to those institutions. Our amendment will be directed to those institutions which are non-Government—which is to say private—which today enjoy tax exempt status under the Tax Code. The amendment would simply eliminate the tax exemption for private nonprofit organizations which perform abortions, which finance abortions, or which provide facilities for the performance of abortions.

It would accomplish one other important step, Mr. President. It would eliminate the tax deductibility of private and corporate contributions to such organizations. That is, individuals or corporations who wish to make a contribution to organizations that perform, finance, or provide facilities for the performance of abortion would no longer be able to deduct these contributions in any way from the Federal taxes.

Mr. President, Congress clearly has the authority, the right, and, I suggest, the responsibility—I would insist the responsibility—of deciding which activities the Federal Government will subsidize, which activities the Federal Government will encourage by means of those subsidies. We have done it over and over again in the case of taxpayer financing of abortion. Not only have we done it, not only have we cut off Federal funding of abortion, but in so doing, we have been upheld by the Supreme Court in a number of contexts.

The reasoning of the Supreme Court, I think it is fair to say, could be paraphrased this way, that it is no attack or limitation on the exercise of a right for Congress to refuse to subsidize that right. We are not here attacking that right, though many of us would in other ways on other occasions. We are not proposing with this amendment to attack the right; we are proposing to end this Federal taxpayer subsidy of this activity.

Mr. President, I shall be speaking further on this subject, as will some of my colleagues, in advance of offering the amendment. It is now printed in the RECORD as of today. I hope we

have answered some of the fundamental questions about the amendment. We shall attempt to answer others as they are raised.

Let me say this finally: The effect would be for those who wish to continue performing abortions, financing abortions, or providing facilities for the performance of abortions—for those who wish to continue in their present mode, to lose their special tax status. Other hospitals who perform abortions and all of the other procedures generally associated with hospitals may want to incorporate separately their abortion performing service so the whole spectrum of other hospital operations will remain tax exempt and contributions to such operations tax deductible.

Mr. President, I thank the Chair and yield the floor.

EXHIBIT 1

At the appropriate place in title XVII, insert the following new section:

SEC. . DENIAL OF TAX BENEFITS FOR ORGANIZATIONS WHICH PERFORM, FINANCE, OR PROVIDE FACILITIES FOR ABORTIONS.

(a) DENIAL OF TAX-EXEMPT STATUS.—Section 501 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) DENIAL OF EXEMPTION FOR ORGANIZATIONS WHICH PERFORM, FINANCE, OR PROVIDE FACILITIES FOR ABORTIONS.—An organization shall not be treated as described in subsection (a) if such organization performs, finances, or provides facilities for any abortion, except where the life of the mother would be endangered if the fetus were carried to term."

(1) DENIAL OF ELIGIBILITY FOR CHARITABLE CONTRIBUTION.—

(1) INCOME TAX.—Section 170(c) (defining charitable contribution) is amended by adding at the end thereof the following: "For purposes of this section, such term does not include a contribution or gift to or for the use of any organization which performs, finances, or provides facilities for any abortion (within the meaning of section 501(m))."

(2) ESTATE TAX.—

(A) IN GENERAL.—Section 2055 (relating to transfers for public, charitable, and religious uses), as amended by section 717, is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) DENIAL OF DEDUCTION FOR CONTRIBUTIONS TO ORGANIZATIONS WHICH PERFORM, FINANCE, OR PROVIDE FACILITIES FOR ABORTIONS.—No deduction shall be allowed under this section for a transfer to or for the use of any organization which performs, finances, or provides facilities for any abortion (within the meaning of section 501(m))."

(B) TECHNICAL AMENDMENTS.—

(i) Subparagraph (E) of section 2106(a)(2) (relating to transfers for public, charitable, and religious uses from taxable estates of nonresidents not citizens) is amended by striking out "section 2055(e)" and inserting in lieu thereof "subsections (e) and (g) of section 2055".

(ii) Subparagraph (F)(ii) of section 2106(a)(2), as amended by section 717, is amended by striking out "section 2055(g)" and inserting in lieu thereof "section 2055(h)".

(3) GIFT TAX.—Section 2522 (relating to charitable and similar gifts), as amended by section 717, is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (f) the following new subsection:

"(e) DENIAL OF DEDUCTION FOR CONTRIBUTIONS TO ORGANIZATIONS WHICH PERFORM, FINANCE, OR PROVIDE FACILITIES FOR ABORTIONS.—No deduction shall be allowed under this section for gift to or for the use of any organization which Performs, finances, or provides facilities for any abortion (within the meaning of section 501(m))."

(C) EFFECTIVE DATES.—

(1) ABORTIONS AFTER DATE OF ENACTMENT.—The amendments made by this section shall take into account only abortions (within the meaning of section 501(m) of the Internal Revenue Code of 1954 as added by this section) performed after the date of the enactment of this Act.

(2) SUBSECTION (a).—The amendment made by subsection (a) shall take effect on September 30, 1986.

(3) SUBSECTION (b).—The amendments made by subsection (b) shall apply to estates of decedents dying, and transfers, after September 29, 1986.

Mr. SIMPSON. Mr. President, I shall remark very briefly on the comments of my friend from New Hampshire, the senior Senator (Mr. HUMPHREY). That will obviously be a very contentious effort when it comes before us and always has been. It is something that seems to gum the machinery up when we get to abortion in a legislative body. It always will. It will be very contentious when it comes up this time.

We have a serious problem with religious institutions—hospitals, nonprofit hospitals operated by religious institutions—that will certainly face the loss of their tax-exempt status. It will be a serious debate and be very interesting for the Senate to consider as we always have a lot of anguish, a lot of pain, a lot of heavy debate when we come to anything that has to do with abortion. It will come again.

Before we conclude our activities today, I want to commend my fine colleagues on the Finance Committee, particularly Senator PACKWOOD. I have not had the opportunity on the floor to say what a remarkable man he is and how he helped recruit me for this job. If I had known then what I know now, who knows? He is a superb gentleman and we are very fortunate to have him in this role. I am looking forward to his leadership and stewardship as we process the tax reform measure. It is a historic effort, and a bipartisan effort.

It is just as important to BOB DOLE as it is to Senator LONG, who leaves this Chamber this year, his last year in the Senate after serving here for nearly one-fifth of the entire history of the U.S. Senate. I commend Senator BRADLEY, who came here when I did. We have really a remarkable case of Senators who will lead us in this debate.

I personally shall be paying very close attention to BOB PACKWOOD, the chairman; to RUSSELL LONG; to BOB DOLE; to MALCOLM WALLOP, my great friend from Wyoming; to LLOYD BENTSEN; to BILL BRADLEY. We had best heed what they have to share with us about what happens when we begin to tinker with the machinery of this bill.

Finally, we get away from "business as usual" in the Tax Code and get to true tax reform. I was on the road during the Memorial Day recess, holding town meetings and visiting with various groups, as we all were. Our constituents know what we are doing. They are aware of what we are up to in the U.S. Senate. I think there is an enthusiasm for this measure. They may not have a detailed understanding, but they believe that it is simplification and they are ready to do it only if we protect those tax rates.

The 15 percent and the 27 percent, taking away the array of rates from 11 percent to 50 percent, 14 of those—those things have been shared with you all.

□ 1640

In conclusion, Mr. President, we want to cast a wary eye on those who are going to participate in this debate for "the little guy." We are going to get the whole load on that again from various sources. We always talk about that person here on the floor and we take care of the big guys. We do that in agriculture while we wail and "ganash" our teeth, which is better than gnashing, and we do that especially in agriculture—ghastly to watch—always doing something for "the little guy" and then the money goes to the biggest, heaviest hitters in America. We do that with veterans' benefits; we do it with medical care; we do it with Social Security. We are always taking care of "the little guy" and we take care of the big guys in royal fashion.

Now, finally, we get to tax reform and we are going to take care of the little guy. We knock 6½ million of them off of the tax rolls. That is pretty good taking care of the little guy, I think. And then we also kind of hammer the big guy—minimum tax rates, 20 percent on the rich, 20 percent on corporations. That is what we are told we want to do. I am ready to do that. But I think that the little guy is going to come off pretty well here, only if we protect this very delicate package. Any tinkering with it is going to endanger it, and when you endanger it you are going to change things for the little guy.

We are going to get to that IRA debate, and Senator BRADLEY will be speaking on that, Senator PACKWOOD and many others. But the huge per-

centage of IRA's is used by those with gross incomes above $40,000, and that I think is hardly anyone's true definition of the little guy. I am going to be listening to that debate carefully because I think, in the long run, even though you lose deductibility if you are in a rate now of 30 or 35 or 40, whatever it may be, you are going to be better off on that sharply reduced tax rate of 15 and 27 percent, which is certainly lowering the value of that deduction as compared to current law.

Keeping the tax deferral, keeping the inside tax buildup, I will not go into those technicalities. Those will be covered well. One of the things we lose in my own State is the sales tax deductibility. In a State like mine where we have no income tax, that is disturbing and yet if you look where the committee has taken us, we raise the standard deduction to $3,000 for single filers, $5,000 for joint filers. We get the personal exemption up to $2,000. So really, unless you are the "consumer of the year," that is not going to be very beneficial, if you take the standard deduction. And I think that is important to remember.

If the figures are correct as to those who itemize, that advantage is only to the high-income, big-spending taxpayers who benefit most. I think in 1984, less than 25 percent of the sales tax revenues collected by States were claimed as itemized deductions. I think we want to remember that.

So the time has come. It, indeed, has been said by everyone this is not a perfect bill, so that must thrill the sponsors. And it is not. There is no such thing as perfect legislation. It is odd to me how our constituents expect perfection from us, especially those who do not have any perfection in their own lives.

It is a great adventure. You expect perfection in legislating but you do not have it in your own life and the more you do that the more you attempt to shuffle that off on the Congress. I always say that there is no such thing as the perfect bill, the perfect crime, the perfect mother, and the perfect father, the perfect child. That is not the way it is. And it never will be here because, you see, we have about the same percentage of lightweights and heavyweights and doers and shakers and show horses and workhorses as you do in the general population right in your own hometown because, after all, it is a representative Government. You would not want to leave out any of those people among the 100 of us. So we should keep track of that, too.

I will be paying close attention and I will be listening carefully to what the Finance Committee is sharing with us, and I am going to support this chairman. I am going to support these 20 people who served this Nation admirably in the package they put together and that had nothing to do with what party they are in. I think they have done a superb job and I hope many of us will stay right with them as we go through this exercise, and it will be indeed a spirited debate.

Now, I believe the Senator from New Jersey may have a comment. I see he has brought with him some extraordinary charts and I am ready to hear about those, too. I will. My friend from New Jersey.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the distinguished acting minority leader, the Senator from Wyoming, for his comments about the bill and for his thoughtfulness about what it means to the country and about the difficulty in attempting to get the kind of support that was manifested in the Finance Committee by a 20 to 0 vote in reporting this bill to the floor of the U.S. Senate. The fact is tax reform means that everyone is going to benefit in terms of getting a tax break and a better chance to prosper. If you are going to do balanced bill and get the overwhelming support that was manifested in the Finance Committee vote, then you clearly need to provide benefits for all taxpayers.

And so, Mr. President, I decided to take the floor—I did not intend to speak—at this lull in the debate to return to a chart that I brought to the Senate last week when I made my opening statement on this tax reform bill. I would like to refer to the chart simply because I think it is terribly important that we understand who the taxpayers in America are, who is paying the taxes, and what this bill does for each of these groups of taxpayers.

As a matter of reference, let us just quickly go over this chart in order to etch in our minds who are the taxpayers.

As you see on this chart, this is income class zero to $10,000 in income. Those are who we refer to in this country as the people who are living in poverty. Now, oddly enough, about two-thirds of them are kids under 25 years of age, and another large percentage are elderly women living alone; about 32 percent of the total taxpayer population falls into the category of zero to $10,000. And we tried to depict in this drawing that they are in the hole. They are having a difficult time.

□ 1650

As we move up the chart, we find that 21 percent of the taxpayers, or about 21 million taxpayers, earn between $10,000 and $20,000. They are the backbone of the country; they are working class. They are still in the hole, but they are surviving, and they are beginning to climb out of the hole.

If we move up the income scale, we get to income class $20,000 to $40,000. Thirty-two percent of the American taxpayers fall in this class, or about 32 million Americans. As you can see depicted in this particular drawing, these middle-class taxpayers are out of the hole, but they are right on the edge. They do not have a lot of margin for error. A serious illness, a catastrophe of one kind or another, three kids to send to college in 5 years, or whatever, and they could indeed be back in the hole once again.

The important point to be made by these three frames of the chart is that 85 percent of the American taxpayers earn under $40,000 in income—85 percent.

The median income in America—that means 50 percent of the taxpayers had more and 50 percent less—is $23,450.

As we move up the scale, we see that 12 percent of the American people are in the $40,000 to $75,000 income category. From $75,000 to $200,000 is about 3 percent. In the $200,000 category, as you can see by the man on the top of the hill, are less than one-half of 1 percent of all the taxpayers in this country.

We have 32, 21, 32, 12, 3, and ½ of 1 percent. Eighty-five percent of all taxpayers earn under $40,000 in income.

Mr. President, what does this bill do for the 85 percent of the taxpayers who earn under $40,000 in income?

Let us take a family earning $20,000. What is their life like? They live in rental housing, more than likely. It is no doubt not air-conditioned. Their idea of entertainment is not the three-martini lunch. Their idea of entertainment is going to a public park or to the public playground or to the public beach. They eat more potatoes than meat. They drink beer instead of wine. They ride the subway and the bus to work. They believe in America. They hope their children will have a better life.

Not surprisingly, Mr. President, this group, the $20,000 family, in most cases claim no itemized deductions. They do not have any loopholes to use. They claim no itemized deductions. Well, what does this bill do for that $20,000 family? What this bill does is double the exemption for each dependent, each child, and gives a much more generous standard deduction.

In other words, what this bill does is raise the threshold before that family has to pay any income tax. It raises the threshold before they get any taxable income. It is a remarkable achievement. At the same time it does the doubling of the exemption and raising the standard deduction, it helps that $20,000 family.

What does it do for the people deep down in the hole? It takes 6 million of them off the tax roles.

One of the sad aspects of our tax system is that in the last 6 or 8 years, more and more people in this category pay more tax than do some people at this category of income. That is no longer the case here. We have taken 6 million people off the roles, and that $20,000 family gets a doubling of an exemption and a much improved standard deduction, which means that less of their income is taxed—and that, by the way, taxed at a lower rate than in the current system.

Let us take another family. Let us take a family earning $35,000. More than likely, they own their home, but they probably have 15 years on the mortgage. This $35,000 family lives with a very strict budget. What might that budget allow them to purchase? It would allow them to purchase for dad a suit every 3 or 4 years, maybe a couple of dresses for mom every 2 years, and allows them to get a new TV set every 10 years, a new refrigerator every 17 years, a new toaster every 33 years. They are not going to be too concerned about the loss of the consumer-interest deduction, because they do not buy that much. They are not going to be hurt by the loss of the IRA, because many of them have absolutely no stocks, no bonds, no financial assets. They are just trying to make it; and if they get some extra dollars in the course of the year, they are going to buy a used car.

So, Mr. President, what does this bill do for that family earning $35,000 in income? First of all, the bill provides lower rates of tax. Some individuals in that class could be as high as the 28 percent or 33-percent tax rate under the current system. They are going to be in a 15-percent tax rate under this bill.

In addition, if they do not take advantage of the standard deduction, they will be able to itemize their deductions for mortgage interest and for property taxes, which, for the great majority of the American public, is the only real investment they have—their home. At the same time, that family earning $35,000 will be able to continue receiving their health benefits tax free.

So, Mr. President, there is no doubt that this is a good bill for the $20,000 to $40,000 income class, and particularly for the $35,000 family to whom I have just referred.

Let us move the income level. Let us move up to the family that is on level ground. It is starting to run; no worry about falling off the edge. They are in pretty good shape, no hole on the horizon. What does this bill do for that family, and who is that family?

More than likely, a family earning $75,000 is a two-earner couple. In fact, at income levels of $75,000, the majority of taxpayers are in a unit that is a two-earner couple. Interestingly, when you get above $85,000, you do not have two-earner couples. Usually, one works and the other stays home or does other things.

What does the bill do for the that family? What it does is lower the tax rate so that they will keep more of the money they earn. It reduces the marriage penalty. It essentially tells them that because of the reduced marriage penalty and the lower tax rate, in order for them to achieve economic security, they will not need to invest in tax shelters. All they have to do is concentrate on what they do best, which is their profession.

One might even make the argument that this is the classic yuppie family. Even if they were going to pay more taxes, $100 or $150, in year 1, in years 2, 3, 4, and 5, in the long run, in the midterm, they would be much better off with the reform system of the lower rates of tax and a much reduced marriage tax penalty.

So, Mr. President, in coming before the Senate today, I want to do several things in this lull in this debate, and that is to try to get people to focus on who the taxpayers are and how this bill benefits each income class.

□ 1700

Mr. President, we are going to hear a lot of amendments offered on the floor. These will more than likely be amendments that are thought to be important by the authors of the amendment and by the proposers of the amendment.

There will be attempts to try to change the bill in one way or another. Ultimately at some point in the debate the proponents of the amendment will say, "And what this means to income class $30,000 is this, $100 less or more in taxes or $120 or $130, or $140 or whatever."

Whatever they say, remember that is a snapshot of year 1. That simply says that if this bill were in effect next year, given the tax returns that we have available from 1983, how many winners and losers would there be and where would they be, among which income classes.

What it fails to say is what will happen in year 2, 3, 4, 5, 6 and on out. That is what this bill addresses most directly.

What it means in terms of mid to long term is that you have reformed the tax system. You have finally eliminated some of those $400 billion loopholes, allowed the economy to function more efficiently and the market to allocate resources, and for each one of those income levels you have provided some hope that they can control their own destiny. For the poor, for the low-income person, you have given them hope that if they work hard they will be able to pull themselves out. For the fixed-income elderly you have given them hope that they will be able to get by. For the young couple that had the dream of home ownership you have given them the hope that they will indeed own their own home. For the unemployed workers you have given them hope that a more efficient economy will mean a higher income growth and a prospect of another job on the horizon.

So, Mr. President, I hope that we will entertain all of the amendments that will be offered seriously, and I know the distinguished chairman of the Finance Committee, Senator PACKWOOD, who has been the stalwart here and who has really provided, I think, unparalleled leadership on this issue in the body, will listen to all of the amendments and make his arguments. I hope ultimately we will be guided in part by what this chart tells us about who the taxpayers are in this country and not forget what this bill does for each of the income categories depicted on this chart, nor lose sight of the opportunity that it presents for the long-term economic health of this country.

I yield the floor.

Mr. PACKWOOD. Mr. President, once more let me thank my distinguished colleague from New Jersey who has taken the lead on this 3½ or 4 years ago. I have listened to him with some trepidation as he described how he first tried to explain this Bradley-Gephardt plan in an attempt to explain that indeed you could reduce taxes but you had to give up some cherished deductions. The initial reaction we got from the people was why can we not lower the taxes and close the loopholes.

You have to explain that some of the loopholes that are very, very well identified, and indeed we are closing many of those in this bill, unfortunately produce only a teeny-weeny bit of money on occasion, and if you really wanted to get the rates down, you had to talk about tax shelters and minimum taxes and a variety of other things that produced great quantities of money. If you are going to lower the bulk of the peoples taxes significantly or even a bit, you are going to have to close loopholes that upper-income taxpayers use and close them as close to completely as possible.

Senator BRADLEY was the first one to see that. He deserves extraordinary credit. I think because of his leadership and a few others from the start 3 and 4 years ago, the rest of us have seen the light and I hope before a fortnight is out we may have this bill through the Senate.

Mr. SIMPSON. Mr. President, I thank the chairman of the committee and Senator BRADLEY.

I have never abrogated my legislative function, but I will be much like those in the coliseum, I think, during

the vote and if I see Senator BRADLEY and Senator PACKWOOD going like this—indicating—I will go that way. If I see them going like this—(indicating—I may well go that way.

I will be listening intently to the debate as I hope all of us in the Chamber will do.

Mr. GORTON. Mr. President, the tax reform measure which the Finance Committee has recommended to us is one of the most far-reaching, fundamental, and important bills the Senate has debated in years. As a result of that committee's willingness to pursue the kind of real tax reform that cynics had dismissed as politically unrealistic, we now have the opportunity to address an issue which ranks in importance with many of the great debates that this Chamber has addressed throughout history. In the days ahead we can continue the Senate's tradition of being the nation's great forum.

As I talk to my constituents about this bill, it is clear that there are parts of which enjoy widespread support, and other parts which engender strong opposition. Most often this is expressed in terms of support or opposition for one or another specific part of the bill. Sometimes it is expressed as concern over the economic impact of the bill as a whole. But in all of these discussions, one troubling observation keeps recurring—something that goes beyond the pros and cons of any individual provision; beyond even the economic impact of the bill as a whole. That is this: I have seen a growing conviction among my constitutents that our current income tax is fundamentally unfair; that it permits too many people to avoid paying their fair share of taxes; and that the burden of this tax avoidance is being transferred to the working man and woman, the wage earner, the taxpayer who does not have accountants and lawyers to search out every loophole in our current Tax Code.

This growing contempt for our Tax Code constitutes a serious threat to our country, which relies heavily on a tradition of voluntary compliance with the tax laws. I am deeply troubled by this, for I see in it an unrest that reaches to the very roots of our Government's claim to legitimacy. If we do not act to restore confidence and credibility to our Government's tax system, by establishing once and for all that those who ought to pay taxes are going to pay taxes, then I fear that our tradition of voluntary compliance with tax laws will soon be lost. Could we survive this? Yes, I suppose we can. But only at an incalculable moral cost. The people will bear the burden of taxation willingly, and regard their Government as their own, if they are convinced that the burden of paying for that Government is apportioned fairly. It is our job to see that this is accomplished. We must convince our constituents that we are not going to permit our Tax Code to be treated as some kind of grand lottery—a game of chance in which the rich and lucky can escape taxes while the working, middle-income taxpayer get stuck with the bill.

On this issue, at least, the bill recommended by the committee is a major step in the right direction. By imposing a stiff minimum tax it ensures that large corporations and wealthy individuals will no longer be able to avoid paying taxes through the wholesale exploitation of tax preferences. By repealing or restricting a wide range of tax shelter provisions, we will distribute more fairly the burden of paying for Government, and simplify the Tax Code considerably. And by taking 6 million poor people off the tax rolls completely, we will satisfy a basic criterion of fairness: People living in poverty should not be paying taxes, especially while wealthy people are escaping them. Under this bill that injustice of current law will be remedied.

I do not pretend that passing these provisions will stop the erosion of confidence immediately. It is too late for that. But passing at least these basic fairness provisions is essential to accomplishing this goal eventually, and it is time that we got started on this job.

There are other counts, however, on which I have serious reservations about this bill. For a bill whose principal appeal is to a sense of fairness, this bill has several serious defects. The bill's unjustified repeal of the State and local sales tax deduction, coupled with its retention of that deduction for other types of taxes, is especially unfair and discriminatory. It lacks any basis in equity or rationality. I oppose it, and want to see it changed. Similarly, I am troubled by retroactive application of a tax on investment income. Though I support the goal of this new proposal, it seems unfair to me not to permit previously made investments to be taxed under the laws in effect at the time they were made. Even the proposed capital gains provisions are applied in a curiously discriminatory fashion.

I also have other questions about the impact of this bill. One of our policy successes in recent years seems to have been the universal IRA. It may well be unwise to impose new limits on the IRA, which could be so significant a factor both in helping plan for retirement, and in raising our national savings level.

Over the next several days I expect to have opportunities to address and to hear debated these many other specific parts of the bill. I sincerely hope that the improvements that I have outlined can be incorporated into the bill, because I believe that the core of this bill is a dramatic improvement over current law. The bill provides us with an historic opportunity to create a dramatically more fair and effective Tax Code than we have at the present time. I intend to work toward that end.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I now ask unanimous consent that there now be a period for the transaction of routine morning business to extend not beyond 5:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:08 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 2251. An act to authorize the Administrator of General Services to convey property to the District of Columbia, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND (for himself and Mr. LAXALT):

S. 2529. A bill to amend title 28 of the United States Code to provide for retired magistrates to be recalled to service and to provide a retirement system for U.S. magistrates equal to the retirement system for bankruptcy judges; to the Committee on the Judiciary.

By Mr. SPECTER:

S. 2530. A bill for the relief of Rocco A. Trecosta; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself and Mr. DENTON):

S. 2531. A bill to amend title 11 of the United States Code to make nondischargeable any debt arising from a judgment or consent decree requiring an individual debtor to make restitution as a result of a violation of State law; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KENNEDY (for himself, Mr. KERRY, and Mr. MITCHELL):

S. Res. 422. A resolution commending the Boston Celtics on Winning the National Basketball Association Championship for 1986; considered and agreed to.

By Mr. SIMPSON (for Mr. DOLE (for himself and Mr. BYRD)):

S. Res. 423. A resolution to direct the Senate Legal Counsel to represent William Gallinaro and Philip Manuel in the case of

"People of the State of California v. Robert Corenevsky"; considered and agreed to.

By Mrs. HAWKINS:

S. Res. 424. A resolution commending Colonel Ricardo Montero Duque for the extraordinary sacrifices he has made to further the cause of freedom in Cuba, and for other purposes; to the Committee on the Judiciary.

By Mr. ABDNOR (for himself, Mrs. KASSEBAUM, Mr. ANDREWS, Mr. PRESSLER, and Mr. EXON):

S. Con. Res. 146. A concurrent resolution on the Essential Air Service Program; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself and Mr. LAXALT):

S. 2529. A bill to amend title 28 of the United States Code to provide for retired magistrates to be recalled to service and to provide a retirement system for U.S. magistrates equal to the retirement system for bankruptcy judges; to the Committee on the Judiciary.

RELATING TO RETIRED MAGISTRATES

Mr. THURMOND. Mr. President, I rise today to introduce a bill on behalf of myself and Senator LAXALT to amend title 28 of the United States Code to provide for retired magistrates to be recalled to service and to provide a retirement system for U.S. magistrates equal to the retirement system for bankruptcy judges. Since the creation of the U.S. magistrate system in 1968, Congress has recognized the important role that magistrates play in our Federal courts and has passed legislation to expand their duties and authority.

With the steady growth of litigation in our Federal system, which fast approaches epidemic proportions, it seems both appropriate and desirable to provide asurances that this country has an adequate numer and high caliber of magistrates. Indeed, I believe this bill will ensure that we continue to recruit and maintain the quality of judicial officers which we initially envisioned and have continually sought in enacting and subsequently expanding the magistrate system. Briefly, I would like to review the history of that system.

When Congress replaced the U.S. commissioner system with the magistrate system in 1968, it abolished the practice of payment of fees and compensation and instead established a salary schedule; also, terms were extended from 4 to 8 years. District court judges, who appoint magistrates, were permitted to expand the duties assigned to magistrates, to include service as special masters, supervisors of pretrial and discovery proceedings, and triers of cases involving certain misdemeanors. At that time, magistrates and their staff were made subject to regular civil service retirement benefits.

In 1976, Congress amended the Magistrate Act to clarify and expand the power of district courts to assign responsibilities to magistrates, such as all nondispositive pretrial matters and any duties "as are not inconsistent with the Constitution and laws of the United States." The power for the district courts to experiment with new and expanded uses of magistrates proved quite successful, and, in 1979, Congress further increased the magistrates' jurisdiction. Magistrates are now allowed to try any civil case, with consent of the parties and district court approval, and any judgment or order entered by a magistrate is appealable directly to the circuit court. Misdemeanor jurisdiction was broadened to include all Federal misdemeanors, regardless of fine, even for jury trials.

The expansion of the powers and jurisdiction of magistrates has reflected the recognition of Congress that magistrates are necessary and capable officers at the "front line of Federal justice." In acknowledgement of their important present and future role in our Federal system, I am introducing this bill to provide retirement benefits commensurate with those enjoyed by our bankruptcy judges. If the Federal district courts are to continue to utilize magistrates to the extent which Congress intends, we should adopt measures to ensure the continued high quality of these judicial officers.

By Mr. SPECTER:

S. 2530. A bill for the relief of Rocco A. Trecosta; to the Committee on the Judiciary.

RELIEF OF ROCCO A. TRECOSTA

● Mr. SPECTER. Mr. President, I am introducing today a private relief bill on behalf of Mr. Rocco A. Trecosta, a teacher in the Department of Defense Overseas Dependents Schools.

This bill will provide Mr. Trecosta with up to $10,000 in retroactive pay benefits which are properly due him.

Mr. Trecosta's claim is based on a U.S. court of appeals decision which held that the Department of Defense had improperly implemented pay-setting procedures which fix the basic compensation for teachers in the military department. *March* v. *United States*, 506 F. 2d 1306 (D.C. Cir. 1974). The March court directed the Department of Defense to calculate teachers' salaries on the basis of the current salaries being paid to teachers in comparable stateside school systems.

March was brought as a class action, and out of a total of approximately 23,000 potential plaintiffs, four individuals, one of whom was Mr. Trecosta, were specifically excluded from recovery under the judgment. Three of the four were excluded because they chose not to be members of the class. Mr. Trecosta, in contrast, was excluded from recovering under March because he had brought an identical claim in the Court of Claims 3 years prior to March. The Court of Claims had decided Trecosta's case on cross motions for summary judgment, and had issued a brief order denying his claim. *Trecosta* v. *United States*, 194 Ct. Cl. 1025 (1971). In March, the court of appeals noted the Trecosta decision, but disagreed with its conclusion.

Thus, but for Mr. Trecosta's prior suit in the Court of Claims, he would have been considered part of the plaintiff class in March, and would have recovered for his underpayment. Even those individuals who opted out of the class action, and thus could not share in the judicial recovery, were permitted to recover through administrative payments made in recognition of March. Trecosta, denied this as well because of his prior suit, is thus the only individual out of 23,000 whose timely and identifiable claim had been refused. The cruel irony, of course, is that the subsequent decision in March makes clear that Mr. Trecosta's challenge to DOD's payment practices was meritorious and should have been upheld.

Mr. Trecosta's situation is extraordinary and equity demands that Congress provide private relief. It should be emphasized that no preferential treatment will be accorded to him by this bill—the relief proposed is limited to the relief granted to the identically situated March plaintiffs. The judgment is limited to $10,000 gross compensation, with appropriate deductions for Social Security, Federal Employees Group Life Insurance, income tax, and similar rights and obligations. The Comptroller General of the United States has recommended that this private relief be granted.

Mr. President, the enactment of the bill I propose today will rectify a great wrong which has plagued Mr. Trecosta for many years, and I call upon my colleagues to support this measure.

I ask unanimous consent that the full text of the legislation be printed in the CONGRESSIONAL RECORD as if read in full here today.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Secretary of Defense is authorized and directed to settle, adjust and pay, the claim for backpay of Rocco A. Trecosta, an employee of the Department of Defense Overseas Dependent Schools, by the same method and to the same extent as if Rocco A. Trecosta were a member of the plaintiff class in *March* v. *United States*, 506 F.2d 1306 (D.C. Cir. 1974). Such claim shall be

payable from applicable appropriations of the Department of Defense and shall be limited to $10,000, from which shall be deducted all applicable deductions, including deductions for Civil Service Retirement, Social Security, Federal Employees Group Life Insurance, and Federal income tax withholding. Such payment shall be in full satisfaction of all claims of said Rocco A. Trecosta against the United States for backpay in connection with his service as a teacher in the Department of Defense Overseas Dependent Schools.

SEC. 2. No part of any amount authorized by this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.●

By Mr. GRASSLEY (for himself and Mr. DENTON):

S. 2531. A bill to amend title 11 of the United States Code to make nondischargeable any debt arising from a judgment or consent decree requiring an individual debtor to make restitution as a result of a violation of State law; to the Committee on the Judiciary.

BANKRUPTCY ANTIFRAUD ACT

Mr. GRASSLEY. Mr. President, I rise today to focus the Senate's attention on a glaring loophole in our Federal Bankruptcy Code. It's a loophole wide enough to drive a truck through. It lets convicted felons and consumer ripoff artists thumb their noses at State efforts to collect restitution for ill-gotten gains.

Let me give you an example from a recent court case called Robinson versus McGuigan. A few years ago, a New Haven woman was convicted of defrauding Connecticut's Welfare Department out of nearly $10,000 in phony payments. As part of the judgment, she was ordered to make restitution payments to the State. After making a few payments, the woman sought to simply avoid the debt by filing a bankruptcy petition. The Bankruptcy Court agreed and allowed the debt to be discharged.

The State attorney general appealed the decision, but the Second Circuit Court of Appeals recently overruled Connecticut's efforts at restitution. Based on the plain meaning of the Bankruptcy Code, the court really had no choice.

Judge Mansfield's concurring opinion in the Robinson case expresses dismay at the result that follows from this unintended loophole—especially when the law so carefully excludes back taxes, student loans, and child support payments from discharge in bankruptcy. Judge Mansfield summed it up when he wrote:

The convicted criminal will simply use bankruptcy to escape the obligation to make restitution payments ordered by the court.

Judge Mansfield went on to say he hoped Congress would remedy this unfortunate loophole by amending section 523(a)(7) of the code to make these restitution payments nondischargeable in bankruptcy. I agree with Judge Mansfield, and that's why I'm offering this legislation today.

But the Robinson case is bigger than fraud by welfare queens or other criminal matters. In fact, it can make meaningless the enforcement of any State court restitution order, especially in consumer protection cases.

As a result of this bankruptcy loophole, our States' top law enforcement officers can be left with empty judgments—not even worth the paper they're printed on.

I have just received a letter supporting legislation on this issue, signed by the attorney's general of 15 States: New York, California, Illinois, North Carolina, Texas, Alabama, Missouri, Indiana, Connecticut, South Carolina, Massachusetts, Ohio, Tennessee, Washington, and my own State of Iowa. I ask unanimous consent that this letter be entered into the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
June 4, 1986.

Hon. CHARLES E. GRASSLEY,
Chairman, Subcommittee on Administrative Practice and Procedure, Committee on the Judiciary, Washington, DC.

DEAR SENATOR GRASSLEY: As Attorneys General, we are keenly aware of your concerns relative to the "loophole" in federal bankruptcy law which may allow a convicted felon to avoid making court ordered restitution. *See Robinson* v. *McGuigan*, 776 F. 2d 30 (2d Cir. 1985). We are in agreement that the *Robinson* decision has serious implications for state law enforcement efforts and we strongly urge Congress to remedy this problem. We fear that the *Robinson* decision could be used by debtors to discharge all types of restitution, including consumer and environmental-related compensation for the state, as well as criminal restitution.

The difficulties faced by our consumer protection attorneys in litigating unfair and deceptive trade practices cases graphically illustrate the problems created by the Bankruptcy Code. For some time now, our attorneys have had to do battle on two fronts in order to obtain restitution for victims of consumer fraud. First, our attorneys file petitions in state court under our consumer protection statutes. After either lengthy state court litigation or a default, consumer fraud defendants frequently seek haven at the second front, bankruptcy court, in order to avoid repayment of ill-gotten gains. Unfortunately, many of these defendants are successful in achieving their goal.

They succeed primarily because the Bankruptcy Code does not expressly designate as nondischargeable consumer fraud or any other types of restitution orders. Instead, the Code only provides that debts "for money • • • obtained by false pretenses, a false representation or actual fraud • • •" may be declared nondischargeable after the filing of a complaint and a hearing. *See* U.S.C. §§ 523(a)(2)(A) and 523(c). Courts have interpreted this exception to discharge to require proof of common law fraud. Although principles of collateral estoppel may apply in dischargeability proceedings, *Brown* v. *Felsen*, 442 U.S. 127 (1979), many consumer protection statutes do not require proof of common law fraud. Our offices are thus placed in the position of having to relitigate cases in bankruptcy court, proving all the elements of common law fraud, or allow the discharge to take place. Res judicata does not apply because a claim of nondischargeability is considered to be separate and distinct from a claim of consumer fraud. Id.

Allowing consumer fraud defendants to relitigate their fraud in bankruptcy court has sent a clear message nationwide. The message has been that these defendants should defend (or preferably default)[1] in state court and let the bankruptcy court decide the fraud issue anew. After a sufficient delay, the state may lack the resources necessary to pursue a mandatory dischargeability proceeding. Absent a change of venue back to the state where the fraud was committed, our attorneys are forced to travel to wherever the debtor filed. It makes no difference that these debtors have availed themselves of the privilege of doing business in our state. They have been told by the bankruptcy courts that they need not accept the concomitant responsibility.

A myriad of other roadblocks, including the expense of local counsel (or the imposition upon our fellow Attorneys General) and the unavailability of witnesses, often forecloses any hope of recovery. Because our consumer protection cases often involve hundreds of thousands of victims, each victim could be required to testify as to their reliance on the defendant's false representations and their resultant damage. If the individual claims are small, the case fails.

As if the "loopholes" noted thus far were not enough, the United States Court of Appeals for the Eighth Circuit held in *In Re Cannon*, 741 F.2d 1139 (8th Cir. 1984), that the Missouri Attorney General lacked standing to challenge the dischargeability of a consumer protection restitution order. Thus, the Attorney General was foreclosed from protecting the viability of a consumer fraud restitution order he had obtained. The individual victims were told to proceed alone with their dischargeability complaints. The decision in Cannon has even been used to estop Attorneys General from challenging debts which were believed to be based on fraudulent practices but which had not yet been made the subject of a consumer protection lawsuit. Our authority to enforce court orders for restitution in state consumer protection cases (and perhaps to initiate such cases after a bankruptcy filing) was annihilated by Cannon.

In sum, the bankruptcy law gives a green light to those who perpetrate consumer frauds or other violations of state law for which restitution to the state is a court-ordered remedy. The law either prohibits our efforts entirely or demands multiple litigation. The victims which consumer protection statutes were designed to protect are left to their own devices. Individuals cannot

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[1] If a consumer fraud defendant defaults in state court, the principles of collateral estoppel, cannot be applied to avoid relitigation. In this respect, the bankruptcy court law actually encourages consumer fraud defendants to ignore our state court actions.

afford to pursue restitution on their own; nor is it cost effective for them to do so.

A simple "Exception to Discharge" amendment to 11 U.S.C. § 523 and a corresponding amendment to § 1328(a) would change the course of enforcement of restitution orders nationally.

We applaud your efforts to correct the bankruptcy law and we will assist you with this legislation in any way possible.

Sincerely,

Thomas J. Miller, Attorney General of Iowa. State of Alabama, Charles A. Graddick, Attorney General; State of California, John Van de Kamp, Attorney General; State of Connecticut, Joseph Lieberman, Attorney General; State of Illinois, Neil Hartigan, Attorney General; State of Indiana, Linley E. Pearson, Attorney General; State of Massachusetts, Francis X. Bellotti, Attorney General; State of Missouri, William Webster, Attorney General; State of New York, Robert Abrams, Attorney General; State of North Carolina, Lacey Thornburg, Attorney General; State of Ohio, Anthony Celebrezze, Attorney General; State of South Carolina, Travis Medlock, Attorney General; State of Tennessee, W. J. Michael Cody, Attorney General; State of Texas, Jim Mattox, Attorney General; State of Washington, Kenneth O. Eikenberry, Attorney General.

Mr. GRASSLEY. Mr. President, I expect that the National Association of Attorneys General will also soon approve a resolution of support for this bill at their upcoming convention.

Simply stated, Mr. President, my bill would remove the safe harbor that has sheltered the fraudulent. It would allow our State attorneys general to protect consumers without one hand tied behind their backs by the bankruptcy code.

Similar legislation, H.R. 3742, has been introduced in the other body. I urge my colleagues in both the House and Senate to waste no time filling the gap created by the Robinson case.

At this point, Mr. President, I yield the floor.

ADDITIONAL COSPONSORS

S. 1525

At the request of Mr. PELL, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 1525, a bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for dropout prevention demonstration projects.

S. 1654

At the request of Mr. STEVENS, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from South Dakota [Mr. ABDNOR], the Senator from Washington [Mr. GORTON], the Senator from Iowa [Mr. GRASSLEY], the Senator from Wisconsin [Mr. KASTEN], the Senator from Indiana [Mr. QUAYLE], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Idaho [Mr. SYMMS], and the Senator from Arizona [Mr. GOLDWATER] were added as cosponsors of S. 1654, a bill to amend title 18, United States Code, to provide for criminal forfeiture of proceeds derived from espionage activities and rewards for informants providing information leading to arrests in espionage cases.

S. 2050

At the request of Mr. METZENBAUM, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2050, a bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes.

S. 2186

At the request of Mr. MURKOWSKI, the names of the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 2186, a bill to exempt any amounts available to provide certain benefits to veterans with service-connected disabilities from any requirement for sequestration of funds under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

S. 2209

At the request of Mr. DOLE, the names of the Senator from Hawaii [Mr. INOUYE], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 2209, a bill to make permanent and improve the provisions of section 1619 of the Social Security Act, which authorizes the continued payment of SSI benefits to individuals who work despite severe medical impairment; to amend such act to require concurrent notification of eligibility for SSI and Medicaid benefits and notification to certain disabled SSI recipients of their potential eligibility for benefits under such section 1619; to provide for a GAO study of the effects of such section's work incentive provisions; and for other purposes.

S. 2273

At the request of Mr. KASTEN, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 2273, a bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance acquisition of farm property by foreign persons.

S. 2305

At the request of Mr. KENNEDY, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 2305, a bill to amend title IV of the Public Health Service Act to require the Director of the National Cancer Institute to make grants and enter into contracts to support research on adoptive immunotherapy for cancer.

S. 2326

At the request of Mr. HEFLIN, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of S. 2326, a bill to protect the name and marks of the Alabama Space Science Exhibit Commission.

S. 2335

At the request of Mr. DENTON, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2335, a bill to protect U.S. citizens from terrorism.

S. 2401

At the request of Mrs. KASSEBAUM, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2401, a bill to prohibit the manufacture or distribution in, or the importation into, the United States of certain firearms.

S. 2444

At the request of Mrs. HAWKINS, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 2444, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, the Dependent Care State Grant Program, and for other purposes.

S. 2494

At the request of Mr. BRADLEY, the names of the Senator from Maine [Mr. COHEN], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 2494, a bill to amend title XVIII of the Social Security Act to modify the limitations on payment for home health services under the Medicare program to conform regulations; to assure that all legitimate costs are taken into account in calculating such limitations; to provide affected parties an opportunity to comment on revisions in Medicare policies; and to require discharge planning procedures.

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE JOINT RESOLUTION 343

At the request of Mr. D'AMATO, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Joint Resolution 343, a joint resolution designating the week of September 21, 1986, through September 27, 1986, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the names of the Senator from Florida [Mrs. HAWKINS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from North Dakota [Mr. ANDREWS], the Senator from Ohio [Mr. GLENN], the Senator from Vermont

[Mr. STAFFORD], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE JOINT RESOLUTION 348

At the request of Mr. GLENN, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of Senate Joint Resolution 348, a joint resolution to designate the week beginning November 24, 1986, as "National Family Caregivers Week."

SENATE JOINT RESOLUTION 350

At the request of Mr. LUGAR, the names of the Senator from Vermont [Mr. STAFFORD], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 350, a joint resolution to designate 1987 as "The National Year of the Americas."

SENATE CONCURRENT RESOLUTION 145

At the request of Mr. STEVENS, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from South Carolina [Mr. THURMOND], the Senator from North Dakota [Mr. ANDREWS], the Senator from Hawaii [Mr. INOUYE], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Concurrent Resolution 145, a concurrent resolution to encourage State and local governments and local educational agencies to require quality daily physical education programs for all children from kindergarten through grade 12.

SENATE RESOLUTION 413

At the request of Mr. DENTON, the name of the Senator from Ohio [Mr. GLENN], was added as a cosponsor of Senate Resolution 413, a resolution to recognize the devotion of Bob Hope to the United States on his 83d birthday.

AMENDMENT NO. 1823

At the request of Mrs. KASSEBAUM, the names of the Senator from Utah [Mr. GARN], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of amendment No. 1823 intended to be proposed to S. 100, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

SENATE CONCURRENT RESOLUTION 146—RELATING TO THE ESSENTIAL AIR SERVICE PROGRAM

Mr. ABDNOR (for himself, Mrs. KASSEBAUM, Mr. ANDREWS, Mr. PRESSLER, and Mr. EXON) submitted the following concurrent resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 146

Resolved by the Senate (the House of Representatives concurring), That the Essential Air Service (EAS) Program should be maintained for the 10-year period of which it is authorized:

● Mr. ABDNOR. Mr. President, today I am submitting a concurrent resolution expressing the sense of Congress that the Essential Air Service [EAS] Program should be maintained for the 10-year period for which it was authorized.

A similar resolution was authored and introduced in the House of Representatives by the distinguished gentleman from Arkansas [Mr. HAMMERSCHMIDT], who is the ranking minority member on the House Public Works and Transportation Aviation Subcommittee.

Mr. President, as a member of that particular subcommittee during my service in the House of Representatives, I strongly opposed airline deregulation—knowing full well that it would adversely affect air service to rural States and small communities. However, airline deregulation occurred and those of us who opposed it were assured that the Essential Air Service Program would protect those communities across America which were adversely affected by airline deregulation. This program currently provides funding to nearly 50 small air carriers which serve nearly 150 communities in 40 States.

Here in the Senate, the distinguished chairman of the Senate Transportation Appropriations Subcommittee, Senator ANDREWS and the distinguished chairman of the Commerce Aviation Subcommittee, Senator KASSEBAUM, have assisted in assuring the integrity of this program to protect air service to small communities and rural States.

Since 1981 the Reagan administration has endeavored to eliminate this program. Those of us who believe that this commitment to rural and small town America should be kept have been successful in opposing such efforts. We have reduced the cost of the EAS Program from $100 to $33.6 million in fiscal year 1985. However, the commitment was made and the commitment should be kept and the concurrent resolution which I submit today reiterates our support for this vital transportation program.●

SENATE RESOLUTION 422—COMMENDING THE BOSTON CELTICS

Mr. KENNEDY (for himself, Mr. KERRY, and Mr. MITCHELL) submitted the following resolution; which was considered and agreed to.

S. RES. 422

Whereas on June 8, 1986 the Boston Celtics won the National Basketball Association Championship for 1986;

Whereas since 1946, under the leadership of Red Auerback the Boston Celtics have won sixteen world championships, three times as many as any other team in the history of the National Basketball Association;

Whereas in winning forty home games and losing only one home game during the 1986 regular season, the Boston Celtics have set a new National Basketball Association record for regular season home court victories;

Whereas K.C. Jones, in his third season as Coach of the Boston Celtics, has won his second world championship and has won more than sixty games in each of his three seasons;

Whereas Larry Bird of the Boston Celtics was named the Most Valuable Player in the National Basketball Association in 1986 for the third consecutive season;

Whereas K.C. Jones, Larry Bird, Dennis Johnson, Robert Parrish, Kevin McHale, Danny Ainge, and Bill Walton have made the Boston Celtics of 1986 one of the greatest professional sports teams of all time; Now therefore be it

Resolved, That the Senate of the United States of America joins with basketball fans in Massachusetts and across the nation in honoring the Boston Celtics for winning the National Basketball Association Championship for 1986.

SENATE RESOLUTION 423—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. SIMPSON (for Mr. DOLE) (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to.

S. RES. 423

Whereas, in the case of *People of the State of California* v. *Robert Corenevsky,* Case No. C-55447, pending in the Superior Court of the State of California, Orange County, the defendant has commenced proceedings to obtain the testimony of William Gallinaro and Philip Manuel, former employees of the Senate Permanent Subcommittee on Investigations;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent former employees of the Senate with respect to subpoenas issued to them in their former official capacity;

Resolved, That the Senate Legal Counsel is directed to represent William Gallinaro, Philip Manuel, and any other former employee of the Permanent Subcommittee on Investigations who may be the subject of proceedings to require them to testify in the case of *People of the State of California* v. *Robert Corenevsky.*

SENATE RESOLUTION 424—WELCOMING COL. RICARDO MONTERO DUQUE TO THE UNITED STATES

Mrs. HAWKINS submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 424

Whereas Colonel Ricardo Montero Duque, after spending twenty-five years in a Cuban prison, was released on June 8, 1986;

Whereas Colonel Montero was one of only two remaining prisoners in Cuba who was a member of the Brigade 2506, which conducted the Bay of Pigs operation in April 1961;

Whereas Colonel Montero has demonstrated a deep commitment to the causes of freedom and the Cuban nation and has made extraordinary sacrifices for his commitment to these causes;

Whereas the United States continues to stand for the restoration of freedom and democracy in Cuba; and

Whereas the United States continues to honor and commend those who have sacrificed in the effort to restore Cuba's true expression of its national will: Now, therefore, be it

Resolved, That the Senate hereby welcomes Colonel Ricardo Montero Duque to the United States and commends him for the extraordinary sacrifices he has made to further the cause of freedom in Cuba.

● Mrs. HAWKINS. Mr. President, I rise to submit a resolution to extend the welcome of the Senate to a true hero. Col. Ricardo Montero Duque is one of the six battalion commanders who participated in the Bay of Pigs operation of April 1961. As one of the leaders of the 2506 Brigade, Colonel Montero has been forced to spend the last 25 years of his life in prison in Cuba. He is a person who has made extraordinary sacrifices to further the cause of freedom in a nation that has seen the rights of its people crushed under the heel of a brutal totalitarian dictatorship. Yesterday, Cuban authorities finally allowed Colonel Montero to be released. He arrived at Homestead Air Force Base in Florida yesterday morning. I hope now that Colonel Montero is free to speak about the nature of the government on the island of Cuba, that the people will listen to his story.

Mr. President, I believe that it is very important for this body to express its appreciation and support for the efforts of people like Colonel Montero who have put themselves at great personal risk in the cause of freedom. My resolution is such an expression of appreciation for Colonel Montero. I encourage my colleagues to join me in extending a warm welcome to Ricardo Montero Duque and expressing our appreciation for his determination and strength in furthering the goals we all share for the future of Cuba and the causes of freedom and democracy.●

AMENDMENTS SUBMITTED

TAX REFORM ACT OF 1986

MATTINGLY AMENDMENT NO. 2058

(Ordered to lie on the table.)

Mr. MATTINGLY submitted an amendment intended to be proposed by him to the bill (H.R. 3838) to reform the internal revenue laws of the United States; as follows:

Insert at the appropriate place in title XVII, the following new section:

SEC. . MORATORIUM ON TAX LEGISLATION.

(a) FINDINGS.—The Congress finds that—

(1) constant and conflicting policy changes in the Internal Revenue Code of 1954 (hereinafter referred to as the "Tax Code") make it difficult for individuals to properly plan for the future.

(2) constant and conflicting policy changes by the Congress retard capital formation by increasing the risk of a project,

(3) constant and conflicting policy changes by the Congress place undue burdens on individuals and businesses by requiring utilization of financial resources to anticipate such changes and modifications in the Tax Code,

(4) the Internal Revenue Service is drained of limited resources in trying to adapt to changes in the Tax Code,

(5) one of the greatest burdens placed upon small businesses is the completion of paperwork to comply with the Tax Code, and constant changes by Congress unnecessarily compound this paperwork burden,

(6) any tax reform legislation passed by the Congress should stimulate economic growth, encourage investment, promote capital formation, expand job opportunities, and encourage savings, and

(7) the American taxpayer deserves certainty in the tax treatment of economic decisions.

(b) POLICY.—It is the policy of the Congress that the provisions of the Internal Revenue Code of 1954 which are added or amended by this Act remain unchanged for at least 5 years in order to provide stability for the American taxpayer and the private sector.

ADDITIONAL STATEMENTS

COMMUNIST CHINA—ARMS MERCHANT FOR THIRD WORLD

● Mr. GOLDWATER. Mr. President, in several statements in the Senate preceding approval, by congressional inaction, of the military avionics sale to Red China, I indicated that a primary reason for my opposition to the sale is the involvement of Peking as a major supplier of the Third World arms race, contrary to United States foreign policy interests. Lacking the foreign exchange needed to acquire advanced Western weapons systems and technology, Red China is and has been actively seeking to raise currency by pushing its present military inventory in the international arms bazaar, without regard to who buys the arms or what damage is done to peace and stability in areas of vital importance to the United States.

Oblivious to past known foreign arms transactions exceeding well over $4 billion by Red China, the administration had made it official Government policy to induce Peking to escalate its sale efforts in the Middle East, South America and elsewhere in order to find the $550 million in cash required to purchase the advanced avionics our Government wants Peking to have so that it can upgrade its fighter aircraft. Also, as Peking modernizes its military forces with American arms, this releases much of its older equipment for sale abroad.

Confirmation of these disruptive arms dealings by Communist China appeared this month in the authoritative annual military study published by the International Institute of Strategic Studies in London. As reported by the Washington Post on June 7, the institute concludes in its most recent issue of the Military Balance that Red China has sold $1.6 billion of arms to the radical Government of Iran alone. Then to further unleash the dogs of war, Peking has peddled its weapons to Iraq, becoming a supplier of each combatant in the same war. Clare Hollingworth of the London Sunday Telegraph first exposed these identical activities a year ago, giving strong credence to the accuracy of the reports. The meddling of Peking in the gulf war is matched by its attempts to unload arms on Marxist regimes in Africa and stir up the arms race in South America.

No matter that Chinese Communist officials have openly announced their design to finance military modernization by exactly such blatant intervention in Third World problems. No matter that Peking has loudly denounced United States air strikes in Libya as "state terrorism" and voted to condemn our Government in the U.N. Security Council.

This Congress and this administration seem prepared to coddle and kowtow before Red China no matter what Peking does. A myth has arisen that Red China supports Western strategic interests and no matter how often Chinese Communist officials themselves deny it, and prove otherwise, we hold onto this wishful thinking.

Red China is selling arms to one of our worst enemies and kindling arms races in places where the powder keg is already smoldering. By selfishly exploiting the enmities within impoverished countries which are desperate for food and necessities of life rather than weapons of war, Communist China is manipulating the misfortunes of others at the risk of creating greater international disturbances. Unfortunately, the U.S. Government is foolishly contributing to this state of affairs by giving Peking increased reason for accelerating its foreign arms sales activities.

Mr. President, when I charged that Red China was involved up to its ears in the Third World arms race, it seemed that on one believed it or would listen. Perhaps now that the same facts are being reported in the Washington news media, they will be noticed and acted upon.

The first thing the administration should do is to come to its senses and suspend all arms sales agreements with Communist China until we have proof of the source of payment. We should insist that no U.S. arms transfers be financed by Peking out of any

part of the gain extracted from its exploitation of the turmoil in developing nations. Second, we shoud insist that Peking stop supplying arms to terrorist nations and adversaries of the United States before we will allow the sale or transfer of any American arms for Red China to go forward.

Mr. President, I ask that the recent article in the Washington Post and an earlier report in the Wall Street Journal discussing the role of Communist China as an arms merchant for the Third World may each appear in the RECORD.

The material follows:

[From the Washington Post, June 7, 1986]

CHINA SELLING MORE ARMS TO IRAN, STUDY SHOWS—INSTITUTE CITES $1.6 BILLION IN RECENT PURCHASES, SAYS IRAQ ALSO A CLIENT

(By Daniel Southerland)

PEKING, June 6.—China, despite repeated denials, is selling weapons in large and increasing quantities to Iran, diplomats said here today.

The diplomats said the weapons have increased in quantity and value over the past year or two.

The diplomats did not have a total dollar value for the weapons sold, but they said an estimate of $1.6 billion in recent sales, a figure that appeared in the latest issue of The Military Balance, 1985-86, published by the International Institute of Strategic Studies in London, was credible. The sales were agreed to early last year, the London institute said.

The institute said China had also sold weapons to Iraq, which has been locked in a costly, protracted war with Iran, thus making China, like North Korea, a supplier to both sides in that war.

Not long ago, estimates of China's total arms sales to all overseas customers came to little more than $1 billion. But the Chinese have been moving agressively in this field, selling not only to Middle Eastern countries but also seeking markets throughout the Third World. Their latest target for overseas arms sales appears to be Latin America.

The institute listed China as a primary supplier to Iran, providing the Iranians with J6 interceptor jets, T59 tanks, artillery and surface-to-air missiles under an agreement that it said was concluded in March 1985.

The report said Iran also received arms, supplies and spare parts from Israel, North Korea, Eastern Europe, Argentina and Switzerland, among other countries. It said Iran also buys materials on the open market in Western Europe.

"Some Chinese weapons have been identified in Iranian service," the report said.

It said Iraq "has apparently received arms from Egypt, the Soviet Union, China, North Korea, France, Portugal and Brazil."

Chinese weapons are cheaper and easier to operate and maintain than weapons sold by western nations, making them a more attractive buy for many Third World countries.

The Chinese have been denying reports of arms sales to Iran since the early 1980s. The latest denial came at a regular press briefing in Peking on Wednesday. Foreign Ministry spokesman Ma Yuzhen, when asked about the report, recalled earlier denials and said China "strictly abides by the principle of neutrality in the Iran-Iraq war."

But both western and Asian diplomats in Peking have said in the last year that they were certain China had been selling conventional weapons to Iran for several years. They said the purpose appeared to be twofold: to earn foreign exchange for China's economic modernization program and to assure Chinese influence in a key part of the Middle East.

A western businessman here knowledgeable about the arms industry has said that if the Chinese can continue to increase their overseas arms sales they will earn more foreign exchange and will be in a better position to buy sophisticated military equipment from abroad of the type that they cannot yet produce themselves.

According to a report published in The Washington Post in the spring of 1984, China began secretly supplying arms to Iran by way of North Korea sometime after mid-1982. Diplomats said late last year that this channel continued to be used possibly along with others.

By funneling arms through North Korea, the Chinese could deny making direct arms deliveries to Iran.

Arms deliveries to Iran from China from 1982 to 1984 were said to include fighter planes, tanks, artillery pieces and light infantry weapons. In April 1984, the Chinese Foreign Ministry denied that China was selling arms to Iran by way of North Korea.

[From the Wall Street Journal, June 17, 1985]

YOUR FRIENDLY CHINESE SMALL ARMS MERCHANT

(By Clare Hollingworth)

PEKING.—In the past year, China has made an unprecedented and little-noticed entrance into the world-wide arms trade. As the producer of reliable, sturdy equipment at competitive prices, it is likely to carve out a sizable chunk of the global market for small arms in the next few years. Armaments will become increasingly important foreign-exchange earners for China.

Last year Peking sold $1.66 billion in weapons, accounting for nearly 7% of the country's total export earnings. It is now the world's fifth-largest arms merchant after the Soviet Union, the U.S., France and Britain. Although almost one-third of the goods—such as trucks for towing guns—could be classified technically as meant for civilian use, they were sold for military purposes. Exports are handled by China North Industries Corp. (Norinco), an organization established in the early 1980s by the powerful Military Affairs Committee, which is under the direction of Deng Xiaoping, China's leader.

Mr. Deng, pragmatic as always, convinced the commanders serving on the Military Affairs Committee that it would be wiser to sell arms to the Third World than to give them away as China had done in the past. He argued, with reason, that China's mines, grenades and rockets were second to none, while its wide range of artillery, mortars, automatic rifles and pistols was desirable because the weapons were long lasting, light, simple to operate and easy to transport.

Mr. Deng stressed that the foreign currency earned by selling China's wide range of conventional infantry weapons would enable the People's Liberation Army to purchase the sophisticated communications systems and other high-technology equipment the army urgently requires from the U.S., Western Europe and Japan. He ordered the country's top arms experts to be released from other duties to set up Norinco. But even Mr. Deng did not expect the spectacular results that have been achieved so quickly.

Like every other nation selling arms, China tends to be secretive about its clients, but it is clear that it has already sold considerable quantities to Pakistan, North Korea, Albania, Zaire, Sudan, Tanzania, Egypt, the Gulf States and Algeria, as well as to other African and South American countries, and to rebels battling the Soviets in Afghanistan and guerillas fighting the Vietnamese invaders of Cambodia.

Western military experts say—though the Chinese deny it—that in March Norinco signed an agreement with Iran to sell it $1.6 billion in weapons over the next two years. The reported contract includes 12 F-6 fighter aircraft, 200 T-59 tanks, and antitank guns and rocket launchers. Earlier reports, also unconfirmed, claim that China has already sold hundreds of tanks to Iraq with North Korea acting as the middleman. (Several Western diplomats who served in Iraq have reported seeing Chinese tanks there.)

In the new Industrial Region of Inner Mongolia and Shanxi, I recently visited a large and impressive plant that produces China's main battle tank—the T-69. The parts are produced and assembled in nine separate factories. Production is controlled by an elaborate computer center. Near the tank plant are a modern steel plant and a large truck and tractor factory.

A few hundred kilometers away, workers produce the 122-mm howitzer and the 130-mm rocket launchers that were so conspicuous in the National Day parade in Peking last Oct. 1. The engineers said the designs of their weapons were "all Chinese," stressing that they hadn't modernized or adapted Soviet weapons.

(The same engineers have created a highly successful spinoff for civilian use by utilizing the machine tools used to produce gun barrels to make the lengthy narrow steel tubes oil drillers need. This equipment used to be imported into China at considerable expense.)

Other technicians were keen to show me their new designs for a 180-mm rocket launcher and for antitank guns. They discussed their efforts to increase the range of the new rocket and claimed, with truth, to have overcome the problems in the accuracy of firing caused by the vibrations of the truck transporting the rocket.

Farther south, I watched the F-5 training aircraft and the F-7 fighter being produced at a large plant known as the Aircraft Corporation. Seven large factories there make the parts and assemble these subsonic aircraft, which are widely used in China and exported to Egypt. These and other aircraft are outdated but officials maintain they are being upgraded.

Another plant produces motorcycles for civil and military use. There are four types of motorcycles being manufactured for civilian use, and one extra-fast model for military purposes.

The few foreign experts who have observed Chinese units operating the new weapons Norinco is offering are impressed. These weapon systems have gone through years of experimentation at company, battalion and regimental levels in the field. For example, one German officer said that the soldiers need neither rigorous training to use the antitank guns and rocket launchers, nor great physical strength to move and assemble them.

Chinese attempts to secure industrial cooperation with the Soviet Union are dependent on the state of their general relation-

ship. Moscow's assistance is necessary if Soviet-constructed factories are to be modernized. China could then step up its exports of defense equipment as well as refurbish some domestic army divisions.

In any event, Chinese weapons are effective, accurate and reliable in action. They should appeal to developing nations, which do not need—and cannot afford—more sophisticated equipment.

Brazil is one of the countries most likely to be affected by China's entry into the arms market. Not only has Brazil been selling the small arms its produces, it also has been acting as a middleman for countries that do not want to come out into the open in the arms trade. In 1984, Brazil sold about $2 billion in arms and equipment. West Germany, which sold about $1 billion in defense equipment last year, will also be affected by Chinese competition.

China is eager to attract more buyers and is increasingly aggressive in its sales techniques. Norinco now boasts a first-class exhibition hall near Peking where clients may view many of the weapon systems offered for sale. Officials stress that all their "systems are simple, robust, efficient and, even more important, cost effective." Norinco recently has opened branches in Canton, Tianjin, Shanghai, Dalian, and the Shenzhen special economic zone near Hong Kong. It is producing slick color brochures in English and French about its products.

As an arms merchant, China will not in the foreseeable future rival the superpowers. It lacks the know-how required to make the high-level sophisticated military equipment produced by the Soviets, the Americans, the French and the British. As a seller of small arms, however, China already has made a profitable entry into the business and its share of the market is likely to increase.●

REV. ALLAN BOESAK

● Mr. LEVIN. Mr. President, earlier today I was pleased that 14 of our colleagues joined with Randall Robinson of TRANSAFRICA to extend a welcome to Rev. Allan Boesak, a leader in the fight for freedom in South Africa. As we expected, Reverend Boesak brought with him a passionate message of hope and fear—hope for freedom and human dignity for all South Africans, fear that the government in Pretoria will not allow that freedom or dignity to be achieved without even more bloodshed and violence.

While we do not yet have a transcript of Reverend Boesak's comments, I do want to share with my colleagues some remarks prepared for my introduction of him. I hope that they communicate a sense of the stakes in the current struggle. And I hope they suggest even a fraction of the admiration and respect I have for the men and women—both here and in South Africa—who have joined with Reverend Boesak in fighting for change in that troubled land. Mr. President, I ask that the text of my remarks may appear in the RECORD.

The remarks follow:

INTRODUCTION OF REV. ALLAN BOESAK

Reverend Boesak, I want to welcome you and thank you for being here today. Your presence demonstrates, I hope, your belief that the Congress cares; the presence here of members and staff demonstrates, I believe that we are determined to do what we can to deal with the crisis in South Africa and improve American policy in both the state and region.

I would like to thank Randall Robinson of TRANSAFRICA who was gracious enough to accommodate my office and 13 of my colleagues in the Senate, and Congressman Gray and a number of his colleagues in the House in making Reverend Boesak's visit here today possible. Our efforts in the Congress are strengthened and supported by the fine work that he and his organization have done to make the public aware of the problems in South Africa.

Allan Boesak, of course, has long been aware of those problems. He has lived with them for all of his 40 years. As a young man, he found a refuge from the inhumanity of the system by turning to religion. His mind moved by words of love and visions of understanding, he studied theology at the Theological University in Bellville, South Africa. In time, he left South Africa to pursue advanced degrees. He studied at the Union Theological Seminary in New York City, and at Colgate-Rochester Divinity School. In 1976 he was awarded a Doctorate in Theology at the Theological Academy of Kampen in the Netherlands, and in 1984 he received a Doctor of Divinity degree from Yale University.

Since 1976, Reverend Boesak has been in the forefront of the fight for freedom and racial justice and harmony in South Africa. It hasn't always been easy. And recently it has gotten harder.

Reverend Boesak is a prominent theologian in the Dutch Reformed Mission Church in the Republic of South Africa. He is Chaplain at the University of Western Cape, the Peninsula Technical College, and Bellville Training college for teachers, and serves as pastor of the Mission Church in Bellville. In August, 1982, Dr. Boesak was elected President of the World Alliance of Reformed Churches, an organization representing 150 member churches in more than 75 countries, with a total membership of over 70 million people. He also is Senior Executive Vice President of the South Africa Council of Churches.

Dr. Boesak is founder and patron of the United Democratic Front (UDF), a broad, multiracial coalition of South African Civic associations, student bodies, youth, labor, and church groups, formed in 1983 to oppose the South African government's new constitution. The UDF has become the most prominent vehicle of peaceful protest in South Africa.

Through his work in the church, Dr. Boesak has emerged as "the articulate new theological voice for the Black people of South Africa." He has played a leading part in defining a meaningful role for the Church in South African society. Consider just one example of Dr. Boesak's and the Church's role in attempting to promote social change. On August 27, 1985, one day prior to a planned march by thousands of South Africans to deliver a message of solidarity to imprisoned Nelson Mandela, Reverend Boesak was detained by the police in Cape Town, under Section 29 of the Internal Security act, which provides for interrogation of people suspected of involvement in, or having knowledge of, the planning or commission of an act of "terrorism."

Dr. Boesak knew that might happen. Before he was detained, while the demonstration was still being planned, he sent a message to the Minister of Law and Order stressing that the march was conceived as a peaceful demonstration of a "deepfelt conviction." Reverend Boesak ended his message with these words: "Please restrain the police and give non-violent action a chance."

Since that plea, since that request to give non-violence a chance, more than 1,600 people have been killed, at least 8,000 have been detained, including over 2,000 children younger than 16—hundreds between the ages of 8 and 12.

As a theologian and as an activist, Reverend Boesak has struggled with the problem of evil and the need to confront it, to defeat it, without being overcome by it. Here is what he has said:

". . . the problem with non-violence is if it does not bring tangible results that the people can see and that can actually give them hope, then this very philosophy which can be such an incredible contribution to a more human and meaningful society even in South Africa, this very philosophy becomes an ally of the oppressor."

"Inevitably, there's going to be much more repression, there's going to be much more bloodshed. I only hope that even in the midst of this there will be people in my country who will cling to the dream of a society where reconciliation will still be possible and where something that is human and worthwhile can still be salvaged from the mess in which we find ourselves. I, for one, refuse to give up hope."

I too refuse to give up hope. But I must confess to being discouraged from time to time. We have become so used to using terms like "crisis" to describe conditions in South Africa that the word loses its force. But we now have a scheduled confrontation due to take place later this month.

On June 16, we will mark the tenth anniversary of the Soweto uprising. Ten years since 600 young blacks were killed. Ten years since the police shot into a crowd of human beings who had gathered in an effort to secure their rights as human beings. Ten years.

And what has changed in those years? Blacks are seeking the right to commemorate that slaughter; and the government reacts by banning all public meetings and protest demonstrations.

But I know, and you know, and Reverend Boesak knows, and the government in Pretoria knows that those demonstrations will take place. And all their ban does is give them a "legal" cover for an illegal and immoral restraint on human freedom.

But that is what happens all too often. Look at another example.

For years many of us have called for freedom for Nelson Mandela. Artists wrote songs calling for it; politicians filed resolutions demanding it; the Senate voted for it. And now there are stories circulating which suggest that the government in Pretoria is considering it.

The government may free Nelson Mandela—while awaiting events on June 16th and passing new laws prohibiting public demonstrations?

The government may free Nelson Mandela—without requiring him to sever his connections with the ANC while, at the same time, the same government bombs suspected ANC centers in neighboring lands?

The government will hopefully free Nelson Mandela. But how will they try to use Nelson Mandela.

We know—we know—that if Mandela is freed there will be ceremonies, there will be

speeches, there will be mass meetings—and there will be violence if the government wishes it.

We have seen it before. The Philippines freed Benito Acqino—and killed him when he used that freedom to return to his homeland. How will a similar government—the South African government—respond when Mandela uses his freedom?

Would any answer to that question—even a violent answer—really surprise us? Could it shock us coming from a government whose police forces have killed—killed—over 200 black children in the last year and have tortured and maimed thousands more? Could it be unexpected when that government has introduced legislation granting itself the authority to detain people for up to six months without bringing any charges against them?

No, we ought not be surprised if freedom is linked to repression. But we ought to be ready to try to prevent it.

Those of us who have fought for Mandela have an obligation to continue to seek his freedom and a responsibility to do everything we can to make sure that his life as a free man is long, peaceful and prosperous.

One person who may help us discharge those twin responsibilities—both in regard to Mandela and the context of our larger policy toward South Africa is Reverend Allan Boesak. Like us, he too has a twin responsibility—the responsibility of a Christian theologian and a charismatic activist.

Those are never easy burdens to bear—ask Martin Luther King or Bishop Tutu—but Reverend Boesak has borne them with dignity and effectiveness. He has borne the burden of jail, borne the personal attacks on his character, borne the brutal treatment which is the reward for seeking freedom in South Africa.

He will not be jailed for speaking today. He will be listened to. We welcome him here and want to hear his views on the situation in South Africa and how he thinks America ought to respond to those needs.●

POLITICS AND WEAPONS SALES

● Mr. MATHIAS. Mr. President, last week the Senate was engaged in one relatively minor aspect of the vast international commerce in weapons and military equipment. To put our own role in perspective and to prepare ourselves for the next chapter, it is important to take a comprehensive view of these transactions.

John Newhouse has written an informed and valuable article on this subject in the June 9, 1986, issue of the New Yorker. Every Senator will find it interesting reading and essential to an understanding of a complex issue.

I ask unanimous consent that it be printed in the RECORD.

The article follows:

[From the New Yorker, June 9, 1986]

THE DIPLOMATIC ROUND: POLITICS AND WEAPONS SALES

(By John Newhouse)

Relations between the friendliest of countries occasionally become agitated, but never more so than when their governments are competing to sell weapons to some other government. The bigger the sale, the frothier relations become. In a world as prone to violence as ever, and with technology begetting weapons of constantly increasing competence and destructive power, the stakes for venders of arms are vast and compelling; they involve huge sums of money and the prospect of long-term supplier-client connections from which a stream of benefits—financial and political—will flow. Typically, a contract covers not just the weapons to be delivered but also support systems and spare parts that, over the "life cycle" of the weapons, may amount to more than double their original purchase price and will deepen the political ties inherent in the deal. Also, the vendor usually provides people to train the buyer's military forces in the operation and maintenance of the equipment, most of which, these days, is very complicated and becoming more so. Because the training programs are usually long term, the visiting technicians may become a strong presence and, as such, another source of political influence for their government.

A company competing to sell weapons abroad can rely on its government to do everything within and often beyond reasonable bounds to win. Indeed, governments usually take the initiative in the more politically sensitive—hence crucial—aspects of the transaction. Presidents and prime ministers will play leading roles and display formidable determination to prevail by whatever means. The well-being of their defense-related industries, not to mention many thousands of jobs, may depend, or seem to depend, on winning a given contract. France and Britain are the West's second-largest and third-largest sellers of arms. (America leads the field commandingly.) In both countries, unemployment is the major issue, and both must export to sustain their armaments industries. Traditionally, at least thirty percent of all French-made weapons are earmarked for export; many are really designed for the overseas market instead of reflecting the needs and preferences of the country's own military forces. Britain is nearly as export-conscious.

The Soviet Union aside, America is the largest buyer of arms as well as the largest supplier of them—a dual preeminence that is very hard on French, British, and other venders. They have trouble competing with the United States for sales, because so many customer countries feel, in varying degrees, that their security is linked to the United States, and thus prefer to buy weapons from the American shelf. And then, even though America is the largest supplier of arms to Western Europe, European venders find penetrating the American market to be nearly impossible; it is an American domain. This absence of what in Western military circles is called "two-way-streetism" has been a continuing sore point with Europeans—especially the British and the French. But recently, in two epic head-to-head battles with one another, France and Britian each captured an enormous contract—one of them larger by far than any that either country had ever landed. Astonishingly, one of the prizes, France's, lies within the heavily defended American sanctuary; the other, a rare but exalted British triumph, amounts to an invasion of what in recent years has been another American preserve—Saudi Arabia's Air Force.

Most of what led to these improbable outcomes was known only to a small circle of senior people in government and industry in the countries directly involved, and to some of their diplomats. Among the closely involved people were two heads of state—President Francois Mitterrand of France and King Fahd of Saudi Arabia—and Britain's Prime Minister Margaret Thatcher, who was much the most active and visible of the major players and was continuously at the center of both transactions, partly because her strong relationship with President Ronald Reagan was thought to be of pivotal importance to both; her role linked the deals. Reagan was also heavily involved, because much of the action swirled around his office; but he wasn't made aware of most of it, and his role in both affairs was a passive one.

The Saudis were buying advanced combat aircraft, and the American Army was buying something even more advanced—a mobile communications network that would resist jamming and allow commanders to stay in constant touch with their units by cellular telephone, even when the units were on the move during a major battle. The Army was ready to spend four and a half billion dollars on this equipment, which was already being used by the British, French, and Belgian Armies. The Saudi aircraft deal appeared to be worth at least five billion dollars, and has turned out to be worth much more. The actual amount of money involved has now reached the equivalent of seven billion dollars, and the overall figure may eventually be as much as twenty billion, making it much the largest arms sale ever. The value of the orders and the allure of the American and Saudi markets assured a brace of richly inventive struggles between the French and the British.

Misinformation added to the intensity, with each side often misled about the strength of the other's position and each victimized by rumors about its rival's tactics and their effects. Each affair became a mirror image of the other. The French were convinced that they had won the Saudi deal, and at one stage did seem to have won it, but they somehow lost it to the British, who had expected to win the American Army's order but lost it. Each side has since been conducting a serious post mortem on what went wrong with the campaign to win the order it lost. The French still don't know what to make of their loss of the largest order that ever lay within their reach; the conspirational view comes easily to them, but the elements of conspiracy in this case are at best dimly seen. As for the American order, the British are discovering that blunder, miscalculation, and appalling ignorance lay behind their failure, which seems to be a commercial equivalent of the military fisaco in 1956, when they invaded Egypt during the so-called Suez crisis.

In buying British, the Saudi Royal Family is refashioning the link with its original patron and protector; an affinity between the British and the Saudis dates to the First World War. "They have much in common," a British authority on Saudi Arabia says. "Both are slow to give friendship, but, once given, it is forever." And an American who knows the Saudis equally well says, "We stole the Saudi connection from the British at the end of the war." The initial American connection with the Saudis was made in the early nineteen-thirties, when the Saudis sold some oil concessions to Standard Oil of California for a few hundred thousand dollars. The Saudis were then earning foreign exchange from a declining trade in pilgrimages to Mecca and Medina—the holy places of the Hejaz, a stretch of desert on the western shore of the Arabian Peninsula. By the end of the Second World War, the American oil companies and their government had dis-

covered that Saudi Arabia contained about twenty-five percent of the world's known oil reserves.

In February of 1945, President Franklin D. Roosevelt, on his way back from the Yalta conference, met with King Ibn Saud, the lofties figure of his country's short history. Roosevelt didn't tell Winston Churchill, a fellow-conferee at Yalta, about this unscheduled stop until the day before the conference ended. Churchill, too, was planning is see Ibn Saud, but Roosevelt reached him first. He and Ibn Saud got on well—so well, in fact, that Roosevelt assured his host that he would do nothing about the Palestine question without clearing it with Saudi Arabia. (The Saudis, at least, considered Roosevelt's language a commitment, whereas the State Department version was that F.D.R. had promised only to keep Ibn Saud informed of his intentions.) Moreover, Roosevelt's gift to Ibn Saud—an airplane—impressed His Royal Highness far more than Churchill's gift of a Rolls-Royce.

By the early nineteen-sixties, the Saudis had decided that they liked airplanes. They went from the camel to the airplane with nothing in between, as some have noted. They had little choice. As the country became richer and more of a presence regionally, the need for air defense grew. An area the size of the United States east of the Mississippi cannot be defended with an Army that is limited in size by a population estimated at between eight and twelve million. Nor is it clear, or even likely, that this Army of only thirty-five thousand men can reliably defend what it is supposed to defend—the oil fields and the holy places. (Also, many Arab sheikhdoms and kingdoms, including Saudi Arabia, tend to neutralize an army's mischief-making potential by having a well-armed—possibly better-armed—paralled force. If the army has tanks, this praetorian guard usually has the anti-tank weapons.) Along with air power, the Saudis sought a solid American connection, mainly because they reckoned that the United States could and probably would protect them from marauders. They were beginning to educate their children in America, and they also assumed, rightly or wrongly, that American technology was the best in the marketplace.

They were, in short, casting their lot with America. What seemed to make the most sense was building an air force mainly of American airplanes—an attitude encouraged by people around President John F. Kennedy. They offered to sell the Saudis military aircraft, but then pulled back when Israel and its allies in Congress objected. Washington consulted the British, who know the Saudis best, and a solution was found: Britain, not America, would sell the airplanes—specifically, interceptors called Lightnings to the Saudis and, with the money earned from the sale, buy somewhat more advanced American aircraft for themselves. The Saudis, who were then naive and less experienced in the ways of big powers, never knew that their force of Lightnings had been fetched by an Anglo-American deal.

At first, the Saudis lacked people to fly the Lightnings or to keep them ready to fly. Britain solved the first problem: the Royal Air Force had a surplus of pilots at the time, and a number of them took on the job of flying the Lightnings and training Saudi pilots. The maintenance role fell to a skilled immigrant work force composed mainly of Koreans and Filipinos. The training program, which continues to this day, was very successful; Saudi pilots are now judged the equal of any in the entire region except Israel's. But Saudis haven't taken to maintenance as they did to flying; immigrant workers continue to do most of that. "The Saudis are still the victims of their traditions, and regard themselves as warriors and lovers, not mechanics." an American specialist says.

In the late nineteen-sixties, with the Saudis even richer and becoming even more of a regional presence, Washington decided that their main defense connection should be with the United States Air Force.

They were encouraged to buy an American aircraft called the F-5, and this became the workhorse of the Saudi air arm. In the mid-seventies, however, the American Air Force told the Saudis that they needed something more advanced, and suggested that they buy one of three different American-made combat aircraft. Here is worth noting that in their sometimes successful, sometimes unsuccessful efforts to buy American military aircraft the Saudis are reacting to strong recommendations, and even pressure, from the American Air Force. The Saudis don't usually seek equipment until their American patron has convinced them that they need it; in all such deals, including the most controversial of them, it is not the Saudis but the American Air Force that pushes hardest. The Saudis chose the F-15, a high-performance airplane that is as ideally suited to aerial defense as any in the world. The Air Force was urging the Saudis to buy a hundred and ten of them, but the Saudis demurred, saying that they had neither the pilots nor the mechanics to absorb more than sixty—the number they asked for. The Administration of President Gerald Ford agreed to the sale but, with the 1976 elections lying just ahead, didn't want to confront the issue that it was bound to create by seeking congressional approval. Thus, in 1977, the new Administration of Jimmy Carter had to deal with it. The Carter people decided to fulfill the commitment to the Saudis which they had inherited, and to take on a large hostile bloc in Congress. A bruising battle ensued, and, rather to the surprise of most of those who were doing head counts in the Senate, the sale of sixty-two F-15s was approved on May 15, 1978, by a vote of fifty-four to forty-four. However, the approval was hedged with constraints: equipment such as bomb racks and external fuel tanks, which can turn defensive aircraft into strike aircraft, would not be made available to the Saudis even if they wanted them. And Howard Baker, who was then the Republican leader in the Senate, insisted that Saudi F-15s must not be based at Tabuk, which since the second century has been a strong point guarding the approaches to the Arabian Peninsula but is also the only Saudi airbase near Israel, whose military aircraft fly over it from time to time.

The revolution in Iran that brought Ayatollah Khomeini and his band of fanatics to power, and then the outbreak of war between Iraq and Iran, with the prospect of Iranian military pressure on the eastern shore of the Persian Gulf, created a new and graver threat than any the Saudis have known. They agreed with the American Air Force that they needed another string to their bow—specifically, the Airborne Warning and Control System, or AWACS, a radar-laden and astonishingly capable surveillance airplane. In early 1981, the Saudis asked to buy five of them, along with six tanker aircraft. The entire package was worth eight and a half billion dollars, but it, too, mobilized Israel and Israel's congressional partisans; they were aware that by then the Saudis were also seeking the proscribed bomb racks and fuel tanks for their F-15s, as well as highly sophisticated air-to-air missiles. The Carter Administration had never fully recovered from the F-15 struggle and, like Ford's, chose to avoid becoming embroiled in a major row over Middle East arms sales before a Presidential election. The AWACS issue was going to have to be dealt with by the Reagan Administration, which quickly decided to approve the Saudi request for the AWACS, the aerial tankers, the external fuel tanks, and the air-to-air missiles. Through most of 1981, the White House and Congress quarrelled over the Saudi arms package; Reagan's people won the battle, as Carter's had three years earlier, but they paid an equally heavy price and, like their predecessors, were left with no appetite for a return engagement. Moreover, none of the five AWACS sold to the Saudis have been delivered—the first delivery is scheduled for the end of June—and Senator Alan Cranston, a senior Democrat from California, appears to be leading yet another effort to kill the deal. The domestic American strife that accompanies the Saudis' requests for arms, together with the attacks on the Kingdom which the requests set off in Congress and in the press, are an irritant in American-Saudi relations. Israel and Egypt obtain more military aid from America than other countries do, but, unlike the Saudis, don't have to pay cash for most of the weapons they get; also, the agreements governing arms transfers to Israel and Egypt are not encumbered with conditions on where the weapons may be based and how they may or may not be equipped.

The Saudis feel that their importance to America equals that of any of their neighbors, and should be more clearly reflected in their relations with Washington. They have also come to feel that their need for weapons matches that of their neighbors to the east and west. Within two years of the vote on the AWACS, they had decided that they did need the forty-eight additional F-15s the Air Force had urged them to buy. The Saudis don't contemplate attacking anyone, if only because they are afraid of most of their principal neighbors. But they do want to be able to defend themselves, and the F-15, because it is mainly a defensive aircraft as distinct from a strike aircraft, still seemed ideally suited to their needs. Also, the Saudi Air Force, which was growing familiar with the F-15s and wanted more of them, had become another élite. Its people, unlike those in the Army and the Navy, are highly trained and self-confident. And because they are a professional élite group they may be less sympathetic to the traditions of the Royal Family than the other services are. There is even some fear of the Air Force as a potential kingmaker. "It has a somewhat dodgy history," a British expert says. He was referring to an incident in the early nineteen-sixties—during Egypt's war in Yemen—when a few disaffected Saudi princes declared themselves a separate government. Some Air Force officers joined their modest rebellion, which the regime quickly squashed.

Although the F-15 was the first choice of the Saudis, they were also debating the merits of two other airplanes—one British and one French. They felt that they needed options, because it was far from clear that the Reagan Administration would take on the burden of trying to steer another Saudi aircraft buy through Congress. Britian's

candidate was the Tornado, which, unlike the F-15, is a strike aircraft, and is one of the most capable offensive weapons made anywhere. (Actually, the Tornado was jointly created by Britain, West Germany, and Italy, but the British version was the one being considered by the Saudis. German policy has generally forbidden sales of arms—except naval vessels—to Third World countries.) France's candidate was the Mirage 2000, another high-performance, defensive airplane, which in one version does have some strike capability. The two airplanes are considerably different: the Tornado weighs about fifteen tons, has two engines, and costs more than the Mirage 2000, which weighs about half as much and has one engine. Some of the Saudis who assumed that additional American planes wouldn't be available were tilting toward the Tornado, because it was the more advanced as well as the more menacing of the available aircraft. Britain's Ministry of Defense and the British Aerospace Corporation, which makes the Tornado, were doing what they could to encourage the tilt. The argument went: If you have the money, why not buy the most advanced airplane? The British also argued that the better part of defense lies in being able to deter an attack; a potential aggressor, they said, will be deterred more by your ability to injure him than by your defenses. To pin down the point, they said, "Just look at the Israelis." The Tornado, however, is said to have worried some members of the Saudi hierarchy; it was one thing to have inoffensive toys in the form of modern aircraft being flown about the desert by hot-blooded young pilots, and quite another to give these same pilots the capability of actually attacking another country and perhaps starting a war. In any case, everyone, including the British and the French, understood that the Saudis would continue to buy American airplanes if they could. If not, they would buy British or French—in which case the British would rely on their old tie with the Saudis, the presence of their training program, and the attraction of a strike aircraft. The French, who had been selling a lot of equipment to the Saudi Army and Navy, would try to exploit these new ties and also the attraction of an airplane that was less costly and better suited to traditional Saudi purposes.

On all sides, it was clear that Washington would do nothing about the Saudi request until after the 1984 Presidential election. Early in December, just a month after the Reagan landslide, Secretary of Defense Caspar Weinberger went to Riyadh to propose an arms package to King Fahd. The offer covered the additional F-15s, and was supported by a letter from Reagan to the King. The Saudis saw the letter as a solemn Presidential commitment. I asked a State Department official whether the letter had committed Reagan to selling more airplanes. "The commitment was made by Cap Weinberger in Riyadh," he replied, adding that the letter was "warm but fuzzy." (Documents involving price and other matters were drawn up and signed later.) And did Weinberger's visit commit the United States to selling the additional F-15s? "Yes, we were absolutely committed," he said. "There was a strong desire in the Pentagon to make this happen. Cap is the senior Saudi desk officer over there. He's very pro-Saudi, and his attitude was 'Damn the torpedoes, full speed ahead.' The N.S.C."—the National Security Council staff—"wasn't opposed but was very mindful of Congress. State wanted to go ahead with the sale, but was more concerned than Cap with the pitfalls in Congress." This comment recalled conversations that I had with other American diplomats at the time of Weinberger's trip. Two of them told me then that the Administration probably wouldn't do much about the peace process in the Middle East, but that from Reagan on down it was fully committed to selling arms to Saudi Arabia and Jordan. Still, when I asked a senior Israeli figure about this he said there wouldn't be any arms sales to these Arab states, because Israel's friends in Congress were more than strong enough to block them. He observed that some members who had voted for the AWACS sale had just lost their seats in the November elections.

The sale of the F-15s was to have been announced during a state visit by King Fahd in February of 1985. It wasn't. In January, a few weeks after Weinberger's trip, Robert (Bud) McFarlane, who was then chief of the N.S.C. staff, had alerted a few key people to difficulties on Capitol Hill. "Bud read the problem, and he read it early," one closely involved figure says. Later in the month, the Administration announced a halt in arms sales to Middle Eastern countries while it made a "comprehensive review" of the needs of Israel and the moderate Arab states. Secretary of State George Shultz wasn't giving up, however. He wanted to sell the airplanes, but he wanted something, in return—specifically, a Saudi commitment to support a peace initiative that King Hussein had launched. Washington has often tried to maneuver the Saudis behind a moderate Arab peace initiative; the tactic has never succeeded, and probably never will. Saudi princes are too easily intimidated by immoderate neighbors and their potential sources of support within the Kingdom. Their reluctance is reinforced by Washington's own unwillingness to take political risks for such steps. Saudi princes look for a consensus to join but won't take part in creating it. Moreover, they resent American efforts to link arms sales to the Palestine issue or any other issue. They see the main threats to their security as lying to the east—on the Persian Gulf. Shultz was saying to them, in effect, "If you support Hussein's initiative, we will support you. We need you." The Saudis were saying, in effect, "But what about you? You yourselves haven't supported Hussein openly, and you seem ambivalent. Meanwhile, there is a hot war in the Persian Gulf. We have to be able to discourage the Iranians from spreading it. Yes, the peace process is important, but we have real enemies." It was a circular dialogue. "The professionals at State all thought the linkage was stupid," one of them says.

In late May of last year, Prince Bandar bin Sultan, the Kingdom's high-voltage Ambassador to Washington, was in London talking with Mrs. Thatcher about a possible purchase of Tornadoes. A senior American diplomat called from Washington and asked Bandar to talk with one of his deputies, who happened to be in Paris and would come to London. The meeting was arranged, and the American told Bandar that the F-15 deal could go forward provided that the Saudis agreed to support a parallel arms sale to Jordan and, what's more, help the Jordanians pay for it. Bandar reported the offer to King Fahd, who declined to tie Saudi defenses to anyone else's. Back in Washington, Bandar met separately with Shultz and McFarlane, each of whom, I'm told, disavowed any intent to link the two arms deals. Bandar then asked for and got a meeting with Reagan, who echoed Shultz and McFarlane. Whatever else was said, the linkage notion was dead, and so, it appeared, was the American commitment to sell the F-15s. Washington then tried putting together a different arms package—one shorn of the F-15s. "At that point," according to an American diplomat, "the Saudis said, 'We have to defend the Peninsula, and must therefore buy European. How do you Americans feel about that?' We hesitated, amd then said go ahead." Bandar was informed by McFarlane of the Administration's position. Despite a solemn American commitment—not to mention a monumental deficit in America's trade balance—the Saudis were being advised to spend many billions of dollars for someone else's airplanes. They said that they wanted a letter from Reagan authorizing them to withdraw from the agreement and buy elsewhere. In July, Reagan wrote such a letter to Fahd. I asked a senior State Department official why the Saudis had asked for the letter. "They wanted no misunderstanding between the Administration and the Kingdom," he said.

The British and the French had not been just idly observing this curious drama. For nearly two years, each of them had pressed the Saudis to choose its airplane if the F-15 deal should fall through. "When Cap was in Riyadh, both the British and the French were there in strength," says an American who was also there, "I remember one afternoon when the chief of staff of the R.A.F. and an equally senior Frenchman were in adjoining bunkers watching a demonstration by the Saudi Air Force." The British weren't optimistic. They regarded the French as better arms merchants. They considered Mrs. Thatcher their own best salesperson but not an equalizer. Actually, the French do outperform the British in the small-services department: they provide clients with bodyguards, they waive immigration procedures, and they manage press coverage—especially on state-owned television—very effectively. The Saudis are made to feel more welcome in France than in Britain or America. In 1980, the French sold six warships, twenty-four helicopters, and a number of missiles to the Saudi Navy, thereby upsetting the Pentagon's plan to train and equip it. Four years later, France won a tough competition with America for the Saudi purchase of a missile-defense system. The later deal was valued at four billion dollars, and was the largest up to then ever obtained by any European arms supplier. But the aircraft purchase was the sweepstakes event, and here the British had taken an early lead over the French. In January of 1984, the British Defense Secretary, Michael Heseltine, went to Riyadh and met with his counterpart, Prince Sultan bin Abdul Aziz, who is a full brother of King Fahd. London and Washington both consider Sultan very pro-French. He nonetheless expressed a strong interest in buying Tornadoes, and even signed a nonbinding letter of intent. The British began to think that they, and not the French, might win the prize of prizes if it turned out that the Saudis couldn't buy American. "We made a lot of progress in the early months of '84," a member of the British sales team says. Then they sensed the tide turning against them and in France's favor.

The tide did seem to turn in April, while

King Fahd was vacationing on the Côte d'Azur. Fahd takes a geostrategic view, and likes discussing world issues as much as regional politics. "I knew him when he was Crown Prince," a French diplomat says. "He spends most of his time talking about East-West relations and strategy." Fahd had been put off by the manner in which both Washington and London withdrew forces from Beirut a few weeks before. It looked to him as if the Americans and the British had just cut their losse and, in some disorder, run from a situation they had agreed to stabilize. The French stayed longer and left in good order—even with a bit of fanfare—and thus impressed Fahd. Charles Hernu, who was then France's Defense Minister, flew down from Paris to meet with Fahd, who talked about modernizing his Air Force and expressed an interest in the French airplane. Fahd then went to Paris and continued the discussion with Mitterrand. A bizarre situation was—or seemed to be—developing. "At that point, Fahd had three countries thinking that he would buy their airplanes," an American insider says. And a British banker says, "It was a Saudi cock-up. There was Sultan, who had signed a letter of intent to buy British, and there was his King, who was undertaking to buy French." Actually, Fahd hadn't gone nearly that far, and the Frensh set about retrieving Sultan and anchoring his support for their airplane. They think that he supported their bid to the very end. Others disagree.

The French had some other Saudi connections, who were less prominent but very useful. One of them was Akram Ojjeh, a picaresque Syrian-born Saudi national who lives in Paris and has amassed a huge fortune by acting as an agent in arms sales—mainly French sales. The role of agent in these deals has acquired some notoriety, because a commission of between three and seven percent on a multibillion-dollar transaction is a figure to pause over. However, the agent in Saudi matters is normally a front man, and a share—probably a large share—of what he earns is routed to the Royal Family, sometimes through one of the less visible members or through a trusted individual.

This practice is more than a way of expanding the private wealth of family members; it allows princes with large responsibilities to acquire resources for their official domains without going through the Saudi bureaucracy. The job of the concealed prince or the trusted individual is to see that the financial ins and outs of a given deal are well managed and that the money generated by the commission and other fees goes where it is supposed to go.

Ojjeh had made a connection with a man named Khalid bin Abdul Aziz al Ibrahim, who is an unofficial adviser to Fahd and is the brother of his most recent wife and clear favorite. "Ibrahim was the entry into the Royal Family," a closely involved French figure says. Wafiq Said, another Syrian-born Saudi national, also had an important role. Said is Cambridge-educated, based in London, and was for a time associated with Ojjeh. Both are close to Sultan. At first, it seemed that Ojjeh and Said would back the same side, but they split, with Ojjeh helping the French and Said the British. Said arranged Sultan's letter of intent to buy the Tornado, according to a British banker, who described the struggle between the two agents as "titanic."

Ojjeh and his French client felt that they held the high cards. Their airplane was cheaper on the open market, the King seemed to be leaning their way, and a link to the Ibrahims had been established. They doubted whether the Saudis would buy a strike aircraft, and so did the British. I asked a member of the British sales team about that. "I go flat no's for two years," he said. "They didn't want to be seen by the world as having an offensive capability." The Saudis had even invested some money in the development of the French airplane. "Around Christmas of 1984, we were told that France had it won," a key Whitehall figure says. In the spring of 1985, when it looked as if the Americans would renege on their commitment to Fahd, the French judged that the British were soundly beaten. In fact, the French were by then being outflanked, and by mid-July it was they who were beaten, although they didn't know it. "All the Saudi defense people favored the French airplane and were telling the French what they wanted to hear," a French authority says. "A few people did see the handwriting on the wall when the Saudis cancelled a meeting in May between Sultan and Hernu."

Britain's triumph was engineered by Prince Bandar. He did it by forging a link between Fahd and Mrs. Thatcher that was stronger than any of France's links. Wafiq Said helped, but Bandar, because he now has more influence with Fahd than anyone else, was able to take charge of the affair and shape the outcome. Bandar, at thirty-six, is as interesting as any diplomat in Washington or perhaps anywhere else. He is a son of Sultan (the fourth of his seventeen children) and a nephew of Fahd. He is linked to another powerful clan through his marriage to Princess Haifa bint Faisal, a daughter of the late King Faisal. As a child, Bandar caught the eye of his remarkable grandmother Hassa bint Ahmad al Sudairi, the sixth wife of Abdul Aziz, the sovereign who was known in the West as Ibn Saud, and who is the Saudi Arabian equivalent of George Washington. She had ten children by the great King—seven sons and three daughters. Her sons are known as the Sudairi Seven, and include the King and the Defense Minister—Fahd and Sultan—along with the Minister of Interior, the Governor of Riyadh, and other notables. Hassa bint Sudairi created an exceptional degree of cohesion within her family and kept the sibling rivalries of her exalted sons well under control. She insisted that they either dine or lunch together in Riyadh every day. She saw to Bandar's advancement as she had to her sons'. He was a pilot before becoming a diplomat, having graduated in 1968 from the British Royal Air Force College, at Cranwell. He later took advanced training with the United States Air Force, and also obtained a master's degree in international relations from Johns Hopkins. Although he is normally Ambassador to Washington, a job he acquired in 1983, Bandar has become Fahd's chief diplomatic troubleshooter and negotiator, and he shuttles between Riyadh and major capitals. He normally operates at the highest levels, bypassing foreign ministers and dealing instead with their principals. He is probably the only Saudi notable who has had a tête-à-tête meeting with a Soviet official; that was a dinner with Anatoly Dobrynin, the recently departed Soviet Ambassador to Washington. Bandar is highly intelligent and, many say, a born politician. He has a light touch. In the early days of the 1984 Presidential primaries, he was asked by an American acquaintance what he thought of America's method of choosing a leader. "After watching your selection process for a while, I think you could describe me as a born-again monarchist," he replied.

Bandar meets privately with Mrs. Tatcher at frequent intervals. Just how frequent is hard to say, because the Saudis have asked No. 10 Downing Street to keep a lid on that sort of information. A British banker who tracked the aircraft deal told me that in 1985 Bandar and Mrs. Thatcher met six times that he knows of. In April of 1985, on returning from a trip to the Far East, Mrs. Thatcher made an unscheduled stop of five hours in Riyadh, and had a long talk with the King. Bandar, I'm told, orchestrated the meeting, advising Mrs. Thatcher about subjects to take up with Fahd and alerting him to the subjects she might raise. Encouraged by Bandar, Fahd, the geostrategist, began to see in Mrs. Thatcher the sort of European ally he might be able to rely on. He admires strength, and she had shown hers in the Falkland Islands War and in most of the other difficulties she had confronted. Her special relationship with Reagan was a major plus in Fahd's view; he is thought to have calculated that buying British would give him better, if indirect, access to Reagan on issues of importance in the Middle East. "It was her resolve to be firm with Reagan on those issues which made the difference," a well-placed Whitehall figure says. In France, where Fahd had detected strength a year before, he had begun to see uncertainty, with the distinct possibility—now a reality—of Mitterrand's having to share power with the opposition.

In May and June, Bandar spent a great deal of time in London. The French were still working hard at selling their airplane, and were keeping more people in Saudi Arabia than the British had there. Although the exact date can't be fixed, Fahd's decision to buy British was probably made in the early summer. In late July, the Saudis sent a team to London to negotiate an agreement. Bandar was scheduled to meet with Mrs. Thatcher to pin down a few key points at this time, but he was delayed in Riyadh. Instead, he saw her several days later in Austria, where she has taken a brief holiday in each of the past two years.

Although her rule at such times is no visitors, she made an exception for Bandar. An American diplomat told me that during this meeting Bandar was assured that the Tornadoes bought by the Saudis would be fully equipped and not subject to any of the restrictions that Washington had attached to the F-15 purchase. I asked this diplomat if he saw anything odd in an Ambassador to Washington acting as his country's chief negotiator with the head of another government. "It may seem anomalous to us, but not to the Saudis," he said. "They see these matters in personal terms. Bandar has the King's confidence, so why wouldn't he be doing this job?" I asked another American insider what had befallen the French bid. "The French were on hold until after the American elections, and they never understood that," he said. "Then, when it became clear that the United States was out, the British were in. The French were kidding themselves, or the Saudis were kidding

them. The Saudis are very good at bottom lines. If you want to bolster the American connection, then buy British."

"The loser never goes public," says one of the French personalities involved in the affair. The pivotal factor, he agrees, was the Bandar-Thatcher combine, but he also thinks that Wafiq Said was very important (although Fahd, in a letter to Mrs. Thatcher, proposed that whatever agreement they reached should be strictly between their two governments and exclude agents). I asked people whether the French had lost ground with the Saudis by showing reluctance to accept payment for their airplanes in oil. The British are being paid with oil. The general view was that the French had some trouble with the Saudis on this point, but not enough to have affected the outcome. And everyone agrees that the French, unlike the British and the Dutch, are not adept at oil trading.

The deal was struck on September 26th—about eight weeks after the Saudi team arrived in London for a negotiation that took a remarkable and mysterious course. Two days before the contract was initialled, Britain's chief of air staff was told that the Saudis were buying not just forty-eight Tornadoes, as had been envisioned, but twenty-four additional planes, which were designed mainly for an air-defense role. And they also ordered sixty trainer aircraft. A deal of already awesome proportions had ballooned into something colossal and without precedent. Few people know why the Saudis abruptley decided to buy the eighty-four additional aircraft, and none of those who do are talking about it. Also, with the world awash in oil, which the British produce, too, it seemed odd for the British to be bartering airplanes for oil. But it wasn't a pure barter agreement—not be compared with swapping two geese for one pig. The Saudis will deliver oil to two companies—British Petroleum and Shell—that will refine it and sell it on the world market. Her Majesty's Government will then be paid by the companies monthly. The Saudis benefit by acquiring a guaranteed market for their oil worth several billion pounds sterling. And Britain loses nothing from being paid by the oil companies. The arrangement, although complex, is ingenious.

For a brief moment last year, Bandar slowed the frantic pace of his activities and resumed being a pilot. He wanted to fly the Tornado, and did. The British supplied a nice touch by arranging to have a classmate of his from Cranwell—an R.A.F. pilot who had been his closest friend there—introduce him to the airplane and show him how to fly it. (The British, like the French, had overlooked no detail.) In September, just a few days before the announcement, France's leadership was still trying to save the day by various means, one of which was sending Jacques Mitterrand, the President's brother and the former president of Aérospatiale, the country's largest aircraft company, on a mission to the Royal Family. I asked one of the British for his net impression of the episode. "We haven't had so much fun since Agincourt," he said.

Agincourt it wasn't. Britain's victory was bittersweet, for it exactly coincided with a major defeat in a different arena at the hands of the French. And the defeat became all the harder to take as its causes—ignorance, and some hubris—became known. The stakes were several billion dollars and a possible foothold in America—ordinarily the fastest horse on technology's track, a maker and seller of products more rarefied than most things it can buy from others. The contract for what the United States Army chooses to call Mobile Subscriber Equipment, or M.S.E., was said to be the largest ever given to a foreign company. Politically and symbolically, it created a duel between France and Britain. In the end, however, three-fourths of the money and the work were conferred on the American partner of the victorious foreign firm.

The equipment being bought will link for the first time all the Army's units—twenty-six divisions and five corps. It is a network of communication nodes, computers, and ultracomplex software, plus an automatic switchboard that allows any user of the system to be in touch with whomever he chooses, even under the most extreme battlefield conditions. The British and the French began working on such a system about twenty years ago, and a few American companies followed suit some years later. The European projects succeeded, but the Americans hadn't come close to solving the software problems when, about five years ago, the Army became seriously interested. Normally, the Army would have bought American after underwriting a development program costing hundreds of millions of dollars and lasting somewhere between five and ten years. Such was the expectation of some American companies who were hoping to take part.

Even by Pentagon standards, the Army's bureaucracy moves slowly. Ground forces must be able to operate in mud and worse, and equipping them is more complicated than equipping the Air Force and the Navy, which operate in thin air and open seas. By the time the Army decides what to buy, technology has usually moved on and made the purchase obsolete.

James R. Ambrose, a former Ford Aerospace executive, who was appointed Under-Secretary of the Army in 1981, has begun to change things, and he is earning a reputation for high-quality management. "Ambrose is the most astute Under-Secretary they've ever had," an insider says. "He is far more impressive than anyone above or below him." Ambrose decided against investing a lot of time and money in ritual development projects. His Army's need for up-to-date communications was no less than that of its British an French counterparts, both of which were getting them. In 1984, the Army asked for bids on a contract to build the system. None of the American companies responded, and that surprised Ambrose, who told me that he had expected bids from Motorola and A.T.&T.

The Anglo-French competition was already under way. Plessey, a big electronics company in Britain, had build a system that it called Ptarmigan—for the Arctic bird. And Thomson CSF, France's state-owned electronics behemoth, had created a rival system. Thomson took the well-worn acronym path by naming it RITA—for Réseau Intégré de Transmissions Automatiques. Each company knew that it would need an American partner to neutralize political resistance to making a deal of such magnitude with foreigners. In 1983, Plessey joined forces with the Rockwell International Corporation, an aggressive company that builds the B-1B bomber, the space shuttle, and other big defense-related systems. Thomson, after flirting with A. T. & T., aligned itself with GTE. Unlike Rockwell, GTE operates mainly in the civilian market, but the military work that it does do consists mainly of developing communications for the Army. Rockwell offered Plessey intimate knowledge of the Pentagon and its ways. GTE offered Thomson a close association with the Army communications people, at Fort Monmouth, New Jersey. The Plessey-Rockwell tandem began working together sooner and appeared to be much the stronger of the two, partly because of Rockwell's greater experience in this kind of competition but mostly because the Anglo-American relationship does have special qualities that are supposedly reinforced by the Thatcher-Reagan connection. The Plessey-Rockwell people considered Mrs. Thatcher their high card.

The bidding would proceed in two stages. A preliminary bid had to be submitted on October 1, 1984, and reviewed by the Army. Then, on August 1, 1985, a so-called best and final bid would be submitted, with the government's decision expected shortly thereafter. The first submissions were mountainous piles of paper containing cost and performance data. And these were strongly influenced by a major difference between the two sides. Having developed the Ptarmigan system independently, Plessey felt that Rockwell, its partner, should function as a subcontractor. Thomson and GTE worked out a much different relationship. Thomson had created RITA, but GTE had developed systems with similar components and, unlike Rockwell, was on familiar turf. The French and the British both knew that victory in the American market would require sacrifice, meaning that the lion's share of the action would go to the American partner. (Ambrose says, however, that he hadn't expected the amount of "U.S. content" the French and the British were offering.) But they worked out the division of labor differently. Plessey, if it was victorious, would transfer its Ptarmigan technology to Rockwell, which would build most of the system. Thomson and France's Defense Ministry, on the other hand, swallowed a mountainous portion of national pride and offered to let GTE build the major part of RITA—a new RITA—with its own components, including the automatic switch that is the heart of the system. Thomson's computers, its software, and a few other items would become part of a hybrid system dominated by GTE's equipment. Thomson's calculation, probably a good one, was that GTE might not throw its full political weight behind RITA on any other terms.

France's decision gave GTE a big advantage over Rockwell. GTE knew the costs of building its own equipment down to the last penny, and had enough experience with communications to be able to make good cost estimates. But Rockwell hadn't the least idea of what it might cost to build Ptarmigan in America and, lacking experience with some of this technology, had more difficulty in estimating the costs.

Also, Plessey is widely described as having been unwilling to divulge all its detailed costs, even to Rockwell. "That's absurd," a senior figure at Plessey says. "The U.S. Army officials had the entire Plessey cost breakdown. They got it from Her Majesty's Government." A British diplomat who followed it all closely disagrees. "Plessey was holding back on costs, even though it was being urged not to," he says. The uncertainty about costs created a problem between Plessey and Rockwell. In the bidding on defense contracts, uncertainties inspire caution of a kind that dulls the competitive spirit and makes cost estimates rise. Rockwell is thought by many who followed the affair to have hedged against uncertainty by implanting a large "fudge factor" in its

cost estimate. An American businessman who observed the proceedings says, "When you've never built a product, you tend to feed pessimistic assumptions about costs into your calculations. Being conservative in this game is being pricey. It sends a signal through the whole organization and affects price calculations all the way down the line. The effect is to pyramid costs."

The early bidding was followed by field tests of the two systems. Ptarmigan was demonstrated twice—once in West Germany and then on Salisbury Plain. RITA was demonstrated only once, but over a larger area. Two thousand French soldiers were maneuvered over a region of eastern France which is roughly the size of Rhode Island—about as large as the area an Army corps might defend. Observers included five American generals and several congressional staff members, who roamed the area by jeep and helicoptor watching Army evaluators try to "crash" the system by pushing it to various extremes. They never succeeded. The demonstration was a great success, and the observers liked being able to call their offices in Washington from jeeps in what seemed the middle of nowhere. The Ptarmigan demonstrations were just as successful. According to Ambrose, the two systems performed equally well. Since the British had argued all along that Ptarmigan had an edge, I asked Ambrose about that.

"On balance Ptarmigan had a bit more attraction," he said. "But it was the sum of pluses and minuses. The British had some pluses, but not enough to justify a significantly larger price. They had some minuses, too—on the technical side. We called them close to even."

Since either system could do the job, the only real issue should have been the price the Army would have to pay. But everyone knew that if all things were equal the British would beat the French. The Thomson-GTE forces felt they had to be ten per cent "better"—cheaper—in order to overcome Plessey-Rockwell's political advantage. Actually, the ten-percent calculation was too low. In the light of what happened, the British would have won if their entry had been only ten percent higher than France's. But it was higher by more than seventy percent. The Thomson-GTE bid was four billion three hundred million dollars; Plessey-Rockwell's bid was seven billion four hundred million. The Thatcher Government is still trying to work out how so absurdly large a gap in the prices could have developed. The answers aren't all in, but it does seem that Thomson and GTE did everything right, while their competitors did nothing right. The French, having stifled pride once, did it again by putting GTE in charge of the effort to win the competition; their American partner, they reasoned, would do better at selling a French brand name in the American market. Moreover, Thomson, a state-owned company, persuaded its government to stand aside from the fray and not intervene, even if provoked. The French government agreed—a decision that turned out to be as shrewd as it was unnatural. On the Plessey-Rockwell side, the situation was quite different. Plessey is judged in London to have done too much and Rockwell too little. "Rockwell took us for a ride," a British diplomat says. "Like other defense contractors, it is fierce at political lobbying, and here it was relying on Mrs. T.'s political punch and feeling that it could afford to be greedy." I asked a British banker who knows the companies well about Plessey. "Plessey doesn't have a good nose," he said. "Its technology is outstanding, but it usually lacks good intelligence. It is badly informed and unreasonably greedy."

Last summer, as the time for best and final bids drew near, relations between Plessey and Rockwell had become "appalling," according to a British diplomat. Plessey was nominally in charge, but Rockwell, because it was supposed to do three-quarters of the work on Ptarmigan, would be making the final bid. And Plessey, I heard, wasn't told the figure the Rockwell actually bid. I spoke on the telephone with Michael Heseltine this spring, shortly after he had resigned as Mrs. Thatcher's Defense Secretary, and asked him why Britain's bid was so high.

"I don't know," he said. "I asked but never got a satisfactory answer."

I then asked if Plessey had known what Rockwell was bidding.

"No," he said. "Nobody did."

British intelligence was in a bad way. It didn't know what the opposition was bidding, or even what Plessey's American partner was bidding. Whitehall was frankly uneasy—although, like the companies, it took comfort from the Thatcher card, which, if necessary, would be played to the hilt. The State Department and the N.S.C. staff tried to avoid becoming mixed up in a battle between major allies. And some effort was made to protect Reagan from the affair. A member of the N.S.C. staff recalls warning a British diplomat during the spring about relying on the Thatcher connection. "I told him that they were whistling in the dark if they thought Reagan would involve himself," he says. "He doesn't involve himself in procurement matters."

Mrs. Thatcher had raised the question of Ptarmigan with both Reagan and Secretary Weinberger during a visit to Washington in February of 1985. She was there again in April, for just a few hours, and again mentioned it. In July, she raised it with Weinberger separately on yet another visit. But in mid-August, about two weeks after the bidding was closed, the French began to hear rumors that RITA was the winner, and that the Army would announce the decision before the end of the month. On August 21st, Thomson drafted alternative press statements—one for good news and one for bad. But the expected announcement wasn't made, mainly because the figures on which the Army was basing its decision were being independently reviewed.

On large contracts, the Office of the Secretary of Defense may, if it chooses, call for an independent audit of the data by its own people. Weinberger called for an audit of the RITA-Ptarmigan bidding.

The audit was aimed at buying time. "Reagan was in a tough spot," a British diplomat says, "His best friend and ally was playing the special-relationship card. He knew, but she didn't, that the price disparity was huge. The affair was highly embarrassing." Moreover, this final stage coincided with stories about Pentagon purchases of six-hundred-dollar toilet seats, and other managerial gaffes. A Presidential commission to look into military procurement had been set up, under the direction of former Deputy Secretary of Defense David Packard. The commission's report was expected to be highly critical. The Administration, however friendly its feelings toward Mrs. Thatcher, could hardly afford to choose Britain over another historic ally if the gap between bids was astronomical, as it clearly was. The British had begun to sense that their bid was high, but they had no idea how high, because no one, including Weinberger, told them. They hit on a two-pronged strategy: Mrs. Thatcher would appeal directly to Reagan, and her Government would propose a somewhat simpler version of Ptarmigan—one that ought to cost a billion or so dollars less.

Mrs. Thatcher's letter, dated August 30th, arrived in Washington on August 30th and reached the President in California the next day. The letter drew on a paper that had been prepared by the Foreign Office and was designed to show that France was a bad ally. It cited de Gaulle's withdrawal from the North Atlantic Treaty Organization's military structure, and various other alleged misdeeds of the French. "It was an astonishing document," says a foreign diplomat who received a copy purely by mistake. The Thatcher letter surprised the Administration by its blunt and rather emotional tone. It began by noting her personal interest in the Army's program as it had been reflected in her conversations with the President and "Cap." She then said she was "profoundly disturbed" that the Army seemed to favor RITA. This, she said, "would simply not be understood" in her country. "People will not understand" how this could happen, she said, given the large amount of American military equipment bought by Britain and in view of British support for the United States "in every way."

The third paragraph said that the Ptarmigan system offered greater capability in proportion to costs, and that if less capability was required the British wanted an opportunity to bid "like for like." The last paragraph said a decision against the British would be "difficult to deal with," and reemphasized Mr. Thatcher's "extreme interest in this program." The Foreign Office, having urged a letter, "was surprised by the tone and content" of this one, according to a British diplomat, who says that Mrs. Thatcher rewrote a milder version that had been submitted to her.

"All hell began breaking loose," one of the American players says. And a senior British diplomat says, "The transatlantic wires were humming. Any of us who had possibly useful contacts in Washington were told to call them, and we did. It was all hands to the pump." A new, wholly unsolicited bid on Ptarmigan arrived, even though "best and final" normally means just that. And the French, having seen the Thatcher letter within two or three days of its delivery, were furious and were tempted to protest. The American Embassy in Paris was strongly urging such a move. But the French government decided to keep faith with its earlier decision against intervening. However, Joe M. Rodgers, a wealthy building contractor from Tennessee who had arrived as Ambassador during the summer, decided to take a hand. On September 12th, Rodgers flew back to Washington on the Concorde (at his own expense). "I didn't go back to lobby for RITA but to make sure that this was decided on the merits," he says. "Our credibility in Europe was at stake. We had said politics wouldn't be involved."

I asked him about the reaction to the letter.

"Outrage," he said. "People couldn't believe it."

The serious concern in Paris wasn't the letter but the prospect of delay. "The longer the delay, the less chance the French had to win," Rodgers says. Specifically, the French worried about the rebid of Ptarmigan, the independent audit, and Weinberger's well-known Anglophilia. However, Ambrose refused to consider the unsolicited British bid

("The bids are in," he said), and twice in mid-September the French were led to expect an announcement. (Someone in Paris told me that conference rooms in the Pentagon had been reserved twice for that purpose.

(It is this kind of detail—reserving a conference room—on which industrial intelligence is built.) At that point, the audit was the real problem. Bids like these involve assumptions about exchange rates, future costs of spare parts, and other variables. Games of various kinds can and sometimes are played with the assumptions. The audit of the RITA-Ptarmigan bidding managed at one point to narrow the difference in the two figures from three billion one hundred million dollars to six hundred million. "The Pentagon's numerology was being turned upside down," says a senior American diplomat who tracked the affair. "They were coming as close to cooking the figures as is legally possible." The audit made an already tense and volatile situation even more so, but in the end it changed nothing. It was completed on September 20th, and although its results were never made public, the gap of three billion one hundred million dollars must have been upheld, because it is the figure that Ambrose eventually cited. But the completion of the audit did not hasten the decision. The British fought back. The enemy, they wrongly assumed, was an unreasonable Army bias in favor of RITA. Remarkably, they were still unaware of the huge difference in the bids. Mrs. Thatcher and her Government had been badly misled. She based her letter on an impression that Ptarmigan had a broad technical edge (which was an exaggeration) and—more important—that Britain's bid, if a trifle higher, was nonetheless competitive, and this was obviously quite wrong. Questions arise. Since neither Plessey nor the Ministry of Defense knew what Rockwell had bid, how could either have assured Mrs. Thatcher that the bid was competitive? And why was Her Majesty's Government so incurious? Why didn't some part of its official apparatus uncover the awful truth of Britain's position?

On Saturday, September 28th, McFarlane arrived at London's Heathrow Airport and was driven directly to Chequers, the Prime Minister's official country residence, to brief her on talks in Washington with Soviet Foreign Minister Eduard Shevardnadze. The talks had dealt mainly with the Reagan-Gorbachev summit conference to be held in Geneva in November.

The Administration was planning to invite European leaders to a "mini-summit" dinner in New York in late October; its purpose would be to discuss the Gorbachev encounter. McFarlane, in his conversation with Mrs. Thatcher, didn't disclose this plan. He flew on to Paris later that afternoon to give Mitterrand the same briefing. Again, he didn't mention the dinner. By Monday morning, news of it has been leaked to the press. Mitterrand was furious that McFarlane hadn't alerted him. And Mitterrand was the only invitee who declined the invitation, although he almost certainly would not have accepted on such abrupt notice even if he had been forewarned. I asked a British diplomat if the British had also been upset about not being told in advance about the dinner. "No," he said. "Bud may have felt he didn't have the authority to discuss it; the President may not have fully committed himself to it when Bud departed. We didn't think anything of it." But French diplomats worried that Mitterrand's "snub" of Reagan's invitation might help Britain and undermine RITA. The State Department had a different worry. Gorbachev would be arriving in Paris on October 2nd for a four-day official visit—his first to a Western capital since he became leader. Shultz, I'm told, asked Weinberger to delay any announcement of the Army's contact award until Gorbachev left Paris. He wanted to avoid the risk of Mitterrand's making an unfriendly comment about the United States in a pre-summit environment with Gorbachev himself present.

Another reason for delaying an announcement—an announcement favoring the French, at least—was the British Conservative Party's annual conference, which was being held in mid-October. Washington says that No. 10 Downing Street made clear its hope that no bad news would be announced before Mrs. T.'s Party conference. The British demur, saying that they merely asked for advance notice of any bad news, so as to be able to prepare a reaction to it. Although the State Department had avoided becoming involved in the RITA-Ptarmigan affair, it did have an interest to avoid allowing a decision to be delayed indefinitely.

American diplomats were horrified by the prospect that the French might lose after winning on the merits. But the British had by no means given up when Mrs. Thatcher met privately with Reagan on October 23rd, the day of the mini-summit dinner in New York. He had not replied to her letter, and never did. His people, aware that a decision in Britain's favor wasn't in the cards, were fearful that Mrs. Thatcher would raise the matter with him once again, and word was passed asking her not to.

It was all over. The final decision had been made by Weinberger, Britain's foremost advocate. Still, the British couldn't, or wouldn't, accept the fact that they had lost to the French in Washington, a town where they normally run rings around the French and everyone else. On Monday, November 4th, they made a last but futile try to reopen the bidding on some new basis. And on the following day Weinberger called Heseltine and gave him the bad news. Heseltine then informed Mrs. Thatcher. Both were described to me as surprised, and very emotional—a reaction that struck me as peculiar, since the handwriting had been on the wall for some time. I asked Heseltine about that.

"Until the game is lost, you must believe you are winning," he replied.

I asked about the decision itself.

"I think Cap took the only decision he could take, given the figures being discussed," he said.

The French and the British were both amazed by the size of the of the gap in the bids when the formal announcement was made. "It stupefied us," an official of France's Defense Ministry says. Within a few days, Heseltine had ordered an inquiry into what went wrong. In Washington, everyone agrees that the French helped their cause by not intervening politically at any point. I asked Ambrose about intervention. "Beyond a certain point, political activity raises questions about the procurement process," he said. "Mrs. Thatcher's letter came after the bidding was closed. That is why it was wrong. The government can't operate if it is going to buy goods and services for some reason other than function."

Actually, the French government normally intervenes in arms deals with at least as much brio as any other. It responded to the exceptional circumstances of this affair by adopting exceptional restraint.

Just after the decision was announced, GTE staged a victory celebration in Boston's Faneuil Hall. It was a raucous affair, according to one attendee, with an anti-British spirit that matched the hall's tradition.

Ambrose doesn't see the RITA-Ptarmigan competition as an augury of more two-way streetism. "You won't find many opportunities [open to foreigners] for these large, complicated programs," he says. He means that American politics will intervene to prevent the large economies that buying abroad can sometimes make possible.

In the Saudi aircraft deal, the Americans, not the French, were the big losers. You cannot lose what you never had, and the French had never before had even a toehold on the Saudi market for military aircraft. America, after controlling this market, has been obliged by Congress to renege on commitments and abandon it. Congress has since blocked other arms sales to the Saudis. The political cost to America of this odd behavior will exceed the financial one, according to diplomats on all sides. They see a decline in the ability of this Administration and future Administrations to play the role in the Middle East that only America can play.●

CRACK AND CRIME

● Mrs. HAWKINS. Mr. President, there has been well-deserved increase in the attention by the media to the problem of crack, the new cocaine distillate that makes many other drugs look like candy by comparison. The most recent of the stories on the deadly drug appears in this week's Newsweek.

In my view, Newsweek is doing the Nation a public service with the attention and education it is providing on this new threat to our communities—and, in fact, our whole society. There should be no mistake, crack is dangerous not only because of the effect it has on the user, but also because of the crime it engenders.

Mr. President, I commend this Newsweek article to my colleagues and ask that it be printed in the RECORD.

The article follows:

[From Newsweek, June 16, 1986]

CRACK AND CRIME

Cruising the high-crime streets of Boston's Roxbury ghetto, Officers Leo Ronan and Fred Stevens spotted three young men who seemed to be delivering drugs. The courier was carrying a large gym bag; the other two were bodyguards. Ronan and Stevens stopped their car to investigate and the trio took off running. Ronan chased the man with the gym bag, but the suspect got away through the backyards of Roxbury. But the bag, found under a parked car, contained 1,051 vials of crack cocaine worth more that $26,000 and an address list written on the back of a receipt from a five-and-dime store in New York City. The evidence of a New York connection was disturbing and so was the size of the shipment: Ronan and Stevens had stumbled onto the biggest crack bust Boston had ever seen. "We've been lucky so far," said Lt. James Wood, commander of the Boston PD's Drug Control Unit. "But we have to keep it contained or it could blow up like New York."

Or like Los Angeles, Miami, Houston and Detroit—cities where, by every estimation, the epidemic of "crack" or "rock" cocaine has already reached crisis proportions. Crack—smokable cocaine—has suddenly become America's fastest-growing drug epidemic and potentially its most serious. It is cheap, plentiful and intensely addictive, a drug whose potential for social disruption and individual tragedy is comparable only to heroin. Fueled by the 500 percent increase in the amount of cocaine smuggled into this country from South America, the crack craze is spreading nationwide. According to Arnold Washton, a respected drug-abuse specialist who operates a national cocaine hot line, crack and rock are now widely available in 17 major cities and 25 states from coast to coast. Crack has captured the ghetto and is inching its way into the suburbs; its users come from all social strata and all walks of life. Wherever it appears, it spawns vicious violence among dealers and dopers and a startling increase in petty crime: in new York, where crack is now the top-priority drug-enforcement problem, police believe it is the primary cause of an 18 percent jump in robberies early this year.

The police are losing the war against crack, and the war is turning the ghettos of major cities into something like a domestic Vietnam. The analogy is shopworn but apt. The crack trade operates like a guerrilla insurgency and makes an infuriatingly elusive target for police. Dealers—"ounce men," as they are known in L.A.—organize small cells of pushers, couriers and lookouts from the ghetto's legion of unemployed teenagers. They enforce discipline with savage violence, change locations frequently and alter their tactics constantly to foil narcotics agents. Police raids on "crack houses" typically recover too little cocaine to impress prosecutors or the courts: given the logjam in the prisons, most offenders spend little or no time in jail. Undercover investigations aimed at ringleaders often lead nowhere: crack can be manufactured in any kitchen, and the trade in bulk cocaine is highly decentralized. "It's futile," says Det. Ken Wilkinson, a 22-year veteran of the Los Angeles Police Department. "The answer has to be something other than what we're doing.

Like other narcs in other cities, Wilkinson readily compares rock to heroin—and though the two drugs are very different, the comparison is not farfetched. Rock and crack represent a quantum leap in the addictive properties of cocaine and a marketing breakthrough for the pusher. Sold in tiny chips that give the user a 5- to 20-minute high, crack often is purer than sniffable cocaine. When smoked, cocaine molecules reach the brain in less than 10 seconds; the resulting euphoric high is followed by crushing depression. The cycle of ups and downs reinforces the craving and, according to many experts, can produce a powerful chemical dependency within two weeks. While a typical heroin addict shoots up once or twice a day, crack addicts need another hit within minutes—which means that even at $10 a chip, crack addition can be more expensive than heroin. Heroin, moreover, is a depressant, while cocaine is a stimulant—which means that heroin addicts are lethargic and mostly immobile during the high, while crack addicts are likely to be paranoid, and highly active. In Boston, Lt. Wood says, heroin addicts, "are scared of this stuff—and when a heroin addict says something is bad, you know it's bad."

West 107th Street in Manhattan is a fringe neighborhood populated by low-income blacks and Hispanics—and one of New York's open-air drug markets. "One-o-seven, you can get anything you want," says Juan, a skinny 19-year-old. "You get crack, coke, herb, heroin. But crack's the thing. That's what's happening now." The street moves to the furtive sound of illicit commerce. At night, particularly on weekends, West 107th Street sees a steady stream of limos, taxis and out-of-state cars. "Sometimes you get the impression we're in New Jersey," says Deputy Inspector Frank Bihler, commander of the NYPD's 24th Precinct; he jokes about blowing up the bridges and tunnels to keep the suburbanites out. But nobody jokes about the neighborhood young addicts. "They're skinny, dirty and totally obsessed with getting crack," says social worker Joe Stewart. "I see young girls in doorways trying to sell themselves "for the $5 it costs to get high.

It could be anywhere. The drug is the same, the hustle is the same and the cops all say the same things. Selling crack is where the money is, where the action is and where the ghetto's inverted social pecking order begins. "Rock cocaine has taken on the social esteem that being a pimp had 20 years ago," Wilkinson says. "It's just the 'in' thing to do, like wearing Fila running shoes. And these people are very, very into the 'in' thing." The ounce men drive BMW's and Mercedeses, the kids who work as runners and lookouts wear $200 designer-label running suits. By the weary estimate of one of Wilkinson's colleagues on the LAPD, Det. Charles Johns, the rock business is now the largest employer in the Los Angeles ghetto. Although law-abiding neighbors still call in tips by the hundreds, Wilkinson and Johns say the community as a whole is apathetic about controlling the contagion. "You can't expect the police department to stop the tide of rock cocaine when the people aren't policing themselves," Johns says. "Right now they're saying, 'If it's not directly involving me I'm not going to worry about it.' But it does involve them—and their neighbors and their children."

L.A. may be the model for other cities around the country: rock cocaine first appeared there nearly three years ago. Houston has been flooded with it for the past two years, Detroit about 18 months; New York police have discovered the crack crisis within the past six months. They now see crack as their top priority in drug enforcement—and as a damnably difficult problem. The crack business is a cottage industry which needs virtually no technology or central organization, and which is essentially bound together only by vast amounts of cash. Its raw material, cocaine, is smuggled into this country from South America, often through Colombia and Mexico. Since 1980, according to congressional sources, the influx of smuggled cocaine has risen from approximately 25 tons a year to 125 tons a year. The U.S. Drug Enforcement Administration, which concentrates on major traffickers, believes there is a two- or three-tier network of wholesale distributors. Crack dealers, operating just above the retail level, frequently buy no more than a pound or two at a time.

What happens next is best illustrated by a raid in New York last week. A police narcotics squad raided a small crack house in a Bronx apartment and found records leading to the drug ring's factory, which turned out to be in another apartment building next door. They got a warrant and surrounded the building. Two Puerto Rican men were allegedly caught in the act of converting cocaine into crack. The suspects had about two pounds of crack worth about $150,000 in the room. They also had more than 16,000 plastic vials that are commonly used in New York to package crack for sale. The only equipment needed was two glass coffee pots, a hot plate, a pair of scales and a case of baking soda; baking soda is used as a reagent in the conversion process. Luckily, the suspects were caught totally off guard—for they had a small arsenal of loaded weapons that included a rifle, four pistols and two machine guns. It was the biggest crack bust in the city's history—but the "factory," police said, probably served no more than a 10-block area.

A city like New York may have scores of underground factories—and only rarely are police lucky enough to find them. Each factory supplies a handful of crack houses. Each crack house keeps only small amounts of the drug on hand. By restocking their salesmen frequently, dealers prevent police from making large-scale busts. Crack houses are well protected by lookouts and fortified doors; if the police stage a raid, the sellers need only a few seconds to flush their dope down the toilet and evade prosecution. "You can raid a house that's filled with people and has a table covered in crack and drug paraphernalia," says John Hogan, chief of the felony section of the Dade County State Attorney's Office in Miami. "But the place is usually registered under a fictitious name, and by the time the police get in, no one is physically linked to the drugs. You can't charge anyone."

The war between cops and dealers has become an intricate game. In Los Angeles, where police have successfully raided hundreds of rock houses, dealers are sending their sales teams into the streets. Each team consists of a steerer, who screens would-be buyers for security risks, a cashier, who takes the buyer's money, and a third dealer, who hands over the drugs: if a narcotics agent tries the usual buy-bust tactic, the team scatters instantly and leaves the narc empty-handed. "Today you'll find the biggest amount of dealing in rock cocaine is . . . done by street people who are very, very transient," says the LAPD's Lt. Dick Koskelin. "The reason is that we've educated these dope dealers. Every time you make an arrest, they [ask each other], 'How'd you get caught?' So they know the rock-house approach is passé."

There are ominous signs that crack and rock dealers are expanding well beyond the inner city. L.A. police say rock houses are opening up in the San Fernando Valley and in beach-front towns like Venice; in Florida, lawmen report a similar trend. "In the past six months every city, county and almost every little town has been hit by the crack epidemic," says John J. Barbara of the Florida Department of Law Enforcement. "It's everywhere, and it crosses all racial, social and economic boundaries." In the Northeast, police are keeping a wary eye on the crack boom in New York, and there are early indications that New York pushers are branching out. In Texas, rock has recently shown up in Dallas and San Antonio, and a DEA official in Houston says at least some of the dealers operating in rock-infested Houston have migrated down from New York. Houston police got grisly evidence of the New York connection in a double homicide last August. The victims, both Haitians from Brooklyn, were involved in a Jamaican-run rock operation. "The workers in the dope house are being recruited from poor Haitian and American black kids in New

York," says Houston Police Sgt. Steven Clappart.

The most frightening aspect of the crack problem is its exponential growth. In March Sen. Lawton Chiles convened a meeting of local police officials in Florida to discuss the spread of "designer drugs" and was startled to find his audience largely unconcerned by exotic hallucinogens. "He found that crack was on everyone's mind," an aide says. "Crack is a firestorm issue that is overwhelming them and spreading like wildfire across the state. They want and need help." A survey by the National Institute on Drug Abuse indicates that 4.2 million Americans reported having used cocaine within the previous month—but the survey, which dates from 1982, made no distinction between sniffable cocaine and crack. "The growth in the past nine months is alarming," says Arnold Washton. "In September '85 we had not gotten a single call [on the cocaine hot line] about crack. Now, 33 percent of all coke users who call are talking about crack addiction. The explosion has taken place in the past six to nine months. It's a true epidemic."

Outmanned and underfunded police officials point to the abundant supply of cocaine as the root of their problem. As the rising tonnage of smuggled cocaine demonstrates, the DEA's interdiction campaign has so far failed to make much headway against major traffickers—and though few local cops blame the DEA for their problems, they are increasingly angry at Washington. The DEA is "inundated just like we are," says L.A.'s Wilkinson. "My personal feeling is that [federal policymakers are] afraid of stepping on the toes of certain leaders of certain countries. It's obvious to us where the cocaine is coming from." In Detroit, Police Inspector Joel Gilliam makes the same point in more dramatic terms. "In 1941 the Japanese bombed Pearl Harbor and we went to war," Gilliam says. "Today, little white packets are being dropped on this country and nobody gives a damn."

The DEA, meanwhile, tends to regard the spread of crack as a problem for local police. "If you want to call it crack or rock or whatever, it's still cocaine," says Raymond Vinsik, chief of cocaine investigations for the agency. "For DEA it's a matter of getting to the major suppliers and importers and shutting them down. For the local police departments, it is to attempt to limit the availability of cocaine to the street dealers." Another DEA official thinks the media are partly to blame for the crack craze. "We are very concerned about a market being developed because of all the publicity," says special agent Robert O'Leary of the DEA's Washington-Baltimore field office. "We feel it's being accelerated by media hype."

The point is plausible if not persuasive: in New York, for example, crack suddenly became the city's biggest drug problem with very little attention from the press. Crack's lurid appeal as a potent high is part of its rising popularity; conversely, heroin use may be declining because of the addicted population's fear of contracting AIDS from contaminated needles. But at bottom, crack and rock are spreading because cocaine is so widely available in the United States and because the justice system has been unable to thwart the cocaine trade at any level. Police in every city where crack is now a major problem argue that the courts are too lenient with drug offenders, and they may be right. In New York, special narcotics prosecutor Sterling Johnson recently argued for mandatory jail sentences even in plea-bargaining drug cases—and warned that some neighborhoods now have "more crack stops than bus stops." John Cusack, chief of staff of the House Select Committee on Narcotics Abuse and Control, stresses the role of judicial "gridlock." "We are not thinning out the ranks and making any impact. We are not deterring." Cusack says. "As a matter of fact, the opposite is happening. What's the risk? So few are getting caught and the risk of prosecution is so remote that we are encouraging people to traffic."

Art F. was a fortyish San Francisco lawyer when cocaine took over his life. He was both a dealer and an addict. At the peak of his addiction, he smoked $1,000 worth of rock a day. Somewhere along the way he lost his wife, his two children and his Marin County home. "I could see what was happening, but none of it mattered." he says now. "I'd get depressed that I was an addict, but when I'd slip into depression it would lead five minutes later to another pipe. And when I was happy, that would lead to another pipe." It all ended when a San Francisco police narcotics squad kicked down his front door—though even then, his first impulse after being booked was to go home and get high. Today, Art F. is staying straight and trying to rebuild his life. "I only hope the people using it—the kids smoking it—get sick enough that they get into a recovery program." he says. "Otherwise, life is tough and then you die."

Crack's rising cost to the nation is perhaps best measured by its toll on individuals like Art F. Despite its benign reputation, cocaine is unquestionably addictive—and crack is extremely addictive. Researchers are not entirely sure how the addiction takes hold. Unlike heroin, which creates a specific physiological need in the body, cocaine dependency involves the subtle chemistry of the brain itself; both forms of addiction are reinforced by psychological dependence, which as any cigarette smoker can testify, is also very powerful. In one experiment, says Dr. Richard H. Schwartz, medical director of a Virginia drug-rehabilitation center, monkeys allowed an unlimited supply of intravenous cocaine died of convulsions within five days. "They preferred cocaine to life—that's the bottom line," Schwartz says. Dr. Frank Gawin of Yale University is pessimistic that cocaine addicts can truly eradicate their need for the drug. "The best way to reduce demand would be to have God redesign the human brain to change the way the cocaine molecule reacts with certain neurons," Gawin says. "It produces pleasure. That's a very unfortunate accident and I don't know how to solve it."

The implications for national policy are clear. Given the widespread societal acceptance of drugs of all types and given cocaine's immense addictive power, the war against crack will not be won by campaigns to reduce public demand. To be sure, that conclusion contradicts the current line taken by many in the Reagan administration—and it would require bigger law-enforcement budgets at both the federal and local level. But the alternative, as the frustrated street cops know, is far worse.

An Inferno of Craving, Dealing and Despair

(By Peter McKillop)

Looking down on 42nd Street, between Seventh and Eighth avenues, the hub of the crack district in New York's Times Square, is like gazing into the inferno. It is a nonstop choreography of craving, dealing and despair, played out under the glaring neon of the street's once elegant theaters, long since become seedy porn palaces. Times Square is the no man's land of the crack trade, a place where the scavengers, the losers from turf wars in the outlying neighborhoods are forced into the most dangerous and wide-open drug hustle of them all. Despite a citywide crackdown that has "cooled" many other areas of the city, the 42nd Street commerce appeared to be in full cry last week: the junkies with drawn faces begging dimes for their next high, the "runners" acting as lookouts and corralling clients, the undercover narcs on the prowl for a bust.

One of the boldest dealers on the street is "Eare," a big-shouldered Trinidadian wearing gold chains and a diamond-studded bracelet with his name engraved on it, who claims a take of $12,000 a week at $10 per vial of crack. Eare operates as brazenly as a three-card-monte dealer, waving fistfuls of bills around as he deals his drugs at the corner of 42nd and Seventh. One night last week a stretch limo pulled up near his turf with two young couples coming from a prom in New Jersey. While they stood at the car getting their picture taken, the chauffeur bought them some crack and the girls each roses.

Eare is surrounded by smaller fish: sellers, runners and hangers-on. Most are under 25, and many are themselves crack addicts, like Arnold, a runner who smokes $100 worth of crack a night. Some of Eare's henchmen pack supersharp box cutters, for slicing open competitors' faces. Many also wear "knuckle-busters"—rings implanted with tiny razor blades for "sparkups" with marauding dealers from the outer boroughs.

Eare got his start selling angel dust in the street's movie theaters. "Then they came out with this new thing called crack," he says. With $1,600 saved up from his proceeds, he bought an ounce of cocaine, which he turned into $6,000 worth of crack. ("In this business," he observes, using a maxim of the street, "money talks, bullshit walks.") Eare distributes the crack to his 12 to 15 runners, each of whom may pull in about $200 to $300 a day, keeping $1 for every $10 sale. He estimates he will make $250,000 by August, when he hopes to take his profits home to Trinidad.

All too often, a dealer like Eare will spend the money as fast as he makes it. In any case, the prospects for comfortable retirement are dim, If a dealer is not busted by the police, he may be rolled by a competitor, or become addicted himself. Eare says he is prepared to do time in jail, confident that his business will be waiting for him when he gets out. But most likely he is deluding himself. While his legal bills would probably be paid to keep him from testifying against others, he is apt to be replaced on the street the day he leaves.

BLEAK ROUTINE

Eare's only sure legacy is his crack-addicted clientele. They include regulars like Hector, who works the graveyard shift for a private garbage hauler and spends part of his $20- to $30-a-day salary on his drug needs. Hector says he controls his habit. He uses a standard pipe to smoke rather than the slicker water pipes that increase the strength of the hit, and he keeps fit with vitamins and square meals. "I thank the Virgin and God that I always have enough to eat," he says.

But crack is the high point of Hector's bleak daily routine. Each day after work he

emerges from his single-room-occupancy hotel near 42nd Street with a crumpled McDonald's bag containing a Super Cub butane lighter, a glass pipe and a couple of chunks of his favorite drug. Often he makes his way through Times Square to the solitude of a small park at 10th Avenue and 47th Street. Sitting at a chess table surrounded by littered crack containers, he pulls out a small red vial, stuffs a chunk in his pipe and lights it, shielding the flame from the wind. The crack begins to cook. Hector takes a hit, the gray smoke swirling for a moment before he sucks it down his throat. He takes another hit. His eyes bulge slightly and his nose starts to run, but he seems peaceful. He still has another hit left, which he'll smoke tonight before going to work.

Linda, another veteran of the Times Square crack trade, did make a change. An attractive Puerto Rican woman in her mid-20s, she had worked her way up from hustling drugs on the street to running two crack houses—places where addicts come in to relax and "do" crack—for a Colombian coke dealer she met when working in a Times Square movie house. She started as a runner, sending what little money she made to her three children, who now live in foster homes.

Then she moved up to dealing packages, each containing 100 vials of crack. She became a "mule," street parlance for messenger, picking up the drug from crack kitchens in Manhattan's Washington Heights and midtown sections and transporting it to Times Square, where she sold it for $20 a vial. Her sales strategy was cunningly simple: first, get a client hooked by giving him strong, addictive crack, and then the quality could decline a bit. Sometimes she sold Peruvian Rock, a worthless crack look-alike; other times it might be soap or chunks of roasted peanuts.

THE "COOK"

Linda's dealer was impressed with her business savvy, and before long she was running two crack houses, one on 38th Street and another in Upper Manhattan. She also took a hand in cooking and packaging crack. There was a ready supply of drying agents and other paraphernalia available over the counter at nearby smoke shops, like the one just off Times Square where open shelves sag under the weight of crack pipes, computer scales, measuring spoons and butane lighters. Once she cooked the crack, she placed it in molds to dry, then cut it into "rocks" and packaged them for the mules who would spread them around the city.

It was an easy, thriving life for a while. But Linda's rise came to an abrupt halt when the "federales" suddenly swarmed over the crack houses three months ago, confiscating not only the drugs but her expensive wardrobe. Luckily, she was out having dinner with her dealer when the bust came. But he took off to Colombia with $20,000 he had stashed away while Linda, broke and homeless, went back to the streets—this time to sell her body.

Last week she was arrested—the first time ever—for prostitution. She is having troubles with her pimp, she misses her children and she dreams, now, of becoming a social worker. "I know this area better than anyone," she says. "I don't like being out here on the street. It's not me." Perhaps not—but the street is still very much Eare and Hector, and—despite the heavy concentration of police in the area—all the entrenched sociopathy of the crack plague.●

LIABILITY REQUIREMENT CLOSES JAIL

● Mr. KASTEN. Mr. President, a recent article in the Milwaukee Journal presents some of the liability problems being faced by all entities which are required to carry liability insurance. It points to the drastic impact on the city of Greenfield, which has been forced to close its jail due to its inability to meet staffing requirements specified by its liability insurance carrier. The jail would have to hire six full-time employees to meet the insurance company's staffing requirement and the municipality simply cannot afford this additional expense. Forced jail closings are clearly not in the public interest and this is not an isolated incident. Jails across the country, as well as other local government institutions, are facing the same problems. Unless we act soon, this problem will only worsen. I ask that the text of this article be printed in the RECORD. I hope it will stir my colleagues' interest in the urgent need for action against the liability insurance crisis.

The article follows:

[From the Milwaukee Journal, June 5, 1986]

LIABILITY REQUIREMENT CLOSES JAIL

(By Nancy L. Torner)

GREENFIELD.—The City of Greenfield has been forced to close its municipal jail because the city cannot meet jail staffing requirements set down by a liability insurance carrier.

Police Chief Chester D. Kass confirmed Wednesday that he had closed the jail at 12:01 a.m. Sunday, when a new insurance policy took effect. All six jail cells were empty at the time. On average, the jail had held about 150 prisoners a year.

"We had an excellent jail that I was very proud of," Kass said.

When it came time for Greenfield to renew its police professional liability insurance with Gallagher Bassett Insurance Service of Wauwatosa last week, it discovered that to keep its coverage it had to staff the jail with full-time jailers, one man and one women, 24 hours a day.

That staffing requirement had not been included in previous liability insurance policies.

Instead of adhering to the new requirements, Greenfield, which had relied on police officers and other department personnel to keep an eye on prisoners closed its jail.

A random check of several other area police departments indicated that the staffing requirements set down by the insurance company might not be standard.

For example, Wauwatosa Police Chief Roy Wellnitz said Thursday that department personnel were assigned to keep watch over the cells only when prisoners were being held.

When told of the Greenfield policy, he said: "This is new to me."

The closing in Greenfield could be temporary. A meeting is scheduled for next week between Mayor David A. Kaczynski and the insurance carrier to discuss the terms of the policy.

In the meantime, prisoners will be taken to the Milwaukee County jail, which is legally obligated to hold them at no cost to Greenfield, Kass said.

"It does cut into your staffing temporarily," Kass said about officers having to drive prisoners into Downtown Milwaukee.

But he said only one or two trips had been made since the jail closed.

The city learned last week that the policy's underwriter, based in Virginia, had included a provision requiring the municipality to staff its jail around the clock with both a male and a female jailer.

When reached by telephone Wednesday night, Arthur F. Josetti, an insurance agent with the Gallagher firm, said that the person who did the underwriting, whom he declined to name, had gone on vacation after completing Greenfield's policy. He said the new provision was discovered too late to do anything about it before the old policy lapsed. So the city decided to comply with the terms of the new policy until a meeting could be held.

The terms of the policy required the city to maintain the specified staffing level or close.

"On the whole, insurers are feeling they have not been making a profit," Josetti said. Consequently, he said, they are taking a hard look at where their money is going and writing their policies accordingly.

Costing $47,000 for a year, the insurance policy covers the Police Department's legal liability, which could extend to the jail if a prisoner were injured through the fault or negligence of the city, Josetti said.

To staff the jail as specified by the insurance policy would require hiring six full-time people, Kass said.

"We can't do that, obviously, around the clock," Kass said. "We're not big enough to assume that kind of expense just to babysit."

In West Allis, Inspector Ralph Machowski said Thursday that the department did not have jailers, but used its regular officers to keep watch over inmates. He said an officer was available 24 hours a day but would only be stationed at the jail as needed.

The West Allis jail has seven cells. Most inmates are not held long.

Police Chief Alvin J. Berndt of Shorewood said men and women dispatchers were available to monitor anyone held in the village jail.

"We don't have so much of a jail as three holding cells." Berndt said. "We don't hold people long, a few hours at the most."

Women are seldom kept in holding cells, he said. If not released, a woman is sent immediately to the County Jail. Sometimes a man is kept overnight.

Police Chief Norman J. Pollman of Franklin said officers or other police department employee, male and female, were available 24 hours a day to help with jail duties there. The employee would be sent to the jail as needed. Franklin has four cells. Most people are either released within a few hours or sent to the County Jail, Pollman said.

Police Chief Anthony M. Wise of Cudahy said women were not kept in Cudahy jail. If a woman needs to be placed in custody, he said, she is taken to the County Jail immediately.

Cudahy has eight cells, but it is rare for more than three to be occupied, Wise said. Most men are held for only two or three hours, he said, until they can be released or sent to the County Jail.●

USE OF EAGLE FEATHERS IN INDIAN RELIGIOUS RITES

● Mr. GOLDWATER. Mr. President, our native Americans have been living on this land and practicing their religious rites since the dawn of man's memory. The things the Indian holds sacred and important are just as meaningful to him as the religious practices of our own organized religions. Yet, Congress is currently considering legislation affecting the Indians use of eagle feathers which are an integral part of Indian religious rites.

The Arizona State Senate has passed a resolution urging a balance between the needs of our native Americans and the needs of America's resources. I believe that such balance between environmental considerations and the traditions of the original Americans can be achieved. I bring this to the attention of my colleagues and ask that the resolution be printed in the RECORD.

The resolution follows:

SENATE CONCURRENT MEMORIAL 1001

To the Members of the Arizona Congressional Delegation:

Your memorialist respectfully represents:

Whereas, Native Americans desire to comply with the law; and

Whereas, eagles are an endangered species worthy of federal protection; and

Whereas, Native Americans in Arizona use eagle feathers in their tribal ceremonies, in the healing procedures of their medicine men, and in the ceremonies of the Native American churches; and

Whereas, the Endangered Species Act and the Bald Eagle Protection Act currently allow certain exemptions for traditional activities of Indian tribes; and

Whereas, the Congress of the United States is considering legislation which would amend either the Endangered Species Act or the Bald Eagle Protection Act to affect existing requirements for Indian tribes. Wherefore, your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That, prior to the enactment of any such legislation, the Members of the Arizona Congressional Delegation carefully balance the competing needs of the traditional and time-honored American Indian beliefs and practices with the fundamental need to protect America's resources, as expressed in the Endangered Species and Bald Eagle Protection Acts.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to each Member of the Arizona Congressional Delegation.●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act, as amended. I ask that the report be printed in the RECORD.

The report follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, June 9, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution Senate Concurrent Resolution 32. This report meets the requirements for Senate scorekeeping of Section 5 of Senate Concurrent Resolution 32 and is current through June 6, 1986. the report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

No changes have occurred since my last report.

With best wishes,

Sincerely,

JAMES BLUM,
(For Rudolph G. Fenner).

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 2D SESSION AS OF JUNE 6, 1986

[In billions of dollars and fiscal year 1986]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,057.1	980.3	778.5	2,040.1
Budget resolution, S. Con. Res. 32	1,069.7	967.6	795.2	[2] 2,078.7
Current level is:				
Over resolution by		12.7		
Under resolution by	12.6		17.2	38.6

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,078.7 billion

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 2D SESSION AS OF JUNE 6, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds	723,461	629,772	
Other appropriations	525,778	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation Urgent Supplemental Appropriation, 1986 (Public Law 99-243)			
Federal Employees Benefits Improvement Act of 1986 (Public Law 99-251)		4	
VA Home Loan Guarantee Amendments (Public Law 99-255)		−51	
Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272)	−4,259	−6,001	765
Department of Agriculture Urgent Supplemental, 1986 (Public Law 99-263)			
Advance to Hazardous Substance Response Trust Fund (Public Law 99-270)			

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 2D SESSION AS OF JUNE 6, 1986—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
FHA and GNMA Credit Commitment Assistance Act (Public Law 99-289)		−380	
Federal Employees Retirement Act of 1986 (Public Law 99-335)			−90
Total	−4,259	−6,428	675
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans Compensation	272	185	
Veterans readjustment benefits	91	91	
Compact of free association	205	205	
Special benefits (federal employees)	14	14	
Family social services	100	75	
Guaranteed student loans	6		
Payment to civil service retirement [1]	(37)	(37)	
Total entitlements	688	570	
Total current level as of June 6, 1986	1,057,108	980,302	778,469
1986 budget resolution (S. Con. Res. 32)	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		12,702	
Under budget resolution	12,592		17,231

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.

NOMINATION OF WILLIAM F. MARTIN

● Mr. McCLURE. Mr. President, on June 6, 1986, the Senate confirmed the nomination of William F. Martin to be Deputy Secretary of Energy. The nomination was favorably reported by the Energy and Natural Resources Committee on April 30, 1986. The vote was 17 to 0.

I would like to comment briefly on Mr. Martin's background and his new responsibilities as Deputy Secretary of the Department of Energy.

Mr. Martin brings to the Department substantial experience in the field of international energy policy. He served as Special Assistant to the President for National Security Affairs, and in that position, he coordinated overall policy for the National Security Council. Mr. Martin first joined the National Security Council in 1982 as an energy and East-West economic specialist. From 1981 to 1982 he was Special Assistant to the Under Secretary for Economic Affairs at the Department of State, and from 1977 to 1981 he worked on the staff of the International Energy Agency.

During his testimony before the committee, Mr. Martin described his general approach to Federal energy policy. He stated:

The experience of the last decade has illustrated the importance of striving for secure and diversified energy sources at reasonable prices. To that end, we should continue to support the economic development

of our indigenous energy base including oil, gas, coal, nuclear power and new and renewable energy resources through reliance on free markets and continued efforts to remove obstacles to the functioning of the market.

As Deputy Secretary of Energy, Mr. Martin will have a major role in formulating and implementing our Nation's energy policies. He will serve with the Secretary in carrying out the responsibilities delegated to the Department by both the Congress and the President. He will also assist the Secretary in representing the Department's views before the public and presenting its policy positions to the Congress.

Mr. President, Mr. Martin is now in a position to begin fulfilling these responsibilities. I am pleased that his nomination has received Senate confirmation.●

PEOPLE DIPLOMACY

● Mr. BOSCHWITZ. Mr. President, I rise today to bring to the attention of my colleagues a very special event taking place this summer—a campaign to promote international peace through "People Diplomacy." "People Diplomacy" is starting in Washington this week and will reach all around the country over the next few weeks. It is a movement based on the belief that if nations simply begin to communicate on a personal level, we will make great strides toward world peace. The theme of the movement, "Peace, Light and Friendship," emphasizes that, regardless of race, religion or political background, people worldwide are more similar than different from each other. It started with 122 Americans who toured Egypt early this year. They felt compelled to share the bonds they developed in Egypt and have arranged to bring their Egyptian tour guide, Mr. Abdel Hakim, to the United States this summer.

Throughout his stay, Mr. Hakim, an Egyptian archeologist who guided Henry Kissinger through Egypt in 1974, will be meeting with Government officials, lecturing at colleges, and meeting Americans in an attempt to bring about understanding between our cultures. Upon his return to Egypt, Mr. Hakim has pledged to continue to promote good will between our two nations by conducting lectures throughout his own country.

One of my constituents, Larry Miller of Minneapolis, is one of the founders of the movement. "The idea was purely spontaneous," he said. "We are just a group of ordinary Americans, a cross-section of the country, who want world peace."

Ordinary? I do not think so. These people are hardly ordinary. They have taken money from their own pockets to promote a cause in which they wholeheartedly believe, and one which has the potential to benefit all Americans.

"People Diplomacy" is a commendable effort and one that I wholeheartedly applaud. I can think of no other issue more important to our Nation's well-being than world peace.●

ODE TO WASHINGTON STATE

● Mr. GORTON. Mr. President, today I should like to share with my colleagues a very thoughtful and entertaining piece of poetry written by Jess Clifford, of Elma, WA. Mr. Clifford, who is 80 years old, wrote the poem in response to a relative's challenge to come up with a better ballad than some being considered for the Washington State song. I believe that Mr. Clifford's efforts and love for Washington deserve to be recognized publicly.

His expressed love for the people and natural resources of Washington State is a true inspiration to those of us familiar with what he writes about. It is a pleasure to be reminded of the fine qualities of the State that Senator Evans and I represent—especially by Mr. Clifford's creative work.

Mr. President, I ask that the poem be printed in the RECORD.

The poem follows:

ODE TO WASHINGTON

There are many fine states in the USA
But there's only one where I want to stay.
Its bounty from nature is nowhere out done,
And the name of this state has to be Washington.
We have scenic vistas by the score
On mountains, plains, and the big seashore.
Other items of interest are easy to find
And here are a few that come to my mind.
There are clam-bed beaches on the ocean strand
And across the Cascades is apple land
Where grow those juicy, gourmet delights
That got their red color from chilly nights.
We ship apples to market by the ton
Where they spread the fame of Washington.
And waving in the breeze, much like the main
Are acres and acres of golden grain.
What to a farmer's sight so neat
As a well-tilled field of ripened wheat.
For from this precious grain 'tis said
Comes the staff of life, a loaf of bread.
Of man-made structures, what a thrill to see
That modern world wonder in Grand Coulee.
It's a mammoth work, the biggest dam
That was ever built by Uncle Sam.
A firm source of power for industries' goals
Is there where the mighty Columbia rolls.
This hydro-power we plainly can see
Benefits all of society.
The tall timber that grows in our Evergreen State
Is really something to relate.
There's the Noble Fir and the Douglas too
Cedar, hemlock, pine and yew
It would be a chore just to number
The mills that hum producing lumber.
And it is gratifying to see
Regard for our ecology.
Public approval has been granted
For many young trees that are being replanted
Which will in time the felled trees replace
And not leave just an empty space.
It's a pleasure to think of the fishing we do
With commercial boats and by sportsmen too.
Many food fish in schools abound
Off Washington's coast and in Puget Sound.
And lurking in our lakes and streams
Are game fish fit for a nimrod's dreams.
It is our pride that no state in our nation
Can boast of more sources for recreation.
There are mountains to climb, lakes and rivers to fish
And if boating and sailing is our dish,
Blue waters beckon from the bay
Where seagulls glide and orcas play.
One may even spot a gam of whales
See them spout and show their tails.
For here in Washington man may be
In touch with nature on land and sea.
I may be biased as I relate
The many good points of my chosen state
But to deny them would simply be folly
So I'll stand up and declare by golly
That the blessings of nature, the good life and clean fun
All come together in this state, Washington.●

NOMINATION OF DAVID B. WALLER

● Mr. McCLURE. Mr. President, on June 6, 1986, the Senate confirmed the nomination of David B. Waller to be Assistant Secretary of Energy for International Affairs and Energy Emergencies. The Committee on Energy and Natural Resources favorably reported Mr. Waller's nomination on April 30, 1986.

Mr. President, during committee consideration of the nominee, the question once again arose as to the benefits that the United States receives from membership in the International Energy Agency, which was established to deal with severe disruptions in international energy supplies. Because of my concerns, as well as those of other members, a briefing of committee members was convened with Allen Wallis, the Under Secretary of State for Economic Affairs, and George Bradley, the Acting Assistant Secretary of Energy for International Affairs and Energy Emergencies.

This discussion emphasized the status of emergency oil stocks among IEA-member countries. Our discussion also reviewed efforts to establish an IEA policy and framework for an early and consolidated stock draw in the event of an international supply disruption.

At this point a brief review of the IEA Agreement would be appropriate. The agreement requires that each member nation maintain a strategic oil stock commitment equivalent to 90 days of net oil imports. This requirement was modified in December 1982 when the IEA Governing Board decided that member countries would undertake efforts not to let stocks fall

below 90 days of oil imports for the preceding 3 calendar years.

However, because of the way that this commitment is calculated this requirement does not necessarily result in 90 days of usable stocks. For example, under the International Energy Program, member nations may satisfy this commitment by a combination of means, including actual oil stocks, fuel switching capacity, and standby oil production. Therefore, a member can be in technical compliance with the agreement without maintaining 90 days of actual usable stocks in excess of minimum operating requirements.

Indeed, Mr. President, 16 out of the 21 IEA-member states now are in technical compliance with the provisions of the International Energy Agreement, but in my judgment, that is not sufficient. We should be seeking full compliance with the spirit of the agreement. In several instances, while technical compliance exists, it is doubtful whether such compliance constitutes 90 days of usable stocks. For example, there are differences in stock availability depending upon whether such stocks are held by and under the direct control of member governments, such as strategic petroleum reserve stocks, or whether such stocks are being held by private companies in excess of their normal practices and under the indirect control of member governments. Similarly, there is a difference between total stocks and those stocks in excess of minimum operating requirements, that is those amounts in the oil production, transportation, refining, and marketing system, that are necessary for its normal operation.

But technicalities aside, the spirit of the IEA Agreement is that the member countries would create a 90-day emergency stockpile upon which the member countries could rely. And it is this spirit of the agreement that the U.S. position on IEA matters should fully support. Moreover, now, when there is a weak oil market, is a particularly appropriate time for IEA-member states to increase emergency oil stock levels. This possibility was specifically recognized in the May 6 Tokyo Economic Declaration, as was the need for continuity of policies for achieving long-term energy market stability and security of supply.

Besides the question of the adequacy of the amount of emergency stocks, issues remain regarding the capability of IEA-member states to use their stocks to meet IEA obligations. The recent AST-5 provided many IEA-member countries with experience through simulation of the drawdown of government held stocks and mandatory company stocks, as well as the introduction of demand restraint measures. Nevertheless, issues remain regarding the adequacy of each country's capabilities for drawing down stocks from the standpoint of its logistical systems, its legal authorities, and its administration procedures.

I raise these concerns at this time, Mr. President, as an indication of areas for priority consideration by the Assistant Secretary. Greater effort is needed to encourage a strengthening of implementation of the International Energy Agreement. While much has been accomplished, much more remains to be accomplished if the spirit of the International Energy Agreement is to be realized. The importance of the U.S. continuing these efforts is reinforced by the continuing political difficulties in the Middle East.●

ST. PAUL'S ICE PALACE

● Mr. BOSCHWITZ. Mr. President, legend has it that long ago, Boreas Rex, King of the Wind, roared down from the icy north and came upon a winter paradise that today we know as Minnesota. Enraptured by the loveliness of its seven hills, he declared St. Paul to be his capital and winter playground.

One hundred years ago, the citizens of St. Paul began to celebrate the marvelous winter season in Minnesota by holding winter carnivals which help people enjoy and ignore the cold weather. This year marked the centennial anniversary of the St. Paul Winter Carnival, and to celebrate the occasion, the people and businesses of the Twin Cities donated their time and money to revive a tradition of past carnivals—the construction of a giant ice palace to celebrate the legendary home of King Boreas.

Perhaps one of the most unique features about this year's ice palace was the fact that it was a "People's Palace," almost entirely funded and constructed from private donations. Over 800 people volunteered many thousands of hours of time during the 2-month period it took to build this magnificent structure entirely out of ice. On February 5, when the Centennial Ice Palace was completed, it stood at over 128 feet in height, the tallest in ice palace history.

The tremendous spirit of those Minnesotans who volunteered to build the palace is truly inspiring. Today, the ice palace has long since melted away, but Minnesotans will always remember that while the palace was erected to commemorate the centennial anniversary of the Winter Carnival, it also served as an important tribute to the voluntarism and community spirit by which it was built.

Of the many corporations, labor unions, and other organizations which helped build the palace, one group of Federal employees from the St. Paul District Army Corps of Engineers was truly outstanding in the ice palace effort. I would like to recognize some of the dedicated individuals from this office, who volunteered thousands of hours of their own personal time.

Bob Fletcher was the chief engineer and chief recruiter for union trades people in the project, as well as one of the project's main supporters. His involvement was critical to the fabulous success of the Centennial Ice Palace. Allen Geisen volunteered his time as head of engineering, and worked tirelessly to ensure the safety of the project and other volunteers. John Kliethermes, head of the construction resource committee, spent long hours securing donations from area business people and labor unions. Mike Osterby worked on the landscaping and layout. Jim Mosner and Sheldon Edd were in charge of construction monitoring and cleanup. Dave Swanson headed up site layout, Kevin Kliethermes did cost estimates, and Charles Johnson recruited and organized supplies. All told, these and other members of the St. Paul office brought the contribution of the Army Corps to almost 2,500 hours!

The voluntary involvement of corps employees on the Centennial Ice Palace demonstrates the strong relationship between their employees and the people of St. Paul. And the entire Winter Carnival once again demonstrates the volunteer spirit and strong community pride for which Minnesotans are so well known—no matter what the temperature.●

SDI AND ARMS CONTROL GO HAND IN HAND

● Mr. WALLOP. Mr. President, some scholars of the arms control process have put forward the argument that the strategic defense initiative is incompatible with arms control. This theory was advanced, inter alia, by Thomas Schelling in a recent article in Foreign Affairs. But it has also been advanced by other arms control proponents and has gotten a grip on the thinking of large segments of public opinion in the Western democracies.

Mr. President, this idea is competely illogical. The most important effect of SDI thus far has been to promote and advance the arms control process. SDI, Mr. President, was the program which succeeded in bringing the Soviet Union to the negotiating table at Geneva for serious talks after years of unproductive negotiations. Without SDI, the Soviets had no impetus to enter into meaningful arms control talks with us.

Mr. President, SDI is at this moment only a research program. The Soviets have been engaged in such research for a long time in a very robust way. Indeed they are in production of major segments of actual ABM devices. Since the advent of our SDI program, they have been motivated to advance the arms control process, if only

to stop us and preserve their own significant advantage.

Mr. President, I ask that a thought-provoking article on the interrelationship of SDI and arms control by Patrick Glynn in the June 2 issue of New Republic magazine be printed in the RECORD. I would flag for the readers the point Mr. Glynn makes about the importance of developing technology to detect ballistic-missile submarines.

The article follows:

STAR WARS AND ARMS CONTROL

(By Patrick Glynn)

On the face of it, few arguments in the debate over nuclear strategy seem less reasonable than the contention that we should eliminate or curtail research on the Strategic Defense Initiative for the sake of arms control. In the first place, the argument runs counter to our recent experience. The chief political and strategic effect of SDI so far has not been in any way to undermine the arms talks but instead to resuscitate them. Even if SDI were not the only reason the Soviets ended their boycott of the arms control negotiations—and doubtless the Soviets had other considerations—it was almost certainly the major one.

But beyond that there are two basic points to consider: SDI is a research program conducted within the provisions of the 1972 ABM treaty; the Soviets are vigorously engaged in the same research. Indeed, the Soviet Union has been engaged in such research for a long time. It would seem, therefore, that to cut back on our research would simply be to risk ceding to the Soviets the advantage in technologies for strategic defense.

Will unilateral restraint on our part inspire reciprocal restraint on the Soviet side? Historically, this approach has a very bad record. When our defense spending dropped and the rate of procurement slowed in the wake of SALT I, Soviet defense efforts did not change. At the beginning of the strategic arms talks, both sides could be relatively confident of the integrity and security of their retaliatory forces. At the end of the SALT II negotiations, ironically enough, one side could not. By the early 1980s, two-thirds of the tripartite U.S. retaliatory force—land-based missiles and bombers—was at least physically vulnerable to a preemptive first strike. The effect of our self-imposed restraint during the 1970s was to permit a substantial shift in the strategic balance.

Perhaps it was wrong to expect the Soviet Union to follow our example. Perhaps the Soviets felt, even after they obviously had begun to edge ahead in certain categories of weaponry, that they were still catching up. It seems more likely that they saw no reason to forswear the goal of superiority, once it came into reach.

But behind the call for a curtailment of SDI lies a broader feeling—namely, the fear that new technologies will lead us to a more dangerous world. We have to admit that this is possible—though exactly how is not so clear. If nuclear missiles were about to rain in on us today, the average person would feel safer knowing that defenses were in place to stop at least *some* of them. And the opposite result is possible: technological advances might conceivably make us safer. For example, defenses capable of destroying 90 or even 70 percent of incoming missiles and warheads in flight would clearly diminish the gross destruction that could be accomplished by nuclear war. Such a defense might provide an answer to the problem of "nuclear winter"; certainly it is the only development on the horizon, technological or political, that holds out any hope of doing so.

But at issue here are in fact two separate questions, which tend to be confused. First, is a world with strategic defenses more dangerous than a world without them? Second, is a world in which the Soviets gain an advantage in defenses against nuclear missiles more dangerous than a world in which both sides stay abreast in defensive research or in which the U.S. stays ahead?

The answer to the second question would seem obvious. Already our land-based missiles and bombers are physically vulnerable to preemptive attack. If technology is capable of developing extremely effective defenses against missiles, it may someday render our submarines detectable at sea. If that were to occur, strategic defenses would be the only means to ensure deterrence. Even in the absence of such a catastrophic development, a Soviet advantage in defensive capabilities, combined with the clear advantage the Soviets now enjoy in counterforce capability, would pose a grave threat. Clearly a world in which we stay abreast or, better, ahead of the Soviets in strategic defense technologies will be safer than a world in which the Soviets gain a unilateral advantage.

To the other question—whether a world with defenses would be more dangerous than a world without them—the answer must be more speculative. From the standpoint of traditional thinking about deterrence and stability, the key issue is simply whether defenses have the effect of reducing offensive-force vulnerabilities. The United States will almost certainly be capable of providing "point defense" of missile sites and command-and-control systems long before it can provide a general defense for cities and U.S. territory. "Point defense" of weapons sites, as arms control theory makes clear, is a stabilizing influence, because it renders one's retaliatory capability more secure against preemptive attack. Indeed, as Thomas C. Schelling, one of the architects of modern arms control theory, pointed out in a recent article in Foreign Affairs, the ABM treaty limitations on point defenses were "incompatible" with arms control "philosphy," because such limits do not by themselves enhance stability. According to Schelling, they arose not from any arms control imperative, but "probably" as a result of "political necessity."

Even under a complete "Star Wars" umbrella, the crux of deterrence would survive. The very fact that even the most advanced and ambitious strategic defense is likely to be no more than 90 to 95 percent effective—if that—means that a few warheads will always be able to get through on both sides. In effect, in terms of gross destruction, nuclear attack under such putative "Star Wars" umbrellas, no matter what the size of offensive arsenals, would still be at least as risky for an aggressor as it was, say, in the early 1950s, when comparatively few atomic bombs existed. Assuming that only a small fraction of the total warheads could get through, one would have, in effect, "minimal deterrence" without the accompanying threat of climatic catastrophe and the corrosive sense of psychological and political vulnerability on the Western side that has attended the regime of "mutual assured destruction." At the same time, the requirement of stability would be met as long as weapons sites were relatively well protected and opportunities for successful preemption—i.e., for utterly debilitating the opponent's retaliatory force—had thereby been removed.

The notion that an attacker would strike first, hoping that his defenses could handle a weakened retaliatory strike, depends on a illogical assumption—namely, that defenses somehow fail to reduce the vulnerability of retailatory forces themselves. At present, people dismiss the "window of vulnerability" phenomenon on the grounds that the Soviet could never be confident of destroying enough of our land-based force to make such preemption tempting—even though our forces are physically entirely exposed. How much more uncertain would the results of such a premptive strike be in the presence of even moderately effective defenses? Indeed, it is difficult to see how one could design defenses that did not multiply the uncertainties involved a planning a preemptive attack.

A more fundamental queston remains: Is it genuinely possible to stop the advance of technology through arms control agreements? What if we succeed in stopping technology only on one side—ours—and not on the other? Bans on research, as everybody knows, will be impossible to verify. But more than that, any limitation on testing and development is likely to work asymmetrically in the Soviets' favor because of the tendency of the United States—and democracies generally—to "over-comply" with arms agreements, even as totalitarian regimes (to put the problem euphemistically) "under-comply." U.S. and Soviet behavior with respect to the 1972 ABM treaty is illustrative. Within three years of the treaty, Congress had voted to dismantle the only existing U.S. ABM site. Between 1971 and 1975, research appropriations for ballistic missile defense were cut by a factor of seven (excluding the operational costs of the one ABM site). Soviet spending and research on ballistic missile defense, meanwhile, continued to grow apace—to the point where the Soviet Union is now building and deploying ABM components in violation of the ABM treaty.

One sees this same asymmetry at work in the present SDI debate. In the same well-known Foreign Affairs article in which McGeorge Bundy, George Kennan, Robert McNamara, and Gerard Smith fervently press the Reagan administration to abandon "Star Wars"—a research program conducted entirely within the bounds of the ABM treaty—the authors make excuses for the Soviet's construction of the Krasnoyarsk radar station, a literal and obvious violation of the treaty. The first major verification trip-wire of the ABM treaty has already been triggered, and Bundy and his co-authors are urging both U.S. condonation on Soviet noncompliance and a curtailment of U.S. ABM research.

More appears to be at stake in this debate than a coolheaded assessment of our strategic needs. One suspects that the choice we are debating is at bottom largely a symbolic difference in moral attitudes. Confronted with what Schelling characterizes as a choice between "Star Wars" and arms control he has argued recently for arms control without SDI, based on what amount to moral grounds. He writes in *Foreign Affairs* that:

"A prudent restraint from aggressive violence that is based on acknowledgment that the world is too small to support a nuclear war is a healthier basis for peace than uni-

lateral efforts to build defenses. I like the notion that East and West have exchanged hostages on a massive scale and that as long as they are unprotected, civilization depends on the avoidance of military aggression that could escalate to nuclear war.

"Most of what we call civilization depends on reciprocal vulnerability. I am defenseless against almost everybody that I know, and while most of them would have no interest in harming me there must be some that would. I feel safer in an environment of deterrence than I would in an environment of defense."

These are striking statements coming from one of the major architects of arms control theory. They suggest something of the moral vision that has always been at the bottom of the idea of "mutual assured destruction." While most of us would agree that we consent to a certain vulnerability in our everyday lives (for example, walking dark streets at night), few of us like it or actively seek it out. Schelling is confusing the effects of civilization with the cause. We consent to vulnerability because of trust, and we trust because a certain order has been established, guaranteed by custom, by law, and ultimately by the jail cell and the policeman's baton. When this order fails to obtain, we understand it as a breakdown of civilization. In Schelling's formulation, the offer of vulnerability becomes the *source* of trust. True, there are relationships in which we gain intimacy and trust by offering vulnerability—with our spouses, our good friends. But the natural distinction between the "private" and the "public" or "political" realms lies partly in the fact that such intimacy is impossible in the latter. Schelling seems to be looking in politics for the kind of satisfaction people are lucky to find in marriage.

It is questionable enough to argue that we must accept as unavoidable the vulnerability of our society to a massive Soviet attack, when research, permitted to go forward, might render this vulnerability entirely avoidable. It is wholly perverse to embrace this state of vulnerability, as Schelling seems to do, as a positive moral good. As a practical matter, in a world where armed tyrannies remain, no nation that takes this view is destined long to survive, let alone to remain influential. Nothing will more quickly spell our doom than if we come to define "civilization" as a condition where liberty and tyranny are equally vulnerable to attack.

SDI is now sustained against a wide array of opponents by the president's prestige and public relations abilities. It is a fact of politics that any agreement to curtail SDI will not simply limit but destroy it. Those like Schelling who believe in mutual vulnerability for its own sake would mount a campaign to finish what the treaty had begun.

It is hard to see how a world with strategic defenses will be more dangerous than the present one. But that is not the choice that policy is probably in a position to make. To prevent strategic defenses from emerging (assuming that this were somehow a beneficial idea), we would have to be able to stop technology in its tracks, and to do so in a way that did not increase the dangers we already face. That means, to be safe, stopping technology from detecting ballistic-missile submarines as well as technologies for strategic defense. Even if this were desirable, it almost certainly cannot be done.

The fact is that in controlling technology, past arms control agreements have had a very mixed record. Schelling points out that at the time of SALT I there were two new technologies to control: ABM and MIRVs. Unfortunately, the treaty managed partly to eliminate only one of them (and not coincidentally, perhaps, the one in which the United States would in the long run have had the clearest advantage—ABM). Commentators have subsequently complained about the absence of a MIRV ban, blaming it on lack of U.S. will. More was involved: any ban of MIRVs would have disproportionately hurt the Soviets because their advantage in "heavy" missiles gave them more warheads after MIRVing. Gerard Smith, the chief U.S. SALT negotiator, observed in his memoir of the SALT I negotiations that it was "far from clear" that the Soviets would have accepted even an attractive offer for a MIRV ban. Clearly, MIRVs contributed to instability; but so did the banning of ABM. It was in fact the *combination* of the ABM limitations (including prevention of effective point defenses) and the failure to ban MIRV that by the early 1980s left U.S. land-based missiles and airfields vulnerable to a preemptive strike into the indefinite future. One can blame either feature of the treaty, but the point is that the problem came from the combination of both, and that this was a characteristic result.

In practice, there is no such thing as a leak-proof or complete arms agreement. Every agreement is destined to overlook some category of weaponry, to leave several new avenues to danger unclosed. SALT I comprehensively limited strategic ballistic missiles, defining them arbitrarily as having a 5,500-kilometer range. Within a few years we faced an incipient crisis in Europe precipitated by a wholly new Soviet missile, the SS-20 uncovered by existing agreements. Its reported range: 5,000 kilometers.

The argument is sometimes made that without SALT things would have turned out worse for the United States. But given that the Soviets managed to ensure the vulnerability of the entire U.S. ICBM force but did so only by keeping their defense spending at a painful 2 to 14 percent of GNP, it is not self-evident that there was much more they could—or were in a position to—do. As a cure for the arms race, at any rate, modern arms control has always been a bit more like Novocain than penicillin: it has treated and disguised the symptoms without affecting the underlying cause.

In short, the choice that is within our power to make is a good deal simpler: it is not whether to stop technology, but whether to permit the Soviets to gain decisive technological advantages. What we confront is not a symmetrical decision between arms control and the Strategic Defense Initiative—though Soviet propaganda, and some domestic critics of SDI, try to make it seem that way. If we hold on to SDI, we can almost certainly keep both SDI and arms control. Agreements should be possible on a number of subjects—for example, not even the Soviets at present make unilateral abandonment of U.S. strategic defense research a precondition for an agreement on intermediate-range missiles. But if we somehow let go of SDI in hopes of advancing arms control, it is not clear that we will ultimately have either. We may have a new arms agreement, it is true; but one wonders what happens next. Any actual agreement will at best achieve reductions only in certain classes of weapons. From the standpoint of real disarmament, a huge amount of work would remain. What will we do the next time the Soviets boycott the arms talks? What will be our new "bargaining chip"? Having abandoned or restricted SDI, will we find ourselves surrendering again to that "heightened fear of nuclear war" that Leslie Gelb chronicled in the *New York Times Magazine* in March 1984? Will there be a new spate of TV movies like "Threads" and "The Day After" predicting nuclear incineration?

At the very least, we ought to be clear about what we will be bargaining away. To trade away SDI is to return, strategically and politically, to the conditions of 1979 to 1983. True, SDI does not yet solve the problem of vulnerability at the root of popular nuclear anxiety, but at least the program holds out some hope of eventualy doing so. And it is necessary at the least to prevent our present and very real vulnerabilities from getting any worse.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask consent to have printed in the RECORD at this point the notification I have received.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, June 6, 1986.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-36, concerning the Department of the Air Force's proposed Letter(s) of Offer to Japan for defense articles and services estimated to cost $55 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

PHILIP C. GAST, *Director.*

[Transmittal No. 86-36]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Japan.

(ii) Total estimated value:

	Million
Major defense equipment [1]	$44
Other	11
Total	55

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Two C-130H aircraft, spare parts, and provisioning and technical data.

(iv) Military department: Air Force (SGA).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: June 6, 1986.

POLICY JUSTIFICATION—JAPAN—C-130H AIRCRAFT

The Government of Japan has requested the purchase of two C-130H aircraft, spare parts, and provisioning and technical data. The estimated cost is $55 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Japan; furthering rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The Government of Japan will utilize these aircraft primarily in a transport role in support of the Japan Self Defense Forces. Japan will have no difficulty absorbing these C-130H aircraft into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Lockheed Corporation of Marietta, Georgia.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel; one contractor representative will be required in Japan for approximately one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The assistant majority leader is recognized.

Mr. SIMPSON. Mr. President, the Democratic leader and I, I believe, are prepared to conclude the business of the day.

DIRECTING THE SENATE LEGAL COUNSEL TO REPRESENT WILLIAM GALLINARO AND PHILIP MANUEL

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, and on behalf of Senators DOLE and BYRD, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 423) to direct the Senate legal counsel to represent William Gallinaro and Philip Manuel in the case of *People of the State of California* v. *Robert Corenevsky.*

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the defendant in a criminal proceeding now pending in a State court in California is seeking to compel the testimony of several former members of the staff of the Permanent Subcommittee on Investigations. In the mid 1970's, the former staff members had participated in subcommittee investigations of Federal drug law enforcement. The crime for which the defendant has been indicted occurred years later in 1981. There has been no suggestion that the former staff members have any knowledge of the crime, and the defendant instead is seeking testimony about matters occurring during the subcommittee's earlier investigations.

Last year the Senate, by Senate Resolution 164, directed the Senate Legal Counsel to represent, in another proceeding, the two former subcommittee investigators who are the subjects of the present applications to compel their testimony. The Senate Legal Counsel asserted on their behalf a privilege under the speech or debate clause, and the U.S. District Court for the Southern District of California last May quashed subpoenas to the two investigators. The current effort to require the testimony of these former Senate investigators presents a similar question relating to the privileges of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 423) was agreed to, as follows:

S. RES. 423

Whereas, in the case of *People of the State of California* v. *Robert Corenevsky,* Case No. C-55447, pending in the Superior Court of the State of California, Orange County, the defendant has commenced proceedings to obtain the testimony of William Gallinaro and Philip Manuel, former employees of the Senate Permanent Subcommittee on Investigations;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent former employees of the Senate with respect to subpoenas issued to them in their former official capacity;

Resolved, That the Senate Legal Counsel is directed to represent William Gallinaro, Philip Manuel, and any other former employee of the Permanent Subcommittee on Investigations who may be the subject of proceedings to require them to testify in the case of *People of the State of California* v. Robert Corenevsky.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TUESDAY

RECESS UNTIL 10:30 A.M.

Mr. SIMPSON. Mr. President, again after conferring with the Democratic leader, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 10:30 a.m., on Tuesday, June 10, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. I further ask unanimous consent that following the recognition of the two leaders under the standing order there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, CRANSTON, HUMPHREY, PROXMIRE, MATHIAS, DIXON, QUAYLE, SASSER, GORE, and MURKOWSKI.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12 noon with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS BETWEEN 12 NOON AND 2 P.M. FOR PARTY CAUCUSES

Mr. SIMPSON. I ask unanimous consent that the Senate stand in recess between the hour of 12 noon and 2 p.m., tomorrow for the weekly party caucuses to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, when the Senate reconvenes following the recess, pending will be the unfinished business which, of course, is H.R. 3838, the tax reform bill.

The majority leader has asked me to indicate that votes can be expected during Tuesday's session throughout the day.

And it is the intention of the majority leader to ask the Senate to remain in session into the evening hours of tomorrow, Tuesday, to deal with the tax reform issue expeditiously.

Mr. President, we await clearance on the appointment of conferees on H.R. 4515, the supplemental appropriations measure which we wrestled with during last week. There are better words for it, too, I think. The sooner we have those conferees available to do their work, we will be able to complete that. It is a very important measure. There are some expiring appropriations there. Moneys are required at various levels of the Federal Government. With that, we shall wait a few moments to clear the appointment of those conferees.

I suggest the absence of a quorum.

□ 1720

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF CONFEREES—H.R. 4515

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader and awaiting the comments from our colleagues on both sides of the aisle, because of the importance of the request, I now ask unanimous consent that the Senate insist on its amendments to H.R. 4515, making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and request a conference with the House on the disagreeing votes of the two Houses thereon; and that the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair appointed Mr. HATFIELD, Mr. STEVENS, Mr. WEICKER, Mr. MCCLURE, Mr. GARN, Mr. COCHRAN, Mr. ANDREWS, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. RUDMAN—Mr. GOLDWATER for chapter III A only—Mr. STENNIS, Mr. BYRD, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. CHILES, Mr. JOHNSTON, Mr. BURDICK, Mr. LEAHY, and Mr. DECONCINI—Mr. NUNN for chapter III A only—conferees on the part of the Senate.

RECESS UNTIL TOMORROW AT 10:30 A.M.

Mr. SIMPSON. Mr. President, I inquire of the Democratic leader if he has any further business to conduct?

Mr. BYRD. No, Mr. President, I have not.

Mr. SIMPSON. There being no further business, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 a.m. tomorrow morning.

The motion was agreed to and, at 5:37 p.m., the Senate recessed until tomorrow, June 10, 1986, at 10:30 a.m.

EXTENSIONS OF REMARKS

INTRODUCTION OF THE TAX COMPLIANCE ACT OF 1986

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. LEVINE of California. Mr. Speaker, today I am introducing the Tax Compliance Act of 1986 which will bring greater equity and efficiency into our tax system. My legislation provides for a one-time amnesty program under which taxpayers will have a 6-month period to come forward to pay all taxes owed to the Government. During this period taxpayers will be exempt from civil and criminal penalties for tax evasion, but will be required to pay all outstanding debts plus interest owed on those debts. Additionally, my legislation increases penalties for all forms of tax evasion.

This legislation will increase tax compliance and will limit the extent to which honest Americans are now paying their disproportionate share of the Federal tax bill. Moreover, without raising taxes, this measure will reduce the Federal deficit significantly. It has been estimated that a Federal amnesty program could raise as much as $8 billion.

I have patterned my legislation after a 1984 California amnesty tax program which provided State residents with an opportunity to come forward and pay all debts to the State without penalty or fear of prosecution. Thousands of delinquent taxpayers participated in the State program which raised over $190 million within a matter of 3 months. California's program succeeded because accompanying the one-time amnesty-promise came tougher, new tax laws and stepped-up enforcement of them.

The California tax amnesty experience is not unique. Eighteen other States have combined temporary amnesty periods with stepped-up tax enforcement provisions, generating nearly $1 billion nationwide. The Federal Government can no longer afford to ignore the fact that tax amnesty is an effective approach to raising revenue and increasing adherence to our tax laws. Unless we try something new to crack down on tax evasion, Federal tax compliance will continue to slip below the already unacceptable rate of 87 percent.

Federal tax evasion has more than tripled in the last decade. The Federal tax gap—the difference between what is legally owed and what is actually paid—now exceeds $100 billion annually. Because this tax gap accounts for more than one half of our Federal deficit, it's about time that we go after the money that is owed to our Government.

Federal tax amnesty should not reward tax cheaters. Like the California law, my legislation requires full payment of all taxes owed plus all interest due. Tax evaders who voluntarily come forward during the prescribed amnesty period should only be granted amnesty from civil and criminal penalties.

In order to discourage future tax evasion, my measure increases penalties by 50 percent for tax evasion and denies Federal contract awards to anyone who has a delinquent tax account. In order to assist the IRS in ensuring additional tax compliance, my legislation provides for increased reporting of all real estate transactions on the local level.

While tax amnesty itself would be granted once, its impact would endure. In California, a large number of individuals and businesses taking advantage of the State amnesty law were placed on the tax rolls for the first time, thus significantly broadening the tax base in the State. If Federal tax amnesty were adopted, the IRS could share with the States information concerning taxpayers newly arrived on the Federal rolls, assuring additional tax compliance on the State and local level.

Many critics of tax amnesty have suggested that such a program of forgiveness would undermine confidence in our tax system. However, as an alarming percentage of the public unlawfully avoids paying any taxes at all already, I am not sure that there is much public confidence in the present system to be undermined. The entire public is fed up with the fact that too few individuals pay their fair share of taxes. Federal tax amnesty will at least ensure that a large share of the public is shouldering its fair share of the Federal tax burden.

The IRS opposes tax amnesty because it claims it is unfair to Americans who pay their taxes on time. However, tax amnesty is nothing new to the Federal Government. It is estimated that the IRS currently forgives tax penalties to the tune of $2 billion a year in the process of settling cases with debtors. If the IRS is willing to waive penalties for thousands of well-heeled and well-represented individuals and businesses, why shouldn't it accord the same rights to the rest of the public?

We have nothing to lose in implementing a national amnesty program, accompanied by stiffer tax penalties and enforcement. The amnesty concept itself would set no new precedent and would only last for a limited period of time. The Tax Compliance Act of 1986 is a responsible measure which, if enacted, will finally convince tax evaders that unless they come clean now, the Government will catch up to them later.

MORRISTOWN DAILY RECORD ON WHY THEY SILENCE SAKHAROV

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. COURTER. Mr. Speaker, dictators are as afraid of truth as they are of armed opposition. This is especially true of totalitarian dictators, whose obsession with absolute rule is such that a ragged catechism or a privately printed pamphlet can make them furious.

On May 27, about the time I was leaving the Soviet Union, and leaving behind all of the courageous would-be emigres I met there, the Morristown Daily Record editorial board ran a fine article on what Andrei Sakharov means to the Soviet rulers. They honored his good works as a founder of the Soviet Human Rights Committee, and they explained why in the totalitarian body politic truth is a potentially lethal kind of infection.

I am pleased to enter the Daily Record article into today's RECORD.

WHEN TRUTH IS SUBVERSIVE

In 1980 Soviet authorities banished Andrei D. Sakharov from his home in Moscow to internal exile in Volga River city of Gorky. He has never been charged with a crime and has never stood trail. Once officially revered for his work in the Soviet nuclear program, including the development of the hydrogen bomb, Sakharvo committed the one unforgivable crime in the Soviet state: he acted on the dictates of his conscience. According to a statement from Tass, the official press agency, this meant "conducting subversive activities against the Soviet state."

Sakharov's path to official disgrace and worldwide honor began in the late 1950's when, alarmed by the international perils of radioactive fallout, he tried to effect a halt to testing of Soviet nuclear weapons. In the mid-1970s he helped found the Soviet Human Rights Committee, whose purpose was to monitor Soviet compliance with the humane provisions of the Helsinki Agreement—which the Soviets have blatantly ignored. What immediately precipitated Sakharov's arrest in 1980 was his condemnation of the Soviet invasion of Afghanistan.

Therefore, Soviet authorities have sought to silence Sakharov by depriving him of intellectual sustenance. His whole life having been a splendid expression of his extraordinary mind, Sakharov must endure the privation of company.

He cannot see his friends and colleagues. Other prisoners of the Soviet gulag have suffered extreme forms of physical abuse. But in Sakharov's case, the authorities see intellectual death through starvation as the most efficient means to protect Soviet citizens from infection—the infection of truth.

Those truths—concerning the dangers of the arms race and the right to free expression for all citizens—are often uttered by Soviet leaders. Even Stalin's 1936 constitution guaranteed free speech. The difference is commitment to those principles. Stalin executed millions of his subjects, and Gorbachev presides over an unprecedented military buildup. Sakharov, meanwhile, has lost the most meaningful part of his life by insisting those truths be observed in deeds.

Last Wednesday marked Sakharov's 65th birthday. It is a telling remark about the Soviet Union that this Nobel-laureate and man of peace could not celebrate this day.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Instead, he is shut off from an admiring and respectful world.

DISABLED PEOPLE IN ACTION

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. AKAKA. Mr. Speaker, I would like to share with my colleagues an essay written by a Kauai 17-year-old, Julie Hew. This essay was recently chosen as the first place national winner of the National Journalism Contest sponsored by the President's Committee on Employment of the Handicapped.

The mission of the President's Committee is to provide leadership to achieve maximum employment of people with disabilities by seeking, developing and providing information and by indentifying and promoting training necessary to increase levels and quality of employment. Participants in the contest interviewed people with disabilities in their communities to gather information and to write on the theme "Disabled People in Action."

Ms. Hew's essay describes Mr. Elroy Malo, a man who has struggled with the physical and mental distress of leprosy. Despite the addtional physical limitation of blindness brought on by leprosy, Mr. Malo became an extremely productive member of his community. I think you will appreciate Ms. Hew's sensitive presentation of Mr. Malo's courageous struggles and achievements.

LIVE, LEARN, AND ENJOY

(By Julie Hew)

While slowly dialing the numbers on the telephone, I glanced at the clock. 9:04 a.m. My stomach churned. What am I going to say? Should I greet him cheerfully or seriously? I hope I don't say anything insensitive or offensive. All these thoughts raced through my head as the phone rang.

"Hello," came the warm voice at the other end.

"Good morning, Mr. Malo, this is Julie Hew."

"Oh! Howzit." Instantly I relaxed—this wasn't going to be so difficult after all!

Elroy Malo, a pure Hawaiian leprosy patient, has come a long way from the isolated little community of Kalaupapa where he was sent in October 1947 at the age of twelve. As a young boy, Elroy enjoyed the vast new playground and the escape from labor in the family taro patch. However, the stigma of being a Hansen's disease patient soon set in. The pain of that experience is still deeply embedded.

Hansen's disease or leprosy has been around for centuries. It attacks the nerves of the extremities leaving the fingers and toes to shrivel. Ulcers and sores develop on the arms and legs that are void of feeling and unable to indicate pain or injury. Blindness also occurs in later stages. It is frequently referred to as "the living death" because the disease itself is not fatal, but the victim lives with the physical and mental distress for the rest of his life. Today, 11 million people throughout the world are afflicted with leprosy. Most cases occur in South China, Southeast Asia, India, Central Africa, South and Central America, the Malay Peninsula, and the South Pacific Islands. In Hawaii, the disease is thought to have originated in China when immigrants brought it over in the 1850's. Hawaiians, having been isolated for so long, had little immunity to foreign disease and caught it readily. Until recently, an effective treatment for leprosy did not exist. Thus the patient was forced into isolation from the rest of society. The falsehoods that provide the stigma of leprosy depict those patients as the dregs of society, those who are being punished by God, or inhuman. But leprosy patients are people with a disease, and they have the same feelings, desires and goals as anyone else.

Elroy Malo is an example of how one can overcome his difficulties and make the most of life. Leprosy claimed his body and his sight, but not his brain or heart.

While living on Molokai, and later in Pearl City, Elroy was restricted to the grounds of a school or hospital. He was never allowed to be completely free. By nature, he was energetic and proud, and he came to resent the brand others put on him or the invisible walls that kept him from being like other people. He become very bitter and angry at the world. Rebelling, he refused assistance from his teacher and doctor, and preferred to be alone, drowning his sorrows in alcohol. His depression and negative attitude continued until 1972 when he finally moved out of the hospital. After 24 years of confinement, Elroy was ready to become an active part of the community.

Until 1971, Elroy practiced self-rehabilitation. He taught himself how to use a cane by trial and error—frequently walking into walls and banging sensitive shins. Then he started rehabilitation at Ho'opono School for the Blind and Visually Impaired. In 1972, he began attending the University of Hawaii with three goals in mind: voice training (singing is a great passion of his), learning to speak Hawaiian, and learning to write. School was a test in itself on Elroy's determination and perserverance. He had to take oral exams and tape record lectures, which meant studying twice as hard as everyone else. In 1978 the hard work paid off and Elroy received his Bachelor's degree in Hawaiian language. Two years later he was awarded his teaching certificate.

Now Elroy sits on numerous boards of non-profit organizations, sharing his views as a representative of the disabled. He has been on boards of directors for the Eye of the Pacific, Ho'opono School for the Blind and Visually Impaired, and the Aloha Council (affiliated with the American Council). He was also the representative of the disabled to the Oahu Tenants Association Council, and the second vice president for the association in his building. The Aloha Council engaged him to make speeches at rallies to various groups on his experiences and the importance of the Council. Elroy is also an active participant in the Very Special Arts group that puts on plays by the disabled for the community.

Although he lives by himself in the Hawaii Housing project, Elroy is not alone. In 1982, he was the first blind person from Hawaii to travel to Australia to get a seeing-eye dog. His trip was sponsored by the Eye of the Pacific, and it changed his life. Kieran, his full-time companion helps with traveling tremendously. Sometimes the pair don't end up in their desired location, but those times are rare and Kieran has improved Elroy's quality of life and feeling of independence.

There are approximately 36 million disabled people in the United States alone. Each year 4 million new cases of eye diseases are discovered and ½ a million are diagnosed as "legally blind." Yet Ho'opono is the only school of its kind in Hawaii and there are only 55 throughout the country.

Elroy Malo lives with two disabilities. He has leprosy, and as a result of that is blind, but he hasn't let his physical limitations prevent him from broadening his horizons and helping others.

"Disability" is a label I question. It refers to the lack of ability and connotes incompetence, yet Elroy Malo has the ability to do many things that others cannot. He is not disabled, he is physically limited. Elroy is a special person. Some people with physical limitations are in fact disabled because they believe they are disabled, and they let others tell them so. Elroy's attitude is positive about himself and his capabilities. Being able to accept his situation has helped him overcome his anger and bitterness which in turn helps him lead a productive life.

"Don't let other people's hang-ups stop you from doing what you want," he says, "and don't be afraid to try new things, because someday you'll be happy to say, 'I'm glad I did it' instead of 'I wish I did.' "

Elroy has dedicated his life to helping others through non-profit organizations or by sharing his story so that others may benefit and learn from it. Now, he can demonstrate his courage, determination and a positive outlook on life.

Those of us who are not among the 36 million people with physical or mental limitations sometimes take for granted our everyday abilities. We quickly glance to the clock or use healthy fingers to dial the telephone. Someone like Elroy Malo has to remind us of how precious our good health is. The key to life is your attitude. The willingness to try the new, practice the difficult, face reality, and be optimistic makes an enormous difference. Because of his physical limitations, Elroy compensates by doing as much as he possibly can. He doesn't sit around feeling sorry for himself. He goes out, keeps busy, and has a lot of fun. If we all lived like Elroy, whether healthy or "disabled", and stopped thinking only of ourselves, no one could complain of being unproductive, desolate, or destitute. I admire Elroy Malo most for never giving up and making contributions to a society that at one time looked down on him with scorn. A well-known saying reminds us to "live and learn." Elroy Malor is living, learning, and enjoying it!

DIRECT LEGISLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 4, 1986, into the CONGRESSIONAL RECORD.

DIRECT LEGISLATION

Democracy derives its vitality from the participation of its citizens. Ordinarily, citizens participate in making laws only indirectly through their elected representatives. If a representative fails to vote as his constituents want, the voters can elect someone else at the next election. Most of us agree that such representative democracy serves us well and is preferable to the alternatives. But I find many Hoosiers would like more

say on some issues than they get from electing representatives or a president every few years. As one voter put it to me recently, "Why can't I vote on some issues that affect me so much?" This is an understandable desire. Part of freedom is having a hand in deciding issues that touch a voter personally.

The U.S. is one of the few democratic nations that has never used direct legislation at the national level. At the state and local level, however, direct legislation is widely used. The 13 original states used referendums to adopt the U.S. Constitution, and the states have used it extensively since then. Nationwide, there may be as many as fifteen thousand local referendums each year. Most direct legislation is in the form of either an "initiative," which allows any person to draft a statute or constitutional amendment and, after satisfying certain requirements, have it referred directly to the voters; or a "referendum," which permits measures already approved by a legislature to go before the voters for approval or rejection. Every state but Delaware submits proposed amendments to their constitutions to the voters for approval in constitutional referendums, the oldest and most often used form of direct legislation, and the only form used in Indiana. Indiana is one of a handful of states that does not even allow local governments to hold referendums. Direct legislation is more widespread in the western states, perhaps because political institutions and procedures for doing things were not as firmly rooted there as they were elsewhere.

Local referendums on proposals to issue local bonds and raise local taxes to expand public facilities are the most frequent subject of direct legislation. Regulation of public morals and regulation of business and labor are also popular subjects of direct legislation. Since the 1950s, measures dealing with civil rights and civil liberties, such as measures to prohibit school busing or to guarantee equal rights for women, have increased. The most recent development has been an increase in initiatives on environmental protection, such as proposals to regulate or prohibit the development of nuclear power plants and to regulate the use of no-return food and beverage containers. Generally, voters are more likely to approve referendums previously considered and approved by their elected representatives than they are initiatives by unofficial citizens' groups.

The chief objection to using direct legislation at the national level is that many national issues, the budget for example, are so complex that extensive education of the voters would be necessary. Direct legislation on all issues is not desirable or practical in a huge country with millions of voters and a host of complex issues confronting it. Though intended to increase voter participation, direct legislation could, if overused, undermine the legislature's ability to function. Moreover, it would be difficult to select measures to be submitted to the voters. Another concern is that, with low voter turnout, important issues could be decided by a vocal and well-organized minority. Also, wealthy interests able to mount expensive advertising campaigns and the President, with his superior access to the media, would have an advantage in promoting their points of view.

These objections do not mean that direct legislation has no place in modern America. Direct legislation at the state and local level usually produces good results. It has been a good way of overriding legislatures that ignore the popular will, as in the 1978 revolt in California against property taxes, and it might be a useful way to resolve political deadlock on controversial issues. The system can be modified to prevent frivolous proposals or those that would trample on individual rights. Congress has never seriously considered establishing a procedure for direct national legislation, although several proposals for national direct legislation in the U.S. have been made. One proposal a few years ago would have allowed legislation on most subjects to be put before the voters by a popular petition.

I think we should consider the use of direct legislation at the national level and, in Indiana, at the state and local levels. To strengthen democracy we must search for ways to encourage popular participation. People need to feel that they are not voiceless cogs in a vast machine, and that they can be heard where it counts. I do not think voters are too ignorant or lazy to be entrusted with more responsibility than voting every few years for someone else to do the work. By having more responsibility, voters might become more involved. A system for direct legislation, not to mention specific threats of its use, could help keep elected representatives alert to the strongly felt needs of the people. Such a system would have to be carefully crafted. Issues submitted to the people should be the subject of careful deliberation by the legislature and the executive, and should be readily understood by the voters and of sufficient interest to stimulate them to inform themselves. The number of issues submitted for a direct vote should be limited, perhaps to two or three each election. It may be unwise to use direct legislation for technical fiscal or defense decisions.

Direct legislation has limitations and I do not suggest that representative government be diminished. I see direct legislation as a useful supplement to, and check on, representative democracy, not as an alternative to it. Direct legislation should make democracy more democratic and representative government more representative. On some issues, it may be appropriate to return from representative democracy to direct democracy, to bring voters into the decision-making process and to remind us all of their sovereignty.

AID TO THE CONTRAS IS NOT HUMANITARIAN AID

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. GARCIA. Mr. Speaker, our colleague from Massachusetts, JOE MOAKLEY recently wrote an insighful essay for the Christian Science Monitor on aid to the Contras.

In his article, he makes a very persuasive case against calling present aid for the Contras humanitarian. This distinction is both important and clear, as JOE'S article aptly points out. I urge my colleague's to take a moment to read his thoughtful essay:

HUMANITARIAN AID VS. CONTRA AID

(By Joe Moakley)

In the debate over aiding the "contra" forces in Central America, an important point has emerged that should be respected by both supporters and opponents of such aid. None of the assistance that has been or may be sent by the United States government directly to the contras can properly be called humanitarian aid.

Many of the church-based and private voluntary agencies that provide relief and development assistance around the world have correctly insisted that all forms of direct aid to the contras violate the longstanding, internationally agreed-on criteria for humanitarian aid.

As stipulated in the Geneva Conventions and Protocol, humanitarian aid must be made available solely on the basis of human need and not for any political purpose; it must be offered impartially to all sides in a conflict; it must go only to civilians and noncombatants; and it must be provided through independent agencies that have not taken sides.

Direct U.S. assistance to the contras cannot meet any of these three basic tests for true humanitarian aid. What we have sent is clearly intended to enhance the combat effectiveness of one faction in a conflict rather than to alleviate suffering among civilians and noncombatants.

When Congress voted $27 million in so-called "humanitarian" aid to the contras last year, one US senator suggested that the contra forces would now be better fed, better clothed, and better shod, and that they would fight better as a result. Such an approach utterly defies the rudimentary meaning of humanitarian aid.

The relief agencies' experience in Central America makes clear that contra attacks, in fact, increase the number of displaced persons and victims of violence and hamper effective delivery of aid.

The false usage of "humanitarian" is further demonstrated by the fact that more than $15 million of the $27 million in aid approved last summer has not been spent in ways that are classified and are impossible to audit through the very government accounting procedures that were mandated in the law. Genuine acts of mercy are not subject to such secrecy.

The ultimate outrage against the concept of genuine humanitarian aid came in March when President Reagan asked for $100 million in renewed assistance to the contras. The White House text of a promised executive order released on the eve of the first vote in March identified ground-to-aid missiles and Green Beret training as forms of "humanitarian" aid.

Blatant manipulation of the term is further illustrated in administration responses to requests to send aid to Nicaragua. While a wide variety of paramilitary gear has been purchased for the contras using the $27 million for "humanitarian" aid, traditional relief agencies have been blocked by licensing restrictions from sending needed, totally nonmilitary supplies into Nicaragua. Oxfam America has been waiting for months for permission to send seeds, agricultural tools, and similar goods for distribution inside Nicaragua through church networks. By contrast, private groups backing the contras received an export license in just four days to send a Huey helicopter to the contras for "humanitarian" purposes.

Providers of genuine humanitarian aid operate in conflict situations at the sufferance of the warring parties, who from a partisan perspective, view the activities of relief workers with considerable suspicion. Misuse and political exploitation of the term "humanitarian," therefore, erodes the integrity of genuine humanitarian aid, adds further danger to the work of bona fide aid providers in conflict situations, and puts at jeop-

ardy the future of those in need whose life depends upon delivery of such assistance. It also increases the risks that many relief workers already face in their efforts to provide true humanitarian assistance.

The time has come to remove the term and concept of "humanitarian" from any aid that Congress may approve in support of the contras. If new funds are voted and the current Nicaraguan Humanitarian Assistance Office in the State Department is asked to administer any portion of the funds, then the office should be renamed so as to delete "Humanitarian" from its title. For those in need in Central America, assistance should be provided through the Red Cross and the United Nations High Commissioner for Refugees under arrangements that fully conform to the traditional criteria for humanitarian aid.

IN HONOR OF TERESA P. HUGHES

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today in honor of Assemblywoman Teresa Hughes who will be honored on June 12, 1986, at the 1986 Black Women Achievement Luncheon for her outstanding contributions to education and civil rights. As a former assemblyman myself, I had the privilege of working with Terry in the California State Legislature and she is truly an outstanding woman. I would like to share her accomplishments with my colleagues in the U.S. House of Representatives.

Teresa P. Hughes, a Democrat, was elected to the assembly in a special election in 1975. She represents the 47th Assembly District which includes south central Los Angeles, and the cities of Bell, Cudahy, and Huntington Park.

Born in New York City, she earned a B.A. in physiology and public health, in addition to graduate work in sociology at Hunter College, M.A. in educational administration at New York University, and a Ph.D. in education administration at Claremont Graduate School.

Her professional experience as a former social worker, teacher, school administrator, and professor is evidenced by the variety of her legislation.

Assemblywoman Hughes is the successful author of legislation giving permanent status to substitute teachers in the Los Angeles School District; providing for affirmative action reporting for institutions of higher education; more adequate school finance for local districts; research grants for lupus disease and high blood pressure; landmark antiredlining home loan laws and rehabilitation loans; supporter of unit pricing and other consumer issues; the establishment of Displaced Homemaker Centers; and a pilot program for burglary prevention.

She is former legislative and education consultant to the State commission for teacher preparation and licensing and professor of education at California State University, Los Angeles.

Dr. Hughes is the founder of Awarc Women of California, a member of the California State Employees Association, Coalition of Labor Union Women, a charter member of Amigos de los Crippled Children, and the International Society of Political Psychology, Democratic Women's Caucus, and Delta Sigma Thete Sorority.

Assemblywoman Hughes is chairwoman of the assembly committee on education and serves on the assembly committee on public employees and retirement, the assembly committee on utilities and commerce, and the assembly finance and insurance committee. Dr. Hughes is also a member of the State allocation board.

Assemblywoman Hughes has two children, Vincent and Deirdre Hughes, and is married to Frank E. Staggers, M.D.

It is a pleasure to share Teresa's outstanding accomplishments with my colleagues in the U.S. House of Representatives. I ask that the Members of this body join me in saluting Assemblywoman Terry Hughes.

EDUCATION REFORM TURNS TO REVOLUTION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. COURTER. Mr. Speaker, a recent editorial in the Courier-News highlights a number of positive recommendations coming out of the "1986 Carnegie Corp., Tax Force on Teaching." In the past few years, New Jersey has led the way in providing programs to improve public education. High starting salaries and other incentives will insure that top talent is attracted to the teaching field and that quality educators remain in our public schools.

But the Carnegie task force is calling for far more ambitious reforms, asking even more of our teachers and offering greater rewards in returns. The Courier-News analysis of these proposals, which follows, should be considered by all of our colleagues who share a concern for our children's education:

EDUCATION REFORM TURNS TO REVOLUTION

In recent years, New Jersey has been a leader among the 50 states in improving public education.

To attract and keep better teachers, it has raised the minimum starting salary to $18,500, adopted a "master teacher" program to reward good teachers with annual bonuses, and allowed school districts to hire skilled professionals with degrees in disciplines other than education. It also is asking more of students: Last month, 82,000 freshmen took their first High School Proficiency Test, which they must eventually pass in order to graduate.

Moreover, there's a spirit of innovation in New Jersey's school districts today, evident programs like Plainfield's self-evaluation of its 14 schools and Bridgewater-Raritan's recent teacher exchange, in which seven non-teaching professionals taught classes for a day.

But even in New Jersey, education reform has been incremental, mostly a matter of tinkering with the system. So even here, the report of the Carnegie Corporation Task Force on Teaching is a call to revolution.

In 1910 a Carnegie task force called for tough standards and training for doctors. That report kindled the movement that turned medicine into a respected and highly paid profession. The Carnegie task force of 1986 suggests no less for the teaching profession.

At the heart of the report is a trade-off. It says good teachers should be paid up to $72,000 a year and that teachers should run the schools instead of administrators. In exchange, teachers would have to train themselves to more exacting standards, submit to national certification and be judged by their results.

All told, the task force estimates, its recommendations could raise the national tab for education by 30 percent.

Many parts of the report need to be fleshed out. For instance, what should the national standards for certification be? How should teachers be judged, and how should they be organized to run the schools?

Other parts of the report need to be questioned. For instance, it calls for virtually scrapping four-year teaching degrees. But the goal is to have prospective teachers learn more about their subjects and practical ways to pass their knowledge on to students, less about education theory and history. This might be achieved by revamping four-year undergraduate programs instead of shifting teaching degrees into graduate programs like medicine or law.

Still, it is hard to argue with the outlines of the task force's suggestions.

America has fallen dangerously behind many nations in passing along to its young both technical and social skills, such as science and foreign languages.

We expect New Jersey will again be a leader in this next phase of education reform—and not only because our governor, Thomas H. Kean, was a member of the task force. Necessity will require the states to take charge again because the Reagan administration, still fixated on ideological tangents like school prayer, continues to cut resources for education at the national level.

But the bottom line was well drawn by the chairman of the task force, Lewis M. Branscomb, chief scientist at IBM: "A reform movement that restores our schools to the standards of the 1950s is not good enough. We must design them for the economic and social conditions we will face in the 21st century."

A TRIBUTE TO JOSEPH WILLIAM KESSEL

HON. HARLEY O. STAGGERS, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. STAGGERS. Mr. Speaker, tonight, in my hometown of Keyser, WV, a celebration is taking place. The celebration is to honor a friend of mine but, more importantly, to honor one of the best friends that education in West Virginia has ever had. His name is Joseph William Kessel, but he is better known to his many friends and colleagues as Joe Bill. Tonight's celebration is to honor Joe Bill Kessel's retirement after 35 years of dedicated service to education and his community.

While I regret that I will be unable to attend tonight's festivities, I do want to share my admiration for Joe Bill with my colleagues. Joe Bill was born in West Virginia on November 22, 1925. He was educated in the public

school system in Keyser, the same school to which he would later dedicate most of his professional career.

He attended Potomac State College, West Virginia University, Marshall University, Shepherd College, Frostburg State College, the University of Indiana, and the University of Michigan. He holds three master's degrees.

After serving his country for 2½ years in the U.S. Navy, Joe Bill returned to Keyser and began teaching at Keyser High School, where he also served as an elementary principal.

He left the school system for a time to work in the private sector, but soon the lure of education became too strong and he returned to the school system as the human resources coordinator at the Mineral County Vocational Technical Center. Three years later, Joe Bill accepted a position at Potomac State College, also in Keyser, as director of student financial aid, veterans' coordinator, and assistant professor of commerce. In 1976, he returned to the Vocational Technical Center as its director, where he has served through this school year.

During these years, Joe Bill served three terms in the West Virginia Legislature where, among his many other assignments, he served as a member of the house committee on education and as legislative representative to the southern regional board.

While the list of his professional memberships, associations, and chairmanships within the community and State are far too numerous to mention, suffice it say that he has been a leader in every sense of the word.

On issues concerning education, I have always found Joe Bill's advice to be sound, his concern for students, faculty, parents, and the educational process unparalleled. In the last decade, vocational education has played a greater and greater role in American education, especially in rural America. Joe Bill has led the Mineral County Vocational Center into the forefront of vocational education in West Virginia and our Nation. His tireless efforts on behalf of education and his leadership abilities are to be commended.

As you enter into your retirement, Joe Bill, I want you to know that we will miss you and respect your retirement as best we can, but we will probably continue to call upon you from time to time. I wish you and your family the very best, and I hope that your retirement years are as fulfilling for you as your example has been for all of those whose lives you have touched.

IT'S THE CELTICS—AGAIN

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. BOLAND. Mr. Speaker, in the National Basketball Association, it seems the more things change, the more they stay the same.

Yesterday, at home in Boston Garden, the Boston Celtics offered a basketball primer to the Houston Rockets, and in the process won yet another NBA championship. No one who watched yesterday's game, in fact no one who watched the Celtics amass 67 regular season victories and 15 more in the playoffs, could doubt their supremacy. The 16 championship banners which now hang proudly above the Garden's parquet floor are a testament to the fact that, in Massachusetts, where basketball was invented, the game is played on the professional level with a skill unmatched anywhere.

The key to the success of the Celtics over the years has been their ability to blend the skills of individuals with superior ability into a cohesive, team effort. Their guiding force for the last 30 years has been Red Auerbach. This year he, General Manager Jan Volk, and Coach K.C. Jones assembled a team that may very well be recognized as the best in NBA history. In Robert Parish, Danny Ainge, Kevin McHale, Dennis Johnson, the rejuvenated Bill Walton, and the incomparable Larry Bird, the Celtics had the nucleus of a juggernaut that pursued the championship with single-minded determination. To them, and to the rest of the Celtics; Jerry Sichting, Scott Wedman, Sam Vincent, David Thirdkill, Greg Kite, and Rick Carlisle, I want to extend my congratulations on a well-deserved triumph. To the rest of the league, I offer condolences; the new season starts in just 5 months, and the Celtics will be back with the same brand of hustle, skill, and spirit that produces victories, delights their millions of fans, and makes life miserable for their opponents.

THE RETIREMENT OF JOE KULICK

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. McDADE. Mr. Speaker, I would like to take this opportunity to recognize the achievements and contributions of one of my constituents who has a long and positive record of public service in the field of education.

Joe Kulick, principlal of Middle Smithfield Elementary School in northeastern Pennsylvania, is retiring this week after 47 years in education. Mr. Kulick started his career nearly a half century ago in a one-room school where he not only taught the basics, but also stoked the fire and carried the water. He worked his way up to a two-room school, earned a masters degree in administration and became a full-time principal.

Mr. Kulick has been innovative in his efforts to bring both the community and families into the educational process. Outside the schoolhouse, he has volunteered his time and services to many worthwhile community and charitable activities.

Joe Kulick's dedication and professionalism serve as an inspiration to young people who want to undertake a career in education. His years of service didn't bring him fame or fortune, but Joe Kulick's career can be marked by the lasting imprints he has made in the lives of the students and educators he has encountered during the last 47 years.

I am pleased that the people of East Stoudsburg, PA, will be honoring Mr. Kulick later this week, and I wish him the very best during his retirement.

IN HONOR OF RITA WALTERS

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today in honor of Rita Walters, an exceptional woman who will receive the Black Woman Achievement Award at a luncheon in her honor on June 12, 1986. To mark this event, it gives me great pleasure to share a few of Rita's outstanding accomplishments with my colleagues in the U.S. House of Representatives.

Rita Walters has been a member of the Los Angeles Board of Education since 1979, at which time she won the primary election to office No. 1 with 56 percent of the vote. She was reelected in April 1983 with 91 percent of the votes cast. As a member of the board, Ms. Walters previously chaired the committee of the whole and the business operations committee. As of July 1, 1985, Ms. Walters was elected president of the Los Angeles Board of Education. In 1982, she was appointed to serve on the State teachers retirement board and is a member of the California Urban School District Association.

During her tenure on the board of education, Ms. Walters has been a strong advocate of policies to improve the quality and delivery of educational services to inner-city schools. She has fought for parity in per-pupil expenditures throughout the district, as well as for the assignment of experienced personnel in the schools she represents. Ms. Walters recently authored legislation mandating acceptable levels of scholarship for students who pursue extra curricular activities—a measure which has gained national attention as precedent for breaking the tragic pattern of excellence in sports at the expense of education.

Prior to her election to the board of education, Rita Walters, an outstanding professional, served as a dedicated volunteer in educational and civic affairs.

A graduate of Shaw University in Raleigh, NC., Ms. Walters holds a valid State of California elementary credential. She also holds a master of business administration degree from UCLA's Graduate School of Management and was a Bush fellow in the Graduate School of Education, also at UCLA.

In addition to her professional experience in the field of education, Rita Walters is widely recognized for her volunteer efforts and accomplishments with regard to educational policies at the State and local school advisory committees and has represented community interests in presenting testimony before the State board of education, the State legislature, the U.S. Congress, and the Office of Education in Washington.

Most recently Ms. Walters served as a member of a study panel charged with examining secondary school education for the changing workplace for the National Academy of Sciences which resulted in the publication entitled "High Schools and the Changing Workplace—The Employer's View."

Ms. Walter's involvement in community and civic groups has included: NAACP, Urban

League, PTA, Black Leadership Coalition, and the American Civil Liberties Union. She is a member of the Black Women's Forum and serves as a director of the Black Agenda.

Rita Walter's is truly an outstanding individual and most deserving of this special award. I ask that my colleagues join me in saluting this extraordinary American.

ASBESTOS HAS NO PLACE IN OUR PUBLIC SCHOOLS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. COURTER. Mr. Speaker, the presence of potentially hazardous asbestos containing materials in schools is a subject of continuing concern to scientists, public administrators, teachers and parents.

Since the mid-1970's more and more evidence has indicated that children and young adults exposed to the substance may be more susceptible to certain asbestos-related diseases and have a greater lifetime risk than older people of developing such illnesses, due to a longer remaining lifespan during which disease may develop. Furthermore, as children are more active than adults, they tend to inhale and exhale more often, and, consequently, are more likely to inhale greater amounts of asbestos fiber.

Last year $47.5 million was appropriated for funding of asbestos in schools grants or loans. But, as asbestos abatement projects get underway, it is particularly important that strict cleanup procedures be followed. Poorly done abatement work can actually increase asbestos hazards as more asbestos fibers are released into the air during sloppy cleanups than if the asbestos were not touched.

To police these efforts and insure that safe abatement procedures are enforced, Representative FLORIO has introduced H.R. 4311, the Asbestos Emergency Response Act. Central to the bill is a model contractor accreditation plan which insures that cleanup personnel are properly trained in the safe handling of this carcinogen. The initiative has the backing of a large coalition of concerned organizations, and is essential to the future well-being of millions of schoolchildren.

There are 15 million students—nearly a third of the Nation's public elementary and secondary schoolchildren—now exposed to hazardous asbestos, and another 1.4 million teachers and school employees are also at risk. We owe it to these individuals to deal with this serious health problem as we would other emergency situations. I encourage my colleagues to join with me in supporting guidelines for safe and effective asbestos abatement.

PALATKA GEORGIA-PACIFIC PLANT SALUTED FOR WATER POLLUTION CONTROL

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. CHAPPELL. Mr. Speaker, I rise to pay special tribute to the Georgia-Pacific Corp.'s Palatka, FL, paper facility, located in my congressional district, which last week was honored for its environmental achievements at the American Paper Institute and the National Forest Products Association's annual awards luncheon here in Washington.

The Palatka plant received the water pollution control award for development of an oxygenation system that injects pure oxygen into the mill's waste water. The oxygen-enriched discharge is then fed into a slow-moving swamp-fed stream. This process raises the dissolved level throughout the 5-mile segment of the stream affected by the mill's waste water. The system ensures that the oxygen remains in solution, thus maintaining the natural balance necessary for existence of the stream's inhabitants.

Georgia-Pacific spent 2½ years developing this water pollution control project before implementing it in early 1985 with the approval of the Environmental Protection Agency and the Florida Department of Environmental Regulation.

I would like to commend the employees of the Palatka facility, especially its technical director, Bill Baxter, and the project's environmental affairs supervisor, Vernon Adams, for their fine work and commitment to the sensitive environment of the region. It is dedicated individuals such as these that make it possible for our Nation to continue to grow while at the same time ensuring that our fragile ecosystems are protected.

THE 80TH ANNIVERSARY OF THE NICK HARRIS DETECTIVES, INC.

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. MOORHEAD. Mr. Speaker, on June 11, 1986 Nick Harris Detectives, Inc., will celebrate its 80th anniversary.

Founded in 1906, Nick Harris Detectives is older than the FBI and the second oldest investigation agency in the Nation. Only Pinkerton's is older.

The agency was established by Nick Harris, son of the founder of the Chicago Daily News. Harris left the Windy City and moved to Los Angeles where he worked as the crime reporter for a major newspaper. Apparently, he didn't have enough impact on crime as a reporter, so he joined the Los Angeles Police Department. Three years later he founded Nick Harris Detectives.

Harris had a showman's flair for promotion and publicity. His network radio program, "Crime Does Not Pay," helped create for Nick Harris Detectives in particular and PI's in general an image of adventure and glamor. The Nick Harris police soon outnumbered the Los Angeles Police Department. Harris' fame and notoriety spread and his investigation agency grew.

Today, Nick Harris Detectives, Inc., is directed by Milo A. Speriglio, a master detective and longtime Nick Harris employee.

Mr. Speaker, I am pleased to recognize the 80th birthday celebration of one of the most colorful and successful detective agencies in the Nation, Nick Harris Detectives, Inc.

IRRELEVANT WEEK—MIKE TRAVIS

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. BADHAM. Mr. Chairman, what I have to say today may be considered irrelevant but then again that is the whole idea of Irrelevant Week XI, which takes place June 22–29 in my home city of Newport Beach, CA. This special week of enjoyment and community spirit pays special tribute each year to a very special man—the last player drafted in the annual National Football League draft.

This year, Mike Travis, a Georgia Tech defensive back drafted 333d and last by the San Diego Chargers team, will be the focal point of 7 days he will never forget as the community turns out to honor him, Mike is the son of Larry Travis, who is athletic director at Kansas State University. The Travis family, which also includes Mike's mother, sister Laura and brother Scott, lives in Manhattan, KS. Mike, who was an All American at Walton High School in Marietta, GA, is a senior at Georgia Tech majoring in industrial engineering.

Upon his arrival in Newport Beach on June 22, Mike will be greeted by the mayor and will be the subject of a press conference and reception. Other events planned in his honor include a chamber of commerce golf and tennis championship, a tour of the city, a college night rally, a day at Disneyland, a sports hall of fame banquet, and a special superstars competition, topped off by a trip to Reno, NV.

Mr. Chairman, in a world beset with staggering problems, Irrelevant Week brings a ray of sunshine each year to our community because its organizers don't even take themselves very seriously. It is a chance for people to come together in a spirit of pure fun and entertainment, revolving around a small part of one of America's great pastimes.

IN HONOR OF COUNCILMAN ZEV YAROSLAVSKY

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. LEVINE of California. Mr. Speaker, I rise today in honor of Councilman Zev Yaroslavsky, a talented and effective legislator in Los Angeles whom I am proud to call my

friend. Zev will be honored by the Boy Scouts of America on June 12, 1986, with the "Good Scout of the Year Award" and there is none more deserving of this tribute. To mark this event, I would like to share some of Zev's outstanding accomplishments with my colleagues in the U.S. House of Representatives.

Councilman Yaroslavsky represents the Fifth Councilmanic District, including the communities of Bel Air, Benedict Canyon, Beverly Glen, Beverly Glen Canyon, Beverlywood, Carthay Circle, Cheviot Hills, Century City, Fairfax, Franklin Canyon, Hollywood, Holmby Hills, Palms, Pico-Robertson, Rancho Park, Roscomare Canyon, Stone Canyon, U.C.L.A., West Pico, Westwood Hills and Westdale.

He was originally elected to the Los Angeles City Council in 1975 with 91 percent of the vote, and reelected in 1981 and 1985, without opposition. A lifelong resident of the district he represents, Councilman Yaroslavsky was born on December 21, 1948, in Los Angeles. In 1971, he married the former Barbara Edelston and they have two children, Mina, age 8, and David, age 3.

Councilman Yaroslavsky was educated in Los Angeles and earned his B.A. and M.A. from the University of California at Los Angeles [UCLA].

Yaroslavsky serves as chairman of the Finance and Revenue Committee and vice chairman of the Grants, Housing & Community Development Committee. He is also a member of the Transportation Committee.

Councilman Yaroslavsky has an endless list of legislative accomplishments. He authored the creation of a pay equity fund to earmark money for the purpose of bringing fairness to the pay scale of female dominated job categories as well as the Freedom of Information Act, the first of its kind in local government.

As chairman of the Finance and Revenue Committee, he has guided the city's finances through its most difficult period in history, maintaining service levels while revenues declined. He authored a city-wide ban on flammable wood roofs protecting the city's hillsides and flatlands. He is the author of the city's "just cause" for eviction laws and the city's comprehensive controls on conversion and demolition of rental housing.

Yaroslavsky led the successful campaign to reform electrical rates, eliminating subsidies for large energy users and rewarding the smallest users and won approval of a revised land use plan designated to reduce damage from rain and floods. The plan made Los Angeles residents eligible for federally-funded low-cost flood insurance. He also won approval of an ordinance banning smoking in supermarkets and instituted tougher restrictions for massage parlors and game arcades to locate in residential areas.

In the area of urban planning, Yaroslavsky is currently working with the Fairfax community in the development of a metro rail plan for the Beverly-Fairfax area. He has called for large-scale building to be halted in the Westwood Village until an environmental review process is prepared and he has sponsored many height limitations to curtail high-rise development.

With regard to transportation, Yaroslavsky instituted and marketed a shuttle bus in Westwood which provides free parking and bus services on Friday nights and Saturdays. He also sponsored legislation which links increased commercial development to the construction of a mass transit rail system.

In the community, Yaroslavsky helped created new senior citizens housing projects and established a multiservice senior center. He has sponsored numerous graffiti paintout programs to beautify the community and won approval of funding to purchase various parks in the LA area.

Councilman Yaroslavsky is an accomplished legislator and most deserving of this special award. It is a pleasure to share his outstanding record with the leadership and Members of the House. I ask that my colleagues join me in saluting this extraordinary American.

THE IMPORTANCE OF BEING EARNEST

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1986

Mr. GARCIA. Mr. Speaker, the New York Times yesterday ran an essay by Robert McNamara on the importance of SALT II. Mr. McNamara makes a persuasive case for abiding by the treaty. We are only fooling/hurting ourselves if we scrap SALT II.

In yesterday's Washington Post. David Ignatius also wrote an insightful article on the importance of SALT II for the United States. He states that the Soviets would stand to gain if we scrap the treaty.

As chairman of the North Atlantic Assembly's Civilian Affairs Committee, I have come to appreciate the value of consultation with our NATO allies. It seems that they too believe that ending SALT II would be against our mutual interest.

To my mind, the most compelling arguments are in favor of sticking to SALT II. We must at least attempt to control the escalating arms race if we are to look to the future with confidence and security. By abandoning SALT II, we are leaving ourselves with little hope for a meaningful dialogue on arms control.

I submit Mr. McNamara's and Mr. Ignatius's articles for the RECORD. I hope they shed some additional light for my colleagues on this most important topic.

[From the New York Times, June 8, 1986]

15 YEARS OF ARMS CONTROL DEMOLISHED—UNLESS REAGAN ABIDES BY SALT II

(By Robert S. McNamara)

WASHINGTON.—President Reagan's decision to abandon the second strategic arms limitation accord will, unless reversed, severely harm United States security interests. At present, the SALT limits are the only existing agreed constraints on strategic weapons. Without them, we will face the dangers of a totally unrestricted nuclear arms race.

The SALT II agreement prohibits the Russians from increasing their total number of strategic missiles and bombers. The accord also includes a limit on land-based missiles equipped with multiple warheads—the weapons most feared by the Pentagon. Since the Russians are within two missiles of reaching that limit, keeping the agreement would force them to remove older missiles and dismantle their silos as the new mobile SS-24 missile enters the field. Moscow has already removed from operation or dismantled more than 1,300 missile launchers, 45 bombers and 21 submarines to stay within the SALT limits.

If President Reagan's decision is implemented, those limits will be swept aside. The entire structure of strategic arms control, carefully laid over a period of 15 years by four Presidents—Lyndon B. Johnson, Richard Nixon, Gerald R. Ford and Jimmy Carter—will be destroyed.

Why did those Presidents negotiate on strategic arms? Not because they trusted the Russians. Not to do the Kremlin a favor. They pursued SALT for only one reason—because they believed it to be in the security interests of the United States. They were joined in that belief by their Secretaries of Defense and the Joint Chiefs of Staff. Arms control is the only means we have for containing the Soviet nuclear arsenal. Without SALT, our fears of a Soviet first-strike potential will rise, heightening the danger of nuclear war in times of crisis.

The President's repudiation of "the SALT structure" becomes more ominous when one recalls that SALT includes not only the 1972 and 1979 agreements on offensive forces but also the 1972 Anti-Ballistic Missile Treaty. Secretary of Defense Caspar W. Weinberger has never supported the ABM treaty. He now says that remaining in compliance with it, if it blocks progress on the development of the "Star Wars" anti-missile system, "is something obviously we would be very much opposed to."

SALT was an American initiative, in November 1966, President Johnson and I first proposed to the Russians that we begin working toward limits on strategic forces. We spent a long day at Glassboro, N.J., in 1967 trying to persuade Premier Aleksei N. Kosygin that development of anti-missile weapons woud fuel the arms race and increase the danger of war. Five years later, in 1972, President Nixon was successful in obtaining Soviet agreement to both the ABM accord and the interim agreement on offensive forces. Now the United States is telling Moscow that it has changed its mind. The stage is set for an all-out competition in both offensive and defensive strategic weapons.

Some in Washington perceive President Reagan's decision as yet another negotiating ploy designed to increase American leverage at Geneva. Others see it as an effort to placate hardliners in the Pentagon without completely withdrawing from the SALT agreements.

But the Soviet Union, not unexpectedly, appears to be talking the President at his word. Soviet military leaders will plan for the worst, just as Pentagon military planners would advise President Reagan to do if we were faced with Soviet renunciation of SALT. The President's decision will stregnthen the hand of Soviet hardliners who believe that the United States is seeking strategic superiority. Those hardliners will insist that the Soviet Union cannot wait for the President to come around—and that Moscow must begin planning to day for a huge expansion of weaponry in order to compete in the world without arms control.

The Congressional Research Service estimates that wothout SALT each side could more than double its strategic nuclear weapons by 1992. Some Administration spokesmen now cast doubt on such scenarios; they argue that each side can show restraint without the SALT limits. But given the cur-

rent high level of mistrust between the superpowers, it is far more likely that each country, guided by worst-case assumptions about enemy intentions and capabilities, will substantially expand its forces.

The demise of SALT will also, very likely, undermine the Geneva arms talks. If we are to negotiate deep reductions in arsenals—a laudable goal affirmed by the President and Mikhail S. Gorbachev at last year's summit meeting—we need an agreed upon base line from which to reduce. The SALT limits provide such a baseline; an unrestricted arms race would not.

To justify its decision, the Administration charges that Moscow has violated the SALT accords. The issue of treaty violations is a complicated one. Both we and the Russians have accused the other of such actions. At least some of the Administration's claims appear to be justified. But none of the alleged violations are of major military significance. The correct response should be the one taken by the four previous Presidents—making full use of established diplomatic channels to resolve disputes with Moscow. Responding to Soviet violations by scrapping SALT is tantamount to reacting to an increase in the crime rate by abolishing the criminal code.

Between them, the United States and the Soviet Union already have some 50,000 nuclear warheads, including 22,000 strategic weapons. If President Reagan implements his decision to abandon SALT, the superpowers will intensify an arms race that is far worse than anyone would have dared to predict at the dawn of the atomic age. Why should we risk such a course when we can keep the lid on the competition, while seeking the substantial reductions both sides have proposed?

[From The Washington Post, June 8, 1986]

WITHOUT SALT, THE RACE IS ON—AND THE SOVIET UNION LOOKS LIKE THE WINNER, GOING AWAY

(By David Ignatius)

Who will fare best in a world without the constraints of the SALT II treaty? Will the United States be able to build weapons more quickly and efficiently than the Soviet Union? Or will we be running free in an arms race that we may lose?

President Reagan apparently is convinced that America can win this race and achieve greater security without SALT and its limits. Thus his surprise announcement two weeks ago that the U.S. will no longer feel bound by the "standards contained in the SALT structure" and will instead respond to the "threat posed by Soviet strategic forces."

A gloomier view of our prospects in the arms race emerges from statistics gathered by the Central Intelligence Agency and the Defense Intelligence Agency. This data, summarized in the accompanying tables, shows that with a roughly equal military budget, the Soviets have been able to produce much more military hardware than the United States.

Moscow, in other words, is likely to get more bang for the buck in the arms race that many analysts predict will follow abandonment of SALT II.

This military analysis of life after SALT offers an alternative to the moralizing, pro and con, that tends to dominate the arms-control debate. And it helps answer the one question of overriding importance in the SALT debate. Will the United States be more secure with the treaty, or without it?

Consider the CIA and DIA data, which was presented three months ago in testimony to the Joint Economic Committee. The statistics show that with slightly greater defense spending from 1974 to 1985 the Soviets were able to produce a vastly larger volume of weapons.

The adjourning table marked "Output" documents this startling gap between U.S. and Soviet arms production. From 1974 to 1985, the Soviets produced more than three times as many strategic missiles; nearly 10 times as many surface-to-air missiles; 50 times as many bombers; nearly twice as many fighters; more than three times as many helicopters; more than twice as many submarines; three times as many tanks, and 10 times as many artillery pieces.

There are many reasons for this disparity: Pentagon mismangement, congressional meddling, the military's enthusiasm for "gold-plated" state-of-the art weapons that can only be purchased in small quantities, and the Soviet push during the 1970s to match U.S. force levels.

But the reasons for the gap matter less than the fact that it exists—and may get worse in a post-SALT era. That's because the superpower tensions that drive Soviet weapons spending may lead a skittish U.S. Congress to cut our defense budget in an effort to slow the arms race. There are already signs that President's Reagan's decision to abandon SALT may have precisely that effect. Indeed, only days after his announcement that the U.S. wouldn't feel bound any longer by SALT limits, Reagan was appealing to Congress not to cut spending for the nation's nuclear forces.

OUTPUT—U.S. & SOVIET PROCUREMENT OF MAJOR WEAPONS SYSTEMS, 1974–85 [1]

System	U.S	U.S.S.R.
ICBM's & SLBM's	1,050	3,500
Surface-to-Air missiles [2]	11,700	105,000
Long & Intermediate range bombers	8	400
Fighters	4,050	7,800
Helicopters	2,050	6,500
Submarines	44	110
Major surface combatants	98	90
Tanks	8,400	27,000
Field artillery	2,200	22,000

[1] These numbers represent gross additions to weapons inventories and do not reflect retirements because of obsolescence or SALT restraints.
[2] Does not include naval or portable SAMs.

THE FUTURE—SOVIET PROCUREMENT OF SELECTED WEAPON CLASSES

Weapon class	Estimated 1981–85	Possible 1986–90
ICBM's & SLBM's	800	[1] 700
Submarines	40	50
Tanks	12,500	18,000
Fighter Aircraft	2,400	[1] 2,000
Helicopters	2,500	[1] 2,100
Strategic Bombers	200	210

[1] Although projections suggest lower overall numbers in these categories, the missiles fighters, and helicopters the Soviets will procure during 1986–90 are more complex, capable, and costly than those purchased during 1981–85

Source. CIA & DIA.

The CIA and DIA data make clear that the Soviets are well-positioned for the new arms race. "Most Soviet weapons expected to be delivered to the Soviet forces through 1990 will be manufactured in plants already built and operating," the agencies said in their congressional testimony.

The future imbalance in U.S. and Soviet military procurement is suggested by the accompanying table labelled "The Future," which was prepared by the CIA and DIA before the administration announced its decision to abandon the SALT limits. The table projected that over the next five years, the Soviets would outproduce their already high procurement levels of the past five years in submarines, tanks and strategic bombers. They would produce only slightly fewer strategic missiles, fighters and helicopters, the intelligence agencies noted.

The picture becomes even gloomier when you assumed that both sides have abandoned SALT entirely. A report prepared last March by Rep. Les Aspin (D-Wis.), chairman of the House Armed Services Committee, does just that.

Intelligence data cited by Aspin show that, in his words, "the Soviets have two, inherent advantages that would allow them to spurt forward with force increases faster than we if SALT were undercut."

These Soviet advantages include greater "throw-weight" for their missiles, which would allow them to carry more warheads with their existing arsenal of rockets, and "hot production lines" for strategic weapons. The Soviets, for example, are already producing eight major new strategic systems—two new ICBMs, two new strategic bombers, two new missile-carrying submarines and two new missiles for these subs. The U.S., in contrast, has only three such "hot production lines."

Aspin estimates that because of the production-line disparity alone, Soviet strategic forces could grow by 65 percent by 1989, compared to only 45 percent growth for the U.S., if SALT is scuttled.

The post-SALT danger to the U.S. won't come just from the new weapons the Soviets can build, but from the older ones they don't have to retire. Aspin notes that continued observance of the SALT treaty would force the Soviets to retire more than twice as many missile launchers as the U.S.

Military comparisons like these help explain why the Joint Chiefs of Staff, until recently, were skeptical—on military grounds—about the wisdom of abandoning the SALT II restraints.

The danger for the Reagan administration is that in abandoning SALT II, it could get the worst of all possible outcomes. The administration's announcement could frighten the Congress into cutting U.S. strategic programs; and it could frighten the Kremlin into stepping up Soviet arms spending. In such a world, even the Reaganites might pine for the good old days of SALT.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL

RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, June 10, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 11

9:30 a.m.
Armed Services
Manpower and Personnel Subcommittee
Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense.
SR-232A

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on the final report of the Presidential Commission on the Space Shuttle Challenger Accident.
SR-253

Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

Finance
Business meeting, to consider the nomination of Dorcas R. Hardy, of California, to be Commissioner of Social Security, and S. 1822, to provide for the manufacturing and public distribution of certain copyrighted material.
SD-215

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on alleged Department of Defense subcontractor kickbacks.
SD-342

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the District of Columbia government.
SD-138

Energy and Natural Resources
Business meeting, to resume consideration of S. 2427, to improve the administration of the Federal coal leasing program, and other pending calendar business.
SD-366

Foreign Relations
To hold hearings on the Inter-American convention on commercial arbitration (Treaty Doc. 97-12), United Nations convention on contracts for the international sale of goods (Treaty Doc. 98-9), Inter-American convention on letters rogatory, adopted at Panama January 30, 1975, and additional protocol adopted at Montevideo May 8, 1979 (Treaty Doc. 98-27), Request for advice and consent to withdrawal of a reservation to the 1975 Patent Cooperation Treaty (Treaty Doc. 98-29), Hague convention on the civil aspects of international child abduction (Treaty Doc. 99-11), 1984 Protocols to amend the international convention on civil liability for oil pollution damage, 1969 and the international convention on the establishment of an international fund for compensation for oil pollution damage, 1971 (Treaty Doc. 99-12), Trademark registration treaty (Ex. H, 94th Cong., 1st sess.), and the Vienna convention on the law of treaties (Ex. L, 92nd Cong., 1st sess.).
SD-419

Labor and Human Resources
To hold hearings on the organ transplant task force report.
SD-430

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

3:00 p.m.
Foreign Relations
African Affairs Subcommittee
To hold hearings on the nominations of G. Norman Anderson, of Florida, to be Ambassador to the Republic of Sudan, John D. Blacken, of Washington, to be Ambassador to the Republic of Guinea-Bissau, Patricia G. Lynch, of the District of Columbia, to be Ambassador to the Democratic Republic of Madagascar, and to serve concurrently and without additional compensation as Ambassador to the Federal and Islamic Republic of the Comoros, Vernon D. Penner, Jr., of New York, to be Ambassador to the Republic of Cape Verde, and Cynthia S. Perry, of Texas, to be Ambassador to the Republic of Sierra Leone.
SD-419

4:00 p.m.
Armed Services
Military Construction Subcommittee
Closed business meeting, to mark up S. 2132, authorizing funds for fiscal year 1987 for military construction programs.
SR-222

JUNE 12

9:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the nominations of Manuel H. Johnson, of Virginia, to be Vice Chairman of the Board of Governors of the Federal Reserve System, and William F. Ryan, of New Jersey, to be First Vice President of the Export-Import Bank of the United States.
SD-538

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to resume consideration of proposed legislation to provide for a uniform product liability law to conform with an alternative claim system for expedited recovery of damages by those injured by defective products (text of Amendment No. 1951 to S. 1999), and to begin consideration of the nomination of Patricia D. Dennis, of Virginia, to be a Member of the Federal Communications Commission.
SR-253

Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission, and recreation use fees for the operation of the National Park System, and S. 2130, to preserve, protect and revitalize the National Park System.
SD-366

Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Armed Services
Preparedness Subcommittee
Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense.
SR-222

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

Governmental Affairs
Permanent Subcommittee on Investigations
To hold oversight hearings on the enforcement of the Bank Secrecy Act (P.L. 91-508).
SD-342

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

2:00 p.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
Closed business meeting, to mark up those provisions which fall within the subcommittee's jurisdiction of S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, S. 2218, authorizing funds for fiscal years 1987 and 1988 for national security programs of the Department of Energy, and proposed legislation authorizing funds for civil defense programs of the Federal Emergency Management Agency.
SR-222

4:00 p.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

JUNE 16

10:00 a.m.
Labor and Human Resources
To hold hearings on the nomination of George R. Salem, of Virginia, to be Solicitor, Department of Labor.
SD-430

1:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the second waste repository site selection

under the Department of Energy's Office of Civilian Radioactive Waste Management.
SD-366

1:30 p.m.
Judiciary
Criminal Law Subcommittee
Business meeting, to mark up S. 1203, to grant railroad police and private college or university police departments access to Federal criminal identification records, and S. 2312, to expand the coverage of the Armed Career Criminal Act of 1984 by broadening the class of predicated crimes that make an armed person a career criminal.
SD-226

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and efficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues.
SR-332

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on the final report of the Presidential Commission on the Space Shuttle Challenger Accident.
SR-253

Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

Finance
International Trade Subcommittee
To resume hearings on S. 1860, proposed Trade Enhancement Act, and a related measure S. 1867, to require the President to submit legislation withdrawing trade benefits provided under the Generalized System of Preferences (GSP) from certain developing countries, including Taiwan, Hong Kong, and Korea.
SD-215

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide the Secretary of Health and Human Services the authority to conduct epidemiological studies of the health effects of radiation in places of employment.
SD-342

Select on Indian Affairs
To resume hearings on S. 902 and H.R. 1920, bills to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

9:30 a.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Committee on Post Office and Civil Service on a Postal Rate Commission report on the use and abuse of the preferred mail rate.
SD-342

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 19

9:30 a.m.
Commerce, Science, and Transporation
Aviation Subcommittee
To hold hearings on general aviation product liability.
SR-253

Energy and Natural Resources
To hold oversight hearings to review the impact of the explosion of the Soviet nuclear powerplant at Chernobyl on the domestic nuclear industry.
SD-366

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Defense.
SD-192

Finance
Oversight of the Internal Revenue Service Subcommittee
To hold oversight hearings to review activities of the Internal Revenue Service and the Department of Justice relating to the investigation and prosecution of certain tax cases.
SD-215

Small Business
To hold oversight hearings on the implementation of the Prompt Payment Act (Public Law 97-177).
SR-428A

11:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
Business meeting, to mark up S. 2083, to promulgate regulations for asbestos hazard abatement in the Nation's schools, and S. 2300, to set standards for identification and abatement of hazardous asbestos in Federal and other buildings.
SD-406

4:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

JUNE 20

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2266, to establish a ski area permit system on national forest lands established from the public domain, S. 2287, to designate a certain portion of the Great Egg Harbor River in the State of New Jersey for potential addition to the Wild and Scenic Rivers System, S. 2320, to add certain lands on the Island of Hawaii to Hawaii Volcanoes National Park, S. 2351, to revise the boundaries of Olympic National Park and Olympic National Forest in the State of Washington, S. 2466, to designate a segment of the Saline Bayou in Louisiana as a component of the National Wild and Scenic Rivers System, S. 1019 and H.R. 2182, bills to include certain additional lands within the Apostle Islands National Lakeshore in Wisconsin, and S. 2483, to reaffirm that regulation of private property within the Fire Island National Seashore in New York remain a joint activity between the Federal Government and the local government.
SD-366

10:00 a.m.
Finance
Oversight of the Internal Revenue Service Subcommittee
To continue oversight hearings to review activities of the Internal Revenue Service and the Department of Justice relating to the investigation and prosecution of certain taxcases.
SD-215

JUNE 23

10:00 a.m.
Finance
Oversight of the Internal Revenue Service Subcommittee
To resume oversight hearings to review activities of the Internal Revenue Service and the Department of Justice relating to the investigation and prosecution of certain tax cases.
SD-215

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings to review budget requests for the Department of Energy's Office of Energy Research and the Office of Environment, Health and Safety.
SD-366

JUNE 24

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1903, and a related measure to improve the safe operations of commercial motor vehicles.
SR-253

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1149, to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction cost, and related matters.
SD-366

Judiciary
*Administrative Practice and Procedure Subcommittee
To hold hearings on S. 489 and H.R. 3174, bills to allow members of the armed forces to bring claims for damages against the United States for personal injury or death arising out of medical, psychological, or dental care furnished by a Department of Defense hospital.
SD-226

JUNE 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
SR-253
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430
Select on Indian Affairs
To hold hearings on H.R. 1344, to provide for the restoration of Federal recognition to the Ysleta del Sur Pueblo and the Alabama and Coushatta Indian Tribes of Texas.
SR-385

JUNE 26

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the establishment of new short-line and regional railroads.
SR-253
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on certain provisions of S. 2403, to improve access to health insurance coverage for Americans.
SD-342

10:00 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on prospects for exporting American coal.
SD-366

4:00 p.m.
Select on Intelligence
Closed business meeting, to consider pending calendar business; to be followed by a closed hearing on intelligence matters.
SH-219

JULY 15

9:30 a.m.
Commerce, Science, and Transportation
To resume hearings on S. 1310, Clean Campaign Act of 1985.
SR-253

JULY 16

10:00 a.m.
Labor and Human Resources
To hold oversight hearings on barriers to children's health care.
SD-430

JULY 17

9:20 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 2417, to provide for the establishment of an independent commission to study and make recommendations regarding the management of aviation safety.
SD-562

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430
Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resources Conservation Subcommittee
To hold hearings on S. 2412, to withdraw and reserve certain public lands.
SD-366

JULY 18

10:00 a.m.
Labor and Human Resources
To hold hearings on S. 2407, the Animal Drug Amendments and Patent Term Restoration Act of 1986.
SD-430

JULY 22

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues, focusing on barriers to agricultural trade.
SR-332
Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430
Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 29

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues, focusing on the impact of the 1985 farm bill (P.L. 99-198) on world agricultural trade.
SR-332

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 5

9:30 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To resume hearings to review agricultural trade issues.
SR-332

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SR-253

JUNE 17

10:00 a.m.
Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

HOUSE OF REPRESENTATIVES—*Tuesday, June 10, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O Lord, that a strong faith will gain us a heart of wisdom. As we are proud of our heritage and firm in our beliefs, so may we also understand the heritage and beliefs of others. May we not be provoked to anger but in all things may we be motivated by love and compassion and peace. Grant this petition, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4515. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4515) "An act making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATFIELD, Mr. STEVENS, Mr. WEICKER, Mr. MCCLURE, Mr. GARN, Mr. COCHRAN, Mr. ANDREWS, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. RUDMAN, Mr. GOLDWATER (for chapter III A only), Mr. STENNIS, Mr. BYRD, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. CHILES, Mr. JOHNSTON, Mr. BURDICK, Mr. LEAHY, Mr. DECONCINI, and Mr. NUNN (for chapter III A only), to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2294. An act to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes.

VIOLENCE AGAINST ABORTION CLINICS LEADS TO CLASS-ACTION SUIT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, last night there was another tragic bombing of a women's health center in Wichita, KS. This is the 38th bombing of such a center since 1982.

Because of the health care center violence, doctors and health care providers are being prevented from fulfilling their duties as doctors and from presenting to their patients all of the medical options available to them. Clinics are having to close down because they can't get insured, they can't afford the extra security, and because the threats to providers lives have jeopardized their family's safety.

During these past 4 years, we have tried through letters and meetings to get Attorney General Ed Meese to use Federal laws already on the book that protect women's right to their health care.

Because of Attorney General Meese's failure to respond to this crisis, women now have to turn to the courts for help. Yesterday the National Organization for Women [NOW], with the Delaware Women's Health Organization and the Pensacola Ladies Center filed a class action suit on behalf of all women and all women's health care facilities performing abortions against leading antiabortion extremists.

In 1985, 224 clinics reported incidents of violence, vandalism, and harassment, while the FBI reported only 7 terrorist incidents in the United States.

Do we have to legally categorize clinic violence as terrorism before we can get the Reagan administration to do something about it? I can only wonder if Attorney General Meese would be dragging his feet if it were churches instead of women's health centers that were being bombed.

THE VANISHING RIGHT TO LIVE

(Mr. HYDE asked and was given permission to address the House for 1 minute.)

Mr. HYDE. Mr. Speaker, the Supreme Court has just determined that the Federal Government has no right to interfere in a decision of parents and doctors to withhold ordinary medical treatment from a handicapped newborn baby—thereby imposing a death sentence on this tiny defenseless member of the human family.

Thus the Court has thrust the 14th amendment into its paper shredder—equal protection and due process of law are now only available to infants who are privileged, planned, or perfect.

And when you next read the Declaration of Independence, skip over the part that says "all men are endowed by their Creator with certain inalienable rights"—the Supreme Court and the American Medical Association have deleted that, by a 5-to-3 vote.

As we crusade for human rights in Africa and Central America, I wonder if we have the moral energy to care about the denial of human rights to little citizens in our hospital nurseries?

MORE FARSIGHTED PLAN NEEDED IN INTERNATIONAL DEBT CRISIS

(Mr. OBEY asked and was given permission to address the House for 1 minute.)

Mr. OBEY. Mr. Speaker, the stability of the U.S. economy and its banking system are being jeopardized because the Reagan administration is not on top of the international debt crisis. Peru, Nigeria, and Bolivia are already in violation of debt-repayment agreements. If the administration does not fashion more realistic policies, nations holding a much larger share of Third World debt will follow.

The administration has an obligation to make sure that the list does not grow. The Baker plan promises only another round of loans to help finance another round of interest payments to commercial banks. It is better than nothing, but it will keep the debt crisis festering as it has for nearly 4 years. It still threatens the long-term soundness of U.S. banks, drives up unemployment in the United States, damages American farmers and manufacturing, and keeps our trade deficit needlessly high.

The time has come for the administration to really change course. We need a more farsighted plan that gives debtor nations a chance to purchase U.S. products and does not require them to accept new loans to add to their interest burden.

THE BIGEYE CHEMICAL BOMB SHOULD BE SCRAPPED

(Mr. PORTER asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, today, the GAO released its most complete report ever on the Bigeye nerve gas bomb.

After 25 years of DOD development work, GAO says that the Bigeye does not work and should be scrapped.

After the bomb unexpectedly exploded in 1982, many changes were made to the bomb and its delivery tactics. After a year of analysis the GAO stated "what changes in bomb design and operational tactics have done is to shift the burden of responsibility to the pilot by adding constraints, reducing his safety, increasing the speed of calculations he needs to make and giving him little assurance that the bomb, once delivered, will be effective."

They state "there are major inconsistencies, test criteria are ambiguous, shifting and uncertain," and yet, Mr. Speaker, the Pentagon wants us to spend over $1 billion on this bomb alone.

Mr. Speaker, the GAO says it doesn't work, the Europeans say they do not want it, and I hope the Congress says we won't buy it.

THE ROGERS COMMISSION REPORT: A BEGINNING, NOT THE END

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, the Rogers Commission report is now in the public's hands, and it is an impressive piece of work. It answers the many specific questions it was charged to answer about the causes of the *Challenger* tragedy.

But nobody asked the Rogers Commission to answer the even bigger question: What is the future of NASA? Is it to continue the vision of President Kennedy as a pioneer for civilian, scientific exploration of the last frontier, or is it to be yet another pawn in the administration's strategic chessboard dominated by the Strategic Defense Initiative?

Two decades ago, NASA and the Nation had synchronized their watches around the Apollo mission. Once that mission had been successfully completed, NASA was cast adrift to fend for itself in a sea of strident voices, the loudest voice of all being the administration's push to militarize space. Unchecked, we can be sure that all of the Rogers Commission's sober recommendations about safety controls and management reorganization will go for naught, swallowed up in the gorge of the military's quest to establish space as a military outpost.

NASA has made extraordinary contributions over the years to the Nation's science and to its psyche. Let us use the Rogers Commission's effort as the foundation for revitalizing the peaceful space program which once fired the imagination of an entire Nation.

The SPEAKER. The Chair thought that the gentleman from Massachusetts was going to have something to say about the Celtics.

Mr. MARKEY. I do have a comment to make on that subject, Mr. Speaker.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. MARKEY] has expired.

The Chair recognizes the gentleman from California [Mr. DANNEMEYER].

BOSTON CELTICS' NBA VICTORY ASSURES WHEELBARROW RIDE FOR MASSACHUSETTS MEMBERS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute.)

Mr. DANNEMEYER. Mr. Speaker, I yield to my friend, the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, the gentleman from Massachusetts, Mr. SILVIO CONTE, and I have a bet with the gentleman from Texas [Mr. FIELDS] and the gentleman from Texas [Mr. LELAND] on the outcome of the series. The winners were to be wheeled around the Capitol in a wheelbarrow by the losers. The gentlemen from Massachusetts are looking forward to their ride in the wheelbarrow from Mr. FIELDS and Mr. LELAND.

The SPEAKER. The House should recess for that.

THE MIDAS TOUCH

(Without objection, Mr. DANNEMEYER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, according to Greek mythology Midas, the king of Phyrgia, was favored by the gods in granting him a wish. Rashly, king Midas wished that everything he touched should turn to solid gold. His golden touch made him the richest man on Earth, but he was starving to death for even his food turned to gold. And when his little daughter ran to him and hugged him, she too turned into a golden statue.

King Fahd of Saudi Arabia appears to be a latter-day king with the Midas touch: Everything he touches turns to black gold. Yet the king finds no solace in his new riches, as the price of crude oil is plunging to worthlessness. It looked like a cruel joke when Vice President BUSH visited the poor king asking him to rid himself of the Midas touch.

If Mr. BUSH really wanted to prevent the price of oil from going through the floor, he could do something constructive right here at home. He could advocate a stable dollar. That would go a long way toward helping not only Texas oilmen, but also Kansas farmers and California workmen. The stable dollar would stop the free fall of the price of wheat and tin as well. It would bail out American bankers, no less than American oilmen, not to mention foreign kings with the Midas touch.

□ 1210

FARMING THE TAX CODE

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, Why do you suppose large numbers of doctors, lawyers, bank presidents, and others among the wealthiest people in our society have chosen to invest in farming? Are they interested in the honest hard physical labor which comes with producing America's agricultural bounty? Hardly.

Wealthy investors in corporate farms are more interested in farming the Tax Code than in farming the land.

They want to invest in farming in order to use paper losses from farming to lower their income tax bills while still building equity in the corporate farm operations in which they have invested.

It's all perfectly legal. Corporate farm tax shelters are embedded in our current Tax Code.

But the new tax reform bill currently working its way through Congress will change all that. Tax simplification promises to eliminate the tax shelters which are crowding out America's family farmers.

Tax simplification will be good for those farmers who stay in farming in order to earn a living, and because they are committed to the farming way of life.

Let's move forward with tax reform.

IMPEACH DISTRICT JUDGE CLAIBORNE

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, over the weekend the U.S. Court of Appeals for the Ninth Circuit sitting en banc refused to stay the prison sentence of Federal Judge Harry E. Claiborne of Nevada. Judge Claiborne thus remains in prison drawing his full salary of $78,000 a year.

Mr. Speaker, the meter is ticking. Judge Claiborne is being paid by the taxpayers while being incarcerated. That is a nice deal and he should not be able to get it.

This House ought to impeach Judge Claiborne and send the matter to the Senate for trial, because everyday

Judge Claiborne sits in jail the taxpayers are fleeced another $215.

Let us get on with the impeachment of Judge Claiborne. The facts are not in dispute. He has asked for impeachment and trial and we ought to grant that request so we can get this felon off the bench.

LET US NOT SCUTTLE THE SHUTTLE

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, we can study the shuttle, we can improve the shuttle, we can embellish the shuttle, we can do all kinds of things, but we cannot scuttle the shuttle.

Space exploration is as much a part of the manifest destiny of the United States as was crossing the Mississippi westward when this country was becoming what it is today.

So let us take the Rogers Commission report and treat it as the latest volume in our manifest destiny. We should analyze it. We should worry about it. We should debate it. We should improve the space program and the capacity of NASA to execute the space program, but let us not scuttle the shuttle.

CONGRESS SHOULD ESTABLISH A WORKABLE MARKETING SYSTEM FOR SATELLITE TRANSMITTED TELEVISION

(Mr. CLINGER asked and was given permission to address the House for 1 minute.)

Mr. CLINGER. Mr. Speaker, anyone traveling through my district on a regular basis would be astounded at the steady increase in the number of backyard satellite dishes. On a long stretch of road where only 1 year ago there were one or two dishes, I now see a dish for almost every mile of roadway.

I have come to the conclusion that the dish owners of this country are a thriving constituency in and of themselves. This newly developed constituency has asked for our help. The sad part of this is that they feel that Congress is ignoring their problems, that we really don't care about them.

More than 6 months have gone by since some of the larger television broadcasters began scrambling the satellite signals that carry their programs. In rural areas where ordinary television broadcasts and cable are unavailable, scrambling satellite signals is a disturbing practice.

Much to their credit, the leadership of the Telecommunications Subcommittee (Mr. WIRTH and Mr. RINALDO) has explored this problem in a subcommittee hearing and will hold another next week.

However, there is a widespread feeling that Congress is just giving lip service to the dish owners, that we're really not going to do anything at all to help establish a workable marketing system for satellite transmitted television programming.

In conclusion, Mr. Speaker, I recommend that we address this problem expeditiously.

COMMUNICATION FROM THE HONORABLE BILL BONER, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. GRAY of Illinois) laid before the House the following communication from the Honorable BILL BONER, a Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 5, 1986.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives, Speaker's Rooms, The Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to inform you, pursuant to Rule L(50) of the Rules of the House, that the following present and former employees on my staff have been served with subpoenas issued by the United States District Court for the Middle District of Tennessee: Doug Johnston, Richard Crawford, Jeffrey Eller and David Flanders. I will, in consultation with the General Counsel to the Clerk, make the determinations required by the House Rule and will promptly notify you of those determinations.

Sincerely,

BILL BONER,
Member of Congress.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on both motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, June 11, 1986.

DISTRIBUTION OF JUDGMENT FUNDS FOR SAGINAW CHIPPEWA TRIBE, MICHIGAN

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1106) to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Saginaw Chippewa Tribe of Michigan in dockets numbered 57, 59, and 13E of the Indian Claims Commission and docket numbered 13F of the U.S. Claims Court, and for other purposes, as amended.

The Clerk read as follows:

S. 1106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; DEFINITIONS

SECTION 1. (a) This Act may be cited as the "Saginaw Chippewa Indian Tribe of Michigan Distribution of Judgment Funds Act".

(b) For purposes of this Act—

(1) The term "tribe" means the Saginaw Chippewa Indian Tribe of Michigan.

(2) The term "Tribal Council" means the Saginaw Chippewa Tribal Council.

(3) The term "Secretary" means the Secretary of the Interior.

ABROGATION OF PRIOR PLAN

SEC. 2. Notwithstanding Public Law 93-134 (25 U.S.C. 1401 et seq.) or any plan prepared or regulation promulgated by the Secretary pursuant to such law—

(1) the funds appropriated in satisfaction of judgments awarded the tribe in dockets numbered 59 and 13E of the Indian Claims Commission, and

(2) the balance of any undistributed funds appropriated in satisfaction of the judgments awarded the tribe in docket numbered 57 of the Indian Claims Commission and docket numbered 13F of the United States Claims Court,

and any interest or investment income accrued on the amount of such funds on or before the date of any transfer made pursuant to section 5 or 8 (less any attorneys' fees and court costs), shall be distributed and used in accordance with the provisions of this Act.

INVESTMENT FUND

SEC. 3. (a)(1) The tribe, through the Tribal Council, shall establish a trust fund for the benefit of the tribe which shall be known as the "Investment Fund". The principal of the Investment Fund shall consist of—

(A) the funds transferred by the Secretary to the Tribal Council pursuant to section 5(a),

(B) the amounts required to be included in principal under subsection (c) or section 8(c),

(C) such portion of the funds paid to the Tribal Council under section 8(a) as the Tribal Council may elect to add to the principal, and

(D) such other amounts of the income of the Investment Fund which the Tribal Council may elect to retain and add to the principal.

(2) The Tribal Council shall be the trustee of the Investment Fund and shall administer the Investment Fund in accordance with the provisions of this Act.

(b)(1) The principal of the Investment Fund shall be used exclusively for investments or expenditures which the Tribal Council determines—

(A) are reasonably related to—

(i) economic development beneficial to the tribe, (or)

(ii) the development of tribal resources, or

(B) are otherwise financially beneficial to the tribe.

(2) Under no circumstances shall any part of the principal of the Investment Fund be distributed in the form of per capita payments to the members of the tribe or used or expended for purposes other than investment or economic development projects and programs.

(3) None of the income of the Investment Fund may be distributed or expended before the date that is 18 months after the date on which the amendments to the constitution of the tribe referred to in section 4(a) are adopted and ratified by the qualified voting

members of the tribe (within the meaning of such constitution).

(c) at least 10 percent of the income earned on the Investment Fund during each of the first ten fiscal years of the Investment Fund beginning after such Investment Fund is established shall be retained in the Investment Fund and become part of the principal of the Investment Fund.

(d)(1) The Investment Fund shall be maintained as a separate book account.

(2) The books and records of the Investment Fund shall be audited at least once during each fiscal year of the Investment Fund (or before the end of the 3-month period beginning on the last day of such fiscal year) by an independent certified public accounting firm which shall prepare a report on the results of such audit. Such report shall be treated as a public document of the tribe and a copy of the report shall be available for inspection by an enrolled member of the tribe.

(e)(1) From the funds described in section 2 and transferred to the Tribal Council pursuant to section 5 (a), the sum of $1,000,000 shall be set aside within 90 days of receipt of such funds by the Tribal Council for the express purposes of establishing a separate Elderly Assistance Investment Fund.

(2) Income generated by the Elderly Assistance Investment Fund shall be distributed on a per capita basis to each enrolled Tribal member who is 50 years of age or older on the date that is 18 months after the date on which the amendments to the constitution of the tribe referred to in section 4.(a) are adopted and ratified by the qualified voting members of the tribe.

(3) Tribal members entitled to participate in the distribution of such income shall submit verifiable documentation as to their age to the Tribal Council no later than the date that is 3 months after the date established pursuant to paragraph (2) of this subsection. The Tribal Council shall prepare and certify a list of all Tribal members entitled to participate in the distribution of income from the Elderly Assistance Investment Fund within 30 days following the above date.

(4) Distribution of the income from the Elderly Assistance Investment Fund shall be made pursuant to the following terms and conditions:

(A) No Tribal member certified to participate shall receive more than the aggregate sum of $3,000 from the income generated by the Elderly Assistance Investment Fund.

(B) Payments shall be made to each Tribal member certified to participate on an equal pro-rata basis from the available income generated by the Elderly Assistance Investment Fund.

(C) The initial per capita distribution shall be made no sooner than the date that is 30 days after the date that the Tribal Council certifies the list of eligible Tribal members pursuant to paragraph (3) nor no later than 120 days following such date.

(E) If succeeding per capita distributions are necessary to bring the aggregate payment to each Tribal member certified to participate to the sum of $3,000, such distribution shall be made on or before the anniversary date of the initial per capital distribution.

(F) If any Tribal member certified to participate should die before receiving the initial or any succeeding per capita distribution, the payment which would have been paid to that individual shall be returned to the Elderly Assistance Investment Fund for distribution in accordance with this subsection.

(5) When all Tribal members certified to participate in the per capita distribution have been paid the aggregate sum of $3,000, the principal sum of $1,000,000 together with any remaining interest of the Elderly Assistance Investment Fund shall revert back and become part of the Investment Fund established pursuant to subsection (a)(1), Provided, that, nothing in this subsection shall be construed to prevent the Tribal Council from establishing an Elderly Assistance Investment Fund or Program providing for per capita distributions or other programs for elderly Tribal members from the income of the Investment Fund and subject to such terms, conditions and eligibility criteria as the Tribal Council may provide.

(6)(A) The Elderly Assistance Investment Fund shall be governed and subject to the same conditions as provided for in subsections (b) and (d) but not the provisions of subsection (c) of this section.

(B) Any Elderly Assistance Investment Fund or Program which may be subsequently established by the Tribal Council shall be subject to the terms of this Act except that subsection (e) of this section shall not be applicable to such Fund or Program.

TRIBAL CONSTITUTION

SEC. 4. (a) Notwithstanding any other provision of law, the Tribal Council may call a tribal election and, pursuant to such election, the tribe may adopt (without the approval of the Secretary) any amendments to the constitution of the tribe which were approved by the Tribal Council on April 15, 1985, in resolution L and O-03-85.

(b) Any amendments to the constitution of the tribe other than the amendments referred to in subsection (a) may only be adopted in accordance with the provisions of such constitution and applicable Federal law and may not be adopted before the date that is 18 months after the date on which the amendments referred to in subsection (a) are adopted and ratified by the qualified voting members of the tribe.

(c) The adoption of any amendment referred to in subsection (a) to the constitution of the tribe shall take effect when such amendment is ratified by the qualified voting members of the tribe (within the meaning of such constitution).

(d) The tribe shall submit to the Secretary a copy of any amendment to the constitution of the tribe referred to in subsection (a) within 10 days after the date on which such amendment is ratified by the qualified voting members of the tribe (within the meaning of such constitution).

TRANSFER OF FUNDS BY THE SECRETARY

SEC. 5. (a) The Secretary shall transfer the funds described in section 2 (which have not previously been transferred to the Tribal Council under section 8(a) to the Tribal Council by no later than the date that is 60 days after the date on which the Secretary receives written notice of the adoption by the Tribal Council (in accordance with the constitution and bylaws of the tribe) of a resolution requesting the Secretary to make the transfer under this subsection if the amendments to the constitution of the tribe referred to in section 4(a) are adopted and ratified by the qualified voting members of the tribe (within the meaning of such constitution).

(b)(1) Nothwithstanding any other provision of law, the approval of the Secretary for any payment or distribution from the principal or income of the Investment Fund, after the transfer of funds pursuant to subsection (a), shall not be required and the Secretary shall have no trust responsibility for the investment, supervision, administration, or expenditure of the principal or income of the Investment Fund.

(2) The Secretary may take such action as the Secretary may determine to be necessary and appropriate to enforce the requirements of this Act. After notice and hearing, the Secretary may take such action as the Secretary may determine to be necessary and appropriate to assume administration of the Investment Fund if it is determined that the Tribal Council has materially failed to administer the Investment Fund in accordance with the requirements of this Act. The Secretary shall provide whatever assistance may be necessary to the Tribal Council to correct any such deficiencies prior to any proposed Secretarial assumption of the administration of the Investment Fund and immediately thereafter, if necessary. The Secretary's assumption of the administration of the Investment Fund shall not exceed a period of 6 months.

TREATMENT OF AMOUNTS PAID OR DISTRIBUTED FROM THE INVESTMENT FUND

SEC. 6. (a) No amount of any payment or distribution—

(1) from the principal or income of the Investment Fund, or

(2) of any funds transferred to the Tribal Council under section 8(a)

to any payee or distributee who is an enrolled member of the tribe shall be included in the gross income of the payee or distributee for purposes of any Federal, State, or local income tax.

(b) Any payments or distributions described in subsection (a), and the availability of any amount for such payments or distributions, shall not be considered as income or resources or otherwise used as the basis for denying or reducing—

(1) any financial assistance or other benefit under the Social Security Act—

(A) to which any enrolled member of the tribe, or the household of any such member, is otherwise entitled, or

(B) for which such member or household is otherwise eligible, or

(2) any other—

(A) Federal financial assistance,

(B) Federal benefit, or

(C) benefit under any program funded in whole or in part by the Federal Government,

to which such member or household is otherwise entitled or for which such member or household is otherwise eligible.

WAIVERS OF SOVEREIGN IMMUNITY

SEC. 7. Notwithstanding any other provision of law, the tribe may execute limited waivers of the sovereign immunity of the tribe and consent to the civil jurisdiction of the courts of the State of Michigan with regard to the use as security for indebtedness of—

(1) any amount of income of the Investment Fund which is not retained and added to the principal of the Investment Fund pursuant to subsection (a)(1)(D) or (c) of section 3,

(2) a portion of the principal of the Investment Fund equal to the total amount, if any, of the funds transferred to the Tribal Council under section 8(a) that are added to the principal of the Investment Fund,

(3) any funds transferred to the Tribal Council under section 8(a) that are not added to the principal of the Investment

Fund and any interest or investment income accrued on such funds, or

(4) any asset acquired by use of the income described in paragraph (1), or of the funds described in paragraph (3), which is not held in trust by the Secretary for the benefit of the tribe,

if such waivers of sovereign immunity do not exceed individually or collectively the total amount or value of such security and such waivers specifically identify and limit the parties who have been granted the authority to bring an action against the tribe pursuant to such waiver.

OPTIONAL USE OF DOCKET 57 FUNDS

SEC. 8. (a) The Secretary shall transfer to the Tribal Council all or any portion of the undistributed funds appropriated in satisfaction of the judgment awarded the tribe in docket 57 of the Indian Claims Commission (including all interest and investment income accrued on such funds) which the tribe requests the Secretary to transfer under this subsection. Such transfer shall be made by no later than the date that is 60 days after the date on which the Secretary receives written notice of the adoption of a resolution by the Tribal Council (in accordance with the Constitution and bylaws of the tribe) requesting a transfer of funds under this subsection.

(b) Any funds transferred to the Tribal Council under subsection (a) shall be subject to the same accounting and auditing requirements applicable to the Investment Fund under section 3(d).

(c) At leat 10 percent of the interest or investment income, if any, that accrues during each year of the 10-year period beginning on the date any transfer is made under subsection (a) on any funds held by, or on behalf of, the tribe which were transferred to the Tribal Council under subsection (a) shall be transferred to the Investment Fund and become part of the principal of the Investment Fund.

NONDISCRIMINATION

SEC. 9. (a) Any distribution or expenditure or the income of the Investment Fund, and any program or activity funded, in whole or in part, by the principal or income of the Investment Fund, shall not discriminate against—

(1) individuals who become members of the tribe after the date on which the amendments to the constitution of the tribe referred to in section 4(a) are adopted and ratified by the qualified voting members of the tribe (within the meaning of such constitution), or

(2) members of the tribe who do not reside on the reservation of the tribe.

(b) Any—

(1) expenditure for any improvement on the reservation of the tribe that can be enjoyed by all members of the tribe, or

(2) program or activity conducted only on the reservation of the tribe in which any member of the tribe can participate shall not be construed to be discriminatory for purposes of subsection (a) merely because the benefits of such improvement, program, or activity are more readiy available to members of the tribe who reside on the reservation of the tribe.

The SPEAKER pro tempore. Is a second demanded?

Mr. CRAIG. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. UDALL] will be recognized for 20 minutes and the gentleman from Idaho [Mr. CRAIG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, S. 1106 is a bill to provide for the use and distribution of funds awarded to the Saginaw Chippewa Indian Tribe by the Court of Claims and the Indian Claims Commission. The award is for additional compensation for lands ceded by the Chippewas to the United States in the early 1800's.

Interest has been accumulating since the funds were first awarded and the funds now total in excess of $7 million. Under the bill, the funds would be transferred to the tribe in a special investment fund and an elderly assistance fund. Income generated from such funds will be used for economic development and for assistance to tribal members who are 50 years old and over. The bill provides only for the use and distribution of the funds awarded to the tribe and does not contain any new authorization of funds since funds to satisfy the award have already been appropriated.

Although the bill as reported by the committee was supported by the tribe and the administration, there were some concerns voiced by some including my colleague, BOB TRAXLER. In an attempt to meet these concerns, an amendment which was drafted under the leadership of my colleague DALE KILDEE has been incorporated in the bill. I want to thank Congressman KILDEE for his leadership and initiative in crafting this compromise. The amendment would set aside $1 million for the creation of an elderly assistance fund. Income from such a fund would be used to provide assistance to tribal members who are 50 years or older.

I want to emphasize that under the bill, the income from the elderly assistance fund as well as all other benefits generated by the tribal investment fund will be made available to the tribal members in a nondiscriminatory fashion and that no discrimination between the on-reservation and the off-reservation members is allowed.

Mr. Speaker, I believe this amendment improves this bill and I urge my colleagues to vote for the bill as amended.

Mr. CRAIG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 1106, a bill to provide for the use and distribution of funds awarded to the Saginaw, Swan Creek, and Black River Bands of the Chippewa Indians by the Indian Claims Commission in dockets No. 59 and 13E. These funds now total more than $7 million. S. 1106 would, except for the elderly assistance program, restrict these funds to tribal investment programs.

The tribe and the Michigan congressional delegation, particularly Representative BILL SCHUETTE, are to be commended. The final language of S. 1106 is a compromise which encompasses the concept of tribal awards, but allows for small distributions to assist the elderly members of the tribe. Too many times in the past Congress has approved plans to distribute judgment funds on a per capita basis, leaving the tribe with nothing to assist it in improving the status of the tribe. The claims before the Indian Claims Commission and now the U.S. Claims Court are tribal claims and I believe should, if possible, be used for tribal purposes.

Mr. Speaker, the administration now supports this legislation, and I urge my colleagues to accept this version of S. 1106.

Mr. UDALL. Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. Mr. Speaker, I most especially want to take this opportunity to extend my appreciation to the distinguished chairman and Member from Arizona, Mr. UDALL, for his long time and continuing concern for the fate and welfare of the American Indian.

Previously when my distinguished colleague would bring a bill to the floor, it would always have my enthusiastic and 100-percent support. His commitment to the well-being and welfare of the American Indian is well appreciated by every Member of this House and I am sure by Americans across this land. His dedication cannot in the least be challenged.

I do with considerable and great regret announce today that I cannot support the product that is before us and it is my intention to vote no.

I would say to the committee, to the distinguished minority ranking member and to the chairman, that I appreciate the accommodation that has been made within the bill toward the nonreservation Indians. I recognize that this was a concession on the gentleman's part and one for which I am grateful.

I regret that as this compromise went forward, my information was somewhat flawed and the communica-

tion that I received did not fully explain that payments to the nonreservation Indians would be made out of the interest off $1 million that will be earned over a period of time. Unfortunately, it would be paid to those 50 years of age and older, to all Indians that will be on the rolls who are 50 years of age or older.

Regretfully, the information I had did not state that it would simply be payment made out of interest, that the $3,000 per capita for those 50 years of age and older would come off the interest from the million dollars and not from the payment for the lands.

I appreciate the efforts that the committee has made in moving in this direction. I am grateful for that; however, I must say that the effort falls a bit short of what I was hopeful for and what I understood to be the compromise. That failure to comprehend I would not in any way suggest rests with the chairman or with the ranking minority member or indeed with the staff. It simply was a matter of improper communication on the part of myself and some others, not including the staff or the committee chairman.

I think to put this in its proper perspective, my sense of commitment here to those nonreservation Indians, the history of the Chippewas is lengthy and it would not be appropriate at this point to go into that history. Suffice it to say that many of the Chippewas who reside on the Kawkawlin River have been friends of my family over 100 years and the good feeling that has existed between those Indians and the people living in the Kawkawlin area is incalculable to describe, impossible to describe.

While there has been some effort to assure that the Indians who are nonreservation will be treated as fairly and as coequals to the reservation Indians, I regret to advise that there is a sense on the part of the off-reservation Indians that that fairness indeed will not occur.

So there is some objection to the establishment of the trust fund and concern as to the equality of it.

I am going to close by telling you that I received a letter from a distinguished full-blooded Chippewa who lives off the reservation. I would like to read it to you. I think that he puts as only a Chippewa could the sense and the feelings of the nonreservations toward this proposal.

He begins by saying:

DEAR SIR: My name is John Nahgongwan and I am a full blooded Chippewa and chief of the Kings-Corner Settlement north of Oscoda and south of Mikado.

I write with deep concern that me and my people and all off-reservation Indians are going to again be cheated out of our money due us for the land long ago stolen.

It seems as but another white man's act—divide and conquer—get Indians squabbling and fighting, then hit them hard. There is bitterness in my heart and I cannot help it even though I am a Christian.

It is extremely unfair to not give every Indian his money! Our elders cry out from their graves that it is the only honorable and just thing to do—give every Indian his or her money, not just a select few that are organized and have loud tongues to catch the ear of white officials.

Please, please help us. Please let's get all of this business behind us. In the old culture villages when a deer was dragged in it was shared equally. It was the Indian way. It still is the Indian way.

Mr. Traxler, sir, will you please make copies of this letter and send it to each of the others, all other white men doing this Indian business.

I will be watching every day for your answer to my letter.

Yours with much respect,

JOHN NAHGONGWAN,
Chief.

□ 1225

Mr. Speaker, I appreciate the committee's concern and know the reasoning behind their concern, and it is not mine to say that philosophically the position of the committee is incorrect. I would not challenge the committee's right to hold strongly to the beliefs of establishing a trust fund and to utilize the moneys from that for the benefit of the Indians.

My concern with that is in this regard: that many of the off-reservation Indians would have to travel great distances to avail themselves of the fund, of the trust, and of the programs that would be made available, and as a concern that as a practicality they may not be able to benefit from this.

The committee in its amendment has rectified some of these concerns, and for that I must say to the committee I am deeply grateful and most appreciative. I would like to have seen things go perhaps a bit further. I would like to have seen the moneys to be paid to those 50 years of age and older be paid right up front in a lump sum to each of them upon the rolls being immediately established and those persons being quickly identified. Time is not on the side of the Indian who is 50 years of age and older, nor will the interest be accumulating as quickly as I would like to see it. Many of them, unfortunately, will die before they can receive that payment.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. TRAXLER] has expired.

Mr. TRAXLER. Would the gentleman extend me the courtesy for 2 additional minutes, please?

Mr. UDALL. I do not have any time. Does the gentleman from Idaho have any time he can give the gentleman?

Mr. CRAIG. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. I thank the gentleman for yielding this additional time to me, and I intend to conclude in that period.

Mr. Speaker, it is for those reasons that I must regretfully vote "no" on the bill. I think the committee has come some distance from their original position.

The Chippewas perhaps are in a sense unique in that many of them do not reside on the reservation; indeed, most of them do not. They present for the committee, I think, a little different situation from what we are historically accustomed to dealing with. But again, I am not a member of the committee. I do understand the committee's motives. They are honorable, but I must respectfully disagree with them.

Mr. Speaker, I yield back the balance of my time and extend my deep appreciation to the chairman, to the ranking minority member, for the courtesy they have extended to me over these months as these negotiations have taken place.

Mr. CRAIG. Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from Michigan [Mr. SCHUETTE], who has played a critical and important role in striking the compromise that is represented in this legislation.

Mr. SCHUETTE. I thank the gentleman for yielding time to me.

Mr. Speaker, as the original sponsor of H.R. 2983, which is the companion bill to S. 1106, the measure we are debating today, I would be remiss if I did not extend my thanks and congratulations to Chairman UDALL for his leadership in the past and certainly in this legislation today, as well as the gentleman from Alaska [Mr. YOUNG] and all the members of the Committee on Interior and Insular Affairs for acting in a swift and speedy fashion on the Saginaw-Chippewa Tribe of Michigan Distribution of Judgment Funds Act.

This legislation creates a trust fund, an investment fund of approximately $10 million awarded the Saginaw, Swan Creek, and Black River Tribes of the Chippewa Indians by the Indian Claims Commission based on treaties executed in 1805, 1807, 1817, and 1819.

The Saginaw-Chippewa Tribe today is located on a reservation in Mount Pleasant MI, in Isabella County in the 10th Congressional District of Michigan. In the past, legislation had offered per capita distribution to descendants, and I think that is an important goal and important legislation, but this new legislation today has a novel, a new, an innovative concept of an investment fund where the principal amount remains intact and the income generated by the investment fund of some $10 million would be utilized to improve the quality of life of the tribe, would be utilized to boost the infrastructure on the reservation and promote economic development and investment of tribal resources.

That is the intent and that is the thrust.

This trust fund provides a steady source of income directed to 10 priorities, and these are important, including health care, elderly assistance, business development and investment, education for young men and women, legal services and juvenile programs, and in an effort to try to accommodate and to be fair and to hear all sides, in an effort to protect the descendants who may not live on the reservation, the tribal council amended the constitution to all of those who have at least 25 percent blood quantum and all would benefit from every economic and social program, regardless of where they may reside. That is important. That protects the descendants.

Some key provisions and thrust of the bill I would like to briefly offer.

First, section 3 creates the investment fund, prohibits the per capita distribution, and has principal residing in a trust fund, income generated from that, to promote growth on the reservation and health care services for Indian members wherever they may reside. The Senate, in an effort to further protect the descendants, had an amendment that the constitution must be amended, and 18 months after that period of time no income can be generated or utilized. Again, this is an effort to protect the descendants.

Third, another key factor on section 3 is a $1 million trust fund for elderly assistance. That is a goal that I think is important. My colleague, the gentleman from Michigan [Mr. TRAXLER] and I rarely disagree. This is one instance where we have a difference of opinion coming from honorable goals, I may add, providing for those Indian members 50 years or older who would receive a one-time $3,000 payment from the income generated from the trust fund. So we are trying to have a compromise and be fair to all members. Again, I think that is an effort to try to strike a reasonable compromise to this difficult situation.

Once the $3,000 one-time payment is made from the income, then these moneys would come back into the investment fund, again to provide further infrastructure building on the reservation.

Section 4 concerns the tribal constitution. The House Committee on Interior and Insular Affairs amended this section to prohibit the adoption of any amendments until 18 months after the adoption of the membership amendments. Descendants feared that once membership was opened to those with 25 percent Saginaw-Chippewa blood quantum, the constitution could be amended once more to disenfranchise these new members. This will not happen. With this provision, the descendants' rights and the descendants' privileges are fully protected.

Section 5 deals with the Secretary of the Interior and the authority to administer the trust fund is given to the tribe without the supervision of the Secretary of the Interior. Ordinarily, each expenditure must receive the Secretary's approval. This bureaucratic procedure effectively ties the hands of the tribe. My bill eliminates this requirement except in one instance.

The Committee on Interior and Insular Affairs included a provision that after notice and hearing, the Secretary of the Interior could indeed administer the trust fund up to 6 months if the tribal council has materially failed to administer the fund. Again, this is a safeguard and appropriate discretion in the Secretary.

Section 9 includes an antidiscrimination clause, again to protect the descendants, which requires that any and all expenditures—underline that—any and all expenditures must benefit all members, those located on and those located off the reservation.

□ 1235

Mr. TRAXLER. Mr. Speaker, will the gentleman yield on that point?

Mr. SCHUETTE. I am happy to yield to the distinguished gentleman from Michigan.

Mr. TRAXLER. Mr. Speaker, as I understand the gentleman, then, it would be the gentleman's intent, and I am sure the intent of the framers of the legislation, that there be, as you say, no discrimination as between those Indians who are the tribal, living on the reservation, and those descendants who are not on the reservation, as to those benefits which would be provided out of the trust fund or out of the trust fund income. Is that a correct statement?

Mr. SCHUETTE. That is correct; the gentleman from Michigan [Mr. TRAXLER] is correct.

Mr. UDALL. Mr. Speaker, let me, for the purpose of the record, say that I join in the response that that is correct.

Mr. TRAXLER. Mr. Speaker, if I may just for a moment continue, and I am pleased the chairman has responded here, then would it be fair to say that while we cannot exactly see the nature of the programs that would be established, for instance, if there are health programs, then it is fair to say, then, that the descendants, nonreservation, would have equal access to those health programs? If it is a job-training program, they would have equal access, even though those programs are offered on the reservation?

Everything that the tribal Indian would be entitled to under the trust funds, then we can safely say that the off-reservation, the descendant Indian, would also be eligible for. Is that the intention of the committee, I might ask?

Mr. SCHUETTE. The gentleman from Michigan [Mr. TRAXLER] is correct. That is the thrust, the intent, the safeguards and, from the standpoint of no income or service will be generated until 18 months, so we do have the ability for those to join the tribe no matter where one may reside.

Mr. UDALL. Mr. Speaker, I concur in that interpretation.

Mr. TRAXLER. Mr. Speaker, I thank the distinguished chairman and the gentleman from Michigan, my good colleague.

Mr. SCHUETTE. Mr. Speaker, I thank the gentleman from Michigan [Mr. TRAXLER] and the chairman, the gentleman from Arizona [Mr. UDALL].

Section 9, as I was stating, is an antidiscrimination clause so that any program will benefit all of the members. Again, that is fairness and that is a fair compromise.

Let me say one final thing. I wish to thank the Members of the Michigan delegation, specifically the gentleman from Michigan, Mr. PURSELL; the gentleman from Michigan, Mr. CONYERS; the gentleman from Michigan, Mr. VANDER JAGT; the gentleman from Michigan, Mr. BONIOR; the gentleman from Michigan, Mr. SILJANDER; the gentleman from Michigan, Mr. CROCKETT; the gentleman from Michigan, Mr. DAVIS; the gentleman from Michigan, Mr. WOLPE; the gentleman from Michigan, Mr. BROOMFIELD; and the gentleman from Michigan, Mr. LEVIN, who have cosponsored my bill, plus the Michigan representatives in the other body who were able to pass Senate bill 1106 on July 31, 1985.

The Assistant Secretary for Indian Affairs, Mr. Ross Swimmer, has lent his vital support, as has the administration and the Department of the Interior.

I urge my colleagues to support the Saginaw Chippewa judgment fund distribution legislation. It is a fair compromise. It is innovative. It is a novel approach and we will help the infrastructure, we will promote growth and development and we will offer a better quality of life to those descendants and those members of the Saginaw Chippewa Tribe who are living on the reservation.

I urge my colleagues to vote for this in a speedy and swift fashion so we continue to move on.

Mr. DICKS. Mr. Speaker, will the gentleman from Arizona [Mr. UDALL] yield to me for 1 minute to speak out of order?

Mr. UDALL. I yield 1 minute to the gentleman from Washington.

(By unanimous consent, Mr. DICKS was allowed to speak out of order, to revise and extend his remarks and to include extraneous materials.)

RETAIN SALT CEILINGS

Mr. DICKS. Mr. Speaker, we stand at a crossroads in regard to the nucle-

ar arms race. We can throw out what progress we have made in controlling nuclear weapons over the last 15 years, as the administration would have us do, or we can retain limits on such weapons while we strive in Geneva to achieve deep reductions.

The gentleman from Florida [Mr. FASCELL] has introduced a nonbinding resolution calling on the President to adhere to the numerical limits of the SALT agreements as long as the Soviet Union does likewise, which I am proud to cosponsor. I hope that the President will recognize the support in the Congress for this position, and the concerns of our allies, and announce his willingness to follow this policy.

But given the announcement of May 27, and subsequent statements from administration officials such as Mr. Weinberger and Mr. Perle, I have to doubt that any change will be forthcoming. In such an event, I believe the Congress must be ready, and willing, to act to uphold not only the existing arms control structure, but our own national security interests.

An extremely interesting analysis was included in the June 8 edition of the Washington Post examining past United States and Soviet strategic weapons production and probable future direction in the absence of SALT ceilings. I urge my colleagues to review this information to understand why I and many others are fighting to retain numerical limits on national security grounds.

Already, 121 of my colleagues have joined in sponsoring H.R. 4919, to retain the numerical limits of SALT unless specifically waived by congressional action. I believe that if there is to be any hope for persuading the President to voluntarily adhere to these ceilings, it will require a demonstration that we are willing to act on our own if given no other choice. Cosponsorship of H.R. 4919 will do just that.

[From the Washington Post, June 8, 1986]

WITHOUT SALT, THE RACE IS ON—AND THE SOVIET UNION LOOKS LIKE THE WINNER, GOING AWAY

(By David Ignatius)

Who will fare best in a world without the constraints of the SALT II treaty? Will the United States be able to build weapons more quickly and efficiently than the Soviet Union? Or will we be running free in an arms race that we may lose?

President Reagan apparently is convinced that America can win this race and achieve greater security without SALT and its limits. Thus his surprise announcement two weeks ago that the U.S. will no longer feel bound by the "standards contained in the SALT structure" and will instead respond to the "threat posed by Soviet strategic forces."

A gloomier view of our prospects in the arms race emerges from statistics gathered by the Central Intelligence Agency and the Defense Intelligence Agency. This data, summarized in the accompanying tables, shows that with a roughly equal military budget, the Soviets have been able to produce much more military hardware than the United States.

Moscow, in other words, is likely to get more bang for the buck in the arms race that many analysts predict will follow abandonment of SALT II.

This military analysis of life after SALT offers an alternative to the moralizing, pro and con, that tends to dominate the arms-control debate. And it helps answer the one question of overriding importance in the SALT debate. Will the United States be more secure with the treaty, or without it?

Consider the CIA and DIA data, which was presented three months ago in testimony to the Joint Economic Committee. The statistics show that with slightly greater defense spending from 1974 to 1985 the Soviets were able to produce a vastly larger volume of weapons.

The adjourning table marked "Output" documents this startling gap between U.S. and Soviet arms production. From 1974 to 1985, the Soviets produced more than three times as many strategic missiles; nearly 10 times as many surface-to-air missiles; 50 times as many bombers; nearly twice as many fighters; more than three times as many helicopters; more than twice as many submarines; three times as many tanks, and 10 times as many artillery pieces.

There are many reasons for this disparity: Pentagon mismanagement, congressional meddling, the military's enthusiasm for "gold-plated" state-of-the art weapons that can only be purchased in small quantities, and the Soviet push during the 1970s to match U.S. force levels.

But the reasons for the gap matter less than the fact that it exists—and may get worse in a post-SALT era. That's because the superpower tensions that drive Soviet weapons spending may lead a skittish U.S. Congress to cut our defense budget in an effort to slow the arms race. There are already signs that President Reagan's decision to abandon SALT may have precisely that effect. Indeed, only days after his announcement that the U.S. wouldn't feel bound any longer by SALT limits, Reagan was appealing to Congress not to cut spending for the nation's nuclear forces.

OUTPUT—U.S. & SOVIET PROCUREMENT OF MAJOR WEAPONS SYSTEMS, 1974–85 [1]

System	U.S.	U.S.S.R.
ICBM's & SLBM's	1,050	3,500
Surface-to-Air missiles [2]	11,700	105,000
Long & Intermediate range bombers	8	400
Fighters	4,050	7,800
Helicopters	2,050	6,500
Submarines	44	110
Major surface combatants	98	90
Tanks	8,400	27,000
Field artillery	2,200	22,000

[1] These numbers represent gross additions to weapons inventories and do not reflect retirements because of obsolescence or SALT restraints.
[2] Does not include naval or portable SAMs.

THE FUTURE—SOVIET PROCUREMENT OF SELECTED WEAPON CLASSES

Weapon class	Estimated 1981–85	Possible 1986–90
ICBM's & SLBM's	800	[1] 700
Submarines	40	50
Tanks	12,500	18,000
Fighter Aircraft	2,400	[1] 2,000
Helicopters	2,500	[1] 2,100
Strategic Bombers	200	210

[1] Although projections suggest lower overall numbers in these categories, the missiles fighters, and helicopters the Soviets will procure during 1986–90 are more complex, capable, and costly than those purchased during 1981–85

Source. CIA & DIA.

The CIA and DIA data make clear that the Soviets are well-positioned for the new arms race. "Most Soviet weapons expected to be delivered to the Soviet forces through 1990 will be manufactured in plants already built and operating," the agencies said in their congressional testimony.

The future imbalance in U.S. and Soviet military procurement is suggested by the accompanying table labelled "The Future," which was prepared by the CIA and DIA before the administration announced its decision to abandon the SALT limits. The table projected that over the next five years, the Soviets would outproduce their already high procurement levels of the past five years in submarines, tanks and strategic bombers. They would produce only slightly fewer strategic missiles, fighters and helicopters, the intelligence agencies noted.

The picture becomes even gloomier when you assumed that both sides have abandoned SALT entirely. A report prepared last March by Rep. Les Aspin (D-Wis.), chairman of the House Armed Services Committee, does just that.

Intelligence data cited by Aspin show that, in his words, "the Soviets have two, inherent advantages that would allow them to spurt forward with force increases faster than we if SALT were undercut."

These Soviet advantages include greater "throw-weight" for their missiles, which would allow them to carry more warheads with their existing arsenal of rockets, and "hot production lines" for strategic weapons. The Soviets, for example, are already producing eight major new strategic systems—two new ICBMs, two new strategic bombers, two new missile-carrying submarines and two new missiles for these subs. The U.S., in contrast, has only three such "hot production lines."

Aspin estimates that because of the production-line disparity alone, Soviet strategic forces could grow by 65 percent by 1989, compared to only 45 percent growth for the U.S., if SALT is scuttled.

The post-SALT danger to the U.S. won't come just from the new weapons the Soviets can build, but from the older ones they don't have to retire. Aspin notes that continued observance of the SALT treaty would force the Soviets to retire more than twice as many missile launchers as the U.S.

Military comparisons like these help explain why the Joint Chiefs of Staff, until recently, were skeptical—on military grounds—about the wisdom of abandoning the SALT II restraints.

The danger for the Reagan administration is that in abandoning SALT II, it could get the worst of all possible outcomes. The administration's announcement could frighten the Congress into cutting U.S. strategic programs; and it could frighten the Kremlin into stepping up Soviet arms spending. In such a world, even the Reaganites might pine for the good old days of SALT.

Mr. UDALL. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I thank the chairman for yielding to me and I would also like to thank Chairman UDALL for the time and effort he has spent in moving this legislation through the Interior Committee. His

fair and firm leadership, and his patience, has helped us fashion a compromise that may not completely satisfy everyone, but does hopefully provide the most just solution possible where unanimity cannot be achieved.

Mr. Speaker, I rise in support of S. 1106. The Saginaw Chippewa people have waited a long time for these judgment funds, and I am pleased that their dreams are finally being fulfilled. We owe the native Americans much more than mere financial compensation. These funds can only be considered partial payment for the pain and suffering these proud people have endured.

The House amendments to S. 1106 benefit Saginaw Chippewa Indians who live both on and off the tribal reservation. The bill requires the tribe to expand its membership to include descendants of at least one-quarter Saginaw Chippewa blood who live off the reservation. The bill also establishes an investment fund to promote development for all members, both on and off the reservation.

I am very pleased that the bill as amended will provide direct and immediate assistance to the older members of the tribe. On May 24 I held a meeting with several leaders of the descendants in my Flint office. Foremost among their concerns was their feeling that the tribal elders should receive some immediate compensation for their patience over the long years of waiting for this measure of justice.

The bill as amended addresses this concern by establishing an elderly assistance program; $1 million of the judgment funds will be set aside for this program. The interest and income generated from this $1 million will be distributed on a per capita basis to each tribal member over 50 years of age until the per capita share of each tribal elder totals $3,000. The $1 million will then revert back to the general investment fund for other uses.

Mr. Speaker, I would like to take this opportunity to thank my good friend from Michigan, BOB TRAXLER. His strong tenacity in seeking a greater degree of justice for those descendants living off the tribal reservation whom he regards so highly and knows so well has greatly improved this bill from its original form. His personal feelings have greatly influenced the Interior Committee's consideration of this matter and without his perseverance this bill would not be nearly as equitable as it currently is.

Mr. TRAXLER. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I am glad to yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Speaker, I am grateful to my distinguished colleague from Flint, Mr. KILDEE, for his kind words. It would only be appropriate for me to reciprocate and tell the gentleman how much I appreciate his being, in a sense, my spokesman on the committee and in a way, carrying the good efforts on the part of the descendants' cause.

I regret that for the reasons I stated earlier in the debate, I cannot support this end product. I am appreciative of the consideration extended to my views through the gentleman from Michigan [Mr. KILDEE] and by the chairman and ranking member. Again, I regret that I must personally vote no on this matter.

Mr. KILDEE. Mr. Speaker, I certainly recognize the strong and very deep feelings on this and again reiterate that without that concern and tenacity, this bill would not be as good a bill as it is.

Mr. Speaker, the legislation we pass in this Congress is not written on Mount Sinai; it's written here by reasonable but fallible people working together to find reasonable solutions to sometimes difficult problems. S. 1106 is not a perfect bill but it is a reasonable and realistic bill that will bring a measure of justice for all those involved. I strongly urge my colleagues to approve this legislation.

□ 1245

Mr. CRAIG. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. UDALL] that the House suspend the rules and pass the Senate bill, S. 1106, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

ESTABLISHMENT OF NATIONAL CEMETERY IN OR NEAR CLEVELAND, OH

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4345) to authorize the Administrator of Veterans' Affairs to establish a national cemetery in or near Cleveland, OH.

The Clerk read as follows:

H.R. 4345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO ESTABLISH NATIONAL CEMETERY.

(a) AUTHORITY.—The Administrator of Veterans' Affairs is authorized to establish a national cemetery in or near Cleveland, Ohio.

(b) LAND ACQUISITION.—The Administrator may acquire land necessary for the cemetery authorized by subsection (a) by donation, purchase, condemnation, exchange of lands in the United States public domain, or otherwise.

(c) ADMINISTRATION.—A national cemetery established under this section shall become part of the National Cemetery System and shall be administered under chapter 24 of title 38, United States Code.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the distinguished gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Housing and Memorial Affairs, the gentleman from Alabama [Mr. SHELBY].

Before doing so, I want to commend the gentleman from Alabama for the time and attention he has given to protecting our Nation's veterans programs during this session of the Congress. On two occasions, Congressman SHELBY has brought legislation to the floor to protect the Veterans Home Loan Program and today has this bill on the floor for consideration by the House. I commend him for his leadership, and I yield to him at this point.

Mr. SHELBY. Mr. Speaker, I urge favorable consideration of H.R. 4345, a bill authorizing the Veterans' Administration to establish a national cemetery in the Cleveland, OH, area.

The National Cemetery System was established within the Veterans' Administration on June 18, 1973, by Public Law 93-43. Shortly thereafter, the regional cemetery concept, based on 10 standard Federal regions, was adopted as an interim method of system expansion.

In a draft study, the Department of Memorial Affairs of the Veterans' Administration has reassessed the regional cemetery system in terms of future expansion. The study states that although the establishment of regional cemeteries is considered to be the best method of expansion to meet immediate needs, one national cemetery in each region of the country does not equitably meet the needs of the veteran population as a whole.

The draft study concluded that the need for further expansion within the various regions remains.

Future expansion of the National Cemetery System to meet the needs of the country can be accomplished with some adjustments to the regional concept. The VA believes that veteran population density is the most effective and equitable criterion for expansion. We on the committee concur with this general concept.

The Veterans' Administration has compiled a list of top 10 areas of the

country in which there is a need for a national cemetery. One of the areas listed is Cleveland which has a veteran population of 790,000.

I wish to commend the gentleman from Ohio, the Honorable BOB MCEWEN, for introducing this legislation to establish this cemetery. I also wish to commend the chairman of the full committee, the distinguished gentleman from Mississippi, the Honorable SONNY MONTGOMERY, for moving on this bill so expeditiously.

I also want to thank the ranking minority member of the subcommittee, the distinguished gentleman from New Jersey, for his efforts and support.

Mr. Speaker, I urge favorable consideration of this measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4345, a bill to establish a national cemetery in the Cleveland, OH, area. The need for this cemetery is unquestioned. Cleveland is an area of the country with one of the highest priorities for cemetery construction, as identified by the Veterans' Administration.

Mr. Speaker, I do not believe it is too much to ask for the Government to set aside special places of honor for the final repose of men and women who faithfully wore the uniforms of our armed services.

Mr. Speaker, the cost for the cemetery is minimal, and the land for the cemetery would be acquired at the discretion of the Administrator of Veterans' Affairs by purchase, donation, exchange or otherwise. Total outlays for the cemetery between fiscal years 1987 and 1991 would be under $5 million, assuming the land is donated. The VA customarily obtains cemetery land by donation.

I commend Mr. MCEWEN of Ohio, a member of the Veterans' Affairs Committee, for conceiving of and introducing H.R. 4345. Also, Mr. SHELBY, chairman of the Subcommittee on Housing and Memorial Affairs, and Mr. SMITH of New Jersey, ranking member of the subcommittee, played key roles in bringing this bill to the floor. And of course, my good friend, SONNY MONTGOMERY, who is the distinguished chairman of our committee, provided invaluable leadership as the bill moved through the legislative process.

This cemetery would be a fitting and permanent way to remember Ohio's veterans. America has a high obligation to all of those who have unselfishly been willing to put their lives on the line for democracy. When they have finished life's course, let us not turn our backs on them and their families.

Mr. Speaker, I urge my colleagues to vote for passage of this legislation.

Mr. Speaker, I yield whatever time he may consume to the gentleman from New Jersey [Mr. SMITH], the ranking member of the subcommittee.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of H.R. 4345, a bill which would authorize the Administrator of the Veterans' Administration to establish a national cemetery in or near Cleveland, OH.

As my colleague from Alabama, the distinguished chairman of the subcommittee has pointed out, the Cleveland area is in great need of a national cemetery with a veteran population of over 790,000.

I congratulate our colleague from Ohio Mr. [MCEWEN] for his perseverance and leadership in getting this national cemetery for the veterans of his State. BOB has pushed hard for this bill and the results are apparent today.

Let me also take this opportunity to applaud the efforts of our distinguished chairman, Mr. MONTGOMERY, the chairman of the committee, for his work; Mr. HAMMERSCHMIDT, in moving this bill through the committee; and of course Mr. SHELBY, the chairman of the Subcommittee on Housing and Memorial Affairs, for marking up the bill.

I urge my colleagues to support the bill. It is a simple bill but an excellent bill. It is much-needed legislation for veterans of the Cleveland area.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio, [Mr. MCEWEN], a member of the committee.

Mr. MCEWEN. Mr. Speaker, I want to express my sincere appreciation to you and to the distinguished chairman of our committee, SONNY MONTGOMERY, for your efforts to act upon this legislation so expeditiously. In addition, I want to thank our subcommittee chairman, RICHARD SHELBY, and the ranking member, CHRIS SMITH, for their important support for H.R. 4345.

As you have noted, Mr. Speaker, H.R. 4345 would authorize the Administrator of the Veterans' Administration to establish a national cemetery in or near Cleveland, OH. Along with my colleagues from Ohio, I have sponsored this legislation which will meet the future cemetery needs for Ohio's veterans. The Cleveland area currently ranks as one of the highest in the country most in need of a national cemetery.

Good management practices dictate that national cemeteries be provided in locations where they will serve the largest number of veterans. Northeastern Ohio is such a location. This area has a veteran population of nearly 800,000 veterans. Moreover, the establishment of a national cemetery in this area would provide burial privileges for almost 8 percent of the veterans presently unserved.

I am aware of the regional cemetery concept which has been put forth by the Veterans' Administration and that such a regional cemetery currently exists at Fort Custer, MI. However, this cemetery does not serve the Cleveland area which is nearly 257 miles away. In fact, there are only two veterans from Ohio which have been buried in that facility. In my view, it is imperative that we give priority to this cemetery project which will serve a substantial number of our Nation's veterans in the Cleveland, OH, area.

Mr. Speaker, it is through our national cemeteries, more than anything else, that our Nation pays tribute, not only to our war dead, but to all those who have served in military service. I urge my colleagues to support this important legislation.

Once again, Mr. Speaker, for their cooperation and kindness, I thank our committee chairman, our ranking member, the subcommittee chairman and the subcommittee ranking member, and the committee staff. I am appreciative of their service.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this bill. I believe it is important that we establish national cemeteries in areas that can properly serve the families of our Nation's veterans. This is a deserving location and one that I hope the Veterans' Administration will consider in its immediate plans.

Mr. Speaker, at this point, I want to acknowledge the interest that has been expressed by members of the congressional delegation from Ohio, especially the ranking minority member of our Subcommittee on Education, Training and Employment, Mr. MCEWEN. BOB MCEWEN is a very able and active member of the committee and I appreciate the leadership role he has played in getting this measure to the floor. I also want to acknowledge the work of the gentleman from New Jersey, the ranking minority member of the subcommittee, Mr. CHRIS SMITH, as well as the other members of the subcommittee. I thank them for their work and I urge adoption of the bill.

□ 1255

Mr. STOKES. Mr. Speaker, it is with great pleasure that I rise today in support of H.R. 4345, which would establish a national cemetery in the Cleveland, OH, area. I would first like to commend by distinguished colleague and friend. Congressman BOB MCEWEN for authoring this measure, and the distinguished chairman of the Veterans' Affairs Committee for his leadership in bringing this measure before the full House of Representatives.

Mr. Speaker, there are over 790,000 veterans living in the Cleveland, OH, area. This figure represents approximately 7.7 percent of our Nation's total veteran population presently unserved by a national cemetery in close proximity to their domicile. In fact, the closest

national cemetery to Cleveland is Fort Custer, located more than 250 miles away in the State of Michigan. This distance imposes an extreme burden on the families of veterans from the Cleveland area, as they are forced to travel long distances to visit their loved ones. This burden is further compounded by the fact that interments at national cemeteries are limited by choice of the family, to those who reside within a 100-mile radius of the cemetery. I would further like to point out that presently there are only two Ohio veterans buried at the Fort Custer facility, and it is anticipated that this facility will close sometime in the next 15 to 20 years due to lack of space.

Mr. Speaker, the need for a national cemetery in the Cleveland area is apparent. In a recent report prepared by the Veterans' Administration, the Cleveland, OH, area was listed second in the United States as areas in need of veteran burial space. I call upon my colleagues in this body to lend their support to this measure, and by so doing, send a message to our Nations veterans that their service to our Nation will not be forgotten nor go without reward.

Today represents a big step for the veterans of Ohio, and it is with extreme pleasure that I stand before you today in support of this important measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 4345.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 463 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4116.

□ 1256

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4116) to extend the Volunteers in Service to America [VISTA] Program under the Domestic Volunteer Service Act of 1973, with Mr. MONTGOMERY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule the first reading of the bill is dispensed with.

Under the rule, the gentleman from Montana [Mr. WILLIAMS] will be recognized for 30 minutes and the gentleman from Michigan [Mr. HENRY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. WILLIAMS. Mr. Chairman, I rise in favor of H.R. 4116, the Domestic Volunteer Service Act Amendments of 1986.

On February 4, 1986, I introduced H.R. 4116, to reauthorize the Domestic Volunteer Service Act. On May 7, the Committee on Education and Labor favorably reported this legislation which provides for a 3-year reauthorization of the National Volunteer Antipoverty Programs, the Older American Volunteer Programs and the ACTION Agency.

Changes brought about by this legislation include the addition of a new section to clarify the ACTION Agency's purpose with respect to it's role in promoting volunteerism. ACTION is directed to utilize the programs authorized under this act, VISTA, the Retired Senior Volunteer Program, the Foster Grandparent Program, and the Senior Companion Program to expand citizen service throughout the Nation.

In hearings held on this legislation, the committee received testimony regarding VISTA recruitment procedures. Current ACTION Agency policy turns over most of the responsibility for recruiting VISTA volunteers to the local sponsoring organizations. The effect of this policy has been to severely limit opportunities for VISTA volunteer services to those individuals who know of an already approved VISTA project in his or her community that has not yet recruited its quota of approved VISTA volunteers. Thus, H.R. 4116 requires the Director of the ACTION Agency establish procedures to expand local and national efforts to recruit and assign individuals to serve as VISTA volunteers and to expand media and public awareness efforts. The Director is further required to submit a report to the authorizing committees outlining the steps taken to comply with these recruitment procedures.

Recognizing the valuable contribution that VISTA volunteers currently make to our efforts to combat illiteracy throughout our Nation, H.R. 4116 establishes the VISTA Literacy Corps. The purpose of the corps is to utilize VISTA volunteers to strengthen, supplement and expand efforts to address the problem of illiteracy throughout the United States. The corps consists of all VISTA volunteers working on literacy projects and programs, not just those funded pursuant to this new authority.

The bill provides for placement of volunteers to projects or programs that are designed to meet the special needs of low-income illiterate individuals. It provides for a separate effort and authorization for placing VISTA volunteers in literacy programs or projects that utilize those volunteers as mobilizers and catalysts. It also provides for a separate effort and authorization for placing VISTA volunteers in literacy programs or projects that primarily utilize those volunteers to tutor illiterate individuals.

Further, it is our intention that activities performed under the new authority be used to supplement and not supplant the level of services provided under part A in fiscal year 1986.

H.R. 4116 also changes the requirements regarding evaluation of ACTION Agency programs. Currently, the Agency is required to evaluate all of its programs every 2 years. The bill changes this requirement to every 3 years.

This bill sets authorization levels for title I, part A, the VISTA Program at $25 million for fiscal year 1987. This represents no increase over fiscal year 1986. VISTA would receive a 5-percent increase in the outyears.

H.R. 4116 provides separate authorizations for the new literacy initiatives established under sections 109(c) and 109(d) of the bill. To carry out efforts established by section 109(c), $2, $3, and $5 million are authorized for fiscal years 1987, 1988, and 1989, respectively. Such sums as may be necessary are authorized to carry out efforts established by section 109(d) for fiscal years 1987, 1988, and 1989.

It authorizes title I, part B, the Service Learning Programs at $1,800,000 for each fiscal years 1987, 1988, and 1989 and title I, part C, the Special Volunteer Programs at $1,984,000 for each fiscal years 1987, 1988, and 1989. This also represents no growth for these programs.

This legislation requires that of the moneys available for title I programs, there must first be available for the VISTA Program an adequate amount of funds to produce a minimum of 2,600 service years for fiscal year 1987; 2,730 service years for fiscal year 1988;

and 2,865 service years for fiscal year 1989. This service year funding floor mechanism sets VISTA as the priority title I program and ensures that part A, VISTA, first receives a minimum funding level prior to providing funding for parts B and C of title I. VISTA is a direct service program. Parts B and C are small grants programs that currently are only being minimally funded. It is wise, I think, for the Congress to continue to require that direct service programs receive a priority. It is also important to note that this funding floor does not affect funding for programs like the Older American Volunteer Programs, which are authorized under title II of the act. Foster Grandparents, RSVP, and Senior Companions receive their funding through separate authorizations which are unaffected by the VISTA funding floor provision.

The legislation also provides $25,000,000 in administration and coordination funds for the ACTION Agency for these years. This represents a 1.2-percent decrease from its fiscal year 1986 authorization level.

Finally, H.R. 4116 makes certain technical and conforming amendments, including clarification of statutory language regarding the Service Learning Programs and specifically, the University Year for ACTION Program; the addition of a definition of Indian tribe; clarification of statutory language to make the act gender free; and establishment of the effective date as October 1, 1986.

Mr. Chairman, I reserve the balance of my time.

Mr. HENRY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as a representative of the minority on this bill, I know of no one in the minority who has any reservations relative to the merit of each of the programs outlined here.

Clearly, particularly in a time when our local units of government are threatened with reduction or a cutoff of revenue sharing, and are also threatened with their own budgetary restraints and cuts in community services block grants, support for these programs becomes particularly important. On the other hand, recognizing that the bill before us is authorizing and not appropriating, nonetheless I think it would only be fair to say that those of us on the minority side are concerned by the amounts which are being authorized in the bill, given the budgetary constraints we face, and the need to reflect priorities, even in authorizing levels.

In my own city of Grand Rapids, for example, the VISTA Service Program provides in many respects the executive direction of many of our neighborhood organizations. The Senior Companions Program, about which I feel very strongly and about which I have discussed with the gentleman from Michigan [Mr. KILDEE] has in some respects set a model for possible uses of Older Americans moneys to fill the needs of senior citizens who are facing earlier discharges in many cases in more frail condition, from health care institutions.

Thus recognizing the wisdom of these programs and the merits of these programs, at the same time I for one must offer a word of caution on behalf of those who are concerned about raising the hopes of those so sorely in need of these programs by passing authorization levels that are not likely to be appropriated.

Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, reauthorization of the Domestic Volunteer Service Act of 1973 will enable the programs administered by the ACTION Agency to continue their various activities around the country designed to fight poverty and provide assistance to needy individuals in our society. I would like to recognize the efforts of Chairman PAT WILLIAMS of the Subcommittee on Select Education, Chairman DALE KILDEE and Ranking Member TOM TAUKE of the Subcommittee on Human Resources in the development of this legislation.

H.R. 4116 contributes to the ACTION Program, but includes two serious flaws which will require serious deliberation and debate by the House. These flaws concern funding levels and in fact will turn on the issue of the role and meaning of the House budget resolution. In considering the amendments that will be offered to bring H.R. 4116 in line with the House budget resolution, Members of the House will be asked to go on record as to whether we as a body will live within the budget we have set for ourselves or whether at the first opportunity following passage of the House budget resolution, we choose to ignore our budget and essentially live beyond our means. I am confident that the House will respond to this debate positively, and resolve to live within the parameters laid out in the House budget resolution.

The authorization levels for all of the programs contained in H.R. 4116 are unnecessarily high and an amendment will be offered which will seek to lower the authorization levels in the bill to be consistent with the fiscal year 1986 presequestration appropriation level. As reported out of committee, the authorization levels in H.R. 4116 for fiscal years 1987, 1988, and 1989 represent percentage increases of 16.8, 21.2, and 26.0 percent, respectively, over the fiscal year 1986 presequestration appropriations. The authorization levels in H.R. 4116 are 20 to 30 percent higher than the level of $145 million targeted in the House budget resolution. Even accounting for the $1.5 billion cushion provided in function 500, the funding levels in H.R. 4116 are outside the House budget.

A second amendment will be offered for debate which will seek to lower the VISTA service-year funding floor from the current levels contained in H.R. 4116. Historically, the VISTA service-year funding floor contained in the authorizing legislation dictates the program's appropriation. The VISTA service years designated in H.R. 4116 of 2,600 for fiscal year 1987, 2,730 for fiscal year 1988, and 2,865 for fiscal year 1989, will, if past practice holds, assuming a 3-percent inflation rate, yield appropriations increases of 11.3 percent for fiscal year 1987 and 8 percent for fiscal years 1988 and 1989.

I will offer an amendment on the floor which is consistent with the House budget resolution and which will maintain the VISTA service-year floor at its current level of 2,400 for the 3 years of the reauthorization. My amendment will maintain the VISTA Program at its current services level and will in fact necessitate an inflationary increase in appropriations. Again, in light of the current deficit, as well as other programs of higher priority, H.R. 4116's current VISTA service-year level is unnecessarily high.

Mr. Chairman, we are approaching that time of the budget process when the House must demonstrate its ability to act according to the budget blueprint it has set out for itself. I look forward to the House's consideration of H.R. 4116.

□ 1310

Mr. WILLIAMS. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Chairman, I am pleased to speak in enthusiastic support for the Older American Volunteer Programs, included in the Domestic Volunteer Service Act amendments we are discussing today. I wish to commend my colleagues, Mr. KILDEE and Mr. WILLIAMS for their fine leadership on this important legislation.

I can think of no other Federal activity that better embodies the spirit of community than the Older American Volunteer Programs. The Retired Senior Volunteer, Foster Grandparent, and Senior Companion Programs provide low-income senior citizens with the opportunity to use their talents, resources and time to assist other elderly persons less fortunate than they, or to work with children with special needs. In return for their services, these special seniors receive a small stipend, transportation assistance, meals during volunteer assignments, annual physical exams and accident and personal liability insurance.

During a recent trip to my home district in San Jose, CA, I had the opportunity to visit with some senior volunteers working in local schools. It was truly a pleasure to see this fine Federal program in action. I'm sure if every one of my colleagues had the opportunity to observe these special volunteers, they, too, would take pride in supporting this legislation.

I hope that my colleagues will join me today in supporting the authorization levels for the Older American Volunteer Programs included in the Domestic Volunteer Service Act amendments. These modest dollar amounts represent a Federal investment whose reward, I am sure we can all agree, is truly immeasurable.

Mr. WILLIAMS. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. I thank the gentleman for yielding.

Mr. Chairman, while I strongly support all the programs authorized by this legislation, I would like to call particular attention to the Older American Volunteer Programs which fall under the jurisdiction of the Human Resources Subcommittee which I chair.

The three senior volunteer programs reauthorized by this legislation are designed to provide opportunities for older individuals to continue to contribute in a meaningful way to their communities.

Through a wide range of volunteer activities, they provide important assistance in schools, hospitals, homes, and various community facilities and institutions to those with physical, mental, or social needs.

The programs serve two purposes:

First, they provide opportunities for older individuals to be active, contributing members of their communities.

Second, communities benefit from the experience, enthusiasm, and dedication of the older volunteers who serve in these programs.

RSVP volunteers serve in just about every community institution where assistance is needed.

In recent years, RSVP volunteers have served in such areas as food distribution programs, housing, health, nutrition, tutoring programs, and youth services.

Foster Grandparents serve handicapped children 1 on 1 in hospitals, in schools, and in group homes.

Senior Companions work 1 on 1 with the very frail elderly.

For the individual receiving assistance, a senior companion often is the difference between living at home or in a nursing home.

Mr. Chairman, with the DRG's putting our people out of hospitals, our older people, particularly, putting them out sicker and quicker—we know that to be the case in our districts—these programs are even more important to us now, that we have some services for those elderly people so they can stay in their homes. These programs do just that. As a matter of fact, Mr. Chairman, we have had hospital administrators testify that with the DRG's that these programs are even more important now.

Mr. Chairman, Foster Grandparents and Senior Companions are designed for low-income older people who are willing to work 20 hours a week and 50 weeks a year to establish a trusting relationship with the people they serve.

Because of the special needs of those they serve, it takes a very special type of person to be a Foster Grandparent or Senior Companion.

An important element of these programs is the stipend which enables the low income to serve while at the same time encouraging dependability and consistency of those services.

The subcommittee received much favorable testimony on each of the older American volunteer programs, both through hearings and from sites visits.

As a result, no major changes are being proposed in the programs or the way they are administered.

Each program is authorized at current service levels based on the existing authorization with CBO inflation adjustments.

The knowledge that comes with age and experience is a valuable commodity.

RSVP, Foster Grandparents, and Senior Companions tap this resource for the benefit of us all.

I urge the adoption of this bill.

Mr. BARTLETT. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Chairman, I rise in support of the programs authorized by H.R. 4116, the Domestic Volunteer Service Act Amendments of 1986. In particular, the older American volunteer programs—RSVP, Foster Grandparents, and Senior Companions—authorized in title II of this act allow older Americans to continue to contribute their energy and talents to valuable community projects. The small Federal investment we make in these programs is returned in the thousands of volunteer hours contributed by generous senior citizens.

The Foster Grandparent and Senior Companion Programs serve another purpose as well. Designed for low-income elderly, these programs enable older Americans with limited incomes to contribute to their communities. The commitment of all of the older American volunteers is to be applauded.

Examples of older American volunteer programs operating in my own district in Iowa exemplify the volunteer spirit promoted by this act. Nearly 1,500 volunteers in retired senior volunteer programs operating in Dubuque, Clinton, and Cedar Rapids, IA, are providing numerous services to their local communities. Their activities include peer counseling for mental health and cancer patients in Dubuque hospitals, office work at the Dubuque Law Enforcement Center, and running the Dubuque Arboretum. RSVP volunteers in Clinton are involved in distributing Government commodities and helping in local schools. And in Cedar Rapids, volunteers are involved in crisis intervention, youth service, long-term care and many other valuable community projects.

Dubuque, IA, also enjoys the volunteer services of over 40 Foster Grandparents, who are active in local schools and at a Head Start Center. These seniors are also working with troubled youth, physically handicapped and mentally retarded children. Their contributions are invaluable to the community.

Unfortunately, I find myself in a difficult position when considering H.R. 4116. While I fully support reauthorization of these programs, I must temper my enthusiasm for this legislation because of the unrealistic authorization levels established by this bill. The fiscal year 1987 authorizations in H.R. 4116 are $34 million above the $145 million that is currently available for the domestic volunteer programs. These levels reflect a 23-percent increase over the fiscal year 1986 sequestered appropriations.

Moreover, this body has passed a budget resolution which freezes these programs at the fiscal year 1986 sequestered level for 3 years. Passing this legislation without reducing the authorization level would contradict the action taken a few short weeks ago on the budget resolution. At the appropriate time I will offer an amendment to lower the authorization levels in this bill to a more responsible and realistic level—a level that recognizes the need for restraint but does not jeopardize the continuation of these valuable programs.

Mr. WILLIAMS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY of Illinois. I thank my distinguished friend, the gentleman from Montana, for yielding.

Mr. Chairman, I rise in support of H.R. 4116.

Mr. Chairman, I happened to have been around here back in the 1960's, when the VISTA program encompassed the Peace Corps, the Older Americans Act, and many of the other programs, and I have watched these programs develop for good over the years, although I was absent from this body for a period of 10 years and VISTA broke off from the initial pro-

gram. It has been a good program. It is a little bit ironic and disconcerting to see some of our friends on the other side of the aisle talk about a little bit of an increase in VISTA is going to be bad, when this is an all-American program. I am wondering how they will feel in the next week or two when we bring up the aid to the Contras in Nicaragua in which the President is requesting about a 400-percent increase from $27 million humanitarian aid up to $100 million. We seem to be able to afford that. But when it comes to something for the people in this country, the older Americans, the people who are at the lower rung of the economic ladder, we seem to quibble over a few million dollars.

So I would hope that we would reorder our priorities just a little bit and think in terms of helping those people in this country who live in the greatest Nation on the face of the Earth and who expect a little hand of fellowship and friendship from their fellow human beings.

So I rise in support of both title I and title II as reported by the committee. I commend my distinguished friend, the gentleman from Montana [Mr. WILLIAMS], and the other members of the Committee on Education and Labor for having the foresight to bring out a little bit of an increase in help for these volunteers who are doing so much for their fellow man. Thank you.

Mr. BARTLETT. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. MILLER].

Mr. MILLER of Ohio. I thank the gentleman for yielding time to me.

Mr. Chairman, as we consider funding levels for the older Americans volunteer programs, I would especially like to point out the fine work that is being done by volunteers in the Senior Companion Program. The Senior Companion Program offers low-income people over the age of 60 an opportunity to provide assistance to homebound elderly citizens who, without such help, probably would have to be institutionalized. There are glowing reports of senior volunteers who have assisted visual- and hearing-impaired individuals to learn to perform the necessary skills to continue living in their own homes—of senior companions who have provided respite care for elderly people who otherwise would have had to go to nursing homes—of senior companions who have started their assignments with patients while they were still in the hospital to be prepared to give appropriate follow up care when the patients go home—of senior volunteers who by their continuing concern have been instrumental in turning around the lives of depressed and drug dependent elderly people so that some of these people are now able to serve others as volunteers in their communities.

The impact of the Senior Companion Program on the volunteers themselves is equally beneficial. Volunteers work 20 hours each week and receive small financial payments, accident and personal liability insurance, on-the-job meals, transportation to their assignments, and annual physical examinations which for many may be the only time they see a doctor other than in emergencies. Receiving the payments and other benefits in the Senior Companion Program raises the self-image of the volunteers who see themselves as members of the community who are able to contribute something meaningful to people who are less fortunate.

With the necessary cost constraints in the Medicare and Medicaid Program and with the lack of nursing home beds in some areas, we must develop more options in providing long-term care. The terrible side effects of loneliness among our increasing elderly population is all too evident. I believe that the Senior Companion Program is a good way to provide adequate care for many of our elderly citizens in their own homes while enhancing the lives of older volunteers.

□ 1325

Mr. WILLIAMS. Mr. Chairman, I yield myself such times as I may consume.

Mr. Chairman, I would like to make the point to my colleagues, and I make this point not only as chairman of the subcommittee which developed this legislation, but also as a member of the House Budget Committee. I want to assure my colleagues that this bill is within the budget, period.

This bill is a freeze, period. It does not violate the budget. This bill is a freeze.

Mr. BARTLETT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, during debate on the amendments, during the 5-minute rule, we will debate this very issue on the House floor. The budget that the House passed is exceedingly clear and very precise in listing what the budget for this program would be, and that is $145 million. It does provide for, under function 500, for an extra $1.5 billion for programs that are listed of which action is not listed. Even that $1.5 billion is for increases for current services. The 23-percent increase that is contemplated by this legislation far exceeds the increase for current services, but I do respect the gentleman and I do know that we will have ample opportunity for the House to examine that issue of the budget on the House floor when the amendments are considered.

Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. I thank the gentleman for yielding me this time.

Mr. Chairman, with certain reservations, I rise in support of H.R. 4116, the Domestic Volunteer Service Act Amendments of 1986. This measure provides for a 3-year reauthorization of the national volunteer programs authorized under the terms of the Domestic Volunteer Service Act of 1973 and administered by the Action Agency.

Extended through fiscal year 1989 is the Volunteers in Service to America Program—more popularly known as VISTA. Since its inception 20 years ago, VISTA program volunteers have made lasting contributions in assisting low-income individuals and families in achieving self-sufficiency. VISTA volunteers have been extremely successful in attracting long-term community and private sector support for replicable programs and activities designed to meet very basic human needs. Issues of hunger, homelessness, lack of basic education and skills, unemployment, and substance abuse have been high on the VISTA program agenda. H.R. 4116 establishes within VISTA a new VISTA Literacy Corps to supplement and complement public and private sector efforts to address the unacceptably high incidence of illiteracy which continues to deny millions of Americans the opportunity to participate fully in and contribute to the mainstream of American society. Working in partnership with agencies and organizations at the local, State, and Federal levels, VISTA Literacy Corps volunteers would be enlisted for projects serving individuals in greatest need of such assistance and who reside in areas with the highest concentrations of poverty. The legislation before us today also extends through fiscal year 1989 an important and proven trio of Older American Volunteer Programs, including Foster Grandparents, Senior Companions, and Retired Senior Volunteer Programs.

The Foster Grandparents Program is an exceptional one—bringing the talents, experience, and patience of low-income, senior citizens to meeting the very special needs of children with serious physical, emotional, and mental handicapping conditions. Foster Grandparents is a genuine success story in which there are only winners. The senior volunteers receive a very modest stipend for their services. The largest returns are perhaps intangible ones—the awareness and self-satisfaction that come with knowing you are recognized and needed in the community because you make an important difference in the lives of children with special and exceptional needs.

Turning to the Senior Companions Program, we find an equally dedicated corps of senior citizens working with the frail elderly in providing services

and companionship that can spell the difference between institutionalization and remaining in one's own home.

Finally, the Retired Senior Volunteer Program [RSVP] enables nonstipended senior citizens to offer their services in a variety of community settings. RSVP projects place special emphasis on programs for youth, literacy, in-home care, control of substance abuse, and management assistance to public and private nonprofit community-based organizations.

My State of Vermont proudly lays claim to a strong, grassroots commitment to volunteerism. We in Vermont are especially proud of the Action Volunteer programs operating throughout the State—which are in integral part of that longstanding tradition of voluntarism.

Since the 1960's when the first group of VISTA volunteers were assigned to Vermont's Community Action Agencies, VISTA has proven to be an effective vehicle through which local residents have been able to apply their skills and energies to combat causes of and human suffering associated with poverty. The results of these efforts are still visible today in the ongoing Head Start programs, Community Development Corporations, and nutrition programs serving young and old alike.

VISTA sponsorships and assignments have kept pace with the changing dynamic of poverty in the 1980's. Volunteers have made—and continue to make—significant contributions in the vital areas of veterans employment, shelter, crisis intervention, youth services, and assistance to the elderly. Presently, 120 Foster Grandparents are serving exceptional and special needs youngsters in northwestern and central Vermont. The Tri-County Foster Grandparent Project, sponsored by the Champlain Valley Community Services, Inc., is under way in Chittendon, Franklin, and Grand Isle Counties in the northwestern part of our State. These volunteers are found in our schools working—1 on 1—with children with learning disabilities. Some are assigned to meet the unique needs of refugee and migrant children. Others are found in our local hospitals working in both pediatric and intensive care units. Tri-County Foster Grandparents can also be found in day care centers working with abused children as well as children at risk.

Under the auspices of the Vermont Department of Public Health, the Green Mountain Foster Grandparents Program is located in Rutland and Addison Counties—serving central Vermont. Here, foster grandparents are at work in the Brandon Training School serving mentally retarded and multiple-handicapped youngsters. Some volunteers are assigned to the Rutland public elementary schools devoting their energies to working with hyperactive, emotionally disabled, and underachieving students. And foster grandparents are at the Children's Center working on an individual basis with children at risk from alcohol, mentally impaired, abused, or delinquent mothers.

Our Senior Companion Program, sponsored by Vermont's State Office on Aging, enables senior companion volunteers to provide much-needed services to our elderly in nine Vermont counties.

We are fortunate to have a vigorous Retired Senior Volunteer Program as well. RSVP volunteers number over 2,700 and serve in a variety of capacities in 700 agencies. Last year, RSVP volunteers logged in close to 400,000 hours of community service. Our RSVP service network continues to grow. Last year, thanks to the joint efforts of the Caledonia Home Health Care Agency, Inc., and the Orleans Northern Essex Home Health Agency, RSVP volunteer opportunities and services have been extended to Essex, Orleans, and Caledonia Counties in the northeastern part of our State.

Mr. Chairman, I strongly support the philosophy underlying the ACTION volunteer programs. What is more, I am keenly aware of the very tangible role that these social service activities play in my State—a role that is played in communities across the country. I believe that we must reauthorize the Domestic Volunteer Service Act—which is the centerpiece of the legislation we are considering today.

At the outset of my remarks, Mr. Chairman, I indicated that I have some reservations regarding certain provisions incorporated in this reauthorization measure. Let me briefly address my concerns. I believe we can continue to provide adequate resources for the continuation of volunteer opportunities and quality community services afforded through all of the Domestic Volunteer Act Programs, if we establish authorization levels which are more in line with current funding levels. I believe that the authorization levels contained in the committee bill are higher than what we can realistically and honestly anticipate will be appropriated.

In doing so, we may be inviting local program sponsors to plan for the future on the basis of authorization levels which may be far in excess of the Federal dollars they will actually receive.

Moreover, given the very real fiscal constraints within which we are operating—constraints which necessitate some very difficult and unpopular decisions—I do not believe that now is the time to increase the VISTA Program service year floor. I will, therefore, support the amendments which my colleagues from Texas [Mr. BARTLETT] and the gentleman from Iowa [Mr. TAUKE] plan to offer. I urge my colleagues to join me in voting for these amendments. In doing so, I firmly believe that we can demonstrate our continued commitment to the needs which the Domestic Volunteer Service Act Programs are designed to meet.

Mr. CONYERS. Mr. Chairman, I rise in support of H.R. 4116, the Domestic Volunteer Act amendments, which extends the authorization for the national volunteer antipoverty programs and the national older Americans volunteer programs.

The residents of my congressional district in Detroit, MI, have derived great benefit from these efforts. The Foster Grandparent Program, one of three which utilizes senior citizens as volunteers, has a record of service which I am particularly proud of. Ms. Rita Katzman very ably administers this program in my community. She presently serves as president of the National Association of Foster Grandparent Program Directors.

There have been spectacular and exciting changes in the Foster Grandparent Program since its beginning 20 years ago. There are now 249 programs in operation nationwide utilizing the talents and skills of 19,000 foster grandparents. The program serves children with a wide range of physical, mental, emotional, or social disabilities. Its success has served to demonstrate the true versatility of senior volunteers and their ability to work with youngsters in a variety of settings.

In Detroit, 278 foster grandparents are placed in over 35 volunteer agencies, including hospitals, schools for the blind, deaf, and learning disabled, and abused children centers. They are a source of inspiration to thousands of disabled youth.

The cost to the Federal Government of such a program is marginal when you consider its benefits. The senior volunteers receive only a nominal stipend for their support as well as funds to cover transportation.

I believe that voluntarism is something to be encouraged in our society, especially when those persons helped are among the disadvantaged. I urge all of my colleagues in the House to vote in favor of H.R. 4116 so that the Federal Government can continue to have a leading role in this area.

Mr. LELAND. Mr. Chairman, I am happy today to have an opportunity to speak on behalf of one of Government's most worthy and constructive programs, VISTA. Of the literally thousands of programs we in the Congress are called upon to fund, I can think of few others which better exemplify the characteristics of good government—to meet the needs of the people effectively, compassionately, and efficiently.

The VISTA Program is 21 years old this year. What better recognition of this important milestone could be made than the vote of confidence which would be reflected in the unamended passage of H.R. 4116.

VISTA was born during a brief, lustrous time when Government believed it could work in cooperation with the people in solving some of the more pressing social needs of this Nation. It exemplifies what was best about the

Great Society programs of the 1960's. The fact that VISTA has survived as long as it has is testimony not just that the social needs it seeks to correct still exist in abundance, but that VISTA is truly effective in meeting those needs.

In nearly every single one of our congressional districts, VISTA volunteers are making a difference. They are working in neighborhood restoration projects, literacy education programs, handicapped advocacy programs, health care projects for migrant workers, refugee resettlement efforts, weatherization and energy conservation projects, immunization programs for children and adults, senior citizen outreach programs, housing rehabilitation, shelters for runaway youth, child care programs, Native American programs, and employment and training programs for disadvantaged youth.

But perhaps most importantly, VISTA volunteers are out there in our districts helping the poverty stricken, the hungry, and the homeless. In an era when the national conscience is unavoidably focused on the tragic reality that millions of our fellow Americans are going hungry each and every day, VISTA is gallantly fighting back. And in the lives of thousands upon thousands of men, women, and children, VISTA is winning.

As the chair of the Select Committee on Hunger, I look upon the VISTA Program with a great deal of admiration. And I particularly admire the VISTA volunteers themselves. I consider them to be personal ambassadors from government and society—ambassadors not of diplomacy, but of compassion.

As I said earlier, these ambassadors have been deployed to nearly every single one of our districts. I'd like to tell you about the work of some of those who have come to mind. At the Houston-Galveston Food Bank, five VISTA volunteers, at a cost to the Government of under $40,000 a year, have been instrumental in increasing the number of agencies served by 300 percent—from 70 to 210. They have boosted food collections from 10,000 pounds per month to 350,000 pounds per month. And they have expanded food distribution from 20,000 pounds per month to 300,000 pounds per month. These are the kind of results VISTA and its volunteers are getting throughout the Nation. Today we have an opportunity to expand those results, and at a remarkably reasonable cost.

H.R. 4116 calls for a modest increase over VISTA's current $18.1 million appropriation. It does so by maintaining for fiscal year 1987 VISTA's current $25 million authorization, and by increasing what is called the service-year funding floor level. This level guarantees a minimum number of volunteer service-years, which is the best measure of where VISTA's appropriations go. This bill would provide for 2,600 volunteer service-years in fiscal year 1987, 2,730 in fiscal year 1988, and 2,865 in fiscal year 1989. This is an increase in the number of VISTA's in the field of about 130 a year. If only the numbers of the hungry and the homeless were increasing at such a low rate.

It saddens me to know, however, that there are those in this body who find these modest increases to be extravagant. I think it's ironic that in this military-minded administration, a war on poverty isn't a war worth fighting. To these people, I say let's look at these 2,600 VISTA volunteers as our army at the front lines fighting the war on poverty. It's a dedicated and well-trained army, but not one that receives a great deal of encouragement from it's Government, and not one big enough to do more than hold the line against its persistent and relentless enemy.

I'd also like to remind those individuals that the authorization level contained in this bill is equivalent to VISTA's appropriation level in 1967. Prior to this administration and its deemphasis on social programs, VISTA's appropriations were around $34 million. Today they are barely half that. It's not only the hungry who are going hungry, it's the people and the programs who have vowed to feed them.

But despite its shrinkage over the past 5 years, VISTA continues to prove its worthiness every single day. It perseveres through the dedication and resourcefulness of its volunteers.

A recent survey conducted by friends of VISTA of all VISTA hunger projects provided further evidence of the accomplishments of each VISTA that are so critical to the effectiveness and importance of VISTA volunteers to local antihunger efforts. Eighty-six percent of projects responding stated that they could not maintain their present level of activity without their VISTA volunteers. Eighty-eight percent said that they could not expand their level of activity without VISTA. Eighty-eight percent could not replace their VISTA's with nonstipended volunteers. And nearly two-thirds of the VISTA sponsoring hunger organizations found VISTA critical to their success.

The problems of poverty, hunger, and homelessness in America can no longer be glossed over. The Nation wants and needs to commit itself to eradicating these social ills. VISTA is proof of that commitment. It is a program we must support and encourage. This is VISTA's 21st year of service to America. It has entered its adulthood with a record of tremendous accomplishment on little encouragement. It's been cut back to its bare bones by this administration. But we all know that bare bones will not feed the hungry. In the face of today's poverty crisis, we must begin putting meat back on those bones. We must begin fueling our commitment to the needy of this land. We must begin encouraging the lofty and humane principles of voluntarism, self-help, and individuals making a difference that are exemplified by the VISTA Program. And we can make that beginning by supporting an unamended H.R. 4116. Thank you.

Mr. GILMAN. Mr. Chairman, I rise in strong support of H.R. 4116, reauthorizing the Domestic Volunteer Service Act of 1973 for fiscal years 1987 through 1989. We are able to consider this legislation today and to reflect upon the countless ways ACTION and its affiliated programs have enriched American life, due to the tireless efforts of the gentleman from Montana, Mr. WILLIAMS, and the distinguished chairman of the Education and Labor Committee, Mr. HAWKINS.

The Domestic Volunteer Service Act of 1973 established ACTION as a Federal agency to administer domestic volunteer programs designed to eliminate human, social, and environmental problems associated with poverty. H.R. 4116 reauthorizes the three programs under title I of the act—Volunteers in Service to America [VISTA], service learning programs, and special volunteer programs. This measure also reauthorizes funding for the three older American volunteer programs, the Foster Grandparents Program, the Senior Companion Program, and the Retired Senior Volunteer Program [RSVP], all of which have enjoyed tremendous success in many of our congressional districts. I am pleased that the committee has recognized the exemplary work being executed through all of these programs and that they have recommended modest funding increases over current spending levels.

Since its inception in 1973, VISTA volunteers have touched and I dare say, changed the lives, of millions of Americans. VISTA is the only domestic Federal program providing stipends to full-time volunteers to assist low-income Americans to increase their self-reliance. Indeed, the committee report shows that a significant number of literacy and hunger-related projects could not maintain their levels of service without VISTA. VISTA projects currently utilizing VISTA services include: agricultural cooperatives, neighborhood revitalization, senior citizen employment, and programs on independent living for the handicapped.

Another program authorized under H.R. 4116, the service learning programs, offers secondary and postsecondary students an opportunity to work as volunteers in a variety of projects designed to meet the needs of a community's indigent. The students receive no stipend for their service, but the University Year for Action provides postsecondary students to volunteer full time in antipoverty projects for academic credit. The National Center for Service for Learning provides technical assistance to community agencies and organizations that wish to develop projects using student voluntarism.

Perhaps the most successful and popular of the VISTA programs, however, are those services and employment programs administered under the older Americans volunteer programs. First authorized under the 1960 Older Americans Act and administered by ACTION, the older American volunteer programs were designed to promote voluntarism among citizens age 60 years and over. I cannot emphasize enough, how universally popular and effective, these programs are among our older Americans. These programs enable senior citizens to get out and become productive in their communities. Low-income volunteers over age 60 are eligible to become foster grandparents and work under the sponsorship of nonprofit agencies and institutions such as schools, hospitals, and day care centers to help children with problems resulting from physical, mental, or emotional disabilities. Under the senior companions program, volunteers over age 60 provide assistance to homebound elderly citizens who, without such help, probably would be institutionalized. Volunteers under these programs work 20 hours per week and receive small financial stipends, annual physical examinations, accident and personal liability insurance, on-the-job meals, and transportation. Participants in RSVP pro-

vide services that cover a wide variety of community needs, including energy conservation, housing, health, nutrition, and education. Projects are sponsored by local private and public nonprofit organizations and agencies. Participation in RSVP is open to persons age 60 years and over, regardless of income, and volunteers are entitled to reimbursement for transportation, meals, and out-of-pocket expenses related to their work.

These programs did sustain cuts in accordance with the fiscal year 1986 sequestration order under Gramm-Rudman—cuts that have left the programs in which I represent in Rockland, Orange, Westchester, and Sullivan Counties in New York, at a loss to make up the difference. I am again pleased to note that those previous cuts have been taken into consideration by the committee, and that the modest increases assumed by this authorization, coupled with the fact that the bill is within the budget, should ensure that these vital programs will not suffer sudden further cuts.

Accordingly, I urge my fellow colleagues to support H.R. 4116 which provides for the continuation of thse important programs, ensuring that human, social, and educational assistance is provided to the less fortunate.

Mr. ROYBAL. Mr. Chairman, I rise in strong support of H.R. 4116, which provides for a 3-year reauthorization of the ACTION Agency, VISTA (title I) and the older American volunteer programs (title II) including the Retired Senior Volunteer Program [RSVP], the Foster Grandparent Program, and the Senior Companion Program. I commend the hard work of my colleagues, Mr. KILDEE of Michigan, Mr. WILLIAMS of Montana, and Mr. HAWKINS of California, for their work in bringing this important legislation to the floor.

The older American volunteer programs take advantage of the knowledge that comes with age and experience by providing opportunities for older individuals to contribute to their communities in a meaningful way. Through a wide range of activities, senior volunteers provided important assistance in schools, hospitals, homes, and various community facilities to those individuals with physical, mental or social needs.

H.R 4116 seeks no major legislative changes in the older American volunteer programs. It simply reaffirms the proven success and efficacy of these programs by authorizing each program at current service levels based on inflation adjustments prepared by the Congressional Budget Office. The authorization thus ensures that current program levels are not eroded by inflation.

Based on the growth of the numbers of volunteers, and the superb quality of their services, the older American volunteer programs have proven to be both cost-effective and invaluable to communities. The unique coordination between volunteers, and the combined partnership of the public and private sectors, have helped to sustain high standards of excellence among the ACTION programs. Last year, over 388,000 volunteers contributed more then $350 million worth of services to low-income disadvantaged groups including troubled youth, single-parent families and older Americans.

Yet, the great value of these programs extends well beyond what can be measured in strict dollar terms. In 1985 alone, tens of thousands of "retired" Americans serving in nearly 1,100 projects nationwide made substantial contributions to their communities by distributing food to the poor and providing supportive health, nutrition, transportation, and crime prevention assistance.

RSVP volunteers—age 60 and over—serve in virtually every community institution where assistance is needed. Projects cover a wide range of needs including food distribution programs, housing, health nutrition, tutoring programs and youth services. In 1986, the RSVP will provide over 750 projects with an estimated 365,000 volunteers.

Foster grandparents serve handicapped children one on one in hospitals, schools, and in group homes. It is estimated that nearly 250 projects will utilize 18,000 such volunteers in providing vital support to children with physical, social, and emotional needs.

Senior companion volunteers help to link homebound older Americans with supportive services. Over 5,300 senior companions help these individuals to remain independent in their communities, thus preventing costly and unnecessary institutionalization.

Mr. Chairman, at a time when persons aged 65 and over represent the fastest growing segment of our population, we cannot afford to discourage our senior citizens from participating in the older American volunteer programs by cutting back on the number of available positions. This program has proven its cost-effectiveness in community after community throughout the country. It should be reauthorized at a funding level sufficient to ensure that current services are maintained. I urge my colleagues to support H.R. 4116.

Mr. HAWKINS. Mr. Chairman, I rise in support of H.R. 4116. This bill to reauthorize the Domestic Volunteer Service Act will continue the authority for the Volunteers in Service to America Program, the Foster Grandparents Program, the Retired Senior Volunteers Program, the Senior Companion Program and other Federal and local efforts supporting over 400,000 volunteers, nationwide.

These volunteers, whether operating in the rural South or inner-city neighborhoods, are contributing to a substantial improvement in the lives of the unemployed and the homeless; they are working to stamp out illiteracy and hunger; and they are bringing hope to single parents and troubled youth. Additionally, their efforts recruit, train, and coordinate thousands of other local volunteers, multiplying the positive effect of this program manyfold.

I support these programs. In my district in south central Los Angeles, full-time, community oriented VISTA volunteers, often disadvantaged individuals committed to helping themselves and their neighbors, are supporting programs in delinquency prevention; they are serving the needs of senior citizens; they are supplementing the diets of underprivileged citizens through educational efforts and the operation of a food bank; and they are coordinating a program for the training and rehabilitation of youth offenders.

The Committee bill will continue these and other critical programs throughout the United States. It will also protect against further deterioration in these efforts.

In the past 5 years, the number of volunteers supported by the VISTA program has declined from 5,000 to about 2,400. This is a decrease in over 50 percent. The program is currently only funded at its fiscal year 1967 level.

The bill also includes an initiative to address the issue of illiteracy, an affliction that limits the opportunities for millions of our citizens. The work of this new initiative will augment and reinforce the ongoing efforts in this area already funded under VISTA.

An amendment may be offered to further restrict this program. At a time when 60 percent of the VISTA projects in our States and localities cannot fill their authorized and approved volunteer positions, solely due to a lack of Federal support, any attempt to freeze these activities at their already depleted levels is unconscionable.

Furthermore, at a time when the administration's domestic policies and rhetoric are steadily increasing the burden on local volunteer organizations, I urge all of my colleagues to resist any proposed amendment to the service levels.

H.R. 4116 also provides support for the Older Americans Volunteer Programs for three additional years. Included under the Older American Volunteer Programs authorizations are: the Retired Senior Volunteer Program [RSVP], the Foster Grandparent Program, and the Senior Companion Program.

Over the years, the Older Americans Volunteer Programs have demonstrated their effectiveness and benefits not only for the senior citizens who participate in the program, but also for the communities in which such programs operate. These programs utilize the knowledge that comes with age and experience by providing opportunities for older individuals to continue to contribute to their communities in a meaningful way. Through a wide range of activities, senior volunteers provide important assistance in schools, hospitals, homes, and various community facilities to those with physical, mental, or social needs.

The bill seeks no major legislative changes in the Older American Volunteer Programs. These worthwhile programs benefit not only the thousands of individuals who are active, contributing members of their communities, but also those individuals who reap the benefits from the experience and dedication of these volunteers.

An amendment may be offered to cut the authorization levels contained in H.R. 4116 for these very effective programs. Since the recommended figures only follow the Congressional Budget Office figures to offset inflation, this amendment has the effect of cutting the current service levels for these Older American Volunteer Programs. This means cutting the Foster Grandparent, the Retired Senior Volunteer, and the Senior Companion Programs, programs which have repeatedly proven their worth and which are so important to our senior citizens.

I urge my colleagues to oppose all such harmful amendments. I believe that now is the time for us to give our renewed support to all of the domestic volunteer programs, and I urge my colleagues to vote for the passage of H.R. 4116.

Mr. BARTLETT. Mr. Chairman, I have no additional requests for time, and I yield back the balance of my time.

Mr. WILLIAMS. Mr. Chairman, I have no requests for time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. GRAY of Illinois] having assumed the chair, Mr. MONTGOMERY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4116) to extend the Volunteers in Service to America [VISTA] Program under the Domestic Volunteer Service Act of 1973, had come to no resolution thereon.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4116, the bill just debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO SIT ON TOMORROW DURING THE 5-MINUTE RULE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to meet during proceedings under the 5-minute rule tomorrow, June 11.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. JEFFORDS. Mr. Speaker, reserving the right to object, I would ask the gentleman from Montana if he would explain with respect to the committee meeting tomorrow, what bills would be considered at that meeting and as to whether or not he anticipates that it would run into any action with respect to the bill upon which we just completed general debate.

Mr. WILLIAMS. If the gentleman will yield, it is possible that the committee will be meeting on H.R. 1309, high risk occupational disease; H.R. 4463, Effective Schools and Even Start Act; Mr. GOODLING's bill; and H.R. 4418, the voc-ed technical amendments, in markup.

Mr. JEFFORDS. Mr. Speaker, further reserving the right to object, is it anticipated that we will be in conflict with the bill on which we just finished debate?

Mr. WILLIAMS. There is that possibility.

Mr. JEFFORDS. Mr. Speaker, further reserving the right to object, I would reserve the right, just to put the gentleman on alert, perhaps to object to the committee sitting within the committee at that time, but I will not at this time. I will work that out with the chairman.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Speaker, I do think the committee does need to consider these bills, but I would want further considered that there are many members of the committee that will be involved in the 5-minute rule of H.R. 1 who are also members of the Education and Labor Committee in a markup at the same time, as a 5-minute rule on the House floor is exceedingly difficult for Members to accommodate.

□ 1335

So if there is some other way to have the markup, I think it would provide for better decisionmaking.

Mr. JEFFORDS. I would be happy to discuss that with the chairman, and certainly the gentleman has the right to object. I do not intend to object at this time. However, I will take up the concerns of the gentleman with the chairman of the committee, and perhaps the gentleman would like to reserve his own right to object or to object, and that certainly is within his right.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. TAUKE. Mr. Speaker, reserving the right to object, if I could have the attention of the ranking member, he indicated that he does not plan to object now but might reserve the right later. The problem is that if we do not object now, they can sit under the 5-minute rule whether we object or not. I have some of the concerns that have been expressed by the two gentlemen who have spoken previously.

Do we have any reason to believe that something is going to be worked out?

Mr. JEFFORDS. Mr. Speaker, I do not have any assurances in that regard. What I said was that I would expect that the wishes of myself with respect to having a conflict of Education and Labor Committee bills being on the House floor and in committee at the same time would be respected by the chairman, but I did not intend to use this time to object to the sitting of the committee.

If the gentleman from Iowa [Mr. TAUKE] or the gentleman from Texas [Mr. BARTLETT] feels strongly, of course, they have the perfect right to object, and I certainly would urge them, if they feel that it is going to be something which would be inconsistent with their personal ability to serve their constituents interests, that they might do that.

Mr. BARTLETT. Mr. Speaker, would the gentleman yield?

Mr. TAUKE. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Speaker, I suppose my question for the gentleman from Vermont [Mr. JEFFORDS], before he leaves, is: Was this cleared with the minority before the request was made, or was this something that we knew about?

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from vermont.

Mr. JEFFORDS. Mr. Speaker, I first learned of this some few minutes ago, but of course I just returned, so when it became apparent or my office or my staff was made aware of it, I am not aware. I do know that this full committee markup has been scheduled for some time tomorrow, and I would expect that perhaps the normal sitting of the House was moved up—I think it supposedly was to be at 3 o'clock—so that probably provided the conflict and is why we are here today.

In a sense the committee's meeting has been on schedule for some length of time, and it was shifted from Tuesday to Wednesday to accommodate Members, I would guess that the sitting time of the House was changed, and that is what has led to this conference. So I do not in any way feel abused by the chairman of the committee or the committee in this respect, but the gentlemen certainly have the perfect right to be able to take the position that they think is appropriate under the circumstances for themselves.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield further?

Mr. TAUKE. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Speaker, I suppose my question is: Is there anything about those three pieces of legislation that requires the committee's action tomorrow, or can they be disposed of in a more orderly process under the House rules?

Mr. TAUKE. Mr. Speaker, I might observe to the gentleman that it appears to me as if, if everything is working out fine tomorrow, we can go to committee and nobody is going to object, but if we do not object here, then there will be no opportunity for us tomorrow to make certain that the schedule is handled in such a way as to accommodate us. So I am not sure that it is necessary to prolong the dis-

cussion because, Mr. Speaker, I do object.

The SPEAKER pro tempore. One objection is heard.

If the Chair might have the attention of the gentleman from Montana [Mr. WILLIAMS], under the Speaker's guidelines pursuant to clause 2(i), rule XI, would the gentleman withdraw his request?

Mr. WILLIAMS. Yes, Mr. Speaker, I withdraw my request.

The SPEAKER pro tempore. The request is withdrawn.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT ON TOMORROW DURING 5-MINUTE RULE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit tomorrow, Wednesday, June 11, 1986, while the House is reading for amendment under the 5-minute rule.

Mr. Speaker, if I might further explain, this has been cleared with the minority and is for the purpose of marking up the immigration bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

LEGISLATION ESTABLISHING NATIONAL CEMETERY IN NORTHEASTERN OHIO

(Mr. ECKART of Ohio asked and was given permission to address the House for 1 minute.)

Mr. ECKART of Ohio. Mr. Speaker, I rise today to applaud the activities of the House earlier, and the chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY], and my colleague, the gentleman from Ohio [Mr. MCEWEN], for consideration and speedy passage of legislation which would provide for the creation of a new national cemetery for veterans in northeastern Ohio.

Recent statistics are indeed overwhelming. Almost 550,000 veterans live within a 50-mile radius of Cleveland, with over 800,000 living within 100 miles of the city. By the year 2000, the Cleveland area will achieve the dubious distinction of having the largest need for the creation of a new national cemetery.

Mr. Speaker, respecting, honoring, and caring for America's veterans does not begin and end only on Memorial Day or other important national holidays. These veterans have given their all in defense of liberty, and the creation of a national cemetery in northeastern Ohio is of critical importance to those veterans who have indeed already shared their great sacrifices on behalf of freedom.

We need to begin to plan now, and the McEwen bill approved by the House today with the support of Chairman MONTGOMERY, and indeed, the balance of the Members, starts us out on that important road to continuing to demonstrate the respect essential and necessary for the preservation of freedom and for the honoring and caring for this Nation's veterans.

Mr. Speaker, I am thankful for the support of Congressman MCEWEN and the consideration of Chairman MONTGOMERY, and I urge the other body to complete quick and expeditious consideration of the legislation providing for the creation of this cemetery to honor our veterans in northeastern Ohio.

Mr. Speaker, I yield back the balance of my time.

TIME FOR CONGRESS TO REPEAL 1930's DEPRESSION-ERA DAVIS-BACON ACT

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, despite $200 billion budget deficits for the foreseeable future, and a vastly different labor market, the 1931 Davis-Bacon Act still is in force, costing taxpayers more than $1 billion a year. By imposing union wage rates on all Federal projects, the act has stifled competitive bidding and placed barriers on the hiring of entry-level positions on the projects.

It is time for Congress to repeal this 1930's Depression-era law, which continues to add fat to our budget and disincentives for badly needed construction projects in our Nation.

I urge my colleagues to follow the wisdom of the Arizona Republic's editorial of June 9, 1986, "It's Time To Trim the Fat."

[From the Arizona Republic, June 9, 1986]

IT'S TIME TO TRIM THE FAT

During the depths of the Depression, Congress passed the Davis-Bacon Act to place a floor under steadily falling wage rates. More than 50 years later, the law still is in force, and it's the height of economic absurdity.

What may have made sense in 1931, to protect job-seekers from exploitation by unscrupulous employers, makes little sense today.

In fact, Davis-Bacon today does just the opposite. By requiring contractors on federal projects costing more than $2,000 to pay "prevailing wages," the act restricts competitive bidding and impedes the hiring of entry-level youth, minorities and women.

Although "prevailing wages" could mean rates contractors usually would pay to obtain high-quality labor, agencies—under court mandated guidelines—have equated the term as synonymous with union pay scales. Labor costs are raised further because the act arbitrarily restricts the number of workers on a federal project that might be paid less in apprentice or helper positions.

Davis-Bacon boosts the cost of federal jobs even more by discouraging competitive bidding by contractors working on private or non-federal projects, who could find it necessary to match those wages with federal levels.

The Congressional Budget Office recently estimated that Davis-Bacon rules are costing American taxpayers almost $1 billion a year. At the same time, badly needed construction or repairs of highways, bridges, water resources, hospitals and other government facilities are restricted by a tight federal budget.

The Reagan administration is supporting congressional efforts to at least exempt smaller federal contracts—less than $1 million—and to add a classification of "helpers" to allow more entry-level positions.

At a time of $200 billion budget deficits, Davis-Bacon reform is not a labor-management issue, it's a budget issue that provides the means to trim wasteful fat.

HUMAN RIGHTS ABUSE IN SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. COURTER] is recognized for 60 minutes.

Mr. COURTER. Mr. Speaker, the purpose of this special order is to talk about an issue that is extremely important—often we forget it, particularly as we live in this country—and that is the issue of human rights and how human rights are abused, in the Soviet Union in particular.

The gentleman from New Jersey, Mr. DEAN GALLO, and I jointly are taking out this special order to spend just a few minutes in reviewing the trip that we took to Moscow, the Soviet Union, just a few weeks ago.

It was on a Thursday night, May 22, when we left from the airport in New York City, Kennedy Airport. We had a small group: Congressman GALLO, myself, and my wife, traveling with other couples that are activists in the human rights and Jewish communities in the State of New Jersey, Mr. and Mrs. Steve Sobel, and Mr. and Mrs. Sandy Hollander; and also Bob Cohen, who is a journalist from the New Jersey Star-Ledger, New Jersey's largest paper, went with us on that trip, so we were eight.

There was nothing that I had read about the Soviet Union, nothing that I had heard about the issue of the abuse of basic human rights, that prepared me—and I might say also prepared Congressman GALLO—for the trip that we were to embark on.

It was a short trip, as many of these things go. There was not a great deal of time to relax. We left knowing that within 6 days we would be back inside the United States.

□ 1345

We spent about 3½ to 4 days in Moscow and then left; but frankly, as far as this individual is concerned, those 4 days were not to corroborate

and confirm to me the gravity of the problem. The purpose of our visit was obviously to talk about the abuse of basic human rights inside the Soviet Union. We met and talked to probably 45 different families who had one of basically three classical problems that you find with great frequency inside the Soviet Union.

No. 1 was the issue of divided spouses and divided families. These are people who are living in Moscow who want to leave and join their wives or their families that are living outside the Soviet Union.

The second category is the spouses of prisoners of conscience. These probably are the most pitied, the most difficult, the most heart-wrenching stories, individuals who simply want to leave slavery and get to freedom, individuals who simply as they articulately explained to us want to lead honest lives. If they want to be Christians, they want to be able to worship. If they want to be Jews, they want to be able to read the Torah. They want to be able to learn Hebrew, and they are denied those basic rights.

When they make application to leave the Soviet Union and also become involved in their community affairs, that is, be associated with people who are similarly treated, they are prejudiced. They lose their jobs. Marijuana, hashish, cocaine, and heroin is planted on their person or in the apartments, a gun, a knife, they are arrested. They are exiled. They go to prison camps. They go into prison itself.

Now, the third group were classified as dissidents and refuseniks, individuals who were not yet incarcerated, who were not yet told to live in a different part of the Soviet Union away from their friends and their families, but individuals whose only crime was to make an application to leave the Soviet Union, a right which is guaranteed by the Soviet Government pursuant to its own constitution and pursuant to at least one, if not two, internationally recognized treaties; that is, the Soviet Union has said that they will honor the right of her citizens to live where they want to live; but like so many things inside the Iron Curtain, inside the Soviet Union, those rights articulated and written and codified in law are not the rights that are given, exercised, appreciated, or enjoyed. They are rights denied.

The names go on certainly and what I would like to do is mention some of the instances, some of these things so the words are not abstract, because the problems are not abstract.

When we landed in Moscow late on Friday, May 23, we made our way to the Metropol Hotel, a hotel that is fine by Moscow standards, but not obviously those of the United States, the Swiss, French, or Italian standards.

We were cautioned that when we got close to the hotel that we should not make phone calls from the hotel because most assuredly our telephones would be tapped.

We were told not to mention things that we did not want the KGB to know, that we did not want Soviet personnel and authorities to know while inside the privacy of our rooms, because our rooms were bugged.

We were told that as we were driving from the airport to the hotel, from the hotel to the U.S Embassy, that the vehicles that we were driving in were monitored and therefore our conversations would be picked up.

So therefore, when we got to the hotel, we took a long walk around Red Square, found a couple public telephones away from the center of town, away from the hotel which was constantly monitored, and I called and made appointments with a couple families, whose names cannot be mentioned because they have not yet crossed that magic threshold of moving from silent application to public protest and public support.

Most families, however, most refuseniks, most spouses of divided families and prisoners of conscience, have crossed that threshold. They honestly feel, as I guess we do as well after having spoken to them, that there is safety in our recognizing them, that if there is anonymity, then the Soviet authorities can do unto them unimaginable and horrible things; so our involvement, our contact, our adopting families, our talking to them, our calling them up from the United States, our sending them letters, does help.

It cloaks them to a small degree with some mantle of protection.

After lining up our visits that night, our day started the following morning around 8 o'clock in the morning, when Congressman GALLO, who is sharing this time with me now, and I took the 1-mile trek to the only synagogue, the only place of worship for Jews inside Moscow. We went there in the morning and talked to some of the people who came there to pray. There were some very interesting conversations.

After the time we spent at the synagogue talking to people, and there are no hymnals, no books and no religious material, and it is an interesting situation. When talking to Soviet authorities, they say, "Our constitution is just like yours, Congressman BEN GILMAN," who is here with us today and who is a leader in the issue of human rights and is constantly on the floor of the House reminding the West, reminding democracies in Asia and throughout the world that basic human rights are constantly being denied human beings inside the Soviet Union.

I want to say to the gentleman from New York [Mr. GILMAN] that I thank him for coming and I yield to the gentleman at this point.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

I wish to commend both gentlemen from New Jersey, Mr. COURTER and Mr. GALLO, for undertaking this extremely important initiative.

I just wish that one day all the Members of this distinguished body would have the same opportunity that the gentleman from New Jersey had in meeting with some of the refuseniks and some of the prisoners of conscience, to have a firsthand opportunity to see the harassment and the burdens that they have in trying to seek freedom and trying to live under the same kind of an institution that we have, where we are able to worship freely and speak out freely.

Many of us had high hopes when the summit meeting was over that there would be a new change in the approach to human rights. We have yet to see that change come about, even though a few symbolic cases have been allowed to be released from the Soviet Union.

I dare say that efforts like those of the gentlemen from New Jersey, both gentlemen from New Jersey, Mr. COURTER and Mr. GALLO, in focusing attention on the need, and many of us here in the Congress speaking out loud and clear, will be helpful in eventually hopefully opening the doors for the free immigration of all those who are now denied that privilege.

I thank the gentleman for yielding and commend him again for his continuing efforts in this direction.

Mr. COURTER. Mr. Speaker, I thank the gentleman from New York. I cannot emphasize enough that he is one of the congressional leaders on this particular issue, never allowing the world's conscience, if there is such a thing and we hope and pray that there is, to forget what has happened to people and indeed what is happening to people as we sit in the comfort of the United States of America.

As I was saying before I yielded, the Soviet authorities will say that their Constitution—"Our Constitution is just like your Constitution. We guarantee the separation of church and state. You can understand that principle, Mr. GILMAN, Mr. GALLO, Mr. WALKER from Pennsylvania"—who is also a leader on this issue—"Mr. COURTER from the State of New Jersey."

But they practice it in a strange and different way. Because the state in the Soviet Union is indeed everything, because there is one institution, and that is the state, there are not other free institutions. There is one organization that disseminates information, and that is the state.

There are various newspapers, all of them getting their marching orders from the state and the Government; one printer in the Soviet Union, not

the individual, of course, who does the printing, but one state printer.

The classical definition carried to its logical conclusion of a separation of church and state means there is no religious literature because the state, separating itself from religion, must not print religious literature, and since it is illegal to have private institutions, private printers in the Soviet Union, religious organizations that print material therefore cannot, because there is an official state printer to print religious material. Therefore, there is no religious material inside the synagogue that Congressman GALLO and I went to.

I will yield to the Congressman in just a minute, if I could just mention a couple other things, if I may.

We talked to separated spouses. I think I will yield in a minute to the gentleman from New Jersey, Mr. DEAN GALLO, to talk about Mr. and Mrs. Michelson and their young son, Anatoly and Olga Michelson, the wife, and Mr. Anatoly Michelson who is living inside the United States. It is a very classic and sad case.

I want to talk about patterns, if I can. I suppose the one thing we have to keep in mind is that there is no great predictability in human rights violations in the Soviet Union, other than the fact that it is extremely predictable that they occur.

It is impossible to devine why some people are allowed to leave and others are not allowed to leave. It is impossible to figure out why some are arrested and sent into exile, while others are not. It is impossible to know for sure why contraband is placed in some apartments so the KGB can arrest them and put them in prison, whereas in other apartments it is not; so there is no great logic or consistency in these abuses, only the sheer logic that it occurs.

What happens, and I was not fully aware of this before I went and journeyed with Congressman GALLO to Moscow, what classically happens is the following, and there is some commonality in these pleas and in these stories. An individual will want to be able to live the way they want to live, will want to be able to be honest individuals, read the type of literature, religious literature they want to read, associate with the type of religious friends they want to associate with, practice their religion in the manner they want to practice, recognize that you cannot simply do it in the Soviet Union. You bump up against the invisible but obvious wall that cannot be penetrated of acceptable behavior. When you go beyond that wall of acceptable behavior, you are in jeopardy. These people therefore want to be honest, want to practice their religion, so they make an application, which is legal under Soviet law to emigrate from the Soviet Union. When they make the application, forthwith shortly thereafter they lose their jobs. Their spouses lose their jobs. As they lose their jobs, if they can find another one, they earn approximately one-third what they were earning before and then the pattern of harrassment continues and accelerates and grows; particularly then when they are cut off from their schools, the children are, when they are cut off from their normal jobs, when other citizens of the Soviet Union spurn them and do not talk to them, they seek emotional support and refuge in others who are in this predicament, and when they do that often their situation is aggravated.

If the Soviets want to arrest them, they arrest them not only for having contraband, but also for hooliganism, which means if you are walking down the street in front of a synagogue and a KGB agent pushes you to the side, really according to the recollection of the police, you pushed him. That is hooliganism. You can be arrested. You can face 5 years in the Gulag for something along those lines, or the classic catch-22 situation. You make an application to leave the Soviet Union under Soviet authority, under Soviet law. You are refused the right to leave. You are denied, based on no reason that is fabricated or made up. Therefore, you are a refusenik. When you become a refusenik and you make the application to leave, you lose your job. You cannot find another job, so you are arrested for parasitism. It is illegal in the Soviet Union not to work, but it is also in the situation that you lose your job if you want to live by the rights that the Soviet Government says that they will honor.

□ 1400

If you are arrested for parasitism, therefore you can go into exile, internal exile, you go to work camps, and you can even go to prision. So it is a catch-22 situation.

We, the gentleman from New Jersey [Mr. GALLO], and I listened over a 3½-day period to about 40 to 50 cases. There are some that stand out, but there is some consistent pattern to these types of abuses.

At this particular time, to discuss a couple of specific cases, I would like to yield to the gentleman from New Jersey who shared with me this adventurer into the gulag, which is almost Moscow, as far as I am concerned. It really is not much of a place to live, not that the people are not wonderful individuals, but the system is so oppressive that it is there at every moment. You feel like there is a wet blanket of authority on you at all times, even though you may not see a KGB agent, even though you may not see a machinegun. You happen to know that it is there.

Mr. Speaker, I yield to the gentleman who is sharing this special order with me, the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. Mr. Speaker, I want to thank the gentleman from New Jersey [Mr. COURTER] for setting up this special order. I think he has gone over and laid some very important groundwork.

In our visit, all the way through the time we spent there, granted it was not a long time but it was long enough to see the repression that is happening by the Government itself. It came out very clearly that the people there are intimidated. They are intimidated by their government. The cases, the individuals that we had the opportunity to talk with, not just names on a piece of paper but individuals standing in front of us relating their stories, relating that story of just wanting to leave the Soviet Union, and as the gentleman indicated, the hardship that these individuals took on immediately upon applying for a visa, they knew what was going to happen. They knew what was in store for them, but they felt so strongly about what the gentleman has discussed, being able to follow their own religion, give a future for their son or daughter, which is an overriding concern with many of the people that we met.

One in particular the gentleman mentioned, Mr. and Mrs. Michelson. Mr. Michelson came to my office and also came to the gentleman's office, and I believe to the offices of a number of other Congressmen, explaining his particular plight. This is an individual who left the Soviet Union over 30 years ago, expecting his wife to follow within a 6- to 8-month period. Thirty years have gone by and his wife has not followed. His wife is not allowed to leave the Soviet Union.

He had a daughter aged 7 at that time. That daughter is now 37. He has a grandson that he has never seen, age 7½. The gentleman will recall when we met with the Soviet officials and we gave them a list of some 26 names, broken into categories, divided spouses, in this particular case we had the Michelsons as divided spouses. He made a plea to me if I would bring to his wife something he had promised her over 30 years ago, and that was a wedding ring.

I indicated that I would certainly try and deliver that. As you know, both of us met Mrs. Michelson and the daughter and the son at the Embassy. At that point it became a very emotional time. As I presented the ring to her, there were tears in her eyes, and I think we all started to shed a tear or two because it was an emotional point.

When we talked with the Soviet official, who was a Deputy Foreign Minister, we submitted the names, and the gentleman from New Jersey [Mr.

COURTER] gave those names to that official and indicated how strongly we, not only in Congress but the American people, felt about the human rights issue. I then asked him how they could hold two people away from each other for 30 years and that it could not be a military concern, it could not be concern about Mr. Michelson having secrets after 30 years.

The response was, "Well, Mr. Gorbachev is acting on these cases individually and dealing with humanitarian interests."

My response was that I could not think of anything more humanitarian than to reunite these individuals, these two families, really one family, but unite them in an effort to bring about some compassion.

His response was that that is an internal matter, and not one that the United States should be concerned about.

Both the gentleman from New Jersey [Mr. COURTER] and I let him know exactly how we felt and also how the American people feel, because on thing is clear. They do follow what is happening in Congress. They will be reading this special order. They also monitor what happens in the United States. We made it clear that it was not just the Congress that was speaking on this human rights issue, but it is the American people who are demanding that they follow through on the Helsinki accords, which allows, along with the Soviet Union's own law, allows the freedom of movement.

So we put what we felt was our best foot forward in hopes that we would be successful in having that list of names addressed by the Soviet Union and its leadership. I can tell my colleagues at that time I was not overly optimistic that there was going to be a change in policy, especially with the statements that were made, "We will deal with each case as an individual issue and not a human rights issue."

I can tell my colleagues that those 3½ days or 4 days were probably the most emotionally draining days I have ever had because we were meeting with people, as the gentleman indicated, some of the calls were made by him outside of the hotel for fear of being picked up by the Soviet agents, but through his telephone call to one individual, we met with that family, a professional family, the mother a university professor, the father who worked at a very important job, high-ranking job, knowing that immediately when they applied she lost her job and the husband was immediately put down to the lowest level where he started 26 years ago.

His answer and his wife's answer was that it was done for their daughter, so their daughter could have the advantages of knowing their religion and also at the same time have the educational benefits that they felt she deserved.

As JIM and I left, the mother came up to us and said, "Please get our daughter out," because she is fearful that the daughter is going to be more vocal in the future and we know where that will lead to. I think that was probably one of the most difficult times, leaving there knowing that many of those individuals are not going to have an easy time of it.

One other area. As the freshman cochairman of Soviet Jewry in the House, I adopted a family early on in February of last year. It is the Kagan family. I have had the opportunity to send letters back and forth. We have had an ongoing relationship by way of the mail, and also had the opportunity to talk to them on two occasions by telephone.

Going to Moscow allowed us, and me, the opportunity to meet Abram Kagan for the first time face to face. There is one message that I would like to have this House hear. When I first talked with the Kagans, he had just lost his job. He is a mathematician. He is very well known for his thesis on new math. He lost that job.

□ 1410

His son was refused the ability to go to the university. His daughter was refused medical care. In talking with him on our recent visit, he indicated things had changed.

As the gentleman said before, knowing that someone is looking over their shoulder sometimes has a positive effect, and in the case of Abram Kagan, he indicated to me that he felt my involvement, my watching over him, so to speak, has been helpful because now he has received his old job back, his son is now in the university, and his daughter has had the necessary medical care.

I think all and all, you come out of there frustrated and you say to yourself, "What have we accomplished?" I think both of us have accomplished an awful lot, not only for ourselves to see the problem first hand, but to look at some of the frustration on the faces and yet look in the eyes and see that sparkle of hope.

I think, if nothing else, we gave those individuals some hope, some understanding that someone does care and will continue to care until this human rights issue is satisfied.

I yield back to my good friend from New Jersey [Mr. COURTER].

Mr. COURTER. I thank the gentleman for his comments.

I would just like to mention a couple of other things if I may.

I had a family whose name cannot be mentioned because they have not made the decision that they want to have their name be used in any type of a protest. They are refuseniks. They want to get out. They are reaching that frustration level, but they have not made the decision, so the names cannot be used here.

The child wants badly to come to the United States to be educated. There is room at one of the universities in the State of New Jersey for the child. I was talking with the parents in an apartment outside of the center of Moscow and they had applied to leave as a family.

The husband and wife were saying that it may, just may enhance or improve my child's ability, chances of getting out of this system if my child goes alone and leaves us here. I think Soviet authorities rather like that because then there is leverage on both sides. One cannot really express what is truly on one's mind if your loved ones, your mother, your father, your spouse is back in the Soviet Union where obvious sanctions can take place.

But as I was talking to the parents and I was shaking hands and we were out of earshot from their child, they said, "We know that if our child can go to the United States, to the State of New Jersey for an education, and she is allowed to leave, we may never, and probably will never see her again. But we love her enough to say goodbuy forever, knowing that she does not have to live in the type of a system, and endure the types of things that we have endured for the past 55 years inside the Soviet Union."

That is a remarkable testimonial to love, the fact that you love someone enough to let them go, probably never seeing them again.

A couple other observations; I asked the question on a number of occasions because it was interesting, I think, and important in our discussions. I asked the question and the gentleman from New Jersey [Mr. GALLO] asked the same question and probably received generally the same answer. Are things better now under Mikhail Gorbachev, which is a common retort to people who are quizzical. Mikhail Gorbachev is the youngest Soviet leader that I certainly can remember, perhaps the youngest in the history, outside of 75 years ago during the Bolshevik Revolution. His wife dresses in Western clothes, in Gucci shoes and is a very handsome person and so is he. There is a tendency to impute democratic values on this very democratic-looking couple.

I asked the question of the people inside the Soviet Union, and they said, most of them said things were a little bit worse, if at all. The others said that there is no change. There was not one family, not one person, not one spouse, not one child that said things were better under the democratic-looking Mr. Mikhail Gorbachev. I think that is an interesting observation and I wonder whether the gentleman from

New Jersey [Mr. GALLO] received similar answers or different answers.

Mr. GALLO. I think it was very clear that there has not been a change, certainly not a positive change, with the new leadership. As the gentleman indicated, many that we questioned actually felt that things were worse rather than better. The gentleman was relating to the story of his adopted family and the willingness of the mother and father to let their child go, knowing that they would not see them again.

At one of our meetings, if the gentleman will recall, there was a case that is being tried right now at this time, a case of a young person where it was indicated that drugs were found in his possession, although he has all kinds of individuals, highly motivated and with a great deal of integrity, indicating that this young gentleman was never involved in drugs.

As the gentleman has indicated, this is a way of the Soviet Union being able to trump up charges. At that meeting, if the gentleman recalls, we had about 12 individuals and 11 of those individuals said, "Please give priority to this case above ours."

To me, that is the height of devotion to your fellow man, to say someone else's case right now at this moment is more important than ours and please devote your time to that.

I know that when the gentleman talks about letting go a daughter and not seeing her again, I can understand the courage that these individuals have, knowing full well the ramifications that are going to take place, and yet they still have the courage of their convictions, the courage to want to do what is right for their family, and in doing so, knowing that they are making things really more difficult for themselves.

Mr. COURTER. I thank the gentleman from New Jersey for this contribution.

I asked the question, I guess out of curiosity, to some of these people: "Is anybody found innocent in these types of circumstances inside the Soviet Union," probably a naive question. They do have a system of trial substantially different from ours. They looked at me with a smile and said, "Not when the KGB plants the contraband."

I suppose under some circumstances if there is a weak case, they are found not guilty, but when the KGB is involved, indeed, there is normally just one outcome.

What I would like to do to sum up my part, and then I will yield the balance of my time to the gentleman from New Jersey [Mr. GALLO] if he would like to claim it, while I was in the Soviet Union, I kept notes, as the gentleman from New Jersey kept notes, and I would write down quotations, observations, emotions, perceptions, all sorts of things.

I would just like to share five or six observations or quotations at random. On the other hand, I think they are interesting.

□ 1420

I am at the synagogue in the very first full morning, Saturday morning, when we were in Moscow. There was a gentleman there that said that "Young people don't often come here"—to the synagogue—"because it's too dangerous." He also made the statement, "If you talk less it's safer."

I do not know whether these are surprising to anybody, but I thought they were anecdotal and therefore informative and interesting.

A number of people observed making the comment that a Soviet wanting to leave, a Soviet citizen wanting to leave the Soviet Union, is viewed as a traitor; is viewed as someone that is beneath all else, which is the reason, I suppose, for fellow citizens often ostracizing them, not talking to them, not looking at them as they walk down the streets.

One gentleman whom I asked why he was not allowed to leave, why he was a refusenik in the sense of, not why did he make the application but why did the authorities not permit him to go, said "State secrets. Of course! I can't leave because I deal in meat, sausage and poultry." I thought that was an interesting comment.

Another was the fact that individual after individual said that your going there, Congressman GALLO, my going, Congressman BOB WALKER going, Congressman BEN GILMAN going, does help. It means to them that they have an emotional support; it helps them to know that there are people in different parts of the world who have these rights, recognize their problem: it gives them a lot of psychological help, and also gives them to a degree some safety that they did not have before.

Finally, the young person who wanted to come and become educated in the State of New Jersey made some interesting comments. That person said, "This is a paranoic state. The only thing that is consistent is inconsistency when it comes to these particular refusenik problems."

The young person went on to say, "I don't want to be assimilated. I hate this country. I just simply want to leave." A further observation: "I cannot even think about living here," and this is the young person who wants to leave the Soviet Union badly, and her parents are willing to allow this child to go without them.

The individual said: "This system just simply doesn't work."

This is where I would like to end. I think it is important for Americans, people who take freedom so for granted, take choices so for granted, take high standards of living so for granted—nice hotels, so for granted. I will always, every time I go in a nice hotel, I will think about the Metropol in the center of Moscow.

It is important, I think, in this long deliberation, in this struggle with the Soviet Union, a police totalitarian State and does not believe in human rights, that makes decisions based not on what is just, what is ethical, but what is solely in their military or State interests.

It is important to keep in mind that there must be always in the minds of Americans a distinction between the Russian individual and the system that they unfortunately are forced to live under. I think sometimes that is a distinction that we forget too quickly, that we are not, by this special order, by the special orders that have come before, talking about human rights violations in the Soviet Union, and surely the special orders, the commentary, the op-ed pieces, the books that will be written from now on about this particular issue, we do not criticize the individual Soviet person. The Russian people are just as good as the American people. They just happen to be living in a police totalitarian State that does not recognize the value of an individual soul, the value of an individual life.

That is the problem. A distinction must be made between the Soviet Union as an order of government, as a form of government, and the Soviet people themselves which I am quite sure are every bit as good and every bit as flawed as Americans or people in different parts of the world.

I yield to the gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. Mr. Speaker, in talking about how the Soviet citizen is treated, in the time we were there there was no talk about the Chernobyl incident; there was no discussion about the hazards that were obvious to everyone; I mean, we were briefed as to what we should eat, what we should not eat——

Mr. COURTER. If the gentleman will permit me a question: Does the gentleman recall the answers on two or three occasions when we asked the question, how and when did you find out about Chernobyl?

Mr. GALLO. When we asked about that, there was a blank look on many of their faces, because they were not aware of it; and some heard 3 days after the accident.

Mr. COURTER. And those that heard in a timely fashion heard from VOA, Voice of America, and BBC. They did not hear from Soviet authorities.

Mr. GALLO. They would have had basically no knowledge of that; and I recall, we did have a reporter with us, and he would every night go back to the AP and write his story. Effective-

ly, that would be the only way we would get our news.

I recall him coming back one evening and saying that there was a medical alert that was out to the Soviet women, that pregnant women should not drink any milk. That next morning, one of our group tapped me on the shoulder and pointed over to a pregnant woman drinking milk. There was nothing in the paper; there was no acknowledgement in the radio; there was no notice to the Russian people.

This was a direct order by the Soviet Union leadership to keep their people in the dark. Not only their people, but people in neighboring countries in the case of the Chernobyl incident.

I think that gives one a feeling as to where their leadership is coming from; because those people as the gentleman from New Jersey [Mr. COURTER] has expressed have the same feelings we do; have the same wants; but they are not treated as individuals by the leadership.

Any government that can knowingly keep information from their people that is so critical to protecting their health, I think this tells you a little bit about that government.

I would like to close, Mr. Speaker, by saving that I mentioned before meeting my adopted family. I think one thing that could be done by this House, by the Congress, for those that have not adopted families I think it is imperative that, my colleagues, if you have not adopted an individual, please do, because it does mean and make a difference.

It is meaningful to that individual and his family or her family; it is also meaningful to their protection. As the gentleman indicated before, there is that little protection, that blanket of protection, that goes with someone knowing that a Congressman is looking over their shoulder.

It was a trip that I will never forget; it was a trip where I and I know you and those with us were emotionally spent. I could not be any happier—the mixed feelings when we left, knowing we were leaving individuals behind—the feeling of landing at Kennedy Airport, and knowing we were back home, and appreciating maybe just a little bit more the United States.

Mr. COURTER. I thank the gentleman for his contribution. I would like to say that if anybody travels to Moscow, they could not find a better person to do it with than Congressman GALLO.

Finally, the commendation to Robert Cohen from the Star-Ledger in New Jersey who went through what we went through who at the end of the day had to write up his stories and work late into the night; so his days were even longer than ours. Also for the quality, the objectivity is his reporting.

I believe, and I know the gentleman from New Jersey [Mr. GALLO] does as well, that his articles as they appeared in the Star-Ledger were excellent, extremely well-written; and I think they articulated in a very objective and fair but yet hard, punching and truthful manner what we went through in 3 days of the lifetime of two Congressmen from the State of New Jersey.

□ 1430

BLUEPRINT FOR INACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 30 minutes.

Mr. WALKER. Mr. Speaker, as we close the business of the House today, it is necessary, I think, to point out that today we considered no appropriation bills, nor are any appropriation bills scheduled for the rest of the week on the House Calendar.

I point that out in large part because today, June 10, is the day that the House was to have completed action on all of our appropriation bills pursuant to the Gramm-Rudman Act that we passed last year.

We were to have, by this time, finished the entire budget process and begun the process of spending the money through the appropriation bills so that we would arrive not only at a budget that outlines $144 billion deficit for the upcoming year, but also would have a process going forward of appropriation bills that would meet that target, the idea being that by the end of this month the other body then would have completed action on the appropriation bills and before the Congress went home for its July 4 recess we would have in fact had a budget in place and the appropriations bills in place that would assure that as we move through the rest of the legislative year toward fall that we would know precisely where we stood with regard to meeting the budget targets and the spending targets for the upcoming fiscal year of 1987.

None of that is happening. The budget has not yet been passed. This Congress is totally ignoring the law that we ourselves put in place just a few months ago. An overwhelming majority of this House voted for the Gramm-Rudman Act. An overwhelming majority of this House said at that point that we were committing ourselves to a process aimed at producing a balanced budget by 1991. We have decided now to torpedo that entire process. We have decided now that we are not going to comply with that to which we have committed ourselves.

We are in fact taking all kinds of end runs around the law; we are ignoring the law.

This is not the first time that Congress has chosen to ignore a law that committed itself to a balanced budget.

Several years ago Congress passed a law which said that we are going to balance the budget by the year, fiscal year 1981. When it came to the enforcement of that law, we also chose to ignore it. Despite the fact that amendments were offered on the floor on several occasions aiming to enforce that particular balanced budget law, the Congress chose instead to spend the money, ignoring the law.

Last year under a great deal of public pressure about mounting deficits, Congress again committed itself to the idea that we were going to reduce deficits and balance the budget. Once again we are ignoring the law. This Congress has consciously and knowingly chosen to set itself above the law and to ignore it.

Now I hear all the time discussed on the House floor that these are mere technicalities, that the dates put in Gramm-Rudman are simply technicalities and we can ignore them.

Let me talk a little bit about that business of technicalities. First of all, let us remember that the President had to meet one of those technicalities. As of February 1, he was supposed to submit a budget to the Congress. And he did that. He met the time deadline for submitting a budget that met the targets that were specified under Gramm-Rudman.

One can only imagine the howls that would have come from the liberals had the President not met his technical target date. Had the President not come up here with a budget by February 1 and met that target, one can only imagine what the howls would have been from the very people who today take it upon themselves to ignore their target dates.

Be that as it may, we were then supposed to have met a date of April 15 for passing a budget in the House ourselves. We did not do it.

We were supposed to have gotten that bill passed and then put together with the bill of the other body, passed a conference report with the other body by May. We did not do it.

Now we are supposed to have, by today, passed all the appropriation bills relative to that budget. We have not done it. We are going to come nowhere near close. In fact, what I am hearing is we may never even take up a lot of those appropriation bills. At some point this House may take up one massive appropriation bill that would, hopefully, then comply with the budget process.

What that means is that choices will be very, very limited. We will have very little opportunity then taking a bill up in that fashion to modify it, to cutback on spending, to do the kind of priority decisionmaking that Congress should do.

We are, as Congress today, doing our level best to try to set-aside that which

we committed ourselves to a few months ago. When it comes to balancing the budget, Congress consistently takes a walk. When it comes to spending money, Congress consistently does everything that they can to see to it that spending goes forward.

That is precisely the process we are now undergoing. We are setting aside all of the technicalities, all of the provisions of law aimed at managing deficits through a process aimed at a balanced budget by 1991. We are instead moving toward processes that would assure that we can spend more money this year and money in the future. I submit that, as of today, June 10, another target date we were supposed to have met on our route toward reducing deficits, when we have done nothing, absolutely nothing to comply with the deadline, we are in fact showing this Nation, showing the voters across this Nation that we do not care about balanced budgets and we do not care about deficits.

I hope the American people will take a very, very close look at what is happening in this Congress because I think they will be shocked to find out that the very people who come home and tell them they are all for balancing the budget are the same people who too often in this Congress forget what is in the national interest when they are here and, instead, go ahead and ignore the process toward that balanced budget.

It is high time we become responsible here. The American people expect responsibility of us. We certainly are not showing it.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HENRY) to revise and extend their remarks and include extraneous material:)

Mr. DAUB, for 20 minutes, on June 12.

Mr. WALKER, for 30 minutes, today.

(The following Members (at the request of Mr. ECKART of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. STRATTON, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. STOKES, during general debate on H.R. 4345 in the House today.

Mr. GILMAN, during general debate on H.R. 4116 in the Committee of the Whole today.

(The following Members (at the request of Mr. HENRY) and to include extraneous matter:)

Mr. ROGERS.

Mr. WORTLEY.

Mr. COURTER.

Mr. GALLO.

Mr. PETRI.

Ms. SNOWE.

Mr. RUDD.

Mr. MILLER of Washington.

Mr. LEWIS of Florida.

(The following Members (at the request of Mr. ECKART of Ohio) and to include extraneous matter:)

Mr. MONTGOMERY.

Mr. CARR.

Mr. EVANS of Illinois in two instances.

Mr. BROOKS.

Mr. EDGAR in two instances.

Mr. LELAND.

Mr. STOKES.

Mr. MICA.

Mr. VENTO.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2294. An act to authorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes; to the Committee on Education and Labor.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3570. An act to amend title 28, United States Code to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes, and

H.J. Res. 382. Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following title:

S. 124. An act to amend the Safe Drinking Water Act, and

S. 1027. An act for the relief of Kenneth David Franklin.

ADJOURNMENT

Mr. WALKER. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 36 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 11, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3676. A letter from the Federal-State Coordinator, Office of the Governor, State of Montana, Washington, DC, transmitting a copy of the interstate mutual aid compact between the States of Montana and Washington, pursuant to 50 U.S.C. app. 2281(g); to the Committee on Armed Services.

3677. A letter from the Secretary of Education, transmitting notification of his intention to submit a legislative proposal for the reauthorization of the Education Consolidation and Improvement Act [ECIA]; to the Committee on Education and Labor.

3678. A letter from the Secretary of Energy, transmitting the calendar year 1984 report on the Department's Industrial Energy Efficiency Improvement Program, pursuant to 42 U.S.C. 6345(e); to the Committee on Energy and Commerce.

3679. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed manufacturing license agreement for the manufacture of significant military equipment in a country not a member of the North Atlantic Treaty Organization (Transmittal No. MC-26-86), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3680. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed sale of major defense equipment sold commercially under a contract in the amount of $14 million or more (Transmittal No. MC-22-86), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3681. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to the Dominican Republic (Transmittal No. 34-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3682. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter of offer to Israel for defense articles and services estimated to cost $38 million (Transmittal No. 86-35), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3683. A letter from the Secretary of Labor, transmitting the semiannual report of the inspector general covering the period from October 1, 1985, through March 31, 1986, pursuant to 5 U.S.C. app. (Inspector General Act of 1978) 5(b); to the Committee on Government Operations.

3684. A letter from the Commissioner, Immigration and Naturalization Service, transmitting a copy of the order granting defector status in the case of John W. Graham, pursuant to 8 U.S.C. 1182(a)(28)(1); to the Committee on the Judiciary.

3685. A communication from the President of the United States, transmitting a report on the activities of countries within the United Nations and its specialized agencies and information on the performance of U.N. member countries in international or-

ganizations, pursuant to 22 U.S.C. 2414a(a) and 22 U.S.C. 287b nt.; jointly, to the Committees on Appropriations and Foreign Affairs.

3686. A communication from the President of the United States, transmitting a report on the efforts by the United States and others, including developments in the Contadora process, to promote a negotiated settlement in Nicaragua; alleged human rights violations by the democratic resistance and the Government of Nicaragua; and disbursementof humanitarian assistance to the democratic resistance, pursuant to Public Law 99-83, section 722(j) (99 Stat. 255) and Public Law 99-88, chapter V, section 104 (99 Stat. 326); jointly, to the Committees on Appropriations, Foreign Affairs, and the Permanent Select Committee on Intelligence.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

MR. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 4212. A bill to provide for the reauthorization of the Deep Seabed Hard Mineral Resources Act, and for other purposes (Rept. No. 99-609, Pt. 2). Ordered to be printed.

Mr. FUQUA: Committee on Science and Technology. Report on new technology and the future of steel (Rept. No. 99-625). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOWARD (for himself, Mr. SNYDER, Mr. MINETA, and Mr. HAMMERSCHMIDT) (by request):

H.R. 4961. A bill to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1987, 1988, 1989, and for other purposes; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. HUGHES (by request):

H.R. 4962. A bill to renew authority to contract for the detection and treatment of drug-dependent offenders, and for other purposes; to the Committee on the Judiciary.

By Mr. MONTGOMERY (by request):

H.R. 4963. A bill to provide military commissary and exchange privileges to the surviving spouses of veterans dying from a service-connected disability; to the Committee on Armed Services.

H.R. 4964. A bill to amend title 10, United States Code, to extend eligibility for military medical care to recipients of the Congressional Medal of Honor and their dependents; to the Committee on Armed Services.

H.R. 4965. A bill to amend title 38, United States Code, to standardize the length of marriage criteria for receipt of dependency and indemnity compensation for survivors of certain veterans; to the Committee on Veterans' Affairs.

H.R. 4966. A bill to amend title 38, United States Code, to extend from 1 year to 2 years the period during which veterans with service-connected disabilities may apply for national service life insurance; to the Committee on Veterans' Affairs.

H.R. 4967. A bill to amend title 38 of the United States Code to permit certain eligible veterans to purchase up to $20,000 of national service life insurance; to the Committee on Veterans' Affairs.

H.R. 4968. A bill to amend title 38, United States Code, to extend eligibility for the Veterans' Administration clothing allowance to certain veterans with skin disorders resulting from service-connected diseases or injuries; to the Committee on Veterans' Affairs.

H.R. 4969. A bill to amend title 38, United States Code, to extend educational assistance benefits to dependents of veterans with a service-connected disability of 80 percent or more; to the Committee on Veterans' Affairs.

By Mr. PRICE:

H.R. 4970. A bill to provide an additional year for the Jefferson National Expansion Memorial Commission to complete the preparation of a development and management plan; to the Committee on Interior and Insular Affairs.

By Mr. RICHARDSON:

H.R. 4971. A bill to direct the Secretary of the Interior to convey certain interests in lands in Socorro County, NM, to the New Mexico Institute of Mining and Technology; to the Committee on Interior and Insular Affairs.

By Mr. SYNAR (for himself, Mr. LOWRY of Washington, Mr. SWIFT, Mr. NIELSON of Utah, Mr. HANSEN, Mr. STRATTON, Mr. STUDDS, and Mr. ATKINS):

H.R. 4972. A bill to ban the promotion of tobacco products; to the Committee on Energy and Commerce.

By Mrs. BYRON:

H.J. Res. 650. Joint resolution to recognize the National Fallen Firefighters' Memorial on the campus of the National Fire Academy in Emmitsburg, MD, as the official national memorial to professional and volunteer firefighters who die in the line of duty; to the Committee on House Administration.

By Mr. SMITH of New Jersey (for himself, Mr. GARCIA, Mr. BLILEY, Mr. MANTON, Mr. HORTON, Mr. JONES of North Carolina, Mr. MOORE, Mr. DANIEL, Mr. SUNIA, Mr. HENRY, Mr. PASHAYAN, Mr. CHANDLER, Mr. VANDER JAGT, Mr. CROCKETT, Mr. TOWNS, Mr. JACOBS, Mrs. HOLT, Mr. WATKINS, Mrs. BURTON of California, Mr. WEBER, Mr. FUSTER, Mr. LEHMAN of Florida, Mr. HUNTER, Mr. MRAZEK, Mr. WORTLEY, Mr. STALLINGS, Mr. O'BRIEN, Mr. DAUB, Mr. BEDELL, Mr. GALLO, Mr. EVANS of Illinois, Mr. DE LA GARZA, Mr. HATCHER, Mr. WOLF, Mr. HOWARD, Mr. BRYANT, Mr. DWYER of New Jersey, Mr. PERKINS, Mr. FAZIO, Mr. SCHEUER, Mr. SMITH of New Hampshire, Mr. NEAL, Mr. WOLPE, Mrs. LLOYD, Mr. DANNEMEYER, Mr. BROOKS, Mr. LIGHTFOOT, Mr. EMERSON, Mr. VOLKMER, Mr. BARNES, Mr. DORNAN of California, Mr. FISH, Mr. GILMAN, Mr. GRAY of Illinois, Mr. GUARINI, Mr. RALPH M. HALL, Mr. HALL of Ohio, Mr. HUGHES, Mr. KASICH, Mr. LAGOMARSINO, Mr. MONSON, Mr. NIELSON of Utah, Mr. ROE, Mr. SAXTON, Mr. SCHUMER, Mr. SHUMWAY, Mr. SWINDALL, Mr. TAUKE, Mr. TORRICELLI, Mr. BUSTAMANTE, and Mr. BURTON of Indiana):

H.J. Res. 651. Joint resolution to designate the week beginning November 23, 1986 as "National Adoption Week"; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL:

H. Res. 468. Resolution expressing the sense of the House regarding Medicare payment processing; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. COELHO (for himself, Mr. STARK, Mr. WAXMAN, Mr. LANTOS, Mrs. BOXER, Mrs. BURTON of California, Mr. MILLER of California, Mr. FAZIO, Mr. DELLUMS, and Mr. MINETA):

H. Res. 469. Resolution paying special tribute to Portuguese diplomat Dr. de Sousa Mendes for his extraordinary acts of mercy and justice during World War II; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 555: Mr. CHENEY and Mrs. BENTLEY.

H.R. 585: Mr. FOGLIETTA, Mr. PERKINS, Mr. SEIBERLING, and Mr. DE LA GARZA.

H.R. 704: Mr. CRANE.

H.R. 1436: Mr. DYSON, Mr. SLATTERY, Mr. SAXTON, Mr. HAYES, and Mr. GILMAN.

H.R. 2221: Mr. CLAY and Mr. DELLUMS.

H.R. 2337: Mr. NIELSON of Utah.

H.R. 2897: Mr. SENSENBRENNER, Mr. WALKER, Mr. DEWINE, Mrs. SMITH of Nebraska, and Mrs. VUCANOVICH.

H.R. 2902: Mr. ANDERSON and Mr. ROWLAND of Connecticut.

H.R. 3357: Mr. LEWIS of Florida.

H.R. 3968: Mr. CARPER and Mr. WEISS.

H.R. 4060: Ms. SNOWE, Mrs. ROUKEMA, Mr. RALPH M. HALL, Mr. GLICKMAN, Mrs. SMITH of Nebraska, Mr. LIPINSKI, Mr. RITTER, Mr. LUKEN, Mr. FOWLER, Mr. KRAMER, Mr. DANIEL, Mr. LIGHTFOOT, Mr. BRYANT, Mr. GINGRICH, and Mr. HAMMERSCHMIDT.

H.R. 4119: Mr. MARTINEZ.

H.R. 4260: Mr. SKELTON and Mr. ROBINSON.

H.R. 4273: Mr. OBERSTAR, Mr. CARNEY, Mr. STRATTON, Mr. PURSELL, Mr. ECKERT of New York, Mr. MARTINEZ, Mr. CLINGER, Mr. VISCLOSKY, and Mr. RINALDO.

H.R. 4301: Mr. MAVROULES, Mr. MILLER of California, Mr. WILLIAMS, Mr. MARTINEZ, and Mrs. BURTON of California.

H.R. 4391: Mr. FUSTER.

H.R. 4450: Mrs. BOXER, Mr. BLILEY, Mr. TORRICELLI, Mr. SAXTON, Mr. MINETA, and Mr. MRAZEK.

H.R. 4630: Mr. WHITTAKER, Mr. HARTNETT, Mr. HEFNER, Mr. ROYBAL, Mr. HENDON, Mr. TALLON, and Mr. BOUCHER.

H.R. 4647: Mr. ROBINSON.

H.R. 4669: Mr. SWEENEY.

H.R. 4682: Mr. BARTON of Texas, Mr. SCHEUER, Mr. VENTO, Mr. GUNDERSON, Mr. JEFFORDS, and Mr. WAXMAN.

H.R. 4713: Mr. BREAUX, Mr. JEFFORDS, Mrs. BURTON of California, Mr. CARPER, and Mr. BARNARD.

H.R. 4734: Mr. SEIBERLING and Mr. KASTENMEIER.

H.R. 4748: Mr. BLILEY and Mr. CRANE.

H.R. 4763: Mr. DIOGUARDI, Mr. ZSCHAU, and Mr. HAMMERSCHMIDT.

H.R. 4766: Mr. DORNAN of California and Mr. PETRI.

H.R. 4936: Mr. WORTLEY.

H.R. 4953: Mr. KEMP, Mr. MCMILLAN, Mr. WORTLEY, Mr. BURTON of Indiana, Mr. KOLBE, Mr. LOTT, and Mrs. ROUKEMA.

H.J. Res. 91: Mr. CRAIG.

H.J. Res. 231: Mr. APPLEGATE, Mr. GRAY of Illinois, Mr. SAVAGE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. BEVILL, Mr. MRAZEK, Mr. FAUNTROY, Mr. SMITH of Florida, Mr. TOWNS, Mr. LUKEN, and Mr. LAFALCE.

H.J. Res. 512: Mrs. BOXER, Mr. HUGHES, Mr. SHAW, Mr. RAHALL, Mr. TRAXLER, Mr. WALGREN, Mr. MARTINEZ, and Mr. DE LUGO.

H.J. Res. 552: Mrs. LONG, Mr. BORSKI, Mr. ROYBAL, Mr. LIPINSKI, Mr. SLATTERY, Mr. DONNELLY, Mr. BUSTAMANTE, Mr. ZSCHAU, and Mr. CARPER.

H.J. Res. 572: Mrs. BYRON.

H.J. Res. 607: Mr. BOUCHER, Mr. DORNAN of California, Mr. FROST, Mr. GARCIA, Mr. HENRY, Mr. LEATH of Texas, Mr. LELAND, Mr. LEWIS of Florida, Mrs. LLOYD, Mr. LUJAN, Mr. MACKAY, Mr. ROE, Mr. SLATTERY, Mr. WALGREN, Mr. WIRTH, Mr. YOUNG of Missouri.

H.J. Res. 618: Mr. MONSON, Mr. WEISS, Mrs. BOXER, Mr. BEVILL, Mr. BONIOR, of Michican, Mr. ROE, Mr. HATCHER, Mr. MARTINEZ, Mr. BERMAN, Mr. FAUNTROY, Mr. ROSE, Mr. VENTO, and Mr. SCHEUER.

H.J. Res. 619: Mr. GILMAN, Mr. KASICH, Mr. LANTOS, Mr. DORNAN of California, Mr. COATS, Mr. BATEMAN, Mr. CONYERS, Mr. BEVILL, Mr. FASCELL, Mr. HUGHES, Mr. PACKARD, Mr. RAHALL, Mr. RANGEL, Mr. SHAW, Mr. VALENTINE, Mr. REID, Mr. HATCHER, Mr. AKAKA, Mr. STRANG, Mr. SCHEUER, and Mr. DOWDY of Mississippi.

H.J. Res. 625: Mr. FIELDS, Mr. PACKARD, Mr. MCCAIN, Mr. KOSTMAYER, Mr. DWYER of New Jersey, Mr. FUQUA, Mr. MARTIN of New York, Mr. BRYANT, Mr. LANTOS, Mr. DORNAN of California, Mr. LIPINSKI, Mr. LIGHTFOOT, Mr. RAHALL, Mr. APPLEGATE, Mrs. BENTLEY, Mr. FAUNTROY, and Mrs. BYRON.

H.J. Res. 628: Mr. MANTON, Mr. MACKAY, Mr. KOSTMAYER, Mr. FUSTER, Mr. LELAND, Mr. MCCAIN, Mr. MURTHA, Mr. SHAW, Mr. GONZALEZ, Mr. HOWARD, Mr. FAUNTROY, Mr. DWYER of New Jersey, Mr. FEIGHAN, Mr. GEJDENSON, Mr. ROSE, Mr. TRAFICANT, Mr. WILSON, Mr. HORTON, Mr. ACKERMAN, Mr. CLINGER, Mr. DIXON, Mr. MCGRATH, Mrs. BOXER, Mr. OWENS, Mrs. COLLINS, Mr. HAYES, Mr. REID, Mr. BEDELL, Mr. BONER of Tennessee, Mr. DYMALLY, Mr. MRAZEK, Mr. DAUB, Mr. DELLUMS, Mr. THOMAS of Georgia, Mr. MONSON, Mr. LANTOS, Mr. LIPINSKI, Mr. WIRTH, Mr. OBERSTAR, Mr. BERMAN, Mr. LEVIN of Michigan, Mr. SMITH of New Hampshire, Mr. DORNAN of California, Ms. KAPTUR, Mr. MARTINEZ, Mr. SHUMWAY, Mr. BIAGGI, Mr. FROST, Mr. DINGELL, Mr. TAUKE, and Mr. KILDEE.

H.J. Res. 642: Mr. RAY, and Mr. DE LA GARZA.

H. Con. Res. 325: Mr. VENTO.

H. Res. 404: Mr. CHENEY, Mr. CLAY, Mr. DANIEL, Mr. DELAY, Mr. DERRICK, Mr. FRANK, Mr. FUSTER, Mr. GINGRICH, Mr. HAMMERSCHMIDT, Mr. HEFNER, Mr. HUBBARD, Mr. LAGOMARSINO, Mr. LUKEN, Mr. LUNDINE, Mr. MANTON, Mr. MCCAIN, Mr. MONSON, Mr. MURPHY, Mr. PERKINS, Mr. RAHALL, Mr. ROBINSON, Mr. RODINO, Mr. ROWLAND of Georgia, Mr. SAVAGE, Mr. SHAW, Mr. SOLOMON, Mr. TALLON, Mr. FEIGHAN, Mr. COBEY, Mr. HORTON, Mr. KINDNESS, Mr. WORTLEY, Ms. MIKULSKI, Mr. VOLKMER, Mr. BONER of Tennessee, Mrs. BENTLEY, Mr. REID, Mr. BATEMAN, Mr. CLINGER, and Mr. NIELSON of Utah.

H. Res. 454: Ms. KAPTUR, Mr. KOLBE, and Mr. TOWNS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. BARTLETT:

(To the amendment in the nature of a substitute to H.R. 1 (text of H.R. 4746)).

—At the end of the amendment, add the following new title (and conform the table of contents accordingly):

TITLE VI—ASSISTED HOUSING LIVABILITY IMPROVEMENTS

SEC. 601. RENT PHASE-IN.

Section 3 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(d)(1) In any case in which the obtaining of employment by a resident of a dwelling unit assisted under this Act will result in an increase in the rent payable by the family of such resident under subsection (a), the public housing agency involved (or the Secretary, if no public housing agency is involved) may provide for a gradual increase in such rent to the full amount during a period of not more than 6 months.

"(2) For purposes of this subsection, the term 'employment' shall have such meaning as is determined to be appropriate by the public housing agency involved (or the Secretary, if no public housing agency is involved).".

SEC. 602. PORTABILITY OF SECTION 8 CERTIFICATES AND VOUCHERS.

Section 8 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(g)(1) Any family assisted under subsection (b) or (o) may continue to receive such assistance when such family moves to another eligible dwelling unit—

"(A) if such dwelling unit is within the same metropolitan statistical area as the dwelling unit from which the family moves; and

"(B) notwithstanding that such dwelling unit is not within the area of jurisdiction of the public housing agency having jurisdiction in the area of the dwelling unit from which the family moves.

"(2) The public housing agency having authority with respect to the dwelling unit to which a family moves under this subsection shall have the responsibility of carrying out the provisions of this subsection with respect to such family. If no public housing agency has authority with respect to the dwelling unit to which a family moves under this subsection, the public housing agency having authority with respect to the dwelling unit from which the family moves shall have such responsibility.

"(3) In providing assistance under subsection (b) or (o) for any fiscal year, the Secretary shall give consideration to any reduction in the number of resident families incurred by a public housing agency in the preceding fiscal year as a result of the provisions of this subsection.

"(4) The provisions of this subsection may not be construed to restrict any authority of the Secretary under any other provision of law to provide for the portability of assistance under this section.".

SEC. 603. INCENTIVES FOR PUBLIC HOUSING AGENCY PERFORMANCE EFFICIENCY.

Section 9(a)(3) of the United States Housing Act of 1937 (as added by section 206 of this Act) is amended by adding at the end the following new subparagraph:

"(C) Under the performance funding system established under this paragraph (and notwithstanding any provision of subparagraph (B) to the contrary)—

"(i) funds received by any public housing agency from sources other than tenant rents or other tenant payments, investment income, or income earned from commercial leases or receipts, including any amounts recovered through litigation, shall not be counted as income in computing the allowable subsidy nor shall prior receipt of any such funds affect the allowable expense level; and

"(ii) any revenues resulting from rental income or other income (including investment income) in excess of estimated revenues from such items may not be recaptured, used, or computed to reduce assistance provided under this section, unless such estimate—

"(I) was unreasonable according to regulations in effect when the estimate was made; or

"(II) was fraudulent and deceptive.".

SEC. 604. PROVISION OF ADEQUATE REPLACEMENT UNITS IN CASES OF DEMOLITION AND DISPOSITION.

Section 18(b) of the United States Housing Act of 1937 (as amended by section 210 of this Act) is further amended—

(A) by striking "and" at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) as an alternative to the requirements of paragraph (3), the public housing agency has developed a plan for the provision of an additional decent, safe, sanitary, and affordable dwelling unit for each public housing dwelling unit to be demolished or disposed under such application, which plan—

"(A) provides for the provision of such additional dwelling units through the acquisition of additional public housing dwelling units, the development of additional public housing dwelling units, the use of certificates or vouchers under section 8, or any combination of such methods;

"(B) is approved by the unit of general local government in which the project is located;

"(C) includes a reasonable plan for funding, except that such funding shall not be required to be provided in advance;

"(D) includes a method of ensuring that the same number of individuals will be provided housing; and

"(E) provides for the payment of the relocation expenses of each tenant to be displaced and ensures that the rent paid by the tenant following relocation will not exceed the amount permitted under this Act.".

SEC. 605. PROHIBITION OF DENIAL OF SECTION 8 CERTIFICATES AND VOUCHERS TO RESIDENTS OF PUBLIC HOUSING.

Section 8 of the United States Housing Act of 1937 (as amended by section 602 of this Act) is further amended by adding at the end the following new subsection.

"(r) In selecting families for the provision of assistance under this section (including subsection (o)), a public housing agency may not consider whether a family resides in a public housing project, except in the case of a family being displaced as a result of major repairs, demolition, or disposition.".

SEC. 606. DEREGULATION OF PUBLIC HOUSING AGENCIES.

Section 2 of the United States Housing Act of 1937 is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end the following new subsection:

"(b)(1) To encourage efficient and effective administration of public housing by public housing agencies, to increase the amount of responsibility of these agencies for administering their public housing, and to minimize Federal involvement in the administration of public housing, the Secretary shall, whenever feasible, permit public housing agencies to carry out activities involved in the administration of public housing projects without prior review or approval by the Secretary.

"(2) The provisions of paragraph (1) shall not apply if—

"(A) the Secretary determines that there is a reasonable basis to conclude that prior review and approval of 1 or more specific activities is necessary to ensure efficient and effective conduct of the activity throughout the program;

"(B) the Secretary determines that there is a reasonable basis to conclude that prior review and approval is necessary with respect to a particular public housing agency due to such factors as its inexperience or poor performance in carrying out the same or related activities; or

"(C) prior review or approval by the Secretary is required by law.".

SEC. 607. EFFECTIVE DATE.

The amendments made by this title shall take effect on October 1, 1986, or the date of the enactment of this Act, whichever occurs later.

SENATE—*Tuesday, June 10, 1986*

(Legislative day of Monday, June 9, 1986)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the Honorable PAULA HAWKINS, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of our fathers, in a sense of dependence on You, the Members of the First Congress elected chaplains to both Houses. Realizing that we tend to romanticize their religious faith and impute quality and depth which may be unrealistic—nevertheless, from the outset, Congress acknowledged its need for divine guidance as it bore the heavy responsibility of leadership to the emerging republic. Deliver us, Father, from idealizing these opening moments—let us not demean them as hollow civil ceremony. Help us never to forget that as those dedicated founders acknowledged their dependence upon You—so we recognize our present need for God's guidance in public affairs. In Your name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 10, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAULA HAWKINS, a Senator from the State of Florida, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mrs. HAWKINS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SCHEDULE

Mr. COCHRAN. Madam President, under the standing order, as I understand it, the two leaders will be recognized for a period of 10 minutes each. Then there are special orders in favor of the following Senators for not to exceed 5 minutes each: HAWKINS, CRANSTON, HUMPHREY, PROXMIRE, MATHIAS, DIXON, QUAYLE, SASSER, GORE, and MURKOWSKI.

Routine morning business will follow for a period of time not to extend beyond 12 noon, with Senators permitted to speak therein for not more than 5 minutes each. Then, by unanimous consent, the Senate will stand in recess between the hours of 12 noon and 2 p.m. for the weekly party caucuses to meet.

At 2 p.m., pending will be the unfinished business, H.R. 3838, the tax reform bill. I am advised by the majority leader, Mr. DOLE, that votes can be expected during the session today and the Senate could be asked to remain in session into the evening.

VITIATION OF THE MATHIAS SPECIAL ORDER

Madam President, I ask unanimous consent that today's special order in favor of the Senator from Maryland [Mr. MATHIAS] be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL WILD AND SCENIC RIVERS ACT

Mr. COCHRAN. Madam President, I am today introducing a bill to amend the Wild and Scenic Rivers Act, to designate the Black Creek, a segment of it in the State of Mississippi, to be a part of this National Wild and Scenic Rivers System. The bill designates a portion of that stream, which was included in a wilderness area designation under legislation that I introduced and which was passed by the Senate and the House and signed by the President last year.

The National Park Service, from 1978 to 1982, conducted an inventory of rivers and streams throughout the country to try to identify those with special scenic and wildlife value, recreational attractions which should be further studied for the possibility of inclusion in the National Wildlife and Scenic Rivers System. As a result of that inventory, some 1,500 of our Nation's streams and rivers were identified to be eligible and to qualify for further study.

I am delighted that the Black Creek in the State of Mississippi was one of those streams so designated, and I am glad to include that in legislation and urge the Senate to identify it as a part of our National Wild and Scenic Rivers System. Hearings are going to be held beginning on June 20 by the committee of jurisdiction here in the Senate, and I am hoping that the committee will favorably consider this bill and others that have been introduced by Senators on that subject and favorably report a bill for action by the Senate.

This bill designates approximately 21 miles from the Fairley Bridge Landing to Moody's Landing of the 126 mile Black Creek as a wild and scenic river.

The Black Creek was one of 1,500 rivers or river segments listed on the Nationwide Rivers Inventory which was compiled by the National Park Service from 1978 to 1982. The rivers listed in this inventory were determined to possess outstanding and remarkable scenic, recreational, geologic, fish, and wildlife values which qualified them for further consideration for wild and scenic status.

Madam President, this bill is consistent with and further supports earlier efforts by this Senator in the preservation and conservation of our natural resources. On June 28, 1984, I introduced Senate bill 2808 designating two areas in the DeSoto National Forest in southeastern Mississippi as wilderness areas. These two areas consisted of 4,560 acres in the Black Creek and 940 acres in the Leaf area. This bill was passed by Congress on October 2, 1984, and became law. Approximately 6 miles of the Black Creek requested to be included in the Wild and Scenic Rivers System in within the Black Creek Wilderness Area.

The wilderness area designation of 1984 and the wild and scenic river designation requested in this bill have received wide support from citizens with the State of Mississippi. With citizen involvement, we have made significant progress toward the preservation of an important part of Mississippi heritage for all generations to study and enjoy.

Madam President, I urge my colleagues to support this bill designating this segment of Black Creek as a wild and scenic river, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sec-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

tion 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding at the end thereof the following new paragraph:

"(58) BLACK CREEK, MISSISSIPPI.—The segment from Fairley Bridge Landing upstream to Moody's Landing as generally depicted on a map entitled 'Black Creek Wild and Scenic River', numbered fs-58 and dated March 1986, to be administered by the Secretary of Agriculture as a scenic river area under section 2(b)(2). For the purposes of the segment designated by this paragraph, there are authorized to be appropriated for fiscal years commencing after September 30, 1986, such sums as may be necessary for the acquisition of lands and interests in lands and for development.".

RESERVATION OF LEADERSHIP TIME

Mr. COCHRAN. Madam President, I reserve the remainder of our leader's time on this side.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Madam President, I thank the Chair.

THE ROGERS COMMISSION REPORT

Mr. BYRD. The Rogers Commission has submitted its report. I commend the 14 members of the Commission, and I commend the chairman, Mr. William P. Rogers, on the excellence of the report. I also commend the President on his selection of the chairman and the members of the Commission.

The Commission did its work in a very professional manner and under great pressures. It was a very complex and difficult assignment, and the commissioners had the constriction of time to add to the many other pressures that were theirs. But they have submitted their report, and it points to the failure of both technology and management. We have heard about the failures of the infamous "O" rings and about the warnings that had been issued about those "O" rings, warnings that went back over a period of several years to 1977, and then beginning in January 1984, the failures that occurred beginning with the 10th launch and occurring through the final and fatal 25th launch.

In many instances it was shown that those "O" rings were flawed, that they did not perform properly, and then finally failed on the fateful day, on the 25th launch, which went forward even in the face of the opposition of some of the engineers, who pointed to the long record of warnings about the flaws in the solid booster rocket and who pointed to weather conditions and the lower than normal temperatures, especially temperatures lower than any in which a previous launch had occurred.

Most of all, I believe the Commission pointed to the errors in management, the safety, the judgmental errors, miscalculations, misjudgments that occurred, and to the faulty structure with respect to the decisionmaking process. So the Commission dealt with extremely difficult aspects of this whole tragedy, and yet it did so, as I have said, professionally. It did so and well.

The task now is to repair the damage and to restore the confidence in the Civilian Space Program. Its continuation is in the national interest. The program has to be revamped in order to avoid—to do the very best we can to avoid—another such tragedy.

One can never say that such a program will always be 100 percent safe. That cannot be said about anything. It cannot be said about airline safety. It certainly cannot be said about space flight. The astronauts, the men and the women who fly on these dangerous missions, know that. But they also believe that they have assurances that everything has been done that can possibly be done to insure their safety and their safe return.

That is what we must do. We cannot assure them and guarantee them that it cannot happen again. They do not ask for that. But they do expect and they should have faith in the safety procedures, in the decision procedures, in the management procedures—that will give them the assurance that everything is being done and has been done in the interest of safety.

Safety should be first. That is one of the flaws that the Commission revealed: Safety was no longer first. Safety was subordinated to the pressures of budgetary concerns, commercial ventures that would help to pay for the costs of such flights.

It was revealed that the procedures were not such that dissent could bubble up and make itself known and heard and considered adequately and in time for disaster to be avoided.

These are some of the things that the Commission brought out.

Madam President, the report underscores the need now for congressional oversight. Now that the Commission has completed its investigation and submitted its excellent report, I am confident that Congress will get on with the job. It is time that Congress got on with the job. The committees in both Houses will conduct hearings today. This must be done, and it will be done.

I am confident that, in the future, with this kind of oversight, the kind of procedures that ensure that safety is first and not somewhere down the line, will be done; and that price and budgetary matters and schedules, overly ambitious schedules, will not be the primary considerations, with safety somewhere down the line. In the future, safety must indeed be first.

I think the Commission finally points out that we must not rely on a space shuttle alone. Whether there will be another one is not for me to say at this point. That decision will be made. But never again should this country put all its eggs in one basket, as it did in this tragic instance. I am confident that we will see expendable rocket launchers used. America must get on with this job. The civilian space program must go ahead, and congressional oversight is assured.

Finally, may I say that America has just begun its space adventures. I am confident of that. The *Challenger* voyage is over, and the seven astronauts are heroes. They gave their lives that the lives of others might be saved. The *Challenger* voyage is done and the voyage of the seven astronauts is done, but America's voyage and the paths of mankind into space have really just begun.

> Man comes, a pilgrim of the universe; out of the mystery that was before the world; out of the wonder of old stars.
> Far roads have touched his feet; forgotten wells have glassed his beauty bending down to drink.
> At altar fires anterior to earth his soul was lighted, and it will burn on after the suns have wasted on the void.
> His feet have felt the pressures of old worlds and are to tread on others yet unknown, worlds sleeping yet in some new dream of God.

Mr. COCHRAN. Madam President, I commend the distinguished Democratic leader for his excellent statement.

I think it is appropriate for us all to indicate our support for the work that this important Commission, under the leadership of former Secretary of State William Rogers, has done to develop a factual report and recommendations which, in my judgment, are very thoughtful and very helpful to us in this period of questioning our named space flight.

I was asked yesterday by a high school student, who was here in Washington as part of a group learning about their Government at work, whether or not we should cancel our manned efforts in space and embark upon a new kind of space exploration program, an unmanned program, which would lessen the likelihood of loss of life.

I hope we do not do that. My response to him then—and my hope for us as a government—was that we will not make any dramatic turnaround or withdraw from our efforts to explore space with manned flight.

I think it is essential to our national security interests for us to continue this program. I am confident that we have the experience and the know-how and the scientific abilities to bring to that task, to make it safer and

to make it productive for us as a nation.

QUORUM CALL

Mr. COCHRAN. Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

RECOGNITION OF SENATOR HAWKINS

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

CRIME AND DRUGS: NEW CONFIRMATION OF AN OLD SUSPICION

Mrs. HAWKINS. Mr. President, a new Justice Department study confirms what many of us have suspected and others have known all along: There is an unmistakable relationship between drug use and the crime rate. The study focused on New York and Washington, DC, and concluded that more than half of the men and women arrested for serious crimes in these two cities were found to be using one or more illegal drugs. The study also found that more than one-fourth of those arrested were using more than one drug at the time of arrest, or close to the time of arrest.

James K. Stewart, Director of the National Institute of Justice, the Justice Department's principal research agency, described the researchers working on the study as amazed at the findings. Previous estimates of the relationship between crime and drugs have been much lower. Mr. Stewart said it had been believed that one-quarter to one-third of the persons committing major crimes might be on drugs, but the study results present an entirely new picture.

The study was based on urinalysis tests administered to 14,000 defendants charged with misdemeanor and felony crimes. Cocaine turned out to be the drug of choice in New York while PCP was the most favored drug of the Washington participants in the study.

Over all, the study found that 56 percent of the men tested in New York and 69 percent of the women tested had used drugs. In Washington, the figure was 56 percent for both sexes. Ten percent of those tested in the District of Columbia who showed no signs of drug use admitted that they did use drugs from time to time. That means that two-thirds of the people arrested for serious crimes in the Nation's Capital are drug users.

Mr. President, I do not wish to inundate you and my colleagues with a mountain of statistics. But these figures are important to all of us responsible for charting the course of national policy. The New York study revealed that 60 percent of the defendants in forgery cases were using drugs at or near the time of their arrest, 56 percent in larceny cases, 41 percent in sexual assault, and 30 percent in fraud.

In Washington, 28 percent of the serious crime defendants were found to be using more than one drug while in New York 41 percent were using multiple drugs.

The crime and drugs analogy is like the chicken and egg—which comes first? When people are on drugs, behavior patterns are modified. They do things they otherwise would not do, ranging from silly, harmless things to violent and harmful acts. Drug addiction is costly. People commit crimes because they need money to feed their habit. Sociologists point to another reason that is often overlooked. Drug use is part of a trendy lifestyle that sometimes takes people down a path to crime, and the act of committing a crime results in a tremendous high.

Earlier studies have shown the link between crime and drugs. This new Justice Department study not only reconfirms that conclusion, but makes it clear the link is even greater than we realized. To control crime, we must first control drugs.

RECOGNITION OF SENATOR HUMPHREY

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire [Mr. HUMPHREY] is recognized for not to exceed 5 minutes.

Mr. HUMPHREY. Thank you, Mr. President.

TAX EXEMPT STATUS TO ORGANIZATIONS INVOLVED IN ABORTION

Mr. HUMPHREY. Mr. President, I think it is by now well known that Senators ARMSTRONG, HUMPHREY, and HELMS, and perhaps others, will introduce an amendment to the tax bill that will eliminate the tax exempt status currently enjoyed by certain providers of abortion. I say certain because the amendment will not touch all such providers, just some, and in fact a minority.

Nonetheless, It is an important amendment. Congress clearly has the authority to deny tax exempt status to such organizations. The Supreme Court has upheld the authority of Congress in a number of contexts with respect to the hyde language, language that denies Federal funding of abortion, and likewise has upheld the authority of Congress to deny tax exemption to certain kinds of organizations.

Mr. President, we will get into, I am sure, long-winded arguments about the legality of abortion and many technical details when the amendment is brought up.

For the moment in this limited time I have this morning, I want to try to address the ethical element involved in this amendment.

Mr. President, Senators are sharply divided as are members of our society on this fundamental issue of abortion. However, I think it is fair to say that most Senators would regard themselves and state publicly that they are personally opposed to abortion, and indeed that is the view of most citizens. They are personally opposed to abortion. I think it is worth for a moment to look at the reasons that underlie that personal opposition.

What reason could anyone have to be personally opposed to abortion? If the object of the abortion were not a human being, then no one could have the least compunction or concern about abortions. I think most citizens are concerned about abortion because they know intuitively, instinctively, logically that abortion has as its object the killing of a human being. After all, the offspring of human beings are human beings. They cannot be cows or pigs or chickens. The offspring of human beings biologically must be human beings.

So I think that is what explains this concern that Senators and citizens have, such that they say in speaking about this matter, "I am personally opposed to abortion."

Why? Because I think it is fair to say that they regard abortion as taking a human life whether that taking is necessary or not.

Abortion is a very unfortunate procedure, Mr. President, and I want to discuss just very briefly, since time forces me to be brief, just what is involved in an abortion, with due respect and regard for the sensibilities of my colleagues and those who may be observing these proceedings.

Abortion has only one ultimate purpose and that is to terminate the life of the prenatal child, and the way in which that is done is really quite grotesque. A number of methods are used. The child is either mechanically broken up and disected within its mother's womb and extracted in bloody pieces, or the child is subjected to caustic solutions which burn away its skin and ultimately cause it to die and be ejected, again, from its mother's womb. It is a grisly, dastardly

thing, but that is the way it is done. It is a medical fact of life.

So I hope Senators when the amendment comes up will go beyond the legal and the technical arguments and remember the true fundamental unfortunate nature of abortion and that the offspring of human beings are human beings and it cannot be otherwise. Therefore, given the nature of abortion the question that Senators will be asked to answer in voting is this: Is the performance of abortion something which the taxpayers of our country ought to be forced by Congress to subsidize as they are today or not?

And it is the strong view of this Senator that citizens should not be forced to subsidize abortion as they are today. That is why we need to change the Tax Code. That is why we will be offering such an amendment, and clearly granting tax exempt status to organizations involved in abortion constitutes just as much a subsidy as would be a cash outlay to such organization by the Treasury.

(Mrs. HAWKINS assumed the chair.)

Mr. HUMPHREY. Madam President, the amendment has been printed in the RECORD. The Dear Colleague letters will shortly be going to our colleagues. There can be no element of surprise in this. I know it is controversial.

I think it is more than logical to offer this amendment to the tax bill. This is the first time I believe in decades we have had an opportunity to address the Tax Code in a substantial way. This amendment is germane. This is the time to do it. We are not asking Senators to make any kind of new decision. They have been faced with this question time and time again when the Hyde amendment has been before this body.

Madam President, I thank the Chair. I intend to speak further on this topic.

And I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1100

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for a period not to exceed 5 minutes.

SECRET MISSION FOR THE MX—SAVE STAR WARS

Mr. PROXMIRE. Mr. President, what is the single most widely accepted argument for the strategic defense initiative or star wars? Almost no one, except possibly the President, believes that SDI can ever provide an impenetrable shield that could protect our cities from a nuclear attack from the Soviet Union. We are now told by the National Academy of Science, our most prestigious scientific organization, that if only 1 percent of the Soviet's offensive arsenal strikes American cities from 35 to 55 million Americans would die instantly. Tens of millions in addition would suffer terminal burns or radioactive injuries. Our hospital and medical personnel could not begin to cope with such a catastrophe and many of our medical personnel would perish in the nuclear blast and intense fires. So, many Americans would perish in the weeks and months that followed such a nuclear attack. Most star wars advocates concede that there is no way the most perfect conceivable SDI system could prevent more than 99 percent of the Soviet arsenal from reaching United States cities.

Why, then do they continue to support it? Here is their answer: they contend that SDI will protect—not our people—but our nuclear deterrent. They argue that the Soviets will not dare to strike after we deploy an ABM system because it will assure the survival of a sufficient American nuclear arsenal to make United States retaliation against the Soviet Union, after a Soviet first strike, a certain fact of life. SDI proponents contend that even a missile defense that succeeds in only partially protecting our launching sites would do the job. The Soviets might be confident that they could eliminate 75 percent or even 90 percent of our deterrent, but the surviving capability would surely destroy the U.S.S.R. and the Soviets would know it. For this reason in the view of proponents, star wars would be worth hundreds of billions or even a trillion dollars or more, because it would prevent a nuclear war.

How about that, Mr. President? What is wrong with that argument for star wars? Plenty is wrong. True, such a strategy might make some sense for the Soviet Union. But for the United States? No. Here is why. The Soviet Union has more than 70 percent of its deterrent in stationary, permanent, land-based launchers. They were in precisely the same place a year ago that they are in now. They will be right there in 5 years or 10 years from now. We know exactly where they are. So we can hit these fixed, stationary missile sites with our own ICBM's.

Now on the other hand, how is the American nuclear arsenal deployed? Fifty percent of our strategic nuclear warheads are deployed in submarines. Could the Soviets strike and take out these submarines? No. Why not? Because this country has a policy of keeping many of them at sea at all times moving swiftly and invisibly in the vast oceans of the world. How about our submarine deterrent that is in port? In the event of a sudden Soviet nuclear bolt from the blue, most of our submarines could be at sea, out of port, before the Soviet warheads could strike our submarine pens. Another 25 percent of our deterrent is deployed in bombers. Some of these are in the air at all times. The rest can be airborne within minutes of a Soviet attack.

So 75 percent of our deterrent does not, by the remotest stretch of the imagination, need stars wars. An ABM defense would contribute virtually nothing to the protection of this virtually invulnerable part of our nulcear deterrent. That leaves the remaining 25 percent of our nuclear arsenal.

Isn't that deployed in stationary land-based launchers? Right now, it is. So won't this land-based United States deterrent be vulnerable to Soviet attack? Answer: Not if Members of Congress who have been pushing hard for the midgetman mobile missile have their way. The Congress has begun to move away from the sitting ducks, the stationary land-based launchers, we have begun a program to build mobile land-based missiles. If deployed and if the Congress opts for mobility for all of our land-based missiles, this part of our nuclear arsenal, too, would enjoy substantial survivability.

So where does that leave the big argument for star wars that we need it to protect our nuclear arsenal? Obviously star wars adds nothing to the widely recognized invulnerability of our submarine deterrent. It adds nothing to the survivability of our bomber deterrent. It will add little or nothing to the invulnerability of our land-based nuclear deterrent if we proceed with midgetman.

It is true that if the Congress goes along with the administration and funds the MX, SDI will at long last have a mission. If any Senator has been mystified as to why the administration has been pushing so hard for the MX, the answer should now be obvious.

The prime argument against the MX has been that it is a sitting duck: a stationary, land-based, 10 warhead missiles that would be the certain No. 1 target for the Soviet Union. And what has been the prime argument against star wars as a protector of our nuclear deterrent? It has been that the mobility of most of our nuclear deterrent already gives it great survivability. Star wars could add nothing. Ah! but if the Congress funds the MX, presto, star wars at long last has a purpose. If star wars works—that is a giant if, but if it

does—it can provide at least a measure of survivability to the MX.

Here are two turkeys, star wars, and the MX, that need each other. So what is the answer? The answer is that the Congress can provide far better survivability by choosing a mobile, midgetman land-based missile and saving the colossal cost of star wars and the MX.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1110

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR DIXON

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois, Mr. DIXON, is recognized for a period not to exceed 5 minutes.

Mr. DIXON. I thank the Chair.

HUNGER IN AMERICA—IT'S NO PICNIC

Mr. DIXON. Mr. President, today I am introducing the Hunger Relief Act of 1986. The Nation's attention has been focused recently on the increasing number of men, women, and children in this country who are homeless. Homeless Americans suffer from a wide range of problems relating to employment, shelter, health care, and basic nutrition. Certainly one of the greatest and most urgent problems is hunger.

It has been estimated that as many as 20 million Americans now suffer from hunger and hunger-related diseases. There is no other group in greater need of nutritional assistance than the homeless. Recognizing this fact, the Food and Nutrition Service of the U.S. Department of Agriculture has distributed posters throughout the Nation, informing the homeless of their eligibility for food stamps and encouraging them to participate in the program.

The other night I saw a public service announcement on television inviting the needy to take a place at America's abundant table. I doubt that many people living on the streets were able to see the invitation, but it does point to the fact that the Department has acknowledged that participation of the homeless in the Food Stamp Program embodies one of the goals of the Food Stamp Act: To "promote the general welfare and to safeguard the health and well-being of the Nation's population by raising the levels of nutrition."

Last month, I wrote to the Secretary of Agriculture, asking that he give favorable consideration to a proposal which was submitted by Martha's Table, a nonprofit organization which operates a soup kitchen and mobile meals service in the District of Columbia. I was joined on that letter by Senators HEINZ, LEAHY, HARKIN and D'AMATO. The proposal would allow homeless food stamp recipients to use their food stamps to purchase prepared meals at Martha's Table. The food stamps would then be used by Martha's Table to purchase bulk foods used in the program. In this way, the homeless would have access to a hot, nutritious meal, and the nonprofit soup kitchen could make its resources go a little further. I am pleased to report that the Department has decided to go ahead with such a demonstration in at least three localities across the country. The request for proposals will appear in the Federal Register soon.

It is pretty difficult for the homeless to prepare a hot meal while living on a heat grate or under a bridge. The food that they are able to purchase is more expensive because of the waste which results. You cannot buy a commodity and refrigerate it in the summertime if you live on the street. Furthermore, it is difficult to buy a few slices of bread as opposed to a whole loaf, and a few pats of butter rather than a whole stick. The food stamp dollar only goes so far. If you have to buy more than you need of one time, it limits the variety you can purchase. Although it is within the guidelines for a food stamp recipient to use food stamps to buy a cold, prepared sandwich, that is not generally known either by grocery store check out people or food stamp users. In any event, that would be a much more expensive purchase than the $1 a balanced meal would cost in a soup kitchen.

Currently, the Food Stamp Act makes it impossible for the homeless to effectively benefit from a program that was designed to meet the needs of the most destitute in our society. Therefore, it is just plain common sense to tailor the program for those we want to serve.

Many eligible homeless persons do not receive food stamps because they are unaware of the availability of such benefits or are unable to complete the requisite application. In Illinois alone, over 115,000 persons below the poverty line do not receive food stamps. Nationally the figure is approximately 14 million. Continuing outreach activities is critical if we are to provide necessary food for such persons. But if they are unable to cook or store the food, then it is not the most cost-effective use of the limited food stamp dollars.

Today, I am introducing the Hunger Relief Act of 1986 to help alleviate hunger among the homeless by improving existing Federal nutritional programs.

Specifically, the bill amends the statutory definitions of food, household and retail food store in the Food Stamp Act of 1977 to allow the homeless to purchase prepared meals from government-approved nonprofit shelters or eating establishments. It also provides for Federal reimbursement for State-initiated outreach activities that inform the homeless of the benefits the Food Stamp Program holds for them. Finally, it calls for increased authorizations for storage and distribution of surplus commodities under the temporary Emergency Food Assistance Program.

Implementing these changes is the most efficient way, dollar for dollar, to respond to the nutritional needs of the homeless. It enables nonprofit organizations, like Marillac House in Chicago or the Salvation Army in Rock Island or Lessie Bates Davis Neighborhood House in East St. Louis and similar organizations throughout the country, to meet those needs with respect for the human dignity of homeless persons.

Indirectly, the bill facilitates solving the problem of homelessness by encouraging nonprofit groups to provide shelter without concern about the additional cost of providing meals for the homeless. These shelters may become centers where prospective employers and employment programs can make contact with those in need of jobs.

In short, this bill offers a unique opportunity to begin solving the most urgent problem of the homeless in a straightforward manner without creating new entitlements or new programs. It also increases the effectiveness of the Food Stamp Program. I urge my colleagues to take a good look at this important first step toward making existing programs more responsive to the needs of the people they are meant to help and to support this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FOOD STAMP OUTREACH TO HOMELESS INDIVIDUALS.

(a) OUTREACH PERMITTED.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting after "Act" the following: ", except food stamp outreach activities directed at households that do not reside in permanent dwellings and households that have no fixed mailing addresses".

(b) ADMINISTRATIVE COSTS.—The first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking out "and (4) fair hearings" and inserting in lieu thereof "(4) fair hearings, and (5) outreach activities directed to the homeless".

SEC. 2. MEALS SERVED TO HOMELSS INDIVIDUALS.

(a) DEFINITION OF FOOD.—Section 3(g) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)) is amended—

(1) in clause (1), by striking out "and (8)" and inserting in lieu thereof "(8), and (9)";

(2) by striking out "and" at the end of clause (7); and

(3) by inserting before the period at the end thereof the following: ", and (9) in the case of households that do not reside in permanent dwellings and households that have no fixed mailing addresses, meals prepared for and served by public or private nonprofit establishments that feed such individuals, by private establishments that contract with the appropriate State agency to perform such services at concessional prices, and by public or private nonprofit shelters in which such households temporarily reside and which do not require such households to pay more for such meals than other individuals are required to pay for such meals."

(b) DEFINITION OF HOUSEHOLD.—The last sentence of section 3(i) of such Act (7 U.S.C. 2012(i)) is amended by inserting after "battered women and children," the following: "individuals who do not reside in permanent dwellings or have no fixed mailing addresses,".

(c) DEFINITION OF RETAIL FOOD STORE.—Section 3(k)(2) of such Act (7 U.S.C. 2012(k)(2)) is amended by striking "and (8)" and inserting in lieu thereof "(8), and (9)".

(d) REDEMPTION OF COUPONS.—The first sentence of section 10 of such Act (7 U.S.C. 2019) is amended—

(1) by striking out "and" after "battered women and children,"; and

(2) by inserting after "blind residents" the following: ", and public or private nonprofit establishments, private establishments that contract with the appropriate State agency, or public or private nonprofit shelters that feed individuals who do not reside in permanent dwellings and individuals who have no fixed mailing addresses".

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR FOOD STORAGE AND DISTRIBUTION COSTS.

Section 204(c)(1) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "$50,000,000 for each of the fiscal years ending September 30, 1986, and September 30, 1987," and inserting in lieu thereof "$50,000,000 for the fiscal year ending September 30, 1986, and $100,000,000 for each of the fiscal years ending September 30, 1987, through September 30, 1989,".

Mr. DIXON. I thank the Chair.

Mr. President, I yield the floor and I would be glad to suggest the absence of a quorum if that is appropriate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR SASSER

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. SASSER], is recognized for a period of not to exceed 5 minutes.

Mr. SASSER. I thank the Chair.

CATASTROPHIC HEALTH CARE INSURANCE FOR THE ELDERLY

Mr. SASSER. Mr. President, older Americans today live with a constant fear of being stricken by a catastrophic illness. They fear catastrophic illness will leave them dependent on others for the rest of their lives. They fear that they will be left impoverished by the tremendous costs of long-term care. Such fears I submit are not unwarranted on the part of many older Americans.

With Americans living longer today—and we thank God for that—the likelihood of more persons being afflicted by catastrophic illness dramatically increases. Those over age 85 are in the fastest growing age group in the country. This age group is expected to triple in size between 1980 and 2020 and increase seven times between 1980 and 2050. The aging of our elderly population, while a major health care accomplishment, poses a serious dilemma. The incidence of chronic disabilities and the need for long-term care is far greater among those 85 and older. Indeed, in 1984, the National Center for Health Statistics reported that 1 in 3 Americans over age 85 required some form of intensive long-term care.

Clearly, the demand for long-term care will grow dramatically over the next few decades. The number of nursing home beds needed in this country is expected to increase 100 percent from 1980–2000. In my own State of Tennessee, the increase will be nearly 150 percent because we have a faster growing elderly population that other areas of the country.

Yet, there is a serious question whether the increasing number of those in need of long-term care will be able to pay for that care. Even more tragic, the options available for financing long-term care are virtually nonexistent.

Medicare, designed to protect the elderly from a growing burden of health care costs, is an acute-care, hosptial-oriented program. Medicare does not cover chronic, long-term care. It covers only short-term stays in skilled nursing homes. Yet, facts show that most people who need nursing home care need it for many months and often years.

Often the only option that is left for the elderly is to pay for long-term care out of their own pockets. And when their pockets are empty, then and only then can they turn to Medicaid for assistance. There is something wrong with a health care system that forces people to impoverish themselves before it will help them.

Paul Willging, executive vice president of the American Health Care Association, has pointed out the shortcomings of our present system. He notes:

> What we've got in place is the world's worst program. We tell Americans to divest themselves not only of their assets, but of their human dignity as well, and then we will take over. So what Americans have striven for all of their lifetime, which is independence—not being a burden on themselves, their spouses, their children, the State—we tell them, only by giving up that independence do we as a society have any responsibility for them.

Mr. President, I can cite example after example of older citizens in my State who have been told that in order for them to qualify for help under Medicaid, they must totally exhaust all of their assets, impoverish themselves, sell their home, and use those assets to cover nursing home care, and only then can they secure Medicaid support.

Such a system, Mr. President, should not and cannot be allowed to continue. We must begin a dialog to address these problems. That is why I have recently introduced legislation which will offer protection to millions of Americans from the financial ravages of long-term care and other medical services.

My bill, S. 2358, is a companion measure to H.R. 4287, introduced in the House by Chairman CLAUDE PEPPER. It provides for a new Medicare part C which would be available as an option to current and future medicare beneficiaries who enroll in both Medicare part A and part B. By paying an annual premium that is significantly less than the average amount senior citizens pay per year out of their own pockets for health care services, beneficiaries would for the first time, enjoy comprehensive coverage for catastrophic health care costs such as nursing home care and extended hospital stays. Other major medical expenses of the elderly such as routine physician visits and dental, eye, and hearing care are also covered in my legislation.

Mr. President, I firmly believe this is a matter of critical importance to all Americans, not just the elderly. It is time for us to provide those facing catastrophic illness a sense of security at a time of tremendous physical and emotional suffering. I urge my colleagues to join my efforts to fashion a solution to this growing problem.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR QUAYLE

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana [Mr. QUAYLE] is recognized for a period not to exceed 5 minutes.

THE SALT II TREATY

Mr. QUAYLE. Mr. President, yesterday I spoke out that if, in fact, critics of the administration's decision to go beyond the SALT II limitations later on this year insist upon trying to tie the President's hands statutorily, that I would urge the majority leader simply to bring up the SALT II treaty for Senate approval and see what the votes are, bring the treaty up for ratification and have a debate on it.

If it falls, it falls, and the debate will be over.

But this is not the approach many of these critics are trying to take. They know that they probably do not have two-thirds of the Senate necessary to ratify the treaty under our constitutional process. Therefore, they are trying to get around the two-thirds of the Senate requirement by using a majority vote in the House and a majority vote in the Senate to prevent any funding of military activities that might bring the United States into technical violation of some of the guidelines and numerical limits that are in the treaty.

I suppose you can argue, Mr. President, that with the powers it has, Congress can do anything. But this flies in the face of what the treaty ratification process is all about.

I certainly hope that these critics do not persist in this type of maneuver. But if they do, I think it is incumbent upon the Senate to take up the treaty and see where the votes are. I certainly will be pushing for that.

Our Founding Fathers rightly understood how serious the obligations of a treaty are. Treaties can impose special obligations on this country including our having to go to war for other countries. For example, the NATO Treaty and Alliance. If there is an attack upon NATO, it is an attack upon the United States.

Mr. President, assuming new treaty obligations is a very serious undertaking. The Founding Fathers made special arrangements for the ratification of any kind of a treaty and those special arrangements said that, "No, it is not going to be half of the House and half of the Senate, a simple majority. We really believe that those Senators, one-third being up every 2 years, ought to not have just a majority vote but a supermajority, and in this case two-thirds of those voting, to assure careful review of the treaty being ratified."

It is an extraordinary responsibility that is placed upon this body to look at treaties, and I really think it would be quite repugnant to this Chamber and the Members of the Senate if, in fact, efforts were made to get around the treaty ratification process by simply going with a majority vote.

Furthermore, Mr. President, our Founding Fathers knew that a treaty took two to tango. The two in this case would be the executive branch and the legislative branch. The normal course of ratification is where the executive branch negotiates the treaty, wherever that treaty may be—the Soviet Union, Canada, Central America, wherever that treaty may be—the executive branch negotiates that treaty and once that treaty is negotiated and finalized, it is submitted to the congressional branch, the United States Senate, for approval.

In other words, the executive branch asks the legislative branch, specifically the Senate, to concur with the treaty that has, in fact, been negotiated. It takes two-thirds of the Senators voting to approve that treaty.

All the nations in the world know what our treaty ratification process is. There is no secret concerning what our constitutional requirements are for ratifying a treaty.

□ 1130

This is not something that we discuss when we are confronted with treaties perhaps that we do not like. But it is something that has been with us for years. It was reaffirmed by the Vienna Convention on the Law of Treaties, which went through a very deliberate review of what were the processes of all nations for ratification of treaties. The world knows what ours is. I think it would really be a questionable tactic to try to circumvent the treaty ratification process. It would certainly raise a question with the countries around the world, both our allies and our enemies, as to what is going on with our political process. Is the political process of this country stable or is it not? Are we going to abide by our constitutional requirements or are we not? I think we should. I think those who understand the Constitution's provisions for treatymaking and the concerns that prompted our Founders to draft them recognize the folly of trying to circumvent a treaty ratification process by a simple majority vote in both the House and the Senate. If in fact that would happen, you would have the Congress as a whole ratifying treaties without the consent of the Executive, without the Executive submitting the treaty to the Senate for ratification, and you would subvert a process that has served us very, very well.

At risk are the Executive's constitutional treatymaking powers, the Senate's treaty-approval role, and certainly the respect and credibility that this Nation has in going through a very deliberate political process on matters of great importance.

If the supporters of continuation of SALT are really serious about extending or modifying SALT, the strictly constitutional powers, a debate over SALT's possible Senate ratification is the only serious course of action. And there we can find out whether that treaty has the two-thirds necessary to see its approval. If not, then we proceed; we clear the decks, and we go elsewhere to promote the arms control process, but we move forward under the processes that have served us quite well for over 200 years.

Mr. President, I suggest the absence of a quroum.

The PRESIDING OFFICER. The clerk will call the role.

The bill clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR MURKOWSKI

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska [Mr. MURKOWSKI] is recognized for a period not to exceed 5 minutes.

Mr. MURKOWSKI. I thank the Chair.

UNITED STATES-JAPAN SERVICES TRADE

Mr. MURKOWSKI. Mr. President, a great deal has been said and a good deal written about our progress in trade matters with our friends in Japan, and last Thursday, as chairman of the Subcommittee on East Asian and Pacific Affairs, I had the opportunity to chair a very important hearing on United States-Japan services trade. The two previous hearings which had been held in my subcommittee concerned nontariff barriers to trade in transportation services. The hearing on June 5 focused on these specific areas: Construction, engineering, and financial services—including banking and insurance.

I should like to take this opportunity, Mr. President, to share with my distinguished colleagues some graphic representations of the changing nature of our trade with Japan. What we have before us is an opportunity to compare some specifics. Over an extended period of time we have seen about six action plans that have been announced by Japan in cooperation with our Government since January 1982, and I would refer, Mr. President, to charts on my left, charts A and 2 specifically.

I would ask, Mr. President, that you notice that action and trade package plans seem to have a rather unique rhythm to them. First, we saw the trade package announced in January 1982, a second trade package in May 1982. We had several trips to Tokyo to discuss implementation of the measure, and then in January 1983, we saw a third trade package, and those all preceded the first Reagan-Nakasone summit meeting of November 1983, when the question of market access in Japan was noted and highlighted.

In other words, Mr. President, the accessibility to markets in Japan was our major concern.

A fourth package was announced as I indicated in October 1983, which preceded the President's meeting in Tokyo later on. The fifth package appeared shortly before a visit of Vice President BUSH to Tokyo, in May 1984. The most recent report of the Maekawa Commission was announced just before the Reagan-Nakasone summit at Camp David this last April. We had intermediate meetings, of course.

I would leave it to my distinguished colleagues to draw conclusions from this chart about the relationship between Japanese proposals and the diplomatic bargaining that took place at the meetings.

Next, Mr. President, I call your attention to chart B, which details the growth in our current account deficit dating back to the time of the first action plan. The current account balance refers to the net balance of international payments. It is the sum total of all types of trade, including goods, services, and investments. In 1982, the current account deficit was $15.8 billion. Now, 5 years and these six action plans later, our overall deficit in trade with Japan has tripled. Today, this figure is $45.2 billion. It is anticipated to exceed $55 billion in 1986.

So the point, Mr. President, is that in spite of the efforts, the meetings, the conversations, and the written record we have seen the trade deficit increase dramatically over a short period of time.

Now, included in these figures is the disturbing increase of our deficit in service trade with Japan. You will see this on the last chart, chart C. The service trade includes insurance, banking, brokerage, utilities, transportation, diversified and other financial services.

I would ask that you note over the past 3 years we have gone from a service trade surplus of $1.3 billion in 1983 to a deficit of $1.8 billion in 1985. Between 1984 and 1986, the deficit in service trade increased 166 percent.

Well, Mr. President, it is obvious that the charts show little progress in our trade with Japan. Not only is there a serious continuing deficit in our trading relationship with Japan that extends beyond trade and manufactured goods and now to services, which is the fastest growing and most productive part of our economy, there is also a disturbing pattern of response to this shift on the part of the Japanese Government.

Mr. President, as I have noted, for some time we have had this deficit in our trade of manufactured goods with Japan. Now we have seen that we have an increasing debt in our service trade. And for the first time in 74 years the United States has become a debtor nation. Basically, there is more foreign ownership in the United States today than there is United States ownership overseas.

I commend Prime Minister Nakasone, who has sincerely tried to address this problem. He has been responsive in indicating that the Japanese economy must turn around and be a greater consuming nation and consume more within their country and export less. But the Japanese private sector and the Japanese bureaucracy have not cooperated, and this is a subject to which Congress I think must pay greater attention. We must have the same access to Japanese markets as Japan has enjoyed in the United States.

□ 1140

Mr. President, on Thursday I am going to be requesting a special order to review the specifics on insurance, banking, and construction that came out of the hearing which was held earlier this week. I think that what we must address is appropriate corrective action, and I would propose to do that at a later time, under a special order.

I think one can make the case quite clearly that we have been debating the seriousness of this matter for an extended period of time. We have reviewed in each case when a summit meeting was about to be held the reality that something must be done. But make no mistake about it: The facts speak for themselves. We have made very little progress to date.

Mr. President, I ask unanimous consent that material on the Japanese action plans I have referred to be made part of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

January 1982, first trade package announced.

May 1982, second trade package.

June-November 1982, several staff level trips to Tokyo to discuss implementation of these measures.

January 1983, third trade package. First Reagan/Nakasone Summit. Need for market access in Japan noted.

October 1983, fourth trade package.

November 1983, President Reagan visits Tokyo. Launches an intensive effort to address major bilateral trade issues. Vice President Bush coordinates for U.S.

January-April 1984, followup negotiations.

January 1984, NTT Agreement renewed.

April 27, 1984, fifth trade package. Addresses several key issues.

May 1984, Vice President Bush visits Tokyo. Welcomes package but notes we have a long way to go. "Yen-dollar accord" announced.

January 1985, Reagan/Nakasone Summit in California. The sectoral initiative launched.

January 28-29, 1985, Undersecretarial delegation visits Tokyo to begin sectoral negotiations.

June 25, 1985, tariff cut portion of the Action Program announced.

July 30, 1985, Action Program announced in detail.

October 15, 1985, measures to stimulate domestic demand in Japan announced.

January 1986, joint report on Med/Pharm Moss issued.

April 7, 1986, Maekawa Commission Report made public.

April 8, 1986, further steps to stimulate domestic demand in Japan approved by Cabinet.

April 12-14, 1986, Reagan/Nakasone Summit at Camp David.

May 4-6, 1986, Tokyo Summit.

May 8, 1986, transportation machinery Moss announced.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 12 noon, with statements therein limited to 5 minutes each.

Mr. MURKOWSKI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1150

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Tennessee is recognized.

SDI

Mr. GORE. Mr. President, my last two speeches on the subject of the Strategic Defense Initiative have covered two aspects of its cost: First of all, its cost effectiveness, that is, its cost relative to possible Soviet countermeasures, and second, its absolute cost in dollars and cents as best we can estimate it at the present time. My comments today will deal with a third approach to the issue of cost: opportunity costs; that is to say, the value of those things which this country might lose, if the President insists upon pursuit of the Strategic Defense Initiative as a supreme value.

I am speaking here, of course, about the possibility that we might lose not only the chance to work out certain specific kinds of arms control arrange-

ments during the balance of the Reagan administration's term, but of the possibility that we will lose important arms control options even in the next administration. Just a few days ago, for example, the Soviet Union surfaced a new initiative in Geneva—one which was reported in some detail by the press. According to these press accounts of this proposal, what the Soviets have said in essence is: First, our position until now has been that there can be no reduction in offensive strategic weapons until the United States agreed to give up any kind of defensive research relating to the Strategic Defensive Initiative; second, the Soviets are saying we are prepared to alter this approach by allowing deep reductions in offensive forces, 50 percent reductions, if the United States will agree to first tighten up certain vague provisions in the ABM Treaty, and second, guarantee that the ABM Treaty will remain in force for a period on the order of 15 to 20 years.

So far, there has been relatively little public discussion of this development, mainly because the President's decision to get rid of SALT limits has preempted everyone's thoughts. And, of course, we are now going to have a battle in both Houses of Congress to get the President to change his mind about SALT. But it would be a mistake—even in the midst of all this—to lose sight of the potential importance of what the Soviets have said.

Naturally, the latest Soviet proposal could prove to be hopelessly unworkable: Whether in terms of the details about offensive reductions, in terms of how to rework portions of the ABM Treaty, or in terms of the length of the guarantee they want written into the treaty against its sudden abrogation. In my opinion, however, what matters at this point is that the basic structure of the Soviet proposal is—for the first time—correct in general principle.

The Soviet proposal generates powerful questions that go to the heart of the negotiating problem. The administration is being asked to weigh its priorities. Would the United States, if we really want deep cuts in strategic offensive forces, be prepared to pay in the form of at least temporary constraints on the Strategic Defense Initiative?

We might respond to this proposition with all sorts of questions, designed to establish whether cuts in offensive forces would be fair, and whether constraints on the Strategic Defense Initiative would be reasonably designed so that important research could still be pursued. But to ask these questions at all, we will have to express more than mere curiosity, or there will be few answers. We will have to express a willingness, if the conditions are right, to have the Strategic Defense Initiative placed on the bargaining table, placed there not just for purposes of explaining it to the Soviets, but for purposes of trading constraints on SDI for deep cuts in offensive missiles.

That issue is likely to split this administration down the middle again. Moderates will want to find out where this line of inquiry could take us, while those for whom SDI is the ultimate value, will want no part of anything that could lead to restraints. Already, the Secretary of Defense has let us know which side he is on; he objects to any proposal that would limit SDI in any fashion. And lately, to judge by the President's decision on SALT II, the Secretary's track record at getting what he wants has been improving.

If this latest Soviet proposal is rejected out of hand, then we would be right to count, among the costs of SDI, the opportunity to do serious arms control during the remainder of President Reagan's tenure. And as for the time beyond, much will depend upon how other aspects of the President's policies play themselves out: Whether the decision to do away with SALT limits is carried out in the fall; whether that destroys chances for progress at the next summit, if, indeed the summit goes forward; whether a new round of United States-Soviet arms competition gets underway at levels of weapons well ahead of today's; and whether the ABM Treaty, already weakened during this administration, survives to its end as an effective document.

Worst case outcomes to all these questions are not at all unthinkable. How could they be, when some of the best talent in this administration is working hard to bring them about? And should this be the case, then, among the opportunity costs for SDI, we might be entitled to count the chance to pursue any arms control at all, even were the present administration to be followed by one fully committed to such an effort.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

AN AMERICAN SUCCESS STORY

Mr. PRESSLER. Mr. President, I recently had the distinguished honor of addressing the graduating class of the Vietnamese-American Entrepreneur Training Program [VETP] at Georgetown University. The 42 graduating students, along with their instructors, should serve as an inspiration to all of us.

The goal of the Vietnamese-American Entrepreneur Training Program is to build on the experience and education of new immigrant Americans by training these individuals to enter the mainstream of American business and generate opportunities for others. Most of these students have been well educated in Vietnam, but lack the understanding of how to transfer these skills to American business. Through this bilingual program, students are able to learn approximately 1 year's worth of material in 4 months. They are instructed in accounting, finance, marketing, and taxation for small businesses.

Equally important to this program are its sponsors—the people and institutions that care enough to reach out and help these special Americans. I want to commend Georgetown University for sponsoring this one-of-a-kind program, and the Fairfax County Department of Manpower Services and Howard University's Small Business Development Center which have provided funding and support for the Vietnamese-American Entrepreneur Training Program. The people at these institutions have made a difference. Because of their involvement, these new Americans will receive valuable training making it possible for them to own a small business.

Mr. President, one man in particular deserves a lion's share of the credit for this program. Pho Ba Long, the VETP director, is that man. I met Pho Ba Long in 1967 while I was serving in Vietnam. He was then dean of the School of Business and Government at Da Lat University. He and his family came to America in 1975 and have truly become an American success story.

Long's wife Clare has a master's degree in business administration. His oldest son, Hong-Phong, will graduate from Georgetown's School of Foreign Service this spring. Le Thu graduated from Marymount College and is beginning a job at the Department of Commerce shortly. Hong-Lan, the third son, will graduate from the U.S. Air Force Academy next May. Hong-Quant is in his second year at the University of Virginia studying engineering. Long-Chau and Hong-Ming, the youngest two children, are 16 and 13 years old. This is an impressive educational background for any family. Yet, the Longs achieved this against great odds—the children did not speak English. They had to master the difficult English language and adjust to a new culture.

Pho Ba Long's total dedication to the VETP Program can be seen in a recent letter he wrote about the program. I ask unanimous consent that Pho Ba Long's letter be placed in the RECORD at the conclusion of my statement.

The people and institutions which have devoted their time and talent to the Vietnamese-American Entrepre-

neur Training Program receive little recognition for their services. That is why I wanted to take this opportunity to pay tribute to them. The Vietnamese people have a proverb, "If the people are rich, the country is strong." And as one of the students said at graduation, "Together we and our friends are making our people rich, ourselves rich, our community prosperous, and this country stronger."

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

A LETTER FROM PHO BA LONG, VETP PROGRAM DIRECTOR

Researchers have emphasized a number of qualities that distinguish entrepreneurs from the general population and even from professional managers. Such qualities seem to be most apparent in the need for achievement, the willingness to take risks, the high degree of self confidence and the need to take refuge from any various environmental factors.

Professor Russel M. Knight of the University of Western Ontario has identified a number of environmental factors that "push" people to found new firms and labeled such entrepreneurs as "refugees". Knight recognized the foreign refugee, the corporate refugee, and other refugees such as the parental, the feminist, the housewife, the society and the educational refugee.

Among foreign refugees there are individuals who escape the political, religious or economic persecutions of their homeland to more democratic countries. Frequently, however, such individuals face discrimination or handicap in seeking salaried employment in their country of asylum. To safeguard their quest for freedom and independence many decide to go into business for themselves.

Starting from this identified need for "refugee entrepreneurship" CIPRA, under the guidance of Rev. Harold Bradley, initiated the VETP pilot program in the fall of 1984.

Rev. Bradley's great merit in creating this program can be seen in parallel with Abraham Lincoln's principle of government by the people, of the people and for the people. (It is interesting to note that most East Asian people are imbued with this "doctrine of the three principles of the people" that they attributed to Sun Yat Sen, the Father of the Republic of China).

Rev. Bradley picked an old teacher among the refugees from Vietnam, suggested to him that he write a proposal to the Small Business Administration, assisted him in conducting an assessment of needs within the refugee population in Metropolitan Washington, provided him the support to apply the controversial bilingual method of instruction, and most importantly, accorded him confidence by delegating the entire training and management of the program to its refugee program director and his refugee instructors.

Thus, this training program for refugees, by refugees, and of the refugees themselves, derives its uniqueness from the essence of Lincoln's democratic principles.

However, a second story has developed. Within a year, and with the third consecutive session, the program expanded to become a people to people movement within Georgetown University and the Washington metropolitan community.

American businessmen and professionals, joined by refugee business owners, participate in the training process. Corporate Vice Presidents, field reps, franchisors, bankers and attorneys, seem to enjoy speaking at weekend seminars. This has been a most valuable contribution to the program.

Almost imperceptibly from two Georgetown University Master of Business Administration (GU-MBA) student volunteers who devoted a few hours a week to assist the twenty odd refugee trainees in the pilot program, the number of volunteer consultants has swelled to seventeen. This represents fifteen percent of the GU-MBA student body who each Saturday, for fifteen consecutive weeks, provide one full classroom hour plus unknown counseling time.

In my twenty-five years of teaching, and eleven years of refugee work, I have never enjoyed such a moment of quiet satisfaction as to contemplate the moving sight of bright, successful Americans committing themselves to work with the newest of their fellow citizens.

Lincoln's democratic principle seem to embrace the young and the new Americans, not only in government, but in the universal convergence of humanity predicted by Teilhard de Cardin!

CONGRESSIONAL CALL TO CONSCIENCE

Mr. LONG. Mr. President, I am pleased again to have the opportunity to participate in the Congressional Call to Conscience vigil on behalf of Soviet Jewry.

On a number of occasions, I have spoken to this body of the desperate situation of Yuli Kosharovsky, a refusenik I adopted. A radio electronics engineer and a teacher of Hebrew, Yuli has been denied permission to leave the Soviet Union since 1971. During that time he has been the target of unrelenting intimidation and harassment.

At this time, I would like to take the opportunity to inform my colleagues of the plight of another refusenik, Boris Agarkov. Boris visited Israel in 1966 as part of a four-man Russian delegation but when he and his family applied for a visa to go and live in Israel this was refused. Both Boris and his wife, Geralina, lost their jobs as a result of the request. Boris did work for a short time delivering railway tickets but was, until recently unemployed again. Besides financial worries, Boris and Geralina have additional cause for concern since their son Dimitri will no doubt have to join the army when he finishes college.

Dimitri suffers from a gastric ulcer. He did well in his course on water supply for railways. He was not, however, allowed to complete the course and was expelled in early 1985 as a "backward student" because of his marriage to an American.

In March, Dimitri applied for an exit visa but was again refused. His wife was not allowed to enter the country to visit him.

Boris, after months of unemployment, has found work at their garage. He does other jobs when he can in order to make enough money for his family and him to survive.

Geralina has a condition and her health continues to deteriorate. In March of 1986, visitors reported that she was confined to her bed after a serious attack.

It is essential, Mr. President, that we not let ourselves forget about the plight of people like Yuli Kosharovsky and Boris Agarkov. We must continue to pressure the Soviet Union to abide by the Helsinki accords and let these individuals and their families emigrate.

UNDERCOUNTING NATIVE AMERICANS

Mr. CRANSTON. Mr. President, in our society we raise our children to "count for something." In parts of the country, children are enjoined from being "no-count." And no one wants to be a part of the uncounted masses.

Because so much depends on our census counts, we, of course, want them to be accurate. Census data is very important in many ways, not the least of which is in determining a State or locality's share of funding for those Federal programs aimed at target populations. Undercounting target groups in the census can cause great hardships among those who depend on the Federal funding services these programs provide.

One important example is the allocation of the very limited funds available for health care needs of American Indian population. At best, the amount provided has never been adequate to meet the basic health needs of our Native American population, who suffer from health problems as servere as any identifiable group in our population. For example, the death rate of Native Americans from pneumonia is 14 points higher than the general population and the rate for tuberculosis is 7 times higher.

While working to improve the health programs that serve California's Indian population, I have long suspected that the BIA Indian service population in my home State is significantly undercounted.

California has, by any count, more Native Americans, members of more different tribes, and more reservations or rancherias than any other State.

By undercounting this population, officials have denied it a fair share of the available funds for health care.

Some official confirmation of my suspicions is found in a document which recently came into my possession. This internal memo from then Assistant Secretary of the Interior for Indian Affairs, Ken Smith, dated January 1984, was sent to the Sacramento Area Director of the Bureau of Indian Affairs. Concerned about the problem of undercounting, the memorandum

orders the BIA area office to undertake a total reassessment of the California BIA Indian service population estimates to assure use of the on or near reservation concept.

As often happens in the Federal bureaucracy, the Assistant Secretary issuing the directive is gone, and the problem remains.

Mr. President, as encouragement to the new Assistant Secretary for Indian Affairs, Ross Swimmer, and to my colleagues on the Select Committee on Indian Affairs and Appropriations Subcommittee on Interior and Related Agencies to rectify this situation, I ask unanimous consent that the memorandum dated January 31, 1984, be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

[Memorandum]

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, January 31, 1984.

To: Sacramento Area Director.
From: Assistant Secretary—Indian Affairs.
Subject: California Service Area Population Count.

There has been brought to my attention a concern that the BIA Indian service population in California may be significantly undercounted. If this is true, certain individual Indians may not be receiving BIA services to which they are entitled and tribes may not be obtaining funding from the State of California or other Federal agencies for which they qualify.

As you know, the Bureau justifies many of its requests for appropriations on the basis of Indians living on or near reservations, except for those residing in the states of Alaska and Oklahoma. Annually, we develop a Bureau report on "Indian Service Population and Labor Force Estimates." It is my intent that in the future we are certain we are providing California data for this report and related purposes on the same basis used in other parts of Indian country.

Therefore, I am directing that you undertake a total reassessment of the California BIA Indian service population estimates assuring use of the "on or near reservation" concept. For overall guidance you are to follow that provided in the social service regulations under 25 CFR 20.1(r). More specifically, it has been recommended, and it is my belief, that in must instances the "near reservation" population in California could well be defined as they located within the county in which the reservation or rancheria is located. However, it is recognized this may not be a realistic approach in all instances, and therefore you should feel free to use more appropriate factors where circumstances dictate. In either case, it is important that there be a clearly documented definition established for each Federally recognized group within the state.

In undertaking this exercise, I cannot emphasize sufficiently the importance of working closely with the tribal governments to achieve as accurate a count as possible. Work on this should commence immediately and be concluded as soon as possible, although I'm reluctant to estalish a specific date in view of the large number of tribal groups with which you must deal. I am, however, asking for a bi-monthly progress reports commencing 3/1/84 to be sent to this Office, Attention: Chief, Division of Tribal Government Services.

The efforts of you and your staff in giving this matter priority consideration is appreciated.

KEN SMITH.

ANATOL MICHELSON: THE TRAGEDY OF THE DIVIDED SPOUSES

Mr. DOLE. Mr. President, tomorrow at 11 a.m., at the Embassy of the Soviet Union, a fine man will show his love and commitment to a wife and daughter he has not seen in three decades.

Thirty years ago that man, Anatol Michelson, fled the Soviet Union in search of freedom. A prominent scientist and inventor, Michelson—like so many other creative people over the years—found he could no longer tolerate the oppression and intellectual sterility of the Soviet state. To survive, he had to be free.

While on a trip to Western Europe, he decided to remain in the West, where he could breathe the fresh air of liberty and contribute to mankind in a way commensurate with his vast talents.

Not surprisingly, the Soviet state responded to this brave man's desire to be free in the manner calculated to hurt him the most. It denied to his wife and child their right to join him in the West, as they wanted. Their refusal has persisted for 30 years, through cold war and détente.

Meanwhile, Anatol sought to build a life for himself. He came to the United States in 1963 and established his home here. He became an American citizen, eventually settling near Sarasota, FL, where he continues to make his home. His talents made him a prominent member of our scientific community, and he counts among his many accomplishments more than 20 patents.

But through all these years, Anatol's No. 1 goal was to win freedom for his wife and child—to reunite with them in this, his chosen country.

There have been many efforts over the years to assist Anatol in winning freedom for his family. Many in the Senate and in the House of Representatives have urged the Soviets, through letters, telegrams, and personal representations, to allow the Michelson family to leave the Soviet Union to no avail.

Through all these years, and to all the pleas, the Soviet state has given a simple and brutal answer: Nyet—no, no to Anatol Michelson's requests, no to his family's rights, and no to the simple justice of this case.

Tomorrow, Anatol Michelson will again request the Soviets to grant his family their rights and let justice be done. He will go to the Soviet Embassy at 11 a.m. and stand in silent vigil for 3 hours. He is not going to get arrested and make headlines—he will stay far enough away from the Embassy entrance to meet the city's code. He will be there, instead, in the hope that there is enough humanity left in the Soviet system to respond to his presence with some message of hope.

I hope that many of my colleagues will have the time to go by the Embassy and lend their support to Anatol. His cause is the one we always espouse on the floor of the Senate. It is the cause we always espouse in our speeches. It is the cause we seek to serve in our public careers. It is the cause of freedom and human dignity.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2 p.m.

The Senate, at 11:59 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COCHRAN].

□ 1400

TAX REFORM ACT OF 1986

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 3838) to reform the Internal Revenue laws of the United States.

The Senate resumed consideration of the bill.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

MOBILE REGISTER

Mr. DECONCINI. Mr. President, I want to address for approximately 2 minutes something that does not deal with the tax bill, but to me is most reprehensible. It is an editorial dated the 6th of June in the Mobile Register, Mobile, AL. The Register printed an editorial that is one of the worst pieces of newspaper editing that I have ever seen. It criticizes a distinguished colleague of this body and a former supreme court judge of the State, Senator HOWELL HEFLIN. I have written a letter to the editor of that newspaper for the purpose of calling to their attention just how in poor taste this is.

I am well aware of the freedom of the press and the right of the press to express themselves. I will not take the dignity to include in the RECORD a copy of that editorial. But I do want to share with my colleagues on the RECORD my letter, dated today, to the Mobile Register.

The letter is as follows:

JUNE 10, 1986.

DEAR EDITOR: To say the least, I was extremely disappointed to read your editorial of June 6, 1986, on the vote of Sen. Howell T. Heflin in the Senate Judiciary Committee on the nomination of U.S. Attorney Jefferson B. Sessions III.

The Mobile Register's vicious personal and thoroughly unwarranted attack on one of the finest and fairest men in the United States Senate is a disservice to Howell Heflin, to the fine citizens of Mobile, and to the excellent reputation of the Register.

As a Western senator with a conservative voting record I do not think my constituents or colleagues in the Senate consider me a member of the liberal eastern establishment. In fact, I have voted against the more liberal senators on the Judiciary Committee many times on issues such as right to life, death penalty, school prayer, and busing.

I opposed Mr. Session's nomination because I did not believe that all the citizens of Alabama could appear before Mr. Sessions and be confident that he would be fair and objective. I think your analysis of Session's nominatioin ignores the facts presented to members of the Judiciary Committee.

Jefferson Sessions testified he made insensitive remarks and then contradicted his testimony in a prepared and very self-serving statement. Under subsequent questioning, he reaffirmed his own damaging testimony. Sen. Heflin knew these facts because he attended every minute of the testimony presented both for and against Mr. Sessions. Howell Heflin came up with his own independent judgment. He cast his vote in what he felt were the best interests of the citizens of Alabama. To ask the people of Alabama to believe otherwise is slander.

Sincerely,

DENNIS DECONCINI,
U.S. Senator.

I might say that same editorial made reference to another fine Senator in this body, Senator KENNEDY, as if he had some magic over Senator HEFLIN, and anyone else. I refute that. I think it is in poor taste. I hope this newspaper will have the courage to print at least one other opinion on this particular vote in the Judiciary Committee.

Mr. SIMON. Will my colleague yield?

Mr. DECONCINI. I am glad to yield.

Mr. SIMON. I simply want to associate myself with the sentiments of the Senator from Arizona. It is one thing for the newspaper editorial to, say, agree that somebody is wrong. That is perfectly proper. But to use terms like "traitor," to compare someone to Benedict Arnold, that is going far, far beyond what is just common sense and what the political dialog ought to be.

I commend my colleague from Arizona for what he has written to that newspaper.

TAX REFORM ACT OF 1986

The Senate continued with the consideration of the bill (H.R. 3838).

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, the Senate now is apparently on the threshold of undertaking the first amendment to the tax reform proposal.

Let me begin by saying I am very proud to have been one of the first four members of the Finance Committee that agreed to push forward with these proposals. I agree with all of my colleagues who have praised it, and almost universally everybody has. Some have expressed momentary reservations about one or another provision of it, while praising the bill and its concept in its entirety.

The bill merits our approval. It offers historic low rates, the lowest in 60 years. The bills low rate is a great experiment, one which we once undertook in this country and abandoned in the course of time. Wars, and other things took greater and higher precedence. But it will allow people to reach their highest potential without feeling that they are in partnership with the Internal Revenue Service or having their every economic decision determined by the Internal Revenue Code.

Their money, their own hard-earned money, will chase their own economic decisions and not the decisions of the Finance Committee or the Congress of the United States. The bill removes something in excess of 6.5 million of the working poor from the tax rolls—not welfare people, but those whose earnings keep them at or near the poverty level.

It seems inconsistent with logic and fairness that those people would be paying taxes, income taxes, to the U.S. Government. In that, and in other ways, it provides new levels of fairness and for some—indeed most—new simplicity.

There is a "Factoid" loose in town, Mr. President, an interesting little thought that everybody kept repeating and nobody examined it; that is, that simplicity and fairness were at opposite ends of possibility. That complexity indeed was essential for us to achieve fairness. Upon examination really it is precisely the opposite—that complexity is the enemy of fairness, complexity is the thing which makes it possible for the powerful amongst us, those with enough money to hire batteries of tax lawyers, accountants, and computing capabilities to do their taxes 17 ways from Sunday and come up with the one economic situation that best suits them.

For the average American, the average small businessman, the average person who goes to do his taxes, hunkers down in mortal fear that the complexity is going to get him audited, going to get him in trouble for a circumstance that he could not have anticipated and did not mean to accomplish, the sense of unfairness came directly out of the complexity of the old code.

So in that I think we have added new elements and concepts of fairness. The bill does respect the special capital needs of the natural resources industry, and it ought to. It protects the cost of capital which is an important factor in the ability of America to produce a competitive product with those from abroad who compete with us both at home in our own market, and in the markets that we seek to penetrate overseas in that it adds to that the ability of America's workers to produce, and to the certainty of their jobs; and in that it adds to the strength of America to address the trade imbalance. Agriculture and small business are well protected from the burdens of the bill, and yet they will benefit from radical reform.

Mr. President, let me add my congratulations to the chairman for his leadership, and his perseverance. Indeed, the chairman will tell you that for a time I was doing everything within my reach to prevent the forward motion of the product that we had been laboring on in the Finance Committee for such a long time.

□ 1410

It had none of the three legs of the President's tax reform stool of simplicity, fairness, economic resilience that his proposal for tax reform suggested ought to be there. Indeed, we had testimony from economists who had said that what we were working on would add to the trade deficit, decrease the standard of living, increase the cost of capital, decrease America's ability to compete.

The only thing that it was going to do was add slightly to the employment of the United States because everybody working under the bill that we were working on was going to have to work a couple of hours a week longer just to stay even.

That was the kind of prospect we were facing.

As we watched, and it was fascinating, the proposal being prepared through the committee process, the country and the country's press began to say that the special interests were taking over. Nothing could have been more predictable. They were not special interests. They were people desperate to try to find some means to survive under the proposals that were in front of us.

We had not reduced the taxes enough to make it possible to eliminate some of those shelters. The tax rates we were talking about for business and individuals were too high to attract a sense of fairness by closing those down.

Mr. President, I came from the ranching business, and one of the things that I happen to liken tax reform to is a pen full of fat steers. Fifty you cut out and send to market.

Fifty stay behind on feed and water. That 50 that had just been cut out had the anxiety to get back in. It was legitimate.

There was reason for those so-called special interests to get back. Incidentally, those special interests included the State Governors Association, county commissioners, municipal officials, as well as some of America's business.

How could the representatives of those interests go back home and justify to the people who asked them to keep their eye on the work back here that, "We are out and everybody else is in, and I have done a good job for you."

The point of fact is they could not for the simple reason that the bill was more complicated and had not reduced the rates in such a way to make it possible to go home and say, "I ask you to give up your tax treatment in favor of your new tax rate."

That was the early proposal.

The House bill, I would remind you, Mr. President, with people saying that the House passed tax reform. The House did not do any such thing. There never was a more dead body than that which came out of the House. It was defeated twice on the floor. The President came by and asked people to give him their vote on his absolute promise that if that was the product, he was going to veto it.

I ask anybody what life there was in that critter. It would not stand on the certain guarantee of the President of the United States.

They had higher rates in there, $150 billion to $180 billion in new taxes for American businesses, at a time when we are saying to American business, "We are going to protect you so that you can compete with the Japanese and the Europeans." Some protection, $145 billion in new taxes and no low rates.

Well, the answer to that, Mr. President, was that the House practically speaking did not broaden the base. They promised to make the American economy and the American workers less productive and less competitive, reducing the standard of living and reducing the desire of Americans to get ahead.

Throughout the hearings and the early part of the markup, I attacked the proposals because they were merely shifting tax burdens from one group to another. The early proposals were not radical enough to develop a constituency. Radical reform of the type we have here required low rates, making tax preferences less valuable and less worthy of defending.

Then came the turning point. The process had almost died under the weight of the lobbying opposition and the voter indifference to it.

Mr. President, nobody in Wyoming was writing to me in those days saying, "Please, let us have tax reform." They were all writing me saying, "Do not do that. Go home, let us learn to live with the Tax Code changes you have put on our backs for the last several years. Let us do that. Just go home. Stop it."

Well, as I said, there was no constituency. Then the chairman called some of us together and said, "Let us try the low-rates approach, Kemp-Kasten, Bradley-Gephardt, and others having dabbled around the outside edges. Let us see if there is that constituency that might develop."

We started with a 25-percent rate which ultimately grew to 27 percent. But, Mr. President, if you will recall, that weekend when the chairman trotted out the bill, Mr. Brockway, of the Joint Tax Committee, was called upon to explain it. It was a very shy embrace because there was, and the administration, in fact, was behind it as well, a certain sense that if we suggested rates as low as 25 percent we would be laughed out of town because the American people would think we were favoring big business, the rich, and everything else.

What the American people thought was about what I predicted the American people would think. "That sounds fair. That sounds simple. I will go along with that." And they did so because they innately recognized that while the maximum tax rate was 50 percent, nobody was paying it. Two or three dozen folks in America may have been paying the full tax rate, but what the Tax Code was doing was providing us the means by which we paid lower taxes, through tax preferred activities. That is not an efficient way to develop the economy of the country.

That could be efficient in accomplishing certain things over a period of time, but the problem is you cannot withdraw those tax preferences once they have served their purpose. Those provisions develop a constituency that feels it cannot live without, its preference. And we cannot remove them unless you do what the chairman has suggested that we do, and the committee has gone along with, reduced the rates, so that people can take a look and see their new tax treatment in light of their new tax rate.

If Americans knew how to focus back on the old rates, there is no way that we could suggest getting rid of some of these loopholes and some of these preferences that have developed over the years.

Well, the constitutency blossomed overnight. The low rate provided the incentive to do radical reform, and they are low enough to allow people to give up some of their preferences and some of their shelters.

The low rates also give us another benefit: They reduce the fallout from unanticipated or unforeseen mistakes which will necessarily exist.

Even though I am a member of the core group of the Finance Committee which joined Senator PACKWOOD to design the main structure of this bill, I cannot stand here and tell you or the American people that this is the perfect tax bill, that there are no distortions in it, there are no small elements of unfairness.

I cannot tell you, and would not tell you, that we will never have to address the tax laws again or that there might not need to be a number of adjustments sometime next year as we see it unfold and as it is applied to the American economy. The bill has blemishes. Many would be intolerable if it were not for the low rates.

The Finance Committee, for example, removes the capital gains differential, which to my mind is a mistake. Investment gains deserve special treatment to make sure that new ideas are encouraged and developed and that the related risks are taken.

This is a country that thrives on growth, seeks entrepreneurs, seeks risktakers.

We are on the close edge of discouraging risk taking. I think we are on the really close edge of discouraging entrepreneural risk taking because the safe side is treated the same as the risky side.

In addition, the capital gains differential is important to assure that the Government is not taxing the inflation created by our own policies. I feel that the removal of the differential is based on two misconceptions. First, we are told that an increase in the rate of tax on capital gains will raise money. We have proven again and again by the capital gains tax cuts of 1978, and 1981 that if you want to raise money out of the capital investment segment, you decrease, not increase, the tax rate.

The other misconception on which we base the capital gains repeal is that we are bashing the rich by raising the capital gains rates. It was clear to me that the committee decision was made to assure a distribution table of which the committee could be proud. That is a legitimate concern, Mr. President. I would like to have tried to do it another way, if I had been a committee of one. But it is a legitimate concept in the selling of the new Tax Code to America that the distribution table does not show disproportionately high rates of tax reductions going to the very wealthy of this country.

□ 1420

In fact, I think the rich will continue to invest. A top rate of 27 percent is the best thing they have seen in years. It seems to me that the removal of the capital gains differential is most likely to impact new capital formation, new ventures entered into by new entrepreneurs. They are, after all, the ones

taking the risks that will continue to make America a leader in technology and innovation.

I am deeply worried about the impact of the removal of the capital gains differential, and this is a question we may have to revisit. It may not have adverse effects under the proposed rate structure, but I am certain that if the rates were to be increased, this would result in a major flaw which would merit the defeat of the bill.

Another blemish is the staggered effective dates. This bill repeals deductions effective the first of the upcoming year and lowers the rates effective in June 1987. This results in neither an equitable nor an honest transition to radical reform.

In fact, many taxpayers will suffer from a one-time tax increase in 1987 when the 6-month gap comes along. The suspicious among them may think that Congress succeeded in pulling the wool over their eyes by giving them the tax increase they knew was coming. Indeed, if we use the tax revenue blips in the early years to avoid our responsibility to comply with Gramm-Rudman-Hollings, they will be proven correct. It is my hope that the numbers can be juggled enough to align both the rate reductions and the repeal of deductions.

Another timing concern is the impact of the changes on existing investments. It is clear that past decisions, based on the law at that time, will be impacted by the new provisions, sometimes harshly. As we complete this bill, we need to assure reasonable transition rules which will protect those that have relied on our past taxing efforts completely and wholly within the law.

There are other blemishes but the benefits to be derived from the tax reform bill before the Senate today greatly outweigh the burdens—so long as the rates do not rise.

There are obstacles to doing a better bill at this time—the reach of tax reform was restricted by our revenue-estimating capability and our inability to admit that economic and free market forces will react to the changes we make in the tax law.

My own feeling is that when Americans and American business get a reach into the new Tax Code, their own activity in the economic sector of America will generate a great deal more revenue than we are forecasting because we forecast only in the most static of arenas. We take no account of the dynamics of American economy and the resilience of the people, which is, in effect, a measurable thing if only revenue estimaters would take a look at the historical experience of certain tax changes that have been within the last 20 years; within indeed, the last 50 years.

By adhering to static revenue estimates, we limit our imagination and our grasp. In addition, it appears we are still somewhat fearful of genuine reform; we are unwilling, at this time, to reach for truly low rates; we are unwilling to make a commitment to true base broadening on an individual level. As a result, we limited our reach. If the experiment works we should come back in a few years and enact the remainder of true reform, and include radically lower rates so that base broadening, in the form of eliminated deductions, credits, shelters and preferences, can result in a simpler yet fairer tax law, which would allow economic decisions to be based almost exclusively on economic principles.

The chairman was not able to overcome all obstacles of achieving total radical reform. It is a wonder that he got us to where we are. Perhaps that would be an impossible task given the committee process. He has led the committee to develop a package which is a vast improvement over current law and is worthy of enactment. Had I been a committee of one, it would have been a different bill. Had any other member of the Finance Committee been a committee of one, it would have been a different bill. It is not an individual's bill and it cannot be. It is a committee bill with all that entails in inefficiency but as well with all that it entails in its breadth of support.

So I congratulate Senator PACKWOOD. I urge him to strengthen this tax bill for America, its fairness and its prospects. He will need to assert his strong leadership in conference to maintain an acceptable rate structure. This is the acceptable rate structure. Failure on this issue alone will result in failure of the bill.

One last word, Mr. President. That is a word about the amendments and the process we are undertaking here. There are a number of these amendments which are coming down which are very, very attractive to this Senator's political philosophy: Some are against abortion, upon which I have an unblemished record; some like capital gains, on which I worked with my predecessor, Senator HANSEN, on the Finance Committee; some like the minimum tax, which is an offensive concept to me; some like the real estate provisions which I think work an undue hardship on one segment of the economy; some like those provisions of this Tax Code which do not permit the deduction for real economic losses against real economic income; some like the provision which limits us to the abandonment of the deduction for sales tax alone as opposed to all State and local taxes. Because of hard decisions like these, made at the committee level, we can have significantly lower rates and do more for the bottom level of American taxpayers.

The committee rejected amendments like these because we were a committee, a committee of 20 people representing all regions of the country, representing all kinds of the variety and richness of the American economic spectrum, representing all things which are genuinely diverse amongst us.

What did we come out with? A 20-to-0 vote. No individual's bill on that tax committee could have made a 20-to-0 vote. No individual's bill on that tax committee could probably have achieved the majority on it. It is, in fact, and I stress this, a committee bill. That is why I am going to join with the chairman in opposing amendments to this bill, for the very simple reason that all of us had to give up a lot so that Americans could gain enormously. It would be tragic to lose that opportunity at this moment in time because some of us wanted to indulge one moment's political philosophy at the expense of a real opportunity to restore vitality to American's economy, to restore fairness to America's Tax Code, to restore simplicity for America's taxpayers.

Mr. President, I yield the floor.

□ 1430

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to congratulate Chairman PACKWOOD for this leadership in reporting out one of the most far-reaching tax reform measures in history. There is not any question that the overall bill will make our tax system fairer. It eliminates many of the loopholes to which I have addressed myself over a period of many years, and I am frank to say that I think it does it in a very direct way. Many of those loopholes, about which many of us have been concerned, have been taken care of by broad-based legislation. I say categorically that I expect to vote for the bill if it remains largely intact, and I expect that it will. I also thank Chairman PACKWOOD for his cooperation in responding so promptly to the requests that Senator LEVIN and I made for a list of the transition rules. After reviewing the list, I am frank to say, I am disturbed by the greed level of the special interests. There is page after page of provisions—some of the provisions are four lines, five lines, six lines—exempting one taxpayer after another from tax law changes. And to make matters worse, many of these provisions are not transition rules at all but are in fact new loopholes for the favored few.

On page 1808 of the bill, there is a bill provision entitled "Indebtedness to Repurchasing Stock." Whom does it benefit? According to the list provided

by the chairman, it is Unocal. Now, the fact is that the provision will increase the amount of foreign tax credits Unocal can use to shelter its U.S. income. In fact, it will provide Unocal with more foreign tax credits than it is eligible to receive under current law or the general provisions of this bill. In other words, this is not a transition rule at all. It is a specially carved out provision that gives Unocal a benefit that they would not be entitled to under the present law, would not be entitled to under the bill that is being enacted, but it is a special provision to take care of Unocal. It has to do with their making a tender offer to resist another corporation's tender offer for their own stock.

Mr. PACKWOOD. Mr. President, will the Senator from Ohio yield for just a quick statement?

Mr. METZENBAUM. Certainly.

Mr. PACKWOOD. On the transition rules, I have advised all of the Members who had transition rules in the bill that if they were contested on the floor, I was expecting them to come and defend the merits of their transition rule. So, as the Senator is talking, I just want all of the staff to understand, as they are listening, and Senators, if they are watching, that if yours is one of the mentioned transition rules, they better be alerted to be here in preparation for its defense.

Mr. METZENBAUM. The manager of the bill indicated that same fact to me last night and again today. I respect him for it, and I will advise him now that I do not intend to just call up an amendment without giving adequate notice so that the individual Senator who wants to make an effort to defend it will have adequate time to get here. That does not mean a day or so, because there are many amendments the Senator from Ohio expects to call up for consideration. But I recognize the manager of the bill has indicated that it is the responsibility of the individual Senator who has supported a particular amendment to be here in order to defend that amendment, and I expect to work cooperatively with him.

I might say in that respect so there not be any misunderstanding of the position of the Senator from Ohio, I do not anticipate lengthy debate on most of these amendments, I do not anticipate any delay in moving forward with respect to the enactment of the bill. It is a fact that there are 174 separate entities that are talked about in this list. Perhaps we ought to at this time include the entire list in the RECORD. I ask unanimous consent that the list may be included in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

TRANSITION RULES H.R. 3838 AS REPORTED BY THE SENATE FINANCE COMMITTEE

United Telecom—p. 1502; Times Square Redevelopment—p. 1499; Manhatten, Kansas UDAG project—p. 2404; Kansas independent colleges—p. 2417; General Development—p. 1572; Life insurance company—p. 1926; Cellular telephones—p. 1514; University of Delaware—p. 2371; Delaware Power Light—p. 2406; Mishoe Towers—p. 2409; Poplar Hill—p. 2410; ENESCO—p. 1500; Fiber-optic communications—p. 1502; Arrowhead stadium—p. 2394; St. Louis convention center—p. 2389; Kiel Auditorium—p. 2389; Sverdrup—p. 1500; St. Louis stadium—p. 2393; Missouri UDAG projects—p. 2245; Long Lake Energy Corporation—p. 1500; Ocean State Power—p. 1506; Quonset Power—p. 1511; New England/Hydro Quebec—p. 1506; Barbara Jordan II Apartments 2246.

The Tides—p. 2245; Cafeteria plans (Goldman, Sachs)—p. 2170; Navy ships—p. 1799; Providence Convention Center/Parking—p. 2387; Federal Express Satellites—p. 1513; Outlet building/garage—p. 2245; Alcoa—p. 1503; Philadelphia Electric—p. 1518; Cogeneration projects—p. 1500; Frankford Arsenal—p. 2245; Archibald Power—p. 1500; Strawberry Square—p. 2245; Gilberton Power Company—p. 1500; Allegheny Electric Co-op—p. 1500; Walt Disney—p. 1531; PPG—p. 1504; RCA satellites—p. 1513; Philadelphia Trash-to-Steam—p. 2377; Steel companies—p. 1532; Chester Solid Waste Association—p. 1518; Chanel—p. 1823; Pitt, Temple and Lincoln—p. 2371.

Air Products—p. 1501; Philadelphia Airport Hotel—p. 2401; Laundry detergent plant—p. 1517; Kern River pipeline—p. 1510; Lake Superior Paper—p. 1508; Hennepin County Solid Waste Project—p. 1511; River Place—p. 2378; Minneapolis Retail Complex—p. 2403; Minneapolis Convention Center—p. 2388; General Mills—p. 1764; Hayber Development—p. 2245; Control Data—p. 1999; Northwest Orient Airlines—p. 1519; Arrowhead Springs—p. 2414; Downtown Denver retail project—p. 2404; Kaiser Power—p. 1515; Ball Corp. Pollution Control—p. 2407; Railroad grading and tunnel bores—p. 1525; Continental Airlines—p. 1513; Cimarron Coal Co.—pp. 1585-6; Hellsgate Hydroelectric—p. 1500; Pan Am World Airways—p. 1514; Baltimore Gas & Electric—p. 1519; Agri-Beef—p. 1501; Unocal—p. 1808; FERC rules—p. 1500.

South Belridge Cogeneration—p. 1501; Mojave Pipeline Project—p. 1509; Texas City Cogeneration—p. 1501; Temple Eastex Cogeneration—p. 1515; Bayonne Cogeneration—p. 1501; New York Coliseum Redevelopment—p. 1497; Church pension plans—p. 2166; Physicians Mutual Insurance—p. 1928; CMC/Colt—p. 2681; Vidalia Hydroelectric Facility—p. 1500; CF Industries ammonia plants—p. 1509; Upper Pontalba apartments—p. 2408, 2245; Commercial National Bank—p. 2246; Eastbank Wastewater Treatment Facility—p. 1512; Cajun II coal-fired generating unit—p. 1517; Superdome—p. 1516, 2395; North Sea Development—p. 1740; New Orleans Riverwalk—p. 1499; New Orleans Convention Center—p. 2390; Tiffany Lanes—p. 2395; Pennzoil—p. 1699; Manville Corp.—p. 1699; Sonat—p. 1511; Texaco—p. 1807; North Pier Terminal—p. 2246; Louisiana ESOPS—p. 2682.

Offshore vessels—p. 1520; Valley View Project—p. 1516; Diamond Star Project—p. 1506; Houston Astrodome—p. 2396; Pacific-Texas Pipeline—p. 1505; San Diego/North County Recovery Project—p.1511; Dallas Rapid Transit—p. 2415; Aloha Tower Development Program—p. 2416; Hawaii Multifamily Housing Projects—p. 2410; Supplier service contracts—FERC—p. 1501; World Financial Center/Merrill Lynch—p. 1510; Solid Waste Projects—p. 1511; Viacom—p. 1512; Albany City Center—p. 2391; New York Power Authority—p. 2376; Buffalo Stadium—p. 2397; Avon—p. 1810; New York Metropolitan Transit Authority—p. 1501; Brooklyn Union Gas—p. 1500; Navy Yard—p. 1515; Hydroelectric power—generic rules—p. 1500; New York State Electric & Gas—pp. 1528-9; Personal Holding Companies—p. 2215; Montana hydroelectric/cogeneration projects—pp. 1500-1; Big Horn Cogeneration—p. 1500; Point Arguello—p. 1502.

MCI—p. 1502; Applied Energy Services—p. 1500; Phillips Petroleum—p. 1810, 2134; National Park Historic Sites—p. 2244; Great Northern Nakoosa Pulp Mill—p. 1508; Wood energy projects—p. 1520; Bangor solid waste—p. 1511; Hot Springs National Park—p. 2244; Murphy Oil—p. 1812; Delta Airlines—p. 1513; Greenbrier Leasing—p. 1509; Portland Convention Center—p. 2387; Pioneer Place Parking Garage—pp. 1498, 2400; Mid-Columbia River Power Project—p. 2372; Old Town Parking Garage/Heliport—p. 2401; Portland Urban Renewal—p. 2402; Bonneville Power Authority—p. 2374; Riverfront University Science Park—p. 2404; Cable television—p. 1512; General Motors special tools—p. 1519; Bond pooling—p. 2417; Grand Gulf Nuclear Plant—p. 2406; Mississippi Chemical—p. 1508; Dineh Power Plant—p. 1515; Phoenix Sports Complex—p. 2398; Cox Enterprises—p. 1508.

Dade County Aviation Notes—p. 2377; South Pointe—p. 2405; Orange County Tourist Development—p. 2392; Bayside Center—p. 1498; Jacksonville Landing—p. 1478; Owings Mill Town Center—p. 1499; Harborplace—p. 1498; Baltimore Stadium—p. 2398; Atlanta Underground Project—pp. 1498, 2375; Atlanta Stadium—p. 2397; New Hampshire Post Office Building—p. 2247; Multimedia—p. 1805; South Carolina Medical University Parking—p. 2401; Duke Power Pollution Control Project—p. 2407; Ben Tillman Redevelopment Project—p. 2409; Mount Vernon Mills—p. 2246; Isle of Wight Sports Facility—p. 2399; Dulles Rapid Transit—pp. 1517, 2415; MCA—p. 1531; Rialto Tire Burning Plant—p. 1500; Capital District Energy center—p. 1520; Florida solid waste projects—p. 1511; Toyota plant—p. 1507; Semass—p. 1500.

Mr. METZENBAUM. Now, those who are described in this list are not taxpayers who relied on existing law rules and made progress in initiating a program in reliance on them. That is what a transition rule is, as most of us understand it. But some of these provisions are just plain and simple giveaways to those influential enough to pry an opening into the bill.

Now, many of these beneficiaries still remain anonymous, notwithstanding the cooperation of the manager of the bill. Which insurance company, for example, benefits from the provisions that are to be found on page 1926? Which independent colleges in Kansas enjoy the benefits bestowed on page 2417? What is the laundry detergent plant protected on page 1517?

That list has some listings by more general terms than to name the specific corporation or individual involved.

That information we still need. I am pleased to say that I have heard just within the last couple of hours that Senator PACKWOOD's staff has indicated they will provide us with the dollar amounts and, it is my understanding, the names of the corporations as well in connection with those amendments where the corporate name is not indicated.

There is a provision to be found on page 2215 which has to do with personal holding companies. Which personal holding companies? Members of this body are entitled to know that and we do expect to learn that.

Now, in addition, special interests have found other places to hide in this bill. They will not appear on the list of transition rules released last Friday, and we want to know about some of the provisions that are not listed as part of the transition rules but are to be found, for example, on page 2534 of the bill. Section 1808 of the bill contains untitled subsection C. It reads as follows:

A taxpayer shall be allowed to use the cash receipts and disbursements method of accounting for taxable years existing after January 1, 1982, if such taxpayer (1) is a partnership which was founded in 1936, (2) has over 1,000 professional employees, (3) used a long-term contract method of accounting for a substantial part of its income from the performance of architectural and engineering services, and (4) is headquartered in Chicago, Illinois.

Now, normally we think of tax laws as having a general approach that all people earning a certain amount of money are going to pay certain taxes, or that certain deductions are applicable to all taxpayers. But here is one that talks about 1,000 professional employees, founded in 1936, used a certain kind of method of accounting for a substantial part of its income from architectural and engineering services, and is headquartered in Chicago, IL.

Now, that is only typical of many of the amendments to be found in this bill. I remember looking at one the other day which talked about a corporation whose board of directors met on a certain day and passed a motion indicating its intent to do certain acts. A board of directors met on a certain day and intended to take certain action?

Another one talks about a building to be built, the application for which will be filed on September 4, 2 months in advance, 1986. It has not been filed yet. And there are all of these specially carved out provisions. Some of them may be justified. There may be a reason. There may be logic.

□ 1440

However, Joe Average Taxpayer does not know what that reason is, and Joe Average Taxpayer does not have any opportunity to have a special provision carved out for him or perhaps for his wife. I understand that the Chicago one is a major Illinois company that is currently in litigation with the IRS over its method of accounting.

Page 2432 contains a section entitled "Treatment of Certain Disclaimer." That section provides $132 million in tax refunds to some taxpayers who failed to properly disclaim their interest in property transferred by trust before November 15, 1958. Come now. What is this all about? They failed to take some action 28 years ago, and we here on the floor of the U.S. Senate are being called upon to give them special tax consideration: $132 million in tax refunds? In fact, that provision of the bill, as I understand it, was overturned in a 1982 U.S. Supreme Court case that upheld the IRS's interpretation of the Tax Code.

There are other transition rules that do not appear on the Finance Committee list released last Friday. For example, on page 1505 of the bill, a project involving eight printing presses is protected from changes in the depreciated rules and the repeal of the investment tax credit. Whom does that benefit? Why does it benefit? Did they have special lobbyists? Was there some Senator who wanted to be particularly kind to the project involving eight printing presses? We have no way of knowing? We are entitled to know, and I expect that we will know before this bill leaves the floor of the Senate.

Mr. President, I have sent a letter to Chairman PACKWOOD asking his assistance in identifying the costs of these special-interest provisions and in describing the merits of each; and I have no doubt, as indicated to me a couple of hours ago, that we will soon have that information.

Many of these amendments may have merit. They may have to do with people who relied on existing law in entering into a business transaction. There may be a lot of justification for the amendment. But certainly some do not have merit.

I look forward to working with the chairman and the ranking minority member, the Senator from Louisiana [Mr. LONG], in the days ahead, to pass a tax bill that will benefit all taxpayers equitably and fairly.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, I want to congratulate the members of the Finance Committee and particularly the chairman, Senator PACKWOOD, for their excellent work in reporting legislation which can truly be called tax reform.

Congress has before it a historic opportunity to give the American people a tax system which is more equitable than the current one. I hope the Senate will act expeditiously on this matter, but with caution and with scholarship.

There is no doubt that a major overhaul of the Tax Code is actually needed. Polls consistently show that a majority of Americans believe that the present tax system is unfair and that many wealthy taxpayers use loopholes to avoid paying their fair share—not just wealthy taxpayers, but there are taxpayers in various categories of payments, and certainly that would be true as to categories of business.

Many Americans also believe that the corporate income tax contains too many special preferences allowing large corporations to pay little or no income tax. Congress must restore confidence in government and integrity to the tax system by lowering tax rates for all Americans and eliminating loopholes and shelters used by some individual and corporate taxpayers. Many special interest provisions reward the few at the expense of higher rates for the many. Tax revenues saved by getting rid of these provisions must be used to reduce tax rates for everyone, thereby encouraging the work and investment that we need for long-term economic growth. This must be the goal of tax reform.

There are certain components that I believe any final tax reform bill must contain. For individuals, the bill must truly simplify our overly complex and burdensome tax code, reduce the tax burden on the working people of this country, close loopholes that benefit a privileged few, and be pro-family and pro-savings. For business, the bill must ensure fairness by eliminating or modifying special privileges that are economically unjustifiable and promote business formation and growth by preserving incentives for investment, research and development. I believe the Finance Committee's tax reform bill comes close to achieving most of these goals.

I would first like to examine the positive aspects of the Finance Committee's bill. First, the bill replaces the 15 tax brackets which we now have for individuals with two tax rates—15 and 27 percent. The top personal tax rate would be cut from 50 percent, as under current law, all the way down to 27 percent. And while for some upper income level taxpayers the marginal tax rate would be 32 percent, this is still well below the 38 percent in the House plan and 35 percent in the Reagan or Treasury II proposal. According to the Finance Committee, over 80 percent of all taxpayers will have a tax rate no higher than 15 percent. Furthermore, the personal exemption would be raised to $2,000 for

lower and middle income taxpayers but phased out for high income individuals. For those that do not itemize, the standard deduction would be increased to $3,000 for individuals and $5,000 for joint returns.

The bill provides an average individual tax cut of $215 and, in all, cuts individual taxes by $100 billion over 5 years. Also, as result of increasing the standard deduction and personal exemption, more than 6 million low-income individuals would pay no taxes.

□ 1450

That is a remarkable accomplishment.

In my judgment, these are all giant steps toward devising a tax system that is fair and simple.

Second, the bill retains a number of deductions important to middle income taxpayers. The mortgage interest deduction for first and second residences is maintained, a provision important not only to those who cling to the American dream of owning their own homes but also to the real estate and homebuilding industries whose success is vital to a healthy economy. The bill also maintains the deduction for charitable contributions for those who itemize. Itemized deductions will also be retained for casualty loses, medical expenses, State and local income taxes, real estate taxes, and personal property taxes.

Winners under the Finance Committee plan will be those families who do not invest in tax shelters, do not have large amounts of long-term capital gain, do not have individual retirement accounts and do not take large deductions for nonmortgage interest deductions. Wealthier taxpayers who invest heavily in tax shelters or have large capital gains will see their taxes increasing. Middle-income taxpayers earning $20,000 to $50,000 a year would get average tax cuts of between 5 and 8 percent according to the Joint Taxation Committee.

For business I believe the Finance Committee bill is an improvement over both the House plan and Treasury II. Overall, the corporate tax boost under the Senate bill would be approximately $100 billion while under the House bill corporate taxes would be raised to an estimated $150 billion over a similar period. The bill distributes benefits and burdens differently than the House bill resulting in somewhat fairer treatment to capital intensive industries.

Under the Finance Committee plan the corporate tax rate would be reduced from the current 46 to 33 percent. The bill generally retains the accelerated cost recovery system of depreciation but with some changes. Businesses would be allowed to write off investments and equipment somewhat faster, on average, than under current law, although taxes on income produced by equipment would be increased by repeal of the investment tax credit. However, the opposite is true for buildings and other structures in that the bill will significantly lengthen their depreciation periods. Also, the tax credit for research and development would be extended at the current 25-percent rate until 1989.

The Finance Committee bill repeals the 10-percent credit now allowed for a company's investment in certain depreciable property. While this is harmful to capital intensive industries such as steel, textiles and utilities, I am hopeful that the lower corporate rates coupled with the bill's allowing for more rapid write offs for equipment and machinery than under current law will dampen the blow to these industries.

The bill also allows companies to use 70 percent of their unused investment tax credits to offset past or future tax liabilities. Under current law, firms can carry the full amount of unused credits for 15 years or back 3 years. I am concerned that this significant reduction in companies' ability to take advantage of their unused investment credits will further damage capital intensive industries. As we all know, basic manufacturing industries in this country have been hard hit by foreign competition in recent years and we must be careful not to further harm them through changes in our tax laws. If the bill is passed. I urge the tax writing committees in the House and Senate, certainly in the conference, to carefully monitor its impact on these industries so that, if needed, corrective legislative action can be taken. These basic industries need help.

I was personally pleased that certain tax incentives were retained for the timber industry, an industry of vital importance to my home State of Alabama and many other States across the Nation. The bill retains special capital gains treatment for corporations on the proceeds from timber sales although capital gains for individuals would be treated as regular income. The bill will also allow taxpayers a 10-percent tax credit for reforestration cost and allows up to $10,000 annually of such cost to be written off over years, as under current law. Most of the costs for timber production would be allowed to be written off in the year paid or incurred, as under current law.

With all of its positive aspects, I nonetheless believe that the tax reform bill could be improved in a number of areas. First, I strongly oppose restricting the deduction for IRA contributions to only those taxpayers who are not covered by employer-provided pension plans. This change would affect almost three-fourths of the 25 million Americans who currently have IRA's. The overwhelming majority of those IRA holders are middle class Americans who are merely trying to provide a little security for their futures.

I actively supported expanding the IRA's in the Economic Recovery Tax Act of 1981 because I believed they could be instrumental in generating new savings. Since 1981, over $250 billion has been contributed to IRA's. In 1984 IRA's generated $18 billion in new savings—$7 billion in excess of the revenue loss of $11 billion. With IRA's boosting the Nation's supply of savings this in turn helps to finance investment that bolsters U.S. competitiveness. In my judgment, it would be wrong to increase the bias against personal saving in our Tax Code, which these restrictions on IRA's would do.

I also object to repealing the deduction for State and local sales taxes. Repealing this deduction will amount to double taxation of income already taxed at local and State levels. This provision favors those States that do not have a sales tax at the expense of those that do, such as Alabama.

Another area of concern I have is the effect of this bill on our Nation's farmers. The Finance Committee proposal could potentially have a devastating impact on farmers although it is not as harsh as the House plan. Under the Finance Committee bill farmers would no longer get capital gains treatment from the sale of section 1231 property which includes livestock held for dairy, draft, breeding, or sporting purposes and timber. Under the committee bill, for a noncorporate family farm with a taxable income of $35,000, the tax rate on the sale of additional capital assets would be 27 percent on 100 percent of the gain. Under current law, the tax rate on that gain would be 11.2 or 28 percent on 40 percent of the gain.

Another change under the Senate plan which detrimentally impacts on farmers is the repeal of income averaging. This provision is used very often by farmers to even out their volatile changes in income. A farm family of five with an income alternating between 0 and $40,000 per year would pay five times the tax as a family of five earning $20,000 each year. I believe income averaging should be retained for taxpayers with volatile incomes.

□ 1500

I want to point that out again. That is because of the brackets, which way you go, and the difference between the years when you have zero and $40,000, a farm family of five with an income alternating between zero and $40,000 per year would pay five times the tax as a family of five earning $20,00 each year.

I believe income averaging should be retained for taxpayers with volatile incomes. The Senate bill would allow

farmers to continue to utilize the cash method of accounting which is currently used by almost all farmers. However, farmers who use the cash method of accounting would not be allowed to deduct the amounts paid for feed, seed, fertilizer, or other supplies prior to the year consumed if more than 50 percent of farm expenses are prepaid. Restricting the prepayment of these supplies to 50 percent of farm expenses would severely limit the ability to defer taxes through the prepayment of expenses.

The Senate bill would also repeal the investment tax credit currently allowed for qualifying capital investments. Most farm machinery and equipment, many farm structures, and certain livestock qualify for the full 10 percent credit. For example, under current law if a farmer buys a tractor for $40,000 his after-tax cost would actually be $36,000. If the investment tax credit is repealed his after tax cost would be $40,000 or $4,000 more than under current law. The bill also allows only 70 percent of unused investment tax credits to be carried forward.

In 1983, farm sole proprietors held over $3 billion in accumulated tax credit and it is likely that current accumulated tax credits equal or exceed this level. Thus, the 30 percent reduction in value for investment tax credit carryovers would cost farmers in excess of $1 billion in unused tax credits. Based on 1982 IRS statistics, a large share of these unused tax credits are held by farmers with substantial debt and with little or no off-farm income.

Mr. President, I am also concerned over the impact this bill could have on the housing and real estate industry. The Finance Committee bill would disallow the deduction of all real estate investment and business losses against other types of income. This proposal applies to all losses from all real estate investments regardless of whether the property is owned by a sole proprietorship, general partnership, or limited partnership. The real estate industry would also be hardest hit by the changes in the accelerated cost recovery system with the appreciable life of real property expanding from the current 19 years to 27½ years for residential property and 31½ for commercial property. In addition, such investments would have to be written off over the straight line method, meaning that larger writeoffs would not be allowed in the early years of the investment as under current law.

The repeal of capital gains treatment as well as limitations on investment interest expense deductibility would all impact negatively on the housing and real estate industry. There have been estimates that the combination of these changes in our tax laws mean a tax increase on the real estate industry of about $60 billion. I am not sure that is accurate but that has been an estimate that has been made. I think we should examine very carefully these changes keeping in mind that the housing and real estate industry is a vital component in job creation and in keeping the economy running at its current high level. Changes this severe could cause adverse ripple effects throughout the entire economy.

Mr. President, the Finance Committee bill is a radical and bold approach to tax reform. It cuts individual tax rates more deeply than any previous proposal thereby making the elimination of certain tax preferences more palatable. Closing loopholes and eliminating shelters also enhances simplicity and fairness. However, it is not a perfect bill by any means. The changes I have suggested here today would do much to make it a better tax reform bill. The public wants and deserves fairness and simplification in our tax system. But it is up to those of us in Congress to be deliberate and wise in an undertaking of this magnitude so that we give the people of this country the very best tax system possible and one that will ensure economic growth for many years to come.

Mr. President, I have mentioned some defects that I have felt are in this bill. But I realize that all of these cannot be corrected. You have to find money for everything that you are going to take off or if you are going to give corrective action and eliminate something, there has to be something added to it. This causes some problem. But I did want to point out some of the defects that I feel are in this bill.

As we proceed, I hope that we can find palatable ways of trying to improve the bill by trying to find ways that we can offset any corrective action by income that comes in that will not hurt the vast majority, and will not hurt the families under this bill.

The bill basically contains fairness—the Finance Committee bill.

Again, I want to congratulate the chairman for doing a fine job, and the members of this committee for doing a very fine job. Overall, it is a remarkable improvement in regard to the many proposals. We look, stop, and we think. We saw first, Treasury I, then we saw Treasury II, we then saw the first proposal that the chairman of the Ways and Means Committee of the House came forward with, and it was changed, and you finally came up with the House passed bill.

There were then other proposals, and then there was a final version of the Finance Committee. Overall, I think they have done a remarkable job in this. I hope we can take corrective actions in certain aspects but do so by which the overall fairness of the bill is not destroyed.

Thank you, Mr. President.

(Mr. ARMSTRONG assumed the chair.)

Mr. PACKWOOD. Mr. President, if there are no further amendments, I am prepared to move to passage. I am seriously announcing that so that everyone who is in their office or listening understands that we are prepared to move forward with amendments. I hope that we have a sufficient coalition that can defeat any major amendments that are offered. But I am prepared to consider amendments on any subject and urge those who are prepared with amendments to come forward with them now.

I know the majority leader has indicated to me that he would like to finish this bill this week. It is a rapid time to complete a tax bill, but I imagine he will start to lose his patience and so will I if we are here at 4, 5, or 6 o'clock and no one comes forward with amendments. At some stage, I think the majority leader will say, "Enough, let us move to passage. If there are no further amendments, we will go to passage."

15 YEARS OF ARMS CONTROL DEMOLISHED

Mr. MOYNIHAN. Mr. President, one of the towering public men of our age. Robert S. McNamara, has recently prepared a statement entitled "15 Years of Arms Control Demolished" about the tentative decision in our Government to abandon the present SALT limits.

Secretary McNamara, as he then was Secretary of Defense under President Johnson, in 1966, with President Johnson, first proposed to the Soviet Union that we might undertake numerical limits of certain types of strategic weapons. This was in the aftermath of the test ban treaty that President Kennedy had successfully negotiated, when Mr. McNamara was also Secretary of Defense.

□ 1530

In this article he describes the long day at Glasboro in New Jersey in 1967 in which he was seeking to persuade Mr. Kosygin, then Premier of the Soviet Union, that this was in the Soviet interest. He notes that the Soviets have done as we have done; they have dismantled more than 1,300 missiles, 45 bombers, and 21 submarines.

One of the more striking aspects of cooperation in the dangerously competitive world of arms between this country and the Soviet Union is the openness with which we demonstrate to one another that in fact we are dismantling a submarine, we are dismantling an airplane. We practically saw them in two on sunny days when it will be known that satellites will be observing them.

Mr. McNamara makes the point that SALT—the Strategic Arms Limitation Talks—was in the first instance an American initiative. It has hardly been an unequaled success; the numbers of offensive weapons have gone up, not down, but there has been a pace which has in some measure been an advance.

In the long run, Mr. President, it seems to me the great issue we will have to determine in this body and in the executive as well is whether we are to continue to abide by the Antiballistic Missile Treaty, which has far greater specific relevance to the nature of our weapons systems. But the interim statements by the administration certainly suggest that that may not occur. By the way, if it does not, we shall have lost. We shall have put aside two decades of efforts which we began, and it seems to me those who think we ought to do this have a true obligation to state what their alternative approach to this central problem of the age will be, which they have not done. If they do and as they do, I would hope they might take into consideration Mr. McNamara's cogent and patient arguments. I hope the body might do so as well. In order that this could be facilitated, Mr. President, I ask unanimous consent that Mr. McNamara's article be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 8, 1986]

15 YEARS OF ARMS CONTROL DEMOLISHED

(By Robert S. McNamara)

President Reagan's decision to abandon the second strategic arms limitation accord will, unless reversed, severely harm United States security interests. At present, the SALT limits are the only existing agreed constraints on strategic weapons. Without them, we will face the dangers of a totally unrestricted nuclear arms race.

The SALT II agreement prohibits the Russians from increasing their total number of strategic missiles and bombers. The accord also includes a limit on land-based missiles equipped with multiple warheads—the weapons most feared by the Pentagon. Since the Russians are within two missiles of reaching that limit, keeping the agreement would force them to remove older missiles and dismantle their silos as the new mobile SS-24 missile enters the field. Moscow has already removed from operation or dismantled more than 1,300 missile launchers, 45 bombers and 21 submarines to stay within the SALT limits.

If President Reagan's decision is implemented, those limits will be swept aside. The entire structure of strategic arms control, carefully laid over a period of 15 years by four Presidents—Lyndon B. Johnson, Richard Nixon, Gerald R. Ford and Jimmy Carter—will be destroyed.

Why did those Presidents negotiate on strategic arms? Not because they trusted the Russians. Not to do the Kremlin a favor. They pursued SALT for only one reason—because they believed it to be in the security interests of the United States. They were joined in that belief by their Secretaries of Defense and the Joint Chiefs of Staff. Arms control is the only means we have for containing the Soviet nuclear arsenal. Without SALT, our fears of a Soviet first strike potential will rise, heightening the danger of nuclear war in times of crisis.

The President's repudiation of "the SALT structure" becomes more ominous when one recalls that SALT includes not only the 1972 and 1979 agreements on offensive forces but also the 1972 Anti-Ballistic Missile Treaty. Secretary of Defense Caspar W. Weinberger has never supported the ABM treaty. He now says that remaining in compliance with it, if it blocks progress on the development of the "Star Wars" anti-missile system, "is something obviously we would be very much opposed to."

SALT was an American initiative. In November 1966, President Johnson and I first proposed to the Russians that we begin working toward limits on strategic forces. We spent a long day at Glassboro, N.J., in 1967 trying to persuade Premier Aleksei N. Kosygin that development of anti-missile weapons would fuel the arms race and increase the danger of war. Five years later, in 1972, President Nixon was successful in obtaining Soviet agreement to both the ABM accord and the interim agreement on offensive forces. Now the United States is telling Moscow that it has changed its mind. The stage is set for an all-out competition in both offensive and defensive strategic weapons.

Some in Washington perceive President Reagan's decision as yet another negotiating ploy designed to increase American leverage at Geneva. Others see it as an effort to placate hardliners in the Pentagon without completely withdrawing from the SALT agreements.

But the Soviet Union, not unexpectedly, appears to be taking the President at his word. Soviet military leaders will plan for the worst, just as Pentagon military planners would advise President Reagan to do if we were faced with Soviet renunciation of SALT. The President's decision will strengthen the hand of Soviet hardliners who believe that the United States is seeking strategic superiority. Those hardliners will insist that the Soviet Union cannot wait for the President to come around—and that Moscow must begin planning today for a huge expansion of weaponry in order to compete in the world without arms control.

The Congressional Research Service estimates that without SALT each side could more than double its strategic nuclear weapons by 1992. Some Administration spokesmen now cast doubt on such scenarios; they argue that each side can show restraint without the SALT limits. But given the current high level of mistrust between the superpowers, it is far more likely that each country, guided by worst-case assumptions about enemy intentions and capabilities will substantially expand its forces.

The demise of SALT will also, very likely, undermine the Geneva arms talks. If we are to negotiate deep reductions in arsenals—a laudable goal affirmed by the President and Milhail S. Gorbachev at last year's summit meeting—we need an agreed upon base line from which to reduce. The SALT limits provide such a baseline; an unrestricted arms race would not.

To justify its decision, the Administration charges that Moscow has violated the SALT accords. The issue of treaty violations is a complicated one. Both we and the Russians have accused the other of such actions. At least some of the Administration's claims appear to be justified. But none of the alleged violations are of major military significance. The correct response should be the one taken by the four previous Presidents—making full use of established diplomatic channels to resolve disputes with Moscow. Responding to Soviet violations by scrapping SALT is tantamount to reacting to an increase in the crime rate by abolishing the criminal code.

Between them, the United States and the Soviet Union already have some 50,000 nuclear warheads, including 22,000 strategic weapons. If President Reagan implements his decision to abandon SALT, the superpowers will intensify an arms race that is far worse than anyone would have dared to predict at the dawn of the atomic age. Why should we risk such a course when we can keep the lid on the competition, while seeking the substantial reductions both sides have proposed?

Mr. MOYNIHAN. I thank the Chair.

Mr. President, seeing no Member seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EVANS). Without objection, it is so ordered.

TAX REFORM ACT OF 1986

The Senate continued with the consideration of the bill (H.R. 3838).

Mr. MOYNIHAN. Mr. President, I do not rise to offer an amendment, but rather, in the pattern that has been followed on the last 2 previous days, to make some general comments about the legislation. In particular, I would like to address the provisions for low-income taxpayers in this legislation. The distinguished chairman and ranking member have spoken to this issue in their opening statements, and I would like to do so as well, as it has been a matter of considerable concern to me and to our committee for a number of years—a number of years indeed.

Mr. President, the economist Eugene Steverle, who is now I believe at the Treasury Department, wrote a paper some 3 years ago in which he put the simple but significant proposition that the single most important change in the income tax system in postwar United States has been the erosion of the value of the personal exemption on the income tax.

In 1948 that exemption was set at $600. Steverle observed that if in 1984 it were still to be the same proportion of per capita income that it was in 1948, it would be $5,600. Which is to say that a family of four, it it was treated in the same manner today as was the case just after World War II, would begin calculating its income tax obligation by deducting four times

$5,600, which is to say $22,400. It would then take the standard deduction, or zero bracket, which is now some $3,540 such that the family could earn roughly $26,000 before it began to incur a tax liability.

The median family income in our country today is about $23,000. So we see that were we to have in place the provision for child care—which is basically what the personal exemption is—that we had after World War II, most families would not have any income tax liability at all. And had we just maintained the constant dollar value of that $600, it would have been $2,589 by 1984, and again a family of four would have nearly $10,400 in total personal exemptions to take off its income tax before adding the zero bracket of some $3,540. So this family would be well above the poverty line before it began to owe income tax.

It is simply an elemental fact of our present tax system that we tax families into poverty. We do not do so in the aftermath of a deliberate decision to make people poor. But had we made such a decision, the outcome would be no different. It would perhaps startle Members of the Senate to be told that we have a policy of making people poor. It is our tax policy. That is what our law provides. It may be that we can say. "Well, we had not thought of it that way." But it does not matter how you thought about it.

The poverty threshold in 1988 will be roughly $12,368. In this same year, under the current Tax Code, a married couple with two children would find that it began to owe Federal tax when its income passed $9,859. That is 20 percent below the poverty line. In other words, at an 80 percent of the poverty level standard of living this family of four would begin to owe taxes to the Government.

Put another way: A family of four which earns just the bare poverty level income will find that it owes in income taxes, and in payroll taxes just about 11 percent of that poverty level income such that after it has paid Federal taxes it has become poor.

This is a government which 22 years ago, in 1964, declared it to be the policy of the Federal Government to abolish poverty in the United States. Now, 22 years later we find that same Federal Government is creating poverty.

There are about 6 million individuals who are in families in this circumstance. It is a bizarre and, Mr. President, a cruel circumstance. It is not necessary to go into great flight of compassion, or rhetorical effort to asks why on Earth is a country as prosperous as we—almost a quarter century after we undertook to abolish poverty—taxing people into poverty?

□ 1610

Why are we making people poor?

Is it not, in fact, our policy to do so?

I cannot imagine the President would say it was his policy. I cannot imagine the Secretary of Health and Human Services, the chairman of the Finance Committee, or whomever, saying that. But had we had an avowed policy of this kind, we the result would not differs from our present, hidden policy. The Government is filled with hidden policies, things you do not acknowledge doing. Sometimes you do not even know you are doing. Indeed, the present situation crept up on us through years of general price inflation.

Just 2 years ago, in 1984, we finally realized we ought to be indexing the personal exemptions, but it has had a tiny effect. 40 years is a long time to make up.

I make these brief remarks in the context of a subject that we have been dealing with on the periphery ever since the President's State of the Union Message last January. This is the subject of welfare policy and welfare dependency, and social welfare generally. It is not a new subject for this body.

Our Constitution, the first line, commits us to promoting the defense of the Nation and the general welfare of its people.

In 1984, the last year for which we have statistics, the median family income in the United States was only $34 higher than it was in 1970. That, in effect, Mr. President, is 15 years of a flat family income. I do not suppose there have been 15 years in the history of the European settlements or North America in which the median family income has increases so minimally. In the postwar period, we never went 3 years without making a new record.

Even so, in a period of protracted flattened family income, we should not start to make matters worse by taxing families at the margin deeper and deeper into poverty.

It was an exemplary fact that the first tax reform plan from the Treasury proposed to increase the personal exemption to $2,000. This personal exemption which for us in the United States is equivalent to what the family allowance is in Canada, Australia, France, Ireland, or Norway. We are the only industrial democracy in the world which does not have a family allowance, an allowance for raising children.

We are also the only country of the industrial democracies in which the poorest group of the population are children. The prospect of a child under 6 being poor is seven times greater than for a person over 65. Almost a third of our children born in 1980 can expect to be on AFDC. It is an extraordinary lapse in American life.

It is not a situation that gets better, or that one can see progressing to a solution. But it is a situation which gets worse. We happen to be the first society in the history of the world in which children are the worst off in the population.

In any traditional economy, and in ours until a few years ago, the poorest group in the population were the aged. This occurred largely because they did not work in the industrial economy but worked in the agricultural economy.

Suddenly, and it all happened in 20 years, the poorest group in our population are children. Almost a quarter of children under 6 in this country are poor, and many of them are poor because we have made them and their families poor through the income tax system.

It is a nobel aspect of the tax bill before us that we will put an end to this anomaly, which, to use a term which has been used, is cruelty to children. That is what we proceed to correct with the enactment of this legislation, which I hope will be soon.

We have been waiting this afternoon for amendments to be offered. We do not appear to have any takers.

Mr. President, what would you say if I said, "Mr. President, I move to third reading of the bill." I think you might say, "Does the Senator from Oregon have any thoughts on the subject, or the Senator from Texas?" I suspect they might have, but I am not sure what they would be.

Mr. BENTSEN. I would suggest I would put in for a quorum call.

Mr. MOYNIHAN. And then what would we do?

Mr. BENTSEN. We would discuss it for a while, talking about the tough time obtaining revenue estimates from the Joint Tax Committee. What we have here is this most dramatic change in the tax laws since 1954, and it requires careful consideration. We have a lot of amendments that people are considering and want to offer, but the amendments must be revenue neutral. So the sponsors ask the Joint Tax Committee to provide them with revenue information, so that they can know the amendment will be acceptable and not be ruled against by the Chair. They are awaiting for that kind of information.

I have repeatedly heard Members of the Senate express their frustrations at not being able to get the information.

The other side of the coin is that the Joint Tax Committee is absolutely covered up with requests like that. They have a limited staff, but they have a good staff. They are trying to provide that kind of information. Up until now they have not been able to do it, I say to the distinguished Sena-

tor from New York, on many of the amendments.

Mr. PACKWOOD. I would say in fairness about two-thirds to three-quarters of the amendments I have heard about, which I cannot say are proposed because there have been no amendments filed at the desk, are costed.

We know, of example, if someone is going to offer an amendment on the IRA's and wants to do it by increasing the corporate individual minimum tax what that costs.

If they want to offer to full restore IRA's by delayed indexing, we know what that costs.

□ 1620

If they want to do it by eliminating the competing contract method accounting and eliminating transition rules and going back to the current rules on municipal bonds, we know what that costs; they know what it costs.

There are any number of amendments. The Senator from New Hampshire has an abortion amendment at the desk. It is not pending, it is at the desk. We know what that costs.

Mr. BENTSEN. Does the Senator mean from an economic standpoint or a political standpoint?

Mr. PACKWOOD. At least we know what it costs from an economic standpoint, but each Member must decide for himself or herself what the political cost is.

While I have a list of 50 amendments that Members have talked to me about, there are only two filed. As the Senator is aware, any Senator could come in right now and pull something out of his pocket and write it out, hand it in, and say, "I have an amendment." That we might not have a cost on because we would not know who it affects. But in most cases, most amendments that Senators have said they are going to offer, they know what it costs, we know what it costs, and I am ready to go on it.

Mr. BENTSEN. I say to the distinguished chairman that I think that is correct. Except I think we are also running into another problem. If the Members come up with revenue raisers that balance off the cost of their amendments, they are talking to other Members to see what kind of support they can get for that on the floor. There is that kind of practical limitation. I certainly share the desire of the chairman to move this bill and get it done. There are very few amendments, if any, that are going to be adopted on the floor of the Senate.

Mr. PACKWOOD. One of the very good exercises this bill has caused is that for the first time, and I am enviable to be in this position, we have to have revenue-neutral amendments. That is a wonderful discipline for us.

Before, you could come in here and say, "I want to restore capital gains. If it costs $25 million or $30 million, don't worry about it; don't worry about paying for it." My hunch is that it would have passed. Instead of the deficit being $212 billion or whatever it is going to be next year, it would be $220 billion, $230 billion, or $240 billion. But when you have to come in and say "as opposed to what," that is a slightly different bind.

Mr. BENTSEN. Mr. President, there is no question about that. I would like to move the tax rate cut up to January 1, 1987, when I know that so many deductions are going to be lost at that date. The way the bill is structured now, we know that many people, particularly those that itemize, would end up paying more taxes in 1987 than they pay in 1986. If that happens, you destroy some of the credibility of what we have done.

Therefore, I would like to move that. The problem is trying to decide how to pay for it. That is what I have been working on, trying to find something that I thought would be acceptable to the majority on this floor, that they would accept and support, and that would be done with equity. That is not an easy objective.

Mr. PACKWOOD. The Senator has stated a problem that I think most other Members are coming up against. It is part of the strictures of the Budget Act and Gramm-Rudman and the desire at least in this body, I think, of Republican and Democrat, conservative and liberal alike, to make some rational sense out of our budget policy. To the credit of every man and woman in this body, Democrat, Republican, liberal and conservative, they are consciously thinking, "How do I pay for it?" That is good discipline for us all to go through.

Mr. BENTSEN. I support that and believe that. I believe that there is not a Member that I know of on the Republican side or the Democratic side that consciously wants to stop this bill. The Senator may get a unanimous vote on it. It is the first time I would have heard of a unanimous vote on a tax bill.

Mr. PACKWOOD. The other day, when we were all down at the White House for breakfast, Senator LONG and Senator BYRD said they thought this bill would pass by 100 to nothing. The Senator from Texas and I have never seen anything like that on a tax bill. He and I have never seen a tax bill voted 20 to nothing out of a committee.

Mr. BENTSEN. I have never seen a major tax bill where we have had that before. I am looking forward to seeing that here, on the floor of the Senate.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1630

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, there has been a great deal of discussion so far on this bill heavily emphasizing business and capital investment, and I would like all of those who are watching, listening, and on this floor to understand that there is a coalition in breadth that goes far beyond just business or business and labor. I want to read just some of the organizations that are part of this coalition and then I intend to read the entire coalition. Some of the organizations that support this bill that you do not normally think of as being in alliance or in league with normal business groups are: ACORN, which is a group concerned with those in poverty in this country; the American Association of Retired Persons, a 26-million-strong organization, heavily concerned with those items concerning those on retirement, Social Security income, especially the income of elderly women who are widowed; Bread for the World, an organization concerned with the feeding of the poor and the hungry; Business and Professional Women of the United States; the Center on Budget and Policy Priorities; the Children's Defense Fund; Church Women United; Church of the Brethren, Washington Office; Coalition on Human Needs; Coalition on Women and Taxes; the Committee for Employment Opportunities; the Committee for Fairness to Families; Divorce Taxation Education, Inc.; the Fair Tax Foundation; the League of Women Voters of the United States; the National Black Child Development Institute; the National Coalition of American Nuns; the National Council of LaRaza; the National Tax Limitation Committee; the National Taxpayers Union; the National Women's Conference Committee; the National Women's Law Center; the National Women's Political Caucus; the Religious Network for Equality for Women; the Sisters of the Humility of Mary; the Targeted Jobs Tax Credit Coalition; the United Church of Christ, Office for the Church in Society; the Villers Association; and the Women's Equity Action League.

Those are groups that are not only supporting the bill, they are part of the so-called coalition known as the 15-27-33 Coalition. They are standing firm against any amendments, whether those amendments be on capital gains, or a third and higher rate or abortion, or the IRA's or any other amendment. One of the reasons this

particular group that I read is standing so firm is that this bill probably does as much for low-income women as any step that this Congress has taken in a generation. First you go to a $2,000 exemption, for you, your spouse, and your children. You have many, many women in this country who are working at $12,000, $12,500, $13,000 a year who are now on the Federal tax rolls paying Federal income taxes and they are at or below the poverty line. The poverty line is what the Federal Government establishes as the minimim amount of money needed, the minimum amount to clothe, feed, and house yourself with any respect. And we say if you fall below that you cannot clothe, or cannot feed, or cannot house yourself decently. Today there are people below that line who are paying Federal income taxes. Well, between moving to a $2,000 exemption and roughly a $5,000 standard deduction, that means you have to be at about the $13,000 level for a family of four before you at all rise into any tax bracket. All of those people are taken off the rolls.

Secondly, we have kept the so-called child care credit that is in the current law in this bill, and that is a credit. You are a working person. You have children. It costs you money to have them taken care of during the day; they are either pre-schoolers or you have to have them taken care of after school. As everyone is well aware, a credit is much more valuable than a deduction to a low-income person, and a deduction is more valuable to a high income person. Example: You are in the 50-percent tax bracket. Let us say that you had a $2,000 child care deduction, not a credit. You get to deduct that $2,000 and because you are in the 50-percent bracket that is worth $1,000 of tax saving to you. But if you happen to be in the 20-percent tax bracket, and had to pay $2,000 for day care, and it was a deduction, it would be worth only $400 to you because you are in the 20-percent bracket. The present law is a credit, and it means that whether or not you are in the 10 percent or 12 percent or 15 percent, or 20 percent bracket or the 50 percent bracket, you get to take a certain amount of money off your taxes. If it is $300 and you are a poor person and you owe $500 and you get to deduct $300, that is significant. That is very significant. If you are a wealthy person and you owe $10,000 or $15,000 in taxes, you still get to deduct only $300. So it means a lot more to the poor than it means to the rich.

Mr. DANFORTH. Mr. President, I do not want to interrupt the Senator's train of thought , but I wonder if the Senator will yield for a question.

Mr. PACKWOOD. I will be happy to yield.

Mr. DANFORTH. Mr. President, we are now on the third day of consideration of this bill on the floor of the Senate. I note that no amendments have been offered as yet. I know the Senator from Oregon, the chairman of the Finance Committee, has been on the Finance Committee now for how many years?

Mr. PACKWOOD. Fourteen years.

Mr. DANFORTH. During that 14 years we have had any number of tax bills on the floor of the Senate. I wonder if the Senator has ever experienced a situation such as this where we are 3 days into the consideration of the tax bill and not a single amendment has been offered to the bill.

□ 1640

Mr. PACKWOOD. Never have I seen a situation like that.

Further, unless there has been a change today, the reading clerk tells me that there are only two amendments filed at the desk. The Senator from Missouri and I have heard of some people thinking that maybe they are going to offer an amendment. But, as he says, it is unheard of to have only two filed.

Mr. DANFORTH. We had a meeting today in the Executive Office Building, and there were a number of representatives of various groups present. The chairman of the Finance Committee read a list of some of the groups supporting the tax bill. But it is my impression that the number of organizations supporting the bill is now in the hundreds, is it not?

Mr. PACKWOOD. We are approaching 700, and it is a coalition that includes the Children's Defense Fund and General Motors, both saying the same thing: We are standing firm against any amendments.

Mr. DANFORTH. I take it that with these groups, some 700 different organizations, there is no possibility that 700 organizations would agree on every detail of a 1,450-page tax bill. It is not possible for all those groups to agree on everything.

Mr. PACKWOOD. No; but what they have said is this: This is as good a bill as they think they are going to see.

If this were heaven and they were God, each of these groups would say, "I would like to change A, B, and C, and make it perfect from my standpoint." But groups like the League of Women Voters are pros at the business of dealing with Congress and think there is no bill that will be exactly perfect to them, but they know that this bill comes as close to it as they are going to get.

Mr. DANFORTH. Is it not the Senator's experience from talking to members of the Finance Committee that there is no one on the Finance Committee—we reported this bill by a vote of 20 to 0—but there is no member of the Finance Committee, including the chairman, who agrees with every detail in the bill?

Mr. PACKWOOD. No.

As the Senator from Missouri knows, there is actually one amendment I lost toward the end, when I voted against it, on the working interest for oil and gas. But I will stand firm on the Senate floor and defend the bill. In a perfect world, I would not have had that.

Mr. DANFORTH. We can all think of items we would like to shoehorn into a tax bill. We can think of ornaments we would like to use to decorate the Christmas tree. We usually call tax bills a Christmas tree because everyone has his favorite ornament or two or three, and the idea is to decorate the tree. We could all think of numerous amendments we would like to offer. Yet, the position of at least most of the members of the Finance Committee is that we are not going to do that.

Further, even if our colleagues were to offer amendments which are very attractive to us, even if those amendments were to relate to matters on which we have had strong philosophical commitments for years, still our position is that this particular tax bill should go through clean. If we have points that we want to make in the future, if we have ornaments that we want to add in the future, that could be done on some future legislation.

The point of this bill, as I understand it, is that when we start that process, even if it is a revenue-neutral amendment, even if it is an amendment that affects rates, still it is an amendment that goes to the heart of the bill.

Mr. PACKWOOD. Absolutely.

Mr. DANFORTH. Further, with approximately 700 organizations signed up to support the bill, any amendment that is tossed into this bill, like a bomb, is likely to scatter those 700 groups that have been so forthcoming in support of the bill. The last thing we want to do is to start those groups fighting among themselves over this tax bill.

Mr. PACKWOOD. Not only do those groups know that; they are absolutely following the theory that we had all better hang together or we will hang separately.

A good example: Today, added to the list of the 700 was the Edison Electric Institute. It is not an insignificant group. This trade association represents all the investor-owned utilities. There is probably no industry that is more capital intensive than utilities, that needs cash to build dams and generators and turbines and lines. It takes money.

In a perfect world, would they like to have an investment tax credit and a 33-percent corporate maximum rate? Of course they would. But, on balance,

they would rather have no investment tax credit and the 33-percent rate than the current law, which is the investment tax credit and a 46-percent rate. So they said, "Count us on board."

This coalition is growing by about 20 or 30 or 40 trade associations and companies a day that are signing on for no amendments. Maybe that is one of the reasons why we are having some difficulty in getting amendments up.

The other day we heard that a particular member was thinking of financing the return to the present law on the IRA's by increasing the corporate and minimum tax. In our bill, we go from $2.5 billion on the corporate minimum tax over 5 years, under present law, to $35 billion, a fifteenfold increase; and we do it at a 20-percent rate, when the House of Representatives has a 25-percent rate and does not raise half the money we do. We do it because we put almost every single preference item into the pot and say, "You're going to pay taxes on it."

This particular Member is thinking of trying to finance the IRA's by further raising the minimum tax. As soon as a number of members of this coalition heard about it, out went a hotline to the Member's State and to a number of large companies and some of those other organizations I read which are not companies, saying, "Senator X is thinking of doing this." They said, "We want you to understand, Senator X, that we don't want any amendments, and this particular amendment we find particular offensive."

I think that idea has been stopped. That is what this coalition is effectively doing.

Mr. DANFORTH. The chairman is aware of the fact that a number of people are thinking about returning to the present law with respect to the IRA's. What the Senate Finance Committee did is return to 1981.

Mr. PACKWOOD. That is the irony. I understand that what initially happened was this: The moment we acted on this, you had stories and television news that night—the Finance Committee has eliminated IRA's. We never eliminated the IRA's.

First, if you are independently employed, you have the IRA just as it is today. If you work for a company that has a pension plan, you have your money just as today. Say, you currently work for a company that has a pension plan and you deduct your IRA. We said in that case, and in that case only, you can no longer take the deductions. However, you can still contribute to it. You just cannot deduct. All the interest that accrues on the money you put in is not taxed until you take it out. It is like any other annuity.

Suppose you are young Jane or young John, 25 years of age, and you work for a company with a pension plan, and you want to put in $2,000 a year for 40 years, until you are 65. That is $80,000—$2,000 a year times 40 years. You would not be able to deduct that. But in those 40 years, that $80,000, even invested conservatively at 7 or 8 percent, would have grown to about $500,000. That $420,000 buildup, as we call it, would not be taxed during all those years. That is the value of the IRA, not the deduction.

So more and more people have come to realize that we did not get rid of the IRA's. Not even for that very limited group that has pension plans which we said could not deduct IRA contributions, did we get rid of the biggest part of the IRA's.

□ 1650

Mr. DANFORTH. To come up with the revenue necessary for a revenue neutral IRA amendment, it would require something like $26 billion, I believe, over 5 years.

Mr. PACKWOOD. If we were to go to current law, it would take about $26 to $27 billion.

Mr. DANFORTH. $26 to $27 billion.

And the chairman is aware of various approaches to trying to raise this $26 and $27 billion.

Is it the chairman's opinion that each of those IRA amendments, the ones that he has heard about, is not just a marginal thing or a tangential attack on the bill, but that each one of them goes to the heart of the bill and to the heart of the coalition that is supporting the bill?

Mr. PACKWOOD. Absolutely. There is no question, because I want to emphasize on occasion some people talk about anything that affects the rate. There is more to this bill than the rates. This coalition is standing firm against amendments not just amendments to the rates, because you could actually keep the present "rates" and do violence to the bill, because you could take things out or put things in in terms of exemptions or deductions that the committee has left in or taken out because we thought it was good policy to do so. They would not change the rate but do violence to the bill.

Mr. DANFORTH. Just one final question and this is about at least one of the proposals I have heard with respect to IRA's. The proposal is to make the deduction available to everybody, but to limit the deduction so it applies as though the taxpayer were paying taxes at the 15 percent rate.

Now, it is my analysis of that particular proposal that that works to the benefit of people who have a tax deductible pension program, but it works to the detriment of people——

Mr. PACKWOOD. Who do not.

Mr. DANFORTH. Who do not.

Mr. PACKWOOD. That is right.

Mr. DANFORTH. Because right now the person who does not have the 401(k), the person who does not have the tax deductible pension program and all he has is the IRA, this is to say to that person, "Well, I am sorry, but we are going to reduce your deduction, you poor guy without any other plan, you poor person who is taken care of by the Senate Finance Committee; if you do not have any other plan, we are going to take money out of your pocket in order to provide a deduction for someone who has a tax deductible plan."

Mr. PACKWOOD. The Senator has it exactly.

Mr. DANFORTH. Does that strike the chairman as being fair? Is that in the service of equity in tax legislation?

Mr. PACKWOOD. It is not fair because we very specifically left in the bill the current law as to those who were self-employed so, therefore, they obviously have no other pension plan other than Social Security that everyone has or those who work for a company that has no pension plan. If people in that bracket happen to be in the 27 percent tax bracket they can deduct 27 percent. In essence, there are some people who say no, let us make everybody deduct at the 15-percent level, so the poor people self-employed or working for a company with no pension plan, they are the ones who get discriminated against with that kind of amendment.

Mr. DANFORTH. In part, what these amendments would do would provide only deduction against the 15-percent level. In fact, what they would be doing is to subsidize people who do have the tax deductible pension plan out of the pockets of those who do not.

Mr. PACKWOOD. That is absolutely correct.

I might make one emphasis here as to who does and does not have an IRA. I would not be so foolish as to get into the debate as to what is middle income. Everyone thinks they are middle income, no matter how much money they make. Most of us live to the limits of our income. If we are looking at those making $40,000, $50,000, or $100,000, most people regard that as middle income. I am not going to define that. I am simply going to take the income level of $40,000 a year taxable income, and "taxable income" is a technical term which you get to after you deduct standard deductions and exemptions, and as a general rule that $40,000 taxable income would be equivalent to about $50,000 in gross income. That is what you would answer when someone asked, "What do you make?"

But for purposes of what I am about to say I use the Internal Revenue Service and Treasury Department figure for taxable income and divide it

into $40,000 taxable income below and $40,000 taxable income above.

Eighty-six million tax returns report income of $40,000 or less, 86 million. Of those 86 million, 9 million file for IRA's, 77 million do not; roughly only 10 percent have IRA's. Of those who make $40,000 and above, of the tax returns showing $40,000 and above, there are 12 million returns. Of those 12 million, 6 million file for IRA's.

So when the argument is used that this is principally a middle-income device or those in even lower income classes, again I say I am not going to define "middle income," but if you mean who predominantly uses them in terms of percentage of returns filed, about half of everyone who makes over $40,000 a year takes them and 10 percent of those who make $40,000 or less take them.

So if there is any effort made to put back in the IRA's by let us say eliminating indexing, and someone has suggested that, or delaying indexing, and indexing is simply what we put into the law a few years ago so that as inflation went on and you got bumped into higher income levels just by inflation, you really were not making any more money, you were just standing even with inflation, you got put in higher tax brackets because the code was progressive. We indexed it. We said if the cost of living goes up 10 percent in 1 year, the exemptions and everything else go up 10 percent and you stay even.

If someone were to attempt to pay for IRA's by eliminating or delaying indexing, what you are saying is that we are, in essence, going to tax everyone; the rich, the middle income and the poor, so that those who principally make over $40,000 a year can have a tax deductible IRA.

Mr. President, that is not fair. Not only that—this is a top-of-the-head calculation, because I have not had it yet costed out—but my guess is that of the 6 million people who are below the poverty line which we take off the tax rolls, if you delay indexing—again this is a hunch, a guess, I have not figured it out exactly—if you delay indexing, about 200,000 of those will remain on the tax rolls, even though they are below the poverty line; below the level that we say is the minimum they need for decent housing—"decent," that is perhaps an expansive word—for minimal housing, minimal clothing, minimal food.

So that is the problem that many people face in trying to draft amendments.

In the present Tax Code today, the way it is structured and the way you can use the standard deduction, you take your personal exemption and you will not have to itemize. Under the code today about 60 percent of the people do not itemize. That means they do not take any deductions usually except the standard deduction, and their personal exemptions. There are one or two other deductions they can take that we call above the line, although they are not itemized deductions. In the code today 60 percent of the people do not itemize. They do not take capital gains. They do no take a deduction for State or local taxes. They do not take a deduction for mortgage interest on their home. They do not take a deduction for interest that they pay to buy a car. Sixty percent do not itemize. They are usually in the tax brackets that are at the middle or lower.

Most deductions are taken by people who are in the middle or upper tax brackets; deductions for interest on their car, deductions for taxes paid, deductions for capital gains, and it is many of those deductions and especially in the area of real estate investments and what we call passive losses that have allowed the very, very wealthy to take deductions and avoid paying taxes altogether. I mean zero, zip, nothing.

And we took all of those deductions out of this bill and we said, "Henceforth, you are going to pay taxes even though you have never paid taxes before; even though you are making $50,000 or $150,000 or $200,000 or $250,000 and never paid taxes before, you are going to pay."

Any effort that is made to put those deductions in, any effort that is made to stretch out the effective dates when elimination of those deductions goes into effect, if you attempt to pay for it by delaying tax cuts that we have given to everybody, in essence, it is asking the poor to subsidize the rich, and that is not fair.

□ 1700

So that is part of the choice that many of the Members are facing when they are trying to draft amendments. Most, if not all, of the deductions that they want to put back in benefit principally those above median or average income levels. But in order to pay for them in one form or another, they are often having to levy taxes on those below the median or average income levels, and that is simply not going to strike this body as fair at all.

Another reason that you find many poverty groups, low-income groups, and women's groups defending this bill and saying they will stand firm for no amendments is what we have done in terms of pension vesting. Vesting is another technical term that defines how long a person must work for a particular company before his or her pension vests, that is before he or she has a right to benefits that cannot be lost, even by being fired, quitting, or changing jobs.

The bill reduces from 10 to 5 years the number of years that an employer may require that an employee work before the pension benefits vest. And in addition we have restricted what is known as Social Security integration. Many pension plans now say you are entitled when you retire to $500 a month. But, it says if, however, after you paid into this pension plan all of your working career and, of course, you are paying in on Social Security also, and if, by chance, you have $400 coming in Social Security, then you only get $100 from the company. That totals the $500. That is called Social Security integration.

This bill prohibits that, henceforth, and the reason it is very important is almost all of the people that it affects are low-income people who have been hoping that when they retire they might have $450 or $475 in Social Security, and they were hoping for $300, $400, or $500 from the company, and upon retirement they discover the company has offset his pension benefits against his Social Security benefits.

We have also strengthened in this bill what are called the discrimination rules in pension plans which require that more low-income employees be covered before a company is eligible for certain tax benefits in the pension plan, and lastly, in the health insurance provisions where the employer provides you with health insurance. We have strengthened the nondiscrimination rules so that you cannot provide an exquisite health plan for the president of the company, and a very minimal health plan for the lowest paid. So it is no wonder that those of very low income—and very honestly, Mr. President, most low-income people who are working in this country are women, most of them. It is unfortunate but true, and I mean working and making money. I am not talking about welfare. I am talking about people who are working full time and getting $12,000 to $12,500 or $13,000 a year. Most of them are women. So is it any reason that the coalition which I read supports the bill?

But in addition to that, now I want to read the entire list, and I apologize, Mr. President, for the time that this is going to take.

Mr. EVANS. Mr. President, before the chairman gets to that, I wonder if he would yield for a question.

Mr. PACKWOOD. Absolutely.

(Mr. DENTON assumed the chair.)

Mr. EVANS. Mr. President, I have been a supporter and admirer of the chairman and his committee and of the work they have produced. But I must admit to being puzzled and disturbed after listening to the exchange between the Senator from Missouri and the Senator from Oregon. I listened carefully. And what I got from that exchange and from the understandable enthusiasm of the chairman over the long and growing history of

organizations who are joining in support of this bill is that somehow 80 Members of the Senate, those who are not on the Finance Committee, are now to fold their hands, lay aside their responsibility to legislate, and simply not propose debate or accept any amendments whatsoever; that somehow this bill as it came from the committee as good as it was has now been elevated to sainthood or beyond, that it is so perfect that nothing could be done that would gain either the chairman or the coalition's support as being of benefit, not harming or bruising the essential new rights and benefits which I believe this bill provides for many, it seems, and as the chairman has suggested.

I would like to ask the chairman if he believes that it is only those who are members of the Finance Committee who did have the privilege and the opportunity while the bill was in committee to insert their own provisions, understandably of interest to their own State and their own constituencies, but now the other 80 Members of the Senate will have no equal opportunity. I ask the chairman if that is the intent of this coalition. It sounded very much to me like that was the essence of what he was saying, that we are to lay aside our opportunity to legislate, and we might as well go to third reading tonight.

Mr. PACKWOOD. No; if the Senator listened carefully to the exchange between the Senator from Missouri and myself, he said, "Does the Senator mean to say the members of the coalition think this bill is perfect,"

I said, "No."

Mr. EVANS. That is not what I am suggesting. The members of the coalition, I think I heard the Senator from Missouri say, would stand firm against any amendments whatsoever, even though somehow miraculously someone might even come up with an amendment that would make the bill better than it is today for not only the members of the Finance Committee but for all the members of the coalition.

Mr. PACKWOOD. What the coalition, I think, is justifiably worried about is that any significant amendment that affects the body of the bill—by that I mean the rates or otherwise, not just rates—will start to make it unravel, and many of the things that this coalition is interested, in, although they are interested in disparate things, they will lose. They are willing to say, having watched the process, and when you look at the entire group, they are not amateurs, even though these may be groups that represent university professors, they are longstanding trade associations that know the business of Congress well and understand how it works. They are saying, having looked at the bill, on balance we are satisfied with the way it is and we think the risks of accepting amendments on the floor is greater to those things that we cherish in the bill, even though in a perfect world it could be made a better bill than the risk of saying we will stand firm against any amendments.

I do not think the Senator will find anyone on the coalition that says given the best of all situations, let one group alone make the amendments. They would not say we would prefer that.

Mr. BENTSEN. Will the chairman yield for a question concerning that?

Mr. PACKWOOD. Yes.

Mr. BENTSEN. Mr. President, the chairman and I know how this bill has evolved. We went months down a path trying to create a good and just bill. What was presented to the Finance Committee originally is a dramatic difference from the bill that emerged from the committee. Much of the work was done behind closed doors in trying to resolve the differences among us.

I am a strong supporter of this bill. I think it is the most major, most dramatic, and one of the best tax reform bills that has been considered since 1954. I have stated that repeatedly. But I do not believe the Finance Committee is either omnipotent or omniscient. I share with my friend, Senator EVANS, the belief that this bill can be improved on. And for us not to consider any amendments here on the floor I think would be an abdication of responsibility—to say that no matter how an amendment was structured, we are not going to support it and are against it.

□ 1710

I said earlier this afternoon that I would not be surprised if this bill passed without one amendment. But when a bill is presented to us that has taken as much time as it has taken to draft this one, it takes time to study. We have over 2,000 pages, and I have not read it all the way through. And I do not know that the chairman has read it all the way through, or whether Senator EVANS has read it all the way through. I am finding out new things about it all the time as I go along.

This is not a cosmetic bill. This is not a superficial bill. We have addressed complaints that I have heard ever since I have been in the Senate from people who say, "The tax law is too complex. The rich do not pay enough. The poor are paying too much."

We have tried to answer those criticisms. I think it is an admirable job.

But then to say we are not going to do anything on the floor and that any problems we find we are going to take care of in the conference? I have been in those conferences time and time again hours and hours without end, 18 to 24 hours, no sleep, all night. And finally, behind closed doors, we try to resolve things, knocking heads together and deciding what we are going to do, coming to some conclusion at that point—those are treacherous shores.

I think this bill can stand the sunlight. I think it can stand review on the floor.

I know that many people are still trying to cost out amendments, and trying to decide whether to offer them or not. I find it difficult to accept the idea that we should not consider any amendment regardless of its merits.

Mr. PACKWOOD. We will consider amendments, I assume, because Members have indicated to me that they will be presenting them. All I have said is that this coalition said they will stand firm against amendments. Could Members present amendments with none being adopted? That would be an unusual situation. I have never seen a tax bill yet that did not have amendments adopted.

Have some Members talked to me on certain critical issues that I would find more acceptable than the way we handled those matters in the bill? No; they have not. But for somebody to come up with an amendment that I have not heard of, that Senator EVANS has not heard of, that Senator BENTSEN has not heard of? No; but this particular coalition, I would say, after all the years I have been here, I would perceive it to be unlikely that they would accept.

Mr. EVANS. That was going to be my next question. I think I almost would sign up as the 750th member of the coalition, or whatever is the next number, if I can be assured that this bill as it now sits, even though I have some problems, as the Senator knows, would not be changed in conference. I ask the Senator from Oregon, does he believe that that is a rational hope?

Mr. PACKWOOD. Does the Senator mean unchanged, every dotted i and crossed t? I think that is unlikely. But if the Senator means unchanged in its major thrust, and by that I mean holding the rates, I think there is a possibility that that can happen.

I will tell you why. From the time we first considered the bill in committee until it passed, it was only 12 days, although we had considered the ideas for months and in some cases years. Very few of the ideas were new. They had always been talked about in disparate bits and pieces. We could never get a whole.

When the bill was being put together in a whole it developed a momentum of its own that is still growing. The coalition seems to be growing at 20, 30, or 40 a day. I think when the bill passes the Senate, and it is clear that it will pass, that momentum will carry through the Congress to the House Members, with tremendous

pressure on the House Members to accept the overwhelming bulk of the bill.

Would that be a miracle, that in a tax bill one House predominated significantly over the other? Call it what you want. As far as I am concerned in this world, if you do not believe in miracles, you are not a realist because they happen every now and then.

The momentum grows daily, and I think it might peak just about the time we are at conference. If it passes here 100 to nothing or even if it passes 75 to 25, with the President's strong support, with the coalition of maybe 1,000 groups or more, I think the chances are pretty good for the bulk of the substance of this bill being adopted in conference.

Mr. EVANS. I wish to ask the Senator one more question. I would still say if it would not be a miracle, it would be close to it, to achieve that end. Impressive though that list is, and even more impressive as it grows, none of those organizations have a vote in the Senate. What is infinitely more impressive and probably more decisive would be the vote or the expressed opinion of the chairman of the Finance Committee. Am I to understand that the chairman of the Finance Committee is also committed to oppose any and all amendments of whatever kind, however presented, during the course of this bill through the Senate?

Mr. PACKWOOD. All I can tell my good friend from Washington is that at the moment no Member has filed, or has talked with me, because very few have filed, any amendment that I would prefer to what we now have in the bill.

Let me give an example bacause I know of the particular issue that the Senator from Washington is concerned with. Bear in mind again, what we were trying to do as we got the rates down.

In order to get the rates down, we had to cut and eliminate deductions, loopholes, exclusions, privileges, and we did that, not only in the areas of tax shelters, not only adding on to corporations a stiff minimum tax that means that every corporation in this country that makes a profit will have to pay some tax. But one of the things we also did was to eliminate the deduction of States sales taxes. We did not eliminate the deduction of State or local income taxes, or State or local real property taxes.

There was a time when the committee considered that because when we decided to put this idea together we instructed the professional committee that does research for us, the Joint Committee on Taxation, to prepare for our consideration a variety of bills that would have a 25-percent top rate.

The Joint Committee on Taxation presented a number of bills to us, but they could not get to the 25-percent rate without some limitation on State or local income taxes and State or local real property taxes.

When the committee saw that, the committee just said that was unacceptable. They had one plan that said you would have been allowed to take all taxes that you paid locally—sales, real property, income—at only the 15-percent level of taxation, even though you might be in a higher bracket.

To put it another way, let us say instead of getting a 100-percent deduction, you would get an 85-percent deduction for each one. The committee rejected that. They said they did not want to do that.

When they were presented with the alternative of total elimination of the sales tax but no elimination of real property taxes or income taxes, the committee voted for that option without a fight. They voted for it.

I think I understand why.

First, remember, again, about 60 percent of the people do not itemize today at all. They do not deduct sales taxes, they do not deduct income taxes, they do not deduct real property taxes. So to them, whether you eliminate or did not eliminate the deduction of any taxes was neither here nor there.

But of those who do deduct, we found an interesting pattern. These are 1984 figures. I do not have more current figures from the Internal Revenue Service.

State and local governments levied in 1984 about $81 billion in sales taxes.

□ 1720

Only $19 billion of that is itemized as Federal deductions. In the same year, 1984, State and local governments levied $65 billion in income taxes and $57 billion of it is itemized as a deduction. So, right away, the Members can sense that even though more sales taxes were collected, infinitely fewer people took them as deductions.

Second, we discovered another thing. When you itemize your sales taxes and take a deduction, you can do one of two things. The Internal Revenue Service puts out a chart. If you have a certain income level, you can look across that chart and on the average, that is the amount of sales tax you are allowed to deduct. Or you can deduct the actual amount of sales taxes you paid. But you cannot do both; you cannot use the chart and claim the actual amount.

What we discovered is that of the 40 percent of the people who do itemize their deductions, those that were in the lower income level of the 40 percent—although all of the 40 percent would probably be above the average income level—the lower income level took the deduction from the chart.

The chart, very frankly, probably does not accurately state the amount of sales tax they could deduct. Of those 40 percent who itemize who are in the upper levels, they were inclined to list their sales tax deductions because they had bought jewelry or fur coats or Mercedes-Benzes instead of Chevrolets. They kept an itemized account of their sales tax deductions.

So, again, it became clear to us that of those who did itemize, the sales tax deduction was preferred by the wealthier taxpayers. That is the reason we came to it.

I have heard that there will be offered on the floor an amendment to go back to one of the original proposals that the committee considered. Instead of total deduction of the income tax, total deduction of real property taxes, no deduction of sales tax, we will have about an 85- or 86-across-the-board limitation on the deduction of all those taxes.

I am perfectly willing to have that put to a vote, to be considered, and we will let the will of the body do its work. Based upon the evidence we had in committee, I think that is an unwise amendment. I especially think it is unwise because it limits the real property tax deduction which specifically aids every school district, every sanitary district, every county, every city.

But if by chance the Senate were to adopt that kind of amendment, I would not regard it as having done violence to the bill. They would not have changed the rates and they would have said that instead of eliminating the total deduction of sales taxes, we want to eliminate a little bit of the deduction of all these taxes.

Will the amendment be offered? I do not know. I shall speak against it if it is. If it is adopted, will I regard the bill as violated? I will not.

Mr. EVANS. If the Senator from Oregon will yield for a question, this is not the place or the time to debate the particular merits of that or any variation of the proposal that would bring sales taxes back into deductibility in some fashion. I think there are answers and responses to the arguments that the chairman has made.

I ask the chairman if he does not believe that at least under the current circumstance of no deductibility for sales tax, in at least a few States—my State of Washington being one—it is egregiously unfair for all of the taxpayers of that State because we have no income tax. We have relatively modest property taxes. The bulk of school financing is at the State level and is done primarily out of the sales tax, not the property tax.

The people of our State—if in fact there is anything to the concept, and frankly, I question it, that you must not lower below 100 percent the deductibility of property taxes, especial-

ly, because somehow, that would turn people against the support of education—if they did not have 100-percent deductibility, somehow they would not vote for such levies. I would judge that that very same argument could be used dramatically in the case of the State of Washington and the deductibility of sales taxes—not 15 percent but 100-percent lack of deductibility.

I hope the chairman would agree that, perhaps not inadvertently but at least because of the way the committee chose to put the bill together, it has resulted in some extremely unfair imbalances in the deductibility of local taxes State by State.

Mr. PACKWOOD. I would not admit to the unfairness. Senator MOYNIHAN raised this point in committee. He fought tooth and nail against the elimination of sales tax deductions or any other State and local tax deductions. But I would say in terms of generic philosophy, the elimination of the sales tax is perhaps more akin to what we have done in the past with respect to elimination of certain taxes. You cannot deduct State gasoline tax or State cigarette tax or automobile taxes under current law. Those are all forms of sales taxes.

Mr. EVANS. I would suggest that those do not even come close, however, to the breadth and importance of the sales tax. The sales tax in our State is of equal importance and, in fact, I think very close to the same share of total State and local taxes in the State of Washington as the State income tax is to the State of Oregon. So it is of equal importance to us as the Senator's income tax.

Mr. PACKWOOD I did not mean to say that those others—State liquor tax, State cigarette tax, State drivers' licenses taxes, are equal the sales tax. All I am saying is that they are the same kind of taxes. They are taxes levied on things that the general public buys.

Mr. PRESSLER. Will my colleague yield?

Mr. PACKWOOD. I am happy to yield.

Mr. PRESSLER. Mr. President, American farmers and ranchers will be affected in many ways by the far reaching tax reform bill we are considering today. As with all areas of the economy, some farmers and ranchers will benefit from the changes and some will be adversely affected. However, the impact on the overall farm economy will be positive.

This is evidenced by the fact that most major farm organizations endorse the tax bill. I ask unanimous consent that a letter outlining the position of the major farm organizations on the bill be included in the RECORD following my statement. In addition to those organizations which signed the letter, it is my understanding that the American Farm Bureau Federation, the National Cattleman's Association and the National Grange also endorse the bill.

The major positive effect of the bill will be the elimination of many tax incentives for investors to get involved in farming for the sole purpose of sheltering nonfarm income. Recent studies have determined that the revenue lost through agricultural tax shelters exceeds the amount of taxes paid by legitimate farmers. The farming of the Tax Code not only costs the Government revenue but also hurts family farmers and ranchers.

Speculation by investors drove up land prices in the late seventies. Rapid depreciation brought investors into hog and chicken feeding operations. Capital gains on livestock encouraged investors to purchase livestock. Allowances for prepaying production expenses also encouraged investors to get into farming. Most of these tax shelters have been eliminated in this tax bill.

The tax incentives for investors also encouraged overproduction and further depressed farm prices. The deduction for clearing land encourages investors to clear or level land which should never have been brought into production. These policies increased production and encouraged poor conservation policies. In the livestock sector many of the cattle and hogs fed today are owned by investors. These investors do not care if they make a profit. They are only interested in reducing their tax burden. Hopefully, these changes in the Tax Code will help to restore the market forces in agriculture.

I support the major concepts of the tax bill in regard to agriculture but have several questions and concerns. Due to low farm prices and various tax preferences in the present code, many farmers have paid no Federal income tax or very little tax in recent years. The elimination of the investment tax credit and income averaging may cause these farmers to pay a substantially higher tax in the first years. We should explore possible methods of phasing in some of these changes for genuine family farmers and ranchers.

I am also concerned about the change in capital gains rules for farmers or ranchers who have been forced out of business through foreclosure or have been forced to convey their property to a lender. In the budget reconciliation package only recently signed into law, we made changes to provide relief for these individuals. Many farmers and ranchers who are forced to sell out find that, although they are left with absolutely no money, their land has appreciated in value to such an extent that a major tax liability is created. We had the situation where individuals were left with nothing but a large capital gains tax. The Consolidated Omnibus Budget Reconciliation Act of 1985 provided relief by allowing the farmer or rancher who was forced out of business and had no means of paying the capital gains or income tax to write off his capital gains liability.

I would very much like Senator PACKWOOD or another member of the Finance Committee to clarify how this situation would be treated under this bill. If it is not addressed, I believe we should consider including a provision in the bill. The loss of a family farm or ranch is a very difficult experience. These people have no means of paying these taxes and should not have a huge tax bill hanging over their heads.

Mr. President, in general I support the agricultural provisions of the bill. The changes will benefit the farm economy. Most farmers and ranchers I talk to would like to pay income taxes because it would mean they were making a profit. This would mean higher farm prices which is what the farm economy really needs. Passing this bill does not guarantee higher prices for farmers but it would help to eliminate the unfair competition from investors who get involved in farming only to shelter their nonfarm income.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of organizations endorsing the bill.

Mr. PACKWOOD. Mr. President, would my good friend tell me, how many organizations are listed there?

Mr. PRESSLER. This particular endorsement by the Association for Public Justice, the Center for Rural Affairs, Communicating for Agriculture, the Interfaith Action for Economic Justice, the National Catholic Rural Life Conference, National Farmers Organization, and National Farmers Union. I am told it has also been endorsed by the National Cattlemen's Association and the National Grange also endorsed the bill, plus the American Farm Bureau Federation. That is 10. That does not mean I endorsed the bill.

Mr. PACKWOOD. I appreciate the Senator's reading that because I have just discovered he has read one or two I did not have. I had seven. There are three I did not know about. That is an idea of how fast this coalition is growing, coming on daily.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 28, 1986.

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, DC.

DEAR SENATOR PRESSLER: We urge you to support the tax reform bill reported out by the Finance Committee. We look forward to reviewing the actual bill language. The following comments are based on our understanding of the bill as it is being drafted.

While further improvements could be made, the bill nonetheless represents major progress for family farm agriculture. It would improve farm profits, diminish overproduction, reduce concentration, improve

opportunity for beginning farmers, enhance conservation, and begin to restore a competitive balance to the farm economy by restricting farm tax shelters. Unwarranted tax subsidies helped cause the current farm crisis; the time has come to restore some fairness and neutrality to tax policy and agriculture.

In particular, we urge you to support the Committee's decision to:

Eliminate the investment tax credit;

Place single purpose agricultural structures in the 10 year depreciation class;

Prohibit passive investment losses;

Eliminate the land clearing deduction;

Limit tax exempt farm depreciable property loans to $250,000; and

Allow the self-employed to deduct half their health insurance premiums.

We urge you to vigorously oppose any weakening amendments pertaining to these provisions.

We also strongly support the elimination of the capital gains exclusion. Capital gains treatment in the livestock sector results in overproduction and low prices and grants an unfair advantage to high bracket taxpayers. It also favors high bracket taxpayers in the farmland market and encourages land speculation, contributing to the boom bust cycle in the land market. While we support the elimination of the exclusion, we would note that in the absence of indexing, some financially strapped or retiring farmers who sell land at no real gain may be hit with large tax bills. We would support protecting insolvent family farmers from taxation on forced land sales. We would support indexing of capital gains if accompanied by a higher tax rate for high income individuals.

Despite the many favorable provisions in the bill, some areas continue to cause concern. First, the speed-up of depreciation on farm equipment would increase incentives to replace farmers (labor) with capital. Longer, slower depreciation would be preferable. Second, the bill lacks sufficient restrictions on the abuse of cash accounting by larger than family-sized farms. Stronger limitations are needed to reduce incentives to overinvestment, overproduction, and farm size growth. Third, the complete elimination of income averaging would hurt farmers who are in a business characterized by highly fluctuating incomes. Fairness would dictate its retention at least for farmers or others with fluctuating incomes.

We hope that there might be some positive modifications along these lines. It is our considered judgment, nonetheless, that even without such modifications the bill should be supported. While not perfect, it is a vast improvement over current tax law. The bill moves the tax code closer to fairness and equity and makes improvements beneficial to this nation's family farmers.

Thank you for considering our views.

Sincerely,

Association for Public Justice; Center for Rural Affairs; Communicating for Agriculture; Interfaith Action for Economic Justice; National Catholic Rural Life Conference; National Farmers Organization; National Farmers Union.

Mr. PRESSLER. Mr. President, on a less friendly note, let me ask a question from my State's point of view. We have been concerned in South Dakota about the transition rule on one of the bonding authorities of our State. I noted in the New York Times and probably in the tax bill if I can find it, a listing of several corporations that had transition rules applied but my State could not get it. We worked with staff and I understand all States have had their transition rules for State housing and bonding stripped out. This question has been asked, I believe, by a colleague, but it would be very useful to me in evaluating this bill if we could get the revenue numbers, which I have been unable to get from staff on each of these corporations that get transition benefits, what that means exactly, and perhaps the chairman could educate all of us. There seems to be a certain amount of mystery surrounding this list of corporations. I am not in any way saying there is anything wrong here. I am trying to understand why they get transition rules while public authorities have not.

Mr. PACKWOOD. Is the Senator saying that South Dakota has no transition rules in this bill that were requested by him or Senator ABDNOR?

Mr. PRESSLER. We requested one in particular and were told that all States would be dealt with on that basis in conference.

□ 1730

But could we check on that because we were told that all transition rules were taken out and they would be dealt with in conference. If that is not the case, I would be very happy to learn of that here.

Mr. PACKWOOD. Let me cite the standard we tried to follow, and it was not limited to public versus private. So that everyone understands what a transition rule is, it is simply a way to try to ease the passage from one set of tax laws to another where the rules are changing in midstream. And, of course, any time you change the tax law, no matter when you do it, it is midstream. So you try to say to the group affected, "We are going to try to ease your passage into this by a transition rule." These are basically the standards we tried to follow, but we did not distinguished between public and private organizations. We said, one, there would be no exception to the passive loss rule. This is where people attempt to shelter their income with artificial losses against their other income and pay no tax. There is no exemption, to the best of my knowledge, in this bill or any transition rule involving passive losses.

Second, we said—and this may be a subjective standard—it has got to be fair. Fairness perhaps is in the eye of the beholder, but we tried to say do you have a fair case, and equitable case?

And then the third one was that there had to have been some detrimental reliance on the existing law. If somebody were to come to you and say, "Well, our State is thinking of building, or our city is thinking of building a convention center maybe in 1990, although we have not had any bond issue before the public and the legislature has not acted, but just in case we might want to do it 4 years from now, could we have a transition rule?"

On most of those we would say no, because there at least had to have been some action by a city council or some vote of the people, if you require votes on bond issues, or some evidence that some steps had been taken. It still had to meet the other two tests, no passive losses and fairness. But in some cases we had requests where no action had been taken by any State or local body and it was just a Member attempting to protest something that might happen but there had been no detrimental reliance on the existing law. In that case we said no. And that could just as well apply to companies as to counties. We did not, in that sense, distinguish between public entities and private entities.

Mr. PRESSLER. Mr. President, to conclude this I would like to ask to have Senator PACKWOOD's staff prepare what the transition rules are as they affect my State of South Dakota and if that is comparable treatment other States have received.

Mr. PACKWOOD. OK, but it would also help, because we had literally thousands of requests, and just in case I cannot find it instantaneously, if the Senator could give me a list of the transition rules he asked for.

Mr. PRESSLER. All right, I will do that.

Mr. PACKWOOD. I thank the Senator.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, last week I requested the Joint Tax Committee to analyze what number of people in each income category would be getting tax increases, what percentage would be getting tax decreases, and what percentage would have their taxes stay about the same. We received that information just about an hour ago. Like a number of other people who have asked for information, we have now been supplied it; others are still waiting, and I think in fairness to them—we all want to be fair to each other—there are a number of people who are going to be offering amendments as soon as they get information from the Joint Tax Committee. That staff is overworked. There is a backlog of requests. We know through no fault of their own they have not been able to furnish all the information which has been asked of them. But in fairness to a number of our colleagues, I think that is the reason why a number of people have been unable to prepare amendments, because they do not have information from the only source

of that information, the Joint Tax Committee, which is necessary for the amendment to be credible.

But in any event, I am happy that I have received the information I have asked for, and I first want to thank my friend from Oregon for helping to expedite this request. I think it was on the floor last week that I raised this question with him, and he said that certainly the staff would get to it as quickly as possible. They have done that, and I am grateful for this information, which has just now been received.

The letter reads in part that "Table 1 shows the figures produced by our computer analysis of the number of taxpayers with increases and decreases under the bill relative to present law. We believe that these figures suffer from flaws, described more fully below, that are sufficiently serious that we are unwilling to stand behind them as a statistically valid projection of the number of taxpayers with tax increases and decreases under the bill."

Now, with that major caveat, they have given me the figures. These are the best figures they have. We do not have any better figures than this, Mr. President. If these figures are unreliable, we have nothing upon which to base an assessment as to about how many folks in each income category are going to be paying more and how many are going to be paying less.

The Finance Committee did give us tables with their bill which show that there is an average tax cut in every income class. You go down this table 2 and it says here that if you are in the $30,000 to $40,000 income class, you can take some real comfort in knowing that there is a 5-percent tax cut for that class. And so I said, "well, wait a minute. That just says the class as a whole gets a 5-percent cut. How many people in that class will get a tax increase and how many will get a tax decrease?"

That is significant information. It was information which the Treasury gave us with the Treasury tax bill, and I think it is information which we ought to have so we can make a thorough assessment of this tax bill.

Now, with all of the qualifications that the Joint Tax Committee wrote in their text to me, here are the figures which they supplied me. And, again, these are the best figures we have. Let us go to that $20,000 to $30,000 category first. According to these figures, about 25 percent of the people in the $20,000 to $30,000 category could get a tax increase under this bill.

I say "could" because again the Tax Committee has said these are not statistically certain figures. So I have to say "could," but that is the best figure we have. Think of that, 25 percent of the people in the $20,000 to $30,000 income class could get a tax increase. Then you look at the $30,000 to $40,000 income class. Thirty-three percent of them could get a tax increase. And then you look in the $40,000 to $50,000 income class. Twenty-nine percent of them could get a tax increase.

Now, this data is either reliable or it is not reliable. I think there are two options. I do not know of a third. It is either reliable or it is not reliable. If it is reliable, it is significant. It is a significant fact and very different from the common understanding out there that just about everybody is going to get a tax cut except for wealthy folks who have sheltered all their income. This is significant information, if it is reliable, because it shows that in middle-income America, at least from $20,000 to $50,000, from 25 percent to 33 percent could get a tax increase. And of course then the question is who are these people?

That is something which we are going to try to find out more about as this debate ensues. But as I said, this data is either reliable, in which case it is significant, or it is unreliable, in which case it is also significant, because if we cannot get reliable data as to about how many people are going to be paying more in taxes and how many less in taxes, in each income category, that is a significant statement. We ought to have that information. That information was given to us by the Treasury with the President's tax bill. We ought to get that information on this tax bill, the best information that is available—and I know that we cannot get perfect information, but we can get the best information available so we can have a complete judgment.

One other interesting figure that I want to comment on on this table. It shows that if you make over $200,000, the wealthiest among us, about 54 percent of those folks will get a tax cut averaging $52,000. It also shows that the average tax cut is about the same as the average tax increase in the middle-income categories. For instance, go back to that $20,000 to $30,000 income category. It shows there that 25 percent of the people could get a tax increase averaging $339, and 68 percent could get a tax cut averaging $383. That is about the same. In the $30,000 to $40,000 income bracket, it shows that, as I said, about 22 percent of the people could get a tax increase averaging $525, whereas, about 64 percent could get a tax cut averaging $529—just about the same amount.

□ 1740

Then it might be said: "Gee whiz, look, 64 percent is bigger than 33 percent. If most folks in that category are going to get tax cuts, what's the problem?"

There are two problems. No. 1, a significant number of people in each income category above $20,000 at least—actually above $10,000—will be given a tax increase, which is very different from the common understanding in this country as to what is in this tax bill. Most people believe that just about everybody is going to get a tax cut except for some wealthy people who have abused the Tax Code, and the fact is that a significant number—it may be 17 percent, it may be 25 percent, it may be 33 percent—but a significant number of Americans, particularly middle-income Americans, are going to get a tax increase. That is a factor to be weighed. It is very different from the common understanding.

There is a second point, and it is this: Is it fair for as many as a third of the people, families earning from $30,000 to $40,000, to get a tax increase when a majority of the wealthiest among us, those over $200,000, are going to get a tax cut averaging over $50,000? Is that fair? That issue is one that we have to consider.

Is this question, in and of itself, the only factor which should be weighed in judging a tax bill? No. There are many factors to be weighed. But is this worthy of being weighed? Should we consider about how many families in each income category are going to be given a tax increase and try to figure out who they are? I think so. I think that is information which is worth having, worth digesting, worth analyzing, and trying to find out a little more about it. Who are those families? Are those the families with large medical expenses who will lose part of their medical deduction? Are those the families that have interest on education loans, money they borrowed to get their kids through college, who would lose the deductibility of the interest on those loans? Are these people who contributed to charity on the short form, who no longer would have the charitable deduction?

None of those is a special interest within any definition of special interest I have ever heard. Those are averaged Americans who had deductions for important necessities—medical expenses, education loans, and I would add charitable contributions as a necessity in this society.

So, Mr. President, at this time I ask unanimous consent to have printed in the RECORD the letter from the Joint Committee on Taxation to me, which I have just received, dated June 10, and the tables that are attached thereto, and table 1 with my percentage calculations on it as to what percentage in each income category will get increases and decreases.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, June 10, 1986.

Hon. CARL LEVIN,
U.S. Senate, Washington, DC.

DEAR SENATOR LEVIN: This is in response to your letter of May 14, 1986 asking for various statistics related to the individual income tax provisions of the Finance Committee bill.

Table 1 shows the figures produced by our computer analysis on the number of taxpayers with tax increases and decreases under the bill, relative to present law. We believe that these figures suffer from flaws, described more fully below, that are sufficiently serious that we are unwilling to stand behind them as a statistically valid projection of the number taxpayers with tax increases and decreases under the bill.

Table 2 shows the number of returns projected to claim the deductions for consumer interest, two-earner couples, State and local sales taxes, and medical expenses under present law in 1988. Also shown are the average deductions projected to be claimed on each return in the income class that itemizes and claims that particular deduction. It should be emphasized that the figures for the interest deduction are the result of an arbitrary division of nonbusiness, non-mortgage, interest between consumer interest and investment interest and may be misleading if used to judge the impact of the bill on particular taxpayers.

Table 3 contains distributional data on the deductions for IRAs claimed under present law. Because of data limitations, these figures are for 1984 rather than projected to 1988 like the other distributional data we have prepared and use adjusted gross income rather than economic income to classify tax returns.

Table 4 shows the percentage distribution by income class of the estimated tax reduction under the bill.

Although the figures in Table 1 are a by-product of the computer analysis used to produce our distributional data, we believe they contain serious flaws. Estimates of the number of returns with tax increases or decreases are very sensitive to small changes in tax calculations for individual taxpayers, so that items which lead to only small inaccuracies in average tax cuts could have a substantial effect on estimates of "winners and losers." The statistical problems include:

(1) A number of income, deduction, and credit items are imputed to the individual returns on our sample of tax returns. These imputations, while accurate on average, do not take account of possible relationships with many other tax items affected by the proposals. Thus, the number of winners and losers could be affected, for example, if those taxpayers who lose the two-earner deduction are more likely than average to use income averaging. Any such relationship is not reflected in the estimate of the two-earner deduction attached to particular returns in the sample, and, thus is not taken into account in producing the figures shown in Table 1.

(2) A number of pertinent items are omitted from our distributional data because we lack reliable sources. For example, omitted are such items as depreciation, and contributions to 401(k) plans and educational assistance plans. While the omission of these data has only a minor effect on the estimated average tax changes by income class, it could have a substantial effect on particular individuals and, thus, on estimates of the number of winners and losers.

(3) The relatively small size of our sample of tax returns for each income class may be a serious limitation on the accuracy of estimates of winners and losers.

In sum, our data base for estimating the income distribution effects of comprehensive tax proposals has certain limitations. While we believe that these have only a small effect on the accuracy of figures showing average effects by income class and other distribution data you have seen, they may seriously distort, in an unknown fashion, analyses of the number and type of taxpayers receiving tax cuts and tax increases.

Sincerely,

DAVID H. BROCKWAY.

TABLE 1.—TAXPAYERS WITH INCREASES AND DECREASES IN TAX LIABILITY UNDER H.R. 3838 [1]

[Tax year 1988]

	Number of taxpayers [2]	Percent of total	Number with tax increase	Percent of total	Average increase	Number with tax decrease	Percent of total	Average decrease
Income class:								
0 to $10,000	41,651,000	31.6	1,797,000	1.4	$186	12,533,000	9.5	−$162
$10,000 to $20,000	27,817,000	21.1	4,788,000	3.6	202	19,660,000	14.9	−315
$20,000 to $30,000	26,121,000	19.8	6,717,000	5.1	339	17,925,000	13.6	−383
$30,000 to $40,000	15,727,000	11.9	5,247,000	4.0	525	10,146,000	7.7	−529
$40,000 to $50,000	8,652,000	6.6	2,510,000	1.9	799	6,056,000	4.6	−820
$50,000 to $75,000	7,686,000	5.8	2,431,000	1.8	1,552	5,198,000	3.9	−1,218
$75,000 to $100,000	1,793,000	1.4	665,000	.5	3,189	1,116,000	.8	−2,724
$100,000 to $200,000	1,758,000	1.3	646,000	.5	7,605	1,086,000	.8	−6,239
$200,000 plus	655,000	.5	219,000	.2	50,030	359,000	.3	−52,535
Total	131,919,000	100.0	25,092,000	19.0	1,343	74,079,000	56.2	−816

[1] See text for substantial shortcomings of these data.
[2] Filers and nonfilers. Includes tax returns with no change in liability.
Source: Joint Committee on Taxation, June 6, 1986.

TABLE 2.—RETURNS AND AVERAGE DEDUCTIONS UNDER PRESENT LAW FOR SEVERAL MAJOR DEDUCTIONS REPEALED BY SENATE FINANCE COMMITTEE BILL

[Tax year 1988; dollars in millions; returns in thousands]

	Returns	Average non-mortgage and noninvestment interest expense	Returns	Average 2-earner deduction	Returns	Average sales tax deduction	Returns	Average medical expense deduction
Income class:								
$0 to $10,000	1,174	$1,239	1,109	$305	1,628	$206	1,415	$2,298
$10,000 to $20,000	4,431	1,061	3,142	342	5,261	291	3,674	2,634
$20,000 to $30,000	10,961	1,144	9,190	622	11,919	402	6,667	2,955
$30,000 to $40,000	9,205	1,317	7,610	876	9,968	475	4,729	1,957
$40,000 to $50,000	5,767	1,562	4,337	1,129	6,357	571	2,638	2,088
$50,000 to $75,000	5,414	2,027	3,293	1,352	6,096	687	2,068	1,931
$75,000 to $100,000	1,297	2,318	875	1,651	1,596	868	515	2,951
$100,000 to $200,000	1,050	3,909	645	2,042	1,366	1,039	344	4,350
$200,000 plus	331	11,561	203	2,360	438	1,517	75	7,910
Total	39,631	1,638	30,403	935	44,630	531	22,127	2,224

Note.—Averages take account only of those returns claiming deduction.
Source: Joint Committee on Taxation, June 6, 1986.

TABLE 3.—PAYMENTS TO INDIVIDUAL RETIREMENT ARRANGEMENTS 1984

Adjusted gross income (thousands of dollars)	Number of returns (millions)	Percentage distribution	Amount (billions of dollars)	Percentage distribution
Less than $10	0.7	4.6	1.1	3.2
$10—$20	2.2	14.6	4.0	11.0
$20—$30	3.0	19.3	5.8	16.3
$30—$40	3.2	20.5	7.1	19.8
$40—$50	2.3	15.0	5.9	16.5
$50—$75	2.6	16.7	7.5	20.9
$75—$100	0.7	4.5	2.2	6.1
$100—$200	0.5	3.6	1.7	4.7
$200 and above	0.2	1.0	0.5	1.4
Total	15.4	100	35.8	100

Note.—From the Joint Committee on Taxation.
Source: Advance IRS data.

TABLE 4.—DISTRIBUTION OF TAX REDUCTION UNDER SENATE FINANCE COMMITTEE BILL, 1988

Income class—1986 levels	Percentage distribution of tax reduction
0 to $10,000	6.3
$10,000 to $20,000	19.6
$20,000 to $30,000	17.1
$30,000 to $40,000	9.8
$40,000 to $50,000	11.1
$50,000 to $75,000	9.6
$75,000 to $100,000	3.5
$100,000 to $200,000	6.9
Over $200,000	16.1
Total	100.0

TABLE 1.—TAXPAYERS WITH INCREASES AND DECREASES IN TAX LIABILITY UNDER H.R. 3838 [1]

[Tax year 1988]

Income class (thousands)	Number of taxpayers [2] (thousands)	Percent of total	Percent same	Number with tax increase (thousands)	Percent with increase	Percent of total	Average increase	Number with tax decrease (thousands)	Percent with cut	Percent of total	Average decrease
0 to 10	41,651	31.6	65.7	1,797	4.3	1.4	$186	12,533	30.3	9.5	$ — 162
10 to 20	27,877	21.1	12.4	4,788	17.1	3.6	202	19,660	70.5	14.9	— 315
20 to 30	26,121	19.8	5.7	6,717	25.7	5.1	339	17,925	68.6	13.6	— 383
30 to 40	15,727	11.9	2.2	5,247	33.3	4.0	525	10,146	64.5	7.7	— 529
40 to 50	8,652	6.6	1.1	2,510	29.0	1.9	799	6,056	69.9	4.6	— 820
50 to 75	7,686	5.8	.8	2,431	31.6	1.8	1,552	5,198	67.6	3.9	— 1,218
75 to 100	1,793	1.4	.8	665	37.0	.5	3,189	1,116	62.2	.8	— 2,724
100 to 200	1,758	1.3	1.6	646	36.7	.5	7,605	1,086	61.7	.8	— 6,239
200 plus	655	.5	.8	291	44.4	.2	50,030	359	54.8	.3	— 52,535
Total	131,919	100.0		25,092		19.0	1,343	74,079		56.2	— 816

[1] Joint Committee on Taxation, June 6, 1986.
[2] Filers and nonfilers. Includes tax returns with no change in liability. See text for substantial shortcomings of these data.
Note.—Preliminary, including Levin computations.

Mr. LEVIN. Mr. President, again I want to thank the chairman of the Finance Committee for his help in getting this information to me. It is information I have been waiting for, which I believe is something we should consider, which will contribute to the debate, I hope.

If the chairman will yield for a question, I wonder if he might be able to answer one question about that table, if he is familiar with it. Again, we have the limits of this information that has been given to us in this letter, saying that this information is not so statistically certain that we can rely on it.

I pointed out that if it is reliable, it is significant; and if it is not reliable, that is also significant.

The question is this: The aggregate of each of those numbers——

First, to be fair to the chairman, does he have a copy of the chart?

Mr. PACKWOOD. I do not.

Mr. LEVIN. I will withhold my question, because I do not think it would be fair to ask him that question.

AMENDMENT NO. 2060

Mr. STAFFORD. Mr. President, I have frequently listened to the discussion in the Senate this afternoon on the television set, and I was able to hear some of our colleagues deplore the fact that throughout the day and the 2 earlier days no one had offered an amendment to the bill. It began to appear to the Senator from Vermont as though Members, recognizing the support this bill has, were probably unwilling to come forward with the first amendment, in fear that they might find themselves defeated and would have to go away with the stigma of having lost the first amendment on this excellent tax bill.

So, in a spirit of self-sacrifice, and realizing that I strongly support the bill, I thought that somebody ought to offer the first amendment, so that we would pass that milestone and move on to disposing of other amendments that might be offered on this bill, and in the process pass the bill this week.

In that spirit, I have prepared an amendment which I will offer shortly. I will say at the outset that I regret that I did not have the information that the distinguished Senator from Michigan was reading and commenting on a few minutes ago. In fact, I did not have any information from the Office of Management and Budget, either. In fact, I did not seek any from the Office of Management and Budget. This has been prepared without much expertise on the part of anybody.

Nevertheless, I send this amendment to the desk and ask for its immediate consideration and that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes an amendment numbered 2060:

At an appropriate place in the bill insert the following:

No person over 75 years of age with net income less than $40,000 shall pay any

income tax so long as such person's hair does not turn white.

[Laughter.]

Mr. STAFFORD. Mr. President, I hasten to point out that the Senator from Vermont is not yet 75, so this is not a self-serving amendment.

I said that it was offered without much tax information. It does seem that I will reach a point before long where it would have considerable merit, but I have not achieved that point yet.

I say to the chairman of the committee that I had thought about asking for a rollcall. But it has occurred to me that the purposes of this amendment would be achieved without putting the Senate through a rollcall.

On those statements and the assurance that it would have little or no impact upon the neutrality of the tax measures, the Senator from Vermont will yield his case.

Mr. BENTSEN. Mr. President, if the Senator will yield, it seems to me that the amendment is not Grecian—I mean germane.

Mr. STAFFORD. The Senator from Vermont was unable to hear what his friend the Senator from Texas said. We note that the Senator from Texas would not qualify under this amendment, anyway.

Mr. PACKWOOD. He thinks the amendment is not Grecian—he means not germane.

Mr. STAFFORD. He thinks it is not germane?

Mr. PACKWOOD. Never mind.

Actually, if I thought this was the only amendment we might have to accept, I would accept it and close down now. Despite the merits of this amendment, it would not shut off other amendments.

Therefore, while I appreciate very much the Senator from Vermont offering it, I think it should lay over at the desk until we have a chance to give it deeper and further consideration.

Mr. STAFFORD. The Senator from Vermont will be agreeable to that procedure or to a voice vote at this time, whichever the chairman wishes.

Mr. PACKWOOD. This is a matter of such extraordinary importance that I am reluctant to have a voice vote with so relatively few people in the Chamber, because I have a hunch that some people might want to discuss this amendment at some length.

Mr. STAFFORD. It would be agreeable to me that it lay over at the desk, and this Senator will assume that it will receive the discussion it deserves from this body.

□ 1750

Mr. PACKWOOD. I thank my good friend.

Mr. GRASSLEY. Mr. President, for the benefit of the floor managers of this bill, I do not have an amendment at this point. I would like to take an opportunity to make some observations on this bill and Tax Code generally.

We are now debating the fourth major tax bill to be considered by this body since I became a Member of the Senate in 1980.

In 1981, Congress enacted what we termed the Economic Recovery Tax Act. In 1982, we took back some of those incentives that were passed in that 1981 legislation, and we called that 1982 act the Tax Equity and Fiscal Responsibility Tax Act. Then in 1984, we meddled again with the Tax Code to raise revenue and close loopholes, and called that bill the Deficit Reduction Act. All of these tax bills were labeled you might guess correctly tax reform," whether they were tax reform or not.

The bill we consider today is the culmination of an idea first generated by Senator BRADLEY, preached later by Congressman KEMP, studied extensively by the Treasury Department, and pushed relentlessly by President Reagan. It was prodded through the Ways and Means Committee and a less than enthusiastic Democratic House of Representatives. Then the worst nightmare of so many of us on the Finance Committee came to pass. The baby everyone was calling "tax reform" was on our doorstep, and we as members of the Finance Committee had to figure out what we were going to do with that orphan.

Chairman PACKWOOD's initial efforts, to put together a consensus package, were really valiant efforts. He incorporated many of his Members' favorite tax preferences and met the President's general criteria for tax reform which were lower rates, a $2,000 personal exemption, fairness, and simplification. But as the committee began taking votes, it became readily apparent that a majority of us did not believe that the trade-offs of reduced rates were worth the loss of anybody's tax preferences.

In spite of what seemed to be at best ambivalence in the grassroots about the great tax debate going on in Washington, Chairman PACKWOOD persisted. And, of course, as now is evidenced by the legislation before this body his persistence has paid off.

I want to be frank and candid and say that I had some reservations as we voted this bill out of committee on a 20-to-0 vote. But my travels at home about 2 weeks after that vote, during our Memorial Day recess, have convinced me that we did the right thing. Although many people, both within my State and without, still have objection about a particular aspect of the bill here or there, they still seem to like the overall approach that this legislation takes. Very few of these constituents have objections that are so strong that they would reject the entire bill just to save their favorite tax preferences. I share their belief that this bill, the 27-percent solution as it has been named, is far from perfect. Yet, it is better than any other proposal considered so far, and of course, it is a vast improvement over current law.

I believe that we have gone a long way in this legislation to restore credibility to the tax system, Mr. President. This is, I believe, a once-in-a-lifetime opportunity to simplify an overly complicated Tax Code.

There are, of course, some problems with this bill, as you might expect with any piece of legislation. These problems concern me, some of them concern me greatly and, of course, they should not be ignored in the debate of this body and they will not be ignored.

But when it is all said and done, I believe an overwhelming number of my colleagues, will come to appreciate what those of us on the committee have struggled with since our 36 days of hearings which began almost a year ago right now last summer.

This tax bill makes tremendous progress in simplifying the Tax Code for the 6 million taxpayers who, of course, will be taken off the tax rolls. Now 80 percent of all taxpayers would file under the 15-percent rate, and that is good. An estimated 80 percent of all taxpayers would no longer need to itemize their returns and I think those taxpayers will see significant progress in simplifying the tax system.

For those taxpayers who have played games of investing in passive activities which generate losses that shelter their other income, tax planning will also be simplified, because losses generated by those passive investments will now be limited. The incentive to avoid taxes by such investments is significantly reduced. In return those taxpayers will be taxed at a maximum effective rate of 27 percent.

This rule will take much of the tax incentive out of investment in agriculture for outside investors who are quite frankly more interested in farming the Tax Code than in farming the land.

It will eliminate the incentives to invest in commercial office buildings which today remain empty, and hopefully it will cause people to make capital investments, whether it be in commercial or in agriculture, based on economic income producing activities rather than on the tax incentives.

American businesses have made substantial progress toward the goal of leveling the playing field. Under current law, corporations with virtually the same economic income, yet engaged in different activities, can have widely different tax liabilities today. This bill would substantially reduce

the difference in tax rates among industries. While some companies have paid tax at or near the top rate of 46 percent, the others have been able to reduce their tax by preferences considerably below that rate. Now, of course, under this bill, all corporations will be closer to the top rate of 33 percent. Moreover, with a stiff alternative minimum tax, it is virtually assured that no longer will profitable corporations escape paying any tax.

I am hopeful some modifications either on the Senate floor or in the conference committee can be achieved. The deferral of rate reduction until July 1, 1987, while eliminating the investment tax credit as of January 1, 1986 and all other preferences as of January 1, 1987, will result in fewer individuals receiving tax cuts in the next 2 years than I would like. I think that is something that is being looked at, and hopefully can be worked out so that adjustment can be made. This legislation will be then looked upon more fairly by the individuals if not only in perception but in fact the tax reductions will be in 1987 instead of, for most people, waiting until 1988, and 1989.

Many will recall that this scenario led to a recession in 1982 following the tax cuts of 1981.

I am also deeply disturbed by the retroactive aspects of many changes in the law. Whether or not it was good policy, our Tax Code permitted, if not encouraged passive investment in real estate and other activities. Now, taxpayers who made legitimate investments are being told, "Sorry, we are changing the rules, and unless we do that on your current investments the bill loses too much money."

Well, that is a message we have to give them. That is what I voted for out of committee and maybe that will have to be maintained, but I think it is legitimate that we look at that and if something can be done we ought to do it.

I am disturbed that we are funding lower rates with these retroactive changes. That is a big source of revenue, a fact of life, again but something that maybe we can take a look at here right now or in the conference committee.

I hope an effort can be made to at least partially rectify this situation by extending the phase in of these rules.

Mr. President, that is all I have to say at this point on specific aspects of the bill, particularly those things dealing with closing tax sheltering in agriculture. I am going to have more to say in the future. But in regard to that aspect of this bill, closing practically every incentive in the Tax Code that could be used to shelter outside income in agriculture is one of the major things in this legislation that I want Members of this body to focus upon.

I am sure my colleagues have been hearing from their agricultural constituency over the last 4 or 5 years.

What I'm sure they have heard is that we ought to close those loopholes, not just for the sake of bringing in that additional revenue, but as one way of preserving the institution of the family farm. Because if there is anything that has threatened that institution of the family farm it has been an unfair Tax Code that has made it possible for the nonfarmer to use agriculture as an offset of nonfarm income.

The family farmer of America has not been able to compete with the outside investor. And it has put the family farm in a very detrimental position compared to the rest of the economy. This bill will help rectify that.

I am going to have more to say about that and other parts of the bill in the future. But, of course, I am glad this long-awaited debate on tax reform has arrived—and I use the word "tax reform" in the truest sense of the word. This time, it is a tax reform bill, unlike many of those other bills that have recently passed the Congress. I am not only interested but eager to help accomplish tax reform, in fact.

Mr. President, I suggest that absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

Mr. PACKWOOD. I ask unanimous consent that the Stafford amendment which is at the desk be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1820

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the managers of the bill feel a little like the Maytag repairman. They are waiting for the phone to ring, waiting for business. This tax reform bill is such a good product, nobody wants to amend it.

This development is certainly a compliment to the distinguished chairman [Mr. PACKWOOD] and the distinguished ranking member [Mr. LONG]. But this is Tuesday. Yesterday was Monday. Last week, we had a Wednesday session during which we discussed the tax bill all day; 4 hours yesterday, 4½ hours today, most of that time spent on the bill.

I know nobody wants to be first to offer an amendment. I do not know why that is. Most people like to be in front. But the fact is, the managers are ready to do business.

It must be discouraging when you are watching C-Span and all you see is "The Senate is conducting a quorum call." We told people the Senate would be exciting, so tune us in. But all they see on the screen is "The Senate is conducting a quorum call."

Mr. President, I think we have to redeem ourselves around here is we are going to be TV stars. So let's start offering amendments. I know there are a number of amendments that are prepared and ready to go. We have a chance to finish this bill this week. There are a number of Members who do not have any amendments, perhaps a majority.

Mr. PACKWOOD. Mr. President, I have in my book of amendments, alphabetized, about 41 or 42 potential amendments. Many of them would be fairly characterized as minor but I have a total of 41 or 42. I have tried to find out everything from every Member, and every legislative aide, so we could work on them, cost them out and prepare for them. That is the most I know about. I think it would be unlikely that more than 10 or 15 of those would be offered under any circumstances.

Mr. DECONCINI. Would the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. DECONCINI. Mr. President, we have a request into the Joint Committee on Taxation, I think for eight or nine different specific things we have asked for. We have only been able to get two back. I have a couple of amendments.

I made an error last week when I said that we had already sent the request in. We had not. We had drafted the letter and I was blaming the Joint Committee on Taxation so I would like to apologize because last week, our letter had not gone. Now it has gone.

In our caucus today, and the minority leader can speak to that better than I can, there was great consternation at being unable to get figures from the Joint Tax Committee.

I think that would help. I would be ready to offer an amendment if I had the counterbalancing revenues and I do not know if I have it. If I come out here and offer an amendment—I have several in mind—and the distinguished chairman of the committee or the ranking member stands up and says, "Your figures are not right; here, I have them," it puts some of us at a great disadvantage.

Mr. DOLE. I know the staffs of the joint committee have been providing a lot of information to Senators. Obviously there is some information they are not going to be able to provide, but not from a lack of effort. It may be simply impossible to obtain the requested information. Certainly, the committee is prepared. It does an outstanding job. But I assume there are always going to be some questions in that area that may not be fully resolved. I cannot remember a tax bill coming to the floor where everybody had all the information he wanted.

Mr. PACKWOOD. I understand what the Senator from Arizona is saying. The joint committee is working night and day to give them an answer. Thumbing through this book without mentioning names, I see passive loss phasein. We know the cost to do it but they want to stretch it out.

Increasing expenses deductions for small business from where they are in the bill. We know within $100 million on something that is a multibillion-dollar item what it costs and the Member knows if he offers it how he is going to finance it. That is with a change in depreciation.

Great Barrier Islands—going through, the charitable contributions, to put them back in above the line. We know exactly what it will cost.

So these are not joint committee shortcomings. I think these are, for whatever reason, maybe indications of reluctance to go ahead, but the information is in the hands of those who want to propose an amendment now.

Mr. BYRD. Will the majority leader yield?

Mr. DOLE. I am happy to yield

Mr. BYRD. Mr. President, what the distinguished Senator from Arizona has said is correct. We had this matter up in conference today and the same concern was expressed on the part of several Senators. They have tried to get information. One Senator said he has been given information but has since been informed by the Joint Committee on Taxation that the information he had been given by that committee is wrong. Others on my side of the aisle have those concerns and I am sure they can verify what I have said.

I can understand the vexation and the frustration of the distinguished majority leader and the distinguished manager of the bill, the chairman of the committee, Mr. PACKWOOD. At the same time, I am sure they will understand the needs on the part of Senators on both sides of the aisle to secure whatever information can be secured from the Joint Committee on Taxation so that Senators will be in a position to cost their amendments out. That joint committee, I am told, is the only entity on the Hill that has the facilities—supercomputer models and so on—that can provide this kind of information to Senators.

□ 1830

So I simply say that I hope the distinguished Senator, who is chairman of the Finance Committee, Mr. PACKWOOD, and who is also vice chairman of the Joint Committee on Taxation, and the distinguished majority leader, who is also on the Joint Committee on Taxation—there are five Senators on it: Senators PACKWOOD, DOLE, ROTH, and among those five are two Democrats, Senators LONG and BENTSEN. I have talked to Senator LONG and Senator BENTSEN about this matter privately, and we also discussed it in the conference. They know we are having problems. I would simply urge the majority leader—and I have done this before, and he has responded positively before and indicated that he would do what he could—to get the joint committee to move, and he, I think, subsequently indicated that he had made that contact and the joint committee was making every effort it could to supply that information, but I would only urge that Senators who are on that joint committee do whatever they can to get the responses expedited to Senators who have asked for such information. I feel, once that information is available, there will be amendments called up. I can only speak for this side of the aisle. I have no amendment. But if that kind of information could be forthcoming from the Joint Committee on Taxation, then I am confident Senators on this side of the aisle who have amendments, would then be in a position to present their amendments and attempt to justify them. I thank the majority leader.

Mr. DOLE. I thank the distinguished minority leader. We do want to accommodate Senators. In fact, as the minority leader knows, he indicated last Wednesday, and properly so, that we needed the weekend just to take a look at the mass of material now before us. That was a reasonable suggestion—not a request, a suggestion—and we moved to the supplemental. We were able to finish that task on Friday night. But there probably are some amendments where we do have the estimates and those are the ones we ought to consider.

I am not suggesting that somebody who does not have their figures should rush over and say, "Well, I do not know what it costs, I do not know whether it raises or lowers taxes, but it is a good amendment and we ought to vote for it." That might be the best argument. I think Senator PACKWOOD has all the votes he needs on a bipartisan basis. But it is my understanding that Senator ROTH may be willing to come to the floor now and offer his IRA amendment and we would like to dispose of that amendment, if I understand the chairman correctly, this evening. I think once we start disposing of amendments it will encourage other Members to bring theirs to the floor.

Mr. FORD. Will the distinguished majority leader yield?

Mr. DOLE. I will be happy to yield the floor.

Mr. FORD. No, I want the Senator to yield the floor. I want the Senator to yield for a question. Did the majority leader say that the chairman of the Finance Committee was ready to accept, to get rid of it? That means you are going to have a vote tonight then?

Mr. PACKWOOD. Read to consider.

Mr. FORD. I am sorry, I misunderstood because the way the Senator made his statement it seemed that that amendment was ready to be disposed of this evening, and since there will be no more votes this evening I thought it would be an acceptable amendment.

Mr. DOLE. I think it depends upon which one he offers.

ARIZONA STATE—NCAA BASEBALL CHAMPIONS

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, on a different subject, I ask unanimous consent that a resolution I send to the desk be considered in order at this particular time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

S. RES. 426

Whereas, on June 9, 1986, the University of Arizona won the National Collegiate Athletic Association (NCAA) College World Series;

Whereas, only an outstanding team could have beaten the top ranked Florida State University Seminoles who compiled an outstanding 61 wins and 13 losses this season under coach Mike Martin;

Whereas, Mike Senne, the series most valuable player, and Gar Millay hit two-run homers, and Tommy Hinzo stole home plate leading the University of Arizona to a 10 to 2 victory;

Whereas, this is the University of Arizona's third national title in ten years under the coaching of Jerry Kindall: Now therefore be it;

Resolved, That the Senate of the United States of America joins with baseball fans in Arizona and Wildcat alumni across the Nation in honoring the University of Arizona for winning the NCAA College World Series.

The Senate proceeded to consider the resolution.

Mr. DECONCINI. Mr. President, I thank the clerk for reading the resolution. I know there are many more important things this body needs to address, including the amendments that the distinguished chairman of the Fi-

nance Committee is attempting to get considered, and other business. But once in a while I think it is nice to pat ourselves on the back.

Mr. President, last night in Omaha, NE, the University of Arizona Wildcats baseball team won their third National Collegiate Athletic Association championship. On behalf of Senator GOLDWATER AND Senator DOLE, who both attended the University of Arizona, I am pleased to bring their resolution before the Senate because this is an outstanding school in many respects. Just last week I had an opportunity to discuss in a far more serious vein, as it related to Arizona State University, the urgent supplemental bill Department of Defense authorization research projects and expenditures on those projects. I am very fortunate, indeed, to represent the State of Arizona with my senior colleague and we offer this resolution that has, by the way, been cleared by the Judiciary Committee and both the majority and the minority sides of the aisle, and my respects and appreciation to the majority leader, the minority leader, Senator THURMOND, and Senator BIDEN for their expeditious handing.

□ 1840

It would be appropriate that we pass this today, seeing that this is the first day of business after this stunning victory.

Florida State University is a great team, ranked No. 1. This resolution in no way takes away from that outstanding school. But being an Arizona alumnus, I am proud to have offered this resolution today, and I ask for its immediate consideration.

The PRESIDING OFFICER. Is there further debate?

Mr. DECONCINI. Mr. President. I thank Ed Baxter and Bill Woods of my office for having put this monumental piece of legislation together.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TAX REFORM ACT OF 1986

The Senate continued with the consideration of H.R. 3838.

Mr. ABDNOR. Mr. President, I wish to compliment my distinguished colleagues on the Finance Committee for their persistence in giving meaningful tax reform another life. Ever since the President first introduced his blueprint for tax reform, I have been skeptical of its future. And I must admit that I have been less than enthusiastic about most of the various tax proposals which have been circulating on Capitol Hill for the past 2 years.

H.R. 3838, as reported by the Senate Finance Committee, is a horse of another color. I believe this package is a positive first step toward genuine and meaningful reform.

For years, I have been actively pursuing a solution to the abuses which exist in the Tax Code as it affects agriculture. As many of my colleagues know, I have introduced legislation in the last two sessions of Congress which would correct these abuses and have even had the Senate support my concept in the form of a nonbinding resolution. Notwithstanding that resolution, my pleas for a binding solution have gone unheeded. Until now, that is. The buck has finally stopped.

It is for this reason that I commend my distinguished colleague, Chairman PACKWOOD, for his keen insight in addressing this issue in his bill. A solution to this problem has been long overdue, and H.R. 3838 has effectively provided such a solution. So I commend the distinguished chairman and his committee for that.

There are many legitimate reasons to reform the Tax Code. Most have been addressed in the Finance Committee bill. And whether it is a stated objective or a byproduct of the overall goal of the tax reform movement, this bill makes significant progress toward a Tax Code which is proagriculture. By that, I mean bona fide, full-time, commercial-sized farms will be treated fairly and not be put at a disadvantage by nonfarmer tax sheltering.

Further, I believe this tax package will work in cooperation with the objectives of farm policy. All too often, the Tax Code has provided incentives to expand and increase production, while the Farm Program attempts to restrain production. I am convinced that much of this problem is due to nonfarmer involvement in agriculture, a factor which is contributing to the demise of our family farms.

For far too long, tax loss farmers have harvested the Tax Code, plowed up fragile lands and added to the farm sector's overproduction problems. My goal is to return farming to those who are interested in farming for a profit rather than for a loss. The Finance Committee bill will help me realize that goal.

I wish to dismiss a myth perpetuated by critics of my tax-loss legislation and by those who may criticize the mechanism used by the Finance Committee bill to curtail agricultural tax sheltering. This myth is that limiting tax sheltering activities will ruin investment opportunities in agriculture. I will not argue that it will eliminate destructive investment. But it will not wipe out legitimate investment in agriculture. Anyone can still invest in farming and take full deductions, so long as they are in farming to make a profit, not a loss. Those who have dirt under their fingernails will be allowed full deductions, those who do not will not. It is as simple as that.

Mr. President, let me illustrate the glaring need to close this loophole with a few statistics compiled by my Joint Economic Committee.

STATISTICS

In 1982, over 36,000 tax returns had adjusted gross incomes exceeding $100,000 and showed farm losses. In total, these wealthy individuals took over $1.2 billion in tax deductions, or an average deduction of $34,000 a return. They took more in deductions than most Americans even earn.

And the wealthier you are, the more income you have to shelter. That same year, 1982, farmers losing more than $200,000 had off-farm incomes averaging $568,000 and they took farm loss deductions of $410,000. You just don't throw that kind of money away. These people aren't stupid. They're sheltering this kind of money from Uncle Sam.

In 1982, if the farm sector had neither paid taxes nor taken deductions, the U.S. Treasury would have been better off. In 1982, only one-third of all farm proprietorships reported farm profits totaling $7.7 billion. The other two-thirds showed losses totaling $19 billion.

Mr. President, I feel that this has gone on long enough and must be stopped, and that is exactly what this tax reform bill would do.

Mr. President, in shifting gears for just a moment, I would also like to point out that while I largely support the Finance Committee legislation, I do have reservations with a few components of the bill which I believe clearly violate the "fairness" objective so relentlessly fought for in tax reform.

Investment tax credit and passive loss changes are made retroactively to January 1, 1986. This is unfair. South Dakota's essential air carrier has made investment decisions subsequent to January 1 based on current investment tax credit law. This company, Mesaba Airlines, projects that the retroactive ITC provision in the tax bill will drive up its operating costs by $500,000 for the 1986 tax year. Mesaba's 1985 bottom line showed a $200,000 profit. It does not take an economist to point out that the projected increase in 1986 operating costs could literally drive this company out of business and rob South Dakota of essential air service.

Further, the Finance Committee retains full deductions for State and local income, personal property, and real estate taxes while eliminating deductions for State and local sales taxes. As is true for several of the

States represented in this body, South Dakota has no State income tax and relies exclusively on sales taxes to raise revenue.

The average sales tax deduction for South Dakota's itemizing taxpayers in 1985 amounted to $505. Mr. President, I believe it is patently unfair to deprive taxpayers in States with no State income tax of the deduction for State sales taxes. Moreover, I am hopeful the Members of this body will support an amendment I am cosponsoring which will make the deductibility issue fair for all taxpayers, regardless of geographic location.

Mr. President, it is my hope that improvements can be made in this bill along the lines I have just mentioned. I believe these fairness issues need to be addressed. However, I will not support floor amendments which will in any way jeopardize the integrity of this package. The engine which drives this bill is lower rates, and I will not support changes which compromise the current rate structure.

Mr. President, I again wish to compliment our distinguished Finance Committee chairman and his colleagues for their role in developing this monumental and much needed legislation. I trust this body will pass which is consonant with the objectives embodied in their version of H.R. 3838.

Mr. President, as the Senate continues its deliberations on tax legislation, I wish to submit for the RECORD a study prepared for me and the Joint Economic Committee by the Congressional Research Service.

It is entitled, "Farm Income Taxation Under the Finance Committee Tax Bill." I commend this paper to my colleagues as an excellent background on how agriculture may be affected by many provisions of the tax reform package. I wish to extend my gratitude and thanks to its author, Mr. Jack Taylor, whose many works have made a valuable contribution to the public policy process.

Mr. President, this study suggests that the tax bill likely will produce multiple benefits for full-time family farm operations. It also identifies portions of the tax bill which may affect investment, conservation, and other decisions. Furthermore, this study shows how the Finance Committee tax legislation addresses the problem of abusive tax sheltering. Ridding agriculture of that menace will go a long way to improve conditions for genuine farmers who depend on farming as their sole livelihood.

I ask unanimous consent that the study be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FARM INCOME TAXATION UNDER THE FINANCE COMMITTEE TAX BILL

INTRODUCTION

The tax reform bill approved by the Senate Finance Committee on May 7, 1986, like most of the other recent tax reform proposals, makes profound changes in the U.S. income tax system. It follows the general pattern of recent tax reform proposals in broadening the tax base and reducing the tax rates. It goes further than most of the other proposals in placing restrictions on tax shelter investing. But it probably reduces the special tax privileges of farmers less than any of the other major proposals.[1]

The Finance Committee (officially an amended version of the House-passed tax reform bill, H. R. 3838) reduces tax rates, broadens the tax base in a number of important ways, including eliminating the tax preference for capital gains for individuals and repeal of the investment tax credit, imposes a possibly stringent minimum tax on corporation, and attacks tax shelters directly by severely limiting the deductibility of losses from "passive" investments. It also preserves some of the more cherished of the tax benefits for farmers, particularly cash accounting and a generous system of capital recovery for depreciable assets.[2]

This report discusses the provisions of the Finance Committee bill that most affect the way farm income is taxed.

OVERVIEW OF THE FINANCE COMMITTEE BILL

For farmers filing as individuals, the bill raises the personal exemption to $2,000 per person and provides a standard deduction of $3,000 for each single or $5,000 for each joint return, thus removing from the income tax rolls any individual with less than $5,000 of gross income and any family of four with less than $13,000 of gross income. Additional amounts of income would be taxed at two statutory rates: the first $17,000 taxable income for single individuals or $29,300 for married couples is taxed at 15 percent and all additional taxable income at 27 percent.

That is not the whole story, however. Instead of additional tax rates, the bill achieves somewhat the same effect by phasing out the income taxed at 15 percent for married couples with adjusted gross incomes between $75,000 and $145,320 ($45,000 and $87,240 for single individuals) and phasing out the personal exemptions for married couples with adjusted gross incomes between $145,320 and $185,320 ($87,240 and $127,240 for single individuals). These phase-out provisions have the effect of adding additional tax rates on higher-income individuals; for example, for married couples with incomes of $75,000 to $145,320 and ordinary-sized deductions, it is as if there were a third rate bracket of 32 percent, and for a married couple with one dependent and an adjusted gross income between $145,320 and $185,320, it is as if there were a fourth rate bracket of 30.9 percent. For married couples with adjusted gross incomes of more than $185,320, all taxable income is taxed at a flat rate of 27 percent.

This complex rate structure affects only a very small proportion of taxpayers; the Finance Committee estimates that 80 percent of all taxpayers will be in the 15 percent tax bracket.

Income averaging, the two-earner couple deduction, the nonitemizers' charitable contribution deduction, and itemized deductions for sales taxes, consumer interest (other than mortgages on first and second residences), and miscellaneous deductions are repealed. The itemized deduction for medical expenses is allowed only for expenses greater than 10 percent of adjusted gross income. A deduction for investment interest is allowed only against investment income, and there is an additional restriction on deducting losses from activities in which the taxpayer does not actively participate (discussed further below).

Corporate tax rates are also reduced: net taxable income of $50,000 or less is taxed at 15 percent, that between $50,000 and $75,000 is taxed at 25 percent, and that over $75,000 at 33 percent. The graduated rates are phased out for larger corporations, so incomes of $350,000 or more are taxed at a flat rate of 33 percent. Capital gains treatment is retained for corporations, with an alternative tax rate of 28 percent.

The investment tax credit is repealed, uniform rules for capitalizing inventory and construction costs are imposed (but not for noncorporate farm income), and business meal and entertainment deductions are limited to 80 percent of the cost; but otherwise the deductions permitted to businesses generally are retained. Some industries especially favored under the present tax code, such as financial institutions and insurance companies, lose some of their preferential treatment; but others, such as oil and gas and agriculture, retain most of their special rules.

DEPRECIATION AND INVESTMENT CREDIT

Under the accelerated cost recovery system (ACRS) of present law, most farm equipment is depreciated over five years and is eligible for the investment tax credit. This means that ten percent of the cost of equipment is deducted from the tax bill in the year of purchase, the cost is reduced by one-half of the investment tax credit, and the balance is depreciated at a rate of 150 percent of the declining balance, switching to straight line when that becomes more advantageous. Single-purpose structures, such as milking parlors and greenhouses, are treated as equipment, with five-year lives and the investment tax credit. Other farm buildings are depreciated by the 150-percent declining balance method over 19 years and are not eligible for the investment tax credit. Up to $5,000 worth of depreciable property can be expensed (a deduction for the full cost taken in the year of purchase). This limit is scheduled to increase to $10,000 in 1990.

The Finance Committee bill repeals the investment tax credit but generally liberalizes the depreciation schedules under ACRS. Most farm equipment will still be depreciated over five years, but by the 200-percent declining balance method. Cars and light trucks are retained in the three-year recovery class, but are depreciated by the straight-line method. Single-purpose structures are moved to the ten-year recovery class and depreciated by the 200-percent declining balance method. Other farm buildings (except tenant housing) are depreciated by the straight-line method over a recovery period of 31½ years. (Residential buildings

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[1] For a description of the farm income tax provisions of the other major tax reform proposals, see the following CRS reports by Jack Taylor: Farm Income Taxation Under the House Tax Reform Bill (Report No. 86-509 E, dated January 7, 1986) and Impact of the President's Tax Proposals on Farm Income Taxation (Report No. 85-788 E, dated June 10, 1985).

[2] See U.S. Senate. Committee on Finance. Tax Reform Act of 1986. Report 99-313, May 29, 1986. U.S. Gov. Print. Off. Washington: 1986.

receive a life of 27½ years). Up to $10,000 worth of machinery and equipment may be expensed in any year in which the taxpayer's total investment in such property is no more than $200,000.

Under present law, the discounted present value of the depreciation deductions and investment tax credit on $1,000 worth of farm equipment is approximately $1,000 at a 10-percent discount rate. Using the same discount rate, the depreciation under the Finance Committee bill has a net present value of approximately $892. Thus present law gives somewhat larger capital recovery benefits for typical farm investments. In addition, tax rates are reduced for most taxpayers under the Finance Committee bill, so a deduction for depreciation, like any other deduction, is worth less (that is, it does not reduce one's tax bill by as much). On the other hand, the important point is what tax is paid on the income the depreciable asset is used to produce; and for most taxpayers, the tax rate on that income will be lower.

EXPENSING CAPITAL COSTS

Under present law, farmers can deduct on a cash basis purchases of materials and supplies and other costs that another business would be required to include in inventory. They also deduct many of the costs of raising livestock, trees, and vines that are really capital assets (that is, assets that will be used to produce other products). These special accounting rules, which are not allowed nonfamily corporations and are restricted for tax shelter operators and citrus and almond growers, are of considerable value to many livestock farmers and orchard and vineyard owners.

Although the Finance Committee bill imposes more stringent capitalization rules on most business, farmers are generally excluded from any of the new restrictions. With a few exceptions, farmers retain all the cash accounting privileges allowed them under present law.

One exception involves the special rules for land-clearing expenses and soil and water conservation expenses. Under present law, these capital expenses are deductible within limits. Under the Finance Committee bill, land clearing expenses would no longer be deductible and soil and water conservation expenses would be deductible only when certified as a part of a conservation plan of the State or Federal Government. (The special deduction for fertilizer and soil conditioners is continued from present law.)

A second exception is aimed at tax shelter investors, particularly cattle feeding investments. If more than 50 percent of the costs of feed, seed, and other supplies and other farm costs is prepaid (that is, for items not used up in the year purchased), the excess over 50 percent could not be deducted until the year the supplies were used.

Although the tax advantages of cash accounting are retained for most farmers under the Committee bill, one of the advantages from present law disappears because of the repeal of capital gains treatment for individuals. Under present law, capital gains treatment can compound the advantages of cash accounting, especially for livestock; all the costs of raising the animal are deducted from income taxed at ordinary rates, and the income from selling the animal is later taxed at capital gains rates.

TAX SHELTER FARMING

The income from a source such as farming can be so substantially mismeasured by the tax accounting rules that there is a tax loss greater than the economic gain or loss from the source (or the equivalent in the form of a tax credit greater than the tax on the income source). The excess loss or credit can then be used to reduce the taxes that would otherwise be due on income from other sources, thus "sheltering" the other income from tax. Offsetting taxes on other income is probably the most important characteristic of what is popularly called a "tax shelter."[3]

The Finance Committee bill deals with tax shelters by at least four different approaches. Tax shelters become less valuable as tax rates are reduced, so the lower rates in the bill should help in reducing tax shelter activity. (In fact, the rate reductions could well be the most important provisions in the bill for curtailing tax shelters.) Second, tax shelters depend on different sources of income being taxed differently, and the bill reduces some of the differences in tax rates. Repeal of the investment tax credit and capital gains treatment for individuals removes two of the major causes of tax rate differentials and reduces opportunities for tax shelters. Third, there is an alternative minimum tax that covers many of the remaining tax preferences, adding to the complexity, and probably in some cases the cost, of tax shelter investing. Finally, there are several direct restrictions on using tax shelter investments to offset other income, including restrictions on the deductibility of interest and a general restriction on deducting "passive investment" losses. These last two approaches, which can be quite complicated, are described in more detail below.

THE ALTERNATIVE MINIMUM TAX

Under current law, individuals are subject to an alternative minimum tax if they make excessive use of tax preferences to reduce their regular tax liability. (Corporations are subject to an "add-on" minimum tax of somewhat different design but with a similar purpose.) "Alternative minimum taxable income" is derived by adding specified tax preference exclusions and deductions to regular taxable income, subtracting the alternative minimum tax exclusion of $40,000 on a joint return or $30,000 on a single one, and taking 25 percent of the remainder.

No credits except a special alternative foreign tax credit are allowed. If the amount thus computed is greater than regular tax liability, it becomes the taxpayer's tax for the year. The most significant tax preferences for farmers or farm investors covered by the current minimum tax are probably the excluded portion of capital gains, the investment tax credit, excess depreciation on buildings, and the itemized deductions for State and local taxes (not allowed) and medical expenses (only those in excess of 10 percent of adjusted gross income allowed).

The Finance Committee bill expands the tax preferences covered by the minimum tax (although not to the extent of the House tax reform bill), extends the tax to corporations, and reduces the rate to 20 percent. The $40,000 or $30,000 exclusion from the minimum tax would be phased out for minimum taxable incomes in excess of $150,000. Some of the most important tax preferences under present law are repealed under the bill (notably capital gains for individuals and the investment tax credit) and so are not included under its minimum tax. Under the Committee bill's minimum tax, the most important items for noncorporate farmers and farm investors are probably accelerated depreciation (on real and personal property), itemized deductions for taxes, and "passive" farm losses (which does not apply to active farmers or members of their families).

Passive farm losses are computed separately for each "farm activity" and may be used to offset income only from the same activity. Loss limitations similar to those in the regular tax (discussed below) would also apply (to anything not already covered by other alternative minimum tax rules) but would be effective immediately instead of being phased in.

PASSIVE INVESTMENT LOSSES

One of the most unusual provisions in the bill denies a deduction for losses sustained or a credit for tax credits earned on an investment in a business activity in which the taxpayer did not "materially participate," except to the extent of income from similar activities or when the investment is completely liquidated. In other words, one could continue to shelter income from passive investment activities from tax but could not use excess losses or credits to shelter income from salaries, professional practicies, or portfolio investments (dividends, interest, capital gains, etc.). Since many tax shelters are marketed as limited partnership shares and other such purely passive investments, and since most depend on the deductibility of current losses from current income from other sources, this could be a severe restriction on the typical syndicated tax shelter.

Oil and gas drilling ventures are exempt from the restrictions. Real estate rentals are defined as passive investments even if the taxpayer "materially participates"; but for taxpayers with adjusted gross incomes of less than $150,000, up to $25,000 losses from real estate rentals can be deducted anyway by taxpayers who participate in actively managing their properties. (The $25,000 is phased out beginning at adjusted gross incomes of $100,000, with deductible losses reduced by $1 for every $2 of adjusted gross income over $100,000.)

This passive loss restriction is phased in over the first five years after the bill's effective date. In 1987, 35 percent of the losses and credits are disallowed; in 1988, 60 percent are disallowed; and the disallowed portion rises to 80, 90 and 100 percent in 1989, 1990, and 1991. (As mentioned above, the similar restrictions on loss deductions under the minimum tax are effective immediately.)

How these restrictions affect investors in farm tax shelters depends in large measure on the interpretation of "material participation" and the ingenuity of tax shelter promoters at getting around whatever interpretation the Internal Revenue Service imposes. Under present law, "material participation" is defined rather loosely.[4] If the participants agree to, and actually do, consult on production techniques and management problems, supply funds and equipment, perform some services in the business, regularly inspect the production process, and share in the profits and losses, they are

[3] Strictly speaking, a tax shelter exists any time the tax rules allow reported taxable income to be less than one's true economic gain. Depreciation in excess of the actual decline in value of a piece of equipment "shelters" some of the income produced by that equipment even if there is no actual tax loss to deduct from other income. But most people use "tax shelter" to mean sheltering income from outside the shelter operation itself, and the term is used in that general sense in this paper.

[4] See Internal Revenue Regulation 1.1402(a)-4.

"materially participating" in the activity. If they do only part of these things, they may be materially participating, depending on the extent of their involvement and other facts of the case. The Finance Committee report on the bill tries to make the definition more restrictive, emphasizing "continuous and substantial" involvement in the actual operations of the business.[5] It accepts, however, that any farmer currently regarded as a material participant for self-employment tax purposes would qualify as one for the passive loss provisions;[6] these persons qualify under the old rules. In no case could a limited partner qualify (unless IRS regulations require him to). Under both present law and the Finance Committee bill, the investors must engage in the participation activities themselves; they cannot hire an agent to perform these activities for them and still be considered material participants.

It would be probably difficult to set up a typical tax shelter in some farm activity (cattle breeding, for example) that involved the necessary material participation. Such shelters are normally syndicated to remote investors who would not have time to participate even if they could prove they had the knowledge and opportunities that would persuade IRS that they participated. Investors also normally want syndicated tax shelters to involve less risk than some forms of material participation imply. So it is very possible that the passive loss restrictions will seriously affect widely marketed tax shelters.

The "weekend" tax-shelter farmer, however, may not be very much affected by these new rules. The professional or salaried individual who owns a farm and visits it periodically would probably have no trouble establishing material participation, even under the Committee's more stringent tests, and thus could continue to deduct his farm losses. And it is certainly conceivable that even widely marketed tax shelters could be arranged to involve the requisite degree of material participation.

OTHER TAX SHELTER RESTRICTIONS

The bill continues from present law the "abusive tax shelter" and "farm syndicate" rules (e.g., IR code sections 461(i), 464, 6111, 6112), increasing some of the penalties and imposing a "user fee" on "abusive" shelters. In addition, it imposes some new rules to further restrict tax shelter activity.

The general limits on interest deductibility will curtail some tax shelter investing opportunities. Nonbusiness investment interest (other than on residential mortgages for up to two residences) will not be deductible except to the extent of investment income. Consumer interest will not be deductible at all. These rules will be phased in, applying to 35 percent of nonmortgage, nonbusiness interest in 1987, 60 percent in 1988, 80 percent in 1989, 90 percent in 1990, and all such interest in 1991.

In a provision aimed particularly at cattle feeding tax shelters, the bill forbids a cash-basis farmer who prepays more than 50 percent of his expenses from deducting currently the full cost of feed, seed, and other supplies to be used in another year. Such a farmer could continue to deduct 50 percent of such expenses on a cash basis, but the other 50 percent could be deducted only in the year the supplies were used.

[5] P. 730-736.
[6] P. 733-734.

OTHER PROVISIONS

The Finance Committee bill repeals income averaging, principally on the grounds that it is a complication necessary only because of present law's steeply graduated tax rates. In a typical year, around 10 percent of farmers use income averaging; however, since one can only average in years when one's income has risen substantially, the provision has never been as useful as it might have been. And under the Committee bill (as under the house bill), most farmers will be in the lowest tax bracket every year and so could not benefit from income averaging.

Under the Finance Committee bill, farmers, like other self-employed persons, would be allowed an income tax deduction for one-half the cost of health insurance (subject to nondiscrimination rules for employees).

Farmers' cooperatives that engage in "netting" gains and losses from different departments would be allowed to continue the practice and still enjoy continued tax exemption.

The bill subjects sales of converted wetlands or highly erodible land to the same loss limitations as capital losses (no more than $3,000 deductible from ordinary income annually) and denies capital gains treatment for such sales to anyone who still receives capital gains benefits.

Farmers who sell timber from their land would no longer receive reduced capital gains tax rates on their gain (since capital gains treatment is repealed for all income of individuals). However, tax credits and seven-year amortization for reforestation expenses and the decuctibility of growing and stand management costs are retained from present law.

The excise tax exemption for alcohol fuels is continued (at a reduced rate), but the income tax credit is repealed.

Mr. PACKWOOD. Mr. President, I indicated earlier that I wanted to read into the RECORD a coalition of those who are standing in opposition to any amendments to this bill. I apologize; this is from the list of last evening, June 9, last night, and it changes daily as people are added to it, and they are being added in groups at the rate of 20 to 30 a day.

As I read this list, many people will recognize some names; others you will not recognize at all. But it does give you the breadth of the coalition.

I apologize for the length of it, but I think there will be many interested in the breadth of the coalition.

A&A Glass and Mirror,
A. Smith Bowman Distillery,
A. Zerega's Sons, Inc.,
ACORN,
Aam-Ro Corporation,
Aaron Rents,
Adolph Coors Company,
Aetna Life & Casualty,
Air Conditioning & Refrigeration Wholesales,
Air Delivery Service Incorporated,
Air Van North American,
The Alameda Company,
Albertson's, Inc.,
Alco Standard Wine and Spirits Group,
Alfa-Laval,
Alliance of American Insurers,
Allied-Signal Inc.,
Altier & Sons Shoes Incorporated,
American Association of Advertising Agencies,
American Association of Retired Persons (AARP),
American Association of University Professors,
American Association of University Women,
American Bankers Association,
American Business Conference,
American Council of Life Insurers,
American Council on Education,
American Dental Trade Association,
American Electronics Association,
American Federation of Small Business,
American Frozen Food Institute,
American Furniture Manufacturers Association,
American Home Products Corporation,
American Hospital Association,
American Insurance Association,
American Jewelry Distributors Association,
American Meat Institute,
American Movers Conference,
American Nurses Association,
American Petroleum Institute,
American Traffic Safety Services Association,
American Trucking Association
American Veterinary Distributors Association,
Ameriserv, Inc.,
Amfac Incorporated,
Amway Corp.,
Annco, Inc.,
Annedeen Hosiery Mill, Inc.,
Appliance Parts Distributors Association,
Aragon & Sons, Inc.,
Arkansas Freightways,
Armco Inc.,
Asplundh Tree Expert Company,
Assisting the Disabled with Employment, Placement & Training,
Associated General Contractors of America,
Associated Industries of Florida,
Associated Wire Rope Fabricators,
Association of Footwear Distributors,
Atkinson Transfer Incorporated,
Atlantic Coast Structural Forming, Inc.,
Aunt Nellie's Food, Inc.,
Aviation Distributors & Manufacturers Association,
B.F. Fields Moving & Storage,
BPW/USA, The National Federation of Business & Professional, Women's Clubs, Inc.,
Bacardi Imports, Inc.,
Baker Industries,
Basic American Foods,
Bass Transportation Company Incorporated,
Bearing Specialists Association,
Beauty & Barber Supply Institute,
Bell & Howell Company,
Belvedere Construction Co.,
Beneficial Corp.,
Berry-Barnett Grocery Company, Inc.,
Bestway,
Bethlehem Steel Corp.,
Beverly Enterprises,
Bicycle Wholesale Disributors Association,
Bil Mar Foods, Inc.,
Biscuit & Cracker Distributors Association,
Borden, Inc.,
Boss Manufacturing Company,
The Boury Corporation,
Braman Inc.,
Bread for the World,
Bristol Myers Company,
Brodbeck Enterprises,
Brown Group, Inc.,
Brown-Forman Corporation,
Bud Suarez, Inc.,

Byerly's,
C.M. Uberman Enterprises,
C.W. Transporting,
CEO Tax Group

And I might just interject there, the CEO Tax Group is an amalgam of companies comprised of some of the very largest companies in America—General Motors, General Mills, complanies of that size—who are members of that group.

CET Center for Employment Training,
CIGNA Corp.,
COMSAT,
CR Industries,
Cadbury Schweppes PLC,
Cadillac Fairview U.S., Inc.,
Camco Incorporated,
Campbell Soup Co,
Caremore, Inc.,
Cargo Express Company Incorporated,
Carlton Trucking Company Incorporated,
Carnation Company,
Carolina Freight Corporation,
Carr Truck Service Incorporated,
Carrols Corporation,
Caterpillar Inc.,
The Center on Budget & Policy Priorities,
Center on Law & Social Policy,
Ceramic Arts Federation International,
Ceramic Tile Distributors of America,
Chamber of Commerce,
Chase Manhattan Bank,
Chemed, Corp.,
Chesebrough-Ponds Inc.,
Children's Defense Fund,
Chilton Corporation,
Chrysler Corp.,
Church & Dwight Co., Inc.,
Church Women United,
Church of the Brethren, Washington Office,
Circle K Corporation,
Citizens for a Sound Economy,
Classic Motor Carriages,
Clorox Company, The,
Coachmen Industries, Inc.,
Coalition on Human Needs,
Coalition on Women & Taxes,
Coalitions for America,
Columbia Motor Express Incorporated,
Commercial Bank & Trust Company,
Committee for Employment Opportunities,
Committee for Fairness to Families,
Competitive Enterprise Institute,
The Computer & Business Equipment Manufacturers Association,
Consolidated Papers Incorporated,
Consumer Energy Council of America,
Consumer Federation of America,
Consumers Market, Inc.,
Continental Cogenerational Corporation,
Contractual Carriers Incorporated,
Control Data Corp.,
Cooper's Western Wear, Inc.,
Cortez III,
Cosco Industries, Inc.,
Council for Periodical Distributors Association,
Council for Wholesale-Distributors National Kitchen, and Bath Association, and
Craig Transportation Company.

Mr. METZENBAUM. Mr. President, will the chairman yield for a question?

Mr. PACKWOOD. I am happy to yield for a question.

Mr. METZENBAUM. I know the chairman is reading a long list of those who support the bill. As he knows I also support the bill. There is a little problem that has arisen and the chairman knows that I have been attempting to get certain factual data.

We have been able to get some of the figures in connection with some of the amendments that are in the transition rules. However, we have not been able to get the facts in connection with those amendments.

The information in connection with those facts is available to the chairman's staff. His staff has the answer. His staff has told us until we get clearance from the chairman, they are not in a position to release the information to us.

The chairman has so far indicated his willingness to make anything available to any Member of the Senate that is within the knowledge of himself or the staff.

I think if the chairman indicates to the staff that all of that information is to be made available to us it will be done, but without that direction from the chairman, staff have said we may not have it.

Mr. PACKWOOD. What facts is the Senator asking for?

Mr. METZENBAUM. Let us assume that there is an amendment on page 1502 that we now know that the amendment has to do with Company X but we do not know the facts as to what the deal is about, in other words, why Company X is getting an amendment on page 1502 which provides for them $12 million or $120 million in taxes.

Now, I have told the chairman and I have told the Members of this body at an earlier point today that we do not object to all of the transition rules. We believe that those are justified, that we have no objection to them. But if we do not believe they are justified then we expect to raise the issue on the floor of the Senate. But we cannot determine whether or not they are justified until we know the facts.

Mr. PACKWOOD. What I would like to do is this: I am going to put in a quorum call but ask unanimous consent that I not lose my right to the floor when it terminates.

Mr. METZENBAUM. I certainly do not object to that. I say to the chairman, I apologize for interrupting him but I was under the impression he had about 20 minutes more of names of organizations that support the bill.

Mr. PACKWOOD. I do, but I do not want to lose the floor.

Mr. METZENBAUM. I understand that.

Mr. PACKWOOD. I want to have a chance to chat with the staff a moment and come back without losing the right to the floor.

Mr. President, I ask unanimous consent after I suggest the absence of a quorum that when the quorum call terminates I not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I understand first of all the distinguished——

The PRESIDING OFFICER. If the Senator will withhold. Under the previous order, by unanimous consent the Senator from Oregon is to be recognized.

Mr. PACKWOOD. Mr. President, I have no objection to yielding to the majority leader so long as my unanimous-consent request continues, and that I shall remain to have the right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I thank the distinguished chairman of the committee.

Let me indicate that the Senator from Delaware was on his way, and the Senator from Delaware is here. I am not certain what he may propose, but I am pleased we may be able to have an amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRASSLEY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon is recognized under the unanimous consent previously agreed to.

Mr. PACKWOOD. If I might explain that, we had the unanimous-consent order that if this was laid aside, I would not lose my right to the floor, and I want to continue my right to the floor. I have no objection to standing aside so long as when the Senator from Michigan is done, I will again have the right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan is recognized.

□ 1910

Mr. RIEGLE. I thank the chairman and my good friend.

I simply want to talk for 1 minute in this space which is not otherwise being used.

As I understand it, very shortly the Senator from Delaware will bring an amendment to the floor on the IRA issue.

As I understand it, it is likely to be an amendment that is in the form of a

sense of the Senate resolution rather than one that would be an amendment that would specifically provide for the restoration of the IRA's, and with the revenues to pay for it. Maybe we will learn later that it is somewhat different from my understanding, but that is my understanding.

Earlier today a bipartisan group of Senators met in a press conference to put forward an amendment in behalf of restoring the IRA that really does the job. In other words, it would be in the form of a specific legislative amendment with the offset, the revenue sources to pay for it, that would actually see to it that the IRA was there and was incorporated in the tax bill in a way that nailed it down.

I wanted to say in the strongest terms that I think it is vital that we do that here on the floor and that we not kid ourselves by any sort of a sense of the Senate resolution that does anything short of actually plugging into this tax bill a specific way to save the IRA's and to pay for them.

The bipartisan approach which has been developed would be to say that any taxpayer that takes out an IRA under the new tax law would receive—this is assuming they took out a full $2,000 annual IRA account—a 15-percent tax credit or a $300 credit against that $2,000 investment. That would be the amount that would normally accrue under the new tax law that is proposed to the 80 percent of taxpayers that have incomes that would be taxed at the 15-percent rate. So if they put in $2,000, the 15 percent would give them a $300 deduction. In effect, that becomes the Government's contribution to that IRA investment in that given year. Namely, that amount of reduction in the person's tax liability.

We hold that constant as taxpayers step up to the next higher level of income, namely, the 27-percent tax rate, those that would break off into the higher tax rate still only getting the $300 maximum tax credit if they put in the $2,000 in the form of an IRA.

The cost of that is roughly about $14.7 billion over the 5-year period we have analyzed.

To pay for that we have devised a mechanism that I think is far and away the best way to do it.

By the way, we are talking under existing practice about 20 million individuals who otherwise will be harmed by the proposed changes in the IRA's unless this amendment that we are offering, or one like it, comes along and fixes the problem. So we are talking about a class of taxpayers that are roughly 20 million in number that otherwise will be affected and harmed.

The way we pay for this provision of IRA that will help those 20 million individual taxpayers, and I hope even a larger number in the future, will be by raising the alternative minimum tax from the 20-percent figure for individuals and for corporations that are in the bill now up to a figure of 22.6 percent.

The Joint Committee on Taxation has indicated to us that by raising that alternative minimum tax to that level we will be able to generate about $15 billion over 5 years or more than enough to pay for the IRA restoration.

Why have we picked that particular approach?

Bear in mind now, we are only going to have two tax rates in the tax rates under this bill, 15 and 27 percent. We are saying that high-income individuals and high-income corporations that otherwise would qualify for the alternative minimum tax would be paying that tax at a rate of 22.6 percent. I think that is an eminently fair rate. It certainly does not bleed those people. As a group, the Joint Tax Committee has indicated that on the individual side by raising that alternative minimum tax to 22.6 percent there are about 375,000 taxpayers in that class of taxpayers, 375,000 individual taxpayers.

So you have on the one side that group plus a relatively small percentage number of corporations in the country, profitable, I might say, providing the offset for the maintenance of the IRA over here for at least 20 million taxpayers who have found this a valuable device in terms of their retirement planning and who I think ought to be encouraged to be able to continue to make that saving.

I say that not only because the saving is important to those individuals personally in terms of planning for their own future retirement, which they properly should be doing, but we need that savings pool.

What is now clear is more and more people have come to understand what IRA's are and to make the investment each year in the amounts they can afford. We are creating a savings pool in the United States of a different quality because this is a long-term savings pool. People put money in the IRA's with the thought in mind of keeping that money there through their work life and then drawing on it when they reach their retirement period.

What this does is provide an enlarging pool of investment capital in the United States that we desperately need because we have a low-savings rate. We need that money for new capital investments, productivity improvement, job innovation, particularly given the international economic and trade situation that we are facing today.

It is vital that we continue to enlarge that savings pool by encouraging and helping the maximum number of people in our country to be making IRA investments. As I say, those savings are qualitatively different than other kinds of savings, so it is very important that they be fostered and continued.

I can tell you something, I think there are a lot of good features in this tax bill and I am going to vote for the tax bill. But overwhelmingly the people of the country who are paying attention and who have taken out IRA's, who want to think about it in the future, feel that that change in the tax law, the removal of IRA, is adverse to them, is not sound, and not in the public interest.

I have been told by rumor, because I have not seen the news accounts that the President himself today was rumored to have said that he thinks somehow or another the IRA ought to be restored.

Well, it ought to be restored. But let us stand up to the issue and do it here on the floor as we should and have up-or-down vote on this so that everybody in the country who cares about this will know where we stand and know whether or not when we said we wanted to save the IRA we had a chance to vote on really doing it, whether we voted for it or voted against it. I think it is very important to have a clear record on that.

I think this is the one thing the Senate can do.

I have great admiration for the Finance Committee. We have a number of very talented Members of our body who serve on that committee. But are we to tell ourselves to believe that that group has rendered such an absolutely perfect bill that we cannot make any changes in it, we cannot make any improvements in it, we cannot even restore the IRA if we have found an appropriate way to pay for it? Is that what we are going to say? I would hope not.

I would hope that a body of 100 Members is in a position here to correct this, if there is a clear defect in the bill, and clearly there is with respect to the IRA. That is the overwhelming body of opinion in the country. Letters are coming in here, and the national opinion polls are being taken that show that, showing that people think that is a defect in the bill. A lot of people, as a matter of fact, will end up paying more taxes after the other changes are made if the IRA is not restored. Information from Price, Waterhouse shows that for a number of different kinds of taxpayer profiles.

Here is a chance for us to do something about it.

I would sincerely hope that the Senate would not take a dive on this issue by, in a sense, voting for some kind of a vague sense-of-the-Senate resolution that says fix the IRA problem but we really do not know how to do it, we cannot figure out how to do

it, and we are not going to undertake to do it ourselves right here when we vote. I think that is the wrong way to do it and I think it falls short of what our responsibility is.

I would hope if we get any kind of a sense-of-the-Senate resolution on this issue if it is not a specific provision that gets the job done, specifically and clearly so we can see it and know we have done it, I would hope we would turn it aside. I would hope it would either be tabled or amended in such a way that we have an opportunity to act on bona fide solutions to this problem.

I will just say one other thing about it.

□ 1920

I say just one other thing about it. The American people understand this issue. They understand it. If you do not believe me on that, read your own mail. I am finding that 98 percent of the letters I am receiving on this—and I received 900 last week alone on the IRA—are individually composed letters, most of them handwritten. It is because people understand this issue. They understand it just as the seniors understood the Social Security issue each time an effort was made to come along and damage Social Security.

People are not going to be fooled about votes that are not real votes. People want to see the IRA issue taken care of. They are watching us. Properly, they should be. They want to see us do it right here, on the floor. I think this is a real test of whether the Senators, all 100 of us, are capable enough to reason this problem through and put in place a bone fide, genuine workable solution and to get it done.

As I say, we have a proposition that does that. I referred earlier that the Senator from Connecticut [Mr. DODD] and the Senator from New York [Mr. D'AMATO] were involved in that this afternoon as was Senator WEICKER of Connecticut, Senator WILSON from California, Senator CRANSTON from California and others, and Senator EXON. They met as a group to put this forward as a bipartisan proposition.

I say this further: It is 20 after 7 at night. I would say the IRA issue is the single most compelling issue that faces us on this tax bill. If we solve this, genuinely solve it here, on the Senate floor, I would say most of us, if not all of us, could vote for this bill and feel good about it. And the American people can feel good about it. I hope that my friends on the Committee on Finance would not feel that they, having done everything else, having written the whole rest of the bill for us and asked that we not tamper with any other part of it, when they have a defective part that is clearly recognizable and we have a chance to fix it, they would not say to us, "I am sorry, we are not going to let you fix that. We do not want you to fix that. Leave that to us. We will go behind the doors of the conference committee and somehow or other, with a little bit of this and a little bit of that, with a little bit of horse trading, we will get the problems solved for you."

I do not know if we can solve it that way. Even if we can, that is not the way to solve it. If we could solve things that way, why have 100 Senators? We do not need that many if we are not going to solve this problem and make the serious up-or-down decisions that actually affect the way we are going to do it.

I hope we shall have a debate, that we shall discuss all the issues on IRA's. Let us not try to sidetrack this issue with a sense-of-the-Senate resolution that does not solve the problem. That is not what people are asking for. They are asking for a higher quality of effort from us and I think that is what we are obligated to do. I hope we will have a chance to offer one in due course and have it considered on both sides of the aisle and vote up or down on real solutions and not pass the buck.

Mr. D'AMATO. Will the Senator yield for a question?

Mr. RIEGLE. Yes, Mr. President, I yield for a question.

Mr. PACKWOOD. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. PACKWOOD. I believe I yielded to the Senator from Michigan only for a comment and not for yielding to other Senators for questions.

Mr. D'AMATO. Will the Senator from Oregon yield for one question of the Senator from Michigan?

The PRESIDING OFFICER. The Senator from Oregon, by unanimous consent, has the right to the floor and the Senator from Oregon may reclaim the floor any time he wishes.

Mr. FORD. Mr. President, would the distinguished Senator from Oregon then yield to me for a question?

Mr. PACKWOOD. I would like to get to Senator ROTH if I can, so I am willing to yield for the purpose of a question.

Mr. FORD. Mr. President, if the so-called sense-of-the-Senate resolution or sense-of-the-Senate amendment to our tax bill is accepted by the Senate, does that preclude then the offering of a legislative amendment?

Mr. PACKWOOD. It does not.

Mr. FORD. So if we accept the so-called Roth amendment, Mr. President, which is a sense-of-the-Senate amendment, that does not preclude us from going to an amendment that would actually fix the IRS, as we understand it?

Mr. PACKWOOD. I think the Senator means the IRA, but there are people who would like to fix the IRS also.

Mr. FORD. I thought I said IRA, but I stand corrected. I shall leave the IRS to the chairman.

The only thing I can see here, if I may continue briefly, is that if this sense-of-the-Senate amendment is agreed to, then the argument would be that we have already made a decision, that we would not get to the IRA.

Mr. PACKWOOD. Yes.

The Senator from Delaware.

Mr. ROTH. Mr. President, on behalf of myself——

Mr. BYRD. Mr. President, will the Senator yield to me? He may keep the floor.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. May I say to the occupant of the chair that I respect the Chair, but under the rules, a Senator cannot get the floor and then hand it over to another Senator to offer an amendment. That is precisely what the distinguished chairman of the committee did. He had the floor. He had it in his own right. He got consent that he could yield. Then he yielded the floor over to the distinguished Senator from Delaware, who then proceeds to offer an amendment or whatever.

I do not have an amendment to offer, but I want to call to the attention of the Senate that that is not the way the rules provide for the recognition of Senators. I just want to make that point. I have seen it happen in here a number of times before.

I do not say this in any acrimonious manner but I hope that the Chair, again I say respectfully to the Chair, would protect the rights of all Senators.

The PRESIDING OFFICER. The Chair viewed the situation this way, that the Senator from Oregon gave up the floor. The Chair then recognized the Senator from Delaware in his own right.

The Senator from Delaware.

AMENDMENT NO. 2062

Mr. ROTH. Mr. President, on behalf of myself and Senators DOLE, PACKWOOD, MATTINGLY, and WARNER, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. DOLE, Mr. PACKWOOD, Mr. MATTINGLY, Mr. WARNER, Mr. CHAFEE, and Mr. NICKLES, proposes an amendment numbered 2062.

Mr. ROTH. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following:

FINDINGS

The Senate believes that Americans should be encouraged to save for their retirement; and

The Senate recognizes that only slightly more than one-half of all civilian employees are covered by employer-sponsored retirement plans and, of those employees, only half are now vested in their benefits; and

Over 70 percent of all taxpayers who have established individual retirement accounts have annual incomes of under $50,000; and

The Senate recognizes that taxpayers should be able to adequately provide for their retirement security, cannot rely on Social Security alone, and should be encouraged to provide for their retirement through tax incentives:

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 2063

Mr. DOLE. I send a second-degree amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself, Mr. ROTH, Mr. PACKWOOD, Mr. MATTINGLY, Mr. WARNER, and Mr. CHAFEE, proposes an amendment numbered 2063 to amendment No. 2062.

At the end of the amendment add:

It is the sense of the Senate—

(1) that the Senate conferees on the Tax Reform Act of 1986 give highest priority to retaining maximum possible tax benefits for individual retirement accounts to encourage their use as a principal vehicle for ensuring retirment security, and

(2) that the retention of the tax benefit of individual retirement accounts should be accomplished in a manner which does not adversely affect the tax rates or distribution by income class of tax reduction otherwise provided for in the Tax Reform Act of 1986.

Mr. ROTH. addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I wish to make a brief statement but before doing so, I wish to address a question to the Senator from Oregon [Mr. PACKWOOD]. It is my hope, as I understand a number of people have already departed and I do intend to seek a vote on this amendment, that we could lay it down this evening and then begin the debate in the morning, to be followed by a rollcall vote. I would like to address that question to Senator PACKWOOD.

□ 1930

It is my hope, of course, that we will have a rollcall vote on this amendment, and it is my understand that it is the desire of the leadership that the rollcall vote be postponed until tomorrow morning. If that is the case, while I would like to make a brief comment this evening, my understanding is that we would esssentially lay it down and then start the debate at whatever time is approprite tomorrow.

Mr. PACKWOOD. That is the case. I have talked with the majority leader, and he said considering the hour he is reluctant, because he knows how long we would be in getting a quorum back to be voting, to vote tonight. But I am delighted to join in cosponsoring this amendment of the Senator from Delaware, and I hope that it will break the logjam, not just on IRA's but that it will break the logjam unrelated to this only and that we could move with some speed now through the bill.

Mr. ROTH. I share that feeling. I think it is probably in many ways the most important amendment that will come up during the debate of the tax reform legislation. In starting out, I would like to make very clear my strong support of what I believe is a most significant and important tax reform bill, one that I would call upon all my distinguished colleagues to support. But I also think it important to consider that amendment offered by the distinguished Senator from Oregon, the majority leader and myself, because what we have is now a good bill. But I think it can be made a better bill.

Mr. CRANSTON. Will the Senator be willing to yield for a question?

Mr. ROTH. I will like to continue my statement for the moment.

Mr. CRANSTON. Will the Senator advise this Senator how long he expects to be talking?

Mr. ROTH. Not very long, I would say to the distinguished Senator from California, not more than 5 to 10 minutes.

Mr. CRANSTON. I thank the Senator very much.

Mr. ROTH. Mr. President, I believe that tax reform is an essential component of our country's economic recovery. Today, America is stronger, more Americans are employed because of the tax reform we initiated in 1981. Three-year, across-the-board tax cuts for individuals did in my judgment more to stimulate economic growth and financial well-being than any other single event since the tax cuts of President Kennedy almost a quarter century ago.

I was proud to join Congressman JACK KEMP in sponsoring that first round of tax reform. It was a collective effort which included many of our colleagues, including, of course, the majority leader, BOB DOLE, Senator DOLE, then chairman of the Senate Finance Committee, worked to push the bill through and onto the floor. Later on, many others contributed to this tax reform movement. And I pay my special respects to Senator BRADLEY, Congressman GEPHARDT, Senator KASTEN, as well as others who worked hard to broaden the tax base and lower rates.

Let me make it clear that back in 1981, we knew that these reforms would be only the beginning; that if true reform was our ultimate goal, Congress and the President would have to follow with more of the same. And this is exactly what Senator PACKWOOD has done. He has carried on the spirit that was begun by President Reagan back in 1980.

Mr. President, it is interesting to note that this evolution of reform has now become a veritable resolution of reform. Back when Congressman KEMP and I originally proposed a 30-percent tax cut, it secured the support of few, but the Reagan revolution worked and now the reforms we consider today have an overwhelming bipartisan foundation of support, and they should have because this current bill will establish a grater degree of fairness among Americans who carry the tax burden. Some 6 million American taxpayers will be taken completely off the rolls. Another 80 percent will have a top rate of no higher than 15 percent—the lowest individual tax rate in over half a century. In fact, when you talk of revolution, remember that with this reform the top marginal rate will have fallen from 70 percent in 1980 to 27 percent, all well within a 5- to 6-year period. But that is not all. It will eliminate many of the loopholes and shelters that have for far too long ironically provided sanctuary for those who needed it the least of all. It will help restore simplicity, simplicity to the Tax Code that plagues each of us every April 15. For American business, the committee bill will help our country remain competitive by reducing the cost of capital through a very valuable depreciation system. It will reduce the top corporate rate of taxation to 33 percent and it will restore a minimum tax to establish greater equity among corporate taxpayers and to ensure that all businesses pay their fair share of taxes. Needless to say, Mr. President, all of this is very good, but in the classic words of the American English teacher, "We must look past the good, past the better and to the best," especially in this time of changing world economics when we face stiff competition from abroad.

Our policies must provide the most effective, advantageous initiatives possible for both Americans and American business. Today our policies must prepare us for tomorrow, and one of those policies must be to encourage the United States to become a savings nation. To save is to increase capital for industry modernization, to create jobs for America, to provide security for families, to help young men and women build their futures, and to help older men and women realize theirs. It is to increase our competitive edge in world trade, to produce lower cost quality products that will be attractive in both American and foreign markets. And it is to follow through on the promises that the U.S. Government made to its people, especially in 1981, that we offer the amendment tonight.

What we propose to do is to save the IRA.

Mr. President, as I said, what we are seeking to do through this amendment, this leadership amendment, is to save the IRA. And while it is in the form of a sense-of-the-Senate resolution, I think the important fact is that what we are seeking is a real commitment, a real commitment to save the IRA. That is exactly what this proposal would do. Let me point out, Mr. President, that in 1981, the Senate Finance Committee and later the Congress adopted legislation that made the IRA, the individual retirement program, available to all Americans. And 5 years later it can be said that this is a smashing success. Some 28 million households, 28 million American households have instituted IRA's. Let met point out, Mr. President, this is not an easy commitment for most of them. The average man or woman that has established an IRA is 50 years old with savings of $10,000 or less.

□ 1940

The important fact that must be understood is that the IRA is a middle-class program for savings. It is not a program for the rich, as has been suggested by some, but rather for the working men and women of America.

I point out that roughly 80 percent of those who have IRA's have incomes of $50,000 or less; 65 percent have incomes of $40,000 or less. So in no way can this be construed as rich man's legislation.

All one has to do is to read the editorials in the pages of American newspapers across the country or read the hundreds of letters we are receiving which point out that the typical American looks upon this as a working man's or a working woman's program. For that reason, it is important that we take steps to ensure its continuation in the future.

Congress made a promise, made a pledge, in 1981 when it asked the American people to save through our IRA, and this is a commitment that should be kept in the current tax reform legislation.

Mr. President, I understand that the leadership would like the debate on this amendment to proceed tomorrow morning. So, under the circumstances, I will yield the floor at this time, with the understanding that we can begin the debate on this amendment whenever morning business is completed.

(Earlier the following occurred:)

Mr. DOLE. Mr. President, I thank the distinguished Senator from Delaware. I ask that my interruption come at a later time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I announce to my colleagues there will be no more votes this evening. I thank the distinguished Senator from Delaware.

(Conclusion of earlier proceeding.)

Mr. CRANSTON. Mr. President, I should like to speak briefly on the proposal by the Senator from Delaware.

I share totally the desire of the Senator from Delaware to deal with IRA's, restore them to this bill. I think it is very important that we not deprive 20 million Americans, who happen to include 2 million Californians, who presently have IRA's of that opportunity. There are many more Americans who think they will have an IRA and want that opportunity as soon as they are in financial shape to start investing in IRA's.

This is very important to middle-income Americans. It is very important to young Americans forming families and wanting to plan for their future.

It is important to our economy to promote savings. It is important to be more effective in competing on the savings front with Japan and other nations which are giving us stiff competition in world trade.

So we are together on the basic purpose, but we are not together on the vehicle that the Senator from Delaware proposes.

I think we need action on an amendment that would provide the Senate an opportunity to revise this bill to protect IRA's. I am delighted that the Senator from Connecticut [Mr. DODD], the Senator from New York [Mr. D'AMATO], and others, including myself, are planning to offer an amendment for that purpose. I think we can win with that amendment. If an amendment can win, that amendment is the most likely to succeed.

We want to deal as effectively as we can with this, as forcefully as we can, and I do not think that a sense of the Senate resolution is the way to deal effectively with this very important need.

The Senate ignores sense of the Senate resolutions; Congress ignores sense of the Senate resolutions.

For example, we passed a sense of the Senate resolution recently that we should complete action on the budget before we took up tax reform. But here we are debating and preparing to act on tax reform before the budget action is completed.

We passed a resolution regarding effective dates that we wanted to see in the tax bill, with no retroactivity, but that was ignored. This bill has retroactive features in it.

We passed a number of other sense-of-the-Senate resolutions that are simply forgotten when it comes time for action. We passed a number of sense-of-the-Senate resolutions advising the President—this President and other Presidents—of the desire of the Senate and the House for action in one way or another, and those are habitually and traditionally ignored by Presidents.

So I say let us proceed with an action that is meaningful. Let us do our utmost to adopt an amendment that will put the Senate firmly on record with a message that protects IRA's.

I yield the floor.

Mr. PACKWOOD. Mr. President, I do not see the majority leader here. I do not know of anyone else on this side planning to talk.

Here comes the majority leader now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I should like to take a couple of minutes this evening to speak on the proposal that has been made, so that apparently everyone understands that any amendnet to this amendment has been foreclosed because there has only been an amendment offered but not an amendment to that amendment—so there is really no opportunity in the normal course of procedure to modify the sense of the Senate resolution.

I should point out, however, that despite this particular procedural tactic, which deprives the Senate of expressing its will on a particular proposition, such a proposition will be offered in due course.

What is the rationale for offering a sense of the Senate resolution? No one should be terribly deceived by this particular approach. Obviously, there was a building sense of consensus among both Democrats and Republicans who wanted to do something here about the individual retirement accounts. Were it not for that growing consensus, I hope no one has any illusions that there would be no such sense-of-the-Senate resolution being offered. We would face a particular proposition and vote it up or down. But because we had come up, we think in a responsible way, with not only a proposal that would restore in part the individual retirement accounts but also sought—effectively, I think—an offsetting source of revenue, there was the danger that it might actually carry.

Of course, everyone here wants to do something about individual retirement accounts. That is wonderful news. The issue is not whether or not we are going to do something about individual retirement accounts but where the revenues will come from and to what extent we will do something about individual retirement accounts.

All of us here are equal Members of this body. Why not just pass a sense-of-the-Senate resolution, have the conferees go to conference with the House, and forget any amendments and leave it up to the members of the Finance Committee, or those who will be on the conference, to decide what is in the best interests of the country?

I was elected by the people of my State to come here to cast votes, to offer amendments and suggestions, just like anybody else.

□ 1950

I served in the House of Representatives where we had bills that came to the floor with closed rules, where you were not given the opportunity to offer any amendments on the floor.

There is no such procedure in the Senate of the United States. You cannot offer a closed rule on a bill.

I understand the chairman would like to do this. They come out of committee. They have a consensus. They think they have done a pretty good job and they prefer to protect that product. I respect that. That does not mean that that product is sacrosanct or there are not ways of improving.

So in addition to saying to our conferees, "Please do something about IRA's," there are a significant number of us here—maybe not a majority; I do not know that—who are offering a proposal or who would like to offer a proposal that would say not only what we should do about IRA's but how we should pay for them. We intend to offer such a proposal.

I recall only a few short months ago the majority leader, myself, the Senator from New York, who I share consponsorship of an IRA proposal, offered a sense-of-the-Senate resolution that this tax bill would not deal with any provisions dealing with retroactivity, that all provisions of this tax bill would become effective on January 1, 1987, and that bill passed unanimously on voice vote December last year.

We now know a major portion of this bill, in fact, imposes retroactivity on certain sectors of our economy. What was the effect of that sense-of-the-Senate resolution? It meant virtually nothing.

I respect a need for such provision in the tax bill. To emphasize the point that sense-of-the-Senate resolutions have no effect or force in law, they mean absolutely nothing as far as legislation goes.

It is what you might call legislative ducking. It is legislatively hiding so that we do not have to face a specific proposition.

Frankly, I am convinced that were it not for the fact that we worked very hard to come up with a responsible approach to IRA's, one that reduces the cost, does not restore the entire deduction, offsets that cost by modifying the alternative minimum tax, both on individuals and corporations, there would be no sense-of-the-Senate resolution being offered. They could confront the amendment head on.

So as a result, Mr. President, I appreciate this ploy. It is clever. It is very clever. Some Members may actually think they are going to get a chance to say to constituents, "I did something about IRA." Let there be no illusion. You have not done anything about IRA's. None of us here can provide any guarantee whatsoever that the conferees will do anything about IRA's when they go to that conference, and they will come back in the Chamber and they will offer all the excuses in the world about why they were not able to do anything. Some of us may remind them that we passed a sense-of-the-Senate resolution and they will offer every excuse known to man why they could not do anything or went to a source to offset that cost to hit middle taxpayers or rate structures or some other provision of this bill that falls adversely on those who can least afford it, and we will be given the option either voting up or down on the tax bill.

We would like to be able to vote up or down on a single proposition and then if that fails maybe the chairman of the Finance Committee or the Senator from Delaware would like to offer this proposal as a sense-of-the-Senate resolution and say why we did not like that idea, but we will do something.

Why not give us a chance on voting on something here and if something does meet with the majority of the Members of this body then go to the conference at least with a sense that we would like to do something. That would be the proper order in which to proceed, not to try and foreclose any option that we offer not only to deal with this problem, but how to deal with this problem. If we are unable to reach consensus on that, then we would certainly respect the conferees going into that conference with a determination to try to do something for the 28 million taxpayers out of 100 million who would like to retain an individual retirement account and participate individually in their own retirement security and did not depend upon Social Security or a fleeting pension program that may or may not be there when they retire.

That is all we are trying to do. It is all we are trying to do. And even before we had an opportunity to raise an amendment and at least debate that amendment, the merits of it, the demerits of it, we are being confronted by a ploy, and I wish there were other words to describe it, but there are not any. This is a ploy. It is a tactical ploy to try and convince the American public that we are taking care of an issue which they are deeply concerned about.

Almost every single Member of this body has received in the last week or 2 volumes of mail, not the printed postcards that come from the organizations. People of Connecticut, 1,000 of them, have written my office in the last week. Ninety-five percent of them are handwritten notes, handwritten notes, and every single Member of the Senate knows what distinction it was when an individual writes individual notes and not just sign his name on the card. They want something done about this.

Unfortunately, if this kind of tactic prevails, they are not going to get a chance to have their Senators offer options and ways of dealing with this problem. They are going have to rely on what may or may not happen in that mystical enterprise we call the conference around here.

So, Mr. President, I would hope that Members would see what is in front of us here for what it is, that I believe there will be an opportunity to vote on a specific proposal, a chance to really do something meaningful. I would add that I think a proposal such as we are offering, Senator D'AMATO and myself, Senator CRANSTON, Senator INOUYE, Senator RIEGLE, Senator MURKOWSKI, Senator WILSON, in a strong bipartisan expression, would actually strengthen the hands of the Finance Committee chairman and others going into conference where the Senate has expressed in a strong way by a moderate approach over what the House presently has, at less cost, a more equitable program, and come out of that conference with such a proposal.

This way we are going into that conference without any idea what may come out of it or what the source of funding of it may be.

I do not know how my colleagues feel who have joined at this juncture on the proposed amendment we would like to offer, but I would still like on tomorrow to be able to offer that specific proposal. I would like to have the chance to have that debated and discussed thoroughly as it should be.

I would urge my colleague from Delaware to withdraw his present amendment and, if our amendment does not prevail, then to reoffer his sense-of-the-Senate resolution, and I would cosponsor that resolution at such a time and send our conferees to work on such a proposal there, but give us at least the courtesy of having an option being debated and discussed without trying to foreclose that option by the ploy of a sense-of-the-Senate resolution which means nothing.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 2064

Mr. ROTH. Mr. President, at the appropriate place in the House bill, I

send the following amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object. It is a short amendment. Let us hear it.

The PRESIDING OFFICER. Objection is heard.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 2064.

At the appropriate place in the House bill add the following:

FINDINGS

The Senate believes that Americans should be encouraged to save for their retirement; and

The Senate recognizes that only slightly more than one-half of all civilian employees are covered by employer-sponsored retirement plans and, of those employees, only half are now vested in their benefits; and

Over 70 percent of all taxpayers who have established individual retirement accounts have annual incomes of under $50,000; and

The Senate recognizes that taxpayers should be able to adequately provide for their retirement security, cannot rely on Social Security alone, and should be encouraged to provide for their retirement through tax incentives:

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate Democratic leader.

Mr. BYRD. I thank the Senate and I thank the Chair.

Mr. President, I suppose there will be a second-degree amendment offered now. I may ask for the yeas and nays.

First, however, I would like to inquire of the distinguished Senator from Connecticut, without losing my right to the floor, if he would like the yeas and nays on this amendment, or if he would like the yeas and nays on the amendment in the first degree and the amendment in the second degree to the Senate bill.

I would like to help get those yeas and nays if he wishes to have them.

Mr. DODD. I certainly think the yeas and nays, I say to the leader, would be appropriate.

I know of no reason to object at this time. It could have been done on a voice vote. This is really of no merit other than to just express our will.

May I inquire of the minority leader what is the effect of law of such amendment that we have read to us.

Mr. BYRD. If the yeas and nays are ordered, of course, and amendment cannot be modified without unanimous consent. It cannot be withdrawn except by unanimous consent. I would also say, if the distinguished Senator wishes me to offer and amendment in the second degree, I can do that at this point, because I have the floor.

The Senator from Delaware, simply by offering an amendment, does not retain the floor. He loses the floor the second he offers such amendment. So I have the floor now. I do not presently have any amendment to offer, but I would be glad to if the Senator from Connecticut wishes me to assist him.

□ 2000

(Mr. CHAFEE assumed the chair.)

Mr. DODD. Mr. President, I would say to the distinguished Senator from West Virginia that I do not really want to become a participant in this ploy. All we are trying to do here is clutter it up so there will be no opportunity to offer another amendment. I would like to offer an amendment, a freestanding amendment, that would do some meaningful thing to the IRA's. I do not really want to be a participant in this charade. If the opposition to this wants to offer additional amendments in the second degree to foreclose any amendment being offered to this particular sense-of-the-Senate resolution, then the proponents of this particular option are free to do so. I really do not want to participate in that.

Mr. PACKWOOD addressed the Chair.

Mr. RIEGLE addressed the Chair.

Mr. BYRD. Mr. President, I have the floor and I ask the Chair to protect my rights to the floor while I have it.

The PRESIDING OFFICER. The minority leader has the floor.

Mr. BYRD. Mr. President, I share the sentiments of the distinguished Senator from Connecticut [Mr. DODD]. I anticipated that he might respond as he did, and I am glad he responded as he did.

What we are seeing here is precisely what has been stated by the distinguished Senator from Connecticut and the distinguished Senator from Michigan, namely an effort on the part of Senators to make the people believe that something indeed is being done about this particular provision in connection with which Senators have received a great deal of mail. The two Senators to whom I have just referred have indicated the volume of mail that has been received by them from their constituents. I have received a considerable amount from mine.

But I just wanted it to be understood by those who are watching and listening that this sense-of-the-Senate resolution does not accomplish anything. It is a sense-of-the-Senate resolution, and that is it. It is not binding. It has no legal or binding effect whatsoever.

But just that the RECORD may be clear and that those who are listening and watching this debate may fully understand, what we are seeing now is an effort to leave the impression with the people out there on television and the people who read the RECORD that a sense-of-the-Senate resolution is going to cure this provision in the bill about which the Senators from Michigan and Connecticut have received much mail.

I do not intend to offer an amendment. I intend to yield the floor and let the Senators on the other side——

Mr. PACKWOOD addressed the Chair.

Mr. RIEGLE. Will the Senator yield?

Mr. BYRD. Mr. President, I have not yet yielded. I said I do not offer an amendment at this point. I intend to yield the floor shortly so that Senators on the other side may proceed with the offering of second-degree amendments. And if they want to move to recommit the measure with instructions that it be reported back with sense-of-the-Senate resolutions, that is fine with me. They are within their rights. That is within the rules of the Senate. I do not have any problem with that.

Any action taken here by a Senator within the rules of the Senate, is within his rights and that is all I can expect of anybody.

I want Senators on this side of the aisle also to be able to act within the rules of the Senate and I want their rights respected. That is why I have taken the floor at this time to state that if any Senator wishes me to offer an amendment, I can do it. I have the floor. I know how to protect my rights to the floor and I know when a Senator is properly recognized by the Chair.

I will yield, Mr. President, with the understanding I do not lose my right to the floor in yielding briefly to my colleague from Michigan, after which I expect shortly to yield the floor.

Mr. RIEGLE. I thank the Senator for yielding.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Reserving the right to object. For what purpose is the yielding?

Mr. BYRD. I am yielding to my friend from Michigan because he asked me to yield. Under the rules, I can only yield for a question if there is objection. And I am seeking merely to protect my rights to the floor while I yield to the Senator for no other purpose at all than for a statement.

Mr. PACKWOOD. For a question.

Mr. BYRD. I will not yield to him for him to offer an amendment. I am not doing that, because a Senator cannot get the floor under the rule and field it out to other Senators for the purpose of their offering amendments. I am not doing that.

I simply said if the Senator wants me to offer an amendment, I will offer it for him because I have that right

and I have the floor. But, otherwise, I have no intention of offering an amendment.

But, without objection, I yield to the Senator for the purpose of his making a statement only, after which I expect to yield the floor.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. RIEGLE. Mr. President, I would have been quite prepared to put this in the form of a question, but not being compelled to I guess I will just make a brief comment.

As the Senator knows, and as all Senators know, we have had difficulty getting good cost estimates from the Joint Tax Committee because there are so many people lined up at the door trying to get estimates so they can put amendments together. It is just a problem we have all had.

The group that I am a part of and Senator DODD is a part of, a bipartisan group on an IRA law change, we have just today, as a matter of fact, gotten more data from that Joint Tax Committee to enable us to prepare this amendment and to get it into the proper form so that we can offer it so that it keys into the bill. We know the numbers are solid and that we can bring it to the floor with that kind of knowledge and strength to offer to our colleagues.

So, in a sense, all of us have been handicapped who want to offer serious amendments because it has been hard to get the information from the committee with which we must work. So, in a sense, that is relevant, I think, to a sense-of-the-Senate resolution coming now. If a sense-of-the-Senate resolution is offered at the outset in a preemptive way—in a sense, to prevent us, those of us that are drafting serious amendments that are amendments that have the force of law, serious in that respect, that actually would change the bill, change the content of the bill—if, just at the time we are getting the information to draft our amendment, somebody comes along with a sense-of-the-Senate resolution, which is an entirely different kind of a matter, we, I think, have been injured, in a sense, because we were trying to proceed in good faith.

There have been no secrets about it. We had a very large bipartisan press conference today to lay out the essence of the amendment that we planned to offer.

But I think it would be appropriate for us to have a chance to offer a substantive change in the bill itself and, if the Senate turns it down, then the Senate has worked its will. But, failing that, if somebody wants to offer a sense-of-the-Senate resolution which is not binding and which does not change anything, really—I mean, it is an expression of feeling, but nothing more than that—that would be the logical sequence.

So, I guess I feel as if laying it down tonight in a preemptive way in front of serious IRA amendment, which actually would have the force of law, is troubling to this Senator. I do not think it is really fair to the issue, nor do I think it puts Senators in the best position to be able to make a judgment in hearing the debate in a serious way on an amendment that has the force of law as to how they might want to vote on the IRA situation.

I want to make one other point, and it is a very important one. And I want to, if I may, engage the chairman of the committee on this. I am not going to quote things that we have said in private conversation. I have enormous regard for the Senator from Oregon, as he well knows, over many, many long years.

But, as we chatted about this, I was making a point to him—and I make it here now to the Senate as a whole—that I think the best thing that the Finance Committee could do here would be to allow the Senate as a whole, if it is the opinion of the majority of the Senate to want to restore the IRA in part, as we are doing here, that you take the Senate as a whole in as partners, if you will, in the tax legislation and let us have the opportunity to make this one change; if no other, just this one change. Because I think the votes are here to want to do it.

I think, even if we take it in the sense-of-the-Senate form, which is not really binding, I think you will see a substantial majority sentiment that says: "Do something about the IRA's."

As a practical matter, in terms of the durability of this tax bill down the road and the fact that all of us have to live and work together and face other issues in the future, let the rest of the Senate come in, particularly the bipartisan coalition that has worked hard to draft a genuine IRA restoration amendment, let us offer that and, if we succeed, let us become partners with you, those of you on the Finance Committee that have drafted this bill.

You know, I do not think this bill should have to be so exclusive that it can only be drafted by the Finance Committee by itself, or somehow altered perhaps in a conference committee that the rest of us have no chance to participate in.

□ 2010

Let us be part of it. Let us be a constructive part of it. I mean it makes good sense. It is going to give you a stronger tax bill, and it is going to give you a more durable tax bill down the line which leads to my next point; that is this, when I was conversing with the chairman of the committee I said I want to pose the question that I posed to him then, and I pose it to him now for whatever response he wishes to make.

Mr. BYRD. May I interrupt the distinguished Senator?

Mr. RIEGLE. Yes.

Mr. BYRD. I have yielded to the Senator for a statement by the Senator. When he finishes his statement I am going to yield the floor and it will be open to any Senator, but I have not asked that I yield to the distinguished Senator for a colloquy with other Senators.

Mr. RIEGLE. Let me put it in the form of a rhetorical question, and I would hope maybe the Senator from Oregon will respond to it. If not, I will seek the floor in my own right.

Mr. BYRD. I say to the distinguished Senator that when I yielded the floor I wanted to yield to the Senator from Michigan for a statement as long as he wished to speak. I understand that would be for a reasonable length of time. I do not want, upon yielding the floor, for the Chair to feel that another Senator has the floor by virtue of my having yielded to that Senator. I object to that, whether it is on my side or the other side of the aisle.

Mr. RIEGLE. I understand the Senator's point. Will the Senator allow me to conclude my remarks in the next 60 seconds?

Mr. BYRD. Surely. I am not pressing the Senator to conclude in the next 60 seconds or 4 or 5 minutes. I want to hold the floor until he finishes. I got the floor in a fair way under the rules, and I want to retain it in a fair way under the rules. I want other Senators also to be able to get the floor fairly under the rules no matter which side of the aisle they are on.

Mr. RIEGLE. If the Senator will yield to me further to finish my statement, I appreciate precisely the point.

I will not pose a question. I will just say this: That as I inquired of the chairman and the Senate Finance Committee as to whether, if the Roth amendment were to be passed by the Senate, the sense-of-the-Senate resolution would be binding on the conference, or Senate conferees, would the chairman of the committee feel bound by it? Would that mean if we passed the sense-of-the-Senate resolution by whatever vote, the majority vote or even unanimously, would that mean that would be instructed to be in a sense an ironclad instruction to the conferees to go and get that IRA provision restored regardless of any other changes that might or might be made?

I do not want to characterize the response. I would rather the Senator from Oregon do that himself, and we can engage in a colloquy either later tonight or tomorrow. But I must say that the answer I got was troubling to this Senator because it was not the

kind of clear cut answer that I think one would want to hear that wanted to be sure that we were going to restore the IRA. But I do not want to attempt to speak for the Senator from Oregon. He does not need anybody speaking for him. He is very capable of speaking for himself.

But, in any event, I was concerned about the response and will say to the Senator from Delaware that I do not know if he has asked that question himself but he had better ask it.

The Senator from Delaware yesterday or the day before offered a legislative amendment that provided a way to pay for the IRA. I did not happen to agree with that method. It was very carefully put together, and I thought it was a serious amendment. Unfortunately, that amendment has apparently gone down the drain, and it is being replaced now with a sense-of-the-Senate resolution.

I hope the Senator from Delaware will attempt to determine, as I want to now determine, exactly how binding any of the sense-of-the-Senate resolution would be on the conferees of the Senate even if it were to be passed.

I thank the Senator from West Virginia.

Mr. BYRD. I thank the Senator.

Mr. President, I have not yielded the floor yet. I am going to do so very shortly. The amendment is open to amendment. I do not intend to offer any amendment.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me say one word. I will yield the floor.

I want to lay to rest that there is some kind of ploy. There is nothing to prevent anybody from offering amendments that want to offer. I think perhaps there is a strong feeling that there should be some changes as far as IRA's are concerned. I do not want to leave the impression that we have tried to join in some cabal here that will in effect eliminate any opportunity.

First, that is not the case. Second, I do believe that there are many opportunities in the conference to address some of the issues because all the issues on the floor whether it is IRA's, real estate, whatever it might be, are going to be areas in the conference that are going to be addressed.

I think the chairman seeks—and he can speak for himself—to restore IRA's. We are talking abut $25 or $26 billion. I think we have to ask ourselves a question, in the final analysis, Do we want to raise the rates?

We can make all the speeches we want without talking about that. So we are going to raise the minimum tax, we are going to do this, we are going to do that. I think the final question is: Are we going to raise taxes for individuals including millions who may not be IRA participants?

I think as long as we can keep the debate right out in the open, there are no ploys, and anybody can offer their IRA amendments. This amendment by the distinguished Senator from Delaware who has had a long-time interest in IRA's along with the Presiding Officer, I might add, to make a record so that when we go to conference with a big, big vote hopefully with amendment, I think everybody would join in their support for the amendment, so that he is in a position as a conferee with the chairman cosponsoring to I think speak rather strongly for the Senate to really make some headway in that area.

So I have no quarrel with any amendments that are going to be offered. I wanted to indicate there had been some reference earlier that there is some kind of ploy we engaged in to deny others the right to "save IRA's." That certainly is not the case.

Mr. PACKWOOD addressed the Chair.

Mr. DODD. Mr. President, will the distinguished Senator yield for a question?

The PRESIDING OFFICER. The Senator from Oregon.

AMENDMENT NO. 2065

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. PACKWOOD] proposes and amendment numbered 2065.

At the end of the amendment add:

It is the sense of the Senate—

(1) that the Senate conferees on the Tax Reform Act of 1986 give highest priority to retaining maximum possible tax benefits for individual retirement accounts to encourage their use as a principal vehicle for ensuring retirement security, and

(2) that the retention of the tax benefit of individual retirement accounts should be accomplished in a manner which does not adversely affect the tax rates or distribution by income class of tax reduction otherwise provided for in the Tax Reform Act of 1986.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I am sorry to hear some of my distinguished colleagues on the floor of the Senate indicate that the sense-of-the-Senate resolution is irrelevant, and is a ploy. I take my obligations as a conferee seriously. If the sense-of-the-Senate resolution passes, I will do whatever I can to implement it within the terms as stated in that sense-of-the-Senate resolution in terms of its effect on income distribution, and rates.

If there is a way that we can have IRA's, not increase the rates, and not change the income distribution, I regard this as a serious obligation. I am sorry that my colleagues think that sense-of-the-Senate resolutions are irrelevant.

I will recall from time to time in the future when they will be offering or supporting sense of the Senate resolutions on observing SALT talks or something else that they have said they are irrelevant and meaningless. But for the moment let me talk about another point.

Apparently the Senator from Michigan and the Senator from Connecticut are going to finance restoring IRA's in the bill with a minimum tax. The amount of money that is needed to restore IRA's either in full or in part is no secret. This is not something that the Joint Committee on Taxation has kept secret. This is something everyone has known from the time we were talking about IRA's. The amount of money that can be raised with a minimum tax, corporate or individual, raising it 1 percent, 2 percent, 3 percent, whatever you want to raise it to, you can cost out almost down to $10 million on a $1 billion increase.

So where have my good friends been for the last 2 days? We have been now 4, 6, 10 hours waiting for an amendment. If my good friend from Connecticut, and my good friend from Michigan, are so all-fired upset about being precluded, why were they not here on Monday afternoon or Tuesday afternoon to offer the amendment?

Mr. DODD. Will the distinguished chairman yield?

Mr. PACKWOOD. Yes.

Mr. DODD. Because we could not get any numbers from the Joint Committee on Taxation, quite frankly, and I am not the only Member here. Others have been in the same position.

Mr. PACKWOOD. The numbers that the Senator needed on this issue, if he is going to finance it by the minimum tax, have been known for weeks.

Mr. DODD. Let me say to the distinguished chairman as the one who 3 weeks ago inquired of the Joint Committee on Taxation as to what the numbers would be on various options to pay for the IRA deduction, it was not until the very first part of this week that we finally got some numbers.

We still do not have the numbers from the Budget Committee. Clearly, the first question the chairman would ask the Senator from Connecticut is, if he offered such amendment, what are the revenue figures? I cannot make up the numbers out of my head.

Mr. PACKWOOD. What I am saying is that had the Senator asked the joint committee a week ago, 2 weeks ago, or 3 weeks ago, "what will happen if we increase the minimum tax on individuals from 20 to 21 percent, or what will happen if we increase it on corpo-

rations from 20 to 21 or 22 percent," you could have had an answer. That particular question could not be begged off by saying we could not get the information. Maybe you did not ask for the information. But that information is readily available.

□ 2020

Mr. DODD. If the Senator will yield, all of us are finding out information for the IRA's. We were looking around because I heard the chairman say so eloquently this afternoon "In lieu of what?" We began to look around to try to do something about the IRA's and what would be the offset in revenues.

I think what is highly attractive about this particular proposition is you cannot just come in here and say restore the IRA's. You have to say to the chairman as the offerer of the amendment where the revenues have to come from. We have to make it revenue neutral.

So we did send letters to the Joint Tax Committee to ask for various numbers on various options. It was not until last week that we actually asked about the alternative in the tax. We got most of those numbers, but we are still missing some.

I would say with all due respect to the chairman of the committee there is a number of Senators who have amendments that have yet to receive answers from the Joint Tax Committee as to what the revenue implications are.

No one can stand up here and offer an amendment without being able to also say accurately what the revenue offsets are going to be. I say to the chairman in all due respect that is the reason.

Mr. PACKWOOD. I can understand if my good friend had not decided to finance it with an increase in the minimum tax. If he did not know how he was going to do it, obviously he could not present the amendment. But both of those subjects, indexing or delaying rate reductions, are well known, relatively hard figures that have been readily available for several weeks.

To the extent somebody does not know how they are going to raise the money, I can understand how they are not prepared to go forward with an amendment.

But I think it is unfair at this stage to the Senator from Delaware who has been the leading fighter on this before we ever went into markup. He has been fighting and fighting on the subject of the IRA.

It is unfair to him when he comes in to offer a sense-of-the-Senate resolution when any time in the last 2 days somebody else could have come in.

I will tell you what I think actually happened. We will find out after the sense-of-the-Senate resolution passes, and I think it will.

Mr. BRADLEY. Will the Senator yield before he proceeds, if we can have a slight interlude for a discussion about procedure?

Mr. PACKWOOD. Yes.

Mr. BRADLEY. So we can focus a little bit on what the bill actually does with regard to IRA's, I have received any number of communications from various groups saying something like "Warning, someone in Washington wants to kill your IRA." That is evidence of the kind of attitude which is around.

I think it is important to realize what we do in the bill with regard to IRA's.

The fact of the matter is, if all you have is Social Security and you do not have an employer pension, you can continue to deduct up to $2,000 for an IRA. Is that not true?

Mr. PACKWOOD. It is absolutely true.

Mr. BRADLEY. Is it also not true that in the last 4 years during which time you could have put up to $4,000 away for a couple into an IRA account, although that was a very few number of people who were able to do that, that $4,000 that is now in that account remains tax free. Is that correct?

Mr. PACKWOOD. Absolutely.

Mr. BRADLEY. And is it not also correct that if you choose subsequent to the passage of this law to put more money into an IRA account, that the additional money that you put into the IRA account can earn interest tax free?

Mr. PACKWOOD. Absolutely true again.

Mr. BRADLEY. Is it not true that some individuals who will no longer get the deduction might very well say to their company, "I can no longer get an IRA deduction. You deduct $2,000 off the top in a 401(k) plan."

Mr. PACKWOOD. Correct.

Mr. BRADLEY. I would suggest further, is it not more likely, because of what the bill does with regard to vesting, that one has to work only 5 years in a firm in order to be eligible as opposed to 10 years, that many more people will be covered by employer-paid pensions?

Mr. PACKWOOD. Probably the biggest change in the retirement provisions in the bill was that change in 5-year vesting, especially if you are talking about helping the poor, those who work 25 to 30 hours a week, those making $13,000 to $14,000 per year. That particular provision is critical.

Mr. BRADLEY. As pertains to the IRA deduction, is it not true that under current law if someone was in the 50-percent bracket, the value of their deduction would be 50 cents on each dollar that they deduct?

Mr. PACKWOOD. Correct.

Mr. BRADLEY. And under the reform proposal, is it not true, if one of the 85 percent of the taxpayers who have incomes under $40,000 decided to have the IRA, because we have restored the full deductibility, that the value of that deduction now would only be 15 cents on the dollar?

Mr. PACKWOOD. Not only that, but if you take averages, and you always have to be careful with averages, for those 85 percent of the taxpayers who will be in the 15-percent bracket, on the average they will have more money under the bill, even if they cannot deduct their IRA but because of the lower rates, than they have currently under the existing law with the deduction of the IRA and the current rates.

Mr. BRADLEY. I would say to the chairman that I think it is important for us to at least know what is in the bill before we start saying what is not in the bill and what we would like to add to the bill.

I would also say to the chairman, as he has just said, that there is a choice in the tax reform. It is that you give up certain tax expenditures in order to get tax rates down.

You are also saying that you are going to make sure that everybody pays something. At least, this Senator thinks that the choices to be made are well worth it.

Before we get into a discussion further on the IRA amendments tomorrow, I thought it was important that the Senate be clear that the reform bill does not kill the IRA deduction; that it preserves it, and that it augments it and, in the long term, the 15-percent rate is small, giving up the IRA deduction, that 15 cents on the dollar value is well worth getting the 15-percent rate.

Mr. PACKWOOD. I think I received that same flyer the Senator referred to. It is interesting as to the pecking order as to who sells the IRA's. This bill is being supported as it is by both the U.S. League of Savings Associations and the American Bankers Associations. They sell IRA's. You would think that normally they would have misgivings about it.

What they have discovered, and it is not mentioned in that flyer at all, what the banks and savings and loans have discovered is this:

First, they get somebody to put money in an IRA although it is frequently out of their savings account at the bank. They take it from their savings account and they put it into the IRA account.

Of course, under the law you can shift your IRA from place to place.

Under the law, mutual funds and brokerage houses are able to offer the IRA holder a slightly better deal so they flee the bank or flee the savings and loan. Much of what we have been getting from those who are concerned

about IRA's is from brokerage houses and mutual funds that sell IRA's.

□ 2030

That is their concern—not who buys them, what income class buys them. They simply sell them.

Mr. RIEGLE. Will the Senator yield for a question?

Mr. PACKWOOD. Yes, Mr. President.

Mr. RIEGLE. I think the Senator from New Jersey [Mr. BRADLEY] has made a number of observations about what the IRA's effect would be.

Am I right in understanding that if we adopt the committee bill as it is now, of the current profile of IRA holders, there are some 20 million—this what the Joint Tax Committee is telling us—IRA holders who now get the front-end tax deduction who would lose the front-end tax deduction if they invest in IRA in the future. Just the front-end tax deduction. Twenty million is the figure we have been given. Are they right in that?

Mr. BRADLEY. Mr. President, let me respond to the Senator from Michigan by saying the latest figure I have is 15 million, not 20 million.

Mr. RIEGLE. It is not 15 million, it is at least 20 million. We have been told at another time 20 million. It seems to me when you have that many people in the country who lose the front-end deduction, to have left that fact out while providing the other ones, which are useful ones, I think it is an important omission. That is why we are getting all the mail.

Mr. BRADLEY. All 15 million will not lose the front-end deduction. All 15 million will not lose. If you do not have an employer-paid pension plan, you can continue to deduct up front, even if that deduction is only worth 15 cents on the dollar. That number is roughly about a third.

Mr. DODD. Will the chairman yield for a further question?

Mr. RIEGLE. I dispute that.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. PACKWOOD. Mr. President, I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut sought recognition.

The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, just on the this point the Senator from New Jersey [Mr. BRADLEY] has raised, it is certainly a worthwhile piece of information to have. I think the point is for those of us who are proposing an alternative that, even while the IRA's are protected for those who do not have pension plans and favorably deals with those individuals who have pension plans that were between the 5- and 10-year periods of vesting, clearly, that is improved by bringing it down to 5 years.

The point is that even people with pension plans want to be able to add to their own retirement security, and what we are proposing here is a modest change in the alternative minimum tax of both individual and corporations who are the 350,000 most affluent taxpayers in the country to provide not only some relief for that 15 to 20 million taxpayers who would be adversely affected by this particular bill, but also to those others who want to be able to enhance, if you will, their present retirement picture by being able to continue their IRA deductions, and the inducement, obviously, of a credit would contribute to that significantly. So it is not just to deal with those who would be presently excluded, but also those who would be included under the Senate Finance Committee bill.

I further suggest, Mr. President, after listening to the last colloquy betweeen the distinguished chairman of the Committee on Finance and the distinguished Senator from New Jersey [Mr. BRADLEY], who serves on the committee, that there seems to be very little reason, given the arguments that were raised, that there should be anything changed when we go to conference; that in fact what the Finance Committee has done with IRA's is more than adequate to allay the fears of anyone who feels he is going to be adversely affected by this bill; and that indeed, the fears of those of us who are concerned about how effective the bill would be are addressed by the colloquy between the two distinguished Senators; that the likelihood that we are going to see any additional changes is small because of the strong feelings that the Senator from New Jersey and the Senator from Oregon have about the present provisions of the bill; and they have done an excellent job.

Mr. RIEGLE. If the Senator will yield, there is even a piece of evidence that is current that bears out what the Senator just said. That is if you listen carefully to the words of the second-degree amendment, there is a proviso in that second-degree amendment that basically lets the Finance Committee and the conference committee off the hook so on the one hand, they can say they are going to do something about IRA's but they lay down in the second-degree amendment conditions that are virtually impossible to meet.

If my memory is right, and if I heard the clerk right a few minutes ago, the second-degree amendment proviso said that the changes could not affect the distribution of tax cuts by income category. That is a complex phrase, but the bottom line is that that makes it almost impossible to find a revenue offset, if you will, under that kind of sense-of-the-Senate resolution as it has now been amended, to actually pay for the restoration of the IRA which the Senator from Delaware has called for.

So, in a sense, the addition of the amendment really destroys the meaning of the resolution. It sort of cuts the heart out of it.

What I do not understand is why, when every amendment that has to be offered has to have a revenue offset—in other words, we have to pay for amendments—how is it that we can have a sense-of-the-Senate resolution that is not paid for?

Why should not the same rule apply to a sense-of-the-Senate resolution? We are asking anybody who comes in here with a real amendment that is really going to make a change to pay for it. That is fair enough. We put together a proposition; others have a different way of doing it. But if we are going to turn around and apply a different rule to a sense-of-the-Senate resolution and say, "You can have anything you want and you don't have to pay for it; you don't have to come in with any idea of how to pay for it"—to me that is a double sham. You cannot have one principle that is going to apply to amendments and stand on that principle and then turn around and say, on the other hand, "If you want something but you are not serious about it, put it in a sense-of-the-Senate resolution; you don't have to have a revenue offset, you can treat that in a different fashion." Any sense-of-the-Senate resolution on this bill ought to have a revenue offset.

Mr. DODD. If I may reclaim my time, I point out that my colleague is exactly correct. I wonder if, on this bill, we are going to see a deluge of sense-of-the-Senate resolutions every time an amendment is going to be offered on this tax bill over the next week or so. All the rest of us are scurrying around trying to get the Joint Tax Committee to give us an idea of what the revenue offsets would be. It seems to me we just ought to be offering sense-of-the-Senate resolutions and not provide any offset.

I know the distinguished Senator from Maine is considering an amendment, the distinguished Senator from Texas is considering an amendment, the distinguished Senator from Montana, the distinguished Senator from Arizona has one on the sales tax. I wonder if we are going to see a sense-of-the-Senate resolution on every amendment we are going to offer.

Or I wonder if this is going to be the only one? Then the question is why are we going to have a sense-of-the-Senate resolution when we are dealing with IRA's? I wonder if this is not a ploy; then, of course, I presume we will have a sense-of-the-Senate resolution on every single amendment that is offered. If there are no additional

sense-of-the-Senate resolutions, then I suspect my earlier concerns about why we are being confronted with this particular procedural tactic are correct.

I ask the Chair if I may proceed on a point of parliamentary procedure.

The PRESIDING OFFICER. The Senator will state his parliamentary question.

Mr. DODD. What is the present status procedurally? Is it possible at this juncture to offer any additional amendments under the rules of the Senate other than a motion to recommit to the matter pending before the Senate?

The PRESIDING OFFICER. The Senator is correct; it is not possible to offer any other amendments.

Mr. DODD. I hope that my colleagues have heard that. There is no other option here. We have been totally foreclosed. Not that I would have wanted to participate, as I said earlier, in this. But I think it is useful to not, as the Chair has pointed out, that there is no other way to offer an amendment. We have now shut the door procedurally to all avenues of procedure.

The only alternative would be to offer a freestanding amendment on this issue. At this juncture, barring some discussion by my colleagues, I would urge that we vote unanimously to approve the sense-of-the-Senate resolution and then get to the business of this particular proposition. Then we will see if there is enough support here because a major ingredient to this issue is the revenue source.

If you are not able to reach consensus on the revenue source and, as the Senator pointed out, we have virtually foreclosed all other revenue sources by adoption of the resolution, then it seems to me this body may be unable to do anything worthwhile.

The other body, the House of Representatives, has stated its position on IRA's. I happen to disagree with that. The chairman is correct. To restore IRA's to a $25 or $26 billion financial amount is excessive. I do not think we can afford to do that. But I do think we can afford to provide a credit which is a significantly reduced amount and offset that a bit by modifying the alternative minimum tax a minor degree in order, over 5 years, to pay for this.

□ 2040

I hope in the meantime that we might build even broader consensus for that approach. And so, Mr. President, we will resume this debate tomorrow morning, at which point we will have a more lengthy discussion about the merits and demerits of specific proposals. But I hope my colleagues would appreciate, with all due respect to actually one of the great fathers of IRA, the Senator from Delaware, and he really deserves that distinction, that with all due respect to his original proposition on these matters going back almost a decade, a sense of the Senate resolution is not going to correct this problem; that we will have an option up which we hope will be attractive to a majority of this body where it will give Members an opportunity to actually do something about IRA's.

I yield the floor, Mr. President.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I think it is very important that the Senate understand the Senator from Delaware had only one purpose in introducing his amendments, and that is to strengthen the IRA. As has been said earlier, I am a father of the IRA. I am a strong believer that it should continue. Frankly, I am not satisfied with the current IRA. I, for one, believe it ought to be made available to housewives, to homemakers; they contribute as much as anyone to our society and are entitled to security.

I believe it is important as a nation that we become more of a savings nation and less a consuming nation.

Mr. President, the IRA's are profamily and pro-America. That is the reason I so strongly endorse them. They are profamily because they help the American family plan for their retirement. As I said earlier, the vast majority of the 28 million who have IRA's have made a serious commitment when they put funds into them. They are not only making a commitment in the first year they make a contribution but also the following years until they reach retirement. For that reason I think it would be a serious mistake to reverse the path and tell the American people their contributions to IRA's are no longer tax deductible.

Now, the reason I introduced this amendment is because I believe the best opportunity we have in keeping the current IRA and keeping the contribution to that program tax deductible is to have a commitment from those who are going to participate in the conference. I believe that this amendment is doing exactly that and that those who are sponsoring or cosponsoring it are doing so because they expect to keep that commitment.

There is a broad support for the full IRA tax credit. Time tonight does not permit me to go into great detail, but I should like to repeat what is contained in an editorial of the Christian Science Monitor on Tuesday, May 20. In this editorial the Christian Science Monitor says:

> There are strong reasons for the Senate and the eventual Senate-House conference committee to restore the full IRA tax credit in tax reform legislation. The chief reasons:
>
> 1. Americans needs to save money. As already noted, savings create investment capital which buys plant modernization, which increases productivity, which means a higher standard of living in the future;
>
> 2. Americans need to be wooed into recovering the saving habit. IRA's are a widely publicized vehicle for reminding a new generation of this virtue practiced by many of their ancestors;
>
> 3. IRA's need not be the reserve of the upper and middle income group. President Reagan, leaders in his administration, and leaders in small and large business can stimulate more blue collar participation. One way to do so is to encourage more payroll withholding IRA plans.

So, Mr. President, I make it very clear that the proposer of this amendment is indeed, very, very serious about the kind of commitment he is making. I assure the Members of this distinguished body that as a conferee it will be my intent to fight to strengthen and preserve the IRA, including the tax deduction for contributions.

I hope that all Members of the Senate will join me because I think the more Senators on both sides of the political aisle to support us in this effort will strengthen the hand of the Senate in the conference.

I yield back the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I am wondering if the Senator from Delaware would lay to rest this Senator's concern as it relates to the question of the restoration of IRA's because I read in the second-degree amendment the paragraph which says "that the retention of the tax benefits of individual retirement accounts should be accomplished in a manner which does not adversely affect the tax rates or distribution by income class of tax reduction otherwise provided for in the Tax Reform Act of 1986."

Does that mean that if there is a distribution of income, let us say, from some of the very wealthy who will be taxed as a result of the individual minimum or corporate tax, that revenues will be gained to pay for the restoration of IRA's; that then the sense of the Senate resolution would preclude that from taking place?

Mr. ROTH. Let me point out to the distinguished Senator from New York that the tax credit proposed I believe in his amendment as well as the one that I had earlier proposed in my draft of another amendment would be perfectly appropriate under the language before the Senate. I fully expect that we can preserve the IRA. I think we can find the means of financing that in conference and doing it in such a way that it will fulfill the requirements of the resolution.

Mr. D'AMATO. I might just point out to my colleague that what the second-degree amendment offered by the majority leader, Senator DOLE and others, says very clearly is that if the income distribution is adversely affect-

ed—that means if it is changed—why, then, this resolution is without the force and authority of the Senate, even though they have voted for it.

Am I wrong in that interpretation?

□ 2050

Mr. ROTH. My answer to the distinguished Senator is this: I think that what is important is that by getting the commitment of the conferees that they are going to restore the IRA so far as tax deduction is concerned, that is what the sense-of-the-Senate resolution is all about.

I point out to the distinguished Senator that this resolution is cosponsored by the majority leader, Senator DOLE, as well as the chairman of the Finance Committee, Senator PACKWOOD, as well as myself. We will all be conferees, as I understand it. I think the best assurance anyone can have that we will do something about what I consider the current deficiency is to have the conferees dedicated to restoring the tax deduction. That is exactly what I intend to do, and we believe that that can be done in conference, and that is my reason for sponsoring it.

Mr. D'AMATO. I thank my distinguished colleague for his explanation.

I thank my distinguished, colleague, the senior Senator from Delaware, for his persistence and leadership in the area of true and meaningful tax reform. I believe that without Senator ROTH and his leadership in this area, we never would have reached this day today, where we are discussing the relative nuances in comparison to the eons we have come.

We forget that we have come from a 70-percent tax rate down to 50 percent, and we are looking now to come to 27 percent, and we are also looking to accomplish some magnificent things.

Many times I have heard the cry: "My God, in America you're better off being on welfare or social services than working," because working families in many cases brought home less than if they were to resort to social services. I have heard that many times.

The bill that is before us is historic in this area. It is historic in the area that, for the first time, we encourage many working families to continue the work ethic. We encourage those on social services to move off because it pays to work.

I think it is a good bill, and I think we can make this a better bill. I reject those who say that to offer any amendment would sink it. This bill has the force of logic, the cogency and productivity of a bipartisan committee that has fashioned it, and it will not be impeded, and certainly not by an amendment that makes it stronger. It serves the interests of not the wealthy. Much as I am for this, I reject those contentions which say that this is for a handful of wealthy as demagoguery. That is nonsense. That would be the same as if I said this bill has no merit. This bill has merit, and I am going to support it, notwithstanding that the amendments we may offer will not be accepted.

I would beg those who have worked so hard to bring us to this point not to be strung out to being conquered, not to take the major focus off the historic nature of this amendment, and to take on the amendments, for better or for worse.

I think there is a wide body of great support that can see that friviolous amendments that would be offered to this bill would be defeated. Therefore, to say, "I have to resist all amendments, no matter how meritorious," is an overstatement.

I implore our chairman and our majority leader. The chairman really played the part of a modern-day bringing Lazarus to life. This bill was dead, absolutely dead. The House bill was dead. I think it was a turkey. I said that.

I think that what we were doing initially in considering those proposals that were similar to what the House was doing was nothing more than emasculating it and making a bad product worse.

Then came an imaginative drive to say, "Let us give tax reform an opportunity. Let us close down the shelters and get the marginal rates down." And they did.

Senator BOB PACKWOOD is responsible for bringing those rates down and forging this great body of support—no one other than Senator PACKWOOD.

I do not think we should get hung up in terms of whether or not we should do this on the Senate floor or whether we should allow it to the good offices of the conferees.

I hope we can dispose of it by a vote. That is what this body is about. We embody democracy. We should trust it to the Members to make their decisions intelligently and understanding how far we have come—the eons we have come since Senator ROTH started his monumental drive for tax equity.

I say to the distinguished Senator, with respect to his resolution, that I believe he truly means for there to be a resolution of this matter and instructions, to carry the force of law, to say to the conferees, "You come back with IRA's." I am not saying that IRA's have to be exactly as they are today. We would prefer an expansion.

Let me depart from my prepared text to read something:

The tax benefits applicable to IRA's are intended to encourage individuals to save for retirement. Savings for this purpose also contribute to the formation of investment capital needed for economic growth. For many individuals who are covered, including those who are covered by employer-maintained retirement plans, IRA's may play an important part in an overall strategy to provide for retirement security.

Whoever was the author of this said that those people who have pension programs—notwithstanding that IRA's were important—said that the use of IRA's for retirement savings should thus not only be encouraged but made available on a broad and consistent basis.

Then the author of this went on to say that even nonworking spouses should get additional coverage of $2,000.

That statement was made in the President's tax proposals to Congress, President Ronald Reagan, in May 1985. That statement is as true and relevant today. People need that encouragement as much as in May 1985.

That is why there are those of us in broad political representation and political spectrum and philosophy who feel that the retention of IRA's should be an important and integral part of this bill.

In looking at the second-degree amendment, I can come to no other conclusion than that it would prohibit any change in IRA's if there is any difference in the distribution pattern that would take place. Obviously, there would be a difference in the distribution pattern in the tax rates.

We are talking about a sum of money that would be $14.8 billion to $26 billion.

So the second-degree amendment that was offered by the majority leader says, in effect, that the only application of the resolution, even if we pass it 100-to-1, is, if the changes take place, "that the retention of the tax benefits of the individual retirement accounts should be accomplished in a manner which does not adversely affect the tax rates or distribution of the income class or tax reduction otherwise provided in the tax reform act."

In other words, if there were going to be a sufficient degree of people, millionaires or very successful corporations, that had to pay even 1 percent more than ordinarily as a result of keeping IRA's, then the resolution which we adopted would not have that force, because there is this caveat. This caveat says that you cannot change those rates.

□ 2100

I think that the very purpose which our distinguished colleague from Delaware is attempting to accomplish, that is sending a strong signal that we want IRA's retained, that we want the joint conferees to keep them, is defeated by this resolution.

I say if we are looking to inspire confidence in the Members of this body and in this Senator, and I am only one, then let us not have a resolution that has a hook, because this is a hook. This second-degree amendment

to the initial amendment really makes it not worthy of the kind of support that we in the Senate want to show, that we strongly believe that IRA's should be retained, and I think what the Senator from Delaware is saying is that we instruct our conferees with this, that they come back and they understand the meaning and the depth of our conviction.

I am going to support this bill regardless, but I still am going to ask that there be an amendment. I stand ready to work with our distinguished chairman, who has done such an outstanding job, to find the revenues and the pattern that would be less disruptive to this bill, understanding the fragile nature and that there are certain areas that are sacrosanct, raising the marginal rates, the 27-percent rate or the corporate rate of 33 percent. I understand those are primary considerations of the chairman, but I would hope that our test of loyalty and support of this bill would not be judged by the fact that there are those of us who have reasonable disagreements and support strongly the inclusion of other provisions. That is not the case.

I thank the President.

Mr. PACKWOOD. Mr. President, as usual, the Senator from New York has been eloquent. I never challenge his motives or integrity.

There is one thing he may be sure on. That is that we do not tax the poor to pay for the rich.

One way to pay for this amendment is to delay the indexing. That would hit the poor and those in poverty.

As the Chair will recall, Senator STAFFORD introduced an amendment. I ask unanimous consent on his behalf to withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. D'AMATO). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. CHAFEE. Mr. President, I ask unanimous consent that there be a period now for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:49 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the joint resolution (H.J. Res. 382) to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 2 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 124. An act to amend the Safe Drinking Water Act;

S. 1027. An act for the relief of Kenneth David Franklin;

H.R. 3570. An act to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes; and

H.J. Res. 382, Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore [Mr. THURMOND].

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 10, 1986, she had presented to the President of the United States the following enrolled bills:

S. 124. An act to amend the Safe Drinking Water Act; and

S. 1027. An act for the relief of Kenneth David Franklin.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3301. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to Japan; to the Committee on Armed Services.

EC-3302. A communication from the Acting Secretary of the Air Force transmitting, pursuant to law, a report on the increase in cost of the IR Maverick CPUC weapons system over its baseline by 24 percent; to the Committee on Armed Services.

EC-3303. A communication from the Chief, Program Liaison Division, Office of the Secretary of the Air Force transmitting, pursuant to law, a report that the Air Force has selected the Boeing Company to provide two executive configured 747 aircraft to serve as the new Presidential airplane known as Air Force One; to the Committee on Armed Services.

EC-3304. A communication from the Chief, Program Liaison Division, Office of the Secretary of the Air Force, transmitting, pursuant to law, a report on a decision made to deactivate the 6594th Test Group, Hickam AFB, Hawaii, by September 30, 1986; to the Committee on Armed Services.

EC-3305. A communication from the Secretary of Energy transmitting, pursuant to law, the quarterly test sale report of the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-3306. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, transmitting, pursuant to law, a report on refunds of excess oil and gas lease royalty payments made to 4 corporations; to the Committee on Energy and Natural Resources.

EC-3307. A communication from the Secretary of Energy transmitting, pursuant to law, the annual report on the Department's Industrial Energy Efficiency Improvement Program for 1984; to the Committee on Energy and Natural Resources.

EC-3308. A communication from the Comptroller General of the U.S. transmitting, pursuant to law, a report entitled "Nuclear Energy—A Compendium of Relevant GAO Products on Regulation, Health, and Safety"; to the Committee on Environment and Public Works.

EC-3309. A communication from the President of the United States transmitting, pursuant to law, a report on the activities of the performance of U.N. member countries in international organizations; to the Committee on Foreign Relations.

EC-3310. A communication from the Secretary of Housing and Urban Development transmitting, pursuant to law, the semiannual report on the Inspector General; to the Committee on Governmental Affairs.

EC-3311. A communication from the Chairman of the Board of Governors of the Postal Service, transmitting, pursuant to law, the semiannual report on the Civil Misrepresentation Activities of the Postal Service; to the Committee on Governmental Affairs.

EC-3312. A communication from the Secretary of Education transmitting, pursuant to law, the 1984 evaluation report on the operation of the Helen Keller National Center for Deaf-Blind Youths and Adults; to the Committee on Labor and Human Resources.

EC-3313. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to require assessment of fees for reviews performed by the Food and Drug Administration; to the Committee on Labor and Human Resources.

EC-3314. A communication from the Administrator of the Veterans Administration transmitting a draft of proposed legislation to improve the delivery of health care benefits by the VA; to the Committee on Veterans Affairs.

EC-3315. A communication from the Secretary of the Navy transmitting a draft of proposed legislation to provide that women and male officers shall be considered together for promotion; to the Committee on Armed Services.

EC-3316. A communication from the Secretary of the Interior transmitting, pursuant to law, the annual mineral institutes report for 1985; to the Committee on Energy and Natural Resources.

EC-3317. A communication from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report on three altered Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-3318. A communication from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a computer-matching program between the

Army and the Veterans Administration; to the Committee on Governmental Affairs.

EC-3319. A communication from the Secretary of Labor transmitting, pursuant to law, the Inspector General's report for Oct. 1, 1985 through March 31, 1986; to the Committee on Governmental Affairs.

EC-3320. A communication from the Assistant Attorney General transmitting a draft of proposed legislation for the implementation of the International Convention on the Prevention and Punishment of the Crime of Genocide; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 186. A bill to further the development and maintenance of an adequate and well-balanced American merchant marine by requiring that certain mail of the United States be carried on vessels of U.S. registry (Rept. No. 99-321).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. Res. 425. An original resolution to waive section 303(a) of the Congressional Budget Act, with respect to the consideration of S. 2216, designating September 17, 1987, the bicentennial of the signing of the Constitution of the United States, as "Constitution Day"; referred to the Committee on the Budget.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COCHRAN:

S. 2532. A bill to amend the Wild and Scenic River Act by designating a segment of the Black Creek in Mississippi as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2534. A bill to authorize the acquisition and development of a mainland tour boat facility for the Fort Sumter National Monument, SC, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 2535. A bill for the relief of Mr. Eveni Tapuni Toatapu and Mrs. Ligisifa Tapuni Eveni Toatapu; to the Committee on the Judiciary.

By Mr. HATCH (for himself and Mr. KENNEDY):

S. 2536. A bill to provide for block grants to States to pay for the costs of immunosuppressive drugs for organ transplant patients; to the Committee on Labor and Human Resources.

By Mr. CRANSTON (for himself and Mr. MOYNIHAN):

S. 2537. A bill to protect and preserve the Federal interest and the historic and natural features of the National Capital; to the Committee on Finance.

By Mr. KERRY:

S. 2538. To authorize the distribution within the United States of the USIA film entitled "The March"; to the Committee on Foreign Relations.

By Mr. WARNER (for himself, Mr. LAXALT, Mr. INOUYE, Mr. WILSON, and Mr. TRIBLE):

S. 2539. A bill to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of uniformed services and citizens of the United States who reside overseas; to the Committee on Rules and Administration.

By Mr. GORE:

S. 2540. A bill to provide immunosuppressive drugs to organ transplant centers; to the Committee on Labor and Human Resources.

By Mr. FORD:

S. 2541. A bill to require the issuance by the Department of Energy of a solicitation for coal utilization demonstration projects incorporating clean coal retrofit technologies; to the Committee on Energy and Natural Resources.

By Mr. HEINZ (for himself, Mr. SIMON, Mr. ANDREWS, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. DODD, Mr. DOLE, Mr. GRASSLEY, Mr. HATCH, Mrs. HAWKINS, Mr. KENNEDY, Mr. LAXALT, Mr. LAUTENBERG, Mr. MATSUNAGA, Mr. MCCLURE, Mr. NICKLES, Mr. PELL, Mr. PRESSLER, Mr. QUAYLE, Mr. SPECTER, Mr. STAFFORD, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, and Mr. WEICKER):

S.J. Res. 358. A joint resolution to designate the month of September 1986 as "Adult Literacy Awareness Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. THURMOND from the Committee on the Judiciary:

S. Res. 425. An original resolution to waive section 303(a) of the Congressional Budget Act, with respect to consideration of S. 2216, designating September 17, 1987, the bicentennial of the signing of the Constitution of the United States, as "Constitution Day"; to the Committee on the Budget.

By Mr. DECONCINI (for himself, Mr. GOLDWATER, and Mr. DOLE):

S. Res. 426. A resolution commending the University of Arizona "Wildcat" baseball team on winning the National Collegiate Athletic Association [NCAA] College World Series; considered and agreed to.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COCHRAN:

S. 2532. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Black Creek in Mississippi as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

(The remarks of Mr. COCHRAN and the text of the legislation appear earlier in today's RECORD.)

By Mr. DIXON:

S. 2533. A bill to amend the Food Stamp Act of 1977 and the Temporary Emergency Food Assistance Act of 1983 to alleviate hunger among the homeless by improving certain nutrition programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. DIXON and the text of the legislation appear earlier in today's RECORD.)

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2534. A bill to authorize the acquisition and development of a mainland tour boat facility for the Fort Sumter National Monument, South Carolina, and for other purposes; to the Committee on Energy and Natural Resources.

FORT SUMTER TOUR BOAT FACILITY

Mr. THURMOND. Mr. President, I rise today to introduce legislation along with my colleague from South Carolina, Senator HOLLINGS, to make technical changes to the Fort Sumter Tour Boat project, a facility for which Congress authorized and appropriated funds by virtue of Public Law 95-465, Public Law 96-199, and Public Law 97-100.

Fort Sumter is one of the most historic landmarks in the United States, and each year thousands of people from throughout South Carolina and the Nation, visit this unique fortress which stands on a small island at the mouth of Charleston Harbor. It was at this fort that the first shots of the Civil War were fired, when Union troops under the leadership of Maj. Robert Anderson refused to surrender Fort Sumter to Confederate Gen. Pierre Beauregard.

In 1948, Fort Sumter was designated a Civil War memorial and also became part of the National Park Service System. Since 1948, tens of thousands have been ferried in boats from the peninsula of Charleston to the fortress island.

Despite the heavy traffic between the city and the fort, the National Park Service has never had a permanent dock from which boats could launch to take visitors to and from the fort. Instead, the Park Service has utilized space in the city marina for this purpose. This site is no longer available, however, as construction of an expressway is planned for the area where the boats currently launch.

In anticipation of this situation and also in an effort to provide the necessary amenities and an appropriate welcome center for the Fort Sumter Monument, Congress has already appropriated approximately $5.9 million to purchase property and develop a mainland tour boat facility.

Since 1978, a number of different sites have been considered for the tour boat facility. I am pleased to inform my colleagues that a suitable location has now been agreed upon by the Na-

tional Park Service, the city of Charleston, and other interested parties. Due to the length of years between the original appropriation for this project and today, some particular details of the project have changed. I am pleased to report, however, that the cost of the project has not changed substantially and it is unlikely additional money will be needed to complete the facility.

Mr. President, the most significant change the legislation which Senator HOLLINGS and I introduce today will make is to allow money which was originally designated for the construction of the facility to be used instead for the acquisition of property. The change is necessitated largely because initial plans called for the acquisition of a much smaller parcel of land upon which a parking garage would be constructed. In the revised plan, a larger parcel of land will be acquired. The new tract will be large enough to accommodate a flat level parking area, and as a result, an expensive parking garage will not be required.

In addition, this legislation would expand the 1978 law by allowing the city of Charleston to lease or purchase from the National Park Service a portion of the site upon which an aquatic museum could be built. I believe this museum would add greatly to the Fort Sumter facility, as visitors, especially school groups, would be able to combine the experience of an historic monument and an aquarium.

In addition, this legislation would give the Park Service authority to grant and accept easements and convenants over the property. This provision would allow the Park Service to enter into agreements to share portions of the parking area with the city and other interested parties. In return, the city would perform routine services such as lawn maintenance and refuse removal. Of course, any covenant or easement which the Park Service grants would be contingent upon strict compliance of National Park Service standards by the recipients.

I strongly urge my colleagues to favorably support this bill, which largely makes technical amendments to a project already approved by Congress. This legislation will clear the way to make the Fort Sumter Monument an even more impressive National landmark.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to provide for needed facilities for visitors to Fort Sumter National Monument, including a tour boat dock and associated facilities, and an interpretive and museum facility in cooperation with the State of South Carolina and the city of Charleston, the Secretary of the Interior (in this Act referred to as the "Secretary"), is authorized to acquire by purchase with donated or appropriated funds, donation, or exchange, not to exceed 8.91 acres of lands, including submerged lands, and interests in lands, within the area generally depicted on the map entitled "Dockside II, Proposed Site Tourbcat Facility," which map shall be on file and available for public inspection in the office of the National Park Service. When acquired lands, including submerged lands and interests in lands, depicted on such map shall be administered by the Secretary as part of Fort Sumter National Monument, subject to the laws and regulations applicable to such monument, and subject to the provisions of this Act.

SEC. 2. (a) With respect to the lands, including submerged lands, and interests in lands acquired pursuant to the first section of this Act, the Secretary is authorized—

(1) to convey, notwithstanding the provisions of section 5 of Public Law 90-400 (82 Stat. 356) and subject to the provisions of subsection (b), a leasehold interest is not to exceed one and a half acres to the State of South Carolina or the city of Charleston or either of them for development by either of them or their agents or lessees of a marine museum and associated administrative facilities;

(2) to grant convenants or easements for ingress, egress, and vehicular parking to the State of South Carolina, the city of Charleston, and to other parties as the Secretary may deem necessary to facilitate public use; and

(3) to enter into cooperative agreements with the State of South Carolina, the city of Charleston, and other parties as the Secretary may deem necessary, pursuant to which construction, maintenance, and use of buildings, utilities, parking facilities, and other improvements may be shared among the parties to the agreement.

(b) Any conveyance made pursuant to subsection (a)(1) and any renewal thereof may be for a period of up to 50 years, and may include the option to purchase the property in fee by the lessee within the first 10 years, upon payment by the lessee of the cost of the property to the United States plus interest based on the average yield of United States Treasury notes with maturities of one year. The Secretary may convey title to the property in fee in the event such option to purchase is exercised, subject to the condition that the property is used for a public marine museum and associated administrative facilities. Notwithstanding any other provision of law, any leasehold interest conveyed pursuant to subsection (a)(1) shall be conveyed without monetary consideration. The proceeds from any conveyance of property in fee pursuant to subsection (a)(1) shall be deposited in the Land and Water Conservation Fund in the Treasury of the United States.

SEC. 3. Section 117 of Public Law 96-199 (94 Stat. 71) is hereby repealed.

SEC. 4. (a) Notwithstanding any other provision of law, sums heretofore appropriated but not, on the date of enactment of this Act, obligated for construction of a tourboat facility at the Broad Street site, and for the acquisition and construction of the Fleet landing site for Fort Sumter National Monument, which was authorized by section 117 of Public Law 96-199 (94 Stat. 71) are hereby made available for obligation for the acquisition of the lands including submerged lands, and interests in lands identified in the first section of this Act and for construction of necessary facilities thereon, and to the extent that sums heretofore appropriated for land acquisition of the Fleet landing site are not sufficient to cover the cost of acquisition of the properties identified in the first section of this Act, sums heretofore appropriated for construction of facilities at the Broad Street site and the Fleet landing site may be obligated for the purposes of acquisition as authorized in the first section of this Act.

(b) In addition to the sums made available under subsection (a), there is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

● Mr. HOLLINGS. Mr. President, it is my pleasure to join my senior colleague in submitting this bill to the Senate that will grant the necessary legislative authority to the agreement worked out by the National Park Service, the city of Charleston, and the operator of the Fort Sumter tourboat with regard to location of the dock for the tourboat. Now that we have finally secured agreement among the three parties I urge the Committee on Energy and Natural Resources to move quickly on this bill, as the situation in Charleston has become critical since the present tourboat dock lies close by the impending construction of the new James Island Bridge.

In 1976, after it was determined that the tourboat should be moved from the city marina to a better location I secured the appropriation of $5,581,000 for a new dock. In 1978 we had to enact a rider to that appropriation due to a dispute with the National Park Service who had proposed a Broad Street location of the facility. The city of Charleston preferred another location in connection with the development of new tourism facilities. In late 1982 we provided $368,000 to acquire the Fleet Landing site. Later that year the city and the Park Service came to agreement on utilizing the former Fleet Landing site and Congress enacted my amendment which became part of Public Law 96-199 which authorized the purchase of the Fleet Landing site.

However, the operator of the tourboats was not part of that agreement and in the ensuing years have seen several additional sites proposed and rejected by the various parties. Finally they have now all come to agreement on a site adjacent to the Dockside II condominiums development.

Not only do we have the various parties in agreement, but as sometimes happens when things are delayed, we have a better location for the tourboat facility. Furthermore we will have a superior project in that it will be contigious to a proposed city marine science museum, or aquarium and a restaurant that will provide a more enjoyable visit to the thousands of per-

sons who visit Fort Sumter each year. The new site is much more accessible to the highways serving Charleston and will provide sufficient parking for cars and busses. In addition the city will provide shuttle service to historic Charleston and Cooper River location will enable the tourboats to stop at Patriots Point. The concept and location for the new facility has been widely discussed and endorsed by the local media, citizens committees and preservation groups.

Mr. President, this facility is not new to the distinguished chairman of the Committee on Energy and Natural Resources, Mr. MCCLURE. He also serves as the chairman of our Interior Appropriations Subcommittee and has been of great assistance when the administration has sought to reprogram the funds for the dock to fix the roof on Union Station. He has been most patient while this agreement was worked out. Now we must prevail on him once again for expedited processing of this bill due to the situation mentioned earlier with regard to the present facility. With my senior colleague I stand ready to provide whatever information the committee may require. If a hearing is required I am ready to testify as are the mayor of Charleston, the Honorable Joseph P. Riley, Jr., who worked so hard to bring about this agreement, and the tourboat operator Mr. George E. Campsen, Jr.●

Mr. HATCH (for himself and Mr. KENNEDY):

S. 2536. A bill to provide for block grants to States to pay the costs of immunosuppressive drugs for organ transplant patients; to the Committee on Labor and Human Resources.

IMMUNOSUPPRESSIVE DRUG THERAPY ACT

● Mr. HATCH. Mr. President, last year there were approximately 7,000 kidney, 350 heart, and 350 liver transplant operations performed in this country. New immunosuppressive drugs have led to remarkable increases in the success of these transplant operations. But one quarter of those who need transplants have no insurance coverage for immunosuppressive drugs. Without access to these expensive new medications, they have no hope of successfully sustaining a transplantation.

The Federal Government has already made the decision to cover both renal dialysis and kidney transplantations through the End Stage Renal Disease [ESRD] Program. This is paid for from the Medicare trust fund. It has been estimated that the cost per year of dialysis is between $18,000 and $25,000 while a successful kidney transplant cost $25,000 to $35,000 the first year, $6,000 the second year, $4,800 the third year, and $2,900 the fourth year. I am not a math wiz, but according to my calculations transplantation for persons needing dialysis represents potential savings of $30,000 to $60,000 per patient over a 5-year period.

Mr. President, with that kind of savings within reach, it is just plain common sense to establish Federal funding for immunosuppressive drugs for those patients who are eligible for organ transplants under Medicare and Medicaid. And in fact, the Federal Task Force on Organ Transplantation, in their October 1985 report to the Secretary and the Congress on Immunosuppressive therapies, recommended doing just that. And today, I am pleased to introduce legislation to accomplish that.

This bill addresses the lack of funding for immunosuppressive drugs in two ways: First, it amends Medicaid to encourage States which have not added coverage for immunosuppressive drugs, to do so. Second, it establishes a grant to the States for immunosuppressive drugs. This grant will be funded at the level of $15 million a year for 3 years—enough to pay for the immunosuppressive drugs of more than 2,000 transplant patients a year. This money may be used only for those patients who have no private insurance and are not eligible for Medicaid.

Mr. President, I am well aware that programs in the past have started with small appropriations, then grown rapidly. But, I'm not concerned about that happening here for two reasons.

First, this bill requires the Secretary of Health and Human Services to report to Congress 2 years after the implementation of the grant. This report is to contain recommendations on whether or not to continue the program, and if so at what funding level, along with an analysis of its cost effectiveness.

Second, this bill is aimed at reigning in one of these fast growing programs. The ESRD Program has grown from a $200 million a year program to over $2 billion a year in just over 10 years. Again, since we have already made the decision to pay for dialysis and transplantation and transplantation is the more cost-effective option, support for immunosuppressive drugs for those who can't afford them only makes sense.

I am well aware that insufficient funding for immunosuppressive drugs is just one factor preventing the expansion of the transplant program. Just as important is the shortage of suitable organs for transplantation. But, the Task Force on Organ Transplantation has reviewed this area and made recommendations in its report. As chairman of the Labor and Human Resources Committee, I will hold hearings tomorrow to review their recommendations and will then evaluate the need for additional legislation to address that need.

In the meantime, this bill represents a modest, cautious method of removing one roadblock to more transplants—and a source of savings for the Federal Government at a time when we could use a lot of those. But beyond that, it represents a chance for a whole group of people who now find themselves chained to a piece of machinery in order to continue their existence, to be more productive, contributing members of society.

It is for the sake of these people that I encourage my colleagues to join me and support this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Immunosuppressive Drug Therapy Act of 1986".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) new immunosuppressive drug therapies have made cadaver organ transplants increasingly successful;

(2) approximately 25 percent of individuals needing organ transplants have no private insurance coverage for immunosuppressive drugs and are not eligible for coverage for such drugs under the Medicaid program;

(3) the use of immunosuppressive drug therapy could result in savings in medical costs, since—

(A) the cost of hemodialysis is between $18,000 and $25,000 per patient per year;

(B) the cost of immunosuppressive drug therapy is between $5,000 and $7,000 per patient during the first year of therapy; and

(C) the cost of a successful renal transplant is between $25,000 and $35,000 per patient during the year in which the transplant is performed, $6,000 per patient during the first year after the year in which the transplant is performed, $4,800 per patient during the second year after the year in which the transplant is performed, and $2,900 per patient in the third year after the year in which the transplant is performed; and

(4) under the Medicaid program, 43 States and the District of Columbia provide coverage for immunosuppressive drug therapy.

ESTABLISHMENT OF BLOCK GRANT PROGRAM

SEC. 3. Title XIX of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART C—IMMUNOSUPPRESSIVE DRUG THERAPY BLOCK GRANT

"DEFINITIONS

"SEC. 1921. For purposes of this part—

"(1) the term 'eligible patient' means an organ transplant patient who is not eligible to receive reimbursement for the total cost of immunosuppressive drug therapy under title XVIII of the Social Security Act, under the State's medicaid plan under title XIX of such Act, or under private insurance;

"(2) the term 'immunosuppressive drug therapy' means drugs and biologicals which are to be used for the purpose of preventing the rejection of transplanted organs and tis-

sues and which can be administered by the transplant patient; and

"(3) the term 'transplant center' means a transplant center certified by a State under the laws and regulations of such State.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1922. For the purpose of allotments to States to carry out this part, there are authorized to be appropriated $15,000,000 for each of the fiscal years 1987, 1988, and 1989.

"ALLOTMENTS

"SEC. 1923. (a)(1)(A) From amounts appropriated under section 1922 for each of the fiscal years 1987 and 1988, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under such section for such fiscal year as the number of individuals having end-stage renal disease in the State in the immediately preceding fiscal year bears to the total number of such individuals in the United States in such preceding fiscal year (as determined by the Secretary), except as provided in paragraph (2).

"(B) From amounts appropriated under section 1922 for fiscal year 1989, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under such section for such fiscal year as the total number of eligible patients in the State bears to the total number of eligible patients in the United States.

"(2) Notwithstanding paragraph (1), the allotment of any State in any fiscal year under this subsection shall not be less than $50,000. If, under paragraph (1), the allotment of any State in any fiscal year will be less than $50,000, the Secretary shall increase the allotment of such State to $50,000 and shall proportionately reduce the allotments of all other States whose allotment exceeds $50,000 in a manner that will insure that the allotment of each State in such fiscal year is at least $50,000.

"(b) To the extent that all the funds appropriated under section 1922 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1926 for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3) (as such section applies to this part pursuant to section 1926(d));

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1924. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotments under section 1923 from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"USE OF ALLOTMENTS

"SEC. 1925. (a)(1) Except as provided in subsections (b) and (c), amounts paid to a State under section 1924 from its allotment under section 1923 for any fiscal year shall be used by the State to provide immunosuppressive drug therapy for eligible patients.

"(2) A State may use amounts paid to the State under section 1924 from its allotment under section 1923 to provide immunosuppressive drug therapy for eligible patients—

"(A) by purchasing the drugs and biologicals for such therapy and distributing such drugs and biologicals to transplant centers or eligible patients;

"(B) by certifying that an individual is an eligible patient for purposes of this part and by reimbursing a transplant center for the costs of immunosuppressive drug therapy provided by such center to such individual;

"(C) by any other method prescribed by the Secretary by regulation (other than the method described in subsection (b)(1)).

"(3) A State may require an eligible patient to whom immunosuppressive drug therapy is provided with amounts paid to the State under this part to make copayments for part of the costs of such therapy, without regard to section 1916 of the Social Security Act.

"(b) A State may not use amounts paid to it under section 1924 to—

"(1) make direct payments to organ transplant patients; or

"(2) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(c) Not more than 10 percent of the total amount paid to any State under section 1924 from its allotment under section 1923 for any fiscal year may be used for administering the funds made available under section 1924. The State will pay from non-Federal sources the remaining costs of administering such funds.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1926. (a) In order to receive an allotment for a fiscal year under section 1923, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require. Each such application shall contain assurances that the State will meet the requirements of subsection (b).

"(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to the State under section 1923 in accordance with the requirements of this part;

"(2) agrees to cooperate with Federal investigations undertaken in accordance with section 1907 (as such section applies to this part pursuant to subsection (d) of this section); and

"(3) certify that the State agrees that Federal funds made available under section 1924 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

"(c) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1924 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

"(d) Except where inconsistent with the provisions of this part, the provisions of section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), and sections 1907, 1908, and 1909 shall apply to this part in the same manner as such provisions apply to part A of this title.

"(e) Each annual report submitted by a State to the Secretary under section 1906(a) (as such section applies to this part pursuant to subsection (d) of this section) with respect to its activities under this part shall contain—

"(1) a specification of the number of eligible patients in the State receiving immunosuppressive drug therapy with amounts paid to the State under this part;

"(2) a description of the amount of any copayment required by the State under section 1925(a)(3); and

"(3) a certification that amounts paid to the State under this part are being used in accordance with the provisions of this part.".

REPORT

SEC. 4. Within 24 months after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and transmit to the Congress a report concerning the impact of part C of title XIX of the Public Health Service Act (as added by section 3 of this Act). The report shall contain—

(1) a description of the effect of the program established under such part on organ transplants in the United States;

(2) an analysis of the effects of such program on the costs of organ transplants and renal dialysis;

(3) an analysis of the extent to which amounts paid to States under such part are used for purposes other than the purposes specified by such part, including an analysis of the extent to which drugs and biologicals purchased with such amounts are provided to individuals who are not eligible patients under such part; and

(4) such recommendations as the Secretary considers appropriate, including recommendations as to whether financial assistance under such program should be continued during fiscal years after fiscal year 1989.

MEDICAID PROVISION

SEC. 5. (a) Section 1902(a)(10) of the Social Security Act is amended in the matter following subparagraph (D)—

(1) by striking out "and" at the end of subclause (III) and inserting in lieu thereof a comma; and

(2) by inserting before the semicolon at the end thereof the following: ", and (V) the making available of immunosuppressive drug therapy (or immunosuppressive drugs) to individuals who have received organ transplants shall not, by reason of this paragraph (10), require the making available of

any other type of drug or the making available of any drugs for other individuals".

(h) The amendments made by subsection (a) shall apply to drugs furnished after the date of the enactment of this Act.●

● Mr. KENNEDY. Mr. President, I am pleased to join with my colleague, Senator HATCH, in introducing legislation to provide Federal funding for the cost of immunosuppressive drugs.

One of the key problems facing potential transplant recipients is the high cost of the most effective immunosuppressive drug, cyclosporine. The cost of a year's supply of this drug averages $5,000. For patients without private insurance or Medicaid coverage, the cost of this drug can be unaffordable. Medicare currently does not cover any outpatient drugs.

In the conference on the 1984 Organ Transplant Act, the conferees carefully considered whether or not to fund the cost of cyclosporine for patients whose insurance did not cover this cost. In the face of strong opposition from the administration, we decided not to establish a program of direct Federal funding at that time. In exchange for not funding immunosuppressive drugs through the 1984 act, we agreed that a recommendation on this subject should be the first responsibility of the organ transportation task force established by the legislation.

In October of 1985, the task force made a strong preliminary recommendation that immunosuppressive drugs should indeed be covered. That recommendation was reaffirmed in the final report of the task force that is now ready for publication.

I believe it is now time to fulfill that recommendation of the task force. The legislation we are introducing today establishes a modest program that will only cover the costs not met by private insurance or Medicaid. It will assure that no one will be denied the benefits of the most effective immunosuppressive drug available because of the ability to pay.

I am hopeful that this legislation will be promptly enacted. I intend to introduce, in the near future, additional legislation which will implement other important recommendations of the task force.●

By Mr. CRANSTON (for himself and Mr. MOYNIHAN):

S. 2537. A bill to protect and preserve the Federal interest and historic and natural features of the National Capital; to the Committee on Finance.

NATION'S CAPITAL PRESERVATION ACT

Mr. CRANSTON. Mr. President, I rise to speak about a matter that relates to taxation. It does not relate to an amendment that I or others would offer to the pending tax bill, but it is a matter that we believe should be dealt with by the Congress. I am delighted that Senator MOYNIHAN of New York is joining me as a cosponsor of the bill that we are together introducing, and I have been encouraged by a conversation that I had with the chairman of the Finance Committee, Senator PACKWOOD, who expressed deep interest in what we proposed, and assured me that there would be an opportunity for hearings on this matter.

This debate on tax reform provides Senator MOYNIHAN and me with an opportunity to suggest a way to raise revenue while protecting our Nation's capital, and our environment from esthetic pollution.

For a century and more, Washington's low skyline has been one of the treasures of the world.

To recognize it when it is shown on television or in motion pictures is a worldwide mark of political and esthetic literacy.

To love it is a hallmark of deepest patriotism.

To preserve it is a labor of respect and a high responsibility of national leadership.

So I am concerned and I am saddened by the plans of a developer to scar this majestic landscape, irrevocably.

A 52-story glass tower is to be built in the midst of the Washington panorama, nearly 200 feet higher than the Washington Monument, and 15 times more massive.

Soaring into the skyline on the Maryland side of the Potomac River just south of the Woodrow Wilson Bridge, it would loom on the horizon for miles, belittling the architectural tributes to Washington, Jefferson, and Lincoln.

It would set a new, sad standard for building heights in the Washington area.

And it would mar the plan for the Capital City Pierre L'Enfant meticulously created as "worthy of the Nation."

The new skyscraper also would be a threat to human life:

It would be an obstacle to safe landings for virtually all of the instrument approaches to two runways at National Airport. The Air Line Pilots Association has condemned the building as dangerous.

To proceed with this skyscraper is an act of sheer architectural arrogance.

There is not a building as high as the proposed PortAmerica Tower in 50 miles.

Rather than splendid in its uniqueness, the PortAmerica skyscraper will be so out of place as to be ludicrous.

This glass monster will dominate and demean the simple marble purity of Washington's historic monuments.

L'Enfant's Washington is a city of exquisite architectural humility.

Its clean and brisk design reflects reverence for space.

Structures complement one another in both intent and in proportion. Subtlety and nuance are everywhere and enduring.

Washington is a city in which sky and land and light and air are treated as partners in a landscape masterpiece.

Under the District of Columbia's zoning laws L'Enfant's design is not belittled or mocked by skyscrapers, but preserved with respect and with taste.

The National Capital region has seen much development in the past decade or two, and there will be more.

Perhaps the most alarming signal given by the PortAmerica skyscraper proposal is the threat it carries for buildings of similar and competing height throughout the area.

It is a fact of urban life that tall buildings beget tall buildings.

Once the trend is established, architects, developers, and urban planners find them hard to resist. Imagine the Washington monument literally encircled and dwarfed by skyscrapers.

What a tragedy if what the future holds for this enchanting Federal city is relegation to a few acres of land surrounded by a forest of tall buildings, like New York with its Central Park.

Why are the Senator from California and the Senator from New York so vitally interested in this issue?

The answer is that the integrity of the whole environment is of deep and compelling concern to me, to him, and, I trust, to others.

I will fight against the aesthetic pollution of our Capital just as I am fighting against the despoilment of the California coastline.

I am also deeply concerned for the safety of air travelers from all over the United States—California, New York, and elsewhere—and the world who come to Washington via National Airport.

The Air Line Pilots Association calls the PortAmerica building "a terrible idea that will disrupt an already complex approach and departure environment . . . and will certainly endanger not only the crews and passengers of aircraft but, very certainly, the people who inhabit the proposed structure."

For all those reasons, we are introducing legislation to suggest appropriate height limits for new construction within areas of the National Capital region that adjoin the District of Columbia and Mount Vernon, VA.

Our bill, the "Nation's Capital Preservation Act of 1986", would preserve and protect views to and from our historic monuments and buildings in Washington.

Based on studies and recommendations of such groups as the National Capital Planning Commission, our bill would preserve the shoreline esthetics of the Potomac River between Washington and Mount Vernon, and it would protect the vistas to and from

the magnificent setting of the Mount Vernon Mansion.

Enforcement consists of a Federal surtax to be established for new construction that exceeds the applicable height limits in the bill, to be paid at the rate of $1 million per foot.

If developers are callously intent upon damaging the Capital skyline, let them at least contribute to deficit reduction.

It is not our intent to interfere with zoning regulations which, quite properly, are matters for local action.

However, we are dealing here with a special situation involving a national treasure—the architectural integrity of our Capital.

Three height-limit areas would be designated in the bill: Area I comprises those areas of Virginia and Maryland immediately adjoining the District of Columbia west and south. Building heights in area I in excess of 180 feet above grade would be subject to the enforcement provisions of the act.

Area II comprises that area of Virginia and Maryland south of and adjoining area I and surrounding the Mount Vernon Mansion and containing the views and vistas that are the setting of George Washington's home. Building heights in area II in excess of 65 feet above grade would be subject to the enforcement provisions of the act.

Buildings in the remainder of the National Capital region in excess of 400 feet above grade—unless subject to the restrictions of Areas I or II or to the building restrictions of the District of Columbia—would be subject to the enforcement provisions of the act.

The bill allows full development but it ensures against pointless and excessive heights in the areas that clearly impact upon the visual integrity of the Nation's Capital.

Mr. President, L'Enfant's design for the Nation's Capital was an architectural prophecy of the great Nation that would emerge.

His European sense of design combined with George Washington's reverence for the American countryside to bring forth a plan for a grand city, unique in the world. Washington and Jefferson, too, were keenly aware of the potential for a green city composed around the Potomac and the Anacostia. The Capital would be a discreet gem set in a crown of spacious countryside and wilderness.

Two hundred years of planned evolution has remarkably encouraged and preserved the planners' vision: To view the Mall from the White House today is to see symbols of our Nation's heritage in a setting unmarred by overshadowing structures. No building on the horizon is so overpowering as to spoil the beauty of the setting or diminish the monuments' significance.

Now a single developer has the intention and the power to change all that. It is sad, Mr. President, and it is also unnecessary.

The project—PortAmerica, in Prince Georges County, MD—is a welcome and deserving boost to the economy of Prince Georges County and that of the entire metropolitan area. It can and should be built. But not with this 52-story intrusion on a landscape so loved the world over.

I invite Senators to consider the grave risk that is at hand for the National Capital we love. In the interest of the Nation and of the American people, and of our beloved national treasure, we must act.

Let me say that I am particularly delighted to be joined in this effort by my good friend and colleague, the distinguished Senator from New York. No one I know will be more eloquent and no one will be more informed in making the case for this move.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nation's Capital Preservation Act of 1986".

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) protect and preserve views to and from the historic monuments and buildings in the Nation's Capital;

(2) protect and preserve scenic qualities along the shoreline of the Potomac River in the area between the Nation's Capital and Mount Vernon, Virginia; and

(3) protect the views and vistas to and from, and the setting of, the Mount Vernon mansion.

SEC. 3. CLOSE-IN URBAN ENVIRONMENT.

Any building erected, altered, or raised in Area I after the effective date of this Act, in any manner so as to be over 180 feet in height above grade at the highest part of the roof or parapet, shall be subject to section 4551 of the Internal Revenue Code of 1954.

SEC. 4. POTOMAC RIVER CORRIDOR.

Any building erected, altered, or raised in Area II after the effective date of this Act, in any manner so as to be over 65 feet in height above grade at the highest part of the roof or parapet, shall be subject to section 4551 of the Internal Revenue Code of 1954.

SEC. 5. BUILDINGS IN THE NATIONAL CAPITAL REGION.

Any building erected, altered, or raised in any manner so as to be over 400 feet above grade at any location within the National Capital Region (not otherwise subject to section 3 or 4 to the building restrictions of the District of Columbia), after the effective date of this Act, shall be subject to section 4551 of the Internal Revenue Code of 1954.

SEC. 6. ENFORCEMENT PROVISIONS.

(a) IN GENERAL.—Chapter 36 of subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by inserting before subchapter D the following new subchapter:

"SUBCHAPTER A—TAX ON CERTAIN BUILDINGS

"Sec. 4551. Imposition of tax.

"Sec. 4552. Cross reference.

"SEC. 4551. IMPOSITION OF TAX.

"(a) IN GENERAL.—There is hereby imposed on any building described in section 3, 4, or 5 of the Nation's Capital Preservation Act of 1986, a tax equal to the product of—

"(1) the amount of feet in excess of the height limitation in section 3, 4, or 5 of such Act (whichever is applicable), and

"(2) $1,000,000.

"(b) LIABILITY FOR TAX.—The tax imposed by subsection (a) shall be paid by the person responsible for erecting, altering, or raising such building.

"SEC. 4552. CROSS REFERENCE.

"For penalties and administrative provisions applicable to this subchapter, see subtitle F.".

(b) CLERICAL AMENDMENT.—The table of subchapters of chapter 36 of subtitle D of the Internal Revenue Code of 1954 is amended by inserting before the item relating to subchapter D the following new item:

"SUBCHAPTER A. TAX ON CERTAIN BUILDINGS.".

SEC. 7. DEFINITIONS.

For purposes of this Act—

(1) a building shall be considered erected, altered, or raised, as appropriate only if all Government approvals incident to the building, including but not limited to the necessary permits, have been granted, and actual construction of the building has commenced;

(2) the term "Area I" means the area beginning at the intersection of the boundaries of the District of Columbia, Virginia, and Maryland at Jones Point and running northeast along the District of Columbia-Maryland boundary to Wheeler Road;

thence southeast on Wheeler Road to Saint Barnabas Road;

thence southwest on Saint Barnabas Road to Livingston Road;

thence southwest on Livingston Road to Indian Head Highway (Maryland Route 210);

thence southwest along a line to the intersection of Oxon Hill and Foote Roads;

thence generally west on Foote Road and along a westward extension of Foote Road to the Potomac River shore at the mean high water mark;

thence generally west along a line projected across the Potomac River to the intersection of the Mount Vernon Memorial Highway and Belle Haven Road;

thence generally west on Belle Haven Road to Fort Hunt Road;

thence generally west along a line to the intersection of Kings Highway and Jefferson Davis Highway (U.S. Route 1);

thence generally north on Kings Highway to Telegraph Road.

thence northwest along a line to the intersection of Duke Street and Quaker Lane;

thence generally north on Quaker Lane to Shirley Highway (I-395);

thence northeast on Shirley Highway to Glebe Road;

thence northwest on Glebe Road to Pershing Drive;

thence northeast on Pershing Drive to Jackson Street;

thence generally north on Jackson Street to Wilson Boulevard and Kirkwood Drive;

thence generally north on Kirkwood Drive to Lee Highway (U.S. Route 29-211).

thence generally east on Lee Highway to Spout Run Parkway;

thence northeast on the north (westbound) roadway of Spout Run Parkway and an extension thereof to the District of Co-

lumbia-Virginia boundary along the west shore of the Potomac River;

thence generally south along the District of Columbia-Virginia boundary to the point of beginning;

(3) the term "Area II" means the area immediately south of and abutting Area I, beginning in Virginia at the intersection of Kings Highway and Jefferson Davis Highway (U.S. Route I) and running generally east along a line to the intersection of Belle Haven and Fort Hunt Road;

thence generally east on Belle Haven Road to the Mount Vernon Memorial Highway;

thence generally east along a line projected across the Potomac River to a point at the intersection of a westward extension of Foote Road and the east shore of the Potomac River at the high water mark;

thence generally east along a westward extension of Foote Road to Oxon Hill Road;

thence northeast along a line to the intersection of Livingston Road and Indian Head Highway (Maryland Route 210);

thence generally south and southwest on Indian Head Highway to an intersection with the east boundary of the U.S. Naval Facility at Indian Head Maryland;

thence generally west along a line projected across the Potomac River to the intersection of the Virginia-Maryland boundary and the boundary of Fairfax and Prince William Counties in Virginia;

thence generally north and northwest along the Fairfax County—Prince William County boundary to Jefferson Davis Highway (U.S. Route 1);

thence generally north and northeast along Jefferson Davis Highway to the point of beginning; and

(4) the term "National Capital Region" means the District of Columbia, Montgomery and Prince George's Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia and all cities in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of such counties.

SEC. 8. EFFECTIVE DATE.

This Act shall take effect on June 10, 1986.

SECTION-BY-SECTION ANALYSIS

Section 1. Preamble.

Section 1 of the Act states that intent is to protect and preserve the federal interest and historic and natural features of the National Capital and designates the Act as the Nation's Capital Preservation Act of 1986."

Sec. 2. Purposes.

Section 2 of the Act sets forth the purposes of the bill.

Sec. 3. Close-In Urban Environment.

Section 3 of the Act sets forth height limitations within Area I.

Sec. 4. Potomac River Corridor.

Section 4 sets forth height limitations within Area II.

Sec. 5. Buildings in the National Capital Region.

Section 5 sets forth height limitations within National Capital Region areas not otherwise subject to the Act's height limitation.

Sec. 6 Enforcement Provisions.

Section 6 amends the Internal Revenue Code to establish a tax on building heights that exceed the limits specified in the Act.

Sec. 7. Definitions.

Section 7 sets forth definitions of what constitutes affected construction under the Act and sets forth geographical boundaries for the areas of height limitation.

Sec. 8. Effective date.

Section 8 establishes June 10, 1986, as the effective date of the Act.

Mr. MOYNIHAN. Mr. President, the Senator from California is generous in respect to his colleague, friend, and admirer but hardly too urgent and concerned about this matter.

Winston Churchill, when he spoke of rebuilding the House of Commons after the bombings in the Second World War, argued that it should be built exactly as it had previously existed, such that on the slow days there seemed to be adequate representation and also on clearly important occasions the House would be crowded. But he made the remark that we shape our buildings and our buildings shape us.

It is true equally of cities. In the city of Washington, it was intended to be.

As a New Yorker, I can speak with some feeling, on this matter. Mr. President, the capital originally was in New York and might still be there had Hamilton and Jefferson not reached their agreement on the Federal assumption of the Revolutionary War debts. The one condition which President Jefferson put on that was that the capital move to the banks of the Potomac which turned malarial in April such that any Congressman who lingered here until May might not be back in December.

There followed an extraordinary stroke of genius the choice of Pierre L'Enfant to design a capital where there was then only swamp and hills. It was a matter of great concern to George Washington and to Thomas Jefferson. Those men knew they were shaping a republic. They put into the city plan of Washington almost a diagram of the Constitution with connection between the Capitol and the White House along Pennsylvania Avenue.

Over the years, Congress has repeatedly intervened, as Presidents have done, to keep the program going.

It was one of Abraham Lincoln's great decisions in the Civil War to continue building the Capitol dome, asserting that Washington would remain the Capitol.

In the 1890's, it was planned that the Pennsylvania Railroad would put an enormous railroad station right in front of the Capitol. Well, in back of the Capitol, technically, because the Capitol faces east. It would be right on The Mall.

Headed by Senator McMillan, a commission was established but said;

No, that way leads to the Washington Monument. You do not put an emporium of commerce or whatever it would have been called however advanced between the Capitol and the Washington Monument and the President's House.

With the agreement of the then chairman of the Pennsylvania Railroad, the station was moved slightly to the north and a little bit to the east and became part of the extended Capitol grounds.

Over the years, while the L'Enfant plan was never quite finished, neither was any of this done that made it impossible to finish. When President Kennedy was inaugurated almost 25 years ago, almost the first thing he did was to speak to a member of his Cabinet, Arthur Goldberg, later Justice Goldberg, saying:

What are we going to do about the area between the Capitol and the White House? It is disappearing. The city is floating out Wisconsin Avenue. This area is vital. We cannot have the lights go off at night. If our Capitol is isolated and forgotten, something has changed in our constitutional arrangement.

The last thing President Kennedy said before he left Washington for Dallas was that when he got back he wanted a coffee hour with the congressional leaders to talk about the new plan for Pennsylvania Avenue.

For 25 years we have been working on that and we are just bringing it to the conclusion with Market Square. Many things have happened.

President Johnson carried on, President Nixon, President Ford, President Carter, President Reagan.

I say the street plan has been preserved in its essential integrity. It is a very complex interaction of triangles and vistas. The one thing L'Enfant could never envision was a 52-story building. That was beyond the technology of his time. But Congress has intervened in that regard as well.

At a time when the city government of Washington was entirely within the jurisdiction of this body, we set the building line for the city of Washington which makes it unique among the capitals of the world—unique. It happens that the Capitol building is the most recognized building in the world. No other building on Earth is recognized the world round as readily as our Capitol. Why? Because it stands on this Hill where Washington, with L'Enfant, planned it.

It stands as the symbol of the Government and its Constitution and it is not encroached on in any way; it is only embellished in its surroundings.

We have already begun to see the degree to which, even from a distance, the magnificent simplicity of this city, can be encroached on by the glass boxes in Rosslyn—across the river, already compromising the fact of this city's specialness, its uniqueness to us and to the world. Are we now to see, a few miles south of us, this gross proud tower, this arrogant building, go up for no purpose save to draw attention to itself and away from the dignity and sovereignty of the American Capitol—it has no commercial purpose save to call attention to itself and away from this building. If we are to

let that happen, what will generations hence say of us?

There is hardly a more revered man in the history of this body than Senator McMillan for saving The Mall or for the great architect he engaged who said at the time, "Make no small plans. Small plans do not have the capacity to seize man's imagination."

He said, let us build it as L'Enfant and Washington and Jefferson would want it.

Jefferson anonymously submitted a design for the White House which was chosen by a competition. He lost and never said a word. He knew that this city was not just a place to house the Government; it was to be a statement of what the Government would be like. And it has been that and it ought to continue to be that.

This legislation in which I join, has been introduced by the Senator from California, who is just as fierce in his defense of the California coast as he is of the American Capitol—and right in both regards—this is the thing to do. Now is the time to do it. The only question remains, should The Mall be a million dollars a foot per year, or per month, or what interval? It is obviously a question for a hearing.

I see our distinguished chairman is on the floor. Perhaps he might want to comment.

Mr. CRANSTON. May I first say, Mr. President, that I am overwhelmed with admiration for the Senator from New York and his ability to extemporize so beautifully and so knowledgeably and with such great understanding on this matter. He will be a wonderful colleague in reference to seeing to it that we achieve our goal. I thank the Senator from the bottom of my heart.

I am delightful that the chairman of the Committee on Finance is here. As I stated from the outset, it is not our intention to try to move this idea on to the tax bill. It has enough burdens already. In all fairness and in order to explore this matter in a proper way, there should be hearings before the Finance Committee when the Finance Committee is relieved of its present responsibilities. I should be delighted if we could have whatever word the distinguished chairman of that committee is willing to give at this time.

Mr. PACKWOOD. Mr. President, let me say I hope we will be relieved of our responsibilities on this tax bill sooner rather than later.

I want to compliment both Senators. There are few things more tranquil than flying back into Washington, even if you have done it several times and even if you are coming back from a tiring and long trip, to bank over the river and look down and see the Capitol, see the Monument, see the Jefferson Memorial and the Lincoln Memorial. It gives a sense of permanence, of stability, of tranquility, that you cannot get from flying into any other town in this country; indeed, I would say any other town in this world.

For those who are thinking of building the PortAmerica Building, I want them to know and I say this seriously, that I am very receptive to holding hearings. That is not said in a way we often do on this floor to fend off amendments: "I will grant you a hearing, Senator CRANSTON," and Senator CRANSTON says, "That is fine and I will pull my amendment down."

I want those who want to build this building to be on notice as of today that I am interested in holding hearings and will hold hearings, and I want it to be very clear that if we were to pass such a bill, the bill would be constitutional. I do not want any of them to come to us 5 or 6 or 8 months from now when their plans are a bit farther along saying that this bill would be unfair because it is retroactive. From this day forward, it will not be retroactive. I am talking about it today, I am serious about it today, and I am delighted the two Senators have come up with this cogent idea, trying to keep one of the last pastoral capitals that exists in the world today.

Mr. CRANSTON. I thank the distinguished chairman of the committee. That is tremendously helpful, tremendously constructive, I am deeply grateful.

Mr. President, I send our amendment to the desk, along with a section-by-section analysis. I ask unanimous consent that both be printed in the RECORD.

The PRESIDING OFFICER. Does the Senator send a bill for introduction or an amendment?

Mr. CRANSTON. It is the bill I am introducing.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

By Mr. WARNER (for himself, Mr. LAXALT, Mr. INOUYE, Mr. WILSON, and Mr. TRIBLE):

S. 2539. A bill to consolidate and improve provisions of law relating to absentee registration and voting in elections for Federal office by members of the uniformed services and citizens of the United States who reside overseas; to the Committee on Rules and Administration.

UNIFORMED AND OVERSEAS CITIZENS ABSENTEE VOTING ACT

Mr. WARNER. Mr. President, I rise today to introduce the Uniformed and Overseas Citizens Absentee Voting Act, a bill which addresses one of the central concerns of our democracy: The right to vote. Senator LAXALT, Senator WILSON, Senator TRIBLE, and Senator INOUYE have joined with me in sponsoring this important legislation. For most Americans, the right to vote is usually exercised through a trip to a local school, or to the fire station or to a special polling place set up at a convenient location in our neighborhoods. But for members of our Armed Forces or the Foreign Service who are serving away from home, or for Americans who are working abroad, that right must be exercised by the absentee ballot. Twice before, in the Federal Voting Assistance Act of 1955 and the Overseas Citizens Voting Rights Act of 1975, the Congress has acted to ensure that our soldiers, sailors, diplomats, and businessmen did not lose their right to vote while they were representing us all in foreign lands. The Federal postcard application [FPCA], a postage-free card used to request absentee ballots, has therefore become a familiar feature in our Embassies and our military installations abroad, where it has been used by a generation of Americans eager to exercise their right to vote.

And yet problems with absentee voting remain. For one thing, mail service is always a problem for the quarter of a million sailors and marines who serve on sea duty at any given time—especially if they are in a submarine or on a detached cruise on one of our smaller vessels. Our soldiers and airmen stationed overseas are generally assigned to fixed bases, yet they are often away from those bases for weeks or even months at a time while on maneuvers or temporary duty assignments. Another problem has to do with our State and local voting procedures, which are often encumbered with legal or technical challenges that prevent the timely printing and distribution of absentee ballots. The result is that, in too many instances, absentee ballots either arrive too late or do not arrive at all—effectively disenfranchising those who serve our democracy at its forward outposts. The search for a solution to these problems has also been undertaken by the House of Representatives under the leadership of Representatives AL SWIFT and BILL DICKINSON. They, and almost a hundred of their colleagues, have sponsored a bill, H.R. 4393, which provides a commonsense solution to the problem of involuntary absentee voter disenfranchisement. Its provisions are simple, but the main one is this: Through the same sources by which the Federal postcard application is now distributed, voters who fail to receive their absentee ballots in time will be able to use a special write-in ballot which will allow them to vote for President, Vice President, Senator, and Representative. The mechanics of this proposal have been throughly explored by Congressman SWIFT's Subcommittee on Election, and have been made available to us, so that the bill which Senator LAXALT, Senator WILSON, Senator TRIBLE, Senator INOUYE, and I are introducing today closely parallels H.R. 4393.

The final point that I want to make in introducing this bill is that we need to act on it swiftly. It is a commonsense, simple solution on which most of the basic research and hard work has already been done. Above all, we need to join our House colleagues in enacting this bill into law during the present session. My distinguished colleagues, the Senators from Nevada and Hawaii join me in asking you to support that effort.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Uniformed and Overseas Citizens Absentee Voting Act".

SEC. 2. ABSENTEE REGISTRATION AND VOTING BY MEMBERS OF UNIFORMED SERVICES AND THEIR DEPENDENTS, AND BY OVERSEAS VOTERS.

Each State shall provide by law, with respect to elections for Federal office, for—

(1) absentee registration and absentee voting for uniformed services voters and overseas voters; and

(2) use of alternative write-in absentee ballots by overseas voters when State absentee ballots are not available.

SEC. 3. FEDERAL RESPONSIBILITIES.

(a) RESPONSIBILITIES OF PRESIDENTIAL DESIGNEE.—The President shall designate the head of an executive department to have primary responsibility for administration of Federal functions under this Act. The Presidential designee shall, with respect to uniformed services voters and overseas voters in elections for Federal office—

(1) consult State and local election officials in carrying out this Act;

(2) prescribe an official post card form containing both a voter registration application and an absentee ballot application;

(3) prescribe an alternative write-in ballot for use by overseas voters;

(4) prescribe suggested forms and designs for absentee ballots and for envelopes to be used for mailing balloting materials under this Act;

(5) compile and distribute (A) descriptive material on State absentee registration and voting procedures, and (B) to the greatest extent practicable, facts relating to specific elections, including election dates, offices involved, and the text of proposed constitutional amendments and other ballot questions; and

(6) in the year immediately following a Presidential election year, transmit to the President and the Congress a report of the effectiveness of assistance under this Act, including a statistical analysis of absentee voter participation under this Act, and a description of State-Federal cooperation.

(b) RESPONSIBILITIES OF OTHER FEDERAL OFFICIALS.—

(1) IN GENERAL.—The head of each Government department or agency shall, upon request of the Presidential designee, distribute balloting materials and otherwise cooperate in carrying out this Act.

(2) ADMINISTRATOR OF GENERAL SERVICES.—The Administrator of General Services shall furnish official post cards and Federal write-in absentee ballots as directed by the Presidential designee.

SEC. 4. RECOMMENDATIONS TO THE STATES.

To afford maximum access to the polls by uniformed services voters and overseas voters, it is recommended that the States—

(1) use the official post card as a simultaneous voter registration application and absentee ballot application;

(2) waive registration requirements for absent uniformed services voters and overseas voters who, by reason of service or residence, do not have an opportunity to register;

(3) if an application other than an official post card is required for absentee registration, provide that registration forms be sent with the absentee ballot and may be returned with it;

(4) expedite processing of balloting materials with respect to uniformed services voters and overseas voters;

(5) permit any oath required for a document under this Act to be administered by a commissioned officer of the Armed Forces or any official authorized to administer oaths under Federal law or the law of the State or other place where the oath is administered;

(6) assure that absentee ballots are mailed to uniformed services voters and overseas voters at the earliest opportunity;

(7) assist the Presidential designee in compiling statistical and other information relating to this Act; and

(8) provide late registration procedures for persons who are separated from the Armed Forces too late to register to vote in the first election held after such separation.

SEC. 5. FEDERAL AND STATE WRITE-IN ABSENTEE BALLOTS FOR OVERSEAS VOTERS.

(a) FEDERAL WRITE-IN ABSENTEE BALLOT.—The Presidential designee shall prescribe a Federal write-in absentee ballot (together with a secrecy envelope and mailing envelope for such ballot) for use by overseas voters who make timely application for, and do not receive, State absentee ballots. A Federal write-in absentee ballot shall be submitted and processed in the manner provided by law for absentee ballots in the State involved. An overseas voter who submits a Federal write/in absentee ballot and later receives a State absentee ballot, may submit the State absentee ballot. A Federal write-in absentee ballot of an overseas voter shall not be counted—

(1) if the application of the voter for a State absentee ballot is received by the appropriate State election official less than 30 days before the election; or

(2) if a State absentee ballot of the voter is received by the appropriate State election official not later than the deadline for receipt under State law.

(b) USE OF APPROVED STATE WRITE-IN ABSENTEE BALLOT IN PLACE OF FEDERAL WRITE-IN ABSENTEE BALLOT.—The Federal write-in absentee ballot prescribed under subsection (a) shall not be valid for use in an election if the State involved provides a State write-in absentee ballot that—

(1) at the request of the State, is approved by the Presidential designee for use in place of the Federal write-in absentee ballot; and

(2) is made available to voters at least 92 days before the election.

SEC. 6. ENFORCEMENT.

The Attorney General may bring a civil action in an appropriate district court for such declaratory or injunctive relief as may be necessary to carry out this Act.

SEC. 7. DEFINITIONS.

As used in sections 1 through 6:

(1) The term "election" means a general, special, primary, or runoff election.

(2) The term "Federal office" means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

(3) The term "uniformed services" means the Army, Navy, Air Force, Marine Corps, and Coast Guard, the commissioned corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration.

(4) The term "member of the merchant marine" means an individual (other than a member of a uniformed service or an individual employed, enrolled, or maintained on the great Lakes or the inland waterways of the United States—

(A) employed as an officer or crew member of a vessel documented under the laws of the United States, or a vessel owned by the United States, or a vessel of foreign-flag registry under charter to or control of the United States; or

(B) enrolled with the United States for employment or training for employment, or maintained by the United States for emergency relief service, as an officer or crew member of any such vessel.

(5) The term "State" means a State of the United States, the district of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and American Samoa.

(6) The term "United States", where used in the territorial sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and American Samoa.

(7) The term "Official post card" means a post card form prescribed under section 3.

(8) The term "balloting materials" means official post cards, Federal write-in absentee ballots, and any State balloting materials that, as determined by the Presidential designee, are essential to the carrying out ot this Act.

(9) The term "absent uniformed services voter" means—

(A) a member of a uniformed service on active duty who, by reason of such active duty, is absent from the place of residence where the member is otherwise qualified to vote;

(B) a member of the merchant marine, is absent from the place of residence where the member is otherwise qualified to vote; and

(C) a spouse or dependent of a member referred to in subparagraph (A) or (B) who, by reason of the active duty or service of the member, is absent from the place of residence where the spouse or dependent is otherwise qualified to vote.

(10) The term "overseas voter" means—

(A) an absent uniformed services voter who, by reason of active duty or service (as the case may be) is absent from the United States on the date of the election involved; or

(B) a person who resides outside the United States and is qualified to vote in the last place in which the person was domiciled before leaving the United States; or

(C) a person who resides outside the United States and (but for such residence) would be qualified to vote in the last place in which the person was domiciled before leaving the United States.

(11) The term "Federal write-in absentee ballot" means a ballot prescribed under section 5.

SEC. 8. EFFECT ON CERTAIN OTHER LAWS.

The exercise of any right under this Act shall not affect the residence or domicile of a person exercising such right, for purposes of any Federal, State, or local tax.

SEC. 9. AMENDMENTS OF TITLE 39, UNITED STATES CODE.

(a) IN GENERAL.—Chapter 34 of title 39, United States Code, is amended by adding at the end the following new section:

"§ 3406. Balloting materials under the Uniformed and Overseas Citizens Absentee Voting Act

"(a) Balloting materials under the Uniformed and Overseas Citizens Absentee Voting Act (individually or in bulk)—

"(1) shall be carried expeditiously and free of postage; and

"(2) may be mailed at a post office established outside the United States under section 406 of this title, unless such mailing is prohibited by treaty or other international agreement of the United States.

"(b) As used in this section, the term 'balloting materials' has the meaning given that term in section 7(9) of the Uniformed and Overseas Citizens Absentee Voting Act.".

(b) TECHNICAL AMENDMENTS.—

(1) The table of sections for chapter 34 of title 39, United States Code, is amended by adding at the end the following new item:

"3406. Balloting materials under the Uniformed and Overseas Citizens Absentee Voting Act.".

(2) The first sentence of section 2401(c) of title 39, United States Code, is amended—

(A) by striking out "3405" and inserting in lieu thereof "3406"; and

(B) by striking out "the Overseas Citizens Voting Rights Act of 1975, and the Federal Voting Assistance Act of 1955".

(3) Section 3627 of title 39, United States Code, is amended—

(A) by striking out "3405" and inserting in lieu thereof "3406"; and

(B) by striking out "under the Federal Voting Assistance Act of 1955, or under the Overseas Citizens Voting Rights Act of 1975".

(4) Section 3684 of title 39, United States Code, is amended by striking out ", or of the Federal Voting Assistance Act of 1955".

SEC. 10. AMENDMENTS TO TITLE 18, UNITED STATES CODE.

(a) IN GENERAL.—Chapter 29 of title 18, United States Code, is amended by adding at the end of the following:

"§ 608. Absent uniformed services voters and overseas voters

"(a) Whoever knowingly deprives or attempts to deprive any person of a right under the Uniformed and Overseas Citizens Absentee Voting Act shall be fined in accordance with this title or imprisoned not more than five years, or both.

"(b) Whoever knowingly gives false information for the purpose of establishing the eligibility of any person to register or vote under the Uniformed and Overseas Citizens Absentee Voting Act, or pays or offers to pay, or accepts payment for registering or voting under such Act shall be fined in accordance with this title or imprisoned not more than five years, or both.

"(c) Whoever, being a commissioned, noncommissioned, warrant, or petty officer in the Armed Forces (1) attempts to influence the vote of any member of the Armed Forces, or (2) requires any member of the Armed Forces to march to any polling place shall be fined in accordance with this title or imprisoned not more than five years. Nothing in this subsection shall prohibit free discussion regarding political issues or candidates for public office.".

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following:

"608. Absent uniformed services voters and overseas voters.".

SEC. 11. REPEALS.

The Federal Voting Assistance Act of 1955 (42 U.S.C. 1973cc et seq.) and the Overseas Citizens Voting Rights Act of 1975 (42 U.S.C. 1973dd et seq.) are repealed.

SEC. 12. EFFECTIVE DATE.

This Act and the amendments and repeals made by this Act shall apply with respect to elections taking place after December 31, 1987.

By Mr. GORE:

S. 2540. A bill to provide immunosuppressive drugs to organ transplant centers; to the Committee on Labor and Human Resources

PROVISION OF IMMUNOSUPPRESSIVE DRUGS TO ORGAN TRANSPLANT CENTERS

● Mr. GORE. Mr. President, this afternoon I am introducing legislation to provide immunosuppressive drugs that can save the lives of thousands of transplant patients.

Immunosuppressive drugs are the most dramatic advance in perhaps the most exciting field in modern medicine. Quite simply, immunosuppressive drugs make transplants work. Without the drugs, a transplant patient's body is likely to reject a new organ.

Unfortunately, immunosuppressive drugs are not cheap. Three years ago, in hearings on the transplant issue in the House, my committee found that many patients pass up a kidney transplant not because the operation is too expensive, since Medicare pays for the operation, but because they cannot afford the post-operative treatment. With Medicare refusing to pay for outpatient drugs, as many as 30 percent of those who need transplants forgo them. Others go through the operation, then must make do with ineffective substitutes for the most effective immunosuppressive drugs.

In fact, doctors often advise kidney patients who cannot afford immunosuppressive drugs not to have a transplant. These patients remain on dialysis because Medicare will pay for it. Over time, the Government ends up spending far more on dialysis than it would cost to provide each patient the transplant and access to immunosuppressive drugs.

This bill would require the Government to purchase immunosuppressive drugs and distribute them to transplant centers around the country that meet minimum standards to assure quality of care. The House backed this approach in 1984, by a vote of 396 to 6. It was left out of the National Organ Transplant Act in conference only because the administration and Senate conferees promised to abide by the recommendations of a transplant task force. After examining several proposals, the task force endorsed our approach last October. We are still waiting for the administration to keep its promise.

The task force specifically rejected the block grant approach that two of my colleagues have just proposed. By contrast, every major transplant group in the country has endorsed the approach outlined in the bill I am introducing today.

Mr. President, it just doesn't make any sense for Government to spend more to provide less—or to offer to save people's lives only to deny them what they need to go on living. It's time this administration took a close look at the tragedy of its transplant policy.●

By Mr. FORD:

S. 2541. A bill to require the insurance by the Department of Energy of a solicitation for coal utilization demonstration projects incorporating clean coal retrofit technologies; to the Committee on Energy and Natural Resources.

COAL RETROFIT SOLICITATION ACT

Mr. FORD. Mr. President, I am introducing today legislation that would require the Department of Energy to issue a notice of solicitation for clean coal technologies, aimed exclusively at emerging clean coal technologies that are suitable for retrofitting existing powerplants to permit them to burn coal more cleanly.

In the fiscal year 1986 continuing resolution, $400 million of the clean coal reserve was appropriated for the "construction and operation of facilities to demonstrate the feasibility for future commercial applications" of clean coal technologies. On February 17, 1986, DOE issued a program opportunity notice calling for submission of project proposals to demonstrate clean coal technology and which would be financed with the $400 million in available funds over 3 years. By April 18, 1986, the closing date for proposals, the Department had received 51 submissions, although I understand that 12 submissions were knocked out by the initial evaluation criteria.

Apparently, only about five of the proposals submitted involve clean coal technologies suitable for retrofitting existing powerplants.

In a hearing today before the Committee on Energy and Natural Resources we heard testimony on the various reasons why retrofit technology was not a prominent part of the submissions. Suffice it to say that several witnesses agreed there ought to be a second DOE notice of solicitation of statements of interest in projects devoted to demonstrating the emerging retrofit technologies. There appears to be widespread agreement that commercialization of retrofit technologies for emission control is essential.

Fossil fuel plants are being kept in service longer than many observers anticipated. Retrofit technology is therefore becoming increasingly important, but responses to the first DOE solicitation did not include many proposals for retrofit technologies. While there was a DOE solicitation issued on November 27, 1984, for statements of interest in clean coal technologies to which 175 proposals were submitted, there was a serious question about the availability of funding at that time. By making $400 million available for clean coal technology demonstration projects in the fiscal year 1985 continuing resolution, the Congress has shown its commitment to funding the Clean Coal Program. There are another $350 million in the clean coal reserve which can be appropriated for clean coal demonstration projects.

A second DOE solicitation aimed exclusively at clean coal retrofit technologies could focus greater attention and interest in the demonstration of these technologies and hopefully expedite their commercialization.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Coal Retrofit Solicitation Act".

SEC. 2. FINDINGS.—The Congress finds that—

(a) it is estimated that 55,000 megawatts of coal-fired plants will exceed 40 years of age between now and the year 2000;

(b) it is estimated that it costs three times more today in constant dollars to install a kilowatt of new, conventional coal-fired electric generating capacity than in 1967;

(c) emerging coal technologies offer the possibility of reduced emissions not only from new powerplants but from existing powerplants through technology retrofits;

(d) for various reasons, relatively few proposals for retrofit technology were submitted in response to the Program Opportunity Notice issued by the Department of Energy on February 17, 1986, for clean coal technology demonstration projects;

(5) there is a wide array of emerging clean coal emission control technologies suitable for retrofitting existing powerplants, and demonstration of the application of these technologies will facilitate their widespread commercialization;

(f) commercial demonstration of clean coal technology is an essential element in our Nation's effort to reduce sulfur dioxide emissions from existing electric powerplants;

(g) the Clean Coal Technology Reserve has $350 million remaining which have not yet been made available for the clean coal technology program; and

(h) the Department of Energy should issue an additional solicitation to determine the interest in and proposals for projects employing clean coal emission control retrofit technologies which would be financed from the remaining funds in the Clean Coal Technology Reserve.

SEC. 3. The Secretary of Energy pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577), shall

(a) No later than sixty days after the date of enactment of this Act, publish in the Federal Register a notice soliciting statements of interest in, and proposals for, projects employing emerging clean coal technologies for retrofit applications, which statements and proposals are to be submitted to the Secretary within ninety days after the publication of such notice; and

(b) No later than 75 days after the date by which statements and proposals must be submitted under subsection (a) submit a report to Congress that analyzes the information contained in such statements of interest and proposals, assesses the potential usefulness of each emerging clean coal technology for retrofit application for which a statement of interest or proposal has been received under this Act, and identifies the extent to which Federal incentives, including financial assistance provided from the $350 million contained in the Clean Coal Technology Reserve, will accelerate the commercial availability of these technologies.

By Mr. HEINZ (for himself, Mr. SIMON, Mr. ANDREWS, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. DODD, Mr. DOLE, Mr. GRASSLEY, Mr. HATCH, Mrs. HAWKINS, Mr. KENNEDY, Mr. LAXALT, Mr. LAUTENBERG, Mr. MATSUNAGA, Mr. MCCLURE, Mr. NICKLES, Mr. PELL, Mr. PRESSLER, Mr. QUAYLE, Mr. SPECTER, Mr. STAFFORD, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, and Mr. WEICKER):

S.J. Res. 358. Joint resolution to designate the month of September 1986 as "Adult Literacy Awareness Month"; to the Committee on the Judiciary.

ADULT LITERACY AWARENESS MONTH

● Mr. HEINZ. Mr. President, I am pleased to introduce, on behalf of myself and Senator SIMON, and 24 of our colleagues, this joint resolution which would designate September 1986 as "Adult Literacy Awareness Month."

The problem of illiteracy in America poses a great challenge to our educational system. Federal studies estimate that as many as 23 million adult Americans are functionally illiterate and another 35 million are classified as semiliterate. Illiterate adults come from every community, from every economic class and from every type of background. 2.3 million adults are added to the ranks of the illiterate each year.

Literacy is the basis for all achievement in our society; illiteracy prevents individuals from reaching their full potential and seriously diminishes the potential of America.

Although illiteracy is often defined by a grade-level cut-off point, as in lacking reading and writing skills beyond the fourth grade, the concept of functional illiteracy is probably in wider use. It means lacking the reading, writing, comprehension and simple math skills necessary to function in a modern society beyond the most minimal level. The lack of these skills severely handicaps individuals in learning to develop new job skills and improve their condition in life.

While we have made tremendous efforts to eradicate illiteracy, the numbers clearly indicate that more emphasis on this national challenge is needed. For this reason I am pleased that so many of my colleagues have joined Senator SIMON and me in introducing this joint resolution. Only through continued focus on this problem can we reduce the widespread incidences of illiteracy.

As part of this effort to solve the illiteracy crisis facing our Nation, the newspaper, publishing, communications, advertising and television industries have all joined in a public awareness and information campaign entitled "Project Literacy U.S." or PLUS.

Three hundred seventeen public broadcasting stations and 212 stations affiliated with the ABC network will participate in an awareness campaign this fall. The exposure of the illiteracy problem through public service announcements will help to attract attention and further commitment to reduce the toll illiteracy takes on our country. These television stations will be joined by hundreds of newspapers and 70 major national organizations who have pledged to support PLUS at the local level and among their membership.

The goals of PLUS are to heighten national awareness and to increase local effort to provide help for illiterates. Through this public and private partnership, we can reduce the continuing problem of illiteracy in the United States.

I commend all those involved for their commitment to reducing illiteracy and I urge my colleagues to join us in this important effort.●

● Mr. SIMON. Mr. President, I'm pleased to join a bipartisan group of my colleagues today in the introduction of a joint resolution declaring September 1986 as "Literacy Awareness Month."

Unlike other resolutions, this measure is closely tied to actions which will be taken in September and for months thereafter not only to increase popular awareness of the problems of illiteracy, but which will provide services to help remediate adult illiteracy.

Estimates of adult illiterates and functional illiterates vary widely—from 23 million of our citizens up to 60 million who are unable to read and write well enough to function in today's economy and society. Whatever the true number, the scope of the problem is staggering. The cost in terms of unemployment, underemployment, crime and personal limita-

tions is unquantifiable but all estimates place it in the billions of dollars.

Our resolution is meant to be concurrent with a diverse private initiative involving the media, community groups, labor and business. ABC—TV has taken the lead to support a series of documentaries on the problem of illiteracy and will weave story lines into their daytime and primetime schedules highlighting the problem. ABC's 212 affiliate stations are committed to this initiative and are ensuring that there are community resources of both referral services and tutorial services to provide needed remediation for those who are illiterate or functionally illiterate and who might be reached by the electronic media. ABC radio stations and PBS, along with the print media are involved in focusing attention on the problem. Service and community groups along with local literacy councils and libraries have been recruited to provide the necessary follow up resources which will serve those millions of Americans who cannot function in our world of the printed word.

Illiteracy will not be cured with a resolution. I believe the Federal commitment must be increased, that States must become more involved and that the private sector must become a partner in providing solutions to the problem. We have seen beginnings of coordinated efforts, which I hope will lead to more time and money invested in our best resource—a literate citizenry.●

Mr. QUAYLE. Mr. President, I am very pleased to cosponsor this resolution to designate the month of September 1986 as "Adult Literacy Awareness Month." The problem of illiteracy in our Nation is a most serious one, and any efforts that can be taken to attract attention to the problem and help find solutions are most welcome.

The number of adult illiterates in our Nation is estimated to be about 25 million Americans. Precise calculations are very difficult to obtain, because so many people have developed alternative communications skills that cloak their illiteracy, while others are ashamed to admit to it. The problem of illiteracy can be invisible to many of us in our daily lives, and yet the fact that 1 in 10 Americans is illiterate compels us to be aware and get involved.

Efforts are ongoing to help reduce adult illiteracy in our country. The Federal Government funds the Adult Education Act to provide educational services to thousands of people aged 16 and over who lack basic reading and writing skills. The Government also is funding, for the first time, a new literacy initiative under the Library Services and Construction Act to use the resources of libraries to reach illiterate adults. The Department of Education and the White House have created a literacy initiative to focus attention on the problem also.

The private sector has done tremendous amounts of work to reduce illiteracy. Many businesses and companies have created their own tutorial projects with their employees as teachers that have been very successful. Community-based organizations have also been extremely effective at providing training for adult illiterates, and these programs are accessible through churches, colleges, schools, and community centers.

While there have been tremendous efforts made to eradicate illiteracy, there is still much to be done. The ongoing programs cannot reach every needy adult who lacks these basic skills, and many of the adults are unaware of the help they can receive if they so desire.

To help make more services accessible, to increase public awareness of the problem, and to let illiterate adults know that there is help available for them, my colleagues and I are supporting this resolution to designate September 1986 as "Adult Literacy Awareness Month."

As part of this effort, the print and electronic media have pledged their support and assistance to raise the awareness level of this program. The newspaper, publishing, communications, advertising, and television industries have all joined in a public awareness and information campaign entitled "Project Literacy U.S." [PLUS]; 317 public broadcasting stations and 212 stations affiliated with the ABC network will participate in this nationwide effort. The exposure of the problem through public service announcements on television should help enormously to attract attention and resources to solve the problem of illiteracy.

Mr. President, I am pleased to support this resolution and urge my colleagues to support it also. I am anxious to help solve the problem of illiteracy in our Nation, for it stands in the way of a full and productive life of too many of our citizens. The problem of illiteracy is too severe to ignore. Literacy is the basis for all other achievement in our society, and without literacy, we are not only preventing individuals from reaching their full potential, but we are seriously endangering the future of our Nation.●

● Mr. MATSUNAGA. Mr. President, it is out of great concern for the welfare and future of the approximately 27 million American citizens today who are considered to be functionally illiterate that I rise to speak in support of Senate Joint Resolution 358.

According to the joint resolution, hundreds of newspapers will focus on the problem of illiteracy beginning in September 1986; and they have even combined their efforts with those of a major broadcasting network in an awareness and information campaign called Project Literacy U.S. [PLUS] involving on-air programming in the same month. In addition, numerous and varied national organizations have pledged their support of PLUS in the community and among their membership. It is not often that we find such enthusiasm and support of a national activity with potentially far-reaching results. With this in mind, I find it difficult to conceive of this body not lending its support to the resolution offered by the senior Senator from Pennsylvania [Mr. HEINZ].

By designating the month of September 1986, as "Adult Literacy Awareness Month," I believe this body will have helped to focus the attention of the American people on a problem which so many of their fellow citizens face. It is my hope and the hope expressed in the resolution that Americans will respond to the needs of the millions of adult illiterates by volunteering to serve as tutors, providing in-kind services, or by supporting other initiatives which seek to combat illiteracy. I would urge my colleagues to support Senate Joint Resolution 358.●

ADDITIONAL COSPONSORS

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct Medicare reimbursements for services performed by registered nurse anesthetists.

S. 1562

At the request of Mr. GRASSLEY, the name of the Senator from Alabama [Mr. DENTON] was withdrawn as a cosponsor of S. 1562, a bill to amend the False Claims Act, and title 18 of the United States Code regarding penalties for false claims, and for other purposes.

S. 2094

At the request of Mr. COCHRAN, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from North Dakota [Mr. ANDREWS], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 1094, a bill to establish a commission for the amelioration of Parkinsonism.

S. 2115

At the request of Mr. THURMOND, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2115, a bill to recognize the organization known as the 82d Airborne Division Association, Inc.

S. 2133

At the request of Mr. KASTEN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2133, a bill to amend the

Social Security Act to safeguard the integrity of the Social Security trust funds by ensuring prudent investment practices.

S. 2170

At the request of Mr. GLENN, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 2170, a bill to establish labor productivity assistance loans to provide financial assistance to certain individuals, to increase job skills and productivity, and for other purposes.

S. 2307

At the request of Mr. PRESSLER, the names of the Senator from Tennessee [Mr. SASSER], the Senator from New Jersey [Mr. BRADLEY], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Utah [Mr. HATCH], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 2307, a bill to provide authorization of appropriations for activities of the U.S. Travel and Tourism Administration.

S. 2331

At the request of Mr. HEINZ, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 2331, a bill to amend title XVIII of the Social Security Act to assure the quality of inpatient hospital services and posthospital services furnished under the Medicare Program, and for other purposes.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2450

At the request of Mr. HEINZ, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2450, a bill to amend title II of the Social Security Act to remove permanently the 3-percent threshold requirement for cost-of-living increases.

S. 2479

At the request of Mr. TRIBLE, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2479, a bill to amend chapter 39 of title 31, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes.

SENATE JOINT RESOLUTION 311

At the request of Mr. CRANSTON, the names of the Senator from Pennsylvania [Mr. HEINZ], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 311, joint resolution designating the week beginning November 9, 1986, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 314, joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE CONCURRENT RESOLUTION 131

At the request of Mr. D'AMATO, his name was added as a cosponsor of Senate Concurrent Resolution 131, concurrent resolution expressing the sense of the Congress that the Soviet Union should immediately provide for the release and safe passage of Naum Meiman and Inna Kitrosskaya-Meiman.

SENATE RESOLUTION 381

At the request of Mr. DECONCINI, the names of the Senator from Indiana [Mr. QUAYLE], and the Senator from Utah [Mr. HATCH] were added as cosponsors of Senate Resolution 381, resolution expressing the sense of the Senate with respect to United States corporations doing business in Angola.

SENATE RESOLUTION 411

At the request of Mr. SYMMS, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of Senate Resolution 411, resolution expressing the support and encouragement of the Senate for those working for freedom and against communism in South West Africa/Namibia.

SENATE RESOLUTION 425—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. THURMOND, from the Committee on the Judiciary, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 425

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, section 303(a) of that Act is waived with respect to consideration of S. 2216, as reported, designating September 17, 1987, the bicentennial of the signing of the Constitution of the United States, as "Constitution Day".

A waiver of section 303(a) is necessary because S. 2216, as reported, provides new entitlement authority first effective during fiscal year 1987 before the concurrent resolution on the budget for fiscal year 1987 has been agreed to. The entitlement authority results from premium pay for employees who work on the holiday.

SENATE RESOLUTION 426—CONGRATULATING THE UNIVERSITY OF ARIZONA BASEBALL TEAM ON WINNING THE NCAA COLLEGE WORLD SERIES

Mr. DECONCINI (for himeslf, Mr. GOLDWATER, and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 426

Whereas, on June 9, 1986, the University of Arizona won the National Collegiate Athletic Association (NCAA) College World Series.

Whereas, only an outstanding team could have beaten the top ranked Florida State University Seminoles who compiled an outstanding 61 wins and 13 losses this season under coach Mike Martin;

Whereas, Mike Senne, the series most valuable player, and Gar Millay hit two-run homers, and Tommy Hinzo stole home plate leading the University of Arizona to a 10-2 victory;

Whereas, this is the University of Arizona's third national title in ten years under the coaching of Jerry Kindall: Now therefore be it;

Resolved, That the Senate of the United States of America joins with baseball fans in Arizona and Wildcat alumni across the nation in honoring the University of Arizona for winning the NCAA College World Series.

AMENDMENTS SUBMITTED

TAX REFORM ACT OF 1986

STEVENS (AND BOSCHWITZ) AMENDMENT NO. 2059

(Ordered to lie on the table.)

Mr. STEVENS (for himself and Mr. BOSCHWITZ) submitted an amendment intended to be proposed by them to the bill (H.R. 3838) to reform the internal revenue laws of the United States; as follows:

At the appropriate place in title XVII, insert the following new section:

SEC. . 5-YEAR MORATORIUM ON CERTAIN TAX LEGISLATION.

(2) 5-YEAR MORATORIUM.—

(1) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which amends or reenacts any provision of the internal revenue laws of the United States which was added, repealed, or amended by the Tax Reform Act of 1986.

(2) EXCEPTIONS.—This section shall not apply—

(A) to any bill which makes technical corrections relating to the Tax Reform Act of 1986, or

(B) to any reconciliation legislation (and amendments thereto) reported pursuant to specifications and directions set forth in a Concurrent Resolution on the Budget in accordance with section 310(a)(2) of the Congressional Budget Act of 1974.

(b) PROCEDURE.—

(1) HOUSE OF REPRESENTATIVES.—If a point of order is raised in the House of Representatives pursuant to subsection (a) and is sustained by the presiding officer of such House, an affirmative vote of three-fifths of the Members of such House duly chosen and sworn shall be required to sustain an appeal of such ruling. Debate on any such appeal shall be limited to two hours, to be equally divided, and controlled by, the Majority Leader and the Minority Leader of the House or their designees. An appeal of such a point of order is not subject to a motion to table.

(2) SENATE.—If a point of order is raised in the Senate pursuant to subsection (a) and is sustained by the presiding officer, an affirmative vote of three-fifths of the Members of the Senate duly chosen and sworn shall be required to sustain an appeal of such ruling. Debate on any such appeal shall be limited to two hours, to be equally divided, and controlled by, the Majority Leader and the Minority Leader of the Senate or their designees. An appeal of such a point of order is not subject to a motion to table.

(c) WAIVER.—The provisions of this section may be waived in the Senate only by the affirmative vote of three-fifths of the Members duly chosen and sworn.

(d) RULES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE.—This section is enacted—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, and shall supersede other rules only to the extent that it is inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(e) PERIOD TO WHICH SECTION APPLIES.—This section shall be effective for the 5-year period beginning with the date of the enactment of this Act.

STAFFORD AMENDMENT NO. 2060

Mr. STAFFORD proposed an amendment to the bill (H.R. 3838), supra; as follows:

At an appropriate place in the bill insert the following:

No person over 75 years of age with net income less than $40,000.00 shall pay any income tax so long as such person's hair does not turn white.

BAUCUS AMENDMENT NO. 2061

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill (H.R. 3838), supra; as follows:

On page 1416, beginning with line 6, strike out all through page 1418, line 10, and insert in lieu thereof the following:

SEC. 141. DEDUCTION IN LIEU OF INCOME AVERAGING.

(a) IN GENERAL.—So much of part I of subchapter Q of chapter 1 as precedes section 1301 is amended to read as follows:

"PART I—DEDUCTION TO REFLECT INCOME FLUCTUATIONS

"Sec. 1301. Allowance of deduction.
"Sec. 1302. Excess deductions; other definitions.
"Sec. 1303. Eligible individuals.
"Sec. 1304. Special rules.
"Sec. 1305. Regulations.

"SEC. 1301. ALLOWANCE OF DEDUCTION.

"(a) GENERAL RULE.—If an eligible individual has taxable income for the computation year which is subject to the highest rate of tax imposed by section 1 and has excess deductions during the base period, then there shall be allowed as a deduction under this chapter for the computation year an amount equal to the lesser of—

"(1) the excess deductions during the base period, or

"(2) that portion of the taxable income for the computation year which is subject to the highest rate of tax imposed by section 1.

"(b) TAXABLE INCOME.—For purposes of subsection (a), taxable income shall be computed without regard to this section.

"SEC. 1302. EXCESS DEDUCTIONS; OTHER DEFINITIONS.

"(a) EXCESS DEDUCTIONS.—For purposes of this part, the term 'excess deductions' means the excess (if any) of—

"(1) the sum of—

"(A) the aggregate amount of the standard deductions determined under section 63(c) (or in the case of an individual who elects to itemize his deductions for any base period year, the itemized deductions) for all base period years, plus

"(B) the aggregate amount of the deductions for personal exemptions provided in section 151 for all base period years, over

"(2) the aggregate adjusted gross income of the taxpayer for all base period years.

The amount of excess deductions for any computation year shall be reduced by the amount of such deductions which were taken into account in any preceding taxable year.

"(b) OTHER DEFINITIONS.—For purposes of this part—

"(1) COMPUTATION YEAR.—The term 'computation year' means the taxable year for which the taxpayer chooses the benefits of this part.

"(2) BASE PERIOD.—The term 'base period' means the 3-taxable year period immediately preceding the computation year.

"(3) BASE PERIOD YEAR.—The term 'base period year' means any taxable year in the base period.

"(4) JOINT RETURN.—The term 'joint return' means the return of a husband and wife made under section 6013."

"(b) CONFORMING AMENDMENTS.—

(1) Section 1304(c)(2) (defining minimum base period income) is amended to read as follows:

"(2) EXCESS DEDUCTIONS.—For purposes of this part, the excess deductions of an individual shall not be greater than 50 percent of the excess deductions which would result from combining the income and deductions of such individual for any base period year—

"(A) with the income and deductions for such period of the individual who is his spouse for the computation year, or

"(B) if greater, with the income and deductions for such year of the individual who was his spouse for such year."

(2) Section 1304(c)(3)(A) (relating to community income attributable to services) is amended by striking out "base period income" and inserting in lieu thereof "excess deductions".

(3) Section 1304 is amended by striking out subsection (d) and by redesignating subsections (e) and (f) as subsections (d) and (e).

(4) Sections 3(b)(1) and 5(b)(2) are each amended by striking out "income averaging" and inserting in lieu thereof "the deduction to reflect income fluctuations".

(5) Section (5)(2) is amended by striking out "limitation on" and inserting in lieu thereof "computation of".

(6) The table of parts for subchapter Q of chapter 1 is amended by striking out the item relating to part I and inserting in lieu thereof the following new item:

"Part I. Deduction to reflect income fluctuations."

● Mr. BAUCUS. Mr. President, I am introducing an amendment that would restore an adjustment for taxpayers whose incomes fluctuate dramatically, such as farmers.

BACKGROUND

Under current law, there are 11 tax brackets, at progressive rates beginning at 11 percent and peaking at 50 percent.

Because there are so many brackets, taxpayers with volatile incomes may pay more tax than taxpayers with steady incomes: During good years, these taxpayers will be forced into higher tax brackets than their long-term earning power warrants. For example, the Center for Rural Affairs estimates that a family of four with income alternating between zero and $60,000 would pay 76 percent more tax over a 6-year period than a family of four earning precisely the same total income in six $30,000 increments.

To address this problem, in 1964 Congress enacted income averaging. The House report explained that "a general averaging provision is needed to accord those whose incomes fluctuate widely from year to year the same treatment accorded those with relatively stable incomes."

Under current law, taxpayers are entitled to use income averaging if their income exceeds 140 percent of their average income in the previous 3 years. If that amount exceeds $3,000, it's averaged and subject to a lower tax. In the recent reconciliation bill, we denied income averaging to taxpayers who had been students during the 3-year base period.

The House tax bill repeals income averaging, and the Finance Committee bill follows suit. Our report says that:

"In light of the significantly flatter rate structure under the bill, there is no longer a need for income averaging. Moreover, the repeal of income averaging simplifies the tax system, by eliminating both the need for many individuals to make a complex series of computations . . . and controversies with the Internal Revenue Service regarding whether an individual was self-supporting during any of the base years."

It's true that replacing many narrow brackets with two wider ones reduces the need for the current form of income averaging. But it does not entirely eliminate the need for some form of adjustment for people with volatile incomes: Under the committee bill, taxpayers whose incomes fluctuate wildly from year to year still will pay higher taxes than ones whose incomes are relatively stable. This is especially true for people near the tax threshold, for whom the value of the standard deduction and personal exemption is greatest.

For example, a taxpayer earning a total of $100,000 over 4 years in four equal increments would pay $7,200 in taxes over that period. A taxpayer earning the same total amount in in-

crements of zero, $50,000, zero, and $50,000 would pay $12,948.

PROPOSAL

One way to solve the problem would be to retain the current system of income averaging. That, however, would cost $2.9 billion.

A less costly but nonetheless effective alternative would be to permit taxpayers whose incomes fall below the tax threshold in 1 year to carry their unused standard deduction and personal exemptions forward, and deduct them from income in the 27-percent bracket. In the example above, this would reduce the tax payment from $12,948 to $10,869.

This proposal, which is embodied in the amendment I am filing today, would provide substantial relief to taxpayers with volatile incomes. Over 5 years, it would cost $700 million. If it were limited to farmers, it would cost only $200 million.

I currently am putting the finishing touches on the revenue-raising portion of this amendment, which would offset either the $700 million or the $200 million.

In either case, I believe that it is important for us to restore some limited form of relief to farmers and others with volatile incomes. Doing so would be good tax policy and would make this bill more fair.●

ROTH (AND OTHERS) AMENDMENT NO. 2062

Mr. ROTH (for himself, Mr. DOLE, Mr. PACKWOOD, Mr. MATTINGLY, Mr. WARNER, Mr. CHAFEE, and Mr. NICKLES) proposed an amendment to the bill (H.R. 3838), supra; as follows:

At the appropriate place add the following:

FINDINGS

The Senate believes that Americans should be encouraged to save for retirement; and

The Senate recognizes that only slightly more than one-half of all civilian employees are covered by employer-sponsored retirement plans and, of those employers, only half are now vested in their benefits; and

Over 70 percent of all taxpayers who have established individual retirement accounts have annual incomes of under $50,000; and

The Senate recognizes that taxpayers should be able to adequately provide for their retirement security, cannot rely on Social Security alone, and should be encouraged to provide for their retirement through tax incentives:

DOLE (AND OTHERS) AMENDMENT NO. 2063

Mr. DOLE (for himself, Mr. ROTH, Mr. PACKWOOD, Mr. MATTINGLY, Mr. WARNER, and Mr. CHAFEE) proposed an amendment to amendment No. 2062 proposed by Mr. ROTH (and others) to the bill (H.R. 3838), supra; as follows:

At the end of the amendment add:

It is the sense of the Senate—

(1) that the Senate conferees on the Tax Reform Act of 1986 give highest priority to retaining maximum possible tax benefits for individual retirement accounts to encourage their use as a principal vehicle for ensuring retirement security, and

(2) that the retention of the tax benefit of individual retirement accounts should be accomplished in a manner which does not adversely affect the tax rates or distribution by income class of tax reduction otherwise provided for in the Tax Reform Act of 1986.

ROTH AMENDMENT NO. 2064

Mr. ROTH proposed an amendment to the language proposed to be stricken by the reported amendment to the bill (H.R. 3838), supra; as follows:

At the appropriate place in the House bill add the following:

FINDINGS

The Senate believes that Americans should be encouraged to save for their retirement; and

The Senate recognizes that only slightly more than one-half of all civilian employees are covered by employer-sponsored retirement plans and, of those employees, only half are now vested in their benefits; and

Over 70 percent of all taxpayers who have established individual retirement accounts have annual incomes of under $50,000; and

The Senate recognizes that taxpayers should be able to adequately provide for their retirement security, cannot rely on Social Security alone, and should be encouraged to provide for their retirement through tax incentives:

PACKWOOD AMENDMENT NO. 2065

Mr. PACKWOOD proposed an amendment to amendment No. 2064 proposed by Mr. ROTH to the language proposed to be stricken by the reported amendment to the bill (H.R. 3838), supra; as follows:

At the end of the amendment add:

It is the sense of the Senate—

(1) that the Senate conferees on the Tax Reform Act of 1986 give highest priority to retaining maximum possible tax benefits for individual retirement accounts to encourage their use as a principal vehicle for ensuring retirement security, and

(2) that the retention of the tax benefit of individual retirement accounts should be accomplished in a manner which does not adversely affect the tax rates or distribution by income class of tax reduction otherwise provided for in the Tax Reform Act of 1986.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, June 10, in executive session, to hold a markup of tactical warfare portions of S. 2199, the fiscal year 1987 DOD authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, June 10, to conduct a hearing on the Rogers Commission report on the NASA shuttle accident.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

STATUE OF LIBERTY ESSAY WINNER

Mr. KASTEN. Mr. President, this will be a special summer for America because we are celebrating the 100th anniversary of the arrival of the Statue of Liberty to our shores.

To help commemorate this historic event, the National Association of State Boards of Education and the Statue of Liberty Foundation sponsored the "Statue of Liberty Essay Contest" for schoolchildren.

A 10-year-old boy from Madison recently was selected as Wisconsin's winner in this contest.

Mr. President, Jason Verhelst, a fourth grader at St. Maria Goretti School, wrote an essay that, in the words of his teacher, Mary Elen Ruppert, "relays the importance of our freedom and gives us hope for peace around the world."

"God gives us the rainbow as His sign of peace," Jason wrote. "Just as the rainbow comes when there is light from the Sun after a rainstorm, the Statue of Liberty holds a light in her hand to show people the way to a free country."

These are profound thoughts from one so young, and Jason's parents, John and Suzy Verhelst, have reason to be very proud.

So too, do the parents of the 195 other Wisconsin schoolchildren who participated in this essay exercise. All of them are deserving of recognition for their hard work, their creativity, and their desire to express what the Statue of Liberty means to them.

Jason will participate with the essay winners from the other States at the Statue of Liberty weekend activities in New York City, and I wish this youngster an exciting and inspirational time during this historic celebration.

Mr. President, I ask that the text of Jason's essay be included in the RECORD.

The essay follows:

THE MEANING OF THE STATUE OF LIBERTY

(By Jason Verhelst)

The Statue of Liberty means hope, freedom and peace, not just in the United States but all over the world.

The Statue of Liberty is a man-made sign of hope that one day we will have world peace.

God gives us the rainbow as His sign of peace. Just as the rainbow comes when there is light from the sun after a rainstorm, the Statue of Liberty holds a light in her hand to show people the way to a free country.

It is important to have a symbol to remind us that our country is free and be grateful it is that way.

She stands at the gateway of our country to invite others to share our freedom.

I wish that one day there would be freedom. I wish that one day there would be freedom and peace all over the world. That is what our Statue of Liberty means to me.●

CAR-SEAT MANUFACTURERS FACE DAUNTING PRODUCT LIABILITY RISK

● Mr. KASTEN. Mr. President, a recent article in the Seattle Times presents yet another distressing situation which illustrates the inescapable necessity of products liability reform. Last September there were 12 manufacturers of children's car seats in the United States. Today there are only 10 and 3 of those manufacturers are considering dropping the product. The reasons for this situation are expensive products liability settlements, increased liability exposure, and skyrocketing insurance costs. The most staggering result of the current system is that total tort claims made by consumers against car-seat manufacturers now exceed the net worth of the industry. It is not only industry which suffers from the current products liability laws; the consumer is the ultimate injured party due to either the inflated prices charged by manufacturers and sellers to cover their insurance costs or the possible unavailability of needed products. Products liability reform is urgently needed to avoid these catastrophic results. I ask that the text of this article be printed in the RECORD. I hope my colleagues will take note of this distressing situation and consider the pressing need for products liability reform.

The article follows:

[From The Seattle Times, May 16, 1986]

CAR-SEAT MAKERS ARE QUITTING OVER ISSUE OF LIABILITY

(By Shelby Gilje)

If you have a baby, what product must you have before you can leave the hospital with the new bundle of joy?

A car seat that has passed federal tests since car-seat regulations began in 1981.

All 50 states require some kind of car restraint or safety seat for young children. But parents trying to comply with these laws could find themselves paying two or more times the present cost for car seats. Here's why.

Last September, 12 American companies in the juvenile-products industry were manufacturing car seats. Two have dropped out because of product-liability risks, lawsuits, expensive settlements and rising insurance rates.

At least three other manufacturers are considering dropping out of the car-seat market, said William MacMillan, executive director of the Juvenile Products Manufacturers Association, a trade group.

One foreign company which makes and sells car seats outside the United States was tooled-up and ready to market them here, according to MacMillan and others in the industry. But this company could not obtain liability insurance, so its plans for the U.S. marketplace are on hold.

A representative of the company says there has been a delay while his corporation does some "insurance shopping."

Total claims made by consumers against car-seat manufacturers now exceed the net worth of the industry, MacMillan said. Those in the industry hope some form of proposed product-liability legislation now before Congress will be approved. One proposal would require that a product be found at fault before its manufacturer would have to pay consumers, would limit the sum to be paid for "pain and suffering" to $100,000 and would limit lawyers' contingency fees.

The experience of the Collier-Keyworth Co., an 80-year-old Massachusetts firm, provides insight into industry problems. Collier-Keyworth's insurance carrier now has paid almost $7 million in a settlement to a family whose child was brain-damaged as a result of an auto accident. The child was in a Collier-Keyworth seat when the parents' car was struck by another vehicle.

The crash was catastrophic, with the car in which the child was riding hit on the passenger side by another vehicle traveling 45 miles per hour.

And the fact that the company's child seat had passed federal-government tests was no defense in the courtroom, said James Fuller, vice president and general manager of Collier-Keyworth's juvenile-products division.

"It was the old 'deep pockets' theory," Fuller said. His company had insurance. The care of a brain-damaged child is extremely expensive, and jurors respond to such a tragedy by awarding high settlements.

"Sure, we're thinking about getting out of the car-seat business," Fuller said.

Another manufacturer faces claims from a consumer involved in an auto accident at 4:30 a.m. Both motorists in the accident were cited for driving while intoxicated. One driver has filed a claim, saying an 8-month-old child suffered head injuries because the car seat would not fit into the vehicle's back seat, therefore it was in the front seat of the car. And that's why the injuries occurred, the consumer alleges.

Ten to 15 years ago, consumers viewed these seats as restraint devices, a way to keep a young child from climbing all over the car, interfering with or obstructing the driver. Now the emphasis is on safety. There are some accidents where no seat and its occupant could survive, say those in the industry.

What does all this mean to consumers? It could mean fewer manufacturers will want to risk lawsuits or rising insurance rates, so they will cut car seats from their line of products. And those manufacturers who continue making car seats may conclude they have to charge $150 a seat or more because of liability risks and insurance rates.

This complicated scenario came to The Troubleshooter's attention this week while we were researching an announcement by Graco Children's Products Inc. that its car seat needed modification.

Graco said that a recent test by the National Highway Traffic Safety Administration indicated Graco's GT 1000 car seat had a problem in the reclining position.

The test showed that the recline adjustment latch may not work when the seat is used in that position in some cars. Graco stressed that there have been no injuries reported, but recommended that consumers make certain the seat is properly latched until they receive and install modification devices from the company.

Consumers may receive a free modification kit by phoning Graco's toll-free line, 1-800-345-4109, (from 6 a.m. to 5 p.m. Pacific Daylight Time), or writing Graco Children's Products Inc., Elverson PA 19520.

The Graco seat, which sold for $75 to $90, has been removed from store shelves.

And Graco, which makes other products for children, says it is out of the car-seat business.●

IN SUPPORT OF NAUM AND INNA MEIMAN

● Mr. D'AMATO. Mr. President, as chairman of the Commission on Security and Cooperation in Europe, I am pleased to join as a cosponsor of Senate Concurrent Resolution 131, a resolution calling upon the Soviet Union to release Dr. Naum Meiman and his wife, Inna Kitrosskaya-Meiman. This resolution is sponsored by the distinguished senior Senator from Colorado.

A prominent member of the Jewish emigration movement, Meiman has been refused permission by Soviet authorities to emigrate to Israel since 1975. The Soviets have denied his requests on the grounds of access to state secrets, despite the fact that Meiman has not had such access since he finished his work with the Institute for Physical Problems of the Soviet Academy of Sciences in the mid-1950's. In 1976, the president of the academy certified that Meiman possessed no classified information. Nevertheless, permission to emigrate was denied and he was forced to retire.

Meiman joined the Moscow Helsinki Group on January 14, 1977. The group, founded on May 12, 1976, was established to promote human rights in the U.S.S.R. and to monitor Soviet violations of the Helsinki Final Act. Soviet authorities placed him and other human rights activists under house arrest. Later, he was informed that he would no longer be allowed to use the special polyclinic at the academy where he had received treatment for tuberculosis and other lung ailments.

In January 1980, Meiman was summoned to the local prosecutors's office where he was told that, because he had had access to secrets, he would never be allowed to emigrate. In 1985, Meiman made a special appeal to General Secretary Gorbachev, requesting that he and his ailing wife be granted exist visas permitting them to emigrate to Israel.

Meiman's wife, Inna, also a human rights activist, has undergone repeated surgeries for cancer. At this point, her only hope for survival is special radiation treatment available only in the West. Although she has received offers of medical assistance from professionals in Switzerland, France, Israel, and the United States, the Kremlin continues to refuse to allow her to go abroad for treatment.

As a signatory country to the Helsinki Final Act, the Soviet Union has voluntarily agreed to handle such cases in a positive and humanitarian spirit. The case of Naum and Inna Meiman underscores Soviet failure to live up to this commitment. In addition, their case highlights an inconsistency in Soviet policy. During his visit to France, Secretary Gorbachev indicated that Soviet security clearances are only good for a period of 5 years. Naum Meiman has not had such a clearance for over 20 years.

Given the humanitarian consideration involved in this case, I call upon the Soviet leadership to demonstrate their commitment to human rights and to release Naum and Inna Meiman.●

WISCONSIN STUDENT WINS NATIONAL ESSAY CONTEST

● Mr. KASTEN. Mr. President, Wisconsin long has prided itself on the quality of its public education system and the excellence of the students that system produces.

Wisconsin's young people are committed: committed to themselves, to their families and friends, to their schools and communities, and to their country.

That commitment has been wonderfully exemplified by a young woman from New Berlin, a community of 30,500 on the west side of Milwaukee County. Kimberly Schopf, a 17-year-old senior at Eisenhower High School, has been named the winner of the fourth annual U.S. Army Reserve National Essay Contest.

Mr. President, winning a national essay contest is no small achievement. Good writing is a skill, and a talent. And a commitment to excellence is an expression of both.

More than 6,000 high school students from 411 high schools across America participated in the Army Reserve Essay Contest, which was judged by a panel of journalists and educators. This year participants were asked to interpret a quotation from President Reagan:

* * * it is through our strength and through the commitment of citizen-soldiers * * * that America has preserved the peace.

In her essay, Kimberly described America's Reserve soldier as "a partisan of our defense force as well as a productive member of civilian society" * * * helping Americans live "in a democracy that promises a means for achieving the closest possible to true amity."

Kimberly captured the spirit and the commitment of America's citizen soldiers—the Reserve Force—in her essay. But she has carried that spirit a step further by putting her own words into action.

Mr. President, this talented young woman has enlisted in the Army Reserve under the Split Training Program—the first Army Reserve National Essay Contest winner to do so. She will begin basic training at Fort Jackson, SC, later this week and will serve as an Army reservist with the 84th Division (training) in Milwaukee.

And, she will continue her academic education at Carroll College in Waukesha, WI, which awarded her a 4-year scholarship.

Her high school experience has prepared Kimberly well for what I'm certain will be an exciting and fruitful future. At Eisenhower High School she served as feature editor of the school newspaper, was a member of the student government, played in the marching band, and was a cross country and track athlete.

I share the pride of Kimberly's parents, Mr. and Mrs. Thomas Schopf, and of her school and community.

And, Mr. President, Wisconsin can claim special pride because not only did our fine State produce the winner of this national contest, we also claimed 2 of 17 honorable mentions; Mike Klokow of Columbus High School, and Heidi Simon of West High School in Madison.

Mr. President, I request that the text of Kimberly Schopf's award-winning essay be printed in the RECORD.

The material follows:

PRESERVATION OF PEACE

(By Kimberly Schopf)

In September, I went to a military ball with a Reserve soldier. It was a ball honoring the retiring Major General John Erfmeier. One event of that night particularly commands a hold on my memory. We sang "The Star-Spangled Banner". I think we would have made Frances Scott Key proud. Gazing upon a room filled with the military aura of crisp yellow stripes and warm shining brass and black polished shoes, I raised my eyes as well as my chin. And the music lifted my heart.

These uniformed soldiers sang a 172-year-old song. Triumphant melody accompanied proud words. I listened as the Major General in the seat of honor and as the Private in the seat next to me sang:

And the Star-Spangled Banner in triumph shall wave
O'er the land of the free and the home of the brave.

Each soldier singing in that room supported a creed that has provided a foundation on which words such as "triumph" and "free" and "home" can stand:

I am a man of the United States Army—protector of the greatest nation on earth.[1]

The words of this creed speak the "commitment" to which President Reagan refers. The commitment that has kept our country a "land of the free".

Americans live in a democracy that promises a means for achieving the closest possible to true amity. And the Reserve component that supports our democracy costs taxpayers a fraction of the amount a similar standing Army would require: The Reserve costed in 1983 $1,994 million, only 3.5% of the Total Army's appropriations,[2] while it comprises one-third[3] of our total military force.

The Reservist has duty 38 days yearly. However, this citizen-soldier proclaims, not only 39 times a year, but 365, that the two titles, "citizen" and "soldier", are indeed two sides of one coin: The soldier is a soldier because he wishes to defend the principles and priviledges of his citizenship. A civilian and a soldier, each contributing to the other's welfare and skill, he is a partisan of our defense force as well as a productive member of civilian society.

History reveals the importance of the citizen-soldier's maintenance of a dual responsibility. In colonial days, farmers and craftsmen set down in emergencies their plows and tools to back the regular force. These part-time soldiers received little pay and less encouragement, and yet, survived. Today's Army Reserve has assisted the Total Army in WWI, WWII, Korea, the Berlin Crisis, and Vietnam; has helped process Vietnamese and Cuban refugees, and restore order in Grenada; and acts as a deterrent resource to help prevent war and insure peace.[4]

The Reservist proclaims he believes in preserving the honor of being American. This means everything to our nation's defense. This means everything to achieving that closest possible to true amity. And that Reserve soldier and I sang this in the words of Francis Scott Key's 172-year-old song.●

RATIFICATION: IF WE ARE SERIOUS ABOUT CONTINUING SALT

● Mr. QUAYLE. Mr. President, yesterday I argued that the majority leader should call up SALT II for ratification if the President's critics try to tie defense spending to his continuing to adhere to SALT.

Some, of course, would argue that ratification is not necessary, that Congress has the power of the purse and can condition its funding in any way so long as it does not explicitly violate any of the Constitution's expressed prohibitions.

Whatever the narrow technical merits of this argument—and I doubt that they are very considerable—they are fundamentally at odds with how our Government's constitutional struc-

[1] This exerpt of the "Soldier's Creed" was taken from the *Soldier's Manual Army Testing*, 2 May 1983, p. 141.

[2] Richard B. Crossland and James T. Currie, *Twice the Citizen*, Office of the Chief, Army Reserve, 1984, p. 274.

[3] This information was found in the *New Reservist's Orientation Kit*, U.S. Government Printing Office, 1985, p. 3.

[4] *Ibid.*, p. 2.

ture was intended to assure serious consideration of key treaties.

Our founders rightly understood that treaty obligations were special considerations and different from domestic legislation or executive acts. Unlike these, treaty obligations bind our Government to policies that entail another nation's consent. Not only might these obligations risk dragging our Nation into war, but as the supreme law of the land, can shape our domestic politics.

Conscious of these points, the framers took considerable care to assure that assuming any new treaty obligations would involve more than one branch of our Government. Not just the executive, which negotiated the treaty, but a legislative branch would have a say in determining what treaties should become law.

In addition, the founders were careful not to give Congress this review responsibility as a whole. Instead, they allowed only Senate to assume this role for obvious reasons.

Finally, they required not just a majority of the Senate, but a two-thirds vote to secure Senate approval of any treaty. By practice, not codified by the Vienna Convention on the Law of Treaties, both modification and extension of treaties require the same procedures of approval as the original treaty itself.

Against this backdrop, what many supporters of SALT are now suggesting—unilateral diplomacy by congressional legislation—is not just suspect, it is constitutionally imprudent in the extreme.

First, in general violation of existing international law, they wish to selectively extend, and thereby amend, an agreement without reference to our constitutional treaty approval procedures. There is no effort to keep the House out of this nor to capture two-thirds of the Senate. Instead, the matter is being handled as if it were a bicameral domestic policy issue. To make any sense of this requires that we assume that Congress is the executive and that SALT and its modification are no more than a minor executive agreement.

Second, by skirting the ratification process, these SALT supporters skirt the very procedures that would make them face the implausibility of what they are doing. Avoid the Senate and the two-thirds rule, and you are likely to ignore the Senate's refusal to approve SALT. Ignore the procedural requirement that it is the executive that asks the Senate to consider treaties or their modification, and you make it easier to gloss over SALT's expiration in 1985 and the President's announcement that we are no longer bound by its terms. Finally, ignore that SALT is an agreement whose success depends not just on our adherence, but on what the Soviets chose to do, and Soviet violations that normally would justify terminating a ratified agreement, are no longer of much concern.

Mr. President, those who understand the Constitution's provisions for treaty making and the concerns that prompted our founders to draft them, recognize the folly of all this. At risk are the executive's constitutional treaty making powers, the Senate's treaty approval role, and what respect the Soviets or our allies might still have for us.

If supporters of SALT are serious about extending or modifying SALT, the strictly constitutional course—a debate over SALT II's possible Senate ratification—is the only serious course. Whether or not the Senate is serious enough to demand this, of course, remains to be seen.●

VIKTOR NEKIPELOV

● Mr. D'AMATO. Mr. President, I rise today to draw attention to the continuing plight of Viktor Nekipelov, a member of the Moscow Helsinki Group. The group, organized by 11 Soviet human rights advocates, was established on May 12, 1976. The primary purpose of the Moscow Group was to promote human rights in the U.S.S.R. and monitor Soviet violations of the Helsinki final act.

Soviet authorities have arrested, detained, imprisoned, and exiled members of the group, including Nekipelov. These harsh reprisals underscore Soviet contempt for the concept of human rights and for those who speak out in support of human rights. In addition, they highlight Soviet disregard for their human rights commitments, especially those included in the Helsinki final act, which they have voluntarily accepted.

Mr. President, as chairman of the Commission on Security and Cooperation in Europe, I commend the efforts of Viktor Nekipelov and his colleagues who have paid dearly for their work on behalf of those denied even the most basic human rights.

Mr. President, I ask that a brief biography of Nekipelov be printed in the RECORD.

The biography follows:

VIKTOR ALEKSANDROVICH NEKIPELOV

Viktor Aleksandrovich Nekipelov, the son of a physician employed by the Chinese Eastern Railroad, was born on September 29, 1928, in Harbin, China. His mother, a medical worker, was arrested in 1939, and perished in Stalin's camps during the Great Purge.

Nekipelov graduated from the Omsk Military Medical Academy in 1950, the Kharkov Pharmacological Institute in 1960, and the Moscow Literary Institute in 1970.

As he began to contact dissidents and voice political protests, Nekipelov became the target of official harassment in the late 1960s and early 1970s. He was arrested and tried in July 1973 for "slandering the Soviet state" under Article 190-1 RSFSR Criminal Code, and sentenced to three years in prison. Nekipelov spent two months under "psychiatric observation" at the Serbsky Institute of Forensic Psychiatry during the investigation into his case. His trial took place on May 16, 17 and 21, 1974. He was sentenced to two years in general-regimen labor camp and had to pay 199 rubles in legal fees. Nekipelov could not find work for seven months following his release from prison in July 1975. From March 1976 until his second arrest on December 7, 1979, he worked as a laboratory physician in the Kameshkovo Rayon Hospital.

He joined the Moscow Helsinki Group in November 1977. Nekipelov is a member of the International PEN Club. A prolific writer, he contributed to many samizdat petitions and articles. Nekipelov wrote a book of recollections entitled Institute of Fools, based upon his experiences in the Serbsky Institute. He also compiled a series of articles on the persecution of dissidents in the USSR and was active in efforts to publicize the trials of other Soviet dissidents.

Nekipelov and his wife submitted an application to emigrate to Israel in March 1977. Later that year, the couple renounced their Soviet citizenship. On September 12, 1977, he was informed by OVIR that he had "no business" in Israel. A second renunciation came in 1978 along with another denial.

Nekipelov was arrested again on December 7, 1979. He was charged with "anti-Soviet agitation and propaganda" under Article 70 RSFSR Criminal Code. He was sentenced to seven years in labor camp and five years of internal exile on June 13, 1980.

Nekipelov was sent to Perm camp #36. He was later transferred to Chistopol Prison. Suffering from cancer, Nekipelov was to be sent to the Gaaz Central Hospital for Prisoners in Leningrad at the end of 1985. Instead, the authorities had him sent to Vladimir Prison.●

BANKRUPTCY ANTIFRAUD ACT OF 1986

● Mr. GRASSLEY. Mr. President, yesterday I introduced S. 2531, the "Bankruptcy Antifraud Act of 1986." However, I noticed today that the text of the bill was omitted from the CONGRESSIONAL RECORD. I ask unanimous consent that the language of the bill be printed in the RECORD.

The bill follows:

S. 2531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bankruptcy Antifraud Act of 1986".

NONDISCHARGEABILITY OF CERTAIN DEBTS FOR RESTITUTION

SEC. 2. Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (9), as added by section 371 of the Bankruptcy Amendments and Federal Judgeship Act of 1984, is amended by striking out "or" at the end thereof;

(2) by inserting after such paragraph (9) the following:

"(10) to the extent that such debt arises from a judgment or consent decree entered in a court of record existing at the time of filing or thereafter rendered, or from a claim requiring the debtor to make restitution to, for the benefit of, or for distribution by a governmental entity as a result of a

violation of State law by the debtor, or as a result of the consent decree; or"; and

(3) in paragraph (9) as in effect immediately before the date of the enactment of the Bankruptcy Amendments and Federal Judgeship Act of 1984 by striking out "(9)" and inserting in lieu thereof "(11)".●

NAUM AND INNA MEIMAN: LIVING DAY TO DAY

● Mr. SIMON. Mr. President, Naum and Inna Meiman are a Soviet couple who reside in Moscow. They have had their phone cut, despite Inna's critical condition. They have been followed. Their conversations have been monitored. Naum was fired from his job. Their crime—the desire to emigrate to Israel.

Inna, Naum's second wife, has cancer. She is dying a slow and excruciatingly painful death. Naum is accused of having performed secret calculations for the Soviet Government—25 years ago.

The Soviets are getting only bad publicity by keeping this couple in the Soviet Union. It costs the Soviet Government very little to allow the Meimans to go to Israel.

I strongly encourage the Soviets to let the Meimans go.●

SUPPORT FOR SERVICE CONTRACT ACT AND DAVIS-BACON REFORM

● Mr. HUMPHREY. Mr. President, on May 21, 1986, I received a letter from the director of federal legislation, Mr. John Motley III, of the National Federation of Independent Business stating that the NFIB fully endorses the proposed reforms of the Service Contract and Davis-Bacon Acts in the Department of Defense authorization bill for fiscal year 1987.

The NFIB is an organization comprised of over 500,000 small business members committed to free market competition in the workplace. The proposed reforms would simplify, streamline, and lift burdensome regulations and massive red tape which serve to restrict independent businesses from aggressively engaging in the Federal bidding process. The NFIB has long been an advocate of reforming Federal prevailing wage laws, such as the Davis-Bacon Act and Service Contract Act [SCA].

The realistic changes proposed in S. 2261, the Service Contract Reform Act of 1986, will serve to correct many problems that currently plague the Service Contract Act. The purpose of the act, when it was adopted by Congress in 1965, was to prevent exploitation of workers by unscrupulous employers seeking Government service contracts. But unfortunately, over the years, the law has been misapplied and misinterpreted. The wages determined to be "prevailing" under the SCA are inflationary and add millions of dollars in unnecessary costs to Federal Government contracts. It is the American taxpayer who must foot the bill for these additional costs. In a 1983 study, GAO recommended total repeal of the SCA. The Grace Commission report recommended repeal or at the very least reform of the SCA.

The proposed reforms to both SCA and Davis-Bacon will generate greater participation in the small business community, increase efficiency in the Federal bidding process and save the Government more than $1 billion over a 5-year period. The NFIB should be praised for its deep commitment and support for legislation which goes far in improving current Federal labor law.

The letter follows:

NATIONAL FEDERATION
OF INDEPENDENT BUSINESS,
May 20, 1986.

Hon. GORDON J. HUMPHREY,
U.S. Senate, Washington, DC.

DEAR SENATOR HUMPHREY: On behalf of the more than 500,000 small business members of NFIB, I want to urge your support for reform of the Davis-Bacon and Service Contract Acts (SCA) in the Department of Defense authorization bill for FY 1987. NFIB has long championed changes in these federal contracting statutes to increase the prospect of small business participation in government bidding, as well as to reduce federal expenditures.

The thresholds for coverage under Davis-Bacon and the SCA will be increased to $1,000,000 and $200,000 respectively. Further changes will result in codification of current Department of Labor regulations with regard to Davis-Bacon, as well as modify the current manner of prevailing wage determinations under SCA. Savings are estimated at more than $1 billion over five years.

These are substantial dollar savings given the focus on deficit reduction by the Congress. Several worthwhile policy goals can be achieved through enactment of these reform provisions. A recent editorial in the *New York Times* for May 15 supports these efforts at reform of Davis-Bacon. I have enclosed a copy of the editorial for your review.

Our nation's small employers recognize and appreciate your past efforts to reform Davis-Bacon. We look forward to another successful effort this year.

Sincerely,

JOHN J. MOTLEY III,
Director of Federal Legislation.●

AVIATION SAFETY COMMISSION

● Mr. LAUTENBERG. Mr. President, I have joined as a cosponsor of S. 2417, the Aviation Safety Commission Act of 1986, introduced by the distinguished minority leader, Senator BYRD.

Mr. President, aviation safety is growing as a national concern. Our national economy and, in many ways, our way of life, depends on rapid, reliable, and safe air travel. In this age of deregulation, flying has become affordable to many who previously traveled by car, train, or bus.

In 1985, 380 million Americans flew on scheduled airlines. But, 1985 was the worst year for air safety since 1977. Fire hundred and twenty-six Americans lost their lives in aviation accidents in 1985. In addition, in 1985, there were 758 reports of near midair collisions, an increase from 5489 in 1984.

Mr. President, our air safety problems are due to multiple causes. The Federal Aviation Administration has budget problems. Admiral Donald Engen, the FAA Administrator, testified before the Senate Appropriations Committee that the Gramm-Rudman budget cuts have left his agency with resources that are not adequate to operate his agency. The Congress is attempting to provide supplemental funding in fiscal year 1986 to fill the void left by Gramm-Rudman.

The FAA has personnel problems. In 1981, the Nation had 13,205 fully experienced air traffic controllers. In 1986, with more airlines and more air travel, the FAA employs 8,770 full-performance-level controllers. In fiscal year 1985, the FAA fell 308 controllers short of its own staffing goal. In the first 6 months of fiscal year 1986, the net increase in controllers has been a mere 28. Similar problems exist among safety inspectors and technicians.

Mr. President, the FAA continues to experience problems related to the morale of the workforce. Air traffic controllers are under too much stress and are overworked. Morale in the system appears to be no better than it was at the time of the PATCO strike in 1981.

Mr. President, the Congress should continue to investigate the performance and resource needs of the FAA. But, it is also time for an independent, comprehensive examination of the functions and structure of the Federal Aviation Administration. S. 2417 provides for that examination. The Commission established by S. 2417 would be charged with taking a step back from the day-to-day controversies which arise in this agency.

S. 2417 provides for the gathering of some of the Nation's best minds, and for people with experience in complex organizations, to examine the basic structure and purposes of the FAA and its relationship to other safety agencies. This Commission will be free to go back to first principles and to ask the hard questions that need to be asked about aviation safety today.

Mr. President, S. 2417 is important legislation. I commend the minority leader for introducing this legislation and I am pleased to join him as a cosponsor.●

CAMPAIGN TO SAVE THE ABM TREATY

● Mr. LEVIN. Mr. President, the treaty that one observer has called the Magna Carta of arms control is in jeopardy. The Anti-Ballistic Missile Treaty of 1972, which President Reagan's own Scowcroft Commission called one of the most successful arms control agreements, bans the development, testing, and deployment of nationwide ABM systems and of space-, sea-, air- and mobile land-based ABM systems or components. The ABM Treaty has successfully prevented an arms race in defensive weapons for 14 years, but late last year the Reagan administration began to lay the groundwork for bringing this period of restraint to an end. They have begun to argue that the treaty permits development and testing of new—called exotic—ABM technologies, which would allow the President's Strategic Defense Initiative to conduct field tests of lasers and kinetic kill vehicles and the like.

A new organization has been formed to spearhead the defense of the ABM Treaty. The National Campaign to Save the ABM Treaty has developed a variety of well researched papers on this issue, and I commend them to the attention of my colleagues and all readers of the CONGRESSIONAL RECORD.

I ask that several of these papers be included in my remarks.

The material follows:

ANTI-BALLISTIC MISSILE (ABM) TREATY AT A GLANCE

Anti-ballistic missiles are defensive weapons designed to shoot down ballistic missiles. The United States and the Soviet Union signed the ABM Treaty in 1972 which prohibits both countries from building nationwide ABM systems. The Treaty, which is of unlimited duration, was ratified by the U.S. Senate by a vote of 88–2. It is reviewed by the U.S. and Soviet Union every five years; the next review is in 1987.

THE TREATY'S IMPORTANCE

The ABM Treaty is based on both sides' belief that nuclear war cannot be defended against, which means it cannot be won, and therefore must never be fought. The Treaty is the cornerstone of deterrence, which has prevented nuclear war for 40 years.

The Treaty enhances U.S. and Soviet security by preventing a costly and destablizing arms race in anti-ballistic missiles, and an arms race to overcome such weapons. It is "the only accord between the U.S. and Soviet Union which, until now, has limited in any true sense the arsenals of either side."—Sen. John Chafee (R-RI).

The treaty is crucial to arms control—both past agreements and present negotiations—because its limits on defensive weapons encourages limits on offensive weapons.

WHAT IT SAYS

The Treaty allows research on all kinds of ABMs, but strictly limits development, testing, and deployment in the following ways:

Nationwide ABM systems cannot be deployed, and a base for such a system cannot be provided (Article I).

Space-based ABM systems or components cannot be developed, tested, or deployed. This ban also applies to sea-based, air-based, and mobile land-based ABMs (Art.V).

Limited fixed land-based ABM systems and components based on 1972 technologies can be deployed at one site, and can be developed and tested at agreed test ranges (Arts. III, IV, Agreed Statement D, '74 Protocol).

Exotic technologies, such as lasers, can be developed and tested for fixed land-based ABM's only, and cannot be deployed at all, unless the Treaty is amended (Stmt. D).

THREATS TO IT

Reinterpretation: The Reagan Administration claims the right to interpret the Treaty in a way that allows development and testing of all exotic technology ABM systems, including space-based ones. Under this interpretation, the Strategic Defense Initiative (SDI) could proceed beyond research to field testing and development.

SDI: The program will raise serious questions of Treaty compliance with the field testing of new space-based weapons, in particular the Airborne Optical System demonstration scheduled for 1989. Transferring SDI technology to the Allies would also violate the Treaty.

ASATs and ATBMs: The Treaty covers strategic ABMs only. Other weapons, such Anti-Satellite Weapons (ASATs) and Anti-Tactical Ballistic Missiles (ATBMs), are not covered by the Treaty, but have similar technologies to ABM weapons. Both the U.S. and the Soviet Union are developing ASAT and ATBM weapons which could acquire strategic ABM capabilities in violation of the Treaty.

Radar construction: Both countries attempt to circumvent strict compliance with the Treaty through construction of sophisticated radars with some ABM capabilities. Such actions could destroy the Treaty through erosion, an outome which could be avoided by clarifying the Treaty's terms to take into account technological advances since 1972.

PUBLIC SUPPORT FOR IT

Six former Secretaries of Defense have expressed strong support for the Treaty, and have called on the U.S. and U.S.S.R. to stop the Treaty's erosion.

An ABC/Washington Post poll showed that when respondents were told SDI would violate the Treaty, opposition to SDI rose from 53 percent to 66 percent (8/85).

Congress "fully supports the declared policy of the President that a principal objective of the United States in negotiations with the Soviet Union . . . is to reverse the erosion of the [ABM] Treaty" (Levin Amendment to the FY '86 DOD Authorization Act).

THE REAGAN ADMINISTRATION'S NEW VERSION OF THE ANTI-BALLISTIC MISSILE (ABM) TREATY

The Reagan Administration now claims that the ABM Treaty permits development and testing of ABM systems "based on other physical principles." In order words, it would allow SDI to proceed beyond research to unlimited development and testing of new space-based weapons. Some have even suggested that under this view, we could put into orbit perhaps 100 anti-ballistic missile weapons and call them test systems.

In the face of vigorous opposition from the allies, Congress, and arms control advocates, the Administration has retreated somewhat, claiming that since SDI is limited to research, the new interpretation is a "moot" point. The Administration continues to claim that the new interpretation is the "fully justified" official version of the Treaty. This view puts the Treaty in serious jeopardy, since the Administration could adopt the new version at any time, proceed to develop and test SDI weapons, and render the Treaty virtually meaningless.

CONSEQUENCES OF THE NEW VERSION

It reduces the Treaty to "a dead letter," according to Ambassador Gerard Smith, Chief Negotiator of the ABM Treaty. Under the new view, the Treaty that bans nationwide ABM systems would permit full-scale development and testing of a nationwide ABM system.

By adhering to the broader view of the Treaty as a matter of law and the more restrictive view as a matter of policy, the new interpretation gives the Soviet Union the option of adopting the broader view and proceeding with full-scale defensive weapons programs in an area where we claim to be a decade behind the Soviets.

After failing to ratify the last three arms control treaties we have negotiated with the Soviet Union, "the U.S. has now unilaterally revised the last arms control treaty which it has ratified—and done so in a radical fashion which goes to the heart of the bargain," according to Ambassador Smith. Such drastic revision of a long accepted international treaty in order to facilitate a new weapons program undermines not only that agreement but also the prospects for future arms control agreements.

THE ADMINISTRATION'S ARGUMENT

The Administration argues that the Treaty's language is ambiguous and that the negotiating record suggests the Soviet Union never accepted a ban on testing space-based ABM systems based on "other physical principles." The Administration claims that Article II, which lists components of ABM systems, limits the Treaty's scope so that it covers only ABM technologies that existed in 1972. Under this reasoning, Article V bans not all space-based ABM systems, but only those that could have been built in 1972. The Administration argues that the U.S. and USSR are free to develop and test space-based ABM systems or their components based on "other physical principles," but, because of Agreed Statement D, limits on deploying them are "subject to discussion."

This new version of the Treaty is a complete reversal of the view held by every Administration until now. The 1985 Arms Control Impact Statement, submitted by President Reagan to Congress, specifically stated:

"The ABM Treaty prohibition on development, testing and deployment of space-based ABM systems, or components for such systems, applies to directed energy technology (or any other technology) used for this purpose."

THE ADMINISTRATION IS WRONG

The Treaty language is clear. Article V is an unmistakable ban. It states that "Each party undertakes not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based." It contains no exception for new technologies "based on other physical principles." Agreed Statement D does not provide that exception. It refers explicitly and only to Article III, which permits fixed land-based ABMs at one site. It tightens Article III by providing that if fixed land-based ABM systems using future technologies such as lasers are developed, limits on their deployment are to be discussed through the procedures for amending the

Treaty. A careful reading of Article II shows that it is illustrative, not definitive, in listing 1972 ABM components; it therefore does not limit the scope of Article V or any other part of the Treaty.

The Administration's view of the negotiating record is adamantly disputed by many American officials directly involved in the Treaty negotiations, including Chief Negotiator Gerard Smith, Legal Counsel to the negotiating team John Rhinelander, Ret. Gen. Royal Allison, Prof. Albert Carnesale, Raymond Garthoff, and Spurgeon Keeny.

The Soviets have explicitly confirmed their view that Article V completely bans developing space-based ABM systems. As Marshall Akhromeyev, Chief of the Soviet General Staff, stated in a recent article:

"Article V of the Treaty absolutely, unambiguously bans the development, testing and deployment of ABM systems or components of space or mobile ground basing and, moreover, regardless of whether these systems are based on existing or 'future' technologies."

The Senate's approval of the Treaty was based on the negotiators' view of it. This view was clearly presented by top officials of the Nixon Administration and was understood by all, including critics like Sen. Jackson, who voted for the Treaty, and Sen. Buckley, who voted against it largely because he recognized that Article V, "would have the effect, for example, of prohibiting the development and testing of a laser type system based in space . . . " (Senate floor debate, 8/3/72)

Even if the Reagan Administration's present view were accurate, it could not override the understanding of the Treaty on which the Senate acted. The Administration's new version amounts to an amendment to the Treaty, and the law is clear that treaty amendments require Senate approval.

The Treaty wisely established the Standing Consultative Commission (SCC) for the specific purpose of resolving ambiguities, which inevitably crop up in a complex document. The SCC has proved to be a useful forum for clarifying the Treaty on many occasions since 1972. It should be used in this case, rather than the unilateral revision which the Administration has undertaken.

CHRONOLOGY OF EVENTS RELATING TO THE REINTERPRETATION OF ABM TREATY

April 4.—Heritage Foundation "backgrounder" (17 pp.) argues that ABM Treaty (ABMT) does not restrict development or deployment of SDI. Paper written by "a scholar, currently employed in the administration, who requests anonymity."

July 25.—During Sen. Armed Services Comm. Confirmation Hearing for Undersecretary of Defense Designate Hicks, Sen. Levin requests DOD to respond to questions concerning precise definitions of terms under ABMT.

Sept.—DOD staff attorney Philip Kunsberg completes 19 page report reinterpreting ABMT. Sec. of State Shultz asks State Dept. Legal Adviser Abraham Sofaer to review Kunsberg's reinterpretation.

Oct. 3.—Sofaer memo to Shultz and Nitze supports Kunsberg's conclusions in general, but differs in finding that ABMT does ban deployment of space-based ABM systems.

Oct. 4. Reinterpretation considered at White House meeting of Special Arms Control Policy Group (SAC-G), a committee of top officials from DOD, ACDA, State, and NCS, chaired by McFarlane.

Oct. 6.—McFarlane on "Meet the Press" reveals new interpretation.

Oct. 8 White House Briefing confirms McFarlane reinterpretation.

Oct. 9.—NATO officials question Nitze sharply in Europe concerning reinterpretation.

Rep. Fascell releases statement arguing that new version is "incredible" and "would legitimize Soviet anti-ballistic missile defense activities."

Oct. 11.—Thatcher and Kohl letters criticizing the reinterpretation arrive. Reagan meets with Weinberger, Shultz, Adelman, and McFarlane. National Security Decision Directive (NSDD) ordered to be drawn up outlining new policy. Smith, Rhinelander, and Keeny hold press conference. Contend that new version misinterprets and repudiates ABMT.

Oct. 14.—Shultz speaks to North Atlantic Assembly in San Francisco. Declares that reinterpretation is "fully justified," yet traditional interpretation will remain official policy. Reps. Fascell and Dicks deplore ambiguities in Shultz's position.

Oct. 15.—Shultz assures NATO foreign ministers in Brussels that US will abide by stricter interpretation of the ABM Treaty.

Oct. 19.—Soviet Marshal Akhromeyev endorses strict interpretation and criticizes the Reagan Administration for "distorting the essence" of ABMT.

Oct. 22.—House Foreign Affairs Subcomm. on Arms Control Hearing: Sofaer explains new legal interpretation; Nitze answers questions; Smith, Rhinelander, and Earle support strict interpretation.

Sen. Floor Speeches: McClure, Hecht, Wilson, Symms, and Mattingly denounce traditional interpretation.

Oct. 24.—Soviet Foreign Minister Shevardnadze at the U.N. condemns the new legal interpretation as "inadmissible" and "arbitrary."

Sen. Floor Speeches: Bumpers, Chafee, Kerry, Leahy, Mathias, and Stafford support strict ABMT interpretation.

Oct. 30.—Sen. Armed Services Comm. Hearing: Abrahamson and Ikle support reinterpretation.

Oct. 31.—Sen. Foreign Relations Comm. Hearing: Weinberger supports reinterpretation, stating it permits SDI deployment, and confirms that Levin's questions at Hick's hearing prompted DOD review of ABMT.

Nov. 12.—Sen. Foreign Relations Comm. Hearing: Smith, Rhinelander, and Perle testify on reinterpretation.

Sen. Floor Speeches: Chafee, Danforth, Gore, Proxmire, and Simon support strict interpretation.

Nov. 16.—Weinberger letter urges President to avoid summit agreement on strict interpretation of ABMT.

Nov. 21.—Sen. Armed Services Subcomm. on Strategic Nuclear Forces Hearing: Sofaer, Smith, and Rhinelander testify.

Dec. 7.—US and UK sign agreement to participate in SDI research. British officials express concern over new interpretation.

1986

March 17.—Speech by British Foreign Minister Sir Geoffrey Howe: President Reagan "has wisely decided, in a step which bears the hallmark of statesmanship, to conduct the SDI within the restrictive interpretation."

March 25.—Senate Armed Services Subcomm. Hearings: Perle urges abandoning traditional interpretation, argues new version is the only "legally correct" one and is necessary for Congress to "make an intelligent decision" on the future of SDI. Sens. Hart, Levin, and Nunn object to Sofaer's refusal to make Treaty negotiating record available to the Committee.

May 18.—Fiscal Year 1987 Arms Control Impact Statement released, stating that the Reagan administration will adhere to the longstanding interpretation "as long as the (SDI) program receives the support necessary to implement its plan."

May 26.—Seven principal treaty negotiators declare their support for the longstanding interpretation and state that "the Treaty's text unmistakably bans the development and testing, as well as deployment, of all space-based strategic defenses."

LEGAL ISSUES RELATING TO REINTERPRETING THE ANTI-BALLISTIC MISSILE (ABM) TREATY

SUMMARY

The Reagan Administration's proposed new version of the ABM Treaty contradicts the ordinary meaning of the text, the Treaty's negotiating record, United States legislative history, and the subsequent practice of the US and Soviet Union. The reinterpretation also raises questions about whether the Administration is attempting to amend the Treaty without Senate approval or Soviet agreement as required by domestic and international law.

LEGAL ISSUES

Under established legal practice, disputes over the meaning of a treaty are resolved by considering the following:

1. The ordinary meaning of the text in light of the treaty's overall purpose;
2. The treaty's negotiating record—what the parties meant by the text;
3. US legislative history—the Senate's understanding of the treaty when considering whether to approve it; and
4. The subsequent practice of the parties in observing the treaty after it took effect.

The Reagan Administration's new version of the ABM Treaty fails each of these tests, which raises an additional legal issue: does the Administration's reinterpretation amount to amending the Treaty without the approval of the other party (the Soviet Union) and without the Senate's approval as required by US law?

1. THE ORDINARY MEANING OF THE TREATY TEXT

A Treaty is to be interpreted "in accordance with the ordinary meaning to be given its terms in their context and in light of its objects and purpose," states the American Law Institute (ALI) Restatement of the Law, a widely recognized expression of established legal principles (Restatement, 4/12/85, Section 325).

Context: The context of the ABM Treaty is clear from the Treaty's Preamble which states that "effective measures to limit anti-ballistic systems would be a substantial factor in curbing the race in strategic offensive arms" and in decreasing the risk of nuclear war. The historical context provides an unmistakable link between limiting defensive weapons and limiting offensive ones. The Treaty was negotiated as part of the SALT I effort to limit offensive weapons, and is considered to be essential not only to the SALT I agreement that was signed and approved by Congress, but also to the possibility of future limits on offensive weapons.

Purpose and Key Provisions:

The overriding purpose of the ABM Treaty is to prevent either side from obtaining a nationwide ABM system. The Treaty is proscriptive in nature: it bans nationwide ABM systems with two sweeping, unequivocable statements: (1) neither side shall deploy a nationwide ABM system or "provide a base" for one (Article I), and (2) nei-

ther side shall "develop, test or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based" (Article V).

The Treaty then permits one exception to the general ban on ABM systems: each side can deploy a limited fixed land-based ABM system at one site, and can conduct limited development and testing of such systems at specified test ranges (Articles III and IV and '74 Protocol). To prevent more powerful ABM systems based on new technologies from taking advantage of this exception and undercutting the ban on nationwide systems, the Treaty also provides that the deployment of fixed land-based ABM weapons based on technologies developed after 1972 would be subject to the Treaty's procedures for consultation and amendment (Agreed Statement D).

Reagan Administration Argument:

The Administration argues that the Treaty permits the development and testing of space-based and other mobile ABM weapons using new technologies. The argument is based on the Administration's reading of Article II which defines an ABM system and lists the components that ABM systems "currently" (in 1972) consisted of: ABM missiles, launchers, and radars. SDI research involves new technology ABM weapons that consist of different components such as sensors (rather than radars) and lasers (rather than missiles); the Administration argues that the development and testing of such new components is not covered by the Treaty.

As State Dept. Legal Adviser Judge Abraham Sofaer has said, the Administration's argument hinges on whether Article II provides a functional definition or an exclusive definition of ABM systems. Under a functional definition, the Treaty covers any ABM components (including those based on new technologies) that perform similar functions to the components listed in Article II. Under an exclusive definition, the Treaty would cover only those ABM components that existed in 1972: the Article II definition would exclude ABM components based on new technologies.

The Administration's argument flies in the face of the ordinary meaning of the text of Article II, as well as then Secretary of State Rogers' clear statement that "Article II(1) defines an ABM system in terms of its function." Article II defines ABM systems and then contains a crucial, deliberately placed comma; the relevant part of Article II reads as follows: "For the purpose of this Treaty an ABM system is a system to counter strategic ballistic missiles or their elements in flight trajectory, currently consisting of . . ." (emphasis added). Article II then lists the 1972-era components: ABM missiles, radars, and launchers.

For the phrase "currently consisting of" to limit the Treaty's coverage, as the Administration argues it does, it would have to read differently. The comma and the word "currently" would have to be replaced by the word "and." This change would tie the phrase tightly enough to the definition to limit it to 1972-era ABM components. But US Treaty negotiators have said that they deliberately insisted that the Treaty read precisely as it does, with the comma and the word "currently," so that the listing of ABM components which follows is illustrative of what such components consisted of in 1972, rather than a comprehensive listing of the only ABM components which the Treaty could cover.

In light of its context and its text, the ABM Treaty's clear purpose is to place major limitations on ABM weapons and encourage limits on offensive weapons. The Reagan Administration's new version of the Treaty would open a barn-door loophole that would allow large-scale development and testing of SDI, which the Soviets have repeatedly said would lead to a massive escalation of the arms race, including an arms race in offensive weapons. Thus, the Administration's new version of the Treaty is clearly contrary to the Treaty's ordinary meaning in light of its context and purpose. The Administration's position leads to the absurd conclusion that the ABM Treaty permits the development of powerful advanced technology ABM weapons and prohibits the development of ABM weapons using existing technologies.

2. TREATY NEGOTIATING RECORD

The negotiating record of a treaty consists of classified documents relating to the actual negotiations between the parties. The Reagan Administration argues that the negotiating record of the ABM Treaty justifies its new interpretation. But it has refused to show the relevant parts of the negotiating record to Senators on the Armed Services Committee who have requested to see it, and who have clearance to review classified material.

With the negotiating record unavailable, the public has to rely on the views of Treaty negotiators who created that record. In formulating its new interpretation, the Reagan Administration consulted none of the Treaty's negotiators except Paul Nitze who currently serves in the Administration. Such consultation would have indicated that many top-level US negotiators of the Treaty emphatically disagree with the Administration's reinterpretation. For example:

Gerard Smith, Chief US Negotiator, has denounced the new interpretation as erroneous and concluded: "If somebody said to me that I had shut the front door on current technology and left the back door open on new technology, I think President Nixon would have shot me." (Wall Street Journal, 10/22/85)

John Rhinelander, Legal Advisor to the US negotiating team, wrote in his 1974 book that the Treaty's effect on exotic ABMs is to "limit their development and testing to those in a fixed land-based mode." More recently, he has written that "Article II(1), including the comma and the words 'currently consisting of', was approved by the entire US delegation to make clear the Treaty was based on a functional approach." ("ABM Treaty Interpretation Dispute," House For. Aff. Subcomm. on Arms Control Hearings, 10/22/85, p. 172)

Lt. Gen. Royal Allison, the senior military official on the negotiating team: "Nowhere did I understand that we retained the right to development and full-scale testing of new systems. . . . I didn't have any doubt in my mind as to what the Soviets approved." (Wash. Post, 10/22/85)

Raymond Garthoff, who was involved in negotiating the text of Agreed Statement D: "There is no question in my mind that there was an identity of view among the American and Soviet negotiators" that Agreed Statement D (covering exotic deployment) did not override the ban on space-based ABM development in Article V. (Congressional Research Service interview, cited in CRS paper, "ABM Treaty: The Soviet View," 10/25/85)

Albert Carnesale, "Having been through the negotiations myself, having been on the [relevant] subgroup there, my understanding of the treaty has always been invariant: Article 5 means what it says, and prohibits development and testing regardless of the nature of the technology." (Science, 11/8/85)

3. US LEGISLATIVE HISTORY

Although negotiating records are classified, US legislative history is available, and is highly relevant to resolving disputes of Treaty interpretation under established legal practice. According to the ALI Restatement of the Law, when the President submits a treaty to the Senate for approval, his letter of transmittal is an important part of the legislative history, as are the Senate debates. The Restatement concludes that when he interprets treaties, the President "must respect" what he considers to be the Senate's general understanding of the treaty as revealed in its legislative history (Section 314).

The ABM Treaty's legislative history clearly indicates the Senate's understanding that the Treaty banned the development and testing of space-based exotic ABM weapons. Such evidence comes from the President's letter of transmittal, from statements by top level US officials under careful questioning by Senators, and from the floor debate.

President's Letter of Transmittal: President Nixon submitted the ABM Treaty to the Senate for its approval in a letter of transmittal that incorporated an accompanying Report by Secretary of State Rogers to the President. Secretary Rogers' report states unequivocally that: "*Article II(1) defines on ABM system in terms of its function* . . . noting that such systems 'currently' consist of ABM interceptor missiles, ABM launchers and ABM radars" (emphasis added). Under the functional definition as explained above, the Treaty covers both current and future ABM systems.

Senate Armed Services Committee Hearings:

Defense Dept. Written Statement elaborating on Defense Secretary Laird's response to a question about exotic ABM development: "There is . . . a prohibition on the development, testing, or deployment of ABM systems which are space-based . . . there are no restrictions on the development of lasers for fixed land-based systems." (6/6/72, pp. 40–41)

Dr. Foster, Undersecretary of Defense, in an exchange with Sen. Henry Jackson (D-WA) about lasers: "You can develop and test up to the deployment phase of future ABM systems components which are fixed and land-based . . ."

Sen. Jackson: ". . . but it says each party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based."

Dr. Foster: "That is correct." (6/22/72, p. 275)

Gen. Palmer, Acting Army Chief of Staff: "We can look at futuristic systems as long as they are fixed and land-based . . . that was a fundamental part of the final agreement." (6/19/72, p. 443)

Senate Floor Debate: Sen. James Buckley (Cons.-NY): in explaining his decision to vote against the Treaty, stated: "Thus the agreement goes so far as to prohibit the development of sea-, air, or space-based ballistic missile defense systems. This clause, in Article V of the ABM Treaty, would have the effect, for example, of prohibiting development and testing of a laser type system based in space. . . ." (Cong. Record, 8/3/72, p. S26703)

Reagan Administration Argument: The Reagan Administration argues that the legislative history is "mixed" and offers "fairly consistent support" for the new interpretation. But every statement cited by the State Dept.'s Legal Advisor in support of the new interpretation refers only to the Treaty's ban on the deployment of exotic ABM weapons. The Administration argues by implication that development and testing are allowed because they are not mentioned in the statements it cites. None of those statements explicitly deal with the key issue of whether development and testing of space-based exotic ABM weapons is allowed, which is the heart of the matter. None of the statements cited by the Administration are directly on point. They are all silent on the crucial issue.

But, as shown in the examples above, statements in the legislative history which do go to the heart of the matter are not silent. When Senators and defense officials focused on the key question of what kind of activity is permitted for exotic space-based ABMs, they answered that question clearly, unequivocally, and specifically: development and testing of exotic ABMs is limited to fixed land-based weapons, and is banned for space-based weapons. The Reagan Administration offers not one statement from the legislative history that specifically contradicts this view of the Treaty.

4. SUBSEQUENT PRACTICE OF THE PARTIES

The ALI Restatement of the Law holds that subsequent practice between the parties to a treaty "is to be taken into account in interpreting the agreement" (Section 325). The 1968 Vienna Convention on Treaties, which is recognized by the US as an authoritative statement on customary international law, also states that subsequent practice shall be considered.

Subsequent US and Soviet Practice: Since 1972, both the US and Soviet Union have complied with the traditional interpretation of the ABM Treaty which bans the development and testing of space-based exotic ABMs. Asked by Rep. Norman Dicks whether there was any evidence that either country had violated the traditional interpretation, Ambassador Paul Nitze, Special Assistant to the President for Arms Control Matters, answered that there was no such evidence. ("ABM Treaty Dispute" Hearings, p. 38)

Subsequent US and Soviet Interpretations:

The US View: Every US Administration since 1972 has understood the Treaty to ban the development and testing of space-based exotic ABMs. The official US position is contained in the President's annual arms control report to Congress which is jointly prepared and agreed upon by all interested government agencies including the Pentagon and the State Department. This Report, known as the Arms Control Impact Statement (ACIS), has clearly stated—in every year since the first report in 1978—that exotic development is allowed only for fixed land-based ABMs. For example, the ACIS report for FY85 states that:

". . . the Treaty allows development and testing of fixed land-based ABM systems and components based on other physical principles. . . . The ABM Treaty prohibition on development, testing and deployment of space-based ABM systems, or components for such systems, applies to directed energy technology (or any other technology) used for this purpose."

The Soviet View: Chief of the Soviet General Staff Marshall Akhromeyev has affirmed publicly that "Article V of the Treaty absolutely, unambiguously bans the development, testing, and deployment of ABM systems or components of space or mobile-ground [systems] . . . that are based on existing or future technology." (10/19/85)

Reagan Administration Argument:

In arguing that this traditional interpretation of the Treaty "has never been uniformly accepted," the State Dept. Legal Adviser cites a general statement about exotic ABMs from a short introduction to the ABM Treaty text in a publication issued periodically by the Arms Control and Disarmament Agency. The page and a half introduction carries very little weight in comparison to the President's annual report which is required by law and approved by top Administration officials. And once again the statement cited by the Administration is not directly on point. It is totally silent on the specific question of whether the Treaty bans the development of space-based exotic ABMs.

Although the Administration argues that the classified negotiating record indicates that the Soviet Union did not clearly agree to ban the development and testing of exotic space-based ABMs, the US Treaty negotiators cited above emphatically believe that the Soviets did agree to do so. The Administration is unable to offer any Soviet statements or actions as evidence that the Soviets have ever believed the Treaty allowed the development of exotic space-based ABM systems.

CONCLUSION

". . . the United States has now unilaterally revised [the ABM Treaty] in a radical fashion which goes to the heart of the bargain."—Gerard Smith, Chief US Negotiator (10/22/85)

The Administration argues that rather than changing the meaning of a treaty fourteen years later, it has simply discovered the Treaty's true original meaning by examining the negotiating record. The problem with this view is that it is contradicted by the ordinary meaning of the Treaty's text, the negotiator's views, US legislative history, and the subsequent practice of the parties. If the true meaning of the Treaty is in fact what virtually everyone had considered it to be before the Administration presented its new version in October, 1985, then the new version amounts to a major amendment of the Treaty, which raises serious questions of constitutional and international law.

Under established legal practice, the US must take two steps in order to amend a treaty. It must: (1) obtain the other party's approval of the amendment, and (2) submit the new version of the Treaty to the Senate for its approval (ALI Restatement of the Law, Section 334). the Reagan Administration has made no effort to take either of these steps.

The ABA Treaty established the Standing Consultative Commission (SCC) for the explicit purpose of resolving disputes relating to the Treaty, and the SCC has successfully facilitated resolving such disputes in the past. (See Campaign's Fact Sheet on the SCC.) But State Dept. Legal Advisor Sofaer has testified that, as far as he knows, the Administration did not discuss its reinterpretation with the Soviets in the SCC before publicly announcing it, and Ambassador Nitze has stated that the SCC Commissioner has not been given the authority to raise the issue. ("ABM Treaty Dispute" Hearings, pp. 42, 347)

Regarding the legal requirement of Senate approval of Treaty amendments, the Reagan Administration has taken no steps to obtain such approval and has refused to show the Treaty's negotiating record to Senators who have requested it in order to make an independent judgment about the Administration's reinterpretation. Although differing interpretations of domestic law are usually resolved through litigation, the courts might decide that a major issue involving an international treaty is a political question best resolved by other branches of government. Congress could resolve this issue through its power of the purse by requiring that no funds be spent on programs that would violate the traditional interpretation of the ABM Treaty.

STATEMENT BY ABM TREATY NEGOTIATORS SUPPORTING THE ESTABLISHED INTERPRETATION OF THE TREATY

As negotiators of the 1972 ABM Treaty with the Soviet Union, we reaffirm our support for the Treaty on the fourteenth anniversary of its signing. We concur with the view of six former Secretaries of Defense that this international agreement of unlimited duration makes an important contribution to American security and to reducing the risk of nuclear war.

We wish to confirm our view that the Treaty prohibits the development and testing, as well as deployment, of all space-based and other mobile-based ABM systems and components, regardless of whether they use 1972-era or newer technologies. This view of the Treaty is clear from the ordinary meaning of the Treaty text, the Treaty's negotiating record, the United States legislative history, and the subsequent practice of both the US and the Soviet Union. We believe that a careful reading of the classified negotiating record will support our position.

We are convinced that the Soviet negotiators shared our view that the Treaty bans the development, testing, and deployment of all space-based ABM systems and components. For fourteen years, Soviet statements and actions have been consistent with this view, and Ambassador Paul Nitze has testified that the Soviets have not violated the Treaty's clear ban on developing space-based exotic ABMs.

The Treaty's text unmistakably bans the development and testing, as well as deployment, of all space-based strategic defenses. Article V does so in unequivocal language that allows no exceptions. Agreed Statement D was intended to prevent fixed land-based ABM weapons using new technologies from being deployed in a way that could lead to a nation-wide ABM system. It further restricts the Article III exception to the general ban on nationwide ABM systems, an exception which permits a limited, single site, fixed land-based ABM system. To interpret Statement D in a way that would eviscerate Article V's ban on space-based ABMs, as some have suggested, would be tantamount to withdrawing from the Treaty. The language of Article II clearly indicates that the listing of 1972-era ABM components is illustrative, not definitive. Hence, Article II does not limit Article V's ban on ABM development, testing, and deployment to those ABM technologies known in 1972.

We believe that the Treaty's clear ban on the development and testing of all space-based ABM systems and components is crucial to its viability as a valuable agreement that promotes American security and could

lead to progress in limiting US and Soviet strategic weapons. We commend President Reagan for abiding by this traditional view of the Treaty and urge him to continue to do so.

(Signed)

POSITION ON SALT I DELEGATION:

Amb. Gerard C. Smith, Former Ambassador-at-Large; Former Director, Arms Control and Disarmament Agency (ACDA)—Head of SALT I Delegation.

Hon. Harold Brown, Former Secretary of Defense—Delegate-at-Large.

Amb. J. Graham Parsons, Former Ambassador to Sweden and Laos—Deputy Chairman of the SALT I Delegation.

Hon. Philip J. Farley, Former Deputy Director of ACDA—Alternate Chairman for SALT I Delegation.

Amb. Raymond L. Garthoff, Former Ambassador to Bulgaria; Senior Fellow, Brookings Institution—Executive Secretary of SALT I Delegation.

Hon. John B. Rhinelander, Former Deputy Legal Advisor of State Department—Legal Advisor to Delegation.

Dr. Lawrence D. Weiler, Former Counselor of ACDA—Advisor to the Chief Negotiator.

SELECTED QUOTATIONS ON REINTERPRETING THE ABM TREATY

Reagan Administration:

"It is our view, based on a careful analysis of the Treaty text and negotiating record, that a broader interpretation of our authority is fully justified. . . . [However,] our SDI research program has been structured and . . . will continue to be conducted in accordance with a restrictive interpretation of the treaty's obligations.—George Shultz, US Sec. of State (New York Times, 10/15/85)

This [longstanding] reading of the Treaty is plausible, but it is not the only reading; on the contrary, it has serious shortcomings."—Judge Abraham Sofaer, State Dept. Legal Advisor, House For. Aff. Comm. 10/22/85

Sen. Carl Levin (D-MI): Now, you said this morning that the broader interpretation is the only version we [the US] recognize to be legally correct. That was your testimony this morning?

Richard Perle: That is right.—Testimony (Sen. Armed Services Comm. Hearing, 3/25/86)

Soviet Position:

It is "inadmissible to interpret [treaties] in a unilateral and arbitrary manner. . . . What could be unclear about this [Article V's ban on space-based ABMs]?—Eduard Shevardnadze, Soviet Foreign Minister (Wash. Post, 10/25/85)

"Such [new] 'interpretations' of the ABM Treaty, to put it mildly, are deliberate deceit. They contradict reality. . . . Only this [the restrictive interpretation] and no other interpretation of the key provisions of the ABM Treatly. . . . was worked out and adopted by the two sides in the course of talks on this treaty."—Marshal Sergei Akhromeyev, Chief of the Soviet General Staff (Wash. Post, 10/25/85)

Rep. Norman Dicks (D-WA): ". . . is there any evidence either the US or the Soviet Union have violated the restrictive interpretation? I recall your answer was [a week earlier in San Francisco] an unequivocal no. . . ."

Paul Nitze: That was my response to you at the time, I believe that to be correct."—Testimony (House For. Aff. Subcomm., 10/22/85)

"The Soviets accepted this [Traditional] interpretation during the negotiations. . . . They have not taken any actions or made any official statements inconsistent with this interpretation."—John Rhinelander, Legal Advisor to US SALT I delegation (Arms Control Today, 10/85)

Arms Control Experts:

"This radical change . . . was apparently accomplished in secrecy without consultation with the Congress or US allies . . . "—Gerard Smith, (Letter to the Editor, NY Times, 10/23/85)

"Nowhere did I understand that we retained the right to development and full-scale testing of new systems. . . . I didn't have any doubt in my mind as to what the Soviets approved."—Lt. Gen Royal Allison, Former ABM Treaty Negotiator (Wash. Post, 10/22/85)

"This rationale [for the new version] is absurd as a matter of policy, intent, and interpretation."—John Rhinelander, Legal Advisor to US SALT I negotiating team, (House For. Aff. Subcomm. Hearing, 10/22/85)

"It is not clear whether the [new version of the ABM Treaty] . . . reflects incredibly shabby research and analysis done in haste or whether it represents a studied and disingenuous attempt to rewrite history."

"The Senate was absolutely clear beyond any doubt that this [the longstanding interpretation] was the interpretation on which it based its ratification. So I see deep constitutional] problems, a usurpation by the executive of the congressional role."—Alton Frye, Washington Director of the Council on Foreign Relations (Christian Sci. Mon., 10/17/85)

President Reagan's Scowcroft Commission called the Treaty "one of the most successful arms control agreements" and urged "extreme caution" in proceeding with ABM development beyond the bounds of the Treaty because of "the criticality of the ABM Treaty to further arms control agreements." (4/6/83)

Members of Congress:

"Frankly, I find the administration's new interpretation incredible. . . . [It] would legitimize Soviet antiballistic missile defense activities which the administration has been so critical of in recent days."—Rep. Dante Fascell, D-FL, Chairman House Foreign Affairs Committee (Press Release, 10/9/85)

The new version is "tantamount to revocation by theologians of the New Testament."—Sen. William Cohen, R-ME (NY Times, 10/31/85)

"This revision sets a dangerous precedent in our handling of international agreements and threatens the future of arms control. . . . This revision renounces history."—Sen. John Danforth, R-MO (Cong. Rec., 10/12/85)

"The President's recent redefinition of the meaning of the ABM Treaty has, I fear, effectively destroyed its value as a means of controlling new technologies that can undermine arms control. And the new interpretation of agreed statement D is preposterous."—Sen. Albert Gore, D-TN (Cong. Rec., 10/12/85)

"We have come up with . . . a revisionist theory of history. We do not like it [the ABM Treaty], so we therefore go back and reinterpret it in order to accommodate whatever plans we have."—Sen. Gary Hart, D-CO (Sen. Armed Services Subcomm. Hearing, 10/30/85)

"I think your new interpretation is off the wall."—Sen. Carl Levin, D-MI (Sen. Armed Services Subcomm. Hearing, 10/30/85)

The Reagan Administration has "redefined this treaty against established customs and usage, and I might add against the understanding at the time of the [1972] Senate hearings."—Rep. Norman Dicks, D-WA (House For. Aff. Subcomm. Hearing, 10/22/85)

Allies:

"The President . . . has wisely decided, in a step which bears the hallmark of statesmanship, to conduct the SDI within the restrictive interpretation."—Sir Geoffrey Howe, British Foreign Minister (London Speech, 3/17/86)

"I think there is a general sense in the allied governments that it is well to stick with the interpretation of the ABM Treaty that we have been using . . ."—George Shultz, US Sec. of State (NY Times, 10/25/85)

"Our stance toward SDI research is rooted in the need to conform strictly with the provisions of the ABM Treaty"—Canadian Sec. of State Joe Clark (House of Commons Statement, 1/23/86)

". . . personal letters from West German Chancellor Helmut Kohl and British Prime Minister Margaret Thatcher [to the White House] . . . claimed (in "hysterical" terms, one participant told us) that the policy announced by McFarlane [reinterpreting the Treaty] was intolerable in Europe."—Evans and Novak (Wash. Post, 10/21/85)

Columnists and Editorials:

"[McFarlane's reinterpretation] was a shocking statement. . . . the ABM Treaty is worth saving."—LA Times Editorial (10/16/85)

"For 13 years the treaty has been universally understood to mean what it says. . . . Now the claim is that it means the opposite. Out is in. Down is up. . . . [The new version] ought to embarrass the most brazen lawyer in town."—Anthony Lewis (NY Times, 10/14/85)

"I submit that the new administration position is, at the least, painfully labored. . . . [it] cuts across the professed American eagerness to gain firmer Soviet compliance with the ABM Treaty."—Stephen Rosenfeld (Wash. Post, 10/11/85)

"This tortured reading [referring to the new version] is ill-founded . . .; it also flies directly in the face of the clear unambiguous language of Article V. . . . The fundamental issue here is not what words may be read to mean, but what constitutes good faith between nations."—Tom Wicker, columnist (NY Times, 10/25/85)

The National Campaign to Save the ABM Treaty is a nonpartisan coalition of national organizations, arms control groups, and distinguished individuals including former government officials, military officers, and leading authorities in the arms control and national security field.

The Campaign Chairman is Ambassador Gerard C. Smith, Chief Negotiator of the ABM Treaty and the SALT I Agreement. Morton Halperin, former Deputy Assistant Secretary of Defense, chairs the Campaign's Steering Committee, which consists of representatives of the eleven affiliated organizations. The Campaign's 86 Sponsors are listed below, along with the member organizations.

The National Campaign seeks to educate government officials and the general public about the value of the ABM Treaty, the dangers that U.S. and Soviet military programs present to it, and the consequences for our security should the Treaty be terminated. The National Campaign carries out its educational work by developing and distributing printed materials on the ABM issue, promoting its views in the media, and

coordinating the activities of its sponsors and affiliated organizations on the issue of preserving the ABM Treaty.

CAMPAIGN SPONSORS

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Member Organizations: Arms Control Association, Center for Education on Nuclear War, Common Cause, Council for a Livable World, Federation of American Scientists, Lawyers Alliance for Nuclear Arms Control, League of Women Voters, Physicians for Social Responsibility, Professionals' Coalition for Nuclear Arms Control, SANE, Union of Concerned Scientists.

APPOINTMENT OF CONFEREES—H.R. 2211

Mr. CHAFEE. Mr. President, I ask the minority leader if he is ready to proceed with the appointment of conferees on H.R. 2211?

Mr. BYRD. Mr. President, I beg the Senator's pardon, if he will indulge me momentarily.

Mr. President, we are ready on this side to proceed.

Mr. CHAFEE. Mr. President, I ask that the Chair appoint conferees on the part of the Senate on H.R. 2211, the bankruptcy judges bill.

There being no objection the Chair appointed Mr. THURMOND, Mr. HATCH, Mr. GRASSLEY, Mr. DECONCINI, and Mr. HEFLIN, conferees on the part of the Senate.

Mr. CHAFEE. Mr. President, it is my understanding the minority leader has a resolution.

The PRESIDING OFFICER. The minority leader.

ENGROSSMENT OF SENATE RESOLUTION 422

Mr. BYRD. Mr. President, on behalf of Mr. KENNEDY I ask unanimous consent that in the engrossment of Senate Resolution 422 the text of the resolution shall read as follows: And I send the matter to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text follows:

S. RES. 422

Whereas on June 8, 1986, the Boston Celtics won the National Basketball Association Championship for 1986;

Whereas since 1946, under the leadership of Red Auerbach, the Boston Celtics have won sixteen world championships, three times as many as any other team in the history of the National Basketball Association;

Whereas in winning forty home games and losing only one home game during the 1986 regular season, the Boston Celtics have set a new National Basketball Association record for regular season home court victories;

Whereas K.C. Jones, in his third season as Coach of the Boston Celtics, has won his second world championship and has won more than sixty games in each of his three seasons;

Whereas Larry Bird of the Boston Celtics was named the Most Valuable Player in the National Basketball Association in 1986 for the third consecutive season;

Whereas Red Auerbach, K.C. Jones, Larry Bird, Dennis Johnson, Robert Parish, Kevin McHale, Danny Ainge, and Bill Walton have made the Boston Celtics of 1986 one of the greatest professional sports teams of all time;

Resolved, That the Senate of the United States of America joins with basketball fans in Massachusetts and across the nation in honoring the Boston Celtics for winning the National Basketball Association Championship for 1986.

CALENDAR

Mr. CHAFEE. Mr. President, I inquire of the minority leader if he is in position to pass any of the following calendar items:

Calendar No. 670, Senate Joint Resolution 169; Calendar No. 671, Senate Joint Resolution 196; Calendar No. 672, Senate Joint Resolution 304; Calendar No. 673, Senate Joint Resolution 346; Calendar No. 674, Senate Joint Resolution 350; and Calendar No. 675, House Joint Resolution 479.

If the minority leader is ready, I ask unanimous consent that the calendar items just identified be considered en bloc and passed en bloc and all committee amendments and preambles be considered and agreed to.

Mr. BYRD. Mr. President, the calendar orders that have been identified by the distinguished acting Republican leader have been cleared on this side. There is no objection to the numerous requests that have been made by the acting leader.

RELATIVE TO THE BICENTENNIAL OF THE FIRST PATENT AND COPYRIGHT LAWS

The joint resolution (S.J. Res. 169) to commemorate the bicentennial anniversary of the first patent and the first copyright laws was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 169

Whereas the Constitution empowers Congress "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries";

Whereas the enforcement of this constitutional principle through specific patent and copyright laws merits special recognition;

Whereas the first patent bill signed into law on April 10, 1790, and the first copyright bill was signed into law on May 31, 1790, and we will recognize the bicentennial anniversary of these laws in 1990: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That special recognition be given during 1990, the bicentennial year of the first patent and the first copyright laws, and the President is authorized and requested to issue a proclamation upon the enactment of this joint resolution calling upon the people of the United States to foster such recognition through appropriate educational and cultural programs and activities.

AMERICAN BUSINESS WOMEN'S DAY

The joint resolution (S.J. Res. 196) designating September 22, 1986, as "American Business Women's Day" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 196

Whereas the American Business Women's Association is a national educational association that promotes professional and educational advancement for women;

Whereas the American Business Women's Association awarded $2,900,000 in scholarships to over six thousand women in 1984, and has awarded more than $18,000,000 in scholarships since 1949;

Whereas the American Business Women's Association has more than one hundred and ten thousand members and two thousand one hundred chapters throughout the United States and its territories;

Whereas the American Business Women's Association encourages women to expand horizons, diversify skills, and set higher personal and career goals; and

Whereas Congress recognizes the important contributions of American businesswomen to our Nation's continuing vitality: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled, That September 22, 1986, is designated "American Business Women's Day". The president is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.

NATIONAL ARTS WEEK

The joint resolution (S.J. Res. 304) to designate the week of November 22, 1986, as "National Arts Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 304

Whereas the performing arts, the visual arts, and literature are central to human expression;

Whereas our identity as a people and as a nation is expressed through the arts;

Whereas support of the arts has been a partnership of Federal, State, and local government entities, business, and individuals;

Whereas a congressionally declared National Arts Week provides a focal point to celebrate the diverse cultural heritage of the United States and the vitality of contemporary writers, artists, and performers; and

Whereas a congressionally proclaimed National Arts Week brings together the public and private sectors to restate support of the arts: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 16, 1986, through November 22, 1986, is designated as "National Arts Week" and the President is authorized and requested to issue a proclamation calling upon the citizens of the United States to observe such week with appropriate programs and activities.

NATIONAL SAVE AMERICAN INDUSTRY AND JOBS DAY

The joint resolution (S.J. Res., 346) to designate June 21, 1986, as "National Save American Industry and Jobs Day" was considered.

Mr. METZENBAUM. Mr. President, I am pleased that the Senate is adopting Senate Joint Resolution 346, which I introduced to designate June 21, 1986, as "National Save American Industry and Jobs Day." This special day will help focus national attention on the need to "Buy American."

As a nation, we have benefited greatly from the ingenuity and productivity of American manufacturers and American workers. They have helped make all our lives better, easier and safer. Yet, today, the manufacturing segment of our economy is in serious trouble.

Part of the problem is that unfairly subsidized imports have flooded the U.S. marketplace, resulting in the loss of hundreds of thousands of manufacturing jobs. Many communities and livelihoods have been destroyed because of this overseas competition.

We cannot turn our backs on the workers and industries that have helped make this Nation strong. While setting aside a day to promote American industry and jobs is no panacea for our trade problems, it will demonstrate our Nation's confidence in the "made in America" label and support for American industry and American workers. That in itself is an important statement.

The resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 346

Whereas the United States has been a model of economic strength throughout history;

Whereas the manufacturing industries of the United States have grown continuously, have created a high standard of living for Americans, and now generate more than $1,500 billion of the annual gross national product of the United States;

Whereas the manufacturing industries of the United States have excelled in meeting the needs of consumers in the Nation and have responded to the needs of the United States and its allies during periods of armed conflict;

Whereas the United States maintains a policy of allowing the products of foreign industry to be sold in the United States with few restrictions;

Whereas such policy has helped to improve the economies of many foreign nations, particularly the economies of underdeveloped foreign nations;

Whereas, in many cases, the retail price of imported goods is artificially low due to subsidies by foreign governments;

Whereas the purchase of imported goods by consumers in the United States is having a detrimental effect on the manufacturing industries of the United States;

Whereas the officers of many manufacturing companies in the United States are restructuring their companies at a rapid rate because of reduced demand for many of the products manufactured in the United States;

Whereas such restructing has included the closing of many plants and the resulting loss of many jobs;

Whereas more than 8.5 million workers in the United States are unemployed, sales of products manufactured in the United States are generally not increasing, and the rate of pay for workers who continue to be employed has become depressed;

Whereas consumers in the United States should become aware of the origin of the goods such consumers purchase and the effect of buying imported goods on the manufacturing industries of the United States; and

Whereas the accomplishments and needs of the manufacturing industries of the United States and all employees of such industries should be recognized: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 21, 1986, is designated "National Save American Industry and Jobs Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL YEAR OF THE AMERICAS

The joint resolution (S.J. Res. 350) to designate 1987 as the National Year of the Americas was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 350

Whereas the tenth Pan American games will be held in Indianapolis, Indiana, in 1987;

Whereas the games will bring together more than six thousand athletes from thirty-seven national teams from the Americas to compete in twenty-seven different sports;

Whereas the games will be the largest such gathering which brings together people from Latin Americas, the West Indies, Canada, and the United States;

Whereas the games will symbolize both the unity and the diversity of the Americas, as well as celebrate the lasting friendship of the peoples of the Americas;

Whereas the occasion of the games provides a unique opportunity to welcome to this country the leaders and peoples of the Americas throughout the United States; and

Whereas the year 1987 can be and should be the time for a year long celebration of the peoples and cultures of the Americas: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the year 1987 is designated as "The National Year of the Americas" and the President is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies, private organizations, and the people of the United States to observe the year with appropriate programs, ceremonies, and activities.

NATIONAL FIRE FIGHTERS DAY

The joint resolution (H.J. Res. 479) to designate October 8, 1986, as "National Fire Fighters Day" was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the various measures were passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEMORIAL MARKER IN ARLINGTON NATIONAL CEMETERY HONORING MEMBERS OF THE CREW OF THE SPACE SHUTTLE "CHALLENGER"

Mr. CHAFEE. Mr. President, I ask if the minority leader is prepared to accept a discharge of Senate Concurrent Resolution 134 dealing with the Veterans' Affairs Committee being discharged from further consideration of a sense-of-the-Congress resolution to place a memorial marker in Arlington National Cemetery honoring the members of the crew of the space shuttle *Challenger* who died during launch on January 28, 1986.

Mr. BYRD. Mr. President, there is no objection on this side to discharging the committee from further consideration of that resolution, and there is no objection to the adoption thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 134) expressing the sense of the Congress that the Secretary of the Army should place an appropriate memorial marker in Arlington National Cemetery honoring members of the crew of the space shuttle Challenger who died during launch of the spacecraft on January 28, 1986.

The Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to, as follows:

S. CON. RES. 134

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Secretary of the Army should construct and place in Arlington National Cemetery a memorial marker honoring the seven members of the crew of the space shuttle Challenger who died on January 29, 1986, during the launch of the space shuttle mission 51-L, from Cape Canaveral, Florida.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL HOMELESSNESS AWARENESS WEEK

Mr. CHAFEE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 347.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 347) entitled "Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as 'National Homelessness Awareness Week' ", do pass with the following amendments:

Page 3, line 3, strike out "of May 19, 1986, through May 24,", and insert "beginning June 22,".

In the eighth clause of the preamble, strike out all after "Whereas" down through and including "Detroit", and insert "many organizations".

Amend the title so as to read: "Joint resolution to designate the week beginning June 22, 1986, as 'National Homelessness Awareness Week'.".

Mr. LEVIN. Mr. President, Senate Joint Resolution 345 originally passed the Senate May 21, 1986, after which it was forwarded, and subsequently amended in the House on May 22. The House changed the commemorative date to June 22 and deleted all references to specific organizations. I certainly accept these changes. There are no objections from the 30 Senators who cosponsored this resolution. I would like to thank Senator THURMOND, chairman of the Judiciary Committee for his support and cooperation in this matter. I would also like to thank the other cosponsors of the resolution in addition to Senator THURMOND are Senators MOYNIHAN, ROCKEFELLER, D'AMATO, BRADLEY, ANDREWS, RIEGLE, METZENBAUM, MATSUNAGA, EAGLETON, KERRY, ZORINSKY, LAUTENBERG, DIXON, NUNN, PRYOR, BIDEN, BOREN, STENNIS, SIMON, CHILES, KENNEDY, HEINZ, PELL, MURKOWSKI, SPECTER, COHEN, GORTON, BOSCHWITZ, and KASSEBAUM.

Mr. CHAFEE. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STAR PRINT OF THE REPORT TO ACCOMPANY S. 2069

Mr. CHAFEE. Mr. President, if agreeable with the minority leader, I ask unanimous consent that the report to accompany S. 2069, the Job Training Partnership Act, be star printed to reflect the following changes which I send to the desk.

Mr. President, I note due to a clerical error that a portion of the report was inadvertently omitted from the original printing.

Mr. BYRD. Mr. President, the request has been cleared on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELECTRIC CONSUMERS PROTECTION ACT

Mr. CHAFEE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 426.

The PRESIDING OFFICER laid before the Senate the following message from the House or Representatives:

Resolved, That the bill from the Senate (S. 426) entitled "An Act to amend the Federal Power Act to provide for more protection to electric consumers", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Electric Consumers Protection Act of 1985".

SEC. 2. AMENDMENTS TO SECTION 7.

Section 7(a) of the Federal Power Act (16 U.S.C. 800(a)) is amended as follows—

(1) Insert "original" after "hereunder or".

(2) Strike out "and in issuing licenses to new licensees under section 15 hereof" and substitute a comma.

SEC. 3. ENVIRONMENTAL CONSIDERATION IN LICENSING.

(a) PURPOSES OF LICENSE.—Section 4(e) of the Federal Power Act is amended by adding the following at the end thereof: "In issuing any license under this Part for any project, the Commission shall give equitable treatment with the development purposes for which the license is issued to the purposes of energy conservation, the protection, mitigation of damage to, and enhancement of, fish and wildlife (including related spawning grounds and habitat), the protection of recreational opportunities, and the preservation of other aspects of environmental quality.".

(b) CONFORMING AMENDMENT.—Section 10(a) of such Act is amended by striking "purposes; and" and inserting after "recreational" the following: "and other purposes referred to in section 4(e)".

(c) FISH AND WILDLIFE PROTECTION, MITIGATION, AND ENHANCEMENT.—Section 10 of the Federal Power Act (16 U.S.C. 803) is amended by adding at the end the following:

"(j)(1) That in order to adequately protect, mitigate damages to, and enhance, fish and wildlife (including related spawning grounds and habitat) affected by the development, operation, and management of the project, in a manner that provides equitable treatment for such fish and wildlife with the other purposes for which the license is issued, each license, exemption, or permit issued under this Part shall include conditions for such protection, mitigation, and enhancement. Subject to paragraph (3) and section 30, such conditions shall be based on recommendations received pursuant to the Fish and Wildlife Coordination Act from the National Marine Fisheries Service, the United States Fish and Wildlife Service, and State fish and wildlife agencies.

"(2) The requirements of section 4(h)(11) of the Pacific Northwest Electric Power Planning and Conservation Act shall apply as provided in that Act to any license, exemption, or permit issued under this Part for a project within the area subject to that Act.

"(3) Whenever the Commission believes that any recommendation referred to in paragraph (1) may be inconsistent with the purposes and requirements of this part or other applicable law, the Commission and the agencies referred to in paragraph (1) shall attempt to resolve any such inconsistency, giving due weight to the recommendations, expertise, and statutory responsibil-

ities of such agencies. If, after such attempt, the Commission does not adopt in whole or in part a recommendation of any such agency, the Commission shall publish each of the following findings (together with a statement of the basis for each of the findings):

"(A) A finding that adoption of such recommendation is inconsistent with the purposes and requirements of this Part or with other provisions of law applicable to the project.

"(B) A finding that the conditions selected by the Commission comply with the requirements of paragraph (1).

Subsection (i) shall not apply to the conditions required under this subsection.".

SEC. 4. RELICENSING PROCEDURES.

(a) CONFORMING AMENDMENT.—Section 15(a) of the Federal Power Act is amended by striking out "original" in each place it appears and substituting "existing".

(b) RELICENSING PROCESS.—Section 15 of the Federal Power Act is amended by inserting "(1)" after "(a)" and by adding the following at the end of subsection (a):

"(2) Any new license issued under this section shall be issued to the applicant having the final proposal which the Commission determines is best adapted to serve the public interest. In making this determination under this section (whether or not more than one application is submitted for the project), the Commission shall consider and make findings respecting each of the following:

"(A) The abilities of each applicant to comply with (i) the articles, terms, and conditions of any license issued to it as a result of the application and (ii) other applicable provisions of this Part.

"(B) The plans of each applicant to manage, operate, and maintain the project safely and in accordance with this Act and the terms and conditions of the license.

"(C) The need of each applicant for the electric power generated by the project or projects. In the case of an applicant that is an Indian tribe applying for a license for a project located on the tribal reservation, a statement of the need of such tribe for electricity generated by the project to foster the purposes of the reservation may be included.

"(D) The plans of each applicant for the improvement and broad, efficient, and reliable utilization of the power potential of the waterway or waterways to which the project is related, together with other beneficial uses, including navigation, flood control, irrigation, recreation, water quality, and fish and wildlife.

"(E) The existing and planned transmission services of each applicant, taking into consideration system reliability, costs, and other applicable economic and technical factors.

"(F) In the case of a State or municipal applicant, or an applicant which is primarily engaged in the generation or sale of electric power (other than electric power solely from cogeneration facilities or small power production facilities), the electricity consumption efficiency improvement program of the applicant, including its plans, performance and capabilities for encouraging or assisting its customers to conserve electricity cost-effectively, taking into account the published policies, restrictions, and requirements of relevant State regulatory authorities applicable to such applicant.

"(G) The plans of each applicant to protect, mitigate damage to, and enhance fish and wildlife resources (including related spawning grounds and habitat) and to protect and enhance recreational and other environmental values (including providing recreational access).

"(H) The identity of any Federal or Indian lands included in the project boundary and a statement of the annual fees paid for such lands.

"(I) Plans of each applicant to adapt the project to any applicable State or Federal comprehensive plan (or plan issued pursuant to the Pacific Northwest Electric Power Planning and Conservation Act of 1980) for improving, developing, or conserving the waterway or waterways related to the project.

"(J) Such other information as the Commission may require.

"(3) In the case of an application by the existing licensee, the Commission shall also take into consideration each of the following:

"(A) The existing licensee's record of compliance with the terms and conditions of the existing license.

"(B) The actions taken by the existing licensee related to the project which affect the public.

"(b)(1) Each existing licensee shall notify the Commission whether the licensee intends to file an application for a new license or not. Such notice shall be submitted at least 5 years before the expiration of the existing license.

"(2) At the time notice is provided under paragraph (1), the existing licensee shall make each of the following reasonably available to the public for inspection at the offices of such licensee: current maps, drawings, data, and other information that the Commission shall, by rule, require regarding the construction and operation of the licensed project. Such information shall include, to the greatest extent practicable, pertinent energy conservation, recreation, fish and wildlife, and other environmental information. Copies of the information shall be made available at reasonable costs of reproduction. Within 180 days after the enactment of the Electric Consumers Protection Act of 1985, the Commission shall promulgate regulations regarding the information to be provided under this paragraph.

"(3) Promptly following receipt of notice under paragraph (1), the Commission shall provide public notice of whether an existing licensee intends to file or not to file an application for a new license. The Commission shall also promptly notify the National Marine Fisheries Service and the United States Fish and Wildlife Service, and the appropriate State fish and wildlife agencies.

"(c)(1) Each application for a new license pursuant to this section shall be filed with the Commission at least 24 months before the expiration of the term of the existing license. Each applicant shall consult with the fish and wildlife agencies referred to in subsection (b) and, as appropriate, conduct studies with such agencies. Within 60 days after the statutory deadline for the submission of applications, the Commission shall issue a notice establishing expeditious procedures for relicensing and a deadline for submission of final amendments, if any, to the application.

"(2) The time periods specified in this subsection and in subsection (b) shall be adjusted, in a manner to achieve the objectives of this section, by the Commission by rule or order with respect to existing licensees who, by reason of the expiration dates of their licenses, are unable to comply with a specified time period.

"(d)(1) In evaluating applications for new licenses pursuant to this section, the Commission shall not consider whether an applicant has, or has access to, adequate transmission facilities.

"(2) When the Commission issues a new license (pursuant to this section) to an applicant which is not the existing licensee of the project and finds that it is not feasible for the new licensee to utilize the energy from such project without provision by the existing licensee of reasonable services, including transmission services, the Commission shall give notice to the existing licensee and the new licensee to immediately enter into negotiations for such services and the costs demonstrated by the existing licensee as being related to the provision of such services. It is the intent of the Congress that such negotiations be carried out in good faith and that a timely agreement be reached between the parties in order to facilitate the transfer of the license by the date established when the Commission issued the new license. If such parties do not notify the Commission that within the time established by the Commission in such notice (and if appropriate, in the judgment of the Commission, one 45-day extension thereof), a mutually satisfactory arrangement for such services that is consistent with the provisions of this Act has been executed, the Commission shall order the existing licensee to file (pursuant to section 205 of this Act) with the Commission a tariff, subject to refund, ensuring such services beginning on the date of transfer of the project and including just and reasonable rates and reasonable terms and conditions. After notice and opportunity for a hearing, the Commission shall issue a final order adopting or modifying such tariff for such services at just and reasonable rates in accordance with section 205 of this Act and in accordance with reasonable terms and conditions. The Commission, in issuing such order, shall ensure the access necessary for the full and efficient utilization and benefits for the license term of the electric energy from the project by the new licensee in accordance with the license and this Part, except that in issuing such order the Commission:

"(A) shall not compel the existing licensee to enlarge generating facilities, transmit electric energy other than to the distribution system (providing service to customers) of the new licensee identified as of the date one day preceding the date of license award, or require the construction of new facilities, including the upgrading of existing facilities other than any reasonable enhancement or improvement of existing facilities necessary to carry out the purposes of this paragraph;

"(B) shall not adversely affect the continuity and reliability of service to the customers of the existing licensee;

"(C) shall not adversely affect the operational integrity of the transmission and electric systems of the existing licensee; and

"(D) shall not cause an increase (other than a possible de minimus increase) in the jurisdictional rates of the existing licensee.

Such order shall be for such period as the Commission deems appropriate, not to exceed the term of the license. At any time, the Commission, upon its own motion or upon a petition by the existing or new licensee and after notice and opportunity for a hearing, may modify, extend, or terminate such order.

"(e)(1) When a license is issued pursuant to this section to an applicant other than the existing licensee, the Commission may require the new licensee to provide reasona-

ble compensation to the existing licensee in addition to the amount required to be paid pursuant to subsection (a)(1). All of such compensation may be in money or electric power, or both.

"(2) In providing any compensation under this section, the Commission shall take each of the following into consideration:

"(A) The fact that upon expiration of its license under this Part, the prior licensee has no cognizable legal right to compensation for the license.

"(B) The extent to which the costs of the project have been amortized by the existing licensee.

"(C) The costs to the new licensee of duplicating the hydroelectric facility which is the subject of the license (including all power facilities, dams, and appurtenant structures and equipment), taking into account the remaining useful life of the facility.

"(3) The Commission shall promulgate regulations to implement this subsection. The regulations shall provide guidance for the Commission and applicants to follow in determining reasonable compensation in appropriate cases. Such regulations may provide for such compensation as the Commission finds to be appropriate toward the mitigation of any demonstrated economic loss to the customers of the existing licensee. The regulations shall not establish compensation which discourages competition for a project or provides a windfall for current ratepayers or to the existing or new licensee. The regulations shall be promulgated within 180 days after enactment of the Electric Consumers Protection Act of 1985.".

(c) CONFORMING AMENDMENTS.—(1) Section 15(b) of the Federal Power Act is redesignated as subsection (f).

(2) Section 14(b) of such Act is amended by striking out the first sentence.

SEC. 5. COMMISSION AUTHORITY.

Part I of the Federal Power Act is amended by adding the following new section at the end thereof:

"SEC. 31. ENFORCEMENT.

"(a) The Commission shall monitor and investigate compliance with each license and permit issued under this part and with each exemption granted from any requirement of this Part. The Commission shall conduct such investigations as may be necessary and proper in accordance with this Act. After notice and opportunity for hearing, the Commission may issue such orders as necessary to require compliance with the terms and conditions of licenses and permits issued under this Part and with the terms and conditions of exemptions granted from any requirement of this Part.

"(b) After notice and opportunity for an evidentiary hearing, the Commission may also issue an order revoking any license or permit issued under this part or any exemption granted from any requirement of this Part where any licensee, permittee, or exemptee is found by the Commission:

"(1) to have knowingly violated a final order issued under subsection (a) after completion of judicial review (or the opportunity for judicial review); and

"(2) to have been given reasonable time to comply fully with such order prior to commencing any revocation proceeding.

In any such proceeding, the order issued under subsection (a) shall be subject to de novo review by the Commission. No order shall be issued under this subsection until after the Commission has taken into consideration the nature and seriousness of the violation and the efforts of the licensee to remedy the violation.

"(c) Any licensee, permittee, or exemptee who violates or fails or refuses to comply with any requirement, rule, regulation, term, or condition referred to in subsection (a) or any order issued under subsection (a) shall be subject to a civil penalty in an amount not to exceed $10,000 for each day that such violation or failure or refusal continues. Such penalty shall be assessed by the Commission after notice and opportunity for public hearing. The Commission may compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed under this subsection, taking into consideration the nature and seriousness of the violation and the efforts of the licensee to remedy the violation in a timely manner. No civil penalty shall be assessed where revocation is ordered.".

SEC. 6. AMENDMENTS CONCERNING CONDUITS AND CERTAIN SMALL POWER PRODUCTION FACILITIES SUBJECT TO PURPA BENEFITS.

(a) NMFS.—Section 30(c) of the Federal Power Act (16 U.S.C. 823a) is amended by inserting "National Marine Fisheries Service" after "the Fish and Wildlife Service" in both places such term appears.

(b) STATE OR LOCAL CONDUITS.—Section 30(b) of the Federal Power Act is amended by inserting after "15 megawatts" the following: "(40 megawatts in the case of a facility constructed, operated, and maintained by an agency or instrumentality of a State or local government solely for water supply for municipal purposes)".

(c) DEFINITIONS.—Section 3(17) of the Federal Power Act is amended as follows:

(A) Insert "and" at the end of clause (ii) of subparagraph (C).

(B) Add the following at the end of subparagraph (C):

"(iii) which complies with the applicable provisions of section 30(e) of this Act in the case of a hydroelectric generating facility involving the impoundment or diversion of the water of a natural watercourse by means of a new dam or diversion;".

(C) Add the following after subparagraph (D):

"(E) 'new' when used with respect to a dam or diversion refers to a dam or diversion which—

"(i) is used in connection with any small power production facility; and

"(ii) requires any construction, or enlargement of any impoundment or diversion structure (other than repairs or reconstruction or the addition of flashboards or similar adjustable devices);".

(d) REQUIREMENTS FOR QUALIFICATION OF NEW DAMS AND DIVERSIONS, ETC. FOR PURPA BENEFITS.—Section 30 of the Federal Power Act is amended by adding the following new subsection at the end thereof:

"(e) No small power production facility which requires the impoundment or diversion of the water of a natural watercourse by means of a new dam or diversion may be treated as a qualifying small power production facility unless each of the following requirements are met:

"(1) At the time of issuance of the license or exemption for the facility, the Commission includes in such license or exemption terms and conditions in accordance with subsection (c) to protect, mitigate damages to, and enhance fish and wildlife, including related spawning grounds and habitat and finds that the facility, after taking into consideration such terms and conditions and compliance with other environmental requirements of law applicable to such facility and the effects of such combination with other facilities on the same watercourse, will not have substantial adverse effects on the environment, including recreation or water quality. The Commission shall publish the basis for such finding. Such terms and conditions shall be established and enforced in accordance with the same procedures as provided in subsections (c) and (d).

"(2) The Commission determines, at the time of issuance of the license or exemption, that the facility is not located on any segment of a natural watercourse which is included (or is designated by law for potential inclusion) in a State or national wild and scenic river system or which the State has determined, in accordance with applicable State law and prior to issuance of the license or exemption, to possess unique natural, recreational, cultural, or scenic attributes.

This subsection shall not apply for purposes of section 210 of this Act (relating to interconnection authority).".

(e) FEES FOR STUDIES.—Section 30 of the Federal Power Act is amended by adding the following new subsection at the end thereof:

"(f) The Commission, in addition to the requirements of section 10(e), shall establish fees which shall be paid by an applicant for a license or exemption for a facility referred to in subsection (a) or (e) of this section. Such fees shall be adequate to reimburse the fish and wildlife agencies referred to in subsection (c) for any reasonable costs incurred in connection with any studies or other reviews carried out by such agencies for purposes of compliance with this section. The fees shall, subject to annual appropriations Acts, be transferred to such agencies by the Commission for use solely for purposes of carrying out such studies and remain available until expended.".

(f) UNAUTHORIZED CONSTRUCTION ACTIVITIES.—Section 30 of the Federal Power Act is amended by adding the following new subsection at the end thereof:

"(g) The Commission shall promulgate such rules as may be necessary to prohibit the commencement of any significant modification of any project licensed under, or exempted from, this Act unless such modification is in accordance with the terms and conditions of such license or exemption and the applicable requirements of this Part. As used in this subsection, the term 'commencement' refers to the beginning of physical onsite activity other than surveys or testing."

(g) EFFECTIVE DATES.—(1) The amendments made by subsections (d) and (e) of this section shall not apply to any project the license or exemption application for which was filed and accepted for filing by the Commission before the date of enactment of this Act, but section 10(j) of the Federal Power Act, as added by this Act, shall apply to such project unless the license or exemption was issued on or before the enactment of this Act.

(2) Section 30(e)(2) of the Federal Power Act, as added by this Act, shall not apply to any project for which the environmental consultation (in accordance with applicable regulations of the Federal Energy Regulatory Commission) was initiated on or before the enactment of this Act.

(3) The amendments made by subsection (f) of this section shall apply to all projects licensed, exempted, or permitted under the Federal Power Act without regard to when such license, exception, or permit was issued.

(h) STUDY.—(1)(A) The Commission shall conduct a study (in accordance with section 102(2)(C) of the National Environmental

Policy Act of 1969) of whether the benefits of section 210 of the Public Utility Regulatory Policies Act of 1978 and section 210 of the Federal Power Act should be applied to small power production facilities utilizing new dams or diversions (within the meaning of section 3(17) of the Federal Power Act).

(B) The study under this paragraph shall take into consideration the need for such new dams or diversions for power purposes, the environmental impacts of such new dams and diversions (both with and without the application of the amendments made by this Act to sections 4, 10, and 30 of the Federal Power Act), the environmental effects of such facilities alone and in combination with other existing or proposed dams or diversions on the same waterway, the intent of Congress to encourage and give priority to the application of section 210 of Public Utility Regulatory Policies Act of 1978 to existing dams and diversions rather than such new dams or diversions, and the impact of such section 210 on the rates paid by electric power consumers.

(C) The study under this paragraph shall be initiated within 3 months after enactment of this Act and completed as promptly as practicable.

(D) A report containing the results of the study conducted under this paragraph shall be submitted to the Committee on Energy and Commerce of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate while both Houses are in session.

(E) The report submitted under subparagraph (D) shall include a determination (and the basis thereof) by the Commission, based on the study and a public hearing and subject to review under section 313(b) of the Federal Power Act, whether any of the benefits referred to in subparagraph (A) should be available for such facilities and whether applications for preliminary permits (or licenses where no preliminary permit has been issued) for such small power production facilities utilizing new dams or diversions should be accepted by the Commission after the period specified in paragraph (2). The report shall include such other administrative and legislative recommendations as the Commission deems appropriate.

(F) If the study under this paragraph has not been completed within 18 months after its initiation, the Commission shall notify the Committees referred to in subparagraph (D) of the reasons for the delay and specify a date when it will be completed and a report submitted.

(2)(A) The Federal Energy Regulatory Commission shall not accept any application filed under the Federal Power Act after December 31, 1985 for a preliminary permit (or for a license where no preliminary permit has been issued) for a small power production facility utilizing a new dam or diversion (as defined in section 3(17) of the Federal Power Act) until not earlier than 180 consecutive legislative days (during which both Houses of Congress are in session) have elapsed after—

(i) the submittal of such report to Congress, and

(ii) the regulations of the Commission have been revised based on the determination under paragraph (1) and the requirements of sections 4, 10, and 30 of the Federal Power Act, as amended by this Act.

(B) Notwithstanding the expiration of the 180-day period referred to in subparagraph (A), if—

(i) the Commission has determined under paragraph (1)(E) that any small power production facility utilizing a new dam or diversion (as defined in section 3(17) of the Federal Power Act) should be treated as a qualifying small power production facility within the meaning of section 3(17) of such Act, and

(ii) a joint resolution of disapproval of such determination is introduced in both Houses,

such determination shall not be effective until after the adjournment sine die of the Congress in which such resolution was introduced.

(C) In the case of an application for a license for a project (where no preliminary permit has been issued) this paragraph shall not apply to such project if the required environmental consultation (in accordance with applicable regulations of the Federal Energy Regulatory Commission), was initiated before December 31, 1985.

(3)(A) In the case of any preliminary permit referred to in paragraph (1) issued on or before December 31, 1985, such permit shall be suspended temporarily for the period referred to in paragraph (2) if the required environmental consultations (in accordance with the Commission's regulations for such projects) have not been initiated before the enactment of this Act.

(B) The suspensions under subparagraph (A) shall not apply if the Commission, in its discretion, issues a notice within 180 days after such enactment exempting all or some of such permits from such suspension on the grounds that each permittee covered by such notice has proceeded diligently under the permit and has committed substantial resources toward completion of all requirements under the permit.

(C) The suspension under subparagraph (A) shall terminate at the expiration of the period referred to in paragraph (2).

(i) APPLICATION OF CERTAIN SUBSECTIONS.—The provisions of subsections (d), (e), (g), and (h) of this section are applicable only to small power producers and small power production facilities using new dams or diversion (all as defined in section 3(17) of the Federal Power Act) to the extent such producers and facilities obtain the benefits of section 210 of the Federal Power Act and section 210 of the Public Utility Regulatory Policies Act of 1978.

SEC. 7. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by this Act shall take effect with respect to each license, permit, or exemption issued under the Federal Power Act after the enactment of this Act. The amendments made by section 5 of this Act shall apply to licenses, permits, and exemptions without regard to when issued.

SEC. 8. COMPLIANCE WITH BUDGET ACT.

Any provision of this Act (or any amendment made by this Act) which, directly or indirectly, authorizes the enactment of new budget authority described in section 402(a) of the Congressional Budget Act of 1974 shall be effective only for fiscal years beginning after September 30, 1986.

SEC. 9. PROVISION OF INFORMATION TO CONGRESS.

The Federal Energy Regulatory Commission shall keep the Committees of Congress which exercise legislative jurisdiction over the Federal Power Act fully and currently informed regarding actions of the Commission with respect to the provisions of part 1 of the Federal Power Act.

SEC. 10. ELECTION AND NEGOTIATIONS CONCERNING OTHER CONTESTED PROJECTS SUBJECT TO LITIGATION.

(a) APPLICATION OF SECTION.—This section applies to any relicensing proceeding initiated prior to October 1983 at the Federal Energy Regulation Commission involving the following projects: Mokelumne (No. 137), California; Phoenix (No. 1061), California; Rock Creek/Cresta (No. 1962), California; Haas-King (No. 1988), California; Poole (No. 1388), California; Olmsted (No. 596), Utah; Weber (No. 1744), Utah; Rush Creek (No. 1389), California; and Shawano (No. 710), Wisconsin. The numbers in this subsection refer to Federal Energy Regulatory Commission project identification numbers for the existing licensee. This subsection shall also apply to any subsequent relicensing proceeding for any such project involving the same parties which results from the rejection, without prejudice, of an application in any of the proceedings specified in this subsection.

(b) PROVISIONS NOT APPLICABLE IF ELECTION MADE.—If, in the case of each project named in subsection (a), the existing licensee fails to make an election under subsection (c) within 90 days after the enactment of this Act for negotiations under subsection (e), the provisions of the Federal Power Act in effect one day prior to enactment of this Act (and the amendments made by sections 3, 5, and 6(f) of this Act to the Federal Power Act) shall apply to the relicensing proceeding referred to in subsection (a).

(c) ELECTION PROCEDURES.—An existing licensee for any project named in subsection (a) may file an election with the Commission under this subsection. The election shall be filed in the manner required by the Commission. The election, subject to subsection (d), shall consist of an agreement that, in the case of the project concerned, the licensee will—

(1) enter into good faith negotiations under subsection (e) with each person (or group of persons) who filed a competing application for a new license for the project before October 7, 1983, and

(2) be subject to the provisions of this section.

Notice of the election to negotiate or the refusal thereof shall be filed with the Commission within the 90-day period.

(d) ACCEPTANCE OR REFUSAL TO ACCEPT ELECTION.—Within 45 days after receiving notice from the Commission of an election to negotiate made by the existing licensee under subsection (c) for an applicable project, each competing license applicant (or group of applicants) referred to in subsection (a) may—

(1) accept the election, withdraw the competing application, enter into good faith negotiations in accordance with this section, and agree to be subject to the provisions of this section, or

(2) refuse to accept such election.

If the election to negotiate is not accepted by the competing applicant (or group) within the 45-day period, the relicensing proceeding for such project shall be continued and a new license issued solely in accordance with the Federal Power Act, as amended by this Act (including the amendments made by this Act to section 7 of the Federal Power Act). Notice of an election to negotiate or refusal must be filed with the Commission within the 45-day period.

(e) NEGOTIATIONS.—If an election to negotiate is made pursuant to subsections (c) and (d) for any project, the existing licensee and

the competing applicant shall commence negotiations for each of the following:

(1) Compensation to be provided by the existing licensee for the reasonable costs incurred by the competing applicant which are related to pursuing—

(A) the application in the applicable relicensing proceeding, including the costs of preparing, filing, and maintaining such application for the period ending December 31, 1985, and

(B) the litigation in the courts involving the application of section 7 of the Federal Power Act to the applicable relicensing proceeding.

(2) Compensation in an additional sum (which may be in money or electric power or both) representing a reasonable percentage of the net investment of the existing licensee in the project, as of October 22, 1985 (as determined by the Commission, prior to the initiation of such negotiations, in accordance with section 14(a) of the Federal Power Act). In making the determination of net investment, the Commission shall utilize all relevant records and data (which the existing licensee shall provide to the Commission) applicable to the project for the term of the existing license through October 22, 1985.

The parties to the negotiations shall establish the method, period, and manner of providing all such compensation.

(f) COMMISSION ORDER.—If an election is made and accepted but negotiations under subsection (e) are not commenced by the parties within the time established by the Commission (or, if appropriate, in the judgment of the Commission, one 45-day extension thereof) or if a mutually satisfactory compensation arrangement that is consistent with the provisions of the Federal Power Act has not been executed within such time, the Commission, after notice and opportunity for a hearing, shall issue an order establishing compensation in accordance with paragraphs (1) and (2) of subsection (e). In determining the amount of compensation, the Commission may accept any stipulations agreed to by the parties as a result of the negotiations. The Commission shall also take into consideration all of the following:

(1) The quality of the relicensing proposals of the existing licensee and the competing applicant.

(2) The net benefits to both parties and their customers of obtaining the new license.

(3) The extent to which the applications filed by both parties were actively pursued (subject the effect thereon of any action by the Commission or the applicable litigation) and filed with the Commission in good faith.

(4) The extent of reliance by the competing applicant on the provisions of the Federal Power Act in effect prior to enactment of this Act and the detrimental impact of such reliance on the operations and on the service area of the applicant.

(g) COMPENSATION.—The order of the Commission under this section shall establish the method, period, and manner of providing compensation under subsection (f), and such other reasonable terms and conditions concerning such compensation, consistent with the Federal Power Act, as the Commission deems appropriate. Any payment over a period of time shall include interest compounded at a rate based upon outstanding obligations of the United States of comparable maturity. The payment period shall not exceed one-third of the new license term for the project. The order shall state the basis for the Commission's determination. The provisions of section 313 of the Federal Power Act shall apply to such order and determinations. The order (or any agreement reached by the parties by negotiation) shall be a condition of any annual license or new license (depending when the order is issued or agreement reached) issued to the existing licensee for this project. Nothing in this section shall be construed to affect the treatment, by a State regulatory authority for ratemaking purposes, of any compensation paid under this section.

(h) COMMISSION PROCEEDINGS.—Upon mutual request of the parties to any negotiation under this section, the Commission may defer any determination of net investment for the applicable project until whenever it is required to issue an order under this section for such project. No new license shall be issued under the Federal Power Act for the projects referenced in this section until there is full compliance, to the extent applicable, with this section. The Commission shall ensure that negotiations and any determinations and orders required by this section shall be conducted, made, and issued expeditiously and shall ensure that the parties do not delay.

SEC. 11. CHARGES FOR USE OF DAMS AND STRUCTURES.

Section 10(e) of the Federal Power Act is amended as follows:

(1) Insert "(1)" after "(e)".

(2) Add the following at the end thereof:

"(2) In the case of licenses involving the use of Government dams or other structures owned by the United States, the charges fixed (or readjusted) by the Commission under paragraph (1) for the use of such dams or structures shall not exceed 1 mill per kilowatt-hour for the first 40 gigawatt-hours of energy a project produces, 1½ mills per kilowatt-hour for over 40 up to and including 80 gigawatt-hours, and 2 mills per kilowatt-hour for any energy the project produces over 80 gigawatt-hours. Except as provided in subsection (f), such charge shall be the only charge assessed by any agency of the United States for the use of such dams or structures.

"(3) The provisions of paragraph (2) shall apply with respect to—

"(A) all licenses issued after the date of the enactment of this paragraph; and

"(B) all licenses issued before such date which—

"(i) did not fix a specific charge for the use of the Government dam or structure involved; and

"(ii) did not specify that no charge would be fixed for the use of such dam or structure.

"(4) Every 5 years, the Commission shall review the appropriateness of the annual charge limitations provided for in this subsection and report to Congress concerning its recommendations thereon.".

SEC. 12. MERWIN PROJECT GRANDFATHER.

The amendments made by this Act, except for the amendments made by sections 5 and 6(f), shall not apply to the Federal Energy Regulatory Commission proceeding involving FERC Project Number 935 (FERC Project Number 2791), relating to the Merwin Dam in Washington State.

Mr. CHAFEE. Mr. President, I move that the Senate disagree to the amendment of the House to S. 426 and request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MCCLURE, Mr. HATFIELD, Mr. WALLOP, Mr. MURKOWSKI, Mr. EVANS, Mr. JOHNSTON, Mr. FORD, Mr. METZENBAUM, and Mr. MELCHER conferees on the part of the Senate.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE EXECUTIVE CALENDAR

Mr. CHAFEE. Mr. President, I would like to inquire of the minority leader if he is in a position to approve the following nominations on the Executive Calendar, and I will take them en bloc: Calendar Nos. 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, and 806.

EXECUTIVE SESSION

Mr. CHAFEE. If agreeable with the minority leader, I ask unanimous consent that the Senate go into executive session in order to consider the nominations just identified, and that they be considered en bloc and confirmed en bloc.

Mr. BYRD. Mr. President, all of the nominations that have been identified by the distinguished acting Republican leader have been cleared by all Members on this side.

There is no objection to their consideration, and confirmation en bloc.

There being no objection, the Senate proceeded to the consideration of executive business.

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATION PROGRAMS

Mr. CRANSTON. Mr. President, the Senate is about to vote on 17 nominations on the Executive Calendar for membership on the National Advisory Council on Women's Educational Programs. This council, initially established in 1974 under the Women's Educational Equity Act [WEEA], Public Law 93-380, is responsible for advising Federal officials and the public about the educational needs of women and girls. WEEA also established a program of Federal grants to advance educational opportunities for women, including development of projects and curricula to improve educational opportunities and to encourage more women to enter nontraditional areas, such as mathematics and science programs.

Mr. President, I have long been a strong supporter of WEEA. Evaluations of WEEA programs have demonstrated a positive effect. Teachers exposed to WEEA materials have shown increased awareness of sex-equity issues affecting classroom behavior. In

my own State of California, a WEEA grant was used by the Los Angeles Unified School District to support conferences and workshops for students and staff on such topics as nonsexist career options, math and science education and opportunities, and women in sports.

Another California WEEA grant was used by the disability rights education and defense fund in Berkeley to support activities to increase educational equity for disabled women and girls through development of a model curriculum and counseling materials to educate disabled teenage girls and young women on educational and career opportunities and for a national conference to bring together persons interested in educational equity and the special needs of disabled persons, particularly racial and ethnic minority disabled girls and women.

Another California WEEA grant went to the Chinese Cultural Foundation in San Francisco where it was used to develop a chronicle of nearly 150 years of Chinese-American women's history, detailing the lives, struggles, and achievements of Chinese-American women with special emphasis on those women who, amidst hardships and discrimination, made important contributions to their communities and society at large. This previously undocumented and unknown history of Chinese-American women is now used as a classroom curriculum, providing role models for Chinese-American girls.

Despite its record of success, the WEEA Program has been under constant attack by the Reagan administration, which has repeatedly proposed repealing the program. In 1982, the entire bipartisan National Advisory Council was replaced despite the fact that the terms for the existing members had not yet expired. The new members demonstrated little experience in the areas of educational equity or commitment to the program.

As a result, Congress in 1984 amended WEEA to include specific statutory requirements for the composition of the National Advisory Council. During the consideration of the 1984 amendments in the House of Representatives, one of the chief sponsors, Representative PAT WILLIAMS noted the need for this amendment: (This bill) also clarifies the role of the National Advisory Council on Women's Educational Programs, and specifies the kinds of expertise needed by the members of the Advisory Council. This description of the criteria for members of the Advisory Council is especially important for two reasons: First, several members that were appointed in recent years had political experience but no expertise in education; and second, since 1978, the number of citizens with special expertise in educational equity has increased dramatically so that we can now choose from a large number of citizens who have the kinds of backgrounds most appropriate and helpful for the Advisory Council." (CONGRESSIONAL RECORD, daily edition, July 25, 1984, H7789.)

Specifically, the 1984 amendments provide that the Council should include experts in a wide range of issues of educational equity for women at all levels of education, individuals who are representative of and expert in the educational needs of racial and ethnic minority women, older women, and disabled women, and both men and women who have demonstrated commitment to and expertise in the purposes of the act. (20 U.S.C. section 3346(a)(1)(A), (B), and (C), as added by section 406 of Public Law 98-511.)

COMPLIANCE WITH NEW STATUTORY REQUIREMENTS

Mr. President, on May 20, shortly before the Memorial Day recess, the Labor and Human Resources Committee unanimously ordered reported the nominations of the 17 individuals nominated by the President to serve on the Council. The following day, a little more than 24 hours after the committee action, I received a request to agree to a unanimous consent agreement to have the Senate immediately proceed to consideration of these nominations. At that time, I learned that the committee's action took place without a hearing on the nominations and that no written report had been filed.

It was thus extremely difficult to ascertain whether the new statutory requirements governing selection of this advisory council had been satisfied. I also learned that there were grave concerns among individuals and organizations concerned with the WEEA Program about the lack of hearings on the qualifications of these nominations. I therefore was unable to agree to the request to proceed with the nominations on May 21.

I subsequently asked Senator HATCH, the chairman of the Labor and Human Resources Committee a number of questions regarding these nominations. I will ask unanimous consent that a copy of my May 29, 1986, letter to Senator HATCH and his June 6 reply regarding these nominations be printed in the RECORD at the conclusion of my remarks.

Mr. President, in my letter I noted that, although the statute requires the membership of the council to include individuals representative of and expert in the educational needs of minority and disabled women, there did not appear to be any minority representatives. I also noted that the statute also requires the council to include both women and men who have demonstrated commitment to and expertise in the purposes of the act; yet, only 1 male was included among the 17 nominations.

Under the Ford and Carter administrations, the advisory council had consistently had three or four men and several minority members. Although President Reagan's 1982 appointments to the advisory council included no male members, they did include two minority women. The absence of a single minority individual among the 17 nominees thus means that for the first time since the council was established it will not include a single minority member.

Mr. President, in my letter to Senator HATCH I also asked whether it was his view that the statutory requirement regarding being "representative of" a particular category of a population—for example, minority or disabled individuals—was satisfied by appointment of an individual who was not a member of such population but had taught individuals in that population. I also asked whether it was his view that having only one male representative satisfied the statutory requirement regarding inclusion of "men" on the council.

Mr. President, Chairman HATCH replied to my inquiries in a letter dated June 6.

I appreciate very much the prompt and forthright response by Senator HATCH, expressing his view that the statutory language does not require that an individual, for example, be a member of a minority group or be disabled, to be "representative of" that population. It is also the chairman's view that inclusion of a single male on the 17-member council satisfies the requirement that both men and women serve on this council.

Mr. President, I am very concerned about the resulting lack of representatives on this council, in particularly the failure to include a single minority group individual among the 17 nominees. I believe that Senator HATCH's interpretation of the statutory requirement regarding "representative of" expressed in his June 6 letter reads the statute as if those words were not there at all. Under this interpretation, one need only be expert in the educational needs of disabled individuals or of minority individuals in order to be "representative of" those groups—a reading which renders the latter phrase nugatory.

I do not agree with the reasoning, analysis, or result reached in the chairman's letter. However, in view of the unanimous position of the Labor and Human Resources Committee that this slate of nominations satisfies the criteria set forth in the 1984 amendments, I do not feel, as a practical matter, that I can properly delay consideration of these nominations any further. I do, however, take this opportunity to register my opposition to the entire slate in terms of my view about the slate's failure to comply

with the statutory criteria for the council membership.

Mr. President, although I have not addressed the issue of "expertness" as required by the statutory criteria, it is evident to me that the qualifications of a number of these nominees would fall short under most standards used to determine whether an individual is an expert in a given field. Again, however, since the committee has already acted unanimously on these particular nominations, it serves little purpose to debate this issue further.

In my view, this is an important advisory council, which, in its early years, made important contributions to promoting educational equity for women and guiding the development of the WEEA programs throughout the Nation. It ought to be representative of all the populations served by the WEEA Program and provide vigorous leadership in this area. Therefore, I believe that efforts should be undertaken to clarify the statutory requirements to assure that some individuals who are truly "representative of" the populations specified and truly "expert" on the issues will serve on this Council in the future.

Mr. President, I now ask unanimous consent that the two letters to which I referred be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 29, 1986.

Hon. ORRIN, G. HATCH,
Chairman,
Committee on Labor and Human Resources, Washington, DC.

DEAR ORRIN: On May 20, the Labor and Human Resources Committee unanimously ordered reported 17 nominations of individuals to serve as members of the National Advisory Council on Women's Educational Programs. The following afternoon, Wednesday, May 21, barely 24 hours after the Committee action, I was asked to agree to a unanimous consent request for the Senate to proceed immediately to consideration of these nominations. At that time, I learned that although the statute (20 U.S.C. section 3346(a)(1)) authorizing the appointment of individuals to this Advisory Council had been amended in 1984 to include specific statutory criteria for its membership and composition, the Committee had held no hearings on these nominations and there was no report filed by the Committee to facilitate making a judgment as to whether the statutory criteria had been satisfied.

Therefore, I was unable to agree to the unanimous consent request to have these nominations brought before the Senate in such a rapid fashion.

My staff has also learned of the concern of individuals interested in the Women's Educational Equity Act regarding the failure of the Committee to hold a hearing on the qualifications of these nominations, particularly in light of the new criteria for appointment.

It is not my intention to delay unnecessarily the Senate's consideration of these nominations. However, I believe that it is necessary to make a judgment as to whether the newly enacted statutory criteria have been complied with. I have been furnished with copies of the questionnaires submitted by the nominees in which they each have indicated their own views as to how they meet the statutory criteria. I have also received a copy of a memorandum prepared by the majority staff of the Committee highlighting the criteria which the staff suggested each nominee exemplifies best.

The statute, of course, requires the judgment as to whether the statutory requirements have been met to be made by the Senate, not the nominees themselves. Therefore, I would appreciate your indicating, in the judgment of the Committee, which nominees and which of the nominee's experiences and characteristics satisfy the criteria set forth in the statute.

Specifically, which nominees:

(1) Are "experts in a wide range of issues of educational equity for women".

(2) Are "representative of and expert in the educational needs of":

(a) racial and ethnic minority women,

(b) older women, and

(c) disabled women.

(3) Have "demonstrated commitment to and expertise in the purposes of [the Women's Educational Equity Act]."

(4) Are "representative of and expert in student financial assistance programs".

(5) Are "students".

I also noted in the document prepared by the majority staff that in several instances a nominee was listed as exemplifying a particular criterion, for example, being representative of disabled or minority women, apparently based upon having taught disabled minority women or children. I would appreciate your advising me as to whether that, in your view, satisfies the statutory criteria in terms of "being representative of" disabled or racial or ethnic minority women, in addition to being "expert in" the educational needs of disabled or racial or minority women.

Finally, I would appreciate knowing your views as to whether having a single male member satisfies the statutory requirement that the Council include "both women and men" who have demonstrated commitment to and expertise in the purposes of the Act.

I appreciate very much your assistance in clarifying the record with respect to these nominations and the statutory criteria so that the Senate can proceed as soon as possible to exercise its statutory responsibilities with respect to these nominations.

If there are any questions about this request, please have your staff contact Susanne Martinez of my staff (4-3553).

With best regards,
Cordially,

ALAN CRANSTON.

COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC, June 6, 1986.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR ALAN: Thank you for your letter of May 29, 1986, informing me of your concern about the qualifications of the 17 nominees to the National Advisory Council on Women's Educational Programs (NACWEP) and the method in which those nominations were considered by the Senate Labor and Human Resources Committee. I hope my response will alleviate any concerns you might have on these issues.

As noted in your letter, the Committee did not hold hearings on these nominees, as originally requested by the Minority. A hearing was tentatively scheduled for this past January, but cancelled when the Democrats requested more preparation time. The Committee then scheduled a hearing for March 19, 1986, but, with the Minority's full support, we rescheduled this hearing for June 11, 1986, in order to markup S. 1965, the Higher Education Amendments of 1986, on March 19. Also, you might not know that the scheduled June 11 hearing, at the Minority's request, was to be for only the new nominees and the Chairwoman. In preparation for that hearing, the Minority prepared a questionnaire to be completed by all nominees.

However, well before the June 11 hearing, the Minority requested that the NACWEP nomination hearing once again be postponed to, I believe, July 26, so that a hearing scheduled for that latter date could be moved forward to June 11. We were reluctant to accede to this further delay because of the importance we attach to the functions of the Council and our desire to have it become operational as soon as possible.

At just about this time, however, the completed questionnaires were returned to the Department of Education, who sent them to my staff. My staff forwarded them to the staff of Senator Kennedy, the Committee's Ranking Minority member. After consideration by the full Minority side of the Labor and Human Resources Committee, they reported that, in the interest of having this important Council begin to operate, they felt sufficiently satisfied by the answers to the questionnaires to rescind their request for a hearing and to agree to have the names considered at the next markup. Consequently, there was no hearing, and no Committee report was issued on these nominations.

At that markup, prior to consideration of the nominees, as previously agreed, I accorded my colleague, Senator Kennedy, an opportunity to speak and to place a statement in the record of the markup. This statement reiterated the view of the Minority as to the serious nature of the new qualifications that had been established in 1984 and of the importance of the Council. I would add that I believe all Majority members of the Committee concur in the importance of both these new criteria and of the Council itself. I would also state that the Minority had specifically consented to the names of these nominees being voted upon as a group with all the other non-controversial nominees at this markup. Thus, I would note that all these 17 nominees were unanimously recommended to the Senate floor, with not one of them receiving a single negative vote.

Your letter also requests that I indicate "which nominees and which of the nominees' experiences and characteristics," in the judgment of the Committee, "satisfy the criteria set forth in the statute." I have attached a compilation of the nominees, their expertise, and the criteria upon which they were judged to be expert in that area for your information and review. This summation also was submitted to the Minority in late December. Furthermore, although they have been provided to you previously, I have again enclosed copies of the answered questionnaires, submitted to the Labor and Human Resources Committee Democrats, which they carefully analyzed before deciding to waive the necessity of a hearing.

You further inquire whether a nominee is "representative of" a particular category of a population now required in the Council's composition and described in the statute if a

nominee has taught that particular population. In response, I would refer you to the two words immediately following "representative of" in the newly established criteria. That is, the statute now requires "individuals who are representatives of and expert in the educational needs of. . . ." I certainly believe that the knowledge acquired by teaching a particular minority population provides expertise in the problems faced by that minority group. Anne Sullivan would certainly be described as expert in the educational needs of blind children following her experience with Helen Keller although she, herself, could see.

I additionally believe that members of particular groups—e.g., people who are handicapped or women who have had to leave school upon marriage or when beginning a family but are now trying to return to school—are as "representative" of and "expert in" these particular areas as if they had an advanced educational degree in one of these fields. In fact, they may be far more "expert" by virtue of their real life experiences than is the holder of an academic degree.

Your final question is whether a single male member satisfies the statutory requirement that the Council include both "women and men." I believe that it does. Rather than counting the specific numbers of each sex on the Council, I believe the Senate should concern itself with the qualifications of the nominees and their commitment to educational equality and excellence for women. I believe, further, that that is what each Senator on the Labor Committee had done before voting to approve these nominees.

Thank you again for your interest in the qualifications of the nominees to the National Advisory Council for Women's Educational Programs. I trust your review of the enclosed material will quickly alleviate any concerns you might have. If you do have additional questions, please do not hesitate to contact me personally or my staff, Bobby Dunn or Jack McGrath (4-0751).

Sincerely,

ORRIN G. HATCH,
Chairman.

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

NOMINEES AND EXPERTISE

Betty Cordoba: Elementary Education, Secondary Education, Older Women.

Background History.—Educator; Vice President, Professional Educators of Los Angeles, CA; Treasurer, Professional Educator's Group; Vice President, Ventura Blvd., Republican Assembly; Vice President, San Fernando Valley Alumnae of Kappa Delta; Delegate, Los Angeles County, California, Republican Assembly.

B.S. from the University of Southern California.

Graduate courses from USC, UCLA, etc.

Elizabeth Adams: Community Education, Elementary Education, Secondary Education, Older Women, Arts & Humanities.

Background History.—Experience in community development of arts and humanities; trustee of Thacher School in Los Angeles, CA and Vice Chair of Development Committee and member of Education Committee; Trustee of the Marlborough School from 1969-1979 and member of Executive Council in 1980.

Marge Bodwell: Elementary Education, Secondary Education, Older Women, Math and Science.

Background History.—Teacher; member of Women Aware and ABWA; President of Republican Women.

BA in Chemistry from the University of Cincinnati.

Mary Jo Arndt: Adult and Higher Education, Elementary & Secondary Education, Continuing Education.

Background History.—Teacher and businesswoman; writer; Suburban Press Club of Chicago; American Women for International Understanding; Lombard Rotaryannes; Oak Brook Area Chapter, Zonta; PTA Council Legislative Chair; Legislative Consultant for District; head of Scholarship and Extension Committee for Northern Illinois University (1965-1967).

Judith Moss: Continuing and Adult Education, Higher Education, Disadvantaged.

Background History.—Attorney-at-law; member of Ohio State and local bar; Ohio Eagle Forum and Eagle Council; counselor and attorney for woman reentering educational systems.

BSBA—Ohio State University, 1975.

J.D.—Ohio State University, 1977.

I. Renee Robinson: Adult Education, Higher Education.

Background History.—Instructor in Foreign Service of Russian and Scientific Russian, Georgetown University; Morphologist and Interpreter, National Bureau of Standards.

BA from St. Joseph College, Tientsin, China (1941).

Virginia Tinsley: Elementary Education, Secondary Education, Adult Education, Disadvantaged, (All levels, community activities).

Background History.—Teacher; for executive director of the Tempe Community Council; President of Tempe Union High School Board in 1980 and 1982; Board of Directors, Arizona School Board Association; Board of Directors, Friends, of Channel 8; member of AAUW, Tempe, St. River Panhellenic.

BA, University of Denver.

Graduate work, George Washington University, College of William & Mary, Arizona State University.

Helen Valerio: Older Student, Disabled Student, Adult & Continuing Education.

Background History.—Senior Vice President, Papa Gino's of America, Inc.; member, National Restaurant Association; Financial Executive's Institute; New England Women's Business Owners, Executive Club; 1984 Women of Achievement in Business & Industry; Director Catholic Charitable Bureau of Boston; member, Weston Community League.

Graduate. Harvard University, various psychology courses.

Diana P. Evans: Older Student, Elementary Education, Secondary Education.

Background History.—Volunteer in Salem, OR, Public School; member, Oregon Historical Society; small business owner and rancher.

BA, Stanford University.

Lilli D. Hausenfluck: Student's Perspective, Higher Education.

Background History.—Member, Executive Women in Government; Vice President, Renaissance Women; President of Arlington Resources International; executive director of the Committee for Responsible Youth Politics.

MBA Candidate.

BS in Economics, Texas A&M University.

Marcilyn D. Leier: Vocational Education, Non-Traditional Education.

Background History.—Roseville Central Park Foundation; Camp Fire Girls Programs; numerous Republican Party activities.

Attended Hamline University.

Naomi Brummond: Vocational & Adult Education, Elementary & Secondary Education.

Background History.—Member of the Nebraska State Women's Committee and its nurses loan fund; Chairman of the Chapter 1 program for District 11; member of the Leadership Education Action Development Committee (provides $10 thousand dollar fellowships for students 25 to 40 years old).

Judith Rolfe: Vocational & Adult Education, Preschool Education Older Women.

Background History.—Chairman of NACWEP (appointed June 1985); teacher, Child Development Center at Montana State University; volunteer, Bozeman Deaconess Hospital and Extended Care Facility; member, board of directors Bozeman Junior Achievement program; member, expanding your Horizons (a project for women and girls in mathematics and science); officer, Longfellow Elementary Parent Advisory Council; judicial appointee, Juvenile Probation Advisory Council; member of the Superintendent and Parent Advisory Council.

Esther Kratzer Everett: Higher Education Elementary & Secondary Education, Adult & Continuing Education.

Background History.—Teacher-Advisor, Alfred Institute; lecturer, "Women's Financial Programs, Needs and Independence"; recipient, national award for the communicatively impaired, by National Council on Communicative Disorders; member, scholarship committee of Mother's Club of Buffalo; officer, University of Buffalo Community Advisory Council; first female president, University of Buffalo Business Alumni Association.

M.Ed. in Business Education—University of Buffalo.

Hazel Richardson: Higher Education, Student Financial Assistance, Vocational-Adult Education.

Background History.—Vice Chancellor for Governmental Affairs, University of California at Santa Barbara; member, Santa Barbara Junior League; member, Federation of Republican Women Scholarship program; member, Pi Beta Phi Sorority alumnae scholarship fund; fundraiser, Sansum Medical Research Foundation.

John Laird: Student Financial Assistance, Higher Education.

Background History.—Student financial aid officer, University of Wisconsin; member, Advanced Opportunities program committee (awards grants to minority students advancing to post graduate studies); advisor to University of Wisconsin Adult Learning Center; Advisor to University of Wisconsin Minority Services Office.

Della Newman: Elementary & Secondary Education, Higher Education.

Background History.—Member, Executive Women International (group provides financial assistance to women students based on a national/international competition); member, Board of Directors, Washington State Council on Economic Education; member, Washington State Personnel Board; advisor to Human Resources Division of Department of Personnel (board provides additional educational opportunities to state employees).

Mr. KENNEDY. Mr. President, I would like to take this opportunity to print in the RECORD on behalf of myself and the Democrats on the Labor and Human Resources Commit-

tee a statement of concern regarding the 17 nominees to the National Council on Women's Educational Equity. This statement was submitted during full committee consideration of these nominees.

Although many of the current nominees may broadly qualify for membership on this Council, I believe that Congress intended the Council to be composed of individuals who are expert in the educational needs of girls and women and individuals who are also representative of the groups served by the Women's Educational Equity Act. Over the past few years the Council has not been truely representative of the groups they are appointed to advocate for and I believe that a return to the bipartisan nature of the Council will not be realized during the present administration. I plan to carefully monitor the Council's activities in the future and I encourage the Council to actively demonstrate a commitment to educational equity for women.

I ask unanimous consent that the statement of the Democrats to which I earlier referred be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE DEMOCRATS—SENATE LABOR AND HUMAN RESOURCES COMMITTEE, MAY 14, 1986

We would like to express our deep concern regarding the Administration's demonstrated lack of commitment to educational equity for women and girls and the dramatic change in direction of the National Advisory Council on Women's Educational Program. Our concern is based on two facts: the absence of a commitment to the Women's Educational Equity Act and laws facilitating educational equity on the part of many of the Administration's nominees to the Council and; the dramatic decrease in activity in recent years.

Since the 1983 Supreme Court's *Grove City* decision, the Administration has openly refused to fully enforce Title IX. The National Advisory Council on Women's Educational Programs has stood silent while the Administration has sought to dismantle the laws and regulations which have helped women gain equal access to education. Since assuming office, the Administration has attempted to eliminate the National Advisory Council on Women's Educational Programs. Here again, most of the members of the Commission have stood silent against the Administration's actions in this area. In fact, this Reagan-nominated Council has made clear its partisan viewpoint by stating they "always have to maintain the Reagan philosophy," which in this instance means closing off educational opportunities for women.

We believe that many of the current nominees to the Council have little background in educational equity or related issues and that the Congressional intent regarding the Advisory Council is not being fully implemented. We strongly urge the Council to advise and report on educational opportunities for women and girls without reference to any administration's philosophy or legislative program.

We are in a time of crisis for women in education. The protections for young women in education provided by Title IX no longer exist. We must depend on the Women's Educational Equity Act programs and the equity provisions in the Vocational Education Act to help stem the tide of increasing educational discrimination. We must be diligent in our efforts to implement these programs. And, we must continue the fight to overturn the Grove City decision by enacting the *Civil Rights Act of 1986*.

For more than a decade, Title IX provided the necessary tools to break down the walls of discrimination against women and girls in education. This Administration is quickly rebuilding that wall by precluding passage of the *Civil Rights Act of 1986*. Both the National Advisory Council on Women's Educational Programs and the Reagan Administration should be directing all their efforts toward re-establishing that which is the right of every woman in this country—the right to obtain an education free from discrimination.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

Judith D. Moss, of Ohio, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

Helen J. Valerio, of Massachusetts, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

Elizabeth Helms Adams, of California, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

Mary Jo Arndt, of Illinois, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

The following-named persons to be members of the National Advisory Council on Women's Educational Programs for terms expiring May 8, 1988:

Betty Ann Gault Cordoba, of California.

Irene Renee Robinson, of the District of Columbia.

Judy F. Rolfe, of Montana.

Diana Powers Evans, of Oregon, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988.

Esther Kratzer Everett, of New York, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

Hazel M. Richardson, of California, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988.

Della M. Newman, of Washington, to be a member of the National Advisory Council on Women's Educational Programs for the remainder of the term expiring May 8, 1987.

John O. Laird, of Wisconsin, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988.

Marge Bodwell, of New Mexico, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Naomi Brummond, of Nebraska, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Lilli K. Dollinger Hausenfluck, of Virginia, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Marcilyn D. Leier, of Minnesota, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Virginia Gillham Tinsley, of Arizona, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. CHAFEE. Mr. President, I ask unanimous consent that the Senate now resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 2130

ORDERS FOR WEDNESDAY, JUNE 11, 1986

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. CHAFEE. Mr. President, I ask unanimous consent that when the Senate completes its business this evening, it stand in recess until 10 a.m. tomorrow, Wednesday, June 11, 1986.

RECOGNITION OF CERTAIN SENATORS

Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, PROXMIRE, MATHIAS, GORE, MOYNIHAN, HUMPHREY, QUAYLE, BENTSEN, HEINZ, and MITCHELL.

ROUTINE MORNING BUSINESS

Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

RESUME CONSIDERATION OF H.R. 3838

Mr. President, following morning business, the Senate will resume consideration of the unfinished business, namely, H.R. 3838, the tax reform bill. Pending is amendment No. 2065 to

amendment No. 2064, both dealing with IRA's.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I would say that votes will be expected throughout the day on Wednesday and into the late evening hours.

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. CHAFEE. Mr. President, if there be no further business to come before the Senate, I now move, in accordance with the previous order, that the Senate stand in recess until tomorrow at 10 a.m.

The motion was agreed to and the Senate, at 9:16 p.m., recessed until Wednesday, June 11, 1986, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 10, 1986:

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

Judith D. Moss, of Ohio, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

Helen J. Valerio, of Massachusetts, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

Elizabeth Helms Adams, of California, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

Mary Jo Arndt, of Illinois, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987.

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Betty Ann Gault Cordoba, of California.

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Diana Powers Evans, of Oregon, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988.

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Naomi Brummond, of Nebraska, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Lilli K. Dollinger Hausenfluck, of Virginia, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Marcilyn D. Leier, of Minnesota, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

Virginia Gillham Tinsley, of Arizona, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

FAST FOOD LABELING

HON. JOHN H. CHAFEE

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, June 10, 1986

● Mr. CHAFEE. Mr. President, last month I introduced legislation (S. 2446) calling on the U.S. Department of Agriculture and the Food and Drug Administration to enforce Federal labeling requirements as they apply to fast food.

These requirements state that all food sold in a packaged form must bear a list of ingredients on its label. In the case of fast food, these laws have not been enforced. Thus, my bill does not create a new requirement, but simply seeks enforcement of an existing one.

The intent here is not to tell people what to eat or restaurants what to serve. It is simply to make the facts available, so that consumers get what they want—and only what they want.

Fast food is a staple in the American diet—and with good reason. Busy people—48 million of them a day—have come to rely on it for quick, inexpensive meals. Fast food doesn't have to to be high in saturated fat, sodium or sugar—and not all of it is. But unless we know what's in it, how can we tell the good from the bad?

Telling consumers what's in fast food would kick off a whole new kind of competition among the fast food giants. We'd get better quality food, and more choices. And we'd see new versions of old favorites—ones that taste just as good, but don't promote heart disease.

It's true, not everyone reads food labels—but we all benefit from them whether we read them or not. This is because product labeling forces a measure of honesty on those trying to get us to buy their products. And without reliable information, the consumer hasn't a leg to stand on.

This proposal continues to receive widespread support. The American Diabetes Association recently added its name to the list of consumer and health groups which have endorsed S. 2446. And in a recent editorial, The Atlanta Constitution embraced the concept of fast food labeling, stating that the lack of information about fast food ingredients is not only poor public policy, but could prove to be bad business as well.

Mr. President, I ask that copies of the ADA letter of endorsement and of the Atlanta Constitution editorial be reprinted in the RECORD.

The material follows:

[From the Atlanta Constitution]

FEDS SHOULD CHEW ON FAST-FOOD STANDARDS

If you are what you eat, then Lord knows what you are if, like millions of Americans, you make up any notable part of your diet at the counters of the nation's ubiquitous fast-food restaurants.

There are a few exceptions. The Atlanta-based Arby's chain provided listings of its ingredients to the Center for Science in the Public Interest in Washington. Joliet, Ill., has a law requiring all restaurants to disclose what type of fats they use; the mayor pushed it through after his bypass surgery. And now, in New York state, by way of settling a dispute over claims in its ads for chicken NcNuggets, McDonald's has agreed to begin giving customers brochures listing ingredients and nutritional data.

Most of us, however, are eating blind in this land of Whoppers and Chicken Planks. As a result, we are playing roulette with our allergies, with the management of some high blood pressures, with the potential for heart and vascular disease. We are unable to make what should be routine decisions about what we eat. A hamburger is not just a hamburger when it may have been fried in either saturated or unsaturated fats, may include this preservative or that, or no preservative, and may or may not be loaded with salt.

The ignorance is poor public policy and, long term, is almost sure to be bad business as well.

U.S. agencies have long conceded that, technically, the law requiring disclosure of ingredients in packaged or wrapped foods applies to the food served in franchise eateries, but the government brazenly has said it will not enforce the law on fast food unless compelled to. A petition by the public-interest science center calling for enforcement has been rejected by the Department of Agriculture and, almost a year after being filed, remains under study, if that's what it is, at the Food and Drug Administration.

Legislation will be introduced in Congress soon to order enforcement. Congress should adopt it. But lawmakers also should recognize that step as just a first one. Ingredients disclosure and nutritional data should be required of all restaurants.

The salute, after all, is *bon appetit*, not "lots of luck."

AMERICAN DIABETES ASSOCIATION, INC.,
Alexandria, VA, June 4, 1986.

Hon. JOHN CHAFEE,
U.S. Senate,
Washington, DC.

DEAR SENATOR CHAFEE: On behalf of the American Diabetes Association (ADA), the Nation's leading voluntary health organization representing the interests of over 11 million Americans with diabetes, I wish to convey our endorsement of S. 2446, legislation which would require fast food restaurants to provide a list of ingredients used in the food they sell.

Diabetes is a disease in which the body does not produce or properly use insulin, a hormone used to convert sugar, starches, and other foods to energy. A strict regimen of proper diet and exercise is critical to the management of diabetes and its complications by people who have "Type I" insulin-dependent diabetes and "Type II" non-insulin dependent diabetes. Therefore, persons with diabetes who dine in fast food restaurants must pay careful attention to the choices they make in order to avoid eating foods that might unnecessarily elevate their blood glucose levels. Unfortunately, there is little or no information available by which to judge levels of calories, sodium, fat, and sugar in the products offered by fast food restaurants. Therefore, people with diabetes often find they cannot avail themselves of the products offered by fast food franchises, or must select from a confusing array of choices with little or no nutritional or dietary information.

For this reason the ADA believes that S. 2446 would not only help the American consumer in general in making intelligent dietary choices, but would in particular allow people with diabetes make more informed and rational choices in fast food restaurants. We believe the timely introduction of your bill is yet another example of the growing awareness of the relationship between proper diet and good health, and stand ready to assist you in any way we can as the Senate considers this important legislation.

Sincerely,

SANDRA SEGAL POLIN,
Chairperson,
Committee on Government Relations.●

JAPANESE-AMERICAN COAL INDUSTRY

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. ROGERS. Mr. Speaker, recently Carl E. Bagge, president of the National Coal Association, delivered the keytone address at the Fifth Japan-United States Coal Conference.

Mr. Bagge's remarks are vitally important. Japan is one of the most important coal markets in the world today. Unfortunately, despite years of negotiation, Japan has consistently reduced their purchases of American coal and has even failed to comply with the minimal requirements of the Reagan/Nakasone Joint Policy Statement on Energy Cooperation.

Mr. Bagge's remarks not only point to the Japanese failure to purchase more American coal. But they also make clear how it is in the best mutual interests of our nations to build on this coal trade.

I would like to file Mr. Bagge's statement for the RECORD and to urge my colleagues to consider his comments.

The statement follows:

THE FUTURE GARDEN OF TRADE: EXQUISITE OR NEGLECTED?

To the honored Chairman of the Dai-Nippon delegation; to the other assembled daimyo of Japanese industry: You have the heartfelt thanks of all for the generous hospitality and the meticulous courtesy you accord us. Nevertheless I speak with a sense of sadness, of regret and, almost, of resignation.

It is unseemly so soon after what the President called the Triumph of Tokyo—the economic summit at which Japan won much honor—to draw attention to the Failure of San Francisco: Our unsuccessful joint attempt to increase Japan's purchases of U.S. coal according to the old agreement of your Prime Minister and our President.

But just as a carefully chosen, carefully placed rock in one of your exquisite gardens, the greater rests on the lesser; and on the bearing capacity of the small does the viewer's perception of the whole rest.

I want to be very clear on this so no one will assign unintended meaning to my words. The greater is the circle of free and trading nations; the lesser is each of the nations that benefit from this order: Japan, America, and all the others; no more, no less.

So speak I must.

The world has turned more than 730 times since Mr. Nakasone and Mr. Reagan reached agreement that Japan would buy more U.S. coal and told us to handle the details. It has turned these times since we began talking of how to do this. The sun has risen and set all these times, and many times has the moon swollen to and fallen from fullness.

As the Japanese proverb says, the full moon is doomed to wane. And all things change.

During this time children whose parents had not even been introduced when we last met have been born, have taken their first steps and have said their first words. The toddlers of that day have entered school. The trade deficit of the United States with Japan has risen from $21 billion to $49 billion. And coal purchases have yet to break the horizon.

Since we met in Norfolk in 1980, when you were desperate to have American coal, the world has turned more than 2,000 times. Mere schoolboys have become college graduates and novice businessmen. The trade deficit of the United States with Japan has breathtaking ascended from $12 billion to $49 billion. And coal purchases have descended from their zenith into the sea.

Mitsure ba kakuru: All things change, and the watchful eye begins to see patience shading into foolish hope.

When we met in San Francisco, I tried to convey to you a sense of urgency about our relationship as producers and users; about the relationship of our nations as the foremost trading nations of the world; and about the world trading order that should sustain Japan and all others in it: For each is to the other and to the whole as rocks are to the garden.

I said all these things are in peril. And they are moreso today, despite the Triumph of Tokyo and its new accords on trade tensions; and because of many situations such as the Failure of San Francisco.

Wanting deeply to engage your attention in San Francisco, I invoked your national folk symbol and discussed its similarities with ours. I was privileged to address you on that occasion in a paper entitled "The Sumurai and the Cowboy."

If some among you found offense in it, none was intended and I am regretful. But you must understand that it rang true among businessmen in America, in Canada, in Australia, and among the businessmen of many nations who face similar situations.

My inspiration then was true wisdom handed down in "A Book of Five Rings." Because an important friendship was at stake, I spoke frankly the mind of America; and I pleaded with you to use the skills Musashi recommended: The two-fold gaze of sight and perception, and the understanding of background timing; not to prevail, but to understand.

And I suggested that if you would see beyond America's distractions to our real soul you should read the Declaration of Independence. It is an earlier time's indictment and bill of particulars on mercantilist practices of another island trading nation that thought to use us only as a source of raw materials and minor items; but also to use us as a dumping ground for every kind of finished goods to the detriment of our development.

For the use of these insights and a real understanding on both sides appeared vital to our particular relationship; to the broader relationship of the world's two foremost trading nations; and to the even wide circle of the world trading order.

I urged you to examine the historic demand for a square deal in American culture, and the equally strong view of trade as a thing that should carry mutual benefit. I did so in the hope that frank talk could help make our mutual destiny one of harmony and not of discord.

And there was reason to hope 730 sunrises ago: The Nakasone-Reagan accords on coal were bright; and the Government of Japan was once again talking of liberalizing import policies, practices and customs.

In the interim additional market-opening moves were announced by the Government of Japan; we had the market-oriented, sector-specific talks; and we had endless visits with one another to talk about talking.

But the actions did not support the themes. Many now are beginning to say America is the only market open to the goods of all the world, including those Japan turns away whether by policy, practice or custom. And coal imports have set faster than the sun after it touches the horizon; have become as weak and thin as a new moon.

The beneficiaries must support the order, and many watch the specifics and the background. The American people do. So do the politicians they elect to make their policies. They are still watching. And the mood I warned of two years ago is deeper, despite the Triumph of Tokyo. Mood is shading into judgment.

Everyone gives Japan great credit for loosening its official hold on the yen to allow it to rise to its proper place among the world's currencies and the dollar. This credit is deserved.

There is high applause for the findings of the Maekawa Commission. It identified the troublesome things that bring pressure: Economic growth only through export; resistance to competitive imports; and other practices. We particularly find interest in the specific recommendation to increase coal imports.

And we welcome the Tokyo Summit's recognition of and emphasis on trade tensions, which are felt among your nonexporting industries as well as across America and throughout the order.

But we have learned that it is the little foundation rocks that uphold the theme of an exquisite garden, not the big, visible ones.

So in America there is receptivity to the Maekawa theme. But there will be no surprise if it comes to naught, or to grudging little because this is what experience is teaching.

In America there is hope for the goals outlined in the Triumph of Tokyo. But there will be no surprise if it comes to nothing but talking about the need to really talk—someday.

And if nothing happens Japan must not be surprised at the other things that happen in consequence, and fairly soon. There will be renewed determination, and demands for action and—most likely—action stronger than anything now pending in more than 500 trade bills in Washington.

Knowing our culture as well as you know yours, I sought to help Japan understand the need to support the idea of mutual benefit in trade; why this mood would grow.

I sought to reawaken the sense of mutual benefit we seemed to have established at Norfolk, when world politics and unrest made you desperate for American coal. All the world was desperate then. Ships of almost every nation waited at our ports.

Then Japan said: We have been your good customer; our metallurgical purchases for years supported your industry (and we did not answer that our steel market supported your export-oriented steel industry); and we want your coal because we must have a diversified, stable and dependable supply to survive.

And America responded. We did business as businessmen, but there was a sense of a special relationship. The American coal industry took every extra step that could be taken to ease Japan's burdens. The cost was considerable.

And in one year these preferences gave Japan nearly nine times more steam coal than the year before, despite a clamoring world. Yet the results of the Nakasone-Reagan accord and the STC say that if America relied only on Japan we were wrong to expand capacity; wrong to go to political war with the railroads on rates; wrong to improve port loading facilities.

By the way, we defeated the export rail rate exemption in court. And when the railroads recently attempted to recreate it, we let a reaction that was such as to cause them to withdraw it.

But movement toward implementing the accords has been almost without progress. Accordingly: We have withdrawn from the Standing Technical Committee; we have informed the President there will be no result from the once-bright accords absent the application of policy.

And these results say more to others who watch the whole of the garden that could be created by the circle of free and trading nations. They suggest Japan has taken a well-earned and proper place in this circle of nations; but that the heirs of the knowing leaders who started this rise do not accord America, or others, a proper place.

As a Japanese journalist recently wrote for the Washington Post, Japan's concept of this circle does not seem to extend beyond Japan. I assure you the other trading nations expect it to; for, although you have worked with will, Japan has benefited greatly from all nations in this circle of free and trading nations. The results also suggest I may have spoken too frankly for your customs.

There are some American coal producers who feel our efforts have been treated almost as representations by those who scheme to corner you with obligations; almost as those by mere money counters and worse.

I do not feel this way. I still have hope. So do the American metallurgical and steam coal producers and traders who are here. But you must ask yourselves: Where are the other faces that made the other conferences such large affairs? Where are the bulk of the steam coal producers? Why are they not here?

They are at home tending to business. For a number, more than geographic distance is involved in their absence.

Some among the missing have watched your increasing imports from Russia and China. Neither nation is necessarily friendly nor lacking in hard political motives nor hesitant in unexpectedly using trade as a political weapon. And neither has any long-term interest in Japan's prosperity in the circle of free and trading nations, or in the circle. One is outside the circle entirely; the other half in, half out. Those who watch also see the statistics on the Australian and Canadian trade.

And they make tentative conclusions. Some are concluding—as an Australian reader of the San Francisco paper told me he has concluded—that there are only six considerations in the Japan coal trade:

When coal is scarce, diversification, reliability of supply and long-term interests are the most important talking points while minor differences in price are dismissed as secondary; and,

When capacity is built up, the three remaining important items are price, price and price; but,

Never, never, never are they important at the same time or in a balanced way.

Some among the missing producers have decided they will not sell below the cost of production. By the way, this would be dumping in a truly open market, and subject to government remedy.

These producers feel America has lots of coal. They have time and a growing domestic market. It is an alternative to selling below cost. You also must ask yourselves: Would the Australians and Canadians like alternative markets, just as you like alternative suppliers? Does over-capacity eventually cure itself? Might not Australia and Canada balance the considerations as other Asian nations develop. Is the world ever really stable? Where are Japan's long-term interests, and markets?

For some American producers it has come to this: This time is a fork in the road from Norfolk; and absent the early substitution of action for talk, they are ready to take the alternative.

They will be friendly when you need them again. But they will be friendly as to strangers with whom no bond exists. They will sell coal when the full moon wanes, and at a fair price as always.

But this will be a commercial relationship as between money changers. Then it will be very, very, very difficult to again rally to consensus in this industry to make special exertions for Japan, and to create preferences. Then it will be three-times difficult to rally a consensus to take some of the political stands we have taken on proposed laws.

Those of this mind would be inclined to simply stand aside, and to let the $14 million Japan lobby in Washington handle things as best they could.

In San Francisco I sought to demonstrate the idea of mutual benefit on which rests the circle of free and trading nations.

I asked you to consider the millions of tons of steel you send to the United States. It is about 15 percent of what Japan exports even under current conditions.

Although restraints exist, no other large market is so open. You have an entitlement under these restraints to 5.8 percent of the market for finished goods. No single nation has anything to match it; it is greater than the EC share and no single nation comes close; it doubles most shares. Your industry was considered.

I also asked you to consider the 2.3 million automobiles you sell in the U.S. Despite relaxing voluntary restraints, no other nation has such a market, no other nation allows such access. The EC will not take half the cars you sell in America.

And I said there was a need to demonstrate an understanding of mutual benefit; for without such a showing all of these things could be peril.

Curiously, Japan's statistics say the purchase of more U.S. met coal during this time would have added no more than one-twentieth of one-one hundredth of a dollar to a ton of the high-priced finished steel products you sell in the United States. This is one-half mill in dollar terms; it also is a fraction of a yen even at yesterday's exchange rates.

But this did not happen. Now the other concerns that motivated this bluntness are coming to pass, despite the Triumph of Tokyo.

The Tokyo Summit of industrialized nations did give an elevated place to settlement of trade tensions, and this has stabilized the pressure, temporarily.

The Maekawa report does demonstrate awareness, and this has temporarily arrested the pressure; but no lowered it.

But if either or both of these only result in talk about talking, the tensions will not be reduced in America; they will be increased, and pressure will be redoubled with pressure.

At this point most Americans would be ready to take counsel from the folk wisdom set out in the saying: Fool me twice, shame on me. Many are close to this today, and not only in America.

Unusual things are being reported now in the periodicals and journals that influence and mold the American consensus, which exists no matter how disorderly it looks from the outside.

No longer is concern about the trade deficit disreputable. No longer are proposals to correct it soon seen as mere backward protectionism. No longer do only politicians talk about it.

Our observers, pundits and thinkers are looking and seeing other things. They see that the American economy pulled the world economy—including Japan's—through the recent recession by resolutely remaining open. They say: It was painful because many goods were unfairly traded; the cost was high. And it might not even have been fully intended. But it is result that counts.

Now one reads in Forbes Magazine that: The U.S. served the world well by allowing itself to become a dumping ground for the world's goods. But . . . the pain . . . is beginning to exceed the pleasure. Forbes said this, not Carl Bagge.

Or in the Washington Post that: It was an admirable rescue but it has gone on too long . . . it is time for Japan and Germany to take up the burden.

Even the classically-oriented Wall Street Journal is now giving space to opinion articles such as the recent one headlined: Japan and Adversarial Trade.

The opinion-makers are well beyond discussions of clever management techniques, of the work ethic, of quality circles or of cultural differences.

Now they notice the structural adjustments made up and down the American economy in the name of world trade, adjustments to accommodate not just Japanese goods but the goods Japan turns away from the Tiger Cubs and Baby Dragons of Asia; and for the goods of Europe as well.

They note that America takes 50 percent of the exports of the Third World, which compete with American workers; and that Japan takes only 8 percent; and that competitiveness is not necessarily a standard.

Meantime they report on some partners' protests about the need to protect this or that segment of their economies from structural readjustment. They find and report on things such as: The Japanese buttonmaker who can sell at home at 40 percent above world prices; and the Japanese sawyer who is protected and says every nation should protect its workers.

And the people learn that when your Minister of International Trade and Industry was in the Diet he said, I see nothing in America that Japan would want. Then they ask questions of themselves.

The examination is never-ending, and all things change. It is but half steps from respectability to consensus to law. If there is no willingness to modify what exists, the impression grows that a reordering will be done some way.

Many are close to acting against what they see as the thing that spurred the Declaration: A long train of abuses.

I have with me a copy of the Rahall Resolution from the House of Representatives. If you have only read of it and not seen it, I offer it to you now. It says the policy of the United States should be to link Japan's access to the American steel market to Japan's purchases of American coal—ton-out, ton-in.

Congressman Nick Rahall represents coal miners, productive coal miners. American mining productivity just increased another 5.7 percent in 1984. As a result the price of coal fell—again. Mr. Rahall's region was one of those that gave birth to the revolutionary spirit, which has not passed away.

Meantime the House of Representatives is ready to act on a bill to allow swifter, harsher dealing with goods found to be unfairly traded. It even deals with previously untouched areas such as targeted goods. It also contemplates balancing Japanese steel and U.S. coal.

If you have read of Senator Danforth's remarks here—Japan is a great nation and should act as one—you know the Senate is no less interested. There is specific interest in coal. Congressmen and many Senators who have to seek re-election this fall are making correction by law a major part of their campaigns.

So, yes the rise of the yen eased the pressure; and,

Yes, the Maekawa Commission and the Triumph of Tokyo can hold back the pressure; and,

Yes, President Reagan wants the world trading order to be self-correcting.

But he has only two years in office, and even he has said he will not allow the United States to be taken advantage of. As an earlier President Jefferson said: No more

good must be attempted than the nation can bear. And the next President may choose to deal with it differently—much differently—if there is no change. Left unbalanced, uncorrected, the trading order could be the issue that elects the next President.

If Japan's politics is difficult in regard to opening markets to more competitive imports, Japan must finally understand that ours is equally difficult in regard to closed markets when our market is open, or when it gives consideration to a partner.

Japan must understand that each round of talking about talking only doubles the pressure. Only tangible change can end it. Only sturdy, firmly set small rocks can sustain the great rocks that make the garden what it should be.

Coal trade is such support for the present, and for the Maekawa Commission, just as the Commission's changes can be for the trading order. I hope this report causes your awesome consensus system to work in its favor, because ours is hard at work.

I now point to two specific Maekawa recommendations: First, to concentrate on needed public works here to cause growth from within, and to take up goods from trading nations just as you send them out; and second, to reduce Japan's coal production by half.

Public works mean steel and cement. Steel and cement mean coal and electricity generated from coal. Japan's coal sells for $20-to $25 a ton more than U.S. coal, which you get CIF Japan at the approximate price CIF and Canadian coal.

So a representative share of this new demand of at least 9 million tons would be a support of and a signal about all the change promised by the Maekawa Commission and implied by the Triumph of Tokyo.

As you deal with the Maekawa recommendations there are signs all the watching nations will read.

The first is whether you take them up at all. The second is whether you take up grudgingly after months or years of talking about the difficulties of implementation from behind substantially closed markets, and never mind why they are closed. And a third is whether you take them up willingly.

If you take up public works, more coal from Russia and China will mean one thing. More from Australia and Canada will mean something else, but something similar.

And no coal, or grudging acceptance of minimal amounts, from the U.S. may be taken widely as verification of tentative judgments by those who have made them: In coal, in industry, in politics and among opinion-makers and then the public.

In coal those who are withholding judgment would decide it is time to tend to their own business and do business as usual—at a distance; first come first served; no preferences; every man for himself, and the devil take the hindmost.

Overall, little or only grudging improvement would put our now-idling consensus system back in high gear.

Some say Japan will not do these things. I disagree. I know the will of Japan is awesome to behold and irresistible in its force.

It is only a question of whether your nation will recognize the circle of free and trading nations, and the idea of mutual benefit. The rest follows as the sunrise follows night.

All things change, even excess capacities. But skillful businessmen of awareness can determine the shape and effect of that change just as knowing workmen make gardens exquisite or ordinary by their placement of the little rocks.

Again, to the honored chairman of the Dai-Nippon delegation, to the assembled daimyo of Japanese industry: I have spoken in sadness, in regret and, almost, in resignation. Our goal was a strictly commercial conference, and I have outlined the things shaping tomorrow's commerce as they exist today.

If my words are unseemly to some, they also are accurate in regard to tentative judgments being made in America. And among other free and trading nations. I urge you to think deeply about them. Thank you for your magnificant hospitality and meticulous courtesy. The world is watching. The world is waiting. Let's roll up our sleeves and make an exquisite garden that shows the world how it should be done.

SHOULD YOU BELIEVE THE PENTAGON'S CLAIMS ON CHEMICAL WEAPONS? LOOK AT THE 5-YEAR HISTORY OF THEIR FALSE INFORMATION ON THE PROGRAM

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. EDGAR. Mr. Speaker, our colleague DANTE FASCELL, the distinguished chairman of the Foreign Affairs Committee, has been a leader in the fight against the production of new nerve gas weapons. Today he is releasing a new report on the Bigeye binary nerve gas bomb that confirms many of our fears about the danger and unreliability of the proposed new generation of nerve gas.

Last year, Congress narrowly approved resumed production of these deadly and redundant weapons, but only after requiring that several strict conditions be met before production could be started on October 1, 1986.

Primary among these was a stipulation that production of binary nerve gas could begin only if performance specifications were met. The General Accounting Office [GAO] report released today by Representative FASCELL indicates that the Bigeye binary nerve gas bomb is so flawed "the GAO believes the bomb is not ready for production."

After an extensive study, commissioned last year by Representative FASCELL, the GAO concluded that:

From the data we have reviewed, we do not believe the Bigeye has met its technical specifications and should not be undergoing operational tests until these specifications are met.

Furthermore, the GAO found that:

While more developmental testing may be able to answer some of the unresolved questions, other questions appear to be intractable and not likely to be solved.

Mr. Speaker, for several years I have worked with Chairman FASCELL and other Members of the House to point out that the Nerve Gas Program is an unworkable boondoggle. We have adequate existing stockpiles of nerve gas weapons; we don't need more. We don't need a new race to build a weapon that will kill more civilians than soldiers. We don't need to frustrate progress in negotiations toward a chemical weapons ban. We simply don't need more nerve gas. What we do need is to save taxpayers the quarter of a billion dollars scheduled for the Nerve Gas Program now and billions more in years to come.

At this point I am inserting into the RECORD a chronological fact sheet on the production of binary nerve gas, giving the history of the Pentagon's claims about nerve gas and the actual production record of the Bigeye bomb. Also I am placing in the RECORD Chairman FASCELL'S statement on the GAO report, which provides details of the GAO's findings on the inadequacies of the Bigeye nerve gas bomb:

FACT SHEET

1982: The Pentagon asked for the first procurement funds for the Bigeye chemical weapons bomb:

The Pentagon said it was ready to begin work on the Bigeye bomb. During the House floor debate on July 22, 1982, several House members rose to defend the new weapons as adequately tested. Said Rep. Jim Courter, "There have been a lot of statements made during the past few hours that binary weapons have not been tested. Nothing is further from the truth. They simply have." Said Rep. Sam Stratton, "[Binary weapons] would not explode even if they were driven up and down the ski slopes of Colorado."

But in fact, Pentagon tests in 1982 were beginning to show problems with the Bigeye:

According to former Arkansas Rep. Ed Bethune during the 1983 House floor debate on chemical weapons, the Pentagon first discovered the Bigeye bomb had problems in June 1982 and had a serious Bigeye bomb test failure on October 7, 1982.

1983: The Pentagon renewed its request for Bigeye bomb production funds:

"However, during the [1982] debate the Bigeye was critized (albeit without any supporting evidence) as being unreliable . . . A decision on the Bigeye should be based on the best information available, not on unsubstantiated opinion." [*Source: Written response by Defense Secretary Casper Weinberger to question from Sen. Sam Nunn, from hearings before the Senate Armed Services Committee, February 1, 1983*]

Then the Pentagon itself announced in 1983 that it had discovered problems with the Bigeye bomb:

"The Pentagon has asked Congress to defer $43 million it had sought for production of the controversial Bigeye binary chemical bomb because it has discovered that the bomb could explode on its own and spew deadly nerve gas while being carried by an American aircraft."

" 'The problem was discovered late last year,' Dr. Ted Gold, deputy for chemical matters in the office of the assistant to the secretary of defense, said yesterday. 'But we believe a solution is in hand.' " [Source: Washington Post, May 3, 1983, article by Walter Pincus]

1984: The Pentagon said that it has solved its problems with the Bigeye bomb that had been found the previous year:

"The Bigeye program, from a technical standpoint, is in better shape this year. The problem (pressure buildup in the event the bomb could not be dropped after mixing) that delayed the Bigeye program has been addressed and the solution (not mixing until after the bomb is dropped) demonstrated . . . Based on testing to date, we expect that the Bigeye will perform as required and add an essential capability to our chemical de-

terrence posture." [*Source: Dr. Theordore S. Gold, Deputy Assistant to the Secretary of Defense for Chemical matters, testimony before the Senate Armed Services Subcommittee on Strategic and Theater Nuclear Forces, April 26, 1984*]

Yet the GAO 1984 found continuing problems with the Bigeye:

"Technical problems still plague the Bigeye bomb development . . . Further, the Bigeye bomb cannot meet the operational temperature requirement (minus 40 degrees Fahrenheit to 140 Fahrenheit) for producing VX with the minimum purity percentage." [Source: GAO report of October 23, 1984]

1985: The Pentagon reported again that it had fixed the Bigeye bomb problems:

"Bigeye bomb developmental problems identified by DOD and reported to you in GAO reports have been corrected, and the Bigeye bomb has been tested to confirm the fixes made. All problems have been fixed. The Bigeye today is success story." [Source: Dr. Thomas J. Welch, Deputy Assistant to the Secretary of Defense for Chemical matters, testimony before Senate Armed Services Committee, February 28, 1985]

In June 1985, the GAO discovered that despite Pentagon claims, the Bigeye bomb still does not work:

"The Bigeye bomb, centerpiece of President Reagan's $174 million plan to modernize the U.S. chemical weapons arsenal, remains technically flawed despite seven years of testing, according to the General Accounting Office."

"In preliminary findings presented to the House Foreign Affairs Committee Chairman Dante B. Fascell (D-Fla.), the GAO reported that in eight of its last nine tests by the Army, the bomb had not produced a sufficiently lethal chemical reaction at high temperatures." [Source: Washington Post, May 31, 1985, article by Michael Weisskopf]

1986: The Pentagon testified that it can deal with any Bigeye problems:

"A deep strike weapon is a critically needed deterrent system and we are confident that we can meet the technical challenges identified during the first phase of Bigeye operational testing." [Source: Statement to Senate Armed Services Committee by Dr. Thomas J. Welch, Deputy Assistant to the Secretary of Defense for Atomic Energy and Chemical Matters, April 10, 1986]

The GAO, in a May 1986 report, has concluded that Bigeye is still a disaster:

"After analyzing the available data on the Bigeye bomb, GAO believes the bomb is not ready for production."

"From the data we have reviewed, we do not believe the Bigeye has met its technical specifications . . . We conclude that while more development testing may be able to answer some of the unresolved questions, other questions appear to be intractable and not likely to be solved, given the 30-year-old technology being used." [Source: GAO report of May 1986 entitled "Bigeye Bomb: An Evaluation of DOD's Chemical and Developmental Tests"]

Fascell Dubs Bigeye Bomb a Failure and a Hazard to Our National Defense

Upon receiving a new report on the Bigeye binary nerve gas bomb from the General Accounting Office (GAO), Rep. Dante B. Fascell (D-FL), Chairman of the House Committee on Foreign Affairs, pronounced today that the Bigeye bomb is a fatally flawed nerve gas weapon which poses a real hazard to our national defense. Fascell said:

"Congress should not fund weapons systems which do not work. The Bigeye bomb has consistently failed its development tests, the problems have been left unresolved, and the GAO recommends categorically that Congress should not authorize the production of this bomb."

GAO made a similar recommendation in recent years which contributed to Congress deleting all funding for the production of the Bigeye bomb.

In releasing this latest GAO report, Fascell noted:

"The only reliable bombshell we have today is this report by the GAO. The evidence is overwhelming: the Bigeye bomb is a persistent failure with no reasonable prospect of it ever working properly or safely."

GAO's final conclusions that the "Bigeye bomb is not ready for production" and that certain problems remain "intractable" are based on a comprehensive one-year-long investigation. The 125-page report contains the following six principal conclusions (page 91 of the report):

Testing to date has not been able to demonstrate the feasibility and effectiveness of the Bigeye.

Operational testing will not address many of the unresolved critical questions which remain.

More developmental testing may be able to answer some of these questions, if the testing is well designed, implemented and reported.

Other problems, however, are intractable (e.g., the proposed tactic which exposes the aircraft to enemy defenses (flying at high altitude) versus the need to control the temperature of the bomb.

The Bigeye bomb is not ready for production.

Given that the deterrent and retaliatory mission assigned to Bigeye remain, and given that the binary concept and technology are not new (over 30 years old), the potential of other technologies and other chemical weapons for accomplishing those missions should be examined.

Twenty-five unresolved issues that show that the Bigeye bomb after thirty years is still experiencing technical problems that are "intractable and not likely to be solved". (see summary on page 76 of the report).

Twenty-two principal findings that demonstrate that the Bigeye technical deficiencies span all areas of testing ranging from ambiguous, shifting, and uncertain test criteria to sidestepping technical problems by falsely assuming resolution in future operational tests to persistent inconsistencies between weapons requirements and test purposes. (pages 87-90 of the report)

Fifty observations that expose various and persistent testing inadequacies and failures. (pages 17-76 of the report)

GAO's investigation reveals new failures which have recently occurred in the developmental and chemical-mixing testing of the Bigeye bomb. For example, when the bomb was tested for transport it was tested for its resistence to temperature change and movement, known as "shake and bake" testing. It failed nine out of ten "shake and bake" tests. The bomb was tested four times during takeoffs on aircraft and failed twice. Commenting on this startling fact, Fascell said: "Even Pillsbury makes sure their recipes are fully and properly kitchen tested before they'll put the 'dough boy's' seal of approval on a product."

Chairman Fascell concluded by commenting on the fact that DOD plans to move the Bigeye bomb into the operational testing phase despite these documented test failures in the developmental phase:

"Passing the Bigeye into operational testing is like letting kids graduate high school because of their age despite the fact that they have flunked all their courses. Let's not spend millions of dollars on a fatally flawed weapon for use by our soldiers on the front line."

Copies of the GAO report entitled "Bigeye Bomb: An Evaluation of DOD's Chemical and Development Tests" (GAO/PEMD-86-12BR) are available from the General Accounting Office.

THE EIGHTH PILLAR OF SOUND MONEY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. DANNEMEYER. Mr. Speaker, the eighth pillar of sound money and credit is the principle of matching maturities. It asserts that banks must now borrow short and lend long. Otherwise, bank liabilities will mature faster than bank assets, and the forced asset-liquidation that results will push interest rates higher and will shrink the average maturity of debt. This gives rise to a vicious circle leading to an explosion of the money supply and an implosion of the supply of savings.

This series is through the courtesy of the American Economic Foundation, 1215 Terminal Tower, Cleveland, OH 44113. Earlier parts were inserted in the CONGRESSIONAL RECORD, see volume 132, No. 36, page E956; No. 47, page E1196; No. 48, page E1232; No. 55, page E1416; and No. 59, page E1519.

The Eighth Pillar of Sound Money and Credit: the Principle of Matching Maturities—A Venetian Tale

(By Antal E. Fekete)

A Venetian merchant lost his ship of cargo on the reefs of the Dalmatian coast. As he was sitting in a cove lamenting his loss, a mermaid appeared and inquired what was the matter. Feeling sorry for the merchant who lost his entire fortune in the accident, she dived into the sea and brought up a boat laden with silver, and asked him if that was the boat he had lost. When the man said that it wasn't, the mermaid dived again and fetched up the merchant's own boat. "That's the right one", he said gratefully, and the mermaid was so delighted with his honesty that she made him a present of the other boat as well.

When he returned to Venice and told his colleagues about his good fortune, one of them thought that he could pull off a similar coup. He loaded his boat with merchandise, sailed to the Dalmatian coast and scuttled his ship. Then he sat down in the cove and wept. The mermaid appeared again, and upon hearing the cause of his tears, she dived and soon produced a boat laden with gold, asking if it was the same one that had been lost. The man, who had never seen that much gold in his life, fell out of his role and cried ecstatically: "O yes, indeed!"

The mermaid was so shocked at this unblushing impudence that, far from giving him the boat with its gold cargo, she did not even restore his own to him. "You are not only a liar," she said, "you are also an im-

postor", and she sailed away, leaving the man alone in the deserted cove.

THE PROPENSITY TO SAVE

As we have seen in the Seventh Pillar, there is a significant difference between commercial banking and investment banking (including savings banks). The former depends on the people's propensity to consume, and the latter, on their propensity to save. The banks pool the flow of savings from individuals, and make this pool feed the flow of investments to every part of the national economy. The banks borrow funds from the savers for various fixed terms, and lend them out to producers, entrepreneurs, speculators, for various fixed terms. The banks have a double balancing act to do: they have to balance their liabilities with assets not only dollar for dollar, but also maturity for maturity. That is to say, the banks must see to it that their assets mature no later than their liabilities. This is known as the Principle of Matching Maturities.

Since there is no investment without prior saving, the minimal rate of interest is determined by the propensity to save (or by its reciprocal, time preference). The higher the propensity to save, the lower is the minimal rate of interest (or, the lower the time preference, the lower is the minimal rate of interest) and conversely.

BORROWING SHORT AND LENDING LONG

The Principle of Matching Maturities is often quoted in its negative form: a bank must not borrow short and lend long. This is the one commandment most often violated by the banking fraternity. To understand the underlying temptation, we have to examine the source of bank profits. The investment bank derives its profits from the spread between the interest it earns on its assets and the interest it pays on its liabilities. The bank could, illegitimately, increase its profits by borrowing short at an even lower rate, and lend long at an even higher rate because longer term borrowing and lending normally command higher interest rates. The bank guilty of this illegitimate practice is an impostor, as it misrepresents the true state of affairs in the balance sheet, just as the Venetian sailor misrepresented his situation to the mermaid.

YOU CAN'T HAVE YOUR CAKE AND EAT IT

But the practice is no less dangerous than it is illegitimate. The bank would obviously have to borrow again and again, before its assets matured. No one knows the future, and the bank is no exception. Future borrowing conditions may be worse than those at present. The bank may be confronted with borrowing costs higher than the earnings it has locked itself into or, in an extreme case, the bank may not be able to borrow at any price.

A bank guilty of borrowing short and lending long is not only an impostor but a liar as well. It lies in overstating the value of its assets and understating its liabilities in the balance sheet. The bank in fact pretends that it can use short term funds in balancing its long term liabilities. But it is no more able to do this than it can have its cake and eat it.

SHORT DEBT MAKES LONG FRIENDS

The American banking system is in deep trouble on account of its long-standing addiction to the drug of borrowing short and lending long. Worst offenders are the savings banks loaded with mortgages maturing in 20 years or longer, held against liabilities maturing daily. That this situation is preposterous should be clear to every impartial observer. The bank has sunk liquid funds into brick and mortar, against which it holds liabilities subject to withdrawal without notice (or on short notice). The banks are sitting on mountains of paper losses, which will become real losses at the first test of extensive cash withdrawals.

Federal deposit insurance is hardly a figleaf. The assets of the insurer cover only a minuscule part of its contingent liabilities. Worse still, these assets are carried in the form of government securities, and even a minor asset liquidation would embarrass the government and break the market.

Had the American banks taken to heart the ancient wisdom of the English proverb: "short debt makes long friends", they could have avoided diverting enormous resources into loan-loss reserves.

VICIOUS CIRCLE

If bank liabilities mature faster than bank assets, then two things will happen. (1) Interest rates will rise, as the banks are forced to resort to asset-liquidation, and the public will acquire these assets only at a concession in price. (2) The maturity structure of the debt will shrink, as the banks are forced to issue short-term debt in exchange for long-term debt. In other words, the banking system led by the central bank is forced to finance a massive exodus of the savers from long to short term debt. As the banking system has to absorb more and more long-term debt, unwanted by the saving public, and give short-term credit in exchange, it becomes clear that the only cure for the condition caused by drug abuse is more drug abuse.

The central bank is helpless. Any hesitation on its part to make available the reserves needed to meet the maturing liabilities of banks would bring down the house of cards immediately. The central bank would therefore continue to buy the long-term bonds dumped by a disgruntled public. That is to say, the central bank would continue to borrow short and lend long on an ever larger scale.

The vicious circle, however, cannot continue indefinitely, as the average maturity of the debt cannot shrink to zero. Before that happens the bond market, like a rotten apple, will fall into the lap of the money market. The money supply will explode, the supply of savings will implode, and the new brave world of borrowing short and lending long will come to a sorry end.

SETTLEMENT HOUSES CELEBRATE 90 YEARS OF SOCIAL SERVICES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. STOKES. Mr. Speaker, settlement houses and neighborhood centers have played a very important part in Cleveland history. They provided a place for community residents to enjoy educational, cultural, recreational, and personal services.

Since 1896, these "good neighbors" have provided programs to bring community members together. This year marks the 90th anniversary of Goodrich-Gannett Neighborhood Center, Cleveland's first settlement house, and, in recognition of this occasion, on May 30, 1986, the Neighborhood Centers Association and the Cleveland State University Center for Neighborhood Development sponsored a musical production entitled "90 Years of Neighboring." On May 18, 1986, the Cleveland Plain Dealer published a feature article that reviewed the history of settlement houses in Cleveland. I commend this article to the attention of my colleagues to demonstrate the continuing contributions of settlement houses in my district and would like to commend the numerous philanthropists and socially conscious individuals who have dedicated themselves to improving the quality of life of numerous Americans.

The article follows:

[From the Cleveland Plain Dealer, May 18, 1986]

SETTLEMENT HOUSES CELEBRATE 90 YEARS OF SOCIAL SERVICES

(By William F. Miller)

Centers for the elderly, day-care facilities, and Karamu, the black theater, are some of the innovative social programs begun here years ago by settlement houses and neighborhood centers.

The Neighborhood Centers Association, the coordinating agency for the centers, is reminding Clevelanders of its rich social services history on the 90th anniversary of Goodrich-Gannett Neighborhood Center, Cleveland's first settlement house.

The grandfather of the neighborhood centers, at 1368 E. 55th St., is still in its original neighborhood.

Since 1896 Goodrich has been providing educational, cultural, recreational and personal services to families and individuals, said Robert L. Bond, association director.

The name "settlement house" came because students and social workers settled in the neighborhoods and lived in the centers, Bond said.

The centers were started to help new immigrants in the late 1800s. Later the mission was to help migrants from the South and Appalachia.

The centers provide a place where families can be together for recreational and cultural activities, said Bond. They have been places for learning to read and write, finding jobs and solving social problems, among other activities, he said.

Settlement people were also in the forefront to establish the Sunbeam School for Handicapped Children, Legal Aid Society, Juvenile Court and Hudson School for Boys, he said.

Goodrich was founded by Flora Stone Mather to help immigrants, then living in the Public Square neighborhood. It was an extension of her work at Old Stone Church.

The first club for the elderly here was started in the early 1940s at Goodrich by Oscar Schulze, a refugee from Nazi Germany. As a former welfare director in Leipzig, Germany, he had worked with the elderly there.

A day nursery for children was founded in 1899 by the Methodist Deaconess Home, which later became the West Side Community House.

In 1874 the Woman's Philanthropic Union opened a coffee shop to discourage the use of alcohol, and Friendly Inn Settlement later developed out of this program.

John D. Rockefeller lived in East Cleveland in the late 1890s. To get to his estate, he had to travel through Little Italy and daily encountered many of the poor Italian immigrant children playing in the streets.

When approached by the Italian community for money to help, he have funds to build a settlement house, which was named for his daughter Alta.

The Phillis Wheatley Association and its residence was begun for young black working women who moved to Cleveland from the South by Jane Edna Hunter in 1911.

Russell and Rowena Jelliffe came to Cleveland after their marriage in 1915 and started Playhouse Settlement, which later became Karamu Theater. Langston Hughes, one of America's greatest black writers, worked there.

In 1912 Alma Adams, a blind musician, started the Cleveland Music School Settlement in the Goodrich building to help people with little income to learn music.

The history will be re-enacted by performers from centers and other social service agencies represented by the Neighborhood Centers Association in the musical production of "90 Years of Neighboring" at 7:30 p.m. May 30 at Cleveland State University's University Center Auditorium. It is being co-sponsored by CSU's Center for Neighborhood Development.

Throughout the month, the association's 25 centers and social agencies will have programs celebrating the 90th anniversary.

Bond said the association was Ohio's largest voluntary social agency with an annual budget of $12.6 million, of which $2.6 million is contributed by United Way Services and much of the rest from federal, state and county governments.

Its agencies employ 516 people who serve 60,000 people yearly. The Neighborhood Centers Association was created in 1963 to coordinate and provide central financial and planning services for the centers and agencies.

"MY PLEDGE TO AMERICA" SPEECH

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. LEWIS of Florida. Mr. Speaker, on May 25 I had the opportunity to deliver the keynote address at a Memorial Day celebration service in Palm Beach County, FL. At that Memorial Day ceremony, David Codell, the valedictorian of Palm Beach Gardens High School class of 1986, shared his award-winning speech with those of us fortunate enough to be in attendance.

This speech, entitled "My Pledge to America," is an outstanding example of the patriotism which is proudly displayed by many of today's young people. I applaud David Codell's efforts and encourage my colleagues to take a moment and reflect upon the truths proclaimed by this young American's essay.

It is with great pleasure that I am inserting "My Pledge to America" in today's CONGRESSIONAL RECORD.

MY PLEDGE TO AMERICA

(By David Codell)

Every day, without fail, I am faced by a classroom full of students who look me in the eye and half-heartedly mumble their pledges of allegiance to me, the American flag. Being a flag hung above the chalkboard in an American high school has lost its old glory for me. Why aren't these students enthusiastic about their loyalty to the United States? If I were an American citizen rather than merely a flag, I know what my pledge to this country would be.

I know because I've been around for more than two hundred years. I was born when America first declared her independence and fought to gain civil liberties for all her citizens. I was proudly displayed at Concord and Bunker Hill, and I saw the facial expressions of those Revolutionary soldiers as they protected their land and fought for personal freedoms. The dedication that I witnessed in these men convinced me that my pledge to America must include a willingness to take great risks in order to secure the freedoms that every citizen of our nation deserves.

After America achieved her independence, she strove to establish a sound political structure. When I was only twelve years old, I was displayed in a small room on the second floor of the State House in Philadelphia. From a wall in the front of the room, I watched as fifty-five men from across the country composed the Constitution of the United States. I heard their debates and their patriotic speeches, and I was impressed by their efforts to form an efficient national government. I saw the commitment of these men as they guaranteed liberties for their fellow citizens, and I, too, was influenced to hope for a strong, just country. Therefore, my pledge to America would be incomplete without a promise to uphold the Constitution and to support the values that our Founding Fathers felt were important.

Years passed, and America strove to establish herself firmly in the Western Hemisphere; however, at the same time that America's international position was gaining ground, domestic strife was prevalent. At the ripe old age of eighty-four I had just gained my thirty-fourth star, yet I knew that it was not a time for celebration. With the secession of seven states from the Union, I watched the noble land I represented be torn by civil war. I saw young boys, transformed into frightened soldiers, fighting a war against those who had once been their fellow Americans! I saw men whose fathers had fought together for the independence of this country take arms against each other and divide the nation! This turmoil left a bloody scar on my glorious memories of a once-glorious land. Because of this disheartening experience, my pledge to America includes a promise to ensure that this country will truly remain "one nation under God, indivisible."

At the close of the Civil War, however, I watched with great joy as millions of slaves received their freedom. Nevertheless, a long struggle lay ahead of them, and I watched their uphill battle to achieve equality. Though they were free from the bondage of slavery, they were still prisoners of the bigotry of men. For more than one-hundred years, I have observed the mistreatment of minorities. I have witnessed the confusion on the faces of young children who, because of the color of their skin, were forced to sit in the back of the classroom or ride in the rear of the bus. I have felt the indignation of the mistreated, and I was proud to have been displayed in the Freedom March on Capitol Hill as thousands of Americans asserted their rights. My intent to help ensure equal rights and justice for all Americans would need to be incorporated into my pledge to America.

In the last century, I have observed America as she has learned to respond to new problems facing the American public, and these situations have greatly influenced the nature of my dedication to the United States. For example, in the 1970's, I witnessed America as it went through an energy crisis. I saw natural resources being wastefully used without regard to future generations, but I also noticed the efforts of many Americans that decided to search for new energy sources and use existing ones more wisely. These efforts have encouraged me to include in my pledge a vow to help conserve our natural resources.

Yet the most vital resource that our nation has it its own citizenry, and the protection of these citizens is of utmost importance to the future of America. In the last century, I have repeatedly observed American citizens as they responded to the needs of the military, and I have watched hundreds of thousands of soldiers fight valiantly and make costly sacrifices for their country. As a result, my pledge to America includes a vow to always remember those who gave their lives for the United States.

Of course, my pledge to America encompasses more than these points I have mentioned, and it continues to be augmented as I observe history take place, but why can't all Americans have a sincere pledge to this wonderful nation that gives its citizens more freedoms than any other country in the world. The next time you stand with your hand over your heart and look at me, the American flag, will you mean the pledge that you recite?

A TRADE POLICY FOR THE PEOPLE

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. EVANS of Illinois. Mr. Speaker, American companies continue to be lured overseas by cheap labor. The loss of American jobs, particularly in the manufacturing sector, threatens our national and economic security.

That is why the House recently passed a trade bill which seeks to balance some of the inequities that have developed on the world trading market. I believe this bill demonstrates that the United States is no longer willing to be a dumping ground or a whipping boy in the field of international trade.

Some critics have labeled this bill protectionist and claim the answer is free trade. But a recent article in the Nation by Bill Goold, administrative assistant to Representative DON PEASE, and John Cavanaugh of the Institute for Policy Studies shows that casting the debate on trade policy between protectionism and free trade is not the answer. It's not even the question. The real issue in the debate is based on labor rights.

I recommend to our colleagues this article which shows that a trade policy promoting economic justice at home and abroad is the most constructive policy available to us.

[From the Nation, Mar. 29, 1986]

A TRADE POLICY FOR THE PEOPLE

(By Bill Goold and John Cavanaugh)

Trade wars occupied more hours of debate on Capitol Hill last fall than Star Wars or Central America, and the subject has already begun to dominate discussions in the

spring. Free-traders quarrel with protectionists, one side urging that Americans embrace free trade as bargain-hunting consumers, the other that we take to the barricades in defense of jobs.

Both sides define winning the trade wars as eliminating America's $150 billion trade deficit, which, in practical terms, amounts to more than $600 for each American in foreign purchases that are not offset by sales abroad. And despite their differences in ideology and rhetoric, both free-traders and protectionists focus their energy on country bashing. The latter cook up bills to slap new tariffs, quotas and sanctions on Japan, Taiwan, South Korea, Brazil and other culprits; the former limit themselves to issuing plaintive appeals for greater access to foreign markets.

No one, however, is asking the crucial question: How can the United States possibly win a trade war against China, South Korea or any other country in which wages are but a fraction of ours and in which U.S. corporate subsidiaries have rapidly narrowed the technological gap with the United States? The answer is that it can't, without substantially altering the terms of the debate. A new trade offensive based on labor rights offers a breath of fresh air to the debate which free-traders and protectionists cannot ignore.

Free-trade ideology was succinctly packaged by Ronald Reagan last September: "I, like you, recognize the inescapable conclusion that all of history has taught: the freer the flow of world trade, the stronger the tides for human progress and peace among nations." But under the pummeling of the unprecedented trade deficit, industrial decline and the deepening agriculture crisis, President Reagan and his diverse Congressional allies have shifted to what they label a fair-trade position, which comes down to threatening retaliation against trading partners who set up barriers to U.S. goods—a milder dose of the medicine prescribed by the protectionists.

Even the free-traders acknowledge that U.S. trade has always been far from free. The U.S. Trade Representative, Clayton Yeutter, admits that since 1980 this country has negotiated or imposed more than 425 textile and apparel quotas on foreign competitors. Agriculture is heavily protected through price supports, subsidies, tariff and quotas. In almost all other sectors, selective quotas, "voluntary" quotas, tariffs, subsidies and other controls govern the flow of goods and services.

Even if trade were not so heavily controlled, recent developments in the world economy have undermined the free-traders' basic premises. During the first two decades after World War II, the American economy grew at a prodigious rate, and there seemed to be no end in sight. Most Americans saw their standard of living rise steadily as part of the general prosperity. Industries and manufacturing workers, producing primarily for the domestic market, were not threatened by imports. Free trade was a high-sounding principle, irrelevant to the day-to-day concerns of most Americans.

From the early 1960s to the present, America's position in the global economy changed dramatically. Easy access to critical raw materials at low prices disappeared in the upheaval wrought by Third World nationalism and producer cartels. U.S. exports did not keep pace with imports flooding the American marketplace, many made by overseas subsidiaries of U.S. corporations. In the past five years, a U.S. trade surplus has given way to an enormous deficit.

Who benefits from the new global economy, and who pays? All across America, scores of communities, hundreds of industries and millions of workers have been ravaged by the resulting economic dislocation. When imports jumped 26 percent, from $269 billion to $341 billion, over the course of 1984, American Express gauged that 1.8 million U.S. jobs were lost. To make things worse, Reagan is the first President in the postwar era to deny flatly that the Federal government has a responsibility to help the millions of American workers and firms adversely affected by the surge of imports.

The major gainers from this shift are U.S.-based multinational corporations that market finished products from standardized parts manufactured in plants abroad. Recent advances in transportation, such as containerization; communication, such as satellite telecommunication systems; and information systems, such as microcomputers, have greatly increased the ability of multinational corporations to shift production overseas to take advantage of low wages.

According to the U.S. Bureau of Labor Statistics, in 1984 the hourly wage for manufacturing workers in South Korea, Taiwan and Brazil was 11 percent, 13 percent and 10 percent of their American counterparts, respectively. Even in Japan—which has the largest trade surplus with the United States of the four countries targeted for sanctions in the trade bill sponsored by Representative Richard Gephardt, Representative Dan Rostenkowski and Senator Lloyd Bentsen—average hourly compensation came to only 50 percent of that in the United States.

American factories and workers cannot hope to compete with their counterparts in, say, Taiwan. Assembly workers there receive barely subsistence wages for eight-to-twelve-hour days. They live in crowded company-owned dorms with no air-conditioning, despite 100 degree heat and high humidity, no potable water, no recreational facilities and no social activities. Health and safety regulations are lax or nonexistent, even where workers handle hazardous products.

Strikes are all but illegal under martial law (100 percent of the affected workers must vote to strike). According to the Asia Resource Center in Washington, although a collective-bargaining statute is on the books, there are no agreements in effect, and inciting labor unrest is a crime. The few unions that do exist are government-controlled. The Ministry of the Interior appoints union leaders, and plant managers often line government and company coffers with the union dues they collect, while distributing official propaganda through union channels.

Piecemeal protectionism in the United States is inadequate to stem the flood of cheap goods from such countries. China's exports to the United States increased by 191 percent between 1980 and 1948, followed by South Korea's and India's (126 percent each), Taiwan's (119 percent), Singapore's and Brazil's (108 percent each) and Japan's (83 percent). The protectionist approach also contradicts U.S. policy on the international debt crisis. Third World countries that have accumulated more than $970 billion in debt have been told by U.S. banks and government officials and by the International Monetary Fund that in order to obtain new loans to repay the old ones, they must export more and import less. That message has been forcefully sent to Brazil, Mexico, South Korea and about fifty other debt-ridden countries, but U.S. protectionism makes it impossible for them to export.

Instead of retaliatory protectionist measures, the United States badly needs trade policies that address the monumental changes in the world economy. Corporations must be limited in their ability to shift capital out of the country, and the government must provide incentives for them to move capital and labor into sectors that are capital intensive (e.g. robotics) or education intensive (e.g. software). The government must also do more to soften the blow of capital shifts on workers and communities. Americans who have lost their jobs in basic industries to foreign competition in recent years need help training for new jobs.

Finally, such policies must tackle the least talked-about unfair trade subsidy: the exploitation of workers abroad that makes possible cheaper exports to the United States. Many industries and unions in this country protest trade subsidies and the dumping of low-priced foreign goods on the American market. The same outcry should be raised against "social dumping"—competition from foreign workers whose low wages result from the denial of their basic labor rights.

In the short run, antiworker policies may benefit companies that use overseas labor to produce low-priced goods for export to developed countries. Echoing the robber barons of the nineteenth century, corporate apologists argue that people in developing countries are better off working for a dollar a day than they would be not working at all. But the exploitation of labor inhibits the development of self-reliant local economies in much of the developing world. By limiting workers' income and purchasing power, multinationals and host governments are severely restricting the growth of internal consumer markets. It is as true overseas as it is in this country that money in the pockets of working people creates demand for goods and services which, in turn, creates jobs. Denying labor rights in developing countries perpetuates poverty and produces social unrest.

Some encouraging steps are being taken by the U.S. government. The Trade and Tariff Act of 1984, pushed by a coalition of human rights and union activists called the International Labor Rights Working Group, stipulates that a country's duty-free access to the American marketplace will depend on its respect for basic labor rights. The law requires the State Department, in consultation with the Labor Department, to report annually on the "labor rights" situation in every country. Specifically, do they permit freedom of association and collective bargaining, prohibit forced labor, set a minimum age of employment and maintain acceptable standards for wages, work hours and occupational safety and health? Finally, the law allows any person or organization to bring evidence of labor abuses to the attention of the U.S. government. Several human rights and trade unions have already submitted reports challenging the continuation of trade preferences for South Korea, Taiwan, the Philippines, Chile, Haiti, Zaire and other countries.

Last fall, despite vigorous opposition from both the Reagan Administration and multinational corporations, Congress enacted a law that prohibits the Overseas Private Investment Corporation, a government agency, from issuing business risk insurance to U.S. multinationals for projects in countries that do not grant their workers internationally recognized rights. Public hearings before the OPIC board of directors will be held each year to receive formal requests

to curtail OPIC operations in specific countries where there is evidence of labor rights violations. And on March 13 the Fair Trade and Economic Justice Act of 1986 was introduced in Congress by Representative Don Pease and twelve of his colleagues. It is designed to treat as an unfair trade practice the competitive advantage in international trade that some countries derive from the systematic denial of workers' rights. Supporters of this legislation point out that to promote fair competition current rules in world trade outlaw capital subsidies and dumping, but they condone competition at any cost as far as workers are concerned.

Such legislation could promote a trade policy that combines the protectionists' concern for economic justice at home with the advancement of workers rights and development overseas. Support for this approach can be expected from communities in the American Rust Belt, human rights groups and development and peace organizations. Some labor unions, increasingly aware that protectionism's protections are short-term at best, are adding their weight. Sixteen of them, along with the A.F.L.-C.I.O., were among the co-sponsors of a conference highlighting this approach earlier this month. Another ready potential group of backers consists of the owners of small domestic firms producing everything from apparel to castings. At this stage, unions, church groups, human rights organizations and others must put pressure on the Reagan Administration to comply with the new legislation and on Congress to extend it to new realms.

A trade policy that promotes economic justice at home and abroad through an aggressive campaign to extend basic labor rights in countries that challenge the United States in the global economy would simultaneously increase the security of American workers and make the U.S. economy more competitive. In their approach to the trade dilemmas of the 1980s, Americans should be guided by the motto the Knights of Labor adopted one hundred years ago: "An injury to one is of concern to us all."

IN HONOR OF MARIO JIMENEZ

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. TORRES. Mr. Speaker, I would like to call to the attention of my colleagues the honor that has been bestowed on my good friend Mario Jimenez of Whittier, CA.

On June 28, 1986, at the inaugural graduation ceremony for the university at his birthplace, Huitzuco, Guerrero, Mexico, Mr. Jimenez will serve as the "Padrino de la Generation" for the class of 1986.

Mario Jimenez, a community leader and philanthropist in my district, has a long history of supporting education. As a successful businessman in Pico Rivera, Mario has dedicated his time and resources to many programs and activities that support quality education for young people. He also serves on my congresional awards council, which recognizes the volunteer contributions of young people in my district.

In honor of the first graduating class at the Centro de Bachillerato Technologico, I congratulate the following candidates for a bachelor of science degree in biological chemistry: Andrade Riquelme Ruth, Aleman, Dominguez Andres, Alonso Garcia Pablo Francisco, Avila Lopez Humberto, Bustos Terrones Estela, Cornelio Robles Roberta, Castrejon Castro Edith, Chavez Alcocer Rogelio, Hernandez Aragon Rogelio, Joya Riquelme Hermelinda, Kuri Cutalan Arqueles, Medina Peralta Gloria, Marban Bahena Pedro, Moyao Galarza Ruben, Ocampo Bahena Marcelina, Orihuela Martinez Aurelio, Ortiz Avila Juan, Porras Barbosa Ma. Leticia, Ramirez Villegas Jose Luis, Romero Apaez Mecaela, Santiaguillo Hernandez Santiago, Taboada Bahena Elia, Taboada SanMartin Alma Delia, Teliz Astudillo Isidro, Varela Velasquez Ma. de Jesus, Velasco Orihuela Rogelio, and Vicario Castrejon Ulises.

Candidates for a bachelor of science degree in mathematical physics: Adame Uriostegui Miguel; Apaez Cruz Raul, Aponte Alavarado Oscar, Barbosa Castro Rodolfo, Barrera Hernandez Gabino, Castro Velazquez Francisca, Catalan Roman Esteban, Diaz Catalan Jesus, Giles Alonso Fidel, Gonzalaez Ramirez Jose, Hernandez Guzman Leonel, Miranda Guerrero Sandra, Mugica Marban Rene, Mundo Gatica Rodrigo, Najera Nieves Graciela, Reyes Mota Jorge Luis, Rueda Terrones Mario, Campos Ocampo Ma. de Lourdes, and Mata Cortes Ruben Dario.

Bachelor of business administration degree candidates are: Arteaga Sanchez Domingo, Damian Cuevas Santiago, Escobar Munoz Estela, Espin Garcia Magdalena, Flores Moyo Hugo, Garcia Gonzalez Rosalina, Gaytan Castrejon Cruz Aleyda, Giles Cruz Ma. Elideth, Gonzalez Alonso Julia, Joya Jaimes Isidro Alberto, Lagunas Castrejon Martin, Marban Munoz Norma, Marquez Ocampo Maricruz, Ocampo Mata Oscar, Palacios Nava Dora Maria, Soto Garcia Ma. Cecilia, Toledo Arcos Hilda, Torres Antunez Gilberto, and Brito Gaytan Consuelo.

I would like to ask my colleagues to join with me in giving our best wishes to the inaugural graduating class at the Centro de Bachillerato Technologico in Huitzuco, Guerrero, Mexico and to my good friend Mario Jimenez.

INTRODUCTION OF THE NEW MEXICO TECH LAND PURCHASE ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. RICHARDSON. Mr. Speaker, I want to take this opportunity to share with my colleagues today a bill I am introducing which will convey some 6,000 acres of Bureau of Land Management land to the New Mexico Institute of Mining and Technology—more commonly known as New Mexico Tech.

The land that will be conveyed in this bill is necessary so that valuable educational research and testing work can continue. At the present time the university's field laboratory does not have enough usable space. If the university's present field laboratory space is not expanded an important component or our Nation's defense related research and testing capabilities will be hurt. This legislation is not only important to the future research capabilities for New Mexico Tech but for our Nation as a whole.

New Mexico Tech is nationally known for the work it has completed in the areas of petroleum recovery research, military hardware research and explosive technology research. The research that would be conducted on the land in question would be undertaken by the terminal effects research and analysis [TERA] group which is a component of the research and development division at New Mexico Tech.

The entire military community is looking to TERA to assume more of a role to fulfill their explosive testing obligations. This work for the purposes of safety and security requires large expanses of land. The land that would be conveyed to New Mexico Tech is a large amount but is necessary to meet both line-of-site and safety requirements. The land is adjacent to the present laboratory and well situated for security purposes. The land will allow for economies of operation that might otherwise not exist in a location removed from the existing facility. The legislation recognizes and respects all current land uses. An arrangement has even been worked out with ranchers who graze their cattle on the land to continue this practice. Additionally, environmental concerns have been worked out to build a water reservoir to protect an endangered species of isopods.

TERA evolved from ordinance research projects during World War II and has been a part of New Mexico Tech since 1949. Over the years, TERA's combination of knowledge and experience, specialized test facilities, and reasonable operating costs have served to make it a very important defense related research center. My bill will enable TERA to expand and grow.

This bill is necessary. New Mexico Tech needs to have clear title to this land because they cannot lease it from the Bureau of Land Management. BLM would be prohibited from issuing any permits and leases under the Federal Land Policy and Management Act of 1976 [FLPMA] because of the unique and special uses that the land would be used for. The only way to ensure that these nationally important research projects can continue is if this bill is passed.

Mr. Speaker, this legislation is fiscally responsible. The bill specifically contains language which authorizes and directs the Secretary of the Interior to convey this land at fair market value. Preliminary estimates show the land to be worth around $650,000. The university plans to work with State lawmakers to arrange for an appropriation to purchase the land. It is my understanding that New Mexico Tech's request has already gleaned approval by New Mexico's board of educational finance—evidence of the State's commitment to this project.

Further protection is written into the bill for the Federal Government's interest in the land. The bill reserves to the Federal Government any mineral rights associated with the land. In addition, the school has agreed to perform and provide the Secretary of the Interior with a survey of the archaeological resources of the area. This conveyance of land is subject

to all valid and existing rights such as existing grazing permits, which I mentioned earlier, geothermal leases or mining claims.

Mr. Speaker, this bill will provide New Mexico Tech with the additional land it needs to fulfill TERA's defense-related commitments. The land is adjacent to the present laboratory and will meet the requirements for safety and security. The testing at TERA has proven to be economical—costing one-eighth to one-tenth of what it costs the Federal Government to conduct similar tests. TERA is a unique and important component in our overall defense related testing facilities. I hope that my colleagues will take the opportunity to review the bill and will consider joining me in this effort to allow New Mexico Tech to expand and grow. Thank you.

DEPARTMENT OF ENERGY DROPS THE SECOND HIGH-LEVEL WASTE REPOSITORY

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Ms. SNOWE. Mr. Speaker, on May 28, the Department of Energy [DOE] announced the indefinite postponement of any further activities with respect to selecting a second underground repository for high-level radioactive wastes. I believe this decision was sensible and reflected a clear understanding by DOE officials that there is no need for a second repository.

In suspending the selection process for a second site, DOE effectively removed a tremendous concern from the citizens in the State of Maine and other States that had sites under consideration. Fundamentally, however, I believe DOE made a sound public policy determination for itself and for the Nation—first, because the selection process for locating a second site was dangerously flawed, and second, because we should not spend billions of dollars building a repository deemed unnecessary by DOE and other authorities.

With this announcement on the second repository, it is important to put the matter in perspective, especially considering the developments of the last several months which served to create a lingering threat in Maine and six other States.

In January of this year, DOE issued a draft area recommendation report [ARR], which named 12 crystalline rock sites in seven States, including two sites in Maine, that were to be considered potentially acceptable to store high-level wastes. Since that time, residents of Maine examined how its two sites were picked. The conclusion reached by me and by thousands of other Maine residents was that the selection process designed and implemented by DOE's Office of Civilian Radioactive Waste Management was seriously flawed.

The Nuclear Waste Policy Act of 1982 charged DOE with designing a process to locate a second repository. When the act was considered by Congress, a provision was also added to the conference report in the other body placing a limitation of 70,000 metric tons on the amont of waste that could be stored in the first repository. The act established a process for selecting, testing, and constructing a first repository, and also called for a similar but later selection process for a second repository, but specifically requiring Congress to authorize actual construction. By starting later on picking a second site and by requiring later congressional authorization, Congress left open the obvious possibility that this nation would never construct a second repository.

The act also very clearly indicated that factors that should be analyzed to qualify or disqualify a site should be ones which common sense would dictate are overriding for human and environmental safety. Such was clearly not the case, however, in the way in which DOE carried out this program for the second repository.

Instead, DOE focused almost exclusively on geologic conditions, and ignored transportation, proximity to water supply and other issues critical to the safe storage of nuclear wastes. Many of these factors which should have been investigated immediately were deferred for study in the years ahead. For the State of Maine, had the second repository selection process gone forward, it would have meant spending years in a ruinous limbo—despite the knowledge of conditions specific enough to disqualify immediately our two proposed sites.

The two sites in Maine both had basic attributes DOE's computers found interest in: large granite rock bodies beneath the surface. Unfortunately, DOE's selection system wasn't interested, for example, in the fact that 27 percent of one site is under the ownership of the Passamaquoddy and Penobscot Indians, even though the consideration of site ownership was deemed by DOE to be important. The fact, over 90 percent of the lands within this site are either trust-owned, trust-designated or subject to future purchase by the tribes, as prescribed by the Indian Land Claims Settlement Act of 1980.

Equally lacking in common sense was the selection of Maine's other site, the Sebago Lake area, which is centered in one of Maine's most important vacation regions. This area's lakes supply water for one-third of our States population. Furthermore, population estimates made during the last several months pointed out the sheer inaccuracy of DOE's data on population density. DOE failed to account for the summer influx into the Sebago Lake area, which expands the number of people in the area by many times over: hardly a factor one ought to ignore when examining factors that should preclude the disposal of nuclear waste.

In sum, DOE's guidelines for selection of the second repository were flawed and dangerously misguided. Had the process gone forward, residents of my State would have had every right to harbor complete outrage toward the Federal Government.

Following formal hearings held by DOE in Maine in early April, I introduced legislation, along with my Maine colleagues, Congressman MCKERNAN and Senator MITCHELL, and over 30 other Members of Congress. This legislation, H.R. 4664, amends the Nuclear Waste Policy Act of 1982 by terminating all Federal activities with respect to the selection of a second repository.

In addition to terminating the second repository selection, H.R. 4664 calls for the establishment of an independent scientific panel and a moratorium by Congress if DOE has not commenced disposal in the first repository by 1998, as required by the 1982 act. At that point, recognizing the existence of an obviously serious problem, DOE's entire program would be halted until Congress could reevaluate the disposal of the wastes and the merits of alterative means of disposing of high-level wastes.

I believe this legislation clearly follows the logic which DOE officials have now come to recognize: First, by their own admission, there is no scientific or technical need for a second repository; second, it makes no sense to go forward at the present time if at all with a process of building a second storage site that could easily cost $10 to $15 billion; third, current DOE projections on the amount of wastes to be generated in the coming decades have been scaled back significantly. DOE no longer expects to produce over 140,000 metric tons, as they projected in 1982. Instead, they now anticipate the amount of wastes generated may be as low as 74,000 metric tons if one assumes no new orders for commercial reactors—and we haven't had a new order since 1978.

Thus, this legislation completes the statutory side of the action taken by DOE. In fact, Congress needs to take three important steps to follow up on DOE's determination. First, no further funding, for this year, fiscal year 1987 or successive years, should be appropriated for the second repository testing and selection process. Second, we must amend the Nuclear Waste Policy Act to terminate the statutory requirements for a second repository. And, third, we must provide adequate funding to bolster the exploration of alternative technological methods of disposing of high-level wastes.

Mr. Speaker, the citizens of Maine deserve much credit for their active participation and involvement in an important national issue. Public participation assisted immensely in the examination of DOE's guidelines and selection process. The very specific information people provided from their first-hand knowledge helped to point out serious flaws in the selection process and in the sites actually selected. I am pleased that DOE has recognized the wisdom of terminating the second repository, and as we move forward we must make sure that no further mistakes are made on this important matter of disposing these wastes safely.

HEALTH PROTECTION ACT OF 1986

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. SYNAR. Mr. Speaker, 350,000 Americans died last year from smoking. That is the equivalent of the population of Tulsa, OK, and each one of these deaths could have been

prevented. For all of their horrors, Bhopal and Chernobyl appear insignificant by comparison.

We spent an estimated $22 billion last year to treat smoking-related diseases, of which the Federal Government paid $4 billion. We lost $43 billion in lost productivity because of smoking.

These statistics are mindboggling, but we have grown numb to them—largely as a result of the advertising techniques of tobacco manufacturers. We have grown accustomed to seeing tobacco portrayed as socially acceptable and healthful. We have been led to believe that smoking brings success, glamor, and independence. But we have failed to acknowledge the tremendous costs that accompany the widespread use of tobacco.

There are no easy solutions to this problem. Congress has prohibited radio and television advertising, required warning labels on most tobacco products and print advertisements, and imposed excise taxes on cigarettes, cigars, and smokeless tobacco. While these were important and significant steps, it is clear that it is time for one further step.

Today I am introducing legislation with Congressmen LOWRY, SWIFT, NIELSON, HANSEN, STRATTON, STUDDS, ATKINS, and MONSON to ban the advertising and promotion of all tobacco products. Our intent is to continue to keep this issue at the forefront of public discussion while we search for the most effective means of discouraging tobacco use. We realize that this bill may be altered as it progresses through the legislative process. Regardless how Congress decides to further address this problem, it is essential that we eliminate the deceptiveness of modern tobacco advertising.

There are those who will argue that a ban on tobacco sales promotion violates the first amendment. We have approached this issue carefully, and have reached the strong conclusion that such action is fully supported by Supreme Court rulings on the subject.

The Supreme Court case of Central Hudson Gas & Electric Corp. versus Public Service Commission was the Court's clearest expression of the standard for evaluating an advertising ban. The Court established a four-part test for evaluating Government restrictions on commercial speech:

At the outset, we must determine whether the expression is protected by the First Amendment. For commercial speech to come within that provision, [1] it . . . must concern lawful activity and not be misleading. Next, we ask [2] whether the asserted governmental interest is substantial. If both inquiries yield positive answers, we must determine [3] whether the regulation directly advances the governmental interest asserted, and [4] whether it is not more extensive than is necessary to serve that interest.

A case could be made that all cigarette advertising is misleading because none of the advertising makes full disclosure of all known risks, and the addictive nature of the product is never mentioned. Under the Central Hudson test, this finding alone would allow Congress to prohibit the advertising and promotion of tobacco.

Even if current cigarette advertising were determined not to be misleading in the constitutionally relevant sense, a prohibition on advertising still would fall within the remaining three criteria established by Central Hudson.

First, the ban must involve a substantial Government interest. Little needs to be said on this point. One could hardly imagine an issue of greater Government concern than the loss of 350,000 lives annually from a single product. Far less compelling interests have been held sufficient to constitute a substantial Government interest.

Second, the ban must advance the Government interest. In this case, the issue is whether a ban on tobacco advertising would result in decreased consumption. In Central Hudson, the Supreme Court thought it obvious that a correlation exists between advertising and demand. The tobacco industry would not spend $2 billion annually on advertising and sales promotion unless it knew that these efforts resulted in increased sales.

Other cases have held that Congress need not prove empirically that smoking and tobacco advertisements are linked. As explained by the Fifth Circuit Court of Appeals in Dunagin versus City of Oxford, Mississippi, a case which upheld a State ban on print and broadcast liquor ads:

[W]e hold that sufficient reason exists to believe that advertising and consumption are linked to justify the ban, whether or not concrete scientific evidence exists to that effect.

The 10th circuit stated in Oklahoma Telecasters Ass'n versus Crisp that it is not "constitutionally unreasonable for the State of Oklahoma to believe that advertising will not only increase sales of particular brands of alcoholic beverages but also alcoholic beverages generally."; In Williams versus Spencer, the Court stated that "an advertisment encouraging the use of drugs encourages actions which in fact endanger the health or safety of students." And finally, in Capital Broadcasting versus Mitchell, a decision which was upheld by the Supreme Court, the district court found that there is a "close relationship between cigarette commercials broadcast on the electronic media and their potential influence on young people.

Turning to the final prong of Central Hudson's four-part test, Congress must demonstrate that a ban on tobacco advertising is no more extensive than necessary to meet the Government interest. Congress had taken numerous less restrictive approaches to limit tobacco consumption, including a ban on radio and television advertising, strengthened health warning labels, and increased excise taxes. While these efforts have resulted in increased consumer awareness of the health risks of smoking, their effect on overall consumption has been minimal. A total ban on tobacco promotion is the next logical step toward reducing tobacco consumption.

We hope that those involved in the promotion of tobacco sales will use this legislation as an opportunity to work with us. My door will always be open to hear all viewpoints. I invite representatives of the tobacco and advertising industries, the print media and others to take advantage of this offer so we can go forward together.

FARMING THE TAX CODE

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. PETRI. Mr. Speaker, the May 24, 1986 edition of the Wisconsin Agriculturalist newspaper carried a very illuminating article on tax shelters and their effects on America's family farms. For the benefit of my colleagues and the general public I ask that the article be inserted in the RECORD at this point.

FARMING THE TAX CODE

You may be wondering if what you hear and read about "tax loss" farming is really happening.

It is right here in Wisconsin, says Ron Jensen, Dane county farm management agent. Hardly a week goes by that he isn't contacted by non-farmers who want to make an agricultural investment to lower their income taxes.

In a recent week, for instance, he has been contacted by:

An out-of-state physician who wants to buy a 70-cow dairy farm in Rock county.

A group of investors who are checking into setting up a high-tech dairy operation in Dane county.

An Englishman searching for a farm to buy in southern Wisconsin.

An Illinois bank president who wants to buy a farm.

They all want to invest in farming for the same reason—to use losses from farming to lower their income tax bill while still building equity in their farm operations. It's perfectly legal to do and probably smart money management on their part.

Jensen traced the following example to show how an investor shelters income by investing in production agriculture. Last November, he wrote to Alta Verde Industries, a Texas cattle feeding operation which advertises tax deferrals in the Wall Street Journal. The advertisement goes something like this: "If you need a tax deferral on your income tax, consider feeding cattle."

In reply to Jensen, Alta Verde sent a letter, brochure, and budget sheet on their operation. The letter informed Jensen that, "Alta Verde can help you conserve tax dollars through our cattle feeding tax deferral shelter. Cattle feeding is considered by many tax consultants to be the finest type of investment for good profit possibilities and a high write off potential—two to one. You get two dollars of tax savings for every dollar invested."

The budget sheet gave details of the potential tax savings. Three investment possibilities were offered—the purchase of 250 thin number 1 and 2 Okie heifers, 250 number 1 crossbred steers, or 175 Holstein steer calves. The total cost for buying and feeding out the Holstein steers to market weight, for instance, was projected at $116,000, of which $40,000 was cost of the 175 steers.

The finished Holstein steers were further projected to be sold for $123,000—leaving a projected profit of $7,000.

To do all this, the investor would need to invest only $26,000. The remaining cost would be borrowed from a local lender at 2 percent above the prime interest rate.

But here's where the tax shelter comes into play. For the $26,000 investment, the investor could take a $73,000 tax loss from

his non-farm income. In other words, for every $1 he invests, an estimated $2.78 could be taken as a tax loss.

For an individual in the 50 percent federal tax bracket (someone with over $85,130 of taxable income) this scheme could save him/her over $43,000 in federal and state taxes. Not bad return for a $26,000 investment that the investor gets back when the cattle are sold, plus a possible profit.

What disturbs Jensen is that investors in this feedlot have an unfair advantage over farmers. Their investment is being subsidized by the U.S. Treasury Department through the tax write offs. That's true for almost all types of loss farming.

Jensen is further convinced that much of the overproduction of farm commodities in this country and the resulting poor prices are due to a large extent to such outside investors. As an example, the Alta Verde feedlot, with its 70,000 head capacity, finished out 60 percent of the total cattle fed out in Wisconsin.

Some members of Congress are also concerned with outside investing in agriculture being used as a tax shelter. Several have sponsored legislation to limit the amount of off-farm income that could be sheltered through farm operation. But witnesses at a hearing on the matter in Washington on May 1 differed on how to solve the problem.

Limiting the cash accounting method and modification of speedy depreciation rules were among the ways suggested for restraining outside investment in agriculture. Jensen believes tax shelters can be eliminated by allowing farm tax losses to be carried forward, only against future farm income.

There is no easy answer. But Congress could be receptive to a change as it looks for ways to increase tax dollars while reducing the agricultural budget. Changing the tax code to eliminate "tax loss" farming could help do both.

MARK E. TALISMAN'S YOM HASHOA ADDRESS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. LEHMAN of Florida. Mr. Speaker, I would like to share with those who may not have been present on May 6, 1986, Yom Hashoa, the moving words of Mark E. Talisman, founding vice chairman of the U.S. Holocaust Memorial Council. His most eloquent statement during the 1986 Days of Remembrance continues to remind us of the importance of remembering. Mark Talisman has made a great contribution to the development of the U.S. Holocaust Memorial Council, and the monumental work that has gone into this endeavor is in no small part due to his dedication and vision.

Mr. Speaker, it gives me great pleasure to place his remarks in the CONGRESSIONAL RECORD, and I urge my colleagues to reflect upon the meaning of the Holocaust and its relevance to our world, both then and now.

STATEMENT OF HON. MARK E. TALISMAN, VICE CHAIRMAN, U.S. HOLOCAUST MEMORIAL COUNCIL

Mr. Vice President, Chairman Elie Wiesel, Distinguished Members of Congress and Guests:

This dome rings out with the history which has taken place beneath it. It reverberates with the sounds of life as democracy renews itself daily within it. It recalls with tears the scenes of remembrance as presidents and notables have lain here in state to receive the salute of our people.

Today's ceremony of remembrance is in keeping with the long and hallowed traditions of our nation to revere life thus to remember those who have died and the reasons for their demise.

We assemble again today in our annual taking of this moment, together to remember what had heretofore been remote for most of us who had not directly survived the Holocaust or had been a liberator for those who had survived.

We now know and are learning so much every day about the Holocaust which had intentionally and unwittingly been programed to forget. Each day reveals some among us herein this country who were perpetrators. Sometimes we are elevated by the story of a modest person who still lives who enobles life because of acts of heroism committed so very long ago without a second thought except it was the right thing to do.

Yet we are still shadowed by the question of how such monstrous acts could have been committed amidst such claims to civility and decency. It can truly be said ultimately so much that happened to six million Jewish people, hundreds of thousands of Gypsies, and homosexuals occurred because millions of good people when offered the chance did nothing to help.

Our aim must be to change the odds in this ever increasing turbulent world in favor of decency so that when offered the great honor to save a life that our response is immediately affirmative. That is why this National Day of Remembrance to memorialize the victims of the Holocaust is best focused upon the positive act of remembrance to assure it never happens to any one else every again. Simple tears however unending do not constitute such remembrance to honor the memory of the victims.

Our pledge to act upon that memory to assure that the future of our children will be bright based upon our knowledge that will know where we have come in this history to be sure where we must go, never repeating the horrible lapses which occurred allowing millions of innocent people to be destroyed.

It is said that "Ye shall build up the foundations of many generations and those that shall be of thee shall build up the old waste places and be like a spring of water whose water fail not."

Thank you.

PROTECTIONIST BACKSLIDING

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. COURTER. I want to bring to the attention of my colleagues an important editorial that ran in the New Jersey Star-Ledger June 3 responding to the recent trade bill that, unfortunately, passed this body.

We all agree that something needs to be done about our trade imbalance. There is no question that some U.S. industries are being hit hard by imports. But the big losers under the bill will be the workers of many of our most dynamic industries who will find overseas markets closed to them, and consumers who will pay higher prices on thousands of products. Additionally, American farmers will lose export sales as they are the primary target of retaliation when tariffs and quotas are imposed on foreign imports into this country.

The United States has made great strides in dealing with the basic causes of our trade deficit. Since February 1985, the Japanese yen and the West German mark have risen over 50 percent against the dollar. These currency realignments usually take 12 to 18 months to show substantial effects on trade flows. By late 1986, the effects should become quite visible and substantial improvements in the overall U.S. trade balance should occur in 1987.

While the key to successful trade lies with free trade, it must also be fair trade. Our dedication to free trade is reinforced by a determination to identify and halt cases of unfair trading practices against U.S. producers. We must continue to be aggressive in identifying these unfair trade practices against American producers, forcing other nations to play by the rules. Our goal should be to sustain the progress brought on by the economic recovery program of open markets, lower taxes and lower interest rates—not disregarding this program by creating zero sum protectionist legislation.

The excellent editorial from the Star-Ledger follows:

PROTECTIONIST BACKSLIDING

It was only a matter of time before simmering protectionist sentiments in Congress boiled over into an intemperate legislative reaction. That lamentable development has emerged in the House, which approved, in a one-sided vote, a measure that would impose rigorous import restraints, an action with a regressive potential for touching off a debilitating international trade war.

This is a blatant act of election-year legislating, an economic response that unquestionably will have broad popular support in back-home constituencies but will create havoc in U.S. relations with its trading partners. Troubled farm states would have their problems further compounded by trade restraints.

The proposed trade curbs will not solve the problem of the nation's record trade imbalances (the deficit hit $150 billion last year), the misguided reasoning behind the House bill. More likely, they will worsen a difficult negative trade position.

The measure would rigidly constrict our future foreign trade policy, forcing the President's hand in taking retaliatory counter actions against countries found to be engaging in unfair trading practices against sales of American goods abroad. It would leave the Administration with little flexibility and discretion in negotiating agreements that would lower barriers against U.S. exports.

In a blistering attack, the President made it amply clear he would veto the House trade bill, calling it "kamikaze" legislation that would send American jobs" down in flames."

There is common agreement that something must be done to begin cutting the size of our grossly oversized trade imbalance. Over-reactive trade constraints will worsen the problem, restricting rather than open-

ing overseas markets. In its current critical trade position, the U.S. cannot afford a debilitating trade backlash certain to be touched off by the protectionist legislation passed by the House.

Congress has been under intense pressure from industry to enact rigorous trade curbs, a politically expedient legislative action, acknowledging concern over significant U.S. job losses incurred by cheaper foreign goods flooding domestic markets.

Free trade, in its present imbalanced configuration, no longer is amenable to our trading needs. What is needed, instead, is a fair trade formula, an instrument that would lower artificial barriers imposed by our trading partners, principally Japan, against U.S. exports.

This is a matter that would require hardnose bargaining by the Reagan Administration to gain reasonable, equitable trade concessions. However, the President's hands would be tied under the restrictive, protectionist legislation enacted by the House. The Senate should undo this legsilative mischief, deflecting it before it reaches a crucial stage that would require a presidential veto.

THE CLOSING OF THE KING-SEELEY THERMOS CO.

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. EVANS of Illinois. Mr. Speaker, shortly before I was first elected to Congress, the King-Seeley Thermos Co. announced that it was closing its plant in Macomb, IL. That action cost my district nearly 200 jobs. The company decided to move its Macomb production to Batesville, MS. At its peak in 1978, the Macomb King-Seeley plant had about 600 employees.

The move to Batesville occurred under some mysterious circumstances. It turned out that Batesville had received a $600,000 urban development action grant [UDAG] to improve the industrial park where King-Seeley's newly transferred production would take place. I protested vigorously to the Department of Housing and Urban Development. But HUD officials assured me that there was absolutely no connection between Batesville's UDAG and the loss of jobs in Macomb.

I was never satisfied with HUD's response to my protest, and neither were the King-Seeley workers and city officials in Macomb, IL. We knew that UDAG regulations expressly prohibit the use of grant moneys for transferring jobs from one community to another. But despite those regulations, such job transfers have occurred.

Therefore, I am pleased that the Housing Act that we are considering would significantly strengthen regulations prohibiting the use of UDAG's to transfer jobs. Section 145 of the bill reads:

No assistance may be provided or utilized under this section for any project with identified intended occupants that is likely to facilitate a relocation of an industrial or commercial plant or facility or other business establishment from any city, urban county or identifiable community.

This language is clear enough that even HUD bureaucrats can understand it.

Unfortunately, this legislation comes too late for the King-Seeley workers in Macomb. Those jobs are gone to Mississippi, and the plant is being put to a new and productive use. But had these provisions been clearer 4 years ago, HUD could have been prevented from awarding a UDAG that directly cost that community 200 jobs.

I am convinced that in King-Seeley's relocation, HUD did not adhere to the letter of the law. The legislation now before us makes it crystal clear that Congress will not tolerate future UDAG grants transferring jobs from one part of the country to another. It's a message that HUD officials better study hard and learn.

IN HONOR OF LUCILLE BOSWELL

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House to join me in honoring Lucille Boswell.

Mrs. Boswell will be honored by the East Los Angeles Soroptimists as a leader in advancing the role of women and minorities in the world of business. The Los Angeles native strongly believes that women can raise a family and also pursue career interests. Lucy, as she prefers to be called, is recognized and regarded by her coworkers and peers as someone who challenges others to pursue their potential.

As manager of consumer relations for Coca-Cola Co. of Los Angeles, she has set an example for those around her. Lucy has put her beliefs into action, working for 21 years at Coca-Cola while raising her three children. In addition to achieving highly set personal goals, Lucy has sought to generate high goals for society as well. She helped form a "Future Olympians" program which honored athletes in local media sources and not only encouraged them to realize their potential as competitors in the races they ran, but in life.

Lucy has been involved in her community particularly with social issues. She has been acknowledged by public officials on local, State, and national levels for her service to her community and fellow person on advisory boards and panels. She has worked with people from many different stations and economic backgrounds, demonstrating a talent for relating to people.

Mr. Speaker, I want to commend a woman who has held strong convictions and devoted her talents and energies to others, as she has striven to achieve her own high standards. Lucy has cut across barriers that often separate people to care for and encourage them. I wish her my best and encourage her to continue to strive toward her goals.

THE PLAZA VIEJA PARTNERSHIP

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. RICHARDSON. Mr. Speaker, La Plaza Vieja, Inc., in Las Vegas, NM, is a success story of the private and public partnership in economic revitalization, historic preservation, and job creation. The investors in Plaza Vieja, whom I recently met to discuss their project, have combined to attract CDBG funds, State moneys, and private parties to undertake a long needed refurbishing of the historic plaza area in north New Mexico.

Mr. Speaker, the efforts of the Plaza Vieja partnership should be commended, and I submit the attached article in New Mexico Business Opportunity News to be printed in the CONGRESSIONAL RECORD.

The article follows:

LAS VEGAS RESTORATION STIMULATES ECONOMY

Our Las Vegas, "the first Las Vegas," "the real Las Vegas," was founded 150 years ago by 29 Spanish settlers who laid out a plaza in the traditional manner and surrounded it with one-story log and adobe buildings as protection from Indian attack. The Santa Fe Trail had existed for only 14 years, but already $1 million worth of goods was finding its way annually from Independence, Mo. to Santa Fe.

In 1846 the New Mexico Territory was claimed by the United States and the town continued to prosper as a major way station along the Trail. When the Atchison, Topeka and Santa Fe railroad pushed itself west into Las Vegas in 1879, the boom years began. Midwestern merchants brought Midwestern architecture, and stores, hotels and warehouses sprang up, all sporting the finest Victorian detail of the day.

But by the 1920's, the rest of the nation roared, Las Vegas began to fizzle. The railroad shifted its base of operations to the then-smaller city of Albuquerque, local crop failure led to local bank failure, and by the 1930's Las Vegas joined the rest of the nation as it slid into decline. Lulled to sleep by the Great Depression, Las Vegas rested adequately for the next 50 years dependent upon state money supporting state-run institutions.

But a few years ago, Las Vegas began to rustle from her long sleep. Millionaire industrialist Armand Hammer founded the United World College of the American West at the foot of Montezuma Castle, formerly a magnificent resort hotel and spa; Public Service Company of New Mexico established the Montana de Fibre fiberboard plant; and entrepreneurs Wid and Katherine Slick joined with local partners Lonnie and Dana Lucero and put $2 million into an authentic restoration of the Plaza Hotel.

The efforts have unleashed a new spirit in Las Vegas, a spirit summarized in a recent mayoral campaign slogan: "Unity, respect and progress."

"That's a theme that caught on with an overwhelming number of voters (in March)," Slick says. "People are starting to say, "hey, we've got to get it together.' "

"Those qualities were absent four years ago when Slick and his family, looking for a smaller community with a better quality of life than his native Dallas, chose Las Vegas

as a place to settle and invest in. No local banks would participate in his hotel restoration, and he had to raise all of the money from outside Las Vegas.

But times have changed in three years. Many people, both inside and outside Las Vegas see the potential in restoring the city to something like its glorious Victorian past. A market survey has discovered that Las Vegas can support a number of new small businesses, and, most important of all, perhaps, adequate local financing is now available. That all adds up to some very interesting business opportunities opening up in Las Vegas in the next three to five years, beginning immediately.

"Today, someone coming in will find support that wasn't here three years ago," Slick says.

That support is concentrated in the hands of the La Plaza Vieja Partnership. Under the leadership of Slick, five general partners deeded their 18 commercial buildings in the Plaza/Bridge Street district to the partnership. Fifty-two limited partners then bought shares worth between $4,200 and $100,000, for a total cash equity of $1,050,000. The Bank of New Mexico and the Bank of Albuquerque made an additional $1,303,000 loan commitment.

Slick and Associates then conducted a market survey of Las Vegas to determine the economic viability of renovating 60,000 square feet of commercial space for mixed use as office, retail and residential. And that survey uncovered some very interesting information.

First of all, Slick found that some $20 million in consumer spending was being siphoned off by the larger markets of Santa Fe and Albuquerque. That, as the report states, clearly suggests that the city's commercial sector does not fully meet residential demand.

"It can be said," according to the report, "that to the extent that this demand is not met within the city there is unrealized business opportunity . . . The consumer survey indicated that there are a number of products and services which are not provided in the city to satisfy current local demand. Thus business which is targeted to take advantage of this unrealized opportunity is justified by this current market."

While some of the gaps in the economic fabric of Las Vegas have been mended in the two and a half years since the report was written, the areas of largest demand appeared to be in men's, women's and children's clothing. There appeared to be room for more competition in the area of stereo equipment, and the report went on to list a number of other recommended stores, in order of perceived need: women's accessories, furniture, records, sporting goods (with camping, hiking and fishing gear), books, fabric, electrical and plumbing supplies, housewares, tools and hardware, arts and crafts, drug and variety, pets, bakery, plants, appliances, photographic supplies, candy and nuts, gifts and novelties.

In addition, consumers perceived a need for more restaurants. Six eating establishments have opened there in the last six months, so that need may no longer exist. But Las Vegans also saw a need for more entertainment, including possibly a skating rink, gym, live stage shows and plays and more movie theaters (there currently is one).

Finally, it also seems there is a market for more professional services in Las Vegas. These include doctors, dentists, lawyers and accountants, along with business support services such as quick printing, professional secretarial services and office supplies.

We're looking for interested, solid businesses," Slick says. "Either a branch of an existing business or an entrepreneur."

People opening businesses today in Las Vegas will find some nice inducements not available in past years. La Plaza Vieja will help a prospective tenant select a suitable site in a historic building, renovate that building to meet his needs, lease him space for between $4 and $6 a square foot and perhaps even help him outfit his store or office with fixtures.

"This way a person won't have to spend a lot of money to get started," Slick says. "We want the district to get more and more popular."

This type of planned, deliberate development, where needs are determined and space developed to fill those needs, has worked elsewhere. Will it work in Las Vegas?

Corky Fernandez, the president of the Bank of New Mexico, believes strongly in the viability of a revitalized Las Vegas, and has thrown the resources of his bank solidly behind the project.

"We need to go into this consciously and slowly," he says, "I don't think it will happen over night. But if we walk through it, it will work."

Dr. Gilbert Sanchez, newly installed president of New Mexico Highlands University, sees his plans for a renewed, expanded university dove-tailing perfectly with a restored Plaza/Bridge Street district.

"We want to recruit students from beyond a 60-mile radius," Sanchez says of his goal of adding 800 new students to the existing 2,000 within the next three years. "These students will spend the weekends here and spend more money in the community. We've hired an activities director, and hope to develop more things to do on weekends—have a successful football team, upgrade the dorms, have dances, band concerts, plays, maybe a summer theater series."

Appraiser Judith Wolfe feels the renewed energy evident on the Highlands University campus holds tremendous promise for Las Vegas, and agrees there's room for expansion all over the city.

"Any one who wants to get up in the morning and appeal to the economic base of Las Vegas will prosper. I'm living proof. If you're willing to put in the slightest energy, you will succeed. The opportunities here are unlimited."

Some people have characterized Las Vegas as New Mexico's best-kept secret. It commands a beautiful setting, guarding the east door to the Pecos Wilderness and overlooking the endless plains stretching into the rising sun. It includes a priceless repository of some 700 Victoria-era buildings listed on the National Register of Historic Places. Its economy stands on firm footing with the United World College, Highlands University, Luna Vocational-Technical institute, the state hospital, a state highway regional headquarters and the fiber board plant. It straddles Interstate 25 and has a stop on the Chicago-to-Los Angeles Amtrak run.

With much of the rest of the country becoming more congested, Las Vegas presents a quality of life envied elsewhere. Will the secret remain a secret much longer?

CHIPPING AWAY AT CIVILIZATION

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. CARR. Mr. Speaker, I recently read an article by Mr. Fredric Alan Maxwell in the May 19, 1986, issue of Newsweek magazine. It eloquently describes the arbitrary nature of the Gramm-Rudman-Hollings Deficit Reduction Act, which I voted against. I would like to share it with my colleagues by placing it in the RECORD.

[From Newsweek, May 19, 1986]

CHIPPING AWAY AT CIVILIZATION

(By Fredric Alan Maxwell)

Two months ago I sat at my usual study desk in the normally tranquil Main Reading Room of the Library of Congress and was arrested. I was led away and handcuffed, and over the next 17 hours I endured four body searches, three fingerprint sessions, two stale bologna sandwiches called breakfast and one somewhat reluctant judge—all because I wanted to stay in the library and study.

You see, this son-of-a-librarian is a professional researcher, a fact junkie who rarely loses a game of Trivial Pursuit. Corporations and individuals from all over the country hire me to dig deeply into the data that only Washington, D.C., the information capital of the world, offers. And by far the best fix for my addiction is the 82 million-item collection called the Library of Congress. Yet the powers that be, the people we hire to run our country for us while we're doing more profitable things, have done something that the Great Depression, two world wars and numerous recessions couldn't: reduce the hours that our beautiful national library is open to the general public. I didn't vote for that. Did you?

The library has been open evenings since 1898 and on Sundays since 1903. Now it closes at 5:30 except on Wednesdays and is not open at all on Sundays. And under what Sen. Robert Byrd called "the computerized meat ax" of a law, Gramm-Rudman-Hollings, its budget will be reduced even further unless something is done. So some of us did something. When the new hours went into effect, we simply stayed on. Library officials announced "an ad hoc practice of toleration." But on the third day, I suspect, someone gave someone else a call, and at 5:30 the Main Reading Room was filled with more police than I'd ever seen and 14 of us began our empirical study of the criminal-justice system.

VITAL DUTIES

Daniel J. Boorstin, the librarian of Congress, put it best when he argued that the cuts were "antidemocratic and antiknowledge." Historians, he said, "will not fail to note that a people who could spend $300 billion on their defense would not spend $18 million on their knowledge."

Now I'm not antidefense. I voluntarily enlisted in the Navy during the Vietnam era and served two years on the Chief of Naval Operations' personal staff. My duties were vital, the people I worked with were dedicated; still, I can't forget that at the end of a fiscal year, I was ordered to spend the remains of my unit's budget to ensure the same level of funding the next year.

My major concern now is books, not bombs. The library is the center of historical book preservation, of Braille transcription and copyright protection. It is the place where you register your product in case you want to make some money from your effort and initiative. Most important, it is the core of the information revolution energizing our country. As such, it embodies the ideals of this experiment called America where society is based on ability, merit and the democratic ideal that it is *what* you know, not whom.

In the 19th century "social Darwinism" justified the rewards that came to the economically fittest. But even then, a proponent like Andrew Carnegie built libraries so that the largest possible number of people would have access to information.

A buddy of mine works as an aide in the Senate. I asked him what the current allocation for the Strategic Defense Initiative, Star Wars, is, and he didn't know. I wonder how many people know that our nation is spending $2.7 billion on that one small and highly debatable program, and that three days' worth of that funding would totally restore the library's cuts. I could recommend giving Star Wars researchers three days off—a long weekend without pay. We're at least three days ahead of the Soviets, and our Star Warriors could probably use the break at the end of the fiscal year after they scurry for ways to spend their allocations. I could also suggest that since Gramm-Rudman-Hollings calls for a 4.3 percent cut this year and since we have 100 senators, we simply eliminate 4.3 percent of them, starting with Mr. Gramm, Mr. Rudman and Mr. Hollings.

GRADUAL EMASCULATION

In a different context, Dean Acheson once said that "in view of the fact that God limited the intelligence of man, it seems unfair that he did not also limit his stupidity." Congress can ignore the gradual emasculation of the greatest library in the world, but you will find me sitting in front of it, at the new closing hours, quietly, peacefully, protesting these insane cuts.

Oh, officials barred me from the library after I was arrested, so I did some research, acted as my own lawyer and took them to court. They rescinded the ban and apologized for inconveniencing me. I only wish they would apologize to the students, lawyers and even the lobbyists who must use the library at night. For as the librarian of Congress has argued, "Any willful cut in our resources of knowledge is an act of self-destruction."

THE NEW GI BILL

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. MONTGOMERY. Mr. Speaker, the new GI bill thus far has been an overwhelming success. Much has been said about the effectiveness of the new program, but the letter I recently received from Gary K. Miller, SMSgt, Headquarters, Oregon Air National Guard in Portland, OR, says it best.

I have thanked Sergeant Miller for his letter and have informed him of the strong support given the measure by our distinguished colleagues from Oregon when I first introduced the new GI bill several years ago. There follows a copy of Sergeant Miller's letter:

PORTLAND, OR,
May 30, 1986.

Congressman G.V. "SONNY" MONTGOMERY,
Rayburn House Office Building,
Washington, DC

DEAR CONGRESSMAN MONTGOMERY: On the 6th of June this year I will have the honor of donning cap and gown and graduate from Eastern State College, La Grande, Oregon, with a Bachelor of Science degree. I've worked hard for this; I'm 37 and it is tough to get back to the books.

The main reason for my achieving this goal has been the financial support I've received through the new GI bill. I want you to know how much I appreciate your outstanding leadership in Congress in this and other initiatives affecting the reserve forces. The great State of Mississippi and this great nation are fortunate to have a leader and patriot such as yourself serving in Congress.

Thank you, again,

Very best regards,

GARY K. MILLER, SMSgt,
Hqs. Oregon Air National Guard.

IN PRAISE OF STEVIE WONDER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. RANGEL. Mr. Speaker, I rise to pay tribute to the great musician, Stevie Wonder, for his outstanding contribution in the fight against apartheid.

Contrary to what the Reagan administration says, Americans can have a say in bringing an end to apartheid. Constructive engagement has failed, and companies which still hold to the belief that the Sullivan principles will bring change are deluding themselves. If Reagan and multinational corporations prefer to prop up the Pretoria regime, they should do so with the knowledge that the American people do not support their policies.

Entertainers have largely boycotted South Africa, and those who have performed there are widely viewed as collaborators by blacks. Stevie Wonder has become a leader in the antiapartheid movement by consistently urging his colleagues to stay away from South Africa. He preaches the gospel of human rights and equality for all South Africans, and is an active participant in the free South Africa movement.

Mr. Speaker, I bring the attention of my colleagues to the following article written by Sikhulu Shange, a black South African in exile. His eloquent statement in honor of Stevie Wonder is well worth reading.

[From the Cash Box, Sept. 21, 1985]

IN PRAISE OF STEVIE WONDER

(By Sikhulu Shange)

In our time and in our presence, is a man who lives his life in the most exemplary manner—Stevie Wonder! Having attained extraordinary prominence through his art, he now uses the power of his hard-won position to provide heroic leadership.

Being a South African in exile for the last 21 years with many of my fellow country men and women who are in the same dilemma, I feel compelled to make a statement about my country whenever the opportunity presents itself. I love my country, and it is against my will that I am torn apart from my family and friends. One has to go through the horrors of being barred from his own country, not even to come back to bury his closest relative! I have no apologies to make about fighting for the land of my birth; I am not asking the apartheid regime, or anyone who collaborates with that regime, to do me any favors, because South Africa is the land of my forefathers. I am entitled to raise my family with dignity and respect.

It is unjust for entertainers to go to South Africa to sing and dance for such a murderous regime! Black artists who visit South Africa, do so as honorary whites, but we say dishonorary blacks. Permission is stamped on their traveling documents so they can be privileged to live in the white hotels and perform for the white audiences; whereas the natives cannot even be considered to be employed as artists. The only time a South African is employed is when a white man signs his passbook for authorizataion. Some entertainers who perform in the Bantustans do so thinking, or pretending that they don't know it is still part of South Africa's murderous regime!

The Bantustans like Bophutatswana, Kwazulu, Transkei, etc. are integral parts of South Africa. No government in the world recognizes them except South Africa, who created them. People of South Africa do not need singing and dancing, they need their freedom, now! Entertainment is a political tool when used this way. When you sing and dance for the murderous regime of apartheid, it is a justification of murder of millions in that country.

Some entertainers meet devastating catastrophies while visiting my country. A black American dancer was touring my country with a troupe, and while he was there he was involved in a car accident. An ambulance belonging to a white hospital would not pick him up for treatment. As a result, he was not treated in time and that man is paralyzed for life. Had he been rushed to the hospital in time, he may be walking today. That is apartheid!

The people of South Africa salute the giant of the music industry, Stevie Wonder, for his unselfish participation in the struggle against the most abominable system of apartheid. Some entertainers have been arrested in front of South African embassies for demonstrating their outrage against apartheid.

The support from artists like Diana Ross, Gladys Knight and the Pips, Noel Pointer, Roy Ayers and Barry White, to name a few, have been tremendously positive. These artists and others refused to accept the "lucrative blood money," ranging from thousands to millions, to perform for that racist regime.

A man of integrity, accountability and credibility—Stevie Wonder—is a true humanitarian. His involvement in the civil rights movement and movements for freedom and peace around the world, places him at the apex of the freedom-loving people of the world. Stevie is a man of character and great vision, certainly he lives by his beliefs. Through his music and lyrics he communicates with the entire world. Recently he received awards for the album "The Woman In Red" which he dedicated to Nelson Mandela, the leader of the African National Congress of South Africa. He has been incarcerated for the last 22 years, along with other political prisoners of the A.N.C. Neslon Mandela's crime is that he struggles against the injustices of apartheid. Immedi-

ately after the news reached the apartheid regime's authorities about Stevie's act, the racist regime reacted as expected. Stevie's recordings have been banned from the airwaves and sales of his records have become illegal! A call was made to some of the other entertainers to support Stevie's stand against aparthied, by demanding that their recordings be taken off the air in South Africa. None answered the challenge.

The United Nations heralded Stevie by celebrating his 35th birthday at the General Assembly Hall in New York. Songbird Roberta Flack, Bobbi Humphrey and others celebrities joined the masses to hear the giant delivering this solidarity speech. Here are some of the excerpts from that speech: "Tell me this . . . if it is so important for the laborers to live in the industrial area in the cities, why must they be separated from their wives and children by living in the shacks? The resettlement camps are wrong. If they are so great, why don't the white want to live there? What about Nelson Mandela and other prisoners of consciousness? What is their real crime? When people are oppressed, they rise up and free themselves as they hear the bell for freedom ringing."

Thank you Stevie for being a man. People of South Africa have rendered apartheid ungovernable. The Pretoria regime have declared a state of emergency throughout South Africa. The beginning of the end of apartheid is in sight.

ARIZONA WINS THE COLLEGE WORLD SERIES CHAMPIONSHIP

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. UDALL. Mr. Speaker, I want to take just a brief moment today to pay homage to a great baseball team. Last night, the University of Arizona Wildcats defeated Florida State, 10–2, to win the College World Series championship over the Nation's top-ranked team.

For those who missed it, Mike Senne and Gar Millay both hit two-run homers for the Wildcats in the sixth inning. Gary Alexander pitched a seven-hitter, not even allowing a run until the ninth inning. And Tommy Hinzo even stole home in the seventh inning.

Last night's victory capped a great season for the Wildcats, who finished the year with a 49–19 record. And I must add, last night's championship was not the first for the Wildcats; they also grabbed the NCAA baseball title in 1976 and 1980.

I would like to extend by heartiest congratulations to the Wildcats. At this point, I would like to insert into the RECORD a Washington Post account of the game.

ARIZONA ROLLS TO TITLE IN COLLEGE WORLD SERIES

OMAHA, June 9.—Mike Senne and Gar Millay hit two-run homers in the sixth inning and Gary Alexander pitched a seven-hitter as Arizona defeated Florida State, 10–2, tonight to win the College World Series championship.

The Wildcats, who finished the season with a 49-19 record, won their third NCAA baseball title. They also won the series in 1976 and 1980.

Top-ranked Florida State (61-13) failed in its second trip to the College World Series title game. The Seminoles lost, 2-1, to Southern California in a 15-inning game in 1970.

"It was just an old-fashioned whipping," Florida State Coach Mike Martin said. "They did a great job. We threw our best at them and they beat us."

Both sixth-inning homers came off Florida State reliever Richie Lewis, the series' top pitcher with two saves and two victories entering the game. Lewis had relieved Seminoles starter Mike Loynd, who took the loss and fell to 20-3.

Loynd was trying to tie the all-collegiate season victory record of 21, set by Alan Fowlkes of NCAA Division II Cal Poly Pomona in 1980.

Arizona took a 1-0 lead in the fourth inning when Todd Trafton singled home Chip Hale. The Wildcats made it 2-0 in the fifth when Millay doubled, took third on a wild pitch and scored as Dave Rohde hit into a fielder's choice.

Senne's and Millay's homer made it 6-0 in the sixth. Senne, voted the series' most outstanding player, homered after a Chip Hale double. Trafton then walked, and Millay followed with his homer over the left field fence.

"Like Bill Murray said in 'Ghost-busters,' 'We came, we saw, we kicked their butts,' " Senne said.

Arizona scored three more runs in the seventh—one on a steal of home by Tommy Hinzo—and one more in the eighth for a 10-0 advantage.

Hinzo stole his third base of the game in the eighth to set a College World Series record for most steals in a championship game.

Florida State averted a shutout by scoring two runs in the ninth.

DOUBLE STANDARD FOR SOUTH AFRICA

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. RUDD. Mr. Speaker, the United States recently launched a successful raid against Libyan-based training camps for international terrorist groups. We went right to the source of this evil in an attempt to stop some of the despicable and random violence caused by the terrorist animals who prey on our citizens and stalk the airports and other travel centers in the West.

South Africa also followed our example by launching raids over her border aimed at the Soviet-sponsored African National Congress [ANC] rebels. Yet, our State Department condemned this action.

Mr. Speaker, a wise and patriotic American from Georgia, Gerry Achenbach, back in the Savannah Morning News, recently wrote to me asking about this hypocrisy and double standard for South Africa. I would like to enclose his thoughtful letter into the RECORD for the benefit of my colleagues.

The letter follows:

[From the Savannah (GA) Morning News, May 26, 1986]

A DOUBLE STANDARD FOR SOUTH AFRICA

Editor: I have wired President Reagan and other elected representatives this message:

By what hypocrisy is it legitimate for us to bomb terrorist bases in Libya, then condemn South Africa for exactly the same thing? After discovering huge supplies of Russian-made weapons, South Africa undoubtedly was trying to stop the continuing slaughter of her citizens. Terrorists all over the world are being supplied by Russia. Why not stop terrorism at the source?

We have been so duped and brainwashed by Russian disinformation, the cooperative liberal media, international bankers, et al., we seem unable to think rationally about the unbelievably complex problems in South Africa.

It amazes me how so many otherwise intelligent, well-read people have no knowledge of the history or background of that nation or how diligently they are trying to solve their myriad problems. Nor do most of us realize the dire consequences which will result from our continued interference in their internal affairs. Believe me, South Africa is the linchpin of the western world, and if her government falls, it won't take long for us to realize that we have shot ourselves in both feet and our gun exploded in our collective face.—G.H. Achenbach.

PRESIDENT KENNEDY AND NATIONAL SECURITY; PAVING THE WAY FOR A COMPREHENSIVE TEST BAN TREATY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. DOWNEY of New York. Mr. Speaker, 23 years ago today President Kennedy addressed the expectant graduates at American University. Yet his words were meant for the world to hear.

Today, when the President of the United States has failed to achieve any progress in arms control in the past 5 years and has just recently expressed his intention to abandon SALT II, it is important to recall the historic words and actions of our 35th President. They were never more relevant than today.

In 1963, President Kennedy spoke of war and peace. He reminded his audience that:

Both the United States and it allies, and the Soviet Union and its allies, have a mutually deep interest in a just and genuine peace and in halting the arms race. Agreements to this end are in the interest of the Soviet Union as well as ours—and even the most hostile nations can be relied upon to accept and keep those treaty obligations, and only those treaty obligations, which are in their own interest.

This administration has failed to heed these words of a former President, despite its penchant for quoting him when it suits its needs.

President Kennedy ensured his place in history when he initiated the beginnings of a Comprehensive Test Ban Treaty 23 years ago. He recognized what every President since the inception of the nuclear arms race, with the exception of the current President, has understood: a Test Ban Treaty is in the best interests of American national security.

Kennedy said:

The conclusion of such a treaty, so near and yet so far, would check the spiraling arms race in one of its most dangerous areas. It would place the nuclear powers in a position to deal more effectively with one of the greatest hazards which man faces . . . the further spread of nuclear arms. It would increase our security—it would decrease the prospects of war. Surely this goal is sufficiently important to require our steady pursuit, yielding neither to the temptation to give up the whole effort nor the temptation to give up our insistence on vital and responsible safeguards.

As Paul Warnke has noted, it seems that the nuts, those in the administration who are proponents of a nuclear utilization therory, have indeed won. I would urge them to contemplate President Kennedy's words. What a benefit it would be to America if they understood what Kennedy understood, that—

No treaty, however much it may be to the advantage of all, however tightly it may be worded, can provide absolute security against the risks of deception and evasion. But it can—if it is sufficiently effective in its enforcement and if it is sufficiently in the interests of its signers—offer far more security and far fewer risks than an unabated, uncontrolled, unpredictable arms race.

The American people understand that it is in our own national security interest to pursue a halt to the arms race. It has all but ignored unilateral Soviet initiatives which for a year have given this country an opportunity to halt testing of nuclear weapons. Repeatedly it has refused to consider international offers to verify a nuclear testing moratorium. And this latest move to bury SALT II has finally revealed the Reagan administration's true colors. They have no desire to pursue any arms control agreement whatsoever.

President Reagan would do well to read and study the memoirs of President Kennedy. The same day that he proposed and began to institute a comprehensive test ban, he reminded the world of the universal desire for peace:

I am talking about genuine peace, the kind of peace that makes life on earth worth living, the kind that enables men and nations to grow and to hope and to build a better life for their children—not merely peace for Americans but peace for all men and women—not merely peace in our time but peace for all time.

On this, the 23d anniversary of President Kennedy's inspirational address to the leaders of the future, it is wise to recall his words and his purpose. It is my hope that those of us who still hear his call will pursue the kind of arms control that he advocated.

DEMOCRATIC PARTY BENEFITS FROM COELHO'S EFFORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. BROOKS. Mr. Speaker, I am pleased to bring to the attention of my colleagues a column by David S. Broder from the Washington Post of Sunday, June 8, 1986. Mr. Broder extolls the outstanding achievements of our colleague, TONY COELHO, with particular emphasis on his successes as chairman of the Democratic Congressional Campaign Committee. I believe that TONY justly deserves the kudos received from Mr. Broder, as he also has earned the respect and warm esteem of his Democratic colleagues for his efforts in our own behalf as well as in behalf of the Democratic Party.

Mr. Speaker, I submit the following article for the CONGRESSIONAL RECORD:

[From the Washington Post, June 8, 1986]

TONY COELHO: THE TRIUMPH OF THE DEMOCRATS

(By David S. Broder)

Tony Coelho is so good at what he does, that he's scary. His success tells a lot about what's right—and what's wrong—with the Democratic Party.

Coelho is the 43-year-old congressman from Merced in California's Central Valley and the chairman of the Democratic Congressional Campaign Committee. He is an appealing and courageous man, a dynamic overachiever who has publicized his own battle with epilepsy as an encouragement to others who have that disease.

Politically, he has done so well since taking over the election committee for House Democrats that he is the front runner for election as party whip in the next Congress. That is the No. 3 leadership position and, traditionally, a steppingstone for future speakers.

Coelho's goal, he told me last week, is to see that not one Democratic House incumbent is defeated in November. If that seems farfetched, even for a man of his ambitions, consider this: in 1982, the last nonpresidential year, only three Democratic incumbents lost House seats—two of them because reapportionment forced them to run against Republican colleagues in Republican-leaning districts and only one to a nonincumbent challenger.

Coelho has spent his adult life learning the ways of the House and is a master of its politics. For 15 years, he served as an aide the Rep. Bernie Sisk, his district's congressman, and succeeded Sisk when he retired in 1978.

Since he took over the Democratic Congressional Campaign Committee in 1981, Democrats have picked up a dozen seats. He has transformed the committee from a pale shadow of its Republican counterpart into an effective fund-raising machine and has built a modern media center for Democrats to distribute their electronic messages.

Coelho's great skill is helping fine-tune campaigns. His official biography notes that earlier in his career he was a consultant to the House Parking Committee. He is as adept at fitting issues to districts as he was in finding spots in the House garage that suited members' needs.

He can tell you in one sentence how Democrats can exploit public fears about safety in airlines, drugs and food to make the case for activist government and, in the next sentence, brag that a Democrat in Nevada is winning because "he's running against the government."

Since it is an article of faith in the House that "all politics is local," Coelho's tactical genius makes him many allies. The difficulty arises when tactics begin to control policy choices. Coelho discovered in a hard-fought special congressional election in Texas last year that a tough line against foreign imports stirred the voters. Ever since, he has pushed hard for House Democrats to take what he calls "an aggressive stance" on trade issues.

The highly restrictive trade bill that passed the House last month in the face of veto threats from President Reagan was a central piece of Coelho's strategy for the November elections. He is not fazed when that bill is denounced by editorialists, who are rarely in tune with the Reagan administration, as a dangerous piece of protectionism. The trade issue "worked" for the Democrats in Texas last year, Coelho says, and he can tell you a dozen specific districts from Maine to North Carolina to California where it may help swing seats to the Democrats this year.

As a tactician, he rejoices that, "We've put the Republicans on the defensive." Whether the legislation is "responsible" is another question. "Our bill won't become law," he says, as if that were the answer to the objections. "We're forcing the administration to react to the problem of lost American jobs, and that's being responsible." The most visible administration response to passage of the House trade bill was a sudden move to shut down imports of Canadian cedar shakes and shingles. Canada in turn has taken angry retaliatory action against American computers, semiconductors, books and magazines. Two weeks after the Democrats' trade bill passed, there is talk of a trade war between the United States and its largest trading partner.

Canadians do not vote in American elections, and the long-term damage to the United States' economic future from indulging in short-term protectionism will be a negligible factor in this fall's congressional races. Tactically, Coelho is surely right that it's far better to tell your constituents how "tough" you are on foreign traders than to deal with the root causes of the upheaval in the international economy.

It is the triumph of Tony Coelho to make the Democratic message sell so well in 250 separate districts that not one incumbent may lose. It is the tragedy of the Democratic Party that in message and meaning, its whole is so often less than the sum of its parts.

THE 24TH ANNIVERSARY OF THE NEW FRONTIER INCORPORATED

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. DARDEN. Mr. Speaker, this past weekend I had the honor of joining in the 24th anniversary celebration of the New Frontier, Incorporated—a service organization founded by black men of Cartersville and Barton County, GA, during the South's civil rights upheaval. Its expressed purpose was to help provide a smooth transition between a segregated society and a truly integrated society without destroying the community.

The hard work and sacrifice of the original members of New Frontiers—and of the men who have followed them—is an example of how dedicated individuals can help their neighbors build a better society.

The men of New Frontiers recognize that neither government nor private enterprise can take care of all the community's social service needs. They have dedicated themselves to providing a helping hand to their neighbors

through actions such as donations to the Red Cross; the contribution of money, food and other goods to the needy, especially at times such as Christmas and Thanksgiving; the provision of shelter to the homeless; and the awarding of scholarships to young people, to help them build the foundation for a better life through quality education.

I ask my colleagues to join me in thanking the surviving charter members of the New Frontier for almost a quarter-century of outstanding contributions to betterment of this community. Those surviving charter members are: Luther Jackson, Eugene Dean, George Hendricks Sr., Rev. L.L. Kelley, William Wade, Elder Marvin Jones, Walter Johnson, Arthur Carter, William Roberson, Theodore Kellogg, Jr. and James Tinch.

We also should remember the deceased charter members of the organization—Clifford Ellis, Bennie Smith, George Bradley Wyatt, James S. Morgan Jr. and Theodore Kellogg Sr.—and one honorary member who is deceased, Oscar Canty.

Mr. Speaker, the New Frontier, Incorporated, continues its valuable work today under the leadership of President Weldon Dudley, Vice President Joe Weems, President-Elect John Morgan, Secretary J.S. Morgan III, Assistant Secretary Bobby Carr, Treasurer Walter A. Johnson Sr., Assistant Treasurer Arthur Carter and Parliamentarian Ralph Lowe.

I urge my colleagues to join me in commending these men—and Mr. Winston Strickland, one of the organizers of last weekend's anniversary celebration—for their unselfish service to Cartersville and Bartow County.

STEPS TAKEN TO STABILIZE THE AMERICAN MERCHANT MARINE

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. MILLER of Washington. Mr. Speaker, last week the House Merchant Marine and Fisheries Committee took an important step toward stabilizing and eventually improving the stature of the American merchant marine.

On Wednesday, the committee reported out two bills, H.R. 3662, "The Maritime Agreements Act," and H.R. 4136, "The Military Auxiliary Vessel Resolving Fund Act," or as is more commonly known, build and charter legislation.

Both these bills are intended to improve the competitiveness of the American merchant fleet and are logical extensions of the policy of cargo preference reaffirmed by the House last year.

H.R. 3662 would allow the President to enter into bilateral agreements with other maritime trading countries. Such agreements should result in more cargo being carried on U.S.-flag vessels. The goal is to provide long term stability for our merchant fleet based on these agreements by providing up to one-third of the bilateral cargo for U.S.-flag vessels.

The second bill, Mr. Speaker, is H.R. 4136. This bill addresses two issues which concerned me greatly last year when the House debated changing cargo preference laws. First, our merchant fleet is too small to meet our national defense needs during a time of crisis. Second, we do not need more ships of any type, what we need are more modern and efficient merchant ships which are adaptable to possible military duty. This bill provides for a revolving fund which will allow the Navy to build vessels to their specifications based on consultation with the private sector. These private carriers will make lease payments to the Navy which will finance future ship construction.

Mr. Speaker, that is the good news. Now, for the hard part. The build and charter program will cost $852 million, which was included in the supplemental appropriations bill we passed. These funds as I said will be repaid to the Treasury. The unanswered question right now is the availability of funds. That will depend on decisions made in the Armed Services and Appropriations and Budget Committees later this year. We still face huge deficits, which we must reduce. Nationally, deficit reduction is our No. 1 problem and must be addressed.

The principle of cargo preference is sound, the program of build and charter meets our military needs and helps our shipping industry. I hope we will be able to pass these two bills this year and put these programs into operation.

THE NEDROW VOLUNTEER FIRE DEPARTMENT EPITOMIZES THE SPIRIT AND CONTRIBUTIONS OF AMERICAN VOLUNTARISM

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. WORTLEY. Mr. Speaker, a Gallup Poll has shown that 52 percent of all Americans, 18 years old and over, participate sometime or another in a volunteer activity. This service ranges from simply a one-time basis to a full-time commitment.

Ten percent of all Americans serve 4 or more hours a week to help others.

Since the earliest days of our Nation, voluntarism has flourished in America and enriched the lives of the people in our communities.

So it is with singular pride that I commend the attention of our colleagues to the activities of the Town of Nedrow's Volunteer Fire Department in my New York State congressional district.

The dedicated activities of this organization epitomize what is best about voluntarism and the American tradition of neighbors helping neighbors.

Besides responding to emergencies, the men and women of the Nedrow Volunteer Fire Department have, for some years, conducted life and health protective programs that I believe can be emulated throughout the United States.

One of these programs, that is rather unique, involves free, drive-in clinics for checking blood pressure. Offered at regular monthly intervals, the clinics make it possible for handicapped persons, who are unable to walk from cars to the fire station, to be tested to learn if there is a further need for a physician's care. Other volunteer services make the consultative services of specialists in cardiology, internal medicine and hypertension available at the fire station. Shut-in residents within the Nedrow Fire Protection District can make arrangements for blood pressure testing teams to come to their homes.

Why all this focus on making people aware of their blood pressure?

Warns Charles Petrie, coordinator of the fire department's clinic:

> If you think you have to be overweight, smoke too much or experience headaches or dizzy spells to be a high blood pressure victim, you have been misinformed. High blood pressure is known as the "silent killer" because it gives so little warning.

The clinic also provides free tests for glaucoma and diabetes.

The 19th century poet and essayist, Ralph Waldo Emerson, wrote that "the first wealth is health."

Mr. Emerson wrote from first-hand knowledge. He suffered from tuberculosis.

Mr. Speaker, my constituents are healthier and happier because of the wealth of innovative and dedicated service provided by the Nedrow Volunteer Fire Department.

A TRIBUTE TO McKINELY ELEMENTARY SCHOOL

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. ECKART of Ohio. Mr. Speaker, I want to pay tribute to an elementary school in my district—McKinely Elementary School—for having been named to the Ohio Association of Elementary School Administrators Hall of Fame. McKinely Elementary earned this distinction because of a broad spectrum of accomplishments, including student development and leadership, enrichment programs, remedial efforts, quality staff, parental and community support.

Three years ago, the administration at McKinely Elementary was dissatisfied with student pride and morality. In addition, they felt the school programs lacked active, achievement oriented goals. So teachers and administrators began working to improve student involvement by creating a climate where learning would be meaningful and exciting and parents, staff, and community members would be encouraged to participate in and benefit from the learning experience.

For example, the school introduced innovative programs such as the "Feeling Factory," a room reserved for students who want to talk about mutual problems and concerns, and a program called "Extra Step," to help pupils cope with the loss of loved ones, drug abuse or other problems. School officials also added a young authors program, a playground monitoring program in which older students watch over younger students and theme days when the entire school is devoted to a cultural pres-

entation. Parents, teachers, and community groups are all involved in these and other programs and it is for these reasons that McKinely Elementary has been recognized as one of Ohio's best elementary schools.

Mr. Speaker, McKinely Elementary School should be congratulated for being recognized as one of the top Ohio elementary schools. It has received a very special honor that is reflective of the commitment and dedication of McKinely students, parents, administrative and support staff, and teachers. I take great pride in representing constituents who recognize the value of primary education and have dedicated their lives to such high ideals and I wish to extend my most sincere congratulations to principal Margaret Lennard, and the students, staff, and parents of McKinely Elementary for distinguishing themselves and their community through the school's performance and selection to the Ohio Association of Elementary School Administrators Hall of Fame.

G. MENNEN WILLIAMS, 50 YEARS OF OUTSTANDING PUBLIC SERVICE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. HERTEL of Michigan. Mr. Speaker, this Friday, June 13, 1986, the State of Michigan will be honoring a man who is a giant in his field, a man who has helped shape the history of our great State over the past 50 years, a man who has proved to be an outstanding leader, a dedicated public servant, and a compassionate humanitarian. That person is G. Mennen Williams, chief justice of the Michigan Supreme Court and former Governor of Michigan.

It is with the greatest respect and admiration that I pay tribute to this statesman. Mr. Speaker, not only is Mr. Williams one of the greatest leaders of the State of Michigan in modern history, but a close personal friend and adviser. In addition, I have the privilege of serving him in the U.S. House of Representatives as he resides in the 14th Congressional District.

Mr. Williams has served on the Michigan Supreme Court since 1971, and as chief justice since 1983. As chief judge, he inculcated his philosophical views into the laws of Michigan. He also has been instrumental in reorganizing the judicial system—modernizing and computerizing the court records. He personally sat on many committees and worked closely with experts, overseeing the program to ensure that the finest systems were installed to record Michigan's legal history.

Perhaps the greatest contribution to the judicial system, however, dates back to his years as Governor. During that period, his high standards for judicial appointees brought only the best and the brightest to the judicial system—individuals with great competency and integrity. Even political critics had to commend Governor Williams for the quality of his judicial appointees.

Although Mr. Williams' career in public service spans several decades, the people of Michigan will always remember him best as their Governor. First elected Governor in 1948, G. Mennen Williams was reelected in 1950, 1952, 1954, and 1958, serving more consecutive terms than any Governor in American history, up to that time.

Michigan today leads the Nation in the quality of its schools and education programs. This phenomenon did not happen overnight; its roots can be traced back to the foresight of a Governor who wanted the citizens of Michigan to have every opportunity for the best education available.

Michigan today prides itself in a superior highway system. These top-grade roads were planned and built under the guidance of a Governor who recognized the growing need to provide quality access to every part of the State.

Michigan today is recognized as a leader in the civil rights movement and for its progressive social and labor laws.

Michigan today has an abundance of natural resources; its lakes, forests, and wilderness have been preserved due to the forethought of a Governor who wanted his people to enjoy the natural beauty of our State and preserve much of its splendor for our children and grandchildren.

In 1961, President John F. Kennedy's first appointment made G. Mennen Williams Assistant Secretary of State for African Affairs. During this time, Mr. Williams traveled 500,000 miles on official trips to Africa. He visited virtually every area on that vast continent to obtain firsthand knowledge of conditions and to explain United States policies to the people and governments of Africa. He left his mark in Africa; it is said that the tribal chiefs in many nations can be seen wearing the symbolic green and white bow tie given to them by one of the United States' premier Irish-Americans.

When Mr. Williams resigned from this post in 1966, he was able to report to President Johnson:

> I believe it particularly noteworthy that during this period not a single Communist satellite has emerged from Africa.

President Johnson added:

> You have every right to be proud of the excellent relationships that exist between this Nation and the many countries of Africa. You have earned the respect and admiration of all who have worked with you and you will be sorely missed.

From 1968–69, Mr. Williams served as U.S. Ambassador to the Philippines. At that time, United States military personnel stationed in the Philippines were not permitted to enter the United States Embassy. Mr. Williams opened up the Embassy to the Americans stationed there, calling it their "home away from home."

Mr. Williams was the first foreigner to be elected "Philippine of the Year" by a popular vote of the Philippine people.

G. Mennen Williams began his public service career in 1936 as an attorney with the Social Security Board in Washington, DC. Subsequently, he served as Executive Assistant to the Attorney General of the United States, the late Frank Murphy.

Other Michigan posts held during his notable career include: Member of the Michigan Liquor Control Commission, deputy director of the Michigan Office of Price Administration, and assistant attorney general of Michigan.

During World War II, Mr. Williams served in the Navy in the Pacific and attained the rank of lieutenant commander. He was awarded 10 battle stars, the Legion of Merit with Combat "V," and served with units winning three Presidential Unit Citations.

Mr. Speaker, I can hardly commend an inspiring public official without mentioning the guiding spirit behind the man: His family. Mr. Williams is married to the former Nancy Lace Quirk. They have three children: G. Mennen, Jr., Nancy, and Wendy, and three grandchildren: G. Mennen III, Lee Ann, and Julia.

Finally, I would like to say something about the personal side of G. Mennen Williams. He is a man of great religious convictions and his life has exemplified the practice of those beliefs. Although born to great wealth, he devoted his life to working for those who did not have the advantages he did. These qualities have made him truly a hero of our time. I hope all my colleagues will join me today in praising G. Mennen Williams for his phenomenal work on behalf of the State of Michigan, the Nation and indeed, the world.

A DISTINGUISHED CAREER

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. GALLO. Mr. Speaker, it is rare that a man distinguishes himself by sheer hard work and dedication. Pasquale T. De Chiara is such a man. Pat, as his friends call him, is a career civil servant and has been continually characterized as a man who gives his all to his fellow workers, his community, and his country.

In 1980, Pat reached his lifelong goal by becoming postmaster in Livingston, NJ. He has been responsible for 118 employees, 4 supervisors, 36 carrier routes, 34 postal vhicles, and a branch office.

Pat's most recent and perhaps greatest accomplishment is his work on a new post office in Livingston. His vision of a new post office has been instrumental in developing the plans for this site. At this point in time, property has been purchased and plans have been drawn with a completion date set for the summer of 1987. The new structure is slated as a 20,000-square-foot plant utilizing much of the latest, state-of-the-art equipment and mail processing methods.

Pat was born on November 5, 1927, in Morristown, NJ. He is the second son of Lucia and Raphael De Chiara who emigrated from Italy in the early 1920's. He grew up on Abbott Avenue with his older brother Raymond and his younger sister Frances. After graduating from Morristown High School, Pat served in the medical corps of the Armed Forces during the Korean conflict.

In 1950 Pat married the former Ann De Caro. They were fortunate enough to have four beautiful children; Patricia, Lucille, Raphael, and John. Soon after marrying Ann, Pat was recalled into the medical corps and

served an additional 13 months at Camp Edwards, MA.

His long and distinguished postal career began in Morristown as Pat worked in the capacity of a special delivery messenger. Nine years later he was promoted to foreman of carriers in Morristown. He then progressed to assistant superintendent of mails, and in 1973 he assumed the position of assistant postmaster of the Morristown Office.

Examples of Pat's continued service are varied and extensive. He was a member of the radiological detection team of the Morristown Civil Defense, received the Minute Man Flag for enrolling more than 90 percent of the Morristown employees in a payroll savings for the savings bond drive, received a quality step salary increase for exemplary supervision, served as an usher and bingo volunteer for St. Virgil's Parish in Morris Plains, and worked on the Christmas on the Green Committee in Morristown. In 1970 he was named the grand marshal in the Christmas parade and for this he received the National Parks Centennial Association Award.

Pat is a member of the Livingston Area Chamber of Commerce and served 3 years as its director. He is also a member of Livingston Unico and the Lion's Club.

Pat's career is one that commands respect and admiration. His record is one which serves as an inspiration for any aspiring civil servant. Pasquale T. De Chiara is a man who gave his best to his country and community and his work will not be easily forgotten.

TRIBUTE TO IRENE SUDANO

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. TRAFICANT. Mr. Speaker, today I rise to pay tribute to a very special person, Mrs. Irene Sudano, a constituent to mine from Niles, OH.

Irene's son, Detective John Utlak was killed on December 8, 1982 while working undercover on a narcotics case. His killers were caught and are currently serving life terms. No words of comfort or expressions of sympathy can adequately console Mrs. Sudano for the loss of her son. But Irene Sudano is a fighter. She now is the chairperson of the Survivors Committee of Officers Killed in the Line of Duty.

Irene Sudano has chosen to share with and help others who have lost loved ones in the line of duty. Through her tireless efforts, Irene ensures that this country remembers the grave sacrifices made by our law enforcement officers in the field. She is determined that the supreme sacrifices made by this Nation's law enforcement officers are not forgotten. Rightfully so, this Nation honored the more than 2,000 law enforcement officers who have given their lives in the line of duty since 1960 on May 15, Police Memorial Day.

Irene Sudano has dedicated her life to helping others who have suffered the tragic loss of a loved one. She is a remarkable woman with an indomitable spirit. I can only admire and applaud her courage and determination. I am both honored and proud to count her as one of my constituents. We are all enriched by her efforts and her commitment to the families of officers killed in the line of duty.

Mr. Speaker, in paying tribute to Irene Sudano, I also call upon my colleagues to lend their support to legislation that is very important to her and other families of law enforcement officers—H.R. 4818, the "Public Safety Officers' Death Benefits Amendments of 1986."

According to the Congressional Budget Office, the cost of living has nearly doubled over the past 10 years. The current death benefit is $50,000, payable to the surviving spouse, children, or dependent parents of the officer.

H.R. 4818 does three important things. No. 1, the bill increases the death benefit to $100,000, and provides a cost-of-living adjustment at the start of each fiscal year to avoid further erosion of death benefits. No. 2, the bill allows any parent to be eligible to receive death benefits—regardless of whether or not they are dependents. This provision is vitally important because a majority of officers killed are 26 or younger, and may not be married or have children. The parents of the officer are still faced with expenses which could be paid with the death benefit.

The third feature of this bill is that it pays for itself via the establishment of a trust fund to pay a significant portion of death benefits. These funds would come from an additional $500 penatly assessed to every individual convicted of a Federal felony.

H.R. 4818 addresses an issue that is of great concern to the law enforcement community and their families. It is a legislative initiative championed by Irene Sudano, one that deeply touches her and countless other parents of officers killed in the line of duty.

As a cosponsor of H.R. 4818, which was introduced by my esteemed colleague from Michigan, BOB TRAXLER, I urge of my colleagues to lend their support to this important and much needed legislation.

Mr. Speaker, I would like to close by again affirming my deep admiration for Irene Sudano and my unbending support for her cause. She continues to inspire me in efforts here in Congress and I hope to continue working with her on behalf of the law enforcement community and their families.

FEDERAL INVESTMENT IN HIGHER EDUCATION

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. VENTO. Mr. Speaker, in remarks made recently by President Reagan, the President complained that a number of college students are not taking advantage of the job opportunities currently available to them. When responding to a group of close-up students the President stated:

You'd be surprised how many colleges have jobs on the campus for students and literally are advertising with no takers. And let me tell you, it isn't all bad if you have an opportunity to work to help defray your expenses, if you need to.

These job opportunities must be in President Reagan's imagination because they are surely not on our Nation's campuses. According to U.S. Department of Education statistics, participating colleges and universities have applied for $1.4 billion for the College Work Study Program in the 1986–87 program year. The money appropriated for use in this same time period was about 40 percent of the request, or $567 million to be exact. Now I am not sure where the President is seeing these job listings, but it obviously is not through the College Work Study Program.

Mr. Speaker, contrary to what this administration has stated in the past, all of today's college students cannot fund their postsecondary education on the basis of selling their stereo systems, they do not drive brand new sports cars, and they do not all take spring break trips to Florida. For the most part, these are hard working young adults who would welcome the opportunity to work to defray some of their college expenses.

I am concerned with what is becoming an increasing trend of higher and higher levels of debt for our college students. The President proudly boasts of the amount of money made available to college students in the form of loans. But it is difficult for a student to be idealistic about graduating from college when saddled with a $20,000 debt. When I was working my way through school it was possible to work at a blue-collar job and make reasonably good money. My generation would not have traded our jobs for a loan, nor would today's students. However, this type of work is simply not available for the most part to students today.

The Reagan administration has consistently tried to reduce the role of the Federal Government in helping students finance their higher education. Since taking office, the President has sought budget cuts and program changes that would make it far more difficult for middle-income families to finance an education for their children, and nearly impossible for low-income students to go to college.

President Johnson eloquently stated the need for a Federal role in higher education when he proposed the Higher Education Act back in 1965:

Nothing matters more to the future of our country: Not our military preparedness, for armed might is worthless if we lack the brain power to build a world of peace; not our productive economy, for we cannot sustain growth without trained manpower; not our democratic system of government, for freedom is fragile if citizens are ignorant.

Mr. Speaker, the same holds true today. It is imperative that we stand by this commitment.

KUHLMAN HONORED FOR 10-YEAR SERVICE AS SCHOOL HEADMASTER

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. TORRICELLI. Mr. Speaker, I rise in honor of Robert J. Kuhlman on the occasion

of his 10th anniversary as headmaster of Saddle River Day School in Saddle River, NJ. Few people have contributed as much to secondary education as has Mr. Kuhlman.

Mr. Kuhlman received his bachelor's degree in history from the King's College in 1960 and his master of arts in area studies from Fairleigh Dickenson University in 1963. He then went on to receive additional graduate credits from a number of universities, including Princeton University and the Harvard University Graduate School of Education.

Mr. Kuhlman joined the faculty of the Saddle River Day School as a fifth grade teacher in 1963. From there, he was named chairman of the History Department in 1964, chairman of the middle school in 1966, chairman of the upper school in 1968, assistant headmaster in 1972, and finally, he took on the responsibilities of headmaster in 1976.

Since Mr. Kuhlman became headmaster 10 years ago, the Saddle River Day School has gone through a sustained period of academic growth. This has included a strong college preparatory program, with advanced placement courses, independent study programs, small classes, a strong emphasis on writing skills, and the introduction of courses in economics, world affairs, and Russian history.

Mr. Kuhlman has also been very involved with organizations outside of school. He has served as secretary of Calvary Lutheran Church in Bergenfield, NJ, has taught Sunday school there for 14 years, and was a little league manager for 3 years in Emerson, NJ. He also is a member of both the New Jersey Associations of Secondary School Principals and the National Association of Secondary School Principals.

Robert J. Kuhlman is truly a humanitarian, a man devoted to his profession and to his community. I sincerely hope his next 10 years at the Saddle River Day School will be as productive and enjoyable as his first.

BOSTON TO HOST SPECIAL LIBRARIES ASSOCIATION CONFERENCE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. FRANK. Mr. Speaker, I am pleased to note that Boston is to be the host city for the 77th Annual Conference of the Special Libraries Association [SLA], June 7–12. This year's theme "Excellence in the World of Information," is the focal point for this international meeting of information professionals.

SLA has come quite far from its organizational meeting, held on July 2, 1909 in Bretton Woods, NH with 57 charter members. Today, the association is made up of approximately 12,500 information managers and librarians in corporations, research centers, Government agencies including our own Library of Congress and specialized departments of public and academic libraries around the world. More than 80 percent of the members of SLA are women. Sixty-eight percent are employed in the corporate world, 20 percent in Government, 10 percent in education and 2 percent in public libraries. The association publishes books, periodicals, surveys, monographs, and bibliographies for the profession.

The goal of the Special Libraries Association is to advance the leadership role of its members in putting knowledge to work in the information society. Toward this end, SLA's conference has continuing education seminars and workshops to enhance its members' professional growth. More than 5,500 special librarians and information specialists will attend.

As the library community celebrates the centennial anniversary of library science education, it is noteworthy that SLA, while looking to the future and the opportunities it holds, is also looking back. SLA has funded a research project to trace the development of special library science education in the United States. It is intended to contribute to the centennial celebration of library science education and is designed to ensure that the historical record of library science education documents the emergence of special librarianship and its important contribution to education for librarians.

I congratulate the association on its 77 years of "putting knowledge to work."

SUPPORT TOBACCO AD BAN

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. STRATTON. Mr. Speaker, I want to congratulate our colleague. MIKE SYNAR of Oklahoma. I am joining him today, along with five other House Members, in introducing legislation to ban completely the advertising and promoting of all tobacco products—prohibiting magazine, newspaper, and billboard advertising as well as sponsorship of sporting events.

Earlier this year Congress enacted legislation that incorporated my bill to ban TV and radio advertising of smokeless tobacco products. This latest proposal follows naturally from my smokeless tobacco bill, and from the 1970 ban on TV and radio advertising of cigarettes. It is the logical, next step in our fight against a proven health hazard that claims 1,000 lives every day in America.

Despite the clear hazard to health, the use of tobacco products—from cigarettes to snuff to chewing tobacco—goes on unabated, particularly among young people. It's the kids who are lured so successfully by glamorous ads splashed across the backs of popular magazines and billboards featuring athletic heroes, handsome cowboys, and even beautiful girls.

More than 20 years ago the Surgeon General reported on the serious health risks of tobacco, and proof of this contention has mounted ever since. Smoking and chewing cause massive health problems, including cancer, emphysema, and coronary heart disease. Still, young people often have no real appreciation of the risk to their health and their youth. Luring young people—and especially young women—into smoking with enticing, glossy advertising is unconscionable.

We must move forward in tackling this epidemic. It is terribly discouraging to see young girls walking down the corridors of schools and offices with cigarettes in hand, emulating the athletic, sexy, popular models in advertising. This slick campaign cannot be tolerated.

ONE HUNDRED YEARS OF SERVICE THROUGH EDUCATION

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. SCHUETTE. Mr. Speaker, on May 22, the Sugnet Elementary School in Midland, MI, celebrated its centennial year. For 100 years, Sugnet School has been serving the community by educating and building the character of the children of Midland.

Those 100 years have been years of continuous growth and expansion for Sugnet School. When the school first opened in 1886, it was typical of the local schoolhouse that has become a part of our national heritage—a one-room white frame building capped by a belfry complete with school bell. Today, the school is typical of our most up-to-date educational facilities, having just completed a spacious new addition to accommodate its rapidly increasing environment. That enrollment has doubled in just the last 2 years.

The Sugnet Elementary Parent-Teacher Organization takes pride in the spirit of cooperation to be found among parents, teachers and students of the school. This is the real reason why the Sugnet School has grown and prospered over the past 100 years—the spirit of service, dedication and loyalty which characterizes all those associated with the school. I can personally attest to the loyalty that all those who have attended feel toward Sugnet School, for both my sisters, Sandra and Gretchen, attended.

Mr. Speaker, it is my privilege to commend this spirit to my colleagues in Congress and to the American people, and to offer my congratulations to the Sugnet Elementary School on its 100th anniversary.

THE 90TH ANNIVERSARY OF THE JEWISH WAR VETERANS

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1986

Mr. MICA. Mr. Speaker, I would like to take a moment today to speak about a veterans' group celebrating its 90th anniversary this year.

The Jewish War Veterans of the U.S.A. represents a proud tradition as the oldest active veterans' organization in America. Formed in 1896 by a group of Jewish Civil War veterans as the Hebrew Union Veterans, today the Jewish War Veterans work to implement programs related to American foreign policy, civil rights, defense spending, national security, and veterans' benefits.

Through its hospital, rehabilitation and veterans' service programs, the Jewish War Veterans assists the veteran and his dependents

in many ways by maintaining veterans service offices staffed by professionals, in major cities throughout the country.

The Jewish War Veterans supports the Boy Scout organization, provides summer camp scholarships for underprivileged children, provides college scholarships for promising high school students, and through its local posts, undertakes a variety of civic betterment projects, including the building of low-cost, federally-subsidized senior citizen housing.

On the 90th anniversary of this fine organization, let this statement stand as our proclamation of congratulations for all the special work that the Jewish War Veterans has done for America.